



Meeting of the Burnley Borough Council

To be held at 6.30 pm on
Wednesday, 21st February, 2018



Sir or Madam,

Notice is given of a MEETING of the COUNCIL of the BOROUGH OF BURNLEY to be held at the TOWN HALL, BURNLEY, on

DATE: Wednesday, 21st February, 2018

starting at 6.30 pm

To transact the business specified below.

**Lukman Patel
Chief Operating Officer**

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

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

A G E N D A

1. Minutes of the Last Meeting 7 - 12
To receive, as read, the Minutes of the proceedings of the previous Council meeting, and to confirm them or otherwise.
2. Declarations of Interest
To receive any declarations of interest.
3. Mayor's Communications
To receive communications (if any) from His Worship the Mayor.
4. Public Question Time
To receive questions, statements or petitions (if any) from members of the public.
5. Items for Decision by the Council

- a) Making it in Burnley: The Aspiration Strategy 13 - 36
 To confirm the use of reserves to help fund the growth of the Children's University Burnley Campus; and increase the revenue budget for 2018/19 to meet an anticipated shortfall in external funding for the Children's Partnership Co-ordinator post. (report and relevant minute enclosed)
- b) Revenue Budget Monitoring 2017/18 37 - 50
 To consider the revised Revenue Budget for 2017/18 based upon actual spending and income to 31st December 2017. (report and relevant minute enclosed)
- c) Capital Budget Monitoring 2017/18 51 - 64
 To consider the revised Capital Budget for 2017/18 based upon monitoring to 31st December 2017. (report and relevant minute enclosed)
- d) Medium Term Financial Strategy 2018/19 to 2021/22 incorporating the Reserves Strategy 65 - 92
 To consider the Medium Financial Strategy 2018/19 and 2021/22 incorporating the Reserves Strategy. (report and relevant minute enclosed)
- e) Revenue Budget 2018/19 93 - 108
 To consider the revenue budget for 2018/19. (report and relevant minute enclosed)
- f) Revenue Budget 2018/19 Statutory report of the Chief Finance Officer 109 - 116
 To consider the Statutory Report issued by the Chief Finance Officer. (report enclosed)
- g) Treasury Management Strategy 2018/19 and Prudential and Treasury Indicators 117 - 140
 To seek approval of the Treasury Management Strategy for 2018/19; the prudential indicators for 2018/21 and the Minimum Revenue Provision Policy Statement for the 2018/19 financial year. (report and relevant minute enclosed)
- h) Capital Budget 2018/19 and Capital Investment Programme 2018/21 141 - 156
 To consider the Capital budget 2018/19 and the Capital Investment Programme for 2018/21. (report and relevant minute enclosed)

- i) Council Tax 2018/19
To pass the formal resolution to set the Council Tax for 2018/19. (draft resolution to be circulated in advance of the meeting)
- j) Strategic Plan 2018 157 - 174
To consider the Council's Strategic Plan 2018. (report and relevant minute enclosed)
- k) Health and Safety Intervention Plan 2017/18 175 - 198
To consider the Health and Safety Intervention Plan for 2017/18. (report and relevant minute enclosed)
- l) Food (Official Controls) Delivery Plan 2017/18 199 - 224
To consider the Food(Official Controls) Delivery Plan 2017/18. (report and relevant minute enclosed)
- m) Localism Act 2011 - Annual Pay Policy Statement 2018/19 225 - 290
To consider the Pay Policy Statement for 2018/19. (report enclosed)
- n) Appointments to Committees, Outside Bodies and Panels 291 - 292
To consider changes to the appointments to Committees and Outside Bodies for the remainder of the 2017/18 Municipal Year and to confirm the re-appointment of members to the Independent Remuneration Panel. (report enclosed)
- o) Appointment of Mayor and Deputy Mayor 2018/19 293 - 294
To consider the appointment of Mayor and Chair of the Council and Deputy Mayor and Vice Chair of the Council for 2018/19. (report enclosed)
- p) Calendar 2018/19 295 - 302
To confirm the calendar of meetings for 2018/19. (report enclosed)
- q) Constitutional Updates 303 - 354
To inform Members of the changes made to the constitution. (report enclosed)
6. Report from the Chair of Scrutiny 355 - 356
To consider the cycle 4 report from the Chair of Scrutiny. (report enclosed)
7. Strategic Plan Progress Reports 357 - 368
To consider the strategic plan progress reports. (reports enclosed)
8. Questions
To deal with questions (if any) relating to matters not contained in the Minutes before the Council and of which notice in writing has been

received in accordance with Standing Order No. 10(2).

9. Exclusion of the Public

To consider the exclusion of the public from the meeting before discussion takes place on the following item(s) of business on the grounds that in view of the nature of the business to be transacted if the public were present there would be a disclosure to them of exempt information within the meaning of Part VA of the Local Government Act 1972.

10. Organisation Review

369 - 398

To consider a revised structure as part of the Council's need to reshape itself to meet future challenges, in the context of reducing budgets. (report and relevant minute enclosed)

Information relating to any consultations or negotiations, or contemplated consultations or negotiations, in connection with any labour relations matter arising between the authority or a Minister of the Crown and employees of, or office holders under the authority.



FULL COUNCIL

BURNLEY TOWN HALL

Wednesday, 22nd November, 2017 at 6.30 pm

PRESENT

MEMBERS

Councillors H Baker (Chair), C Briggs (Vice-Chair), G Birtwistle, B Brindle, M Brindle, F Cant, I Carmichael, J Cunningham, T Ellis, D Fleming, G Frayling, B Foster, R Frost, S Graham, J Greenwood, J Harbour, D Heginbotham, A Hosker, S Hussain, M Ishtiaq, M Johnstone, A Kelly, A Khan, L Khan, W Khan, M Lishman, E Monk, N Mottershead, A Newhouse, L Pate, M Payne, A Raja, P Reynolds, D Roper, A Royle, J Sumner, A Tatchell, C Towneley, M Townsend and C White

OFFICERS

Mick Cartledge	Chief Executive
Lukman Patel	Head of Governance, Law, Property, and Regulation
Asad Mushtaq	Head of Finance
Imelda Grady	Democracy Officer
David Farrar	Mayor's Officer
Georgia Robinson	Business Administration Apprentice
Robie-Lea Stowell	Business Administration Apprentice
Chris Gay	Governance Manager

37. Minutes of the Last Meeting

RESOLVED The Minutes of the meeting of the Council held on the 27th September 2017 were confirmed and signed by the Chair.

38. Declarations of Interest

The Mayor indicated that under Section 31 (4) of the Localism Act 2011 all the Members present at the meeting had been granted a dispensation by the Monitoring Officer regarding matters concerning or incidental to item 5 (g) (Paragraphs 1, 5 (a), 9(a) and appendix 1) on the agenda. The dispensation was for the period 6.30 pm to 11.59 pm on the 22nd November 2017.

39. Mayor's Communications

At the request of the Chair everyone present observed one minutes silence as a mark of respect to the late former Mayor Ken Butterworth.

Councillors Gordon Birtwistle and John Harbour paid tribute to Mr Butterworth on his service to the Borough.

40. Public Question Time

Pat Woolven addressed the Council under the Request to Speak Policy on issues in the Burnley Wood area.

Jamie McGowan addressed the Council under the Request to Speak Policy on crime and anti-social behaviour in Padiham.

41. Revenue Budget Monitoring Quarter 2, 2017/18

With reference to Minute 40 of the Executive (14th November 2017) consideration was given to the revenue budget monitoring for Quarter 2 of 2017/18.

RESOLVED

That approval be given to the latest revised budget of £14.596m as shown in Appendix 1 to the report and the net transfers to earmarked reserves of £26k as shown in Appendix 4 to the report.

42. Capital Budget Monitoring Quarter 2, 2017/18

With reference to Minute 41 of the Executive (14th November 2017) consideration was given to the capital expenditure and resources position along with highlighting any variances.

RESOLVED

- (1) That approval be given to the net budget changes totalling a reduction of £240,509 giving a revised capital budget for 2017/18 totalling £15,348,708 as detailed in Appendix 1;
- (2) That approval be given to the proposed financing of the revised capital budget totalling £15,348,708 as shown in Appendix 2; and
- (3) That the latest estimated year end position on capital receipts and contributions showing an assumed balance of £2,097,875 at 31st March 2018, in Appendix 3 be noted

43. Treasury Management Mid-Year Report 2017/18

With reference to Minute 42 of the Executive (14th November 2017) consideration was given to the treasury management activity for the period 01/04/17 to 30/09/17.

RESOLVED

- (1) That the Treasury Management activities undertaken during the period 1 April to 30 September 2017 be noted:
- (2) That the mid-year update on Treasury Management Strategy for 2017/18 be endorsed in compliance with the requirements of the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management.
- (3) That approval be given to the increase in the limit for deposits in Goldman Sachs International Bank from £2m to £4m as per the revised counterparty list at Appendix 3 ; and
- (4) That approval be given to the option to invest in a property fund as discussed in paragraph 9 of the report to a maximum limit of £2m.

44. Fees and Charges Tariff 2018/19

With reference to Minute 43 of the Executive (14th November 2017) consideration was given to the proposed list of fees and charges to be levied from 1st January 2018.

Amendments were reported in respect of the fees and charges in Appendix A (pages 1 and 2) in respect of burials and cremations as follows

- i. No charge for cremation or internment for babies up to 12 months old
- ii. From 1 year to 17 years the charge will be £202 for cremation and £298 for burial

Amendments were made to the fees and charges in Appendix A (page 8) in respect of Contract parking charges showing an increase of 2% (and not 2.5%)

RESOLVED

- (1) That approval be given to the proposed tariff of fees & charges from 1 January 2018 as outlined in Appendix A and as amended;
- (2) That the Head of Finance in consultation with the relevant Head of Service be authorised to determine any new charges or changes to existing charges relating to the preparation and approval of the 2018/19 revenue budget;
- (3) That the Executive Portfolio Members be authorised to amend fees & charges periodically in their own area on the basis that overall income in their portfolio area remains the same as a minimum;

- (4) That the Head of Regeneration and Planning Policy in consultation with the Executive Member for Resources and Performance Management and the Head of Finance be authorised to adjust fees and charges in relation to the Markets service from time to time to reflect current trading conditions and the overall position of the market; and
- (5) That the Head of Housing and Development Control in consultation with the Executive Member for Resources and Performance Management and the Head of Finance be authorised to adjust fees and charges in relation to statutory planning fees should Parliamentary confirmation be received.

45. Parliamentary Boundary Proposals

Consideration was given to the Council's response to the proposed changes to the parliamentary boundaries put forward by the Boundary Commission.

RESOLVED

That the Chief Executive write to the Boundary Commission opposing the changes to the Burnley Parliamentary boundary and in doing so make the following points

"This Council strongly disagrees with the Government's arbitrary policy of reducing the number of MP's from 650 to 600 which is out of step with the UK's rising population. The capacity of the Commons to scrutinise legislation will be undermined especially in light of the country's decision to leave the European Union which will significantly increase the amount of legislation to be managed in the UK. This is in stark contrast to the unrepresentative House of Lords which remains bloated with unelected peers and continues to grow having gone from 666 in 1999 to over 800 today and with no upper limit set.

However, Burnley Council supports the principle of creating constituencies of roughly similar sized populations, and whilst still of the opinion that the latest proposals remain a significant improvement on those put forward in 2012 the Council believe that the 2016 consultation proposals for the Burnley constituency should have remained unchanged. Whilst it would have been clearly preferable to retain the current co-terminous boundary between the district council and the Parliamentary constituency, the 2016 proposals did at least keep the main urban areas of Burnley and Padiham largely intact. In contrast the latest proposals remove a large urban Ward, Rosegrove & Lowerhouse, from the heart of Burnley and assigns it to the Accrington constituency. A constituency to which residents of the Ward have no association."

46. Appointments to Committees and Working Groups

Consideration was given to the appointment of Liberal Democrat, Conservative and Burnley and Padiham Independent Group Councillors to Committees and Working Groups for the remainder of the Municipal Year 2017/18 following the resignation from the Liberal Democrat Group of Councillors Charlie Briggs, Neil Mottershead, Mark Payne and Christine White.

RESOLVED

That the following appointments to Committees and Working Groups be made for the remainder of the 2017/18 Municipal Year:

Audit and Standards Committee – Councillors Margaret Lishman (LD), Andrew Newhouse (C) and Mark Payne (B&P IND)

Licensing Committee – Councillors Gordon Birtwistle (LD), Anne Kelly (LD), Ida Carmichael (C) and Christine White (B&P IND)

Development Control Committee – Councillors Gordon Birtwistle (LD), Tom Porter (LD), Andrew Newhouse (C), Cosima Towneley (C) and Neil Mottershead (B&P IND)

Scrutiny Committee – Councillors Gordon Birtwistle (LD), Anne Kelly (LD), Roger Frost (LD), David Heginbotham (C), Neil Mottershead (B&P IND) and Christine White (B&P IND)

Member Structures Support Working Group – Councillors Gordon Birtwistle (LD), Margaret Lishman (LD), David Heginbotham (C) and Mark Payne (B&P IND)

47. Constitutional Updates and Council Delegations

Consideration was given to the changes made to Part 3 of the Constitution by the Leader and the Monitoring Officer; an amendment to Part 5.1 of the Constitution regarding the Code of Conduct; and an amendment to give authority to the Chief Operating Officer to discharge the delegations in the Constitution afforded to the Head of Governance, Law, Property and Regulation.

RESOLVED

- (1) That the changes made to Part 3 (Executive Functions) of the constitution by the Leader/Deputy Leader be noted, as follows;
 - (a) 18th October 2017- Deputy Leader-Additional delegations to the Head of Housing and Development Control regarding the civil penalties and rent repayment orders as detailed in the Housing and Planning Act 2016 (Appendix 1)
 - (b) 24th October 2017- Leader- Additional delegation to the Head of Governance, Law, Property and Regulation regarding bids at auction and contract to buy properties not included in the approved Council acquisition programme (Appendix 2)
- (2) That the change added to Part 3 (Executive Functions) of the constitution by the Monitoring Officer on 27th October 2017 relating to a minor amendment be noted, as follows , for the Head of Governance, Law, Property & Regulation (Paragraph 26);

The Water Industry Act 1991 - In so far as Burnley Borough Council is

the enforcing authority as detailed in Part III and Part IV of the Act

- (3) That the Members Code of Conduct (Part 5.1 of the Constitution) regarding Member training be added to and amended, as follows in bold;

3.1 All Members to undertake Code of Conduct/ethical standards training annually, and to make it compulsory for all Members to receive training on Safeguarding Level 1 and CSE, within 6 months of their election for New Members and within 6 months of this change being approved at Full Council (i.e. 22nd May 2018) for existing Members; and

- (4) That the Chief Operating Officer be given delegated authority to discharge the delegations in the Council's Constitution afforded to the Head of Governance, Law, Property and Regulation until further notice.

48. Report from the Chair of Scrutiny

RESOLVED That the Cycle 3 report of the Scrutiny Chair be noted.

49. Strategic Plan Progress Reports

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

50. Exclusion of the Public

RESOLVED

That the public be excluded from the meeting before discussion on Minute 51 on the grounds that in view of the nature of the business to be transacted, if the public were present there would be a disclosure to them of exempt information within the meaning of Part VA of the Local Government Act 1972 relating to consultations or negotiations, or contemplated consultations or negotiations, in connection with any labour relations matter arising between the authority or a Minister of the Crown and employees of, or office holder under, the authority.

51. Revenue budget 2017/18 - Workforce Planning

Consideration was given to proposed workforce reductions as part of the budget savings for 2018/19.

RESOLVED That the report be noted.



EXECUTIVE

BURNLEY TOWN HALL

Tuesday, 19th December, 2017 at 6.30 pm

50. Making it In Burnley - The Aspiration Strategy

Purpose To seek Executive approval of the *Making it in Burnley* Aspiration strategy.

Reason for Decision The Council has a long standing commitment to help raise aspiration and attainment. The strategy summarises the reasons for this, sets out the Council's current actions, and also puts forward a number of proposals for future investment in the period up to 2020

Decision

- (1) That the *Making it in Burnley* Aspiration strategy be approved;
- (2) That it be recommended to Full Council to use up to £20,000 from reserves to help fund the growth of the Children's University Burnley Campus; and**
- (3) That it be recommended to Full Council that the Council's draft revenue budget for 2018/19 includes an increase to meet an anticipated shortfall in external funding for the Children's Partnership Co-ordinator post.**

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Making it in Burnley: the Aspiration Strategy

REPORT TO EXECUTIVE



DATE	19/12/2017
PORTFOLIO	Leader
REPORT AUTHOR	Rob Dobson
TEL NO	Ext 3115
EMAIL	rdobson@burnley.gov.uk

PURPOSE

1. To seek Executive approval of the *Making it in Burnley* Aspiration strategy.

RECOMMENDATION

2. That the Executive approve the strategy;
3. That it be recommended to Full Council to use up to £20,000 from reserves to help fund the growth of the Children’s University Burnley Campus ;and
4. That it be recommended to Full Council that the Council’s draft revenue budget for 2018/19 includes an increase to meet an anticipated shortfall in external funding for the Children’s Partnership Co-ordinator post.

REASONS FOR RECOMMENDATION

5. The Council has a long standing commitment to help raise aspiration and attainment. The strategy summarises the reasons for this, sets out the Council's current actions, and also puts forward a number of proposals for future investment in the period up to 2020.

SUMMARY OF KEY POINTS

6. The Council’s current contribution includes:
 - a. strategic leadership: the Chief Executive supports the Burnley Learning Partnership and is instrumental in bringing partners together at a strategic level
 - b. an annual contribution of £10k towards the £25k costs for the part time Children’s Partnership Co-ordinator post
 - c. £55k per annum towards Primary Engineer this year and in 18/19.
7. The draft strategy includes making a three year commitment to the establishment of a Children’s University (CU) in the borough. Children’s University is a national charity based in Manchester. Its innovative Passport to Learning encourages children from the age of 5 to try new learning experiences outside of school hours at approved learning

destinations.

8. The programme operates as a Social Franchise with local CU centres running in over 70 boroughs across UK. Lancashire Children's University has been established since 2013. In July 2017 the CU moved into Burnley, partnering with Burnley Council, UCLan and Burnley FC Community. Burnley FC in the Community is helping to fund the project, having committed £5k. A total of 13 primary schools and 1 secondary school have signed up to the scheme in year 1. A Steering Group for governance, practical and ambassadorial support has been established.
9. Many of the actions in the strategy rely on a project management and co-ordination role currently provided by the Children's Partnership co-ordinator. The post-holder is also responsible for external funding applications linked to the strategy's objectives. The post has been on the Burnley establishment since 2008. The cost in 2018/19 is projected to be £22,473, which has previously been offset by an annual contribution of £15,000 from the County Council. Budget pressures in the County Council mean that there is a very high risk that this contribution will be cut in 2018/19. This in turn puts at risk what can be delivered as part of the Aspiration Strategy. To mitigate this, it is recommended that the full cost of the post is met by the Council from 2018/19.
10. There are many elements of the strategy that require no additional funds but coordination to bring partners together and maximise delivery in Burnley. This includes family learning through Lancashire Adult Learning, the delivery of emotional health and well-being programmes in schools and development of NEET (Not in Education, Employment or Training) projects.
11. The draft aspiration strategy also includes a number of additional proposals that are subject to external funding being made available. Officers will pursue funding opportunities and will bring further reports back to the Executive as the strategy is developed.

FINANCIAL IMPLICATIONS AND BUDGET PROVISION

12. The total additional funding is £50,000 over this and the next two financial years. This is made up as follows:

Children's University

13. To enable all 32 Primary schools to take part in the scheme a Council contribution of up to £20,000 is required in total over 2017/18, 2018/19, and 2019/20. The cost is estimated as follows.

	Total	School	BBC
17/18 (10 schools)	£12,255	£6127.50	£6127.10
18/19 (20 schools)	£22515	£16886.25	£5628.75
19/20 (30 schools)	£33155	£28,243.50	£4911.50
All Years	£67,925	£51,257	£16,667

14. It is recommended that the Council use its reserves to fund this. Schools would fund the scheme increasingly over time until it is fully embedded in their budgets.

15. Funding from other partners would be used to commission new learning opportunities for participants.

Children's Partnership Coordinator

16. The salary cost for the Grade 8 post is £22,473, which has been offset by an annual contribution of £15,000 from the County Council. With this contribution at risk, it is recommended that the post is core funded to support delivery of the strategy. This means the 2018/19 budget is recommended to include an increase to meet the anticipated shortfall in funding.

POLICY IMPLICATIONS

17. As set out in the draft strategy.

DETAILS OF CONSULTATION

18. Lancashire County Council, the Burnley Learning Partnership (secondary head teachers), the Pendle and Burnley Children's Partnership, and the Making it in Burnley Group have been consulted.

BACKGROUND PAPERS

19. None.

FURTHER INFORMATION

PLEASE CONTACT:

Mick Cartledge, CEO

ALSO:

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Making it in Burnley

Burnley Council's strategy for raising
aspiration 2017-2020

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The case for change: challenges and opportunities

Raising the aspiration of the young people in the borough and increasing the opportunities available to them, is a strategic commitment of Burnley Council. This commitment does not stem from statutory requirement, but from a desire to work with partners to turn the borough into a hub of educational excellence and into a place where the benefits of economic growth are shared widely.

Burnley has a growing reputation as a great place to live, learn, and build a business:

1. Awarded the accolade of Most Enterprising Area in the UK by BIS in 2013
2. Consistently ranking in the UK top ten for since 2009 for private sector jobs growth
3. 13.8% growth of businesses in 2013/15
4. 40.5% increase in GVA from 2009-2014
5. Cited as a North West Boom Town by the Estates Gazette in 2015
6. Digital Jobs Boom – 2nd largest percentage growth in digital job creation in England 2015/17
7. Over 1000 new local jobs projected to be created over up to 2019

The area has a proud heritage in engineering, manufacturing and innovation. Today, it has the highest concentration of manufacturing employment (21.19%) in the UK (Centre for Cities, City Monitor 2017). Manufacturing businesses in Burnley span a range of sectors, but there are strong specialisms in Aerospace, Automotive and Gas and Oil.

However, Burnley must still tackle the long-term challenges of rapid de-industrialisation. There is higher than average benefit dependency, low workforce participation, and significant pockets of deprivation in neighbourhoods beset by low aspiration. Burnley must play its part in closing the productivity gap between Lancashire and the national average; Lancashire LEP's productivity levels - as measured by the GVA generated per full-time employee - stand at around 83% of the national figure when London is excluded.

Overcoming these challenges means giving our young people the best start in life through a good education and also helping young adults get ready for working life. The following sections explain the case for change, and sets out the opportunities and assets that the borough can build on to achieve this.

The themes of this document match those in the Social Mobility Commission's recent report "Time for Change¹." In the foreword, Commission Chair the Rt. Hon. Alan Milburn writes: .." governments have overly limited their scope of action. They have focussed on improving the education system but shied away from improving parenting. They have assumed that if more people could be moved from welfare to work, the labour market would then do the heavy lifting to move people from low pay to living pay. Governments have largely absented themselves from addressing progression in employment and elitism in the professions. They have assumed that Britain could get by with imbalanced economic growth and have been too tentative in addressing market failures in local and regional economies. We recommend that in future governments pursue a more activist agenda and build a coalition with councils and

¹ ["Time For Change: An Assessment of Government Policies on Social Mobility 1997-2017," Social Mobility Commission, June 2017.](#)

communities and with employers and professions behind a shared national effort to improve social mobility.”

The *Making it in Burnley* strategy is Burnley Council’s contribution to that effort.

Attainment and aspiration in our borough- the current context

Action in the early years

The importance of the **early years** is now well known, as the years when a child’s brain develops and much of its ‘wiring’ is established. The experiences and relationships a child has, plus nutrition and health, can affect this enormously. Positive experiences help the brain to develop in healthy ways whilst seriously negative experiences such as neglect and abuse affect brain development in more harmful ways, and contribute to emotional and behavioural problems later. The experiences a child has in the early years can either support learning or interfere with it.

Evidence shows that what happens in the home and how parents interact is crucial to child development, but support for parents is weak and provision patchy. This means that too many children are starting school without the basic skills required. Too many children are starting schools without the ability: to go to the toilet independently; to change for PE; to use cutlery or make food choices; or to share, listen or sit still for a short time.

Burnley is ranked 17th most deprived areas in the country and whilst the most disadvantaged two to four-year-olds can receive free early years care the proportion of children who reach a good level of development at age five is lower in the most deprived areas than it is in more prosperous areas. In the last decade, 500,000 poorer children were not school-ready by the age of five. Those children are hamstrung from the start of school life and most never recover.²

Teacher assessment of early year’s development suggests that an **attainment gap** between Burnley and the Lancashire opens in the early years. For too many young people, insufficient progress is made in primary and secondary school to close this attainment gap by the time they reach 16.

It is not all down to the schools

There are many good schools in Burnley, and new additions to the borough’s secondary education settings mean that parents have a range of options when choosing a good education for their children. Burnley High School opened in 2014, and moved into a new building in 2017. In 2016, a new Alternative Provision school- the Heights Burnley- was given approval by the Education Secretary. This will provide education for pupils aged five to 16 who have found it difficult to achieve in their mainstream setting.

Nevertheless, raising aspiration and attainment is not just about what goes on in school. Children need many things to support their learning in the early years and, as a District Council, the opportunity is there to support our families and children to be school ready through a community based approach.

² (State of the Nation 2016: Social Mobility in Great Britain Report)

This means supporting families to take part in learning opportunities outside of formal educational settings in our communities.

Children need the opportunity to ‘be in the world doing things.’ We can support this by engaging with agencies in partnerships with the aim of increasing provision of family learning opportunities through a wider range of services in different settings including housing, leisure and cultural services, shops and supermarkets and VCFs organisations.

Children will benefit from having stories read to them from the very beginning, even before they are able to understand what’s being said. Loving language and books makes a great and strong start to developing a wide vocabulary and literacy skills. Raising awareness and increased involvements in community based learning opportunities such as World book day, National Bookstart week and the Lancashire reading trail and journey.

The launch of the **Children’s University** in April 2017 enables us to support children’s learning outside of the school curriculum. This opportunity to support and reward children to take part in exciting and innovative learning activities and experiences outside normal school hours whilst developing their skills and raising aspirations for the future.

So this strategy recognises that increasing attainment and raising aspiration is not just the responsibility of schools. School leaders point to the following reasons for low attainment: late English Language development, attitudes to learning, weak relationships between schools and parents, mental health issues and personal and community resilience. These issues cannot be tackled by schools working in isolation. Burnley Council can play a role in working with partners in education and health to tackle the underlying causal factors that account for the large variation in educational attainment within Burnley, and lack of progress compared to other areas with similar circumstances.

Building resilience and character

Schools and college are reporting that an increasing number of young people are not achieving their potential, not because of a lack of ability but because of a feeling of diminished self-worth or because of a series of other factors impacting on their lives. These factors result in pupils being unable to respond adequately to the rigours of school life.

Resilience is the capacity to bounce back from adversity. Building resilience in children and young people is a pre-requisite of successful learning and, more generally, helps children and young people to successfully navigate life and deal with the challenges it presents. We want ‘well-rounded’ young people with character, resilience and grit.

Protective factors increase resilience; for example, a nurturing home environment. Whereas risk factors increase vulnerability; for example the transition from primary to secondary education.

Burnley Council can help:

1. support the development of character and emotional resilience amongst our young people;
2. improve understanding and collaborative working practices with professionals from different agencies and

3. co-ordinate new ways of working, both universal and targeted.

NEETS

At December 2016, of a cohort of 3196, 136 young people were not in education, employment or training. The NEET rate was therefore 5.4%, though, of the cohort, 636 were not known to Lancashire County Council. Nevertheless, this represents a significant improvement on 2013/14 when the rate was 9.3%.

Lancashire County Council, in response to significant budgets cuts, must now focus its package of support on Children Looked After and Care Leavers. The current low levels of NEETs, therefore, could be at risk.

To help reduce the number of NEETs in the borough, Lancashire County Council have identified the following challenges and opportunities:

- Location: some areas are hard to travel to i.e. remote rural areas that surround the Burnley area.
- There is an opportunity to market vacancy opportunities through channels more suited to reaching young people.
- Most NEET group have below C grades for GCSEs, so if these vacancies ask for C or above, they are not going to apply. However, some employers will employ young people that have below C grades and training providers like the College will still sign them up for the apprenticeship and work with them on their functional skills.
- Burnley's *Making it in Burnley* group is a working group from made up of leaders in the public and private sector. It promotes opportunities to expose young people to the full range of education, training and employment possibilities within and beyond Burnley, and engages with employers and local businesses to develop a clear understanding of how schools can effectively work within local industry.
- Tighter school budgets and the absence of any additional funding for schools to resource the new duty to secure independent advice, may lead to the provision of poor quality careers guidance in some schools
- Limited opportunities to upgrade skills and take up training within small SMEs in the local area.

The Apprenticeship Levy, which came into force in April 2017, is a charge being introduced by government to help fund their plans to deliver a step change in apprenticeship numbers and their quality. The levy is designed to put apprenticeship funding in the hands of employers and encourage them to invest in and create apprenticeships. Any unspent levy funds will be recycled by the government, so there may be a role for the Council in helping local businesses spend their allocation effectively.

Employer and business links with schools

Contact with business and employers can make a significant difference to the employment prospects of young people. Contacts with those in business help young people by offering career insights and advice, helping direct their careers choices and reducing the likelihood of young people becoming NEET. The world of work is changing fast and the work of Careers and enterprise company, part of the local

Lancashire Enterprise Partnership, supports and sustains links between business, professionals and school aged children with enterprise coordinators and a network of enterprise advisors based within local industry.

Further and higher education, and adult skills.

Census data shows that the percentage of the population with no qualifications decreased between 2001 and 2011. However, 29% of the working age population had no qualifications in 2011, with Burnley ranked 33 out of 348 local authority areas, for having the highest level of people with no qualifications.

Increasing productivity relies on deriving value from intangible assets such as R&D, IT, and organisational development and this often depends on the higher level skills of individuals. So if Burnley is to boost its productivity, it needs a supply of skilled graduates, as research suggests that the accumulation of graduate skills contributed around 20% of GDP growth and one third of the increase in labour productivity in the UK between 1982 and 2005.

Burnley has the right institutions in place to drive the skills agenda forward.

Burnley College is an anchor institution in the local area. It is rated “Outstanding” by Ofsted. In 2016, the progress score of pupils studying A-levels was +0.04- so very similar to the average progress in England. **Themis**, the business training and apprenticeship division of Burnley College, has recently expanded. Since its initial launch in 2012, Themis has gone from strength to strength within the business training and apprenticeship market sectors. One of the largest apprenticeship and business training providers within Lancashire, it has seen over 250% growth in Apprentices since 2011, whilst expanding its business training client base nationwide.

The **University of Central Lancashire (UCLAN)** has a satellite campus based at the college. UCLAN is one of the UK’s largest universities with a student and staff community approaching 38,000. Amongst its programme portfolio of some 400 undergraduate and 200+ postgraduate courses, UCLAN has been at the forefront of developing degrees in emerging disciplines. A new Aerospace Engineering programme is part of UCLAN’s commitment to grow its portfolio of engineering-related courses, and is coupled with the development of a £30 million+ Engineering Innovation Centre (EIC). The EIC vision for both the new centre and the satellite campus in Burnley is to exploit the University’s location within one of the most intensive engineering and manufacturing clusters in the UK establishing UCLAN as a leader in the development of high quality engineering graduates. The EIC will provide a long-term economic asset for the area, supporting the industries which underpin the economy and play an important role in the UK’s Industrial Strategy.

The aim is to provide a rich source of new graduates that reflect the economic priorities of the North West, the UK and indeed the global economy. The Burnley Campus stands as a satellite facility of the EIC development and as such shares the strategic programme of investment and interaction with teaching, research and business support, as well as benefitting from its location and links with the engineering sector in Burnley and East Lancashire.

Our objectives

Burnley Council wants the borough to experience inclusive growth. That is, broad-based growth that enables the widest range of local residents to both contribute to and benefit from the borough's economic success.³

To achieve this, the Council will work to break the cycle of low educational attainment and benefit dependency. We will raise barriers to young people making the most of the opportunities in the borough and help them acquire the skills needed to get a good job. To do this, our objectives are to:

- To increase parental engagement, so that more families are encouraged to support their child's learning at home and in the community
- To support schools in efforts to significantly increase the number of pupils making expected progress at school, with all our young people able to access a world class education.
- To encourage a greater proportion of pupils to aspire towards degree level qualifications.
- To engage with employers and local businesses to develop a clear understanding of how schools can effectively work with local industry
- To help Lancashire County Council to reduce the number of NEETs.

³ <https://www.thersa.org/action-and-research/rsa-projects/economy-enterprise-manufacturing-folder/citizens-and-inclusive-growth>

Strategy map

Increase parental engagement

- Develop partnerships and engage other agencies in family learning to increase provision of family learning opportunities through a wider range of services in different settings
- Raising awareness and increased involvement in community based learning opportunities such as World book day, National Bookstart week and the Lancashire reading trail and journey.
- Support the Children's University to support children's learning outside of the school curriculum.
- Develop a proposal for linking schools own targeted booster sessions for young children with courses for parents to support their childrens learning (see proposal A below).

Support schools and building resilient learners

- Contribute £165k between 2016-2018 in the Primary and secondary engineer programme
- Support summer fun activities that promote resilience and wellbeing in school transition years
- Contribute up to £20k to establish the Burnley Children's University
- Support local school leadership through CEO membership of Burnley Learning Partnership and AP governing body
- Work to establish a cross sector Commission including representation from education, health and business to drive improvements in educational performance in Pennine Lancashire and seek inclusion in the Northern Powerhouse Schools Strategy to implement a programme aimed at delivering a step change in educational attainment
- Develop a programme for building resilience amongst our most at risk young people (see proposal B below).

Encourage a greater proportion of pupils to aspire towards degree level qualifications

- Recruit local undergraduates and postgraduates to give talks about their university experience/career
- Provide funding for disadvantaged pupils and their family to visit a university
- Support UCLAN expansion

To engage with employers and local businesses to develop a clear understanding of how schools can effectively work with local industry

- Developing co-ordinated network of local career and enterprise advisers and helping schools to navigate the range of possible employer interactions
- Better marketing of local career opportunities in world class local businesses
- Use the bondholders to encourage a wider group of employers to work with schools or the college to help them enhance the education sector's careers, enterprise and employer engagement strategies

Help LCC to reduce the number of NEETs

- Support the expansion of digital apprenticeships
- Use contacts with business to encourage them to spend their levy funds on recruiting apprentices and training existing staff before their funds expire and are reallocated elsewhere in the system
- Develop proposals for a NEET internship and soft skills programme (see proposal C below)

New proposals for future funding bids

a. Booster classes

Children learn and progress at different rates and children experience periods of time when they need further, more specific support in order to continue making progress. Some children will benefit from targeted support in addition to their learning in class to enable them achieve their full potential.

Funding to support Booster classes (extra classes) in English and maths will improve results and increase pupils confidence and motivation. Schools will be targeted based on KS2 results and children who need extra support to secure the expected level. Booster classes would be in addition to normal classes (i.e. not taking children out of core class).

Developed in partnership with schools who will be asked to identify a target group in years 5 and 6, delivery will be flexible using a range of approaches depending on school's circumstances and those of the children and families being supported, with a mix of in school and out of school hours provision. Funding could be used to release the class teacher or bring in an additional teacher or private tutors etc.

The project will test whether parental involvement can help give an extra "boost" to the effectiveness of the extra teaching time. Parents are a child's primary educator and key to their child's learning and development. However many parents do not have the language, skills or confidence to do this.

The project will work with the parents of the children selected for booster sessions, before the boost sessions begin. The support and involvement of parents is important, not just in securing attendance where classes take place outside the school day, but in keeping children motivated and giving them opportunities to practise at home what they have learnt.

Therefore the project will help equip parents with the skills to support the children with their learning. Family learning is designed to give parents and other family members the skills and confidence they need to support their children's learning. A range of family English, maths and language courses designed for parents who wish to improve their maths or English skills and for families where English is not the primary language at home. These programmes aim to improve the skills of parents and their ability to help their children with learning and include Keeping up with the children – English or Maths; Family English and Maths and Family ESOL.

Is there evidence that this will work?

Evidence reported by the Education Endowment Foundation indicates that one to one tuition can be effective, on average accelerating learning by approximately five additional months' progress.

Short, regular sessions (about 30 minutes, 3-5 times a week) over a set period of time (6-12 weeks) appear to result in optimum impact. Evidence also suggests tuition should be additional to, but explicitly linked with, normal teaching, and that teachers should monitor progress to ensure the tutoring is beneficial. Studies comparing one to one with small group tuition show mixed results. In some cases one to one tuition has led to greater improvement, while in others tuition in groups of two or three has been equally or even more effective compared to one to one. The variability in findings may suggest that the quality of teaching in one to one tuition or small groups is more important than the group size, emphasising the value of professional development for teachers.

Programmes involving teaching assistants or volunteers also have a valuable impact, but tend to be less effective than those using experienced and specifically trained teachers which have nearly twice the effect on average.

Where tuition is delivered by volunteers or teaching assistants there is evidence that training and the use of a structured programme is beneficial.

Although parental involvement is consistently associated with pupils' success at school, the evidence about how to increase involvement to improve attainment is mixed and much less conclusive. This is particularly the case for disadvantaged families. The project will therefore be designed to add to the evidence base.

b. Building resilience through educational psychology services⁴

Baseline assessments would be undertaken to personalise interventions for pupils who may be at risk of vulnerability for under achievement through key stage 3. This would be carried out at the beginning of year 6. The assessments would focus upon internal working models of resilience, measures of executive function (A measure of a pupil's ability to plan ahead and delay gratification / rewards.) and aspiration. Measures would also be taken of parental involvement and aspiration for their child.

Based upon the assessment data pupils / parents would engage with psychologists to build resilience, executive function and develop parent's skills to support their child's development. Support would be provided to build internal working models of resilience in the pupils and input would be provided to parents / carers to foster 'Growth Mind-set' language and systems to create a positive / proactive engagement in the Secondary School environment.

A psychologist will be allocated to (a) primary school(s) identified within the project. They will liaise with the secondary school with the aim of bridging the pupils' transition from primary to secondary school.

Key staff in the secondary schools will be identified to support the pupils' transition and will continue the intervention with pupils and parents. (Each pupil should have a number of adults within school that they can turn to when in need). The success of these adults and the psychologist's involvement with the pupil and parents will be significant in the outcomes for the pupil. The psychologist will support the pupil and family throughout this with regular interventions.

At this point the psychologist will work in small teams in the secondary schools coaching and training school staff to understand and implement strategies to continue to promote resilience and executive functioning. This will be reviewed on a regular basis by the psychologist and school staff.

The psychologist will continue to provide input to support the pupils with their resilience and executive function and the parents with their engagement.

Is there evidence that this will work?

According to the Educational Endowment Foundation, a number of systematic reviews and meta-analyses have consistently found high levels of impact for strategies related to meta-cognition and self-regulation. Most studies have looked at the impact on English or mathematics, though there is some evidence from other subject areas like science, suggesting that the approach is likely to be widely applicable.

In the UK, four recent studies indicate that programmes that seek to improve learning to learn skills can effectively improve academic outcomes. In 2015, evaluations of an intervention based on 'Growth Mindsets' research, Philosophy for Children, and a programme called Thinking, Doing, Talking Science found gains of between two and five additional months' progress. In three projects there were indications that the programmes were particularly beneficial for pupils from low income families.

c. NEET Internship Programme Options

1. A small number of opportunities created for those at highest risk; i.e. they have left school with no GCSEs .
2. Each participant to get 1 weeks work experience with 4 businesses, so a month in total.
3. Interns would receive pre-start coaching
4. The project could consider making the internship paid work to encourage NEET engagement. The interns would therefore have “worker” status. The Council could potentially make a contribution to the wage to make it more attractive to local SMEs
5. A public sector partner could manage the recruitment, employment contracts, and payroll to reduce transaction costs for the local business.
6. The business would commit to provide a mentor. The mentor could receive coaching training from the Council. The mentor would be expected to very hands on in their support; i.e. knocking on their door in the morning if the intern hasn't turned up for work.
7. Soft skill training is shared between the business and the Council (e.g. the Council could offer its Internal Trainers or Liberata could offer as part of its volunteer programme staff time for sharing knowledge, or could provide places on external onsite training courses, e.g. for IT or group apprenticeship training).
8. After each week, interns receive post placement feedback
9. After the fourth placement, the participants get a day of coaching and are sign posted to next opportunity.
10. The project would measure success of long term NEET status of participants, against a control group.
11. If successful, explore possibilities for longer term funding, e.g. social impact bond investment.

Is there evidence that this will work?

A report by the charity Education and Employers and the Barclays LifeSkills programme suggests that if young people have 4 or more positive contacts with businesses it can decrease the risk of remaining long-term NEET. The proposal above is based on giving participants paid work plus additional support. This means each stakeholder has a proper stake in making the experience a positive one.

Resourcing the strategy

The Burnley and Pendle Children's Partnership Board is an information sharing group come from the full range of agencies involved in children and education services. Together with Lancashire County Council, the Council funds the post of Children's Partnership Coordinator. Delivery of this strategy is dependent on agencies working together and prioritizing existing budgets around this agenda. The post holder is pivotal in making this happen, working through the Partnership Board.

Lancashire County Council organises a NEET strategy group. This group could take operational responsibility for any Burnley Council investment in reducing NEETs.

Burnley Council organises the Making it in Burnley group. Members include Mark Crabtree MBE, Susan Scurlock CEO of Primary and Secondary Engineer, and the Chief Executive of Burnley Council. This group is tasked with overall oversight of this strategy. The Council is already committed to funding to the Primary and Secondary Engineer Programme to 2018. The group also supports the work of the Careers and Enterprise Company, which thanks to funding by the Lancashire Local Enterprise Partnership and the UK Government has employed a coordinator who will work with schools and businesses improving links between local businesses and schools.

Burnley Council and Burnley FC in the Community have committed funding for the Children's University.

Delivery of new proposals set out in this strategy are subject to external funding being made available to the Council.

Action Plan

The Council will work in through the following partnerships to deliver this strategy.

Reference	Objective	Action	Strategic Oversight	Owner
1	Increase parental engagement			
1.1		Develop partnerships and engage other agencies in family learning to increase provision of family learning opportunities through a wider range of services in different settings	Burnley and Pendle Children's Partnership Board	Children's Partnership Coordinator
1.2		Raising awareness and increased involvement in community based learning opportunities such as World book day, National Bookstart week and the Lancashire reading trail and journey.	Burnley and Pendle Children's Partnership Board	Children's Partnership Coordinator
1.3		Support the Children's University to support children's learning outside of the school curriculum.	Making it in Burnley Group	Children's Partnership Coordinator
1.4		Seeking funding and develop a proposal for providing targeted booster sessions for young children which also engages parents.	Burnley Council	Children's Partnership Coordinator
2	Support schools and building resilient learners			
2.1		Contribute £165k between 2016-2018 in the Primary and secondary engineer programme	Making it in Burnley Group	Children's Partnership Co-ordinator
2.2		Support summer fun activities that promote resilience and wellbeing in school transition years	Burnley Council	Children's Partnership Co-ordinator
2.3		Contribute up to £20k to establish the Burnley Children's University	Burnley Council	Children's Partnership Co-ordinator
2.4		Support local school leadership through CEO membership of Burnley Learning Partnership and AP governing body	Burnley Council	Chief Executive
2.5		Work to establish a cross sector Commission including representation from education, health and business to	Burnley Council	Chief Executive

	drive improvements in educational performance in Pennine Lancashire and seek inclusion in the Northern Powerhouse Schools Strategy to implement a programme aimed at delivering a step change in educational attainment		
2.6	Seek funding and develop a programme for building resilience amongst our most at risk young people.	Burnley Council	Corporate Policy and Projects Manager
3	Encourage a greater proportion of pupils to aspire towards degree level qualifications		
3.1	Recruit local undergraduates and postgraduates to give talks about their university experience/career	Making it in Burnley Group	Children's Partnership Co-ordinator
3.2	Provide funding for disadvantaged pupils and their family to visit a university	Making it in Burnley Group	Children's Partnership Co-ordinator
3.3	Support UCLAN expansion	Burnley Council	Chief Executive
4	To engage with employers and local businesses to develop a clear understanding of how schools can effectively work with local industry		
	Develop a co-ordinated network of local career and enterprise advisers and helping schools to navigate the range of possible employer interactions	Burnley and Pendle Children's Partnership Board	Children's Partnership Coordinator
	Better marketing of local career opportunities in world class local businesses	Making it in Burnley Group	Chief Executive
	Use the bondholders to encourage a wider group of employers to work with schools or the college to help them enhance the education sector's careers, enterprise and employer engagement strategies	Making it in Burnley Group	Chief Executive

5	Help LCC to reduce the number of NEETs			
5.1		Support the expansion of digital apprenticeships	Making it in Burnley Group	Chief Executive
5.2		Use contacts with business to encourage them to spend their levy funds on recruiting apprentices and training existing staff before their funds expire and are reallocated elsewhere in the system	Making it in Burnley Group	Chief Executive
5.3		Seek funding and develop proposals for a NEET internship and soft skills programme	Burnley Council	Corporate Policy and Projects Manager

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EXECUTIVE

BURNLEY TOWN HALL

Monday, 12th February 2018 at 6.30 pm

59. Revenue Budget Monitoring Q3 2017-18

Purpose	To report the forecast outturn position for the year as at 31 March 2018 based upon actual spending and income to 31 December 2017.
Reason for Decision	To give consideration to the level of revenue spending and income in 2017/18 as part of the effective governance of the Council and to ensure that appropriate management action is taken to ensure a balanced financial position.
Decision	<p>(1) That the projected revenue budget forecast underspend of £98k (see the overview table in paragraph 6) be noted;</p> <p>(2) That Full Council be recommended to approve;</p> <p>(a) The latest revised budget of £14.596m as shown in Appendix 1;</p> <p>(b) The net transfers to earmarked reserves of £427k as shown in Appendix 4; and</p> <p>(c) The carry forward of forecast unspent budgets as requested by Heads of Service in Appendix 5. These amounts totalling £216k to be transferred into the transformation reserve and transferred back out to create additional revenue budgets in 2018/19 or when required.</p>

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REPORT TO EXECUTIVE



DATE	12 February 2018
PORTFOLIO	Resources and Performance Management
REPORT AUTHOR	David Donlan
TEL NO	(01282) 477172
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Revenue Budget Monitoring 2017/2018

PURPOSE

1. To report the forecast outturn position for the year as at 31 March 2018 based upon actual spending and income to **31 December 2017**.

RECOMMENDATION

2. The Executive is asked to:
 - a. Note the projected revenue budget forecast underspend of £98k (see the overview table in paragraph 6).

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

 - b. The latest revised budget of £14.596m as shown in Appendix 1.
 - c. The net transfers to earmarked reserves of £427k as shown in Appendix 4.
 - d. The carry forward of forecast unspent budgets as requested by Heads of Service in Appendix 5. These amounts totalling £216k to be transferred into the transformation reserve and transferred back out to create additional revenue budgets in 2018/19 or when required.

REASONS FOR RECOMMENDATION

3. To give consideration to the level of revenue spending and income in 2017/18 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 2017/18. 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.
- Decisions confirming additional awards of grant and contributions up to £50k approved by Heads of Service and Management Team.
- Executive Member for Resources and Performance Management decisions confirming additional awards of grant and contributions over £50k.
- Decisions made by the Executive.

Members are asked to approve the latest revised budget of £14.596m as shown in Appendix 1.

6. Revenue Budget Summary

As at the end of December 2017, the overall financial position is currently projected to be a £98k underspend, as shown in the table below:

	Latest Revised Budget £'000's	Forecast Outturn £'000's	Variance £'000's	Paragraph
Pay	9,249	9,238	(11)	
Other revenue budgets	8,660	8,573	(87)	
Reserves	(3,313)	(3,313)	0	15
Financed by:	14,596	14,498	(98)	
Collection Fund surplus	(81)	(81)		
Business Rates	(4,376)	(4,376)		
Revenue Support Grant	(2,778)	(2,778)		
Council Tax	(6,391)	(6,391)		
New Homes Bonus	(970)	(970)		
Forecast underspend at end December 2017	0	(98)	(98)	
Forecast at end of September			(73)	
Movement this period			(25)	
<u>Due to:</u>				
<u>Recurring variations</u>				
Planning Fees reduction			50	7
Savings from underspending review			(94)	8
<u>One-off variations:</u>				
Net increase in provisions			131	9
Markets income increase			(31)	10
Investment income increase			(25)	11
Non-Domestic rates saving			(32)	12
Land charges income			25	13
Other forecast minor underpends			(50)	14
Net overspends			1	
			(25)	

In setting the budget for 2017/18, it was assumed that £150k would be saved through not filling posts immediately. The position has not changed since quarter 2 and £161k of salary savings is forecast which exceeds the target by £11k.

It was also agreed that there would be an in-year efficiency savings / additional income target of £100k. It is forecast that this will be exceeded by £87k, which along with the

salary savings gives the overall forecast underspend of £98k.

Any underspending at the year-end will be utilised for essential maintenance work on Council property assets.

7. **Planning Fee Income (£50k)**

There has been a reduction in the higher value applications which leads officers to forecast a shortfall in income of £50k on the £352k budget. It is also believed that market and economic conditions are such that this will remain a budget pressure in the next few years and has been reflected in the draft 2018/19 revenue budget.

8. **Identified general underspendings (- £94k)**

The Council has undertaken a review of all revenue budgets over the last three years. This exercise has identified savings opportunities of £94k in 2017/18 and continuing savings of £97k from 2018/19. These savings have been included in the draft 2018/19 budget.

9. **Provisions (£131k)**

Officers have reviewed the Council's provisions and recommend a net increase of £131k in the overall provisions for use in future years.

10. **Markets income (- £31k)**

The Markets manager has reported an improvement in income of £31k this quarter due to a reduction in vacant stalls. The revised forecast still assumes a £10k shortfall on the original budget.

11. **Investment interest (- £25k)**

The Council's interest received on deposits has exceeded the target. This is due to increased interest rates and a higher volume of cash being available for deposit.

12. **Non-Domestic Rates (- £32k)**

The Council's estimated liability for rates on its' premises has been reduced by £32k.

13. **Land Charges Income (£25k)**

Income is forecast to be £25k below the budget of £101k.

14. **Additional general underspendings (- £50k)**

In addition to those savings referred to in paragraph 8 above, officers have forecast further net savings of £50k for small items of budget yet to be reviewed in detail. Recent years practice have shown that some small budgets are not fully spent or committed at year-end, and the likelihood is that this will occur again.

15. **Earmarked Reserves**

The table in Appendix 4 summarises the latest position. The recommendation is to contribute a net £427k to reserves in this quarter.

