

EXECUTIVE

Tuesday, 14th August, 2018
6.30 pm





EXECUTIVE

BURNLEY TOWN HALL

Tuesday, 14th August, 2018 at 6.30 pm

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

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

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

Notice in writing of the subject matter must be given to the Monitoring Officer by 5.00pm 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.

AGENDA

1) *Apologies*

To receive any apologies for absence

2) *Minutes*

5 - 6

To approve as a correct record the Minutes of the meeting held on 19th July 2018.

3) *Additional Items of Business*

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

4) *Declaration of Interest*

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

5) *Exclusion of the Public*

To determine during which items, if any, the public are to be excluded from the meeting.

6) Right To Speak

To consider questions, statements or petitions from Members of the Public

7) Constitutional Update-Executive Portfolios 2018-19 7 - 12

To note Executive Portfolios for 2018-19 updated by the Leader from 010818.

8) Strategic Risk Register 13 - 30

To consider a report on a Strategic Risk Register.

9) Revenue Monitoring Q1 2018-19 31 - 46

To consider a report on Revenue Monitoring Q1 2018-19.

10) Capital Monitoring Q1 2018-19 47 - 58

To consider a report on Capital Monitoring Q1 2018-19.

11) Exclusion of the Public

To determine during which items, if any, the public are to be excluded from the meeting and to consider the exclusion of the public from the meeting before discussion takes place on the following items 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.

PRIVATE ITEMS

Details of any representations received by the Executive about why any of the following reports should be considered in public – None received.

Statement in response to any representations – Not required

12) Business Grant 59 - 62

To consider a report on a Business Grant.

Information relating to the financial or business affairs of any particular person (including the authority holding that information)

MEMBERSHIP OF COMMITTEE

Councillor Mark Townsend (Chair)
Councillor John Harbour (Vice-Chair)
Councillor Sue Graham

Councillor Lian Pate
Councillor Asif Raja

PUBLISHED

Monday, 6 August 2018

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EXECUTIVE

BURNLEY TOWN HALL

Thursday, 19th July, 2018 at 6.30 pm

PRESENT

MEMBERS

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

OFFICERS

Mick Cartledge	– Chief Executive
Lukman Patel	– Chief Operating Officer
Kate Ingram	– Strategic Head of Economy and Growth
Elizabeth Murphy	– Planning Policy Manager
Pete Milward	– Principal Planner
Eric Dickinson	– Democracy Officer

ALSO IN ATTENDANCE – Councillor Margaret Brindle

26. Minutes of the Last Meeting on 3rd July 2018

To approve the Minutes of the last meeting held on the 3rd July 2018

27. Local Plan Adoption

Purpose

The purpose of this report is to present to members the Inspector's Report on the Examination of Burnley's Local Plan (Appendix 1) and to seek the Executive's support for a recommendation to Full Council to adopt the modified Plan (Appendix 2) and associated Policies Map (Appendix 3).

Reasons for decision

Local Authorities are effectively required by legislation to prepare a Local Plan to set the local planning framework for their district. The current Burnley Local Plan Second Review adopted in 2006 was intended to cover the period until 2016. Its policies have been 'saved' indefinitely by the Secretary of State until such time as a new plan is put in place. Whilst saved and remaining in force at present, its policies are now 'time expired' and do not fully address current or future development needs.

Failure to have an up to date local plan in place limits the Council's ability to influence the quantum, location and quality of development in its area. The Government have made clear that they expect Council's to have an up to date local plan in place and are considering intervention for those Councils that do not have at least a plan setting out their strategic policies.

Burnley's Local Plan was submitted to the Secretary of State on 20th July 2017. Mr Kevin Ward BA (Hons) MRTPI was appointed by the Secretary of State to conduct the Examination into the soundness and legal compliance of the Plan, including the Duty to Cooperate.

Following the Examination, the Inspector has issued his final Report. He has concluded that the Plan is legally compliant and can be made sound with the 'main modifications' recommended in his report. While the local planning authority is not legally required to adopt its Local Plan following examination, the government makes clear in its planning practice guidance that the plan "will have been through a significant process locally to engage communities and other interests in discussions about the future of the area, and it is to be expected that the authority will proceed quickly with adopting a plan that has been found sound."

Should the Council resolve to adopt the Plan, it can only adopt the Plan in accordance with the Inspector's recommendations.

Decision

- (1) That Full Council be recommended to adopt Burnley's Local Plan;and
- (2) That Full Council be recommended to authorise the Strategic Head of Economy and Growth to make minor editorial amendments and corrections to the Local Plan, the accompanying Policies Map and any other relevant documents prior to printing

Executive Member Portfolios 2018/19

Portfolio	Services	Officer	Responsibilities	Lead Roles
<p>Leader Councillor Mark Townsend</p>	<p>Policy & Engagement</p>	<p>Chief Executive Head of Policy and Engagement</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 Community Strategy Strategic direction of local, sub-regional and regional partnerships Civics - Civic matters/mayoral matters, Parish liaison overseas links, corporate hospitality Promoting inclusive growth and social inclusion within the borough</p>	<p>Promotion of Burnley Community Strategy Strategic regional/sub-regional agenda Education and skills lead UCLan lead Local Government Association Barnfield and Burnley Development Company Lancashire Local Enterprise Partnership PLACE</p>

Portfolio	Services	Officer	Responsibilities	Lead Roles
Deputy Leader Executive Member for Housing and Leisure	Housing and Development Control Green Spaces and Amenities	Chief Operating Officer Head of Housing and Development Control	Planning and Building Control All aspects of Housing Cemeteries and Crematoria Parks, open spaces and allotments Towneley Hall Leisure and Culture	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 Leisure Trust
Councillor John Harbour	Leisure and Culture	Head of Green Spaces and Amenities		

Portfolio	Services	Officer	Responsibilities	Lead Roles
<p>Executive Member for Economy and Growth</p> <p>Councillor</p> <p>Asif Raja</p>	<p>Economy and Growth</p>	<p>Chief Executive</p> <p>Strategic Head of Economy and Growth</p>	<p>Develop, promote and co-ordinate Regeneration work in Burnley</p> <p>All aspects of Economic Development</p> <p>Transport/Connectivity</p> <p>Local Development Framework</p> <p>Town Centre Strategy/Management</p> <p>Markets</p>	<p>Economic Development</p> <p>Transport Policy</p> <p>Town Centre</p> <p>Partnership and Management</p> <p>Local Plan</p> <p>Business Engagement</p> <p>Weavers Triangle</p>

Portfolio	Services	Officer	Responsibilities	Lead Roles
Executive Member for Resources and Performance Management	People and Development Legal and Democracy	Chief Operating Officer	Budget Preparation and Monitoring Asset management HR and Workforce planning Performance and Improvement Procurement Corporate health and safety	Financial Planning and budget preparation Budget Consultation Risk management
Cllr Sue Graham	Finance and Property Revenues & Benefits	Head of Finance and Property Head of People and Development Head of Legal and Democratic Services	Corporate Governance Freedom of Information Customer Services & IT	Organisation Development Performance Liberata Partnership

Portfolio	Services	Officer	Responsibilities	Lead Roles
Executive Member for Community and Environmental Services Councillor Lian Pate	Streetscene Environmental Health and Licensing	Chief Operating Officer Head of Streetscene Head of Policy and Engagement	All Streetscene issues Waste Collection/Recycling Community Safety Emergency Planning Engagement and Communication Equalities Young People Health Environmental Health and Licensing	Equality and Inclusion Lancashire Police and Crime Panel (Liaison) County Waste Management Group Engagement Strategy Public transport issues Armed Services/Military Covenant Champion Older People Burnley & Pendle Children's Partnership East Lancashire Health and Wellbeing Partnership Environmental Enforcement Partnership

V6 ED 010818

Leader of the Council:  (Signed)
.....

Date:.....010818.....

