

# EXECUTIVE

Monday, 13th February, 2017  
6.30 pm





# EXECUTIVE

## BURNLEY TOWN HALL

Monday, 13th February, 2017 at 6.30 pm

This agenda gives notice of items to be considered in private as required by Regulations (4) and (5) of The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012.

Members are reminded that if they have detailed questions on individual reports, they are advised to contact the report authors in advance of the meeting.

Members of the public may ask a question, make a statement, or present a petition relating to any agenda item or any matter falling within the remit of the committee.

Notice in writing of the subject matter must be given to the Head of Governance, Law & Regulation by 5.00pm on the day before the meeting. Forms can be obtained for this purpose from the reception desk at Burnley Town Hall or the Contact Centre, Parker Lane, Burnley. Forms are also available on the Council's website [www.burnley.gov.uk/meetings](http://www.burnley.gov.uk/meetings).

### **AGENDA**

#### **1) Apologies**

To receive any apologies for absence

#### **2) Minutes**

5 - 10

To approve as a correct record the Minutes of the last meeting held on the 25th January 2017 (enclosed)

#### **3) Minutes of Individual Decisions**

There are no Individual Executive Decisions made since the last meeting

#### **4) Additional Items of Business**

To determine whether there are any additional items of business which, by reason of special circumstances, the Chair decides should be considered at the meeting as a matter of urgency.

#### **5) Declaration of Interest**

In accordance with the Regulations, Members are required to declare any personal or personal and prejudicial interests they may have and the nature of those interests in respect of items on this agenda and/or indicate if S106 of the Local Government Finance Act 1992 applies to them

- 6) Exclusion of the Public**  
 To determine during which items, if any, the public are to be excluded from the meeting.
- 7) Public Question Time**  
 To consider questions, statements or petitions from Members of the Public
- 8) Council Tax Renovated Property Discount** 11 - 16  
 To consider a report on a Council Tax Renovated Property Discount (report enclosed)
- 9) Conservation Area Management Plan (CAMP) for the Padiham Conservation Area** 17 - 84  
 To consider a Conservation Area Management Plan (CAMP) for the Padiham Conservation Area (report enclosed)
- 10) Revenue Monitoring Q3 2016/17** 85 - 96  
 To consider Revenue Monitoring in Quarter 3 of 2016/17 (report enclosed)
- 11) Medium Term Financial Strategy 2018-20** 97 - 122  
 To consider the Medium Term Financial Strategy 2018-20 (report enclosed)
- 12) Revenue Budget - 2017/18** 123 - 136  
 To consider the Revenue Budget 2017/18 (report enclosed)
- 13) Treasury Management Strategy 2017/18 and Prudential and Treasury Indicators 2017/18 - 2019/20** 137 - 158  
 To consider a report on the setting of prudential indicators 2017/18 - 2019/20 and the strategy for undertaking Treasury Management activities for the financial year 2017/18 (report enclosed)
- 14) Capital Monitoring Q3 2016/17** 159 - 170  
 To consider Capital Monitoring in Quarter 3 of 2016/17 (report enclosed)
- 15) Capital Budget for 2017/18 and Capital Investment Programme 2017/2020** 171 - 184  
 To consider the Capital Budget for 2017/18 and the 2017/2020 Capital Investment Programme (report enclosed)
- 16) Strategic Plan 2017-20** 185 - 200  
 To consider the Strategic Plan 2017-2020 (report enclosed)

**MEMBERSHIP OF COMMITTEE**

Councillor Mark Townsend (Chair)  
 Councillor John Harbour (Vice-Chair)  
 Councillor Beatrice Foster

Councillor Sue Graham  
 Councillor Wajid Khan  
 Councillor Lian Pate

**PUBLISHED**

Friday, 3 February 2017

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## EXECUTIVE

### BURNLEY TOWN HALL

Wednesday, 25th January, 2017 at 6.30 pm

#### PRESENT

#### MEMBERS

Councillors M Townsend (Chair), J Harbour (Vice-Chair), B Foster, S Graham, W Khan and L Pate

#### OFFICERS

Pam Smith	– Chief Executive
Mick Cartledge	– Chief Operating Officer
Asad Mushtaq	– Head of Finance
Lukman Patel	– Head of Governance, Property, Law and Regulation
Mike Waite	– Head of Corporate Engagement
Imelda Grady	– Democracy Officer

#### 69. Minutes

The Minutes of the meeting held on 19<sup>th</sup> December 2016 were confirmed as a correct record and signed by the Chair.

#### 70. Declaration of Interest

Councillor Bea Foster declared an other interest (personal) in the item relating to the Lancashire Wide Programme to resettle Syrian refugees.

#### 71. Additional Items of Business

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Purpose To seek approval to purchase 18.5 acres of land at Grove Lane Padiham.

Reason for Decision In order that the project can be progressed in a timely manner in order to obtain proposed external funding.

Decision In accordance with the provisions of Section 100 (B) (4) (b) of the Local Government Act 1972 the Chair decided that the item should be taken in view of the special circumstance outlined and be taken as item 14 on the agenda.

## **72. Lancashire Wide Resettlement of Syrian Refugees**

Purpose To agree Burnley Council's participation in a Lancashire-wide programme to resettle Syrian refugees.

Reason for Decision The recommendation is in line with the position that Burnley will play its proper and proportionate part in helping resettle refugees, and will do so as part of a co-ordinated approach across Lancashire.

The recommendation is made on the basis that there will be appropriate financial and practical support from government and through partner organisations, so that all proper arrangements will be put in place without the programme having any disproportionate impact on existing services.

Decision

- (1) To agree to work with Lancashire County Council on a Programme to resettle Syrian refugees, in line with the average number being resettled across the county.
- (2) To agree to develop existing partnership work with SERCO, who are responsible for a programme of dispersing asylum seekers.
- (3) To support LCC in a bid for government funds from the Controlling Migration Fund.
- (4) That the detailed decision making on participation in the programme and related partnership work be delegated to the Head of Corporate Engagement, in consultation with the Head of Housing and Development Control, and the Executive Member for Community Services

## **73. Environmental Enforcement**

Purpose To seek approval to Re-fresh the Council's Environmental Enforcement Strategy

Reason for To enable the Council to continue to deliver its 'Clean Burnley' strategic priorities.

- Decision To set out the environmental enforcement standards that residents, local businesses and the community can expect across the Borough.
- Decision That approval be given to the amended Environmental Enforcement Strategy

#### **74. Exclusion of the Public**

- Purpose To consider when it may be relevant to exclude the public from the meeting, and clarify the order of the agenda.
- Reason Minute Numbers 75, 76, 77 and 78 contain exempt information relating to for the financial or business affairs of any particular person (including the Decision authority holding that information).
- Decision That the public be excluded from the meeting before discussion takes place on the items relating to Minutes 75, 76, 77 and 78 since 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 Part VA of the Local Government Act 1972.

#### **75. Morecambe's Lodge**

- Purpose To approve the extension of the lease of Morecambe's Lodge to the Trustees of Freshfields Enterprises Ltd to 25 years.
- Reason To secure investment in improving the facilities on site.  
for  
Decision
- Decision That approval be given to the extension of the Morecambe's Lodge Lease on the outline terms set out in the report, and the Head of Governance, Law, Property and Regulation be authorised to complete the legal formalities.

#### **76. Implementation of Environmental Enforcement**

- Purpose To seek approval to Implement specialist environmental enforcement across the borough to support the Council in delivering its Cleaner Borough strategic agenda.
- Reason To enable the Council to continue to deliver its 'Clean Burnley' strategic priorities.  
for  
Decision To provide robust enforcement to challenge and change behaviours where these

persist, regarding; littering, dog fouling and public space protection order enforcement.

To maintain the cleanliness and enforcement across the whole of the borough.

Option 3 provides the least risk to the Council for the implementation of the pilot. There are no financial costs for implementation or delivery with this option and it maintains a focus on quality with regards to the issue of Fixed Penalty Notices.

- Decision
- (1) That approval be given to the implementation of a 12month pilot with Kingdom Enforcement Services with effect Spring 2017
  - (2) That Option 3 be the preferred option for the pilot from Kingdom's Proposal
  - (3) That approval be given for the waiver of Standing Orders for Contracts (SOC 18 and 20) and:
  - (4) That the final details of the pilot be delegated to the Head of Streetscene in consultation with the Head of Governance, Law, Property and Regulation and the Executive Member for Community Services

## **77. Housing Partnership**

Purpose To seek Executive approval to enter into a ten year contractual joint venture, to help the Council delivery its housing strategy.

Reason for Decision The procurement of a joint venture developer partner is a key action in the Council's current Housing Strategy. Company A offered the most economically advantageous tender.

- Decision
- (1) That delegated authority be given to the Chief Operating Officer, in consultation with the Executive Member for Housing and the Environment, to conclude the procurement in compliance with EU procurement procedure and accept Company A's bid as the most economically advantageous tender for the housing joint venture; and,
  - (2) That the Head of Governance, Law, Property and Regulation be granted delegated authority to agree and execute all documents necessary to give effect to the above decision.

Following the decision being taken it was announced that Company A relates to Barnfield Homes Ltd.

## 78. Land at Grove Lane, Padiham

**Purpose** To seek approval to purchase 18.5 acres of land at Grove Lane Padiham

Amendments were made at the meeting to paragraphs 9 and 11 of the report.

**Reason for Decision** The proposal will contribute to delivering the Council's strategic objectives on Place and Prosperity

- Decision**
- (1) That approval be given to the purchase as set out in paragraphs 6 and 9 (as amended) of this report
  - (2) That approval be given to the contribution as set out in section 8 of this report
  - (3) That delegated authority be given to the Chief Operating Officer in consultation with the Leader to conclude negotiations and agree terms
  - (4) That delegated authority be given to the Head of Governance, Law, Property and Regulation to agree and execute all documents necessary to give effect to the above decision.
  - (5) That Full Council be recommended to transfer the sum referred to in paragraph 9 from the Transformation Reserve to fund the capital spend and create the appropriate budget

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## Council Tax Renovated Property

### REPORT TO THE EXECUTIVE



<b>DATE</b>	<b>130217</b>
<b>PORTFOLIO</b>	<b>Resources and Performance Management</b>
<b>REPORT AUTHOR</b>	<b>Nick Hardwick / Paul Gatrell</b>
<b>TEL NO</b>	<b>01143 999101 / 01282 477230</b>
<b>EMAIL</b>	<a href="mailto:nick.hardwick@liberata.com">nick.hardwick@liberata.com</a> <a href="mailto:pgatrell@burnley.gov.uk">pgatrell@burnley.gov.uk</a>

#### PURPOSE

1. To seek approval in respect of a new policy for awarding local Council Tax discount to the owners of renovated properties which were previously classed as either uninhabitable or long-term empty.

#### RECOMMENDATION

2. That Full Council be recommended to approve this new policy for awarding local Council Tax discount from 1 April 2017. (Appendix 1)
3. That Full Council be recommended to approve that delegated authority is given to the Head of Housing and Development Control to amend the criteria of the scheme to ensure it remains cost effective and achieves the objectives of the policy.

#### REASONS FOR RECOMMENDATION

4. This new Policy seeks to relieve property owners from the burden of paying Council Tax whilst they are renovating properties which were previously classed as either uninhabitable or long-term empty.
5. The policy adds an extra incentive for such owners by awarding a 100% local discount for up to six months, once renovation works have been completed on former uninhabitable or long-term empty properties, and the works have brought the property up to an agreed standard.

#### SUMMARY OF KEY POINTS

6. Burnley has approximately 2,400 empty properties - almost 5% of the total housing stock. Of the 2,400 empties, 1,050 have been empty for more than six months of which:
  - 60 are uninhabitable
  - 620 are empty and substantially unfurnished
  - Around 370 have been empty for over two years

7. This report proposes the introduction of a local discount in the form of a pay-back scheme that incentivises owners of both uninhabitable and long-term empty properties to carry out renovation works to bring them back into use within a defined period of six months from the start of renovation work to the completion of works and occupation of the premises.
8. To be eligible for this new local Council Tax discount, the property must,
  - a) be in a certain state of disrepair and include significant category 1 Hazards as defined by the Housing Act 2004.
  - b) of been vacant for a minimum period of 12 months (not lived in),
  - c) be unfurnished,
  - d) be undergoing renovation works that will achieve the Council's Gold Accreditation Standard and be completed with the property occupied within a timeframe of 6 months.
9. The local discount scheme will give up to six months full Council Tax discount when renovation works are completed within a six month period, and the property is brought back into use. The definition of "brought back into use" is that the property is occupied as someone's main home.
10. The scheme will operate retrospectively, so the discount is awarded once the works are completed, an inspection has been made and the property is occupied. The Council Tax that has been paid throughout the renovation period will then be refunded to the owner.
11. Participation in the scheme is conditional upon there being no Council Tax arrears or debt owed to Burnley Council. Where the applicant has multiple properties, all accounts for each property must be paid up to date, not just those affecting the relevant property.

## **FINANCIAL IMPLICATIONS AND BUDGET PROVISION**

12. Under normal circumstances, discounts for Council Tax are financed as follows:
  - 17% by Burnley Borough Council
  - 69% by Lancashire County Council
  - 10% by Lancashire Police and Crime Commissioner
  - 4% by Lancashire Fire and Rescue Authority
13. As this is a local discount, funding will need to be met 100% by Burnley Borough Council.
14. The cost of awarding six months local discount to a Band A property in Burnley is £560. We would expect take-up of this scheme to be relatively low at around 20 properties during the first year. An estimate of the cost of the scheme for 2017/18 is therefore £11,200.

## **POLICY IMPLICATIONS**

15. This new policy will allow the Council to administer applications for discount in a consistent and fair way.



<b>DETAILS OF CONSULTATION</b>
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16. Deborah Davies – Head of Revenues and Benefits

<b>BACKGROUND PAPERS</b>
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17. None

<b>FURTHER INFORMATION</b>	
<b>PLEASE CONTACT:</b>	<b>Nick Hardwick 01143 999101</b>
<b>ALSO:</b>	<b>Paul Gatrell (01282) 477230</b>

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## **Council Tax discount policy for renovated empty properties**

### **The purpose**

This policy is intended to offer an incentive to owners of empty homes to return them back in to use and ensure they make a positive contribution to the Borough's housing market. The policy will seek to relieve property owners from the burden of paying Council Tax during the period that the property is undergoing renovation. The renovation works will be aiming to bring the property up to a decent standard of repair and thereafter be occupied as a household's main or principle residence.

### **Eligibility Criteria**

The property must be,

1. In a state of disrepair that includes the presence of significant or multiply category 1 hazards as defined by the Housing Act 2004.
2. Currently vacant and has been in a vacant state for a minimum of 12 months.
3. Unfurnished.
4. Occupied as a household's main or principle home within a period of six months from the date of issue of the schedule of works.

The renovation works must be,

1. Completed within a period of six months and the property occupied as describe in point 4 above.
2. Completed to the Council's Gold Accreditation Standard (as set out in the Council's good landlord and agent code of practice).
3. Defined and set out by an appropriate officer of the Council in a schedule of works that is issued to the owner. Renovation work cannot start until the schedule of work is received.
4. Signed off as complete and satisfactory in line with the issued schedule of works by an appropriate officer of the Council at the end of the renovation period.
5. Include all relevant safety certificates such as a Gas Safety Certificate and an Electrical Condition Report. If required Building Regulations Approval.

The property owner must,

1. Not have any Council Tax debts or other arrears owned to the Council on the property relevant to this discount or any other property in their ownership.
2. Be intending to rent the property out once renovated or reside in the property themselves as an owner occupier.
3. Be a licensed landlord if they have any rented properties in their management and/or ownership in any of the Council's designated areas for selective licensing.
4. Be a member of the Council's Good Landlord and Agent Scheme or be actively working towards membership.
5. Have no outstanding disrepair cases on any rented properties in their management and/or ownership.

6. Provide proof of ownership
7. Provided an intended owner occupation or intended lettings certificate.

### **The procedure**

1. The property owner will apply to the Council on the relevant application form.
2. The Council will respond within 10 working days to confirm whether the property and owner are eligible for the discount scheme.
3. If the property and owner are eligible for the discount scheme the Council will contact the owner within 5 working days of this notification to agree an appointment for the Council's Technical Officer to carry out a schedule of works for the property.
4. This schedule of works will be issued to the owner 10 working days from the property inspection and this date of issue will be the start of the six month period within which the property must be renovated to a satisfactory standard, approved by the Council and occupied as a household's main or principle home.
5. If the property requires planning permission then the date of the permission will be the start of the six month renovation and occupation period (*This will only apply if the permission is granted after the schedule of works is issued*).
6. Once the owner is satisfied that the renovation works are complete and the property is occupied they will contact the Council's Empty Homes Team to notify them and agree an appointment for the Council's Technical Officer to inspect the works.
7. Following this inspection the Council's Technical Officer will contact the owner within 5 working days to notify them whether the renovation works are satisfactory and meet the Gold Accreditation Standard.
8. If the works are satisfactory and the property is verified as occupied the Council's Empty Homes Team will liaise with the Council Tax Department to determine the application.
9. If the Council are satisfied that all the component parts of the process have been complied with the Council Tax department will notify the owner that the discount is approved and process the discount.

## PADIHAM CONSERVATION AREA MANAGEMENT PLAN

### REPORT TO THE EXECUTIVE



<b>DATE</b>	<b>13<sup>th</sup> February 2017</b>
<b>PORTFOLIO</b>	<b>Regeneration and Economic Development</b>
<b>REPORT AUTHOR</b>	<b>Sarah Heslop</b>
<b>TEL NO</b>	<b>01282 425011 x3144</b>
<b>EMAIL</b>	<b>sheslop@burnley.gov.uk</b>

#### PURPOSE

1. To seek approval of the draft Padiham Conservation Area Management Plan (CAMP) for consultation.

#### RECOMMENDATION

2. That the Executive approve the draft CAMP for the purposes of public consultation in accordance with Section 71 of the Planning (Listed Buildings and Conservation Areas) Act 1990.
3. That the Executive approve the Head of Regeneration and Planning Policy has delegation to make minor editorial changes to the draft CAMP prior to publication.
4. To note the final CAMP will be reported to the Executive for approval and adoption at a future meeting.

#### REASONS FOR RECOMMENDATION

5. The CAMP is a key tool in fulfilling the council's duties under Section 71 of the 1990 Planning (Listed Buildings and Conservation Areas) Act to draw up and publish proposals for the preservation and enhancement of conservation areas and to consult the local community.
6. An adopted CAMP is a key requirement for the awarding of £1.4m HLF funding for Padiham Town Centre.
7. By supporting the CAMP and its proactive implementation throughout the lifetime of the TH scheme and beyond, the Council is demonstrating to HLF its commitment to using the full range of planning measures and statutory powers, where appropriate, to ensure proper management of the conservation area in which funding will be invested.

<b>SUMMARY OF KEY POINTS</b>
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**Padiham: Crafting the Future funding bid**

8. In February 2016 Burnley Borough Council was successful in a stage 1 pass from the Heritage Lottery Fund (HLF) Townscape Heritage (TH) programme for the Padiham: Crafting the Future project. A development grant of £48,000 was awarded to progress the TH business case to a stage 2 application, which (if successful) will allow access to £1.4million which has been ring-fenced by HLF to deliver the scheme over 5 years.
9. The Padiham TH project is focussed on a compact area of mostly Victorian buildings, predominantly in retail use, at the heart of the conservation area, an area known locally as 'The Hill'. The 5 year programme aims to bring back traditional life and vitality to the historic core and renew the appreciation of the town's rich heritage and strong connections with Gawthorpe Hall, through three key areas:
  - Repair and restoration works to buildings – this will involve grant aided works available to property owners within the TH boundary at a fixed percentage rate (yet to be determined) to cover the costs of external repair and restoration works to retain the historic nature of the area. Where applicable, grants to bring vacant floorspace back into use will also be available. This is seen as key for the area in terms of increasing footfall and spend. Increases in occupancy will also ensure that the buildings are better looked after and maintained. Under this workstream the Council will also deliver an exemplar refurbished building to set an example of good craftsmanship and to deliver immediate impact at a prominent location on 'The Hill'.
  - Public realm scheme - £250,000 is earmarked for environmental improvements within the TH area to include decluttering of street furniture, introduction of traffic calming measures, new pavement surfaces and public art.
  - Wider activity programme – Working with local partners, the Padiham TH will deliver a Borough wide programme of community engagement events and heritage skills training activities throughout the lifetime of the project, to deliver a skills and education legacy.
10. In addition, the programme will have funding for a TH Officer over the 5 year period.
11. The stage 2 application (development phase) is currently on track and the bid will be submitted on 28th February, with a decision expected by the end of June 2017. If approved it is expected that the project will commence this autumn for a period of 5 years.

**Padiham Conservation Area Management Plan**

12. A CAMP is a key tool for fulfilling the council's duties under Section 71 of the Planning (Listed Buildings and Conservation Areas) Act 1990 to draw up and publish proposals for the preservation and enhancement of conservation areas and will assist in interpreting the Local Plan. However, it must be emphasised that the CAMP is not a substitute for policy making that is properly associated with the local plan.
13. The production and adoption of a Conservation Area Management Plan is also a key requirement for the awarding of the HLF grant. Its intended purpose is to provide a framework to assist the Council in the onward management of Padiham Conservation Area, and safeguard TH investment after the programme has ended.

14. An up to date Conservation Area Management Plan gives the HLF confidence that the Council is committed to the Conservation Area in the long term and that the Council has accepted what is required in terms of interventions and future actions to continue to manage it and improve it. HLF requires confidence that its investment is part of a bigger agreed picture and that improvements forthcoming will not necessarily be made in isolation.
15. The draft CAMP for Padiham has been produced by Buttress Architects (in consultation with Council Officers) and has been part funded by HLF during the development stage. The document sets out the management actions and enhancement proposals required to protect and strengthen those elements of the Padiham Conservation Area which gave rise to its designation as an area of special architectural and historic interest. Whilst the management actions are primarily the responsibility of Burnley Council, their successful implementation will also depend on the co-operation and enthusiasm of other organisations and stakeholders including property owners and the local community. To be effective the Plan must be actively supported by all, with stakeholders working together to strengthen and promote the area's built and natural heritage.
16. Principally, the plan aims to manage future change in order to strengthen the area's distinctive identity and make it attractive for a range of commercial, cultural and leisure activities through the recognition of threats, by pro-active management, by local commitment and with programmes of enhancement and guidance provided when possible.
17. It is intended that this Plan will cover a period of ten years from adoption and will be subject to regular monitoring and review to ensure that priorities remain relevant, to assess progress and to make any amendments necessary to reflect changes in circumstances. The management plan is not a statutory document and does not form part of the development plan, however, it will be a material consideration in decision making and supports the active management of the Conservation Area through the development control process.
18. There is a requirement under Section 71 of the Planning (Listed Building and Conservation Areas) Act 1990 for the local authority to consult the local community on any management proposals for Conservation Areas. Executive agreement is now sought to approve the draft CAMP document for public consultation. The consultation shall run for a minimum period of four weeks and will include a public meeting held in Padiham Town Centre to present and discuss the content. The council will directly consult Padiham Town Council and those with an interest in the subjects covered by the management plan and efforts will be made to reach a wider audience through the local press, the council's website and social media. Paper copies will be accessible in Padiham library. The Council will consider any views expressed through the consultation in preparing the final draft for formal adoption. The revised CAMP will be brought back to Executive so that they may approve and adopt the CAMP and support its proactive implementation throughout the lifetime of the TH scheme and beyond. In adopting the CAMP, the Council is committing to using the full range of planning measures and statutory powers, where appropriate, to ensure proper management of the conservation area. It is anticipated that the CAMP will be reviewed at 5 year intervals.

## **FINANCIAL IMPLICATIONS AND BUDGET PROVISION**

19. There are no financial implications directly associated with this report.
20. The adoption of a Conservation Area Management Plan will assist the Council's endeavours to secure a £1.4M investment in part of Padiham's Conservation Area, through an application to the Heritage Lottery Fund. The CAMP itself while recommending many interventions, further studies and actions, does not commit the Council to any increase in existing budget provision.

## **POLICY IMPLICATIONS**

21. The Padiham: Crafting the Future project is a high priority and delivers the Council's objectives on prosperity and place.

## **DETAILS OF CONSULTATION**

None

## **BACKGROUND PAPERS**

- Padiham Conservation Area Appraisal
- Draft Conservation Area Management Plan for Padiham

## **FURTHER INFORMATION**

**PLEASE CONTACT:**

**ALSO:**





Padiham Conservation Area  
Conservation Area Management Plan

2017-2027

**Buttress**



# Padiham Conservation Area

## Conservation Area Management Plan

Rev	Date	Status	Name	Description
4 <sup>th</sup>	3 <sup>rd</sup> February	FOR CONSULTATION	Jenna Johnston   Heritage Consultant	Comments incorporated for consultation.
3 <sup>rd</sup>	1 <sup>st</sup> February	DRAFT	Jenna Johnston   Heritage Consultant	Further comments, third issue.
2 <sup>nd</sup>	25 <sup>th</sup> January 2017	DRAFT	Jenna Johnston   Heritage Consultant	Second Issue + comments
1 <sup>st</sup>	January 2017	DRAFT	Jenna Johnston   Heritage Consultant	First issue

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# 1 Executive Summary

Padiham Conservation Area's most widespread issue is the ubiquitous implementation of inappropriate modern alterations. Namely, the installation of UPVC windows and doors, plastic rainwater goods, and satellite dishes. Though seemingly small interventions, collectively they have the potential to significantly erode the historic character of the town. These apply primarily to residential properties. Commercial properties also have these issues, but many also have the problem of inappropriate modern signage that significantly degrades the historic streetscape.

Additionally, the lack of a coherent and site-wide Public Realm Strategy has meant that previous works have been carried out in isolation. The result has been disjointed approaches to street surfaces and furniture, often within the same Character Area. There are good examples of historic fixtures and fittings, such as lamp posts, therefore there is plenty of information to provide guidance for the development of a Plan.

The conclusion is that Padiham has a high-quality building stock that tells an interesting story about its community. There is a great amount of potential for the area to enhance both the aesthetics and the history of the town through careful alterations and future development.

CONSULTATION

## 2 Introduction

Under the Planning (Listed Buildings and Conservation Areas) Act 1990, local planning authorities have a statutory duty to designate Conservation Areas as any area of 'special architectural or historic interest,' whose character or appearance is considered worthy of preservation or enhancement. As such, Conservation Area designation is the primary means by which the Council can safeguard valued distinctive places that help to define the individual historical and cultural identity of its communities. However, the Council acknowledges that designation alone will not secure the preservation and enhancement of these areas and that active management is vital to ensure that they can adapt and develop in a positive way.

This Conservation Area Management Plan for the Padiham Conservation Area was commissioned by Burnley Borough Council in October 2016. Burnley Borough Council are not legally required to produce Management Plans for their Conservation Areas, but it is a practice encouraged by Historic England for the informed management of change in historic places. It is particularly pertinent due to the Conservation Area's inclusion on the Historic England At Risk Register.

### 2.1 Townscape Heritage Scheme

This Plan is part of an important phase of Padiham's development. In January 2016, the Heritage Lottery Fund (HLF) awarded development funding for a Townscape Heritage Scheme (TH) project named *Crafting the Future*. Focussing on a compact area of mostly Victorian buildings, predominantly in retail use, at the heart of the Padiham Conservation Area, the TH project is a key driving force in the future conservation and management of Padiham. It aims to bring back traditional life and vitality to the historic core, the appreciation of the town's rich heritage, and strong connections with Gawthorpe Hall.

The full grant involves a five-year programme bid for £1.45million to breathe new life back into the heart of Padiham through five separate programmes:

- **Physical works:** to buildings: grants to property owners to cover a fixed percentage of the costs of repairs to the exterior, reinstatement and restoration of lost historic features.

- **Public realm scheme:** designed to enhance the pedestrian experience, including decluttering of street furniture and signage, new surface treatments, and public art.
- **Education and engagement programme:** working with local partners including the Gawthorpe Textile Collection.
- **Heritage/conservation skills programme:** delivering a series of training opportunities for property owners and tenants, architects/designers, contractors, members of the general public, and college students.
- **Project management and evaluation:** managed by a dedicated Townscape Heritage (TH) Officer.

Detailed proposals for this project will be submitted to the HLF for approval in June 2017.

The aims and objectives of the Conservation Area Management Plan are interlinked with the delivery of the Padiham Townscape Heritage (TH) Programme. Both the Management Plan and the Townscape Heritage Programme are measures that will lead to the positive manage of change and enhancement. The Management Plan sets out guidance and future actions for the proactive management of the conservation area, whilst the TH Scheme is the funding mechanism for partnership working to tackle a range of issues which are social, economic and regenerative.

### 2.2 Purpose of the Plan

This Management Plan is the key tool for fulfilling the Council's duties to draw up and publish proposals for the preservation and enhancement of Conservation Areas under S.71 of the 1990 Planning (Listed Buildings and Conservation Areas) Act, and to assist in interpreting the Local Plan. It must be emphasised that it is not a substitute for policy-making that is properly associated with the Local Development Plan.

The primary aims of this management plan are to:

- Provide the basis for the proactive management of Conservation Area by informing future Council policy formulation and decision-making for the next five years;
- Act as a material consideration in the determination of planning applications, use of planning powers, and exercise of the Council's duties under the Planning Acts in conjunction with the character appraisal document;

- Meet the Council's statutory duty in regard to s.71 and s.72 of the Planning (Listed Buildings & Conservation Areas) Act 1990;
- Provide a clear illustration of the Council's commitment to our funding partners for the future implementation of the TH Scheme, and ensure the benefits to be gained from the TH Scheme are sustained.
- Ensure that opportunities are taken to attract additional resources to support action under this Plan.

The Management Plan is informed through the identification of:

- Areas that provide the largest contribution to the heritage significance of the Conservation Area.
- Areas that are detracting from the significance of the Conservation Area.
- Areas of short-term and long-term improvement.
- Areas that could potentially contribution to the Council's wider aims and objectives.
- Potential threats to the significance of the Conservation Area.

The implementation of this Plan will support the preservation and enhancement of the Conservation Area. This will be achieved primarily through:

- The identification of priority buildings to be targeted for maintenance, repair, architectural reinstatement and reuse. The Conservation Area Appraisal includes an overview of important and interesting properties within each Character Area. The Management Plan identifies properties that stand to have the largest impact on their surrounding area – both by neglect or enhancement.
- Providing a set of general management recommendations and actions (Section 6) to address known threats to the Conservation Area. This will provide a context for proposed new works, including repair and architectural reinstatement.
- Aiming to ensure that works on historic buildings, and within the historic environment, are carried out to a high standard of design, material and method.
- Encouraging high quality and sympathetic new developments.

- Encouraging conservation works in the wider Conservation Area to enhance the work carried out by the ongoing Townscape Heritage scheme.
- Ensuring that works in the public realm, including street furniture and green spaces, are adequately maintained, appropriate to their context, and seek to enhance the value of the Conservation Area.
- Engaging the community in managing and promoting the value of the Conservation Area.
- Ensuring the long-term sustainability of the TH grant-assisted works to buildings and public realm.
- Promoting a better awareness of the need for owners to maintain their properties, through education and training.

Whilst the management actions are primarily the responsibility of Burnley Borough Council, their successful implementation will also depend on the co-operation and enthusiasm of other organisations and stakeholders, including property owners and the local community. It will further depend upon the identification of appropriate measures of financial support for future conservation purposes.

## 2.3 Scope of the Plan

The Management Plan commences with a description of the current legislation, policies and guidance relating to Conservation Areas. It summarises the special historical and architectural character of the conservation area and identifies several issues which detract from and/or threaten to harm that special interest. The tools that current planning legislation provides the Local Authority are listed, and examples of locations in the Conservation Area where these could be used are identified. The issues that are currently affecting the Area are set out and sources of information for building owners are provided, including general guidance on appropriate ways of repairing and altering buildings. The Plan concludes with detailed management proposals and suggests ways in which this could be achieved and the Plan implemented.

Management proposals and actions are provided at both a general 'conservation area wide' level, and specific to each of the individual character areas, identified in the *Conservation Area Appraisal*. Proposals are cross referenced to the issues (summarised in 12.6 Summary of Priorities) they are intended to address and are split into two types:

- **Development guidelines:** contain recommendations for control of development that are both general in nature and specific to each character area. In some cases, this may not only be guidance on the acceptability of new developments, but also guidance on matters such as advertising control or change of use. These guidelines aim to protect the quality and interest of the areas as a whole, not only the buildings, and are primarily designed to inform planning decisions and applications.
- **Enhancement proposals:** set out priorities for change, and actions that aim to make a positive impact on the quality and interest of the character areas.

## 2.4 Methodology

This Conservation Area Management Plan has been created by drawing together existing documents produced by Burnley Borough Council, including the "Saved" *Burnley Local Plan* (2006), the *Preferred Option Local Plan* (2016), *Padiham Heritage Appraisal*, and the *Padiham Area Action Plan – Preferred Options Report*. These documents have been adapted to reflect Conservation Area Management guidance provided in Historic England's *The Historic Environment in Local Plans: Historic Environment Good Practice Advice in Planning: 1* (2015). There has also been reference made to the Heritage Lottery Fund's *Conservation Plan Guidance* (2012) and *Management & Maintenance Plan Guidance* (2012) to inform the management element of the document.

## 2.5 Authorship & Acknowledgements

This document has been produced by Jenna Johnston MA(Hons) MSc, *Heritage Consultant* on behalf of Buttress Architects Ltd, in consultation with Burnley Council. Condition information has been provided by Grant Prescott BSc (Hons) BArch, *Architect*; Sam Gill BArch (Hons) MArch, *Architect*; and Alex Scrimshaw, *Chartered Architectural Technologist*, on behalf of Buttress Architects.

## 2.6 Consultation & Adoption

There is a requirement under Section 71 of the Planning (Listed Building and Conservation Areas) Act 1990 for the local authority to consult the local community on any management proposals for Conservation Areas. Following the Executive approval of this consultation draft Management Plan in February 2017, the document will be published for feedback by the wider public and a public meeting held to present and discuss the content. The council will consult those with an interest in the subjects covered by this Management Plan. Details of the consultation will be sent to local heritage and community groups with an interest in Conservation Area, and efforts will be made to reach a wider audience through local media, the council's website and social media. Paper copies of this document will be accessible at Burnley Contact Centre and at the Burnley and Padiham Libraries. The Council will consider any views concerning the proposals expressed through the consultation in preparing the final draft for formal adoption.

## 2.7 Other Documents

As previously discussed, this document has been produced by drawing together pre-existing documents produced by Burnley Borough Council.

- *Padiham Draft Conservation Area Appraisal* 2014.
- "Saved" *Burnley Local Plan* (2006)
- *Preferred Option Local Plan* (2016)
- *Padiham Heritage Appraisal* (2007)
- *Padiham Area Action Plan – Preferred Options Report*

These are significant, extensive and robust pieces of work that should be consulted for information regarding the wider Padiham area. Information regarding individual properties should be sought in Buttress's Condition Survey Report (2016).

The Plan should also be read alongside the National Planning Policy Framework (NPPF) (2012).

### 2.7.1 Relationship to Padiham Conservation Area Appraisal

The Management Plan has been developed from, and should be considered in conjunction with, the Padiham Conservation Area Appraisal. The appraisal defines and records the special architectural and historic interest of the Conservation Area, including a detailed character analysis, summarised in 3.3 Description of the Heritage. It identifies the positive and negative features of the Conservation Area, and provides an outline of the main issues which detract from and/or threaten to harm its special historical and architectural character, and its important features. These are the issues that this Plan seeks to address, through the identification of a series of preservation and enhancement actions, to help secure the area's long-term viability as an important heritage asset.

### 2.7.2 Relationship to the Local Plan and Development Management

The Management Plan will complement existing national and local planning policies by providing further advice on the management of the Conservation Area. Following formal adoption by Burnley Borough Council, the Conservation Area Appraisal and Management Plan will inform the development of planning policy. It will form part of the evidence base for the emerging Local Plan; assist in development control decisions; and help building owners, their agents and architects, along with planning professionals, interpret and apply statutory requirements and national and local planning policy in the Padiham Conservation Area.

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# 3 Understanding the Heritage

## 3.1 Introduction

Padiham Conservation Area was designated 18<sup>th</sup> June 1975. The boundary of the Area was subsequently extended in 1981 and 1984 to include notable buildings, on the periphery of the historic core, that are strongly associated with the history and evolution of the town. It is considered particularly important due to surviving evidence of its pre and post-industrial history. The draft *Padiham Conservation Area Appraisal* published in January 2014 provides a detailed understanding of the significance and special qualities of the Conservation Area and should be read alongside the Management Plan.

The Conservation Area incorporates the historic core of the town, which has a high density of heritage assets. The underlying medieval footprint, from which a fine Victorian townscape grew, makes the historic core of Padiham unique within the Borough, and within the broader context of Pennine Lancashire. The region's predominantly 19<sup>th</sup> century development followed either grid iron patterns, or relatively new communications infrastructure, such as the Leeds-Liverpool Canal.

The retention of the original street pattern has also meant that, although substantial development took place in a relatively compressed timeframe from the early 1800s to the early 20<sup>th</sup> century, the area presents a fascinating and attractive variety of building mass, height, scale and rooflines, indicative of the topography and streetscape. It also retains visual homogeneity, using a restrained and fairly limited palette of traditional materials.

The Conservation area covers some 13 hectares of historic townscape, taking in the origins of the modern-day settlement at the crossing point of the River Calder and Saint Leonard's Parish Church, once the centerpiece of the historic market place. The Conservation Area includes a variety of principal buildings of fine industrial-era architecture, including commercial, residential, civic, ecclesiastical and residential. A notable example is Gawthorpe Street, thought to have been built to the plans of Charles Barry. Saint Leonards Church, built in 1866 on the site of a medieval church, forms the centre-piece of the Conservation Area, which was once the historic core of this ancient market town. The

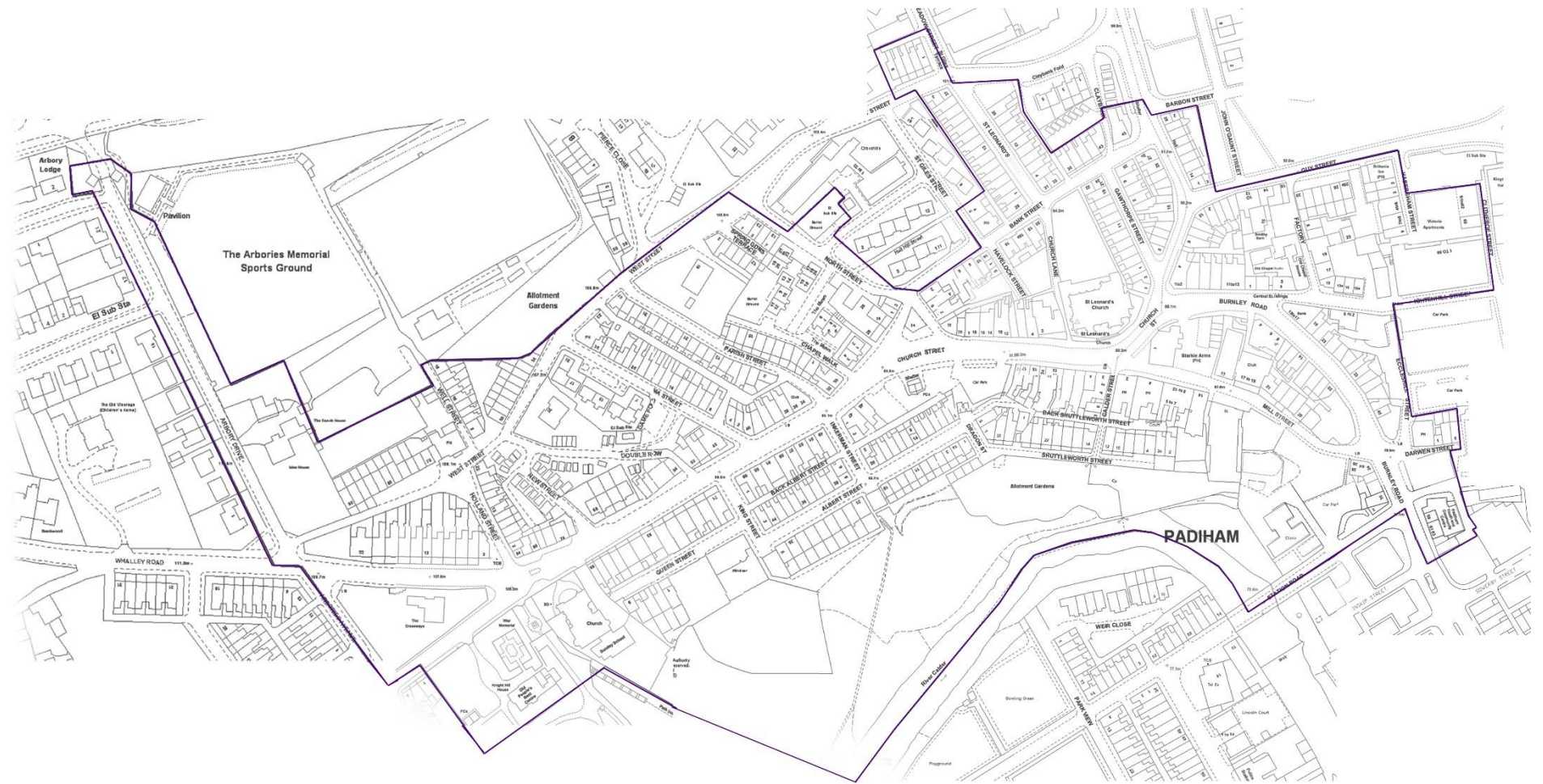


Figure 1 Padiham Conservation Area Boundary

buildings are generally two and three-storey, with none challenging the dominance of St Leonard's Church as a focal point for the area.

