

# EXECUTIVE

Wednesday, 7th November, 2018  
6.30 pm





# EXECUTIVE

## BURNLEY TOWN HALL

**Wednesday, 7th November, 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 - 8

To approve as a correct record the Minutes of the meeting held on 18<sup>th</sup> September 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) Houses in Multiple Occupation**

9 - 40

To implement the legislative reforms to the licensing of Houses in Multiple Occupation (HMO).

**8) Empty Homes Programme**

41 - 44

To seek approval to make several Compulsory Purchase Orders (CPOs) for long term vacant properties in the private sector, and to dispose of the properties in accordance with the Council's Disposal of Empty Dwellings Policy and Scheme of Delegation or to Calico Homes as appropriate.

**9) Aspiration Strategy Delivery Plan**

45 - 48

To seek approval for two projects that will form part of the Council's Aspiration Strategy delivery plan

**10) Stoops Wheeled Sports Project**

49 - 52

To seek approval to obtain and accept tenders for construction of a wheeled sports area at Hargher Clough Park.

**11) Revenue Monitoring 2018/19 Quarter 2**

53 - 66

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

**12) Capital Monitoring 2018/19 Quarter 2**

67 - 78

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

**13) 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

**14) Constitutional Reporting- Urgent Decision Business Rates Retention**

79 - 112

To inform the Executive of an Urgent Delegated Officer decision taken in the absence of the Executive, as required by the constitution, relating to

Business Rates Retention Pilot 2019-20 Lancashire Pool.

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

**15) *Homes England Grant***

113 - 116

To notify the Executive of a successful application made for grant funding to fund remediation, site investigation work and environmental work, for proposed new housing schemes on Council owned sites at Melrose Avenue, Tay Street, Ridge Wood and Ridge Avenue and to delegate acceptance of the grant funding offer and completion of funding documents.

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

**16) *The Arbories Sports Ground Lease***

117 - 120

To approve terms for the surrender of the existing lease and the grant of a new lease of the Arbories Sports Ground to the Trustees of Padiham Sports Club for a term of 45 years.

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

**17) *March Street Garden and Garage Lease***

121 - 124

To approve terms for the grant of a new lease of the March Street Garden and Garage site for a term of 35 years.

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

**18) *Lease of Community Room at Padiham Town Hall***

125 - 128

To approve terms for a concessionary letting of office 105 at Padiham Town Hall

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**

Tuesday, 30 October 2018



## EXECUTIVE

### BURNLEY TOWN HALL

**Tuesday, 18th September, 2018 at 6.30 pm**

#### PRESENT

#### MEMBERS

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

#### OFFICERS

- |                |  |
|----------------|--|
| Mick Cartledge | – Chief Executive                      |
| Lukman Patel   | – Chief Operating Officer              |
| Asad Mushtaq   | – Head of Finance and Property         |
| Kate Ingram    | – Strategic Head of Economy and Growth |
| Imelda Grady   | – Democracy Officer                    |

#### **35. Minutes of the Last Meeting on 14th August 2018**

The Minutes of the last meeting held on the 14<sup>th</sup> August 2018 were approved as a correct record and signed by the Chair.

#### **36. Additional Items of Business**

##### Purpose

- (1) To approve as an additional item a report on Delegations to Officers to be considered as item 8a on the agenda.
- (2) To receive additional information for consideration with item 7 of the agenda, the Draft Town Centre and Canalside Masterplan

##### Reason for Decision

- (1) To allow the express delegations previously delegated to the Director of Resources to be exercised by the appropriate Officer as outlined in paragraph 5 of the report.
- (2) For completeness of the report

##### Decision

In accordance with the provisions of Section 100(B)(4)(b) of the Local Government Act 1972 the Chair decided that a report on the Delegations to Officers should be considered immediately after item 8 on the agenda as item 8 (a); and that the additional information be considered with item 7 on the agenda, in view of the special circumstances outlined.

### **37. Town Centre Masterplan**

#### Purpose

To seek member approval to publish a draft Town Centre and Canalside masterplan for consultation.

#### Reason for Decision

The Town Centre and Canalside Masterplan provides a vision for future development and the strategic context to give funders, landowners and private investors' confidence to invest. As a non-statutory masterplan it will have limited weight in determining planning applications.

#### Decision

That approval be given to the draft Town Centre and Canalside masterplan for consultation as set out in section 13 of the report.

### **38. Revenue Budget 2019-22 Latest Position and Savings**

#### Purpose

To update the Executive on the latest position regarding balancing the Council's 2019/22 revenue budgets.

To outline proposed savings for recommendation to Full Council.

#### Reason for Decision

To progress the preparation of the Council's 2019/22 revenue budgets.

#### Decision

That Full Council be recommended to approve:

- a) the savings approved at Full Council in September 2017 totalling £0.357m (see paragraph 10 below) to assist in balancing the 2019/20 and 2020/21 revenue budgets as detailed in Appendix 1; and
- b) the proposed savings totalling £0.877m to assist in balancing the 2019/20, 2020/21 and 2021/22 revenue budgets as detailed in Appendix 1.

### **39. Express Delegations**

#### Purpose

To seek approval for delegations previously afforded to the Director of Resources via the decisions of either the Executive or an Individual Member Decision ("Express Delegations") to be exercised by appropriate Officers.

**Reason for Decision**

To enable previously delegated decisions to the Director of Resources, following deletion of the post, to be exercised by the appropriate Officer.

**Decision**

That approval be given to the Express Delegations previously delegated to the Director of Resources to be exercised by the appropriate Officer, as outlined in Paragraph 5 of the report.

## **40. Exclusion of the Public**

**Purpose**

To consider when it may be relevant to exclude the public from the meeting and clarify the order of the agenda.

**Reason for Decision**

Minute numbers 41 and 42 contain information relating to the financial or business affairs of any particular person (including the authority holding that information).

**Decision**

That the public be excluded from the meeting before discussion takes place on the items relating to minutes 41 and 42 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.

## **41. Parking Enforcement and Cash Collection**

**Purpose**

To seek the waiver of Standing Orders for Contracts to enable the Council to participate in a joint procurement exercise with other Lancashire Councils, led by Preston City Council (Preston).

**Reason for Decision**

To enable the Council to benefit from a multi-district procurement and to timely award the contract whilst maintaining continuity of service.

**Decision**

- (1) That delegated authority be given to the Head of Streetscene, in consultation with the Head of Finance and Property and the Executive Member for Community and Environmental Services to accept the most economically advantageous contract, and agree any subsequent contract period extensions provided for in such contract at the appropriate time; and

- (2) That delegated authority be given to the Head of Streetscene in consultation with the Head of Legal and Democratic Services to execute all documents necessary to give effect to the above decision.

## **42. Worsthorne Recreation Ground**

### Purpose

To approve terms for the surrender of the existing lease, the taking of a new 25 year lease and the grant of a new 25 year sub-lease of the recreation ground by the Council.

### Reason for Decision

To update the existing arrangements and enable a grant application to the Football Foundation to secure external grant funding to undertake drainage improvements to the playing pitches and provision of new changing facilities and club house.

### Decision

That approval be given to the surrender of the existing lease, taking of a new lease and granting of a new 25 year sub-lease of part of the recreation ground be approved on the outline terms set out in the report, and the Head of Legal and Democratic Services be authorised to complete the legal formalities.

# Agenda Item 7

## Houses in Multiple Occupation

### REPORT TO THE EXECUTIVE



DATE	07/11/2018
PORTFOLIO	Housing and Leisure
REPORT AUTHOR	Clare Jackson
TEL NO	01282 477231
EMAIL	cjackson@burnley.gov.uk

#### PURPOSE

1. To implement the legislative reforms to the licensing of Houses in Multiple Occupation (HMO).

#### RECOMMENDATION

2. That the Executive approve Burnley Borough Council's HMO standards in Appendix 1.
3. That the Executive approve the fee structure for HMO licensing detailed in Appendix 2 to this report.

#### REASONS FOR RECOMMENDATION

4. To meet the requirements of The licensing of Houses in Multiple Occupation (Prescribed Description) (England) Order 2018 and The licensing of Houses in Multiple Occupation (Mandatory Conditions of Licences) (England) Regulations 2018.
5. To provide clarity to landlords in relation to the standards required in a HMO.

#### SUMMARY OF KEY POINTS

6. Part 2 of the Housing Act 2004 requires local authorities to licence HMOs in their area if they meet the definition prescribed by legislation and if they are 3 storeys or more with 5 or more people living there from 2 or more separate households.
7. From the 1<sup>st</sup> October 2018 this mandatory licensing scheme will no longer be limited to HMOs that are three or more storeys high, but will also include buildings with one or two storeys.
8. Under the original legislation there were 12 known licensable HMOs which are either licenced or going through the application process. Under the new legislation we know that a further 21 HMOs will become licensable. There are likely to be more HMOs operating in the Borough that will require a licence, Officers will be looking at ways to identify these properties.

9. A secondary statutory instrument introduces new conditions that must be included in the licences that are granted for HMOs. These are:
  - National minimum sleeping room sizes and
  - Waste disposal provision requirements
10. From the 1<sup>st</sup> October 2018 local authorities must impose conditions as to the minimum room size which may be occupied as sleeping accommodation in the HMO. A room smaller than the specified size must not be used as sleeping accommodation, and communal space in other parts of the HMO cannot be used to compensate for rooms smaller than the prescribed minimum. The purpose of the minimum standard is to reduce overcrowding in smaller HMOs. The minimum sizes are:
  - 6.51m<sup>2</sup> for one person over 10 years of age,
  - 10.22 m<sup>2</sup> for two persons over 10 years of age,
  - 4.64m<sup>2</sup> for one child under the age of 10 years
11. These mandatory room size conditions are a statutory minimum and are not intended to be the optimal room size. Local authorities will continue to have discretion and the Government's expectation is that authorities devise their own policies and procedures.
12. The minimum space standards contained within the Council's HMO standards is slightly higher for two person sleeping accommodation 11m<sup>2</sup>. In addition the minimum standard for one person sleeping accommodation is 6.51m<sup>2</sup> irrespective of age.
13. HMOs generate more waste and rubbish than single family households. The HMOs must comply with the waste disposal scheme which is contained within the Council's HMO standards.

### **Transitional Provision**

14. Local authorities are required to give landlords time to comply with the new room size standards in respect of the first licence granted on or after 1<sup>st</sup> October 2018. When granting the licence if the landlord is not complying with the room sizes a notice must be issued specifying a time period within which the landlord must take action to comply with the condition. The maximum period that the local authority may specify is 18 months; however, a local authority may choose to shorten this time if reasonable.

### **Transitional Provision – Selective Licensing**

15. HMOs that fall under the new definition but that are already licensed under selective licensing will not require a new licence until expiry of the selective licensing licence. The transitional period detailed in paragraph 13 will apply from the date the new HMO licence is issued.

### **Breaches of the Legislation**

16. It is a criminal offence not to apply for a HMO licence or to breach a licence condition. If convicted of an offence the fine is unlimited. Alternatively the local authority can serve a civil penalty of up to £30,000 as an alternative to prosecution.

## **FINANCIAL IMPLICATIONS AND BUDGET PROVISION**

17. The cost of implementing the mandatory licensing scheme will be recovered through the HMO licence fee.

## **POLICY IMPLICATIONS**

18. None.

## **DETAILS OF CONSULTATION**

19. Private Rented Sector Forum.  
Lancashire Fire and Rescue Service.

## **BACKGROUND PAPERS**

20. None

## **FURTHER INFORMATION**

**PLEASE CONTACT:** Clare Jackson –

**01282 477231**

**ALSO:** Christina Smith

**01282 425011**

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**Burnley.gov.uk**

## **BURNLEY BOROUGH COUNCIL'S STANDARDS**

### **FOR HOUSES IN MULTIPLE OCCUPATION**

**October 2018**

Housing and Development Control  
Burnley Borough Council  
Town Hall  
Manchester Road  
Burnley  
BB11 1JA  
Tel: 01282 425011 ext 3198  
Email: [housing@burnley.gov.uk](mailto:housing@burnley.gov.uk)  
Website: [www.burnley.gov.uk/hmo](http://www.burnley.gov.uk/hmo)

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## Introduction

This guidance has been produced by Burnley Borough Council for Houses in Multiple Occupation (HMOs). The guide has been written to assist owners, agents and occupiers in relation to the standards that they should expect in such accommodation. The guidance covers both licensable and non-licensable HMOs.

## Definition of a HMO

An HMO is defined in law as a house or flat in which **three or more unrelated persons forming two or more households** share an amenity such as a bathroom, toilet or cooking facilities.

A '**household**' is defined as either; a single person, a couple, or members of the same family who are living together (a parent or grandparent, a brother or sister, a child, a grandchild or stepchild, a cousin, a niece or nephew, or an uncle or aunt).

An HMO is also a building which has one, or more, non self-contained units. A non self-contained unit is where one, or more, of the amenities/facilities is not within the occupants room. This applies even if the facility is for exclusive use of the occupant.