16. **Revenue Implications of the Changes to the Capital Budget**

The proposed revised capital budget of £10,140,512 for 2017/18 includes a use of Prudential Borrowing totalling £2,256,823 which is down from the original planned borrowing of £4,021,087.

The revenue implications of borrowing £2,256,823, are a Minimum Revenue Provision [MRP] charge of £85k and an interest charge, assuming a rate of 3% on the borrowing would equate to £68k.

The MRP costs are not incurred until 2018/19, and the interest cost will be dependent on the timing of the borrowing. The full year costs will be included within the revenue budget for 2018/19.

FINANCIAL IMPLICATIONS AND BUDGET PROVISION

17. As shown in the body of the report.

POLICY IMPLICATIONS

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

DETAILS OF CONSULTATION

19. None.

BACKGROUND PAPERS

20. None

FURTHER INFORMATION

PLEASE CONTACT:

**David Donlan - Accountancy Division
Manager**

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Movements in Revenue Budget 2017/18 - to 31 December 2017

Service Unit	Original Budget	Latest Revised Budget	Changes this Cycle (Cycle 3)	Changes Previous Cycles	Transfers to /(from) Earmarked Reserves (see App 4)	Grants Unapplied carried forward from 2016/17	TOTAL OVERALL MOVEMENT	Revised Budget
	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's
Management Team	456	337	(119)	-	-	-	(119)	337
Regeneration and Planning Policy	1,501	1,721	(108)	10	105	213	220	1,721
Leisure Trust Management Fee	601	423	-	(178)	-	-	(178)	423
Leisure Trust Client	183	189	(19)	15	10	-	6	189
Green Spaces and Amenities	849	1,083	(12)	168	40	38	234	1,083
Streetscene	2,673	2,629	8	(69)	-	17	(44)	2,629
Housing and Development Control	493	610	49	-	-	68	117	610
Corporate Engagement	364	366	-	(1)	-	3	2	366
Policy & Performance	94	117	20	-	-	3	23	117
Governance, Law, Property and Regulation	720	544	(8)	(16)	(152)	-	(176)	544
People & Development	268	293	4	11	10	-	25	293
Finance	697	720	-	23	-	-	23	720
Strategic Partnership	3,570	3,737	-	167	-	-	167	3,737
Revenues and Benefits	(1,349)	(1,315)	-	-	-	34	34	(1,315)
Treasury Management	839	947	7	101	-	-	108	947
Corporate Budgets	4,821	5,884	(262)	(244)	1,569	-	1,063	5,884
Use of Grants Unapplied	-	(376)	-	-	-	(376)	(376)	(376)
Use of Earmarked Reserves	(2,184)	(3,313)	440	13	(1,582)	-	(1,129)	(3,313)
	14,596	14,596	-	-	-	-	-	14,596

Revenue Budget Update by Service Area as at 31 December 2017

Appendix 2

Service Unit	Revised budget for year				Forecast outturn for year				Forecast Variance			
	Pay	Non Pay	Income	Total	Pay	Non Pay	Income	Total	Pay	Non Pay	Income	Total
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Management Team	301	36	-	337	311	34	-	345	10	(2)	-	8
Regeneration and Planning Policy	1,045	1,433	(757)	1,721	1,049	1,515	(728)	1,836	4	82	29	115
Leisure Trust Management Fee	-	423	-	423	-	423	-	423	-	-	-	-
Leisure Trust Client	-	431	(242)	189	-	431	(277)	154	-	-	(35)	(35)
Green Spaces and Amenities	1,834	1,157	(1,908)	1,083	1,834	1,157	(1,908)	1,083	-	-	-	-
Streetscene	1,002	3,904	(2,277)	2,629	1,006	3,817	(2,279)	2,544	4	(87)	(2)	(85)
Housing and Development Control	1,323	415	(1,128)	610	1,323	390	(1,148)	565	-	(25)	(20)	(45)
Corporate Engagement	382	300	(316)	366	376	300	(316)	360	(6)	-	-	(6)
Policy & Performance	103	42	(28)	117	103	42	(28)	117	-	-	-	-
Governance, Law, Property and Reg'n	990	1,894	(2,340)	544	978	1,843	(2,315)	506	(12)	(51)	25	(38)
People & Development	194	99	-	293	194	96	-	290	-	(3)	-	(3)
Finance	637	163	(80)	720	637	155	(80)	712	-	(8)	-	(8)
Strategic Partnership	-	3,737	-	3,737	-	3,600	-	3,600	-	(137)	-	(137)
Revenues and Benefits	-	32,042	(33,357)	(1,315)	-	31,908	(33,357)	(1,449)	-	(134)	-	(134)
Treasury Management	-	1,024	(77)	947	-	1,003	(102)	901	-	(21)	(25)	(46)
Corporate Budgets	1,438	4,196	250	5,884	1,427	4,519	254	6,200	(11)	323	4	316
Use of Grants Unapplied	-	-	(376)	(376)	-	-	(376)	(376)	-	-	-	-
Use of Earmarked Reserves	-	-	(3,313)	(3,313)	-	-	(3,313)	(3,313)	-	-	-	-
Total	9,249	51,296	(45,949)	14,596	9,238	51,233	(45,973)	14,498	(11)	(63)	(24)	(98)

Revenue Budget Variance Analysis 2017/18 (as at 31 December 2017)

Service Unit	Last Report				Current Report				Movement				Explanation (Non pay/income £20k and over)
	Forecast Variance				Forecast Variance								
	Pay	Non Pay	Income	Total	Pay	Non Pay	Income	Total	Pay	Non Pay	Income	Total	
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	
Management Team	-	-	-	-	10	(2)	-	8	10	(2)	-	8	
Regen & Planning Policy	-	95	60	155	4	82	29	115	4	(13)	(31)	(40)	Income (- £31k) - Markets income has increased this quarter due to a reduction in vacant stalls
Leisure Trust Management Fee	-	-	-	-	-	-	-	-	-	-	-	-	
Leisure Trust Client	-	-	(35)	(35)	-	-	(35)	(35)	-	-	-	-	
Green Spaces	-	(4)	-	(4)	-	-	-	-	-	4	-	4	
Streetscene	-	(60)	(19)	(79)	4	(87)	(2)	(85)	4	(27)	17	(6)	Non-Pay (- £27k) - Various small underspendings have been identified following a review of budgets
Housing & Development Control	-	(5)	(70)	(75)	-	(25)	(20)	(45)	-	(20)	50	30	Non-Pay (- £20k) - Various small underspendings have been identified following a review of budgets. Income (£50k) - There has been a reduction in high value planning applications reducing the income target of £352k.
Corporate Engagement	-	-	-	-	(6)	-	-	(6)	(6)	-	-	(6)	
Policy & Performance	-	-	-	-	-	-	-	-	-	-	-	-	
Governance, Law, Property and Reg'n	-	(36)	-	(36)	(12)	(51)	25	(38)	(12)	(15)	25	(2)	Income (£25k) - Land charges income is forecast to be down.
Pedestrian & Development	-	(3)	-	(3)	-	(3)	-	(3)	-	-	-	-	
Finance	-	-	-	-	-	(8)	-	(8)	-	(8)	-	(8)	
Strategic Partnership	-	(133)	-	(133)	-	(137)	-	(137)	-	(4)	-	(4)	
Revenues & Benefits	-	-	-	-	-	(134)	-	(134)	-	(134)	-	(134)	Non-Pay (- £134k) - Officers have reviewed the provision for non-recovery of overpayments and have recommended a reduction of the percentage from 95% to 85%.
Treasury	-	(19)	-	(19)	-	(21)	(25)	(46)	-	(2)	(25)	(27)	Income (- £25k) - Investment income has increased due to higher cash balances and higher rates of return following the base rate increase.
Corporate Budgets	(11)	163	4	156	(11)	323	4	316	-	160	-	160	Non-Pay (£160k) - Officers have reviewed the Council's provisions and recommend a net increase of £245k. There is a saving on business rates (NDR) of £32k, other net savings of £3k, and a forecast further general underspend of £50k over all services which have yet to be identified in detail.
Total Net Estimated (Underspend)/Overspend	(11)	(2)	(60)	(73)	(11)	(63)	(24)	(98)	-	(61)	36	(25)	

Position on Earmarked Reserves as at 31 December 2017

Appendix 4

Position on Earmarked Reserves	Transformation £'000	Growth £'000	Other Specific £'000	Total £'000
Opening Balance 1/4/17	(2,749)	(2,626)	(2,281)	(7,656)
Approved use in 2017/18				
Original Budget 2017/18 - Use of Reserves 2017/18	240	1,060	884	2,184
Changes approved in quarter 1	1,028	259	295	1,582
Changes approved in quarter 2	-	(1)	(25)	(26)
Changes proposed in quarter 3	-	(407)	(20)	(427)
	1,268	911	1,134	3,313
Anticipated Balance at 31st March 2018	(1,481)	(1,715)	(1,147)	(4,343)
Approved Use of Reserves in future years	-	1,567	556	2,123
Balance after approvals	(1,481)	(148)	(591)	(2,220)

Requests for Revenue Budget Carry Forwards from 2017/18 into 2018/19

<u>Service Unit / Task</u>	<u>Details</u>	<u>Amount Requested</u> £	<u>Budget Code</u>	<u>Budget 2017/18</u> £	<u>Forecast Spending / (Income) 2017/18</u> £	<u>Remaining 2017/18</u> £
<u>Streetscene</u>						
Targeted Ward Initiative	Community Re-education. There is programmed activity for Quarter 4 to spend the full amount. The carry over request is precautionary if any delays encountered.	10,000	R6060/2106	30,000	20,000	10,000
Litter Enforcement - 10% pilot generated income	It is planned that this will be used in 2018/19 to extend in other areas the pilot back yard scheme that is currently being delivered in Burnley Wood and Trinity.	26,000	R6060/3472	-	(26,000)	26,000
Highways Private Contractor Works	Delays in highways works on Bankfield / Curzon street following completion of Market works.	6,000	R5180/2106	9,000	3,000	6,000
		42,000		39,000	(3,000)	42,000
<u>Housing & Development Control</u>						
Homelessness Prevention Fund	Balance of fund to finance 3 years salary for temporary new post	35,000	R3218/2105	56,622	21,622	35,000
Single Homelessness Fund	Balance of fund to finance 3 years salary for temporary new post	34,500	R3218/2052	35,192	692	34,500
Temporary Accomodation	£10k Bond Reserve. Over the past few years The Council has paid bond guarantees to landlords to assist clients into the private rented sector.	10,000	R3218/2107	50,000	40,000	10,000
		79,500	-	141,814	62,314	79,500
<u>Comms Servcs Performance & Policy</u>						
Children's University	Balance required to fund Yrs 2 and 3 from the £20k budget approved by the Executive	12,780	R2206/2021	20,000	7,220	12,780
		12,780		20,000	7,220	12,780
<u>Finance</u>						
Accountancy	Balance of Finance transformation budgets to complete work on intelligent scanning, asset accounting and band reconciliation modules	30,098	R2073/Various	40,850	10,752	30,098
		30,098		40,850	10,752	30,098
<u>Corporate Budgets</u>						
Invest to Save	Balance of one-off budget provision to be carried forward to encourage proposals in new year. One of the initiatives being considered is solar panels. Detailed investigations are continuing.	51,691	G4835/2146	58,691	7,000	51,691
		51,691		58,691	7,000	51,691
Totals		216,069		300,355	84,286	216,069

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EXECUTIVE

BURNLEY TOWN HALL

Monday, 12th February 2018 at 6.30 pm

63. Capital Budget Monitoring Q3 2017-18

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

Reason for Decision To effectively manage the 2017/18 capital programme.

Decision

- (1) That Full Council be recommended approval of the net budget changes totalling a reduction of £3,930,713 giving a revised capital budget for 2017/18 totalling £11,417,995 as detailed in Appendix 1;
- (2) That Full Council be recommended approval of the proposed financing of the revised capital budget totalling £11,417,995 as shown in Appendix 2; and
- (3) That the latest estimated year end position on capital receipts and contributions showing an assumed balance of £3,088,221 at 31st March 2018, in Appendix 3, be noted.

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REPORT TO THE EXECUTIVE



DATE	12th February 2018
PORTFOLIO	Resources & Performance Management
REPORT AUTHOR	David Donlan
TEL NO	(01282) 477172
EMAIL	ddonlan@burnley.gov.uk

Capital Budget Monitoring Report 2017/18 Cycle 3 (to 31st December 2017)

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 net budget changes totalling a reduction of £3,930,713 giving a revised capital budget for 2017/18 totalling £11,417,995 as detailed in Appendix 1.
 - Recommend to Full Council, approval of the proposed financing of the revised capital budget totalling £11,417,995 as shown in Appendix 2.
 - Note the latest estimated year end position on capital receipts and contributions showing an assumed balance of £3,088,221 at 31st March 2018, in Appendix 3.

REASONS FOR RECOMMENDATION

- 3 To effectively manage the 2017/18 capital programme.

SUMMARY OF KEY POINTS

2017/18 CAPITAL PROGRAMME:**4 MONITORING INFORMATION:**

On the 22nd February 2017 Full Council approved the 2017/18 original capital budget, totalling £12,027,721. Since February, a number of reports have been approved by the Executive, resulting in revising the 2017/18 capital budget to £15,348,708 [as at the 19th December 2017 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 31st December 2017 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 2017. The expenditure to date is £7,287,230 which is 64% of the proposed revised budget.
- b) Revised Budget and Financing Elements - Appendix 2 shows the revised budget of £11,417,995 along with identifying the recommended 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 3rd 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 2017/18 capital commitments, totals £3,088,221.

6 **REVENUE IMPLICATIONS**

Revenue Contributions 2017/18

The Capital Programme includes Revenue Contributions totalling £2,474,498, being:

Scheme Name	£
Thompson Park Restoration Project	185,381
Vehicle & Machinery Replacement	113,138
Lower St James Street	1,860
Chewing Gum Removal Machine	40,000
Vision Park	307,000
Former Open Market and Former Cinema Block	200,000
Land at Grove Lane; NW Burnley Growth Corridor	986,855
Padiham Town Hall - Flood Works	202,945
Building Alteration Works	3,107
Contribution to Shopping Centre Redevelopment	375,000
Padiham LC Gym Equipment	59,212
Total Revenue Contributions	2,474,498

Prudential Borrowing 2017/18

The proposed revised capital budget for 2017/18 includes a use of Prudential Borrowing totalling £2,256,823.

The revenue implications of borrowing £2,256,823 are a Minimum Revenue Provision [MRP] of £85k and an interest charge, assuming 3% on the borrowing would equate to £68k for a full year.

The original capital budget for 2017/18 of £12,072,721 included a planned borrowing requirement of £4,021,087. This has subsequently changed as schemes have slipped

from 2016/17 into 2017/18 and other schemes are now slipping from 2017/18 to 2018/19 such as the £416k extension of Burnley cemetery which is funded from borrowing.

The MRP cost is the charge to revenue for the repayment of the principal amount borrowed based on the estimated life of the asset and is not incurred until 2018/19 (the year after the schemes are completed). The interest cost will be dependent on the timing of the borrowing and are subject to the interest rate applicable at the time of borrowing being undertaken. The full year costs will be included within the revenue budget for 2018/19.

FINANCIAL IMPLICATIONS AND BUDGET PROVISION

- 7 A reduction in the 2017/18 capital programme of £3,930,713 to give a revised budget of £11,417,995 and a reduction in the borrowing requirement of £1,764,264.

POLICY IMPLICATIONS

- 8 None arise directly from this report.

DETAILS OF CONSULTATION

- 9 None.

BACKGROUND PAPERS

- 10 None.

FURTHER INFORMATION

David Donlan	Accountancy Division Manager	Ext 7172
Asad Mushtaq	Head of Finance	Ext 7173

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Scheme Name	Budget as at Exec 19/12/17	Adjustments Per This Report		Changes to be approved in this report	Revised Budget	Total Spend as at 31/12/17	% Schemes Spend	Financed by External Funding	Narrative provided by Project Officers/Heads of Service
		Budget Adjustments	Reprofiled into Future Years						
		A	B	A + B					
	£	£	£	£	£	£	£	£	
GREEN SPACES & AMENITIES									
Thompson Park Restoration Project	955,621		(211,621)	(211,621)	744,000	155,193	21%	558,619	The main building contract has been awarded and the main civil engineering contracts are underway. The expected spend at the end of the financial year will be £744k with the balance of the scheme in 2018/19. Completion is scheduled for May 2018
Towneley Hall Building Works	50,000			-	50,000	510	1%	-	Essential maintenance works are being undertaken by Liberata on the North Tower
Vehicle & Machinery Replacement	113,138			-	113,138	91,493	81%	-	The remaining budget is required for replacement of a tractor mounted mower and replacement of the tree team chipper.
Extension of Burnley Cemetery	21,087		(21,087)	(21,087)	-	-	0%	-	Request that this funding is transferred to 2018/19 because the pressure to progress Thompson park restoration has delayed progress. This will not impact on the capacity for burials.
Towneley Hall Overspill Car Park	38,500	(945)		(945)	37,555	37,555	100%	20,000	Complete
Calder Park Sport & Play Equipment	13,700			-	13,700	7,909	58%	10,000	All of the play equipment is installed and in use. Awaiting completion of the football goal mouths and artificial turf by specialist contractor
Brun Valley Forest Park	10,486			-	10,486	257	2%	10,486	This funding is being used for litter bins and seating within Brun valley Forest Park. Quotes have been received and the budget will be spent by end of March 2018
	1,202,532	(945)	(232,708)	(233,653)	968,879	292,917	30%	599,105	

STREETSCENE									
River Training Walls	134,183		(75,000)	(75,000)	59,183	37,921	64%	-	Works have been completed to the Town Hall River Training Wall, River Brun de-silting and a further £20,000 will be required to rebuild Wells Street Retaining Wall in Padiham this financial year. The remainder of the monies will be spent on the River Brun at Bank Hall scheme to be completed in 2018/19.
Car Park Improvements	10,000			-	10,000	-	0%	-	Full spend to be completed by the end of Quarter 4 due to upgrade of parking machines.
Burnley Town Centre Pedestrianisation Upgrade	578,285			-	578,285	148,122	26%	-	The main scheme is complete. Awaiting final invoice.
Lower St James Street	400,000		(398,140)	(398,140)	1,860	1,860	100%	-	The design concept are awaiting final approval by Lancashire County Council for inclusion in their February 2018 Cabinet. Anticipated scheme to be delivered in 2018/19.
Alleygate Programme	25,000			-	25,000	-	0%	-	Consultation complete on 6 new schemes. Site surveys complete. Installation to be completed Quarter 4.
CCTV Infrastructure	77,773		(73,284)	(73,284)	4,489	4,489	100%	-	Essential camera digital upgrades linked to monitoring at Blackburn. This work will be completed early 2018/19. The underspend from 2017/18 to be re-profiled.
Chewing Gum Removal Machine	40,000			-	40,000	-	0%	-	Following extensive trials of a number of different machines to identify the most suitable, the new Town Centre machine is in the process of being ordered and is due to arrive by February 2018.
Bus Shelter Replacement	8,000			-	8,000	795	10%	-	Orders have been placed for the provision and installation of two new shelters (one replacement, one at a new location). A further order will be issued for another two shelters to be installed in Quarter 4. All these monies are allocated and will be spent this financial year.
	1,273,241	-	(546,424)	(546,424)	726,817	193,187	27%	-	

Scheme Name	Budget as at Exec 19/12/17 £	Adjustments Per This Report		Changes to be approved in this report A + B £	Revised Budget £	Total Spend as at 31/12/17 £	% Schemes Spend £	Financed by External Funding £	Narrative provided by Project Officers/Heads of Service
		Budget Adjustments A £	Reprofiled into Future Years B £						
REGENERATION & PLANNING POLICY									
University Technical College	22,500			-	22,500	22,500	100%	7,275	The outstanding works have been completed and payment made for contract retention
Vision Park	3,304,962			-	3,304,962	2,523,658	76%	1,079,853	Progress on site continues with practical completion anticipated for the end of January 2018.
Weavers Triangle - Starter Homes	386,021			-	386,021	288,805	75%	386,021	The budget for this scheme is funded by the Homes & Communities Agency (HCA). Shell is complete with work progressing on internal fit out. Works are forecast to complete in March 2018.
Infrastructure & Highways Works	41,608			-	41,608	-	0%	41,608	Awaiting final invoice in regards to highways works at Trafalgar Street, Sandygate and Barracks Roundabout.
Former Open Market and Former Cinema Block	1,580,636		(1,380,636)	(1,380,636)	200,000	53,008	27%	-	Procurement of a contractor is being undertaken, with start on site on the former open market and former cinema block programmed for end of the financial year, once necessary permissions have been given from adjoining interests. Reprofiled £1,380,636 into 2018/19
Land at Grove Lane; NW Burnley Growth Corridor	1,436,855			-	1,436,855	1,436,855	100%	450,000	Complete
	6,772,582	-	(1,380,636)	(1,380,636)	5,391,946	4,324,826	80%	1,964,757	
GOVERNANCE, LAW, PROPERTY & REGULATION									
Padiham Town Hall - Flood Works	457,289			-	457,289	333,418	73%	254,344	The flood damage reinstatement works are now substantially complete. Total spend on this project including costs recoverable from our insurers will be slightly in excess of £1.1m. Any savings or underspend will be recycled to deal with other Council priorities.
Leisure Centre Improvements	78,472			-	78,472	50,787	65%	-	£49.5k of this budget is for the refurbishment of Towneley Golf Club. Other work includes roller shutters at the Prairie, and repair works to Mechanics and St Peters
Building Alteration Works	153,107			-	153,107	62,337	41%	-	Budget utilised to repair the historic estate of Burnley Borough Council, including Burnley Town Hall.
Continuation to Shopping Centre Redevelopment	375,000			-	375,000	-	0%	-	Second tranche not payable to development partners until the redeveloped store is open for trading. Internal works to fit out have begun
	1,063,868	-	-	-	1,063,868	446,542	42%	254,344	

Scheme Name	Budget as at Exec 19/12/17 £	Adjustments Per This Report		Changes to be approved in this report A + B £	Revised Budget £	Total Spend as at 31/12/17 £	% Schemes Spend £	Financed by External Funding £	Narrative provided by Project Officers/Heads of Service
		Budget Adjustments A £	Reprofiled into Future Years B £						
HOUSING & DEVELOPMENT CONTROL									
Emergency Repairs	68,580			-	68,580	40,917	60%	-	£55k of the budget has been committed. It is anticipated that the full budget will be spent by the end of the financial year.
Disabled Facilities Grant	2,923,312		(1,500,000)	(1,500,000)	1,423,312	1,038,798	73%	1,423,312	£1.481m of the budget is committed through approved grants. Over recent years the Council has managed to eradicate the waiting list for disabled adaptations and to continue this drive for excellent service provision. Officers are currently conducting a review together with Social Care Services to ensure that the entire assessment process is as efficient as possible. This will ensure that residents requiring property adaptations receive them as soon as practically possible, maximising in year spend and the number of residents assisted through the programme.
Energy Efficiency	106,877			-	106,877	50,835	48%	56,645	£87k of the budget has been committed to help residents install central heating systems or replace old inefficient boilers.
Empty Homes Programme	1,039,805			-	1,039,805	729,793	70%	-	So far this financial year we have purchased 10 properties and completed 10 sales. We have issued 6 loans to landlords to help them return empty homes back into use. We currently have 4 CPOs nearing completion and will be making a further 4 CPOs early in the new year, which will see the budget for 2017/18 fully committed.
Interventions, Acquisitions and Demolitions	553,413		(263,000)	(263,000)	290,413	144,851	50%	113,413	We have completed three painting schemes this financial year; on Accrington Road, Branch Road and the backs of properties on Heap Street. All schemes have had a positive response from local residents and businesses. A portion of this budget is dedicated to bringing forward brownfield sites for development throughout the year with £250,000 earmarked for the Perseverance Mill development in Padiham, which is now on site and under construction. A payment of £62.5k has been paid earlier in the year, with a further payment of £125k currently being processed. The final payment of £62.5k will be paid in 2018/19. £268k of the budget will need to be reprofiled into 2018/19 to cover this final instalment and fund a further painting scheme in the Lawrence Street area of Padiham.
	4,691,987	-	(1,763,000)	(1,763,000)	2,928,987	2,005,194	68%	1,593,370	
CHIEF EXECUTIVE / CORPORATE INITIATIVES									
Ward Opportunities Fund	164,498			-	164,498	24,564	15%	-	Minimal Spend
	164,498	-	-	-	164,498	24,564	15%	-	
LEISURE CENT									
Padiham LC - Gym Refurbishment	180,000	(7,000)		(7,000)	173,000	-	0%	-	Scheme complete, awaiting invoice
	180,000	(7,000)	-	(7,000)	173,000	-	0%	-	
	15,348,708	(7,945)	(3,922,768)	(3,930,713)	11,417,995	7,287,230	64%	4,411,576	

2016/17 Cycle 3

7,500,591

3,079,464

41%

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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 £	
Green Spaces & Amenities								
Thompson Park Restoration Project	744,000		185,381	543,619			15,000	744,000
Towneley Hall Building Works	50,000				50,000			50,000
Vehicle & Machinery Replacement	113,138		113,138					113,138
Towneley Hall Overspill Car Park	37,555				17,555		20,000	37,555
Calder Park Sport & Play Equipment	13,700				3,700		10,000	13,700
Brun Valley Forest Park	10,486						10,486	10,486
	968,879	-	298,519	543,619	71,255	-	55,486	968,879
Streetscene								
River Training Walls	59,183				59,183			59,183
Car Park Improvements	10,000				10,000			10,000
Burnley Town Centre Pedestrianisation Upgrade	578,285	578,285						578,285
Lower St James Street	1,860		1,860					1,860
Alleygate Programme	25,000				25,000			25,000
CCTV Infrastructure	4,489	4,489						4,489
Chewing Gum Removal Machine	40,000		40,000					40,000
Bus Shelter Replacement	8,000				8,000			8,000
	726,817	582,774	41,860	-	102,183	-	-	726,817
Regeneration & Planning Policy								
University Technical College	22,500			7,275	15,225			22,500
Vision Park	3,304,962	1,481,789	307,000	1,079,853	436,320			3,304,962
Weavers Triangle - Starter Homes	386,021			386,021				386,021
Infrastructure & Highways Works	41,608						41,608	41,608
Former Open Market and Former Cinema Block	200,000	-	200,000					200,000
Land at Grove Lane; NW Burnley Growth Corridor	1,436,855		986,855	450,000				1,436,855
	5,391,946	1,481,789	1,493,855	1,923,149	451,545	-	41,608	5,391,946
Governance, Law, Property & Regulation								
Padiham Town Hall - Flood Works	457,289		202,945				254,344	457,289
Leisure Centre Improvements	78,472	78,472						78,472
Building Alteration Works	153,107		3,107		150,000			153,107
Contribution to Shopping Centre Redevelopment	375,000		375,000					375,000
	1,063,868	78,472	581,052	-	150,000	-	254,344	1,063,868
Housing & Development								
Emergency Repairs	68,580					68,580		68,580
Disabled Facilities Grant	1,423,312			1,423,312				1,423,312
Energy Efficiency	106,877					50,232	56,645	106,877
Empty Homes Programme	1,039,805	-				1,039,805		1,039,805
Interventions, Acquisitions and Demolitions	290,413			113,413		177,000		290,413
	2,928,987	-	-	1,536,725	-	1,335,617	56,645	2,928,987
Chief Executive								
Ward Opportunities Fund	164,498				164,498			164,498
	164,498	-	-	-	164,498	-	-	164,498
Leisure Client								
Padiham LC - Gym Refurbishment	173,000	113,788	59,212					173,000
	173,000	113,788	59,212	-	-	-	-	173,000
TOTAL OF ALL SCHEMES	11,417,995	2,256,823	2,474,498	4,003,493	939,481	1,335,617	408,083	11,417,995

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CAPITAL RECEIPTS AND CONTRIBUTIONS ANALYSIS FOR 2017/18 AND CIP 2018-21

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> £
<u>Capital Resources Brought Forward on 1st April 2017</u>	946,363	2,546,690	188,739	95,884	3,777,676
<u>Add</u>					
Resources Received As At 31st December 2017:	513,475	663,071	-	190,934	1,367,480
Further Resources Estimated to be Received during 2017/18:	649,930	-	-	165,055	814,985
<u>Potential Resources Available during 2017/18</u>	2,109,768	3,209,761	188,739	451,873	5,960,141
<u>Less</u>					
Required to finance Capital Programme	(939,481)	(1,335,617)	-	(408,083)	(2,683,181)
Earmarked for Revenue Expenditure	-	-	(55,695)	-	(55,695)
Earmarked for Delivery By Outside Bodies	-	-	(133,044)	-	(133,044)
<u>Potential Capital Resources Carried Forward on 31st March 2018</u>	1,170,287	1,874,144	-	43,790	3,088,221
<u>Add</u> - Resources Estimated to be Received during 2018/19	690,000	700,000	2,500	166,210	1,558,710
<u>Less</u> - 2018/19 Capital Budget	(921,152)	(1,463,000)	(2,500)	(210,000)	(2,596,652)
<u>Estimated Surplus / (Shortfall) of Resources as at 31st March 2019</u>	939,135	1,111,144	-	-	2,050,279
<u>Add</u> - Resources Estimated to be Received during 2019/20	300,000	600,000	43,000	367,860	1,310,860
<u>Less</u> - 2019/20 Capital Budget	(865,187)	(1,000,000)	(43,000)	(367,860)	(2,276,047)
<u>Estimated Surplus / (Shortfall) of Resources as at 31st March 2020</u>	373,948	711,144	-	-	1,085,092
<u>Add</u> - Resources Estimated to be Received during 2020/21	300,000	288,856	60,850	531,360	1,181,066
<u>Less</u> - 2020/21 Capital Budget	(595,180)	(1,000,000)	(60,850)	(531,360)	(2,187,390)
<u>Estimated Surplus / (Shortfall) of Resources as at 31st March 2021</u>	78,768	-	-	-	78,768

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EXECUTIVE

BURNLEY TOWN HALL

Monday, 12th February 2018 at 6.30 pm

60. Medium Term Financial Strategy 2018-19 to 2021-22 Incorporating the Reserves Strategy

Purpose To consider the longer term financial outlook within the context of a Medium-Term Financial Strategy covering the financial years 2019/20 to 2021/22, highlighting uncertainties, underlying risks and make recommendations to Council. The MediumTerm Financial Strategy should be read in conjunction with the revenue budget 2018/19 and the associated statutory report of the Chief Finance Officer.

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

Decision **That Full Council be recommended the following;**

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

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REPORT TO THE EXECUTIVE



DATE	12th February 2018
PORTFOLIO	Resources & Performance Management
REPORT AUTHOR	Asad Mushtaq
TEL NO	01282 477173
EMAIL	amushtaq@burnley.gov.uk

Medium-Term Financial Strategy – 2019/20 to 2021/22 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 2019/20 to 2021/22, highlighting uncertainties, underlying risks and make recommendations to Council. The Medium-Term Financial Strategy should be read in conjunction with the revenue budget 2018/19 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 2018-20 MTFS was approved in February 2017. This report provides an update to the figures presented in that report based on the details issued by government as part of the provisional financial settlement for 2018/19 in December 2017, as well as incorporating a further year, namely 2021/22.
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 26 and 33 respectively. The headline reduction, over the three financial years 2019/20, 2020/21 and 2021/22, is a cumulative budget gap of £3.213m (21.3% of the 2018/19 net budget of £15.090m).
7. The financial environment in which the Council operates within is challenging, particularly within the context of continuing austerity. Given the reduced government funding and pressure on other income, the Council endeavours to meet those financial challenges taking a strategic view whilst protecting the quality of services and minimising impact on residents.

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

2019/22



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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 2018/19 on future years;
 - Gap analysis for 2019/20, 2020/21 and 2021/22 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 2018/19, the Statutory Report of the Chief Finance Officer and the Treasury Management Policy. In addition the Reserves Strategy is a key document and is included as an appendix to this document.
5. The medium-term financial planning process has been in place for a number of years and is now an established part of the budget setting process. It provides a forecast of the cost of continuing to provide existing levels of service and the resources that are likely to be available to the Council over the period. It sets out the potential budget gap to inform the Executive and Full Council and to determine the overall size of the efficiencies and cost reduction programme needed over the medium term.

FINANCIAL CONTEXT

6. The major aspects of the local government settlement for 2018/19 as they affect 2019/20, 2020/21 and 2021/22 are:
- The Government's intention to phase out Revenue Support Grant by 2020
 - The calculation of Core Spending Power
 - Continuation of New Homes Bonus – however the Government 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 £1.698m between 2017/18 and 2022/23 on existing year 1 to 7 allocations. In addition, from 2017/18 the Government introduced a baseline for housing growth, 0.4% of a Council's band D equivalent properties, which will be deducted from the grant calculation each year. This currently equates to 122 properties and a loss of £149k each year; £596k over the reduced four year period 2018/19 to 2021/22.
 - 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 has been increased from 2% to 3% for 2018/19 and 2019/20 in line with current levels of inflation.
 - 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 2017/18 to 2019/20), in addition to the general increase of 2% in 2017/18 and 3% in 2018/19 and 2019/20.
 - Confirmation of a multi-year (2018/19 to 2019/20) budget for Burnley and the 97% of authorities who signed up to demonstrate efficiency savings.

CORE SPENDING POWER

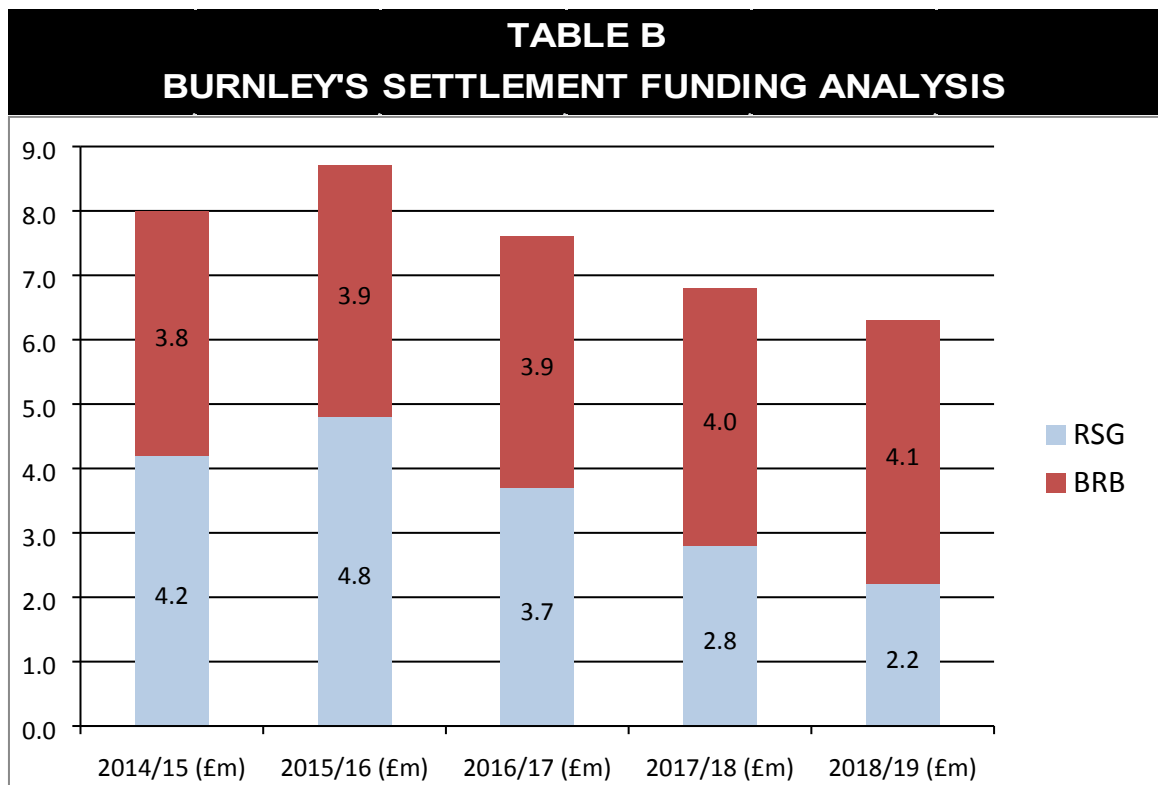
7. In previous years, the government stated that Core Spending Power reductions between financial years was limited to a maximum reduction and additional grant was provided to those authorities to ensure that they did not experience losses greater than this maximum reduction. The calculation of Core 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 2018/19 includes Revenue Support Grant, Business Rates baseline funding, Council Tax and New Homes Bonus. As with 2017/18, no maximum decrease in spending power has been set for 2018/19. Burnley's Core Spending Power will reduce by 3.5% in 2018/19 (4.3% in 2017/18). Given that no maximum decrease has been set there will also be no payment of ESG in 2018/19.
9. A comparison of Burnley Spending Power with other local authorities is shown in Table A. Burnley has consistently faced Spending Power reductions significantly above the national average, and in fact in 2018/19 will see a further 3.5% reduction; in comparison to 2017/18 whilst the England average will see a 1.5% increase.

TABLE A SPENDING POWER REDUCTION / (INCREASE)			
Year	Burnley (%)	England Average (%)	Ratio
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
2018/19	3.5	(1.5)	N/A*

**n/a in 2018/19 as England average is an increase when compared to a decrease for Burnley*

10. However, whilst the headline Core Spending Power reduction for Burnley is 3.5% for 2018/19, there is a much greater 19.8% cash reduction in Government Revenue Support Grant funding. The Revenue Support Grant (RSG) element of the settlement for 2018/19 will be £2.228m (£549k less than in 2017/18) and is now significantly lower than the indicative figure for localised business rates (BRB) of £4.102m. 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:

TABLE C
% SPENDING POWER FINANCED THROUGH REVENUE SUPPORT GRANT & EFFICIENCY SUPPORT GRANT

Year	Burnley (%)	England Average (%)
2014/15	38	24
2015/16	30	18
2016/17	25	16
2017/18	20	9
2018/19	16	3

12. The government have clearly indicated in the 2018/19 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 two 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 placing additional pressure in providing Council services. This will become increasingly challenging given continuing austerity measures.

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 £507k 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 £308k.
15. Burnley has had some success in growing its business rate base over the last four years and an increase in business rates above the baseline figure has been factored into the 2018/19 revenue budget. Additional income of £1.136m is included within the 2018/19 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 7 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 2017/18 budget settlement changed the formula for the NHB calculations. NHB is originally paid for 6 years but was reduced to 5 years in 2017/18 and will further reduce to 4 years from 2018/19 onwards. This will be applied retrospectively to existing NHB allocations. As a result the year 3 NHB funding payment of £255k and the year 4 payment of £265k have ceased in 2018/19 and there will be subsequent reductions of £503k, £400k and £212k in 2019/20 to 2021/22 respectively.

19. As mentioned earlier, the Government introduced a baseline for housing growth of 0.4% from 2017/18, up to which, the Council will receive no new allocation. The baseline for 2018/19 has remained at 0.4%. This means that the first 122 properties built or brought into use in 2018/19 will not be subject to a grant allocation. As a result the Council will not get £149k of new NHB in 2018/19 which it would have previously been entitled to. Over the new proposed 4 year timescale this equates to a loss of £596k. 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 2018/19 and 2019/20 guidance issued by central Government requires a referendum where proposed Council tax increases are 3% or more than 3%. This has increased from the 2% allowed in 2017/18.
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. However, a 1.99% council tax increase has been factored into the medium-term financial forecast for each year for financial planning purposes only. Clearly, any decisions on setting future council tax levels will be considered each year at Budget Council.
22. The financial impact each year of not increasing council tax at all is an additional pressure of around £134k.

AN IMPACT ASSESSMENT OF THE REVENUE BUDGET 2018/19 ON FUTURE YEARS

23. The Medium-Term Financial Strategy for 2019/20, 2020/21 and 2021/22 is dependent on the delivery of a number of assumptions within the annual budget for 2018/19. This strategy assumes that:
- the Council will approve an annual budget that delivers savings and increased funding totalling £1.86m without having to use reserves to support the delivery of the 2018/19 Revenue Budget;
 - the Council receives the estimated business rates assumed in the calculation of the baseline funding level and any additional business rates included as funding within the approved net revenue budget; and
 - the assumed costs of delivering the Council's services both directly and indirectly is in line with planning assumptions.
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 2018.

POTENTIAL GAP FOR 2019/20, 2020/21 and 2021/22

25. The overall funding gap for 2019/22, using planning assumptions, is summarised below:

	Reduction from 2018/19 Provisional Settlement	
	(£m)	%
Anticipated funding reduction	0.7	
Pay and Prices/other	0.3	
Potential Gap 2019/20	1.0	6.7
Anticipated funding reduction	0.7	
Pay and Prices/other	0.4	
Potential Gap 2020/21	1.1	7.3
Anticipated funding reduction	0.7	
Pay and Prices/other	0.4	
Potential Gap 2021/22	1.1	7.3
Cumulative Potential Gap 2019/22	3.2	21.3

26. Underlying assumptions included within the forecast are:

- Council tax will increase by 1.99% each year;
- No increase has been factored in for non-inflationary changes in business rates or additional new homes bonus
- Pay award assumed at 2% 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

27. 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.
28. 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.
29. 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.
30. The structure of the Council should be adapted to reflect the challenging operating environment. Furthermore, these structural changes will require that there is also sufficient flexibility to meet all challenges which may arise. Significant service reconfiguration will therefore continue to take place and further progress will be made to update the way the Council is structured. A review of internal business processes will continue so as to promote automation and to reduce back office workloads. This will change the way we work in line with the organisational development strategy and through the promotion of self-service wherever possible.
31. 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.
32. 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

33. The significant risk areas are:

RISK	MITIGATION	ASSESSMENT
(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, changes in Business Rates funding and the fair funding review for local government.	Horizon scanning national developments and proactive contribution to help shape the funding framework. Lobby for additional resources with government and also through the LGA. Seek to maximise local funding sources.	HIGH
(iii) Business rate volatility including appeals	No projected increase factored into MTFs, reserves available as buffer in short term. Active consideration of all appeals to minimise impact on revenues.	HIGH
(iv) Partnership performance – achievement of planned savings and delivery of these savings on time	Continued development of enhanced contract management skills and procedures. Project management discipline. Consolidation of good working relationships with contract partners.	MEDIUM
(v) Reserves - potential impact on reserves position, if they are required to support the delivery of a balanced budget over the medium-term.	Include policy on use of reserves within Medium-Term Financial Strategy (attached).	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 – 2% in Strategy but pressure for higher settlements may develop in the future	Review at each update of the Strategy	LOW
(ix) Income and fees and charges.	Ensure that the Council’s commercial strategy is used to maximise income opportunities. An allowance has been built into the Medium-Term Financial Strategy for an increase in line with the Council’s commercial strategy. This will be reviewed as part of the annual fees and charges review.	LOW
(x) Treasury Management.	Approved Treasury Management Policy, with regular monitoring with support from external advisors.	LOW
(xi) Brexit – Uncertainty of the outcome on the UK economy and corresponding impacts on interest rates, the local economy and further spending pressures	Continuation of resilience with regards to diversifying sources of income, driving further efficiencies, monitoring the outcome of Brexit negotiations and updating the MTFS as necessary	MEDIUM

RESERVES & BALANCES

34. 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.

	Strategic Earmarked Reserves £'000	General Reserve £'000	Total £'000
Balance as at 01/04/17	5,375	1,379	6,754
Approved use to Q3 2017/18	(2,179)	-	(2,179)
Balance available after approvals	3,196	1,379	4,575
General revenue budget support 18/19	-	-	-
Future commitments and risks	(1,567)	-	(1,567)
Balance remaining	1,629	1,379	3,008

35. The reserves position does not include any requirement to support the budget gap on an on-going basis.
36. 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 10% of the net revenue budget and includes 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.
37. 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.
38. 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.
39. 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.

40. The Council's reserves are not set at excessive levels and furthermore, it is prudent to protect and enhance earmarked reserves where there are opportunities to do so to provide one-off protection particularly given the uncertainty of the current financial climate and longer term risks associated with the local government funding arrangements. It can be seen in the table above however that it is anticipated that a substantial part of the Council's strategic earmarked reserves will be at, or below, their recommended minimum level by the end of the MTFS period. The adequacy of strategic earmarked reserves will continue to be monitored to meet future demands.

MONITORING & REVIEW

41. 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.
42. The Council is committed to achieving value for money in all aspects of its operations. To achieve this, reviews are regularly undertaken to determine whether cost improvements can be made, and to ensure that resources are prioritised and are aligned to strategic intent.
43. 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.
44. The Council will operate a commercial strategy which will be reviewed periodically.
45. 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.
46. The financial modelling projections contained within this Medium-Term Financial Strategy are a dynamic model, which will be updated, revised and reported following receipt of business intelligence, changes to underlying assumptions and as the position becomes clearer.

APPENDIX 1

RESERVES STRATEGY

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 10% of the net revenue budget and includes an assessment of volatility within the business rates retention scheme. This figure is judged as a prudent level of balance to be set aside to ensure the Council remains financially liquid as a going concern. This fund is held as a fund of "last resort" when all other reserves or budgets have been completely depleted for unknown "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:

Risk	Reserve
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 Town Centre Management
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 Revenue Support
Fluctuations, loss and uncertainty in funding or income levels coupled with the Council's ability to respond in a timely way, thereby providing a buffer to enable the Council to downsize.	Transformation
Variations in business rate yield due to the impact of appeals and other factors which can reduce funding availability	Business Rates Volatility
Ensure resources available to provide for future unavoidable and non-recurrent specific needs.	Transport & Plant Local Development Framework (Local Plan) Town Ctre & Weavers Triangle Flood Burnley Bondholders Cremator Relining
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
Transformation	Recommended to have available balance of £1.5m uncommitted at 31/3/19	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
Growth	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
Business Rates Volatility	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

Operational Reserve	Level of Reserve	Purpose	How & When Used	Procedures for Management & Control	Timescale for Review
Transport & Plant	Dependent on planned replacement strategy for transport and plant financed from within service revenue budgets	To manage the financing of the Council's transport & plant requirements	There is an annual payment into the reserve, which helps to equalise spending, as transport & plant replacements are due	Managed by the Head of Green Spaces and Amenities	Twice-yearly, as part of the final accounts and budget processes
Local Development Framework (Local Plan)	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
Taxi Licensing	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
Selective Licensing	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	
Housing Benefit Administration Subsidy	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
Rail Services	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

Operational Reserve	Level of Reserve	Purpose	How & When Used	Procedures for Management & Control	Timescale for Review
Flood Reserve	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
Town Centre Management Reserve	This reserve will cease to exist once depleted	To attract / enable businesses to relocate into the town centre	In response to requests for assistance	Managed by the Head of Regeneration and Planning Policy	Monitored as part of budget monitoring process
Primary Engineer Reserve	Anticipated spending requirements	To support a training initiative in schools within Burnley	To fund delivery of the training on an annual basis	Managed by the Chief Executive	Monitored as part of budget monitoring process
Town Centre & Weavers Triangle Reserve	Anticipated spending requirements	To enable the Council to deliver a major Town Centre regeneration scheme	To assist in procuring the expertise to carry out an exercise to develop a vision and plan for the town centre	Managed by the Head of Regeneration and Planning Policy	Monitored as part of budget monitoring process
Burnley Bondholders Reserve	Self-financing	To manage the excess sponsorship contributions for bondholder organisations	To fund Burnley brand and marketing initiatives in order to attract economic investment into the area	Managed by the Head of Regeneration and Planning Policy	Monitored as part of budget monitoring process
Cremator Relining Reserve	Dependent on planned replacement strategy for cremator relining financed from within service revenue budgets	To manage the financing of the Council's cremator relining requirements	There is an annual payment into the reserve, which helps to equalise spending, as cremator relining are due	Managed by the Head of Green Spaces and Amenities	Monitored as part of budget monitoring process

Operational Reserve	Level of Reserve	Purpose	How & When Used	Procedures for Management & Control	Timescale for Review
Revenue Support Reserve	Anticipated spending requirements	To provide funding for unanticipated reductions in income and initiatives to offset budget reductions	To be used in response to income pressures identified during the budget monitoring process	Managed by the Head of Finance (Chief Financial Officer)	Monitored as part of budget monitoring process



EXECUTIVE

BURNLEY TOWN HALL

Monday, 12th February 2018 at 6.30 pm

61. Revenue Budget 2018-19

Purpose	To consider the estimates of revenue income and expenditure for 2018/19 and to make recommendations to Full Council about next year's Revenue Budget
Reason for Decision	<p>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).</p> <p>To set a balanced budget for the financial year 2018/19 that ensures the viability of the Council and aligns resources to the Council's strategic priorities.</p>
Decision	<p>That Full Council be recommended to:</p> <ol style="list-style-type: none">(1) Endorse the approach that has been adopted in developing budget proposals that reflect the Council's Strategic Objectives for 2018/19;(2) Approve the proposals contained in this report;(3) Set a Council Tax Requirement of £6,738,897 for the financial year 2018/19;(4) Set a Net Budget Requirement of £15,089,625 for 2018/19;(5) Receive and consider the statutory report issued by the Head of Finance under the Local Government Act, 2003;(6) Authorise the Chief Operating Officer/Heads of Service to progress action plans to deliver the 2018/19 budget; and

(7) Approve a Council Tax (Band D) figure of £291.50 for this Council for the year commencing 1st April 2018 and adopt the statutory resolution to set the full Council Tax for the year. This is equivalent to a 2.99% Council tax increase.

REPORT TO THE EXECUTIVE



DATE	12th February 2018
PORTFOLIO	Resources & Performance Management
REPORT AUTHOR	Asad Mushtaq
TEL NO	(01282) 477173
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Revenue Budget 2018/19

PURPOSE

1. To consider the estimates of revenue income and expenditure for 2018/19 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 2018/19;
- ii) Approve the proposals contained in this report;
- iii) Set a Council Tax Requirement of £6,738,897 for the financial year 2018/19;
- iv) Set a Net Budget Requirement of £15,089,625 for 2018/19;
- 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 2018/19 budget;
- vii) Approve a Council Tax (Band D) figure of £291.50 for this Council for the year commencing 1st April 2018 and adopt the statutory resolution to set the full Council Tax for the year. This is equivalent to a 2.99% Council tax increase.