## 3.2 Location

Padiham is one of several closely neighbouring settlements, which lie along the valley of the River Calder and its tributaries. Padiham historically occupied an area on the northern banks of the Calder with its historic centre lying 5 km west of Burnley. It expanded across the river during the second half of the 19<sup>th</sup> century and currently forms part of the modern parish of West Burnley.

To the south-east and east the Conservation Area is bounded by more intensive, dense industrial commercial and residential development of varied ages and character. The area is bounded to the south west and west by sparser residential development tailing out into the wider countryside. To the north, the Conservation Area is bounded by 20<sup>th</sup> century housing development, the Arbories sports ground and the wider rural area.

### 3.2.1 Geography & Topography

The geology, topography and natural features of the area have influenced the development and character of Padiham. The underlying solid geology of the area consists of Lower Westphalian Coal Measures of the Carboniferous era, which contributed to the early industrial exploitation of the area. The drift cover consists primarily of glacial till deposits. The hills to the north and the higher land to the south of the town are formed of Carboniferous sandstone.

The historic core of the town is built on ground sloping upwards from the River Calder in north westerly direction and bounded to the South by the River Calder, and Memorial Park, with some 19<sup>th</sup> century residential development.



### 3.2.2 Townscape

Padiham's townscape and identity are linked to the part it played in the textile revolution. Although Padiham did not expand as rapidly as Burnley during this period, its development has created a rich and unique historic environment. The transport routes (road and rail), warehouses, bridges, mills, weaving sheds and chimneys, housing, schools and shops associated with the industrial revolution still dominate Padiham's townscape today providing a visual illustration of the connection between the past and the present.

The Conservation Area's focal point is St Leonard's Church which occupies an elevated position overlooking the wider town, and is a dominant feature in the wider townscape.

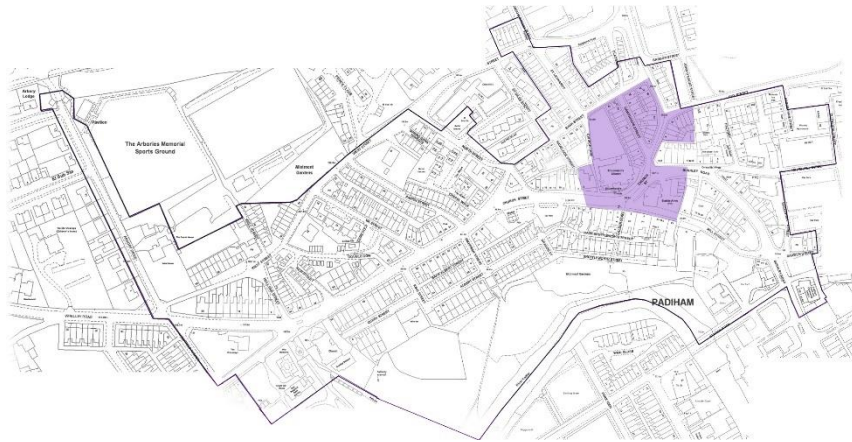
CONSULTATION



### 3.3 Description of the Heritage

The draft *Padiham Conservation Area Appraisal* (2014) provides a detailed understanding of the significance and special qualities of the Conservation Area and its individual Character Areas. The Appraisal should be consulted for further information, and should be read alongside the Management Plan. Brief summaries of each character area, and some illustrative photographs, have been included here for reference.

#### 3.3.1 Character Area 1: Historic Core

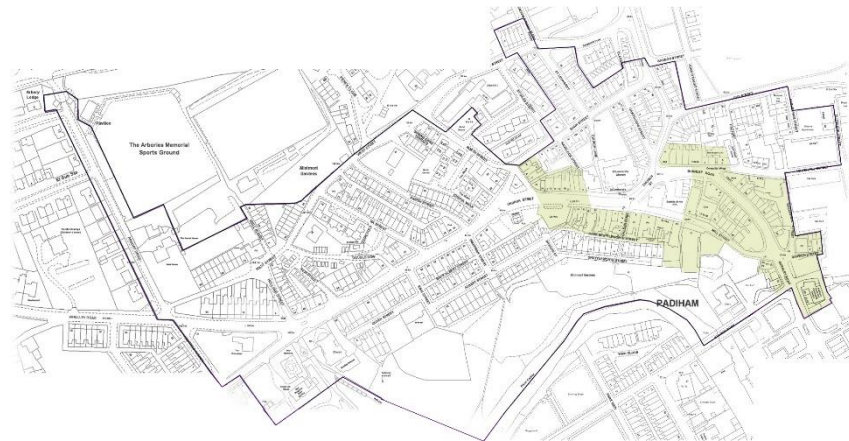


This Character Area takes the historic core of Padiham around St Leonard's Church, Gawthorpe Street, The Old Black Bull Inn (now the Cavern Restaurant), and Starkie's Arms and car park. This represents a significant clustering of listed assets giving a high degree of group value in the townscape.



Figure 2 Starkie Arms

#### 3.3.2 Character Area 2: Commercial Core, Mill Street & "The Hill"

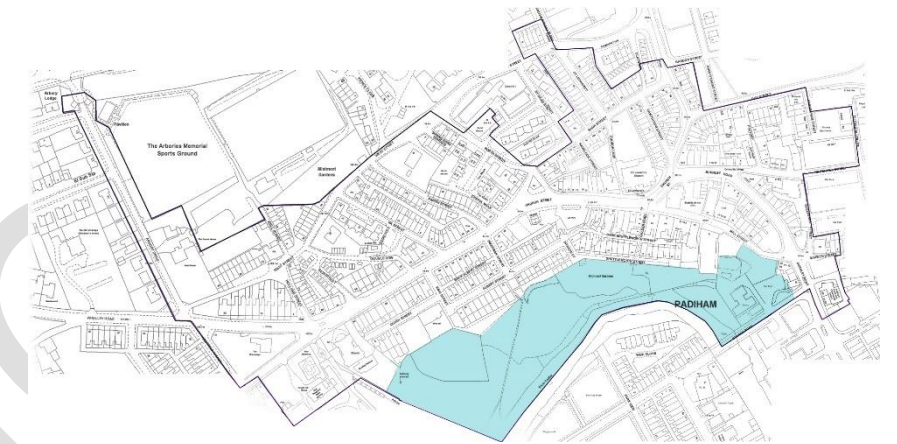


This Character Area features the significant stock of commercial buildings fronting onto Burnley Road, and Mill Street, representing a variety of architectural styles. As well as commercial buildings, beer houses and inns, this Character Area also includes many older, smaller residential properties such as the cottages on Calder Street.



Figure 3 Burnley Road looking south

#### 3.3.3 Character Area 3: Riverside Open Space



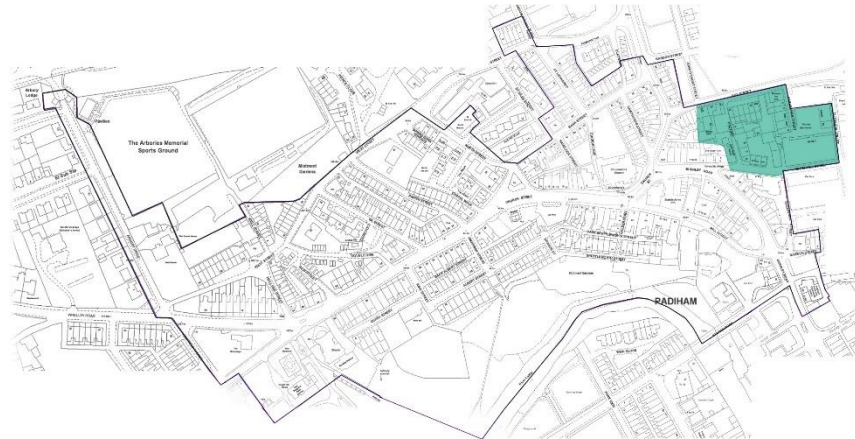
This Character Area contains the open space and allotment gardens to the south of Shuttleworth Streets, and the modern PCT clinic.



Figure 4 Looking south over the River Calder



3.3.4 Character Area 4: Mixed Historic Industrial, Residential & Commercial

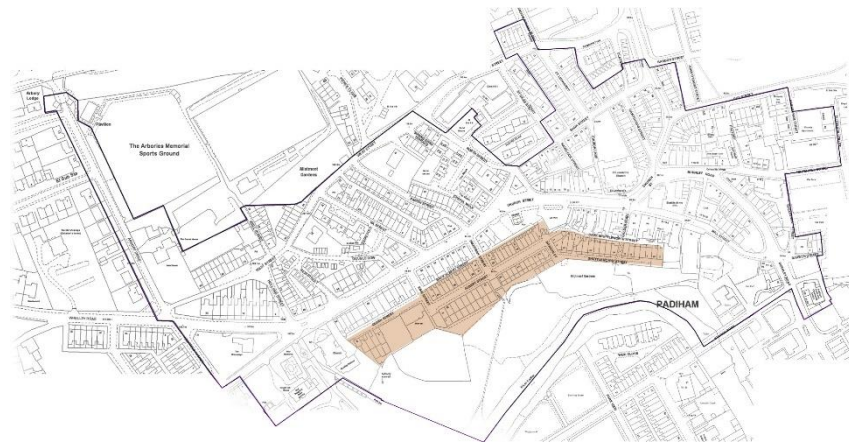


This area includes a variety of property types including inns, industrial buildings, commercial property, and smaller residential units. The chimney and Water Tower at Victoria Mill both emphasize the industrial character of this sub- area, and act as landmarks. The bulk and mass of the Mill contrasts with the generally more intimate pattern and human scale of development throughout the rest of the Conservation Area.



Figure 5 Guy Street

3.3.5 Character Area 5: Riverside Residential

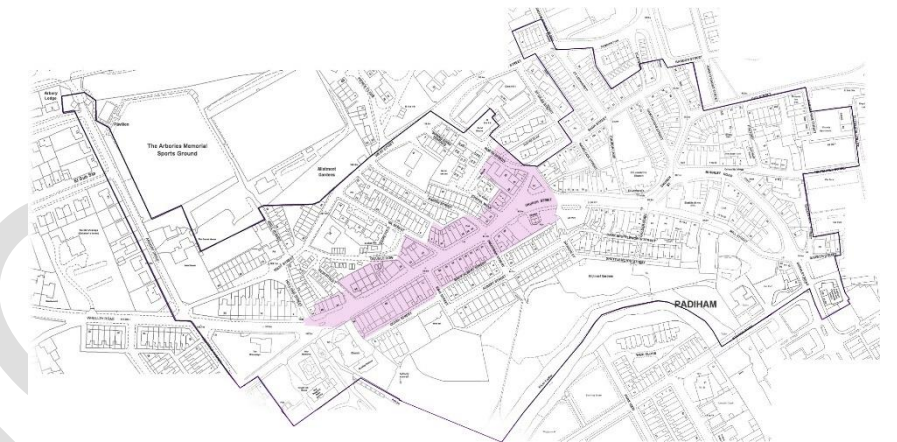


This Character Area contains a variety of larger stone- built residential properties on Shuttleworth Street which command views across the River Calder, are garden- fronted and fringe green space and similar properties on Albert Street. Shuttleworth Street is cobbled and includes barley twist lampposts, which enhance its historic character.



Figure 6 Shuttleworth Street

3.3.6 Character Area 6: Church Street Frontage



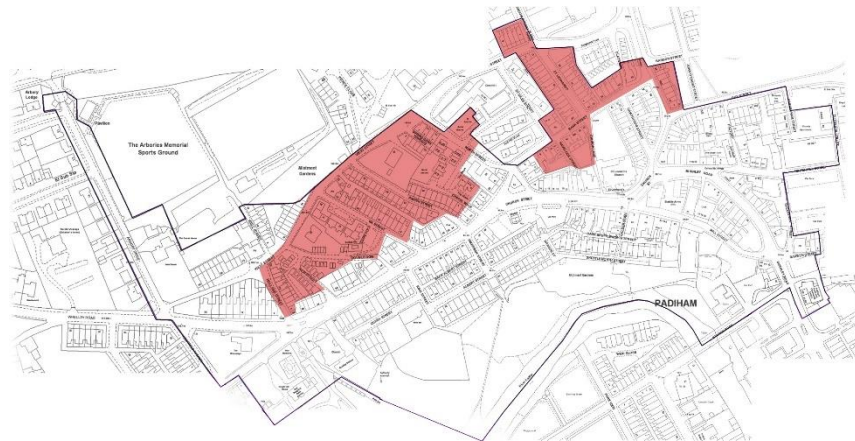
This area includes a mixture of residential, commercial properties and inns of varying heights, giving a characterful roofscape in this area. Sandstone and welsh blue slate are the dominant building materials, with some older properties with stone flagged roofs. This area also features uniquely within the Conservation Area 's high street frontage a terrace of brick built dwellings.



Figure 7 Church Street



3.3.7 Character Area 7: "Back Streets" Predominantly Residential

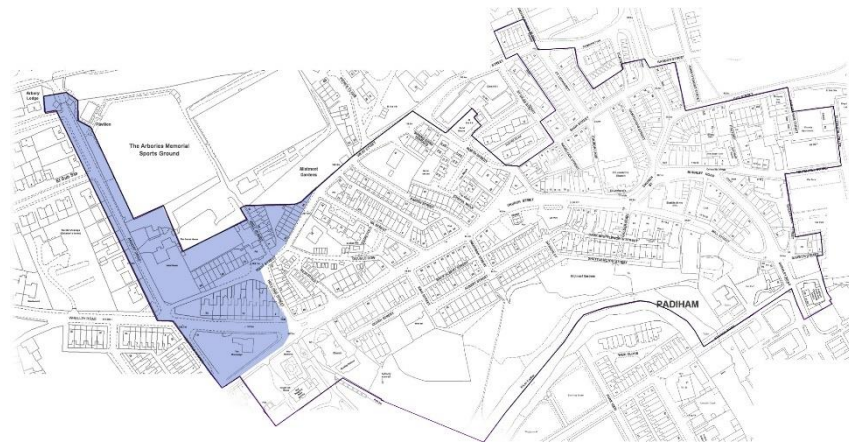


This Character Area is centred on St Leonard's Street in the east and Parish and Alma Streets in the west, and includes a varied pattern of residential development ranging from older pre- industrial cottages, some back- to- back, to industrial- era bylaw terraced housing, and more modern properties.



Figure 8 Parish Street

3.3.8 Character Area 8: The Arbories and the Crossways

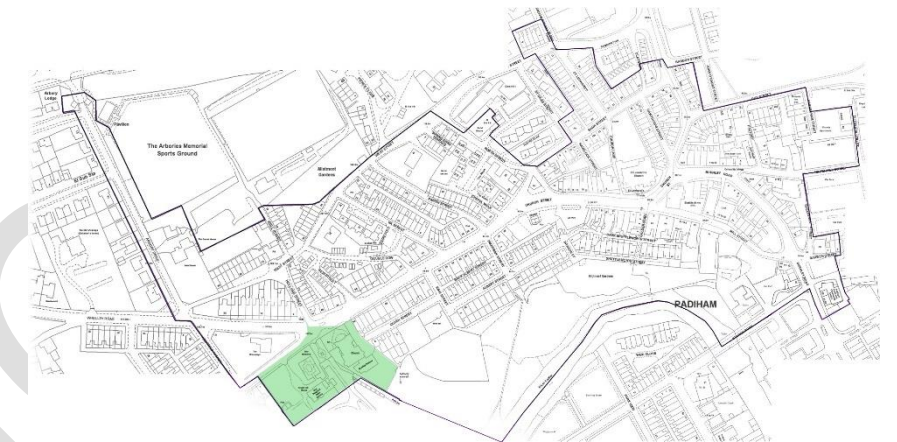


Character Area 8 takes in one of the subsequent extensions to the original Conservation Area and includes the Crossways, set in its own grounds at the junction of Blackburn Road, Whalley Road and Church Street, larger merchants' houses and smaller cottages and Arbory Lodge, the former gatehouse to the wider Huntroyde Demesne to the North. The area is open in character, fringed by the Arbories Sports ground, and with the mature landscaping of the Crossways as a focal point.



Figure 9 West Street

3.3.9 Character Area 9: Unitarian Church & Setting



This Character Area includes one of Padiham's significant landmark buildings, the Unitarian Church, the War Memorial, Knight Hill House and the entrance to the wider Memorial Park. This area is leafier and more open in character than much of the rest of the Conservation Area.



Figure 10 Unitarian Church Spire detail



### 3.3.10 Summary of General Conservation Area Characteristics

The principal elements that contribute to the special interest and character of the area are key to proposals for the areas preservation and enhancement can be summarised as:

- Historic core of a market town with winding pre-industrial street pattern radiating from Church Street; the focal point of St Leonard's Church occupying a widely visible elevated position within the Town.



Figure 11 St Leonard's Tower peeking above the roofscape.

- Integrity and intactness of the 19<sup>th</sup> century built form with only limited 20<sup>th</sup> century infill.
- A variety of types and sizes of properties reflecting the intensification of development through the 19<sup>th</sup> Century from simple pre-industrial cottages to civic and commercial buildings with more ornate architectural detailing.



Figure 12 Contrasting scale of buildings in the streetscape.

- Strong building lines offering enclosure to the streets.
- Scale, massing and strong frontages within the terraces, emphasizing the intimate winding street pattern, and adding a great degree of visual interest to the townscape.
- Harmonious use of, mostly indigenous, building materials with stone and welsh blue slate as the dominant elements, with some earlier existing features such as stone- flag roofs
- Curvature - curved streets, roads and views in combination with prominent architecturally detailed buildings, particularly strong (often curved) corner plots that take advantage of their locations add prominence and visual interest contributing to a strong sense of place.
- Buildings that respond positively to the topography and street layout. Creating an interesting and characterful roof-scape in slate and stone flags, with variations in height and roof pitch of buildings, and the sloping topography of the settlement.



Figure 13 Example of buildings responding to the distinctive sloping.

- Important surviving elements of architectural detailing, notable at upper floor levels. For example, historic shop fronts, dormer windows, and stone window surrounds.
- Significant expanses of historic street surfaces and interesting examples of older street furniture.
- The abundance of narrow passageways and back alleys are a distinctive feature, especially those that retain their historic surfacing, and in many cases, offer attractive framed views.



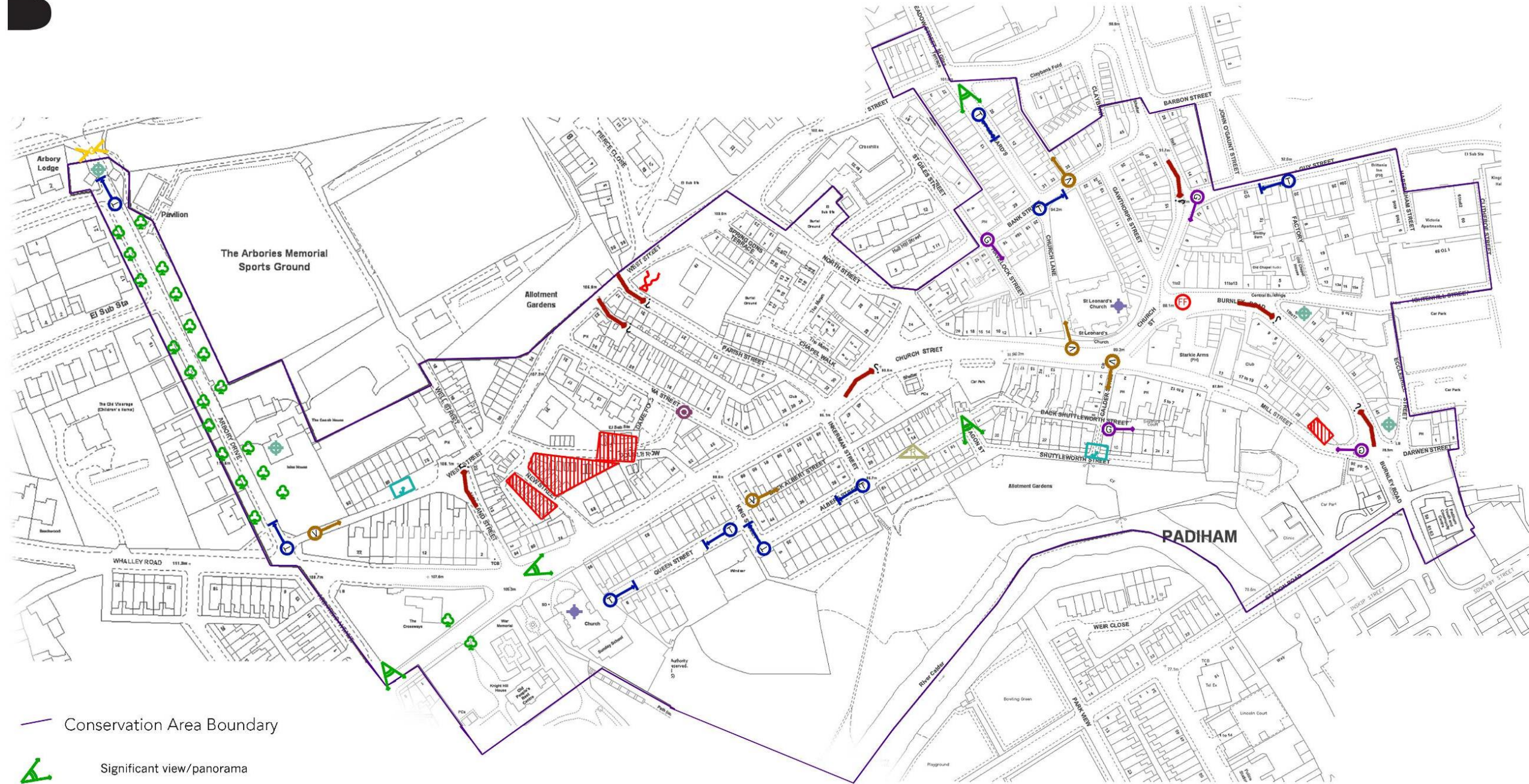
Figure 14 Example of narrow passageways.

It is also useful to consult 3.4 Spatial Analysis to demonstrate locations of some of these key attributes.



### 3.4 Spatial Analysis

The following spatial analysis defines those key elements within the townscape as described in 3.3.10, including key views, vistas and landmarks that together define the Area's special character and appearance. These key townscape qualities should be used to guide development proposals, and to ensure sensitive and high quality design that respects and reinforces the distinctiveness of the Conservation Area.



- Conservation Area Boundary
- ▲ Significant view/panorama
- ⌂ Satisfying narrow/enclosed view
- ⌂ Terminated vista
- ⌂ Glimpse - satisfying view down an alleyway/gateway etc
- ? Deflected view - inviting view round bend
- ✂ Gateway - significant/memorable entry point
- 📷 Special Sense of Place
- ⊙ Nodal point - place of congregation
- 🌳 Positive Trees
- ▨ Negative Space detracting from character of area
- ~ Space Leak
- Ⓢ Area Defined by Noise
- ★ Major Landmark, Building or Feature
- ◆ Locally Important Landmark, Building or Feature
- R Significant Roofscape



## 4 Planning Policy Context

### 4.1 Planning (Listed Building & Conservation Areas) Act 1990

The designation of Conservation Areas and the legal duties towards their care falls under the provision of the Planning (Listed Buildings and Conservation Areas) Act 1990. Section 69 of the Act provides local authorities with the power to designate Conservation Areas. These are areas that are 'of special architectural or historic interest the character or appearance of which it is desirable to preserve or enhance.'

Section 71 of the 1990 Act places duty on Local Planning Authorities, once Conservation Areas have been identified, from time to time to formulate and publish proposals for their preservation and enhancement. This Management Plan has been produced to satisfy this duty and is to be formally adopted with due regard to S71 (2) of the act which requires the proposals to be submitted for consideration to a public meeting in the area to which they relate.

In determining planning applications associated with buildings or land within a Conservation Area, the duty in law under Section 72 of the Act states that special attention should be paid to the desirability of preserving or enhancing the character or appearance of that area. The objectives and policies set out in this Management Plan shall support planning decision making that aligns with this duty.

### 4.2 National Planning Policy Framework (2012)

The Government's National Planning Policy Framework (NPPF) guides Local Authorities both in terms of making plans and taking decisions on development proposals. The NPPF has a large raft of policies which are relevant to the Conservation Area. In terms of built heritage, the NPPF defines Conservation Areas as a designated heritage asset, and states that Local Plans should set out 'a positive strategy for the conservation and enjoyment of the historic environment, including heritage assets most at risk through neglect, decay or other threats. In doing so, they should recognise that heritage assets are an irreplaceable resource and conserve them in a manner appropriate to their significance.'

A core principal of the NPPF is that planning should 'conserve heritage assets in a manner appropriate to their significance, so that they can be

enjoyed for their contribution to the quality of life of this and future generations.' The NPPF also states that local planning authorities should 'have up-to-date evidence about the historic environment in their area and use it to assess the significance of heritage assets and the contribution they make to the environment.'

The government has set out a presumption in favour of sustainable development and explains that the purpose of the planning system is to contribute to the achievement of this. To be sustainable, development must, amongst other things, perform an environmental role protecting and enhancing our natural and built and historic environment. In relation to Conservation Areas the NPPF states that:

*Local planning authorities should look for opportunities for new development within Conservation Areas [and World Heritage Sites] and within the setting of heritage assets to enhance and better reveal their significance. Proposals that preserve those elements of the setting that make a positive contribution to or better reveal the significance of the asset should be treated favourably. (Paragraph 137)*

The NPPF explains that where a proposal would lead to substantial harm or total loss of significance to a designated heritage asset, it must be proven that this loss is necessary to achieve public benefits that outweigh the harm. Where proposals may lead to less than substantial harm, it should only be allowed if the public benefit of the proposal outweighs the harm. To make these judgments requires evidence and understanding of the heritage significance of the Conservation Area and the heritage assets within it.

This Management Plan is intended to accord with the NPPF, and be a positive planning tool. It will help facilitate regeneration and direct decision-making in a manner which will preserve and enhance the character and appearance of the Conservation Area. It will help to further the town's strengths: its built heritage; a strong local identity; a sense of pride among the town's residents; and an existing community of niche retail and creative businesses. As a result, it will help to create a vibrant market town that is at the heart of the community, and has the opportunity for future economic growth.

The Management Plan has been written with due regard to the NPPF, specifically Section 12 (Conserving and Enhancing the Historic

Environment) and Section 2 (Ensuring the Vitality of Town Centres) National Planning Policy Guidance

This Management Plan has taken into consideration the advice outlined by Historic England in *Historic England Advice Note 1: Conservation Area Designation Appraisal and Management* (2016).

### 4.3 Burnley Local Plan (Adopted 2006)

This Management Plan does not introduce new policy, but rather amplifies the historic environment policies, and any other relevant policies, contained within the Burnley Local Plan.

A key aim of the Local Plan is to protect and enhance the historic environment, including the character and setting of designated and other heritage assets. Its currently 'saved' policies support the sensitive reuse of historic buildings and spaces; promote the integration of heritage assets and new development to create attractive spaces and places; encourage contemporary design rather than pastiche replicas; and the protection and where appropriate, enhancement of historic public realm.

Importance is given to the integration of the historic environment with new development through encouraging heritage-led regeneration. Policy E12 details the main considerations that the Council will apply when assessing development proposals within the Conservation Areas, other policies of relevance include:

- Policy E13 Demolition in Conservation Areas;
- Policy E14 Designation and Amendment of Conservation Areas;
- Policy E24 Advertisements;
- Policy E25 Shop Fronts;
- PTC2 Burnley Road Area of Padiham Town Centre;
- PTC3 Church Street/Burnley Road;
- PTC4 Movement to and Through Padiham Town Centre; and
- PTC8 Open Spaces in Padiham Town Centre.

These 'saved' policies will be superseded by policies contained within the emerging Local Plan.

The Local Plan and its Supplementary Planning Guidance are available on the council website and should be consulted in tandem with this Management Plan:

<http://www.burnley.gov.uk/residents/planning/planning-policy>

#### 4.4 Emerging Local Plan

The emerging local plan highlights the contribution that heritage assets can make towards the delivery of wider social, cultural, economic and environmental objectives. It seeks to ensure that the historic environment and heritage assets are conserved in line with their interest and significance (Policies HE1 to HE4).

It is anticipated that the Emerging Local Plan will be adopted by 2018. This Management Plan, and its companion character appraisal, will form key elements of the historic environment evidence base as this work progresses.

CONSULTATION



# 5 Management Issues

As part of the preparation of the Conservation Area Appraisal and through the public consultation process, strengths, weaknesses, opportunities and threats have been identified for the conservation area. These are included in the Conservation Appraisal and have been used to guide the direction of this Management Plan.

## 5.1 Summary of Key Issues

The Conservation Area Character Appraisal that accompanies this Management Plan subdivides the conservation area into nine individual character areas and identifies issues that detract from and/or threaten to harm the special historical and architectural character of the conservation area and its important features. In summary, these include:

**ISSUE 1: Minor changes to properties, through permitted development rights, resulting in unsympathetic alterations and loss of historic architectural detailing.**

Some of the most widespread issues across the whole Conservation Area are the loss of historic features, the use of inappropriate building materials, and unsympathetic alterations. The Conservation Area does not currently have an Article 4 Direction in place. However, there is evidence of cumulative harm to the character of the Conservation Area from a series of relatively minor alterations which would not have needed permission. These include: altering boundary walls; replacing traditional timber sliding sash windows with plastic casements; replacing traditional timber solid doors with plastic or glazed doors; and the installation of satellite dishes in visually harmful positions, such as on prominent chimney stacks and elevations facing the highway. Traditional roofing materials and cast iron rainwater goods are also increasingly vulnerable to insensitive alteration.

The (often incremental) change to buildings within the Conservation Area has affected many parts of the area. Such changes are particularly conspicuous in residential terraces characterised by uniformity and repeated architectural detailing. These incremental changes include: the loss of traditionally detailed timber windows and doors; the loss of traditional curtilage features such as walls, railings and gate posts; and the removal of features such as shopfronts and chimney stacks and pots,

Part of the Conservation Area’s special interest is expressed through such features; therefore, their loss has a significant cumulative negative impact on both individual buildings and the wider streetscape.

*Character Areas most notably affected: 1, 2, 5, 6, 7, 8.*

**ISSUE 2: Integrating new development. Poorly designed modern developments that do not respond to context.**

Although there are no allocated sites within the Conservation Area, and there are limited opportunities for windfall development, there are opportunities for expansion and alterations to existing properties. It will be challenging to integrate these potential new developments in a way that respects historic character, and does not cause unacceptable harm. The sensitivity of the location will require bespoke design solutions that respond to the distinctive qualities of the Conservation Area. There are some existing examples of poorly designed new development that show little regard to the special character and appearance of the Conservation Area. Little or no attention has been paid to layout, scale, massing and effect on the streetscape. Materials can be inappropriate jarring with the existing palette of materials.

*Character Areas most notably affected: 7.*

**ISSUE 3: Poorly designed and inappropriate shopfronts, signage and security.**

There are numerous examples of commercial historic buildings in the Conservation Area that have poorly designed modern shopfronts and visually intrusive signage. Key issues include replacement shopfronts that have used materials and a scale disproportionate to the building. Both individually and collectively, these alterations have a negative impact on their respective building, and the appearance and character of the wider Conservation Area. The use of external shutters has had a negative impact on the character of the area by adding unsympathetic features to the most visible elevations of historic buildings, whilst potentially concealing other historic details. More generally, their use is particularly notable on take-away premises that tend to be closed during the daytime, creating blank frontages that result in a lack of perceived activity and vitality of the town centre as a commercial area.

*Character Areas most notably affected: 1, 2, 6, 8.*

**ISSUE 4: Vacancy and dereliction - buildings at risk through redundancy.**

Whilst most buildings appear to be in viable use, there are several empty shops and vacant upper floors, most notably within the commercial area. These create a visual poor image and suggest low economic activity, which has the potential to lead to a negative cycle of further decline. Vacancy and under-use of historic properties in the Conservation Area is having a demonstrable impact on their condition, due to prolonged periods of inadequate or no maintenance.

Some key buildings are suffering from dereliction resulting in the loss of their potential contribution to the character and appearance of the Conservation Area. For example, Character Area 2 has most recently suffered the consequences of vacancy. The National School Building (c1830), after suffering from decades of neglect and disuse, was in an advance state of decline, and subsequently lost its earliest sections. The extent of damage was such that repair was found by the Council and Historic England to be neither feasible nor safe and agreement was given to controlled demolition.

*Character Areas most notably affected: 1, 2, 6, 8.*

**ISSUE 5: Building condition – lack of routine maintenance and poor quality building repairs.**

Regular maintenance is essential to the long-term preservation of historic buildings. Prompt action to remedy minor defects will prevent costly and disruptive repairs at a later stage. Maintenance is the responsibility of the owners of an historic building, and most owners/and or tenants undertake such works in a careful and responsible manner. However, some historic buildings in the Conservation Area are suffering from a prolonged lack of maintenance. In some cases, to such an extent that they are in a poor state of repair or minor dereliction, especially where they are vacant and with no immediate prospect of a new use. There are also examples of inappropriate repairs (i.e. using non-traditional techniques and unsuitable materials), particularly inappropriate methods of cement based and strap pointing, which leads to long term damage to historic fabric.

*Character Areas most notably affected: 1, 2, 5, 6, 7, 9.*

**ISSUE 6: Breaches of Planning, Listed Building and Advert Control.**

There are instances where Planning Permission, Listed Building or Advert Consent have not been sought or implemented correctly. Where buildings are listed, or are not in use as single dwelling houses, permitted development rights are limited. Most notably are cases of historic buildings in commercial use with alterations, largely replacement windows, which should have required planning permission. It is important that the Council takes a consistent approach in the interpretation of what constitutes a material change requiring planning permission. Regular enforcement and monitoring should ensure that development management standards are upheld.

*Character Areas most notably affected: 1, 2.*

**ISSUE 7: Highways and Traffic Management.**

The high volume of through traffic, in conjunction with narrow pavements, particularly in historic and commercial cores, causes problems with on-street parking and affects pedestrian footfall.

The highways dominate the public realm, which is impacting on the attractiveness of Burnley Road as a shopping street. It is not considered a pedestrian friendly environment, which has had tangible impacts on the vitality of its businesses, and a consequent lack of investment in building maintenance and repair. There are also examples of street clutter in the Conservation Area, making a negative impact on its character. Historic street signs, however, are a positive feature in the Conservation Area and should be protected from loss.

*Character Areas most notably affected: 1,2, 6.*

**ISSUE 8: Public Realm.**

The poor quality and un-coordinated approach to the public realm in some key areas is having a negative impact on the Conservation Area. The Conservation Area Appraisal identifies several issues, which include: examples of inappropriate, poor quality and redundant street furniture in a variation of styles and character, and an un-coordinated approach to street lighting. There are also examples of road markings that are very bright and too wide, having a negative impact on the area. The loss of traditional street surfacing materials such as cobbles, stone kerbs and flags, and their replacement with a patchwork of inappropriate materials

such as tarmac, concrete flags and pavements, presents an un-coordinated and aesthetically unattractive public realm. Previous un-sympathetic and poor quality repair and reinstatement works have been undertaken, particularly the introduction of inappropriate materials, such as tarmac patch repairs.

Some areas are cluttered with bollards, signage and street furniture of varying styles and quality. The abundance of narrow passageways and back alleys are a distinctive feature of the Conservation Area, especially those that retain their historic surfacing, and in many cases, offer attractive framed views and serve as important pedestrian routes through the area. Unfortunately, the condition of these pedestrian routes is often poor with issues of littering, inadequate upkeep and obstructions (most commonly wheelie bins and overgrown vegetation), security and surveillance which compromises the ability to appreciate their significance and contribution to sense of place.

*Character Areas most notably affected: 1, 2, 5, 6, 7.*

**ISSUE 9: Green/Open Space, Trees and Soft Landscaping.**

By its very nature, the Conservation Area has very little green space. However, where small areas of informal landscaping and open space are present, it is commonly found that these areas are lacking in maintenance and purpose.

*Character Areas most notably affected: 1, 2, 3, 5, 6, 9.*

## 5.2 Conservation Area at Risk

Whilst Padiham Conservation Area has strong architectural and historic qualities, there are several issues which detract from its character and appearance. These have collectively have resulted in Padiham Conservation Area being placed on the National *Heritage at Risk Register*, published by Historic England.

Padiham Conservation Area was added to the National *Heritage Assets at Risk Register* in 2013 as a result of the clear deterioration of the area's condition and appearance over the previous three years. It was considered that vacancies in high profile locations within the historic core had become more visible and issues of poor maintenance were interrelated. Loss of historic detail was also more noticeable, particularly in terms of the installation of unsympathetic shop frontages, and in residential areas, the increasing use of UPVC windows and doors.

The heritage at risk assessment process identified several noticeable problems that are contributing to the erosion of the character and appearance of the Conservation Area as follows:

- Vacancies within buildings and particularly upper floors.
- Visible signs of under investment in repairs and maintenance, such as poorly maintained gutters or joinery, and evidence that associated problems were impacting negatively on neighbouring units within terraces.
- Loss of historic detail and inappropriate change to doors and windows, decorative features, shopfronts, signs and advertisements. Some buildings have suffered in recent years from a turnover of property owners and tenants which has resulted in shop front designs that pay little or no regard to the architecture of the buildings and use poor quality materials.
- The quality of the public realm across the whole of the Conservation Area is considered poor and inconsistent.
- The presence of high traffic flows harming the commercial core, both in terms of historic context and as a shopping and leisure environment. Burnley Road and Church Street pay a heavy price as a main traffic route with its character being dominated by traffic, often to an unacceptable degree. The pavements are narrow and public realm treatments pay little regard to its historic status.

The register describes the overall condition of the Conservation Area as being very bad and not expected to change significantly over the next 3 years without interventions.

It is intended that priority actions set out within the Management Plan will be achieved within the next five years. It is envisaged that once these actions are substantially achieved, the Conservation Area could be removed from Historic England's *Heritage at Risk Register*. The longer-term actions are mainly intended to facilitate good management practices that will help look after the conservation area now and in the future.

## 6 General Management Recommendations & Actions for Enhancement

The following recommendations and actions are intended to respond to the policy context already in existence, whilst providing more place-specific guidance for the future management of the area. This will include general, over-arching actions intended to reflect the holistic view of the Conservation Area, as well as actions addressing specific issues. Many items for action have been drawn from previous documentation produced by Burnley Borough Council to accurately and appropriately represent the Council's direction for the future. Management actions and guidance from this Conservation Area Management Plan should be read in conjunction with policies for the wider growth and regeneration of Padiham.

### 6.1 Setting

The Conservation Area is designated for its character, special architectural and historic interest. Developments outside the Conservation Area boundary have the potential to harm the value of the Area if they do not respect their context. The Council will expect proposals to address guidance in Historic England's publication *Historic Environment Note 3: The Setting of Historic Assets*.

**RECOMMENDATION:** Developments adjacent to the Padiham Conservation Area should in their scale, height and massing respect the wider setting of the Conservation Area, including views into and out of it.

