

Agenda



Community Focus Scrutiny Committee

Date	Thursday, 06 September 2012 at 6:15 pm
Venue	Town Hall, St Annes
Committee members	<p>Councillor Kiran Mulholland (Chairman) Councillor Christine Akeroyd (Vice-Chairman)</p> <p>Councillors Tim Armit, Julie Brickles, Susanne Cunningham, Tony Ford JP, Gail Goodman JP, Nigel Goodrich, Peter Hardy, Kathleen Harper, Paul Hodgson, Barbara Nash, Linda Nulty, Dawn Prestwich, John Singleton JP, Vivienne Miller Willder</p>

Public Platform To hear representations from members of the public

Item		Page
1	Declarations of Interest: Any member needing advice on Declarations of Interest should contact the Monitoring Officer before the meeting.	1
2	Confirmation of Minutes: To confirm the minutes of the previous meeting held on 9 August 2012 as a correct record. As attached at the end of the agenda.	1
3	Substitute Members: Details of any substitute members notified in accordance with council procedure rule 24.3.	1
4	The Future Role of The LSP	3 - 5
5	Supporting the Home Buyer Market - Local Authority Mortgage Scheme (LAMS)	6 - 15
6	Witch Wood and Linnet Lane Wood	16 - 19

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REPORT

REPORT OF	MEETING	DATE	ITEM NO
RESOURCES	COMMUNITY FOCUS SCRUTINY COMMITTEE	6 TH SEPT 2012	4

THE FUTURE ROLE OF THE LSP

Public Item

Summary

At the end of March 2013 the Local Strategic Partnership's (LSP's) second homes funding will cease.

The LSP has no other source of income.

Most other Lancashire LSPs have now been dissolved.

Certain elements currently under the LSP umbrella will continue.

Recommendation

1. The committee are asked to consider the details in the report and support the proposed changes to the LSP at Fylde.
2. The committee is invited to make any recommendations or proposals that may support community partnership working as a result of the proposed changes. .

Cabinet Portfolio

The item falls within the following Cabinet portfolio:

Portfolio Title: LSP Coordination - Leader of the Council Cllr D Eaves

Report

1. The Local Strategic Partnership (LSP) receives its funding from the discretionary council tax raised from second homes across the borough. Lancashire County Council (LCC) is the main contributor providing £263,775 to the Fylde LSP. Fylde Borough Council (FBC) also provides £25,000 from its allocation of this funding.

2. It was confirmed by LCC on 21st February 2012 that there would be no further funding available to LSPs after March 2013
3. In the light of this and the fact that most other Lancashire LSP have now ceased to exist the Community Focus Scrutiny Committee asked for a report on the future of the LSP and options for partnership working in the future.
4. Without funding it will not be possible to provide the current service, support and administration that have made the LSP a success. The current structure and resources that support the LSP at Fylde cannot be retained and will need to be dissolved. The Head of Partnerships who manages, and is funded, by the LSP has indicated her intention to leave the authority at the end of the current financial year. Severance costs will be met by finance contained within LSP reserves. The LSP also funds an administrative post. It is intended that the hours of this post will be reviewed and reduced. If elements of the current LSP funding arrangements remain in situ, such as the Community Projects Fund, the administrator post could continue to administer this and other legacy issues until their conclusion. Likewise, any severance costs arising would be met by monies in the LSP reserves although it is hoped that the employee currently fulfilling this role could be found a redeployment opportunity within the Council in the longer term.
5. The LSP Executive has discussed the position and agreed that elements of the LSP would continue to function. The Community Safety Partnership and the Children's Trust are both statutory responsibilities and both have some independent funding available to them. The dissolution of the LSP will in no way impact on this provision other than the lack of access to further funding that is currently provided by the LSP. It should be noted that the Community Safety Partnership will possibly be reviewed when the new Police and Crime commissioner comes into post later this year.
6. The Health and Wellbeing group of the LSP is considering proposals to link with and be associated to the new Health Board. Full details of how this will develop have yet to be finalised.
7. The People and Communities group of the LSP will continue to function independently through the offices of the CVS Fylde Together group.
8. There is an obvious need to provide a forum for the partners and community groups to get together on a regular basis to ensure that resources and targeted work on common themes is coordinated. This function could be provided by CVS for at least the next 2 years 2013 -15.
9. There is a great desire by all partners that the work provided in facilitating community activity should continue along with the strong and effective relationship between partners that has helped to avoid duplication and waste and increased working together for the good of the community. It is hoped that the current Community Projects Fund will continue for at least the next two years 2013 -15, funded via current LSP reserves.