An HMO is also a building that has been converted into self-contained flats and less than two-thirds are owner occupied and the conversion does not meet the appropriate Building Regulations. If the property was converted prior to June 1992, the conversion must meet the 1991 Building Regulations. If the conversion took place after June 1992, the conversion must meet which ever Building Regulations that were in force at the time of conversion.

## Licensing of HMOs

From the 1<sup>st</sup> October 2018 it is a legal requirement for all HMOs to be licensed if the property is occupied by **five or more persons, from two or more separate households**. To apply for a licence please see contact the Council for further details, or go to [www.burnley.gov.uk/hmo](http://www.burnley.gov.uk/hmo).

## HMO Declarations

Where the local authority are satisfied that a building or part of a building meets one of the above tests they may serve a notice under section 255 of the Housing Act "an HMO Declaration" declaring that the building or part to be a house in multiple occupation.

## Legal Standards in HMOs

The Housing, Health and Safety Rating System (HHSRS) was introduced by the Housing Act 2004 and this is the method used to assess whether properties are free from unnecessary or avoidable hazards. All residential accommodation including HMOs should be free from unnecessary hazards. Appendix 1 provides a summary checklist which will assist landlords and agents in ensuring the property is free from hazards.

## **Management Regulations**

All HMOs are subject to Management Regulations under the Management of Houses in Multiple Occupation (England) Regulations 2006. Following these standards will ensure that the HMOs meet the required management regulations. For further information see page 13.

## **Space Standards**

Burnley Borough Council has adopted the following space standards as the minimum requirements.

**Table 1 – Space Standards**

<b>Minimum Bedroom Size</b>	<b>Total Number of People in HMO</b>	<b>Minimum Kitchen Size</b>	<b>Living / Dining Room Size</b>
<b>1 Occupant 6.51m<sup>2</sup></b> <b>Or</b> <b>2 Occupants 11m<sup>2</sup></b>	3 to 5 people	7m <sup>2</sup>	11m <sup>2</sup>
	6 to 10 people	10m <sup>2</sup>	16.5m <sup>2</sup>
	11 to 15 people	13.5m <sup>2</sup>	21.5m <sup>2</sup>
	16+ people	16.5m <sup>2</sup>	25m <sup>2</sup>
<b>1 Occupant 10m<sup>2</sup></b> <b>Or</b> <b>2 Occupants 15m<sup>2</sup></b>	3-5 people	7m <sup>2</sup>	No additional communal living space required
	6-10 people	10m <sup>2</sup>	
	11 to 15 people	13.5m <sup>2</sup>	
	16+ people	16.5m <sup>2</sup>	

The kitchen or living room should be within one floor distance from an occupant's bedroom.

## **HMOs with kitchen facilities for the exclusive use of the occupants (Bedsits)**

A bedsit is where sleeping, living and cooking facilities are provided for exclusive use by the occupants within a single unit of accommodation (e.g. one room). It can be occupied by a maximum of two persons.

A 1 person bedroom, sitting room and kitchen must be a minimum of 13m<sup>2</sup>.

A 2 person bedroom, sitting room and kitchen must be a minimum of 20.5m<sup>2</sup>.

## **Usable Space**

The measured space in any room must be 'usable space'. The room should be able to accommodate the required amount of appropriate furniture easily and still allow space for movement about the room.

Any floor space that has a ceiling height of less than 1.5m shall be disregarded for the purpose of measuring the total usable space in the room.

All habitable rooms, kitchens, bathrooms and toilets shall have a minimum floor to ceiling height of 2.3m, except in the case of basements which shall have a minimum height of 2.14m.

## **Washing Facilities and Toilets**

Where there are five or more occupiers sharing bathing and toilet facilities there must be at least one separate toilet and wash hand basin with appropriate splash back and at least one bathroom with a fixed bath or shower and toilet.

The bathrooms or shower rooms and toilets shall be readily accessible and normally not more than one floor away from the user. Shared facilities shall be accessible from a common area. Facilities must be inside the building.

Bathrooms and shower rooms must be of adequate size and be laid out in such a way as to enable persons to undress, dry and dress themselves in a safe manner.

Each bath, shower and wash hand basin shall be provided a continuous and adequate supply of hot and cold running water, designed to ensure reasonable temperature control.

Bathrooms and shower rooms must have adequate lighting, heating and ventilation.

Bathrooms, shower rooms and toilets must be fit for the purpose.

The splash back to a wash hand basin or bath shall be a minimum 300mm high and extend to at least at least equal to the width of the wash hand basin and all joints shall be adequately sealed.

In the case of a shower whether in its own compartment or over a bath, the splash-back shall be a minimum 150mm above the height of the shower head and up to the edge of a fixed shower screen (the shower screen must meet current British Standards). Where a shower curtain is used the splash-back should extend 300mm beyond the shower curtain to ensure it is waterproof.

The walls and ceilings in the bathroom, shower room and toilet should be smooth, impervious, which can be easily cleaned. The flooring should be capable of being easily cleaned and slip-resistant.

Bathrooms, shower rooms and toilets must be constructed to ensure privacy.

Any toilet provided in a separate compartment must have a wash hand basin with an appropriate splash back as detailed above.

The table below explains the sharing ratios for bathrooms and toilets.

**Table 2 – Number of Bathroom/Shower and Toilet Facilities**

<b>Number of Occupants</b>	<b>Facilities Required</b>
3 to 4 people	<ul style="list-style-type: none"><li>• 1 bathroom containing a bath or shower, toilet with a wash hand basin (the toilet with wash hand basin may be situated in a separate room).</li></ul>
5 people	<ul style="list-style-type: none"><li>• 1 bathroom containing a bath or shower, toilet with a wash hand basin.</li><li>• 1 separate toilet with wash hand basin.</li></ul>
6 to 9 people	<ul style="list-style-type: none"><li>• 2 bathrooms containing a bath or shower, toilet with wash hand basin.</li></ul>
10 people	<ul style="list-style-type: none"><li>• 2 bathrooms containing a bath or shower</li><li>• 2 toilets with wash hand basin, one of which must be in a separate room.</li></ul>
11 to 14 people	<ul style="list-style-type: none"><li>• 3 bathrooms containing a bath or shower, toilet with wash hand basin.</li></ul>
Bedrooms with en-suites	Where a bedroom is provided with a complete en-suite facility (bath/shower, toilet and wash hand basin) for the exclusive use of that occupant, then that occupant will be disregarded when considering the provision of washing facilities for the shared facilities in the remainder of the dwelling.

## **Kitchens**

A kitchen, suitably located in relation to the living accommodation, and of such layout and size and equipped with such facilities so as to adequately enable those sharing the facilities to store, prepare and cook food.

The kitchen must be equipped with the following equipment (see Appendix 1 for further information), which must be fit for the purpose and supplied in a sufficient quantity for the number of those sharing the facilities:

1. Sinks with draining boards
2. An adequate supply of cold and constant hot water to each sink supplied
3. Installations or equipment for the cooking of food
4. Electrical sockets
5. Worktops for the preparation of food
6. Cupboards for the storage of food or kitchen and cooking utensils
7. Refrigerators with an adequate freezer compartment (or, where the freezer compartment is not adequate, adequate separate freezers)
8. Appropriate waste disposal facilities; and
9. Appropriate extractor fans, fire blankets and fire doors.

The kitchen layout must be safe, convenient and allow good hygiene practices.

Cookers should be located away from doorways and have enough floor space for items to be safely retrieved from the oven

If two sets of facilities are provided the layout must allow them both to be used safely at the same time. No more than two sets of facilities shall be provided in any one kitchen.

**Table 3 – Kitchen Facilities for Shared Use**

<b>Number of Occupants</b>	<b>Minimum Provision of Kitchen Facilities</b>
3 to 5 people	<p>A complete set of kitchen facilities consisting of the following items must be provided for every five persons:</p> <p><b>Sink:</b> A stainless steel sink, integral drainer and a tiled splash-back, on a base unit. A minimum of 300mm high should be provided to the sink and draining board, and all joints shall be adequately sealed.</p> <p>The sink must have constant supplies of hot and cold running water and be properly connected to the drains. The cold water must come directly from the rising water main. It must be possible to stand directly in front of the cooker and sink and to place utensils down on</p>

	<p>both sides of each.</p> <p><b>Cooker:</b> A gas or electric cooker with four ring burners, oven and grill, that are capable of simultaneous use. The cooker is to be located away from doorways.</p> <p><b>Electrical Sockets:</b> At least two double 13amp electrical power points (in addition to those used for fixed appliances, such as washing machines).</p> <p><b>Worktop:</b> A kitchen worktop that is level, secure and impervious. The minimum dimensions are 1500mm length for 3 occupants plus 500mm per additional person.</p> <p><b>Storage:</b> A food storage cupboard for each occupant that is at least one 500mm wide base unit or wall unit. The space in the unit beneath the sink and drainer is not allowable for food storage.</p> <p><b>Fridge/Freezer:</b> A refrigerator with adequate freezer space. If not in the kitchen the fridge/freezer must be freely accessible and adjoining the kitchen.</p> <p><b>Waste Disposal:</b> Appropriate waste disposal facilities must be provided – see page 16 for further information.</p> <p><b>Ventilation:</b> At a minimum the window opener should be easily accessible to open and close to provide ventilation. Ideally, mechanical ventilation to the outside air at a minimum extraction rate of 60 litres/second, or 30 litres/second if the fan is sited within 300mm of the centre of the hob.</p>
6 to 7 people	<p>A combination microwave is acceptable as a second cooker.</p> <p>A dishwasher is acceptable as a second sink.</p> <p>A refrigerator and a separate freezer.</p>
8 to 10 people	Two complete sets of kitchen facilities as above.

Where the landlord provides a catering service the facilities must comply with the Food Hygiene (England) Regulations 2006. In addition, some self-catering facilities will need to be provided and the level of facilities required will be determined on a case-by-case basis,

taking into account the level of provision by the landlord. Please contact Burnley Council for further advice.

## **Kitchen for Exclusive use: Bedsits:**

A bedsit is where sleeping, living and cooking amenities are provided for exclusive use by occupants within a single unit of accommodation (i.e. one room).

**Table 4 – Kitchen Facilities for Exclusive use: Bedsits**

<b>Minimum Provision of Kitchen Facilities for Exclusive use: Bedsits</b>
<b>Cooking:</b> A gas or electric cooker with a minimum two-ring hob, oven and grill.
<b>Storage:</b> A food storage cupboard for each occupant that is at least one 500mm wide base unit or wall unit. The space in the unit beneath the sink and drainer is not allowable for food storage.
<b>Preparation:</b> A kitchen worktop that is level, secure and impervious. The minimum dimensions are 500mm width and 1000m length.
<b>Electricity:</b> Two double 13 amp power sockets suitably positioned at worktop height for use by portable appliances, in addition to sockets used by fixed kitchen appliances, plus two double sockets located elsewhere within the bedsit.
<b>Washing:</b> A stainless steel sink and integral drainer set on a base unit with constant supplies of hot and cold running water. The sink shall be properly connected to the drainage system. The cold water shall be direct from the mains supply. A tiled splash-back shall be provided behind the sink and drainer.
<b>Ventilation:</b> At a minimum the window opener should be easily accessible to open and close to provide ventilation. Ideally, mechanical ventilation to the outside air at a minimum extraction rate of 60 litres/second, or 30 litres/second if the fan is sited within 300mm of the centre of the hob.
<b>Layout:</b> The same principles of safe layout and design apply in bedsits as for shared kitchens. Cookers must not be located near doorways to avoid collisions.

## **Fire Safety**

The Licensing and Management of Houses in Multiple Occupation and Other Houses (Miscellaneous Provisions) (England) Regulations 2006 require appropriate fire precaution facilities and equipment must be provided of such type, number and location as considered necessary.

The Regulatory Reform Order (Fire Safety) 2005 requires all HMOs to have a sufficient risk assessment with regard to fire. The Council will usually complete joint property inspections of licensed HMOs with the Lancashire Fire and Rescue Service.

The Management Regulations require fire fighting equipment and fire alarms to be maintained in good working order.

Fire Safety guidance about fire safety provisions for certain types of existing housing is published by LACORS. This document contains advice for landlords and fire safety enforcement officers in both local housing authorities and fire and rescue authorities on how to ensure adequate fire safety.

The information in Table 5 below is summarised from the Lacors Fire Safety Guidance document and provided to help landlords understand their responsibilities and the fire safety precautions judged necessary for HMOs.

## **Fire Risk Assessment**

A Fire Risk Assessment is required. A Fire Risk Assessment is an organised and methodical look at the premises, the activities carried on there and the likelihood that a fire could start and cause harm to those in and around the premises. The aims of a Fire Risk Assessment are:

- to identify fire hazards;
- to reduce the risk of those hazards causing harm to as low as reasonably practicable; and
- to decide what physical fire precautions and management arrangements are necessary to ensure the safety of people in the premises if a fire does start.