REASONS FOR RECOMMENDATION

3. To fulfil the Council's statutory obligation to calculate its Council Tax requirement as set out in Section 31A of the Local Government Act 1992 (as amended by section 74 of the Localism Act 2011).
4. To set a balanced budget for the financial year 2018/19 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 2018/19
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 22nd November 2017.
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.
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 2018/19

12. The proposed net revenue budget for 2018/19 is as set out in the table below:

	£'000	£'000
Net Revenue budget - original 2017/18		14,596
Add Spending pressures reported September 2017	1,024	
Less Savings approved September 2017	<u>(1,683)</u>	(659)
Add Proposed Growth - Appendix 2		17
Add Further spending pressures (Corporate items) 2018/19		336
Add Transfer to Business Rates Volatility Reserve		979
Less Further savings proposed - Appendix 3		(179)
Net Budget requirement		<u>15,090</u>
Financed from:		
<u>Government Settlement Funding Assessment</u>		
Business rates baseline	4,102	
Revenue support grant	<u>2,228</u>	6,330
New Homes Bonus		561
Council Tax Yield		6,739
<u>Business Rates in addition to Baseline Funding</u>		
Additional business rates above baseline	1,136	
Renewable energy	<u>235</u>	1,371
Collection fund surplus - Burnley share		89
		<u>15,090</u>

Recap on Budget decisions taken September 2017

13. Members at Executive and Council in September 2017 approved budget savings of £1,683k for 2018/19, following receipt of the initial budget report that outlined a savings requirement of £1,767k. The information presented to Members at that time is shown below:

Position Approved September 2017:

	£'000
<u>Net Spending Increases/(Decreases)</u>	
Pay awards and increments	96
General inflation	255
Pensions Costs	60
Cost share agreement	801
Strategic Partnership - Additional Income	(76)
Reversal of one-off growth 2017/18	(139)
Borrowing costs & MRP	81
Other net continuation budget changes	(2)
Fees and charges increases	(52)
Growth	-
	1,024
<u>Net Funding (Increases)/Decreases</u>	
Revenue Support Grant	550
Business Rates	(117)
New Homes Bonus	429
Council Tax - indicative 1.9% increase	(119)
	743
<u>Savings and Funding Increases</u>	
Net savings	(1,683)
<u>Contribution to Earmarked Reserves</u>	
Budget Gap Remaining - September 2017	84

LOCAL GOVERNMENT SETTLEMENT

14. Spending Power
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 3.5% in 2018/19 (4.3% in 2017/18).
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 19.8% which was confirmed in the provisional settlement figure for 2018/19.

16. New Homes Bonus

In the 2017/18 finance settlement the Government reduced the funding period for NHB from 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 £1.698m between 2017/18 and 2022/23 on existing year 1 to 7 allocations.

17. In addition, from 2017/18 the Government set a baseline for housing growth of 0.4% of a Council's existing taxbase below which no NHB grant is payable. The baseline has remained at 0.4% for 2018/19. For this Council it means that the first 122 additional band D equivalent properties do not attract New Homes Bonus. For the 2018/19 (year 8) allocation, the Council identified that an additional 193 band D equivalent properties had been added to the Council's taxbase which would have previously attracted NHB funding of £236k per annum. After deducting the first 122 band D properties this results in a provisional allocation of £87k per annum for the year 8 allocation, resulting in an annual loss of £149k starting in 2018/19, with an overall loss of funding of £596k 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 2018/19. Appendix 3 shows the residual budget gap as at September 2017 and the identified additional pressures and savings to balance the 2018/19 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 two items of revenue budget growth are included within the proposals for 2018/19. The growth items are shown in Appendix 2 for information and have been included within the revenue budget for 2018/19.

COUNCIL TAX

21. The proposals in this paper assume that the Council's Band D Council tax will increase by 2.99% from the 2017/18 level of £283.04 to £291.50. This level of charge will yield an estimated total income of £6,738,897.
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 2018/19, 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 2018/19 is 3%, or more than 3%, greater than its relevant basic amount of council tax for 2017/18. This has been increased from 2% for the previous financial year in line with

inflation.

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 2018/19 funding settlement. The figure announced is £4.102m. 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 £1.136m. This is an increase of £0.979m over the amount expected in 2017/18 and will be transferred to the Business Rates Volatility Reserve.
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 £235k 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 2018/19 and future years. This is an increase of £2k over the amount expected in 2017/18.
25. For 2018/19, the excess Business Rates figure has arisen due to an increase of £3.1m in rateable values contained within the 2017 valuation list, which is issued by the Valuation Office Agency (VOA), and a revision to the estimated level of appeals against the rateable values in that list. The increase in the rateable value was due to a correction of the VOA's original data, which was issued in mid-January 2018, and a greater than expected rateable value for properties added to the VOA list during the year. The Council uses the services of an external advisor to assess the level of likely appeals lodged with the VOA against the rateable values in the 2017 valuation list. In January 2018 the estimated level of appeals was reduced from £1.7m to £0.8m which effectively increases the net amount receivable from rate payers.
26. Any excess Business Rates are subject to a Government levy which substantially reduces the amount due to the Council. The levy calculation is adjusted for any section 31 grants, received by the Council arising from the reliefs announced by the Government during the Spring and Autumn Budgets, and for any local discretionary reliefs granted under section 47 powers. During the provisional 2018/19 finance settlement announced in December, the Government approved the re-admittance of the Council into the Lancashire Business Rates Pool. As a consequence of this, the levy that the Council would previously have had to pay to Central Government will be paid into the Lancashire Pool and the Council will be able to retain 90% of the amount paid, providing opportunities to promote further economic growth as well as building financial resilience.
27. As part of the ongoing consultation around the 100% business rate retention proposals, the Government is proposing a reset, or partial reset, of the amount of Business Rates each Council expects to receive. A reset would mean that any previous growth in business rate income above the expected amount, achieved under the existing system, would be lost. This would mean an additional pressure on council's that had used any excess Business Rates income when balancing their annual budgets. It is expected that the new system of accounting for Business Rates will come into effect in 2020.

COLLECTION FUND SURPLUS

28. 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 £545k of which this Council's share is £89k which is 16.31% as a proportion of the total. An estimated figure of £81k for Burnley's share of the Collection Fund surplus was used in calculating the initial estimate of the 2018/19 revenue budget gap.

COMMERCIAL STRATEGY & FEES AND CHARGES

29. 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 2018/19 in this area.
30. During the budget process, it has been assumed that income budgets would increase in 2018/19 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 1st January 2018 as has been the case previously. The tariff of fees and charges mainly effective from 1st January 2018 was approved by full Council on 22nd November 2017. The estimated additional increase in income in 2018/19 as a consequence of the approved increases is £52k and forms part of the overall savings approved in September 2017 to balance the budget.

STRATEGIC EARMARKED RESERVES AND GENERAL FUND RESERVE

31. 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.

32. The table below shows the anticipated use of strategic reserves for 2018/19 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 01/04/17	5,375	1,379	6,754
Approved use to Q3 2017/18	(2,179)	-	(2,179)
Balance available after approvals	3,196	1,379	4,575
General revenue budget support 18/19	-	-	-
Future commitments and risks	(1,567)	-	(1,567)
Balance remaining	1,629	1,379	3,008

RISK ASSESSMENT

33. 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.
34. 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 2018/19 revenue budget is unduly onerous and the levels of reserves forecast will be sufficient in accordance with the medium term financial strategy (MTFS).
35. 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.
36. 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 2018/19.

37. Pay inflation has been increased by 2% in 2018/19 and future years. A revised pay structure has been proposed for local government in 2019/20 and the Council will need to revise its pay structure. There is little price inflation included within the estimates for non-salary budgets. However, general levels of inflation as measured in the retail prices index and the consumer prices index will increase in the future and this may lead to demands for higher pay and an increase in the prices of goods and services which the Council has to meet. The risk of any increase in inflation is considered likely in the existing climate and will be closely monitored.
38. 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 2018/19 and beyond.
39. The Council entered into a contract with Liberata as our external service provider for around a third of Council services from 1st January 2016. The financial planning assumptions provided for a significant saving on previous in-house provision. It will be necessary to ensure that these savings are being delivered whilst maintaining service quality and standards. Procedures have been drawn up to enable the new partnership to operate effectively. Nevertheless this is a significant savings area which is currently and will continue to be actively managed.
40. In summary, after taking consideration of the issues in this report and the risks referred to above, the 2018/19 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.
41. 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

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

POLICY IMPLICATIONS

43. The revenue budget determines the extent to which the Council's strategic objectives can be pursued and achieved.
44. Community Impact Assessment and Equality Impact Assessments have been completed for the additional savings proposals that are contained within Appendix 3. The Assessments are included as Appendix 4.

DETAILS OF CONSULTATION

45. No external consultation has been carried out.

BACKGROUND PAPERS

46. None.

FURTHER INFORMATION**PLEASE CONTACT:****Asad Mushtaq – Head of Finance****ALSO:****Howard Hamilton-Smith - Finance &
Commercial Manager**

Summary Revenue Budget 2018/19

<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, Property and Regulation				
Finance				
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				

System generated data. To be included prior to Full Council 21 February 2018

Net Budget Requirement

	£'000	£'000
Collection Fund Surplus		89
Business Rates Retention Scheme		
Business Rate Baseline Funding	4,102	
Additional Business Rates Forecast – Burnley Element	1,136	
Additional Retained Income - Renewable Energy Schemes	235	5,473
Revenue Support Grant		2,228
Council Tax Yield		6,739
New Homes Bonus		561
		<u>15,090</u>

2018/19 Revenue Budget
Growth Proposals

	Ongoing £'000	One-off £'000	Total £'000
Childrens Trust Co-Ordinator - expiry of LCC funding	15	-	15
Burnley & Padiham Independent Group Leader allowance	2	-	2
Total Growth	17	-	17

REVENUE BUDGET 2018/19**Summary of Budget Gap Remaining and Savings**

	£'000	£'000
<u>Budget gap reported September 2017</u>		84
<u>Finalisation of continuation estimates 2018/19</u>		
<u>Further Increases/(Decreases) - Net Spending Pressures</u>		
2% Pay Award (increased from 1%)	120	
Reduction in income targets	68	
Growth (see Appendix 2)	17	
Various net adjustments in finalising continuation estimates	99	304
<u>Further (Increases)/Decreases - Funding</u>		
Business Rates - Baseline Funding Level	-	
Additional New Homes Bonus	(21)	
Collection Fund Surplus	(8)	
Increase in Council Tax (assuming a 2.99% increase)	(180)	(209)
Residual budget gap - February 2018		179
less: <u>Further Savings - February 2018</u>		
Extension of litter enforcement procurement - see separate report on agenda	(20)	
Reduced utility costs	(20)	
Savings on Merchant Banking Services contract	(7)	
Property savings brought forward from 2019/20	(5)	
Governance, Law, Property & Regulation - operational budgets	(47)	
Streetscene - operational budgets	(22)	
Regen & Planning Policy - operational budgets	(22)	
Housing & Devt Control - operational budgets	(21)	
Green Spaces & Amenities - operational budgets	(5)	
Strategic Partnership variable service charge	(3)	
Treasury Bank Charges	(7)	(179)
		-

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REPORT TO FULL COUNCIL



DATE	21st February 2018
PORTFOLIO	Resources
REPORT AUTHOR	Asad Mushtaq
TEL NO	01282 477173
EMAIL	amushtaq@burnley.gov.uk

Revenue Budget 2018/19 Statutory Report of the Chief Finance Officer

PURPOSE

1. To enable elected Members to consider the statutory report of the Chief Finance Officer.

RECOMMENDATION

2. That elected Members note this report and have regard to its contents when setting the Revenue Budget for 2018/19.

REASONS FOR RECOMMENDATION

3. To satisfy the statutory requirements of the Local Government Act 2003.

SUMMARY OF KEY POINTS

4. Section 25 of the Local Government Act 2003, requires the Chief Finance Officer to report on the robustness of the budget estimates and the adequacy of the financial reserves. The Act also requires the Authority, to which the report is made, to have regard to the report when making decisions about the budget.
5. In this context, the reference to the Chief Finance Officer is as defined in Section 151 of the Local Government Act 1972. This statutory role is fulfilled in this authority by the Head of Finance.
6. This report covers:
 - An assessment of the robustness of the 2018/19 budget setting process for both revenue and capital;
 - A high level assessment of key risks that may impact the budget for 2018/19;

- An assessment of the overall adequacy of reserves to contain financial risk and ensure the sustainability of the Council over the financial year 2018/19; and
- An indication of future direction of travel for the Council over the medium term.

7. **SUMMARY**

- 7.1 In summary, I am satisfied that the proposals to establish a Net Budget Requirement of £15,089,625 for the financial year 2018/19 and Council Tax Requirement of £6,738,897, as set out in the report to Council on 21st February 2018, are robust to ensure that the Council remains a going concern throughout 2018/19.
- 7.2 However, the financial outlook for the Council given the medium term financial strategy continues to be challenging. To ensure a balanced position for 2019/20 and beyond the Council will have to take tough decisions balancing declining access to resources against emerging risks.
- 7.3 This may require a strategic reprioritisation of commitments especially as reserves are forecast to be significantly diminished over the medium term. The Council will be required to remain proactive in identifying savings and increase income throughout the medium term period to ensure its viability can be maintained.
- 7.4 This is also within the context of a government review of relative needs of local authorities, which will inform a change in mechanism of funding for local authorities from 2020/21, of which currently there is much uncertainty.

8. **ROBUSTNESS OF THE BUDGET 2018/19**

- 8.1 In assessing the robustness of the overall budget for next year, I have taken the following into consideration:
- 8.2 The robustness of the underpinning financial planning assumptions on which the budget has been determined:
- a. Financial resources are aligned appropriately to the strategic priorities of the Council. Investments in service delivery have been made to support the Council's prosperity and place objectives directing resources to community services.
 - b. Savings to deliver a balanced budget have been identified focussing on efficiency and value for money and relative priority needs of services. Identified savings are realistic and action plans for delivery are in place.
 - c. The Council, as part of finalisation of the revenue budget 2018/19, has factored growth in business rates which can be retained locally including renewable energy business rates; as well as an increased Council tax base.
 - d. Decreases of funding from Central Government for New Homes Bonus and the Revenue Support Grant have been incorporated, based on provisional settlement figures announced in December 2017 as well as previous

announcements on New Homes Bonus funding.

- e. Employee budgets have been cross-referenced to the agreed establishment. The 2018/19 budget and future years have assumed a headline 2% pay award, as well as higher changes to lower scale points, on the basis of the offer made by The National Employer on 5th December 2017.
- f. Assumptions made about future inflation and interest rates are realistic.
- g. Income estimates are based on current patterns of usage and anticipated variations during the coming year. Decisions about levels of charges have already been taken by the Council in November 2017 and have now been implemented.
- h. Capital and revenue budgeting is integrated, in that the revenue consequences of the capital programme are considered as part of the overall budget process for 2018/19.

8.3 Appropriate and effective governance arrangements are in place to manage the financial resource and maintain a balanced budget throughout 2018/19:

- a. Financial management is delegated appropriately and commitments are entered into in full compliance with Financial Procedure Rules.
- b. Effective governance arrangements are in place for budget monitoring and reporting during the financial year.
- c. A risk assessment has been carried out on the revenue budget and those risks have been appropriately mitigated.

8.4 An assessment of funding framework for local government and its impact on the Council's finances:

- a. The settlement figures provided in the budget are based on the provisional settlement, details of the final settlement are awaited and any variations will be included in the final Budget reports.
- b. The Executive's proposals do not breach the 'excessiveness' principle for 2018/19, where a local referendum is required for any Council tax increase of 3% or more than 3%.
- c. Appropriate assessment has been made of likely levels of debt impairment provision when determining the local Council tax base.

9. **RISK ASSESSMENT**

The major risks to which the Council are exposed are set out below:

9.1 **Business rates volatility**

Changes to local government funding brought in from 2013/14 allow local authorities to retain an element of business rate growth. There remains an ongoing risk of volatility of business rates arising from unknown appeals and unanticipated fluctuations in collectible income from the business community. However, risk arises as the Council is required to firstly meet any reduction in business rates and secondly, to comply with national business rate policy and government guidance, the accounting arrangements are complex. In 2013/14, the general reserve was increased to £1.379m in recognition of potential risk from a significant loss of business rates. Furthermore the reserves strategy 2015/16 saw the creation of a new business rate volatility reserve to ensure the “smoothing out” of accounting fluctuations. The budget position for 2018/19 reflects a realistic assessment as at 31st January 2018.

9.2 **Utilisation of reserves**

Taking into account known commitments, anticipated risks and lack of affordability to set aside or replenish strategic reserves the forward forecast suggests it is less likely that reserves will be available for future use in this way. However the position will be kept under review in the light of emerging and changing conditions.

9.3 **Partnerships**

As a result of changes to the Councils’ business model, key services are no longer directly delivered by the Council but through partnership including the Leisure Trust, Urbaser Waste Management and the Liberata Partnership, accounting for £6.8m or 28% of Council gross spending in 2018/19. These partnerships are intended to deliver transformational change in the way that services are provided to our customers within a reduced cost base. The Council continues to work closely with our partners in ensuring effective delivery and will continue to monitor performance to mitigate any potential risks and issues that emerge.

9.4 **Workforce**

The approved budget for 2018/19 includes a vacancy factor of £150k recognising a normal lag period of appointment to vacant posts of three months. For 2018/19 this represents 2% of the staffing budget for 205ftes. Clearly to ensure a balanced budget for 2018/19 the expectation would be a continuation of this policy unless exceptional and business critical circumstances prevail. The vacancy factor as is current practice will be monitored throughout 2018/19.

9.5 **Capital Receipts**

The delivery of the capital programme relies on capital receipts being generated to fund new developments. The forecast of capital receipts is based on anticipated sales at the

time the programme is prepared. Whilst the Council has sufficient capital receipts to deliver the capital programme for 2018/19, an uncommitted balance of general receipts of £79k is anticipated by 2020/21, which is a relatively small contingency for the 3 year programme. The Council needs to ensure that it maximises the opportunity to generate capital receipts and has the ability to respond effectively and promptly to unforeseen or major capital works especially to respond to health and safety or public protection matters and commercial opportunities. Progress on the generation of capital receipts will be monitored during 2018/19.

9.6 **Possible litigation and uninsured risks**

During the normal course of business the Council operates in an environment where there is an underlying risk arising from contractual obligations and uninsured risks. In the event that liabilities emerge during the course of the year the Council will assess impact including disclosure as contingent liabilities or provisions. We will further assess, following robust challenge, whether these liabilities will be an obligation on the Council for which resource is required. Where possible the Council will seek to set aside resources subject to affordability within a reduced funding context.

9.7 **Public sector risks**

Increasingly, the Council is finding itself in the position of reduced contributions as austerity measures continue to impact on other public sector partners. In the event that issues emerge they will be factored within the overall budget monitoring position.

9.8 **Changes to local government funding**

As part of the announcement of the provisional local government settlement for 2018/19 in December 2017, government announced a consultation; *“Fair funding review: a review of relative needs and resources.”* This is a consultation on the approach to measuring the relative needs of local authorities. It is anticipated this will define new relative needs of authorities for 2020/21 onwards, and will coincide with the ending of the revenue support grant, the change to the business rates retention scheme and other changes. This will have an effect on the overall funding that this authority receives. However, as the consultation is at an early stage, financial consequences are not yet known for individual authorities, and won't be made available until sometime in 2019. This uncertainty on funding going forward represents a key risk for this council.

10. **ADEQUACY OF RESERVES 2018/19**

- 10.1 In assessing the adequacy of reserves I have taken into consideration the forward forecast of reserves contained within the Medium Term Financial Strategy which indicates that reserve levels for both strategic and general reserves are sufficient to mitigate any down side risks facing the Council during 2018/19.
- 10.2 The longer term assessment of reserves required to meet known commitments and future risks facing the Council indicate strategic reserves to be significantly depleted without any planned mechanism for their replacement. This will impact on the Council's ability to deliver its strategic objectives over the medium term and careful consideration of their use should be made to ensure the Council obtains the most added value in their utilisation.

10.3 A reserves strategy stating the purpose for which each reserve is held, managed and controlled is contained within the Medium Term Financial Strategy recommended for approval by Council.

10.4 However I am satisfied that the level of reserves is sufficient for 2018/19.

11. **FINANCIAL OUTLOOK**

11.1 The Council continues to be financially challenged over the medium term facing a budget gap of £3.2m or 21% by the end of 2021/22. The Council must continue to be focussed in maintaining its financial health by downsizing in a planned and sustainable way so that it is able to continue to operate as a going concern and maintain operational services. The Council entered into a strategic partnership that is delivering transformational change to customer services over the next few years including greater use of digitisation and providing inward investment. Savings arising from this partnership will contribute towards closing the budget gap, however further Council wide savings will be required through prioritisation, transformation and continuous improvement.

11.2 The financial forecast is based on indicative funding figures and may be subject to change. This council will also influence the Fair Funding Review as far as possible, to attempt to ensure funding is representative of our need. Changes in 2020/21, around the business rates retention scheme, the ending of the Revenue Support Grant and other changes leave uncertainty on funding levels from that year onwards, and represent a key funding risk.

11.3 The Council must remain proactive in its activity to deliver sustainable savings over the medium term if it wishes to remain a viable entity.

FINANCIAL IMPLICATIONS AND BUDGET PROVISION

12. As set out in the report on the Revenue Budget for 2018/19, Capital Investment Programme 2018/19 to 2020/21 and Medium Term Financial Strategy 2019/22 elsewhere on your agenda.

POLICY IMPLICATIONS

13. None arising directly.

DETAILS OF CONSULTATION

-

BACKGROUND PAPERS

14.
 - Revenue Budget Files – 2018/19
 - Capital Investment Programme 2018/19 to 2020/21
 - Medium-term Financial Strategy – 2019/20 to 2021/22

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EXECUTIVE

BURNLEY TOWN HALL

Monday, 12th February 2018 at 6.30 pm

62. Treasury Management Strategy 2018-19 and 2018-21 Prudential and Treasury Indicators

Purpose	<p>To comply with the amended Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management 2011.</p> <p>To outline a treasury management strategy statement for the financial year 2018/19.</p> <p>To set out prudential indicators for the financial years 2018/21 in line with the CIPFA's Prudential Code 2013.</p> <p>To seek approval for the Council's Minimum Revenue Provision (MRP) Policy Statement for the financial year 2018/19 in accordance with Government regulations</p>
Reason for Decision	<p>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.</p> <p>To fulfil statutory and regulatory requirements and to provide a clear framework for local authority capital finance and treasury management.</p>
Decision	<p>That Full Council be recommended approval of ;</p> <p>(1) The treasury management strategy statement for 2018/19 as set out in Appendix 1;</p> <p>(2) The prudential and treasury indicators for 2018/19 to 2020/21 per Appendix 2 including the authorised limit for external debt of £33.817m in 2018/19;</p>

- (3) The list of Counterparties for Deposits outlined within Appendix 3; and**
- (4) The Council's MRP Statement for 2018/19 as set out in Appendix 4 of this report.**

REPORT TO EXECUTIVE



DATE	12 February 2018
PORTFOLIO	Resources & Performance Management
REPORT AUTHOR	David Donlan
TEL NO	01282 477172
EMAIL	ddonlan@burnley.gov.uk

2018/19 Treasury Management Strategy and 2018/19 – 2020/21 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 2018/19.
 - c) To set out prudential indicators for the financial years 2018/21 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 2018/19 in accordance with Government regulations.

RECOMMENDATION

2. That the Executive recommend to Full Council approval of ;
 - a) The treasury management strategy statement for 2018/19 as set out in Appendix 1
 - b) The prudential and treasury indicators for 2018/19 to 2020/21 per Appendix 2 including the authorised limit for external debt of £33.817m in 2018/19.
 - c) The list of Counterparties for Deposits outlined within Appendix 3.
 - d) The Council's MRP Statement for 2018/19 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 2018/19 in Appendix 1 as well as the Prudential and Treasury Indicators for 2018/19 to 2020/21 in Appendix 2.

The primary requirements of the Code are as follows:

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

Capital Strategy

In December 2017, CIPFA issued revised Prudential and Treasury Management Codes. As from 2019-20, all local authorities will be required to prepare an additional report, a Capital Strategy report, which is intended to provide the following;

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

The aim of this report is to ensure that all elected members on the Full Council fully understand the overall strategy, governance procedures and risk appetite entailed by this Strategy.

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

List of Counterparties

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

Minimum Revenue Provision (MRP)

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

Economic Update

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

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 2018/19 will be £32.207m for the operational boundary and £33.817m for the authorised limit (2017/18 = £35.067m).
 - Borrowing has a longer term impact on the revenue budget because of the costs of finance. Appendix 2 shows the incremental impact of the capital investment proposals contained in the Councils capital investment programme which is also being considered for approval in February.

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 2018/19

The strategy for 2018/19 covers two main areas:

Capital Issues

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

Treasury Management Issues

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

These elements cover the requirements of the Local Government Act 2003, 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 2018/19 – 2020/21 (See Table 1 in Appendix 2)

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

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

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

Table 1 Capital Expenditure	2016/17 Actual £000	2017/18 Revised Estimate £000	2018/19 Estimate £000	2019/20 Estimate £000	2020/21 Estimate £000
Programmed Spend	6,790	11,418	10,141	10,474	6,096
Financed by:					
Capital receipts	1,313	2,275	2,384	1,865	1,595
3rd Party Contributions	667	408	213	411	592
Capital grants	2,153	4,004	5,125	6,544	3,723
Revenue	754	2,474	828	514	111
Net borrowing need for the year	1,903	2,257	1,591	1,140	75

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.

Table 2	2016/17 Actual £000	2017/18 Revised Estimate £000	2018/19 Estimate £000	2019/20 Estimate £000	2020/21 Estimate £000
Capital Financing Requirement					
Total CFR at 31 st March	28,560	30,017	30,673	30,858	29,938
Net financing need for the year	1,123	1,457	656	185	(920)

£m	2016/17 Actual £000	2017/18 Revised Estimate £000	2018/19 Estimate £000	2019/20 Estimate £000	2020/21 Estimate £000
Movement in CFR represented by					
Net borrowing need for the year (Table 1 above)	1,903	2,257	1,591	1,140	75
Less MRP and other financing movements	(780)	(800)	(935)	(955)	(995)
Movement in CFR in Year	1,123	1,457	656	185	(920)

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, reserves and provisions, and the proposed revenue contributions to capital (RCCO). The costs are expressed as an amount per Band D property using the 2018/19 council tax base of 23,118 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 2018/19 and the following two financial years. In the Council's case, the estimated external debt at 31st March 2018 of £24.1m is less than the CFR which ranges from £29.9m to £30.9m 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 2018/19 to 2020/21

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 2018/19 – 2020/21.

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 £33.817m next year. This is limited to 5% above the operational boundary of £32.207m, 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.

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 mid-year treasury management report approved by Full Council on 22 November 2017.

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 22 November 2017. 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 Link Asset Services. This service uses a sophisticated modelling approach with credit ratings from all three rating agencies – Fitch, Moodys and Standard and Poors, forming the core element. However, it does not rely solely on the current credit ratings of counterparties but also uses the following as overlays: -

- credit watches and credit outlooks from credit rating agencies
- Credit Default Swaps (CDS) spreads to give early warning of likely changes in credit ratings
- sovereign ratings to select counterparties from only the most creditworthy countries

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

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

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

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

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

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

Property Funds

Officers have identified the potential for attractive returns for long-term investments in funds that have a wide portfolio of managed property assets, used for rental investment returns and capital growth.

Over 100 Local Authorities invest in various commercial property funds where returns are higher than deposits in banking institutions, and where there is an opportunity for growth over the medium to long-term. Evidence suggests that returns of more than 4% can be achieved, although there is a requirement for a long-term investment (minimum of 5 years) to make it worthwhile and offset any initial set up costs.

As with any investment, there is a risk that the principal invested may reduce in value (as well as increase in value).

A maximum limit of £2m to be invested in total in a property fund has been agreed in the mid-year report in November, subject to a rigorous appraisal and selection process being undertaken using the expertise and experience of our advisors, Link Asset Services.

Policy on the use of treasury management consultants

The Council uses Link 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 2018/19 is £10.141 million.

This is a reduced value from the previous year, (and £4m of this is slippage from 2017/18), and 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 2018/19 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 2.99% increase in Council Tax for 2018/19 and a 1.99% increase for the following two years. The Council tax base used for assessing the impact on revenue is 23,118 which is the calculation given under the system of Council tax funding (22,579 for 2017/18)

Financing costs include interest on borrowing and the amount included in the budget for repayment of debt (Minimum Revenue Provision).

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 2018/19 is £291.50 and includes the borrowing costs of capital investment decisions prior to 2018/19. 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 2018/19 - 2020/21

TABLE 1 - PRUDENTIAL INDICATORS	2016/17 Actual £' 000	2017/18 Revised Estimate £' 000	2018/19 Estimate £' 000	2019/20 Estimate £' 000	2020/21 Estimate £' 000
Capital Expenditure	6,790	11,418	10,141	10,474	6,096
Ratio of financing costs to net revenue stream	10.7%	11.9%	13.3%	14.3%	15.3%
Net borrowing requirement brought forward 1 April			32,207	32,401	31,435
Capital Financing Requirement as at 31 March	28,560	30,017	30,673	30,858	29,938
Incremental impact of capital investment decisions Increase in council tax (band D) per annum			2.12	3.05	1.83

TABLE 2 - TREASURY MANAGEMENT INDICATORS	2016/17 Actual £' 000	2017/18 Revised Estimate £' 000	2018/19 Estimate £' 000	2019/20 Estimate £' 000	2020/21 Estimate £' 000
Authorised Limit for external debt -			33,817	34,021	33,007
<i>For 2018/19, 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>					
Operational Boundary for external debt -			32,207	32,401	31,435
<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>					
Actual/Estimated external debt at year end	20,616	24,107			
Upper limit for fixed interest rate exposure expressed as :- Net interest re fixed rate borrowing / investments			100%	100%	100%
Upper limit for variable rate exposure expressed as :- Net interest re variable rate borrowing / investments			25%	25%	25%
Upper limit for total principal sums invested over 364 days	0	4,000	4,000	4,000	4,000

TABLE 3 - Maturity Structure of fixed rate borrowing during 2018/19		lower limit	upper limit
This indicator limits the period to repayment of overall expected debt outstanding and shows five bands. There are minimum and maximum proportions of overall debt within each band. This means that the amount of debt in each band will fall within this range as a proportion of overall debt.	under 12 months	0%	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%

Link Asset Services Methodology in Determining Creditworthiness of Counterparties:

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

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

Link Asset Services' modelling approach combines credit ratings, credit watches and credit outlooks in a weighted scoring system which is then combined with an overlay of CDS spreads for which the end product is a series of colour code bands which indicate the relative creditworthiness of counterparties. These colour codes are used to determine the maximum duration for deposits and are therefore referred to as durational bands. This approach gives a much improved level of security for its deposits. The table below also shows the current limits for deposits with any bank or group of banks which is £2m except for the Councils own bank, HSBC, which has an individual limit of £15m and other named institutions below (£4m) .

Banking Institutions Colour Bandings	Maximum Duration [per Link Asset Services]	Current Individual Limits per Bank / Group of Banks (£)
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.

Other Institutions	Maximum Duration	Individual Limits (£)
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
Goldman Sachs International Bank

Minimum Revenue Provision (MRP) policy statement 2018/19

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 2018/19

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 2018/19 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 2017/18 and assumed for 2018/19.

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

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, Link Asset Services):

1/ Global economy:

The Eurozone (EZ). Economic growth in the eurozone (EZ), (the UK's biggest trading partner), had been lack lustre for several years after the financial crisis despite the European Central Bank (ECB) eventually cutting its main rate to -0.4% and embarking on a massive programme of Quantitative Easing. However, growth picked up in 2016 and has now gathered substantial strength and momentum thanks to this stimulus. GDP growth was 0.6% in quarter 1 (2.1% y/y), 0.7% in quarter 2 (2.4% y/y) and +0.6% in quarter 3 (2.6% y/y). However, despite providing massive monetary stimulus, the ECB is still struggling to get inflation up to its 2% target and in November inflation was 1.5%. It is therefore unlikely to start on an upswing in rates until possibly 2019. It has, however, announced that it will slow down its monthly QE purchases of debt from €60bn to €30bn from January 2018 and continue to at least September 2018.

USA. Growth in the American economy was notably erratic and volatile in 2015 and 2016. 2017 is following that path again with quarter 1 coming in at only 1.2% but quarter 2 rebounding to 3.1% and quarter 3 coming in at 3.2%. Unemployment in the US has also fallen to the lowest level for many years, reaching 4.1%, while wage inflation pressures, and inflationary pressures in general, have been building. The Fed has started on a gradual upswing in rates with four increases in all and four increases since December 2016; the latest rise was in December 2017 and lifted the central rate to 1.25 – 1.50%. There could then be another four increases in 2018. At its September meeting, the Fed said it would start in October to gradually unwind its \$4.5 trillion balance sheet holdings of bonds and mortgage backed securities by reducing its reinvestment of maturing holdings.

China Economic growth has been weakening over successive years, despite repeated rounds of central bank stimulus; medium term risks are increasing. Major progress still needs to be made to eliminate excess industrial capacity and the stock of unsold property, and to address the level of non-performing loans in the banking and credit systems.

Japan. GDP growth has been gradually improving during 2017 to reach an annual figure of 2.1% in quarter 3. However, it is still struggling to get inflation up to its target of 2%, despite huge monetary and fiscal stimulus. It is also making little progress on fundamental reform of the economy.

2/ UK economy:

Economic Growth After the UK surprised on the upside with strong economic growth in 2016, growth in 2017 has been disappointingly weak; quarter 1 came in at only +0.3% (+1.8% y/y), quarter 2 was +0.3% (+1.5% y/y) and quarter 3 was +0.4% (+1.5% y/y). The main reason for this has been the sharp increase in inflation, caused by the devaluation of sterling after the EU referendum, feeding increases in the cost of imports into the economy. This has caused, in turn, a reduction in consumer disposable income

and spending power and so the services sector of the economy, accounting for around 80% of GDP, has seen weak growth as consumers cut back on their expenditure.

Inflation. While the Bank of England is expected to give forward guidance to prepare financial markets for gradual changes in policy, the Monetary Policy Committee, (MPC), meeting of 14 September 2017 managed to shock financial markets and forecasters by suddenly switching to a much more aggressive tone in terms of its words around warning that Bank Rate will need to rise soon. The Bank of England Inflation Reports during 2017 have clearly flagged up that it expected CPI inflation to peak at just under 3% in 2017, before falling back to near to its target rate of 2% in two years' time. The Bank revised its forecast for the peak to just over 3% at the 14 September meeting. (Inflation actually came in at 3.1% in November so that may prove now to be the peak.)

Forward guidance. At Its 2 November meeting, the MPC duly delivered a 0.25% increase in Bank Rate. It also gave forward guidance that they expected to increase Bank Rate only twice more in the next three years to reach 1.0% by 2020. This is, therefore, not quite the 'one and done' scenario but is, nevertheless, a very relaxed rate of increase prediction in Bank Rate in line with previous statements that Bank Rate would only go up very gradually and to a limited extent.

However, some forecasters are flagging up that they expect growth to accelerate significantly towards the end of 2017 and then into 2018. This view is based primarily on the coming fall in inflation, (as the effect of the effective devaluation of sterling after the EU referendum drops out of the CPI statistics), which will bring to an end the negative impact on consumer spending power. In addition, a strong export performance will compensate for weak services sector growth. If this scenario was indeed to materialise, then the MPC would be likely to accelerate its pace of increases in Bank Rate during 2018 and onwards.

Prospects for Interest Rates

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

The MPC increase in November removed the emergency cut in August 2016 following the EU referendum. The MPC also gave forward guidance that they expected to increase Bank Rate only twice more by 0.25% by 2020 to end at 1%.

The Link Asset Services forecast includes increases in Bank Rate of 0.25% in November 2018, November 2019 and August 2020.

Link Asset Services interest rate forecast:

Annual Average %	Bank Rate %	PWLB Borrowing Rates % (including certainty rate adjustment)		
		5 year	25 year	50 year
Dec 2017	0.50	1.50	2.80	2.50
Mar 2018	0.50	1.60	2.90	2.60
Jun 2018	0.50	1.60	3.00	2.70
Sep 2018	0.50	1.70	3.00	2.80
Dec 2018	0.75	1.80	3.10	2.90
Mar 2019	0.75	1.80	3.10	2.90
Jun 2019	0.75	1.90	3.20	3.00
Sep 2019	0.75	1.90	3.20	3.00
Dec 2019	1.00	2.00	3.30	3.10
Mar 2020	1.00	2.10	3.40	3.20
Jun 2020	1.00	2.10	3.50	3.30
Sep 2020	1.25	2.20	3.50	3.30
Dec 2020	1.25	2.30	3.60	3.40
Mar 2021	1.25	2.30	3.60	3.40

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EXECUTIVE

BURNLEY TOWN HALL

Monday, 12th February 2018 at 6.30 pm

64. Capital Budget 2018-19 and Capital Investment Programme 2018-21

Purpose To recommend approval of the capital budget for 2018/19

Reason for Decision To establish a capital budget that reflects the Council's overall priorities and provides a framework for capital spending to be undertaken during 2018/1

Decision

- (1) That Full Council be recommended to;**
 - (a) Approve the 2018/19 Capital Budget, totalling £10,140,512, as set out in Appendix 1;**
 - (b) Note the 2018-21 Capital Investment Programme as also set out in Appendix 1;**
 - (c) Note the estimated position on capital resources as set out in Appendix 2;**
 - (d) Discuss the Priority of Schemes/Resources within the 2018-21 Capital Investment Programme**
- (2) That subject to 1(a) above the release of capital scheme budgets be approved including slippage from 2017/18, subject to compliance with the Financial Procedure Rules and that there will be full compliance with Standing Orders for Contracts; and
- (3) That David Donlan, Accountancy Division Manager in Finance, be thanked for the work he has done for the Council.

REPORT TO EXECUTIVE



DATE	12th February 2018
PORTFOLIO	Resources & Performance Management
REPORT AUTHOR	David Donlan
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**CAPITAL BUDGET FOR 2018/19 AND
2018-21 CAPITAL INVESTMENT PROGRAMME**

PURPOSE

1. To recommend approval of the capital budget for 2018/19

RECOMMENDATION

2. a) That Full Council be recommended to;
 - (i) Approve the 2018/19 Capital Budget, totalling £10,140,512, as set out in Appendix 1
 - (ii) Note the 2018-21 Capital Investment Programme as also set out in Appendix 1.
 - (iii) Note the estimated position on capital resources as set out in Appendix 2.
 - (iv) Discuss the Priority of Schemes/Resources within the 2018-21 Capital Investment Programme
- b) That subject to 2a) i) above the Executive:
 - (i) Approve the release of capital scheme budgets including slippage from 2017/18, 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 2018/19.

SUMMARY OF KEY POINTS

4. **Background:**
 In formulating the 2018/19 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 2018/19 capital budget and the 2018-21 CIP.

The review process has included:

- A review and revision of the existing schemes approved in the 2017-20 CIP, in February 2017.
- 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. **2018/19 Capital Budget:**

Appendix 1 provides Members with a summary of the capital investment programme for 2018/19 to 2020/21 and a list of those schemes being proposed for the 2018/19 capital budget totalling £10.140m showing the financing elements for each individual scheme. It also shows draft capital budgets for 2019/20 and 2020/21 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 2018/19;

- The level of estimated capital receipts is sufficient to finance the £921,152 required for all the schemes put forward for 2018/19.
- The 5 new schemes proposed are:
 - Prairie Artificial Turf Pitch
 - Play Area Improvement Scheme
 - Rationalisation of Operational Estate
 - NW Burnley Growth Corridor (prev. named Flood Relief Works)
 - Town Centre & Weavers Triangle Project Work
 -

Appendix 4 gives a brief description of each scheme.

Rationalisation of Operational Estate

The Council's Lease of the Contact Centre expires in December 2019. The Council is actively pursuing to rationalise its operational estate so that efficiency savings (c£160k per annum) can be delivered. To facilitate this, existing buildings will need to be adapted to achieve those savings.

7. **Capital Resources:**

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

- balances in hand as at the 1st April 2017
- 2017/18 commitments approved to date
- level of resources assumed to be available as at 31st March 2018
- estimated “new” receipts to be received during 2017/18 and 2018-21
- resources required to finance part of the 2018/19 proposed capital budget
- resources required to finance the schemes proposed for future years
- anticipated balance as at 31st March 2021.

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 £191k in 2018/19, as shown in Appendix 3.

Costs of Prudential Borrowing

Of the proposed £1,591,440 prudential borrowing requirement for 2018/19, there are 2 new schemes requiring additional borrowing of £340,000 by the Council. The estimated full year interest cost for the additional borrowing is £10k. This cost may not be required until 2019/20, dependant on the timing of the borrowing.

The additional Minimum Revenue Provision (notional debt repayment) charge for the £340,000 additional borrowing would be £14k, and would not be required until 2019/20.

Details of the new schemes and prudential borrowing requirements are shown in Appendix 1.

9. **2018-21 Capital Investment Programme:**

As previously stated, Appendix 1 outlines a summary of the proposed 2018-21 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
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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**

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 £	Better Care Grant £	Heritage Lottery Fund £	Lancashire Enterprise Partnership £	Football Foundation £	Capital Receipts £	Vacant Property Initiative Receipts £	3rd Party / Section 106 Unsecured £		
Committed By Decision of the Council	-	Green Spaces & Amenities	Thompson Park Restoration Project	19,750				19,750							19,750
	-	Regeneration & Planning Policy	Padiham Townscape Heritage Initiative	443,028				262,166	151,675		29,187				443,028
Housing Investment Programme	3 : 3	Housing & Development	Emergency Repairs	120,000			120,000								120,000
	3 : 3	Housing & Development	Better Care Grant	1,000,000			1,000,000								1,000,000
	3 : 3	Housing & Development	Energy Efficiency	40,000			40,000								40,000
	3 : 3	Housing & Development	Empty Homes Programme	900,000								900,000			900,000
	3 : 3	Housing & Development	Interventions, Acquisitions and Demolitions	100,000								100,000			100,000
New Schemes	2 : 3	Green Spaces & Amenities	Burnley Mechanics MI Space HLF Scheme	994,800	303,440			573,000						118,360	994,800
	2 : 3	Green Spaces & Amenities	Prairie Artificial Turf Pitch	485,000	90,000					225,000				170,000	485,000
	2 : 2	Green Spaces & Amenities	Play Area Improvement Scheme	62,500		5,000					41,000			16,500	62,500
	2 : 2	Green Spaces & Amenities	Worsthorne Recreation Ground Improvements	203,500						97,500				106,000	203,500
	-	Governance, Law, Property & Regulation	Rationalisation of Operational Estate	400,000		400,000									400,000
	-	Regeneration & Planning Policy	NW Burnley Growth Corridor	4,055,557					4,055,557						4,055,557
	-	Regeneration & Planning Policy	Town Centre & Weavers Triangle Project Work	500,000	250,000						250,000				500,000
Schemes Scoring "3" for Commitment & At Least 5 Overall	3 : 2	Green Spaces & Amenities	Vehicle and Machinery Replacement	108,975		108,975									108,975
	3 : 2	Green Spaces & Amenities	Extension of Burnley Cemetery	421,087	421,087										421,087
	3 : 2	Governance, Law, Property & Regulation	Leisure Centre Improvements	75,000	75,000										75,000
	3 : 2	Streetscene	River Training Walls	30,000							30,000				30,000
Schemes Scoring 4 Points Overall	3 : 1	Green Spaces & Amenities	Towneley Hall Infrastructure Works	465,000							465,000				465,000
	2 : 2	Streetscene	Alleygate Programme	50,000							50,000				50,000
TOTAL OF ALL SCHEMES				10,474,197	1,139,527	513,975	1,160,000	854,916	4,207,232	322,500	865,187	1,000,000	410,860	10,474,197	

2020/21 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 £	Better Care Grant £	Heritage Lottery Fund £	Lancashire Enterprise Partnership £	Capital Receipts £	Vacant Property Initiative Receipts £	3rd Party / Section 106 Unsecured £	
Committed By Decision of the Council	2 : 2	Regeneration & Planning Policy	Padiham Townscape Heritage Initiative	360,942				190,587	98,325	18,680		53,350	360,942
Housing Investment Programme	3 : 3	Housing & Development	Emergency Repairs	120,000			120,000						120,000
	3 : 3	Housing & Development	Better Care Grant	1,000,000			1,000,000						1,000,000
	3 : 3	Housing & Development	Energy Efficiency	40,000			40,000						40,000
	3 : 3	Housing & Development	Empty Homes Programme Interventions, Acquisitions and Demolitions	900,000							900,000		900,000
	3 : 3	Housing & Development		100,000							100,000		100,000
Page 150 Scheme	-	Green Spaces & Amenities	Burnley Mechanics MI Space HLF Scheme	1,255,360				724,000				531,360	1,255,360
	2 : 2	Green Spaces & Amenities	Play Area Improvement Scheme	61,500		2,500				51,500		7,500	61,500
	-	Regeneration & Planning Policy	NW Burnley Growth Corridor	1,549,526					1,549,526				1,549,526
	-	Regeneration & Planning Policy	Town Centre & Weavers Triangle Project Work	250,000						250,000			250,000
Schemes Scoring "3" for Commitment & At Least 5 Overall	3 : 2	Green Spaces & Amenities	Vehicle and Machinery Replacement	108,975		108,975							108,975
	3 : 2	Governance, Law, Property & Regulation	Leisure Centre Improvements	75,000	75,000								75,000
	3 : 2	Streetscene	River Training Walls	30,000						30,000			30,000
Schemes Scoring 4 Points Overall	3 : 1	Governance, Law, Property & Regulation	Building Infrastructure Works	220,000						220,000			220,000
	2 : 2	Streetscene	Alleygate Programme	25,000						25,000			25,000
TOTAL OF ALL SCHEMES				6,096,303	75,000	111,475	1,160,000	914,587	1,647,851	595,180	1,000,000	592,210	6,096,303

CAPITAL RECEIPTS AND CONTRIBUTIONS ANALYSIS FOR 2017/18 AND CIP 2018-21

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> £
Capital Resources Brought Forward on 1st April 2017	946,363	2,546,690	188,739	95,884	3,777,676
Add					
Resources Received As At 31st December 2017:	513,475	663,071	-	190,934	1,367,480
Further Resources Estimated to be Received during 2017/18:	649,930	-	-	165,055	814,985
Potential Resources Available during 2017/18	2,109,768	3,209,761	188,739	451,873	5,960,141
Less					
Required to finance Capital Programme	(939,481)	(1,335,617)	-	(408,083)	(2,683,181)
Earmarked for Revenue Expenditure	-	-	(55,695)	-	(55,695)
Earmarked for Delivery By Outside Bodies	-	-	(133,044)	-	(133,044)
Potential Capital Resources Carried Forward on 31st March 2018	1,170,287	1,874,144	-	43,790	3,088,221
Add - Resources Estimated to be Received during 2018/19	690,000	700,000	2,500	166,210	1,558,710
Less - 2018/19 Capital Budget	(921,152)	(1,463,000)	(2,500)	(210,000)	(2,596,652)
Estimated Surplus / (Shortfall) of Resources as at 31st March 2019	939,135	1,111,144	-	-	2,050,279
Add - Resources Estimated to be Received during 2019/20	300,000	600,000	43,000	367,860	1,310,860
Less - 2019/20 Capital Budget	(865,187)	(1,000,000)	(43,000)	(367,860)	(2,276,047)
Estimated Surplus / (Shortfall) of Resources as at 31st March 2020	373,948	711,144	-	-	1,085,092
Add - Resources Estimated to be Received during 2020/21	300,000	288,856	60,850	531,360	1,181,066
Less - 2020/21 Capital Budget	(595,180)	(1,000,000)	(60,850)	(531,360)	(2,187,390)
Estimated Surplus / (Shortfall) of Resources as at 31st March 2021	78,768	-	-	-	78,768

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2018/19 CAPITAL BUDGET PER EXPENDITURE DETAIL

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 £	Total Budget £
Vision Park	58,897			58,897									58,897
Thompson Park Restoration Project	308,372			288,372					20,000				308,372
Padiham Townscape Heritage Initiative	609,791			609,791									609,791
Former Open Market & Former Cinema Block	1,380,636			1,360,636					20,000				1,380,636
Emergency Repairs	120,000			120,000									120,000
Disabled Facilities Grant	2,500,000											2,500,000	2,500,000
Energy Efficiency	40,000			40,000									40,000
Empty Homes Programme	1,100,000	200,000	200,000	505,000	100,000			17,500	20,000	24,500	33,000		1,100,000
Interventions, Acquisitions and Demolitions	363,000			363,000									363,000
Prairie Artificial Turf Pitch	485,000			485,000									485,000
Play Area Improvement Programme	99,500					99,500							99,500
Rationalisation of Operational Estate	300,000			300,000									300,000
NW Burnley Growth Corridor	1,394,917			1,374,917					20,000				1,394,917
Town Centre & Weavers Triangle Project Work	350,000			350,000									350,000
Vehicle and Machinery Replacement	108,975					108,975							108,975
Leisure Centre Improvements	75,000			75,000									75,000
River Training Walls	75,000			59,000					16,000				75,000
Lower St James Street	398,140			378,140					20,000				398,140
Building Alteration Works	250,000			250,000									250,000
CCTV Infrastructure	73,284			60,284		13,000							73,284
Alleygate Programme	50,000			50,000									50,000
TOTAL OF 2018/19 CAPITAL BUDGET	10,140,512	200,000	200,000	6,728,037	100,000	221,475	-	17,500	116,000	24,500	33,000	2,500,000	10,140,512

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2018/19 PROPOSED CAPITAL BUDGET - BRIEF DESCRIPTIONS OF INDIVIDUAL SCHEME

<u>Scheme Name</u>	<u>Budget (£)</u>	<u>Scheme Narrative</u>
Vision Park	58,897	The Council has now completed the first phase including site infrastructure and 30,000sq ft of high quality business space to support the growth of key sectors.
Thompson Park Restoration Project	308,372	£1.2 million HLF funded restoration of Thompson park.
Padiham Townscape Heritage Initiative	609,791	Comprehensive scheme costing £1.421m between 2017/18 and 2021/22, involving repairs and restoration to key buildings in the Conservation area, together with highways and public realm improvements, and an engagement programme.
Former Open Market & Former Cinema Block	1,380,636	Works to demolish the former open market and cinema block and to remediate the remaining structure. A contractor has been appointed.
Emergency Repairs	120,000	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	2,500,000	The funding is allocated by the Ministry of Housing, Communities & 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 do this through increasing the energy efficiency of domestic properties in the borough. Funding is used on a variety of projects that provide insulation, replacing inefficient boilers with "A" rated boilers and installing central heating in properties that do not have central heating.
Empty Homes Programme	1,100,000	The Empty Homes Programme brings long term empty properties back in to use in the borough of Burnley.
Interventions, Acquisitions and Demolitions	363,000	This programme aims to work with a range of partners to bring forward key brownfield land for housing development. The programme also funds neighbourhood regeneration initiatives and property improvement schemes to support the Council's wider neighbourhood regeneration programme..
Prairie Artificial Turf Pitch	485,000	To construct an additional artificial turf pitch (ATP) at Prairie Sports Village together with additional car parking and drainage improvements to existing grass pitches.
Play Area Improvement Programme	99,500	To refurbish children's play areas in-line with the recommendations of the adopted Play Provision Strategy 2017 - 2026. This is the first 3 year's of a 10 year programme. During this period improvements will be undertaken at Towneley Riverside, Scott Park and Queens Park.
Rationalisation of Operational Estate	300,000	To consolidate the Council's main operational office accommodation into the Town Hall and Parker Lane prior to the end of the Contact Centre lease in December 2019.
NW Burnley Growth Corridor	1,394,917	£10m scheme including Flood Defence Works and Town Centre Public Realm improvements in Padiham and Junction Improvements to Shuttleworth Meade.
Town Centre & Weavers Triangle Project Work	350,000	Funding to assist in bringing forward key projects identified in the emerging Town Centre and Weavers Triangle project work.
Vehicle and Machinery Replacement	108,975	Replacement of transport (fleet vehicles) and horticultural machinery.
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.