IMPLICATIONS	
Finance	No implications
Legal, human rights and equalities	No implications
Community Safety	No implications
Sustainability and Environmental Impact	No implications

Report Author	Tel	Date	Doc ID
Christine Miller	(01253) 658441	15 th August 2012	

List of Background Papers		
Name of document	Date	Where available for inspection
Document name		Council office or website address

REPORT

REPORT OF	MEETING	DATE	ITEM NO
DEVELOPMENT SERVICES AND RESOURCES	COMMUNITY FOCUS SCRUTINY COMMITTEE	6 th Sept 2012	5

SUPPORTING THE HOME BUYER MARKET – LOCAL AUTHORITY MORTGAGE SCHEME (LAMS)

Public Item

This item is for consideration in the public part of the meeting.

Summary

The purpose of the report is for the Committee to consider its support to the Councils participation in the LAMS scheme to assist first time buyers. The report outlines the work undertaken to date following approval to participate in principle by Cabinet in September 2011. Subsequent to consideration by the Community Focus Scrutiny Committee a report outlining the scheme will be presented to Cabinet and then Council for final approval to participation in the scheme.

Recommendations

That the Community Focus Scrutiny Committee considers the LAMS scheme as outlined in this report and provides the following recommendations to Cabinet and Council

1. To approve formal participation in the LAMS scheme.
2. To approve an addition to the Capital Programme in 2012/13 to a maximum sum of £1,000,000 fully funded from S106 affordable housing monies held by the Council.
3. To approve that the three key criteria under which applications will be considered are as set out in paragraph 24 of the report: to approve the maximum indemnity value of £1,000,000, the maximum mortgage of £147,000, and Fylde Borough as a whole as the target area.

4. To approve the establishment of a new ear-marked reserve, into which the interest that the Council would receive on the deposit would be held during the duration of the scheme, in order to meet any potential liability related to mortgage defaults that may arise as a consequence of participation in the scheme.

Reasons for recommendation

To seek approval to participate in the LAMS scheme

Alternative options considered and rejected

No alternatives suggested at this stage

Cabinet Portfolio

The item falls within the following Cabinet portfolio:

Portfolio Title:

Planning and Development
Social Wellbeing

Councillor Dr. Trevor Fiddler
Councillor Cheryl Little

Report

Background

1. A Local Authority Mortgage Scheme (LAMS), aimed at first time buyers, has been devised by Sector, a firm of specialist treasury advisors to local authorities, as a means by which they may support and stimulate the housing market. Sector then secured support with mortgage lenders and the scheme known as LAMS evolved.
2. A pilot group of 10 local authorities each committed to the scheme and in March 2011 the scheme was launched in Blackpool and Warrington. To date, Sector has advised that around 250 Local Authorities have expressed an interest in LAMS, 26 have launched schemes and around 35 are preparing to launch during August to October 2012. 500 LAMS mortgages have been created to date with lending of £65m
3. A research fund was originally set up by Sector to facilitate the design of the Scheme; in particular, specialist legal advice was sought to determine the legal framework under which LAMS would operate. Advice was also obtained on accounting issues, risk assessments were carried out, and various templates were produced. Importantly, advice was taken on issues of state aid which were raised by lenders at an early stage. All these reports are available to any local authorities who wish to join the scheme in principle, for a one-off contribution of £3,000.
4. In September 2011 Cabinet approved the expenditure to finance the contribution of £3,000 to receive the report and papers.
5. These papers relating to Legal, State Aid and Accounting issues have been considered by the Chief Financial Officer and Head of Governance who have concluded that there are no issues arising of concern preventing the Council's participation in the scheme