Strategic Risk Register

REPORT TO THE EXECUTIVE



DATE	14/08/2018
PORTFOLIO	Resources and Performance
REPORT AUTHOR	Ian Evenett
TEL NO	01282 477175
EMAIL	ievenett@burnley.gov.uk

PURPOSE

1. To present the Executive with a Strategic Risk Register

RECOMMENDATION

2. That the Executive approves the Strategic Risk Register.

REASONS FOR RECOMMENDATION

3. The Executive are required to approve the Strategic Risk Register (Appendix A) pursuant to the Risk Management Strategy.

SUMMARY OF KEY POINTS

Governance Issues

4. Effective and up to date risk management is a key element of good corporate governance and contributes to an effective, focused organisation that has an understanding of the challenges facing it. The register links to the strategic actions that the Council has in place to control these risks and to strategic plans and actions to better serve the community. Risk Scoring provides a relative assessment of the risks and effectiveness of controls and plans to address the risks.

Review of Risk Register

5. The Strategic Risk Register needs to be reviewed to align with the Strategic Plan. Risks are not static and the register needs to be aligned with the current position.

Risk 10 – Workforce and Skills Capacity Challenges

6. This has increased from a risk score of 8 to a risk score of 12. This is an increasing likelihood (from 2 to 3).
7. There were several Heads of Service who expressed that one of their top risks were related to workforce capacity.

Risk 11 Malicious Acts

- 8. The Government’s National Risk assessment for malicious acts is Severe and has been increased to Critical, its highest level, several times after events. Changes in tactics and targets have been a recent feature in international terrorism. A different threat faced by all local authorities is a malicious act like the South Oxfordshire arson attack in 2015. The council has several effective corporate measures in place to control this risk. These include a range of physical security measures, emergency planning, business continuity planning, event management, liaison with Police and other responders and staff instructions. The risk score of 5 represents an impact of 5 but a likelihood of 1. This has been moved from service risk registers to the strategic risk register to increase its awareness and transparency.

Risk 12 Safeguarding

- 9. This is a prominent risk for Councils with social services but district councils can still be exposed to this risk. The council has various effective corporate measures in place to control this risk. These include a clear corporate message (If there’s a doubt, then there’s no doubt), DBS checking, compulsory training and a council wide reporting structure. The risk score of 5 represents an impact of 5 and a likelihood of 1. This has been moved from service risk registers to the strategic risk register to increase its awareness and transparency.

Other changes

- 10. The links to changed strategic objectives have been included as have organisational changes in the Lead Responsibilities.

FINANCIAL IMPLICATIONS AND BUDGET PROVISION

11. None

POLICY IMPLICATIONS

- 12. The Local Code of Corporate Governance recognises Risk Management as a key element of Good Governance

DETAILS OF CONSULTATION

13. None

BACKGROUND PAPERS

14. None

FURTHER INFORMATION
PLEASE CONTACT: Ian Evenett – Internal Audit Manager
ALSO:



Burnley Borough Council

Strategic Risk Register

16 May 2018

Strategic Risk Register Summary

Risk Ref	Risk Description	Risk Score
1	Financial stability	15
8	Inability to influence key decision makers	12
10	Workforce, skills and capacity challenges	12
5	Changes in national policy/legislation	9
6	Inability to deliver the regeneration programme	9
7	Inability to drive improvements through information technology	8
9	Risks in responding to demographic changes and increased deprivation	8
2	Maintaining Partnership Performance	6
3	Damage to the Council's reputation	6
4	Changes in the political landscape	6
11	Malicious Attack	5
12	Safeguarding Failure	5

Risk Prioritization Matrix

Likelihood	5							Red - High
	4				10			
	3			2, 4	5, 6	8	1	Amber - Medium
	2				3	9, 7		
	1						11, 12	Green - Low
	0							Insignificant
		0	1	2	3	4	5	
		Impact						

Likelihood	Impact	Risk Priorities
0 Almost impossible	0 Minimal	Red = High Priority Risk Urgent Action to reduce or mitigate risk
1 Very unlikely	1 Minor	
2 Unlikely	2 Significant	Amber = Medium Priority Risk Action and Monitoring of risk
3 Likely	3 Serious	
4 Very likely	4 Major	Green = Low Priority Risk Keep Reviewed reduce if possible
5 Virtually certain	5 Catastrophic	

Risk Ref 1 Financial stability

Trigger or Cause

Further funding cuts
 Income loss
 Insufficient financial controls
 Expensive decision making
 External cost pressures
 Political growth
 Failing to understand the financial problem
 National Economic Changes
 Claims against the Council

Possible Consequences of Risk

Organisational sustainability
 Reduced service delivery
 Reduced customer satisfaction
 Reduced reserves
 Overspends
 Damaged credit rating
 Damage to reputation
 Workforce morale/planning/retention
 Reduced reputation for financial management

Strategic Link: Cross Cutting

Residual Risk Assessment	IMPACT	5	LIKELIHOOD	3	SCORE	15	Medium Priority Risk
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Strategic Commitments

PF1 - We will embed the partnership with Liberata within the Council's budget, strategic vision and commercial strategy.

PF2 - We will adopt a Medium Term Financial Strategy that will put the Council on a sustainable footing. This strategy will set the framework for annual budgets, ensuring the annual budget is set within the context of the longer term outlook.

PF3 - We will develop our digital strategy, so that more residents transact with us online and we are able to deliver services more efficiently.

PL1 - We will implement a range of initiatives to maintain a clean, safe borough.

PL4 - We will implement our 2015-25 Green Space Strategy.

PR1 - We will contribute to the strategic direction of local, sub-regional and regional partnerships, and will position the borough for economic development investment

PR2 - We will proactively support the borough's businesses to innovate and expand, and make the borough a natural choice for business relocation

PR3 - We will make the borough attractive to retail and leisure developers, and will identify a sustainable future for the Burnley Market.

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.

Lead Responsibility Head of Finance

Risk Score: 0 - 1 Insignificant; 2 - 6 Low Risk; 8 - 15 - Medium Risk; 16 - 25 High Risk

Risk Ref 10 Workforce, skills and capacity challenges

Trigger or Cause

Loss of the workforce
 Loss of organisational memory
 Loss of organisational skills
 Lack of commitment to organisational development
 Lack of investment in training
 Political direction change

Possible Consequences of Risk

Service failure/deterioration
 Damaged reputation
 Increased complaints
 Low morale
 Recruitment and retention issues
 Increased workflow
 Business resilience
 Not having the right staff with the right skills

Strategic Link: Cross Cutting

Residual Risk Assessment

IMPACT

3

LIKELIHOOD

4

SCORE

12

Medium Priority Risk

Strategic Commitments

PF1 - We will embed the partnership with Liberata within the Council's budget, strategic vision and commercial strategy.

PF2 - We will adopt a Medium Term Financial Strategy that will put the Council on a sustainable footing. This strategy will set the framework for annual budgets, ensuring the annual budget is set within the context of the longer term outlook

PF3 - We will develop our digital strategy, so that more residents transact with us online and we are able to deliver services more efficiently.

PL1 - We will implement a range of initiatives to maintain a clean, safe borough.

PL4 - We will implement our 2015-25 Green Space Strategy.

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.