This recommendation supports the application of Local Plan Policy E2, and Proposed Submission Local Plan HE2. This recommendation relates to all development that may affect the setting of the Conservation Area, including designated and non-designated heritage assets. Additionally, this is informed by Section 72 of the Planning (Listed Buildings and Conservation Area s) Act 1990. This recommendation relates directly to the protection of the setting of the Conservation Area in the light of future development, rather than the enhancement of the existing setting. For example, ensuring that the special value of spaces such as Gawthorpe Street and the junction between Mill Street and Burnley Road

retain their strong public realm and high quality setting for interesting and significant groups of buildings.

**RECOMMENDATION:** Works to counteract existing unsympathetic or detracting developments within the Conservation Area should be encouraged by the Local Authority.

This supports Proposed Submission Draft Local Plan Policy HE1:4 relating to the conservation and enhancement of the historic environment. Enhancement not only applies to new works, but also changes to existing circumstances that have had a harmful impact on the heritage significance of the area. Areas, structures and developments that have been identified as intrusive, harmful, or detracting, should be prioritised for future intervention. This will help to directly address identified weaknesses relating to unsympathetic changes to various property types and a fragmented public realm.

#### 6.1.1 Key Views

Earlier views analysis was restricted only to outward looking views, particularly focussing over the River Calder. Site analysis showed that these were perhaps not the best representations of the visual interest available within Padiham. This is due to the lack of focus within the town itself, their situation in less publicly accessible areas, and factors obscuring views, such as overgrowth. Padiham's internal views (3.4 Spatial Analysis) demonstrate interesting roofscapes; narrow views and glimpses; but are primarily characterised by views that invite an onlooker around a corner. These exist on large and noticeable scales, such as Burnley Road, but also in secondary residential streets.

**ACTION:** Whilst there are some key views looking outwards from the Conservation Area, there are many within its boundaries that have been overlooked. Internal key views, of different varieties, should be protected and enhanced where possible.

### 6.2 Building Use

Uses of historic buildings within the Conservation Area are significant due to their potential impact on the historic fabric and their impact on the surrounding area. Vacancy is one of the issues contributing to Padiham's At Risk status.

**RECOMMENDATION:** Appropriate and viable uses should be encouraged to increase building occupancy, independent business, spending and footfall through key parts of the Conservation Area.

Viable uses for historic buildings are vital for the future conservation of the historic environment, directly relating to Proposed Submission Local Plan Policy HE1:1. In balance, uses that are most historically appropriate to the historic building in question should be prevalent when considering development proposals. Uses that are detrimental to individual and groups of buildings will be resisted. This is in line with best conservation practice for the sustainability and viability of heritage assets. Uses for buildings should be assessed within the context of the defining physiognomy and historic development of their corresponding Character Area. Directly relating to Proposed Submission Local Plan Policy HE2:1. Adaptive reuse will help to contribute to the Council's Sustainable Development objectives.

#### 6.2.1 Retail

The outward face of retail units within Padiham has the potential to greatly harm or enhance the heritage significance of the town. At present, many shop fronts are inappropriate, unsympathetic, and damaging to the historic building. Where possible, these would benefit from reversal and installation of an appropriate scheme. This is one of the principal issues to be addressed in the TH programme, and the Shopfront Design Guide, currently in development, will help shape future retail development within the Conservation Area. Additionally, new build retail properties must fit within their Character Area context, in line with Historic England guidance for constructing in Conservation Areas.

**RECOMMENDATION:** New shopfronts should be well designed and sympathetic to the character and setting of both the building and the Conservation Area. Alterations to existing historic shopfronts should be carried out to best conservation standards. New build retail properties must also respect the Character Area context.

### 6.2.2 Residential

The variety of residential building stock throughout Padiham is a positive aspect of its heritage value as it demonstrates various phases in the town's history, and reflects the lives of those that existed there.

**RECCOMENDATION:** New residential developments should respect and respond to their historic neighbours, in line with Historic England's Conservation Principles and guidance for new development in Conservation Areas.

### 6.2.3 Building Maintenance

One of the most widespread issues across the whole Conservation Area is the loss of historic features and the use of inappropriate building materials and modern interventions. Though seemingly small alterations, due to their extent, they have the potential to significantly erode the heritage significance of the Conservation Area – therefore best efforts to preserve the historic character of town should be supported.

**ACTION:** The reinstatement and reuse of original architectural features such, as fascias, pilasters, corbels, and sash windows, which have a positive effect on the character of the building or area, will be supported.

Padiham contains a wealth of Locally Listed buildings that contribute to their individual Character Areas in unique ways. Though they are not subject to statutory protection, their harm or loss would irreparably damage the character and identity of the Conservation Area, and therefore should be retained, protected and enhanced.

**ACTION:** Locally Listed Buildings and buildings/features/areas identified in the Padiham Heritage Appraisal as having local heritage value should, where possible, be retained, restored and reused. There should be a presumption against demolition or removal of heritage features, but the significance of the building and or feature must be balanced against the need to create a well-planned and sustainable neighbourhood.

## 6.3 Traffic & Movement

A more sustainable community could be created within the Conservation Area if access to the town centre and other service centres and employment areas by means other than the car was improved. This could be achieved, for example, by ensuring that all new developments are designed to incorporate good and safe pedestrian/cycle accessibility to local facilities.

Traffic calming and improved pedestrian crossing facilities could provide a more pedestrian friendly environment to shoppers and other visitors and help enhance the town's appeal as a tourist and specialist retail centre. They would not only improve the area functionally but also help to reduce the impact of traffic on the streetscape and wider local environment.

**RECOMMENDATION:** Alterations to public highways or public realm should be carefully assessed for their appropriateness within the context of the Conservation Area, in conjunction with Lancashire County Council.

Changes to carriageways, pavements, etc., have the potential to alter the historic character of the pre-industrial street pattern. Some areas have already suffered harm, such as the area around St Leonard's Church. It is vital to avoid further deterioration of the street pattern and focal points.

**ACTION:** The Local Authority will actively seek out measures to secure long term maintenance, including financial support, for the future conservation of the historic environment.

This responds to Proposed Submission Local Plan Policy HE1:3a in relation to the seeking and securing of grants and funding opportunities for heritage-led regeneration schemes, especially in areas identified as being most at risk. This policy is already in use, with regards to the Padiham Townscape Heritage scheme currently moving forward.

## 6.4 Public Realm

It is of vital importance that there is an Area-wide, cohesive approach to public realm treatments. Many of the individual public realm issues within separate Character Areas can be traced back to a lack of co-ordination. This can relate to materials, design, and repairs.

**RECOMMENDATION:** Burnley Borough Council, in partnership with Lancashire County Council, should work to create a cohesive Public Realm Strategy.

A cohesive Public Realm Strategy that encompasses all aspects of street surfaces, furniture and green space is required to enhance the sense of place and ensure the protection of the Conservation Area from inappropriate additions or alterations. This should also include making-good intrusive repairs.

Areas that are unobserved, poorly lit, neglected or dominated by the car can feel threatening and affect the public perception of an area. Good design can help to create places that encourage positive social interaction and which feel welcoming and safe.

**RECOMMENDATION:** Improvements to the public realm within the Conservation Area should be undertaken sympathetically using high quality materials and finishes.

### 6.4.1 Signage

Signage, particularly in areas of high commercial activity, has the potential to significantly characterise the aesthetic of an area. This is particularly true of advertisements and inappropriate signage within the contexts of historic buildings. The Shopfront Design Guide will provide further guidance on the appropriateness of signage in historic areas.

**ACTION:** Adverts and signage within the Conservation Area should not be harmful to the character or appearance of the individual building, or the wider area. Where signage is appropriate and approved, it should respond to the design of the host building, and be sympathetic and respectful in scale and design.

#### 6.4.2 Paving

There should be a presumption in favour of retention of traditional floorscape materials. Where this is not feasible, alternative and appropriate modern materials of an appropriate size, texture, and colour would be acceptable to help retain the character of the Conservation Area.

**RECOMMENDATION:** The retention of existing traditional floor materials should be encouraged. Where retention or replacement of the historic fabric is not feasible or appropriate, viable and sympathetic modern materials will be acceptable.

#### 6.4.3 Street Furniture

Street furniture, such as benches, litter bins, signposts and railings can have a significant impact on the streetscape. The design, materials and colour of the street furniture within the Padiham Conservation Area and the town as a whole should be sympathetic and reflect local context.

**RECOMMENDATION:** It is recommended that a cohesive public realm strategy is developed to inform the future design approach to street furniture.

#### 6.4.4 Planting (in the Public Realm) & Green Space

There is a minimal amount of green space open to the public for recreational purposes. This is principally due to the generally industrial nature of Padiham's development.

**RECOMMENDATION:** Existing green spaces that are important to the character and appearance of the Conservation Area should be protected. Space should be well maintained and managed to make them welcoming to members of the public.

CONSULTATION



## 6.5 Priorities for Change & Actions

The proposals suggested within this section set out the priorities for change and actions that aim to make a positive impact on the quality and interest of the Character Areas. The successful implementation of these actions will depend on the co-operation and enthusiasm of other organisations and stakeholders, including property owners and the local community. It will further depend upon the identification of appropriate measures of financial support for future conservation purposes.

### 6.5.1 Character Area 1: Historic Core

#### 6.5.1.1 Key Issues

As identified in the Conservation Area Appraisal, the public realm of this key Character Area is significantly dominated by highways. The area immediately surrounding St Leonard's church is an incredibly busy junction, drawing attention away from the natural focal point.



Figure 15 Looking towards St Leonard's from the corner of Moor Lane and Burnley Road.



Figure 16 Looking towards Barclays Bank from the corner of Moor Lane and Church Street.

The car park and outbuildings to the rear of the Starkie Arms are also considered to have a harmful impact on the Character Area (Figure 23). The Appraisal describes this as a "backlands" feel as the rear of the property does not match aesthetically with the Church Street frontage. This disjointed sense of place is also increased by the contrast between the cobbled sets of Mill Street and the tarmac and poor quality street furniture of the car park.



Figure 17 View of Gawthorpe Street from Bank Street Towards Moor Lane

Gawthorpe Street is a significant group of buildings within this central part of the Conservation Area. Numbers 1-21 and 2-6 are group listed at grade II by Historic England. Their prominent association with the Shuttleworths of Gawthorpe Hall, and potential association with Sir Charles Barry, means that these buildings are a high priority for the area. Only number 19 retains any original fenestration, any many of the properties within the terrace have been subjected to unsympathetic changes. The Conservation Area Appraisal identifies the need for a sensitive and cohesive restoration programme for these properties, with focus on number 7, and to address issues on the Bank Street Elevation.

#### 6.5.1.2 Historic Buildings – Protection

The Church of St Leonard is a grade II listed Anglican church dating from 1866-69 by Angelo Waddington of Burnley.



Figure 18 St Leonard's from the corner of Mill Street & Calder Street

The building is protected by its statutory listing, but this does not take into consideration the Church's important presence within the townscape. Due to the generally low rooflines of Padiham, the church's tower and pinnacles stand out as a focal point from various viewpoints, often creating an element of additional visual interest to the roofscape.

**PRIORITY:** Monitor the condition of the church's historic fabric to preserve its special interest.

**PRIORITY:** Ensure that new developments within the town respect the scale of the church tower and its contribution to the visual landscape of Padiham.



Figure 19 The Starkie Arms



The positioning of the Starkie Arms makes it a significant building within the townscape. It is located next to the focal point of the church, but is also a detached building standing alone on one of Padiham's characteristic corners. Unlike other corner buildings in the historic core, it presents a flat double fronted rubble façade; it is also taller than many of its neighbours, giving it greater focus when viewed from Church Street looking east. The sitting area at the front is a useable area of public realm that could be developed in the future to enhance the amenity value of the pub, and the aesthetic value of the surrounding streetscape. It is acknowledged, however, that the immovability of highways and roundabouts in this area is a significant block for the development of this area.

**PRIORITY:** Monitor the potential for development of the public area directly outside the Starkie Arms.

Barclays Bank, situated on a key triangular plot in the centre of the historic core Character Area is a flagship building for Padiham. Its scale and detailing highlight its status, and the pointed turret is a significant feature of the town's roofscape.



Figure 20 Barclays Bank on Burnley Road

### 6.5.1.3 Key Views

Please see Spatial Analysis map for further key views within this area.

Walking down Church Lane between the Church of St Leonard and the Cellar Restaurant provides a pleasing narrow view, enhanced by the good quality historic fabric and the consistency of the paving stones. When viewed from Church Street, the inappropriate repairs further down the street are not visible.



Figure 21 View down Church Lane from Church Street

Narrow streets such as these contribute to the complex variety of spaces within the Conservation Area that reflect the development of the town.

**PRIORITY:** Ensure that narrow spaces, such as Church Lane discussed here, are kept free from obstacles, and kept in a good and appropriate state of repair. This will enhance its visual amenity, but also its public accessibility, for example, by reducing trip hazards.

Another vital element of streetscape character within this area is the prominence and visual interest of curving streets with flagship corner buildings, most obviously, the Barclays Bank building. These road sweeps often work in both directions. The curvature of the street is considered an intrinsic contributor to the significance of the historic environment, as well as its aesthetic value.



Figure 22 View of Moor Lane from the corner of Moor Lane and Burnley Road

**PRIORITY:** Ensure that the curvature of streets and roads are preserved. It will be vital for the flagship buildings to be kept in a good and appropriate state of repair due to their role within these specific streetscapes. This is an important feature that should be preserved and enhanced.



6.5.1.4 Public Realm

As identified in 6.5.1.1, the surfacing of the car park area to the rear of the Starkie Arms has a negative impact on the public realm of the Conservation Area, most particularly Mill Street. Changing this surfacing to a more appropriate material and treatment would have a positive impact on the Conservation Area.



Figure 23 Car Park to rear of the Starkie Arms

**PRIORITY:** When the opportunity arises, seek to work with the owners to investigate possibilities for more appropriate car park surfacing, street furniture and bollards.

The character of Mill Street is strong due to the cobbled paving and a small amount of greenspace (which falls within Character Area 2). It is on a slope that characterises the topography of the area. Enhancing this area, and the adjacent gap site on Mill Street, will increase the quality and connectivity between Burnley Road and Church Street.

Street surfaces, particularly in the area directly outside St Leonard's church, are mixed. The Character Area Appraisal identified the cause of this as 'an uncoordinated and ad hoc approach to the public realm, which fails to respect the town's historic assets.'



Figure 24 Flagged and bricked street surfaces on the corner of Church Street

This is also true of some smaller side streets, such as Church Lane. This pathway has a strong sense of place due to its location next to the church, the historic fabric of the parallel walls, the stone sets, and a sense of approach to the residential area beyond. The principal issue here is inappropriate repair, including the unsympathetic laying of tarmac on footpaths.



Figure 25 Tarmac on Church Lane footpaths

**PRIORITY:** Creating a sensitive and engaged public realm strategy that directly responds to Borough-wide planning policy. This should ensure appropriate materials for street surfaces, but also a coherent design approach.

There are some pleasant areas of street surfacing within the Character Area, however, some transitional surfaces reduce the aesthetic value. For

example, Mill Street's primary stone set road surface is appropriate and historic. When the street reaches the apex of the hill to join Church Street, the surface stops suddenly and continues in tarmac. These uncertain transitions happen frequently between historic streets and principal roadways. It can be assumed that this is a result of the previously mentioned uncoordinated approach to the public realm.



Figure 26 3 different surfaces at the junction between Moor Lane and Gawthorpe Street



Figure 27 Lamp post on Gawthorpe Street

Some elements of street furniture, such as the lamp posts on Gawthorpe Street, enhance the character of the historic environment through their appropriate design and shape. The extra attention to detail is possible due to the small, residential scale of the street, meaning that lighting the public realm does not incorporate busy highways etc. This identifies that in similar locations throughout the Conservation Area, it is possible to furnish historic streets with appropriate, attractive and functional street furniture (e.g. Shuttleworth Street).

Street furniture on main thoroughfares, such as Church Street and Burnley Road will have different requirements, primarily relating to scale.

**PRIORITY:** Ensure that street furniture is appropriate in design and function for its setting. For example, smaller scale and visually interesting lighting on smaller, historic, residential streets. Taller, more functional lighting on main thoroughfares, but still sympathetic in material and scale.



#### 6.5.1.5 Use

No issues relating to use were identified during the Padiham Conservation Area Appraisal.

**PRIORITY:** As Character Area 1 is the historic core, it is important that buildings within this area are utilised in a manner appropriate to their history, and sympathetically to the surrounding historic environment.

However, some shop fronts on Church Street directly facing the Church are not considered to be appropriate for their historic setting. Most particularly, the fried chicken shop. Other problem shop fronts on this street fall within Character Area 2.

**PRIORITY:** Whenever possible, best efforts should be made to better integrate the Church Street shop fronts with their historic buildings and environment. This should be done in line with a unilateral shopfront design guide adopted by Burnley Borough Council.

#### 6.5.1.6 Trees & Soft Landscaping



Figure 28 Small planting area at the east end of St Leonard

Trees and soft landscaping in this area are extremely limited due to the concentrated of activity and traffic and lack of space. The only green spaces relate directly to the Church of St Leonard. There is a small amount of planting to the church's east end facing on the Moor Lane. There is also a green yard space to the north of the church, but this is gated off and not publicly accessible.



Figure 29 Inaccessible green yard space to the north of St Leonard

This is considered a key view per the 2014 Character Area Appraisal, and it must be assumed that this was due to the juxtaposition of this reasonably sized greenspace within a highly residential context.



## 6.5.2 Character Area 2: Commercial Core, Mill Street & "The Hill"

### 6.5.2.1 Key Issues

A principal problem with this area is the unsympathetic and visually dominant signage and shop fronts. They were assessed in the Character Area Appraisal as 'shop fronts and signage are unsympathetic and visually dominant, emphasizing the horizontal, and giving a cluttered look to the frontages.' Whilst there are some interesting features remaining, they are overshadowed by an abundance of modern fixtures and fittings, including roller shutters, security cameras and wiring.



Figure 30 Shop fronts on Burnley Road



Figure 31 Shop frontages at the top of Burnley Road

This is an issue being addressed by the current Townscape Heritage (TH) scheme. However, some intrusive signage in this Character Area falls

outside of the TH boundary, for example those on the south side of Church Street.



Figure 32 Gap site having a negative impact on Mill Street

There are a few prominent buildings within this Character Area that are vacant, in a poor state of repair, or have previously suffered from unsympathetic alterations. The gap site on Mill Street, in conjunction with the poor-quality car parking facilities at the rear of the Starkie Arms, also have a harmful impact on the heritage significance of this Character Area.

### 6.5.2.2 Historic Buildings – Protection

The retail units on Lower Burnley Road retain some interesting architectural features, and their shop fronts are sympathetic to the historic environment. These have been used to inform shop front guidance for the current Townscape Heritage project. It is important that these elements are retained, and that they continue to be used as inspiration for future changes and developments. The Station Road gable of this block is in need of some repair.



Figure 33 Shop fronts on Lower Burnley Road, demonstrating sympathetic design and original features.

The National Schools Building is a key property for enhancement moving forward. It is located on a busy street that contributes significantly to the character of the Conservation Area, though at present there is an abundance of harmful shopfront and signage. This is having a negative impact on the building's grade II listing.



Figure 34 National Schools Building

**PRIORITY:** If the current occupier should vacate the building, a comprehensive scheme for re-use and restoration should be implemented. The building is statutorily listed and therefore change can be managed by the Council through the planning system.





Figure 35 Constitutional Club

The Constitutional Club building is vacant and in a significant state of disrepair. Externally, the building appears to retain some original features, such as decorative pilasters and stained glass panels – though the latter are damaged. There appears to be enough available information from the remaining fabric to inform the sympathetic restoration and enhancement of the property. This would make a vast contribution to the character of Mill Street, especially if works are undertaken to the gap site and the Starkie Arms car park.

**PRIORITY:** When the opportunity arises, seek to work with the owners to bring the Constitutional Club back into use through appropriate occupancy, in conjunction with a scheme of sensitive repair and enhancement.



Figure 36 The Liberal Club on Lower Burnley Road

The Liberal Club is a dominant and well-occupied building. All shopfront units at ground floor level are in use, though some low-quality signage and roller shutters detract from the building.

**PRIORITY:** As the Liberal Club is such a dominant building, it should be a flagship for good conservation practice. Unsympathetic modern interventions, such as shutters and signage, should be replaced with more appropriate elements, where possible.

The car park of the former Globe Cinema has a negative impact on the historic streetscape, however, the remaining building still has a potential contribution to the environment, most particularly the rear elevation. Though this faces on to the Fairmore Medical Practice and is therefore unlikely to be seen frequently, it has valuable design elements that should be protected in the event of any future development, repair, or change of use.



Figure 37 Globe Cinema from Fairmore Medical Practice car park

### 6.5.2.3 Key Views

Please see Spatial Analysis map for further key views within this area.



Figure 38 North west view of Mill Street

The view from the base of the Mill Street Hill is an inviting climb with an enticing glimpse view of St Leonard’s tower, framed by the trees and enhanced by the curvature of the street. The historic stone sets and consistency of the paving flags create a clear and coherent pathway. The small amount of green space also enhances the value of the area by signifying its proximity to the more naturally dense area around River Calder, though the planting at the base of the Post Office gable is considered unattractive.





Figure 39 Lower Burnley Road looking north from the corner of Darwen Street & Eccleshill Street

Burnley Road benefits from a very prominent curved street line – a feature that consistently adds interest and value to the historic environment throughout the Conservation Area. It is particularly important here as it is a central street with focussed commercial uses. The curve is terminated by a glimpse of the tower at Barclays Bank; this creates a sense of intrigue and acts as an invitation.

**PRIORITY:** Curving streets, narrowing and glimpse views contribute significantly to the value of the Conservation Area. Developments, changes of use, or other proposals should not alter the urban grain of these spaces as this will cause unacceptable harm to the historic environment.



Figure 40 View from Calder Street towards Shuttleworth Street

Simple, narrow views such as that from Calder Street towards Shuttleworth Street contribute to the sense of place, and these should be valued despite being more modest in scale. It is also important that these narrow views are not unnecessarily obscured by items such as wheelie bins and double yellow lines.

**PRIORITY:** Narrow views should be protected from elements or objects that intrude into the space and alter the focus of the space.

#### 6.5.2.4 Public Realm

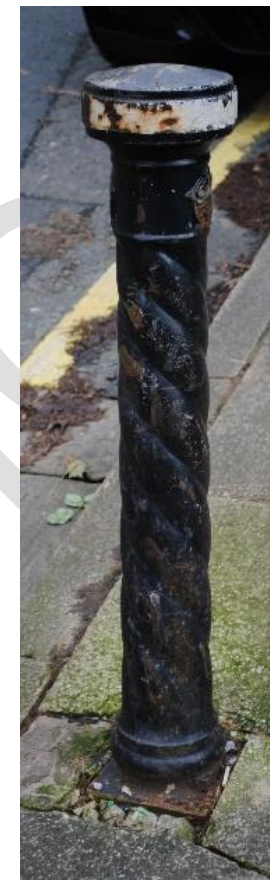


Figure 41 Example of sympathetic design elements

The twisted bollards on Mill Street demonstrate a conscious attempt at incorporating sympathetic design elements into the public realm. In this case, the elements have degraded with the passage of time. This could be due to lack of maintenance or inappropriate materials. A variety of lamp post designs exist in this area and they would benefit from rationalisation. Consideration should be given to the replacement of existing benches and litter bins on Mill Street.

**PRIORITY:** Public realm street furniture should continue to be guided by historic precedent. It is important to properly maintain street furniture to avoid deterioration and damage. This will help to ensure that high quality design is not undermined by deterioration. There should be a coherent approach to ensure that public realm does not become disjointed.

Despite being one of the primary routes through Padiham, there are areas where the footpaths narrow to match the grain of the street. This is an accessibility issue, particularly due to the high density of traffic on this road that restricts pedestrian movement. Accessibility on Burnley Road is important due to the commercial nature of most properties.



Figure 42 Narrowing footpath on Burnley Road



**PRIORITY:** When the opportunity arises, measures to ease traffic and increase pedestrian accessibility to the businesses on Burnley Road should be pursued by the Council.

6.5.2.5 Use

There is a commercial focus in this area, particularly on Burnley Road. Existing buildings of retail use should be maintained, and where appropriate, others encouraged. The high status of the bank buildings, also contributing to the commercial aspect of this Character Area, should be enhanced through appropriate repair and maintenance.

**PRIORITY:** Encourage retail and commercial uses in this area. New developments should respect the existing properties, and new shop fronts should be carried out in accordance with shop front guidance.

6.5.2.6 Trees & Soft Landscaping

There is only a small amount of soft landscaping in this Character Area. There are no opportunities to create new green space, and therefore proper management and enhancement of the existing is important. There is a gap site in the TH area that has potential to be attractive public realm.

**PRIORITY:** Ensure that the small amount of green space on Mill Street is appropriately cared for. Where possible, find a more aesthetically pleasing form of planting for the bed at the base of the Post Office gable.

CONSULTATION

### 6.5.3 Character Area 3: Riverside Open Space

#### 6.5.3.1 Key Issues

There are no significant challenges in this Character Area at the present time. However, it is important to consider future environmental measures, particularly relating to flood defences.

**PRIORITY:** Any future flood defence measures in this location should be designed to keep their visual impact to a minimum and to preserve or enhance the aesthetic value of the character area. For example, by incorporating natural materials into the finish of the design.

#### 6.5.3.2 Historic Buildings – Protection

This is predominantly a natural Character Area incorporating modern buildings. There are few historic buildings that require protection.

#### 6.5.3.3 Key Views

The views over the River Calder from the Station Road bridge were designated as key views in the 2014 Conservation Area Appraisal. As such, it is important that these views are protected.



Figure 43 Views over the River Calder

Please see Spatial Analysis map for further key views within this area.

#### 6.5.3.4 Public Realm

Near the junction of the road there is an area of public realm and screen planting that is in search of a purpose, which could be better exploited.

**PRIORITY:** When possible and appropriate, explore potential uses or design solutions to enhance this area of public realm.

#### 6.5.3.5 Use

This is a predominantly natural Character Area and therefore building use is not a relevant issue.

#### 6.5.3.6 Trees & Soft Landscaping

Trees and soft landscaping in this area refer primarily to those along the banks of the river. It is important that these are maintained, but not manicured, in order to retain their organic forms.



## 6.5.4 Character Area 4: Mixed Historic Industrial, Residential & Commercial

### 6.5.4.1 Key Issues

The residential development on Guy Street uses sensitive materials within the context of the Conservation Area. The Character Area Appraisal noted that some details, such as the heavy use of brightly stained timber window frames and doors, are out of character with the wider area. This development should be used as an example for new proposals moving forward.



Figure 44 Guy Street town house development

### 6.5.4.2 Historic Buildings – Protection

As the significant landmark building in this part of the Conservation Area, Victoria Mill on Lghtenhill Street is one of the clear priorities for protection. Its significant bulk and functional design clearly demonstrates its historical function to the wider community. The building has been converted into residential accommodation, which from exterior inspection, appears to be carried out in a sympathetic and appropriate manner.



Figure 45 Victoria Mill from Guy Street

The pre-industrial smithy on Guy Street sits between cottages of a similar size. Now residential properties and a vehicle repair garage, they retain their characteristic historic fabric. These buildings are an attractive group that enhance the Character Area.



Figure 46 Guy Street smithy in context

**PRIORITY:** Any future development proposals or changes of use should ensure that the character of these buildings, individually and as a group, is not eroded.

Helm Mill, due to its significance and considering the current planning application, should be prioritised for protection. The grade II listed building is statutorily protected, but it is vital to ensure that all works are carried out to an approved standard.

### 6.5.4.3 Key Views

Character Area 4 benefits from various views of St Leonard's tower amongst the other roofscapes of the area. For example, when viewed from Guy Street, the pinnacles of the church stand out prominently above the more modestly sized residential properties. When viewed from Lghtenhill Street, the tower view is framed by Victoria Mill on the right, and partially obscured by the tower of Barclays Bank – another iconic feature in the roof scape of Padiham.



Figure 47 St Leonard's Church Tower from Guy Street





Figure 48 St Leonard's Church Tower from Ightenhill Street

Please see Spatial Analysis map for further key views within this area.

#### 6.5.4.4 Public Realm

The sloping Factory Lane and Habergham Street have the highest quality street surfaces due to the retention of their historic stone settings. These contribute significantly to the sense of place, which is particularly important in the light of the residential redevelopment of this area. The rest of the highways are tarmacked. There are no examples of historic street furniture or lamp posts in this area.

**PRIORITY:** Preserve historic street surfaces and seek a solution to make transitions to modern materials less harsh.

#### 6.5.4.5 Use



Figure 49 Victoria Mill on Ightenhill Street

There is visible evidence of the area's industrial history. Though it is unlikely that they are suitable for contemporary uses, conversions of industrial buildings into residential properties are popular and a good use of valuable space and generally high quality buildings.

**PRIORITY:** It is important that any changes of use, developments or conversions do not erode any existing industrial elements.

#### 6.5.4.6 Trees & Soft Landscaping

This area is largely industrial in character and therefore there is a limited amount of green space. The edge of the Conservation Area boundary provides the majority of greenspace in this area. Though outside the boundary, Guy Street is bordered on the North by greenspace. The corner of Ightenhill Street and Clitheroe Street Car Park provides views out of the area from its higher position. This point was marked as a key view in the earlier analysis, but it is suggested here that the view towards St Leonard's should also be considered.

**PRIORITY:** The consideration of internal viewpoints when assessing potential heritage impacts of developments.



## 6.5.5 Character Area 5: Riverside Residential

### 6.5.5.1 Key Issues

Some of this Character Area, predominantly Shuttleworth Street, has a strong sense of place. Unfortunately, many of the positive aspects of Shuttleworth Street are negatively impacted by unsympathetic interventions such as white UPVC windows and doors, and the poor location of satellite dishes. This is also a prevalent problem on Albert Street and Dragon Street. There are a variety of railing and boundary treatments on Shuttleworth Street which disrupts the sense of cohesion in this picturesque area. Views across the River Calder are obscured by overgrowth, even in the winter.



Figure 50 Shuttleworth Street looking west.



Figure 51 Shuttleworth Street looking east

The interweaving of residential streets along the Riverside is an attractive feature, however, some streets have been better maintained than others. For example, some of the properties of Queen Street appear to be in a poor state of repair – this area was described as “backlands” in the 2014 Conservation Area Appraisal.



Figure 52 Queen Street: example of condition

The residential buildings on Queen Street vary in size and character to those surrounding it on Shuttleworth Street and Albert Street. They are more plainly detailed, and generally in need of repair. The strong sense of place is lost here, despite the pleasant terminating vista of the Unitarian Chapel.



Figure 53 View down Queen Street to the Unitarian Chapel

The rear of these properties to the west of Shuttleworth Street, to the rear of Albert Street, appear in generally good condition, but the

pathway is treacherous, with broken paving slabs and overgrowth making it difficult to navigate.



Figure 54 Properties to the west of Shuttleworth Street, rear of Albert Street.

### 6.5.5.2 Historic Buildings – Protection

Though the Unitarian Chapel building falls within Character Area 9, its steeple is prominent above the roof scape of the surrounding residential buildings. It is also clear, when viewed from Queen Street, that this façade is in a worse state of repair than the Church Street elevation.

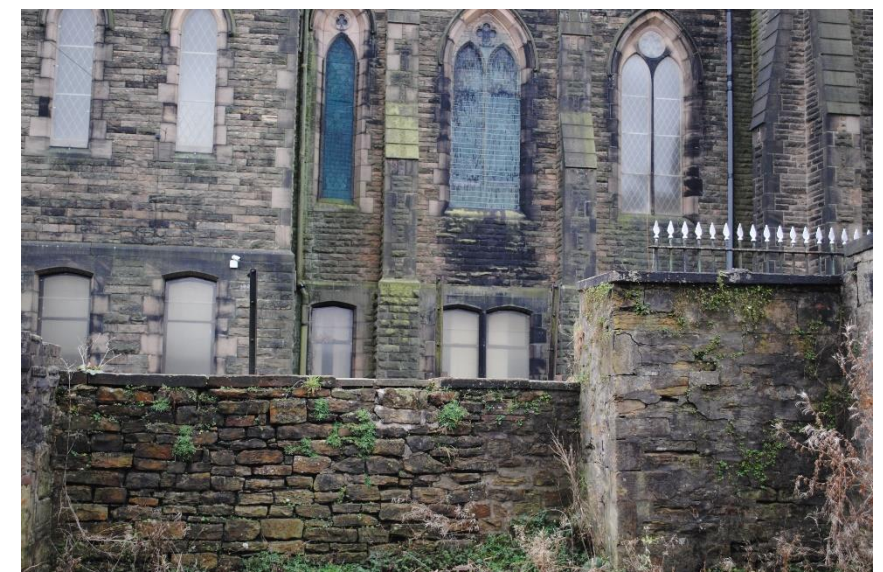


Figure 55 Detail of Unitarian Chapel showing blocked windows, vegetation growth and evidence of water ingress.

**PRIORITY:** Seek to work with the owners to protect the Chapel's historic fabric from further deterioration.



### 6.5.5.3 Key Views

Please see Spatial Analysis map for further key views within this area.

Previously identified key views for this area were indicated as looking out over the River Calder. During a site visit, it was noted that these views were obscured by overgrowth and did not offer any distant prospects.



Figure 56 Key view from Dragon Street

Key views identified in the revised spatial analysis focus primarily on terminating and narrowing views, placing value on the shapes of the street patterns, and how they interact with the wider environment. For example, the view from Dragon Street faces the same direction as the earlier examples, however, it offers a more picturesque image due to the framing of the buildings, the feature of the character lamp post, and a clearer distance view.

One of Padiham's most charming features is the abundance of narrow pathways and alleys, especially those that retain their historic surfacing. This view through Back Albert Street is typical of this feature, and whilst it is not an area of high exposure, it adds character to the area.

Narrow views such as these can be restricted by the presence of large waste bins, or they may detract from the focal point.



Figure 57 View towards St Leonard's through Back Albert Street

**PRIORITY:** Best efforts should be made to ensure that waste bins are stored within property boundaries without restricting public passageways, particularly those that make positive contributions to the Conservation Area.

Please refer to the Spatial Analysis map for any further identified key views within this area.

### 6.5.5.4 Public Realm

There is a mix of high and low quality street surfaces and repairs within Character Area 5. For example, the stone sets increase the heritage significance of the area, whereas tarmac surfaces and inappropriate

repairs spoil the aesthetic cohesion of the spaces, disrupting views down streets.



Figure 58 Poor quality surface repair on the corner of Dragon Street and Albert Street.

**PRIORITY:** Ensure that repair works carried out in sensitive historic areas are done so in appropriate materials and methods.

The area does have some of the most pleasant street signage, most importantly the carved recessed stones. These reflect the predominant building material of the area, are well designed and aesthetically pleasing. These appear to be reserved for streets that are considered to have better senses of place.



Figure 59 Example of a high-quality street sign.

However, those that may be termed "secondary" streets, such as the Queen Street "backlands," also have elements of appropriate signage.



Though not as decorative, the simple and unobtrusive plaques fit within the context and do not draw attention away from the historic setting.



Figure 60 Example of simple and appropriate street signage

**PRIORITY:** Encourage the same high level of quality and design for street signage elsewhere within the Conservation Area, particularly residential streets identified as having group values.

#### 6.5.5.5 Use

This area is enhanced by its quiet residential nature, especially in contrast to the higher volumes and traffic levels on the adjacent Church Lane. This is its key feature and this should be protected.

**PRIORITY:** Commercial uses, or other potentially disruptive proposals, should be discouraged within Character Area 5.

#### 6.5.5.6 Trees & Soft Landscaping

Shuttleworth Street benefits from trees and soft landscaping from the Allotment yards. However, in some cases these are overgrown and uncared for, obscuring views towards the River Calder. The area causing most concern is the foot path Albert Street, as mentioned earlier. This narrow pathway is made unsafe for pedestrians due to overgrowth and the collection of leaves during the late seasons.

**PRIORITY:** Ensure that trees and soft landscaping that interfere with pedestrian pathways are kept appropriately throughout the seasons. This will enhance its aesthetic values, whilst also providing safe spaces for pedestrians to use.

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## 6.5.6 Character Area 6: Church Street Frontage

### 6.5.6.1 Key Issues

Church Street is one of the most prominent roads in Padiham. It is densely built and busy with traffic. The key issues damaging its heritage values are unsympathetic and uncoordinated street surfaces and furniture, and the widespread use of UPVC throughout all types of historic buildings throughout this area. There is also a widespread issue of inappropriate modern shop frontages that are harmful to the historic character of the streetscape.



Figure 61 Church Street looking west from the Padiham Working Men's Club



Figure 62 Church Street looking east, showing 42 Church Street

It also appears that there are a handful of vacant buildings that would benefit from tenancy or re-use.

**PRIORITY:** The removal and appropriate replacement of unsympathetic modern interventions (particularly UPVC) when the opportunity arises. The prevention of further UPVC interventions.

### 6.5.6.2 Historic Buildings – Protection

Where buildings are vacant, it is important to bring buildings back into use to prevent their deterioration.

**PRIORITY:** New tenancies and new uses for vacant buildings should be encouraged, providing that they are appropriate for the nature of the historic building in question.

Padiham's Working Men's Club is an interesting building that is currently vacant. Externally, it retains many original features, and the rich architectural detailing identify it as an important building on Church Street. Unfortunately, current decorative treatments, such as paint schemes and boarded frontages, are obscuring the heritage value of this building and having a harmful impact on the surrounding streetscape. Like many other buildings in the area, the Club suffers from the installation of unsympathetic UPVC windows, plastic downpipes, and obtrusive satellite dishes.

**PRIORITY:** When the opportunity arises, this building should be brought back into appropriate and feasible use, with the intention of reversing harmful modern interventions and making historic features more legible. Especially, this should include un-boarding windows to open the building back into the street.

24 Church Streets sits in an unusual position, meaning that it is visually prominent. Changes to this property have not been sensitive to its historic character, including UPVC additions.

**PRIORITY:** When the opportunity arises, harmful modern interventions should be removed and appropriately restored in order to reflect this building's unique position within the streetscape.

The purpose-built Victorian townhouses on Osborne Terrace significantly contribute to the townscape merit of the area. Its symmetry and interesting detailing enhances its aesthetic value. It can also be considered as an interesting terminating view from King Street. They

appear to retain some original features, such as the ironwork railings, which do not appear so consistently elsewhere in the area.



Figure 63 Osborne Terrace on Church Street

**PRIORITY:** Consider the detailing of the iron railings here when looking to inform recasting elsewhere.

The house on the right also retains the attractive original glazing bars within sash windows, highlighting the stark difference between the delicately designed original and the aesthetic failings of the UPVC employed elsewhere.

**PRIORITY:** UPVC is not appropriate within the Conservation Area, especially on properties that are so prominent and provide a vast contribution to the Character Area. UPVC interventions should be reversed where possible. At Osborne Terrace, the good example of number 48 should be used to inform future works.

### 6.5.6.3 Key Views

Please see Spatial Analysis map for further key views within this area.

Church Street rises to the west, offering distant views of the historic core. Looking east, the vanishing point terminates with a silhouette of St Leonard's tower. The view, pictured below, is taken from outside the Unitarian Chapel, creating a visual link between two religious buildings that are also two of the most iconic buildings in Padiham.





Figure 64 Church Street looking east

**PRIORITY:** Distance views should be protected, especially views where St Leonard’s tower or the Unitarian Chapel steeple, feature prominently.



Figure 65 Church Street looking east from Chapel Walk

Whereas views from further west are very straight, views taken closer to the town centre benefit from the characteristic curves that can be found so frequently throughout the whole Conservation Area. Not only is the tower of St Leonard’s clearly visible, but the curvature of the road is an invitation to explore. The view also works from this point looking westwards, with a glimpse of the Unitarian Chapel steeple in the distance.



Figure 66 Church Street looking west from number 42

**PRIORITY:** Curved views are intrinsic to the heritage value of Padiham and alterations or developments that obscure these should not be permitted.

#### 6.5.6.4 Public Realm

A widespread problem throughout much of the Conservation Area is the lack of a unified approach to the public realm, resulting in contrasting and inappropriate street surfaces, repair works, and street furniture. There are a few elements of historic street furniture that can be used as guidance for future works.

**PRIORITY:** Creating a sensitive and engaged public realm strategy that directly responds to Borough-wide planning policy. This should ensure appropriate materials for street surfaces, but also a coherent design approach.

#### 6.5.6.5 Use

Church Street has an interesting collection of residential and commercial properties. Commercial properties are focussed more centrally, and properties become more residential in use and scale further away from the town centre, towards the seemingly wealthier Arbories area. This mix of building stock is interesting and valuable, and keeping this balance is important as to not erode the character of the area.