The scope of the scheme

6. LAMS is designed to enable local authorities to stimulate their local housing market by involving themselves in the provision of mortgage process for first time buyers. In a typical case, the first time buyer will provide a deposit of 5%, the local authority will indemnify the mortgage provider, a bank or building society, with 20%, and the bank will provide the remaining 75% - although the bank will effectively be advancing 95% on the back of the local authority indemnity.
7. If the potential buyer meets the strict credit criteria applied by the lender, and meets the criteria set out by the Local authority to qualify for a mortgage under the scheme, the local authority will provide a top-up indemnity to the value of the difference between the typical LTV (Loan to Value) i.e. 75% and a 95% LTV mortgage. The potential buyer will thereby obtain a 95 % mortgage on similar terms as a 75% mortgage i.e. at a more favourable interest rate.
8. The favourable interest rate charged by the mortgage providers together with the removal of the requirement to provide the substantial deposit usually required, will increase the likelihood of first time buyers obtaining a foothold on the housing ownership ladder. It is thought that each sale to a first time buyer will generate multiple transactions as the bottom of a chain is freed-up, thereby stimulating the local housing market further.

The Local Authority Indemnity

9. Under LAMS, the local authority will provide a mortgage indemnity which will remain in place for the first five years of the mortgage. As stated above, the maximum indemnity is 20% of the property value. The indemnity may be cash backed or non-cash backed, dependant on the terms and conditions of the specific mortgage provider.
10. Cash backed indemnities mean that the local authority will deposit cash with the lender up to the value of the indemnities it is prepared to offer and will earn a fixed rate of interest for the five year period plus an additional return in the form of a risk premium. To illustrate the typical rates of return that participants in the scheme offer, the Leeds Building Society currently offer an interest rate on the deposit of 2.5% with a risk premium of 0.40% equalling a total interest rate of 2.90%. Lloyds TSB currently offer a rate of 2.58% on the deposit plus a risk premium of 0.70% equal to a total interest rate of 3.28%.
11. The mortgage providers that operate in the Fylde area all require cash backed indemnity. It is proposed therefore for Fylde to seek a cash backed indemnity scheme with a number of mortgage providers.
12. The indemnity will be in place for a fixed 5 year period for each mortgage granted under the scheme, which may be extended for a further 2 years if a mortgage were in arrears in the last 6 months of the initial 5 year period.

Mortgage providers

13. The first mortgage provider signed up to the scheme was Lloyds TSB Bank, and they require cash-backed commitments from local authorities in the £1m-£2m range. Other providers can require a lower commitment of £500,000.

14. The scheme is currently supported by seven mortgage lenders, two national lenders (Lloyds Banking group and Leeds Building Society), and five smaller lenders: Furness BS, Leek United BS, Marsden BS, Kent Reliance BS and Teachers BS.
15. Sector advise that it is possible that other mortgage providers including Santander and the Cooperative Bank may join the scheme later in the year.

Financing the scheme

16. It is proposed that the scheme will be financed by S106 affordable housing monies held by the Council. The S106 sums pot currently totals £1,993,680.43. Other schemes are under consideration to be funded from these resources. These schemes, if approved, would not require the whole of the S106 sums pot and consequently there is sufficient funding available to approve this request for funding. The Council's Head of Governance has confirmed that the use of S106 monies to support LAMS is compliant with the agreements under which these sums were generated.
17. It is anticipated that at the end of the respective guarantee period the value of the deposit, will be released to the S106 pot.

Qualifying criteria

18. The three key criteria to be agreed by each participating local authority are as follows:
 - the overall maximum value of the indemnity 'pot'
 - the maximum mortgage per property
 - the area(s) targeted for assistance
19. One Local Authority has set a maximum mortgage per property of £350,000, but it is expected that most local authorities will set lower figures. The normal maximum range so far under the scheme is around £140,000 to £150,000 per property, dependent on local property prices.
20. As regards target areas, the local authority can open up its whole area to LAMS, target specific post codes, or target 'hot spots'.
21. In determining the appropriate maximum mortgage a balance needs to be struck between the number/value of mortgages that can be accommodated within a total indemnity pot of £1m and maximizing the number of first time buyers who could benefit from the scheme. In order to determine the maximum mortgage per property under the scheme an analysis has been undertaken of the housing market in Fylde.
22. The analysis of the current housing market in Fylde has determined the following:
 - The current average price for a residential property in Fylde is £201,400
 - The median house price in Fylde is £155,000
 - The current average price for a 2 Bedroomed house is £143,800
 - The current average price for a 3 Bedroomed house is £165,000
23. It is recommended that the median house price in Fylde of £155,000 is used as a basis for determining the maximum property value for the purposed of Fylde BC participation

in the LAMS scheme and taking the median house price as the baseline, a 95% mortgage would represent £147,250