For all medium/large HMO's it is recommended that a professional fire risk assessment is completed.

Further useful information for landlords and agents about fire risk assessments, including a link to find a risk assessor, is available on the Lancashire Fire and Rescue Service website at:

<http://www.lancsbusinessplus.org.uk/>

The following table provides examples based on typical properties that do not present a high risk.

**Table 5 – Fire Safety**

		Number of Storeys		
Area	Items	1 or 2	3	4+
<b>Fire Doors</b>	<p>Doors to <b>kitchens</b> must be 30 minute fire doors with combination heat and smoke seal intumescent strips</p> <p><b>Bedroom</b> doors must be 30 minute fire doors with combination heat and smoke seal intumescent strips</p> <p>Doors to any <b>cellars</b> must be 30 minute fire doors with combination heat and smoke seal intumescent strips.</p> <p>Note - Self closer devices should be fitted to all 30 minute fire doors.</p>	✓	✓	✓
<b>Fire Alarm System</b>	<p>Grade A* fire alarm system with smoke detectors in <b>escape route</b> at all levels, heat alarm in the <b>kitchen</b>, incorporate manual call points.</p> <p>Grade D* fire alarm system with smoke detectors in <b>escape route</b> at all levels and heat alarm in the <b>kitchen</b></p> <p>Additional interlinked smoke alarms to <b>bedrooms</b></p> <p>Additional interlinked smoke alarms in any <b>cellar</b></p> <p>*Note – For further information about Grades of fire alarm system – see LACORS Housing- Fire Safety guidance.</p>	✗	✗	✓
<b>Fire Fighting Equipment</b>	Fire blanket in kitchen	✓	✓	✓

<b>Locks on Doors</b>	<p><b>Final exit doors</b> must have a security lock that can be opened from the inside without a key.</p> <p>Locks on <b>bedroom doors</b> must be provided with a lock that can be opened without a key from the inside.</p>	✓	✓	✓
<b>Protected Escape Route</b>	<p>30 minute protected escape route. **</p> <p><b>Walls and floors</b> should be of sound, traditional construction;</p> <p>Escape windows in each <b>bedroom</b> as an alternative escape route.</p> <p>**the staircase enclosure should be of sound, conventional construction throughout the route, and the stairs should be 30 minutes fire resisting.</p>	✓	✓	✓
<b>Lighting of Escape Routes</b>	<p>Conventional artificial lighting</p> <p>Emergency lighting</p> <p>Note – Emergency escape lighting required only if route is complex or where there is no effective borrowed light.</p>	✓	✓	✓
<b>Signage</b>	<p>Signage along escape routes</p> <p>Note – Fire exit signage along escape route if the escape route is complex.</p>	✗	✗	✓

Although the table above can't detail an exhaustive list of requirements it shows what the necessary requirements may include.

Fire safety signs/fire exit signs should be considered as part of the fire risk assessment and be fitted along the escape route if the escape route is complex.

Landlords are required to test and maintain fire alarm and emergency lighting systems in accordance with the British Standards.

**Grade A** fire alarm systems should be tested weekly. The system must be inspected and serviced at periods not exceeding six months in accordance with the recommendations of Clause 45 of BS 5839-1:2017. An inspection and servicing certificate of the type contained in H.6 of BS 5839-1:2013 should be issued by a suitably qualified and competent person.

Emergency lighting systems should be tested regularly/a minimum of monthly – self certified by landlords, and a full system test and service must be completed annually by a competent person in line with BS5266.

**Grade D** fire alarm systems should be tested at reasonable intervals/a minimum of 3 monthly. Testing and maintenance must be in accordance with the manufacturer's instructions. Landlords can self-certify this has been completed.

## **Higher Risk Houses**

If the property is of a non-standard layout or if the occupants present a higher risk due to factors such as drug/alcohol dependency or limited mobility then the risk may increase and additional precautions may need to be taken. This must be factored into your Fire Risk Assessment.

An example of a non-typical layout is 'inner rooms' where the bedroom is located such that the occupant passes through risk rooms (living rooms, kitchens or dining rooms) in order to reach the means of escape. There are various solutions available such as escape windows or water suppression systems; these should be discussed with a case officer before undertaking works.

## **The Management of HMO's**

The Management of Houses in Multiple Occupation (England) Regulations 2006 apply to all HMOs (except those consisting entirely of self-contained flats) whether they require a licence or not. These regulations cover the manager's and occupiers responsibilities to maintain the property in a clean and safe condition

Anyone failing to comply with any part of the regulations is committing an offence and could be prosecuted by the Council.

For HMOs consisting of self-contained flats, then The Licensing and Management of Houses in Multiple Occupation (Additional Provisions) (England) Regulations 2007 apply.

## **Definitions:**

The regulations refer to '*the manager*' of an HMO. This is the person managing the HMO. It may be the landlord, manager or agent.

A '*household*' is the individual or family occupying the property. For a shared house (eg of students) each person would be considered as a 'household' for the purposes of the Regulations.

'Common parts' are all the areas both inside and outside the property used by more than one household.

'Living accommodation' is the room(s) let to a household for their personal use.

## **The Manager of a HMO Must:**

<b>Provide Information to Occupiers</b>	<ul style="list-style-type: none"><li>✓ Make each occupier aware of his name, address and contact telephone number</li><li>✓ Display these details in a prominent position in the property (usually in a common area of the HMO)</li></ul>
<b>Duty to Take Safety Measures</b>	<ul style="list-style-type: none"><li>✓ Maintain means of escape from fire in a safe condition and keep them free from obstruction.</li><li>✓ Maintain any fire-fighting equipment and alarms in good working order.</li><li>✓ Ensure that all notices indicating the fire escape route are displayed in positions which enable them to be clearly seen by occupants (<i>this does not apply where the HMO has four or fewer occupiers</i>)</li><li>✓ Take steps to protect occupiers from injury having regard to:<ul style="list-style-type: none"><li>○ The design of the HMO</li><li>○ The structural conditions in the HMO</li><li>○ The number of occupiers in the HMO.</li><li>○ Making sure any balconies or roofs accessible from the property are safe.</li><li>○ Fitting bars or other safeguards to openable windows on the first floor or higher which have a low sill to prevent the window being opened so far that an occupier could fall.</li></ul></li></ul>
<b>Maintain Water Supply and Drainage</b>	<ul style="list-style-type: none"><li>✓ Keep the water supply and drainage system in good working condition, ensuring:-<ul style="list-style-type: none"><li>○ Any water storage tank is provided with a suitable cover.</li><li>○ Water fittings liable to frost damage should be protected.</li></ul></li><li>✓ The manager must not unreasonably cause or permit the water or drainage supply to be interrupted.</li></ul>

<b>Supply and Maintain Gas and Electricity</b>	<ul style="list-style-type: none"> <li>✓ Ensure that gas and electricity supplies are maintained in a safe condition.</li> <li>✓ The manager must not unreasonably cause the gas or electricity supply to be interrupted.</li> <li>✓ If the Council make a request in writing, provide a copy of the latest gas appliance test certificate within 7 days.</li> <li>✓ Arrange to have every fixed electrical installation inspected and tested (by a person qualified to do this) every 5 years as a minimum, and obtain a certificate to show the results. If the Council make a request in writing, provide a copy of the latest test certificate within 7 days.</li> <li>✓ If you provide portable electrical appliances, you will need to supply a PAT test certificate.</li> </ul>
<b>Maintain Common Parts, Fixtures, Fittings and Appliances</b>	<ul style="list-style-type: none"> <li>✓ Keep all common parts: <ul style="list-style-type: none"> <li>○ In good and clean decorative repair</li> <li>○ In safe and working condition</li> <li>○ Prevent the obstruction of these areas.</li> </ul> </li> <li>✓ Make sure all handrails and banisters are in good repair (and provide additional rails or banisters if necessary); stair coverings must be secure and in good condition.</li> <li>✓ Make sure all windows or other means of ventilation are in good repair.</li> <li>✓ Provide adequate light fittings, available for use at all times.</li> <li>✓ Maintain fixtures, fittings or appliances in good working order. (This does not apply to anything brought in by an occupier).</li> <li>✓ Keep outbuildings, yards, forecourts maintained in repair, clean condition and good order.</li> <li>✓ Keep gardens safe and tidy</li> <li>✓ Keep boundary walls fences and railings etc in good condition and safe.</li> <li>✓ Make sure any parts of the property which are not in use are also kept clean and free from obstruction including refuse and litter.</li> </ul>

<b>Maintain Living Accommodation</b>	<ul style="list-style-type: none"> <li>✓ Make sure that living accommodation and any furniture supplied with it are clean at the beginning of a person's occupation.</li> <li>✓ Keep in good repair and maintained (<i>this does not apply to anything brought in by the occupier</i>):           <ul style="list-style-type: none"> <li>○ The internal structure</li> <li>○ Any fixtures, fittings and appliances within each area of living accommodation</li> <li>○ Every window and other means of ventilation.</li> </ul> </li> </ul>
<b>Provide Waste Disposal Facilities</b>	<ul style="list-style-type: none"> <li>✓ Ensure that sufficient bins are provided for occupiers to store refuse and make arrangements for the disposal of refuse having regard to the service provided by the Council.</li> </ul>

## Occupiers of a HMO's:

The Regulations also place a number of duties upon the occupiers/tenants of an HMO. These duties include:

- ✓ Do nothing to hinder the manager in carrying out his duties.
- ✓ Allow the manager, or someone acting on his behalf, to enter at all reasonable times. (before entering for anything other than an emergency the manager must give 24 hours notice).
- ✓ Provide information the manager may need to carry out his duties.
- ✓ Take care to avoid damage to anything the manager is legally required to provide.
- ✓ Store and dispose of refuse and litter correctly.
- ✓ Comply with reasonable instructions regarding fire safety.

## Waste Disposal

HMOs occupied by separate and multiple households generate more waste than a single family. The Council are committed to reducing environmental crime. To do this it is important that the landlord of the HMO provides the occupants with the appropriate facilities for storing rubbish.

To encourage occupants to recycle waste, internal storage areas should be designed to enable occupants to segregate their waste into refuse and recyclables and to store it temporarily until it can be transferred to external bins.

Where provision for internal storage is included, occupants should be supplied with container(s) for the internal segregation of waste for recycling. Burnley Borough Council does not provide such containers.

Options that landlords may wish to consider are kitchen units with pull out drawers and separate containers. There are several such products on the market.

The containers described below should be able to be stored within the external boundary of each property. Container storage areas should be in a convenient position to enable the householder to wheel them to the kerbside for collection.

Occupiers are required to present their containers at the kerbside on collection day and return them to the storage area as soon as possible following collection.

**Table 6 – Waste Disposal and Recycling**

<b>Number of Occupants</b>	<b>Refuse</b>	<b>Recycling Paper/Card</b>	<b>Recycling Glass, Cans, Plastic Bottles</b>
1 to 4 people	1x 240 litre bin	White Sack	Blue box
5 to 8 people	2x 240 litre bin	White Sack	Blue box
9 to 12 people	3x 240 litre bin	White Sack	Blue box

If additional recycling facilities are required please contact Burnley Council's Streetscene Department for further advice on 01282 425011.

## **Planning Permission/ Change of Use**

Compliance with the provisions of the HMO Standards does not confer exemption from the need to obtain any planning permission/change of use necessary for operation of an HMO or from action by the Council under other legislation.

You are advised to establish lawful use of your premises under planning legislation. It is also advisable to contact the Council's Planning and Building Control departments for advice.