Lead Responsibility Chief Executive Officer

Risk Ref 8 Inability to influence key decision makers

Trigger or Cause

Change of political control
 Breakdown of key relationships
 Change of staff/key relationships
 Change in reputation for delivery

Possible Consequences of Risk

Loss of external funding opportunities
 Reduced level of influence over key decision makers
 Inability to deliver through partnerships
 Reduced reputation of Council

Strategic Link: Cross Cutting

Residual Risk Assessment IMPACT **4** LIKELIHOOD **3** SCORE **12** **Medium Priority Risk**

Strategic Commitments

- 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.
- PL3 - We will work with partners to improve the quality and choice in the borough's housing stock.
- PR1 - We will contribute to the strategic direction of local, sub-regional and regional partnerships, and will position the borough for economic development investment
- PR2 - We will proactively support the borough's businesses to innovate and expand, and make the borough a natural choice for business relocation

Lead Responsibility Management Team

Risk Ref 6 Inability to deliver the regeneration programme

Trigger or Cause

Economic downturn
 Lending squeeze
 Procurement failure
 Regeneration funding priorities change
 Changes in funding from Central Government or as a result of the withdrawal from the European Union

Possible Consequences of Risk

Inability of private sector partners to deliver
 Delivery partner does not have the capacity to delivery
 Delays in delivery of the regeneration programme
 Damaged reputation

Strategic Link: Prosperity People

Residual Risk Assessment

IMPACT

3

LIKELIHOOD

3

SCORE

9

Medium Priority Risk

Strategic Commitments

- PR1 - We will contribute to the strategic direction of local, sub-regional and regional partnerships, and will position the borough for economic development investment
- PR2 - We will proactively support the borough's businesses to innovate and expand, and make the borough a natural choice for business relocation
- PR3 - We will make the borough attractive to retail and leisure developers, and will identify a sustainable future for the Burnley Market.
- 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.
- PL3 - We will work with partners to improve the quality and choice in the borough's housing stock.
- 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.

Lead Responsibility Strategic Head of Economy and Growth

Risk Ref 5 Changes in national policy/legislation

Trigger or Cause

New functions/loss of existing functions
 Short term thinking
 Lack of capacity
 Changes from the withdrawal from the European Union
 Changes from the devolution of Powers from Central Government

Possible Consequences of Risk

Reduced control over what you do and how you do it
 Inability to respond to the new agenda and continue with on-going functions
 Exclusion from new or evolving regional and sub-regional governance and operating structure
 Not in a position to deliver new functions or requirements

Strategic Link: Prosperity

Residual Risk Assessment

IMPACT

3

LIKELIHOOD

3

SCORE

9

Medium Priority Risk

Strategic Commitments

PR1 - We will contribute to the strategic direction of local, sub-regional and regional partnerships, and will position the borough for economic development investment

Lead Responsibility Management Team

Risk Ref 9 Risks in responding to demographic changes and increased deprivation

Trigger or Cause

Government policy
 Economic downturn
 Big ticket issues – crime, health, housing
 Benefit dependency
 Short term fixes
 Negative reputation
 Failure to develop opportunities

Possible Consequences of Risk

Not delivering on the regeneration programme
 Poor service delivery
 Poor customer satisfaction
 Low aspirations
 Damage to reputation
 Failure to improve
 Increased demand
 Increased costs
 Less funding
 Viability of Burnley

Strategic Link: Cross Cutting

Residual Risk Assessment

IMPACT

4

LIKELIHOOD

2

SCORE

8

Medium Priority Risk

Strategic Commitments

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.

PE2 - We will continue to develop the leisure and cultural offer of Burnley in partnership with Burnley Leisure.

PL1 - We will implement a range of initiatives to maintain a clean, safe borough.

PL2 - We will improve the management of private rented accommodation.

PL3 - We will work with partners to improve the quality and choice in the borough's housing stock.

PR1 - We will contribute to the strategic direction of local, sub-regional and regional partnerships, and will position the borough for economic development investment

PR2 - We will proactively support the borough's businesses to innovate and expand, and make the borough a natural choice for business relocation

PR3 - We will make the borough attractive to retail and leisure developers, and will identify a sustainable future for the Burnley Market.

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.

Lead Responsibility Management Team

Risk Ref 7 Inability to drive improvements through information technology

Trigger or Cause

IT partnership failure (to deliver past procurement)
IT partnership procurement failure
Current IT provision failure
Information governance failure

Possible Consequences of Risk

Inability to deliver and develop services and not deliver anticipated savings and service improvement
Public confidence in use of Council services through IT lowered

Strategic Link: Performance

Residual Risk Assessment

IMPACT

4

LIKELIHOOD

2

SCORE

8

Medium Priority Risk

Strategic Commitments

PF1 - We will embed the partnership with Liberata within the Council's budget, strategic vision and commercial strategy.

PF3 - We will develop our digital strategy, so that more residents transact with us online and we are able to deliver services more efficiently.

Lead Responsibility Chief Operating Officer

Risk Ref 4 Changes in the political landscape

Trigger or Cause

No overall control
 Political instability
 Poor member and officer relationships
 Poor member and member relationships

Possible Consequences of Risk

Lack of strategic leadership
 Poor decision making
 Impact on the Council's reputation
 Loss of influence with key partners

Strategic Link: People Performance

Residual Risk Assessment IMPACT **2** LIKELIHOOD **3** SCORE **6** **Low Priority Risk**

Strategic Commitments

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.

PF3 - We will develop our digital strategy, so that more residents transact with us online and we are able to deliver services more efficiently.

Lead Responsibility Chief Executive Officer

Risk Ref 3 Damage to the Council’s reputation

Trigger or Cause

Service failure
 Loss of key staff
 External events
 Customer Satisfaction not maintained

Possible Consequences of Risk

Strategic plan delivery problem
 Credibility of the leadership (both political and officer)
 Low morale
 Loss of key staff
 Recruitment and retention issues

Strategic Link: Cross Cutting

Residual Risk Assessment

IMPACT

3

LIKELIHOOD

2

SCORE

6

Low Priority Risk

Strategic Commitments

PF1 - We will embed the partnership with Liberata within the Council's budget, strategic vision and commercial strategy.

PF2 - We will adopt a Medium Term Financial Strategy that will put the Council on a sustainable footing. This strategy will set the framework for annual budgets, ensuring the annual budget is set within the context of the longer term outlook.

PR1 - We will contribute to the strategic direction of local, sub-regional and regional partnerships, and will position the borough for economic development investment

PL1 - We will implement a range of initiatives to maintain a clean, safe borough.

PF3 - We will develop our digital strategy, so that more residents transact with us online and we are able to deliver services more efficiently.

Lead Responsibility Chief Executive Officer

Risk Ref 2 Maintaining Partnership Performance

Trigger or Cause

Procurement method
 Supply chain failure
 Commissioning 'v' traditional culture
 Control transfer
 Poor implementation
 Compliance/legal
 Business continuity
 Transformational cultural change not achieved
 Poor or weak contract management

Possible Consequences of Risk

Reduced service delivery
 Reduced customer satisfaction
 Political or reputation embarrassment
 Perceived council failure
 Poor co-ordination of existing providers and systems
 Poor relationships
 Increased costs

Strategic Link: Cross Cutting

Residual Risk Assessment IMPACT **2** LIKELIHOOD **3** SCORE **6** Low Priority Risk

Strategic Commitments

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.

PE2 - We will continue to develop the leisure and cultural offer of Burnley in partnership with Burnley Leisure.

PF1 - We will embed the partnership with Liberata within the Council's budget, strategic vision and commercial strategy.

PF3 - We will develop our digital strategy, so that more residents transact with us online and we are able to deliver services more efficiently.

PL1 - We will implement a range of initiatives to maintain a clean, safe borough.

PL3 - We will work with partners to improve the quality and choice in the borough's housing stock.

PL4 - We will implement our 2015-25 Green Space Strategy.

PR3 - We will make the borough attractive to retail and leisure developers, and will identify a sustainable future for the Burnley Market.

Lead Responsibility Management Team

Risk Ref 12 Safeguarding Failure

Trigger or Cause

Weak or No response to reported issues
 Historic issues which are identified
 Safeguarding System Failure
 Failure of Background Checks
 Not recognising Safeguarding Risks

Possible Consequences of Risk

Injury to Clients
 Resources diverted to address Risks
 Major impact on Services and Community
 Financial Costs
 Reputational Damage
 Central Government Action

Strategic Link: Cross Cutting

Residual Risk Assessment

IMPACT **5** LIKELIHOOD **1** SCORE **5** **Low Priority Risk**

Strategic Commitments

PL1 - We will implement a range of initiatives to maintain a clean, safe borough.