24. It is recommended that for each of the required criteria that the following be applied in Fylde:

- That the overall value of the indemnity pot is a maximum of £1m
- That the maximum mortgage per property is £147,000
- That the area targeted for assistance should be the whole of the Borough

25. Under the scheme, a master indemnity agreement would be drawn up with the mortgage provider by each local authority and monthly progress reporting would be instigated.

26. The local authority would not be involved in applicant vetting, that process remaining with the mortgage provider - so local authority administration would be kept to the minimum.

27. Sector has obtained firm commitments from all potential mortgage providers that they will not relax their normal lending criteria on the basis that they have a third party indemnity to 'bail them out'. All mortgages will be repayment mortgages – i.e. there will be no interest-only mortgages.

Financial issues

28. Financial modelling has been undertaken and the table below identifies the scope for assistance from the scheme, based on a £1m maximum indemnity limit and a maximum loan value of £147,000

Total Scheme Indemnity Maximum Limit	Maximum Property Mortgage	Max House Price based on 95% Mortgage	Customer Deposit (5%)	Indemnity Value (20%)	Minimum Number of Cases
£1,000,000	£147,000	£154,736	£7736	£30,947	32

29. It is envisaged that, under the scheme, the majority of advances will be based on three-year fixed rate mortgages, reviewed thereafter. Should any defaults arise, a participating local authority would become liable under its indemnity. If Leeds BS is a selected mortgage provider the rate is fixed for 5 years

30. The indemnity would only be called upon if a loss is crystallised by the lender. This would occur where, due to mortgage payment default by the borrower, the lender repossesses the property which is subsequently re-sold. The table below illustrates the share of loss on a property with a purchase price of £154,736 which is repossessed by the lender and which achieves sale price in the range shown in the table below

Purchase Price			Sale Price					
			£	£	£	£	£	£
154,736			100,000	110,000	120,000	130,000	140,000	150,000
			Loss on Sale					
			54,736	44,736	34,736	24,736	14,736	4,736
Share of Risk/Loss	£	%						
Borrower	7,737	5%	7,737	7,737	7,737	7,737	7,737	4,736
Fylde BC	30,947	20%	30,947	30,947	26,999	16,999	6,999	0
Lender	116,052	75%	16,052	6,052	0	0	0	0

31. Assuming no default by the buyer, the indemnity liability would terminate on the earliest of the end of the agreed indemnity period (i.e. 5yrs) or an early repayment of the mortgage. In the case of a cash backed indemnity, the fixed term deposit would be repaid to the local authority at the date of maturity.

Risks

32. Under the scheme a participating local authority is exposed to the risk of lenders repossessing properties and then calling on the local authority to honour its indemnity.

33. The national average mortgage default rate, based on the Council of Mortgage lenders published 2010 statistics, is 0.3% of all advances made.

34. In monetary terms, this could be expressed as £15,000 bad debt for every £5m advanced by lenders, requiring indemnities that Fylde BC would be able to offer at a scheme value of £1m (i.e. 20% of monies advanced) to be entered into by the local authority. However due to the relatively low number of indemnities that Fylde BC would be able to offer at a scheme value of £1m, should a single default occur and the indemnity be called upon up to the maximum limit, this would result in a cost of £30,947 to Fylde BC (3% of the total value of the deposit).

35. The illustrative interest rates receivable under the scheme are detailed in paragraph 10 of this report. These rates are significantly higher than the average rate of return the Council currently receives on deposits, the differential being in the region of 2.2% to 2.6% equating to additional interest earnings of around £22k – 26k per annum (or £110k to £130k in total over the 5 years of the scheme

36. It should be noted that close monitoring of the availability and use of S106 monies will be undertaken throughout the period of the scheme to ensure that the monies are expended for the purposes intended by the S106 agreements and within the time constraints required by each agreement.

37. It should be emphasised that, in extremis, should the Council proceed with full participation the whole of the resources (i.e. the £1m in the table above) committed could be at risk, however remote that possibility may be.