2018/19 PROPOSED CAPITAL BUDGET - BRIEF DESCRIPTIONS OF INDIVIDUAL SCHEME

<u>Scheme Name</u>	<u>Budget (£)</u>	<u>Scheme Narrative</u>
River Training Walls	75,000	<p>The river Calder training walls through Towneley Park from Deer Park Road Bridge to the West of the Riverside Car Park are in very poor condition after having been battered by the environment for the last 150 years. They are not 'fit for purpose'.</p> <p>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.</p> <p>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 to the Plumbe Street area of town.</p> <p>These works would secure 'fit for purpose' for the next 75 years with very low annual maintenance costs.</p>
Lower St James Street	398,140	Match funding for a public realm improvement scheme on Lower St James Scheme subject to securing sufficient matched funding.
Building Infrastructure Works	250,000	Contribution towards larger scale and capital works arising out of the building condition surveys currently being undertaken.
CCTV Infrastructure	73,284	To support the continued upgrade of infrastructure as part of the Council's amalgamated HUB delivery. There is a planned camera upgrade programme.
Alleygate Programme	50,000	<p>Burnley Council have been operating an alleygating program since 2004, providing increased home security to properties.</p> <p>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 and safer and cleaner Burnley.</p> <p>Alleygating remains popular with residents and members alike and each application period is vastly oversubscribed.</p>
TOTAL OF ALL SCHEMES	<u>10,140,512</u>	



EXECUTIVE

BURNLEY TOWN HALL

Monday, 12th February 2018 at 6.30 pm

65. Strategic Plan 2018-21

Purpose	To seek Executive endorsement of the Strategic Plan (Appendix 1).
Reason for Decision	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.
Decision	That the Strategic Plan be recommended to Full Council, subject to the references in Appendix 1 to the Executive Member for Community Services and the Executive Member for Leisure and Culture being amended to the Executive Member for Community and Leisure Services.

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Strategic Plan 2018

REPORT TO EXECUTIVE



DATE	12/02/2018
PORTFOLIO	Leader
REPORT AUTHOR	Rob Dobson
TEL NO	3115
EMAIL	rdobson@burnley.gov.uk

PURPOSE

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

RECOMMENDATION

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

REASONS FOR RECOMMENDATION

3. The Strategic Plan sets out a clear vision for the future 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 covers a three year period but is reviewed 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 the three year period of the plan. Heads of Service use the Strategic Plan to develop their own unit plans. These set out in more detail the tasks associated with achieving the Council's objectives over the course of the next year.

FINANCIAL IMPLICATIONS AND BUDGET PROVISION

8. As set out in the Council's 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 8th February 2018.

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:

Mick Cartledge, CEO.

ALSO:



Burnley.gov.uk

Burnley Council's Strategic Plan 2017/18 to 2019/20

V2 February 2018

For further information contact:
Rob Dobson
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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.

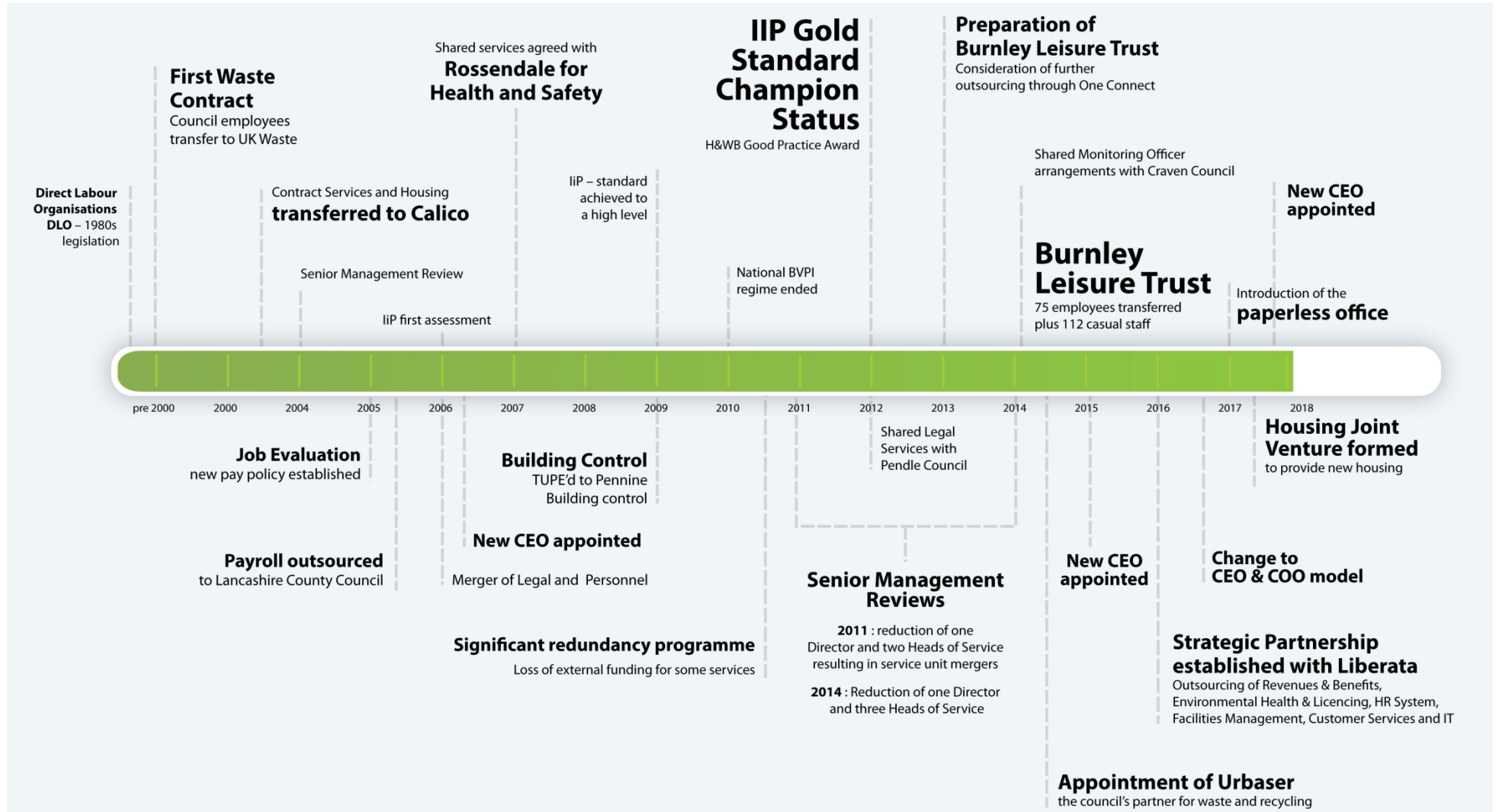
Our values:

One Burnley –Leading the Way
One Council –Working Together
One Team –Ambitious for Burnley

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

Burnley Council: adapting to change

As the graphic below shows, Burnley Council has always adapted to meet the changing needs of the borough and to deliver the best possible service within the budget available.



The Council will change in the years ahead.

The budget challenge is immense. A report to the Council in September 2017 on the Medium Term Financial Strategy, assumed the need to save a total of £3.8 million over the next three financial years.

This adds to the pressure on the Council to make savings and find ways of raising income in order to protect priority services 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. With a clear vision for the borough's future, the Council will stay focussed on what really matters and will seek innovative ways of resourcing those priorities.

Examples of how we will achieve savings include £325,000 through re-structuring, £50,000 via sharing CCTV services with neighbouring councils, and an extra £150,000 generated through new homes being built across the borough.

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.

Who is this document for?

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

What is the purpose of the Strategic Plan?

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

The 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.

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 2017- what did we achieve?

Places

- In partnership with Lancashire County Council, the improvement to the main Town Centre pedestrianised area was completed.
- The regeneration of neighbourhoods continued apace: Ringstones started to develop the Perseverance Mill site in Padiham, making it ready for 56 new homes. Ringstones also made good progress with their gateway housing scheme on the site of the former Mitre Pub, which will assist formerly homeless people through support and training to access sustainable housing, education and employment. Keepmoat are transforming both Burnley Wood and the Accrington Road with new housing development and Gleeson continue to make progress in Daneshouse, Stoneyholme and on their new site at the former chemical works in Hapton. New developments at Sycamore Road and Gannow Lane are transforming former brownfield sites with new homes that will offer real choice to our residents.
- The multi-agency partnership approach to community safety helped the borough achieve a reduction in business crime of 3% compared to the previous year. This is in contrast to increases across other districts. There was also a recorded reduction of 9.9% in ASB incidents when compared to 2016-17. In particular, Gawthorpe Ward has seen and maintained reductions in crime incidents (reduced by 13% compared to 2016). ASB has also seen a 27.7% reduction in the same time period, reflecting an increase in police and council activity and youth diversionary activities across the year.
- The Council continued to catch and prosecute flytippers: in 2016/17 the number of incidents was down 48% compared with the previous year.
- Since the start of April 2017, the housing enforcement team has helped to resolve 203 new disrepair complaints from private rented sector tenants.

Prosperity

- Phase 1 of the Burnley Bridge business park completed and is now fully occupied.
- The Business Support Team promoted inward investment, managing c.50 live property enquiries for companies looking to relocate into the Borough or expand within.
- New data from the ONS Business Register & Employment Survey shows that the number of jobs in Burnley increased by 2.7% between 2015-2016. This is a higher rate of growth than Lancashire (1.6%), North West (2.5%) and Great Britain (1.8%) over the same period. This makes for an 18.5% increase since 2009 when figures first became available.
- We submitted the new Local Plan for examination by the planning inspectorate. The Local Plan will shape Burnley's growth over the next decade.

People

- Our partner Burnley Leisure upgraded the gym at Padiham Leisure Centre.
- Between April and November 2017, the Council had: awarded disabled facilities grants to 106 residents; assisted 14 residents with heating related issues through the "affordable warmth" scheme, and; helped 63 households upgrade to an energy efficient boiler through the Burnley Heating Rebate scheme.

Performance

- The Council approved budget savings of £1.436m to assist in balancing the budgets in 2018/19, 2019/21 and 2020/21. Building on savings approved in 2016 for future years, this multi-year approach shows the Council's commitment to creating a sustainable future and is intended to develop a long-term financial plan for the Council.
- The Council's service delivery partner, Liberata, created over 40 new jobs.
- More customers transacted with the Council digitally in 2017; over 14,500 residents have online accounts.

What do we want to achieve during 2018 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.

What do we commit to?	Lead
PE1- 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
PE2- We will continue to develop the leisure and cultural offer of Burnley in partnership with Burnley Leisure.	Chief Operating Officer Executive Member for Community and Leisure Services

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.

What do we commit to?	Lead
PL1- We will implement a range of initiatives to maintain a clean, safe borough.	Head of Streetscene Executive Member for Community and Leisure Services
PL2- We will improve the management of private rented accommodation.	Head of Housing and Development Control Executive Member for Housing and Environment
PL3- 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
PL4- We will implement our 2015-25 Green Space Strategy.	Head of Green Spaces and Amenities Executive Member for Community and Leisure Services

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.

What do we commit to?	Lead
PR1- 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
PR2- 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
PR3- We will make the borough attractive to retail and leisure developers, and will identify a sustainable future for the Burnley Market.	Head of Regeneration and Planning Policy Executive Member for Regeneration and Economic Development
PR4- 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."

What do we commit to?	Lead
PF1- 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
PF2- We will adopt a Medium Term Financial Strategy that will put the Council on a sustainable financial footing. This strategy will set the framework for preparing annual budgets, ensuring the annual budget strategy is set within the context of the longer term outlook.	Head of Finance Executive Member for Resources and Performance
PF3- 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 and Leisure Services
PF4- We will deliver our Organisational Development strategy, ensuring we plan for the structures and capabilities the organisation needs, and empowering our workforce to deliver the objectives of the Strategic Plan.	Head of People and Development Executive Member for Resources and Performance

Corporate Performance Scorecard March 31st 2017

Measure	Target	Result	On target
Outcomes			
% of residents satisfied with the Council overall	48%	42%	▲
% users satisfied with parks and open spaces (A)	70%	84%	★
% satisfied with leisure facilities	55%	63%	★
% satisfied with general household waste collection	80%	68%	▲
% satisfied with litter free public land	47%	50%	★
% stating that ASB is a problem in the local area	28%	35%	▲
Private sector investment levered through inward investment service and development projects	£10m year end	£9.7m	●
Internal processes			
Average number of days to process new claims and change of circumstances (benefits processing)	9	5.09	★
Telephone calls answered within target time (%)	80%	80%	★
No. of businesses relocation assists	10	14	★
Organisational development			
Average number of days sickness absence per employee	6	5.40	★
Finance			
Forecast revenue budget outturn (£)	£15,284,000	£14,851,932	★
Forecast Earmarked Reserves at year end	31 st March 2016: £6.9m	31 st March 2017: £8m	★



EXECUTIVE

BURNLEY TOWN HALL

Monday, 12th February 2018 at 6.30 pm

69. Health and Safety Intervention Plan Reviewed 2017-18

Purpose	The regulatory team responsible for Health & Safety at Work enforcement must have in place an intervention plan to meet the requirements of statutory guidance. This report formally consults the Committee on the plans prior to their approval at Full Council.
Reason for Decision	Section 18 of the Health & Safety at Work Act 1974 and the subsequent National Local Authority Enforcement Code for Health and Safety (The Code) provide frameworks within which the Environmental Health & Licensing Team must operate when carrying out its public protection duties within workplaces. The frameworks require the Council to have plans in place to control these activities, and mechanisms for review. The intervention plan appended to this report has been prepared to satisfy the statutory requirements.
Decision	That Full Council be recommended to approve the Health and Safety Intervention Plan (reviewed 2017/2018), detailed at Appendix 1 to this report.

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Health and Safety Intervention Plan (reviewed 2017/2018)**REPORT TO EXECUTIVE**

DATE	12th February 2018
PORTFOLIO	Resources
REPORT AUTHOR	Jill Wolfendale
TEL NO	01143999065
EMAIL	jwolfendale@burnley.gov.uk

PURPOSE

1. The regulatory team responsible for Health & Safety at Work enforcement must have in place an intervention plan to meet the requirements of statutory guidance. This report formally consults the Committee on the plans prior to their approval at Full Council.

RECOMMENDATION

2. Executive recommends to Full Council to approve the Health and Safety Intervention Plan (reviewed 2017/2018), detailed at Appendix 1 to this report.

REASONS FOR RECOMMENDATION

3. Section 18 of the Health & Safety at Work Act 1974 and the subsequent National Local Authority Enforcement Code for Health and Safety (The Code) provide frameworks within which the Environmental Health & Licensing Team must operate when carrying out its public protection duties within workplaces. The frameworks require the Council to have plans in place to control these activities, and mechanisms for review. The intervention plan appended to this report has been prepared to satisfy the statutory requirements.

SUMMARY OF KEY POINTS

4. The Health & Safety Intervention Plan has been produced to outline the health and safety regulation duties undertaken by Burnley Borough Council's health and safety team. The regulation of health and safety is split between local authority (LA) regulators and the Health and Safety Executive (HSE), the businesses we regulate as the LA are mostly in the service sector and include offices, shops, restaurants, care homes, hotels, tyre and exhaust fitters and warehouses. The HSE regulate health & safety in factories, hospitals, council run premises, schools, colleges, construction and agricultural premises.
5. The approach to health and safety regulation changed significantly in 2013, following the recommendations in "Reclaiming health & safety for all: an independent review of health & safety legislation" by Professor Ragnar Löfstedt in 2011 and as an outcome of the Red Tape Challenge on health and safety. The changes resulted in the National Local Authority Enforcement Code for Health and Safety, which is designed to ensure that LA

health and safety regulators take a more consistent and proportionate approach to their regulatory interventions. It sets out the Government expectations of a risk based approach to targeting. Whilst the primary responsibility for managing health and safety risks lies with the businesses who create the risk, LA health and safety regulators have an important role in ensuring the effective and proportionate management of risks, supporting business, protecting their communities and contributing to the wider public health agenda.

FINANCIAL IMPLICATIONS AND BUDGET PROVISION

6. Health and Safety regulation is a core statutory service delivered by the Environmental Health & Licensing Team, under contract to Liberata UK Ltd.

POLICY IMPLICATIONS

7. As national regulators the Health & Safety Commission set and monitor national standards. The framework for local plans is prescribed to ensure “official controls” are consistently delivered across the country. Through audit, they monitor local authorities to ensure that local controls are effective, and they have intervention powers where delivery fails to meet the required standard.

DETAILS OF CONSULTATION

8. Scrutiny and Executive will be consulted prior to Full Council decision

BACKGROUND PAPERS

9. None.

FURTHER INFORMATION

PLEASE CONTACT: Jill Wolfendale

ALSO: Karen Davies

Health and Safety Intervention Plan 2017/18;



Appendix 1 Health
and Safety Intervent



Burnley
.gov.uk

Environmental Health & Licensing Section

Health and Safety Intervention Plan

Reviewed 2017/2018

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Introduction

The Health & Safety Intervention Plan has been produced to outline the health and safety regulation duties undertaken by Burnley Borough Council's health and safety team. Health and safety regulation is split between local authority (LA) regulators and the Health and Safety Executive (HSE), the businesses we regulate as the LA are mostly in the service sector and include offices, shops, restaurants, care homes, hotels, tyre and exhaust fitters and warehouses. The HSE regulate health & safety in factories, hospitals, council run premises, schools, colleges, construction and agricultural premises.

The approach to health and safety regulation changed significantly in 2013, following the recommendations in "Reclaiming health & safety for all: an independent review of health & safety legislation" by Professor Ragnar Löfstedt in 2011 and as an outcome of the Red Tape Challenge on health and safety. The changes resulted in the [National Local Authority Enforcement Code for Health and Safety Enforcement](#), which is designed to ensure that LA health and safety regulators take a more consistent and proportionate approach to their regulatory interventions. It sets out the Government expectations of a risk based approach to targeting. Whilst the primary responsibility for managing health and safety risks lies with the businesses who create the risk, LA health and safety regulators have an important role in ensuring the effective and proportionate management of risks, supporting business, protecting their communities and contributing to the wider public health agenda.

This Code sets out what is meant by 'adequate arrangements for enforcement' and replaces the existing S18 Standard, it concentrates on the following four objectives:

- a) Clarifying the roles and responsibilities of business, regulators and professional bodies to ensure a shared understanding on the management of risk;
- b) Outlining the risk-based regulatory approach that LAs should adopt with reference to the Regulator's Compliance Code, HSE's Enforcement Policy Statement and the need to target relevant and effective interventions that focus on influencing behaviours and improving the management of risk;
- c) Setting out the need for the training and competence of LA H&S regulators linked to the authorisation and use of HSWA powers; and
- d) Explaining the arrangements for collection and publication of LA data and peer review to give an assurance on meeting the requirements of the Code.

Our commitment to Improving Health and Safety Outcomes

Burnley Council's vision 10 year vision for the Borough (*Burnley Council's Strategic Plan 2017/18-2019/20*)

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

Service Aims and Objectives

To this end Environment Health and Licensing Service's overall aim is to:

“Ensure that Burnley is a safe and healthy place of choice to live work and enjoy leisure time. We act on the front line directly providing services that affect people's daily lives. We provide protection to users of taxis, customers of food businesses, employees in offices, shops and warehouses and help to those suffering the effects of noise nuisance. We police premises which pollute the atmosphere and monitor a whole range of activities that make the Borough a healthier place to be”

This intervention plan details how the Health and Safety Team intend to meet these objectives.

The aim of the health and safety service is to *protect the health, safety and welfare of employees in the borough and to safeguard others, principally the public, who may be exposed to risks from work activity.*

The Health and Safety service is a core Statutory function, within the Environmental Health & Licensing service, as such the aim is to set priorities within our health & safety intervention programme that contribute to the health, safety and welfare of those exposed to work activities, The intervention plan aims to meet all of the requirements of the mandatory guidance issued under Section 18 of the Health and safety At Work etc Act 1974 that requires each local authority to make adequate arrangements for the enforcement of health and safety legislation.

Officers working for Burnley Borough Council delivering the health and safety service were seconded to the strategic partner, Liberata from January 2016. The Council will work with Liberata to deliver the Council's health and safety service from January 2016. A detailed contract for delivery has been developed to ensure an effective contractual relationship, continuity of service delivery, risk management and the maintenance of high quality services

Progress on all key areas of service unit activity will be fed into a balanced scorecard and reported to Members throughout the year. The key performance indicator relating to environmental health compliance services for 2017/18 is;

EHLPI 1: % of Programmed EH&L compliance inspections and interventions delivered in line with statutory targets.

The specific Key Performance Indicators measured for health and safety regulation are;

- Number of inspections of higher risk activities due on workplan undertaken (identified within HSE national code)
- Due Cat A (as per s18 risk rating) rated Inspections undertaken
- Non-inspection 'face to face' intervention due on workplan undertaken
- Non-inspection 'other contact' intervention due on workplan undertaken (information distributed, including information sent with food S/A)

Delivery of Priorities

Our delivery priorities will be achieved by;

- **A proactive intervention programme which prioritises high risk or poor performing businesses over low risk businesses**
- **Investigating workplace accidents in line with the service's accident investigation policy**
- **Responding to service requests in line with the service's expected standards**
- **Delivery of identified local priorities and HSE national priorities where appropriate**
- **Delivery and participation in interventions that aim to reduce health inequalities as they relate to delivery in the workplace**
- **Partnership working – work with other Council Departments, Environmental Health Lancashire, Environment Agency, Police, fire Officers, HMRC, joint work with Health and Safety Executive, and with Public Health England and other organisations to meet local and national targets or initiatives**
- **Ensure enforcement decisions are consistent with our Enforcement Policy, the HSC's Enforcement Policy Statement and the Enforcement Management Model. (ensures proportionate, consistent, transparent and accountable enforcement - part of the Better Regulation agenda)**
- **Train and develop our staff to ensure competence. (encourages staff retention/recruitment and ensures credibility with local business)**

Profile of the Local Authority

Burnley has a population of around 87,000 and an area of 42.7 square miles. It is 21 miles north of Manchester and 20 miles east of Preston, at the confluence of the River Calder and River Brun, with the Leeds-Liverpool canal running through the Borough. Neighbouring local authorities are Lancashire's Hyndburn, Ribble Valley, Pendle, Rossendale; and Calderdale in West Yorkshire.

During the Industrial Revolution Burnley became one of Lancashire's most prominent mill towns; at its peak it was one of the world's largest producers of cotton cloth. Burnley has strong economic links with the cities of Manchester and Leeds, as well as neighbouring towns along the M65 corridor. This is helped by excellent road and rail links including the recent reopening of the direct train line to Manchester.

In 2013, in recognition of its success, Burnley received an Enterprising Britain award from the UK Government, for being the "Most Enterprising Area in the UK".

Burnley Council is divided into 15 wards served by 45 councillors. The Council is based on a Cabinet structure with 5 Portfolios, a Leader and 5 Executive Members; there are 4 committees including 1 scrutiny committee.

Organisational Structure

Health and Safety Law Enforcement responsibilities are mainly discharged by the health and safety team with a range of support functions provided by a small compliment of support staff, who also provide support for officers throughout the Environmental Health & Licensing service unit. The unit covers a number of functions which include; health and safety regulation, food safety regulation, licensing, and environmental protection. Officers in the Food Safety team also undertake some health and safety work, particularly in regard to 'Matters of Evident Concern' observed during food safety inspections. FTE refers to number of full time equivalents working on Health and Safety.

January 2017	Chief Executive Head of Governance Law & Regulation Environmental Health and Licensing Team Manager – (0.75 FTE)			
	FOOD SAFETY TEAM	LICENSING TEAM	SAFETY & ENVIRONMENT TEAM	SUPPORT
	Principal EHO (Food)	Principal Licensing Officer (0.6 FTE)	Principal EHO (Safety & Environment) 0.8 FTE	Support Supervisor
	EH(Compliance) Officer 0.8 FTE	Licensing & Compliance Officer (0.6 FTE)	EH (Compliance) Officer X2	Support Officer
	Workplace Compliance Officer (1 FTE)	Workplace Compliance Officer	Workplace Compliance Officer (1 FTE)	

Scope of the Health and Safety Service

The Health and Safety Team is responsible for providing the following services;

- The programmed and reactive inspection of business premises.
- Advice to new and existing business premises
- Other visits including advice and complaints investigation.
- The investigation of reported accidents
- Licensing of skin piercing premises
- Maintain a register of cooling towers
- Enforcement action in accordance with the Enforcement Policy.
- Workplace health promotional activities.
- Enforcement of Smokefree Legislation
- Advice in relation to events through Events Safety Group

Service Delivery

[LAC 67/2 \(Rev. 6\) – Targeting Local Authority Interventions.](#)

<http://www.hse.gov.uk/lau/lacs/67-2-priorities-targeting-interventions.pdf>

This Local Authority Circular which was revised in 2017, provides LAs with guidance and tools for setting their health and safety priorities and targeting their interventions to enable them to meet the requirements of the Code. The LAC states that;

In delivering their priorities LAs should ensure their planned regulatory activity is focussed on outcomes. The Code provides flexibility for LAs to address local priorities alongside the national priorities set by HSE.

LAs should construct their work plan to deliver specific outcomes. The plan is likely to consist of work to deliver those national priorities set by HSE, work to deliver local priorities and be accompanied by an inspection programme that meets the requirements of the Code.

Page 189 National Priorities

In May 2017, HSE launched the new Sector Strategies and Sector Action Plans which cover the period 2017-2022. The national priorities in Annex A are drawn from these sector plans, and although the Sector Strategies cover a 5 year period, HSE will continue to review the national priorities in Annex A on an annual basis which will allow flexibility to include new priorities which may result from new intelligence or in response to learning from major incidents.

Local priorities

LAs also have access to a wealth of local information (see Annex B - Information sources to assist development of LA intervention plans). This local intelligence should be used by LAs to determine their specific local priorities and poor performers, by identifying the key risks of serious workplace accidents, injuries and ill-health in their community.

Matters of Evident Concern (MECs) are defined as those that create a risk of serious personal injury or ill-health and which are observed (i.e. self-evident) or brought to the inspector's attention. Matters of Potential Major Concern (MPMCs) are those which have a realistic potential to cause either multiple fatalities or multiple cases of acute or chronic ill-health.

LAs should monitor MECs or MPMC's dealt with during advisory or other regulatory visits as well as complaints and incidents to identify any matters that may present a potential significant local issue.

Where LAs, individually, or through their Liaison groups, become aware of an issue that may be novel or an emerging problem that could have national significance they should alert HSE (via HELEX or lau.enquiries@hse.gov.uk). This will allow the issue to be considered further and a decision taken as to need for some form of national intervention e.g. new guidance; issuing a safety bulletin/alert; centralised intervention, national campaign etc..

Service delivery Interventions 2016/2017

Intervention Type	Number of interventions/ visits	
	Targeted Using National Intelligence	Targeted using Local intelligence
Proactive Inspection	1	3
Other Visits/face to face contacts	0	0
Other Contact/ Interventions	17	524
Visit to investigate health & safety related incidents	3	
Visits to investigate H&S complaints	21	
Visits following requests for H&S service from businesses	20	
Revisits following earlier intervention	4	

Service Delivery

Enforcement

All enforcement action will be taken by authorised and competent officers and in accordance with the Health and Safety Enforcement Policy. The following actions may be taken following an inspection or investigation;

Enforcement Action	Description	Number issued 2016/17
Improvement Notice	Legal Notice requiring works to be completed within a minimum of 21 days	4
Prohibition Notice	Legal Notice prohibiting an activity being carried out where there is a serious risk of injury	2
Deferred Prohibition Notice	As above but with a time delay allowing certain actions to be taken before the Notice comes into force	0
Simple Caution	May be offered in certain circumstances instead of prosecution	1
Prosecution	Where the health and safety offences are dealt with at Court	0

Liaison with Other Organisations	<p>Formal and informal relationships exist with the following organisations;</p> <ul style="list-style-type: none"> • Health and Safety Executive (HSE) • Environmental Health Lancashire Health and Safety Officers Group • Environmental Health Lancashire Chief Environmental Health Officers • Public Health England • Ofsted • Lancashire County Council - Safeguarding • Lancashire Fire Service • Lancashire Police Service • Burnley Council Regeneration & Planning Policy • Better Regulation Delivery Office (BRDO) • United Utilities • HMRC • GENGA Partner organisations 				
Staff Allocation	<p>Staff resources devoted to health and safety enforcement work as at March 2017</p> <table border="1" data-bbox="577 884 1218 1075"> <tr> <td>No of HSWA Warranted Officers</td> </tr> <tr> <td>8</td> </tr> <tr> <td>Full Time Equivalent of warranted officers time spent on HSWA activity</td> </tr> <tr> <td>1.7</td> </tr> </table>	No of HSWA Warranted Officers	8	Full Time Equivalent of warranted officers time spent on HSWA activity	1.7
No of HSWA Warranted Officers					
8					
Full Time Equivalent of warranted officers time spent on HSWA activity					
1.7					

<p>Staff Development and Competency</p>	<p>The service is committed to the continuing development of individual members of the team. The Council operate under the Investors in People Standards. Staff competency and training needs are assessed as part of the Corporate Performance and Development Reviews which are annually – any training or development needs that are identified at the review are fed into an annual training plan which links to the budget planning process.</p> <p>In line with revised Section 18 Standard our procedures will be reviewed to include the use of the HSE’s Regulators Development Needs Assessment Tool (RDNA)</p>
<p>The Regulators Code</p>	<p>The Regulators’ Code came into statutory effect on 6 April 2014 under the Legislative and Regulatory Reform Act 2006, replacing the Regulators’ Compliance Code. It provides a clear, flexible and principles-based framework for how regulators should engage with those they regulate.</p> <p>Nearly all non-economic regulators, including local authorities and fire and rescue authorities, must have regard to it when developing policies and procedures that guide their regulatory activities.</p> <p>We are currently reviewing all our policies to ensure they comply with the Regulators Code</p>

Table 1

Health and Safety Workplan What we did last year 2016/17

	Interventions	Outcomes
<p>Accident Investigations</p>	<p>We investigated 2 major accidents in 2016 and 2017 and several less serious accident. The serious cases investigated were;</p> <p>Case one This involved a life changing injury sustained to a child following a firework display at a social club in November 2016. The Police were called to the initial accident and who then handed the case to environmental health for investigation under the Health and Safety at Work etc. Act. Officers carried out a thorough investigation and interviewed witnesses and carried out interviews under Caution to try and establish any breaches of the Act.</p> <p>Case two This involved a near fatal injury to a member of the public who fell from an external fire escape at a nightclub. Again the police handed over the case to environmental health following their initial investigation. A Prohibition Notice was served on the use of the fire escape other than in emergencies. Officers investigated the accident and gathered evidence for prosecution.</p>	<p>Once the investigation was completed and all evidence was gathered the case was considered for prosecution. The decision was made to offer a simple caution to the offenders in this case. The caution was accepted and issued.</p> <p>Legal advice was sought as to the potential for successful prosecution. The legal adviser felt that although there were clear health and safety breaches and these could be proved the case did not pass other evidential tests for a successful prosecution.</p>

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Health and Safety inspections	<p>One of the National Priorities identified for proactive inspection is warehouse safety. In particular work at height & workplace transport. Inspections have been carried out at several large warehouses in the borough. In addition all warehouses have been sent a self-assessment questionnaire.</p>	<p>A health and safety questionnaires were sent to all known warehouse distribution businesses in the borough. The response was really good with over half of the questionnaires returned. The majority of those who returned the questionnaires indicated that they considered they maintained high health and safety standards. Inspections were carried out at a number of warehouse premises. Overall standards were good, letters were sent and revisits made where improvements were needed. This project will carry over to next year, as we carry out inspections of more of the warehouses in the Borough.</p>
Complaints/ Requests for Service	<p>The health and safety team received 147 complaints and requests for service last year. Joint working re local premises police, fire & housing – GENGA and operation defuse Work with Electricity Northwest (ENW)on electricity abstraction</p>	<p>The service received complaints and requests for service on a wide variety subjects including skin piercing, temperature of workplaces, complaints for employees about safety, consultations on temporary events. In 2016/17 we undertook some joint work with Electricity Northwest on electricity abstraction. We were notified by ENW on a number of occasions about possible unsafe electrical connections in commercial premises whose supply had been cut off due to non-payment of bills. On visiting these premises we found unsafe cables being connected to adjoining buildings, diesel generators being operated inside building present high risk of carbon monoxide poisoning. Prohibition Notices and Improvement Notices were served where necessary to ensure these properties were made safe. We worked closely with housing and the fire officers over the year in relation to a local hotel with which we had a number of health and safety concerns, health and safety improvement notices were served to ensure essential works were undertaken to safeguard those working and staying at the hotel. In 2016/17 we also joined the GENGA network of organisations which was set up to ensure that various regulators and enforcement agencies are able to share information on serious crime.</p>
Other	<p>Gas Safety in Nurseries Tattoo Hygiene Rating Scheme</p>	<p>In 2016/17 we initiated a local project in relation gas safety in Children’s nurseries. An information pack was sent out to all the nurseries in the Borough highlighting the importance of</p>

		<p>maintaining gas appliances. Businesses were asked to return a questionnaire and a copy of their most recent gas safety certificate. Overall we had a good response from businesses with a number of them returning recent gas certificates. However a number were unsure about what checks had been made, or who would be responsible for carrying out the checks the occupier or the landlord. Follow up work to this project will be carried out next year.</p> <p>In 2016/17 we worked with Blackburn with Darwen, Rossendale BC, Blackpool and Lancaster Environmental Health departments to launch a Lancashire Tattoo Hygiene Rating Scheme. It is intended that the rating will be based on the Chartered Institute of Environmental Health Scheme, which is already established in a number of Authorities. To date we are still in the process of refining the scheme to make it more user friendly before fully launching the scheme, however we have a number of tattooists who have shown an interest in joining the scheme.</p>
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Table 2

Health and Safety Workplan What we are doing in 2017/18

Interventions	Outcomes
Accident investigations	Continue to investigate any accident that indicative or poor health and safety management or fit criteria outlined in the Councils Accident Investigation Policy
Complaints and requests for service	Continue to respond to all complaints and request for service within the service target response times
Inspections	Proactive inspections will be carried out in line with the National Code and LAC 67/2 (Rev 6). Protective inspections of warehouse premises in relation to workplace transport and falls from height will continue this year.
Other; Gas safety in Children's Nurseries Tattoo Hygiene Rating Scheme	<p>We Will follow up the gas safety in Nurseries to ensure all businesses are fully aware of their duties in relation to maintaining all gas appliances and they are being properly maintained.</p> <p>We will review the Tattoo Hygiene Scheme rating guidance and ensure it is simplified and fit for purpose. Businesses will be contacted to gauge interest in the scheme before it is launched.</p>

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EXECUTIVE

BURNLEY TOWN HALL

Monday, 12th February 2018 at 6.30 pm

68. Food (Official Controls) Delivery Plan Reviewed 2017-18
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Purpose	In order to meet statutory requirements the Council's Environmental Health and Licensing Team is responsible for Food Safety enforcement and must have in place approved plans. In line with the Constitution, approval of the Food (Official Controls) Delivery Plan will be sought from Full Council.
Reason for Decision	To formally review past performance and agree a framework for the future delivery of effective, risk based, proportionate and consistent food safety services
Decision	That Full Council be recommended to approve the Food (Official Controls) Delivery Plan (reviewed 2017/2018)

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REPORT TO EXECUTIVE



DATE	12th February 2018
PORTFOLIO	Resources
REPORT AUTHOR	Jayne Enright
TEL NO	01143999059
EMAIL	jenright@burnley.gov.uk

Food (Official Controls) Delivery Plan (reviewed 2017/2018)

PURPOSE

1. In order to meet statutory requirements the Council's Environmental Health and Licensing Team is responsible for Food Safety enforcement and must have in place approved plans. In line with the Constitution, approval of the Food (Official Controls) Delivery Plan will be sought from Full Council.

RECOMMENDATION

2. Executive Committee recommends to Full Council to approve the Food (Official Controls) Delivery Plan (reviewed 2017/2018)

REASONS FOR RECOMMENDATION

3. To formally review past performance and agree a framework for the future delivery of effective, risk based, proportionate and consistent food safety services.

SUMMARY OF KEY POINTS

4. Food Safety Act 1990 Codes of Practice provides a framework within which the Food Safety Team must operate when carrying out its public protection duties in relation to food safety. The Food Standards Agency requires the Council to have plans in place to control these activities. The Food (Official Controls) Delivery Plan has been prepared to satisfy the statutory requirements and outline the services to be provided over the coming year.
5. **Burnley Food (Official Control) Delivery Plan**

This Plan is a requirement of the Food Standards Agency and has been drawn up in accordance with the Food Standards Agency's Framework Agreement (amendment 5, April 2010). This ensures a consistent approach across England and Wales, which enables the Food Standards Agency to address how the council is performing. It also allows the Food Standards Agency and Local

Authorities to compare and contrast performance and service delivery
It sets out:

- An outline of the key services and work activity delivered
- The Council's statement on food safety and the links with corporate priorities and objectives
- A profile of the Borough including the political and managerial arrangements
- The demands on the service
- Summary of service activity in relation to premises inspection, complaints investigation, advice, sampling, infectious diseases, food safety incidents, liaison arrangements and promotional activities
- The resources deployed to meet these demands
- Quality assessment procedures and performance indicators

6. Key services and work activity delivered by the Food Safety Team include:-

- Carrying out routine, programmed inspections of 931 local food businesses
- Responding to Service requests including food complaints and hygiene of premises complaints
- Investigating notifications of infectious diseases and local outbreaks, which may be associated with food
- Promoting food safety and best practice by working closely with local businesses
- Working with the Food Standards Agency to run and maintain the Food Hygiene Rating Scheme

FINANCIAL IMPLICATIONS AND BUDGET PROVISION

7. Food Safety regulation is a core statutory service delivered by the Environmental Health & Licensing Team. It remains provided in existing service budgets.

POLICY IMPLICATIONS

8. As national regulators, the Food Standards Agency set and monitor national standards. The framework for local plans is prescribed to ensure “official controls” are consistently delivered across the country. Through audit, and annual returns they monitor local authorities to ensure that local controls are effective, and they have intervention powers where delivery fails to meet the required standard.

DETAILS OF CONSULTATION

9. Scrutiny and Executive will be consulted prior to Full Council decision.

BACKGROUND PAPERS

10. None.

FURTHER INFORMATION	
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Food (Official Controls) Delivery Plan:



Food (Official Controls) Delivery Pla

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BURNLEY BOROUGH COUNCIL

Food (Official Controls)
Delivery Plan
2017 to 2018



Burnley
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Burnley Borough Council Food (Official Controls) Delivery Plan

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1. INTRODUCTION

1.1 Burnley Food (Official Controls) Delivery Plan

This document is the Burnley Food (Official Controls) Delivery Plan. This Plan is a requirement of the Food Standards Agency and has been drawn up in accordance with the Food Standards Agency's Framework Agreement (amendment 5, April 2010). This ensures a consistent approach across England and Wales, which enables the Food Standards Agency to address how we are doing and allows other local authorities to compare and contrast performance and service delivery

It sets out:

- An outline of the key services and work activity delivered
- The Council's statement on food safety and the links with corporate priorities and objectives
- A profile of the Borough including the political and managerial arrangements
- The demands on the service
- Summary of service activity in relation to premises inspection, complaints investigation, advice, sampling, infectious diseases, food safety incidents, liaison arrangements and promotional activities
- The resources deployed to meet these demands
- Quality assessment procedures and performance indicators

1.2 Profile of Burnley

Burnley has a population of around 87,000 and an area of 42.7 square miles. It is 21 miles north of Manchester and 20 miles east of Preston, at the confluence of the River Calder and River Brun, with the Leeds-Liverpool canal running through the Borough. Neighbouring local authorities are Lancashire's Hyndburn, Ribble Valley, Pendle, Rossendale; and Calderdale in West Yorkshire.

During the Industrial Revolution Burnley became one of Lancashire's most prominent mill towns; at its peak it was one of the world's largest producers of cotton cloth. Burnley has strong economic links with the cities of Manchester and Leeds, as well as neighbouring towns along the M65 corridor. This is helped by excellent road and rail links including the recent reopening of the direct train line to Manchester.

In 2013, in recognition of its success, Burnley received an Enterprising Britain award from the UK Government, for being the "Most Enterprising Area in the UK".

1.3 The Council Structure

Burnley Council is divided into 15 wards served by 45 councillors. The Council is based on a Cabinet structure with 5 Portfolios, a Leader and 5 Executive Members; there are 4 committees including 1 scrutiny committee.

The Food Safety Team sits within the Resources Portfolio.

The Key Corporate objectives, governance arrangements, and decision making timetables are outlined in 4 key corporate documents:

- The Council's Constitution & Scheme of Delegation
- Strategic Plan 2017/18 to 2019/2020
- Forward Plan of key Decisions and Private Meetings
- Burnley's Community Strategy

1.4 The Management Structure

The Council management structure comprises the Chief Executive, a Chief Operating Officer and 7 Heads of Service.

The Food Safety Team sits within the Governance, Law, Property and Regulation Service. The Environmental Health and Licensing Manager has responsibility for environmental health and licensing functions. The team shares an office with the Environmental Protection and Safety team which is beneficial to service delivery and joint working, particularly as the Food Safety team also has responsibility for enforcing Health and Safety within food premises.

From 1st January 2016 the Council procured a strategic partner to deliver a range of services within a reduced cost base. The Environmental Health and Licensing functions form part of the suite of services that are now outsourced to the private sector.

The overall aim of the contract with respect to Environmental Health is:

“To provide a professional environmental health and licensing service that protects the public and assists businesses to meet their public health obligations”

Officers currently working for Burnley Borough Council delivering the food safety service are now seconded to the strategic partner, Liberata, and this arrangement will be reviewed on an annual basis. A detailed contract for delivery has been developed to ensure an effective contractual relationship, continuity of service delivery, risk management and the maintenance of high quality services.

1.5 Burnley Borough Council Statement on the Food Safety Service

The overarching purpose of the service is to:

- protect the health of the public through its statutory and non-statutory responsibilities in food safety and a variety of public health measures; and
- ensure quality food for healthier communities

2.0 SERVICE AIMS AND OBJECTIVES

2.1 Service Aims - Food Hygiene and Infection Control Service

- Safeguard public health through the regular inspection of food premises at a frequency appropriate to the risk
- Respond to complaints from the public and other agencies relating to food safety.
- Promote good practice in food hygiene through the provision of education, advice and training.
- Discharge the Council's statutory and other responsibilities in a positive and efficient manner, in line with relevant enforcement protocols.
- Ensure advice and assistance is readily accessible to the public and businesses alike
- Investigate the occurrence of food related infectious disease, prevent the spread and take action to prevent recurrence or enforcement action as appropriate
- Carry out programmed and reactive food sampling and microbiological swabbing to support local, national and regional programmes and investigations

2.2 Links to Council Objectives

Burnley Borough Council has a range of corporate objectives covering the four themes, "People", "Places", "Prosperity" and "Performance".

People:	Creating flourishing, healthy and confident communities
Places:	Making the Borough a place of choice
Prosperity:	Promoting transformational economic change for Burnley
Performance:	Ensuring a continuous focus on improvement in all aspects of the Council's performance.

Environmental Health and the Food Safety Service cuts across the four corporate themes by:

- Improved health standards – responding to broader public health initiatives to improve the health and wellbeing of citizens
- Developing a diverse business base with an entrepreneurial culture and supporting business growth
- Embedding the partnership with Liberata within the Council's budget, strategic vision and commercial strategy.
- Proactively supporting the borough's businesses to innovate and expand, and make the borough a natural choice for business relocation

2.3 Service Objectives

The Environmental Health & Licensing Service act on the front line directly providing services that affect people's daily lives. We provide protection to users of taxis, customers of food businesses, employees in offices, shops and warehouses and help to those suffering the effects of noise nuisance. We police premises which pollute the atmosphere and monitor a whole range of activities that help to make the Borough healthier. Our role is not only to regulate and enforce, but also to help and advice, so

that businesses can thrive and residents and visitors to the Borough have improved health choices.”

Key Food Safety objectives include:-

- Establish and deliver a programme of targeted and risk based interventions and inspections in food premises, providing advice on legal obligations and taking an escalated approach to enforcement action.
- Improve the proportion of food businesses with Food Hygiene Ratings of 3, 4 or 5.
- Monitor, record and report on the programme of activities to relevant bodies to ensure the Council's obligations are being met, resources are targeted appropriately and steps are taken to make any necessary improvements.
- Investigate the occurrence of food related infectious disease and take the necessary action to prevent the spread or recurrence, working collaboratively with Public Health England and other key partners
- Deliver a programme of targeted proactive sampling of food products.
- Offer a comprehensive advice and support service to business regarding any relevant food legislation and compliance, offering specific support for those wishing to establish a food business within the Borough.
- Investigate complaints about food products or food establishments and take any action that is required on a coordinated local, sub-regional, regional or national basis.
- Work collaboratively across Lancashire with other Environmental Health and Trading Standards professionals to ensure consistency, improvement and the delivery of an effective high quality service
- Advise, provide support and enforce Health and Safety standards within food businesses
- Work in collaboration with partners in addressing key health inequalities in the Borough.
- Proactively obtain feedback from food businesses regarding the service to ensure continuous improvement in service delivery
- Support the on-going professional development of officers to deliver high quality services that meet the needs of the public and the requirements of the Gold Standard Investors in People status of the Council.
- Implement the Council's appraisal system for training needs and performance based on the principles of Continuing Professional Development (CPD) and meeting the requirements of the relevant professional bodies including the Chartered Institute of Environmental Health

2.4 Links with other Plans:

Food safety activities support and link to the following key Council and inter-agency plans:

- PHE North West 2017 Outbreak Plan
- Care Home Revised Outbreak Plan 2015
- East Lancashire Equality and Inclusion Strategy 2014 to 2017
- Burnley Council Major Emergency Plan June 2017
- Burnley Multi-Agency Flood Plan 2018
- Lancashire Resilience Forum. (Outlines roles and responsibilities of organisations including District and Unitary Councils)
- Business Continuity Policy April 2016

3 FOOD SERVICE

3.1 Food Safety Team

The Food Safety Team is overseen by the Environmental Health and Licensing Manager and the Principal Officer. Both are qualified Environmental Health Officers (EHO's) and experienced in food safety matters.

The Principal Officer heads a team of 3 (2.1 FTE) with 1 Environmental Health Compliance Officers (0.8 FTE) and 2 Work Place Compliance officers (1.3 FTE). The EHO holds the EHORB Higher Certificate and Higher Certificate in Food Control. Activities are undertaken in line with the professional requirements as outlined in the Code of Practice.

The service is also supplemented through consultants who undertake a range of lower risk inspections (Categories C and D) but no enforcement activity. On occasions, further technical expertise is sought from external professionals to assist with more complex matters.

3.2 Food Standards

The Trading Standards functions within the Borough are carried out by Lancashire County Council. There is a good working relationship between the two services and a good track record of liaison via the Lancashire Food Officers' Group and joint working initiatives.

3.3 Scope of the Food Service

The Service is delivered by the Food Safety Team with additional support as outlined above. The team complies with the Food Standards Agency Codes of Practice and Local Government Regulation guidance for the purposes of food safety including the Regulators' Code. Enforcement action is undertaken in accordance with the Council's Enforcement Policy and follows a graduated approach.

Areas of core service delivery include:

- Developing and delivering a programme of planned food hygiene interventions meeting statutory obligations as set out in the Food Standards Agency Code of Practice. The programme will be focussed on those businesses that are not broadly compliant and with Food Hygiene Ratings of 0, 1 or 2 and those premises that are unrated.

- Implementing alternative approaches such as coaching and mentoring to deal with non-compliance
- Operating the Food Standards Agency Food Hygiene Rating Scheme in accordance with the Brand Standard for all relevant food businesses and taking the necessary steps to publicise the ratings.
- Approving and regulating any food activities and premises requiring approval and subject to Regulation EC No 853/2004
- Consideration of any requests from a business or making approaches to businesses for the purpose of entry into a Primary Authority relationship with them.
- Responding to complaints about food premises and the fitness and wholesomeness of food sold in the Borough
- Planning and implementing an annual food and environment sampling programme for microbiological quality and chemical purposes and participation in the Lancashire Food Officer Group programmes as resources permit.
- Acting on Food Standards Agency alerts and incidents in accordance with recommended action and relevant parts of the Code of Practice
- Preparation of contingency plans to be used in the event of an incident or when the Major Incident Plan is invoked
- Maintaining and recording food establishment registration applications and maintaining the register in accordance with the relevant statutory provisions and Code of Practice.
- Investigating and liaising with Public Health England to deliver infectious disease and outbreak investigation and control.
- Service promotion including press releases and articles, leaflets, talks and presentations to relevant parties, seminars, conferences, displays and exhibitions. This includes national initiatives such as National Food Safety Week.
- Preparation of evidential files and reports to the Council for use in legal action, court proceedings or formal Committee hearings.
- The management of any contractors engaged to undertake duties

3.4 Data Profiles

Since April 2011, the Food Safety & Health & Safety team have adopted the “FLARE” specialist IT software system for managing and reporting on the programme of inspections, complaints, service requests, Infectious Diseases and food sampling. The software is also an effective management tool for producing annual statistical returns for populating the Food Standards Agency database for the National Food Hygiene Rating Scheme. In addition to this statistical sampling returns are made to the FSA via the UKFSS system.

The following Table provides a summary of the last 4 years of Food Businesses and their risk rating profiles. The ratings are defined in the FSA Food Law Code of Practice with A representing the highest risk premises and E the lowest which are subject to a self-assessment and reporting procedure.

Table1: Number of Food premises by Risk Rating Category

Risk Rating Category (Inspection Frequency)	No. food premises 2014/15	No. food premises 2015/16	No. of Food premises 2016/2017	No. of Food premises 2017/2018
A (At least every 6 months)	5	7	3	0
B (At least every 12 months)	29	31	30	30
C (At least every 18 months)	123	129	125	116
D (At least every 24 months)	314	321	345	367
E (Alternative strategy for inspection)	357	363	377	380
Unrated			25	20
Outside Programme			11	18
TOTAL	869	851	916	931

Table 2: Premises Approved Under EC Regulation 853/2004

The following table highlights those premises which require approval under EC Regulation No. 853/2004 due to the specific nature of their activities.