**PRIORITY:** Maintaining the balance between residential and commercial properties, not allowing one type to grow exponentially and consume the other.

#### 6.5.6.6 Trees & Soft Landscaping



Figure 67 Bus shelter and public toilets adjacent to area of soft landscaping

A small space breaks the line of Church Street, adjacent to number 47. This space has a small amount of grass, some mature trees, a brick public toilet building, and a bus shelter. This is a functional area that does not offer any public recreation.

**PRIORITY:** Seek to ensure that this area is well-lit, well-maintained, and welcoming, so as to avoid antisocial behaviour.



### 6.5.7 Character Area 7: "Back Streets" Predominantly Residential

#### 6.5.7.1 Key Issues

The principal issues in this large Character Area relate to a prevalence of unsympathetic modern interventions, such as UPVC and satellite dishes, and a focus on building repair and maintenance.



Figure 68 Satellite dishes on Alma Street



Figure 69 Parish Street looking south

**PRIORITY:** Ensure that building owners are aware of how to best look after their historic property, and what alterations are permitted. Guidance should be readily available from the council.

Where inappropriate development already exists, the principal concern should be ensuring that other such developments are not permitted in

the future. For example, the Dame Fold development of bungalows would be considered inappropriate for the Conservation Area context. They do not correspond with their surroundings in terms of scale, design, or even material. Future housing developments to meet the needs of the area must be considered within their Conservation Area context.

**PRIORITY:** Ensure that new developments are sympathetic to their surroundings. Prevent alterations to existing inappropriate developments that may increase the dissonance with their historic context.

#### 6.5.7.2 Historic Buildings – Protection

Due to the high concentration of residential properties, the primary concern for the protection of historic buildings is their management, care and repair. If a building owner is uninformed about the correct way to care for their building, it is possible to cause more harm to the historic fabric. This would of course be costly to the building owner, but also have a negative impact on the wider Conservation Area.

**PRIORITY:** Seek to ensure that historic fabric of all properties, regardless of scale or status, is appropriately cared for and repaired. This can be expedited by offering support and guidance to building owners.

#### 6.5.7.3 Key Views



Figure 70 Back street between Parish Street and Alma Street

The back streets, such as between Parish Street and Alma Street, should not be ignored. They retain their historic street surfaces, which adds character to otherwise simple rear property elevations. Narrow views

should be enhanced as they are an intrinsic element of the Conservation Area.

**PRIORITY:** Narrow views should be protected from elements or objects that intrude into the space and alter the focus of the space.

As with many other parts of the Conservation Area, Character Area 7 contains smaller streets that retain their historic surfaces, enhanced by narrow or curving views. Due to the high position, the view from Double Row looking south captures some of the distant scenery, serving as a visual reminder of Padiham's broader context. Views like this are particularly significant to the aesthetic value of the area.



Figure 71 Double Row looking south



**PRIORITY:** The preservation of narrow and curved views, historic surfaces, and distance views. Development seeking to impair any of these should be discouraged.

Please see Spatial Analysis map for further key views within this area.

#### 6.5.7.4 Public Realm

The failure of inappropriate surfacing works within the Conservation Area has revealed stone settings of historic value beneath. This original surface is more in keeping with the character of the Conservation Area, and reflects high quality design in other parts of the town.



Figure 72 Failed street surfaces on Parish Street

For example, areas where stone settings are predominant include Shuttleworth Street, one of the most attractive residential streets. Though the building stock in this area is simple in comparison to those closer to the river, their value would be enhanced if their setting was either original, or sympathetic.

**PRIORITY:** If appropriate upon further inspection, and when opportunity and resources allow, historic street surfaces should be uncovered and repaired. Reinstatement of original features that have been hidden is encouraged.

#### 6.5.7.5 Use

Character Area 7 has a range of residential properties, from pre-industrial cottages, terraced housing, and more modern properties, including bungalows. The residential focus of this area provides a significant contribution to the sense of place as it is generally quiet with lower levels of traffic.

**PRIORITY:** Presumption for the retention of the residential nature of this Character Area when considering future applications.

#### 6.5.7.6 Trees & Soft Landscaping

The area is quite densely built due to the wealth of housing provision. Open spaces around Chapel Walk and Parish Street provide some green alternative, however, they are not publicly accessible recreational ground. Green space on Chapel Walk is decorative and not encouraging to leisure users.

**PRIORITY:** Green space is valuable in this Character Area, and spaces that already exist should be retained. If opportunity arises for the creation of more, publicly accessible green space, this should be encouraged.

At the corner of St Giles Street and Bank Street there is a small area of public realm bounded by a low brick boundary wall. The area serves no purpose, and has not been properly landscaped.

## 6.5.8 Character Area 8: The Arbories & the Crossways

### 6.5.8.1 Key Issues

This Character Area has within it distinct spaces, defined by scale, style, and setting. Arbory Drive is more open and leafy, whereas West Street and Well Street are densely residential. A general issue is the use of UPVC windows in properties throughout the area, which causes harm in areas characterised by their simple residential vernacular. Modern interventions, such as the installation of satellite dishes, has also had a harmful impact on the simplicity of these residential streets. Some properties on Whalley Road also have roller shutters as well as UPVC, a frequent issue throughout the whole Conservation Area when dealing with commercial properties.



Figure 73 Cottages on West Street



Figure 74 West Street, looking east

The Eastern Lodge, a significant gateway building, is vacant and subject to neglect and decay.

### 6.5.8.2 Historic Buildings – Protection

It is important to find an appropriate and feasible use for the Eastern Lodge. Continuance of its current condition will result in significant harm and loss of historic fabric. This building, and its setting, are an important demonstration of the more rural elements of Padiham, in contrast to its strong industrial context.

**PRIORITY:** Seek to work with the owners to find an appropriate use for East Lodge, with a subsequent comprehensive scheme of conservation appropriate repairs.



Figure 75 Mamma Mia restaurant at Crossways

The Crossways, despite being used as a restaurant for many years, is an indicator of the historically wealthier residential status of this area, especially in conjunction with Isles House. The setting of Crossways is intrinsic to its value, and should be preserved.

**PRIORITY:** Discourage development in the historic grounds of Crossways in order to preserve its historic and aesthetic values.

Isles House is an attractive and prominent Georgian building on Arbory Drive. It is vastly different in character to many other properties within the Conservation Area. Presently, the building appears to be in good condition. It is vital that this listed building is kept in a good state of repair, and that any proposed works are appropriate in relation to its statutory designation.

### 6.5.8.3 Key Views

Key views in this Character Area are up and down Arbory Drive. Unlike many of the roads in Padiham, it is exceptionally straight and long, which marks its status as a transitional space. It is also more open and green than many other parts of the town, which would suggest a higher level of status. Please see Spatial Analysis map for further key views within this area.

### 6.5.8.4 Public Realm

There are a few surviving examples of earlier street furniture, including a green lamp post on West Street, and another of a different style on Well Street. Though these are stand alone, they enhance the historic character of the public realm and respond to the vernacular scale of their surroundings.

**PRIORITY:** Preserve existing elements of sympathetic public realm, and use these as guidance when future opportunities arise for the change of less appropriate street furniture.

The stone built, robust boundary wall of the Sports Ground gives strong enclosure to the street.

### 6.5.8.5 Use

At present, the uses within this Character Area are considered appropriate. There is a significant residential focus and this should remain the primary purpose, though the area is enhanced by some recreational and entertainment provision, such as the restaurant at Crossways.

**PRIORITY:** The preservation of the primarily residential character of the area. Management of proposed changes of use through the planning process.

The East Lodge is a significant building that has the potential to contribute to the surrounding community. Additionally, its lack of use is contributing to the deterioration of the historic fabric.

**PRIORITY:** Find an appropriate and feasible use for the East Lodge. Consider the use of Urgent Works or Repairs Notice where negotiations with the owner fail to make positive progress towards securing the future of the listed building. This will help to prevent further damage to historic fabric, and help the building become a useful part of the community.



#### 6.5.8.6 Trees & Soft Landscaping

The westernmost edge of the Conservation Area is open in character. It benefits from the mature grounds of Crossways, Isles House, and the Arbories Sports Ground. There are many trees along Arbory Drive, protected by TPO, that contribute to the green space; creating an avenue feel that is augmented by the strong lines of the rubble wall.

**PRIORITY:** Ensure that the open spaces and trees along Arbory Drive are adequately protected by the Conservation Area designation. Discourage new development that would alter this valuable greenspace, or remove trees not protected by the TPO, unless absolutely necessary.

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### 6.5.9 Character Area 9: Unitarian Church & Setting

#### 6.5.9.1 Key Issues

There have been no substantial issues found within this small Character Area. The principal concern is the protection of exiting historic fabric.

#### 6.5.9.2 Historic Buildings – Protection

Although identified as an issue in section 6.5.5.2, the state of repair of the Unitarian Chapel is relevant for Character Area 9 as the footprint of the building falls within this boundary. Viewing the Chapel from Queen Street highlights a poor state of repair for this significant building.



Figure 76 Unitarian Chapel from Church Street



Figure 77 Detail of Unitarian Chapel showing blocked windows, vegetation growth and evidence of water ingress.

**PRIORITY:** The protection of the Chapel’s historic fabric from further deterioration.

#### 6.5.9.3 Key Views

Key views from this vantage point are best captured in Character Area 6

#### 6.5.9.4 Public Realm

At the further reaches of the Conservation Area boundary, Character Area 9 is more open than most other parts of Padiham. This Character Area is bounded by a high-traffic road and incorporates the entrance to Memorial Park via the War Memorial, but there is no open space for public recreation.

**PRIORITY:** The area around the War Memorial should be kept in good condition as a suitable context for the monument. Its primary function is commemorative and not as an area of recreational green space. Visitors should be encouraged through to Memorial Park for that purpose.

#### 6.5.9.5 Use

The use of this area is characterised by the focus on community buildings. The Character Area boundary does not incorporate residential housing, but rather buildings and spaces that serve some parts of the community.

**PRIORITY:** The isolated use of this area as a community serving space is valuable and should not be diluted with inappropriate developments.

#### 6.5.9.6 Trees & Soft Landscaping

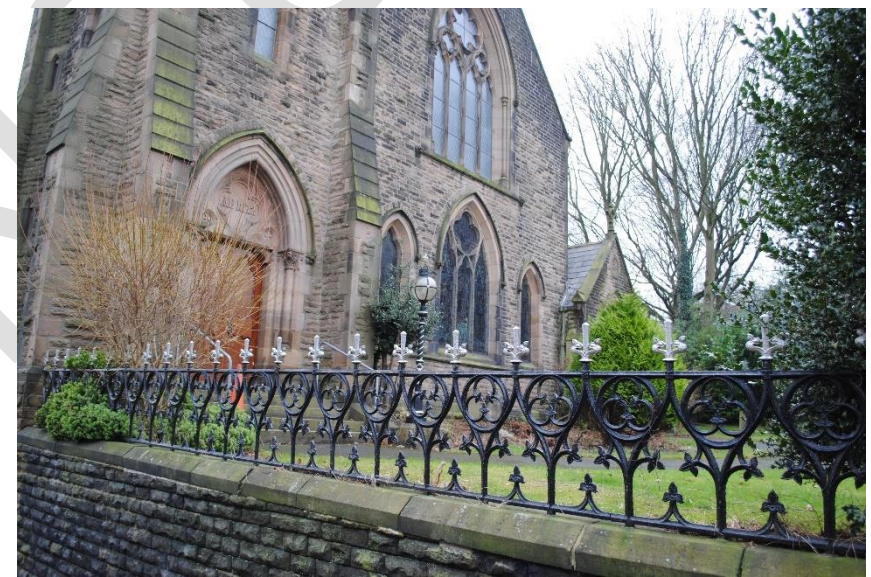


Figure 78 Church yard through the railings

Trees and soft landscaping in this Character Area is focussed on the small yard of the Unitarian Church. There is also some pleasant mature planting in the garden surrounding the War Memorial.

**PRIORITY:** The current level of landscaping is appropriate. Existing mature planting should be properly managed and cared for to ensure it continues to thrive.

### 6.5.10 Design Principles & Guidance

Development within, or adjacent to, the Conservation Area boundary should conform to Burnley Local Plan Policy E12, GP3 and other relevant policies. The following design guidance will apply to most schemes, including extensions to existing properties, new houses or commercial buildings. It is based on national policy and guidance including Historic England's *Conservation Principles for the Sustainable Management of the Historic Environment* (2008), the *National Planning Policy Framework* (2012).

Within the Conservation Area, all proposals for new development must preserve or enhance its character and appearance. The Council will take the opportunity to ensure that all new development makes a positive contribution to the area, and conserves those aspects that contribute to its special character. Development should respond to its immediate environment, its "context," in terms of scale, density, form, materials and detailing. Applicants for planning permission must provide a "Design & Access Statement." This must justify the design decisions that have been made during the scheme's development, and show how the proposal relates to its context. The following are general principles which should be adopted for all developments in all parts of the Conservation Area.

The Design Principles for the Padiham Conservation Area are as follows:

1. All new developments will be expected to make a positive contribution to the character and appearance of the Padiham Conservation Area. Respect will be paid to the values contained in the Padiham Conservation Area Appraisal and all developments will be required to respond creatively to their context, respecting the form, scale, massing, materials and local detailing within the historic built environment. Additionally, developments should respond both to their specific Character Area and the wider Conservation Area. All forms of new development in the Conservation Area should:
  - a. Preserve and reinforce the distinctive pattern of traditional development, including; street patterns, open spaces and trees; plot boundaries and boundary treatments.
  - b. Have regard for existing building lines and the orientation of existing development.
2. Where new development is proposed for areas adjacent to the Conservation Area, it is equally important for care and consideration to be given to the impact of the design, detailing, and siting. Where appropriate, all forms of new development adjacent to the Conservation Area should respect the principles listed above. Regard should be paid to continuing the local scale, form and materials. This will help to reinforce the distinctive architectural character of the immediate context, and minimise impact of new development on key streetscapes, views and vistas.
3. Behind the formal frontages throughout the Conservation Area, there are numerous examples of rear access streets and pedestrian alleyways. Collectively, they provide a notable feature, making an important contribution to the historic character and distinctiveness of the Conservation Area through the evidence of Padiham's medieval town layout. It is important to recognise these features in the layout of new development.
  - c. Respond to the particular rhythm and articulation of the overall elements of the streetscape, and of individual buildings, in terms of bays and openings that break up the façade.
  - d. Reinforce the distinctive character and grain of each Character Area. This should be achieved through an informed understanding of the forms, styles, features and materials of its buildings. Pastiche forms of development, and the superficial echoing of historic features in new buildings, should be avoided.
  - e. Respect the scale and massing of surrounding buildings. It is essential that new development should respect the scale of existing buildings in terms of height, overall massing, roofscape, floor levels, and sizes of window and door openings.
  - f. Maintain key views and vistas within, into, and out of the Character Area.
  - g. Minimise, where possible, the visual impact of parked vehicles, and the provision of parking areas, on the streetscape and landscape setting of historic streets and buildings.
  - h. Allow easy, attractive, and safe routes through the Conservation Area to the Town Centre.

4. The townscape must be added to in a way that enhances the variety and texture. Contemporary design, originality and innovation are encouraged in the context of the historic perspective. Traditional materials are encouraged, but high quality non-traditional materials that respond positively to surrounding buildings in texture, colour, scale and quality, may also be acceptable.
5. New development should reflect locally evident materials and colours; from the landscape as well as existing buildings. Materials, colours and finishes should help to give a sense of unity and identity to the Conservation Area. The quality of materials, and their fitness for long-term performance, need to be considered. The implications of the climate, specifically rainfall and exposure, should be considered when choosing materials and details that may be prone to the effects of such weathering. This is especially important where long-term maintenance cannot be relied on.
6. The regeneration of the area requires that proper attention be paid to the maintenance and repair of the existing historic fabric and the traditional detailing of works of reinstatement. In new buildings and the public realm high quality design and attention to detail and materials is paramount if the special character of the area is to be preserved and enhanced. Unsympathetic modern interventions and materials should be removed where possible, and replaced with conservation appropriate materials, products and styles.
7. Care should be taken to avoid the unnecessary loss of historic fabric. Proposals affecting buildings of heritage merit or the character of the Conservation Area should be based upon the retention of historic fabric. This incorporates, but is not limited to: shop fronts, sash windows, doors and door cases, rainwater goods, and chimney pots and stacks. Works of repair or alteration should adopt high conservation standards, including craftsmanship and professional skill. This is to ensure that the highest standards of design, materials and craftsmanship are achieved.
8. Surviving traditional shopfronts should be preserved, and original features reinstated and restored wherever possible. Replacement shop fronts should be designed to be sympathetic to the architectural character of the area – reflecting traditional



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designs, if appropriate, and should display good proportions, well considered detailing, and quality materials. Oversized fascias, a proliferation of advertising signage, and the use of externally mounted roller shutters should be avoided.

9. The Conservation Area Appraisal, and the Management Plan 3.4 Spatial Analysis, identifies several key views that make a positive contribution to the character of the Conservation Area. Any development proposals within the Conservation Area must ensure that these views are maintained.
10. The treatment of spaces between the buildings are critically important to the overall quality and character of the Area. These need to follow sound principles of urban design; respecting the heritage qualities described in the Conservation Area Appraisal. To avoid the visual confusion that can arise as a consequence of a variety of overly fussy design solutions, a coherent and sensitive approach to the public realm, including surfaces finishes and street furniture, is imperative. New development should aim to improve the quality of the streetscape by introducing a clear and consistent approach to the design and installation of streetscape components and surface treatments. New hard landscaping schemes should incorporate the sensitive use of appropriate materials to enhance the heritage setting. Subtle designs are necessary to avoid the introduction of an overly dominant public realm. Careful attention should be paid to the selection and siting of street signage, bollards, and furniture.

# 7 Protection

## 7.1 Existing Designations

Padiham is a designated Conservation Area under the Planning (Listed Buildings and Conservation Areas) Act 1990. It is also on the Historic England *Heritage at Risk* register. The following buildings within the Padiham Conservation Area are all statutorily listed at a Grade II designation. This list should be read alongside the map in Appendix 12.1.

- Arbory Lodge, Arbory Drive
- Isles House Arbory Drive
- Oddfellows Hall, Bank Street
- 22- 26 Bank Street
- Barclays Bank, Burnley Road
- National Westminster Bank, Burnley Road
- The Old Black Bull (Cellar Restaurant), Church Street
- Church of St Leonard, Church Street
- Nazareth Unitarian Chapel, Church Street
- Gate Piers and Gates at Nazareth Unitarian Chapel, Church Street
- Trevelyan Guest House, Church Street
- Helm's Mill, Factory Lane
- 1-21 Gawthorpe Street
- 2-6 Gawthorpe Street
- Prestige Bedding Centre (previously the National School), Mill Street
- Former Schoolmaster's House, Mill Street
- 1-3 Moor Lane

## 7.2 Locally Listed Buildings

Burnley Borough Council can designate buildings for local listing as a method of providing an additional level of protection to those buildings not included on the Historic England national heritage register. Buildings on this local list will be afforded extra consideration in the determination of planning decisions either relating to directly to the property in question, or places in the vicinity that may impact the character.

The following buildings within the Padiham Conservation Area have been identified for Local Listing by Burnley Borough Council.

- 1-19, Albert Street

- 21-35 Albert Street & 5 King Street
- 2-26 Albert Street
- 28-44 Albert Street/3 King Street/ 6-8 Inkerman Street
- 16-20 Bank Street
- 6-14 Bank Street/ 1-3 Havelock Street
- 27-29 Bank Street
- 59- 65 Burnley Road
- 24-30 Burnley Road
- 29- 41 Burnley Road
- 19- 27 Burnley Road/ 2-6 Ightenhill Street
- 4-8 Burnley Road
- 1-13 Burnley Road/ 4 Moor lane/ 1-3 Central Buildings
- 1-19 Chapel Walk & 30-32 Church Street
- 3-11 Church Street/ 2-4 Calder Street
- 45-47 Church Street/ 3 Inkerman Street
- 49- 69 Church Street/ 1 King Street
- 71- 95 Church Street
- War Memorial, Church Street
- Knight Hill House, Church Street
- 4-22 Church Street
- 24 Church Street
- 26 Church Street
- 34- 46 Church Street & 2-4 Alma Street
- 48- 52 Church Street
- 54- 60 Church Street
- 80- 84 Church Street/ 2-22 Holland Street
- Starkie Arms, Church Street
- Whalley Range, Church Street
- 1-3 Dragon Street & 28-30 Shuttleworth Street
- 2-10 Guy Street & 6-12 Moor Lane
- Former Cinema, Mill Street
- 19- 27 Mill Street
- 2- 14 Mill Street
- 5-17 Moor Lane/ 2 Barbon street
- 4-28 Moor Lane/ 1-3 Guy Street
- Old Burial Ground, North Street
- 19-25 North Street/ 1-7 Spring Gardens Terrace
- Bankhouse, Queen Street
- 1-9 Queen Street
- 2-12 Shuttleworth Street

- 14-26 Shuttleworth Street
- Bridge Across the River Calder, Station Road
- Free Gardeners' Arms, St Giles Street
- 2-18 Well Street
- The Hare and Hounds, West Street
- 70-90 West Street
- The Crossways, Whalley Road.

**ACTION:** The Council should continue to develop and review the list of Locally listed buildings within the Padiham Conservation Area to ensure that all significant properties are protected, and that all properties on the list are fitting of local protection.

## 7.3 Buildings at Risk

There are no buildings listed at higher than Grade II within the Padiham Conservation Area, meaning that no buildings have been officially identified by Historic England for inclusion on their *Heritage At Risk* register. The Conservation Area as a whole, however, has been included on the list. It has been assessed by Historic England as being in very poor condition with a high level of vulnerability.

**ACTION:** The Council should identify key buildings within the Conservation Area that are most at Risk, or most likely to lose their heritage significance without positive action. These should be prioritised for repair and development.

## 7.4 Landmark & High Buildings

Padiham has a reasonably consistent development height, with interesting contrasts between residential, commercial and industrial buildings. There are no high-storey buildings that would dominate the townscape. St Leonard's Church is the most prominent landmark building in the centre of the Conservation Area, although its tower is not significantly higher than the surrounding area.

**ACTION:** The Local Authority should consider the implementation of a height limit on new developments in order to protect the character of the area and the prominence of St Leonard's Church.

## 7.5 Extensions to the Conservation Area

The *Padiham Conservation Area Appraisal Draft* identified 5 areas outside the official boundary that contribute to the setting of the Conservation Area. The Civic Quarter area was proposed for inclusion in an extension by the Padiham Heritage Appraisal (2007)

This Conservation Plan suggests that the Civic Quarter is considered for future inclusion within the Conservation Area. This is due to the prominence of the Town Hall building. Though it is significantly different in style and material, it contributes an additional layer of architectural and aesthetic interest to the area, as well as a focal point for the civic life of the town.

**ACTION: The Local Authority should seek to extend the Conservation Area boundary to incorporate the Civic Quarter.**

This Plan does not specifically advocate the redrawing of Conservation Area boundaries to incorporate any of the additional areas identified in the Character Appraisal. Their relationship with the Conservation Area is to be considered in the planning decision-making process.

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## 8 Enforcement: Planning Measures & Statutory Controls

### 8.1 Development Control & Planning Enforcement

Conservation Area designation brings with it a degree of additional statutory protection under planning legislation, the main consequences of which are as follows:

- Planning permission is required to totally, or substantially, demolish most buildings within a Conservation Area. There are a few exceptions, including a building which does not exceed 115 cubic metres; any wall, gate or fence that is less than 1 metre high where abutting a highway; or less than 2 metres high elsewhere.
- The extent of permitted development is reduced, such as cladding, extensions to the side of original dwellings, or the installation of satellite dishes visible from the public highway.
- For trees over 75mm in trunk diameter, six weeks written notice is required to allow consideration for protection.
- Stricter rules apply in Conservation Areas with regards to the type and size of advertisements that can be erected without Advertisement Consent.
- The desirability of preserving or enhancing a Conservation Area is a material issue consideration in determining planning applications.

Where unlisted buildings are not in use as single dwelling houses, permitted development rights are limited. It is important, therefore, that development management standards are reviewed to ensure that they are applied consistently to non-dwellings. This is particularly the case in the interpretation of what constitutes a material change, and is therefore subject to planning permission. Regular enforcement and monitoring should then ensure that development management standards are upheld.

Together, the NPPF, Burnley Local Plan, Padiham Conservation Area Appraisal and Management Plan, provide the key policy context and evidence base on which development management decisions in the

Conservation Area are to be considered. Burnley Borough Council will seek to work proactively with developers to find appropriate solutions where possible. However, permission will normally be refused for development proposals that would result in unjustified harm to the character or appearance of the Conservation Area.

The Council has experience of using Planning and Listed Building enforcement notices and is fully prepared to use them where co-operation cannot be secured by other means. It is important that enforcement action is swift and effective. This will enforce the message that the development control process is fair, and that it must be followed in all cases. Usually, enforcement action does not result in legal action, but is resolved through effective communication between the Council representatives and the relevant party. However, if appropriate, the Council will consider the commencement of legal action.

A photographic survey to record the condition and appearance of all buildings of merit within the Conservation Area would be useful to ensure a 'baseline' against which changes can be monitored. This could be updated annually to identify any potential breaches of Planning or Listed Building control. The survey could be undertaken by volunteers, if co-ordinated by an appropriate partner organisation.

**RECOMMENDATION:** Both regular enforcement and a considered approach to development control within the Conservation Area are required to ensure that there is consistency of advice and decision-making.

**RECOMMENDATION:** A photographic survey should be undertaken to establish a point in time against which changes can be monitored. This must be regularly updated, especially where there are known changes, to ensure that there is a consistent process of monitoring.

### 8.2 Other Statutory Powers

In addition to development control, there exists an equal need to address the use of various powers available under the Planning Acts.

A significant proportion of responsibility for the management and maintenance of the Padiham Conservation Area falls to Burnley Borough Council, due to the requirements of the Planning (Listed Buildings and Conservation Areas) Act 1990. The Local Planning Authority has a

number of statutory powers at their disposal, under the Planning Acts, to deal with issues affecting the historic environment and its proactive management. These are rarely exercised, but their use under the right circumstances can act as a powerful deterrent. They can assist in the limitation of future damage, and safeguard the historic environment where there is a significant threat. In the Townscape Heritage Scheme area, the use of these powers may be necessary to protect the Heritage Lottery Fund's investment, and maintain the physical fabric of the area in good condition for the long-term.

The principal powers most relevant to the Padiham Conservation Area are explored here:

#### 8.2.1 Article 4 Directions

Under the Town and Country Planning (General Permitted Development) (England) Order 2015, as amended, permitted development rights can be limited in Conservation Areas through the imposition of an Article 4 Direction. This can be used to establish planning controls over a range of minor changes, such as to windows, doors, roofs, porches, chimneys, walls, and the creation of hard standing surfaces in front gardens. Government guidance advises that the power should be used selectively and in relation only to development which is likely to threaten the character and appearance of the Conservation Area.

Unlisted buildings that are used as flats or commercial properties have fewer permitted development rights. However, painting and the loss of front boundaries for car parking are not permitted development. These could be controlled by an Article 4 (1) Direction, if the Local Planning Authority perceive these changes as a threat to the special interest of the Conservation Area. This also means that the Council can already control changes such as the replacement of windows, or the changing of roof materials, on these types of unlisted buildings. Commercial properties and flats, such as those along Church Street and Burnley Road, are already subject to a degree of control that needs to be consistently applied (refer to 8.1 Development Control & Planning Enforcement).

The scope for an Article 4(2) Direction in the TH Scheme area is limited. Few of the buildings are single family dwellings and controls are, therefore, already available. Normal planning controls, if properly enforced, should therefore be adequate to safeguard its historic character. Nonetheless, the Council could consider the use of an Article 4(1) Direction to withdraw permitted development rights within the TH

Scheme area for the painting of existing painted buildings (and therefore any colour changes) or unpainted buildings.

However, the Conservation Area Appraisal identified that whilst some areas of significance are already under a reasonable level of protection due to their statutory designations, such as the listed buildings on Gawthorpe Street, there is potential scope for an Article 4 Direction in areas that are predominantly residential in character. For example, Shuttleworth Street and Albert Street have undergone a range of minor changes that have been identified as having a detrimental effect on the character and appearance of the Conservation Area. It should be noted that many of the residential properties are largely altered, so an Article 4 Direction would have a limited impact in ensuring the survival of any existing historic features. To address this issue, it is proposed that a further assessment is undertaken, and a public consultation exercise carried out. This would seek to determine whether the introduction of an Article 4 Direction would be an appropriate course of action to prevent further harm to the character and appearance of the Conservation Area, and provide a means to reverse harm that has already occurred.

If an Article 4 Direction is actioned, it will be subject to statutory consultation, and the owners of all affected properties will be able to comment. A full photographic survey will be needed when the Article 4 Direction is served. This will record materials and details on the buildings on the day the Direction comes into force, to then be used for monitoring and enforcement purposes.

**RECOMMENDATION:** Further assess the need for imposition of Article 4 Directions on buildings of significance in the areas outlined above. A separate report will be produced, and a public consultation exercise carried out.

**RECOMMENDATION:** In the event of instigating any Article 4 Directions, Burnley Borough Council should produce and distribute guidance leaflets explaining the implications of the Direction for property owners directly affected.

### 8.2.2 Repairs Notices/Urgent Works Notices/Section 215 Notices

The Council will actively seek to secure buildings from decline, and improve the appearance of land and buildings, that are adversely affecting the amenity of the area. The Council will continue to work proactively with owners and developers to establish and implement viable new uses. Where this proves unsuccessful, the Council may use its statutory powers under sections 48 (Repairs Notice) and 54 (Urgent Works Notice) of the Planning (Listed Buildings & Conservation Areas) Act 1990, and Section 215 of the Town & Country Planning Act 1990. These powers will be considered in conjunction with opportunities for grant funding offered by the Townscape Heritage scheme, and wider regeneration opportunities.

It is essential that early contact is made with owners to ascertain the reasons why properties are in a state of disrepair. It can then be established how the Council can, in the first place, assist in the way of advice to halt deterioration, and ensure that the problems do not worsen during the time taken to establish a viable solution. Where initial attempts fail to persuade the relevant party to voluntarily address the issues, then negotiations will not be allowed to hamper or delay any formal action that may be required.

**RECOMMENDATION:** The Council should identify buildings and land that would benefit from the implementation of an Urgent Works Notice, Repairs Notice, or Section 215 Notice. Early contact should be initiated with the owners in an attempt to resolve matters amicably, without recourse to formal action.

**RECOMMENDATION:** The Council should liaise and build links with local Building Preservation Trusts and community groups as potential third party restorers for buildings at risk.

**RECOMMENDATION:** The Council should adopt a pro-active approach aimed at encouraging owners to undertake repairs before the onset of decay. This endorses the approach that prevention is not only better than treatment, but also more economical in the long-term. In the first instance, this is to be achieved through negotiation rather than resorting to enforcement.

**RECOMMENDATION:** The Council will, as part of the delivery phase of the TH scheme, produce an owner's manual for undertaking maintenance and repairs.

### 8.2.3 Building Act 1984

Building Regulations under Part III of the Building Act gives Burnley Borough Council the power to protect the Conservation Area by serving notice on owners to carry out works on defective premises, dangerous buildings, ruinous and dilapidated buildings and neglected sites. The Council also have permissions to take their own steps if required, for the public good. This will be useful in preventing the loss of neglected and vacant buildings, or their misuse in anti-social behaviour.

**RECOMMENDATION:** Where buildings or places are at considerable risk to themselves or the public, the Council should seek to engage property owners under the direction of the Building Act. Where this is not effective, the Council should implement their right to carry out works.

### 8.2.4 Anti-Social Behaviour, Crime and Policing Act 2014

Under Section 35 Part III of the Act, Police officers can exclude a person from an area in the occurrence of crime or disorder. Such powers will enhance the safety of the Conservation Area, and serve to protect property or historically significant areas. This also applies to the issuing of community protection notices, to prevent unreasonable conduct that may harm the sense of place or historic fabric of the Conservation Area. Under Chapter 2 the Local Authority also can instigate public spaces protection orders. This will serve the Conservation Area in places that are likely to encourage anti-social behaviour.

**RECOMMENDATION:** Where relevant and useful, the Council should consider the implementation of notices supported under the Anti-Social Behaviour, Crime and Policing Act 2014. These will help to protect the public realm from anti-social behaviour, enhancing the sense of place for residents and visitors, and protecting heritage assets from damage.

### 8.2.5 Compulsory Purchase Order (CPO) & Empty Homes/Vacant Properties

The Planning Act 1990 affords Local Planning Authorities the power to serve Compulsory Purchase Notices, with authorisation from the Secretary of State, on land or buildings that are required to secure development, re-development, or improvement. The Council has experience of using Planning CPOs and is fully prepared to use them where co-operation cannot be secured by other means. Most notably, they have been implemented to bring long-term vacant properties back into use, and to secure the proper preservation of Listed Buildings at Risk.

The Council operates a programme to deal with vacant properties and has a dedicated Vacant Property Officer. Historic buildings at risk may often be vacant residential buildings, and colleagues in the Housing Department may be dealing with the same buildings. As such, liaison between departments is essential. Section 17 of the Housing Act 1986, 'Acquisition of land for housing purposes,' allows local authorities to acquire houses or buildings that could be made suitable as houses by agreement, or by a CPO, authorised by the Secretary of State and following an inquiry.

**RECOMMENDATION:** To identify long-term vacant properties in the Conservation Area that are suitable for providing residential accommodation. Where renovation and re-occupation is unlikely to be achieved without the intervention of the Council, and if there is an appropriate business case and funding available, the Council should seek to initiate negotiation to acquire the outstanding interests by agreement, or, if necessary, by a CPO.

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# 9 Implementation of the Plan

## 9.1 Introduction

Demonstrated in the exploration of Padiham’s Character Areas, the heritage that contributes to the Conservation Area’s significance is complex and intertwined. As such, it can be presumed that caring for it will be a difficult task. The following advice aims to provide support in the implementation of the recommended actions for the sustainable and appropriate management of the Conservation Area.

At the time of writing, the Council is finalising the Proposed Submission Draft of its Local Plan. This Plan has been informed by the preferred options report, and is therefore considered to reflect the direction of the council. The Conservation Area Management Plan should be adopted alongside the Local Plan in its final form.

Additionally, due to the corresponding guiding aims and objectives, this Plan should be considered alongside any reports and outcomes of the Padiham Townscape Heritage scheme. This TH will have a considerable impact on the protection of Character Area 2 and will require revision into this document upon completion.

## 9.2 Funding & Resourcing

### 9.2.1 Local Authority Resource & Corporate Working

Due to the Planning (Listed Buildings and Conservation Areas) Act 1990, Burnley Borough Council has the principal responsibility for the management and maintenance of the Conservation Area. Good management of Conservation Areas requires Local Authority resources. “Resources” refers to financial resources, and the engagement of members of Council staff. For example, those members of staff operating within the planning department in decision making, but also in the serving of relevant legislative notices for the protection of the historic environment. It is recognised that proposals for preservation and enhancement will be most effective when all relevant departments within the Local Authority understand the significance of the Conservation Area. Officers from a variety of departments, including development control, conservation, housing, green spaces, street-scene, town centre management and regeneration will be required to work corporately to ensure that council decisions respect the historic context. In addition, the

County Council, as Highways Authority, will also play a key role in the appropriate management of the Conservation Area.

Managing the Conservation Area effectively will require experienced professional input from a range of fields to ensure decisions are balanced. It is recognised that a development team approach would help to ensure that such issues are widely understood within the authority. Additionally, good practice recommended by Historic England is for local authorities to appoint a Historic Environment Champion. The position, usually at member level, aims to influence the functions and decisions of the Local Authority by encouraging high quality in architecture, design, and the historic environment.

**ACTION:** The Council will ensure corporate commitment to Conservation Area management in planning and regeneration.

**ACTION:** The Council will appoint an informal Officer Group, with the multi-disciplinary skills needed to ensure effective Conservation Area management over time.

**ACTION:** Ensure a Heritage Champion is appointed and involved in Conservation Area work, encouraging local involvement and publicity.

### 9.2.2 External Funding and Partnership Working

Having insufficient resources to manage Conservation Areas can seriously undermine their purpose and value. Limited resources require priority to be given to key issues, but the availability of external funding can allow the Council to ensure both enforcement and enhancement of the Conservation Area.

At the time of writing, Burnley Borough Council is implementing its Padiham *Crafting the Future* project, with support from the Heritage Lottery Fund’s Townscape Heritage Project. Many of the necessary actions and intended outcomes are more likely to be levered through the provision of grant aid. On this basis, the proposed actions are based on the potential level of resources available for the Padiham Townscape Heritage Scheme. The Council will monitor and review the necessary resources to sustain the historic environment, and manage the Townscape Heritage Scheme within the wider Conservation Area. Where appropriate, and funds are available, the Council will coordinate such works with the relevant agencies and partners to achieve the heritage

aims, and to ensure the beneficial impact of a conservation-led approach to economic development and regeneration.

Priority management, time and skills will be required:

- From all patterns supporting the Townscape Heritage Scheme and working in the wider Conservation Area.
- To implement planning measures and statutory controls as appropriate.
- To ensure effective monitoring and enforcement.
- To prepare technical guidance and to inform and involve the community.
- To ensure appropriate conservation skills are available in the Council and the community.
- There is a proper awareness and understanding of the area’s conservation value.
- Conservation standards are implemented to ensure protection and enhancement.
- To ensure that owners’ responsibilities are understood.

Some of these requirements can be supported through a range of events and training activities, explored in 9.4 Education & Training.

Opportunities for further funding will continue to be explored and investigated through partnership, working with other service areas and stakeholders. This will include the potential for grant aid from Historic England’s Partnership Schemes in Conservation Areas (PSICA).

**ACTION:** The Council should identify and seek any further sources of grants and funding for heritage-led regeneration initiatives, including funding through the Partnership Schemes in Conservation Areas (PSICA) initiative with Historic England.

One of the key ideologies of Historic England’s *Conservation Principles, Policies and Guidance* is the concept that ‘the historic environment is a shared resource.’ This is never more true than in the management of a historically significant place – usually designated as a Conservation Area because of the special combination of valuable elements; public realm, individual properties, groups of properties and green spaces. As such, the management of the historic environment is a shared responsibility. Owners of commercial and residential properties will be required to commit their own funding to the protection of their historic assets,



particularly those that own listed properties. Other sources of funding or investment include:

- Contributions from developers under Section 106 of the Town and Country Planning Act 1990.
- Appropriate and sympathetic enabling development.
- Business Improvements Districts (BID) funding, where appropriate.
- Voluntary contributions from property owners towards a ratepayer BID.

**ACTION:** The Local Authority will continue to endeavour to secure necessary funding for the implementation of the Padiham Conservation Area Management Plan, including enforcement, regeneration and enhancement schemes. A variety of sources, including Historic England, the Heritage Lottery Fund, Section 106 monies, and working in partnership with other organisations will be considered.

### 9.3 Monitoring & Updating of this Plan

Burnley Borough Council have committed to monitoring the effectiveness of this Conservation Area Management Plan, in conjunction with the Conservation Area Appraisal, through the Council's Annual Monitoring Report. The Conservation Area Management Plan provides the basis for proper management and implementation of the TH Scheme. It will need to be monitored and reviewed regularly to ensure it remains relevant, and that it is protecting the historic environment for future generations.

In line with best conservation practice, it is important that this Plan remains up to date and reflects any significant changes in the townscape. For example, this can include buildings or areas that have significantly declined, new development schemes, or implementation of regeneration schemes. These can all impact the heritage significance of Padiham, and any changes should thus be recorded. This will ensure that the Plan gives an accurate representation of the Conservation Area moving forward.

**ACTION:** This Conservation Area Management Plan should be updated every 10 years, or when major changes occur.

Similarly, it is also important that the Plan reflects any advancement of knowledge that comes from additional research, archaeological investigation, or evaluation. This is also in line with best conservation practice as it ensures that the Management document contains the most recent and accurate information available. As such, the document is more relevant, provides greater understanding of the site, and becomes a better tool for the management of change.

**ACTION:** This Conservation Area Management Plan should be updated and refined as more relevant information comes to light.

### 9.4 Education & Training

Education and training is central to the sustained management of the historic built environment. It is a key element in providing for the long-term sustainability of the TH Scheme and its objectives. Through the TH programme, the Council will establish and provide opportunities for development heritage management and maintenance skills for all involved in the project. This includes property owners and tenants; architects/designers; contractors and subcontractors; members of the general public; pupils and college students.