38. A Risk Assessment developed by Sector ,which contains data for illustrative purposes is attached at **Appendix A**

Legal Issues

39. The pilot scheme has obtained Counsel's opinion on the legality of the scheme. The advice has been obtained on behalf of all participating Local Authorities
40. In addition to the Indemnity Deed, one participating lender, Lloyds TSB bank, require a Local Authority Officer to provide an Opinion Letter confirming that the Authority has the power to enter into, observe and perform the terms and obligations required of it under the Scheme. The officer can either be Chief Executive, the Monitoring Officer or the Head of Legal. The Authority would also be required to indemnify the Officer in respect of any personal liability he or she may incur by providing the Opinion Letter. Both the Opinion Letter and the Indemnity Deed will be in a prescribed form and, in addition to the resolution required to enter into the Mortgage Scheme Indemnity Deed, the Local Authority would need to ensure that there is a suitable resolution or other form of authority for the grant of the Indemnity Deed. Other mortgage providers do not require this Opinion letter.
41. It is felt that it is inappropriate to require an individual Council officer to commit to a personal indemnity in relation to the proper business activities of the Council. Consequently an agreement with Lloyds TSB bank will not be pursued at this time. If Lloyds TSB bank were to change these requirements further consideration could be given to them being a provider.

Conclusions

42. The scheme has been designed to provide a vehicle for a local authority to stimulate its local housing market by kick-starting the first time buyer housing market. Furthermore, following the initial scheme investigation and research work, which has been extensive, the operation of the scheme has been kept relatively administrative-free from the local authority's perspective.
43. The rate of return offered on cash-backed indemnity deposits compares favourably with other rates currently on offer, but remains fixed for the full 5 years of the scheme.
44. It is proposed that any interest received on the indemnity deposit be set-aside in a specific ear-marked reserve for the duration of participation in the scheme in order to meet any potential liability related to mortgage defaults that may arise as a consequence of participation in the scheme.
45. The scheme requires the Local Authority to provide a financial indemnity of up to 20% of a mortgage for potential home-buyers who qualify for Local authority support and who meet the strict lending criteria set by the lender
46. The scheme has risks related to the potential for default; however the likelihood of this happening needs to be weighed alongside the potential advantages of assisting some first time buyers to get on the housing ladder.
47. The scheme has significant attractions given the difficulties in the housing market and specifically in Fylde for first time buyers who have difficulty accessing any form of affordable housing.

48. Once approval is in place Sector would schedule formal contact with the selected mortgage provider/s to arrange for all documents to be signed, prepare the post code schedules (all of the Borough in Fylde's case), open the deposit account and place the deposit. It is estimated this would take approx 4 weeks leading up to a full launch of the scheme with appropriate publicity.

Report Author	Tel	Date	Doc ID
Name of author David Gillett	(01253) 658689	06.09.12	

List of Background Papers		
Name of document	Date	Where available for inspection
Document name		Council office or website address

Attached documents

Appendix 1 Risk Assessment (Sector)

IMPLICATIONS	
Finance	The financial implications are detailed within the body of the report.
Legal	The legal implications are detailed within the body of the report
Community Safety	None arising from this report
Human Rights and Equalities	None arising from this report
Sustainability and Environmental Impact	None arising from this report
Health & Safety and Risk Management	None arising from this report

LAMS Risk Assessment

	Strategic Risk	Key Risk	Risk Rating	Likelihood	Impact	Preventative Measures	Notes
F1	Financial	Local Authority affordability	Moderate	Low	Moderate / High	Make adequate budget provision	For a cash backed guarantee it may be prudent that the interest earned on the deposit is set aside in a ring fenced reserve to be used to fund future potential liabilities in the event of default and the guarantee being called upon.
F2		Lending to sub prime applicants	Low	Low	Moderate	Use lender's existing credit criteria	
F3		Applicant affordability	Low	Low	Moderate	Lenders will ensure the mortgage is affordable	
F4		Costs incurred in the event of the guarantee being called	Low	Low	Low	The number of repossessions by first-charge mortgage lenders in 2010 was 0.3% of all mortgages (Source – CML website). For each £1m, there is potential for loss of £3,000 if each default leads to a 100% loss of the value of the guarantee. For 95% LTV mortgages this may be higher, perhaps 1 – 2%. The cash backed guarantee will attract a premium investment return in the region of 4.1%, i.e. each £1m allocated to the scheme will earn £41,000.	No specific stats available for first time buyers only. Figures could be refined further to cover local / regional areas. For this purpose, it is assumed the full value of the guarantee will be lost in the event of default.
F5		Counterparty Risk	Low	Low	High	Partnership with highly reputable financial institutions for deposits. Ensure compliance with the TMSS	The cash backed mortgage support should not be seen as a straight forward deposit with a financial institution. Participating Local Authorities may be required to provide a “financial advance” to the participating mortgage lender (to support mortgages in the local economy), so the requirements of the scheme would always be slightly different to the usual investment