Approved premises	2014/15	2015/16	2016/17	2017/2018
Approved Fish processing premises	<u>1</u>	<u>1</u>	<u>2</u>	<u>2</u>
Meat and meat products approved premises	<u>4</u>	<u>2</u>	<u>2</u>	<u>2</u>
Milk and milk products approved premises	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>
The approved treated stomachs establishments		<u>1</u>	<u>1</u>	<u>1</u>
Stand - alone Cold Store			<u>1</u>	<u>1</u>

Table 3: Premises Profile

The following table provides the detail of the types of premises within the Borough.

Description	No of premises 2014/15	No of premises 2015/16	No. of Premises 2016/17	No. of Premises 2017/18
--------------------	---------------------------------------	---------------------------------------	--	--

Primary producers	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>
Manufacturers/processors	<u>22</u>	<u>23</u>	<u>21</u>	<u>21</u>
Distributors/transporters	<u>11</u>	<u>12</u>	<u>5</u>	<u>9</u>
Retailers	<u>263</u>	<u>271</u>	<u>280</u>	<u>270</u>
Restaurants and other caterers	<u>568</u>	<u>542</u>	<u>605</u>	<u>624</u>
Importers/Exporters			<u>2</u>	<u>4</u>
TOTAL	<u>867</u>	<u>851</u>	<u>916</u>	<u>931</u>

Table 4: Service Requests

The following is a summary of requests for service received by the Food Safety Team since

Request type (includes all requests for service relating to any food business)	Year			
	2013/14	2014/15	2015/16	2016/17
Infectious diseases	144	114	130	99
Food Business Water Disconnections	35	19	5	2
Advice requests	183	244	261	354
Complaints regarding Hygiene at premises	37	59	94	83
Advice on unfit/contaminated food	17	6	12	6
Complaints re unfit/contaminated food	67	55	44	59
Food Hygiene Re-rating advice/visits			28	30
Total	483	499	574	633

Table 6: Levels Of Compliance In Food Businesses

The following table indicates the number of broadly compliant premises across the Borough which is a key performance measure used within the service

Year	Total number premises	Total No broadly compliant	Target %	Actual %
2013/14	830	750	100	90
2014/15	867	794	100	92
2015/16	899	848	100	93
2016/17	893	872	100	98*

***This excludes the number of unrated businesses and premises outside the programme (38)**

3.5 Local Challenges

The service faces the following challenges:

- A high number of takeaways/restaurants and temporary food stall undertake their food preparation out of traditional office hours.
- A high turnover of businesses where the food business operator can change and a new business requires a new inspection and a new rating.
- Understanding the cultural issues and needs of the ethnic minorities who operate food businesses in the borough and whose first language may not be English
- Reducing staff resources and uncertainties regarding the future model for delivery and the potential impact on the service.
- Economic downturn and local economic deprivation is reflected in the reluctance of some smaller local food businesses to invest in repairs and refurbishment of their premises.

3.6 Access to the Service

The Service is delivered from the Council offices at Parker Lane, Burnley. The Public can access the service via telephone, e-mail or in person by visiting the Contact centre on Parker Lane in Burnley. Normal business hours are 9 am to 5pm Monday to Friday.

Out of hours work is also undertaken from time to time as the need arises.

In addition, a 365-day/24 hour telephone contact service is available for appropriate emergencies.

The authority has actively participated in Inter-Authority Auditing (IAA) through a programme of audit agreed through the Lancashire Food Safety Group.

3.7 Enforcement Policy

The Food Safety service operates in accordance with the Regulators Code, the Code for Crown Prosecutions and the Human Rights Act.

Copies of the Compliance and Enforcement Policy for the Food Safety Team are shortly to be available on-line at www.burnley.gov.uk or on request from The Council's Food Safety Team.

4. SERVICE DELIVERY

The aim of the Food Safety Team is to ensure the protection and good health of consumers in the Borough by enforcing relevant statute, Regulations, educating and promoting high standards of quality and safety within the food manufacturing, catering and retail establishments of the Borough.

Delivery of the Food Hygiene Control Service is carried out in accordance with national procedures, Good Practice and guidance including:

- Food Law Code of Practice
- Food Law Practice Guidance
- Food Standards Agency Guidance
- The Brand Standard for FHRs
- Burnley BC Compliance and Enforcement Policy
- The Regulators' Code

4.1 Food Premises Interventions

The term "Intervention" refers to any reactive or planned visit to a food business in the course of delivering the Food Safety service. The Food Safety Team will undertake a programme of comprehensive and targeted interventions at food premises to ensure compliance with relevant legislation and the promotion of best practice. The frequency of inspections is determined by risk assessment for each type of food business and each Food business will be allocated a risk category ranging from A to E where "A" is considered to be highest risk.

4.2 Food Related Complaints

The Food Safety Team will consider, and where appropriate investigate food complaints or requests for service in accordance with internal procedures and relevant Codes of Practice.

Where necessary, samples will be submitted for analysis. Where appropriate intelligence will be gathered from complaint investigations and used to inform sampling programmes or project based work.

4.3 Primary Authority Scheme

There are currently no primary Authority Agreements with food businesses based in Burnley.

The new Primary Authority scheme was launched by the Local Better Regulation Office (LBRO) on 6 April 2009. The Primary Authority scheme is now regulated by the Regulatory Delivery Division of The Department for Business, Energy and Industrial Strategy (BEIS) The scheme covers trading standards, environmental health and licensing functions and for the first time businesses will be able to form a statutory partnership with a single local authority, which will provide robust and reliable advice that other councils must take into account when carrying out inspections or dealing with non-compliance.

The scheme builds on the foundation created by voluntary home and lead authority initiatives and looks to further develop consistent and proportionate enforcement across the country. It will affect how the Service carries out inspections and takes enforcement action at those businesses subject to a primary authority agreement.

4.4 Advice to Businesses

The Food Safety Team provides an advice service, which, encourages, advises and assists businesses to comply with Food safety legislation.

If a business requires bespoke advice which can only be delivered at the premises there is a charge per hour for this advice.

4.5 Food Sampling and Inspection

The Food Safety Team carries out programmed, reactive and project based sampling of food, drink and the food environment in a manner specified by relevant legislation, Codes of Practice and other guidance sources. The sampling is carried out in liaison and co-ordination with other Lancashire Environmental Health Services and Public Health England in accordance with an agreed sampling programme.

A documented sampling programme for each year will be followed, as agreed with partner agencies and taking into account local needs and priorities, subject to available resources and using a risk based approach

Examples of food sampled/swabs examined as part of the programme included the following foods:-

- Samosas
- Pre-Packed sandwiches
- Milk
- Ready to eat cooked meats
- Pies
- Cooked chicken pieces
- Swabs of food contact surfaces .These revealed high levels of bacteria on food contact surfaces in one of our approved premises. Advice was given on use of dish cloths/use of cleaning materials and better separation of RTE and raw foods.

4.6 Control and Investigation of Outbreaks of Food Related Infectious Disease

This Food Safety Team is responsible for investigating the notification of infectious diseases or suspected infectious diseases. The objective is to minimise the risk of spread of the disease and where possible, identify the source. Notifications may arise as formal notifications from G.P.'s or through informal routes such as laboratory notifications, self -notifications etc. Investigations are carried out by either the Council or Public Health England depending on the nature of the specific disease notification. The Council has a Joint Major Outbreak Plan for Managing an Outbreak of Food Poisoning or Communicable Disease in the Community developed in conjunction with partner agencies. Managing the investigation into major outbreaks can be very resource intensive and include the issuing of sample pots, visiting affected premises, and interviewing patients.

4.7 Food Safety Alerts and Incidents

This Food Safety Team responds to food safety alerts and incidents in accordance with FSA Code of Practice and good practice to ensure that public health is safeguarded. Alerts are received directly from the FSA using their automated notification system and acted upon accordingly.

4.8 Liaison with Other Organisations

The Food Safety Team works with other enforcement agencies, partners and other stakeholders for the purpose of developing consistency of enforcement, openness and transparency. The following table details the regular, ongoing liaison with external partners:

Partner Organisation type	Brief description
Other Local Authorities/Scientific support	<p>Lancashire Food Liaison Group – Enforcement issues, sampling, policies, best practice, training, inter-authority audits etc.</p> <p>Public Health England – Food Sampling and examination, Communicable Disease control.</p> <p>Public Analyst – Chemical analysis etc.</p> <p>East Lancashire Environmental Health Services – Joint working, resource sharing etc.</p> <p><u>Environmental Health Lancashire</u></p> <p>Lancs County Council Trading Standards – Food liaison, Recipe4Health award scheme.</p>
Local professionals	<p>East Lancs Primary care Trust – working together on health promotion, infectious disease control, health inequalities etc.</p>
Professional bodies and Agencies	<p>CIEH- professional practice, consultation, training.</p> <p>FSA – statutory plans, guidance, training, annual returns, consistency of enforcement, best practice, training.</p>
Local / regional liaison group	<p>East Lancs Environmental Health Health Protection Team and Microbiology EHO Forum Group</p>

Within Burnley Borough Council, the Food Safety Team currently links with all services. Liaison is particularly strong for food safety issues with:

- Development control – for planning and building control applications
- Legal and Corporate Services – for litigation purposes
- Licensing
- Environmental Protection & Safety Team
- Market Hall Management
- Street Scene
- Building Control

4.9 Consumer Education and Health Promotion.

Health promotion remains an important element to the on-going commitment to improving public health and tackling health inequalities.

Although this element of the service is non-statutory, Burnley remains committed to supporting local Health promotion activity where resources permit.

We will continue to support local initiatives and local campaigns, working closely with other local or National partners to maximise the Impact and resources.

5. RESOURCES

5.1 Staffing

The Food Safety Team has an establishment of:

	Officer	FTE - Management	FTE- Operational
Management	Environmental Health and Licensing Manager	0.15	0
Delivery	Team Manager	0.2	0.8
	Env Health Compliance Officers	0	0.8
	Workplace Compliance Officer	0	1.3
Support	Admin	0.25	0.7

NB This core is supplemented by the use of consultants to undertake some lower risk inspection work.

All Food enforcement staff involved in service delivery meet the Qualifications, Experience and Training and Competence criteria contained within the Food Law Code of Practice. Each Officer has been individually authorised in accordance with their qualification and experience as described in this Code.

5.2 Staff Development

The Council has successfully obtained Investors in People award and is committed to retaining this. As part of this process all staff undergo an annual Performance and Development review which includes training needs. These individually identified training and development needs are carried forward after consideration by Managers. The Food Safety Team operates a documented procedure for the recording of qualifications, training and competencies.

Officers in the Food Safety Team have undertaken Lead Auditor training to assist in the operation of Inter-Authority Auditing with other Lancashire Councils.

The Council supports personal development by offering opportunities to attend internal courses and supporting attendance at external courses. In addition, the Authority offers internal training courses on a range of subjects, primarily concerned with personal development issues.

Previous training courses have included:-

1. Best Practice Day
2. Legal training
3. Outbreak Training
4. Sampling training
5. Consistency Training/FHRS Consistency Exercise

5.3 Local Initiatives, Joint Working and External Grant Funding

The Food safety Team has an excellent track record of joint working on local initiatives and success in securing external grant funding. Examples include:-

- Food Safety mentoring for local Businesses
- Implementing the National Food Safety Rating Scheme
- Joint initiatives with Trading Standards
- Business Events targeting the lower rated premises to improve compliance and allergen management
- Joint initiative with Public Health England Re: Infectious Disease Studies

6. SERVICE QUALITY AND DEVELOPMENT

6.1 Quality Assessment

The quality of the Food Law Enforcement Service in Burnley is monitored in various ways and was audited by the Food Standards Agency in November 2009 as part of its national review of IAA's.

6.2 Regional Peer Group Auditing

The Service is audited annually by peers from other Lancashire councils as part of the Inter-Authority Audit (IAA) scheme.

6.3 National Auditing

- The Food Service makes returns to the FSA on an annual basis.

6.4 Commitment to Service Improvement

We regularly review existing policies and procedures to ensure our policies and procedures reflect local circumstances, good practice and National policy. Examples of National reports and papers influencing local procedures and priorities includes:-

- Findings from Inter-Authority Audits
- Findings from FSA audits/FSA Consistency exercises

- Review of the Service against the FSA Framework Agreement on Local Authority Food Law Enforcement
- The national Food Standard Agency guidance on the National Food Hygiene Rating Scheme The “Brand Standard”

Regulating our Future

The Food Standards Agency (FSA) want to improve the way we deliver regulatory controls for food and create a modern, risk-based, proportionate, robust and resilient system.

The existing ‘one size fits all’ approach to regulating food businesses is ill-suited to the incredibly diverse nature of the industry. In recent years, we have witnessed large numbers of new players enter the global food and food safety landscape; for example, online retailers, food delivery services, private auditors, independent food safety certification schemes.

For the UK to continue to be a strong, credible player in the global food economy, the regulatory regime needs to keep pace with rapid changes in that economy. Leaving the EU will change patterns of food production, trade and consumption, emphasising the need for a flexible and responsive regulatory system

FSA Principles

- FSA and regulatory partners’ decisions should be tailored, proportionate and based on a clear picture of UK food businesses.
- The regulator should take into account all available sources of information.
- Businesses doing the right thing for consumers should be recognised; action will be taken against those that do not.
- **Businesses should meet the costs of regulation, which should be no more than they need to be.**

The FSA intend to better recognise those businesses that can demonstrate sustained compliance, reducing the regulatory burden on them by ensuring that intervention is proportionate.

The Food Hygiene Rating Scheme

- **Strengthening the robustness and resilience of the Food Hygiene Rating Scheme is a key goal, including ensuring that it is sustainable and that there is mandatory display legislation in England.**
- The scheme helps you choose where to eat out or shop for food by giving you information about the hygiene standards in restaurants, pubs, cafés, takeaways, hotels and other places you eat, as well as supermarkets and other food shops.
- It’s not easy to judge hygiene standards on appearance alone, so the rating gives you an idea of what’s going on in the kitchen, or behind closed doors. You can check the ratings and use the information to switch to or choose a place with higher standards. It’s also good to share this information with friends and family.

- The scheme also encourages businesses to improve hygiene standards.
- The food hygiene rating reflects the hygiene standards found at the time the business is inspected by a food safety officer. These officers are specially trained to assess food hygiene standards.
- A business can be given one of these ratings.



- The rating given shows how well the business is doing overall but also takes account of the element or elements most in need of improving and also the level of risk to people’s health that these issues pose.
- This is because some businesses will do well in some areas and less well in others but each of the three elements checked is essential for making sure that food hygiene standards meet requirements and the food served or sold to you is safe to eat.
- To get the top rating of ‘5’, businesses must do well in all three elements.
- Current % of rated food businesses with a FHR of 3,4 or 5 in Burnley is **97%**
- Since April 2017 we have maintained a % of rated food businesses with a 3,4 or 5 at between **97% to 98%**

Rating	0	1	2	3	4	5
No. of businesses	2	7	12	68	195	481
% of businesses at this rating	0%	1%	2%	9%	25%	63%

- **Figures reported on Wednesday 17th January 2018**

Commercialisation/commercial opportunities – changing the way we operate

In line with many other local authorities the food safety service is looking to become more commercial in the way it operates.

Recent commercial developments which are of benefit to both our local businesses, members of the public and the council include:

- A service that allows businesses to request a re-rating visit under the Food Hygiene Rating scheme. The business pays for the visit, which is based on a

cost recovery fee, which benefits the business in terms of improving compliance and enhancing their customer image to boost trade.

- Introduction of a bespoke advisory service, again based on cost recovery that allows businesses to request an advisory visit from us to discuss the operation of their business and go through the 3 areas that the FHS is based on, hygiene, structure and management.
- Assisting other local authorities in improving compliance in their boroughs by implementing the 'Boost' project, pioneered within the borough to target lower rated businesses and mentor them through educating them at workshops and mentoring them in the management of their food business.

7. SERVICE REVIEW

7.1 Quality Review and Continuous Improvement

Service delivery will be regularly reviewed in line with this plan, and giving due consideration of National regulations, good practice and local priorities.

REPORT TO FULL COUNCIL



DATE	21 February 2017
PORTFOLIO	Resources & Performance Management
REPORT AUTHOR	Head of People and Development
TEL NO	01282 425011 ext. 7120
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Pay Policy Statement 2018/19

PURPOSE

1. To seek approval for the Council's Pay Policy Statement which is required to be published prior to the end of March each year.

RECOMMENDATION

2. That Full Council
 - approves the attached Pay Policy Statement for 2018/19; and
 - notes the Council's Gender Pay Gap report which is at Appendix H of the Pay Policy Statement

REASONS FOR RECOMMENDATION

3. The Localism Act 2011 – [Chapter 8 - Pay Accountability], requires all local authorities to set out its position on a range of issues relating to the remuneration of its employees. The Pay Policy Statement must be approved by the Council in open forum, by the end of March each year and then be published on its website.

SUMMARY OF KEY POINTS

4. The Pay Policy Statement sets out the existing approach to the remuneration of all posts within the Council. In particular it specifies certain mandatory requirements that must be detailed within the Statement. This refers to:
 - the pay structure of the Council and how it is set;
 - Senior Management Remuneration, providing details of the pay grade for posts defined as Chief Officer and the accompanying allowances;
 - the recruitment arrangements for a Chief Officer;
 - the relationship between the salaries of Chief Officers and other employees;
 - details of the lowest paid posts within the Council;

- employer's Pension Contribution details;
 - termination of employment payments.
5. The Localism Act includes five key measures that underpin the Government's approach to decentralisation, these being; Community rights, Neighbourhood Planning, Housing, General Power of competence and empowering cities and other local areas.
 6. The purpose of the Pay Policy Statement (PPS) is to ensure there is transparency on how pay and remuneration is set by the Council, for all of its employees and particularly for its most senior level posts. The Council already publishes pay and remuneration details of its senior managers on its website under the DCLG's requirements of the Transparency Code which specifies what open data local authorities must publish. This will be updated at the start of the new municipal year.
 7. The Statement is reviewed annually and approved by Full Council prior to the end of March each year. National pay negotiations on pay rates for 2018 are yet to be agreed and are not incorporated into the Statement.
 8. As was also the case last year, the Statement details the adjustment made to the NJC Pay Policy and pay spine to accommodate the increase in the Foundation Living Wage (FLW) to £8.75 /hour, which the Council will apply from April 2018, subject to the outcome of the national pay award.

From April 2016 the Council agreed to further amend the pay spine, reducing the pay points in Grade 3 from 3 to 2 (points 12 and 13) and moving Grade 2 from scp10 to scp11 of the pay spine to reflect the increase in the Foundation Living Wage. It is anticipated that national pay negotiations for 2018 and 2019 may uplift these lower pay points to above the FLW and therefore the pay points in Grades 2 and 3 may be further reviewed once the outcome is known. As things stand spinal column point 11 will continue to be a minimum of the Living Wage (as calculated by the Centre for Research in Social Policy at Loughborough University) replacing the agreed scp11 on the national pay spine, as the FLW is currently greater.

9. Due to the pending pay award there has been no change in the pay ratios other than an improvement in the ratio of the lowest paid to the Chief Executive (6.6) which has improved further due to the increase in the FLW.
10. The Council considers it is important that a balance is struck to ensure it rewards managers appropriately for the additional responsibilities which have fallen out of the recent senior management structure changes and that it retains and attracts talented senior officers. It is proposed that from April 2018 the Council's senior management structure will be readjusted from 9 to 9.6 FTE posts. The Council had 14 senior posts in April 2015. Following the deletion of a director post at the beginning of 2017 head of service posts have all been reviewed and re-job evaluated and salaries benchmarked by external independent advisers. As a result the chief officer Band 2 and Band 3 salaries will be increased. Salaries will be based on the median+7.5% of the most relevant median salary, in terms of local authority population and type, as required under the Chief Officer terms and conditions of employment

Band	April 2017	April 2018
Band 2	£57,237	£59,125
Band 3	£51,786	£54,169

11. The Government is proposing to introduce a cap on the total value of exit payments in the public sector of £95,000 enacted through the Enterprise Bill 2015-16. Regulations regarding the implementation for this cap are still awaited. Proposed regulations concerning the recovery of exit payments made to employees in the public sector who return to the same job within a period of 12 months are also still awaited. The latest information suggests these regulations will be implemented during 2018. Council policies and procedures will be updated accordingly once full details are available.
12. The updated Statement complies with the guidance issued by the Department of Communities and Local Government in Spring 2013.
13. This year, in addition to the Pay Policy Statement the Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017 requires public sector organisations with 250 or more employees to publish information to demonstrate how large the pay gap is between their male and female employees. The data has been calculated according to the requirements of the Equality Act 2010 and is based on the Council's workforce at 31st March 2017 which comprised of 56% male and 44% female. It takes into account the permanent, temporary and casual workforce.

The gender pay gap is different to equal pay. Equal pay relates to men and women receiving equal pay for equal work. Not meeting this requirement is unlawful. The Council operates job evaluation schemes to ensure that work of equal value is paid at the same rate.

The gender pay gap is a measure of any disparity in pay between the average earnings of males and females. The Council's mean pay gap is 2.3% and the median pay gap is 7.9% which is lower than the national average. Latest figures (January 2018) suggest the median pay gap for the public sector is 19.4% and across all industries in Lancashire is a 12%.

The Council will continue to apply its flexible working policies, anonymised recruitment processes, talent management and promote other learning and development programmes to ensure all employees have equal access for career development.

FINANCIAL IMPLICATIONS AND BUDGET PROVISION

14. The pay and remuneration detailed within the Pay Policy Statement are all within the approved budget of the Council.

POLICY IMPLICATIONS

15. The policies and appendices referred to in the Pay Policy Statement have previously been approved through Council procedures and in consultation with trade unions and are available on the Council's website. The job evaluation schemes used to establish the grades of posts have been agreed nationally with the trade unions and meet equality and human rights standards.

DETAILS OF CONSULTATION

16. Management Team, Member Structures Officers' Group and Trade Unions.

BACKGROUND PAPERS

17. Report to Council regarding the Pay Policy Statement dated 22nd February 2017

FURTHER INFORMATION:**PLEASE CONTACT:****Heather Brennan x 7120****ALSO:**



**CORPORATE POLICY AND GUIDANCE
PEOPLE AND DEVELOPMENT**

Pay Policy Statement April 2018 - March 2019

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BURNLEY BOROUGH COUNCIL

PAY POLICY STATEMENT – 2017

Purpose of the Policy

1. Under section 112 of the Local Government Act 1972, the Council has the “*power to appoint officers on such reasonable terms and conditions as the authority thinks fit*”. The purpose of the Pay Policy Statement is to:
 - maintain a transparent approach to the setting of the pay of the Council’s employees;
 - comply with the requirements of the Localism Act 2011, Section 38- 43 Pay Accountability

The policy details:

- the methods by which salaries of all employees are determined;
- the details of the remuneration of its senior employees, i.e. Chief Officers;
- the relationship between the salary of its Chief Officers and other employees.

Background

2. The Localism Act 2011 – (Chapter 8 - Pay Accountability) requires all local authorities to set out its position on a range of issues relating to the remuneration of its employees.
3. This Statement will reflect where appropriate, relevant aspects of other already existing personnel policies, such as pay policies, which detail the Council’s agreements on pay for those employees both on the National Joint Council (NJC) and the Joint National Council (JNC) terms and conditions and whose jobs have been evaluated using national agreed job evaluation schemes. (Appendix B and C)
4. The Statement must be approved by Full Council, by the end of March each year and then be published on the Council’s website – www.burnley.gov.uk

Legislation relevant to Pay and Remuneration

5. In determining the pay and remuneration of its employees the Council will comply with all relevant employment legislation. This includes the Equality Act 2010 and the Part-time Regulations 2008. The Council will ensure there is no pay discrimination within its pay structures and that pay differentials can be quantified through the application of its job evaluation schemes. Under the Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017 the Council will also publish information to demonstrate how large the pay gap is between male and female employees.
6. The Council operates the NJC Scheme for all posts not defined as a Chief Officer. In June 2017 the salary of the post of Chief Executive was re-assessed by utilising the external expertise of the North West Employers’ Organisation, which includes comparative benchmarking data from other local authorities and was unchanged. The posts of Chief Operating Officer and Head of Service have been evaluated using the Local Government Association’s Senior Manager Job Evaluation Scheme.

Pay Structure

7. The Council complies with the nationally negotiated spinal column points for all posts, with the exception being those senior level posts referred to within the Statement. The salary grades that the Council applies for all other posts are at Appendix A. This was revised in April 2013 to implement the Foundation Living Wage (FLW) removing national spinal pay points 5 – 9. Spinal point 10 was also removed in April 2016. In November 2017 the FLW was increased from £8.45 to £8.75/hour which the Council will implement from April 2018 in line with local agreements.
8. The Council adopts the national pay bargaining arrangements in respect of its employees' remuneration, including any revisions to the national pay spine, for example through agreed annual pay increases negotiated through collective bargaining between the national Employers and Trade Unions. The exception would be the lowest pay point which is based on the FLW. The national pay award for 2018 and 2019 on all posts is anticipated but is still subject to consultation and final agreement. The outcome may result in a further review of the Grade 2 pay points and salary levels
9. The pay and grading structure for the majority of posts, including other pay related allowances, was established as part of the NJC Pay Policy approved by Council in 2006, further revised in 2010, in 2013 and in 2016. This Policy was developed as part of the Council's approach to the job evaluation of posts and the harmonisation of key terms and conditions of employment. Since 2006 all newly created posts and post variations are subject to evaluation against the nationally agreed Job Evaluation Scheme. The current policy is at Appendix B.
10. The pay and grading structure for Chief Officers, other than the Chief Executive, (approved by Full Council from April 2012), is made up of three bands with a single pay point in each band. In establishing the salary structure for Chief Officers, the Council applied the nationally agreed Senior Manager Job Evaluation Scheme and referred to the most relevant median salary, in terms of local authority population and type, as required under the Chief Officer terms and conditions of employment. It sought and received independent external advice on the relevant pay data to be used from the Local Government Association.
11. In December 2016 Council approved a revision to Band 1 of the Chief Officer Pay Policy following a management restructure resulting in the deletion of two Director posts, replaced with one Chief Operating Officer. The revised salary was agreed following an external job evaluation and receipt of median benchmark pay data.
12. Following the management restructure detailed in para 11 during 2017 duties and responsibilities of head of service posts were updated and job evaluations were externally and independently reviewed and salaries benchmarked. As a result the median salary levels in Band 2 and 3 were reset.
13. On occasion, although not currently, it may be necessary to take account of external pay levels in the labour market in order to attract and retain employees with particular skills, knowledge and experience. On such occasions the Council will ensure the requirement for such is objectively justified by reference to clear and transparent evidence of relevant market comparators, using data sources available from within the local government sector and outside, as appropriate. Any supplement that would take a salary above £100,000 would require the approval of Full Council.

Definitions

14. The Localism Act 2011 refers to the position of Chief Officer defined as: the Head of Paid Service; Statutory Chief Officers; non-statutory Chief Officer posts and their direct reports (Deputy Chief Officers). It should be noted that this definition is very broad, and takes account of Metropolitan and County Councils as well as District Councils
15. It is considered that the posts the term 'Chief Officer' applies to at Burnley Council, in relation to the Localism Act 2011 are; Chief Executive, Chief Operating Officer (1 post) and Head of Service (8 posts).
16. Remuneration is defined as the pay and rewards an individual receives.

Chief Executive Remuneration

17. The appointment and employment terms relating to the Chief Executive were agreed at a meeting of Full Council on 6th September 2017. An independent review of the role and the remuneration package was undertaken prior to the advertisement for this post. This review involved obtaining external guidance and advice from North West Employers' Organisation. As a result of this review the salary for the post was unchanged.
18. The post of Chief Executive is paid on a single pay point of £107,112 (from April 2017). Additional allowances can be paid in relation to the role of Returning Officer and Electoral Registration fees (see para 17). Fees were paid in the financial year 2017/18.
19. Returning Officer and Electoral Registration Officer fees for various elections and referendums

In accordance with the national agreement the Chief Executive is entitled to receive and retain the personal fees arising from performing the duties of Returning Officer, Acting Returning Officer, Deputy Returning Officer or Deputy Acting Return Officer and similar positions which he or she performs subject to the payment of pension contributions thereon, where appropriate.

For local elections the fees and charges have been set in consultation with other authorities in Lancashire.

Fees for Returning Officer and other electoral duties are identified and paid separately for local government elections, elections to the UK Parliament and EU Parliament and other electoral processes such as referenda. As these relate to performance and delivery of specific elections duties as and when they arise, they are distinct from the process for the determination of pay for Chief Officers.

The other terms and conditions of service relating to this post are in accordance with the Joint Negotiating Committee for Chief Executives of Local Authorities.

Any other allowances relating to the post are the same as for all other posts within the Council, for example, reimbursement of fuel expenditure from business travel.

Chief Operating Officer Remuneration

20. There is one post of Chief Operating Officer :
21. The post of Chief Operating Officer is paid on a single pay point of £84,882 (from April 2017) at Band 1 of the Chief Officer grading structure, as determined by the Senior Manager Job Evaluation Scheme.
22. Additional allowances may arise from personal fees for performing the duties of Returning Officer, Acting Returning Officer, Deputy Returning Officer or Deputy Acting Return Officer and similar positions as detailed in paragraph 17 above. The roles are currently appointed to by the Returning Officer prior to each election, or in the case of the Returning Officer, by full Council.
22. The other terms and conditions of service relating to these posts are in accordance with the National Joint Council – National Agreement on Pay and Conditions of Service. Any other allowances relating to the posts are the same as for all other posts within the Council, for example, reimbursement of fuel expenditure from business travel.

Head of Service Remuneration

23. The Council has increased its head of service posts from 7 to 7.6 FTE as part of its review of the management structure during 2017/18. Heads of service report to either the Chief Executive or the Chief Operating Officer. These are shown on the chart at Appendix D.
24. The post of Head of Service is paid on a single pay point at either Band 2 or Band 3 of the agreed pay structure as shown below. The banding was determined by the Senior Manager Job Evaluation Scheme. 2018 salaries are pending a national pay award.

	April 2017	April 2018
Band 1	£84,880	£84,882
Band 2	£57,237	£59,125
Band 3	£51,786	£54,169

25. Additional Allowances for Head of Service posts are:

Reimbursement of one professional subscription fee per annum - this applies to the Head of Legal and Democratic Services.

Deputy Returning Officer - If these duties are undertaken by any Head of Service additional allowances are payable as described in paragraph 17 above. The role is currently appointed to by the Returning Officer prior to each election.

Strategic Head of Economic Growth – The Council has agreed an additional retention payment of £10,072 to ensure the post is paid at a comparable level to similar 2nd tier posts in the region.

26. The other terms and conditions of service relating to these posts are in accordance with the National Joint Council – National Agreement on Pay and Conditions of Service.

Any other allowances relating to the posts are the same as for all other posts within the Council, for example, reimbursement of fuel expenditure from business travel.

Recruitment of Chief Executive and Chief Officers

27. Under Section 112 of the Local Government Act 1972, the Council has the “*power to appoint officers on such reasonable terms and conditions as the authority thinks fit*”. Where there is a requirement to recruit to the post of Chief Executive or a Chief Officer, the Council’s Constitution, Section 4.8 will apply. Details are at Appendix E.

Salary upon Appointment

28. Under normal circumstances, all new appointments to the post of Chief Executive will be made at a salary level reviewed and agreed by Full Council after external advice has been received. Chief Officer appointments will be made at the agreed single pay point. Any variance to these provisions will be subject to an analysis of the objective reasons for doing so and the approval of Council.

Performance-Related Pay

29. The Localism Act 2011 requires Councils to provide details of any performance related pay for its Chief Officers however Burnley Borough Council does not have any such arrangements.

Relationship between Chief Executive/Chief Officer Pay and other Employees

30. The relationship between the salaries of the Chief Executive and Chief Officers and the NJC median salary and the lowest paid salary are:-

Post	Benchmark Salary	Ratio
Chief Executive salary	median salary	3.9
Chief Officer salary	median salary	2.1
Chief Executive salary	lowest salary	6.6
Chief Officer salary	lowest salary	3.6

From April 2017

Chief Executive salary £107,112, Chief Officer salary £59,125– (Band 2 salary point)

Median salary = £27,668 – scp 31

Lowest salary on pay spine = £16,539 Foundation Living Wage from April 2017 (£15,972 2017/18)

Lowest employee salary – Grade 3 £16,123

Lowest Paid Employees

31. The Council complies with the National Joint Council – Pay and Conditions of Service. An updated NJC Pay Policy from April 2016 created a revised grading structure, with Grade 3 reducing from 3 to 2 pay points and Grade 2, the Living Wage, being the minimum salary the Council now pays its employees, which at 1st April 2018 will be £16,539 per annum. This does not include apprentice grades.

Progression through grades other than Grade 2 occurs through the payment of an additional annual increment on 1st April, each year. Part-time posts are paid the same salary, but on a pro-rata basis. Currently Grade 3 is the lowest grade paid to contracted employees. There are 5 Grade 3 posts in the organisation.

Termination Payments

32. The Council's Redundancy Policy applies equally to all permanent employees regardless of their grade. A redundancy payment will be paid to an employee when their post is made redundant and there are no suitable redeployment opportunities. The Redundancy Policy is at Appendix F.
33. For all permanent employees where there is the option for early retirement, the Council's Statement of Pensions Policy will apply. Appendix G. This Policy is only used on those occasions when there can be demonstrated savings to the Council in releasing an employee early.
34. The Government is proposing to introduce a cap on the total value of exit payments in the public sector of £95,000 enacted through the Enterprise Bill 2015-16. Regulations are still awaited and expected to be implemented during 2018. Council policies and procedures will be updated accordingly.

Employer Pension Contribution

35. The Council contributes to the Local Government Pension Scheme for its employees who are members of the Scheme which is 15.4 % of an employee's salary. This rate of contribution is set by actuaries advising the Lancashire Pension Fund and is reviewed on a triennial basis.

Employee Pension Contribution

36. Employees in the Local Government Pension Scheme currently pay the following annual contributions, based upon their salary (to be updated from April 2018).

Band	Actual Pay	Employee Contribution %
1	Up to £13,600	5.50
2	£13,601-£21,200	5.80
3	£21,201-£34,400	6.50
4	34,401- 43,500	6.80
5	£43,501-£60,700	8.50
6	£60,701-£86,000	9.90
7	£86,001-£101,200	10.50
8	£101,201-£151,800	11.40
9	More than £151,801	12.50

Re-employment / Re-engagement of former Chief Officers

37. The Council currently has no policy that would prevent the re-employment or re-engagement of a former Chief Officer who has received a redundancy payment and is subsequently engaged in a contract for service. Any decision to re-engage a former Chief Officer must be approved by the Chief Executive.
38. The Government has issued draft regulations concerning the recovery of exit payments made to employees in the public sector and returning to a public sector role within a period of 12 months. It is anticipated the regulations will be implemented during 2018 and Council policies and procedures will be updated accordingly.

Gender Pay Gap

39. Burnley Council's mean pay gap 2.3%, the median is 7.9% based on analysis at 31st March 2017. These figures are lower than the national average. Details are provided in Appendix H.

Publication of the Policy

40. This Policy will be published on the Council's website in March 2018, following its approval by the Council in February 2018.

Review of Pay Policy

41. The Policy will be subject to annual review and must be approved by the Council prior to 31st March each year. If there is a need to amend the Policy between reviews, then any such amendments will be considered by the Executive, prior to approval by the Council.

Burnley Borough Council NJC Pay and Grades 2017-18 (Living Wage)

Grades 2017-2018 pending pay award				Foundation Living Wage from 01/04/2018			
			Hrly Rate				Hrly Rate
Grade 14	SCPA49	£43,821	23.18	Grade 7	SCPH28	£24,964	13.21
	SCPA48	£42,899	22.70		SCPH27	£24,174	12.79
	SCPA47	£41,967	22.20		SCPH26	£23,398	12.38
	SCPA46	£41,025	21.70		SCPH25	£22,658	11.99
Grade 13	SCPB46	£41,025	21.70	Grade 6	SCPI25	£22,658	11.99
	SCPB45	£40,057	21.19		SCPI24	£21,962	11.62
	SCPB44	£39,177	20.73		SCPI23	£21,268	11.25
	SCPB43	£38,237	20.23		SCPI22	£20,661	10.93
Grade 12	SCPC43	£38,237	20.23	Grade 5	SCPJ21	£20,138	10.65
	SCPC42	£37,306	19.74		SCPJ20	£19,430	10.28
	SCPC41	£36,379	19.25		SCPJ19	£18,746	9.92
	SCPC40	£35,444	18.75		SCPJ18	£18,070	9.56
Grade 11	SCPD40	£35,444	18.75	Grade 4	SCPK17	£17,772	9.40
	SCPD39	£34,538	18.27		SCPK16	£17,419	9.22
	SCPD38	£33,437	17.69		SCPK15	£17,072	9.03
	SCPD37	£32,486	17.19		SCPK14	£16,781	8.88
Grade 10	SCPE37	£32,486	17.19	Grade 3	SCPL13	£16,491	8.72
	SCPE36	£31,601	16.72		SCPL12	£16,123	8.53
	SCPE35	£30,785	16.29				
	SCPE34	£30,153	15.95				
Grade 9	SCPF34	£30,153	15.95	Grade 2	SCPM11	£16,539	8.75
	SCPF33	£29,323	15.51	(FLW 18)			
	SCPF32	£28,485	15.07				
	SCPF31	£27,668	14.64				
Grade 8	SCPG31	£27,668	14.64				
	SCPG30	£26,822	14.19				
	SCPG29	£25,951	13.73				
	SCPG28	£24,964	13.21				



**CORPORATE PERSONNEL POLICY AND GUIDANCE
PEOPLE AND DEVELOPMENT**

NJC Pay Policy

For employees on National Joint Council (NJC) terms and conditions and/or whose jobs have been evaluated using the NJC Job Evaluation Scheme.



NJC PAY POLICY

Introduction

This policy should be read alongside the Council's Pay Policy Statement, which is reviewed annually and the purpose of which is to:

- maintain a transparent approach to the setting of the pay of the Council's employees;
- comply with the requirements of the Localism Act, Section 38 – Pay Accountability

The statement details the methods by which salaries of all employees are determined; the details of the remuneration of its senior employees, i.e. Chief Officers and the relationship between the salary of its Chief Officers and other employees.

Background

The Council complies with the National Joint Council – Pay and Conditions of Service subject to changes agreed locally in consultation with recognised trade unions.

The Pay Policy 2006, developed following a job evaluation exercise, created a 14 grade structure, each grade based on a job evaluation point range.

In April 2013 the Council amended this to a 13 grade structure by merging grades 1 and 2 and the associated job evaluation points in this pay band. It also amended the number of pay points in grade 3 from 4 to 3 in order to become a Living Wage employer. This involved a local agreement change to the value of scp10 of the nationally agreed pay spine.

In April 2016 the Council agreed to further amend the pay spine reducing the pay points in Grade 3 from 3 to 2 (points 12 and 13) and moving Grade 2 from scp10 to scp11 of the pay spine to reflect the increase in the Foundation Living Wage

Spinal column point 11 will be a minimum of the Living Wage (as calculated by the Centre for Research in Social Policy at Loughborough University) or the agreed scp11 on the national pay spine, whichever is the greater.

Whilst point 10 was removed from the Council's grading structure from April 2016 lower points may still be used for traineeships or higher level apprenticeships if required. (This may be reviewed subject to the outcome of the 2018/19/20 pay negotiations and revised national pay levels).

For employees of the Council progression through grades with more than one pay point occurs through the payment of an additional annual increment normally on 1st April, each year until the top of the grade is reached. Part-time posts are paid the same salary, but on a pro-rata basis.

The revised NJC Grading Structure and associated job evaluation point range is shown at Appendix 1 to this policy.

1. Working Week

The local agreement for normal working hours is as follows:

- The normal working week will be Monday to Friday.
- The normal working day will be within the hours of 7.30 am and 6.30 pm.

2. Definitions:

Weekends: Working Saturday and/or Sunday is part of the normal working week.

- Shifts:
- The total period covered by the shifts is 11 hours or more
 - There are at least 4 hours between the starting time of the earliest and latest shifts
 - The number of “normal office hour” shifts does not exceed one half of the total number of shifts in the rota.

Irregular Hours As part of the normal working week an employee’s hours of work during Monday to Friday fall outside the period 1 ½ hours before and/or 1 ½ hours after the Council’s normal office hours

Evenings Working beyond 8pm is part of the normal working week

3. Enhancements

- (a) Employees who work shift, weekend, irregular hours or evenings will be paid a flat fee on top of their basic salary based on the following formula:

Percentage of enhanced working hours	Percentage of Total Annual Payment	Annual Payment (£) Paid pro-rata to working hours
Less than 1%	0%	0.00
2 – 5%	33.33%	200.00
6 – 10%	66.66 %	400.00
Over 10%	100.00%	600.00

- (b) Employees who work between 1am and 6am as a regular part of their job will be paid an additional 100% for the hours worked between 8pm and 6am. Employees in this group do not qualify for payments in (a).
- (c) Employees who work 3 weekends out of 4 and work beyond 7pm at weekends and work between 8pm -11pm as a regular part of their job will receive an additional 10.5% on all hours worked. Employees in this group do not qualify for payments in (a)
- (d) As part of the local agreement on enhancements employees are provided with 1 days’ additional leave at Christmas. Employees will also contribute 1 day of annual leave, thereby facilitating full closure at Christmas. In years where 3 days are required to facilitate a full closure, (2 in 7) the Council will provide this additional day.

4. **Overtime**

Overtime will be paid at the following rates:

- Mon – Sat 33.3%
- Sunday 50%

Overtime rates only apply after 37 hours have been worked.

All Time of in Lieu (TOIL) will be calculated at the same rate as overtime.

5. **Bank Holidays**

Employees working on a Bank Holiday will be paid at 50%. In addition to the payment time off with pay shall be allowed as follows:

Time worked less than half the normal working hours on that day: Half Day

Time worked more than half the normal working hours on that day: Full Day

6. **Standby and Callout**

The Council's Standby and Callout Policy applies to all employees who are called upon to attend work in respect of emergency arrangements. Please refer to the policy for details.

7. **Market Supplements**

Pay is an important element in recruitment and retention, and if the Council is significantly and demonstrably below the market and unable to recruit or retain appropriate staff, then market supplements will be considered.

Market supplements will be used in a manner that:

- Helps preserve the integrity of the grading system
- Is fair and transparent
- Is consistent with equal opportunities policy and Equal Pay considerations

Market supplements will normally be considered where there is difficulty recruiting staff following one/two advertisements within six months or a risk assessment indicates potential retention difficulties. There would need to be investigation and analysis by the manager and People and Development to be sure that pay is the critical factor. There could be other reasons why people do not apply (e.g. hours of work, location, nature of the work, not advertising in the correct press). Consideration may also need to be given to amending the person specification of the post.

A market supplement will also be considered if retention problems are being encountered either for a job family or an individual key post. Again, it is important to investigate the reasons for retention difficulties to establish that pay is the principal and primary reason. There could be many other factors, such as staff not being able to make full use of their skills, working conditions, career development, management or training and development opportunities.

The market with which a comparison is being made will need to be carefully established. If comparison is being sought with the private sector, then the total recruitment package should be compared. A private sector company may have a higher salary but other conditions may not be as attractive, e.g. hours of work, pension, access to training and development opportunities, etc.

Where possible a reliable, reputable salary survey will be used as a comparator rather than specific jobs from other sources although these can be added to build up a comprehensive set of comparative data. The National/Regional Employers Organisation will be used as a key source, supplemented by other means. Where data is not readily available People and Development Unit will advise on the process for assembling comparative data.

Care should be taken to compare like with like (i.e. just because a job has the same title, the job content, responsibilities and remit could be vastly different).

Market Supplement Procedure

Where a manager has severe recruitment or retention difficulties, s/he should discuss these with People and Development who will advise on a range of options to investigate and to solve the difficulties. These could include —

Recruitment

- advertise in different press
- advertise in different area
- change the advertisement
- redesign the job
- consideration of flexibility over hours of work
- part-time / job share
- a survey of the people who apply for a recruitment pack but who do not convert to applicants
- a salary survey

Retention

- making better use of staff skills
- career development
- up-to-date IT

- distribution of work in the office
- flexible work arrangements
- learning from results of exit interviews

If consideration of other factors is unlikely to resolve the problem and a survey of salaries shows that Burnley Council pay is below the appropriate market, then an application to pay a market supplement should be made to the Head of People and Development who will consult the Executive Member for Resources and Performance Management and the appropriate trade union Officers. The Finance service unit should also be consulted to cost the proposal and the Head of Service must be able to identify the resources to meet the cost of the market supplement.

The market supplement will not normally exceed 4 increments.

The Head of Service must consult the trade union on the proposal prior to the formal application and may wish to work with service unit trade union representatives in assembling or researching data on comparative salaries.

If the post is one of a number of posts having identical duties, the market supplement will be applied to staff currently in post.

The market supplement will be superannuable and clearly distinguishable from basic pay. It will be reviewed every 12 months. If a further salary survey shows that there is no longer a pay differential, this will justify the removal of the supplement.

If the market supplement is withdrawn, it will reduce on a phased cash basis (i.e. gross pay would reduce by £500 per annum over a period until the market supplement is withdrawn completely).

If, after a successful job evaluation appeal, the grade of the post is increased the supplement may be adjusted to ensure that the market rate is not exceeded.

Other linked Policies and Procedures

Stand By and Call Out Payments Policy

Pay Protection Policy

Relocation Allowances Policy

Long Service Awards

Honoraria payments

Job Evaluation Request for Review Procedure

Subsistence Allowances

Car mileage rates

J:/Shared/Personnel Manual/NJC Pay Policy
February 2018



**CORPORATE PERSONNEL POLICY AND GUIDANCE
PEOPLE AND DEVELOPMENT**

Pay Policy

**JNC for Chief Officer of Local Authorities
Constitution and Conditions of Service Salaries**



CHIEF OFFICER PAY POLICY

1. Introduction

The terms and conditions of employment of the Council's Chief Officers are determined nationally by the Joint Negotiating Committee for Chief Officers of Local Authorities, as detailed in the Constitution Condition of Service Salaries.

Pay levels do not directly depend on national negotiations. They are locally determined and operated with the intention of sustaining and continuously improving high performance outcomes from the top of the organisation.

2. Scope

This policy applies specifically to the paid remuneration of those Council employees employed on Chief Officer terms and conditions. Except where referred to in this policy or the Constitution Condition of Service Salaries, Chief Officers shall enjoy terms and conditions no less favourable than those afforded to National Joint Council (NJC) conditions.

3. Aims

The aims of this policy are to:

- promote fairness and equality;
- encourage cross organisational working;
- ensure pay levels are affordable and responsive to market pay rates;
- provide effective resourcing capacity for Chief Officer posts in order to deliver the Council's priority outcomes.

4. Determining Individual Salaries

The relative job size of each post is determined through an agreed job evaluation scheme, supported by independent assessors.

The Council agreed in 2011 to use the nationally agreed Local Government Employers JNC Job Evaluation Scheme which assesses jobs in the areas of knowledge, analysis and planning, impact and responsibility for resources.

Job questionnaires are completed and authorised for each job role and are individually evaluated. The resulting total points score will determine the salary level for each post as assessed against the Council's agreed salary structure for Chief Officers.

5. Appeals

A Chief Officer who is not satisfied with their resulting job evaluation score should set out the grounds for his/her appeal under the relevant job evaluation factor.

Step 1

The employee will discuss their appeal with the Chief Executive (Chief Operating Officer) or the Chief Operating Officer (Heads of Service), supported by the Head of People and Development or the Strategic HR Consultant. The employee is entitled to representation from a work colleague or trade union representative.

Step 2

If the concerns are not settled or withdrawn the matter will be referred to an independent expert in the scheme for an independent view of the factor concerned.

The decision of the external review will be final. Chief Officers must wait a minimum of 12 months before submitting a further request for review.

6. Salary Structure

When establishing or reviewing the salary structure for Chief Officers the Council will refer to the most relevant median salary in terms of local authority population and type. The Council will seek independent external advice on the relevant pay data to be used.

The median of the relevant benchmark pay data will normally be appropriate although pay levels may be assessed above or below the median taking account of external independent advice.

The pay rates do not take account of market factors. This is dealt with under the paragraph on Market Supplements.

In determining the pay structure other factors which may be taken into account include:

- Chief Executive's salary;
- special market / economic conditions;
- relationship of current salary levels to national median salaries;
- the management team structures compared to authorities of a similar structure and size;
- the size of each job as objectively assessed through a job evaluation scheme.

The salary structure (from April 2012) is made up of three bands with a single pay point in each band:

- Band 1 JE Score 1501 and above
- Band 2 JE Score 1101 – 1300
- Band 3 JE Score 901 - 1100

The salary in each pay band from April 2018 is as follows:

- Band 1 Chief Operating Officer £84,882 (average minimum)
- Band 2 Heads of Service £59,125 (based on median plus 7.5%)
- Band 3 Heads of Service £54,169 (based on median plus 7.5%)

Median pay levels will normally be monitored and independently reviewed every 3 years. The Council will be advised where the salary levels are significantly above or below the median for comparable local authorities as defined above.

7. Hours of Work

The normal week is 36.25 hours Monday to Friday. The normal working day is within the hours of 7.30 am and 6.30 pm. However the status of Chief Officer requires postholders to accept a high level of flexibility in the performance of the duties and responsibilities attached to the job role. Therefore the salary agreed takes account of the fact that Chief Officers will be required to attend meetings and perform other duties relating to Council business outside normal office hours. In circumstances where this is excessive some time off in lieu may be granted in consultation with the relevant line manager.

8. Honoraria

The Council may consider granting an honorarium to a Chief Officer who performs duties outside the scope of his/her post over an extended period. The amount will be assessed in line with the salary structure and job evaluation scheme and will be subject to objective justification.

9. Pay Protection

Pay protection will be limited to no more than one pay point above the existing Chief Officer salary level, subject to a maximum of £6,000 per annum on all pay bands. The Chief Officer will accept additional duties and responsibilities beyond the scope of the lower graded job description up to the value of the protection and will continue to seek employment within the Council at a higher grade when this becomes available so the cost of protection is reduced.

Protection will be on the following basis:

- Year 1 – 100% cash protection*
- Year 2 – 66% protection.
- Year 3 – 33% protection
- Year 4 and beyond – no protection.

*Cash protection means that pay is frozen at the time of redeployment with no further annual pay rises being paid. The percentages referred to are of the difference between the pay in the old and new job.