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.

Lead Responsibility Chief Executive Officer

Risk Ref 11 Malicious Attack

Trigger or Cause

Public Disturbance
 National Risk Level
 Lack of Stakeholder Engagement
 Lack of Planning
 Poor and delayed information and communication
 Event Targeting

Possible Consequences of Risk

Death of Public / Staff
 Loss of Assets
 Major impact on Services and Community
 Evacuation
 Financial Cost

Strategic Link: Cross-Cutting

Residual Risk Assessment

IMPACT

5

LIKELIHOOD

1

SCORE

5

Low Priority Risk

Strategic Commitments

PL1 - We will implement a range of initiatives to maintain a clean, safe borough.

Lead Responsibility Chief Operating Officer

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Revenue Monitoring Report 2018/19 – Quarter 1 (to 30 June 2018)

REPORT TO EXECUTIVE



DATE	14 August 2018
PORTFOLIO	Resources and Performance Management
REPORT AUTHOR	Howard Hamilton-Smith
TEL NO	(01282) 475869
EMAIL	Hhamilton-smith@burnley.gov.uk

PURPOSE

1. To report the forecast outturn position for the year as at 31 March 2019 based upon actual spending and income to **30 June 2018**.

RECOMMENDATION

2. The Executive is asked to:
 - a. Note the projected revenue budget forecast breakeven position, see Revenue Budget Summary and detailed Service Reports below and Appendix 2.

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

- b. The latest revised budget of £15.09m as shown in Appendix 1, and
- c. The net transfers from earmarked reserves of £0.747m as shown in Appendix 3.

REASONS FOR RECOMMENDATION

3. To give consideration to the level of revenue spending and income in 2018/19 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 three in-year reports on revenue budget monitoring presented to the Executive and Scrutiny Committee during the course of the financial year. This is the first in-year report for 2018/19. In addition to these three 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 and capital budgets. 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 contribution over £50k.
- Decisions made by the Executive.

Members are asked to approve the latest revised budget of £15.09m as shown in Appendix 1.

6. Revenue Budget Summary

As at the end of June 2018, the overall financial position is currently projected to breakeven, as shown in the table below:

	Latest Revised Budget £'000s	Forecast Outturn £'000s	Variance £'000s
Pay	9,118	9,072	(46)
Other revenue budgets	6,416	6,326	(90)
In-year efficiency savings target	(250)	(114)	136
Reserves	(194)	(194)	-
	15,090	15,090	-
Financed by:			
Council Tax	(6,739)	(6,739)	-
Business Rates	(5,473)	(5,473)	-
Revenue Support Grant	(2,228)	(2,228)	-
New Homes Bonus	(561)	(561)	-
Council Tax surplus	(89)	(89)	-
Forecast (under) / over spend as at end of June 2018	-	-	-

Salary Savings Target

In setting the budget for 2018/19, it was assumed that £150k would be saved by not filling posts immediately. The latest position is that £118k of salary savings have been secured to date. This includes £5k identified through the senior management restructure approved in February 2018. In forecasting the outturn position above to the 31 March 2019, it is assumed that the target will be achieved.

Non-salary Savings Target

It was also agreed that there would be an in-year efficiency savings / additional income target of £250k. The latest position is that £136k of non-salary savings have been secured to date, leaving a shortfall of **£114k** to identify during the remainder of the year. It is forecast at this early stage that this target will be achieved; however this will be monitored closely throughout the year.

7. Service Reports

The following tables show the Council's service units and their corresponding current forecast outturn position in comparison to their revised budget and the previously reported variance. As this is the first in-year monitoring report there are no previous forecasts for comparison.

a. Management Team

The table below shows the current forecast outturn position and compares this with the revised budget.

	Original Budget £'000s	Revised Budget £'000s	Current Forecast £000's	Current Variance £000's	Variance Last Reported £'000s	Movem't £'000s
Management Team	333	333	333	-	-	-
Total	333	333	333	-	-	-

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

b. Policy and Engagement

The table below shows the current forecast outturn position and compares this with the revised budget.

	Original Budget £'000s	Revised Budget £'000s	Current Forecast £000's	Current Variance £000's	Variance Last Reported £'000s	Movem't £'000s
Emergency Planning	2	2	2	-	-	-
Communications	80	80	80	-	-	-
Community Engagement	204	227	227	-	-	-
Performance & Policy	113	134	134	-	-	-
Management & Admin	70	70	70	-	-	-
Total	469	513	513	-	-	-

A Digital Transformation budget was agreed by the Executive at its meeting on 24th April 2018. iDox have now been appointed to support digital transformation in planning, land charges and housing. The first phase of delivery is underway.

Salary savings of £27k from a vacant communications officer post have been recognised for the year.

c. People and Development

The table below shows the current forecast outturn position and compares this with the revised budget.

	Original Budget £'000s	Revised Budget £'000s	Current Forecast £000's	Current Variance £000's	Variance Last Reported £'000s	Movem't £'000s
People & Development	250	258	258	-	-	-
Total	250	258	258	-	-	-

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

d. Green Spaces and Amenities

The table below shows the current forecast outturn position and compares this with the revised budget.

	Original Budget £'000s	Revised Budget £'000s	Current Forecast £000's	Current Variance £000's	Variance Last Reported £'000s	Movem't £'000s
Bereavement Service	(850)	(874)	(874)	-	-	-
Parks & Green Spaces	1,506	1553	1,553	-	-	-
Art Gallery & Museum	223	223	223	-	-	-
Transport	73	73	73	-	-	-
Total	952	975	975	-	-	-

Salary savings of £35k in respect of a vacant head gardener post have been identified during this quarter. This saving has been used to fund an increase in the cost of the Thompson Park HLF capital scheme rather than being used to meet the corporate salary savings target. This means that the Council does not have to find additional capital resources to fund the increased capital budget.

Income continues to be closely monitored during the year to enable early identification of areas where a forecasted shortfall of excess of income within the year so that remedial action can be taken. There is nothing to report at this stage and income is expected to meet the targets set.

Savings approved as part of the 2018/19 budget setting process are on target and will be achieved.

e. Legal & Democratic Services

The table below shows the current forecast outturn position and compares this with the revised budget.

	Original Budget £'000s	Revised Budget £'000s	Current Forecast £000's	Current Variance £000's	Variance Last Reported £'000s	Movem't £'000s
Legal Services	293	289	264	(25)	-	(25)
Governance	788	788	788	-	-	-
Total	1,081	1,077	1,052	(25)	-	(25)

Salary savings of £61k have been identified and used to meet the corporate salary saving target reported in paragraph 6 above. These relate to the Procurement Officer post becoming vacant from September 2018, the vacant Head of Legal post from April to August 2018 and a vacant Principal Legal Officer post.

An insurance saving of **£25k** has been identified and reported.

Legal & Democratic Services, alongside the Finance Business Partner, will be closely monitoring the Local Land Charges income, and will report any variances once they become apparent.

f. Finance and Property

The table below shows the current forecast outturn position and compares this with the revised budget.

	Original Budget £'000s	Revised Budget £'000s	Current Forecast £000's	Current Variance £000's	Variance Last Reported £'000s	Movem't £'000s
Finance Unit	711	744	744	-	-	-
Property	(353)	(383)	(307)	76	-	76
External Audit	65	65	65	-	-	-
Mortgages / HA Loans	(61)	(61)	(61)	-	-	-
Misc Income & Expend	(10)	(10)	(10)	-	-	-
Treasury	935	935	925	(10)	-	(10)
Total	1,287	1,290	1,356	66	-	66

Salary savings of £26k, relating to the vacant Finance Manager and Auditor posts, have been identified and used to meet the corporate salary saving target reported in paragraph 6 above.