The owners of the key buildings are important partners in the management of the Conservation Area. The decline of a Conservation Area is usually initiated by a series of relatively minor alterations that lead to the erosion of character and lack of maintenance. To restrain this circle of decline, the Council, through the TH training and education programme, will deliver activities and materials that will enable owners to appreciate the virtues of their buildings, and prepare strategies for their routine repair and maintenance, observing best conservation practice. This will also be enhanced by guidance documents that are to be produced as part of the TH project, including the Shopfront Design Guide and Owner's Manual.

### 9.5 Community Consultation & Engagement

Community engagement and activity is an essential part of the effective long-term management of the Conservation Area. The Council recognises that residents, friends groups, historic societies and amenity groups play a vital and valued role in the enhancement of the historic environment. The Council seeks to improve those linkages and strengthening joint-working partnerships. Integral to this is the ongoing involvement of stakeholders through the TH steering group.

As part of the Padiham Townscape Heritage scheme, it is proposed to form a steering group comprising representatives from: the Town Council, local businesses, professionals, stakeholders, the wider community, and others with an interest in the future of Padiham and its historic environment. The steering group will engage the community in the active management of the Conservation Area, and get "buy-in" from the general public. Its role, amongst others, will be to help monitor and promote the range of activities set out in this Management Plan – from retaining a watching brief on the quality of development within the TH area, to identifying opportunities to promote learning, maintenance and high standards.

## 10 Townscape Heritage Scheme Management & Maintenance Plan

'Maintenance' is work that is necessary to protect the fabric of a building and keep it weatherproof. It does not include any work to put right significant problems, or work needed to bring a building in poor repair back to good condition. Carrying out active annual maintenance prevents the onset of serious structural problems which may need expensive repairs in the future. Some maintenance works will be required annually and others, such as the clearing of gutters and vegetation, may need to be undertaken several times a year. Typical tasks include:

- Regular inspections to identify any problems that need attention;
- Ensuring gutters are free of debris and are in working order;
- Replacing slipped roofing tiles or slates, to stop rainwater getting in;
- Weatherproofing (Painting) timber windows and doors at least every 5 years; and
- Repointing walls and clearing plant growth.

A methodical and proactive approach to the maintenance of a historic building will ensure that it is safeguarded against decay and conserved for future generations to enjoy.

During the 5 years of the Townscape Heritage Scheme the TH Development Officer will conduct annual photographic surveys of the area and monitoring of vacant buildings to ensure that any significant issues are identified promptly. Individual building owners will remain responsible for planning for the ongoing maintenance of their buildings and all grant recipients will be expected to produce a Maintenance Plan as part of their grant agreement.

There are a series of projects identified as high priority, medium priority and reserve projects in the Phase 2 Townscape Heritage Scheme. Of these, currently all but one of the projects and the public realm are privately owned. The benefits of the Townscape Heritage funding will be sustained through a combination of legal agreements and proactive enforcement for the privately-owned projects and committed management and maintenance of the publicly owned projects.

The Grant Agreement with private owners will ensure that the properties are maintained for a 10-year period following practical completion of the project. The grant works cannot start until this agreement is signed to ensure sustainability of the project. The Grant Agreement also THIO prevents modifications being carried out which are detrimental to the works completed as part of the grant and there is also a 5-year claw back if the property is sold.

The Council continues to see Padiham town centre as a high priority for regeneration and will continue to bid for further funding as opportunities arise. On-going maintenance of the publicly owned areas, including the highways, will also continue along with a proactive approach to enforcement.



## 10.1 Advice for Property Owners

### 10.1.1 Online

Historic England, *What Permission Might I Need to Make Changes to My Older Home?*

- <https://historicengland.org.uk/advice/your-home/making-changes-your-property/permission/>

Historic England, *Heritage Definitions*

- <https://historicengland.org.uk/advice/hpg/hpr-definitions/>

Historic England, *Principles of Repair of Historic Buildings*

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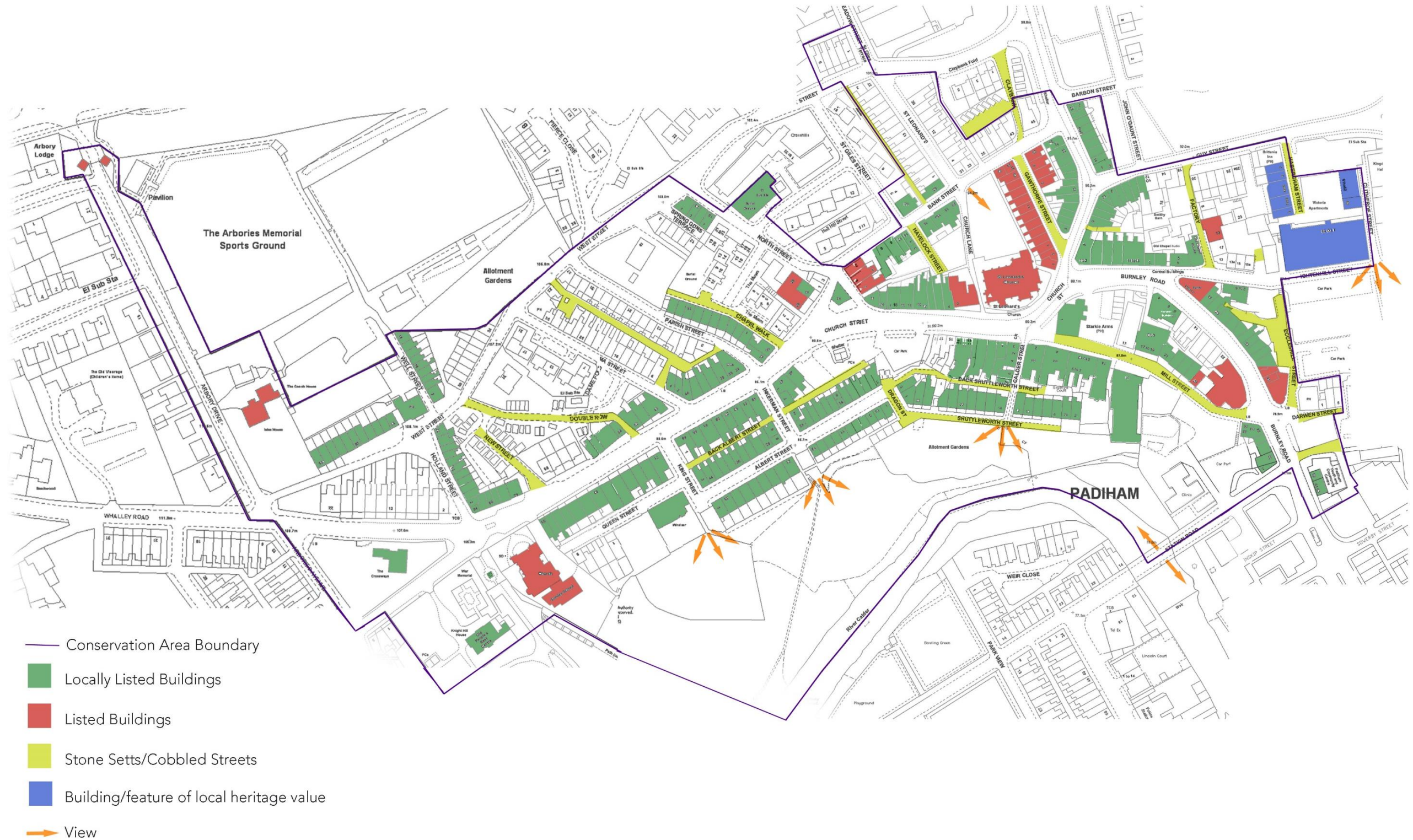
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CONSULTATION



# 12 Appendices

## 12.1 Plan





## 12.2 Historic Maps



Figure 80 Surveyed 1844 to 1846, Published 1848. Reproduced with permission of © National Library of Scotland

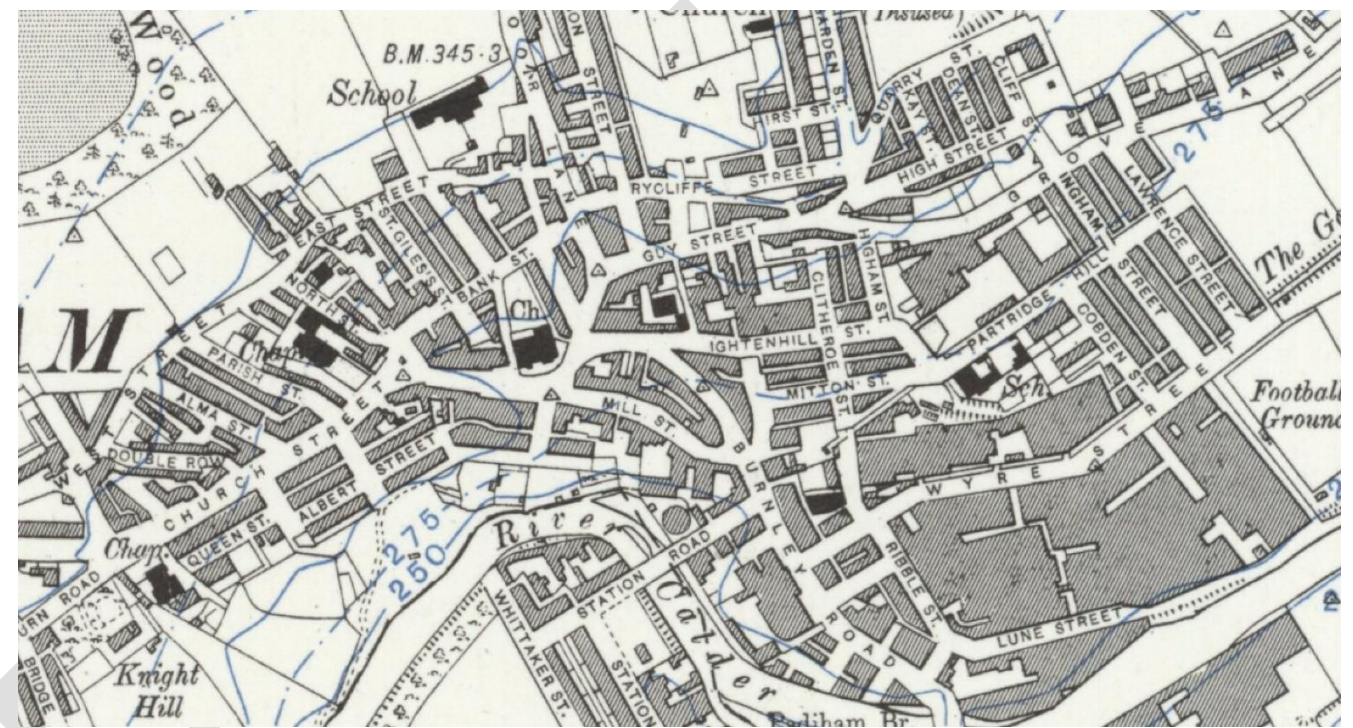


Figure 79 Revised 1909 to 1910, Published 1914. Reproduced with permission of © National Library of Scotland

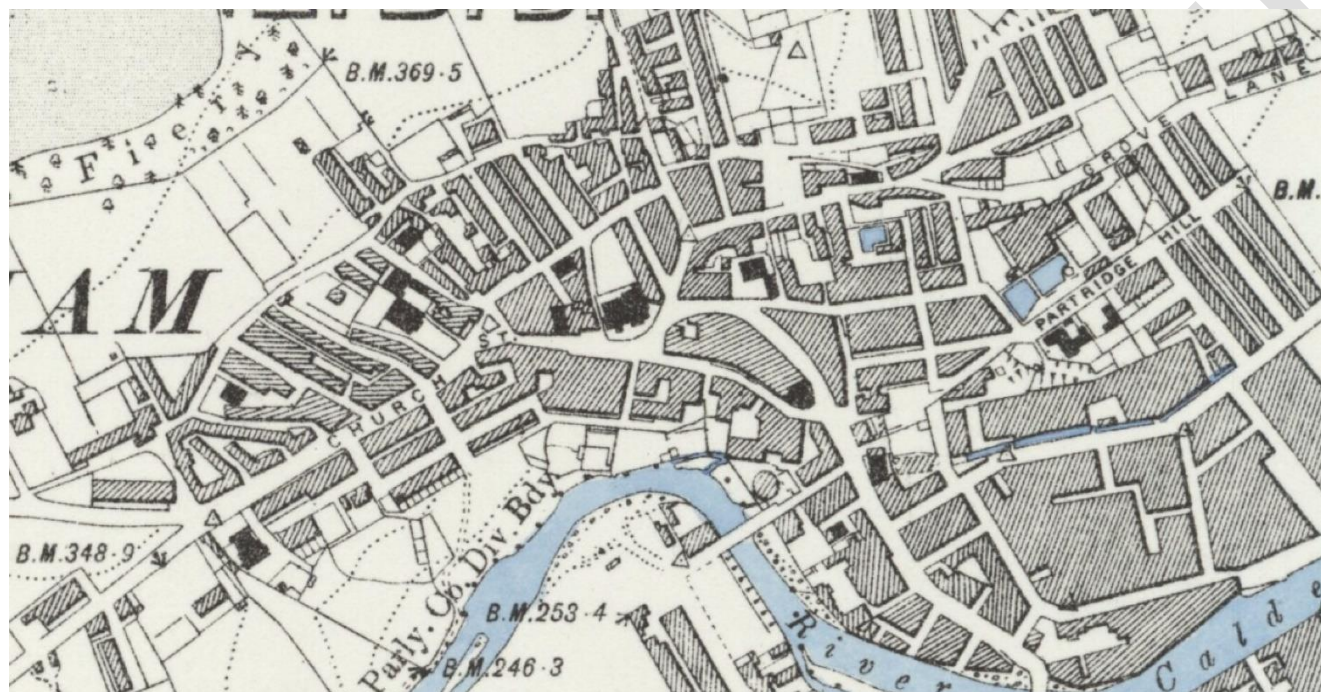


Figure 82 Surveyed 1890 to 1892, Published 1895 Reproduced with permission of © National Library of Scotland



Figure 81 Revised 1929, Published 1932. Reproduced with permission of © National Library of Scotland



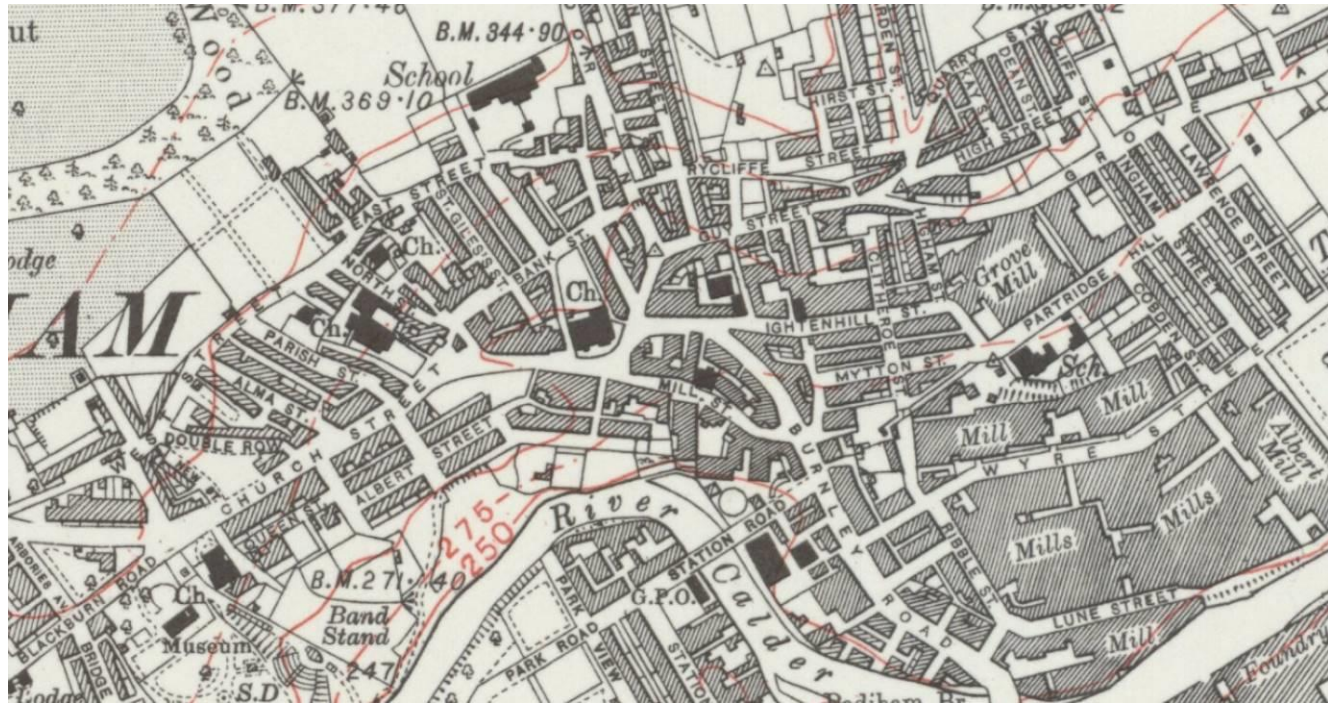








Figure 83 Revised 1938, Published 1947. Reproduced with permission of © National Library of Scotland



## 12.3 Character of Spaces



-  Conservation Area Boundary
-  Publicly accessible green space
-  Areas that would benefit from sensitive public realm improvement
-  Public Realm in search of purpose
-  Gap Sites
-  Tree Preservation Orders



## 12.4 SWOT Analysis

Extracted from Padiham Draft Conservation Area Appraisal (2014).

### 12.4.1 Strengths

The most important positive features of the Conservation Area are:

- Integrity and intactness of the 19<sup>th</sup> century built form
- Surviving pre- industrial street pattern
- Block patterns, scale, massing and strong frontages, emphasizing the intimate winding street pattern, and adding a great degree of visual interest
- More prominent architecturally detailed buildings such as the churches and commercial corner plots punctuate the wider built form
- Interesting and characterful roofscape in slate and stone flags, with variations in height and roof pitch of buildings, and the sloping topography of the settlement.
- Important surviving elements of architectural detailing in non-listed buildings for example historic shop fronts
- Significant expanses of historic street surfaces and interesting examples of older street furniture
- Terraced properties and boundary treatment with strong building lines offering enclosure to the streets.
- Mature trees and pleasant open spaces in some areas, offering breaks in the density of the built form and views across and through the Conservation Area

### 12.4.2 Weaknesses

The Principal negative features of the Conservation Area are

- Highways dominance of the principal commercial and civic spaces within the commercial core of the Conservation Area, with opportunities for focal points, such as around St Leonard's Church lost.
- An uncoordinated and piecemeal approach to the public realm
- High profile vacancies in some areas, particularly "The Hill" and the pubs and Constitutional Club on Mill Street, with some signs of impacts on structure and fabric. Commercial vacancies in terraced rows such as the Hill have the potential to cause problems with adjoining properties

- Incremental and unsympathetic changes to both commercial and residential properties in the area, e.g through widespread deployment of UPVC windows and doors, unsympathetic pointing techniques and most significantly, generic low- quality shop fronts
- Some gap sites and low quality areas of green space or incidental public realm
- Larger complex buildings potentially at risk if conditions change, for example the National School/ Prestige beds

### 12.4.3 Opportunities

- A good and varied stock of buildings, mostly in good repair that could be adapted for a number of uses, with retail units suitable for start-up and independent businesses
- Opportunities for increased spend and footfall due to redevelopment of major food retail uses to the east of the Conservation Area, drawing in visitors from a wider catchment area with the potential to be an incentive for investment in the historic fabric of buildings
- Potential to exploit green routes and linkages, both physical and thematic, with Gawthorpe Hall and beyond in any interpretation and visitor strategy for the area
- Opportunities to embrace the River more fully in terms of development of green routes through and beyond the Conservation Area.

### 12.4.4 Threats

- Increased commercial vacancy through wider economic changes affecting retail and pub businesses
- Further relaxation of permitted development rights may have more incremental impacts on the character and fabric of the area.

## 12.5 Summary of Recommendations & Actions

### 12.5.1 General Management Recommendations & Actions for Enhancement

- **RECOMMENDATION:** Developments adjacent to the Padiham Conservation Area should in their scale, height and massing respect the wider setting of the Conservation Area, including views into and out of it.
- **RECOMMENDATION:** Works to counteract existing unsympathetic or detracting developments within the Conservation Area should be encouraged by the Local Authority.
- **ACTION:** Whilst there are some key views looking outwards from the Conservation Area, there are many within its boundaries that have been overlooked. Internal key views, of different varieties, should be protected and enhanced where possible.
- **RECOMMENDATION:** Appropriate and viable uses should be encouraged to increase building occupancy, independent business, spending and footfall through key parts of the Conservation Area.
- **RECOMMENDATION:** New shopfronts should be well designed and sympathetic to the character and setting of both the building and the Conservation Area. Alterations to existing historic shopfronts should be carried out to best conservation standards. New build retail properties must also respect the Character Area context.
- **RECOMMENDATION:** New residential developments should respect and respond to their historic neighbours, in line with Historic England's Conservation Principles and guidance for new development in Conservation Areas.
- **ACTION:** The reinstatement and reuse of original architectural features such as fascias, pilasters, corbels, and sash windows, which have a positive effect on the character of the building or area, will be supported.
- **ACTION:** Locally Listed Buildings and buildings/features/areas identified in the Padiham Heritage Appraisal as having local heritage value should, where possible, be retained, restored and reused. There should be a presumption against demolition or removal of heritage features, but the significance of the building

and or feature must be balanced against the need to create a well-planned and sustainable neighbourhood.

- **RECOMMENDATION:** Alterations to public highways or public realm should be carefully assessed for their appropriateness within the context of the Conservation Area, in conjunction with Lancashire County Council.
- **ACTION:** The Local Authority will actively seek out measures to secure long term maintenance, including financial support, for the future conservation of the historic environment.
- **RECOMMENDATION:** Burnley Borough Council, in partnership with Lancashire County Council, should work to create a cohesive Public Realm Strategy.
- **RECOMMENDATION:** Improvements to the public realm within the Conservation Area should be undertaken sympathetically using high quality materials and finishes.
- **ACTION:** Adverts and signage within the Conservation Area should not be harmful to the character or appearance of the individual building, or the wider area. Where signage is appropriate and approved, it should respond to the design of the host building, and be sympathetic and respectful in scale and design.
- **RECOMMENDATION:** The retention of existing traditional floor materials should be encouraged. Where retention or replacement of the historic fabric is not feasible or appropriate, viable and sympathetic modern materials will be acceptable.
- **RECOMMENDATION:** It is recommended that a cohesive public realm strategy is developed to inform the future design approach to street furniture.
- **RECOMMENDATION:** Existing green spaces that are important to the character and appearance of the Conservation Area should be protected. Space should be well maintained and managed to make them welcoming to members of the public.

### 12.5.2 Protection Policies

- **ACTION:** The Council should continue to develop and review the list of Locally listed buildings within the Padiham Conservation Area to ensure that all significant properties are protected, and that all properties on the list are fitting of local protection.
- **ACTION:** The Council should identify key buildings within the Conservation Area that are most at Risk, or most likely to lose

their heritage significance without positive action. These should be prioritised for repair and development.

- **ACTION:** The Local Authority should consider the implementation of a height limit on new developments in order to protect the character of the area and the prominence of St Leonard's Church.
- **ACTION:** The Local Authority should seek to extend the Conservation Area boundary to incorporate the Civic Quarter.

### 12.5.3 Enforcement Recommendations

- **RECOMMENDATION:** Both regular enforcement and a considered approach to development control within the Conservation Area are required to ensure that there is consistency of advice and decision-making.
- **RECOMMENDATION:** A photographic survey should be undertaken to establish a point in time against which changes can be monitored. This must be regularly updated, especially where there are known changes, to ensure that there is a consistent process of monitoring.
- **RECOMMENDATION:** Further assess the need for imposition of Article 4 Directions on buildings of significance in the areas outlined above. A separate report will be produced, and a public consultation exercise carried out.
- **RECOMMENDATION:** In the event of instigating any Article 4 Directions, Burnley Borough Council should produce and distribute guidance leaflets explaining the implications of the Direction for property owners directly affected.
- **RECOMMENDATION:** The Council should identify buildings and land that would benefit from the implementation of an Urgent Works Notice, Repairs Notice, or Section 215 Notice. Early contact should be initiated with the owners in an attempt to resolve matters amicably, without recourse to formal action.
- **RECOMMENDATION:** The Council should liaise and build links with local Building Preservation Trusts and community groups as potential third party restorers for buildings at risk.
- **RECOMMENDATION:** The Council should adopt a pro-active approach aimed at encouraging owners to undertake repairs before the onset of decay. This endorses the approach that prevention is not only better than treatment, but also more economical in the long-term. In the first instance, this is to be



achieved through negotiation rather than resorting to enforcement.

- **RECOMMENDATION:** The Council will, as part of the delivery phase of the TH scheme, produce an owner's manual for undertaking maintenance and repairs.
- **RECOMMENDATION:** Where buildings or places are at considerable risk to themselves or the public, the Council should seek to engage property owners under the direction of the Building Act. Where this is not effective, the Council should implement their right to carry out works.
- **RECOMMENDATION:** Where relevant and useful, the Council should consider the implementation of notices supported under the Anti-Social Behaviour, Crime and Policing Act 2014. These will help to protect the public realm from anti-social behaviour, enhancing the sense of place for residents and visitors, and protecting heritage assets from damage.
- **RECOMMENDATION:** To identify long-term vacant properties in the Conservation Area that are suitable for providing residential accommodation. Where renovation and re-occupation is unlikely to be achieved without the intervention of the Council, and if there is an appropriate business case and funding available, the Council should seek to initiate negotiation to acquire the outstanding interests by agreement, or, if necessary, by a CPO.

#### 12.5.4 Implementation Actions

- **ACTION:** The Council will ensure corporate commitment to Conservation Area management in planning and regeneration.
- **ACTION:** The Council will appoint an informal Officer Group, with the multi-disciplinary skills needed to ensure effective Conservation Area management over time.
- **ACTION:** Ensure a Heritage Champion is appointed and involved in Conservation Area work, encouraging local involvement and publicity.
- **ACTION:** The Council should identify and seek any further sources of grants and funding for heritage-led regeneration initiatives, including funding through the Partnership Schemes in Conservation Areas (PSICA) initiative with Historic England.
- **ACTION:** The Local Authority will continue to endeavour to secure necessary funding for the implementation of the Padiham Conservation Area Management Plan, including enforcement,

regeneration and enhancement schemes. A variety of sources, including Historic England, the Heritage Lottery Fund, Section 106 monies, and working in partnership with other organisations will be considered.

- **ACTION:** This Conservation Area Management Plan should be updated every 10 years, or when major changes occur.
- **ACTION:** This Conservation Area Management Plan should be updated and refined as more relevant information comes to light.

## 12.6 Summary of Priorities

### 12.6.1 Character Area 1

1. Monitor the condition of the church's historic fabric to preserve its special interest.
2. Ensure that new developments within the town respect the scale of the church tower and its contribution to the visual landscape of Padiham.
3. Monitor the potential for development of the public area directly outside the Starkie Arms.
4. Ensure that narrow spaces, such as Church Lane discussed here, are kept free from obstacles, and kept in a good and appropriate state of repair. This will enhance its visual amenity, but also its public accessibility, for example, by reducing trip hazards.
5. Ensure that the curvature of streets and roads are preserved. It will be vital for the flagship buildings to be kept in a good and appropriate state of repair due to their role within these specific streetscapes. This is an important feature that should be preserved and enhanced.
6. Resurfacing of the Starkie Arms car park. Investigate possibilities for more appropriate street furniture and bollards.
7. Creating a sensitive and engaged public realm strategy that directly responds to Borough-wide planning policy. This should ensure appropriate materials for street surfaces, but also a coherent design approach.
8. Ensure that street furniture is appropriate in design and function for its setting. For example, smaller scale and visually interesting lighting on smaller, historic, residential streets. Taller, more functional lighting on main thoroughfares, but still sympathetic in material and scale.
9. As Character Area 1 is the historic core, it is important that buildings within this area are utilised in a manner appropriate to their history, and sympathetically to the surrounding historic environment.
10. Whenever possible, best efforts should be made to better integrate the Church Street shop fronts with their historic buildings and environment. This should be done in line with a unilateral shopfront design guide adopted by Burnley Borough Council.

### 12.6.2 Character Area 2

1. If the current occupier should vacate the building, a comprehensive scheme for re-use and restoration should be implemented. The building is statutorily listed and therefore change can be managed by the Council through the planning system.
2. The constitution club should be brought back into use through appropriate occupancy, in conjunction with a scheme of sensitive repair and enhancement.
3. As the Liberal Club is such a dominant building, it should be a flagship for good conservation practice. Unsympathetic modern interventions, such as shutters and signage, should be replaced with more appropriate elements, where possible.
4. Curving streets, narrowing and glimpse views contribute significantly to the value of the Conservation Area. Developments, changes of use, or other proposals should not alter the urban grain of these spaces as this will cause unacceptable harm to the historic environment.
5. Narrow views should be protected from elements or objects that intrude into the space and alter the focus of the space.
6. Public realm street furniture should continue to be guided by historic precedent. It is important to properly maintain street furniture to avoid deterioration and damage. This will help to ensure that high quality design is not undermined by deterioration. There should be a coherent approach to ensure that public realm does not become disjointed.
7. When the opportunity arises, measures to ease traffic and increase pedestrian accessibility to the businesses on Burnley Road should be pursued by the Council.
8. Encourage retail and commercial uses in this area. New developments should respect the existing properties, and new shop fronts should be carried out in accordance with shop front guidance.
9. Ensure that the small amount of green space on Mill Street is appropriately cared for. Where possible, find a more aesthetically pleasing form of planting for the bed at the base of the Post Office gable.

### 12.6.3 Character Area 3

1. Any future flood defence measures in this location should be designed to keep their visual impact to a minimum and to preserve or enhance the aesthetic value of the character area. For example, by incorporating natural materials into the finish of the design.
2. When possible and appropriate, explore potential uses or design solutions to enhance this area of public realm.

### 12.6.4 Character Area 4

1. Any future development proposals or changes of use should ensure that the character of these buildings, individually and as a group, is not eroded.
2. Preserve historic street surfaces and seek a solution to make transitions to modern materials less harsh.
3. It is important that any changes of use, developments or conversions do not erode any existing industrial elements.
4. The consideration of internal viewpoints when assessing potential heritage impacts of developments.

### 12.6.5 Character Area 5

1. Seek to work with the owners to protect the Chapel's historic fabric from further deterioration.
2. Best efforts should be made to ensure that waste bins are stored within property boundaries without restricting public passageways, particularly those that make positive contributions to the Conservation Area.
3. Ensure that repair works carried out in sensitive historic areas are done so in appropriate materials and methods.
4. Encourage the same high level of quality and design for street signage elsewhere within the Conservation Area, particularly residential streets identified as having group values.
5. Commercial uses, or other potentially disruptive proposals, should be discouraged within Character Area 5.
6. Ensure that trees and soft landscaping that interfere with pedestrian pathways are kept appropriately throughout the seasons. This will enhance its aesthetic values, whilst also providing safe spaces for pedestrians to use.



### 12.6.6 Character Area 6

1. The removal and appropriate replacement of unsympathetic modern interventions (particularly UPVC) when the opportunity arises. The prevention of further UPVC interventions.
2. New tenancies and new uses for vacant buildings should be encouraged, providing that they are appropriate for the nature of the historic building in question.
3. When the opportunity arises, this building should be brought back into appropriate and feasible use, with the intention of reversing harmful modern interventions and making historic features more legible. Especially, this should include unboarding windows to open the building back into the street.
4. When the opportunity arises, harmful modern interventions should be removed and appropriately restored in order to reflect this building's unique position within the streetscape.
5. Consider the detailing of the iron railings here when looking to inform recasting elsewhere.
6. UPVC is not appropriate within the Conservation Area, especially on properties that are so prominent and provide a vast contribution to the Character Area. UPVC interventions should be reversed where possible. At Osborne Terrace, the good example of number 48 should be used to inform future works.
7. Distance views should be protected, especially views where St Leonard's tower or the Unitarian Chapel steeple, feature prominently.
8. Curved views are intrinsic to the heritage value of Padiham and alterations or developments that obscure these should not be permitted.
9. Creating a sensitive and engaged public realm strategy that directly responds to Borough-wide planning policy. This should ensure appropriate materials for street surfaces, but also a coherent design approach.
10. Maintaining the balance between residential and commercial properties, not allowing one type to grow exponentially and consume the other.
11. Seek to ensure that this area is well-lit, well-maintained, and welcoming, so as to avoid antisocial behaviour.

### 12.6.7 Character Area 7

1. Ensure that building owners are aware of how to best look after their historic property, and what alterations are permitted. Guidance should be readily available from the council.
2. Ensure that new developments are sympathetic to their surroundings. Prevent alterations to existing inappropriate developments that may increase the dissonance with their historic context.
3. Seek to ensure that historic fabric of all properties, regardless of scale or status, is appropriately cared for and repaired. This can be expedited by offering support and guidance to building owners.
4. Narrow views should be protected from elements or objects that intrude into the space and alter the focus of the space.
5. The preservation of narrow and curved views, historic surfaces, and distance views. Development seeking to impair any of these should be discouraged.
6. If appropriate upon further inspection, and when opportunity and resources allow, historic street surfaces should be uncovered and repaired. Reinstatement of original features that have been hidden is encouraged.
7. Presumption for the retention of the residential nature of this Character Area when considering future applications.
8. Green space is valuable in this Character Area, and spaces that already exist should be retained. If opportunity arises for the creation of more, publicly accessible green space, this should be encouraged.

### 12.6.8 Character Area 8

1. Seek to work with the owners to find an appropriate use for East Lodge, with a subsequent comprehensive scheme of conservation appropriate repairs.
2. Discourage development in the historic grounds of Crossways in order to preserve its historic and aesthetic values.
3. Preserve existing elements of sympathetic public realm, and use these as guidance when future opportunities arise for the change of less appropriate street furniture.
4. The preservation of the primarily residential character of the area. Management of proposed changes of use through the planning process.

5. Find an appropriate and feasible use for the East Lodge. Consider the use of Urgent Works or Repairs Notice where negotiations with the owner fail to make positive progress towards securing the future of the listed building. This will help to prevent further damage to historic fabric, and help the building become a useful part of the community.
6. Ensure that the open spaces and trees along Arbory Drive are adequately protected by the Conservation Area designation. Discourage new development that would alter this valuable greenspace, or remove trees not protected by the TPO, unless absolutely necessary.

### 12.6.9 Character Area 9

1. The protection of the Chapel's historic fabric from further deterioration.
2. The area around the War Memorial should be kept in good condition as a suitable context for the monument. Its primary function is commemorative and not as an area of recreational green space. Visitors should be encouraged through to Memorial Park for that purpose.
3. The isolated use of this area as a community serving space is valuable and should not be diluted with inappropriate developments.
4. The current level of landscaping is appropriate. Existing mature planting should be properly managed and cared for to ensure it continues to thrive.

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## REPORT TO EXECUTIVE



<b>DATE</b>	<b>13<sup>th</sup> February 2017</b>
<b>PORTFOLIO</b>	<b>Resources and Performance Management</b>
<b>REPORT AUTHOR</b>	<b>David Donlan</b>
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## Revenue Budget Monitoring 2016/2017

### PURPOSE

- To report the forecast outturn position for the year as at 31<sup>st</sup> March 2017 based upon actual spending and income to **31<sup>st</sup> December 2016**.

### RECOMMENDATION

- The Executive is asked to:
  - Note the projected revenue budget forecast underspend of £276k (see the overview table in paragraph 6).

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

  - The latest revised budget of £15.223m as shown in Appendix 1.
  - The creation of a new reserve, Burnley bondholders, and the transfer of the balance of contributions totalling £35k from the Growth reserve.
  - The creation of a new reserve, Town Centre Masterplan, utilising the £89k balance on the Housing Benefits Administration Subsidy reserve and £54k of the balance on the Rail Services reserve.
  - The net transfers to earmarked reserves of £721k as shown in Appendix 4.
  - The carry forward of forecast unspent budgets as requested by Heads of Service in Appendix 5. These amounts totalling £90k to be transferred into the transformation reserve and transferred back out to create additional revenue budgets in 2017/18 or when required.

### REASONS FOR RECOMMENDATION

- To give consideration to the level of revenue spending and income in 2016/17 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. **Revenue Budget Monitoring Process**

There are 3 in-year reports on revenue budget monitoring presented to the Executive and the Scrutiny Committee during the course of the financial year. This is the final in-year report for 2016/17. In addition to these 3 reports there is a final combined report for revenue and capital 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.

### 5. **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.
- Executive Member for Resources and Performance Management decisions confirming additional awards of grant and contributions.
- Decisions made by the Executive.

Members are asked to approve the latest revised budget of £15.223m as shown in Appendix 1.



## 6. Revenue Budget Summary

As at the end of December 2016, the overall financial position is currently projected to be a £276k underspend, as shown in the table below:

	Latest Revised Budget £'000's	Forecast Outturn £'000's	Variance £'000's	Paragraph
Pay	9,322	9,563	241	
Other revenue budgets	7,004	6,487	(517)	
Reserves	(1,103)	(1,103)	0	12
	<b>15,223</b>	<b>14,947</b>	<b>(276)</b>	
<b>Financed by:</b>				
Collection Fund surplus	(81)	(81)		
Business Rates	(4,356)	(4,356)		
Revenue Support Grant	(3,660)	(3,660)		
Council Tax	(6,130)	(6,130)		
New Homes Bonus	(996)	(996)		
<b>Forecast underspend at end December 2016</b>	<b>0</b>	<b>(276)</b>	<b>(276)</b>	
<b>Reported position previously</b>			<b>(123)</b>	
<b>Movement this period</b>			<b>(153)</b>	
<b>Due to:</b>				
<u>Recurring variations</u>				
Community services income from shared service			(15)	7
<u>One-off variations:</u>				
Increased income			(43)	7
Burnley Business Awards Bi-annual event saving			(20)	8
Energy costs savings			(20)	9
Water cost savings			(25)	10
Other net savings			(30)	
			<b>(153)</b>	

In setting the budget for 2016/17, it was assumed that £250k would be saved through not filling posts immediately. The latest position is that £239k of salary savings have been secured to date. In forecasting the outturn position above to the 31<sup>st</sup> March 2017, it is assumed that the target will be achieved.

7. **Increased income (£58k)**  
Heads of service have reported an increase in forecast income for the year from cycle 2. This includes a contribution of £15k from Hyndburn Concil towards the shared community safety service.
8. **Burnley Business Awards savings (£20k)**  
This is a biannual event and therefore the budget for 2016/17 is not required.
9. **Energy cost savings (£20k)**  
Based on current trends and consumption, it is now estimated that a £85k saving on gas and electricity costs can be achieved in 2016/17. £65k of this has been previously reported and where considered appropriate, these savings have been reflected in the 2017/18 budget proposals.
10. **Water cost savings (£25k)**  
Based on current trends and consumption, it is now estimated there will be a saving of £65k in 2016/17. £40k of this has been previously reported and where considered appropriate, these savings have been reflected in the 2017/18 budget proposals.
11. **Budget Carry Forward Requests**  
Heads of Service have made requests for up to £90k of budgets to be moved from 2016/17 to 2017/18. Appendix 5 gives the getails.
12. **Earmarked Reserves**  
The table in Appendix 4 summarises the latest position. The forecast revenue budget underspending is £276k. Any revenue underspends at year end, will, if achieved, be transferred to the transformation reserve.
13. **Revenue Implications of the Changes to the Capital Budget**  
The 2016/17 capital monitoring report is elsewhere on your agenda. The report states that the full year revenue impact from prudential borrowing of £1.958m are the net costs of the Minimum Revenue Provision [MRP] of £37k and the net interest costs on the borrowing which is estimated to be £46k. The MRP costs are not incurred until 2017/18. The interest costs are dependent on the timing of the borrowing but is anticipated to be at year end and therefore also not likely to be incurred until 2017/18. These will be included within the revenue budget for 2017/18.