Burnley Council Development Control Unit

Website: <https://www.burnley.gov.uk/residents/planning>

Telephone: 01282 425011

For further information about Change of Use, Planning Permission and Building Regs please go to the following webpage:-

<http://www.planningportal.gov.uk/permission/commonprojects/changeofuse/>

## **Building Control**

Works of alteration and/or improvement including those requested by the Council may require Building Regulation or Building Notice approval. For further information please contact:

Pennine Lancashire Building Control:

Website: [www.burnley.gov.uk](http://www.burnley.gov.uk)

Telephone: 01282 477269

Email:[buildingcontrol@burnley.gov.uk](mailto:buildingcontrol@burnley.gov.uk)

## Appendix 1 – Property Condition Standards Checklist

Component	Primary Hazard	Checked/Notes
The property should have at least an E rating detailed in the Energy Performance Certificate.	Excess cold	
<b><u>EXTERNAL</u></b>		
Chimney		
Structurally sound	Structural collapse	
Sound pointing	Damp and mould	
Sound flashing and capping		
<b>Roof</b>		
Ridge tiles and pointing sound	Damp and mould	
Roof covering sound.		
Any replacement slates to be of the same size, colour and thickness.		
Properly installed, maintained and matching rain water and drainage goods including gutters, rainwater pipes and soil vent pipes. Gutters should be free from debris/vegetation. Timber gutters should be painted/treated.		
<b>Front and Rear Elevation</b>		
Sound and uniformed pointing (not missing or cracked)	Damp and mould	
Sound render (not missing, blown or cracked)		
<b>Windows</b>		
Well maintained window frames with locking handles, trickle vents or a mechanism for being secured on the opener whilst allowing a gap for ventilation. 'K Glass' or similar alternative.	Excess cold	
Windows should be neatly and adequately sealed to ensure they are free from draughts and operate freely.		
The view through the glazing should not be obscured by failed double glazing units.	Lighting	
Where key operated locks are fitted owners should ensure that the tenants are provided with keys.	Entry by intruders	
<b>Window Restrictors</b>		
If any window opens fully without restriction, ensure that a window restrictor that limits the window to opening no more than 100mm but that can easily be overridden by an adult in the event of an emergency <u>without</u> the need for a key is fitted.	Falls between levels	

## Appendix 1 – Property Condition Standards Checklist

Component	Primary Hazard	Checked/Notes
<b>Front and Rear Doors</b>		
Solid core timber, metal framed UPVC construction or specialist composite security doors. All glazing in doors must be either wired or safety glass. The door should be of sound fitting with multi-point locking, letter plate and all necessary furniture including door numbers.	Entry by intruders	
The door frames should be strong and well secured to the jambs.		
Ensure the door is fitted neatly in the casing with a maximum 2 to 4 mm gap around the door to prevent draughts.	Excess cold	
Ensure a weather bar is fitted to the door.		
<b>Security Grills</b>		
Any security grills fitted to exit doors must allow escape from the building easily. Security grilles on ground floor windows where they form part of the protected route of escape from fire, must be easily removable.	Fire	
Security grills should not be fitted to first floor windows.		
<b>Gardens and Yards</b>		
Timber/steel gate to suit the height of the yard/garden walls/fences. The gate should be structurally sound, open and close with appropriate latch/bolt, suitably decorated or stained.	Entry by intruders	
The house number should be visible on the rear gate.		
All boundary walls and fences will be of adequate height, well maintained, stable and in good repair.  Render should not be excessively blown or falling off. Coping and decorative blocks must be stable and adequately secured.	Structural collapse	
All yard surfaces should be of a solid construction and free from trip hazards.	Falls on the level	
Where a garden or yard area exists this shall be kept in good order and free of waste, litter and faeces as far as is reasonably practicable.	Domestic hygiene, pests and refuse	
The landlord, as far as is reasonably practicable, shall have responsibility to enforce a requirement that their tenants keep the garden/yard free of unwanted furniture or fittings.		
<b>External Decoration</b>		
Painted elevations should be of sound condition, uniform and free from excessive deterioration. This should include jambs		

## Appendix 1 – Property Condition Standards Checklist

Component	Primary Hazard	Checked/Notes
and cills.		
Drainage		
All drainage holes should have suitable covers	Personal hygiene, sanitation and drainage	
External Steps		
Where appropriate (eg 3 steps or more) external steps within the boundary of the property require a hand rail/guarding.	Falls on stairs	
<b><u>INTERNAL</u></b>		
Loft Hatch		
The loft hatch should fit securely to prevent excessive draughts.	Excess cold	
Waste Pipes		
Where waste pipes have to run through internal rooms to exit to the external wall they should be boxed in.		
Floor Boards and Wood Work		
Floor boards should be secure and even.	Falls on the level	
All wood fittings within the property should be free from dry and wet rot.	Damp	
Vestibules		
The glazing in vestibules should be of safety glass. If a vestibule is to be removed all of the vestibule must be taken out and the ceiling made good including uniformed re-decoration.		
Heating		
Gas central heating system capable of heating the living areas to 21°C and all other areas of the property to 19°C, when the outside temperature is -1°C. All rooms including the kitchen and bathroom should be capable of being heated in the manner described.		
<b>The Ideal</b> <ul style="list-style-type: none"> <li>• A' Rated Boiler</li> <li>• 7 day fully programmable digital room thermostat</li> <li>• Thermostatic radiator valves (TRVs) on all radiators (except in rooms with a room thermostat)</li> <li>• A high performance hot water cylinder and a cylinder thermostat (if you have a hot water cylinder)</li> <li>• If there has never been a gas supply to the property contact the scheme operator.</li> </ul>	Excess cold	

## Appendix 1 – Property Condition Standards Checklist

Component	Primary Hazard	Checked/Notes
Any exposed heating pipes running up walls should be neatly boxed in.		
<b>Lighting</b>		
Each habitable room should have an opening window of appropriate size and position to provide sufficient light during day light hours to enable domestic and recreational activities to be carried out without eyestrain.		
Windows should not be shared between rooms by the addition of a partition wall. Each room with the potential to be a habitable room must have its own opening window.	Lighting	
Artificial lighting should be appropriately positioned with sufficient accessible switches to control it.  Please note that artificial lighting to the stairs must be controllable from the top and bottom of the staircase.		
<b>Internal Doors</b>		
Ensure the doors open and close with suitable clearance for carpets, ensure the door hinges are secure and ensure the door latches securely, ensure all edges are finished to an acceptable standard being a smooth finish with all harris's removed.  The doors should fit neatly into the casing with a maximum 2 to 4mm around the edges.  The door to the bathroom or toilet(s) should be provided with a lock.	Collision and entrapment	
Glazing in doors should be safety glass alternatively the glass should be neatly boarded and decorated to match the original door.		
<b>Kitchen</b> (for detailed property type information see: - Kitchens section above)		
Kitchen facilities should be of an appropriate design and laid out to make it easy to safely and hygienically prepare food.	Food safety	
The window should be easily accessible to open and close to provide ventilation.  <b>Ideally</b> Install suitable mechanical ventilation with built in shutter and over -run	Damp	
The sink should be of adequate size with drainer. With a supply of hot and cold water properly connected to pipes which safely carry away waste water to discharge it into a drainage system.	Food safety Water supply	
As a minimum there should be: <ul style="list-style-type: none"> <li>• A double base unit separate to the sink unit which is not suitable for food storage.</li> </ul>	Food safety	

## Appendix 1 – Property Condition Standards Checklist

Component	Primary Hazard	Checked/Notes
<ul style="list-style-type: none"> <li>• A single base unit</li> <li>• A double wall unit</li> <li>• One of the base units should contain a minimum of one drawer.</li> <li>• 1.5 meters of work surface. The surface of the worktop smooth, impervious and capable of being easily cleaned.</li> <li>• A space for a cooker with either a gas or electric connection.</li> <li>• A space for a fridge and freezer and washing machine.</li> </ul>		
Provide a minimum of 300 mm (approx. 3 rows of tiles or equivalent) to the rear of all work surfaces and behind the cooker position. Tile edges must be suitably finished using either tile edging bead or pointed with silicone sealant.	Food safety	
The floor covering should be an even surface and easily cleaned (no carpets).	Falling on levels	
<b>Internal Stairs</b>		
<p>Handrails are to be fixed at an appropriate height of between 900mm -1000mm above the step nosings.</p> <p>The handrail must be a suitable profile such as mop stick and securely fixed. Balustrades or guarding must not have gaps that are in excess 100mm.</p>	Falling on stairs	
<b>Bathroom</b>		
The toilet should be smooth and impervious surface. A seat and lid should be fitted to the toilet. Connected to a working flushing cistern provided with a supply of water and connected to a drain capable of carrying waste into the drainage system	Personal hygiene	
A wash hand basin, bath or shower securely fitted with a supply of hot and cold water. They should be capable of being easily cleaned and connected to water pipes which safely carry away waste water to discharge it into a drainage system.		
<p>Provide a minimum of 300mm approx. 3 rows of tiles to the wash hand basin and bath. If a shower is installed over the bath provide tiles approx. 6 m squared from bath to ceiling and a suitable shower curtain or screen.</p> <p>Tile edges must be suitably finished using either tile edging bead or pointed with silicone sealant.</p>	Personal hygiene	
The floor covering should be an even surface and easily cleaned (no carpets).	Falling on levels	
Install a suitable extractor fan with built in shutter and over-run.	Ventilation	
Bathroom lighting should comply with the IEE Wiring Regulations - 17th Edition. In particular attention should be		

## Appendix 1 – Property Condition Standards Checklist

Component	Primary Hazard	Checked/Notes
given to Zone 0, Zone 1, and Zone 2. The bathroom ceiling light is generally outside these zones but should be of the sealed and splash proof type.		
<b>Electrical Hazards</b>		
The electrical installations should be safe to use and regularly maintained eg no cracked light or plug sockets.		
Valid Periodic Inspection Report or Electrical Installation Condition Report for the whole of the electrical installations within the property in accordance with current IEE wiring regulations.  If the Electrical Installation Condition Report requires remedial action the follow should be ensured:-  <b>Classification Code C1</b> – ‘Danger present and immediate remedial action required’, should be remedied within 48 hours following the date of the report.  <b>Classification Code C2</b> – ‘Potentially dangerous and urgent remedial action required’, should be remedied within 28 days following the date of the report.	Electrical	
With the exception of the bathroom every room should have at least two double plug sockets in accordance with IEE guidelines. For example, plug sockets in the kitchen should not located directly above a cooker or sink.		
Meters should have an adequate cover and sealed. Meters and consumer units should service the residential accommodation only and should not be shared with other uses such as a commercial part of the premises.		
If portable appliances are provided by the landlord a PAT test is required.		
<b>Gas Appliances</b>		
Gas supplied to the property and gas appliances should satisfy the requirements of current quality regulations. A gas safety certificate should be obtained annually.		
The gas meter should service the residential accommodation only and should not be shared with other uses such as a commercial part of the premises.	Carbon monoxide	
A carbon monoxide detector should be located in the premises if gas or solid fuel burning appliances are used. <b>Ideally</b> All properties should be fitted with a carbon monoxide detector.		
<b>Basements</b>		
Should be fitted with a hand rail to the stairs and adequate	Falls on stairs	

## Appendix 1 – Property Condition Standards Checklist

Component	Primary Hazard	Checked/Notes
lighting which can be switched on at the top of the stairs.		
Well ventilated	Damp and mould	
Fire (for detailed property type information see: - Fire Safety section above and Lacors Fire Safety Guidance)		
<b>The Ideal</b> Hard wired interlinked smoke detection fitted on every level of the property including the cellar. A heat detector in the kitchen and at fire escape windows fitted in the bedrooms with restrictors limiting to but easily overridden in the event of an emergency <u>without</u> the need of a key.	Fire	
For typical terrace properties with a central staircase, a door between the kitchen (a risk room) and the bottom of the stairs should be fitted thereby providing a protected escape route to the front door without the need for an escape window.		
Where a staircase enters a kitchen an escape window should be present on the first floor. A heat detector should be fitted in the kitchen.		
Accommodation with Attic Bedrooms		
Attic bedrooms must have a door	Fire	
Hardwired interlinked smoke detection on all floors with an escape window to the first floor.		
Bulk Head/Middle Bedrooms		
Must have a suitably sized window that can be opened and closed.	Lighting/damp	
Internal Decoration and Floor Coverings		
At the start of the tenancy the decoration should be in a reasonable condition, clean and uniformed.		
At the start of the tenancy the floor coverings should be in a reasonable condition, clean, well fitted and uniformed.		
Asbestos		
The property should be free from asbestos.	Asbestos	
Lead		
Installation of lead pipework is now prohibited in the UK. Any lead pipe work found in the distribution of drinking water should be removed and replaced.	Lead	
Infestations		
The house should be free from insect or pest infestations.	Pests	

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## **Fee and Charging Structure for the Implementation of Mandatory Licensing in Houses in Multiple Occupation (HMO)**

### **Introduction**

1. Local Authorities are responsible for administrating a range of licencing schemes. For the majority of such schemes the cost of delivering the schemes is recovered through the fess set by each authority and paid by the licence applicant.
2. Part 2 of the Housing Act 2004 allows the Authority to require a fee for the licensing of HMOs
3. The fee covers the cost of running the HMO licensing scheme and is based upon the average length of time to administer this. Inevitably each application and property will vary in the amount of officer time required.
4. The fee is not connected to the length of time covered by the licence.
5. The Authority is not permitted to make a profit from the introduction of a selective licensing scheme and any surplus must be ring-fenced for use on the scheme. The fees should, however, take account of all costs incurred in administering a scheme.
6. Recent case law in relation to the European Services Directive requires local authorities to separate out the cost of processing an initial application from those costs associated with the ongoing administration of a scheme.
7. The fee structure will be reviewed annually.

### **Role of charging structure**

8. The purpose of this document is to establish a transparent charging policy.

## **Application Fee**

9. All fees are payable in two stages, at the application stage and upon granting the licence. As a result of feedback from landlords the Council introduced the option of monthly direct debit payments for selective licensing fees over a maximum period of 24 months to help the applicant manage the costs. Each individual request for monthly direct debit payments will be assessed on its own merits and will be decided at the Authority's discretion.
10. Licenses are non-transferrable. Applications resulting from a change in ownership of a licensed property will be charged the full standard fee.