A projected shortfall in rental income of **£76k** has been identified to take place in 2018/19. The shortfall is due to the transfer of Brunshaw Avenue Shops to Calico (£16k), vacant offices in Padiham Town Hall which became vacant following the flood damage to the building in December 2015 (£26k) and a reduction in the 10% contribution we receive from the rental of Charter Walk properties (£34k). Rental income will continue to be closely monitored during the year and any longer-term shortfalls in income will be reflected in the Medium Term Financial Strategy.

Treasury costs continue to be monitored closely during the year. It is anticipated that there will be an interest rate increase during 2018 which will result in increased future borrowing costs and interest receivable by the Council.

g. Revenues and Benefits

The table below shows the current forecast outturn position and compares this with the revised budget.

	Original Budget £'000s	Revised Budget £'000s	Current Forecast £000's	Current Variance £000's	Variance Last Reported £'000s	Movem't £'000s
Revs & Bens Client	(391)	(391)	(391)	-	-	-
HB Payments/Subsidy	(74)	(74)	(74)	-	-	-
Council Tax Support	(165)	(165)	(165)	-	-	-
Cost of Collection	(703)	(703)	(703)	-	-	-
Total	(1,333)	(1,333)	(1,333)	-	-	-

Caseload numbers continue to reduce due to Universal Credit. This has resulted in a reduction in the amount of housing benefit payments made to claimants during the year with a corresponding reduction in housing benefit subsidy received from the Department for Work & Pensions. This will continue to be monitored during the year.

h. Leisure Trust Client

The table below shows the current forecast outturn position and compares this with the revised budget.

	Original Budget £'000s	Revised Budget £'000s	Current Forecast £000's	Current Variance £000's	Variance Last Reported £'000s	Movem't £'000s
Mechanics & Arts	47	47	47	-	-	-
Leisure Centres	557	557	557	-	-	-
Total	604	604	604	-	-	-

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

i. **Streetscene**

The table below shows the current forecast outturn position and compares this with the revised budget.

	Original Budget £'000s	Revised Budget £'000s	Current Forecast £000's	Current Variance £000's	Variance Last Reported £'000s	Movem't £'000s
Engineering Services	120	126	126	-	-	-
Community Safety	245	245	245	-	-	-
Car Parking	(565)	(568)	(568)	-	-	-
CCTV	137	139	139	-	-	-
Environmental Servs	2,737	2,774	2,774	-	-	-
Regulation	(244)	(244)	(244)	-	-	-
Management & Admin	725	727	727	-	-	-
Total	3,155	3,199	3,199	-	-	-

There are no variances or issues of concern, including income, to report in this quarter. Income and expenditure budgets will continue to be monitored into quarter 2 to identify shortfalls or excess income.

j. **Housing and Development Control**

The table below shows the current forecast outturn position and compares this with the revised budget.

	Original Budget £'000s	Revised Budget £'000s	Current Forecast £000's	Current Variance £000's	Variance Last Reported £'000s	Movem't £'000s
Housing	413	496	496	-	-	-
Development Control	(68)	(68)	(68)	-	-	-
Building Control	83	83	83	-	-	-
Selective Licensing	(49)	(49)	(49)	-	-	-
Total	379	462	462	-	-	-

There are no variances or issues of concern to report in this cycle. Housing and Development Control, alongside the Finance Business Partner, will be closely monitoring both Disabled Facilities Grant fee income and Planning income, and will report any variances once they become apparent.

k. Economy and Growth

The table below shows the current forecast outturn position and compares this with the revised budget.

	Original Budget £'000s	Revised Budget £'000s	Current Forecast £000's	Current Variance £000's	Variance Last Reported £'000s	Movem't £'000s
Markets	91	104	104	-	-	-
Planning Policy	198	198	198	-	-	-
Economic Devt	472	454	484	30	-	-
Regeneration Devt	520	538	538	-	-	-
Management & Admin	123	139	139	-	-	-
Total	1,404	1,433	1,463	30	-	-

Paragraph n gives further details of a transfer of revenue budget to Earmarked Reserves relating to the Burnley-Pendle Growth Programme.

There is a budget variance of **£30k** in economic Development compared to the forecast. This is due to a projected shortfall in income from the Vision Park Development. The original budget had been based on the building being completed in October 2017. It was finally completed and handed over to the Council in January 2018 creating delays in letting the units. Eight out of 17 units or 47% of the floor space units is now occupied and the other units are being actively marketed. There are 5 active enquiries. There will always be a degree of vacancies in these units and it is anticipated that in future years they will be 85% occupied, but this will be subject to churn and market conditions.

It is also worth noting the Market Hall income is similarly volatile and difficult to predict. We continue to monitor the position and are actively marketing vacant units as well as carrying out some works to address the ventilation problems in the market.

l. Strategic Partnership

The table below shows the current forecast outturn position and compares this with the revised budget.

	Original Budget £'000s	Revised Budget £'000s	Current Forecast £000's	Current Variance £000's	Variance Last Reported £'000s	Movem't £'000s
Strategic Partnership	3,610	3,610	3,550	(60)	-	(60)
Total	3,610	3,610	3,550	(60)	-	(60)

The Council set aside £90k during the budget setting process for 2018/19 for additional income that could have been due to Liberata in respect of work undertaken in 2017/18 to increase the Council's taxbase for 2018/19 onwards. It is estimated that £30k is required which has resulted in a saving of **£60k** for the year.

m. Corporate Budgets

The table below shows the current forecast outturn position and compares this with the revised budget.

	Original Budget £'000s	Revised Budget £'000s	Current Forecast £000's	Current Variance £000's	Variance Last Reported £'000s	Movem't £'000s
Democratic Represent'n	21	21	21	-	-	-
Corporate Management	75	75	75	-	-	-
Corporate Costs	1,626	1,615	1,604	(11)	-	(11)
Statutory Adjustments	1,690	1,697	1,697	-	-	-
Taxation & Grants	(596)	(545)	(545)	-	-	-
Total	2,816	2,863	2,852	(11)	-	(11)

As part of the savings proposals for 2018/19, the Council has prepaid the employer's pension contributions for the year to the Lancashire Pension Fund. In addition to the original saving, it is estimated that this will achieve further savings of **£46k** in 2018/19.

The re-profiling of capital schemes from 2017/18 to 2018/19, that are being funded from prudential borrowing, has resulted in a one-off saving of **£32k** in the Minimum Revenue Provision (MRP) cost for 2018/19. The MRP cost is the charge to revenue for the repayment of the principal amount borrowed based on the estimated life of the asset and is not incurred until the year after the schemes are completed.

Based on utility usage during the previous twelve month period, it is estimated that there will be an underspend of **£54k** during 2018/19. This will continue to be monitored closely during the year and any longer term savings will be incorporated into the Medium Term Financial Strategy.

A net reduction in the rateable value of a number of the Council's administrative and operational buildings has resulted in an underspend on the business rates payable by the Council of **£15k** for 2018/19.

As mentioned in paragraph 6, non-salary savings of **(£136k)** have been secured to date. This reduces the target of £250k for in-year efficiency savings / additional income, leaving a shortfall of £114k to identify during the remainder of the year.

n. Earmarked Reserves

The table below shows the current forecast outturn position and compares this with the revised budget.

	Original Budget £'000s	Revised Budget £'000s	Current Forecast £000's	Current Variance £000's	Variance Last Reported £'000s	Movem't £'000s
Earmarked Reserves	83	(194)	(194)	-	-	-
Total	83	(194)	(194)	-	-	-

There is no proposed use of reserves in 2018/19 to support revenue expenditure. However, any shortfall in meeting the salary savings and in-year efficiency savings targets within 2018/19 will need to be met from reserves. At this stage it is expected that these targets will be achieved.