10. Market Supplements

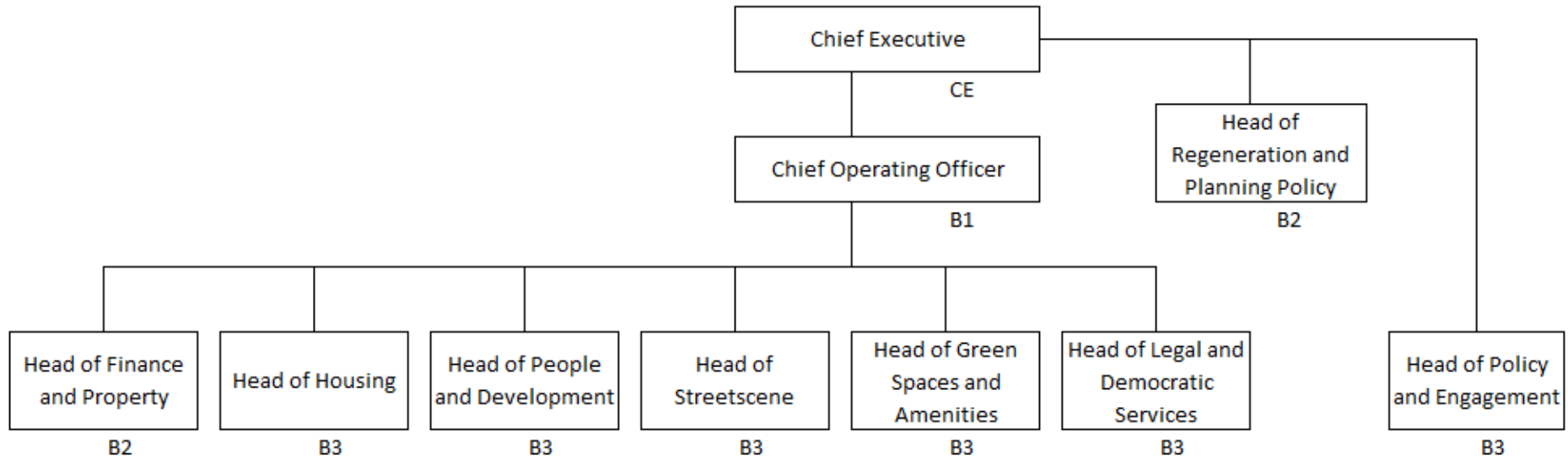
Pay is an important element in recruitment and retention, and if the Council is unable to recruit or retain a Chief Officer then a market supplement may be considered.

Market supplements will be used in a manner that:

- helps preserve the integrity of the salary structure;
- is fair and transparent;
- is consistent with equal pay considerations.

A market supplement or retention payment will normally be considered where there is difficulty recruiting a Chief Officer following one/two advertisements within six months or a risk assessment indicates potential retention difficulties. There would need to be investigation and analysis by the Chief Executive/Chief Operating Officer and Head of People and Development supported by the Head of Finance and external, independent advice.

Any additional payments would require the approval of the Council following receipt of appropriate advice, together with agreed mechanisms for the review and removal of the supplement.



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Band 1 Chief Operating Officer	1
Band 2 Heads of Service	2
Band 3 Heads of Service	6

Officer Employment Procedure Rules

1. Recruitment and appointment

The Council will follow its approved recruitment and selection procedures, including the preparation of job descriptions, person specifications and advertisements, when seeking to make officer appointments.

As part of the recruitment procedure the Council will make arrangements for a copy of the following declaration to be included in the recruitment information sent to all applicants:

'Under the Local Government Act 2000 you must declare in writing whether you are the parent, grandparent, partner, child, stepchild, adopted child, grandchild, brother, sister, uncle, aunt, nephew or niece of an existing Member or officer of Burnley Borough Council; or the partner of such persons.

No candidate so related to a Member or officer will be appointed without the authority of the relevant chief officer or an officer nominated by him or her'.

Applicants will also be advised that the Council will disqualify any applicant who seeks the support of any Member for any appointment with the Council.

No Member will seek support for any person for any appointment with the Council.

2. Recruitment of Chief Executive/ Head of Paid Service and other officers on JNC Terms and Conditions.

Where the Council proposes to appoint the Chief Executive/Head of Paid Service or any other officer on Joint Negotiating Committee for Local Authority Chief Executives and for Chief Officers of Local Authorities (JNC Terms and Conditions) it will prepare a job description, person specification and advert. Except where the position is to be advertised internally first the Council will make arrangements for the post to be advertised in such a way as to bring it to the attention of persons who are qualified to apply for it.

A committee of the Council, constituted as an Appointments Committee as set out in Paragraphs 4, 5 & 6, will be established to recruit the relevant Officers. The Head of People and Development, or in their absence the Strategic HR Consultant, will be appointed as the Proper Officer for the appointment and will advise the Appointments Committees.

Members of the Executive will have the opportunity to raise objections to decisions about the appointments of senior officers i.e. those on JNC Terms and conditions.

3. Appointment of Chief Executive/ Head of Paid Service- by Full Council

The Full Council will approve the appointment of the Chief Executive/ Head of Paid Service following the recommendation on the appointment by the Appointments Committee as set out in Paragraph 4. That committee must include at least one member of the Executive.

4. **Appointment of Chief Executive/ Head of Paid Service**

The Appointments Committee will comprise:

Leader;

Deputy Leader;

Executive Member for Resources and Performance Management; and the Leaders of the two largest Opposition Groups.

5. **Appointment of officers on JNC Terms and Conditions (other than the Chief Executive or Heads of Service) – i.e. Chief Operating Officer.**

The Appointments Committee will comprise:

Leader or Deputy Leader

Relevant Executive Member

Chair (Vice Chair as sub) of the Scrutiny Committee

Chief Executive

If, by the application of these Rules the membership of the Committee does not include at least one Member of an opposition group, then the Leader of largest opposition group (or their nominee) will be substituted for the Scrutiny place on the Committee.

6. **Appointment of officers on JNC Terms and Conditions (other than the Chief Executive/ Head of the Paid Service or Chief Operating Officer) – i.e. Heads of Service**

The Appointments Committee will comprise

Leader or Deputy Leader,

Relevant Executive Member; and

Chief Operating Officer or Chief Executive

Whichever of the Leader or Deputy are to be on the Appointments Committee, if they are also the Relevant Executive Member then another member of the Executive should be appointed to make up the three.

7. **Other appointments**

Appointment of assistants to political groups shall be made in accordance with the wishes of the political group.



**PERSONNEL POLICY AND GUIDANCE
PEOPLE AND DEVELOPMENT**

REDUNDANCY POLICY

Procedure and Guidance



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1. INTRODUCTION

This document sets out the principles and procedures to apply where reductions in staffing levels, including compulsory redundancies, are required.

Burnley Borough Council aims to be an employer of choice and will take all reasonable steps to avoid redundancies. However it recognises that modernisation, service improvements, reorganisations and financial constraints or the need for particular knowledge and skills will affect staffing levels and therefore redundancies may become necessary.

Where this occurs, the Council is committed to minimising the effect and to providing reasonable support to those employees affected.

2. SCOPE

This procedure applies to all Council employees. Where redundancy applies to Chief Officer grades then either the Chief Operating Officer or the Chief Executive will be responsible for the consultation. Separate consultation arrangements will apply for the Chief Executive.

3. CONSULTATION

The Council believes in working positively with the recognised trade unions to resolve problems and minimise the impact on employees. Therefore consultations, including those with individual employees, will be timely and meaningful, and all positive suggestions given serious consideration. Consultation will take place as soon as practicable and notices will be issued only after meaningful consultation has taken place.

4. DEFINITION OF REDUNDANCY

Redundancy is defined in law as a dismissal for one of the following reasons:

- the employer ceases, or intends to cease the business in which the employee was employed; or
- the employer ceases or intends to cease to carry on the business in the place where the employee was employed; or
- the requirement to carry out work of a particular kind has ceased or diminished or is expected to cease or diminish.

In cases where the service transfers to another provider, employees are not necessarily redundant and would normally transfer to another employer on their existing terms and conditions, commonly referred to as "TUPE" regulations (Transfer of Undertakings Protection of Employment).

5. AVOIDING OR MINIMISING REDUNDANCY

The Council will take all reasonable steps to avoid or minimise redundancies. The strategy adopted may vary for each redundancy situation, but typically could include:

- job matching an employee to another post in the authority (see Job Matching Procedure)
- redeployment and retraining (See Redeployment Policy) ;
- achieving reductions through natural wastage;
- reviewing the use of agency or temporary staff;
- freezing external advertising and filling posts from existing employees;
- reviewing overtime working;
- reducing the hours of work:
- seeking voluntary reductions in working hours;
- seeking volunteers for early retirement / redundancy (ER/VR) where this can be justified in the financial or managerial interest of the Council.

NB Each request for ER/VR will be considered but it must be stressed that the overriding consideration will be the continued efficient running of the Council and the maintenance of a high quality skills base. Therefore the Council reserves the right to reject requests from volunteers where it is believed that it is in the Council's best interest.

6. PROCEDURE FOR THE MANAGEMENT OF REDUNDANCY

In any redundancy situation the procedure as set out below should be followed.

6.1 Consultation

Employees and relevant trade unions should be made aware of the proposals for organisational change, and the reasons, at the earliest opportunity. Failure to consult could result in a finding of unfair dismissal by an Employment Tribunal. Before starting any redundancy process advice should be sought from People and Development.

Prior to employees and trade unions being formally advised of any proposals that may involve redundancies, Management Team must be consulted and authorise commencement of consultations. Meaningful discussions should then take place with trade unions on measures that could be taken to avoid or minimise the redundancies and an agreement reached on the selection criteria that should be used. A report to the Executive should be prepared to confirm the proposal and include detail of the consultation that has taken place prior to the issue of redundancy notices.

The above reporting and consultation procedures include redundancies that occur as a result of known expiry of external funding arrangements that are agreed within existing budget arrangements.

6.2 Timescales for Statutory Consultation

There are minimum statutory timescales that indicate when formal consultation should begin. Consultation should allow for further consideration of any counter-proposals and alternatives to redundancy.

NO. OF REDUNDANCIES IN ANY 3 MONTH PERIOD	Period of Consultation
Less than 20 possible redundancies	Managers should allow a 30 day consultation prior to any redundancy notice being issued
20 – 99 possible redundancies	30 days statutory consultation period (including notification to the BIS)
100+	45 days statutory consultation period (including notification to BIS)

6.3 Notification to the Department for Business Innovation and Skills (BIS)

It is a legal requirement to notify BIS in writing of a proposal to make 20 or more employees redundant. Notification must be made on form HR1, which can be obtained from the BIS website. www.bis.gov.uk At least 45 days notice must be given if 100 or more employees are to be made redundant, and at least 30 days for 20 to 99 employees. The Head of People & Development (or his/her representative) will normally undertake this notification.

6.4 Notification to the Trade Unions

The Head of People and Development will also formally notify the appropriate trade union(s) in line with s.188 of the Trade Union and Labour Relations (Consolidation) Act 1992 of the potential intended redundancies. Formal consultation begins when a letter is sent to appropriate representatives, disclosing in writing:

- the reason for the proposals;
- the numbers and descriptions of employees the Council proposes to dismiss as redundant;
- the total number of employees of that description employed at the establishment in question;
- the proposed method of selecting the employees who may be dismissed;
- the proposed method of carrying out the dismissals, including the period over which the dismissals are to take effect;
- the proposed method of calculating the amount of redundancy pay.

7. **REDUNDANCY SELECTION**

Where the redundancy applies to particular jobs held by one or more individuals, the post(s) would be redundant without the need for selection.

Where there are multiple redundancies or a reduction in posts within a group of employees the “pool” of employees from which the redundancies will be drawn must be identified. This might be one team within a Service Unit, a

group of employees doing the same job, usually working to the same or similar job description, or those performing a particular function across a number of service units. Managers should seek advice from People and Development if the selection pool is not clear.

SELECTION CRITERIA

The criteria used for redundancy selection must be clear and objective and be based on the future needs of the service. It should be applied fairly and consistently and must not discriminate on the grounds of recognised [protected characteristics](#) as defined in the Equality Act 2010 which are:

- Age
- Disability
- Gender reassignment
- Marriage and civil partnership (in respect of eliminating unlawful discrimination)
- Pregnancy and maternity
- Race – this includes ethnic or national origins, colour or nationality
- Religion or belief – this includes lack of belief
- Sex (Gender)
- Sexual orientation

In addition there will be no discrimination on the grounds of social background, political affiliation, spent convictions and trade union membership.

The Council reserves the right to choose a method of selection which is appropriate to the particular redundancy situation and is committed to early consultation with the recognised trade unions and individual employees over the particular method of selection in any redundancy situation.

EXAMPLES OF REDUNDANCY SELECTION CRITERIA

- selection based on merit, individuals being measured against a person specification that reflects the requirements for the skills, qualifications and experience in the new posts;
- interviews used to appoint to new posts can involve the use of tests that are relevant to the requirements of the new posts;
- attendance record (having regard for our statutory obligations* and industrial injuries);
- disciplinary and capability records;
- length of service in the redundant role or a substantially similar role, used alongside the criteria above. .

*The Equality Act 2010 makes it unlawful for an employer to treat a disabled person less favourably because of a reason relating to their disability, without a justifiable reason. Employers are required to make reasonable adjustments to working conditions or the workplace where that would help to accommodate a particular disabled person. Employers should take account of this legislation when considering the dismissal of a disabled person.

Managers selecting for redundancy should usually use a scoring matrix, including all or some of the above criteria. It is essential that all selection methods are objective and supported by documentation in case the decision is challenged. Even though the criteria may satisfy the test of objectivity, the selection will still be unfair if they are carelessly or mistakenly applied.

8. FORMAL NOTIFICATION OF REDUNDANCY

In accordance with this procedure, and following a period of consultation, notification of redundancy will be given, providing employees with appropriate notice of their employment being terminated:

Continuous Service	Period of Notice
One month or more but less than 2 years	4 weeks
Two years or more but less than 12 years	1 week for each year of continuous employment (minimum of 4 weeks)
12 years or more	Not less than 12 weeks

The Redeployment Policy is activated at the start of the consultation process and should be applied throughout the consultation process and during the period of notice. This is particularly relevant to the search for suitable alternative employment and any subsequent trial period.

9. SUITABLE ALTERNATIVE EMPLOYMENT

Please refer to the Redeployment Policy. Appendix 2

10. EMPLOYEE SUPPORT AND ADVICE

10.1 Redundancy Counselling

Once the individual(s) who are potentially redundant have been identified, an individual counselling meeting will be arranged led by the relevant Head of Service supported by a Personnel Officer. The employee will be entitled to be accompanied by a trade union representative, friend or colleague.

The Head of Service should confirm the following details:

- why the Council has decided that redundancies are necessary, the numbers and area of work involved and the selection criteria;
- the personal details of the employee e.g. in relation to full name, address, start date of employment with Burnley Borough Council, continuous employment date, date of birth and details of any disability;
- any actions being taken to the reduce the impact of the potential redundancy including an explanation and copy of the Redeployment Policy, and any ongoing support with CVs, retraining, outplacement or personal support;

- details of the employee's entitlements in relation to notice period, redundancy payment and pension estimates (where applicable and as agreed under the Statement of Pensions Policy);
- the employee's entitlement to reasonable time off to search for alternative employment;
- the employee's right of appeal (Please refer to the procedure for dealing with Redundancy Appeals at Appendix 1) –

The Council's redundancy consultation process will be explained to the employee. Notes of these discussions should be made and retained on the individual's file.

10.2 Time off for Job Search

Employees will be allowed reasonable paid time off during working hours to look for work or to arrange/attend training. To ensure this is consistently applied, it is recommended that:

- the relevant manager should agree time off in advance;
- at least 24 hours' notice should be given;
- a letter confirming the appointment or training should, as far as possible, support the request for time off.

10.3 Welfare Counselling

Welfare counselling for staff is available. Employees should contact People and Development for further information.

11. RIGHT OF APPEAL

Please refer to the Procedure for Dealing with Redundancy Appeals – Appendix 1.

12. REDUNDANCY PAYMENTS

Redundancy Payments will be calculated according to the Employment Rights Act 1996, but improvements to these are permitted. These improvements require that all continuous local government service will be aggregated and also provide local authorities with the discretion to lift the limitation on the amount of "a week's pay" for redundancy payment calculation purposes from the normal statutory limit to the employee's actual weekly wage/salary. The Council has decided to use the discretion to base redundancy payments on the actual week's pay, if higher than the statutory limit. (NB Actual salary will normally be basic salary plus any regular salary enhancements paid over the preceding 12 week period. Actual salary will not include the employer pension contribution)

For employees who at the date of redundancy (with three or more months' membership of the pension scheme) are entitled to early payment of pension and lump sum under the Local Government Pension Scheme Regulations 2013. Payments will be made in line with the agreed Statement of Pensions Policy.

13. WITHHOLDING REDUNDANCY PAYMENTS

If an employee, under notice of redundancy, receives an offer of work outside the local government service, they can either work their notice with the Council and receive their redundancy payment or, if they wish to start prior to the end of the notice period, resign from their post (counter notice). In this case they will forgo the remainder of their notice pay but will be entitled to their redundancy pay calculated to the date they leave their employment.

If an employee, under notice of redundancy, receives and accepts an offer of work within the local government service, as covered by the Redundancy Modification Order, before their employment with Burnley Borough Council ends they will **not** be entitled to a redundancy payment. Their continuity of service will not be broken if they commence their new job before the 5th Monday following the date of termination of employment.

If an employee is made redundant and after their termination date obtains employment with another local authority they are entitled to retain any monies paid to them by their former employer in respect of notice and redundancy payments but cannot commence their new job until 4 weeks after the termination date.

If the Council is aware that an employee under threat of redundancy has received an offer of employment with another local authority prior to their finishing date, then no redundancy payments will be made.

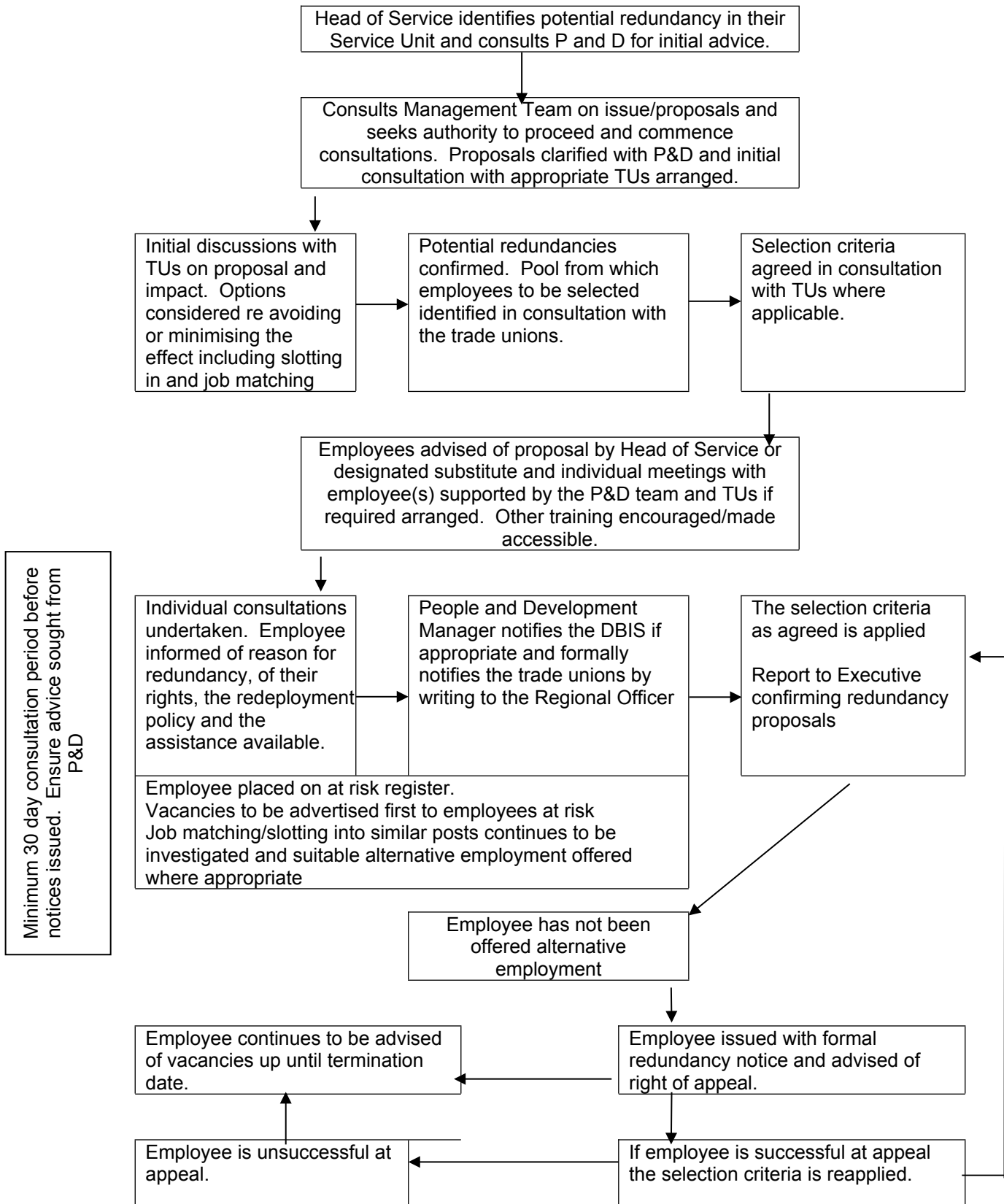
14. PAID LEAVE OF ABSENCE

It will normally be expected that employees will work through their redundancy notice period in order to continue to receive help and support from or arranged by People and Development. In some circumstances, for example where work has ceased or significantly diminished, an employee may request to have paid leave of absence for some or all of their notice period. Such requests will be considered by the Head of People & Development and must be supported by the relevant head of service. Any agreement to such requests must usually be for the mutual benefit of the Council and the employee.

15. GARDEN LEAVE

Garden Leave is the term used to describe a situation where an employee is required by their employer to remain away from work during the whole or part of the contractual notice period. Under the terms of this redundancy policy, as agreed with the trade unions, the Council may require employees to remain away from work during the whole or part of their redundancy notice period. This action will be taken in circumstances where the Council considers it needs to manage a significant risk or protect its interests. Such decisions will be made by the Head of People and Development in consultation with the relevant head of service and trade union representative.

REDUNDANCY PROCEDURE QUICK GUIDE



NORMAL REDUNDANCY SELECTION MODEL

Part 1	Personal Details	Scored out of 200 points overall Measured from (12 mths back from start of consultation)			
Full Name					
Directorate					
Service Unit					
Post No					
Job Title:					
Date of appointment to current job role					
Burnley Council service date					
Continuous service date					
Part 2 Knowledge Skills and Competence (60% 120 points)	High standard	Good standard	Satisfactory all essentials	Satisfactory most of essentials	
Heads of Service to confirm with P&D their proposed selection criteria before it is applied					
See separate guidance application of redundancy selection criteria					
Part 3 Disciplinary Record over last 2 years (10% - 20 points)	Issued on	Part 4 Absence Record over last 2 years (20% - 40 points)			Nos.
Verbal Warning		No of working days lost			
Written Warning		No of individual periods of absence			
Final Written Warning		Absence factor score			
Period from:		Period from:			
Period to:		Period to:			
Part 5 Length of Service (10% - 20 points) Length of service in current role or job roles very similar in nature with different title and grade					
Part 6 – Scoring	Records attached ✓	Banding (if applicable)	Score	Total (Out of 200)	
Example Job criteria 120 pts Met to a high standard all E & D criteria (120) Met to a good standard all E and D criteria (100) Met all E criteria to a satisfactory standard and some of D (80) Met most or all of E criteria to a satisfactory standard (60)					
Discipline 20 pts 0 (20), VW (15), WW (10), FWW (0) (over 2 years)					
Absence factor score 40 pts 0 (40), up to 25 (35), up to 63 (30), up to 100 (20), up to 500 (15) up to 1000 (10) over 1000 (0) Calc over 2 years. (Pro rata for PT staff) (NB Absences relating to industrial injury, pregnancy or disability sickness should normally be excluded)					
Length of Service 20 pts 2 points for every year of service measured over 10 years over 10 years (20), over 9 years (18), over 8 years (16) etc.... over 1 year (2) up to 1 year (0)					
Total Score (Out of 200)					

BURNLEY COUNCIL**PROCEDURE FOR DEALING WITH REDUNDANCY APPEALS****1.0 Redundancy Appeals Panel**

- 1.1 The Council shall establish a panel for the purpose of hearing and determining any appeals, which may be made against decisions relating to redundancies submitted by employees under this procedure. The Appeals Panel shall consist of 3 members of the Executive. Panels may be held in the evening if this helps to avoid delays and where possible an additional member identified as a substitute panel member.
- 1.2 At the appeal the Head of People and Development/Strategic HR Consultant and/or the Head of Governance, Law, Regulation and Property/Senior Solicitor may be present throughout in an advisory capacity.
- 1.3 Redundancy appeals involving the Chief Executive, 151 Officer and Monitoring Officer will be considered by the Council under separately arrangements covered by the Chief Executive terms and conditions as agreed locally.
- 1.4 A member of the Appeals Panel shall not sit on any appeal that is to consider a decision on which he/she has had prior involvement.
- 1.5 Prior involvement means having a direct involvement in the selection of the employees to be made redundant including the agreement of the selection criteria (in consultation with the trade unions), the application of that criteria and the resulting decision on which employee/s the redundancy will fall. Prior involvement does not mean having an involvement in identifying savings targets and decisions on which services will be reduced or no longer supported. It will also usually be the case that the Executive Member of the service area from where the appeal originates will not take part in the appeal process. However, this will not be allowed to unreasonably delay an appeal being heard where other panel members are not available. Similarly, any other Officer with prior involvement in the redundancy selection process shall have no role in advising the Appeals Panel.

2.0 Appeals Procedure

- 2.1 All employees have the right to appeal to the Council's Redundancy Appeals Panel against dismissal for redundancy reasons. The grounds for appeal will concern the application of procedures, consultation and the fairness of selection. The decision of the Council to declare redundancies will not be grounds for appeal.
- 2.2 If the employee decides to appeal against their redundancy he/she must do so in writing, stating the grounds and enclosing relevant documents, within 10 working days of receiving formal confirmation that their post is to be made redundant. This may be in advance of the issue of the formal redundancy notice where the proposed numbers of redundancies

within a defined period are high. Notice of appeal must be sent to the Head of People and Development.

- 2.3 The Appeals Panel shall hear the appeal not later than 20 working days after the receipt of the notice of appeal from the employee, unless a later date for the hearing is mutually agreed. The employee shall be given at least five working days' notice of the hearing, in writing, stating the date, time and location.
- 2.4 The employee shall be in attendance at the hearing when the appeal is being heard and he/she may be represented by a friend or Trade Union representative, or legal adviser. If any party fails to attend, the Appeals Panel may, dependent on the circumstances, dismiss the Appeal, consider it in their absence or defer the hearing to an alternative date. Where either party intends to produce documentary evidence or call witnesses at the Appeal, details should be given to the other party in advance of the hearing.
- 2.5 The Appeals Panel shall have the right to allow the appeal or to confirm or alter the decision against which the appeal is made. The procedure to be followed at the hearing shall be as follows:

(Reference to the "Employee" should be taken to mean the employee and/or his/her representative(s) and reference to the Head of Service should be taken to mean the head of service or other appropriate senior officer).

- (a) The Head of Service to put the case in the presence of the employee and may call witnesses;
 - (b) The employee to have the opportunity to ask questions of the Head of Service and/or the witnesses called, on the evidence given.
 - (c) The Appeals Panel to have the opportunity to ask questions of the Head of Service and witnesses.
 - (d) The Head of Service to have the opportunity to re-examine his/her witnesses.
- Note: Where possible witnesses should be questioned in turn by the parties and the Panel and should withdraw on completion of the questioning unless specifically requested to remain.**
- (e) The employee to put his/her case in the presence of the Head of Service and to call such witnesses he/she wishes.
 - (f) The Head of Service to have the opportunity to ask questions of the employee and his/her witnesses.
 - (g) The Appeals Panel to have the opportunity to ask questions of the employee and his/her witnesses.
 - (h) The employee to have the opportunity to re-examine his/her witnesses (See also the note at (d) above).
 - (i) The Head of Service may sum up his/her case.
 - (j) The employee may sum up his/her case.

- (k) The Head of Service, the employee and all witnesses will withdraw whilst the Appeals Panel considers the case in private (the Panel's adviser(s) will remain).
 - (l) The Panel may recall either party, with the other party in attendance, to clear points of uncertainty on information already given then both parties will withdraw. The Panel may at its discretion recall witnesses, further witnesses, or adjourn the hearing in order that further information may be produced by either party.
 - (m) When the Appeals Panel has reached a decision the parties will return and the Panel will announce the decision, which will be confirmed in writing within seven working days.
 - (n) In delivering its decision the Appeal Panel shall address each of the selection criteria used and advise whether they are satisfied that each has been applied fairly and consistently using all facts reasonably at the Head of Service's disposal.
- 2.6 In circumstances where the Appeals Panel upholds the employee's appeal, for example on the grounds of the incorrect application of procedures, a lack of consultation or flaws or apparent unfairness in the application of selection criteria, the matter will be referred back to the service unit who will make arrangements for a Senior Officer, who has not been involved in the process so far, to undertake a review. If the review results in no change to the employee affected then the original redundancy notice will continue to apply and there will be no further right of appeal. If the review results in a different employee being selected for redundancy, agreement will be sought from the original employee to withdraw the redundancy notice with support as required from the trade unions.

3.0 **Further Rights of Appeal**

An employee who has completed two years' of continuous service with the Council on the effective date of his/her termination of employment may complain of unfair dismissal to an Employment Tribunal and he/she should consult with his/her trade union or other adviser on that possibility at the earliest opportunity. An application to an Employment Tribunal may be made as soon as the Council has given notice of dismissal and should be received by the Tribunal within a period of three months beginning with the effective date of termination.

Redundancy Appeals/Executive/Oct 2004/VW

Revised 19 September 2007 HAB

Revised November 2009 and June 2010, September 2011, September 2014

Further revised June 2016

Further revised February 2017

Redeployment Policy

1. Introduction

Burnley Council is committed to making every endeavour to mitigate the effect of potential and confirmed redundancies by promoting the redeployment of affected employees to suitable available vacancies wherever possible. We are also committed to the retention and redeployment of employees who can no longer carry out the duties of their job as a result of disability, injury or ill-health.

2. Scope and Purpose of the Policy

The Council has a statutory duty to consider the availability of alternative employment when an employee's current job is at risk of redundancy. The purpose of this policy is to provide the mechanism by which employees in a redundancy situation may be given every opportunity to obtain suitable alternative employment.

The policy will apply to all employees of the Council unless the reason for not doing so can be objectively justified, for example the termination of short term fixed or temporary contracts

The Council's policy on Retention and Redeployment on the grounds of Disability, Injury or Ill-Health is detailed separately at Appendix 3. Employees at risk due to redundancy or capability will be given equal access to redeployment opportunities but disabled employees must not be placed at a substantial disadvantage in comparison with non-disabled people.

3. Alternative Employment

Employees at Risk (Refer to Redundancy Policy)

Where a potential redundancy situation is anticipated Management Team will authorise the commencement of meaningful consultations in order to identify reasonable steps to avoid or minimise redundancies. The Head of People and Development must be notified at this stage.

Subject to confirmation, arrangements will then be made for the individual identified as "at risk" to be interviewed by the head of service and a personnel officer. The employee may wish to have their trade union representative or work colleague present. The necessity for the redundancy will be fully explained and discussed with the employee.

It is essential that heads of service adopt a proactive approach to supporting employees at risk. This will include encouragement to apply for any potentially suitable job, including temporary job roles and providing early access to refresher or additional training. The employee may also be asked to complete a job application form to be used in any job matching exercise. Arrangements will be made by the Head of People and Development for the employee to attend job search skills training or otherwise receive advice and counselling as a means of assistance in obtaining alternative employment.

Heads of service must ensure that meetings are held on a regular basis, so that necessary support towards redeployment is made available. A trade union representative or work colleague may accompany the employee at these meetings. It is particularly important to ensure that these meetings take place with an employee at risk of redundancy so that the possibilities of redeployment can be fully explored before termination of employment takes place.

People and Development will ensure that all vacancies are circulated to those employees identified for redeployment.

The employee must be given serious consideration for any suitable vacancy arising before any other internal and external candidates are considered. The test of suitability will be whether the employee could perform the duties of the vacant job given a reasonable amount of training or on the job instruction.

The procedure for dealing with the recruitment and selection process is set out in the next section.

4. Recruitment And Selection Procedure

Slotting in process (pre-advertising)

Consideration may be given to “slotting in” an employee directly into a vacant post if the following conditions apply. This approach can be applied prior to and after the issue of redundancy notices

- a) The vacant job is on the same grade or a maximum of one grade lower, when pay protection would be applied.
- b) The work is broadly similar to that in the employee’s current job role.
(**N B:** reference should be made to the job description and person specification for the old and new job to assess whether this would be similar).
- c) There is only one employee suitable for each vacant post and no competitive selection is necessary.
- d) The ‘at risk’ employee meets the essential requirements of the person specification for the vacant job, or if there is a small training gap, this could be met within a short period, e.g. the acquisition of basic keyboard skills or technical updating by a short course.
- e) There is agreement between the employee, the head of service, the trade union and the Head of People and Development.
- f) Where agreement is not possible, the post will be advertised in line with the procedure detailed below.
- g) The application of the policy results in a logical reasonable outcome.

Job Matching (pre- advertising)

Job matching is a process of identifying job roles in the organisation that have similar skill requirements which employees who are at risk, could reasonably undertake with additional training. This approach can be applied prior to and after the issue of redundancy notices.

- A completed application form will be forwarded to the People & Development who will try to match the employee against any existing vacancies. Even if the employee does not meet all the essential requirements, then an interview may still take place if it is considered the requirements can be met within twelve months.
- The matching process will only consider vacancies at the same grade or no more than one grade higher or lower than the grade of the employee's job.
- The service unit and a representative from People and Development will interview the employee/s. The suitability of the employee will be assessed in the normal way and, if necessary, a training plan will be prepared to ensure that any training gap is filled as soon as possible.
- If successful the employee will be offered the position under a variation to their contract or as suitable alternative employment.
- The Council's normal policy on pay protection will apply.

Advertising of Vacancies

When a redundancy situation has been declared, or is anticipated, the policy on advertising vacancies internally and externally concurrently will be suspended and the following process of advertising will be followed:

Stage 1 Employees at Risk

Vacancies are to be advertised first to employees who have received notice of redundancy or who have been identified as the subject of consultation with the trade union and to employees seeking redeployment under the policy for Retention and Redeployment Policy on the grounds of Disability, Injury or Ill-Health.

This is to allow them the first opportunity to apply for the vacancy and is termed as "ring fencing".

This will only apply providing that the post advertised is of the same grade, or no more than one grade above the grade of the employee (s) at risk. If this condition is not satisfied, then the process moves to stage 2. Ring-fencing of vacancies does not apply to temporary or fixed term employees who will not have completed at least twelve months service at the date of redundancy.

NB Where employees apply for posts more than one grade below their existing job role, pay protection will be limited to no more than 4 incremental points above the maximum of the lower graded job

Stage 2 Internal Advert

If there are no suitable applicants from the employees at risk or if the post is more than one grade higher than those of the employees at risk, consideration will be given to advertising the post internally if this is likely to release a vacancy lower down the grading structure which could then be slotted/job matched or advertised internally to those at risk. The decision will be made based on the job description and person specification and be confirmed by

Management Team. Comments from the trade unions will be taken into consideration. In any event if the vacant post is graded 11 or above, the vacancy will normally move to stage 3 and be advertised internally and externally concurrently.

Stage 3 External Advert

Where it is not or has not been possible to fill the vacancy internally due to criteria or decisions as detailed at stage 2, or requirement for specialist qualification/experience, the job will be advertised internally and externally concurrently.

Shortlisting

The Council's recruitment and selection procedure for shortlisting should be followed. An employee at risk should be shortlisted where he/she meets the essential criteria as detailed in the person specification of the advertised post. If there is any doubt advice must be sought from People and Development.

Interviewing

Interviews must be held in accordance with the Council's recruitment and selection procedures and interviewers must be clear about the person specification for the job and the extent to which the employee either meets or does not meet it.

Comprehensive records of interviews must be kept so that decisions made can be justified if necessary. Each interviewer should complete an interview record sheet and a consensus decision should also be recorded.

In a redeployment situation People and Development should always be consulted and a personnel officer will normally be included in the panel for any interviews which take place.

5. Offer of Alternative Employment

An offer of alternative employment must be made in writing before employment under the previous contract ends. Employment in the new job must start immediately the notice expires or after an interval of not more than four weeks. Advice on the wording of the offer letter must be sought from People and Development.

If appropriate, the employee may be seconded to the new job before a period of notice in the old job has expired in order to gain more experience of the new situation. This will not, however, form the part of the trial period.

6. Trial Period

An employee who is under notice of redundancy has a statutory right to a trial period of four weeks in an alternative job where the provisions of the new contract differ from the original contract. The trial period will commence on appointment to the new job, normally immediately after the previous contract has ended. The purpose of the trial period is to give the employee the chance to decide whether the new job is suitable without necessarily losing the right to redundancy payment. The Council will also use the trial period to assess the employee's suitability.

A trial period longer than four weeks can be agreed for retraining purposes. This agreement should be in writing, specifying the date on which the trial period ends and setting out the employee's terms and conditions after it ends. If the employee works beyond the end of the four week trial period, or the jointly agreed extended trial period, any redundancy entitlement will be lost because the employee will be deemed to have accepted the new employment.

If the new employment proves to be unsatisfactory during the trial period and is terminated, then the original redundancy will take effect. If the trial period is satisfactorily completed, the original dismissal on the grounds of redundancy is held not to have taken place and continuity of employment is unbroken.

Trial periods can obviously be a stressful time for employees who will need understanding and encouragement. The progress of the employee throughout the trial period should be closely monitored by way of mutual reviews with the head of service or designated substitute at weekly intervals, with support and counselling offered where appropriate. A decision to terminate employment at the end of the trial period for unsuitability should be taken only after careful, detailed consideration and discussion with People and Development.

7. Remuneration And Conditions Of Employment

The Council currently operates a policy, which protects an individual's pay where he/she is redeployed to a lower graded post, as a result of redundancy.

Where an employee is redeployed to a lower graded post and protection is applied, he/she can be expected to carry out duties commensurate with the level of protection as and when required.

In view of the protection he/she would also be expected to apply for suitable vacancies more appropriate to the protected salary as and when they become vacant.

The current agreement on pay protection is set out in Appendix 4

Redeployment Policy November 2009

Updated September 2014 and February 2017

Retention and Redeployment Policy

Disability, Injury or Ill-Health

1. Scope

This policy provides guidelines on the retention and redeployment of employees who can no longer carry out the duties of their job as a result of disability, injury or ill-health.

The Council intends, wherever possible, to retain such employees in their own post, to offer them comparable employment or to redeploy them into a more suitable post of equal status. This post will be no more than one grade above the employee's current post.

2. Legal Requirement

The Equalities Act 2010, places an obligation on the Council to take reasonable steps to ensure that disabled people are not placed at a substantial disadvantage in comparison with non-disabled people. Examples of the types of reasonable adjustments employers are expected to consider are detailed below.

3. Retention of Employees in their Current Post

We will make every effort to retain an employee in his/her current post or where this is not possible, to redeploy him/her into an appropriate post of equal status, preferably within the same service unit.

In the event of an employee becoming unable to perform all or part of the duties of his/her current post, retirement on the grounds of ill-health will only be considered as a last resort and will be subject to the agreement of the Council's Occupational Health Consultant.

Where it becomes apparent that an employee is no longer able to fulfil all or part of the duties of their current post, for reasons of disability, ill-health or injury, their manager should meet with them to discuss the situation. It is essential that the issue be handled sensitively and confidentially. Consultation should take place, at every stage, with the employee concerned together with a chosen representative (e.g. trade union representative, or work colleague). In appropriate circumstances a close family member may be permitted to attend to support the employee.

In accordance with the Equality Act, managers should consider making the following reasonable adjustments to enable the employee to continue in employment. However, this is not an exhaustive list and other alternatives should also be considered where appropriate.

For guidance on managing the attendance of employees with disabilities, please refer to the Managing Attendance Policy and Guidelines and the Tailored Adjustment Agreement in the personnel manual.

Reasonable Adjustments:

- making adjustments to premises i.e. where cost is not an unreasonable factor;
- allocating some of the disabled employee's duties to another person*;
- agreeing a change to the employee's working hours;

- assigning the employee to a different place of work;
- allowing the employee to be absent during working hours for rehabilitation, assessment or treatment (see Disability Leave below);
- additional training;
- acquiring or modifying equipment;
- modifying instructions or reference manuals;
- modifying procedures for testing or assessment;.
- providing a reader or interpreter;
- providing additional supervision;
- transferring the employee to fill an existing vacancy (see Redeployment Section below).

*In cases where other employees will be affected, e.g. if duties are to be reallocated, it is important to consult all affected employees and their representatives.

The Council has a number of schemes, including V-time, flexitime, job share, part-time working and homeworking, which should be considered in assisting an employee to continue in employment.

In some cases it may be appropriate to involve advisers from the Department of Work and Pensions (DWP) in undertaking assessments to determine appropriate, reasonable adjustments in addition to Occupational Health. The advisers can often assist in funding adjustments under the Access to Work Scheme.

<https://www.gov.uk/government/publications/access-to-work-guide-for-employers>

People and Development (P&D) is available for advice and support on all issues related to retention and redeployment.

4. Redeployment

Recruitment and selection will be managed as detailed in the Redeployment Policy. Employees will be considered for redeployment alongside those who are at risk of redundancy taking into account any reasonable adjustments that may be required.

At all stages in the redeployment procedure the employee concerned, together with his/her representative must be consulted. Discussions of this nature must be handled in a sensitive and confidential manner.

Once all parties are agreed that a return to the employee's current post is not appropriate then, wherever possible, the employing service unit is responsible for finding a suitable alternative post within their own unit.

Redeployees should be considered for all appropriate vacancies arising within the unit before they are generally advertised using the slotting in or job matching process. They should not necessarily be expected to meet all the essential criteria on the person specification. The recruiting panel should instead consider whether or not the individual has the potential to undertake the duties of the post with the necessary training and support and within an agreed timescale. If necessary, reasonable adjustments to the duties and associated essential criteria should also be considered at the interview stage in order to comply with the Equality Act.

If it is not possible to redeploy an employee within the employing service unit the head of service should contact P & D for assistance in redeploying the employee into another service unit. P & D must be satisfied that the employing service unit cannot find anything suitable.

In accordance with the provisions of the Equality Act a reasonable adjustment to consider would involve transferring an employee to a more suitable post under the slotting/job matching process including any necessary reasonable adjustments. Advice should be sought at this stage, to arrange for a referral to Occupational Health and to seek guidance from a disability adviser from the Department of Work and Pensions.

Redeployees will be considered first for suitable, alternative posts before they are generally advertised, alongside employees at risk of redundancy, using the agreed procedures in under Section 4 of the Redeployment Policy. They should not necessarily be expected to fulfil all the requirements of the person specification immediately. Reasonable adjustments to the duties and associated essential criteria will also be considered where necessary.

If an employee is redeployed to a post at a lower grade the Pay Protection Policy will be applied.

Once it is has been agreed that redeployment is the best option for the employee, People and Development will continue to try and find a suitable vacancy for a period of up to 12 weeks after the employee has been declared fit to return to work. This period may be extended dependent on the circumstances and in agreement with the Chief Operating Officer.

5. Redeployment Opportunity Not Identified

If a suitable vacancy does not arise within the agreed period the employee will be referred to the Occupational Health Unit to be considered for retirement on the grounds of ill health.

If the Occupational Health Consultant is unable to certify entitlement to early release of superannuation benefits on the grounds of ill-health, or if a suitable job offer is unreasonably refused, or if no suitable, alternative employment is available, it will be necessary to review the continued employment on the grounds of capability. This will be dealt with in accordance with the Capability Section of the Council's Disciplinary Procedure (see Managing Attendance Policy).

6. Register of Reasonable Adjustments

All reasonable adjustments that relate to an employee must be reported to People and Development to be recorded on the employee's personal record. This will assist the Council to demonstrate, if challenged, the extent to which it has made reasonable adjustments. It will also help to monitor the cost of making such adjustments.

The employee and manager will complete a Tailored Adjustment Agreement that will provide a living record of reasonable adjustments agreed between the disabled employee and his/her line manager.

7. Monitoring

Statistics relating to reasonable adjustments will be incorporated into People and Development's reporting and information processes.

8. Complaints

If an employee feels that he/she has been unfairly treated at any stage of this procedure, the Council's Grievance Procedure may be invoked.

9. Disability Leave Scheme (DLS)

The Disability Leave Scheme provides newly disabled employees or a disabled employee whose condition has significantly deteriorated with a period of time off work to adjust to the change in personal and professional circumstances. During the leave the employee is able to assess their disability or condition and how it affects their job role, bridging the gap between sickness and a return to work. It will cover the period between the end of sick leave, when the employee is judged as fit to return to work, and the employee's actual return.

The DLS provisions cover all existing employees, full-time and part time. There is no qualifying period although each case will be considered on its own merits.

The DLS is not intended to burden services but is about ensuring good practice in the workplace, creating an environment where employees are willing to discuss their disability and where disabled employees and their managers can proactively assess how the employee can remain in work.

Its purpose is to enable the employee to participate in an assessment of the changes required in their job or work environment, and/or to become familiar with new techniques and processes. It can also allow time for:

- providing time to adjust to the change in personal and professional circumstances;
- reassessing current job role, adjustments or alternative opportunities;
- adaptations to the work environment;
- equipment to be put in place and/or assessment of how it can be funded;
- undertaking a programme of rehabilitation and training on the job or residential centre;
- discussions with specialist Disability Employment Advisers or Occupational Health to plan the way forward;
- assessing/clarifying if the employee will be able to return to his/her previous employment or be redeployed to another post or if an application for ill health retirement should be pursued.

The Managing Attendance Policy already allows for a period of up to 4 weeks therapeutic return. In addition employees may also have an accumulated balance of annual leave, some of which could be used to extend the therapeutic process. The DLS can be applied where significant changes/additional assessments are required for reasons as detailed above. In practice some of the above assessments may also take place whilst the employee is still on sick leave.

If, following a careful process of formal and informal consultation and the DLS is considered appropriate, the Chief Operating Officer, Head of Service and Head of People and Development can allow up to 4 weeks additional leave to assist in the adjustment process. The leave will be paid at the usual salary and noted on the employee's personal and leave records.

During the leave, arrangements should be made for an employment assessment to be carried out by a competent organisation before any decision is made about the employee's future e.g. Disability Employment Adviser and Occupational Health Consultant in consultation with People and Development. This assessment is intended to clarify/quantify/put in place the rehabilitation required, the time this will take, the equipment/adaptations required and how this can be funded.

It is important that assessments and resulting action plans, necessary training and medical advice are closely monitored and co-ordinated to make best use of the additional leave. This will be the responsibility of People and Development.

People and Development will make a record of:

- the employee details and the nature of their disability;
- the assessments undertaken;
- the detail and cost of equipment required and provided;
- the detail and cost of any rehabilitation/training;
- period of DL;
- cost of any temporary cover;
- other quantifiable costs;
- quantifiable savings – e.g. decreased retirement costs, savings on recruitment or induction training of new staff.

Retention and Redeployment Policy February 2017
Last reviewed May 2014/HAB

BURNLEY COUNCIL

Pay Protection Policy

The Council's policy on pay protection, applicable to employees on National Joint Council (NJC) terms and conditions is as follows:

1. Protection will be limited to no more than 4 incremental points above the maximum of the lower graded job.
2. The employee will accept additional duties and responsibilities beyond the scope of the lower graded job description up to the value of the protection.
3. The employee will continue to seek employment within the Council at a higher grade when this becomes available so the cost of protection is reduced. The original limits on protection will still be applicable.
4. When assessing protection limits for an employee in receipt additional payments, the figure for comparison will include other payments and will be made to the nearest equivalent spinal column point.
5. Protection will be on the following basis
 - Year 1 – 100% cash protection*
 - Year 2 – 66% protection.
 - Year 3 – 33% protection
 - Year 4 and beyond – no protection.

*Cash protection means that pay is frozen at the time of redeployment with no further increments or annual pay rises being paid. The percentages referred to are of the difference between the pay in the old and new job.

6. **Conditions of Protection**

Subject to the overall protection limit detailed in para 1 above

- a) Protection will apply to contractual overtime and the following locally agreed additional pay enhancements encompassing
 - Shift allowance
 - Irregular hours payment
 - Weekend enhancements

[To qualify for this protection the employee must have been in receipt of the additional payment for 12 months or more. This protection would only apply in redeployment situations.]

- b) Protection will not be applied to standby/call out payments or irregular overtime.

Personnel Committee 19.1.99/Amended 2004/JB
 Last reviewed (no changes) October 2017
 Next review November 2020

Burnley Borough Council

Statement of Pensions Policy

Introduction

1. This Statement outlines the Council's Policy with regard to the payment of pension benefits. The statement has been formulated following full consultation with the Trade Unions and reflects the Local Government Pension Scheme Regulations 2013 as amended and the discretions adopted by the Council.

Retirement

2. The Local Government Pension Scheme's normal pension age (NPA) is equal to the employee's individual State Pension Age (SPA). Employees can retire and receive their benefits without any reductions at this date. Further information on the SPA can be found at www.gov.uk/calculate-state-pension
3. Employees are able to retire at anytime from age 55 onwards without the Council's consent but their benefits may, dependent on age and service, be reduced to reflect the early payment. Further information on the reductions can be obtained from www.yourpensionservice.org.uk.
4. Employees are able to join and remain in the scheme up until 2 days before their 75th birthday. Benefits for employees who defer drawing benefits beyond their NPA will be actuarially increased to reflect the fact that they will be paid for less time.
5. With effect from 1st April 2014 pension benefits are calculated on a Career Average Re-valued Earnings (CARE) Scheme formula. A CARE pension works by taking a 1/49th of an employee's annual pensionable salary and then adds this into a pension pot. This pension pot then increases each year in line with CPI. Further information on the calculation of pension benefits pre and post 2014 can be found at www.lgps2014.org

Early Retirement with Redundancy (compulsory or voluntary)

6. Redundancy Payments will be calculated according to the Employment Rights Act 1996, but improvements to these are permitted. These improvements require that all continuous Local Government Service will be aggregated and also provide Local Authorities with the discretion to lift the limitation on the amount of "a week's pay" for redundancy payment calculation purposes from the normal statutory limit (£479 per week as at 6 April 2016) to the employee's actual weekly wage/salary. The Council has decided to use the discretion to base redundancy payments on the actual week's pay, if higher than the statutory limit.
7. Only completed years count for the purpose of calculating a redundancy payment.
8. Employees who are aged 55 or over at the date of redundancy (with two or more years membership of the Pension Scheme) are entitled to early payment of pension and lump sum under the Local Government Pension Scheme Regulations 2013.