## **Fee Reimbursements**

11. The Authority will give the applicant a refund if a duplicate application or an application for an exempted property has been made by mistake.
12. The fees are not connected to the length of a licence. If a licence is cancelled before it expires, the Authority cannot give a refund for any time that remains on the licence. A fee will not be reimbursed if a property is sold before the end of the licence and the applicant will still be required to pay any outstanding charges due as a result of the application.

## **Fee Discounts**

13. To reward landlords who are already operating to a minimum legal standard in Burnley a 30% discount will apply to any landlord who is an existing member of the Council's Good Landlord and Agent Scheme. To be eligible for this discount a landlord must have applied and subsequently become accredited before the property was required to be licensed.

## **Payment**

Payment upon application £463.00

Deduct 30% for a licence holder accredited by GLAS £324

Payment upon granting of the licence £336.00

Deduct 30% for a licence holder accredited by GLAS £235

There will be an additional charge of £21 per bedroom where the HMO has more than 10 rooms.

## The Empty Homes Programme

### REPORT TO EXECUTIVE



DATE	7 <sup>th</sup> November 2018
PORTFOLIO	Housing and Leisure
REPORT AUTHOR	John Killion
TEL NO	3188
EMAIL	<a href="mailto:jkillion@burnley.gov.uk">jkillion@burnley.gov.uk</a>

### PURPOSE

1. To seek approval to make several Compulsory Purchase Orders (CPOs) for long term vacant properties in the private sector.
2. To dispose of the properties in accordance with the Council's Disposal of Empty Dwellings Policy and Scheme of Delegation or to Calico Homes as appropriate.

### RECOMMENDATION

3. That the Executive approve in pursuance of the powers obtained under Section 17 of the Housing Act 1985 (as amended) to make the following compulsory purchase orders for the purpose of renovation and/or re-sale by the most appropriate method:

**The Burnley (292 Cog Lane Burnley) Compulsory Purchase Order 2018**

**The Burnley (158 Casterton Avenue Burnley) Compulsory Purchase Order 2018**

**The Burnley (39 Branch Road Burnley) Compulsory Purchase Order 2018**

**The Burnley (11 Willow Street Burnley) Compulsory Purchase Order 2018**

**The Burnley (13 Willow Street Burnley) Compulsory Purchase Order 2018**

**The Burnley (27 Cleaver Street Burnley) Compulsory Purchase Order 2018**

**The Burnley (41 Netherby Street Burnley) Compulsory Purchase Order 2018**

**The Burnley (67 Albert Street Burnley) Compulsory Purchase Order 2018**

**The Burnley (17 Elmwood Street Burnley) Compulsory Purchase Order 2018**

**The Burnley (12 Godiva Street Burnley) Compulsory Purchase Order 2018**

**The Burnley (158 Hollingreave Road Burnley) Compulsory Purchase Order 2018**

**The Burnley (518 Accrington Road Burnley) Compulsory Purchase Order 2018**

**The Burnley (99 Gannow Lane Burnley) Compulsory Purchase Order 2018**

4. That the Head of Legal and Democratic Services be authorised to agree terms for the acquisition of the properties, to acquire the properties in this report by agreement as an alternative to compulsory purchase in accordance with the terms of delegation.
5. To authorise the Head of Legal and Democratic Services to make minor amendments, modifications or deletions to the CPO schedule of interests and map, should this be necessary, and to finalise the making and submission of the CPO, including promoting the Council's case at public inquiry, if necessary.
6. Subject to confirmation by the Secretary of State to authorise the Head of Legal and Democratic Services to secure full title to and possession of the CPO land as appropriate by:
  - ✓ Serving notice of confirmation of the CPO on all interested parties
  - ✓ Serving notice of intention to execute a General Vesting Declaration
  - ✓ Executing the General Vesting Declaration
  - ✓ Serving Notices to Treat and/or Entry as appropriate
  - ✓ Acquiring land and interests by agreement if possible
7. That the Executive authorises the tendering of any renovation works in accordance with SOC 1, 15 and 16 and delegates power to accept the tender to the Head of Housing and Development Control.
8. That the Executive approves that the proceeds from the sale of the properties is recycled back into the Empty Homes Programme for further acquisitions and renovations.

**REASONS FOR RECOMMENDATION**

9. The owners of these properties have been contacted and have either not responded at all or have given no reasonable proposals for renovating the property or bringing it back into housing use.
10. These properties are long term vacant properties, being empty, in one case, for over 20 years. Without intervention by the Council through acquisition by agreement or CPO the properties may remain vacant, continue to deteriorate, attract anti-social behaviour, fly-tipping and arson, all of which cause fear in local residents, resulting in a declining neighbourhood.
11. Through the Vacant Property Initiative and Empty Homes Programme over 130 properties have been acquired, refurbished and re-sold or re let, bringing those properties back into use and providing high quality accommodation.

## **SUMMARY OF KEY POINTS**

12. The Empty Homes Programme (EHP) is an established project and is an amalgamation of programmes used over the last several years. The initiative identifies properties that have been vacant for a long period of time and which are causing problems for neighbouring properties and local residents, mainly supporting the five current Selective Licensing designations but also borough wide.
13. Negotiations for the acquisition of the properties have not yet commenced on the majority of the properties as no contact has been received from the owners. If the owners do contact the Council efforts will be made to purchase the properties by agreement.
14. Where owners contact us, we will work with them to reach an agreement for bringing the property back in to use preventing the need for a CPO. If agreement cannot be reached satisfactorily, the council will use the CPO power as a last resort to ensure the property is brought back in to use.
15. If the owners do not come forward to receive their market value compensation within a six year period then we can no longer be held to account for the compensation monies as the Limitation Act 1980 comes into force.

## **FINANCIAL IMPLICATIONS AND BUDGET PROVISION**

16. The cost of delivering the properties detailed in this report will be funded from the Empty Homes programme. It is not envisaged that all the CPOs listed in this report will be made in this financial year as properties may be brought back in to use by owners prior to making the CPO or properties may be bought by agreement.
17. The majority of the cost associated with the programme are made up of two elements; buying the property and the renovation cost. We can reasonably assume, given past experience, that the selling prices for the properties above would vary from between £45,000 to around £125,000 once renovated. We can also assume that we would need to spend around £30-35,000 renovating the properties.
18. Throughout this financial year properties will be chosen from the list (due to advanced lead times when carrying out a CPO) above (and others later in the year) that will ensure that the entire budget for 2018/19 is committed by year end.
19. Any receipts generated from the sale of properties will be recycled back in to the programme to enable the purchase and renovation of more problem properties.

## **POLICY IMPLICATIONS**

20. Overall, the proposed action will help to achieve the Council's strategic plan of "People Places Prosperity and Performance". The acquisition and renovation of the vacant properties will enable the Council to bring them back into use, which will improve the environment for residents in the vicinity of the vacant properties by reducing the potential for crime and anti-social behaviour.

21. In terms of Human rights Act implications, Government advice is that local authorities must strike a fair balance between the demands of the community and the need to protect individual's fundamental rights. In considering this balance, one of the issues that a court would look for is whether compensation will be payable. The level of compensation is of course negotiable between the Council and the property owner's Valuer. In addition, individual rights are protected by the statutory objection and inquiry procedure.
22. It is anticipated that the recommendations in this report will have no further policy implications.

#### **DETAILS OF CONSULTATION**

23. None.

#### **BACKGROUND PAPERS**

24. None.

#### **FURTHER INFORMATION**

**PLEASE CONTACT:** John Killion (Project Officer Vacants). 01282 425011 ext 3188.

**ALSO:** Clare Jackson (Private Sector Housing Manager) 01282 477231

## Aspiration Strategy Delivery Plan Update

### REPORT TO EXECUTIVE



DATE	07/11/2018
PORTFOLIO	Leader
REPORT AUTHOR	Rob Dobson
TEL NO	Ext 3115
EMAIL	<a href="mailto:rdobson@burnley.gov.uk">rdobson@burnley.gov.uk</a>

### PURPOSE

1. To seek approval for two projects that will form part of the Council's Aspiration Strategy delivery plan.

### RECOMMENDATION

2. That the Executive support a three year youth mental health programme in collaboration with Burnley FC in the Community, the secondary schools, and Burnley East Primary Care Network.
3. That the Executive support the creation of a "Careers Hub" in Burnley.
4. That Full Council be recommended to approve a contribution of £17.5k from the Regeneration Reserve as set out in paragraph 13 of the report.

### REASONS FOR RECOMMENDATION

5. Youth mental health is the key priority for the Burnley Health and Wellbeing Partnership. Schools and GPs have seen a significant increase in unmet demand for youth mental health services. The Aspiration Strategy includes an objective to support efforts to make young learners more resilient. The youth mental health project will therefore be a key deliverable.
6. The Aspiration Strategy also includes the objective to reduce the number of school leavers that are not in employment, education or training (NEETs). By developing a co-ordinated network of local career and enterprise advisers, the Careers Hub project will be a key deliverable in this regard and should help more of the borough's young people aspire to a bright future in the world of work.

### SUMMARY OF KEY POINTS

#### Youth Mental Health

7. The Council is recommended to be a funding partner in a three year programme to improve youth mental health. The programme was developed by Burnley FC in the Community and the East Lancashire Clinical Commissioning Group, and sets out the proposed funding commitments as follows:
  - Burnley East Primary Care Network (GPs): £33,050
  - BFC in the Community: £250,000
  - Burnley Borough Council/Stocks Massey: £30,000
  - Burnley Secondary Schools: £132,000
8. This funding will be used for two complementary projects. The first project will be resourced primarily by the Burnley East Primary Care Network. Its objective is to increase awareness of child mental health, and of the support services available, amongst both parents and front line professionals. This will include training on managing Adverse Child Experiences (ACEs) which can have a critical impact on a child's development and their potential at school and later in life. Action on ACEs is also a strand in the Pennine Lancashire Accountable Health and Care Partnership's Plan for improving health outcomes through early intervention.
9. The second project, to which the Council is being asked to make a financial contribution of £10k per annum for 3 years, will help to place a youth mental health worker in secondary schools. The staff will be employed by Burnley FC in the Community.

### **Careers Hub**

10. The Government's Careers Strategy included a commitment to establish 20 Career Hubs. The Lancashire LEP submitted a bid for a hub covering Burnley, Pendle and Blackpool. The Council is recommended to commit £10k in match funding, which will be used to support the Hub.
11. A Careers Hub is a group of secondary schools and colleges, working with universities, other education and training providers, employers and career guidance professionals to ensure the Gatsby Benchmarks are delivered in each school and college within the Hub. The Gatsby Benchmarks were published in 2014 by the Gatsby Charitable Foundation. The benchmarks are statements of best practice based on international research on careers guidance in schools:
  1. A stable careers programme
  2. Learning from career and labour market information
  3. Addressing the needs of each pupil
  4. Linking curriculum learning to careers
  5. Encounters with employers and employees
  6. Experiences of workplaces
  7. Encounters with further and higher education
  8. Personal guidance

12. The key components of a Careers Hub are:

- A "Hub Lead" officer will be appointed who will support schools and colleges, each with an Enterprise Adviser, to deliver against the Gatsby Benchmarks. The Hub

- Lead also coordinates activity, builds local networks (for example, with employers, businesses and higher and further education providers) and is responsible for reporting, stakeholder engagement and evaluation.
- A Hub has access to funding for activities which benefit schools and colleges across the Hub, such as apprenticeship events, and broader learning and sharing events, including the chance to bid for further funding from the Careers & Enterprise Company to commission approved providers to help the schools achieve the Gatsby Benchmarks.

## **FINANCIAL IMPLICATIONS AND BUDGET PROVISION**

13. The total 3 year budget requirement is £40,000 made up as follows.
  - a. A contribution £7.5k from the Stocks Massey Fund has been awarded for 2018/19. Applications for the same amount will be made in 19/20 and 20/21 so is subject to agreement of the Trustees.
  - b. A contribution of £17.5k from the Regeneration Reserve.

## **POLICY IMPLICATIONS**

14. The investment will support delivery of the Council's Aspiration Strategy.

## **DETAILS OF CONSULTATION**

15. Burnley Learning Partnership: a forum of secondary head teachers.

## **BACKGROUND PAPERS**

16. None.

## **FURTHER INFORMATION**

**PLEASE CONTACT:**

**Mick Cartledge, CEO**

**ALSO:**

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## Stoops Wheeled Sports Project

### Report to The Executive



DATE	7 <sup>th</sup> November 2018
PORTFOLIO	Leisure
REPORT AUTHOR	Simon Goff
TEL NO	01282 477223
EMAIL	sgoff@burnley.gov.uk

### PURPOSE

1. To seek approval to obtain and accept tenders for construction of a wheeled sports area at Hargher Clough Park.

### RECOMMENDATION

2. The Executive is recommended to:
  - a. Authorise the Head of Green Spaces & Amenities to obtain and accept the most economically advantageous tenders for the construction of a wheeled sports area at Hargher Clough Park, and, in consultation with the Chief Operating Officer and Deputy Leader to accept the most economically advantageous tender to deliver the project.
  - b. Authorise the Head of Legal Services and Democratic Services to give effect to all necessary documentation to implement the above decision.