Proposed increased use of reserves during quarter 1 of **£747k**, shown in Appendix 3, is detailed below:

- Transfer of the Burnley-Pendle Growth Programme from a revenue budget, contained within Economy and Growth, to the capital programme and **reducing** the Growth Reserve utilisation by **(£200k)** in 2018/19, from £400k to £200k. The remaining £200k will be re-profiled into the 2019/20 capital programme.
- **Increased** utilisation of the Growth Reserve to fund capital slippage from 2017/18 into 2018/19 of **£246k** for Former Open Market & Former Cinema Block (£20k), Thompson Park Restoration Project (£132k) Building Infrastructure Works (£92k) and Lower St James Street (£2k) capital schemes.
- **Increased** utilisation of the Transport Reserve of **£3k** to finance the acquisition of vehicles and ground maintenance equipment in the capital programme.
- **Increased** utilisation of the Flood Reserve of **£39k** to fund retention works for the Padiham Town Hall-Flood Works (£3k) and Building Infrastructure Works (£36k) capital schemes.
- Utilisation of the Town Centre Management Reserve of **£375k** to finance the Contribution to Shopping Centre Development capital scheme.
- Utilisation of Town Centre Masterplan Reserve of **£18k** for the further development of the masterplan.
- Grants received in 2017/18 which remained unspent at the end of the financial year were transferred into the Grants Unapplied Reserve as part of the 2017/18 Final Outturn Report. These budgets, totalling **£163k**, are required in 2018/19 and will be financed by the utilisation of the Grants Unapplied Reserve.

- Further carry forwards of **£42k** approved as part of the 2017/18 Final Outturn Report, are required in 2018/19 and will be funded from the Transformation Reserve.
- A Digital Transformation budget of **£61k** was agreed by the Executive at its meeting on 24th April, funded from the Transformation Reserve.

The use of reserves shown above has previously been approved as future commitments.

FINANCIAL IMPLICATIONS AND BUDGET PROVISION

8. As shown in the body of the report.

POLICY IMPLICATIONS

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

DETAILS OF CONSULTATION

10. Management Team
Heads of Service

BACKGROUND PAPERS

11. None

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

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Movements in Revenue Budget 2018/19 - to 30 June 2018

	Original Budget	Changes this Cycle (Cycle 1)	Transfers to /(from) Earmarked Reserves (see App 3)	Grants Unapplied carried forward from 2017/18	TOTAL OVERALL MOVEMENT	Revised Budget
	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's
Management Team	333	-			-	333
Policy and Engagement	469	(30)	74		44	513
People and Development	250	8			8	258
Green Spaces and Amenities	952	23			23	975
Legal and Democratic Services	1,081	(4)			(4)	1,077
Finance and Property	1,287	(27)	30		3	1,290
Revenues and Benefits	(1,333)	-			-	(1,333)
Leisure Trust Client	604	-			-	604
Streetscene	3,155	2	42		44	3,199
Housing and Development Control	379	3	80		83	462
Economy and Growth	1,404	29	-		29	1,433
Strategic Partnership	3,610	-			-	3,610
Corporate Budgets	2,816	(4)	51		47	2,863
Use of Earmarked Reserves	83	-	(277)		(277)	(194)
	15,090	-	-	-	-	15,090

Revenue Budget Update by Service Area - to 30 June 2018

	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	317	16	-	333	317	16	-	333	-	-	-	-
Policy and Engagement	458	370	(315)	513	431	370	(315)	486	(27)	-	-	(27)
People and Development	173	85	-	258	173	85	-	258	-	-	-	-
Green Spaces and Amenities	1,920	1,091	(2,036)	975	1,920	1,091	(2,036)	975	-	-	-	-
Legal and Democratic Services	763	867	(553)	1,077	702	842	(553)	991	(61)	(25)	-	(86)
Finance and Property	847	1,974	(1,531)	1,290	821	1,974	(1,465)	1,330	(26)	-	66	40
Revenues and Benefits	-	30,782	(32,115)	(1,333)	-	30,782	(32,115)	(1,333)	-	-	-	-
Leisure Trust Client	-	851	(247)	604	-	851	(247)	604	-	-	-	-
Streetscene	1,045	4,012	(1,858)	3,199	1,045	4,012	(1,858)	3,199	-	-	-	-
Housing and Development Control	1,320	315	(1,173)	462	1,320	315	(1,173)	462	-	-	-	-
Economy and Growth	1,054	1,234	(855)	1,433	1,054	1,234	(825)	1,463	-	-	30	30
Strategic Partnership	-	3,610	-	3,610	-	3,550	-	3,550	-	(60)	-	(60)
Corporate Budgets	1,221	2,266	(624)	2,863	1,289	2,301	(624)	2,966	68	35	-	103
Use of Earmarked Reserves	-	-	(194)	(194)	-	-	(194)	(194)	-	-	-	-
Total	9,118	47,473	(41,501)	15,090	9,072	47,423	(41,405)	15,090	(46)	(50)	96	-

Position on Earmarked Reserves - to 30 June 2018

Position on Earmarked Reserves	Transformation Reserve	Growth Reserve	Other Specific Reserves	Total Reserves
	£'000	£'000	£'000	£'000
Opening Balance at 1 April 2018	(1,831)	(3,218)	(1,729)	(6,778)
Original Budget 2018/19 - Use of Reserves 2018/19	-	1,273	(1,356)	(83)
Carry forwards from 2017/18 Approved	216	-	-	216
	(1,615)	(1,945)	(3,085)	(6,645)
Changes in cycle 1	195	(46)	598	747
Anticipated Balance at 31 March 2019	(1,420)	(1,991)	(2,487)	(5,898)
Approved Use of Reserves in future years	-	1,844	2,418	4,262
Balance after approvals	(1,420)	(147)	(69)	(1,636)

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Capital Monitoring Report 2018/19 – Quarter 1 (to 30 June 2018)

REPORT TO EXECUTIVE



DATE	14 August 2018
PORTFOLIO	Resources and Performance Management
REPORT AUTHOR	Howard Hamilton-Smith
TEL NO	(01282) 475869
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PURPOSE

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

RECOMMENDATION

2. The Executive is asked to:
 - a. Recommend to Full Council, approval of net budget changes totalling an increase of £229,857 giving a revised capital budget for 2018/19 totalling £11,680,788 as detailed in Appendix 1.
 - b. Recommend to Full Council, approval of the proposed financing of the revised capital budget totalling £11,680,788 as shown in Appendix 2.
 - c. Note the latest estimated year end position on capital receipts and contributions showing an assumed balance of £1,011,557 at 31 March 2019, in Appendix 3.
 - d. Recommend to Full Council, approval of a new Capital Scheme for the Calder Park, totalling £10,132, funded from 3rd Party Contributions and Revenue Contributions.
 - e. Recommend to Full Council, approval of a new Capital Scheme for the Stoops Wheeled Sport at Hargher Clough Park, totalling £134,000, funded from Capital Grants, Capital Receipts and 3rd Party Contributions.
 - f. Recommend to Full Council, approval of the transfer of the Burnley-Pendle Growth Programme from revenue to the capital programme, totalling £200k, funded from the Growth Reserve.

REASONS FOR RECOMMENDATION

3. To effectively manage the 2018/19 capital programme.

SUMMARY OF KEY POINTS

4. Monitoring Information

On 21 February 2018 Full Council approved the 2018/19 original capital budget, totalling £10,140,512. Since February, a number of reports have been approved by the Executive, resulting in revising the 2018/19 capital budget to £11,450,931 (as at 3 July 2018 Executive).

This is the first of three of in-year monitoring reports, and as such the appendices accompanying this report provide Members with the position as at 30 June 2018 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 June 2018. The expenditure to date is £1,636,975 which is 14% of the proposed revised budget.
- b. **Revised budget and financing elements – Appendix 2** shows the revised budget of £11,680,788, 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 third party contributions. As at the end of this round of budget monitoring the assumed level of surplus available local resources, after taking into account the 2018/19 capital commitments, totals £1,011,557.