Note: Voluntary Early Retirement with Redundancy can only be granted if there is a substantial saving to the Council in allowing the employee to leave. The saving from an early retirement must be sufficient to pay back the full capitalised cost over no longer that a 5 year period. The saving will usually involve the net loss of a post but the retirement must satisfy the statutory definition of redundancy.

Retirement in the Interests of Efficiency of the Service

9. The Council is able to retire an employee who is over 55 in the interests of efficiency of the service. The following factors will be used upon which to judge the merits of each case:
- a) The benefits in increased efficiency, for example, in service delivery or to facilitate changes to the organisation.
 - b) Any savings that will accrue.
 - c) Health grounds, where retirement on medical grounds or dismissal on capability grounds are not appropriate.
 - d) Compassionate grounds.

III-Health Retirement

10. The 2007 Regulations introduced a 3-tier system of ill-health retirement which will be applied dependant on the assessment of the Occupational Health practitioner as to the prospect of the employee obtaining gainful employment before their normal pension age (NPA) as follows:

Tier 1	No reasonable prospect of the employee obtaining gainful employment due to ill-health before NPA
Tier 2	Cannot obtain gainful employment within reasonable* period of leaving due to ill-health but likely to be able to do so before NPA
Tier 3	Can obtain gainful employment within reasonable* period of leaving

* Defined as 3 years

11. Ill health retirement benefits will be paid in conjunction with the Pension Regulations as follows:

Membership							
< 2 years	Refund or transfer out						
2 years and over	<table style="width: 100%; border: none;"> <tr> <td style="width: 30%;">Tier 1</td> <td>Immediate 100% enhanced</td> </tr> <tr> <td>Tier 2</td> <td>Immediate 25% enhanced</td> </tr> <tr> <td>Tier 3</td> <td>Immediate no enhancement</td> </tr> </table> <p>* The enhancements will be based on the period to the employees SPA (or age 65 if later)</p>	Tier 1	Immediate 100% enhanced	Tier 2	Immediate 25% enhanced	Tier 3	Immediate no enhancement
Tier 1	Immediate 100% enhanced						
Tier 2	Immediate 25% enhanced						
Tier 3	Immediate no enhancement						

12. Where a former employee is certified as Tier 3 they are required to inform the Council of any employment taken up, whether local government or not. Where gainful employment has not been found by 18 months following termination, the Council will refer the former employee to the Council's Medical Advisor for an opinion as to whether the former employee is capable of undertaking any gainful employment. Depending on their assessment the pension could either be suspended until their SPA or may be upgraded to tier 2.
13. The Council will not terminate employment on ill-health grounds without the recommendation of the Council's Medical Advisor. Further details can be obtained from the Council's Managing Attendance at Work Policy.
14. The formula for the calculation of benefits in ill-health retirement situations is the same as for retirement.

Auto Enrolment

15. Burnley Borough Council implemented the Government's Auto-Enrolment scheme from 1 June 2013. This means that all employees who meet the following criteria will be automatically enrolled into the Local Government Pension Scheme:
 - Earning over £10,000 per year
 - Aged 22 or over and are under State Pension Age and
 - Are not currently in a pension scheme
16. Employees that are auto-enrolled do have the opportunity to opt out. Further information on auto-enrolment into the LGPS can be found at:
<http://www.yourpensionservice.org.uk>

Flexible Retirement

17. The Local Government Pension Scheme allows scheme members aged over 55 to draw their retirement benefits even though they have not retired providing:
 - The employer consents and
 - There has been a reduction in hours or a reduction in grade equivalent to a minimum of 40%.
18. Where such a request is approved employees will receive payment of their pension (and lump sum if appropriate). Employees may also continue paying into the LGPS to build up further benefits. Further information is available in the Council's Flexible Retirement Scheme.

Contribution Rates

19. The Local Government Pension Scheme 2013 state that employee contribution rates are to be banded and assessed on actual pay as at the day of assessment.
20. Casual workers who are members of the scheme will be re-banded on a monthly basis using exact earnings x 12 to reach an annual pensionable pay figure on which to base individual employee contribution rates.

21. All pensionable pay (including non-contractual overtime and pay protection) will be included in the calculation of employee contribution rates.
22. The Council has adopted the discretion that where there is a material change in pensionable pay the contribution rate will be re-determined.

Limitation of Payments

23. If a person who is in receipt of a pension under the Local Government Pension Scheme Regulations in respect of an ill-health retirement, is re-employed within the Service, he/she will be subject to pension abatement rules contained in the Local Government Pension Scheme Regulations 1997 and the Local Government (Early Termination of Employee) (Discretionary Compensation) (England and Wales) Regulations 2000. Where appropriate, the employee's pension will be adjusted to ensure that his/her combined income will not exceed the income that would apply had he/she remained in the former employment.

Discretions not adopted

24. For employees with membership prior to March 2014, under the Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007, the Council will not award a scheme member an additional period of membership at any time. This discretion has been removed from the 2014 scheme.
25. Under the Local Government Pension Scheme Regulations 2013, the Council will not award a scheme member an additional pension.
26. Under the Local Government (Discretionary Payments) (Injury Allowances) Regulations 2011 the Council will not operate an Injury Allowance Scheme.
27. Under the Local Government Pension Scheme Regulations 2013, the Council will not fund additional pension via a Shared Cost Additional Pension Contribution (SCAPC) contract, either by regular ongoing contribution or one-off lump sum.

Note: Where an employee has had a period of unpaid additional maternity, paternity or adoption leave or a period of authorised unpaid leave (including the purchase of additional leave) and makes an election to purchase the full amount of the lost pension within 30 days of their return to work, the Council will fund 2/3rds of the cost of the purchase. (In the case of buying additional leave the election should be made within 30 days of the purchase being approved)

28. Under the Local Government Pension Scheme (Transitional Provisions, Savings and Amendments) Regulations 2014, the Council will not apply the Rule of 85 protection to any scheme member who wishes to voluntarily draw benefits on or after 55 and before age 60. The protection aged 60 and above is subject to the note below.

Note: In October 2006 the government removed 'the 85 year rule' from the pension scheme rules. Members aged 60 and above who meet the Rule of 85 but who wish to take their pension benefits before their NPA may still have a benefit reduction applied subject to certain protections. Further information on the Rule of 85

protections can be found in the Protections leaflet at http://www.yourpensionservice.org.uk/local_government/

Transfer of Pensionable Service

29. New entrants to the Lancashire Scheme are advised that they have 12 months to request a transfer of previous service from another scheme. Individual applications by employees of Burnley Borough Council for transfers into the LGPS that are beyond the first 12 months of active membership of the scheme are referred to the Head of People & Development to be dealt with under delegated powers. The Head of Finance will be consulted in the use of this delegation. The circumstances of each case will continue to be considered on an individual basis, but with reference to the following principles:

Generally applications will only be approved if:

- No previous option was given to the member due to an administrative error (e.g. service declared but the transfer quotation had never been requested).
- There has been an administrative delay in processing the initial request, which was received within the initial 12 months of active membership.
- There are exceptional circumstances that have prevented the employee from exercising their option within 12 months of active membership of the scheme.

Payment of Deferred Benefits

30. If you leave your employment as a result of redundancy or efficiency and you are aged 55 or over, you will receive immediate payment of any pension benefits relating to that employment. If you have previously chosen to combine an earlier deferred period of employment with the employment from which you are being made redundant, any pension you receive will be based on all your service. If, however, you have chosen to leave your benefits separate, any pension and lump sum you receive will relate only to service in the later employment. You will not normally be able to receive payment of any deferred benefits until your NPA. Further information on deferred benefits is available at www.yourpensionservice.org.uk

Early Release of Benefits for former employees on ill-health grounds

31. Preserved benefits are payable if the authority (as the former employer) is satisfied (based on the opinion of a medical officer suitably qualified in occupational health) that the individual is permanently incapable of discharging efficiently the duties of his/her former employment. In these cases there would be no ill-health enhancement and no reduction in benefits.
32. The LGPS (Miscellaneous) Regulations 2012 now allow a former employee who has had their Tier 3 benefits suspended to request early release of their suspended pension benefits on ill-health grounds after age 55 and before age 60 but only if they are “permanently incapable of undertaking any gainful employment”. The ill-

health condition can be a new condition or the same one which has deteriorated. The assessment will be made by the Council's Medical Advisor. In these cases any reduction in benefits could be waived at the Council's discretion. This decision will be taken by the Executive Member for Resources and Performance Management and Head of People and Development based on the individual circumstances.

Policy for Release of Benefits on Compassionate Grounds

33. Preserved benefits (other than for ill health cases) would only be released if an ex-employee's personal circumstances are such that the Authority agrees that he/she is prevented from working by the need to provide full-time care for a husband/wife/partner/son/daughter who is suffering from a terminal or chronic illness and this results in financial hardship for the family.

The decision to release preserved benefits on compassionate grounds will be taken by the Head of People & Development in consultation with the Head of Finance and Executive Member for Resources and Performance Management.

In these circumstances any reduction in benefits could be waived at the Council's discretion. This decision will be taken by the Head of People & Development in consultation with the Head of Finance and Executive Member for Resources and Performance Management.

Pension Tax Relief

34. With effect from April 2014 the annual allowance for tax relief purposes is £40,000. This means that employees who receive a significant pay increase may need to pay tax on any contributions in excess of the annual allowance. This is only likely to affect higher earners but the Council recommends that employees who think they may exceed the annual allowance seek specialist advice from an independent financial advisor. Further information on the calculation of annual allowances can be found at www.yourpensionservice.org.uk

Further Information

35. Further information on the payment of pension benefits outlined in this statement can be obtained from the People and Development Unit (ext 7124).
36. Your Pensions Service administer the Local Government Pension Scheme on behalf of Burnley Borough Council and can be contacted on 0300 123 6717 (helpdesk) or by email AskPensions@localpensionspartnership.org.uk or via the website www.yourpensionservice.org.uk



Gender Pay Gap Report

March 2018

Foreword

The Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017 requires public sector organisations with 250 or more employees to publish information to demonstrate how large the pay gap is between their male and female employees. I can confirm that our data has been calculated according to the requirements of the Equality Act 2010.

Mick Cartledge
Chief Executive

Background

The information contained within this report is based on a snapshot date of 31 March 2017. At this date our workforce comprised of 56% male and 44% female employees.

For the purposes of reporting the gender pay gap, all permanent, temporary and casual employees are included in the total workforce figure of 262.

This analysis looks at the gender pay differences within Burnley Council, focusing on the overall pay difference between the male and female workforce. A positive pay gap indicates that men are paid more, a negative pay gap indicates that women are paid more.

The gender pay gap is different to equal pay. Equal pay relates to men and women receiving equal pay for equal work and not meeting this requirement is unlawful. The Council operates job evaluation schemes to ensure that work of equal value is paid at the same rate. The gender pay gap is a measure of any disparity in pay between the average earnings of males and females.

The regulations require us to report on:

Mean gender pay gap	The difference between the mean hourly rate of pay of male full-pay relevant employees and that of female full-pay relevant employees
Median gender pay gap	The difference between the median hourly rate of pay of male full-pay relevant employees and that of female full-pay relevant employees
Mean bonus gap	The difference between the mean bonus pay paid to male relevant employees and that paid to female relevant employees
Median bonus gap	The difference between the median bonus pay paid to male relevant employees and that paid to female relevant employees
Bonus proportions	The proportions of male and female relevant employees who were paid bonus pay
Quartile pay bands	The proportions of male and female full pay relevant employees in the lower, lower middle, upper middle and upper quartile pay bands

The overall gender pay gap is defined as the difference between the median (actual mid-point) or mean (average) basic annual earnings of men and women expressed as a percentage of the median or mean basic annual earnings of men.

Gender Pay Gap – 31 March 2017

Mean

Average hourly rate of pay and the percentage difference between



£14.44

GAP
2.3%
£0.34



£14.78

Burnley Council's mean gap is lower than the national average of 18.1%*

* Annual Survey of hours and Earnings 2017 (Office for National Statistics)

Median

Middle hourly rate of pay and the percentage difference between



£13.07

GAP
7.9%
£1.13



£14.20

Burnley Council's median gap is lower than the national average of 18.4%*

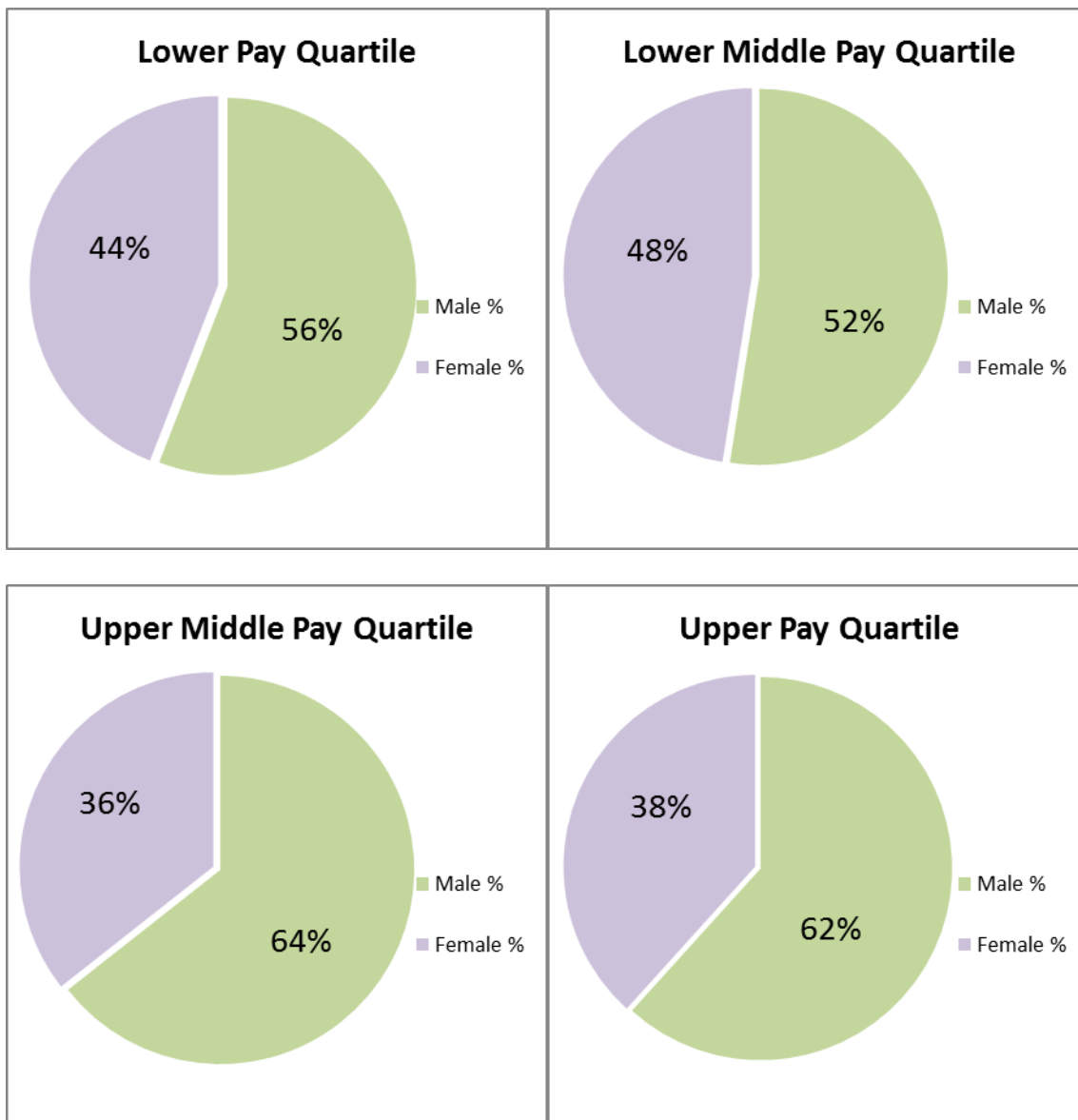
* Annual Survey of hours and Earnings 2017 (Office for National Statistics)

Bonus Gap

Burnley Council does not operate any performance related pay or bonus scheme and therefore has no bonus gender pay gap

Quartile Pay Bands

These graphs show the workforce composition in each pay quartile. The proportions in the lower and lower middle pay quartiles do generally reflect our gender workforce profile. However, there are more men in the upper quartiles.



Analysis

- Latest figures suggest that the median gender pay gap across the public sector is 19.4% and the figure across all industries in Lancashire is 12%. The Council compares favourably with these statistics.
- The Regulations require the hourly rate to be calculated as ordinary pay which includes basic pay and allowances as well as deductions for benefits provided through salary sacrifice schemes. It does not include overtime payments or pension contributions.
Burnley Council operates salary sacrifice schemes for childcare vouchers and the purchase of bicycles. It also allows employees to purchase up to 10 days additional leave per year. The gender proportion of our employees who take-up these benefits is below:

	Male	Female
Childcare Vouchers	2.7%	7.8%
Cycle Scheme	2.7%	0.9%
Bought Additional leave	3.4%	14.8%

Participation in these schemes does result in a lower reported hourly rate and as more women than men take advantage of these it could have a disproportionate effect on the calculations. Calculating the hourly rate before taking any allowances or deductions into account results in a mean gender pay gap of 1.2% and a median gender pay gap of 3.1%.

- As at the snapshot date of 31 March 2017, 40% of our senior management team were female.

Taking Action

Burnley Council is committed to fair pay irrespective of gender. We already have the following in place:

- Support for employees through application of flexible working policies
- An anonymised recruitment process where all equality monitoring information (including that related to gender) is removed to reduce the potential for unconscious bias
- Learning and development programme which provides employees with opportunity to meet their full potential eg. Talent Management. Our 2018 cohort comprises of 66% female and 33% male.

We will prioritise the following areas for action:

- Explore how we can attract more women into our organisation to create a more even gender balance across the grading structure. As an equal opportunities employer, we firmly believe in appointing the best candidate into the role, regardless of their gender or other factors covered by the Equality Act.
- We will continue to actively encourage flexible working across the organisation to ensure that all employees have the opportunity to work in a way that works for their career aspirations and work/life balance.

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Appointments to Committees, Outside Bodies and Panels

REPORT TO FULL COUNCIL



DATE	21/02/2018
PORTFOLIO	None
REPORT AUTHOR	Imelda Grady
TEL NO	01282 477258
EMAIL	igrady@burnley.gov.uk

PURPOSE

1. To consider changes to appointments to Committees and Outside Bodies for the remainder of the 2017/18 Municipal Year and to approve the re-appointment of members to the Independent Remuneration Panel.

RECOMMENDATION

2. That Full Council is recommended to appoint;
 - (a) Councillor Briggs to replace Councillor Mottershead as the Burnley and Padiham Independent member on the Development Control Committee for the remainder of the 2017/18 Municipal Year;
 - (b) Councillor Mottershead to replace Councillor Briggs as the Burnley and Padiham Independent member on the Scrutiny Committee for the remainder of the 2017/18 Municipal Year.
 - (c) That Mrs Ann Slater and Mr Graham Knott be re-appointed as independent members on the Independent Remuneration Panel for a period of 3 years from the 22nd February 2018 to 21st February 2021.
 - (d) Councillor Mark Townsend to replace Councillor Mohammed Ishtiaq on the Audit and Standards Committee for the remainder of the 2017/18 Municipal Year.
 - (e) Councillor Mark Townsend to replace Councillor Mohammed Ishtiaq as the council's representative on the outside body North Western Local Authorities Employers' Organisation for the remainder of the 2017/18 Municipal Year.
 - (f) Councillor John Harbour to replace Councillor Mark Townsend as the council's substitute representative on the outside body North Western Local Authorities Employers' Organisation for the remainder of the 2017/18 Municipal Year.

REASONS FOR RECOMMENDATION

3. To comply with legislation and to ensure that the Council continues to have an effective and efficient decision making structure

SUMMARY OF KEY POINTS

4. Members of the Burnley and Padiham Independent Group have requested changes to their nominations on the Development Control Committee and Scrutiny Committee due to family commitments.
5. There is a requirement for an Executive member to sit on the Audit and Standards Committee. This position was filled by Councillor Ishtiaq who has now resigned from the Executive, therefore a replacement Executive Member needs to be appointed.
6. Appointments to the outside body North Western Local Authorities Employers' Organisation is by qualification to the Executive Member for Resources and Performance Management with any Executive member as the substitute. Councillor Mark Townsend has taken over the resources and performance management portfolio and will therefore be appointed to this outside body for the remainder of the 2017/18 Municipal Year and Councillor Harbour will be the substitute.
7. The term of office for two members of the Independent Remuneration Panel expires in February 2018 and both have indicated their willingness to serve for another three year term. Both have played an active part in the setting of the members allowance scheme and have valuable experience in making recommendations to the Council.

FINANCIAL IMPLICATIONS AND BUDGET PROVISION
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8. None

POLICY IMPLICATIONS

9. None

DETAILS OF CONSULTATION

10. Member Structures and Support Working Group.

BACKGROUND PAPERS

11. None

FURTHER INFORMATION PLEASE CONTACT: ALSO:
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Appointment of Mayor and Deputy Mayor 2018/ 19

REPORT TO FULL COUNCIL



DATE	21/02/2018
PORTFOLIO	Leader
REPORT AUTHOR	Chris Gay
TEL NO	01282 477258
EMAIL	cgay@burnley.gov.uk

PURPOSE

1. To report on the position relating to the appointment of the Mayor and Chair of the Council and Deputy Mayor and Vice-Chair of the Council for the municipal year 2018/19.

RECOMMENDATION

2. That the position on the appointment of Mayor and Chair and Deputy Mayor and Vice-Chair for the municipal year 2018/19 be noted.

REASONS FOR RECOMMENDATION

3. To allow arrangements to be made for the installation of the Mayor and Deputy Mayor for 2018/19.

SUMMARY OF KEY POINTS

4. The Council's policy on the appointment of the Mayor states:

 "That the office of Deputy Mayor/Mayor elect shall be offered each year to the member of the Council having the longest continuous service".

 This allows for the current Deputy Mayor to become the Mayor the following year.
5. The Chief Operating Officer has delegated authority to deal with the invitations for the appointment of the Mayor/Deputy Mayor in accordance with the Council's normal policy and report the outcome at a future meeting of the Council.
6. The current position is that Councillor Charlie Briggs has accepted the Council's invitation to become Mayor and will undertake the Office of Mayor and Chairman of the Council for the 2018/19 municipal year.
7. Councillor Anne Kelly has accepted the Council's invitation to become the Deputy Mayor/Mayor elect for the 2018/19 municipal year.

FINANCIAL IMPLICATIONS AND BUDGET PROVISION

8. None

POLICY IMPLICATIONS

9. This matter has been dealt with in accordance with the Council's policy.

DETAILS OF CONSULTATION

10. Member Structures and Support Working Group

BACKGROUND PAPERS

11. None

FURTHER INFORMATION

PLEASE CONTACT:

Chris Gay

ALSO:

Lukman Patel

Calendar of Meetings 2018/19

REPORT TO FULL COUNCIL



DATE	21/02/18
PORTFOLIO	Leader
REPORT AUTHOR	Eric Dickinson
TEL NO	01282 477256
EMAIL	edickinson@burnley.gov.uk

PURPOSE

1. To consider a Calendar of Meetings for 2018/9.

RECOMMENDATION

2. That a Calendar of meetings for 2018/9 be approved based on a 12 week cycle (Appendix 1).

REASONS FOR RECOMMENDATION

3. To ensure that the Committee structure is proportionate to the budget, size and business of the organisation.

SUMMARY OF KEY POINTS

4. Full Council cycle

Currently Full Council operates on a 12 weekly cycle.

The Annual/Appointments meeting in May and the Budget meeting in February are statutorily required. Over the last few years "other" business has also been conducted at these meetings.

Other Full Council meetings in July, August/September, and November/December also now deal with both Budget Monitoring (quarterly) and changes to the Budget for the following year (Sept and Nov/Dec).

For 2018/19 it is proposed that Full Council meets in September and December 2018 to allow more time for budgetary report preparation.

It is proposed that as much business as possible will be dealt with at the February Full Council (e.g. Committee calendar, Appointment of Mayor/Deputy Mayor Elect) so that there may not be a business need to hold the April Council (if for example a budget item arising from the March Executive can wait until May) apart from the usual discussions regarding Executive Member reports or potential Notices of Motion.

However it is proposed that the April meeting will still be included in the Calendar.

The above would result in no change to the current 12 week cycle.

5. **Executive**

It is proposed that the current 6 week cycle for the Executive continues.

It should be recognised that when Executive Urgency procedures have to be followed due to an Executive meeting being too distant then there is a cost in Officer time (dictated by statutory arrangements) to publish relevant additional Notices, liaise with the Scrutiny Chair, and report retrospectively Urgent Officer Executive Delegations to the Executive and Full Council.

6. **Scrutiny Committee**

It is proposed that the current approach continues.

7. **Audit and Standards Committees**

It is proposed that the current quarterly meetings approach continues.

8. **Licensing Committee and Licensing Sub Committees**

The 15 member Licensing Committee is scheduled to meet 4 times each year. In the first cycle it establishes the Sub Committees, in the February cycle it sets fees, and during the year it is scheduled to meet twice more to consider other policy items as required. Legislation requires it to have between 10 and 15 Members.

There are two Sub Committees, one for Taxis (7 Members) and the other for alcohol and licensed premises (3 Members). Both can potentially have daytime and evening meetings.

Proposal – No change to the current arrangements.

9. **Development Control**

It is proposed that these 4 weekly meetings continue, due to statutory deadlines.

10. **Recommendations for 2018/19**

An attached 2018/19 calendar has been drafted based on a 12 week Full Council cycle (Appendix 1)

FINANCIAL IMPLICATIONS AND BUDGET PROVISION
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11. None.

POLICY IMPLICATIONS

12. It is good practice to review arrangements for the discharge of the Council's functions from time to time to ensure they maintain the right balance between efficiency, economy and effectiveness.

DETAILS OF CONSULTATION

- 13. Democracy Team/Head of Finance/Management Team/Head of Housing and Development Control/Licensing Team/Head of People and Development
- 14. Member Structures and Support Officer Group/
- 15. Member Structures and Support Working Group

BACKGROUND PAPERS

16. None.

FURTHER INFORMATION
PLEASE CONTACT: Eric Dickinson
ALSO:

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Municipal Year 2018/19

2018 MAY Mon	Tues	Wed	Thurs	Fri	JUN Mon	Tues	Wed	Thurs	Fri	JUL Mon	Tues	Wed	Thurs	Fri	AUG Mon	Tues	Wed	Thurs	Fri
	1	2	3 ELEC	4					1	2	3 E	4	5	6			1 MW	2	3
7 Bank Hol	8	9	10	11	4	5 E	6	7	8	9 LT	10	11 CL	12	13	6	7	8	9	10
14	15	16 ANNUAL COUNCIL	17	18	11	12	13	14 LIC	15	16	17	18	19	20	13	14 E	15	16 LIC	17
21 LT	22	23	24	25	18	19 PLBCE	20	21	22	23	24	25 ASC	26 DC	27	20	21	22	23 DC	24
28 Bank Hol	29	30	31 DC		25	26	27 S	28 MSSWG DC	29	30	31				27 Bank Hol	28	29	30	31

2018 SEP Mon	Tues	Wed	Thurs	Fri	OCT Mon	Tues	Wed	Thurs	Fri	NOV Mon	Tues	Wed	Thurs	Fri	DEC Mon	Tues	Wed	Thurs	Fri
3	4 PLBCE (TBC)	5 MW	6	7	1	2	3 MW	4	5			MW	1	2	3	4	5	6 MSSWG	7
10	11	12	13 MSWG	14	8	9	10	11	12	5	6 E	7	8	9	10 S	11 E	12	13 DC	14
17 S	18 E	19 ASC	20 DC	21	15	16	17	18 DC	19	12	13	14	15 DC	16	17	18	19 CL	20	21
24	25	26 CL	27	28	22	23	24	25 LIC	26	19	20	21	22	23	24	25 Xmas Day	26 Boxing Day	27	28
					29	30 PLBC (TBC)	31			26	27	28	29	30	31				

2019 JAN					FEB					MAR					APR				
Mon	Tues	Wed	Thurs	Fri	Mon	Tues	Wed	Thurs	Fri	Mon	Tues	Wed	Thurs	Fri	Mon	Tues	Wed	Thurs	Fri
	1	2	3	4					1					1	1	2	3	4	5
7	8	9	10	11	4 SPMW	5	6 MSSWG	7 S	8	4	5	6 ASC	7	8	8	9	10 CL	11	12
14	15	16 ASC	17 DC	18	11 BE	12	13	14 DC	15	11	12	13 S	14	15	15	16	17	18	19 Good Friday
21	22 PLBCE (TBC)	23	24	25	18	19	20 BCL	21 LIC	22	18	19 E	20	21 DC	22	22 Easter Monday	23	24 E	25 DC	26
28	29	30	31		25	26	27	28		25	26	27	28 MSSWG	29	29	30			
MAY					JUN					JUL					AUG				
Mon	Tues	Wed	Thurs	Fri	Mon	Tues	Wed	Thurs	Fri	Mon	Tues	Wed	Thurs	Fri	Mon	Tues	Wed	Thurs	Fri
		1	2 ELEC	3	3	4 E	5	6 LIC	7	1	2 E	3	4	5					
6 Bank Hol	7	8 MW	9	10	10	11	12	13	14	8	9	10 CL	11	12					
13	14	15 ANNUAL COUNCIL	16	17	17	18 PLBCE (TBC)	19	20	21	15	16	17	18	19					
20 LT	21	22	23	24	24	25	26 S	27 MSSWG DC	28	22	23	24 ASC	25	26					
27 Bank Hol	28	29	30 DC	31						29	30	31							

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- CL Full Council - 6.30pm
- DC Development Control Committee - 6.30pm
- E Executive - 6.30pm
- SPMW Special Member Workshop (Budget) - 6.30pm
- S Scrutiny Committee - 6.30pm
- ASC Audit and Standards Committee - 6.30pm

MW	Member Workshop	- 6.30pm	LIC	Licensing Committee	- 6.30pm
			MSSWG	Member Structures and Support Working Group	- 4.30pm
BE	Budget Executive	-6.30pm			
BCL	Budget Council	-6.30pm	PLBCE	Pennine Lancashire Building Control Executive	-4.30pm
LT	Leisure Trust	- 6.00pm			

Criteria for Calendar

1. Based on an approximate 12 week cycle or half cycle for Full Council, within Annual and Budget reporting needs ,with Xmas/New Year weeks excluded
2. 6 week cycle for Executive within above parameters
3. 6 week cycle for Scrutiny within above parameters- 1 meeting per cycle being S
4. 10 week cycle for Licensing within above parameter
5. Approximate 12 week cycle or half cycle for MSSWG, within Annual and Budget reporting needs with Xmas/New Year weeks excluded
6. 4 weekly cycle for Development Control
7. Quarterly cycle for Audit and Standards in combined meeting, to meet as ASC
8. Quarterly cycle for PLBCE (no change)
9. Combine Ordinary Feb Executive and Council meetings with Budget Executive and Budget Full Council meetings-no change.
10. Member Workshop start time to be 6.30pm

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Constitutional Updates and Council Delegations

REPORT TO FULL COUNCIL



DATE	21/02/2018
PORTFOLIO	Leader
REPORT AUTHOR	Eric Dickinson
TEL NO	01282 477256
EMAIL	edickinson@burnley.gov.uk

PURPOSE

1. To inform Members of the changes made to Part 3 of the constitution by the Leader , relating to the Scheme of Delegation, for the Chief Operating Officer regarding adding to his Executive Functions delegations for those relating to the Head of Governance, Law, Property and Regulation.
2. To inform Members of the changes made to Part 3 of the constitution by the Leader relating to the Scheme of Delegation, regarding Executive Member portfolios.
3. To note an amended Part 5.7 of the constitution regarding the Guidance for Councillors and Officers involved in Outside Organisations.
4. To consider amendments to Part 4.8 of the constitution relating to Officer Employment Procedure Rules

RECOMMENDATION

5. That the changes made to Part 3 (Executive Functions) of the constitution by the Leader be noted, as follows;
 - (a) 20th November 2017- Leader-Additional delegations to the Chief Operating Officer in order to discharge the delegations of the Head of Governance, Law, Property and Regulation until further notice (Appendix 1)
 - (b) Changes to Part 3 of the constitution by the Leader relating to the Scheme of Delegation, regarding Executive Member portfolios (Appendix 2).
6. That the amended Guidance for Councillors and Officers involved in Outside Organisations (Part 5.7 of the Constitution) be noted, as set out in Appendix 3.
7. That the Officer Employment Procedure Rules (Part 4.8 of the Constitution) be approved, as set out in Appendix 4.

REASONS FOR RECOMMENDATION

8. To ensure that the requirements of the constitution are upheld, and that maximum transparency is maintained.

SUMMARY OF KEY POINTS

9. To Note-Changes to Part 3 of the Constitution by the Leader relating to Executive Functions

(a) Chief Operating Officer

On 20th November 2017 the Leader added a Part 3 Executive Functions delegation for the Chief Operating Officer regarding the discharge of the delegations of the Head of Governance, Law, Property and Regulation until further notice as set out below (Appendix 1).

“To discharge the delegations in the Council’s constitution afforded to the Head of Governance, Law, Property and Regulation until further notice.”

(b) Executive Portfolios

On 29th January 2018 the Leader made changes to Part 3 Executive Functions by amending the Executive Portfolios, following the resignation of Cllr Mohammed Ishtiaq as Executive Member for Resources and Performance Management., with the Leader carrying out that Portfolio until further notice (Appendix 2).

10. To note- Minor changes made by the Monitoring Officer regarding the Guidance for Councillors and Officers involved in Outside Organisations (Part 5.7 of the constitution)

Following a review of the current Part 5.7 various updates have been made, in particular to Indemnities and Interests, as set out in Appendix 3

11. To approve-Changes to the Officer Employment Procedure Rules (Part 4.8 of the constitution)

Following a review of the current Part 4.8 various updates have been made, as set out in Appendix 4

FINANCIAL IMPLICATIONS AND BUDGET PROVISION

12. None.

POLICY IMPLICATIONS

13. None.

DETAILS OF CONSULTATION

14. Member Structures Officer Group
Member Structures Working Group.

BACKGROUND PAPERS

15. None.

FURTHER INFORMATION PLEASE CONTACT: Eric Dickinson ALSO:

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To: The Executive Member for Resources and Performance Management, the Chief Executive, and the Chief Operating Officer

Amendment to Part 3 Scheme of Delegation (Executive Functions)

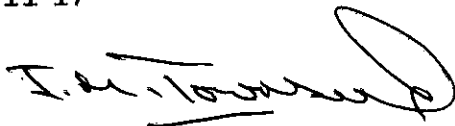
I give notice that on 20th November 2017, I approved the following recommendation;

That the Leader approves changes to Part 3 (Executive) of the Council's constitution, i.e. the Scheme of Delegation, to add the following delegation for the Chief Operating Officer relating to the delegations of the Head of Governance, Law, Property & Regulation;

To discharge the delegations in the Council's constitution afforded to the Head of Governance, Law, Property & Regulation until further notice.

DATED: 20-11-17

SIGNED:



20/11/2017.

Leader- Councillor Mark Townsend

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Executive Member Portfolios 2017/18

Portfolio	Services	Officer	Responsibilities	Lead Roles
<p>Leader Councillor Mark Townsend</p>	<p>Policy & Performance</p>	<p>Chief Executive</p>	<p>Ensure effective leadership of Council as a whole, that work is co-ordinated, resources are linked to agreed strategic priorities and the culture is responsive, open and helpful. Determining the Council's strategic framework – Strategic Plan and ensuring this is translated into action BAP and Community Strategy Strategic Pennine Lancashire Place Civics - Civic matters/mayoral matters, Parish Liaison overseas links, corporate hospitality</p>	<p>Change Programme Promotion of Burnley Develop Burnley Action Partnership and ensuring it remains effective Strategic regional/sub-regional agenda Education Lead Local Government Association Barnfield and Burnley Development Company Lancashire Local Enterprise Partnership</p>

Portfolio	Services	Officer	Responsibilities	Lead Roles
Deputy Leader Executive Member for Housing and Environment Councillor John Harbour	Housing and Development Control Green Spaces and Amenities	Chief Operating Officer Head of Housing and Development Control Head of Green Spaces and Amenities	Planning and Building Control All aspects of Housing Cemeteries and Crematoria Parks, open spaces and allotments Towneley Hall	Sustainability Member Champion Heritage Member Champion Pennine Lancashire Building Control Joint Committee Housing Associations in the Borough Private Rented Sector Forum Housing Joint Venture Partnership

Portfolio	Services	Officer	Responsibilities	Lead Roles
<p>Executive Member for Regeneration and Economic Development</p> <p>Councillor Sue Graham</p>	<p>Regeneration and Planning Policy including Town Centre & Markets</p>	<p>Chief Operating Officer</p> <p>Head of Regeneration and Planning Policy</p>	<p>Develop, promote and co-ordinate Regeneration work in Burnley</p> <p>All aspects of Economic Development</p> <p>Weavers Triangle</p> <p>Transport/Connectivity</p> <p>Local Development Framework</p> <p>Town Centre Strategy/Management</p> <p>Markets</p>	<p>Regional Economic Development</p> <p>Transport Policy</p> <p>Town Centre Partnership and Management</p> <p>Regenerate Pennine Lancashire Combined Body</p> <p>Marketing Lancashire Forum</p> <p>Local Plan</p> <p>Business Engagement</p>

Portfolio	Services	Officer	Responsibilities	Lead Roles
Executive Member for Resources and Performance Management Councillor Mark Townsend (was Cllr Ishtiaq until 270118)	People and Development Governance, Law, Property and Regulation Finance Revenues & Benefits	Chief Operating Officer Head of Finance Head of People and Development Head of Governance, Law, Property & Regulation	Budget Preparation and Monitoring Asset management HR and Workforce planning Performance and Improvement Procurement. Corporate health and safety Corporate Governance Freedom of Information Customer Services & IT Environmental Health and Licensing	Financial Planning and budget preparation Budget Consultation Risk management Organisation Development Performance Liberata Partnership

Portfolio	Services	Officer	Responsibilities	Lead Roles
<p>Executive Member for Community and Leisure Services</p> <p>Councillor Lian Pate</p>	<p>Street Scene</p>	<p>Chief Operating Officer</p> <p>Head of Streetscene</p> <p>Head of Green Spaces and Amenities</p>	<p>All Streetscene issues</p> <p>Waste Collection/Recycling</p> <p>Community Safety</p> <p>Emergency Planning</p> <p>Engagement and Communication</p> <p>Equalities</p> <p>Leisure and Culture</p> <p>Young People</p> <p>Health</p>	<p>Equality and Inclusion</p> <p>Lancashire Police and Crime Panel (Liaison)</p> <p>Police and Crime Commissioner Quarterly Community Safety Portfolio Holders Forum</p> <p>County Waste Management Group</p> <p>Engagement Strategy</p> <p>Public transport issues</p> <p>Armed Services/Military Covenant Champion</p> <p>Leisure Trust</p> <p>Older People</p> <p>Burnley & Pendle Children's Partnership</p> <p>East Lancashire Health and Wellbeing</p>

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Leader of the Council:  (Signed)

Date: 29/11/2018

**GUIDANCE FOR MEMBERS AND
OFFICERS INVOLVED IN OUTSIDE ORGANISATIONS**

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1. Introduction

- 1.1 Members are often appointed or nominated by the Council to represent it on the management committees of outside bodies, or they will be involved in such bodies in their own personal capacity either as ordinary members or as members of the management committee, board of trustees, executive committee etc.
- 1.2 The Council generally encourages Members and officers to be active citizens and to participate in the wider community, where that organisation's objectives support the delivery of the Council's Strategic Objectives. It is recognised though that these appointments also enable the Council to participate in partner organisations, and also serve as a means for Members and officers to bring back to the Council additional knowledge and experience which are of value to the Council. However, if Members or officers are to take on such additional roles, it is important that they appreciate the responsibilities which they are taking on, understand how these responsibilities interact with their existing responsibilities to the Council, and recognise and deal with any conflicts of interest which may arise.

If you are appointed or nominated by the Council it is vital that you read this guide and follow its guidance when carrying out your duties.

General responsibilities and liabilities of members of managing bodies

- 1.3 Any member of a managing body has a responsibility to take the task seriously, attend meetings and carry out work for the organisation. Some organisations have rules about attendance (e.g. missing a number of consecutive meetings may lead to loss of the place on the committee). In view of the very considerable demands on members' time and energy, it is

prudent to check out what is expected before accepting a place and to be clear what commitment can be made right from the start so that the organisation does not have unrealistic expectations of you.

1.4 In participating in outside bodies, Members and officers act both as individuals and, in some instances, as representatives of the Council. What does that mean?

- acting according to the rules, constitution and framework set by the outside body;
 - making independent and personal judgments in line with the duty of care to the outside body;
 - reporting back to the Council, where you have been appointed by the Council;
 - behaving ethically, in particular following the Nolan principals contained in the the Council's Code of Conduct for Members (5.1 of the Constitution pages 162/163) or, for officers, the Code of Conduct for Officers(5.2 of the Constituion page 2/8);
 - taking an active and informed role in the management of the outside body's affairs.
-
- you should not follow instructions from any political party to which you owe your political loyalty;
 - Do not look at things simply from the Council's perspective;
 - Do not be there in name only and merely turn up to meetings;

1.5 The role of Members or officers on outside bodies may give rise to occasional conflicts of interest. The Council's Code of Conduct for Members addresses some of the issues in respect of conflicts and interests. In essence, if any matter relating to the outside body comes up in the course of the Member's work as a Member, or in the officer's work for the Council, it is likely that the Member or officer will have an interest

which they will have to disclose. Where the conflict is such that it might be considered likely to affect the way that the Member would vote or act as a Member, he/she may have not only to disclose the outside interest but to take no part in the consideration of the matter. The Code of Conduct for Officers includes similar provisions, requiring an officer to refer the matter to another officer to deal with.

- 1.6 In a very few and extreme cases, if there is a major dispute between the Council and the outside body, the Member or officer could be placed in an untenable situation. It is possible that the Member or officer may find he/she is unable adequately to carry out their responsibilities properly, both as a Member or officer and as a member or director of the outside body. In such cases resignation from the outside body might be appropriate. Such circumstances would be rare and should not deflect Members or officers generally from being prepared to participate in the management and running of outside organisations.
- 1.7 Because there is always a potential for conflict between the interests of the Council and the outside body, Members and officers who are thinking of taking on such an outside interest should consider how that interest will affect their ability to continue to act as a Member or as an officer. Members and officers are asked to read this guide and if there are issues arising from their particular situation at any time, to contact the Monitoring Officer or their staff for advice.

2. GENERAL ADVICE

- 2.1 Local authorities are often asked to nominate Members and officers to take part in outside bodies. The range of such external activities is very wide.

- 2.2 If you are asked to allow the Council to put your name forward, you should ask the Council for a clear statement of what will be expected of you. Any organisation which asks the Council for such a nomination should be able to provide this information. The organisation will also be asked to explain how its operations help the Council to deliver its Strategic Objectives. If it is unable to provide such information, you should consider whether you want to be a member of such an organisation.
- 2.3 You will probably be agreeing to be a member of that outside body because it is active in an area which is of particular interest to you. But you should be aware that the rules on such outside interests may limit your ability to continue to take an active part in this topic within the Council. You will have to disclose membership of the outside body in your dealings with the Council. Where any conflict of interest arises between the outside body and the Council, it is likely that you will have to withdraw from any consideration by the Council of any matter affecting the outside body, unless the outside body is another public authority, or you are appointed strictly as the representative of the Council. This aspect is dealt with in more detail below.
- 2.4 As a member of an outside body, you will be expected to participate fully in that organisation. If other commitments mean that you will regularly have to miss meetings of the organisation, or that you have to withdraw from meetings because of conflicts of interest, you will be doing that organisation no favours, and this may reflect badly on the Council which put your name forward. If you neglect your responsibilities to that outside body it is even possible that you will incur a personal liability. Therefore do not allow your name to be put forward unless you are satisfied that you can participate fully in that organisation.

- 2.5 In almost all circumstances you will owe a duty to act in the best interests of the outside body. You will have to exercise your own best judgement and you cannot just take instructions from the Council. It is permissible to take account of the Council's wishes, but in any conflict, you must act in the best interests of the outside body. The Council recognises this in appointing or nominating you.
- 2.6 Your responsibilities as a member of an outside body depend on the legal form of that body. The outside body will through its own constitution specify the formal role and responsibilities of the local authority member
- 2.7 Members and officers serving on outside bodies could have personal liability as a direct consequence of their actions in serving on outside bodies. This is particularly so they act in an executive capacity as opposed to a 'non decision making ' role.
- 2.8 Indemnity Insurance – legally the Council cannot insure the liability of another body or organisation. Therefore you need to be satisfied that there is sufficient indemnity insurance cover to protect your position, particularly when serving in an executive capacity on an outside organisation.
- 2.9 There is a need for you to be assured on an annual basis of the existence of insurance, covering public liability, employees' liability; defamation; and Directors and Trustee liability.
- 2.10 The Borough Council indemnity insurance solely covers the following situations
- a. where the terms of reference are laid down in pursuance of the authority's statutory powers.

- b. where an individual acts in an advisory capacity only in connection with the Council's functions.
- c. where the Member occupies an observational role only on an outside body, representing the Council, and not in any decision making capacity.
- d. where a Member acts on behalf of a joint committee established by two or more local authorities.

2.11 In all cases which are outside the scope of the previous paragraph , indemnity cover should be obtained from the outside organisation concerned.

The principal forms of outside bodies are:

(a) Statutory corporations

These are bodies which are set up under statute. There are a wide range of such statutory corporations, including school governing bodies, Universities, combined Police and Fire Authorities and many non-departmental public bodies. The members of the statutory corporation, such as the governors of a school, and how they are appointed is set out in the statute, as are the powers of the statutory corporation. That statute will also set out the responsibilities and liabilities of members of the corporation.

(b) Companies

See paragraph 3 below.

(c) Unincorporated Associations

Unincorporated associations are more or less informal organisations, in which the members regulate their relationship by a contract, such as a membership agreement or the rules of the club or association. Because

the association has no legal existence separate from its members, there can be no limited liability. Each member incurs full personal liability for his/her own actions, and relies on the membership contract to be able to recover his/her costs from the other members.

(d) Charities

Some companies and unincorporated associations are also charities. To be a charity, the body or organisation must satisfy the Charity Commissioners that it is directed to charitable objectives. As a charity, it gains relief from corporation tax, VAT and business rates, but is subject to stricter regulation by the Charity Commissioners, to ensure that it is properly managed and that it is spending its money properly on the charitable objects.

3. COMPANIES

- 3.1 On incorporation a company becomes a separate legal entity which can hold property in its own right, enter into contracts, employ staff and sue and be sued in its own name. The company is distinct from its members, who may be either shareholders or guarantors.

- 3.2 Companies limited by shares are those which have a share capital (e.g. 1000 shares of £1 each). Each Member holds shares and receives a share in the profits made by the company according to the value of the shares held. Shares can be sold, although there may be restrictions requiring the shares to be offered to existing shareholders. In the case of a limited liability company, the liability of members of the company is limited to the amount they paid or agreed to pay when they joined the company, or the amount of their guarantee. This can be as little as £1.

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- 3.3 Companies limited by guarantee are those where there is no shareholding. Instead each Member agrees that in the event of the company being wound up they will agree to pay a certain amount. This may also be as little as £1.
- 3.4 Where a company is a trust, it is not permitted to distribute any profit to its shareholders, but must ensure that any such profit is ploughed back into the business. Trust companies are normally limited by guarantee, and this form of company is the most usual form in the public and voluntary sector, particularly where charitable status is sought.
- 3.5 The management of a company is generally the responsibility of a board of directors, elected by the Members of the company. The powers of the directors are usually set out in the company's Articles of Association (the rules each company has to govern its internal management). Sometimes even though the company has been incorporated, the directors may be referred to as members of the committee of management, governors or even trustees. However this does not change their status as directors. Conversely, sometimes officials are called directors but they are not members of the board. Again their status will not be affected.
- 3.6 Directors' Duties
A director is an agent of the company. His/her prime duties are as follows:-
- 3.6.1 A fiduciary duty to the company (not to individual shareholders) to act honestly and in good faith and in the best interests of the company as a whole. Directors are therefore in the position of "quasi trustees" who must take proper care of the assets of the company. The fiduciary duty of the director towards the company is very similar to the fiduciary duty of Members to the Council Tax payers of the Borough.

- 3.6.2 A general duty of care and skill to the company. So long as the Company remains solvent, a director requires no greater skill than might reasonably be expected of someone of that individual's particular knowledge and experience. A director is not deemed to be an expert, but is expected to use due diligence and to obtain expert advice if necessary.
- 3.6.3 Like a Member in respect of Council decisions, the director is under a duty to exercise independent judgement, though it is permissible for him/her to take account of the interests of a third party which he/she represents. In such a case the director must disclose that position and treads a fine line between the interests of the company and the party represented (in this case the Council). The director cannot vote simply in accordance with the Council's instructions. To do so would be a breach of duty.
- 3.6.4 No conflict. There may be actual or potential conflicts between the interests of the company and those of the Council. The Member or officer cannot waive their statutory responsibilities as a director. So they may have to cease to act as a Member or officer in relation to the particular matter.
- 3.6.5 Directors are not allowed to make a private profit from their position. They must therefore disclose any interests they or their family may have in relation to the company's contracts. Whether they are then allowed to vote will depend on the Articles of Association. Equally, officers are not allowed under cover of their office to take any more than their proper remuneration. They must obtain the consent of their employing Council if they are to receive any remuneration from a company to which they have been appointed by their employing Council.

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3.6.6 Directors must ensure compliance with the Companies Acts in relation to the keeping of accounts, and that the relevant returns are made to the Registrar of Companies. Directors of charities have similar responsibilities to ensure compliance with charities law. Failure to do so may incur fines and persistent default can lead to disqualification as a director.

3.7 Directors' Liabilities

3.7.1 The company's identity must clearly be shown on its stationery. The company number, place of registration, registered office address and if any of the directors' names are shown then they must all appear. Non-compliance is an offence and the directors and company officers can be fined.

3.7.2 A company can only act within the scope set out in its Memorandum of Association (the document which sets out the objects of the company). A director who knowingly causes the company to act beyond the activities set out in the Memorandum can be liable personally. In very limited circumstances it is possible for the actions of the directors to be ratified by the Members of the company after the event.

3.7.3 A director may also be liable for breach of trust, if he/she misapplies the money or property of the company. Directors may also be liable if they fail to take action to prevent the breach of a co-director of which they are aware.

3.7.4 In the event of failure to act in accordance with the best interests of the company, or if a director uses his/her powers improperly or makes personal profit from his/her position as director, then the director may be personally liable for loss to the company and may be required to give the company the personal profit made.