## **FINANCIAL IMPLICATIONS AND BUDGET PROVISION**

14. As shown in the body of the report.

## **POLICY IMPLICATIONS**

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



**DETAILS OF CONSULTATION**

- 16. Management Team  
Heads of Service

**BACKGROUND PAPERS**

- 17. None

**FURTHER INFORMATION**

**PLEASE CONTACT:**

**David Donlan - Accountancy Division  
Manager**

**ALSO:**

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**Movements in Revenue Budget 2016/17 - to 31st December 2016**

Directorate	Service Unit	Original Budget	Latest Revised Budget	Changes this Cycle (Cycle 3)	Changes Previous Cycle	Transfers to / (from) Earmarked Reserves	Grants Unapplied carried forward from 2015/16	<b>TOTAL OVERALL MOVEMENT</b>	Revised Budget
		£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's
Chief Executives Office	Management	447	440	-	(7)	-	-	(7)	440
	Regeneration and Planning Policy	1,420	1,570	35	(1)	112	4	150	1,570
Community Service	Leisure Trust Management Fee	711	610	(101)	-	-	-	(101)	610
	Leisure Trust Client	197	201	7	(3)	-	-	4	201
	Green Spaces and Amenities	1,094	1,203	(6)	63	-	52	109	1,203
	Streetscene	3,148	3,031	(51)	(83)	-	17	(117)	3,031
	Housing and Development Control	566	577	-	-	-	11	11	577
	Comms Servcs Performance & Policy	471	499	-	5	-	23	28	499
Resources	Governance, Law and Reg'n (inc Property)	846	552	(7)	(291)	-	4	(294)	552
	People & Development	296	283	(10)	(3)	-	-	(13)	283
	Finance	444	692	(8)	256	-	-	248	692
	Strategic Partnership	3,566	3,563	(3)	-	-	-	(3)	3,563
	Revenues and Benefits	(1,373)	(1,348)	-	-	25	-	25	(1,348)
	Treasury Management	931	1,032	101	-	-	-	101	1,032
	Corporate Budgets	5,272	3,421	43	25	(1,808)	(111)	(1,851)	3,421
	Use of Earmarked Reserves	(2,813)	(1,103)	-	39	1,671	-	1,710	(1,103)
		15,223	15,223	-	-	-	-	-	15,223



## Revenue Budget Update by Service Area as at 31st December 2016

Appendix 2

Directorate	Service Unit	Revised budget for year			Forecast outturn for year			Forecast Variance		
		Pay	Non Pay	Income	Pay	Non Pay	Income	Pay	Non Pay	Income
		£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Chief Executives Office	Management	425	15	-	399	15	-	(26)	-	-
	Regeneration and Planning Policy	1,151	1,165	(746)	1,150	1,115	(722)	(1)	(50)	24
Community Service	Leisure Trust Management Fee	-	610	-	-	610	-	-	-	-
	Leisure Trust Client	-	439	(238)	-	439	(238)	-	-	-
	Green Spaces and Amenities	1,826	1,383	(2,006)	1,826	1,383	(1,998)	-	-	8
	Streetscene	1,022	4,067	(2,058)	1,007	3,956	(2,086)	(15)	(111)	(28)
	Housing and Development Control	1,226	401	(1,050)	1,226	333	(1,146)	-	(68)	(96)
	Comms Servcs Performance & Policy	408	260	(169)	409	258	(177)	1	(2)	(8)
Resources	Governance, Law & Reg'n (inc Property)	981	1,913	(2,342)	973	1,882	(2,289)	(8)	(31)	53
	People & Development	206	77	-	200	87	-	(6)	10	-
	Finance	629	143	(80)	643	139	(80)	14	(4)	-
	Strategic Partnership	-	3,563	-	-	3,563	-	-	-	-
	Revenues and Benefits	-	34,180	(35,528)	-	34,180	(35,528)	-	-	-
	Treasury Management	-	1,074	(42)	-	915	(70)	-	(159)	(28)
Corporate	Corporate Budgets	1,448	2,056	(83)	1,730	2,038	(92)	282	(18)	(9)
	Use of Earmarked Reserves			(1,103)			(1,103)	-	-	-
	<b>Total</b>	<b>9,322</b>	<b>51,346</b>	<b>(45,445)</b>	<b>9,563</b>	<b>50,913</b>	<b>(45,529)</b>	<b>241</b>	<b>(433)</b>	<b>(84)</b>
				15,223			14,947			(276)

**Revenue Budget Variance Analysis 2016/17 (as at 31st December 2016)**
**Appendix 3**

Service Unit	Last Report			Current Report			Movement			Explanation (Non pay/income £20k and over)
	Forecast Variance			Forecast Variance			Movement			
	Pay	Non Pay	Income	Pay	Non Pay	Income	Pay	Non Pay	Income	
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	
Management	-	-	-	(26)	-	-	(26)	-	-	
Regen & Planning Policy	-	-	42	(1)	(50)	24	(1)	(50)	(18)	Non Pay - (£50k) Budget for Burnley Business Awards not required in 2016/17 saving £20k and general minor underspendings forecast of £30k.
Leisure Trust Management Fee	-	-	-	-	-	-	-	-	-	
Leisure Trust Client	-	-	-	-	-	-	-	-	-	
Green Spaces	-	-	8	-	-	8	-	-	-	
Streetscene	-	(73)	(8)	(15)	(111)	(28)	(15)	(38)	(20)	Non Pay - (£38k) Savings in cctv costs following a shared service with Blackburn of £22k and forecast net general minor underspendings of £16k. Income - (£20k) Additional income for Hyndburn contribution to shared service of £15k and other increased income £5k.
Housing & Devt Ctrl	-	(40)	(84)	-	(68)	(96)	-	(28)	(12)	Non Pay - (£28k) Savings of £15k in temporary accomodation costs and £14k costs of homelessness.
Communications, Performance & Policy	-	-	-	1	(2)	(8)	1	(2)	(8)	
Governance, Law & Regulation (inc Property)	-	(31)	53	(8)	(31)	53	(8)	-	-	
People & Development	-	10	-	(6)	10	-	(6)	-	-	
Finance	-	(4)	-	14	(4)	-	14	-	-	
Strategic Partnership	-	-	-	-	-	-	-	-	-	
Revenues & Benefits	-	-	-	-	-	-	-	-	-	
Treasury	-	(159)	(28)	-	(159)	(28)	-	-	-	
Corporate Budgets	191	9	(9)	282	(18)	(9)	91	(27)	-	Pay (£91k) - Further salary savings by service units above towards the corporate budget target of £250k and related costs. Non-Pay - (£27k) - Further estimated savings on both energy (£20k) and water charges (£25k). Council's Rates costs increased by £18k.
Transfers to / (from) Reserves	-	-	-	-	-	-	-	-	-	
<b>Total</b>	<b>191</b>	<b>(288)</b>	<b>(26)</b>	<b>241</b>	<b>(433)</b>	<b>(84)</b>	<b>50</b>	<b>(145)</b>	<b>(58)</b>	

 Net Est. Revenue Budget  
 (Underspend)/Overspend

(123)

(276)

(153)

**Position on Earmarked Reserves as at 31st December 2016**

Appendix 4

Position on Earmarked Reserves	Transformation £'000	Growth £'000	Town Centre Management £'000	Primary Engineer £'000	Other Specific £'000	Total £'000
Opening Balance 1/4/16	(2,714)	(2,181)	(600)	(165)	(1,202)	(6,862)
Original Budget 2016/17 - Use of Reserves 2016/17	250	710	-	-	1,853	2,813
Adjustment for the Business Rates Volatility Reserve as part of the final accounts closure	-	-	-	-	(1,756)	(1,756)
	<b>(2,464)</b>	<b>(1,471)</b>	<b>(600)</b>	<b>(165)</b>	<b>(1,105)</b>	<b>(5,805)</b>
Total changes in cycle 1	(12)	-	600	55	92	735
Total changes in cycle 2	(13)	13	-	-	32	32
Total changes in this report	32	(432)	(375)	(25)	79	(721)
<b>Anticipated Balance at 31st March 2017</b>	<b>(2,457)</b>	<b>(1,890)</b>	<b>(375)</b>	<b>(135)</b>	<b>(902)</b>	<b>(5,759)</b>
Approved Use of Reserves in future years	-	1,722	375	135	170	2,402
<b>Balance after approvals</b>	<b>(2,457)</b>	<b>(168)</b>	<b>-</b>	<b>-</b>	<b>(732)</b>	<b>(3,357)</b>



Requests for Revenue Budget Carry Forwards from 2016/17 into 2017/18

**APPENDIX 5**

<u>Service Unit / Task</u>	<u>Details</u>	<u>Amount Requested</u> £	<u>Code</u>	<u>Budget 2016/17</u> £	<u>Forecast Spending 2016/17</u> £	<u>Remaining 2016/17</u> £	<u>Approved by Management Team</u> £	<u>Forecast Underspend in previous Cycle 2 monitoring (if any)</u> £
<u>Regeneration and Planning Policy</u>	Remaining balance of the £50k agreed contribution to the Barnfield and Burnley Joint Venture company, that is funded 50 : 50 between Barnfield Investment Properties and	30,000	R5322/2021	30,000	-	30,000	-	-
		<b>30,000</b>		<b>30,000</b>	<b>-</b>	<b>30,000</b>	<b>-</b>	<b>-</b>
<u>People &amp; Development</u>	With the new structure just coming into place and with the intention to run a more commercially-focussed leadership programme, carry forward of potentially remaining funds is required.	10,000	Various/0153	55,318	45,318	10,000	-	-
		<b>10,000</b>		<b>55,318</b>	<b>45,318</b>	<b>10,000</b>	<b>-</b>	<b>-</b>
<u>Finance</u>	The work on the finance transformation is on-going. There have been a few issues that required resolving that have made the overall project slip. The project strands of intelligent scanning of creditor invoices and asset management accounting will require development in the new year.	20,000	R2021/2106	50,000	30,000	20,000	-	-
		<b>20,000</b>		<b>50,000</b>	<b>30,000</b>	<b>20,000</b>	<b>-</b>	<b>-</b>
<b>Totals</b>		<b>60,000</b>		<b>135,318</b>	<b>75,318</b>	<b>60,000</b>	<b>0</b>	<b>0</b>

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**REPORT TO THE EXECUTIVE**



<b>DATE</b>	<b>13<sup>th</sup> February 2017</b>
<b>PORTFOLIO</b>	<b>Resources &amp; Performance Management</b>
<b>REPORT AUTHOR</b>	<b>Asad Mushtaq</b>
<b>TEL NO</b>	<b>01282 477173</b>
<b>EMAIL</b>	<b>amushtaq@burnley.gov.uk</b>

**Medium-Term Financial Strategy – 2018/19 to 2020/21  
Incorporating the Reserves Strategy**

**PURPOSE**

1. To consider the longer term financial outlook within the context of a Medium-Term Financial Strategy covering the financial years 2018/19 to 2020/21, highlighting uncertainties, underlying risks and make recommendations to Council. The Medium-Term Financial Strategy should be read in conjunction with the revenue budget 2017/18 and the associated statutory report of the Chief Finance Officer.

**RECOMMENDATION**

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 regularly when required as an aid to monitoring the continued delivery of an annually balanced budget.

**REASONS FOR RECOMMENDATION**

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 2017-19 MTFS was approved in February 2016. In September 2016 a further report updated the MTFS and at that stage there was uncertainty around the Government's future plans for funding local government spending. This report provides an update to the latest figures presented in September 2016 based on the details issued by government as part of the provisional financial settlement for 2017/18 in December 2016, as well as incorporating a further year, namely 2020/21.
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 at paragraphs 27 and 34 respectively. The headline reduction, over the three financial years 2018/19, 2019/20 and 2020/21, is a cumulative budget gap of £4.016m (27.5% of the 2017/18 net budget of £14.596M).
7. The overall size of the challenge that the Council faces is considerable and the formulation of a balanced budget over the longer term requires the delivery of further efficiency savings through strategic prioritisation, service transformation and continuous improvement. The Council will continue to take key decisions affecting the way it delivers core Council services as it has done in establishing the major outsourcing contract for Council services with Liberata. This will ensure the delivery of our Strategic Objectives and promotes our place shaping role, contained within a reduced resource base.

## **FINANCIAL IMPLICATIONS AND BUDGET PROVISION**

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

## **POLICY IMPLICATIONS**

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

## **DETAILS OF CONSULTATION**

10. No external consultation has been carried out.

**BACKGROUND PAPERS**

11. None.

**FURTHER INFORMATION**

**PLEASE CONTACT:**

**Asad Mushtaq, Head of Finance**

**ALSO:**

**David Donlan, Accountancy Manager  
Howard Hamilton-Smith, Finance &  
Commercial Manager**

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# MEDIUM-TERM FINANCIAL STRATEGY

## 2018/21



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## **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 2017/18 on future years;
  - Gap analysis for 2018/19, 2019/20 and 2020/21 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 2017/18, the Statutory Report of the Chief Finance Officer and the Treasury Management Policy. In addition the Reserves Strategy is of fundamental importance 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 settlement for 2017/18 as they affect 2018/19, 2019/20 and 2020/21 are:
  - The Government's intention to phase out Revenue Support Grant by 2020
  - The calculation of Core Spending Power but with no maximum decrease and no support for any decrease from Efficiency Support Grant (ESG)
  - Continuation of New Homes Bonus – however the Government has reduced the period that grant is payable from six years to five years in 2017/18 and to four years in 2018/19. This results in an overall loss of grant of £1.599m. It has also 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 from 2017/18. This currently equates to 121 properties and a loss of £148k each year; £592k over the new four year period 2017/18 to 2020/21.
  - Confirmation of the Government's intention to allow local government to retain 100% of business rates by 2020, but this will be fiscally neutral.
  - Allowing local authorities to use 100% of capital receipts from asset sales to fund cost-saving reforms (mainly for those authorities with depleted strategic reserves)
  - The level of Council tax increase (excluding any social care increase – see below) beyond which a referendum is required remains at 2%
  - Further social care Council tax precept increases within Councils with responsibility for providing social care of up to 3% (6% total over the three year period), in addition to the 2% general increase
  - Confirmation of a multi-year (2017/18 to 2019/20) budget for Burnley and the 97% of authorities who signed up to demonstrate efficiency savings.

## **CORE SPENDING POWER**

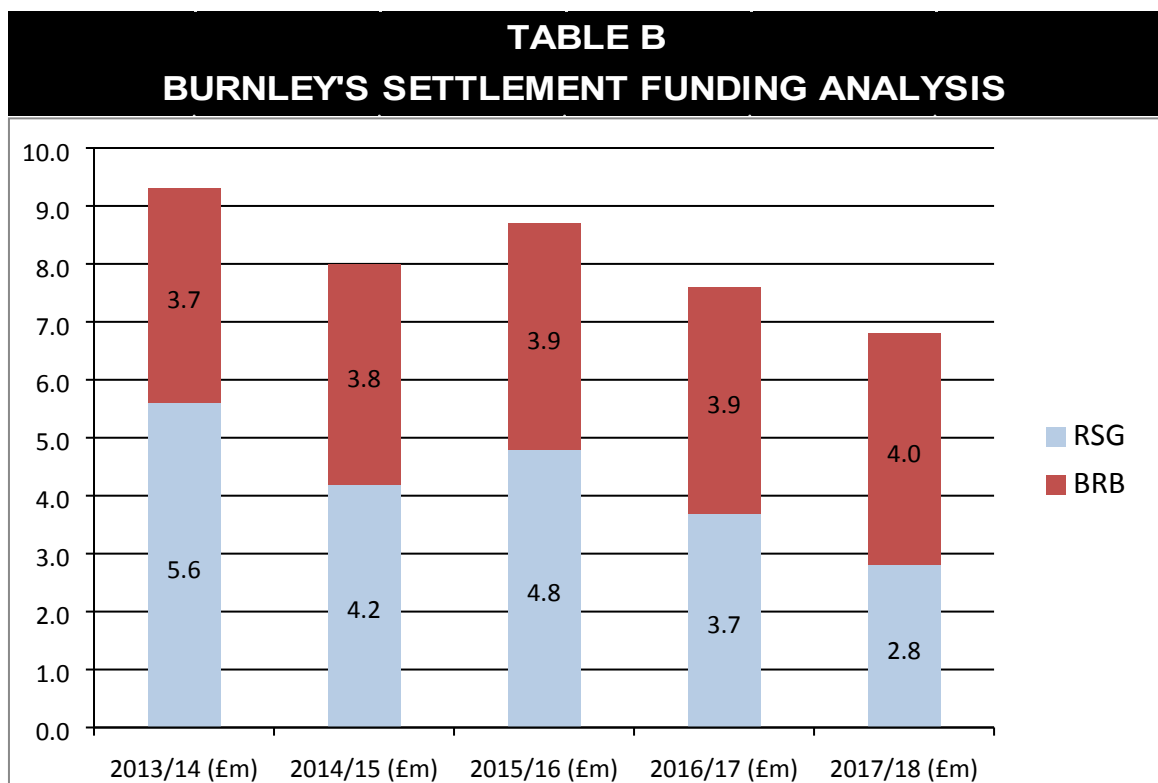
7. In previous years, the government stated that Core Spending Power reductions between financial years was limited to a maximum reduction and additional grant was provided to those authorities to ensure that they did not experience losses greater than this maximum reduction. The calculation of Core 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.
8. The methodology of the Core Spending Power calculation for 2017/18 includes Revenue Support Grant, Business Rates baseline funding, Council Tax and New Homes Bonus. As with 2016/17, no maximum decrease in spending power has been set for 2017/18. Burnley's Core Spending Power will reduce by 4.3% in

2017/18 (4.39% in 2016/17). Given that no maximum decrease has been set there will also be no payment of ESG in 2017/18.

9. A comparison of Burnley Spending Power with other local authorities is shown in Table A. Burnley is still facing Spending Power reductions significantly above the national average.

TABLE A SPENDING POWER REDUCTION			
Year	Burnley (%)	England Average (%)	Ratio
2013/14	8.8	1.7	5.2 times
2014/15	5.6	3.1	1.8 times
2015/16	6.4	1.8	3.6 times
2016/17	4.4	2.8	1.6 times
2017/18	4.3	1.1	3.9 times

10. However, whilst the headline Core Spending Power reduction for Burnley is 4.3% for 2017/18, there is a much greater 24.1% cash reduction in Government Revenue Support Grant funding. The Revenue Support Grant (RSG) element of the Settlement for 2017/18 will be £2.777m (£883k less than in 2016/17) and is now significantly lower than the indicative figure for localised business rates (BRB) of £3.982m. The direction of travel nationally is for local government to be funded from local revenues only in the longer term (as shown in Table B overleaf).



11. 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 the council tax base. This can be shown in Table C below:

<b>TABLE C</b> <b>% SPENDING POWER FINANCED THROUGH</b> <b>REVENUE SUPPORT GRANT &amp; EFFICIENCY SUPPORT GRANT</b>		
<b>Year</b>	<b>Burnley (%)</b>	<b>England Average (%)</b>
2013/14	41	29
2014/15	38	24
2015/16	30	18
2016/17	25	17
2017/18	20	12

12. The government have now clearly indicated in the 2017/18 settlement that it is intended to phase out Revenue Support Grant by 2020. The intention to allow local government to retain 100% of business rates by 2020 has also been confirmed. This means that there will be a greater demand on Council tax payers and businesses locally over the next three years if this loss of RSG funding is to be mitigated. The Council will continue to work towards the release of further efficiency savings but the change in Government funding will mean an increased reliance on local tax revenues whilst at the same time there will be a reduction in services provided by the Council.

### **BUSINESS RATES RETENTION**

13. 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.
14. Under the current system Burnley now receives an indicative figure or "baseline" from the Government for its local allocation of business rates and is able to retain a proportion of business rate growth or bear an element of risk in the event of a reduction in collected business rates. Whilst the arrangements are complex, Burnley is able to retain 20% of any increase in business rates above its baseline or 40% up to its baseline. In the event that Burnley achieves a 10% increase in its business rates collection, Burnley Council will receive an additional £493k in funding. Conversely, a safety net threshold has also been introduced to protect the Council from significant business rate reductions. For Burnley, this means that the Council's financial position underwrites losses of up to £299k.



15. Burnley has had some success in growing its business rate base over the last three years and an increase in business rates above the baseline figure has been factored into the 2017/18 revenue budget. Additional income of £161k is included within the 2017/18 budget. 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.
16. As referred to above, the intention to allow local government to retain 100% of business rates by 2020 has also been confirmed. The indicative figures set by the Government for individual Councils and currently in use are based upon collection statistics which prevailed more than 6 years ago.
17. Given that business rates will play a more significant role in the Council's future funding arrangements it is important that the distribution of the total rates collected nationally is considered and that attention is paid to the ability of individual Councils to generate rates income and what redistribution mechanisms, if any, are put in place.

### **NEW HOMES BONUS**

18. 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 provisional settlement has changed the formula for calculations of the NHB calculations. NHB is currently paid for 6 years but will reduce to 5 years in 2017/18 and then to 4 years from 2018/19 onwards. This will be applied retrospectively to existing NHB allocations. As a result the year 1 NHB funding payment of £70k and the year 2 payment of £14k have ceased in 2017/18 and there will be subsequent reductions of £520k, £503k and £400k in 2018/19 to 2020/21.
19. As mentioned earlier, the Government has introduced a baseline for housing growth of 0.4% from 2017/18, up to which, the Council will receive no new allocation. This means that the first 121 properties built or brought into use in 2017/18 will not be subject to a grant allocation. As a result the Council will not get £148k of new NHB in 2017/18 which it would have previously been entitled to. Over the new proposed 4 year timescale this equates to a loss of £592k. The Government will review the baseline level for subsequent budget settlements. Consequently, the known reductions referred to above have been included within the MTFS but any increase in NHB has not been factored into the financial forecast for future years.

### **COUNCIL TAX INCREASES**

20. For 2017/18, as in 2016/17, guidance issued by central Government requires a referendum where proposed Council tax increases are 2% or more than 2%.
21. 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. Consequently, a 1.9% 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.

22. The financial impact each year of not increasing council tax is an additional pressure of around £119k.

### **AN IMPACT ASSESSMENT OF THE REVENUE BUDGET 2017/18 ON FUTURE YEARS**

23. The Medium-Term Financial Strategy for 2018/19, 2019/20 and 2020/21 is dependent on the delivery of a number of assumptions within the annual budget for 2017/18. This strategy assumes that:
- the Council will approve an annual budget that delivers savings and increased funding totalling £1.85m and uses reserves as a one-off contribution of £240k to support the delivery of the 2017/18 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
  - The assumed costs of delivering the Council's services both directly and indirectly is in line with planning assumptions.
24. 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 2017.

## POTENTIAL GAP FOR 2018/19, 2019/20 and 2020/21

25. The overall funding gap for 2018/21, using planning assumptions, is summarised below:

	Reduction from 2017/18 Provisional Settlement	
	(£m)	%
Anticipated funding reduction	1.0	
Waste and Recycling Cost Sharing	0.8	
Pay and Prices/other	0.0	
Gap 2017/18 funded from reserves	0.2	
<b>Potential Gap 2018/19</b>	<b>2.0</b>	<b>13.7</b>
Anticipated funding reduction	0.7	
Pay and Prices/other	0.3	
<b>Potential Gap 2019/20</b>	<b>1.0</b>	<b>6.7</b>
Anticipated funding reduction	0.7	
Pay and Prices/other	0.3	
<b>Potential Gap 2020/21</b>	<b>1.0</b>	<b>7.1</b>
<b>Cumulative Potential Gap 2018/21</b>	<b>4.0</b>	<b>27.5</b>

26. The gap remains significant for 2018/19 in part due to the use of £240k from strategic earmarked reserves in 2017/18 as one-off funding and the £801k loss of funding through the waste & recycling cost share agreement.
27. Underlying assumptions included within the forecast are:
- Council tax will increase by 1.9% each year;
  - 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 1% per annum, fees and charges income at 2% per annum; and
  - No assumptions built into forecast regarding changes to Council Tax Support claimant numbers.



## **BALANCING OVER THE MEDIUM TERM**

28. The Council operates in a generally challenging environment. Given the planned significant reductions in the Council's funding from Government 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.
29. 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.
30. 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.
31. 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 following the 2016 senior management review and the continuation of the Liberata contract, which commenced in January 2016. 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.
32. 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.
33. 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. We 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.

## **RISKS**

34. 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.	HIGH
(ii)	Funding uncertainty with regard to the proposed changes in NHB funding and the changes in Business Rates funding 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	Develop 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).	MEDIUM
(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

RISK		MITIGATION	ASSESSMENT
(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 – 1% 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

## **RESERVES & BALANCES**

35. The overall forecast position on reserves is shown in the table below. This includes all strategic earmarked and general reserves. The Reserves Strategy can be found in detail at Appendix 1.

	Transformation	Growth	Strategic Total	General Reserve
	£'000	£'000	£'000	£'000
Opening balance 01/04/2016	2,714	2,181	4,895	1,379
Net movement to end 2016	(7)	(48)	(55)	-
General Budget Support 2016/17	(250)	-	(250)	-
Balance after approvals	<b>2,457</b>	<b>2,133</b> ✓	<b>4,590</b>	<b>1,379</b>
General Budget Support 2017/18	(240)	-	(240)	-
Estimated Future Use in MTFs	-	(1,965)	(1,965)	-
Balance Remaining	<b>2,217</b>	<b>168</b> ✓	<b>2,385</b>	<b>1,379</b>



36. The reserves position does not include any requirement to support the budget gap on an on-going basis. There is however provision for a one off contribution of £240k in 2017/18 due to be approved at Budget Council in February 2017.
37. 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, equivalent to 7% of the net revenue budget and an assessment of volatility within the business rates retention. The General Reserve has been reviewed as part of the re-assessment of the MTFS and it is proposed that it should remain at £1.379m.
38. 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.
39. 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.
40. 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.
41. 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 used by the end of the MTFS period. The adequacy of strategic earmarked reserves will continue to be monitored to meet future demands.

## **MONITORING & REVIEW**

42. 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.
43. 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 align to strategic intent.
44. 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.
45. The Council will operate a commercial strategy which will be reviewed periodically.
46. 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.
48. 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.

# APPENDICES



## **APPENDIX 1**

### **RESERVES STRATEGY**

#### **1. BACKGROUND**

- 1.1 The Council continues to face significant financial challenges. The era of austerity is set to continue for the foreseeable future which will undoubtedly result in further substantial reductions in funding from the government. 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.
- 1.2 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.
- 1.3 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.
- 1.4 Given the current context of operations there are no planned arrangements for replenishing reserves drawn down, 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.
- 1.5 This reserves strategy sets out the protocol for use of reserves and re-assesses the adequacy of reserves.

#### **2. LEGISLATIVE/REGULATORY FRAMEWORK**

- 2.1 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.
- 2.2 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.

- 2.3 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.
- 2.4 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.

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

- 3.1 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) 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.
- 3.2 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.

### 4. **PURPOSE OF RESERVES & BALANCES**

- 4.1 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.
- 4.2 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 equates to 7% of the net revenue budget and 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 "Treasurer's risk".
- 4.3 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.

4.4 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.



## 5. **RISK FACTORS**

5.1 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 (Treasurer's Risk)
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.	Growth.
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
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 Plan (Development Framework) Town Centre Masterplan Burnley Bondholders
Transparency in accounting arrangements for self-financing initiatives.	Taxi Licensing Selective Licensing
Respond to changes in demand for services.	Housing Benefit Administration Subsidy
Potential liability as guarantor from lower-than-anticipated take-up of service.	Rail Services

## 6. **REPORTING FRAMEWORK**

6.1 The level and utilisation of reserves will be determined formally by the Council, informed by the advice and judgement of the Head of Finance. The protocols covering all reserves are set out in Sections 7 & 8 for strategic and operational reserves respectively.

6.2 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.

## 7. STRATEGIC RESERVES PROTOCOL

Reserve	Level of reserve	Purpose	How & When Used	Control Procedures	Timescale for review
<b>Transformation</b>	Recommended to have available balance of £1.5m uncommitted at 31/3/18	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 (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 part of the budget monitoring process.
<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.	

## 8. OPERATIONAL RESERVES PROTOCOL

Operational Reserve	Level of Reserve	Purpose	How & When Used	Procedures for Management & Control	Timescale for Review
<b>Business Rates Volatility</b>	Recommended to have no greater than £500k uncommitted by the end of any financial year	To safeguard against the inherent volatility within the business rates retention system particularly around the potential impact of appeals	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	Managed by the Head of Finance (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 renewals are due.	Managed by the Head of Green Spaces and Amenities.	Twice-yearly, as part of the final accounts and budget processes.

<b>Operational Reserve</b>	<b>Level of Reserve</b>	<b>Purpose</b>	<b>How &amp; When Used</b>	<b>Procedures for Management &amp; Control</b>	<b>Timescale for Review</b>
<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 Head of Regeneration and Planning Policy.	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 Monitoring Officer.	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.	
<b>Housing Benefit Administration Subsidy</b>	Dependent on additional specific funding received in respect of housing benefit administration.	To manage short term fluctuations in workload within the Revenues & Benefits service.	To provide flexible temporary staffing resource to maintain the performance of the Team.	Managed by the Head of Finance (Chief Financial Officer).	Requirements for additional staff resource are monitored by Liberata and changes agreed with the Head of Finance and Chief Operating Officer.
<b>Rail Services</b>	Mirrors the potential liability that the Council may face.	To provide a contingency in the event the Council has to act as guarantor	In the event that the Council is required to meet the costs incurred	Managed by the Head of Regeneration and Planning Policy.	Monitored as part of project completion and assessment of take up and demand for service.
<b>Flood Reserve</b>	Mirrors the potential liability that the Council may face.	To cover any irrecoverable costs arising from the December 2015 floods.	In response to cost pressures as a consequence of the December 2015 floods. To cover any irrecoverable costs.	Managed by the Head of Finance (Chief Financial Officer).	Monitored as part of completion of works and payments made



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**REPORT TO THE EXECUTIVE**



<b>DATE</b>	<b>13th February 2017</b>
<b>PORTFOLIO</b>	<b>Resources &amp; Performance Management</b>
<b>REPORT AUTHOR</b>	<b>David Donlan/Howard Hamilton-Smith</b>
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**Revenue Budget 2017/18**

**PURPOSE**

1. To consider the estimates of revenue income and expenditure for 2017/18 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 2017/18;
- ii) Approve the proposals contained in this report;
- iii) Set a Council Tax Requirement of £6,390,760 for the financial year 2017/18;
- iv) Set a Net Budget Requirement of £14,595,648 for 2017/18;
- v) Receive and consider the statutory report issued by the Head of Finance under the Local Government Act, 2003;
- vi) Authorise the Chief Operating Officer/Heads of Service to progress action plans to deliver the 2017/18 budget;
- vii) Approve a Council Tax (Band D) figure of £283.04 for this Council for the year commencing 1<sup>st</sup> April 2017 and adopt the statutory resolution to set the full Council Tax for the year. This is equivalent to a 1.9% 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 2017/18 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 2017/18. 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 2017/18
Appendix 2	Growth
Appendix 3	Further Savings/Additional Funding Requirements

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 21st December 2016.
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 Finance 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. In considering opportunities for future savings, four strategic themes have been considered:
  - i) Service transformation and digitisation – continuing the transformational change programme in the delivery of services to customers through greater use of self-serve and web-enabled technology and modernising systems and processes
  - ii) Empowerment – the way in which people work together in managing Council services with effective risk mitigation within an empowered autonomous structure



and a flexible scheme of delegation that supports a one-team approach

- iii) Commercial risk appetite – developing new innovative ways of raising revenue and strengthening commercial partnerships
- iv) Needs and priorities – consideration of the appropriateness of the service offer to the Borough's residents and aligning this to the Council's strategic vision

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 2017/18**

12. The proposed net revenue budget for 2017/18 is as set out in the table below:

	£'000	£'000
Net Revenue budget - original 2016/17		15,223
Add Spending pressures reported September 2016	394	
Less Savings approved September 2016	<u>(1,546)</u>	(1,152)
Add Reversal of Reserves utilised in 2016/17 (general support)		250
Add Growth - approved September 2016	30	
Add Proposed Growth - Appendix 2	<u>132</u>	162
Add Further spending pressures (Corporate items) 2017/18		233
Less Further savings proposed - Appendix 3		(67)
Add Mayoral Referendum & Associated Costs		240
Less Use of Business Rates Volatility Reserve		(53)
Less Use of Reserves 2017/18 (Mayoral Referendum & Associated Costs)		<u>(240)</u>
Net Budget requirement		<b>14,596</b>
Financed from:		
<u>Government Settlement Funding Assessment</u>		
Business rates baseline	3,982	
Revenue support grant	<u>2,777</u>	6,759
New Homes Bonus		970
Council Tax Yield		6,391
<u>Business Rates in addition to Baseline Funding</u>		
Additional business rates above baseline	161	
Renewable energy	<u>233</u>	394
Collection fund surplus - Burnley share		82
		<b>14,596</b>

### **Recap on Budget decisions taken September 2016**

13. Members at Executive and Council in September 2016 approved budget savings of £1,546k for 2017/18, following receipt of the initial budget report that outlined a savings requirement of £1,359k. The information presented to Members at that time is shown below:

Position Approved September 2016:

	£'000
<b><u>Net Spending Increases/(Decreases)</u></b>	
Pay awards and increments	152
General inflation	204
Pensions Costs	60
Cost share agreement	15
Earmarked Reserves - balancing the 2016/17 budget	250
Redundancy Costs	-
Borrowing costs	-
Other net continuation budget changes	-
Fees and charges increases	(38)
Growth	30
	673
<b><u>Net Funding (Increases)/Decreases</u></b>	
Revenue Support Grant	883
Business Rates	(77)
New Homes Bonus	(5)
Council Tax - indicative 1.9% increase	(115)
	686
<b><u>Savings and Funding Increases</u></b>	
Net savings	(1,546)
<b><u>Contribution to Earmarked Reserves</u></b>	
<b>Budget Gap Remaining - September 2016</b>	<b>(187)</b>

14.

## **LOCAL GOVERNMENT SETTLEMENT**

### Spending Power

In previous years, Spending Power reductions between financial years were limited by the Government to a maximum reduction. This maximum reduction was 8.8% for 2011/12, 2012/13 and 2013/14 budgets, 6.9% for 2014/15 and 6.4% for 2015/16. Additional grant was provided to ensure that losses were no greater than the prescribed maximum reduction. For 2016/17 onwards, the calculation of Spending Power only includes Revenue Support Grant, Business Rates, New Homes Bonus and Council Tax. The Council's Spending Power will reduce by 4.3% in 2017/18 (4.39% in 2016/17) but there is no prescribed maximum limit and no additional grant to offset this reduction.

### 15. 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. It was estimated in the September Council report that RSG would reduce by 24.1% which was confirmed in the provisional settlement figure for 2017/18.

### 16. New Homes Bonus

In the provisional finance settlement the Government has reduced the funding period for

NHB from the current six years to five years in 2017/18 and then to four years in 2018/19 onwards for existing and new awards commencing in 2017/18 which will accelerate the rate at which this grant reduces. The impact on the amount that the Council will receive as a result of the change from 6 years to 4 years is a reduction of £1.599m between 2017/18 and 2022/23 on existing year 1 to 6 allocations.

17. In addition, from 2017/18 the Government has set a baseline for housing growth of 0.4% of a Council's existing taxbase below which no NHB grant is payable. For this Council it means that the first 121 additional band D equivalent properties do not attract New Homes Bonus. For the 2017/18 (year 7) allocation, the Council identified that an additional 140 band D equivalent properties had been added to the Council's taxbase which would have previously attracted NHB funding of £171k per annum. After deducting the first 121 band D properties this results in a provisional allocation of £23k per annum for the year 7 allocation, resulting in an annual loss of £148k starting in 2017/18, with an overall loss of funding of £592k over the reduced 4 year period.

### **FURTHER BUDGET PRESSURES AND SAVINGS IDENTIFIED**

18. Further budget pressures and savings have, as is usual, been identified since the September Council meeting and the announcement of the local government finance settlement for 2017/18. Appendix 3 shows the residual budget gap as at September 2016 and the identified additional pressures and savings to balance the 2017/18 budget.

### **GROWTH PROPOSALS**

19. 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.
20. Consequently, only six items of revenue budget growth are included within the proposals for 2017/18, one of which was approved at the September Council meeting. The additional five growth items are shown in Appendix 2 and approval is sought to include £132k within the revenue budget for 2017/18.

### **COUNCIL TAX**

21. The proposals in this paper assume that the Council's Band D Council tax will increase by 1.9% from the 2016/17 level of £277.76 to £283.04. This level of charge will yield an estimated total income of £6,390,760.
22. 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 2017/18, 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 2017/18 is 2%, or more than 2%, greater than its relevant basic amount of council tax for 2016/17.

### **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 2017/18 funding settlement. The figure announced is £3,982k. The table at paragraph 12 above shows that it is expected that the Council will receive Business Rates in excess of the announced figure – an extra £161k.

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 £233k 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 2017/18 and future years.

### **COLLECTION FUND SURPLUS**

#### 25. 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 an overall surplus figure of £491k of which this Council's share is £82k which is 16.5% as a proportion of the total. An estimated figure of £82k for Burnley's share of the Collection Fund surplus was used in calculating the initial estimate of the 2017/18 revenue budget gap.

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

26. 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 2017/18 in this area.
27. During the budget process, it has been assumed that income budgets would increase in 2017/18 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 2% in income generated except in areas where it was considered that no increase should take place. It was decided that the increase should take effect from 1<sup>st</sup> January 2017 as has been the case previously. The tariff of fees and charges mainly effective from 1<sup>st</sup> January 2017 was approved by full Council on 21<sup>st</sup> December 2016. The estimated additional increase in income in 2017/18 as a consequence of the approved increases is £38k and forms part of the overall savings approved in September 2016 to balance the budget.

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

28. 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.
29. The table below shows the anticipated use of strategic reserves for 2017/18 and later years. This table excludes any reserves held for specific operational reasons:

	Strategic Earmarked Reserves £'000	General Reserve £'000	Total £'000
Balance as at 01/04/16	4,895	1,379	6,274
Approved use to Q3 2016/17	(55)	-	(55)
Balance available after approvals	4,840	1,379	6,219
General revenue budget support 16/17	(250)	-	(250)
General revenue budget support 17/18	(240)	-	(240)
Future commitments and risks	(1,965)	-	(1,965)
Balance remaining	2,385	1,379	3,764

### **RISK ASSESSMENT**

30. 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.
31. 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 2017/18 revenue budget is unduly onerous and the levels of reserves forecast will be sufficient in accordance with the medium term financial strategy (MTFS).
32. There are risks associated with the business rates system. The proposed elimination of Government grant funding through RSG by 2020 makes these risks more significant. An increasing proportion of the Council's funding requirement will need to be met from business rates. The Council remains optimistic that the business rates system can provide positive benefits through the stimulation of economic growth but there is the possibility of less than anticipated receipts through factors beyond the Council's control. Progress will therefore be carefully monitored to ensure that the Council's position is safeguarded.
33. 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 2017/18.

34. Pay inflation is not a significant budget pressure in 2017/18 and there is also little price inflation included within the estimates. 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.
35. Significant savings have been achieved by operating the Council's leisure services as a charitable company but there are however risks in the operation of the Trust and the assumptions made in terms of the management fee paid by the Council to the Trust. To ensure that risk is minimised there will continue to be regular monitoring of activity and financial performance in 2017/18 and beyond.
36. The Council is undertaking a change programme and has 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 provide 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 new partnership to operate effectively. Nevertheless this is a significant savings area which is currently and will continue to be actively managed.
37. In summary, after taking consideration of the issues in this report and the risks referred to above, the 2017/18 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.
38. 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**

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

## **POLICY IMPLICATIONS**

40. The revenue budget determines the extent to which the Council's strategic objectives can be pursued and achieved.
41. Community Impact Assessment and Equality Impact Assessments have been completed and there is no change from the report presented to September Council.