### REASONS FOR RECOMMENDATION

3. Approval of the Executive is required to obtain tenders for a scheme that is included in the Council's capital programme and which exceeds £100,000 contract value.

### SUMMARY OF KEY POINTS

4. The Hargher Clough Community Association has raised funds totaling £130K from a variety of grant sources (appendix 1) for the construction of a wheeled sports area for use by skateboards, scooters and BMX bikes on the Council owned Hargher Clough Park.
5. The scheme is part of a long-term project to develop Hargher Clough Recreation Ground as the neighbourhood park for South West Burnley. The project has already developed a large play area, two flood lit ball courts, an outdoor gym, a

cycle track and soft landscape improvements. The wheeled sports area will provide new recreational opportunities for young people and it is hoped that this scheme will be followed by the development of an outdoor performance space.

6. With the final grant offers now in place, the wheeled sports scheme has been included in the Council's capital programme 2018/19.
7. The scheme will be procured as a fixed-price, design and build contract through the government's 'Contract Finder' portal, with tenders assessed on the evaluation of quality criteria that include the design of the facility and proposed construction methods, etc.

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

8. The scheme costs will be met from external grants except for £2K contribution of WOF funding from the remaining Trinity and Lowerhouse ward allocations. Income sources are identified in the Appendix 1.
9. Provision for the costs of the scheme have been made in the 2018/19 capital programme.
10. The ongoing revenue costs of maintaining the wheeled sports area are expected to be modest as the ramps are constructed from concrete and will require little maintenance. Some additional time will be spent inspecting the facility and in litter picking and support for this will be provided by volunteers through the Stoops and Hargher Clough Community Association..

#### **POLICY IMPLICATIONS**

11. The development of Hargher Clough Park is identified as a priority in the Council's Green Spaces Strategy 2015 - 2025.

#### **DETAILS OF CONSULTATION**

12. None.

#### **BACKGROUND PAPERS**

13. None

## **Appendix 1.**

### **Stoops Wheeled Sports Area Funding**

Funding sources	Amount
Sport England	£50,000
LEF	£30,000
Calico	£40,755
Tesco	£4,000
Lancashire County Council (via Proffitts CIC)	£3,000
LCC County Councillor Mark Perks - Young Persons Champion	£600
Burnley Council Lowerhouse WOF	£1,000
Burnley Council Trinity WOF	£1,000
<b>TOTAL</b>	<b>£130,355</b>

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# Agenda Item 11

## Revenue Monitoring Report 2018/19 – Quarter 2 (to 30 September 2018)

### REPORT TO EXECUTIVE



<b>DATE</b>	<b>7 November 2018</b>
<b>PORTFOLIO</b>	<b>Resources and Performance Management</b>
<b>REPORT AUTHOR</b>	<b>Howard Hamilton-Smith</b>
<b>TEL NO</b>	<b>(01282) 475869</b>
<b>EMAIL</b>	<b>Hhamilton-smith@burnley.gov.uk</b>

### PURPOSE

1. To report the forecast outturn position for the year as at 31 March 2019 based upon actual spending and income to **30 September 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 £15.090m as shown in Appendix 1, and
- c. The net transfers to earmarked reserves of £0.022m 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 second 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 £15.090m as shown in Appendix 1.

## 6. Revenue Budget Summary

As at the end of September 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	9,047	9,001	(46)
Other revenue budgets	7,173	7,054	(119)
In-year efficiency savings target	(250)	(85)	165
Reserves	(880)	(880)	-
	<b>15,090</b>	<b>15,090</b>	-
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)	-
<b>Forecast (under) / over spend as at end of September 2018</b>	-	-	-

### 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 £154k of salary savings have been secured to date, exceeding the target for the financial year by £4k. As the non-salary savings target has not yet been met the excess salary saving will be used to offset any shortfall.

## **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 £165k of non-salary savings have been secured to date, leaving a shortfall of **£85k** to identify during the remainder of the year. It is forecast at this 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.

### **a. Management Team**

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

	Original Budget £'000s	Revised Budget £'000s	Current Forecast £'000's	Current Variance £'000's	Variance Last Reported £'000s	Movem't This Report £'000s
Management Team	333	333	333	-	-	-
<b>Total</b>	<b>333</b>	<b>333</b>	<b>333</b>	<b>-</b>	<b>-</b>	<b>-</b>

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 and the previously reported variance.

	Original Budget £'000s	Revised Budget £'000s	Current Forecast £'000's	Current Variance £'000's	Variance Last Reported £'000s	Movem't This Report £'000s
Emergency Planning	2	2	2	-	-	-
Communications	80	78	77	(1)	-	(1)
Community Engagement	204	229	229	-	-	-
Performance & Policy	113	136	136	-	-	-
Management & Admin	70	43	43	-	-	-
<b>Total</b>	<b>469</b>	<b>488</b>	<b>487</b>	<b>(1)</b>	<b>-</b>	<b>(1)</b>

A Digital Transformation budget of £61k was agreed by the Executive at its meeting on 24th April 2018. The 'go live' date has been delayed and as a result £25k is being transferred to the Transformation Reserve to be utilised in 2019/20, see paragraph n below. The project remains within budget.

Salary savings of £27k from a vacant communications officer post have been recognised for the year, reported in paragraph 6 above, and declared in quarter 1.

### c. People and Development

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

	Original Budget £'000s	Revised Budget £'000s	Current Forecast £'000's	Current Variance £'000's	Variance Last Reported £'000s	Movem't This Report £'000s
People & Development	250	258	258	-	-	-
<b>Total</b>	<b>250</b>	<b>258</b>	<b>258</b>	<b>-</b>	<b>-</b>	<b>-</b>

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 and the previously reported variance.

	Original Budget £'000s	Revised Budget £'000s	Current Forecast £'000's	Current Variance £'000's	Variance Last Reported £'000s	Movem't This Report £'000s
Bereavement Service	(850)	(847)	(847)	-	-	-
Parks & Green Spaces	1,506	1510	1,510	-	-	-
Art Gallery & Museum	223	229	229	-	-	-
Transport	73	73	73	-	-	-
<b>Total</b>	<b>952</b>	<b>965</b>	<b>965</b>	<b>-</b>	<b>-</b>	<b>-</b>

Salary savings of (£35k) in respect of a vacant head gardener post had been identified during quarter 1. Further salary savings of (£49k) have been identified during quarter 2 in respect of vacant posts and long-term sickness, making an overall salary saving of (£84k) identified to date. £72k of this 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. The remaining salary savings of (£12k) have been secured against the salary savings target and are included within paragraph 6 and appendix 2. This will reduce the revised budget and current forecast to £953k when approved.

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 and the previously reported variance.

	Original Budget £'000s	Revised Budget £'000s	Current Forecast £'000's	Current Variance £'000's	Variance Last Reported £'000s	Movem't This Report £'000s
Legal Services	293	237	199	(38)	(25)	(13)
Governance	788	779	767	(12)	-	(12)
<b>Total</b>	<b>1,081</b>	<b>1,016</b>	<b>966</b>	<b>(50)</b>	<b>(25)</b>	<b>(25)</b>

A reversal of £14k of the (£61k) salary savings declared in quarter 1 has been declared in this quarter. This leaves a net salary saving for the unit of (£47k) that will be used to meet the corporate salary saving target reported in paragraph 6 above. The reversal relates to national insurance and superannuation adjustments reported in quarter 1. Once the reversal is approved this will increase the revised budget to £1,030k and the current forecast to £980k.

Additional savings totalling £25k have been identified and declared in quarter 2. These include a one-off (£11k) saving in respect of software and the return of an insurance imprest fund account of (£15k). There are also a number of other smaller savings identified totalling (£8k).

A forecasted shortfall on Local Land Charges income of £14k, partly offset by additional MHCLG new burdens funding of (£5k), is expected for the financial year. Legal & Democratic Services, alongside the Finance Business Partner, will continue to closely monitoring the Local Land Charges income, and will report any further 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 and the previously reported variance.

	Original Budget £'000s	Revised Budget £'000s	Current Forecast £'000's	Current Variance £'000's	Variance Last Reported £'000s	Movem't This Report £'000s
Finance Unit	711	743	743	-	-	-
Property	(353)	(383)	(309)	74	76	(2)
External Audit	65	65	65	-	-	-
Mortgages / HA Loans	(61)	(61)	(61)	-	-	-
Misc Income & Expend	(10)	(10)	(10)	-	-	-
Treasury	935	935	925	(10)	(10)	-
<b>Total</b>	<b>1,287</b>	<b>1,289</b>	<b>1,353</b>	<b>64</b>	<b>66</b>	<b>(2)</b>

Further salary savings of (£8k), relating to the vacant Principal Accountant post have been identified and used to meet the corporate salary saving target reported in paragraph 6 above and appendix 2. Once approved this saving will decrease the revised budget to £1,281k and the current forecast to £1,345k. Total salary savings of (£34k) have been identified and declared to date.

Rental income from the Council's investment properties continues to be closely monitored during the year and any further variances to those reported in quarter 1 will be reported once they become apparent. Small savings of (**£2k**) have been identified and declared in the table above.

Treasury costs continue to be monitored closely during the year. An interest rate increase in August 2018 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 and the previously reported variance.

	Original Budget £'000s	Revised Budget £'000s	Current Forecast £000's	Current Variance £000's	Variance Last Reported £'000s	Movem't This Report £'000s
Revs & Bens Client	(391)	(382)	(382)	-	-	-
HB Payments/Subsidy	(74)	(74)	(74)	-	-	-
Council Tax Support	(165)	(165)	(165)	-	-	-
Cost of Collection	(703)	(703)	(703)	-	-	-
<b>Total</b>	<b>(1,333)</b>	<b>(1,324)</b>	<b>(1,324)</b>	-	-	-

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 closely monitored during the year.

#### **h. Leisure Trust Client**

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

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

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 and the previously reported variance.

	Original Budget £'000s	Revised Budget £'000s	Current Forecast £'000's	Current Variance £'000's	Variance Last Reported £'000s	Movem't This Report £'000s
Engineering Services	120	126	126	-	-	-
Community Safety	245	249	249	-	-	-
Car Parking	(565)	(568)	(561)	7	-	7
CCTV	137	139	131	(8)	-	(8)
Environmental Servs	2,737	2,763	2,763	-	-	-
Regulation	(244)	(243)	(243)	-	-	-
Management & Admin	725	730	730	-	-	-
<b>Total</b>	<b>3,155</b>	<b>3,196</b>	<b>3,195</b>	<b>(1)</b>	<b>-</b>	<b>(1)</b>

Salary savings of (£27k), relating to a number of posts on reduced hours, have been identified and used to meet the corporate salary saving target reported in paragraph 6 above and appendix 2. Once approved this would decrease the revised budget to £3,169k and the current forecast to £3,168k.

There is a forecast shortfall in income of **£7k** in relation to car parking enforcement income, similar to the level of shortfall reported in the previous financial year. Savings on CCTV costs of **(£8k)** have been identified and declared in this quarter. Income and expenditure budgets will continue to be monitored to identify any variation in income and will be reported when they become apparent.

### j. Housing and Development Control

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

	Original Budget £'000s	Revised Budget £'000s	Current Forecast £'000's	Current Variance £'000's	Variance Last Reported £'000s	Movem't This Report £'000s
Housing	413	575	575	-	-	-
Development Control	(68)	(68)	(68)	-	-	-
Building Control	83	83	83	-	-	-
Selective Licensing	(49)	(49)	(49)	-	-	-
<b>Total</b>	<b>379</b>	<b>541</b>	<b>541</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

Salary savings of (£2k), relating to standby payments, have been identified and used to meet the corporate salary saving target reported in paragraph 6 above and appendix 2. Once approved this would decrease the revised budget and current forecast to £539k.

### k. Economy and Growth

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

	Original Budget £'000s	Revised Budget £'000s	Current Forecast £'000's	Current Variance £'000's	Variance Last Reported £'000s	Movem't This Report £'000s
Markets	91	106	106	-	-	-
Planning Policy	198	203	203	-	-	-
Economic Devt	472	494	494	-	-	-
Regeneration Devt	520	195	225	30	30	-
Management & Admin	123	139	139	-	-	-
<b>Total</b>	<b>1,404</b>	<b>1,137</b>	<b>1,167</b>	<b>30</b>	<b>30</b>	<b>-</b>

Minor salary savings of (£1k), relating to a post with reduced hours, have been identified and used to meet the corporate salary saving target reported in paragraph 6 above and appendix 2. Once approved this would decrease the revised budget to £1,136k and the current forecast to £1,166k. In addition, there are two vacant posts which will create further "in year" savings and contribute towards future budget pressures around forecast funding expiring within 2020/21. The salary savings achieved in 2018/19 have been utilised to backfill the vacancies to provide assistance in the additional local plan and capital scheme works.