	Strategic Risk	Key Risk	Risk Rating	Likelihood	Impact	Preventative Measures	Notes
							principles. This should be identified in the TMSS.
R1	Reputation	Poor publicity / bad press re use of public monies	Moderate	Low	Low	Press Officer to liaise closely with local press Promotion of benefits of the scheme, i.e. supporting the local housing market and local economy Good promotional material Joint working with partners and Estate Agents Press release / photo opportunity	Sector / participating mortgage lenders will support the promotional process.
R2		Repossession in the hands of the lender, therefore outside the Local Authority's area of responsibility	Moderate	Moderate	Low	Lender to inform Local Authority if and when an applicant is facing repossession. Local Authority may be able to support people to prevent repossession.	
R3		Poor publicity / bad press re possible repossession	Moderate	Moderate	High	Is the Local Authority support an issue? Early notice from lender to the Local Authority if action is due to be taken Local Authority to assess alternative options	
P1	Political	Lack of political support	Low	Low	High	Ensure political support from the outset Continued member briefing of progress on the scheme and value of guarantees offered	Sector will support this process
P2		Change of political priorities	Low	Moderate	Low	Future support for the scheme may be withdrawn, but existing support would remain until expiry	
O1	Operational	Adverse impact on existing staffing levels	Low	Low	Low	The Local Authority will have no input in the assessment / processing of mortgage applications	
O2		Housing market fully recovers and the scheme is no longer required	Moderate	Moderate	Low	The scheme will cease to exist. Guarantees already granted – for 5 years + a further 2 years if the account is 90+ days in arrears - would remain in place.	Further analysis of local / regional housing issues to be added, i.e. local housing need, house prices, mortgage approvals etc. this information will determine the anticipated life of the scheme.

REPORT

REPORT OF	MEETING	DATE	ITEM NO
RESOURCES DIRECTORATE	COMMUNITY FOCUS SCRUTINY COMMITTEE	6 SEPTEMBER 2012	6

WITCH WOOD AND LINNET LANE WOOD

Public Item

This item is for consideration in the public part of the meeting.

Summary

The Committee has previously discussed requests on behalf of the owners of Witch Wood and Linnet Lane Wood to consider legal restrictions to control certain activities which were said to have led to damage and spoiling of the condition of the Woods. At the meeting of the Committee on 14 June 2012, it was decided to establish a Task and Finish group to look at the issues relating to the control of those activities.

This report summarises the conclusions of the task and finish group and sets out its recommendations to the Cabinet.

Recommendations

1. Dog Control orders be introduced to prescribe the following offences in both Witch Wood and Linnet Lane Wood: not putting, and keeping a dog on a lead when required to do so by an authorised officer; and taking more than three dogs onto the land
2. The orders be brought to the attention of the Dog Control wardens for policing purposes.
3. If the Dog Control order referred to in 1 above is ineffective to deal with the issues identified by the owners of the woods, consideration be given to the introduction of further dog control orders.
4. The council recognises the value of both woods as assets to the community and expresses willingness to work in partnership with the owners of both woods (as needed) to
 - (a) assist with the wording and design of signage in the woods regarding dogs and cycling

- (b) educate the public on the amenity value of the woods;
- (c) provide dog litter bins at appropriate points in the woods with accurate signage on the bins explaining their purpose; and
- (d) formulate proactive publicity to inform the public about the importance of both woods and that the owners and the council are monitoring them closely to detect and eradicate misuse and abuse

5. The officers look into best practice by other Councils regarding dogs in public areas.
6. Cabinet be requested to consider the use of Section 106 and Community Infrastructure Levy monies to provide financial support for the owners of both woods in their efforts to ensure the amenity value of the Woods.