## **DETAILS OF CONSULTATION**

42. No external consultation has been carried out

**BACKGROUND PAPERS**

43. None.

**FURTHER INFORMATION**

**PLEASE CONTACT:**

**Howard Hamilton-Smith - Finance &  
Commercial Manager**

**ALSO:**

**David Donlan - Accountancy Division  
Manager**



**Summary Revenue Budget 2017/18**

<u>Estimated Net Spending</u>	Pay	Non-Pay	Reserves	Net Spending
<u>Service</u>	£'000	£'000	£'000	£'000
Management	-	-	-	-
Communications, Performance & Policy	-	-	-	-
People & Development	-	-	-	-
Governance, Law and Regulation	-	-	-	-
Finance and Property Management	-	-	-	-
Revenues and Benefits	-	-	-	-
Treasury Management	-	-	-	-
Leisure Trust Management Fee	-	-	-	-
Leisure Client	-	-	-	-
Green Spaces and Amenities	-	-	-	-
Streetscene	-	-	-	-
Housing and Development Control	-	-	-	-
Regeneration and Planning Policy	-	-	-	-
Strategic Partnership	-	-	-	-
Corporate Budgets	-	-	-	-
Earmarked Reserves	-	-	-	-
	-	-	-	-

TO BE COMPLETED AFTER BUDGET HAS BEEN  
LOADED ONTO THE FINANCIAL SYSTEM

**Net Budget Requirement**

	£'000	£'000
Collection Fund Surplus		82
Business Rates Retention Scheme		
Business Rate Baseline Funding	3,982	
Additional Business Rates Forecast – Burnley Element	161	
Additional Retained Income - Renewable Energy Schemes	233	4,376
Revenue Support Grant		2,777
Council Tax Yield		6,391
New Homes Bonus		970
		<u>14,596</u>

**2017/18 Revenue Budget**  
**Growth Proposals**

	Ongoing £'000	One-off £'000	Total £'000
Domestic Abuse & Victims Service	7	-	7
Cremator Relining	15	-	15
Chewing Gum Removal Machine		40	40
Invest to Save		60	60
Dementia plan		10	10
<b>Total Growth</b>	<b>22</b>	<b>110</b>	<b>132</b>

**REVENUE BUDGET 2017/18****Summary of Budget Gap Remaining and Savings**

	£'000	£'000	£'000
<b><u>Budget gap reported September 2016</u></b>			(187)
<b><u>Finalisation of continuation estimates 2017/18</u></b>			
<b><u>Further Increases/(Decreases) - Net Spending Pressures</u></b>			
Apprenticeship Levy		18	
Strategic Partnership - additional income		167	
Additional borrowing costs - capital schemes		32	
Growth		132	
Various net adjustments in finalising continuation estimates		17	366
<b><u>Further (Increases)/Decreases - Funding</u></b>			
Business Rates - Baseline Funding Level		55	
Additional New Homes Bonus		31	
Collection Fund Surplus		-	
Increase in Council Tax Base		(145)	(59)
<b><u>Contributions to/(from) Reserves</u></b>			
Contribution from Business Rates Volatility Reserve			(53)
Residual budget gap - February 2017			67
less: <b><u>Further Savings - February 2017</u></b>			
Borough Elections (no borough elections in 2017/18)			(67)
			-

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## REPORT TO EXECUTIVE



<b>DATE</b>	<b>13<sup>th</sup> February 2017</b>
<b>PORTFOLIO</b>	<b>Resources &amp; Performance Management</b>
<b>REPORT AUTHOR</b>	<b>David Donlan</b>
<b>TEL NO</b>	<b>01282 477172</b>
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## 2017/18 Treasury Management Strategy and 2017/18 – 2019/20 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 2011.
  - b) To outline a treasury management strategy statement for the financial year 2017/18.
  - c) To set out prudential indicators for the financial years 2017/20 in line with the CIPFA's Prudential Code 2013.
  - d) To seek approval for the Council's Minimum Revenue Provision (MRP) Policy Statement for the financial year 2017/18 in accordance with Government regulations.

### RECOMMENDATION

2. That the Executive recommend to Full Council approval of ;
  - a) The treasury management strategy statement for 2017/18 as set out in Appendix 1
  - b) The prudential and treasury indicators for 2017/18 to 2019/20 per Appendix 2 including the authorised limit for external debt of £35.067m in 2017/18.
  - c) The list of Counterparties for Deposits outlined within Appendix 3.
  - d) The Council's MRP Statement for 2017/18 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 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.

*As a consequence treasury management is defined as:*

"The management of the local authority's 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 2017/18 as well as the Prudential and Treasury Indicators for 2017/18 to 2019/20.

*The primary requirements of the Code are as follows:*

The Council is required to receive and approve, as a minimum, three main 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.

### 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, 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.

### 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 Statement on Policy for Making Minimum Revenue Provision on Outstanding Debt.

### Economic Update

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

## **FINANCIAL IMPLICATIONS AND BUDGET PROVISION**

6.
  - The limit which can be deposited with the Council's bankers is to remain at £15m per Appendix 3.
  - 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 2017/18 will be £33.397m for the operational boundary and £35.067m for the authorised limit (2016/17 = £32.577m).
  - Borrowing has a longer term impact on the revenue budget because of the costs of finance. The cost of borrowing is increasing as a percentage of the net revenue stream in future years because of the forecast reductions in the Council's 'net budget requirement'.

**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:**

**David Donlan  
Accountancy Division Manager**

**Asad Mushtaq  
Head of Finance**



## Treasury Management Strategy for 2017/18

The strategy for 2017/18 covers two main areas:

### Capital Issues

- the capital plans and the prudential indicators; the MRP strategy (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, the CIPFA Prudential Code, Department of Communities and Local Government (CLG) MRP Guidance, the CIPFA Treasury Management Code and CLG Investment Guidance.

## Capital issues

### The Capital Prudential Indicators 2017/18 – 2019/20 (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. Members are asked to approve the capital expenditure forecasts:

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>2015/16 Actual £000</b>	<b>2016/17 Revised Estimate £000</b>	<b>2017/18 Estimate £000</b>	<b>2018/19 Estimate £000</b>	<b>2019/20 Estimate £000</b>
Programmed Spend	5,542	7,501	12,027	5,852	5,291
<b>Financed by:</b>					
Capital receipts	943	1,584	2,008	1,593	1,353
3rd Party Contributions	175	735	249	150	1,098
Capital grants	2,332	2,558	4,371	3,636	2,511
Revenue	332	666	1,378	243	254
<b>Net borrowing need for the year</b>	<b>1,760</b>	<b>1,958</b>	<b>4,021</b>	<b>230</b>	<b>75</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.

## 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.

<b>Table 2</b>	<b>2015/16 Actual £000</b>	<b>2016/17 Revised Estimate £000</b>	<b>2017/18 Estimate £000</b>	<b>2018/19 Estimate £000</b>	<b>2019/20 Estimate £000</b>
<b>Capital Financing Requirement</b>					
Total CFR at 31 <sup>st</sup> March	27,438	28,607	31,807	31,053	30,106
<b>Net financing need for the year</b>	<b>1,065</b>	<b>1,169</b>	<b>3,200</b>	<b>( 754)</b>	<b>(947)</b>

<b>£m</b>	<b>2015/16 Actual £000</b>	<b>2016/17 Revised Estimate £000</b>	<b>2017/18 Estimate £000</b>	<b>2018/19 Estimate £000</b>	<b>2019/20 Estimate £000</b>
<b>Movement in CFR represented by</b>					
Net borrowing need for the year (Table 1 above)	1,760	1,958	4,021	230	75
Less MRP and other financing movements	(695)	(789)	(821)	(984)	(1,022)
<b>Movement in CFR in Year</b>	<b>1,065</b>	<b>1,169</b>	<b>3,200</b>	<b>(754)</b>	<b>(947)</b>

## Incremental Impact of Capital Investment Decisions on Council Tax

This indicator identifies the revenue costs associated with the proposed changes to the three year capital programme recommended in this budget report compared to the Council's existing approved commitments and current plans. The costs include the investment interest to be foregone by using capital receipts and the proposed revenue contributions to capital (RCCO). The costs are expressed as an amount per Band D property using the 2017/18 council tax base of 22,579 for comparative purposes.

### 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 total debt, net of any investments, does not exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2017/18 and the following two financial years. In the Council's case, the estimated external debt at 31<sup>st</sup> March 2017 of £20.6m is less than the CFR which ranges from £30.1m to £31.8m which 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 2017/18 to 2019/20

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 2017/18 – 2019/20.

**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 5% 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 5% above the operational boundary and includes provision for 'unusual cash movements'.

### **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 measure. This strategy is prudent as investment returns are low and counterparty risk is relatively high.

The Head of Finance 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 long and short term 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 still relatively low.
- 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.

### **Treasury Management - Limits on Activity**

There are three debt related treasury activity limits, the purpose of which is to restrain the activity of the treasury function within certain limits, thereby managing risk and reducing the impact of any adverse movement in interest rates. The indicators are:

- Upper limits on variable rate exposure;
- Upper limits on fixed rate exposure;
- Maturity structure on borrowing limits which are set to reduce the Council's exposure to large fixed rate sums falling due for refinancing, and are required for upper and lower limits.

### **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 £35.067m next year. This is limited to 5% above the operational boundary of £33.397m, which has been set at 5% 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**

As short term borrowing rates will be considerably cheaper than longer term rates, there may be potential opportunities to generate savings by switching from long term debt to short term debt. However, these savings will need to be considered in the light of the current treasury position and the size of the cost of debt repayment (premiums incurred).

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.

### **Municipal Bond Agency**

It is likely that the Municipal Bond Agency will be offering loans to local authorities in the near future. It is hoped that the borrowing rates will be lower than those offered by the Public Works Loan Board (PWLB). Officers intend to keep a watching brief of this new source of borrowing.

### **Investment Strategy**

#### *Background:*

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. These limits are reviewed annually [as a minimum] and the current listing was incorporated into the treasury management report approved by Full Council on 24<sup>th</sup> February 2016.

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.

#### *Monitoring Performance:*

Within the counter parties listing we have retained a £15m limit with HSBC Bank plc, coinciding with retaining HSBC as the provider for administering the Council's banking facilities [contract renewed in December 2015 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 higher than that achieved with some other counterparties.

### Approved list of Counterparties for Deposits

As part of the Treasury Policy Statement as a minimum the approved list of counterparties are reviewed annually and reported to Council. The current list was approved on 24<sup>th</sup> February 2016. It is proposed that the maximum amount that can be deposited with 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 Capita 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
- 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 Sector 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 weekly basis. 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, information on government support for banks and the credit ratings of that government support.

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

The Council uses Capita Asset Services 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 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.

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## PRUDENTIAL AND TREASURY INDICATORS

### PRUDENTIAL INDICATORS - A Brief Description

#### Capital Expenditure

This shows the capital programme as it currently stands. Members will note that the amount estimated to be included within the programme for 2017/18 is £12.027 million.

It is a reduced value from the previous year but still a significant amount. Through obtaining the associated funding through grants, capital receipts and other contributions the borrowing required has been minimised. This means that the effect of the investment on the Council's revenue account has been factored into the 2017/18 revenue budget within prudent limits. There is still uncertainty about the levels of spend in future years.

It is not known exactly at this stage what the effects on revenue of sustaining a high level of capital programme investment will be in future years. It is however envisaged that there will continue to be a significant contribution from grants. This will again minimise borrowing to within prudential levels and thus keep the resultant financing charge to the revenue budget within prudent limits.

#### Ratio of Financing Costs to Net Revenue

The net revenue stream is the estimated amount of spending to be met from Government Grants and local taxpayers. It is used in projections and for estimating the need for budget savings. It is based upon the system of Government revenue support and assumes a 1.90% increase in Council Tax for 2017/18 and a 1.90% increase for the following two years. The Council tax base used for assessing the impact on revenue is 22,579 which is the calculation given under the system of

Council	tax	funding	(22,071	for	2016/17)
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Financing costs include interest on borrowing and the amount included in the budget for repayment of debt.

#### Net Borrowing Requirement

This is a key indicator of prudence. In order to ensure that over the medium term net borrowing will only be for a capital purpose, the Council should ensure that net external borrowing does not, except in the short term, exceed the total of the capital financing requirement (CFR) in the previous year plus the estimates of any additional capital financing requirement in the current year and the next two financial years. At all times the level of borrowing will be monitored to ensure that it does not exceed the estimated capital financing requirement in two years time.

#### Capital Financing Requirement as at 31 March

The capital financing requirement is an indication of how much the Council needs to borrow for capital purposes. This is as a result of not financing capital expenditure "up front" by means of capital receipts, grants etc. and relying on borrowing, which is ultimately repaid and then replaced if required.

#### Incremental impact of capital investment decisions

This indicator requires a comparison between the total budgetary requirement of the Council including and excluding the costs of changes to the existing capital programme. The proposed Burnley Borough Council Band D Council Tax for 2017/18 is £283.04 and includes the borrowing costs of capital investment decisions prior to 2017/18. The indicator shows, in terms of a Band D charge, how much extra will be paid by Council Tax payers as a result of capital programme spending during the next three years.

## PRUDENTIAL AND TREASURY INDICATORS 2017/18 - 2019/20

<b>TABLE 1 - PRUDENTIAL INDICATORS</b>	<b>2015/16 Actual £' 000</b>	<b>2016/17 Revised Estimate £' 000</b>	<b>2017/18 Estimate £' 000</b>	<b>2018/19 Estimate £' 000</b>	<b>2019/20 Estimate £' 000</b>
<b>Capital Expenditure</b>	5,542	7,501	12,027	5,852	5,291
<b>Ratio of financing costs to net revenue stream</b>	9.9%	11.0%	12.3%	15.1%	16.0%
<b>Net borrowing requirement</b> brought forward 1 April	/	/	33,397	32,606	31,611
<b>Capital Financing Requirement as at 31 March</b>	27,438	28,607	31,807	31,053	30,106
<b>Incremental impact of capital investment decisions</b> Increase in council tax (band D) per annum	/	/	2.67	1.15	1.02

<b>TABLE 2 - TREASURY MANAGEMENT INDICATORS</b>	<b>2015/16 Actual £' 000</b>	<b>2016/17 Revised Estimate £' 000</b>	<b>2017/18 Estimate £' 000</b>	<b>2018/19 Estimate £' 000</b>	<b>2019/20 Estimate £' 000</b>
<b>Authorised Limit for external debt -</b>	/	/	35,067	34,236	33,192
<i>For 2017/18, 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>	/	/	33,397	32,606	31,611
<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>	20,607	20,607	/	/	/
<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

<b>TABLE 3 - Maturity Structure of fixed rate borrowing during 2015/16</b>		<b>lower limit</b>	<b>upper limit</b>
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%	35%
	12 months - within 24 months	0%	20%
	24 months - within 5 years	10%	30%
	5 years - within 10 years	10%	55%
	10 years and above	15%	60%

### Capita Methodology in Determining Creditworthiness of Counterparties:

Capita's 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

Capita's 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 £15m and other named institutions below (£4m) .

<b>Banking Institutions Colour Bandings</b>	<b>Maximum Duration [per Capita]</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

As previously stated, an exception to the above is that the Councils own bank, HSBC, has an individual limit of £15m.

<b>Other Institutions</b>	<b>Maximum Duration</b>	<b>Individual Limits (£)</b>
Local Authorities	12 months	2m
Government Debt Management Office	12 months	Unlimited
Lancashire County Council Call Account	12 months	2m
Money Market Fund*	12 months	1m

\* the total amount deposited in Money Market Funds not to exceed the lower of £2m or 40% of the Council's total deposits.

**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



## Minimum Revenue Provision (MRP) policy statement 2017/18

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).

CLG regulations have been issued which require the full Council to approve an MRP Statement in advance of each year. A variety of options are provided to councils, so long as there is a prudent provision. The Council is recommended to approve the following MRP Statement:

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

#### Relating to the Financial Year 2017/18

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 2017/18 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 2016/17 and assumed for 2017/18.

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.

The total of a) and b) 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.

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## **Economic update**

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

### **1/ Global economy:**

The Eurozone (EZ). In the Eurozone, the ECB commenced, in March 2015, its massive €1.1 trillion programme of quantitative easing to buy high credit quality government and other debt of selected EZ countries at a rate of €60bn per month. This was intended to run initially to September 2016 but was extended to March 2017 at its December 2015 meeting. At its December and March 2016 meetings it progressively cut its deposit facility rate to reach -0.4% and its main refinancing rate from 0.05% to zero. At its March meeting, it also increased its monthly asset purchases to €80bn. These measures have struggled to make a significant impact in boosting economic growth and in helping inflation to rise significantly from low levels towards the target of 2%. Consequently, at its December meeting it extended its asset purchases programme by continuing purchases at the current monthly pace of €80 billion until the end of March 2017, but then continuing at a pace of €60 billion until the end of December 2017, or beyond, if necessary, and in any case until the Governing Council sees a sustained adjustment in the path of inflation consistent with its inflation aim. It also stated that if, in the meantime, the outlook were to become less favourable or if financial conditions became inconsistent with further progress towards a sustained adjustment of the path of inflation, the Governing Council intended to increase the programme in terms of size and/or duration.

USA. The American economy had a patchy 2015 with sharp swings in the quarterly growth rate leaving the overall growth for the year at 2.4%. Quarter 1 of 2016 at +0.8%, (on an annualised basis), and quarter 2 at 1.4% left average growth for the first half at a weak 1.1%. However, quarter 3 at 3.2% signalled a rebound to strong growth. The Fed. embarked on its long anticipated first increase in rates at its December 2015 meeting. At that point, confidence was high that there would then be four more increases to come in 2016. Since then, more downbeat news on the international scene, and then the Brexit vote, have caused a delay in the timing of the second increase of 0.25% which came, as expected, in December 2016 to a range of 0.50% to 0.75%. Overall, despite some data setbacks, the US is still, probably, the best positioned of the major world economies to make solid progress towards a combination of strong growth, full employment and rising inflation: this is going to require the central bank to take action to raise rates so as to make progress towards normalisation of monetary policy, albeit at lower central rates than prevailed before the 2008 crisis. The Fed. therefore also indicated that it expected three further increases of 0.25% in 2017 to deal with rising inflationary pressures.

The result of the presidential election in November is expected to lead to a strengthening of US growth if Trump's election promise of a major increase in expenditure on infrastructure is implemented. This policy is also likely to strengthen inflation pressures as the economy is already working at near full capacity. In addition, the unemployment rate is at a low point verging on what is normally classified as being full employment.

China. Economic growth in **China** has been slowing down and this, in turn, has been denting economic growth in emerging market countries dependent on exporting raw materials to China. Medium term risks have been increasing in China e.g. a dangerous build up in the level of credit compared to the size of GDP, plus there is a need to address a major over supply of housing and surplus industrial capacity, which both need to be eliminated. This needs to be combined with a rebalancing of the economy from investment expenditure to consumer spending.

Japan. Economic growth in **Japan** is still patchy, at best, and skirting with deflation, despite successive rounds of huge monetary stimulus and massive fiscal action to promote consumer spending. The government is also making little progress on fundamental reforms of the economy.

### **2/ UK economy:**

Economic Growth UK GDP growth rates in 2013, 2014 and 2015 of 2.2%, 2.9% and 1.8% were some of the strongest rates among the G7 countries. Growth is expected to have strengthened in 2016 with the first three quarters coming in respectively at +0.4%, +0.7% and +0.5%. The latest Bank of England forecast for growth in 2016 as a whole is +2.2%. During most of 2015 and the first half of 2016, the economy had faced headwinds for exporters from the appreciation of sterling against the Euro, and weak growth in the EU, China and emerging markets, and from the dampening effect of the Government's continuing austerity programme.

The **referendum vote for Brexit** in June 2016 delivered an immediate shock fall in confidence indicators and business surveys at the beginning of August, which were interpreted by the Bank of England in its August Inflation Report as pointing to an impending sharp slowdown in the economy. However, the following monthly surveys in September showed an equally sharp recovery in confidence and business surveys so that it is generally expected that the economy will post reasonably strong growth numbers through the second half of 2016 and also in 2017, albeit at a slower pace than in the first half of 2016.

Inflation. The **Monetary Policy Committee, (MPC), meeting of 4th August** was dominated by countering the expected sharp slowdown in the economy and resulted in a package of measures that included a cut in Bank Rate from 0.50% to 0.25%, a renewal of quantitative easing, with £70bn made available for purchases of gilts and corporate bonds, and a £100bn tranche of cheap borrowing being made available for banks to use to lend to businesses and individuals.

Forward guidance. The November Inflation Report included an increase in the peak forecast for inflation from 2.3% to 2.7% during 2017; (Capital Economics are forecasting a peak of just under 3% in 2018). This increase was largely due to the effect of the sharp fall in the value of sterling since the referendum, although during November, sterling has recovered some of this fall to end up 15% down against the dollar, and 8% down against the euro (as at the MPC meeting date – 15.12.16). This depreciation will feed through into a sharp increase in the cost of imports and materials used in production in the UK. However, the MPC is expected to look through the acceleration in inflation caused by external, (outside of the UK),



influences, although it has given a clear warning that if wage inflation were to rise significantly as a result of these cost pressures on consumers, then they would take action to raise Bank Rate.

### **Capita Asset Services forward view**

The latest MPC decision included a forward view that Bank Rate could go either up or down depending on how economic data evolves in the coming months. Our central view remains that Bank Rate will remain unchanged at 0.25% until the first increase to 0.50% in quarter 2 2019 (unchanged from our previous forecast). However, we would not, as yet, discount the risk of a cut in Bank Rate if economic growth were to take a significant dip downwards, though we think this is unlikely. We would also point out that forecasting as far ahead as mid 2019 is highly fraught as there are many potential economic headwinds which could blow the UK economy one way or the other as well as political developments in the UK, (especially over the terms of Brexit), EU, US and beyond, which could have a major impact on our forecasts.

The pace of Bank Rate increases in our forecasts has been slightly increased beyond the three year time horizon to reflect higher inflation expectations.

### **Prospects for Interest Rates**

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

#### **Capita's interest rate forecast:**

Annual Average %	Bank Rate %	PWL B Borrowing Rates % (including certainty rate adjustment)		
		5 year	25 year	50 year
Mar 2017	0.25	1.60	2.90	2.70
Jun 2017	0.25	1.60	2.90	2.70
Sep 2017	0.25	1.60	2.90	2.70
Dec 2017	0.25	1.60	3.00	2.80
Mar 2018	0.25	1.70	3.00	2.80
Jun 2018	0.25	1.70	3.00	2.80
Sep 2018	0.25	1.70	3.10	2.90
Dec 2018	0.25	1.80	3.10	2.90
Mar 2019	0.25	1.80	3.20	3.00
Jun 2019	0.50	1.90	3.20	3.00
Sep 2019	0.50	1.90	3.30	3.10
Dec 2019	0.75	2.00	3.30	3.10
Mar 2020	0.75	2.00	3.40	3.20

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## REPORT TO THE EXECUTIVE



<b>DATE</b>	<b>13<sup>th</sup> February 2017</b>
<b>PORTFOLIO</b>	<b>Resources &amp; Performance Management</b>
<b>REPORT AUTHOR</b>	<b>David Donlan</b>
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## Capital Budget Monitoring Report 2016/17 Cycle 3 (to 31<sup>st</sup> December 2016)

### PURPOSE

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

### RECOMMENDATION

- 2 The Executive is asked to:
  - Recommend to Full Council, approval of the revised capital budget for 2016/17 totalling £7,500,591, as outlined in Appendix 1.
  - Recommend to Full Council, approval of the proposed financing of the revised capital budget totalling £7,500,591 as shown in Appendix 2.
  - Note the latest estimated year end position on capital receipts and contributions showing an assumed balance of £2,749,051 at 31<sup>st</sup> March 2017, in Appendix 3.

### REASONS FOR RECOMMENDATION

- 3 To effectively manage the 2016/17 capital programme.

### SUMMARY OF KEY POINTS

#### **2016/17 CAPITAL PROGRAMME:**

#### **4 MONITORING INFORMATION:**

On the 24<sup>th</sup> February 2016 Full Council approved the 2016/17 original capital budget, totalling £6,931,488. Since February, a number of individual reports have been approved by the Executive, along with approvals under delegated powers, resulting in revising the 2016/17 capital budget to £8,878,322 [as at the 16<sup>th</sup> December 2016 Executive Meeting].

This is the third round of in-year cyclical monitoring, and as such the appendices accompanying this report provide Members with the position as at 31<sup>st</sup> December 2016 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 2016. The expenditure to date is £3,079,464 which is 41% of the proposed revised budget.
- b) Revised Budget and Financing Elements - Appendix 2 shows the revised budget of £7,500,591 along with identifying the approved financing elements on a scheme by scheme basis.
- c) Council Resources Position - Appendix 3 shows the latest position on capital receipts, section 106 monies and 3<sup>rd</sup> 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 2016/17 capital commitments, totals £2,749,051.

**REVENUE IMPLICATIONS**

Revenue Contributions 2016/17

6 The Capital Programme includes Revenue Contributions totalling £665,789, being:

<b>Scheme Name</b>	<b>£</b>
Vehicle and Machinery Replacement	205,467
Padiham Pump Track - Phase 2	3,000
Vision Park	82,608
Market Safety Works	22,520
Energy Efficiency of Council Buildings	12,320
Padiham Town Hall Non-Insured Flood Works	114,874
Town Centre & Shopping Centre Works	225,000
<b>Total Revenue Contributions</b>	<b>665,789</b>

Prudential Borrowing 2016/17

The Capital Programme includes a use of Prudential Borrowing totalling £1,958,054.

The revenue implications through expenditure funded from Prudential Borrowing of £1,958,054, are a net increase in the Minimum Revenue Provision [MRP] of £37k. The net notional interest charge on the borrowing is also £46k.

The MRP costs are not incurred until 2017/18, and the notional interest cost will be dependent on the timing of the borrowing but is anticipated to be at year end and therefore also not likely to be incurred until 2017/18. This will be included within the revenue budget for 2017/18.



**FINANCIAL IMPLICATIONS AND BUDGET PROVISION**

7 As set out in the body of the report.

**POLICY IMPLICATIONS**

8 None arise directly from this report.

**DETAILS OF CONSULTATION**

9 None

**BACKGROUND PAPERS**

10 None.

**FURTHER INFORMATION**

**PLEASE CONTACT:**

**David Donlan,**

**Accountancy Division Manager**

**Ext 7172**

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Scheme Name	Revised Budget	Adjustments Per This Report		Revised Budget	Total Spend	% Schemes	Narrative provided by Project Officers/Heads of Service
	Exec 16/12/16	Budget Adjustments	Reprofiled into Future Years	to be Approved	as at 31/12/16	Spend	
	£	£	£	£	£	£	
<b>GREEN SPACES &amp; AMENITIES</b>							
Thompson Park Restoration Project	36,061			36,061	36,055	100%	Complete. The Stage 2 Application was submitted and funding of £861k from HLF has now been approved for the restoration of Thompson Park and is included in the 2017/18 capital programme.
Play Area Improvement Programme	9,800			9,800	9,302	95%	Complete. Balance of budget to be spent on installation of fencing Hargher Clough Park.
Prairie Sports Complex	16,630			16,630	-	0%	Complete
Towneley Hall Works	1,468			1,468	1,124	77%	Balance to be spent upgrading the alarms in the Long Gallery.
Brun Valley Forest Park	14,549			14,549	5,747	40%	Installation of 45 finger posts and 11 large maps and interpretive panels signage starts at beginning of February and the scheme will be complete by end of March
Vehicle & Machinery Replacement	233,169	(27,702)		205,467	131,177	64%	In progress. The order for replacement pick-up vans has been delayed as we are reviewing vehicle requirements in light of reduced workforce. It is likely that one new pick up will be purchased and two smaller utility vehicles which will provide greater flexibility
Extension of Burnley Cemetery	21,087		(16,087)	5,000	-	0%	The contract for design work on new extension is being tendered. Spend to end of financial year expected to be £5k, with balance requested to be slipped to 2017/18
	<b>332,764</b>	<b>(27,702)</b>	<b>(16,087)</b>	<b>288,975</b>	<b>183,405</b>	<b>63%</b>	

<b>STREETSCENE</b>							
Towneley River Training Walls	170,672		(47,000)	123,672	93,505	76%	The footbridge over the River Brun at Bank Hall was completed in September 2016 (estimated cost £60k) and is now open to the public. Phase 2 River Brun Training Wall Work completed (cost £6k). River Brun de-silting works completed (£5k). River Calder Training Wall works part completed, further work to be undertaken in February/March at an estimated cost of £30k, weather permitting. It will not be possible to complete the allocated spend this financial year due to the Environment Agency not being able to grant licences as speedily as is normal due to their commitments after the Boxing Day floods of 2015. All remaining monies (£47k) need to be re-profiled into 2017/18 to enable us to complete the essential work next financial year, in particular to the River Brun in Bank Hall which has got progressively worse and is now close to full collapse.
Car Park Improvements	10,000			10,000	-	0%	Infrastructure improvements (lighting, drainage, surfacing, lining, machines etc.) are out to tender, with site works to be completed in the last quarter.
Burnley Town Centre Pedestrianisation Upgrade	782,104			782,104	214,001	27%	Works complete at Manchester Road, The Mall and Curzon Street from the 'Next' retail outlet to St James Street. Works are virtually complete along St James's Street from Manchester Road to Hammerton Street. Advance works on St James's Street from Manchester Road to Hall Street are continuing with the bandstand and charity arch demolished. (The bandstand has been re-erected in Memorial Park, Padiham). Overall work is progressing on-time and to budget. All the budget has been allocated for spend this financial year and it will be spent this financial year.
Alleygate Programme	58,900	(800)		58,100	-	0%	Final spend to be £58,100. Underspend due to reduction of gates required. Installation Q4. All orders placed.
CCTV Infrastructure	69,000		(39,000)	30,000	1,218	4%	Works on hold until the outcome of the CCTV hub project is known. No change for the third quarter. There is some anticipated spend in quarter 4 linked to relocation of cctv control room due to market demolition, approximately £30k. The remainder will need to be rolled over to the next financial year to complete the works.
Bus Shelter Replacement	8,700			8,700	3,387	39%	Installed one shelter and upgraded three shelters at a cost of £3,400. Remaining budget is committed for shelters at Thompson Street, Padiham and Lancaster Drive, Padiham. Lancashire County Council are proposing to resurface Thompson Street in the near future so these two shelters are on hold until we receive the LCC programme. The three shelters have now been ordered and works will be completed in quarter 4.
Padiham Pump Track - Phase 2	18,000			18,000	17,680	98%	Scheme complete
	<b>1,117,376</b>	<b>(800)</b>	<b>(86,000)</b>	<b>1,030,576</b>	<b>329,791</b>	<b>32%</b>	

Scheme Name	Revised Budget	Adjustments Per This Report		Revised Budget	Total Spend	% Schemes	Narrative provided by Project Officers/Heads of Service
	Exec 16/12/16	Budget Adjustments	Reprofiled into Future Years	to be Approved	as at 31/12/16	Spend	
	£	£	£	£	£	£	
<b>REGENERATION &amp; PLANNING POLICY</b>							
University Technical College	22,500			22,500	-	0%	Access works to the roof are still outstanding. Retention held.
Vision Park	1,614,448	7,725	(277,835)	1,344,338	271,777	20%	Site works commenced in January 2017. The cashflow forecast for the construction programme now underway shows that the revised budget will be met.
Weavers Triangle - Starter Homes	445,836		(330,000)	115,836	4,208	4%	Works are due to start on site in January 2017 with a 12 month build out period. Majority of spend in 2017/18, and therefore reprofile £330k
Infrastructure & Highways Works	40,009			40,009	-	0%	Retention period has now ended, awaiting final invoice from LCC
Public Realm	32,191			32,191	32,191	100%	Completed
Market Safety Works	222,520			222,520	30,787	14%	Survey work has been completed and a start on site will take place once necessary permissions have been given from adjoining interests.
	<b>2,377,504</b>	<b>7,725</b>	<b>(607,835)</b>	<b>1,777,394</b>	<b>338,963</b>	<b>19%</b>	
<b>FACILITIES MANAGEMENT</b>							
Energy Efficiency of Council Buildings	12,320			12,320	-	0%	Committed £1,013 for Mechanics Inverter for Heating Pumps and £2,200 towards Towneley Hall LED Spot Lights in Art Gallery
Padiham Town Hall - Flood Works	751,219			751,219	129,185	17%	Enabling and asbestos works were understood to be substantially complete. A problem has arisen however in respect of the asbestos "encapsulation" treatment used in the basement. Discussions are underway with our insurers and the specialist asbestos contractor appointed by them to resolve this as soon as possible. In the meantime we are trying to bring forward works areas unaffected by this problem e.g. the bar/refreshment building.
Leisure Centre Improvements	101,301			101,301	38,795	38%	Currently committed the following: £1,034 for Bio sulphate Dosing System at Padiham Leisure Centre, £27,789 for New Boilers and Hot Water Vessels at Mechanics and £2,775 Refurbish Pump & Reinstall & test.
Contribution to Shopping Centre Redevelopment	750,000		(375,000)	375,000	375,000	100%	The funding agreement has been completed and the first 50% tranche payment made. Preparation works to the former Poundland unit on St James Street are underway with a view to enabling the relocation of Wilko's freeing up their existing store on Curzon Street for Primark. The next tranche will not be payable until next year, once Primark opens for trade.
	<b>1,614,840</b>	<b>-</b>	<b>(375,000)</b>	<b>1,239,840</b>	<b>542,980</b>	<b>44%</b>	



Scheme Name	Revised Budget	Adjustments Per This Report		Revised Budget	Total Spend	% Schemes	Narrative provided by Project Officers/Heads of Service
	Exec 16/12/16	Budget	Reprofiled into	to be Approved	as at	Spend	
	£	£	£	£	£	£	
<b>HOUSING &amp; DEVELOPMENT CONTROL</b>							
Emergency Work Grant	83,751			83,751	53,223	64%	20 grants have been approved totalling £78,362.
Disabled Facilities Grant	1,400,000			1,400,000	916,835	65%	A total of £1,774,976 has been committed with 223 adaptations approved and 149 being completed. Although contractors will start on the majority of the approved adaptations before the end of the financial year, not all work will be finished and therefore the final payment will be made in 2017/18.
Energy Efficiency	60,669	27,968		88,637	42,464	48%	73 grants have been approved totalling £54,739. The Council has again been successful in bidding for Affordable Warmth funding from Lancashire County Council, this funding is to ensure vulnerable residents have adequate heating in their homes.
Empty Homes Programme	1,250,000		(300,000)	950,000	555,149	58%	At the beginning of the financial year it was predicted that the Council would pay compensation/acquisitions costs to the owners of 12 properties. So far, only one owner has claimed the compensation. Despite this, 11 empty properties have vested into the councils ownership. The renovation target of 10 will be met with 7 already complete and a further 3 completing before the end of the year. The lack of compensation claims from owners will mean that £100k of committed resources will require slipping into 2017/18. In addition, £200k from this budget will be utilised to support housing development in Padiham.
Interventions, Acquisitions and Demolitions	441,086			441,086	86,550	20%	Part of this budget is used to fund outstanding compensation claims from completed demolition projects. In addition, an environmental scheme on Accrington Road has been completed. This scheme will continue to now include two commercial blocks and the backs of one block overlooking a new Keepmoat development. The £250k that had been committed for the Perseverance Mill site will be rolled forward into 2017/18 programme and be replaced in 2016/17 with a contribution to support housing redevelopment in Padiham.
Housing Market Support	75,617			75,617	-	0%	This scheme is utilised to bring forward site/opportunities for development and associated expenditure.
	<b>3,311,123</b>	<b>27,968</b>	<b>(300,000)</b>	<b>3,039,091</b>	<b>1,654,221</b>	<b>54%</b>	
<b>CHIEF EXECUTIVE / CORPORATE INITIATIVES</b>							
Ward Opportunities Fund	124,715			124,715	30,104	24%	As reported in previous quarters, the overall spend on this programme is largely determined by the extent to which proposals come forward from ward councillors.
	<b>124,715</b>	<b>-</b>	<b>-</b>	<b>124,715</b>	<b>30,104</b>	<b>24%</b>	
	<b>8,878,322</b>	<b>7,191</b>	<b>(1,384,922)</b>	<b>7,500,591</b>	<b>3,079,464</b>	<b>41%</b>	
				<b>2015/16 Cycle 3</b>	<b>6,638,274</b>	<b>3,796,772</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>								
Thompson Park Restoration Project	36,061			32,600			3,461	36,061
Play Area Improvement Programme	9,800				8,536		1,264	9,800
Prairie Sports Complex	16,630				16,630			16,630
Towneley Hall Works	1,468				1,468			1,468
Brun Valley Forest Park	14,549				1,942		12,607	14,549
Vehicle & Machinery Replacement	205,467		205,467					205,467
Extension of Burnley Cemetery	5,000	5,000						5,000
	<b>288,975</b>	<b>5,000</b>	<b>205,467</b>	<b>32,600</b>	<b>28,576</b>	<b>-</b>	<b>17,332</b>	<b>288,975</b>
<b>Streetscene</b>								
Towneley River Training Walls	123,672				123,672			123,672
Car Park Improvements	10,000				10,000			10,000
Burnley Town Centre Pedestrianisation Upgrade	782,104	671,753			110,351			782,104
Alleygate Programme	58,100				58,100			58,100
CCTV Infrastructure	30,000	30,000						30,000
Bus Shelter Replacement	8,700				8,000		700	8,700
Padiham Pump Track - Phase 2	18,000		3,000	10,000	3,000		2,000	18,000
	<b>1,030,576</b>	<b>701,753</b>	<b>3,000</b>	<b>10,000</b>	<b>313,123</b>	<b>-</b>	<b>2,700</b>	<b>1,030,576</b>
<b>Regeneration &amp; Planning Policy</b>								
University Technical College	22,500			7,275	15,225			22,500
Vision Park	1,344,338	800,000	82,608	454,005	7,725			1,344,338
Weavers Triangle - Starter Homes	115,836			115,836				115,836
Infrastructure & Highways Works	40,009						40,009	40,009
Public Realm	32,191			21,344			10,847	32,191
Market Safety Works	222,520	200,000	22,520					222,520
	<b>1,777,394</b>	<b>1,000,000</b>	<b>105,128</b>	<b>598,460</b>	<b>22,950</b>	<b>-</b>	<b>50,856</b>	<b>1,777,394</b>
<b>Facilities Management</b>								
Energy Efficiency of Council Buildings	12,320		12,320					12,320
Padiham Town Hall - Flood Works	751,219		114,874				636,345	751,219
Leisure Centre Improvements	101,301	101,301						101,301
Contribution to Shopping Centre Redevelopment	375,000	150,000	225,000					375,000
	<b>1,239,840</b>	<b>251,301</b>	<b>352,194</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>636,345</b>	<b>1,239,840</b>
<b>Housing &amp; Development</b>								
Emergency Work Grant	83,751					83,751		83,751
Disabled Facilities Grant	1,400,000			1,400,000				1,400,000
Energy Efficiency	88,637					60,669	27,968	88,637
Empty Homes Programme	950,000	-				950,000		950,000
Interventions, Acquisitions and Demolitions	441,086			441,086				441,086
Housing Market Support	75,617			75,617				75,617
	<b>3,039,091</b>	<b>-</b>	<b>-</b>	<b>1,916,703</b>	<b>-</b>	<b>1,094,420</b>	<b>27,968</b>	<b>3,039,091</b>
<b>Chief Executive</b>								
Ward Opportunities Fund	124,715				124,715			124,715
	<b>124,715</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>124,715</b>	<b>-</b>	<b>-</b>	<b>124,715</b>
<b>TOTAL OF ALL SCHEMES</b>	<b>7,500,591</b>	<b>1,958,054</b>	<b>665,789</b>	<b>2,557,763</b>	<b>489,364</b>	<b>1,094,420</b>	<b>735,201</b>	<b>7,500,591</b>

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**CAPITAL RECEIPTS AND CONTRIBUTIONS ANALYSIS FOR 2016/17 AND CIP 2017-20**

**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><u>Capital Resources Brought Forward on 1st April 2016</u></b>	<b>894,254</b>	<b>2,851,124</b>	<b>182,583</b>	<b>119,816</b>	<b>4,047,777</b>
<b><u>Add</u></b>					
Resources Received As At 31st December 2016:	68,580	328,302	9,905	39,154	445,941
Further Resources Estimated to be Received during 2016/17:	150,000	-	-	613,345	763,345
<b><u>Potential Resources Available during 2016/17</u></b>	<b>1,112,834</b>	<b>3,179,426</b>	<b>192,488</b>	<b>772,315</b>	<b>5,257,063</b>
<b><u>Less</u></b>					
Required to finance Capital Programme	(489,364)	(1,094,420)	(3,461)	(731,740)	(2,318,985)
Repayment Liabilities	-	-	-	-	-
Earmarked for Revenue Expenditure	-	-	(63,255)	-	(63,255)
Earmarked for Delivery By Outside Bodies	-	-	(125,772)	-	(125,772)
<b><u>Potential Capital Resources Carried Forward on 31st March 2017</u></b>	<b>623,470</b>	<b>2,085,006</b>	<b>-</b>	<b>40,575</b>	<b>2,749,051</b>
<b><u>Add</u></b>					
Resources Estimated to be Received during 2017/20	1,100,000	1,614,994	-	1,497,759	4,212,753
<b><u>Less</u></b>					
2017/18 Capital Budget - plus reprofiled 2016/17 Budget	(468,500)	(1,540,000)	-	(249,423)	(2,257,923)
2018/19 Capital Budget	(393,000)	(1,200,000)	-	(149,773)	(1,742,773)
2019/20 Capital Budget	(393,000)	(960,000)	-	(1,098,563)	(2,451,563)
<b><u>Total Surplus / (Shortfall) of Resources available for Further Capital Investment Programme needs</u></b>	<b>468,970</b>	<b>-</b>	<b>-</b>	<b>40,575</b>	<b>509,545</b>

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## REPORT TO EXECUTIVE



<b>DATE</b>	<b>13<sup>th</sup> February 2017</b>
<b>PORTFOLIO</b>	<b>Resources &amp; Performance Management</b>
<b>REPORT AUTHOR</b>	<b>David Donlan</b>
<b>TEL NO</b>	<b>(01282) 477172</b>
<b>EMAIL</b>	<b>ddonlan@burnley.gov.uk</b>

## CAPITAL BUDGET FOR 2017/18 AND 2017-20 CAPITAL INVESTMENT PROGRAMME

### PURPOSE

1. To recommend approval of the capital budget for 2017/18

### RECOMMENDATION

2. a) That Full Council be recommended to;
  - (i) Approve the 2017/18 Capital Budget, totalling £12,027,721, as set out in Appendix 1
  - (ii) Note the 2017/20 Capital Investment Programme as also 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:
  - (i) Approve the release of capital scheme budgets including slippage from 2016/17, subject to compliance with the Financial Procedure Rules and that there will be full compliance with Standing Orders for Contracts.