- 3.7.5 If the level of skill and care shown by a director falls below that which could be reasonably expected and the company suffers loss, the director will be liable for the loss incurred. However if it believes the director acted honestly and reasonably, a Court may excuse the director liability.
- 3.7.6 If a company continues to trade despite the fact that the directors know or ought to know that there is no reasonable prospect of the company meeting its liabilities, this is "wrongful trading". Where a director participates in wrongful trading, a Court may require that director to meet any creditor's additional losses resulting from the failure of the company to cease trading as soon as it knew that it could not remain solvent. No such order will be made if the Court is satisfied that the director took all reasonable steps to minimise the loss to the creditors. If a director has concerns about the company's financial position he/she could be well advised to inform the other directors and seek advice from the company auditors.
- 3.7.7 A director will also be liable if to his/her knowledge the company carries on business with intent to defraud creditors or any other person, or for any other fraudulent purpose. Fraudulent trading can also lead to disqualification from acting as a director.
- 3.7.8 All cheques and similar documents which purport to be signed on behalf of the company must bear the company name. Where they do not, the director signing on behalf of the company may be liable to a fine and may also be liable to the payee if the company fails to honour the cheque. It is therefore wise for directors to make sure that all documents they sign on behalf of the company state very clearly that they act as agent for the company, (e.g. Director, for and on behalf of XCo Ltd)

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3.7.9 A third party who enters into a contract on the assumption that a director has power to bind the company, may be liable to claim damages against the director if it subsequently transpires that the director had no such power. Directors would be well advised to ensure that contracts are approved by the board and that the authority to enter into any contract has been properly delegated before signing it.

3.7.10 Though company liability ceases on dissolution, the liability of the directors (if any) may still be enforced after dissolution.

3.8 Indemnities

Members who are directors cannot be indemnified by the company against liability arising out of negligence, default, or breach of duty or trust. However the company's Articles of Association may allow for directors to be indemnified by the company in respect of the cost of defending such proceedings if the director is granted relief by the Court or acquitted. It is lawful for companies to purchase insurance to protect its directors against claims of negligence, breach of duty, trust, default etc. Directors would be well advised to ensure that such a policy of insurance is maintained at all times.

3.9 Local Authorities (Companies) Order 1995

3.9.1 This Order, made under the Secretary of State's powers contained in Part Five of the Local Government and Housing Act 1989, sets out rules concerning local authorities' involvement in "regulated companies" which are subject to extensive controls, and their involvement in other companies where a number of rules apply.

3.9.2 "Regulated companies" are so defined if they are controlled or influenced by the local Council. "Influenced companies", under the effective control of the local Council, will be subject to the capital finance

regime and special property controls. In broad terms, the test as to whether companies are Council influenced is whether the Council has the right to, or in fact does, exercise a dominant influence over the company in question.

3.9.3 The original concept of controlled influenced and minority interests in companies were introduced by the 1989 Act. "Influenced" means at least 20% local Council interest plus a business relationship with the company accounting for over 50% of the company's turnover and/or the company was located on Council land leased or sold for less than best consideration. "Controlled" means over 50% Council interest. "Minority" less than 20% interest. The concept in the 1989 Act stands, but the Order introduces the term "regulated".

3.9.4 A local Council influenced or controlled company must state this on all business documents.

3.9.5 Members or officers who are directors of outside companies to which they have been nominated by the Council are under the following obligations:-

(a) (Members only) that the remuneration they receive from the company should not exceed that received from a local Council and should be declared.

(b) to give information to Members about their activities required by the local Council (save for confidential information) and

(c) to cease to be a director immediately upon disqualification or retirement as a Member or termination of their employment by the Council.

You will be notified by Democratic Services if you are appointed to a regulated local Council company.

4. CHARITIES

4.1 To be a charity an organisation must operate for a charitable purpose.

There are four such charitable purposes:

- the relief of poverty and human suffering;
- the advancement of education;
- the advancement of religion;
- another purpose for the benefit of the community.

It must operate for the public benefit and have exclusively charitable purposes. An organisation which operates for political purposes will not qualify for charitable status.

4.2 To register as a charity the organisation must submit its completed constitution (usually Certificate of Incorporation and the Memorandum and Articles of Association of a company limited by guarantee) to the Charity Commissioners for approval. If they are satisfied that the organisation is charitable it will be registered as such.

4.3 Those who are responsible for the control and administration of a charity are referred to as its trustees, even where the organisation is a company limited by guarantee and even though they are not strictly trustees. Trustees of a charity retain personal liability, and can only delegate to the extent that the constitution authorises them so to do

4.4 Trustees' Duties

4.4.1 Trustees must take care to act in accordance with the constitution and to protect the charity's assets. They are also responsible for compliance with the Charities Acts, and should note the particular requirements of the Acts in respect of land transactions.

4.4.2 Trustees must not make a private profit from their position. They cannot receive remuneration without the sanction of the Charity Commission. They must also perform their duty with the standard of care which an ordinary, prudent business person would show. Higher standards are required of professionals, and in relation to investment matters.

4.4.3 Charitable trustees must ensure that the information relating to the charity and trustees is registered with the Charity Commissioners and that annual accounts, reports and returns are completed and sent.

4.4.4 If charitable income exceed £10,000, the letters, adverts, cheques etc must bear a statement that the organisation is a registered charity.

4.4.5 Trustees are under a duty to ensure compliance with all relevant legislation (e.g. in relation to tax and land matters).

4.5 Trustees' Personal Liability

4.5.1 Generally a trustee incurs personal liability if he/she:

- acts outside the scope of the trust deed;
- falls below the required standard of care;
- acts otherwise than in the best interests of the charity, in a way which causes loss to the charity fund;
- makes a personal profit from the trust assets.

In such circumstances the trustee will incur personal liability for losses incurred.

4.5.2 If in doubt, always consult the Charity Commissioners. A trustee who does so can avoid personal liability for breach of trust if he/she acts in accordance with the advice given.

4.5.3 Trustees of a trust can be liable personally to third parties unless the trust is also a company, and therefore has a separate legal identity from the trustees. The constitution will normally provide for trustees to be given an indemnity from the trust assets, provided they act properly in incurring the liability. Trustees remain personally liable for their own acts and defaults once they have retired. If they have entered into any ongoing contracts on behalf of the trust they should seek an indemnity from their successors. If the charity is a company, the trustees will be protected from liabilities incurred in the day-to-day running of the charity in the normal course, but will be personally liable if they commit a breach of trust (see (1) above).

4.5.4 Trustees may be liable to fines if they do not comply with the duty to make returns etc.

4.6 Indemnities

An indemnity can be given from the trust fund provided the trustee has acted properly and within his/her powers. Trustees may take out insurance to protect themselves against personal liability but not for criminal acts, fraud etc. There will be no problem if the trustees themselves pay the premiums but if they are paid out of the charitable funds the trustees will need the consent of the Charity Commissioners first, unless the trust deed allows it.

5. MANAGEMENT COMMITTEES

5.1 Unincorporated Associations

Groups which are not charitable trusts or companies are "unincorporated associations" and have no separate legal identity from their members. The

rules governing the members' duties and liability will be set out in a constitution which is simply an agreement between the members as to how the organisation will operate. Usually the constitution will provide for a management committee to be responsible for the everyday running of the organisation. An unincorporated organisation may be charitable and may register as a charity

5.2 Property will have to be held by individuals as the association has no legal existence of its own.

5.3 Duties

Broadly, Management Committee members must act within the constitution, and must take reasonable care in exercising their powers.

5.4 Liabilities

5.4.1 Generally, the Management Committee members are liable for the acts of the organisation, but are entitled to an indemnity from the funds of the organisation if they have acted properly. If there are not enough funds, the Committee members are personally liable for the shortfall.

5.4.2 If one person is appointed by the constitution to act as the agent of the organisation for certain purposes, then that person acts as the agent for all the members, who have joint liability for the agent's actions.

5.4.3 Members of the Committee of Management will have personal liability if they act outside the authority given to them or if they do not comply with statute e.g. the payment over of employees' tax deductions etc.

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5.5 Indemnities

Members will be entitled to an indemnity if they act in accordance with the constitution and are not at fault. It is possible to obtain insurance but if the organisation is to pay the premium it must be permitted by the constitution.

6. REGISTRATION AND DISCLOSURE OF OUTSIDE INTERESTS FOR MEMBERS

6.1 The Council's Code of Conduct is based on and is consistent with the principle of public life set out in Section 28 of the Localism Act 2011 which are selflessness, integrity, objectivity, accountability, openness, honesty and leadership.

6.2 Under Section 30 of the Localism Act 2011 and The Relevant Authorities (Disclosable Pecuniary Interests) Regulation 2012 requires every member to notify the Monitoring Officer of any registerable interests which he/she holds, within one month of election or appointment. Members' declarations or registerable interests are then held in a public register of interests. The member may not act as a member until he/she has completed that declaration. In addition, the member must notify the Monitoring Officer of any change in his/her registerable interests within 28 days of becoming aware of that change. The information will then be included in a public register of interests;

6.3 Also a member must disclose on the prescribed form any disclosable pecuniary interests or other interests they may have arising as a result of his/her appointment to an outside body. For example a Member who is appointed as a Director of an outside body may have a disclosable pecuniary interest (DPI) if that outside body has a contract with the Council. The Members should register his/her DPI in accordance with the

Code of Conduct and observe the statutory requirements about participation and voting at meeting of the Council in relation to any discussions about that contract.

- 6.4 In addition, the Council's Code of Conduct requires a member to register and disclose non-pecuniary (other) interests that arise from a Member's membership of or his/her occupation of a position of general control or management in bodies to which the Member has been appointed or nominated by the Council.
- 6.5 Membership of an outside body can be a registerable interest under any of the following headings in the prescribed form:
- (a) any employment , office, trade, profession or vocation carried out for profit or gain
 - (b) Sponsorship
Any payment or provision of any other financial benefit (other than from the Council) made or provided within the last 12 months in respect of any expenses incurred by you in carrying out duties as a member, or towards your election expenses.
This included any payment or financial benefit from a trade union within the meaning of the Trade Union and Labour Relations (Consolidation) Act 1992
 - (c) Contracts-
Any contract which is made between the **relevant person** (or body in which the relevant person has a beneficial interest) and the council –
(a) under which goods or services are to be provided or works are to be executed; and

(b) Which has not been fully discharged.

(A **relevant person** is you, your spouse or civil partner, a person with whom you are living as husband and wife, or a person with whom you are living as if you were civil partners)

(d) Land

Any beneficial interest in land which is within the area of the Council.
This includes your home address or any other property.

(e) Licences

Any licence (alone or jointly with others) to occupy land in the Borough of Burnley for a month or longer.

(f) Corporate tenancies

Any tenancy where (to your knowledge) –

(a) the landlord is the Council; and

(b) the tenant is a body in which the **relevant person** has a beneficial interest.

A **relevant person** is you, your spouse or civil partner, a person with whom you are living as husband and wife, or a person with whom you are living as if you were civil partners)

(g) Securities

Any beneficial interest in securities (shares, debentures debenture stock, local stock, bonds, units of a collective investment scheme and other securities of any description, other than money deposited with is building society) of a body where –

(a) that body (to your knowledge) has a place of business or land in the borough of Burnley; and

(b) either –

(i) the total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body; or

(ii) if the share capital of that body is of more than one class, the total nominal value of the shares of any class in which the **relevant person** has a beneficial interest exceeds one hundredth of the total issued share capital of that class.

Other interests

(a) Membership, general control or management of certain bodies

Details of any body of which you are a member or in a position of general control or management and to which you are appointed or nominated by the Council.

(b) Membership, general control or management of bodies exercising public functions, charitable purposes or influencing public opinion or policy Details of any body exercising functions of a public nature, any body directed to charitable purposes or any body one of which principal purposes includes the influence of public opinion or policy (including any political party or trade union), of which you are a member or in a position of general control or management.

7. Registration and Disclosure of Outside Interest for Officers

7.1 Declaration of Interests

Section 117(1) of the Local Government Act 1972 requires that, if it comes to the knowledge of any officer of a Council, that the Council has entered or proposes to enter into any contract in which he/she has a pecuniary interest, whether or not he/she would actually be a party to the contract, he/she must give notice in writing to the Council. There is a difficulty with this provision as the definition of a pecuniary interest has now been repealed, but it must be taken as any circumstance in which he/she or a member of his/her immediate family stand to gain or lose financially as a result of the contract.

7.2 Registration of Interests

The Council requires officers graded at SCP 33 and above to declare any interests which they have, both upon appointment and as those interests change, and enter those declarations in a register maintained by the Monitoring Officer. The Register is updated annually, but Officers should notify promptly the Monitoring Officer of any change in circumstances.

8. Gifts and Hospitality - General Principles

8.1 Members and officers must never accept any gift or consideration as an inducement for doing or forbearing to do anything in their roles as members or officers of the Council. Indeed, where officers accept any such gift or consideration from anyone who has or is seeking a contract with the Council, the gift or consideration is deemed to have been accepted corruptly unless the officer can prove to the contrary. It is

therefore very important to be completely open about any significant gift or hospitality, to avoid the suspicion of misconduct.

8.2 As a general rule, offers of hospitality and/or gifts should be declined. However, it is acknowledged that Members and officers may, as part of their duties and responsibilities be called upon to represent the Council, for example at:

- functions within the community;
- meetings/visits with outside bodies;
- meetings/visits with contractors;
- conferences/courses where hospitality of gifts may be offered.

Before attending such an event, Members and officers should establish the purpose of the event, be able to justify their attendance and identify the outcome/benefit to the Council.

8.3 **Officers:** Detailed guidance for officers on Gifts and Hospitality is contained in the *Code of Conduct for Employees*.

8.4 **Members:** Guidance on Gifts and Hospitality

Hospitality

8.4.1 Members should only accept offers of hospitality if there is a genuine need to represent the Council. Offers to attend purely social or sporting functions should be accepted only when these are part of the life of the community, where the Council should be seen to be represented or it is necessary to promote the interests of the Council, its citizens or the local economy, provided always that the Member's attendance is consistent with their obligations under the Code of Conduct for Members.

8.4.2 If Members attend such functions, in line with the Council's Code of Conduct for Members the Register of Gifts and Hospitality must be completed on each occasion hospitality with a value of more than £25 is accepted or refused. The Register must be completed before the hospitality event takes place. It is good practice to register acceptance or refusal of all offers of hospitality in the Register, regardless of their value.

8.4.3 When hospitality is declined, the offer should be courteously but firmly refused and the organiser informed of the procedures and standards operating within the Council.

8.4.4 When receiving hospitality, Members should be particularly sensitive as to its timing in relation to decisions which the Council may be taking affecting those providing the hospitality.

8.4.5 Hospitality, where it is incidental, is acceptable in the following circumstances:

- through attendance at relevant conferences and courses;
- where it is clear that it is corporate rather than personal;
- where the Council (acting through the Monitoring Officer) is satisfied that any procurement decisions are not compromised.

Gifts

8.4.6 Generally, Members may accept insignificant items of token value such as pens, diaries, mouse mats, badges, scarves, ties etc. It is good practice to register acceptance or refusal of these items in the Register.

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8.4.7 In line with the Council's Code of Conduct for Members, the Register of Gifts and Hospitality must be completed on each occasion a gift with a value of more than £25 is accepted or refused. It is good practice to donate gifts with more than a token value to the Mayor of Burnley's Charity.

Sponsorship -

8.4.8 The standards relating to hospitality and gifts apply equally to situations where an organisation sponsors or wishes to sponsor a Council activity.

8.4.9 In circumstances where the Council wishes to sponsor an event or service, you must be aware that neither you nor your partner, spouse, friend or relative must directly benefit from such sponsorship without there being full disclosure to an appropriate manager of any such interest.

9. **Data Protection**

It is possible that through representation on an outside body, a Member will process personal data that belongs to that body. If the Members does this then he/she will need to ensure with the outside body whether he/she needs to be part of the outside body's notified arrangements to the Information Commissioner for processing data.

Appendix I

Responsibilities of Management Committees etc

The main responsibilities of the management committee or other governing body are:

- to maintain a long term overview of the organisation and all its work;
- to make strategic and major decisions about the organisation's objectives, policies and procedures;
- to ensure the needs and interests of relevant people and bodies are taken into account when making decisions;
- to ensure adequate resources (especially people and money) to carry out the organisation's activities;
- to monitor progress towards objectives, and other work;
- to take legal responsibility for the organisation and all its actions (or inaction). If the organisation gets into legal or financial trouble, members of the management committee or other governing body can in many cases be held personally liable.

Legal responsibilities

The legal responsibilities of the management committee or other governing body can be divided into 10 main areas:

Constitutional objects and powers - The management committee or other governing body is responsible for ensuring the organisation carries out its objects (aims or purposes) and operates within its powers according to the constitution, so committee members must know what the objects and powers are and understand what they mean. A good committee will always consult users, managers, staff and volunteers before making major decisions.

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If an organisation with charitable status operates outside its objects or powers, the Charity Commission can require the charity trustees personally to pay back to the charity any money used for these activities.

Procedures and Accountability - The management committee or other governing body is responsible for ensuring the organisation carries out its business according to its constitution and good practice. Part of the constitution relates to why the organisation exists and the type of activities it is supposed to carry out; a constitution also defines how the organisation is supposed to conduct its business. It is the committee's responsibility to ensure these rules are followed. Specific responsibilities include:

- serving as a well-informed, interested, supportive committee;
- maintaining democratic procedures and accountability:
- holding meetings regularly, and ensuring members have the information needed to make decisions;
- calling the annual general meeting and ensuring elections and other essential items are dealt with as required;
- ensuring adequate communication between the committee, subgroups, managers, staff, volunteers, and the organisation's users, members, clients, residents or other people served by the organisation.

Further legal obligations - Statutory obligations exist in law and must be met: for example having to register under the Data Protection Act if the organisation keeps information about recognisable living individuals, or having to give contracts of employment to staff who normally work 8 or more hours per week. It is the responsibility of the management committee or other governing body to ensure the organisation meets these obligations.

Contracts - are legally binding commitments which the organisation chooses to enter into: for example renting premises, hiring staff, leasing a photocopier or

entering into a contract to provide services. It is the responsibility of the committee or other governing body to ensure the organisation can and does meet the terms of any such undertaking. If the organisation is incorporated as a company limited by guarantee or is registered as an industrial and provident society (IPS) it can enter into contracts in its own name. If it is not a company or an IPS it cannot enter into a legally binding agreement in its own name, so this will have to be done by individuals, usually the organisation's elected officers, acting on behalf of the organisation. Anyone who signs a legal document must be authorised to do so, by a proper decision made by the committee, and must clearly indicate she or he is signing on behalf of the organisation.

To protect themselves as well as the organisation, members of the management committee or other governing body should be satisfied the organisation is meeting its legal obligations with respect to:

- contracts of employment and employment legislation;
- equal opportunities legislation (Race Relations Acts, Sex Discrimination Act, Disability Discrimination Act);
- lease, licence or tenancy agreements;
- Health and Safety at Work Act, Offices, Shops and Railways Premises Act and other health and safety legislation;
- insurance requirements,
- financial record-keeping and information, income tax, national insurance, other taxes, VAT;
- bank accounts, loans, overdrafts;
- fund-raising and grants;
- work done by the organisation under a service agreement or contract;
- Data Protection Act;

Financial responsibility and accountability - The management committee or other governing body is responsible for ensuring the organisation has enough money

to carry out its work, meets its financial obligations when they are due, accounts for all its financial dealings and does not get into financial trouble. This includes not only the payment of bills but also ensuring proper records are kept and the organisation's money is spent in the correct way. This means the management committee or other governing body has ultimate responsibility for:

- wages, tax, national insurance, statutory sick pay and maternity pay, pensions, redundancy pay, and any other pay or benefits due to workers under legislation or the terms of their contracts;
- mortgages, rent, rates;
- insurances; -
- all other bills; -
- ensuring the organisation will have enough money to meet any financial obligations when they come due;
- ensuring all grants or other funds received for specific purposes are spent as specified;
- ensuring the organisation is being paid enough for any services it is providing under a service agreement or contract;
- ensuring the organisation's funds are wisely invested;
- ensuring the organisation keeps accurate and comprehensible financial records, accessible to management committee members and authorised members of staff;
- receiving regular financial reports in a form which committee members can understand;
- ensuring annual accounts are drawn up and audited in accordance with the constitution and, where relevant, funders' requirements and/or legislation.

Employment and volunteers - In most voluntary organisations the management committee or other governing body is legally the employer, with responsibility for hiring, supporting and if necessary firing staff. Even if some aspects of employment are delegated to staff or a personnel sub-committee, the committee as a whole is responsible for ensuring the organisation has appropriate

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procedures to draw up and regularly update job descriptions; ensure adequate funding to pay staff; advertise appropriately, shortlist, interview and select staff; issue and abide by contracts of employment; ensure there is appropriate induction, training, supervision, support, and ideally a regular review and assessment procedure for staff; deal with complaints and grievances; undertake disciplinary and redundancy proceedings.

If some or all of the organisation's work is carried out by volunteers the committee has legal responsibility for them and their work. The committee should ensure they are adequately inducted and supported and there are appropriate disciplinary and grievance procedures

If a staff member or volunteer acts negligently, for example by giving incorrect advice to a client or not looking after a child properly, members of the governing body could be found negligent if the organisation does not have and enforce proper procedures for recruiting and training staff and volunteers, setting standards, monitoring work and maintaining a safe environment.

Equal opportunities -

It is the responsibility of the management committee or other governing body to ensure the organisation complies with equal opportunities legislation (Race Relations Act, Sex Discrimination Acts, Equal Pay Act, Disability Discrimination Acts). But good practice goes far beyond the legislation. If the organisation is concerned about equal opportunities (and the Council believes that all voluntary organisations should be) it is the committee's responsibility to ensure the organisation has a clear statement of intent on equal opportunities and a workable code of practice setting out how it will make its statement a reality, and to ensure the code of practice is implemented and monitored.

Premises and equipment - A management committee or other governing body generally has overall responsibility for the use, safety and security of premises

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used by the organisation and must ensure they are properly and legally managed and used. This includes:

- making decisions about major change of premises use. Day to day decisions about use (for example bookings) might be delegated to staff or volunteers but are still the ultimate responsibility of the committee;
- ensuring adequate finance and insurance;
- setting conditions for bookings, hire of premises, licences and similar requirements;
- developing and implementing a health and safety policy covering all aspects of the organisation's work; - ensuring the organisation meets public health and fire regulations and precautions;
- ensuring adequate security for premises, equipment and people;
- approving alterations, repairs and renovations;
- ensuring planning and building regulations are met.

Insurance - The management committee or other governing body is responsible for ensuring all insurances are taken out and paid. Some insurances are compulsory:

- employer's liability insurance must be held by any organisation with paid staff, and the certificate of insurance must be prominently displayed at the organisation's office; - public liability insurance covers injury, loss or damage caused to any person (including volunteers and management committee members) as a result of the organisation's negligence;
- if an organisation has vehicles it must have third party insurance, which covers injury or death caused to other people;
- buildings insurance and/or plate glass windows insurance are not required by law but might be required by the terms of a lease or mortgage.

Legal status - The management committee or other governing body must ensure the organisation meets its legal obligations if it is a company limited by guarantee, an industrial and provident society, a friendly society and/or a

registered charity. Any organisation registered under the Companies Acts, the Friendly Societies Act or the Industrial and Provident Societies Act must meet the requirements of the relevant Act. Organisations which fail to do so can face heavy fines, as can individual members of the management committee or other governing body. Responsibilities include:

- preparing annual accounts and balance sheets, having them audited and submitting them to the Registrar of Companies or Registrar of Friendly Societies;
- holding the annual general meeting as required by the constitution, electing directors (management committee) and submitting annual returns to the Registrar;
- notifying all changes of director to the Registrar;

In charities the charity trustees (usually the same as the management committee, but not necessarily) have responsibility for:

- preparing annual accounts, having them audited as required and submitting them to the Charity Commission and Inland Revenue;
- filing an annual report and annual return, as specified in regulations under the Charities Act 1993, with the Charity Commission;
- ensuring all the organisation's activities fall within the charity's objects and are charitable as defined by law;
- indicating on all the charity's documents, invoices, cheques and publications that it is a registered charity.

Everything else - Last but not least, the management committee or other governing body is responsible for any other legal responsibilities which might apply. This could include, for example:

- conditions imposed by funders.
- legislation applicable to certain types of work, such as housing associations, work with children or people considered vulnerable, work with dangerous machinery or equipment, food handling, lotteries or public events.

Appendix 2

Liabilities of Organisations & Members

Liabilities

Members of the management committee or other governing body are generally legally responsible for what the organisation does only if they have the right to vote on the committee. So co-opted members or representatives of other bodies without voting rights would not usually have any liability for what the organisation does. If an individual who represents another body has voting rights on the committee any legal liability rests with the individual, not the organisation which she or he is representing.

The legal liability of members of the management committee or other governing body is determined by the legal status of the organisation. This depends on whether the organisation is unincorporated or incorporated.

Unincorporated organisations

An unincorporated organisation does not have a legal identity of its own. In law, it is simply a collection of individuals. Unincorporated organisations cannot enter into contracts or other legal agreements in their own name. If they want to rent property, employ people, borrow money or take legal action, this has to be done (or will legally be assumed to have been done) by individuals acting on behalf of the organisation. If they want to own property, the property will be legally held by individuals (holding trustees) on behalf of the organisation.

Some unincorporated organisations are registered as friendly societies or trusts, but most are unregistered associations. An unregistered association is not accountable to anyone except its own members and funders.

If an unincorporated organisation gets into debt or has other legal problems, the people who have responsibility for the organisation (the management committee, if there is one, or all the members) can be held personally responsible for the difficulties. They have legal liability for whatever mess the organisation gets itself into.

Ways to limit individual liability

There are several ways to reduce the risk to individual members of the management committee or other governing body:

- Members of the governing body must always act sensibly and responsibly in making decisions about the organisation. This means getting proper information from staff or professional advisers, discussing issues fully; and not taking on obligations they know the organisation might not be able to fulfil.
- Individuals who sign legal or financial undertakings should make it clear, in writing, they are signing on behalf of the organisation rather than as individuals. If possible, they should indicate that their liability is 'limited to the extent of the assets of the organisations'.
- If an individual committee member thinks a decision is irresponsible, she or he can be publicly disassociated from it. If this disassociation is properly minuted, the individual may not be held responsible for any liability arising from the decision.
- The organisation should have all legally required insurances and sufficient other insurance to cover possible claims.
- It is possible to get insurance to indemnify (repay) committee members for any personal liability they incur on behalf of the organisation.
- If the organisation hires several staff, owns premises, or has other long term financial commitments, it should consider incorporation.

Incorporated organisations

An incorporated organisation has an existence of its own, as a legal body separate from its individual members. The organisation can, in its own name, rent or buy property, hire workers, borrow money or take legal action. This is sometimes referred to as having legal personality.

- In a company limited by shares members (shareholders) invest money in the company in order to make a profit. This structure is not appropriate for voluntary organisations but is sometimes used for trading subsidiaries.
- An industrial and-provident society (IPS) is a genuine co-operative, or a business or industry 'acting for the benefit of the community'. A community business, housing association or voluntary organisation involved in producing and selling goods or other training activities can become an IPS.
- A company limited by guarantee is an appropriate structure for a voluntary group which exists for a social or political reason and puts any profits back into the group. Most voluntary or community groups which incorporate become companies limited by guarantee.

Extent of individual liability

The members of a company limited by guarantee will guarantee (promise) to pay a small amount, usually £1 or £5, if the organisation gets into financial trouble. Their liability is normally limited to this amount. However, if the Company becomes insolvent and is wound up following wrongful trading (where directors knew or ought to have known before the Company went into liquidation that there was no reasonable prospect that the Company would avoid liquidation) or, fraudulent trading (where the Company business was carried on to defraud creditors), directors and other members of the Company may be ordered to contribute to the Company assets.

Members of the company might be all the current members of the organisation, the founding members, or some or all of the members of the management committee or other governing body. This will be set out in the constitution, which is called the memorandum and articles of association. The memorandum sets out the organisation's objects and what it can do (its powers); the articles set out its rules and procedures.

The liability of company directors (usually the same as the management committee) is limited in the same way. However company directors can lose this protection if it can be shown that they have acted negligently (irresponsibly) or fraudulently (dishonestly). And under the Insolvency Act 1986 company directors can be held personally liable in cases of wrongful trading. This is where a company continues to operate when the directors know, or could reasonably have been expected to know, that it does not have a reasonable hope of being able to meet its financial obligations when they come due.

If the company is also a charity, the company directors will also be charity trustees. As trustees they can be held personally liable (even though the organisation is incorporated) if the charity's funds are used for purposes which are outside its objects or powers.

To a large extent incorporation reduces the risk of members of the management committee (or separate board of directors, if there is one) being held personally liable if the organisation gets into debt or gets into other trouble. But there is still considerable risk if the committee operates irresponsibly.

All registered charities must have charity trustees (sometimes called managing trustees) who have ultimate responsibility for the organisation. In some charities the trustees delegate some management responsibilities to another body, which might be called a management committee but does not have ultimate responsibility. In this situation the relationship between the two groups must be clearly set out in terms of reference.

Charity trustees cannot 'profit' from the charity. This means they cannot be employed by the organisation, even for part-time or temporary work. Conversely, employees of a charity cannot be trustees and cannot be voting members of the

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committee if the committee is also the trustee body. (Employees can, of course, attend meetings and participate if the trustees so wish).

Most charities must submit their accounts each year to the Charity Commission and to the Inland Revenue if they want to claim the tax benefits which charities enjoy.

The Charity Commission can advise on any aspect of charity registration or charity law, and should be contacted if there is any doubt about what a charity can and cannot do.

Incorporation of charity trustees

It is possible for a charity to incorporate its trustee body, while not incorporating the organisation as a whole. This enables the organisation to own property and enter into contracts or other legal arrangements in its own name, rather than through individuals acting on behalf of the organisation. This type of incorporation does not, however, limit the personal liability of the trustees in any way. Further information is available from the Charity Commission.

Officer Employment Procedure Rules

1. Recruitment and appointment

The Council will follow its approved recruitment and selection procedures, including the preparation of job descriptions, person specifications and advertisements, when seeking to make officer appointments.

As part of the recruitment procedure the Council will make arrangements for a copy of the following declaration to be included in the recruitment information sent to all applicants:

'Under the Local Government Act 2000 you must declare in writing whether you are the parent, grandparent, partner, child, stepchild, adopted child, grandchild, brother, sister, uncle, aunt, nephew or niece of an existing Member or officer of Burnley Borough Council; or the partner of such persons.

No candidate so related to a Member or officer will be appointed without the authority of the relevant chief officer or an officer nominated by him or her'.

Applicants will also be advised that the Council will disqualify any applicant who seeks the support of any Member for any appointment with the Council.

No Member will seek support for any person for any appointment with the Council.

2. Recruitment of Chief Executive/ Head of Paid Service and other officers on JNC Terms and Conditions.

Where the Council proposes to appoint the Chief Executive/Head of Paid Service or any other officer on Joint Negotiating Committee for Local Authority Chief Executives and for Chief Officers of Local Authorities (JNC Terms and Conditions) it will prepare a job description, person specification and advert. Except where the position is to be advertised internally first the Council will make arrangements for the post to be advertised in such a way as to bring it to the attention of persons who are qualified to apply for it.

A committee of the Council, constituted as an Appointments Committee as set out in Paragraphs 4, 5 & 6, will be established to recruit the relevant Officers. The Head of People and Development, or in their absence the Strategic HR Consultant, will be appointed as the Proper Officer for the appointment and will advise the Appointments Committees.

Members of the Executive will have the opportunity to raise objections to decisions about the appointments of senior officers i.e. those on JNC Terms and conditions.

3. Appointment of Chief Executive/ Head of Paid Service- by Full Council

The Full Council will approve the appointment of the Chief Executive/ Head of Paid Service following the recommendation on the appointment by the Appointments Committee as set out in Paragraph 4. That committee must include at least one member of the Executive.

4. Appointment of Chief Executive/ Head of Paid Service

The Appointments Committee will comprise:

Leader;
Deputy Leader;
Executive Member for Resources and Performance Management; and
the Leaders of the two largest Opposition Groups.

5. Appointment of officers on JNC Terms and Conditions (other than the Chief Executive or Heads of Service) – i.e. Chief Operating Officer.

The Appointments Committee will comprise:

Leader or Deputy Leader
Relevant Executive Member
Chair (Vice Chair as sub) of the Scrutiny Committee
Chief Executive

If, by the application of these Rules the membership of the Committee does not include at least one Member of an opposition group, then the Leader of largest opposition group (or their nominee) will be substituted for the Scrutiny place on the Committee.

6. Appointment of officers on JNC Terms and Conditions (other than the Chief Executive/ Head of the Paid Service or Directors) – i.e. Heads of Service

The Appointments Committee will comprise

Leader or Deputy Leader,
Relevant Executive Member; and
Chief Executive and/or Chief Operating Officer

Whichever of the Leader or Deputy are to be on the Appointments Committee, if they are also the Relevant Executive Member then another member of the Executive should be appointed to make up the three. The Chief Executive and Chief Operating Officer may both sit on the Committee if this is relevant to the responsibilities of the post.

7. Other appointments

Appointment of assistants to political groups shall be made in accordance with the wishes of the political group.

Scrutiny Chair Cycle 4 Report to Council

The Full Committee has met twice during this cycle of meetings, and the Scrutiny Review Group has continued to meet.

The 29th November meeting saw Members consider a series of Annual updates that are brought to the Committee. Members were pleased to receive the 2016/17 Annual Report from Burnley Leisure outlining the achievements and financial position of the Trust. Members were pleased to note the distance travelled and transformation since the creation of the Trust, and the aspirational vision for the future development of the Trust. Members commented on the profile of the Mechanics as a venue, and the excellent standard of events.

The Community Safety Annual Report highlighted a number of initiatives the team is involved with across a broad range of issues. A range of emerging issues were highlighted alongside the constant battle against cybercrime. It was very positive to hear about the ongoing partnership work alongside local Councillors to tackle specific ward issues.

The Performance Report provided a snapshot of the Council's services for the first 6 months of the year. Members were pleased to see the majority of services operating at or above target.

At the Budget Scrutiny meeting in early February we carried out our quarterly budget monitoring role – receiving updates on the latest position for both Capital and Revenue budgets. The Committee also received the latest annual update to the Council's Strategic Plan, outlining minor amendments for the coming year.

The Committee was also pleased to receive the updated Food Safety Delivery Plan, and Health and Safety Delivery Plans. These reports highlighted the work that both teams carry out with local businesses to ensure our safety, whether that be when treating ourselves to a take away or meal out, or indeed when we go to work or to a leisure activity.

The Committee then looked at the suite of Budget Reports for 2018/19. These reports set out how the budget had been developed and presented the budget proposals for both Capital and Revenue for the next year. They were accompanied by a strategy detailing how the Council proposed to manage its finances in the medium term and was already looking at future years budgets, alongside the Treasury Management Strategy which details how the Council will manage its assets.

The Scrutiny Review continues to look at Dementia Services. In January the group met with the Regional Manager from the Alzheimer's Society and gained some useful insights into the work they do in the local area and nationally. Moving forward the group have identified three potential areas for support through Partnership Working: Promoting take up of schemes such as the Herbert Protocol or Guardian Angels which assist if a person living with dementia goes missing; Supporting a review of the care pathway – including support for carers; and supporting the Alzheimer's Society to promote their 'Side by Side' volunteer programme which looks

to support people living with dementia to carry on their regular activities by 'matching' them up with a trained volunteer with similar interests.

Cllr Andy Tatchell

Scrutiny Chair



BURNLEY BOROUGH COUNCIL STRATEGIC PLAN PROGRESS REPORT TO THE FULL COUNCIL

[Internal link to previous report](#)

21st February 2018

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COUNCILLOR MARK TOWNSEND, LEADER OF THE COUNCIL

Progress against our strategic commitments

Strategic commitment	Progress update
<p>PE1- 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.</p>	<p>Head teachers and GPs in Burnley have agreed that tackling poor mental health is a key challenge if we are to improve the life chances of our young people later in life. Though this is an issue right across the country, I welcome the effort locally to try and improve access to services that could help improve emotional resilience. Officers from the council and Burnley Leisure, such as the Active Streets team, will support this agenda through the recently established Burnley Health and Wellbeing Partnership.</p> <p>The Children's University has been taken up by 14 Burnley schools and increasing numbers of local learning destinations, such as Towneley Hall and Burnley Leisure facilities, are being signed up to encourage children from the age of 5 to try new learning experiences in and outside of school; at after school clubs, at home, in the local library, museum or further afield. I look forward to the graduation ceremony in the Summer term, to celebrate, with our partners at UCLan and Burnley FC in the Community, this proven approach to extra curricula learning. The Making it in Burnley group continues to strengthen relationships between schools and business and our colleagues in the careers and enterprise network offer support to Burnley high schools to engage with businesses. I look forward to the developments which will be implemented as a result of the government's recent careers strategy.</p>
<p>PR1- We will contribute to the strategic direction of local, sub-regional and regional partnerships, and will position the borough for economic development investment.</p>	<p>I am pleased to report UCLan's recent announcement of their plans to increase their student numbers from 400 to 4000 by 2025. This number of students will lead to a more vibrant town centre and deliver many wider economic benefits to the Borough as well as helping to raise aspirations for our young people. The securing of Victoria Mill (former UTC building) by UCLan will help to revitalise the Weavers Triangle. Officers have monthly meetings with UCLan to help them deliver their plans and we need to ensure that there is the right accommodation and student experience in the town to attract national and international students to Burnley.</p>

<p>PF1- We will embed the partnership with Liberata within the Council's budget, strategic vision and commercial strategy.</p>	<p>The Council has just started its third year of partnership with Liberata. I am pleased to report that Liberata is on schedule in locating new jobs in the borough</p> <p>At the end of the second year of the contract, 44 new skilled jobs had been created, ahead of the target of 40.</p> <p>Of those new employees, over 37 are working to deliver services to other local authorities across the country, including the London boroughs of Bromley and Hillingdon, with 8 more in training.</p> <p>The Council was delighted to handover the refurbished Padiham Town Hall to the Town Council following the horrific boxing day floods in 2015. Council officers worked closely with Liberata and the Town Council to deliver the reinstatement of this historic building to demonstrate its support and commitment to Padiham. Effective measures have been put in place to mitigate against the risk of future flooding.</p>
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<p>PF2- We will adopt 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.</p>	<p>Quarter 3 saw the final round of in-year budget monitoring reports for the 2017/18 financial year that are reported through to Full Council. This marked the conclusion of the first year for the new self-service budget monitoring initiative. This project allowed budget holders to have greater input and control managing and reporting against their budgets and is linked to greater empowerment for budget holders and greater use of financial systems.</p> <p>A review of this project will be undertaken over the spring with the expectation of shaping the continuation of this program.</p> <p>Work is continuing on financial transformation project work; using greater exploitation of financial systems to improve efficiency and drive performance. Further automation of the payments system will allow for additional efficiencies to be achieved.</p> <p>To ensure that our employees have the necessary skills to continue to develop and work in new or different ways there is a comprehensive learning and development calendar in place for employees at all levels including leadership development, talent management and changes in technology.</p> <p>Work continues in dealing with the challenging environment the Council is in, with regards to reduced government funding and economic pressures. Proposals to balance the budget for 2018/19 and an assessment of the medium term are included elsewhere in this agenda. Building on savings approved in 2016 and 2017 for future years, this multi-year approach shows the Council's commitment to creating a sustainable future and is intended to develop a long-term financially balanced framework for the Council.</p>
<p>PF4- We will deliver our Organisational Development strategy, ensuring we plan for the structures and capabilities the organisation needs, and empowering our workforce to deliver the objectives of the Strategic Plan.</p>	<p>The Council is committed to organisational development and development programmes for both senior and middle managers are ongoing. A talent management programme for managers is in progress.</p> <p>The Council is aware of its obligations under the new General Data Protection Regulations and a robust training programme has been put in place for all officers that is due to be completed before the legislation is effective in May 2018.</p>

**COUNCILLOR JOHN HARBOUR, DEPUTY LEADER AND EXECUTIVE MEMBER
FOR HOUSING AND ENVIRONMENT**

Progress against our strategic commitments

Strategic commitment	Progress update
<p>PL2- We will improve the management of private rented accommodation.</p>	<p>Selective Licensing <i>Trinity, Queensgate and Gannow:-</i> Officers continue to monitor these areas closely to ensure all licensable properties have either been licensed, or landlords are engaging in the application process. Those that have not been licensed are now a very small minority of rented properties within the neighbourhoods. As well as ensuring that landlords are managing their properties well officers continue to work to improve the neighbourhoods and are engaging closely with Streetscene officers to identify and tackle dirty back yards and anti-social behaviour.</p> <p>Since new powers were introduced in April last year, the housing team have served three Civil Penalty Notices to landlords for failing to licence their properties. The Civil Penalties incurred were £12,500 for one landlord, and two penalties of £7,500 for another landlord.</p> <p><i>Burnley Wood with Healey Wood, Leyland Road area and Ingham and Lawrence Street area</i> I am pleased to report that we have received licensing applications for 90% of privately rented properties across these neighbourhoods. Officers are currently working on securing applications from the remaining owners to ensure that all landlords across these areas are fit to manage their tenancies. Officers are out regularly in these areas performing property checks to drive up property standards.</p> <p>Private Rented Disrepair Since the start of April 2017 the Council has received and dealt with 266 new disrepair complaints from private rented sector tenants. The Enforcement Team have a current caseload of 375 open/ongoing private rented sector disrepair cases. The majority of the cases are dealt with informally and resolved promptly. In cases of serious non-compliance formal enforcement action will be taken to ensure that tenants in the borough live in decent homes free from disrepair.</p>

PL3- We will work with partners to improve quality and choice in the borough's housing stock.

Grants

The Council is assisting vulnerable, elderly and disabled residents through its grants programme. Disabled Facilities Grants have been awarded to 147 residents and the grants team are currently working towards approving a further 23 grants. Vulnerable residents are also assisted through the Council's emergency works grant and 16 residents have received assistance through this project. The Council also receives "affordable warmth" funding from Lancashire County Council and so far this year the funding has assisted 27 residents with heating related issues. The Burnley Heating Rebate Scheme is available for residents who upgrade their boiler to an "A" rated boiler and so far this year 91 rebates have been granted.

Empty Homes Programme

So far this year we have purchased and renovated 9 properties. The Secretary of State has confirmed the Cardinal Street Compulsory Purchase Order following a Public Inquiry and we have a further two compulsory purchase orders waiting to complete. Sales have gone well and we have disposed of 10 properties since April 2017. We currently have 10 empty homes loans underway to assist private landlords to return their properties back into use.

At the last Executive Committee approval was given to appoint an additional officer to work on our empty homes programme. This will give us capacity to engage with a greater number of owners of empty homes and through the promotion of incentives and enforcement action we aim to double the number of homes brought back into use each year.

The property improvement schemes at Branch Rd. and Heap St. are now complete and works are underway to prepare the next scheme on Ingham and Lawrence St., which will start in the new financial year. The schemes have seen the fronts and backs of properties painted and improved to support wider neighbourhood regeneration.

Housing Development

Calico/Ringstones have made excellent progress at the former Perseverance Mill site in Padiham that will see a very complex, brownfield site provide 56 affordable homes. The first 8 of these homes are due for completion by the end of March this year with the completion of the entire site scheduled for February 2019.

Calico's housing scheme on the site of the former Mitre Pub on Westgate has also transformed this important gateway into our town and is due for completion in June 2018. When open it will provide vital housing and support services for homeless people assisting them to find settled, sustainable homes.

Calico are also making good progress with their scheme of 2 and 3 bed houses at Melrose Avenue, which includes a 3 bed adapted bungalow and will see 31 new homes developed.

The former Blythe site at Hapton, Waterside Mill site at Sycamore Avenue and Peel Mill site off junction 10 of the M65 are all well underway delivering

PL4- We will implement our 2015-25 Green Space Strategy.

Play Strategy

I am pleased to report that the extension of the play area in Calder Park is complete and extend the thanks of the Council for the hard work by the Friends of Calder Park who raised money for this scheme. The enthusiastic group is now working with Council officers to develop a pump track at Calder Park, similar to the successful track in memorial Park, Padiham. Green Spaces staff are also currently working with Cliviger Parish Council to refurbish RACA Park in Cliviger as part of this year's programme of play area improvements.

Restoration of Thompson Park

Work on the restoration of Thompson Park is progressing at a pace. I recently visited the park to inspect work in progress and I was impressed by the pride that everyone working on the project has and this includes the numerous local contractors employed on the project together with Green Spaces staff and volunteers.

The project is currently recruiting a Community Engagement Ranger, funded by the Heritage Lottery Fund, who will work on activities and event that encourage residents from across the Borough to enjoy the heritage of Thompson Park.

Worsthorne Recreation Ground Improvements

Officers are currently working on a scheme to improve Worsthorne Recreation Ground that will be funded largely by external grants and provide new facilities including junior football pitches, changing rooms, a multi-use games area, outdoor gym equipment and new footpaths. Consultation with local residents will be taking place in mid-February.

COUNCILLOR SUE GRAHAM, EXECUTIVE MEMBER FOR REGENERATION AND ECONOMIC DEVELOPMENT

Progress against our strategic commitments

Strategic commitment	Progress update
<p>PR2- We will proactively support the borough's businesses to innovate and expand, and make the borough a natural choice for business relocation.</p>	<p>Business Support The Business Support Team is currently working with 56 companies looking to relocate into the Borough or expand within it. Out of the 56 companies, 27 are for companies outside of the Borough with the remainder being companies already located in the town.</p> <p>Boohoo's newly refurbished buildings comprising of the 156,000 distribution facility was recently opened. At peak periods their total operation will have 2,500 employees on site.</p> <p>Burnley based Batch Brew Gin have been named 'Britain's Favourite Gin'. The accolade, which has received national newspaper coverage, follows a 300% increase in turnover for the Burnley distillery.</p> <p>Automotive company Futaba Manufacturing UK has recently received a prestigious Jaguar Land Rover Quality award from Jaguar Land Rover. The award recognises the businesses excellent quality and safety practices and puts them in a strong position to win further work from Jaguar Land Rover securing new jobs in the business.</p> <p>Vision Park The development has now been handed over to the Council with the official launch held on the 31st January.</p> <p>Data Updates New figures released by the Office for National Statistics in December show that the number of new business starts (births) in Burnley in 2016 has grown by 4.6% on the previous year to 340. Over the same period the number of active enterprises (business stock) in the town grew by 3.5% to 2,800. This is similar to the national and regional trend.</p> <p>Other recently released statistics show that the number of employees in Burnley between 2015 and 2016 increased by 2.7%, almost all within the private sector, bringing the total to 38,000.</p> <p>The number of jobs in 'Knowledge Intensive Business Services' increased by 17.6%, putting Burnley 23rd out of 380 local authorities nationwide for growth in these sectors.</p>

<p>PR3- We will make the borough attractive to retail and leisure developers, and will identify a sustainable future for the Burnley Market.</p>	<p>Burnley Town Centre</p> <ul style="list-style-type: none"> • A 2 day Christmas Lights Festival was held on 18/19 November 2017 including an Ice Sculpture Trail, Light Parade, and festive switch on show. Over the weekend nearly 55,000 people visited Burnley town centre and Saturday's footfall was up 7% on last year. • 6 new businesses opened in Burnley town centre in the last quarter. 5 were in previously empty properties and 2 received financial support. <p>Padiham Town Centre</p> <ul style="list-style-type: none"> • 2 new businesses opened in Padiham town centre in previously empty properties.
<p>PR4- We will develop and deliver the Local Plan. This will act as the key supporting framework for encouraging future employment and investment in a range of housing stock.</p>	<p>The Examination of the Local Plan is reaching its latter stages. Examination Hearings Sessions were held in November and December 2017 and consultation on the Inspector's proposed main modifications to the Plan to ensure soundness and/or legal compliance is expected to commence within the next few weeks. The Executive adopted a revised Local Development Scheme at its meeting on 17 January 2018 committing to producing a separate Gypsy and Traveller Site Allocations Development Plan Document to address pitch provision in the light of the Inspector's indication that he considers the submitted allocation unsound.</p>

COUNCILLOR LIAN PATE, EXECUTIVE MEMBER FOR COMMUNITY AND LEISURE SERVICES

Progress against our strategic commitments

Strategic commitment	Progress update
<p>PL1- We will implement a range of initiatives to maintain a clean, safe borough.</p>	<p>Garden Waste Year Below is an overview of the key dates for residents subscribing to the green waste collection service in 2018: <u>26th Feb / 5th March</u> – Year 1 collection scheme restarts following the winter break <u>1st March</u> – Marketing campaign starts including online promotions, social media and targeted email promotions to promote Year 2 'sign ups' <u>w/c 5th March</u> – Leaflets will be delivered to all HH with gardens advertising the scheme <u>13th April</u> – cut off point for residents to sign up for Year 2 – to ensure an uninterrupted collection service <u>1st May</u> – Year 1 ends and Year 2 collections start Additional staff will be brought in the Contact centre to handle the additional calls.</p> <p>Safe Padiham I am pleased to report that overall crime was down 15% in the Gawthorpe ward (April–December 2017) compared to the same period the preceding year. Anti-social behaviour fell by 9.1% in the same period and vehicle crime in the ward showed significant reductions in October/November 2017 compared to the same period in 2016.</p>
<p>PF3- We will develop our digital strategy, so that more residents transact with us online and we are able to deliver services more efficiently</p>	<p>Burnley Leisure and the Council have made a joint investment to upgrade to IT systems which, in the coming months, will improve membership management and bookings in the borough's leisure facilities. Liberata have recently invested in mobile working technology for Environmental Health staff, which should help reduce manual processing in the team.</p>

PE2- We will continue to develop the leisure and cultural offer of Burnley in partnership with Burnley Leisure.

Padiham Leisure Centre Refurbishment

I am pleased to report that the £180,000 refit of Padiham Leisure Centre's Gym was completed on time before Christmas and provides a first class gym and spinning studio for the residents of Padiham. Response from gym users has been really positive and is attracting new gym members.

Burnley Mechanics: "MI Space"

Members will be aware of the unsuccessful Heritage Lottery Fund bid for the refurbishment of the Mechanics. Officers have met with the HLF and will be submitting a revised bid later this year.

Prairie Sports Village

Burnley Leisure is working with the Council and other partners to bring forward a scheme to develop a second artificial grass pitch at Prairie Playing Fields. The scheme is identified as a priority in the Council's Playing Pitch strategy and will help to meet the strong demand that exists among local clubs and teams for an additional facility.

Afternoon Tea at Towneley

The Council is working closely with Burnley Leisure to introduce Afternoon Tea at Towneley Hall. It will begin on Mothers Day this year and will be a monthly event at this historic venue. This is both to promote the venue and increase visitors to the borough.

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