A projected shortfall in income of £30k in relation to the Vision Park Development was reported in quarter 1. The sale of units A and B has been agreed which will reduce future income pressures and business rates liabilities in respect of vacant units. The business plan, and revenue budget, assumes that there will be an 85% occupancy level but this will be subject to churn and market conditions. The income position will continue to be closely monitored during the year and any further income variances will be identified and reported once they become apparent.

It is also worth noting the Market Hall income is similarly volatile and difficult to predict. Economy & Growth, together with the Finance Business Partner, will continue to monitor the position and are actively marketing vacant units. Works to address the ventilation problems in the market are current underway and will assist in the retention of existing market holders whilst making it more attractive to new tenants.

### I. Strategic Partnership

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

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

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

### m. Corporate Budgets

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

	Original Budget £'000s	Revised Budget £'000s	Current Forecast £'000's	Current Variance £'000's	Variance Last Reported £'000s	Movem't This Report £'000s
Democratic Represent'n	21	21	21	-	-	-
Corporate Management	75	50	50	-	-	-
Corporate Costs	1,626	1,734	1,785	51	22	29
Statutory Adjustments	1,690	2,597	2,564	(33)	(33)	-
Taxation & Grants	(596)	(545)	(545)	-	-	-
<b>Total</b>	<b>2,816</b>	<b>3,857</b>	<b>3,875</b>	<b>18</b>	<b>(11)</b>	<b>29</b>

Additional salary savings of £36k have been identified and used to meet the corporate salary saving target reported in paragraph 6 above. The additional salary savings has resulted in an overall salary saving declared for the year of £154k, exceeding the target for the year by £4k. Once approved this would increase the revised budget to £3,893k and the current forecast to £3,911k.

As mentioned in paragraph 6, non-salary savings of £165k have been secured to date, £136k of this was reported in quarter with a further **£29k** identified in quarter 2. This reduces the target of £250k for in-year efficiency savings / additional income, leaving a shortfall of £85k to identify during the remainder of the year.

The savings proposals for 2019/20, approved at Full Council on 26 September 2018, included £270k of proposed reductions in posts which have been subject to formal consultation. A report setting out the impact of these reductions is contained elsewhere within this agenda. The cost of any redundancies will either be met from underspends within the current financial year in the first instance, however, if there are insufficient underspends identified the costs will be met from the Transformation Reserve.

### n. Earmarked Reserves

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

	Original Budget £'000s	Revised Budget £'000s	Current Forecast £'000's	Current Variance £'000's	Variance Last Reported £'000s	Movem't This Report £'000s
Earmarked Reserves	83	(880)	(880)	-	-	-
<b>Total</b>	<b>83</b>	<b>(880)</b>	<b>(880)</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

The proposed **decreased** use of reserves during quarter 2 of (**£22k**), shown in Appendix 3, is detailed below:

- **Increased** utilisation of the Taxi Licensing Reserve of **£3k**.
- The transfer of surplus monies available in the Housing Benefit Admin Subsidy Reserve of £36k and the Rail Service Reserve of £20k into the Revenue Support Reserve. This is a transfer within Other Specific Reserves and will not impact on the revenue budget.
- A Digital Transformation budget of £61k was agreed by the Executive at its meeting on 24th April, funded from the Transformation Reserve. Due to some slippage in the scheme there will be **decreased** utilisation during 2018/19 as (**£25k**) will be transferred back into the Transformation Reserve to be utilised in 2019/20.

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. None.

#### **BACKGROUND PAPERS**

11. None

#### **FURTHER INFORMATION**

**PLEASE CONTACT:**

**Howard Hamilton-Smith – Finance Manager**

**ALSO:**

**Asad Mushtaq – Head of Finance & Property**

**Appendix 1**

**Movements in Revenue Budget 2018/19 - to 30 September 2018**

	Original Budget £'000's	Changes this Cycle (Cycle 1) £'000's	Transfers to (from) Earmarked Reserves (see App 3) £'000's	Grants Unapplied carried forward from 2017/18 £'000's	<b>TOTAL OVERALL MOVEMENT</b> £'000's	Revised Budget £'000's
Management Team	333	-		-	-	333
Policy and Engagement	469	(30)	74	2	19	488
People and Development	250	8		-	8	258
Green Spaces and Amenities	952	23	15	11	13	965
Legal and Democratic Services	1,081	(4)		-	(65)	1,016
Finance and Property	1,287	(27)	30	-	2	1,289
Revenues and Benefits	(1,333)	-		9	9	(1,324)
Leisure Trust Client	604	-		-	-	604
Street Scene	3,155	2	42	3	41	3,196
Housing and Development Control	379	3	86	73	162	541
Economy and Growth	1,404	29	(361)	65	(267)	1,137
Strategic Partnership	3,610	-		-	-	3,610
Corporate Budgets	2,816	(4)	914	-	1,041	3,857
Use of Earmarked Reserves	83	-	(800)	(163)	(963)	(880)
	<b>15,090</b>	-	-	-	-	<b>15,090</b>

## Revenue Budget Update by Service Area - to 30 September 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	431	372	(315)	488	431	371	(315)	487	-	(1)	-	(1)
People and Development	173	85	-	258	173	85	-	258	-	-	-	-
Green Spaces and Amenities	1,900	1,117	(2,052)	965	1,888	1,117	(2,052)	953	(12)	-	-	(12)
Legal and Democratic Services	692	877	(553)	1,016	706	838	(564)	980	14	(39)	(11)	(36)
Finance and Property	796	2,016	(1,523)	1,289	788	2,004	(1,447)	1,345	(8)	(12)	76	56
Revenues and Benefits	-	30,892	(32,216)	(1,324)	-	30,892	(32,216)	(1,324)	-	-	-	-
Leisure Trust Client	-	851	(247)	604	-	851	(247)	604	-	-	-	-
Streetscene	1,039	4,031	(1,874)	3,196	1,012	4,023	(1,867)	3,168	(27)	(8)	7	(28)
Housing and Development Control	1,320	378	(1,157)	541	1,318	378	(1,157)	539	(2)	-	-	(2)
Economy and Growth	1,044	996	(903)	1,137	1,043	996	(873)	1,166	(1)	-	30	29
Strategic Partnership	-	3,610	-	3,610	-	3,550	-	3,550	-	(60)	-	(60)
Corporate Budgets	1,335	3,146	(624)	3,857	1,325	3,210	(624)	3,911	(10)	64	-	54
Used Earmarked Reserves	-	-	(880)	(880)	-	-	(880)	(880)	-	-	-	-
<b>Total</b>	<b>9,047</b>	<b>48,387</b>	<b>(42,344)</b>	<b>15,090</b>	<b>9,001</b>	<b>48,331</b>	<b>(42,242)</b>	<b>15,090</b>	<b>(46)</b>	<b>(56)</b>	<b>102</b>	<b>-</b>

**Appendix 3**

**Position on Earmarked Reserves - to 30 September 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
	<b>(1,615)</b>	<b>(1,945)</b>	<b>(3,085)</b>	<b>(6,645)</b>
Changes during 2018/19				
Approved quarter 1	195	(46)	598	747
Reported in quarter 2	(25)	-	3	(22)
	<b>170</b>	<b>(46)</b>	<b>601</b>	<b>725</b>
<b>Anticipated Balance at 31 March 2019</b>	<b>(1,445)</b>	<b>(1,991)</b>	<b>(2,484)</b>	<b>(5,920)</b>
Approved Use of Reserves in future years	25	1,844	2,484	4,353
<b>Balance after approvals</b>	<b>(1,420)</b>	<b>(147)</b>	<b>-</b>	<b>(1,567)</b>

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# Agenda Item 12

## Capital Monitoring Report 2018/19 – Quarter 2 (to 30 September 2018)

### REPORT TO EXECUTIVE



<b>DATE</b>	<b>7 November 2018</b>
<b>PORTFOLIO</b>	<b>Resources and Performance Management</b>
<b>REPORT AUTHOR</b>	<b>Howard Hamilton-Smith</b>
<b>TEL NO</b>	<b>(01282) 475869</b>
<b>EMAIL</b>	<b>Hhamilton-smith@burnley.gov.uk</b>

### PURPOSE

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

### RECOMMENDATION

2. The Executive is asked to:
  - a. Recommend to Full Council, approval of net budget changes totalling a decrease of £1,574,244 giving a revised capital budget for 2018/19 totalling £10,106,544 as detailed in Appendix 1.
  - b. Recommend to Full Council, approval of the proposed financing of the revised capital budget totalling £10,106,544 as shown in Appendix 2.
  - c. Note the latest estimated year end position on capital receipts and contributions showing an assumed balance of £964,482 at 31 March 2019 as shown in Appendix 3.
  - d. Authorise the Head of Finance & Property to obtain and accept the most economically advantageous tenders for repairs to the Town Hall roof in consultation with the Chief Operating Officer and Executive Member for Resources & Performance Management and to authorise the Head of Legal & Democracy to give effect to all necessary documentation to implement the decision.
  - e. Waive Standing Orders for Contracts 18 (SOC18) to enable the successful tenderer to undertake the additional works required to the Town Hall roof due the recent theft of lead together with remedial dry rot works on the adjacent Mechanics roof. This is required to expedite the emergency repair works to the roof, to reduce the cross liability risk around having more than one contractor on the roof at any one time.

## **REASONS FOR RECOMMENDATION**

3. To effectively manage the 2018/19 capital programme.
4. Approval of the Executive is required to obtain tenders for a scheme that is included in the Council's capital programme and which exceeds £100,000 contract value.

## **SUMMARY OF KEY POINTS**

### **5. 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 £11,680,788 (as at 18 September 2018 Executive).

This is the second of three in-year monitoring reports, and as such the appendices accompanying this report provide Members with the position as at 30 September 2018 on expenditure, along with providing Members with an update on the progress of the individual schemes delivery.

### **6. 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 September 2018. The expenditure to date is £2,890,477 which is 29% of the proposed revised budget.
- b. **Revised budget and financing elements – Appendix 2** shows the revised budget of £10,106,544, 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 £964,482. The resources are reducing each financial year, to an estimated balance of less than £100k by March 2021. This is due to fewer opportunities to realise capital receipts, as the estate reduces, which will leave a lesser capital programme going forward.

### **7. Revenue Implications**

#### **a. Revenue Contributions 2018/19**

The Capital Programme includes Revenue Contributions of £1,772,505, being:

Scheme	£
Thompson Park Restoration Project	215,731
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
<b>Total Revenue Contributions</b>	<b>1,772,505</b>

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 £73k 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.

8. The roof repairs at the Town Hall are a fixed-price, JCT Intermediate Building Contract 2016 through the government's 'Contract Finder' portal and online via the CHEST, with tenders assessed on the basis of the most economically advantageous.

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

9. A decrease in the 2018/19 capital programme of £1,574,244 to give a revised budget of £10,106,544.

#### **POLICY IMPLICATIONS**

10. None arising directly from this report.

#### **DETAILS OF CONSULTATION**

11. None.

#### **BACKGROUND PAPERS**

12. 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 2 MONITORING - UPDATE

APPENDIX 1

Scheme Name	Budget as at Exec 18/09/18	Adjustments Per This Report			Revised Budget	Total Spend as at 30/09/18	% Schemes Spend	Financed by External Funding	Narrative provided by Project Officers/Heads of Service
		Budget Adjustments	Reprofiled into Future Years	A + B					
	£	£	£	£	£	£	£	£	

GREEN SPACES & AMENITIES									
Thompson Park Restoration Project	690,879	37,698		37,698	728,577	460,641	63%	512,846	The project is substantially complete and the park was officially re-opened in August 2018. Approval requested to increase capital budget to £728,577 using a revenue contribution from GS&A to cover any increase in costs that might arise from the final valuation for the building contract which is being reviewed by the project quantity surveyor.
Prairie Artificial Pitch	485,000			-	485,000	-	0%	395,000	A planning application has been submitted and we are currently awaiting funding approval from the Football Foundation which we expect to receive towards the end of October 2018.
Play Area Improvement Programme	99,500	30,515		30,515	130,015	556	0%	42,500	Faraday St play area (Whittlefield Rec) improvements are scheduled to start in November and Towneley riverside play area in early January 2019 subject to outcome of Lancashire Environment Fund bid. Approval is sought to bring in additional grant of £30,515 from Gannow Big Local for works at Whittlefield Rec and to increase this capital programme budget to £130,015
Calder Park	10,132			-	10,132	10,132	100%	8,132	Scheme complete.
Stoops Wheeled Sport	134,000	(3,645)		(3,645)	130,355	-	0%	128,355	Out to tender in October 2018 and start on site is expected during December/January, with anticipated completion at the end of March 2019.
Vehicle & Machinery Replacement	119,069			-	119,069	106,758	90%	-	The majority of the equipment has been procured with the remaining budget due to be spent this financial year.
	1,538,580	64,568	-	64,568	1,603,148	578,087	36%	1,086,833	