6. Revenue Implications

a. Revenue Contributions 2018/19

The Capital Programme includes Revenue Contributions of £1,734,807, being:

Scheme	£
Thompson Park Restoration Project	178,033
Play Area Improvement Scheme	2,500
Vehicle and Machinery Replacement	119,069
Calder Park	2,000
Lower St James Street	400,000
Former Open Market & Former Cinema Block	297,197
Burnley-Pendle Growth Programme	200,000
Contribution to Shopping Centre Redevelopment	375,000
Padiham Town Hall – Flood Works	3,048
Building Infrastructure Works	157,960
Total Revenue Contributions	1,734,807

b. Prudential Borrowing 2018/19

The proposed revised capital budget for 2018/19 includes a use of Prudential Borrowing totalling £1,813,681.

The revenue implications of borrowing £1,813,681 are a Minimum Revenue Provision (MRP) of £46k and an interest charge, assuming 4% on the borrowing would equate to £72k for a full year.

The original capital budget for 2018/19 of £10,140,512 included a planned borrowing requirement of £1,591,440. This has subsequently changed as schemes have slipped from 2017/18 into 2018/19.

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 2019/20 (the year after the schemes are completed). The interest cost will be dependent on the timing of the borrowing and is subject to the interest rate at the time the borrowing is undertaken. The full year costs will be included within the revenue budget for 2019/20.

FINANCIAL IMPLICATIONS AND BUDGET PROVISION

7. An increase in the 2018/19 capital programme of £229,857 to give a revised budget of £11,680,788 and no change in the borrowing requirement, which remains at £1,813,681.

POLICY IMPLICATIONS

8. None arising directly from this report.

DETAILS OF CONSULTATION

9. Management Team

BACKGROUND PAPERS

10. None

FURTHER INFORMATION

PLEASE CONTACT:

Howard Hamilton-Smith – Finance Manager

ALSO:

Asad Mushtaq – Head of Finance & Property

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2018/19 CAPITAL BUDGET CYCLE 1 MONITORING - UPDATE

Scheme Name	Budget as at Exec 03/07/18 £	Adjustments Per This Report		Changes to be approved in this report A + B £	Revised Budget £	Total Spend as at 30/06/18 £	% Schemes Spend	Financed by External Funding £	Narrative provided by Project Officers/Heads of Service
		Budget Adjustments A £	Reprofiled into Future Years B £						

GREEN SPACES & AMENITIES

Thompson Park Restoration Project	646,628	44,251		44,251	690,879	269,834	39%	512,846	The main refurbishment is due to complete in August 2018. The budget is fully committed
Prairie Artificial Pitch	485,000			-	485,000	-	0%	395,000	The funding application to the Football Foundation was submitted in July 2018. A decision on the application is expected around September 2018.
Play Area Improvement Programme	99,500			-	99,500	556	1%	42,500	Consultation work is underway for the Towneley Riverside play area and a Lancashire Environment Fund application was submitted in July 2018. The other schemes are Piccadilly gardens, Harold Ave and Faraday St (Whittlefield Rec) - works on these schemes will not start until late autumn
Vehicle & Machinery Replacement	111,561	7,508		7,508	119,069	106,758	90%	-	Most of the machinery and equipment has been procured in the early part of the financial year. The main items procured are a new fairway mower for the golf course and a digger
Calder Park	-	10,132		10,132	10,132	-	0%	8,132	Approval sought to include this scheme, to construct pump track (off-road terrain for cycle sport) at Calder Park
Stoops Wheeled Sport	-	134,000		134,000	134,000	-	0%	129,355	Approval sought to include this scheme, to create a new wheeled sports area at Hargher Clough Park
	1,342,689	195,891	-	195,891	1,538,580	377,148	25%	1,087,833	

STREETSCENE

Burnley Town Centre Pedestrianisation Upgrade	13,615			-	13,615	-	0%	-	The work on the scheme is now complete and final a final invoice is expected to be received shortly
River Training Walls	78,289			-	78,289	17,774	23%	-	Work is planned for quarters 3 / 4 on essential tree clearance to prevent degradation of key river training walls and essential rebuild work is planned to start in quarter 4 on the river Brun
Lower James Street	400,000			-	400,000	-	0%	-	Discussions ongoing with LCC regarding a proposed scheme
CCTV Infrastructure	65,331			-	65,331	420	1%	-	Upgrade work of cameras to be undertaken during quarters 3 / 4 in support of the East Lancashire CCTV Hub
Alleyway Programme	51,082			-	51,082	-	0%	-	Current list of over 80 applications. 10 priority schemes selected with consultation to take place in quarters 2 / 3 and installation in quarter 4. Full allocation to be used in the year
	608,317	-	-	-	608,317	18,194	3%	-	

2018/19 CAPITAL BUDGET CYCLE 1 MONITORING - UPDATE

APPENDIX 1

Scheme Name	Budget as at Exec 03/07/18 £	Adjustments Per This Report		Changes to be approved in this report £	Revised Budget £	Total Spend as at 30/06/18 £	% Schemes Spend £	Financed by External Funding £	Narrative provided by Project Officers/Heads of Service
		Budget Adjustments A	Reprofiled into Future Years B						
		A + B	A + B						
REGENERATION & PLANNING POLICY									
Vision Park	295,904			-	295,904	101,080	34%	97,402	This is the final retention fee for the scheme and is due for payment in Feb 2019
Padiham Townscape Heritage Initiative	609,791		(488,468)	(488,468)	121,323	-	0%	121,323	The revised capital expenditure forecast for 2018/19 shows a reduction in the budget required for the year. This takes into account the delays in securing a contract with HLF and appointing the programme officer
Former Open Market & Former Cinema Block	1,400,353			-	1,400,353	14,510	1%	-	Contractor appointed and strip-out works have commenced.
Weavers Triangle - Starter Homes	52,271			-	52,271	29,481	56%	52,271	Works are now complete and the balance of the scheme will be spent in quarter 2
Infrastructure & Highways Works	41,608	(41,608)		(41,608)	-	-	0%	-	This scheme is now complete and the budget is no longer required
NW Burnley Growth Corridor	1,385,117		(1,185,117)	(1,185,117)	200,000	42,412	0%	200,000	The expenditure profile for this project has been changed to reflect the Environment Agencies projected timescales. Work is underway on the design and full business case for the flood defence and public realm works in Padiham with a start on sites expected in April 2019 and October 2019 respectfully.
Burnley-Pendle Growth Programme	-	200,000		200,000	200,000	-	0%	-	Agreed contribution to this scheme is £722k. An extension to the programme to 2021 has been approved. A number of works have recently been completed, so we expect LCC to invoice us for the works this financial year, estimated to be £200k
Town Centre & Weavers Triangle Project Work	350,000			-	350,000	200,000	57%	-	Interest-free loan-funding of £250k has been made available to the Joint Venture company (of which Burnley Council owns 50%) for the strategic acquisition and demolition in the Weavers Triangle of the George Street Mill site. A match-loan has also been made available by the Joint Venture partner for the same amount. This will ensure land will be available for future development
	4,135,044	158,392	(1,673,585)	(1,515,193)	2,619,851	387,483	15%	470,996	
FINANCE & PROPERTY									
Town Hall Building Works	49,490	6,510		6,510	56,000	-	0%	-	Dry rot – enabling works to provide temporary partition ordered via repairs and maintenance budget. Approval for £6,000 additional specialist dry rot survey and order placed. Works to be staged over two years; estimated cost this year is £20,000. Victorian Tower Roof – Estimated cost of £30,000 for repairs to the Victorian Tower Roof to stop the water ingress which caused a rot infestation
Contribution to Shopping Centre Redevelopment	375,000			-	375,000	375,000	100%	-	Complete
Padiham Town Hall - Flood Works	3,048			-	3,048	-	0%	-	Small retention due to main contractor after defects period
Rationalisation of Operational Estate	300,000			-	300,000	-	0%	-	Provisional layouts and service moves agreed. Costings being sought for amendments to IT, structural alterations required and moving costs
Leisure Centre Improvements	93,077			-	93,077	20,280	22%	-	Agreed works to Padiham Leisure Centre include a ventilation system for the spinning room and renewal of sauna benches. St Peters Leisure Centre works are to renew sauna benches and 'Changing Places' conversion of disabled change. The Mechanics works include replacing lighting with LED equivalents
Building Infrastructure Works	320,107	320,000		320,000	640,107	76,947	12%	-	Essential works to Burnley Town Hall are continuing to take place, including to the Council chamber gutter to prevent water ingress. More extensive roof works currently are out to tender and costs are awaited. Quotes are also awaited for works at Padiham Town Hall for the relining of the inner quadrangle gutters, utilising existing scaffolding. External perimeter gutters are to be addressed in the next financial year. Budget adjustments reflect the revised schedule of works
	1,140,722	326,510	-	326,510	1,467,232	472,227	32%	-	