Cabinet Portfolio

The item falls within the following Cabinet portfolio:

Portfolio Title: Leisure and Culture

Councillor Name: Sue Fazackerley

Report

Background

1. At the Committee meeting held on 28 February 2012, consideration was given to the possibilities of making byelaws or other legal restrictions to control activities reported by the owners of Witch Wood and Linnett Lane Wood to have damaged or spoiled the condition of the woods. The meeting resolved to undertake public consultation about possible byelaws and other legal restrictions to control those activities. Following the consultation, representatives of the owners of the Woods and other consultees were invited to the Committee meeting on 14 June to speak to the Committee.
2. Following the 14 June meeting, a Task and Finish group was established to consider in more detail the various issues raised.
3. The Task and Finish group met on 4 July and 25 July. The group preceded the second meeting with site visits to both Woods. Representatives of the owners of each wood attended the site visits and the meeting that followed.
4. In considering the issues of dog fouling, cycles and damage caused to foliage, the group observed that the Woods were valuable community assets and that any restrictions imposed on users ought not to impede access by disabled persons and wheelchair users.
5. The group noted that both woods were designated for the purposes of the Dogs (Fouling of Land) Act 1996, and that failing to pick up following fouling by a dog was therefore already an offence. They felt that it would be disproportionate to impose a blanket restriction on dogs being exercised off the lead in either wood. However, a balanced approach would target specific problems by making an order under which an officer could require a dog to be placed on a lead. The order should also prohibit a single person being in charge of more than three dogs in either wood.

6. The group considered that cyclists should be requested by signage to respect other members of the public present in the woods and that physical features should, if possible be used to make the woods less attractive to cyclists. Byelaws covering cycling and other activities should only be considered as a last resort if softer measures did not prove effective.
7. The group also took the view that the possibility of the council providing financial help by way of public open space or public realm contributions paid under section 106 agreements or Community Infrastructure Levy funding should be investigated.
8. Further formal consultation would still be required if the Council proceeded with any possible restrictions.

Report Author	Tel	Date	Doc ID
Paul Rogers and Ian Curtis	(01253) 658506		

List of Background Papers		
Name of document	Date	Where available for inspection
Model byelaw 2: Parks, open spaces and pleasure grounds	May 2006	www.communities.gov.uk/publications/localgovernment/modelbyelaw
Witch Wood and Linnet Lane Wood, Lytham St Annes Report	28 February 2012	http://www.fylde.gov.uk/meetings/details/941/
Witch Wood and Linnet Lane Wood, Lytham St Annes Report	14 June 2012	http://www.fylde.gov.uk/meetings/details/994/
Task and Finish Group notes	4 July and 25 July 2012	

Attached documentsNone

IMPLICATIONS	
Finance	
Legal	<p>The council can only make a byelaw if there is express power to do so. Byelaws must be approved by the Secretary of State.</p> <p>There must be formal public consultation on byelaws, dog control orders and alcohol control areas. Proposals for dog control orders in particular often prompt strong reactions</p>

	from sections of the community.
Community Safety	
Human Rights and Equalities	
Sustainability and Environmental Impact	
Health & Safety and Risk Management	Enforcement of the byelaws/orders could add additional burdens on the Council in areas where capacity to undertake additional work is limited.

Community Focus Scrutiny Committee

Date:	Thursday, 9 August 2012
Venue:	Town Hall, St Annes
Committee members:	Councillor Christine Akeroyd (Vice-Chairman and Acting Chairman) Councillors Susan Ashton, Maxine Chew, Fabian Craig- Wilson, Susanne Cunningham, Gail Goodman, Kathleen Harper, Peter Hardy, Paul Hodgson, Barbara Nash, Dawn Prestwich, John Singleton, Vivienne Miller Willder
Officers:	Paul O'Donoghue, Paul Swindells, Marie McRoberts, Annie Womack
Other members:	None
Members of the public:	None

1. Declarations of interest

Members were reminded that any disclosable pecuniary interests should be declared as required by the Localism Act 2011 and that any other interests should be declared as required by the Council's Code of Conduct.