### 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 2017/18.

### SUMMARY OF KEY POINTS

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

In formulating the 2017/18 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 2017/18 capital budget and the 2017/20 CIP.

The review process has included:

- A review and revision of the existing schemes approved in the 2016/19 CIP.
- 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. **2017/18 Capital Budget:**

Appendix 1 provides Members with a summary of the capital investment programme for 2017/18 to 2019/20 and a list of those schemes being proposed for the 2017/18 capital budget totalling £12.028m showing the financing elements for each individual scheme. It also shows draft capital budgets for 2018/19 and 2019/20 along with the financing elements for those years.

Members are asked to note the following factors whilst considering the list of schemes being proposed for 2017/18;

- The level of estimated capital receipts is sufficient to finance the £468,500 required for all the schemes put forward for 2017/18.
- The 5 new schemes proposed are:
  - Building Alteration Works
  - Towneley Hall Overspill Car Park
  - Leisure Centre Improvements
  - Lower St James Street
  - Towneley Hall Building Works

Appendix 4 gives a brief description of each scheme.

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 the 1<sup>st</sup> April 2016
- 2016/17 commitments approved to date
- level of resources assumed to be available as at 31<sup>st</sup> March 2017
- estimated “new” receipts to be received during 2016/17 and 2017-20
- resources required to finance part of the 2017/18 proposed capital budget
- resources required to finance the schemes proposed for future years
- anticipated balance (surplus) as at 31<sup>st</sup> March 2020.

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 £183k in 2017/18, as shown in Appendix 3.

Costs of Prudential Borrowing

Of the proposed £4.021m, there are three new schemes requiring additional borrowing of £630k by the Council. The estimated full year interest cost for the additional borrowing is £18k. This cost may not be required until 2018/19, dependant on the timing of the borrowing.

The additional Minimum Revenue Provision (notional debt repayment) charge for the £630k additional borrowing would be £19k, and would not be required until 2018/19.

Both are shown in Appendix 1

9. **2017-20 Capital Investment Programme:**

As previously stated, Appendix 1 outlines a summary of the proposed 2017/20 capital investment programme. These schemes are listed in priority order, in line with the approved methodology for ranking proposed capital scheme bids, reflecting the priorities of the Council's strategic objectives.

**FINANCIAL IMPLICATIONS AND BUDGET PROVISION**

10. As referred to in the body of the report.

**POLICY IMPLICATIONS**

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

**DETAILS OF CONSULTATION**

12. None.

**BACKGROUND PAPERS**

13. None.

**FURTHER INFORMATION  
PLEASE CONTACT:**

**David Donlan,  
Accountancy Division Manager**



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## Capital Investment Programme 2017/18 to 2019/20

<u>Service Unit</u>	<u>Scheme Name</u>	<u>2017/18</u>	<u>2018/19</u>	<u>2019/20</u>	<u>TOTAL</u>
		£	£	£	£
<b>Schemes Committed By Decision of the Council</b>					
Regeneration & Planning Policy	Vision Park	3,618,938	58,897	-	3,677,835
Green Spaces & Amenities	Thompson Park Restoration Project	941,022	96,351	19,750	1,057,123
Regeneration & Planning Policy	Weavers Triangle - Starter Homes	330,000	-	-	330,000
Governance, Law, Property & Regulation	Contribution of Shopping Centre Redevelopment	375,000	-	-	375,000
<b>Total of Schemes Committed By Decision of the Council</b>		<b>5,264,960</b>	<b>155,248</b>	<b>19,750</b>	<b>5,439,958</b>
<b>Housing Investment Programme</b>					
Housing & Development	Emergency Repairs	60,000	60,000	60,000	180,000
Housing & Development	Disabled Facilities Grant	1,658,235	1,211,000	1,211,000	4,080,235
Housing & Development	Energy Efficiency	40,000	40,000	-	80,000
Housing & Development	Empty Homes Programme	1,200,000	700,000	500,000	2,400,000
Housing & Development	Interventions, Acquisitions and Demolitions	400,000	400,000	400,000	1,200,000
Housing & Development	Flood Relief Works	-	2,000,000	2,000,000	4,000,000
<b>Total of Housing Investment Programme</b>		<b>3,358,235</b>	<b>4,411,000</b>	<b>4,171,000</b>	<b>11,940,235</b>
<b>Schemes Scoring "3" for Commitment &amp; At Least 5 Overall</b>					
Green Spaces & Amenities	Vehicle & Machinery Replacement	92,586	138,183	233,262	464,031
Green Spaces & Amenities	Extension of Burnley Cemetery	416,087	-	-	416,087
Streetscene	River Training Walls	107,000	60,000	60,000	227,000
Streetscene	Car Park Improvements	10,000	-	-	10,000
Governance, Law, Property & Regulation	Leisure Centre Improvements	75,000	75,000	75,000	225,000
Regeneration & Planning Policy	Lower St James Street	280,000	280,000	-	560,000
Regeneration & Planning Policy	Market Safety Works	1,440,480	-	-	1,440,480
<b>Total of Schemes Scoring "3" for Commitment &amp; At Least 5 Overall</b>		<b>2,421,153</b>	<b>553,183</b>	<b>368,262</b>	<b>3,342,598</b>
<b>Schemes Scoring "3" for Strategic Objectives &amp; At Least 5 Overall</b>					
Streetscene	Burnley Town Centre Pedestrianisation Upgrade	150,000	-	-	150,000
<b>Total of Schemes Scoring "3" for Strategic Objectives &amp; At Least 5 Overall</b>		<b>150,000</b>	<b>-</b>	<b>-</b>	<b>150,000</b>
<b>Schemes Scoring 4 Points Overall</b>					
Governance, Law, Property & Regulation	Building Alteration Works	100,000	100,000	100,000	300,000
Green Spaces & Amenities	Towneley Hall Building Works	100,000	100,000	100,000	300,000
Chief Executive	Ward Opportunities Fund	100,000	100,000	100,000	300,000
Streetscene	Alleygate Programme	25,000	25,000	25,000	75,000
Streetscene	CCTV Infrastructure	62,000	-	-	62,000
Regeneration & Planning Policy	Padiham Townscape Heritage Initiative	399,873	399,873	399,872	1,199,618
<b>Total of Schemes Scoring 4 Points Overall</b>		<b>786,873</b>	<b>724,873</b>	<b>724,872</b>	<b>2,236,618</b>
<b>Schemes Scoring Below 4</b>					
Streetscene	Bus Shelter Replacement	8,000	8,000	8,000	24,000
Green Spaces & Amenities	Towneley Hall Overspill Car Park	38,500	-	-	38,500
<b>Total of Schemes Scoring Below 4</b>		<b>46,500</b>	<b>8,000</b>	<b>8,000</b>	<b>62,500</b>
<b>Total of All Schemes</b>		<b>12,027,721</b>	<b>5,852,304</b>	<b>5,291,884</b>	<b>23,171,909</b>

2017/18 CAPITAL BUDGET AND FINANCING ELEMENTS

APPENDIX 1

Classification Heading	Score	Service Unit	Scheme Name	Proposed Budget £	FINANCING ELEMENTS										Total Proposed Budget £
					Prudential Borrowing £	Revenue Cont'n / Reserves £	Disabled Facilities Grant £	Residual HMR Grant £	Home & Communities Agency £	Heritage Lottery Fund £	Lancashire Enterprise Partnership £	Capital Receipts £	Vacant Property Initiative Receipts £	3rd Party Unsecured £	
Committed By Decision of the Council	-	Regeneration & Planning Policy	Vision Park	3,618,938	2,200,000	231,840					1,187,098				3,618,938
	-	Green Spaces & Amenities	Thompson Park Restoration Project	941,022		164,759				755,240				21,023	941,022
	-	Regeneration & Planning Policy	Weavers Triangle - Starter Homes	330,000					330,000						330,000
	-	Governance, Law, Property & Regulation	Contribution of Shopping Centre Redevelopment	375,000		375,000									375,000
Housing Investment Programme	3:3	Housing & Development	Emergency Repairs	60,000									60,000		60,000
	3:3	Housing & Development	Disabled Facilities Grant	1,658,235			1,658,235								1,658,235
	3:3	Housing & Development	Energy Efficiency	40,000									40,000		40,000
	3:3	Housing & Development	Empty Homes Programme Interventions, Acquisitions and Demolitions	1,200,000									1,200,000		1,200,000
	3:3	Housing & Development	Empty Homes Programme Interventions, Acquisitions and Demolitions	400,000				160,000					240,000		400,000
Schemes Scoring "3" for Commitment At Least 5	3:2	Green Spaces & Amenities	Vehicle and Machinery Replacement	92,586		92,586									92,586
	2:2	Green Spaces & Amenities	Extension of Burnley Cemetery	416,087	416,087										416,087
	3:2	Streetscene	River Training Walls	107,000								107,000			107,000
	3:2	Streetscene	Car Park Improvements	10,000								10,000			10,000
	3:2	Governance, Law, Property & Regulation	Leisure Centre Improvements	75,000	75,000										75,000
	3:2	Regeneration & Planning Policy	Lower St James Street	280,000	155,000									125,000	280,000
	3:2	Regeneration & Planning Policy	Market Safety Works	1,440,480	963,000	477,480									1,440,480
	2:3	Streetscene	Burnley Town Centre Pedestrianisation Upgrade	150,000	150,000										150,000
Schemes Scoring 4 Points Overall	3:1	Governance, Law, Property & Regulation	Building Alteration Works	100,000								100,000			100,000
	3:1	Green Spaces & Amenities	Towneley Hall Building Works	100,000								100,000			100,000
	2:2	Chief Executive	Ward Opportunities Fund	100,000								100,000			100,000
	2:2	Streetscene	Alleygate Programme	25,000								25,000			25,000
	2:2	Streetscene	CCTV Infrastructure	62,000	62,000										62,000
	2:2	Regeneration & Planning Policy	Padiham Townscape Heritage Initiative	399,873		36,373				280,100				83,400	399,873
Schemes Scoring Below 4	2:1	Streetscene	Bus Shelter Replacement	8,000								8,000			8,000
	1:2	Green Spaces & Amenities	Towneley Hall Overspill Car Park	38,500								18,500		20,000	38,500

Additional Revenue Implications  
Full Year Effect

Borrowing Interest (3%) £'000	Debt Repayments (MRP) £'000	Total Cost of Borrowing £'000
12	8	20
2	8	10
5	3	8

<b>TOTAL OF ALL SCHEMES</b>				<b>12,027,721</b>	<b>4,021,087</b>	<b>1,378,038</b>	<b>1,658,235</b>	<b>160,000</b>	<b>330,000</b>	<b>1,035,340</b>	<b>1,187,098</b>	<b>468,500</b>	<b>1,540,000</b>	<b>249,423</b>	<b>12,027,721</b>
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<b>18</b>	<b>19</b>	<b>37</b>
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2018/19 CAPITAL BUDGET AND FINANCING ELEMENTS

APPENDIX 1

Classification Heading	Score	Service Unit	Scheme Name	Proposed Budget £	FINANCING ELEMENTS								Total Proposed Budget £	
					Prudential Borrowing £	Revenue Cont'n / Reserves £	Disabled Facilities Grant £	Heritage Lottery Fund £	Lancashire Enterprise Partnership £	Capital Receipts £	Vacant Property Initiative Receipts £	3rd Party Unsecured £		
Committed By Decision of the Council	-	Regeneration & Planning Policy	Vision Park	58,897					58,897					58,897
	-	Green Spaces & Amenities	Thompson Park Restoration Project	96,351		5,241		86,110					5,000	96,351
Housing Investment Programme	3 : 3	Housing & Development	Emergency Repairs	60,000								60,000		60,000
	3 : 3	Housing & Development	Disabled Facilities Grant	1,211,000			1,211,000							1,211,000
	3 : 3	Housing & Development	Energy Efficiency	40,000								40,000		40,000
	3 : 3	Housing & Development	Empty Homes Programme	700,000								700,000		700,000
	3 : 3	Housing & Development	Interventions, Acquisitions and Demolitions	400,000								400,000		400,000
	-	Housing & Development	Flood Relief Works	2,000,000					2,000,000					2,000,000
	Schemes Scoring "3" for Commitment & At Least 5 Overall	3 : 2	Green Spaces & Amenities	Vehicle and Machinery Replacement	138,183		138,183							
3 : 2		Governance, Law, Property & Regulation	Leisure Centre Improvements	75,000	75,000									75,000
3 : 2		Regeneration & Planning Policy	Lower St James Street	280,000	155,000								125,000	280,000
3 : 2		Streetscene	River Training Walls	60,000							60,000			60,000
Schemes Scoring 4 Points Overall	3 : 1	Governance, Law, Property & Regulation	Building Alteration Works	100,000							100,000			100,000
	3 : 1	Green Spaces & Amenities	Towneley Hall Building Works	100,000							100,000			100,000
	2 : 2	Chief Executive	Ward Opportunities Fund	100,000							100,000			100,000
	2 : 2	Streetscene	Alleygate Programme	25,000							25,000			25,000
	2 : 2	Regeneration & Planning Policy	Padiham Townscape Heritage Initiative	399,873		100,000		280,100					19,773	399,873
Schemes Scoring Below 4	2 : 1	Streetscene	Bus Shelter Replacement	8,000							8,000			8,000

<b>TOTAL OF ALL SCHEMES</b>				<b>5,852,304</b>	<b>230,000</b>	<b>243,424</b>	<b>1,211,000</b>	<b>366,210</b>	<b>2,058,897</b>	<b>393,000</b>	<b>1,200,000</b>	<b>149,773</b>	<b>5,852,304</b>
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**2019/20 CAPITAL BUDGET AND FINANCING ELEMENTS**

**APPENDIX 1**

Classification Heading	Score	Service Unit	Scheme Name	Proposed Budget £	FINANCING ELEMENTS								Total Proposed Budget £	
					Prudential Borrowing £	Revenue Cont'n / Reserves £	Disabled Facilities Grant £	Heritage Lottery Fund £	Lancashire Enterprise Partnership £	Capital Receipts £	Vacant Property Initiative Receipts £	3rd Party Unsecured £		
Committed By Decision of the Council	-	Green Spaces & Amenities	Thompson Park Restoration Project	19,750				19,750						19,750
Housing Investment Programme	3 : 3	Housing & Development	Emergency Repairs	60,000							60,000			60,000
	3 : 3	Housing & Development	Disabled Facilities Grant	1,211,000			1,211,000							1,211,000
	3 : 3	Housing & Development	Empty Homes Programme Interventions, Acquisitions and Demolitions	500,000							500,000			500,000
	3 : 3	Housing & Development		400,000							400,000			400,000
	-	Housing & Development	Flood Relief Works*	2,000,000					1,000,000			1,000,000		2,000,000
Schemes Scoring "3" for Commitment & At Least 5 Overall	3 : 2	Green Spaces & Amenities	Vehicle and Machinery Replacement	233,262		233,262								233,262
	3 : 2	Governance, Law, Property & Regulation	Leisure Centre Improvements	75,000	75,000									75,000
	3 : 2	Streetscene	River Training Walls	60,000						60,000				60,000
Schemes Scoring 4 Points Overall	3 : 1	Governance, Law, Property & Regulation	Building Alteration Works	100,000						100,000				100,000
	3 : 1	Green Spaces & Amenities	Towneley Hall Building Works	100,000						100,000				100,000
	2 : 2	Chief Executive	Ward Opportunities Fund	100,000						100,000				100,000
	2 : 2	Streetscene	Alleygate Programme	25,000						25,000				25,000
	2 : 2	Regeneration & Planning Policy	Padiham Townscape Heritage Initiative	399,872		21,209		280,100					98,563	399,872
Schemes Scoring Below 4	2 : 1	Streetscene	Bus Shelter Replacement	8,000						8,000				8,000
<b>TOTAL OF ALL SCHEMES</b>				<b>5,291,884</b>	<b>75,000</b>	<b>254,471</b>	<b>1,211,000</b>	<b>299,850</b>	<b>1,000,000</b>	<b>393,000</b>	<b>960,000</b>	<b>1,098,563</b>	<b>5,291,884</b>	

\* The £1,000,000 3rd party contribution relates to an application by the Environment Agency to its own Grant in Aid Programme. In the unlikely event that this grant was not secured, the Council would need to either provide or secure other funding for the flood relief works



**CAPITAL RECEIPTS AND CONTRIBUTIONS ANALYSIS FOR 2016/17 AND CIP 2017-20**

**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><u>Capital Resources Brought Forward on 1st April 2016</u></b>	<b>894,254</b>	<b>2,851,124</b>	<b>182,583</b>	<b>119,816</b>	<b>4,047,777</b>
<b><u>Add</u></b>					
Resources Received As At 31st December 2016:	68,580	328,302	9,905	39,154	445,941
Further Resources Estimated to be Received during 2016/17:	150,000	-	-	613,345	763,345
<b><u>Potential Resources Available during 2016/17</u></b>	<b>1,112,834</b>	<b>3,179,426</b>	<b>192,488</b>	<b>772,315</b>	<b>5,257,063</b>
<b><u>Less</u></b>					
Required to finance Capital Programme	(489,364)	(1,094,420)	(3,461)	(731,740)	(2,318,985)
Repayment Liabilities	-	-	-	-	-
Earmarked for Revenue Expenditure	-	-	(63,255)	-	(63,255)
Earmarked for Delivery By Outside Bodies	-	-	(125,772)	-	(125,772)
<b><u>Potential Capital Resources Carried Forward on 31st March 2017</u></b>	<b>623,470</b>	<b>2,085,006</b>	<b>-</b>	<b>40,575</b>	<b>2,749,051</b>
<b><u>Add</u></b>					
Resources Estimated to be Received during 2017/20	1,100,000	1,614,994	-	1,497,759	4,212,753
<b><u>Less</u></b>					
2017/18 Capital Budget - plus reprofiled 2016/17 Budget	(468,500)	(1,540,000)	-	(249,423)	(2,257,923)
2018/19 Capital Budget	(393,000)	(1,200,000)	-	(149,773)	(1,742,773)
2019/20 Capital Budget	(393,000)	(960,000)	-	(1,098,563)	(2,451,563)
<b><u>Total Surplus / (Shortfall) of Resources available for Further Capital Investment Programme needs</u></b>	<b>468,970</b>	<b>-</b>	<b>-</b>	<b>40,575</b>	<b>509,545</b>

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2017/18 CAPITAL BUDGET PER EXPENDITURE DETAIL

APPENDIX 3

Scheme Name	Budget £	Purchase of Land & Prop Detail 3801 £	Grants Detail 3814 £	Payment to Contractors Detail 3815 £	Bricking Up Detail 3821 £	Plant & Equipment Detail 3832 £	Professional Fees Detail 3844 £	Property Management Detail 3852 £	Engineers Detail 3853 £	Legal Services Detail 3856 £	Housing Services Detail 3859 £	1996 Act Detail 3909 £	Advertising Detail 3935 £	Total Budget £
Vision Park	3,618,938			3,618,938										3,618,938
Thompson Park Restoration Project	941,022			906,022					35,000					941,022
Weavers Triangle - Starter Homes	330,000			330,000										330,000
Contribution of Shopping Centre Redevelopment	375,000			375,000										375,000
Emergency Repairs	60,000			60,000										60,000
Disabled Facilities Grant	1,658,235											1,658,235		1,658,235
Energy Efficiency	40,000			40,000										40,000
Empty Homes Programme	1,200,000	350,000	220,000	550,000	10,000		10,000	5,000		15,000	33,000		7,000	1,200,000
Interventions, Acquisitions and Demolitions	400,000	200,000		163,000	5,000			12,500	10,000	9,500				400,000
Vehicle and Machinery Replacement	92,586					92,586								92,586
Extension of Burnley Cemetery	416,087			366,087			50,000							416,087
River Training Walls	107,000			87,000					20,000					107,000
Car Park Improvements	10,000			8,000					2,000					10,000
Leisure Centre Improvements	75,000			75,000										75,000
Lower St James Street	280,000			280,000										280,000
Market Safety Works	1,440,480			1,409,480					31,000					1,440,480
Burnley Town Centre Pedestrianisation Upgrade	150,000			140,000					10,000					150,000
Building Alteration Works	100,000			100,000										100,000
Towneley Hall Building Works	100,000			100,000										100,000
Ward Opportunities Fund	100,000			100,000										100,000
Alleygate Programme	25,000			25,000										25,000
CCTV Infrastructure	62,000					62,000								62,000
Padiham Townscape Heritage Initiative	399,873			399,873										399,873
Bus Shelter Replacement	8,000			8,000										8,000
Towneley Hall Overspill Car Park	38,500			38,500										38,500
<b>TOTAL OF 2017/18 CAPITAL BUDGET</b>	<b>12,027,721</b>	<b>550,000</b>	<b>220,000</b>	<b>9,179,900</b>	<b>15,000</b>	<b>154,586</b>	<b>60,000</b>	<b>17,500</b>	<b>108,000</b>	<b>24,500</b>	<b>33,000</b>	<b>1,658,235</b>	<b>7,000</b>	<b>12,027,721</b>

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**2017/18 PROPOSED CAPITAL BUDGET - BRIEF DESCRIPTIONS OF INDIVIDUAL SCHEME**

<u>Scheme Name</u>	<u>Budget (£)</u>	<u>Scheme Narrative</u>
Vision Park	3,618,938	The Burnley Knowledge Park (now Vision Park) is a key priority for Burnley Borough Council. The project will contribute to the Council's objectives on prosperity, creating a new facility that will foster new and growing businesses in key priority sectors. The recommendations will enable the completion of phase 1 .
Thompson Park Restoration Project	941,022	£1.2 million HLF funded restoration of Thompson park.
Weavers Triangle - Starter Homes	330,000	The Council has been awarded funding from HCA as part of the Starter Homes Local Authority Funding Programme. The proposed scheme is for apartments on land at Sandygate (adjacent to the canal).
Contribution of Shopping Centre Redevelopment	375,000	Remaining 50% contribution as per Council approval September 2016.
Emergency Repairs	60,000	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.
Disabled Facilities Grant	1,658,235	The funding is allocated by Communities and Local Government and the programme is a grants scheme that funds adaptations and aids for disabled residents to enable them to remain living independently in a home of their choice.
Energy Efficiency	40,000	The Council's Energy Efficiency Programme allows the Council to achieve its strategic objective of reducing carbon emissions and reducing fuel poverty.  The scheme seeks to 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 governments Warm Front scheme and promoting energy efficiency in the town.
Empty Homes Programme	1,200,000	The Empty Homes Programme brings long term empty properties back in to use in the borough of Burnley.
Inventions, Acquisitions and Demolitions	400,000	This programme funds the acquisition and clearance of obsolete properties in priority neighbourhoods across inner Burnley to assembly sufficient land for the redevelopment of those neighbourhoods with modern new housing.
Vehicle and Machinery Replacement	92,586	Replacement of Transport (Fleet Vehicles) and Horticultural Machinery
Extension of Burnley Cemetery	416,087	This project will develop an extension to Burnley Cemetery on land situated to the north of Cemetery Lane and which has been reserved for this purpose. The extension will provide approximately 1,750 spaces, which is sufficient to meet demand for new graves for approx. 2 years
River Training Walls	107,000	Various river training walls throughout the borough are in very poor condition after having been battered by the environment for the last 150 years. They are not 'fit for purpose'.  Local collapses are becoming more frequent. These present a danger to the general public and also contravene the Environment Agency's statutory obligations to maintain the river flow and the flood storage capacity under the Flood and Water Management Act 2010. The Environment Agency will serve notice on the Council as 'riparian land-owner' if the danger increases and further collapses impede flow.  It is proposed that the liability of maintaining these walls be reduced as much as possible by removing them and replacing with engineered embankments. The embankments will have low maintenance and will also improve flood storage capacity, thereby reducing the risk of flooding.  These works would secure 'fit for purpose' for the next 75 years with very low annual maintenance costs.
Car Park Improvements	10,000	The work is for new ticket machines, lighting, signing etc. for the majority. There may be a small amount used for re-surfacing.
Leisure Centre Improvements	75,000	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.
Lower St James Street	280,000	£250,000 LCC commitment to the titled works, over 2 years, will be put before LCC Cabinet on 13th March 2017 for inclusion in their capital programme.



**2017/18 PROPOSED CAPITAL BUDGET - BRIEF DESCRIPTIONS OF INDIVIDUAL SCHEME**

<u>Scheme Name</u>	<u>Budget (£)</u>	<u>Scheme Narrative</u>
Market Safety Works	1,440,480	The cost of this scheme is due to be funded from savings made by relocating the CCTV office and also by a contribution from the Growth Reserve
Burnley Town Centre Pedestrianisation Upgrade	150,000	This is the Council's final contribution (totalling £1.5m) to the LCC scheme costing £3m.
Building Alteration Works	100,000	Contribution towards larger scale and capital works arising out of the Building condition surveys currently being undertaken.
Towneley Hall Building Works	100,000	Essential repair work is required at Towneley Hall. This includes the removal of loose and flaking stonework to the facades of the building, the re-roofing of the north Tower, repair work associated with the ingress of water to the North Tower and repairs to other parts of the roof. The work is outside the scope of the budget for building maintenance that is allocated to Liberata. The repairs to Towneley Hall will be managed by Liberata and contracted out to firms that specialise in building restoration.
Ward Opportunities Fund	100,000	This scheme enables Councillors to spend funds to enhance the lives of communities living in their wards, therefore fitting in with the Council's Community Strategy
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 CSP's efforts to work towards a safer and cleaner Burnley.  Alleygating remains popular with residents and members alike and each application period is vastly oversubscribed.
CCTV Infrastructure	62,000	Transfer to Blackburn expected December 2016. Uncertainty regarding Market Demolition and associated capital works, and also wireless network. May require provision for 2017/18
Parrham Townscape Heritage Initiative	399,873	Comprehensive scheme costing £1.421m 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
Bus Shelter Replacement	8,000	To provide new shelters on Quality Bus Routes, if required.
Towneley Hall Overspill Car Park	38,500	The project will provide an overspill car park for approximately 50 cars on Higher Towneley Playing Fields, adjacent to the existing Hall car park, which does not provide sufficient spaces to meet the parking requirements for events at the Hall. At present there are only 56 spaces (including disabled) which is inadequate to cater for events at the Hall such as weddings, conferences, and Towneley Hall Society meetings, etc.
<b>TOTAL OF ALL SCHEMES</b>	<b><u>12,027,721</u></b>	

**Strategic Plan 2017/8**

**REPORT TO EXECUTIVE**



<b>DATE</b>	13/02/2017
<b>PORTFOLIO</b>	Leader
<b>REPORT AUTHOR</b>	Rob Dobson
<b>TEL NO</b>	3115
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**PURPOSE**

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

**RECOMMENDATION**

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

**REASONS FOR RECOMMENDATION**

3. The Strategic Plan sets out a clear vision for the future at a time of challenging budget decisions: 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 is updated annually. It sets out the Council’s strategic priorities during the next three years.
5. The Strategic Plan has four themes: *People, Places, Prosperity* and *Performance*. The *People* theme deals with client centred services that 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 of the commitments will be delivered within three years. 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 draft budget.

## **POLICY IMPLICATIONS**

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

## **DETAILS OF CONSULTATION**

10. Scrutiny Committee's response to the draft strategic plan will be detailed in the Minutes of the meeting on 9th February 2017.

11. A residents' survey is conducted annually to help determine key priorities.

## **BACKGROUND PAPERS**

12. The current strategic plan: <http://www.burnley.gov.uk/about-council/our-strategies-and-policies>

## **FURTHER INFORMATION**

**PLEASE CONTACT:**

**Pam Smith, CEO.**

**ALSO:**



**Burnley**.gov.uk

# Burnley Council's Strategic Plan 2017/18 to 2019/20

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# Burnley Council's vision 10 year vision for the borough:

*The Council wants to make the borough a place of choice. It will be a place where businesses want to invest, because of its skilled workforce and its competitive, modern economy. It will be a place where people want to live because of its clean and safe neighbourhoods, its reputation as a centre of educational excellence, and its beautiful parks and wild countryside.*

## 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 Needs

## Burnley Council: adapting to change

From 2010 to 2016, the Council has managed budget reductions totalling £11.6m. It has absorbed and delivered annual budget savings 7.5 times the national average. Workforce planning has resulted in a reduction to the establishment of 173 F.T.E posts, and there has been TUPE transfer of a further 183 F.T.Es to our strategic partners, Burnley Leisure Trust and Liberata.

The budget challenge remains immense. The 2017/18 Local Government Finance Settlement (LGFS) for next three years from means that the cumulative budget gap for Burnley Council is greater than projected, rising from an estimated £4 million to £4.5 million, out of a current budget of £15 million.

This adds to the pressure on the Council to make savings and find ways of raising income in a way that protects the priority services that help to strengthen the local economy, and that help make the Borough a cleaner, greener, safer and more prosperous place to live.

In recent years, the Council has successfully lobbied for additional investment in Burnley, and will continue to press the case for the borough at the highest levels of Government. However, if the Council is to continue delivering quality services that meet the needs of the borough, then further change is inevitable if the Council is to remain financially viable. Lower priority services may have to be reduced or stopped, and charges may increase for discretionary services.

Our strategic plan ensures that we do not take a salami-slicing approach to making efficiencies. In having clear vision for the borough, the Council will stay focussed on what really matters and will seek innovative ways of resourcing those priorities. We are a confident, positive organisation, and together with our partners, we have strong track record of delivering positive outcomes for the people of Burnley and Padiham.

## Our guiding principles

In leading the transformation of the Council, the Executive and Management Team have worked to the following principles:

- Burnley Council is pragmatic. The Council is not ideologically committed to a specific model of local government organisation. This means that the Council is open minded about how to achieve savings. It will pursue joint working arrangements, or seek to outsource services to the private sector, where there is a clear business case.
- A business case for change must take into account the impact on the local economy, as well as the cost and benefits in terms of service quality and efficiency gains. It will implement changes following appropriate consultation with residents and employees.

These principles were applied in selecting Liberata as our strategic partner. The business case showed that the Council would be able to save money and maintain priority service levels, while also being the best option for local employment opportunities.

## 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 the vision for the Borough, which is described in the [Community Strategy](#),<sup>1</sup> a reality. The Community Strategy is about achieving better quality of life outcomes for local residents.
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 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. However, as stated above, an overriding concern of the Council is to protect core services. Though budget pressures may mean that how we provide services may have to change, 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.**

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<sup>1</sup> See: <http://www.burnley.gov.uk/about-council/burnley-action-partnership>

## Burnley Council Services

- We collect rubbish, recyclable or non-recyclable, from every household every week. On the next working day following a general refuse collection, every residential street is swept by manual litter pickers. Following a recycling collection, the street receives a mechanical sweep.
- 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 five Green Flag Parks.
- 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.
- We deal with around 4,000 calls and 2,000 visitors every week at our contact centre.
- We award benefit to around 12,000 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 and 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 per annum and aim to ensure that new development in Burnley is built to high design standard. We also protect the historical heritage of the town through the management of conservation areas 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.

## Strategic Plan 2016/17- what did we achieve?

### **Places**

- The Council's Rethinking Parks project was selected as the winning entry in the Horticulture Week Custodian Awards under the category of 'Best Urban Park Initiative'.
- Between April and December 2016, the Council received and dealt with 205 new disrepair complaints from private rented sector tenants, and carried out 65 proactive housing inspections. The Empty Homes programme worked on 7 renovations and 3 sales, returning properties that had become a blight on local neighbourhoods back into good homes.
- We continued to work with the private sector and our registered social landlords to bring forward new development across the Borough. Keepmoat are making progress in both Burnley Wood and South West Burnley, where development continues to transform these neighbourhoods into popular residential locations. Gleeson homes continue to develop in Daneshouse and Stoneyholme and are reporting an increase in demand for the properties, which together with the Great Places development of 50 affordable homes at Grey Street, are offering real choice for residents. Gleesons have also secured planning permission for 202 homes in Hapton on the former Blythe chemical works site which will see the redevelopment of a complex brownfield site for new family homes. Calico Homes submitted a planning application to develop 56 affordable homes on the former Perseverance Mill site at Dryden Street, Padiham. This development will see new housing built on a site that for many years was a significant blight on the local neighbourhood. McDermott Homes are also preparing to start on site following their planning permission for 86 high quality family homes on the former Waterside Mill site off Sycamore Avenue in Rosegrove, again ensuring that home buyers in the borough are offered real choice.

### **Prosperity**

- In partnership with Addington Capital, the owners of Charter Walk, our investments in the Town Centre helped to draw a high profile retailer into the Town Centre.
- The Burnley Bridge Business Park has proved to be immensely attractive to expanding and re-locating businesses. The Council approved plans to extend the 70-acre scheme with a new ten-acre development comprising 110,000 sq. ft. of accommodation.
- The Council's work on promoting growth was recognised nationally with a shortlisting for the LGC's award for growth. Recent figures from the Office of National Statistics show that the number of jobs in Burnley increased by 4.2% in the last twelve months. This is twice the growth rate seen in Lancashire, Greater Manchester, the North West and Great Britain.

### **People**

- Our Primary, Secondary Engineer Programme is now being delivered to both primary and secondary schools and over 80 teachers in Burnley are involved.
- Burnley hosted a range of popular events including the Burnley 10k, the Burnley Literary Festival, and the Towneley Bonfire and Firework Display.

### **Performance**

- The first year of our 10 year partnership with Liberata to provide transactional services was a success. A transformation of business systems is well underway.
- The Council participated in an independent peer review. The review team reported that: the political and managerial leadership of the Council is strong; we have committed and loyal staff who are proud of Burnley; we have grown the economy, and; the Council is financially well managed.



## What do we want to achieve during 2017 and beyond?

Much of what the Council has or plans to achieve, involves working in partnership. The [Sustainable Community Strategy](#) sets out the vision for the Borough that is shared by statutory agencies, local businesses and the third sector. It includes a list of long term commitments which will help us achieve a cleaner, greener, safer and more prosperous Borough in the future.

The Community Strategy describes the Borough's challenges, its assets and opportunities. The following section of this document sets out the Council's role in meeting those challenges, exploiting the assets and the opportunities that exist in the Borough. It is structured around the themes of **People, Places, Prosperity**, in line with the Sustainable Community Strategy. A fourth theme, **Performance**, sets out the Council's approach to organisational development.

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 (and 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.

## People - creating flourishing, healthy and confident communities

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

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

Health inequality is a significant factor in 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. Perhaps 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.

<b>What do we commit to?</b>	<b>Lead</b>
<b>PE1-</b> We will work with partners to make the borough a place of aspiration, including supporting efforts to increase education attainment and skills development, and improve residents' health.	Chief Executive Leader
<b>PE2-</b> We will continue to develop the leisure and cultural offer of Burnley in partnership with Burnley Leisure.	Chief Operating Officer Executive Member for Leisure and Culture

## Places: making the Borough a place of choice

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

Resident feedback tells us that maintaining the cleanliness of the borough matters to our residents. Though falling, the number of flytipping incidents and dirty back yards is high compared with other areas.

Feedback from residents also shows that reducing crime and antisocial behaviour is another priority. The level of crime is higher than the Lancashire average.

Compared with the Lancashire average, a higher proportionate of residents live in private rented accommodation. Unfortunately, not all of 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. 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 borough also has a significant number of cultural and sporting assets; the Mechanics, Towneley Hall, modern leisure centres and well attended community sport and other events.

<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 borough.	Head of Streetscene Executive Member for Community Services
<b>PL2-</b> We will improve the management of private rented accommodation.	Head of Housing and Development Control Executive Member for Housing and Environment
<b>PL3-</b> We will work with partners to improve quality and choice in the borough's housing stock.	Chief Operating Officer Executive Member for Housing and Environment
<b>PL4-</b> We will implement our 2015-25 Green Space Strategy.	Head of Green Spaces and Amenities Executive Member for Leisure and Culture

# Prosperity – promoting transformational economic change for Burnley

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

Advanced manufacturing, particularly within the aerospace industry, is a key component of the economy of Burnley and the wider region. Employees in the sector tend to be relatively well paid and highly skilled. Burnley and Pennine Lancashire already have a strong reputation in this sector which helps to attract foreign investment and new jobs. At the same time, the local economy should not be overly dependent on this sector. It also needs to adapt to a declining number of public sector jobs. Strong and resilient economies require a diverse range of businesses and for the stock to be constantly replenished with new enterprises.

With a retail catchment area of 300,000 people, Burnley is a major retail and service centre in Pennine Lancashire. Being vital for local jobs, the Council should take action to protect and develop the existing Town Centre offer.

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 new Local Plan should 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.

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.

<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.	Head of Regeneration and Planning Policy Executive Member for Regeneration and Economic Development
<b>PR3-</b> We will make the borough attractive to retail and leisure developers, and will identify a sustainable future for the Burnley Market.	Chief Operating Officer Executive Member for Regeneration and Economic Development
<b>PR4-</b> We will deliver the Local Plan. This will act as the key supporting framework for encouraging future employment and investment in a range of housing stock.	Head of Regeneration and Planning Policy Executive Member for Regeneration and Economic Development

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

The Council always has a duty to ensure that tax payers get value for money, and the current era of austerity means that services cannot continue to be delivered in the same way as in the past. New service delivery models will be required to achieve efficiencies. If services have to be cut the Council will be clear about the process that has been followed in reaching these decisions.

In September 2016, the Council was peer reviewed. The peer reviewers' report told us that the Council has strong political and managerial leadership and that the performance of many core services is good. Staff members are committed and loyal, despite the workforce experiencing challenging reductions in their number. The peer reviewers also reported that though the Council's future funding position is "challenging", it has "clear plans in place" and "a record of strong financial management."

<b>What do we commit to?</b>	<b>Lead</b>
<b>PF1-</b> We will embed the partnership with Liberata within the Council's budget, strategic vision and commercial strategy.	Chief Operating Officer Executive Member for Resources and Performance
<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.	Chief Operating Officer Executive Member for Resources and Performance
<b>PF3-</b> We will develop our digital strategy, so that more residents transact with us online and we are able to deliver services more efficiently.	Chief Operating Officer Executive Member for Community Services



## Corporate Performance Scorecard 2015-2016

Measure	Target	Result	On target
<b>Outcomes</b>			
% of residents satisfied with the Council overall	48%	56%	★
% users satisfied with parks and open spaces (A)	70%	85%	★
% satisfied with leisure facilities	55%	58%	★
% satisfied with general household waste collection	80%	84%	★
% satisfied with litter free public land	47%	59%	★
% stating that ASB is a problem in the local area	28%	25%	★
Private sector investment levered through inward investment service and development projects	£10m year end	£30,913,207	★
<b>Internal processes</b>			
Average number of days to process new claims and change of circumstances (benefits processing)	9	6	★
Telephone calls answered within target time (%)	80%	73%	▲
No. of businesses relocation assists	10	20	★
<b>Organisational development</b>			
Average number of days sickness absence per employee	6	8.29	▲
Spend on training as % of total revenue budget	1%	1%	★
<b>Finance</b>			
Forecast revenue budget outturn (£)	£15,889,000	£15,284,000	★
Forecast Earmarked Reserves at year end	£5.437m	£6.974m	★
External Borrowing	£20.7m	£20.6m	★

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