2018/19 CAPITAL BUDGET CYCLE 1 MONITORING - UPDATE

APPENDIX 1

Scheme Name	Budget as at Exec 03/07/18 £	Adjustments Per This Report		Changes to be approved in this report A + B £	Revised Budget £	Total Spend as at 30/06/18 £	% 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	120,000			-	120,000	15,844	13%	120,000	8 grants have been approved to date, totalling £40k
Better Care Grant	2,500,000	1,223,649		1,223,649	3,723,649	203,055	5%	3,723,649	A total of £933k has been committed with 80 adaptations approved and a further 40 being completed. Officers continue to liaise with Social Services and Occupational Health to ensure those residents that require home adaptations are identified and assisted. The budget allocation from the better Care Fund for 2018/19 is £2.223m plus £1.5m from 2017/18
Energy Efficiency	40,000			-	40,000	26,555	66%	40,000	45 grants have been approved to date, totalling £39k
Empty Homes Programme	1,100,000			-	1,100,000	132,008	12%	-	So far this year we have acquired 5 properties and works are progressing on their renovation. Officers have identified a further 14 properties to take forward for CPO this financial year. Officers are also working on a number of properties, which they plan to take forward for enforcement action.
Interventions, Acquisitions and Demolitions	363,000			-	363,000	2,701	1%	-	Painting scheme in the Ingham and Lawrence Selective Licensing Area is ongoing. Phase 1 of the painting scheme is underway with the 2 other phases due to start soon.
	4,123,000	1,223,649	-	1,223,649	5,346,649	380,163	7%	3,883,649	
CHIEF EXECUTIVE / CORPORATE INITIATIVES									
Ward Opportunities Fund	101,159	(1,000)		(1,000)	100,159	1,760	2%	-	Members in Wards with budget available have been advised of their balances and the process for submitting proposals. £1k contribution has been transferred to the Stoops Wheeled Sport scheme
	101,159	(1,000)	-	(1,000)	100,159	1,760	2%	-	
	11,450,931	1,903,442	(1,673,585)	229,857	11,680,788	1,636,975	14%	5,442,478	

2017/18 Cycle 1

15,589,217

2,797,837

18%

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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	690,879		178,033	512,846			-	690,879
Prairie Artificial Pitch	485,000	90,000		225,000			170,000	485,000
Play Area Improvement Programme	99,500		2,500		54,500		42,500	99,500
Vehicle & Machinery Replacement	119,069		119,069					119,069
Calder Park	10,132		2,000				8,132	10,132
Stoops Wheeled Sport	134,000			120,755	4,645		8,600	134,000
	1,538,580	90,000	301,602	858,601	59,145		229,232	1,538,580
Streetscene								
Burnley Town Centre Pedestrianisation Upgrade	13,615	13,615						13,615
River Training Walls	78,289				78,289			78,289
Lower St James Street	400,000		400,000					400,000
CCTV Infrastructure	65,331	65,331						65,331
Alleygate Programme	51,082				51,082			51,082
	608,317	78,946	400,000	-	129,371	-	-	608,317
Regeneration & Planning Policy								
Vision Park	295,904	198,502		97,402				295,904
Padiham Townscape Heritage Initiative	121,323			121,323	-			121,323
Former Open Market & Former Cinema Block	1,400,353	1,103,156	297,197					1,400,353
Weavers Triangle - Starter Homes	52,271			52,271				52,271
NW Burnley Growth Corridor	200,000			200,000				200,000
Burnley-Pendle Growth Programme	200,000		200,000					200,000
Town Centre & Weavers Triangle Project Work	350,000	250,000			100,000			350,000
	2,619,851	1,551,658	497,197	470,996	100,000	-	-	2,619,851
Finance & Property								
Towneley Hall Building Works	56,000				56,000			56,000
Contribution to Shopping Centre Redevelopment	375,000		375,000					375,000
Padiham Town Hall - Flood Works	3,048		3,048					3,048
Rationalisation of Operational Estate	300,000				300,000			300,000
Leisure Centre Improvements	93,077	93,077						93,077
Building Infrastructure Works	640,107		157,960		482,147			640,107
	1,467,232	93,077	536,008	-	838,147	-	-	1,467,232
Housing & Development								
Emergency Repairs	120,000			120,000				120,000
Better Care Grant	3,723,649			3,723,649				3,723,649
Energy Efficiency	40,000			40,000				40,000
Empty Homes Programme	1,100,000					1,100,000		1,100,000
Interventions, Acquisitions and Demolitions	363,000					363,000		363,000
	5,346,649	-	-	3,883,649	-	1,463,000	-	5,346,649
Chief Executive								
Ward Opportunities Fund	100,159				100,159			100,159
	100,159	-	-	-	100,159	-	-	100,159
TOTAL OF ALL SCHEMES	11,680,788	1,813,681	1,734,807	5,213,246	1,226,822	1,463,000	229,232	11,680,788

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CAPITAL RECEIPTS AND CONTRIBUTIONS ANALYSIS FOR 2018/19 AND CIP 2019-22

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 1 April 2018</u>	1,090,856	2,703,316	229,981	65,399	4,089,552
<u>Add</u>					
Resources Received As At 30 June 2018:	70,723	47,113	-	-	117,836
Further Resources Estimated to be Received during 2018/19:	1,076,800	511,950	-	187,624	1,776,374
<u>Potential Resources Available during 2018/19</u>	2,238,379	3,262,379	229,981	253,023	5,983,762
<u>Less</u>					
Required to finance Capital Programme	(1,226,822)	(1,463,000)	-	(229,232)	(2,919,054)
Earmarked for Revenue Expenditure	-	-	(2,345)	-	(2,345)
Earmarked for Delivery By Outside Bodies	-	-	(174,286)	-	(174,286)
<u>Potential Capital Resources Carried Forward on 31 March 2019</u>	1,011,557	1,799,379	53,350	23,791	2,888,077
<u>Add</u>					
Resources Estimated to be Received during 2019/20	456,000	625,000	-	410,860	1,491,860
<u>Less</u> - 2019/20 Capital Budget	(1,244,784)	(1,000,000)	-	(410,860)	(2,655,644)
<u>Estimated Surplus / (Shortfall) of Resources as at 31 March 2020</u>	222,773	1,424,379	53,350	23,791	1,724,293
<u>Add</u> - Resources Estimated to be Received during 2020/21	350,000	1,000,000	-	538,860	1,888,860
<u>Less</u> - 2020/21 Capital Budget	(533,195)	(1,000,000)	(53,350)	(538,860)	(2,125,405)
<u>Estimated Surplus / (Shortfall) of Resources as at 31 March 2021</u>	39,578	1,424,379	-	23,791	1,487,748
<u>Add</u> - Resources Estimated to be Received during 2021/22	300,000	1,000,000	-	-	1,300,000
<u>Less</u> - 2021/22 Capital Budget	(107,488)	(1,000,000)	-	-	(1,107,488)
<u>Estimated Surplus / (Shortfall) of Resources as at 31 March 2022</u>	232,090	1,424,379	-	23,791	1,680,260

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

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