There were no declarations.

2. Confirmation of minutes

RESOLVED: To approve the minutes of the Community Focus Scrutiny Committee held on 26 July 2012 as a correct record for signature by the Chairman.

3. Substitute members

The following substitutions were reported under council procedure rule 22.3:

Councillor Fabian Craig-Wilson for Councillor Tim Armit

Councillor Susan Ashton for Councillor Nigel Goodrich

Councillor Maxine Chew for Councillor Linda Nulty

4. Local Council Tax Support

Marie McRoberts, Head of Shared Service for Revenues and Benefits, presented a report on the proposed scheme of Local Council Tax Support to replace the existing scheme of Council Tax Benefit.

Ms McRoberts explained that the existing scheme of Council Tax Benefit (CTB) will be abolished as part of the provisions of the Welfare Reform Act 2012 to coincide with the introduction of localised schemes of support for Council Tax (LCTS); and that the proposed replacement scheme was intended to support public spending deficit reduction by reducing the amount available to local authorities to spend by 10% - around £0.5 billion per annum nationally. In relation to Fylde it was estimated that this would be approximately £526K per annum. FBC's share of this would be around £64k with the balance falling on the major precepting authorities.

The new localised scheme must be operational from April 2013 and Councils are required to agree a scheme by the end of January 2013. She advised members that failure to adopt a scheme on time will result in a default scheme being applied resulting in the local authority having to fund the 10% cut in grant.

Ms McRoberts explained that the new scheme would be based on a cash-limited grant, unlike the previous CTB scheme where central government reimbursed local authorities for the benefit awarded. The grant was planned to reduce over the medium term, and would not take into account potential growth in the number of claims. This would require an annual review and could result in changes to the scheme in subsequent years; local authorities should therefore forecast based on anticipated caseload, and factor in a contingency for increasing costs of the scheme.

Members were advised that the lower level of funding will only affect working age households as pensioners must not have any reduction in their existing Council Tax rebate, and local schemes are also expected to protect vulnerable groups. As a result, the savings must be gained from just 46% of the existing caseload.

Ms McRoberts outlined the timetable to implementation, which is very narrow.

She told the committee that it had not been possible to achieve a Lancashire-wide scheme but that there were some broad principles on which all could agree, for example that it should be affordable, fair, understandable, feasible to implement, should incorporate a contingency to allow for growth in the number of claims, and should where possible avoid the costs and risks associated with extensive data collection.

Committee members were then invited to consider the various options as outlined in the report, and ways of maintaining the protections of specific groups which were required. Ms McRoberts also briefed members on the preferred option for the draft scheme. She explained that the proposals would

be subject to a robust Equality Impact Assessment, and that an extensive consultation would take place.

In response to questions, Ms McRoberts confirmed that discussions had been held with the major precepting authorities, who supported the draft proposal.

She also agreed with observations that the scheme could prompt more pensioner claims as it was now a discount and not a benefit, and could therefore increase the costs both of administering and collecting Council Tax.

She confirmed that the consultation would be extensive and would include every working age claimant of the current scheme, roadshow dates, the press and social media, and through Advice Link to 3rd sector organisations. The results of the consultation could be made available to members, via a 2nd Interim Report, before the final report was submitted to Cabinet in November.

In response to further questions, Mr O'Donoghue, Chief Financial Officer and the council's Section 151 Officer, informed the committee that the current in-year Council Tax collection rate for Fylde was 98.5%, and that the new scheme was likely to have an adverse effect on the overall collection rate for Council Tax; that there would be an opportunity to look at the charges for empty properties and second homes in the Borough, and that a report would go to Cabinet in due course.

Members commended officers for the excellent work done on the proposals.

Following the discussion it was RESOLVED:

1. To note the challenging timetable for developing a local Council Tax Support Scheme
2. To note and support the recommended options which currently form the basis of the draft scheme, subject to the outcome of the consultation and final regulations.
3. To ask that the consultation results, collated within a 2nd Interim Report, be forwarded to members to allow them to provide comments to the Chairman and Vice-Chairman of the committee, allowing those comments to be presented to Cabinet for consideration as an adjunct to the final report.