STREETSCENE									
Burnley Town Centre Pedestrianisation Upgrade	13,615			-	13,615	-	0%	-	The scheme is fully complete. Full spend and financial close down will be achieved during quarter 3.
River Training Walls	78,289			-	78,289	22,863	29%	-	Planned works to the River Calder and the River Brun will be undertaken and completed in the latter half of the financial year.
Lower St James Street	400,000			-	400,000	-	0%	-	Discussions are ongoing with LCC to develop the scheme. Further details will be reported in quarter 3.
CCTV Infrastructure	65,331			-	65,331	1,084	2%	-	Planned upgrade of cameras to support the delivery of the CCTV Hub monitoring arrangements will be undertaken in quarters 3 and 4.
Alleygate Programme	51,082			-	51,082	-	0%	-	Consultation work being conducted on 10 new schemes with delivery to be completed in quarter 4. This budget has been fully committed.
	608,317	-	-	-	608,317	23,947	4%	-	

## 2018/19 CAPITAL BUDGET CYCLE 2 MONITORING - UPDATE

APPENDIX 1

Scheme Name	Budget as at Exec 18/09/18	Adjustments Per This Report			Revised Budget	Total Spend as at 30/09/18	% Schemes Spend	Financed by External Funding	Narrative provided by Project Officers/Heads of Service
		Budget Adjustments	Reprofiled into Future Years	A + B					
<b>ECONOMY &amp; GROWTH</b>									
Vision Park	295,904			-	295,904	95,553	32%	97,402	Final retention due February 2019. Nearly 50% occupancy, totalling 14,234 sq. since hand-over late January 2018. 40 employees in the 8 units sold or let. Discussions underway for sale of 5,500 sq. ft. Unit A-B.
Padiham Townscape Heritage Initiative	121,323			-	121,323	-	0%	121,323	Early stages of the 5 year programme and progress made with some owners of high priority properties wishing to take grant assistance.
Former Open Market & Former Cinema Block	1,400,353			-	1,400,353	200,915	14%	-	Internal strip out completed and main demolition phase started. Main work programmed for completion in February 2019.
Weavers Triangle - Starter Homes	52,271			-	52,271	52,271	100%	52,271	Scheme successfully completed.
NW Burnley Growth Corridor	200,000	585,117		585,117	785,117	42,510	0%	200,000	LEP funding approved. Environment Agency progressing ground investigation work to inform flood defence design and specification. LCC progressing design work for the public realm work. £585,117 adjustment from 2019/20, into 2018/19
Burnley-Pendle Growth Programme	200,000			-	200,000	-	0%	-	Programme extended to 2021. Invoices for work undertaken by LCC expected this financial year.
Town Centre & Weavers Triangle Project Work	350,000			-	350,000	260,406	74%	-	Work is progressing to bring forward a number of schemes identified in the Town Centre and canal side masterplan.
	2,619,851	585,117	-	585,117	3,204,968	651,655	20%	470,996	
<b>FINANCE &amp; PROPERTY</b>									
Towneley Hall Building Works	56,000	24,000		24,000	80,000	-	0%	-	Second dry rot survey completed. Prices for this and roofing repairs being sought on the basis of the rates tendered by the successful contractor for Burnley Town Hall roof works. £24,000 Budget brought forward from 2019/20.
Continuation to Shopping Centre Redevelopment	375,000			-	375,000	375,000	100%	-	Completed.
Padiham Town Hall - Flood Works	3,048			-	3,048	-	0%	-	Small retention due to main contractor after defects period. The budget will be spent before year end.
Rationalisation of Operational Estate	300,000			-	300,000	13,855	5%	-	Initial enabling moves completed or underway - Legal, Estates, Policy and Engagement. Programme for remaining moves scheduled. Slight delay due to dry rot in Legal's former offices.
Leisure Centre Improvements	93,077			-	93,077	25,864	28%	-	Agreed works at St Peters Centre include the conversion of sports hall manual winches to electric version, electrical alterations, fire alarm upgrade (as per Health Centre side) and Crisus Controls System upgrade.
Building Infrastructure Works	640,107	176,720		176,720	816,827	155,731	19%	-	Roofing works to Burnley Town Hall to start on site in quarter 3, subject to award of contract. Dry rot in Legal/Mechanics roof will be tackled as part of this contract. New gas central heating boilers installed and being commissioned. £46,720 budget brought forward from 2019/20 and an increase of £130k for additional works required to the Town Hall roof.
	1,467,232	200,720	-	200,720	1,667,952	570,450	34%	-	

**2018/19 CAPITAL BUDGET CYCLE 2 MONITORING - UPDATE**

**APPENDIX 1**

Scheme Name	Budget as at Exec 18/09/18	Adjustments Per This Report			Changes to be approved in this report	Revised Budget	Total Spend as at 30/09/18	% Schemes Spend	Financed by External Funding	Narrative provided by Project Officers/Heads of Service
		Budget Adjustments	Reprofiled into Future Years	A + B						
<b>HOUSING &amp; DEVELOPMENT CONTROL</b>										
Emergency Repairs	120,000			-	120,000	24,647	21%	120,000		22 grants have been approved to date, totalling £55k.
Better Care Grant	3,723,649		(2,223,649)	(2,223,649)	1,500,000	581,903	39%	1,500,000		A total of £ 120k has been committed with 99 adaptations approved and a further 95 being completed. It is anticipated that approximately £1.5 million will be spent throughout the year on property adaptations grants. £2.2m will be reprofiled into future years to fund further adaptation grants and other social care capital programmes agreed thought the Better Care Funding Partnership.
Energy Efficiency	40,000			-	40,000	34,849	87%	40,000		65 grants have been approved to date, totalling £39k.
Empty Homes Programme	1,100,000			-	1,100,000	340,945	31%	-		Work on the programme is progressing well. To date we have acquired 6 properties with a further 5 under negotiation or progressing through compulsory purchase. Interest in the Empty Homes Loan was strong during the first quarter of 2018/19 with 18 applications received but this has slowed down in the second quarter with seven new enquiries currently being processed. Current projections indicate the programme will be fully committed by the end of the financial year.
Interventions, Acquisitions and Demolitions	363,000		(200,000)	(200,000)	163,000	73,688	45%	-		This budget will be used to fund the neighbourhood improvement scheme in the Ingham and Lawrence Street selective licensing area which will see the front elevations of properties painted and improved. £200,000 will be reprofiled into 2019/20 to facilitate further neighbourhood improvement schemes next year.
	5,346,649	-	(2,423,649)	(2,423,649)	2,923,000	1,056,032	36%	1,660,000		
<b>CHIEF EXECUTIVE / CORPORATE INITIATIVES</b>										
Ward Opportunities Fund	100,159	(1,000)		(1,000)	99,159	10,306	10%	-		A range of small projects have received funding from Members. A significant underspend is projected at year end in line with previous years.
	100,159	(1,000)	-	(1,000)	99,159	10,306	10%	-		
	11,680,788	849,405	(2,423,649)	(1,574,244)	10,106,544	2,890,477	29%	3,217,829		

2017/18 Cycle 2

15,348,708      5,338,175      35%

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Scheme Name	Revised Budget £	FINANCING ELEMENTS						Total Revised Budget £
		Prudential Borrowing £	Revenue Cont'n / Reserves £	Capital Grants £	Capital Receipts £	Vacant Property Initiative Receipts £	3rd Party Contribution / Section 106 £	
<b>Green Spaces &amp; Amenities</b>								
Thompson Park Restoration Project	728,577		215,731	512,846			-	728,577
Prairie Artificial Pitch	485,000	90,000		225,000			170,000	485,000
Play Area Improvement Programme	130,015		2,500		54,500		73,015	130,015
Vehicle & Machinery Replacement	119,069		119,069					119,069
Calder Park	10,132		2,000				8,132	10,132
Stoops Wheeled Sport	130,355			120,755	2,000		7,600	130,355
	<b>1,603,148</b>	<b>90,000</b>	<b>339,300</b>	<b>858,601</b>	<b>56,500</b>	<b>-</b>	<b>258,747</b>	<b>1,603,148</b>
<b>Streetscene</b>								
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
	<b>608,317</b>	<b>78,946</b>	<b>400,000</b>	<b>-</b>	<b>129,371</b>	<b>-</b>	<b>-</b>	<b>608,317</b>
<b>Economy &amp; Growth</b>								
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	785,117			785,117				785,117
Burnley-Pendle Growth Programme	200,000		200,000					200,000
Town Centre & Weavers Triangle Project Work	350,000	250,000			100,000			350,000
	<b>3,204,968</b>	<b>1,551,658</b>	<b>497,197</b>	<b>1,056,113</b>	<b>100,000</b>	<b>-</b>	<b>-</b>	<b>3,204,968</b>
<b>Finance &amp; Property</b>								
Towneley Hall Building Works	80,000				80,000			80,000
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	816,827		157,960		658,867			816,827
	<b>1,667,952</b>	<b>93,077</b>	<b>536,008</b>	<b>-</b>	<b>1,038,867</b>	<b>-</b>	<b>-</b>	<b>1,667,952</b>
<b>Housing &amp; Development Control</b>								
Emergency Repairs	120,000			120,000				120,000
Better Care Grant	1,500,000			1,500,000				1,500,000
Energy Efficiency	40,000			40,000				40,000
Empty Homes Programme	1,100,000				1,100,000			1,100,000
Interventions, Acquisitions and Demolitions	163,000				163,000			163,000
	<b>2,923,000</b>	<b>-</b>	<b>-</b>	<b>1,660,000</b>	<b>-</b>	<b>1,263,000</b>	<b>-</b>	<b>2,923,000</b>
<b>Chief Executive</b>								
Ward Opportunities Fund	99,159				99,159			99,159
	<b>99,159</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>99,159</b>	<b>-</b>	<b>-</b>	<b>99,159</b>
<b>TOTAL OF ALL SCHEMES</b>	<b>10,106,544</b>	<b>1,813,681</b>	<b>1,772,505</b>	<b>3,574,714</b>	<b>1,423,897</b>	<b>1,263,000</b>	<b>258,747</b>	<b>10,106,544</b>

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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'n's</u> £	<u>Total</u> £
<b>Capital Resources Brought Forward on 1 April 2018</b>	<b>1,090,856</b>	<b>2,703,316</b>	<b>229,981</b>	<b>65,399</b>	<b>4,089,552</b>
<b>Add</b>					
Resources Received As At 30 September 2018:	70,723	147,113	59,489	87,287	364,612
Transfer between reserves	150,000	(150,000)	-	-	-
Further Resources Estimated to be Received during 2018/19:	1,076,800	411,950	-	200,515	1,689,265
<b>Potential Resources Available during 2018/19</b>	<b>2,388,379</b>	<b>3,112,379</b>	<b>289,470</b>	<b>353,201</b>	<b>6,143,429</b>
<b>Less</b>					
Required to finance Capital Programme	(1,423,897)	(1,263,000)	-	(258,747)	(2,945,644)
Earmarked for Revenue Expenditure	-	-	(2,345)	-	(2,345)
Earmarked for Delivery By Outside Bodies	-	-	(223,775)	-	(223,775)
<b>Potential Capital Resources Carried Forward on 31 March 2019</b>	<b>964,482</b>	<b>1,849,379</b>	<b>63,350</b>	<b>94,454</b>	<b>2,971,665</b>
<b>Add - Resources Estimated to be Received during 2019/20</b>	456,000	625,000	-	410,860	1,491,860
<b>Less - 2019/20 Capital Budget</b>	(1,174,064)	(1,200,000)	-	(410,860)	(2,784,924)
<b>Estimated Surplus / (Shortfall) of Resources as at 31 March 2020</b>	<b>246,418</b>	<b>1,274,379</b>	<b>63,350</b>	<b>94,454</b>	<b>1,678,601</b>
<b>Add - Resources Estimated to be Received during 2020/21</b>	350,000	1,000,000	-	538,860	1,888,860
<b>Less - 2020/21 Capital Budget</b>	(533,195)	(1,000,000)	(53,350)	(538,860)	(2,125,405)
<b>Estimated Surplus / (Shortfall) of Resources as at 31 March 2021</b>	<b>63,223</b>	<b>1,274,379</b>	<b>10,000</b>	<b>94,454</b>	<b>1,442,056</b>
<b>Add - Resources Estimated to be Received during 2021/22</b>	300,000	1,000,000	-	-	1,300,000
<b>Less - 2021/22 Capital Budget</b>	(107,488)	(1,000,000)	-	-	(1,107,488)
<b>Estimated Surplus / (Shortfall) of Resources as at 31 March 2022</b>	<b>255,735</b>	<b>1,274,379</b>	<b>10,000</b>	<b>94,454</b>	<b>1,634,568</b>

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# Agenda Item 14

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# Agenda Item 15

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# Agenda Item 16

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# Agenda Item 17

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