



# Agenda

## Finance and Democracy Committee

Date:	Monday, 25 September 2017 at 6:30 pm
Venue:	Town Hall, St Annes, FY8 1LW
Committee members:	<p>Councillor Karen Buckley (Chairman) Councillor Roger Small (Vice-Chairman)</p> <p>Councillors David Donaldson, Tony Ford JP, Neil Harvey, Angela Jacques, Kiran Mulholland, Linda Nulty, Liz Oades, Richard Redcliffe, Vince Settle, Elaine Silverwood.</p>

### Public Platform

To hear representations from members of the public in accordance with council procedure rule 11.

To register to speak under Public Platform: see [Public Speaking at Council Meetings](#).

	PROCEDURAL ITEMS:	PAGE
1	<b>Declarations of Interest:</b> Declarations of interest, and the responsibility for declaring the same, are matters for elected members. Members are able to obtain advice, in writing, in advance of meetings. This should only be sought via the Council's Monitoring Officer. However, it should be noted that no advice on interests sought less than one working day prior to any meeting will be provided.	1
2	<b>Confirmation of Minutes:</b> To confirm the minutes, as previously circulated, of the meeting held on <a href="#">19 June 2017</a> as a correct record.	1
3	<b>Substitute Members:</b> Details of any substitute members notified in accordance with council procedure rule 24(c).	1
	<b>DECISION ITEMS:</b>	
4	<b>Timetable for Developing Budget Proposals 2018/19</b>	3 - 5
5	<b>Business Rates – New Reliefs arising from the 2017 Budget Announcements</b>	6 - 20
6	<b>Business Rates Retention and Business Rates Pooling</b>	21 - 25
7	<b>Town Hall Wedding Venue Proposal</b>	26 - 28
8	<b>The Transformation Strategy</b>	29 - 39
9	<b>Promenade Gardens Water Play Facility Project</b>	40 - 45

<b>10</b>	<b>Development of Play Area – Bridges Playing Field, Warton</b>	<b>46 - 49</b>
<b>11</b>	<b>Release of S106 Monies – Fleetwood Road Playing Fields, Wesham</b>	<b>50 - 52</b>
	<b>INFORMATION ITEMS:</b>	
<b>12</b>	<b>Blackpool Airport Enterprise Zone Progress Report</b>	<b>53 - 55</b>
<b>13</b>	<b>General Fund Revenue Budget Monitoring Report 2017/18 - Position as at 31st July 2017</b>	<b>56 - 60</b>
<b>14</b>	<b>Capital Programme Monitoring Report 2017/18 – Position as at 31st July 2017</b>	<b>61 - 69</b>
<b>15</b>	<b>Outside Bodies</b>	<b>70 - 75</b>

Contact: Katharine McDonnell - Telephone: (01253) 658423 – Email: [democracy@fylde.gov.uk](mailto:democracy@fylde.gov.uk)

The code of conduct for members can be found in the council's constitution at

<http://fylde.cmis.uk.com/fylde/DocumentsandInformation/PublicDocumentsandInformation.aspx>

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## DECISION ITEM

REPORT OF	MEETING	DATE	ITEM NO
RESOURCES DIRECTORATE	FINANCE AND DEMOCRACY COMMITTEE	25 SEPTEMBER 2017	4
<b>TIMETABLE FOR DEVELOPING BUDGET PROPOSALS 2018/19</b>			

### PUBLIC ITEM

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

#### SUMMARY

A budget timetable needs to be approved which complies with the budget and policy framework rules, statutory deadlines, and if possible which facilitates early billing for Council Tax.

Attached at Appendix A is a draft budget timetable for the period October 2017 to March 2018 for consideration. The timetable may need further consideration if there are any significant changes, for example if the timetables of precepting authorities change.

#### RECOMMENDATIONS

**The Committee is recommended to:**

1. Adopt the timetable as shown at Appendix A for the budget setting process for 2018/19

#### SUMMARY OF PREVIOUS DECISIONS

This is the first item that relates to the budget setting process for 2018/19 and marks the commencement of that process.

CORPORATE PRIORITIES	
Spending your money in the most efficient way to achieve excellent services ( <b>Value for Money</b> )	✓
Delivering the services that customers expect of an excellent council ( <b>Clean and Green</b> )	
Working with all partners ( <b>Vibrant Economy</b> )	
To make sure Fylde continues to be one of the most desirable places to live ( <b>A Great Place to Live</b> )	
Promoting Fylde as a great destination to visit ( <b>A Great Place to Visit</b> )	

## REPORT

### 1. INFORMATION

- 1.1 The setting of the composite Council Tax can only be agreed after Lancashire County Council, the Police and Crime Commissioner for Lancashire and the Lancashire Combined Fire Authority have arrived at their respective Band D requirements.
- 1.2 The statutory deadline by which all the precepting authorities have to determine their requirements is 28<sup>th</sup> February 2018. Currently the dates proposed for the relevant meetings are:
- 8<sup>th</sup> February 2018 for Lancashire County Council;  
19<sup>th</sup> February 2018 for the Lancashire and Rescue Authority; and  
TBC 2018 for Police and Crime Commissioner for Lancashire.
- 1.3 The timetable set out in Appendix A includes key budget decision dates and proposed timescales for a budget consultation process to be undertaken.
- 1.4 In light of the above it is proposed that if all information on precepts is available, the Budget decision will be taken at Budget Council on 5<sup>th</sup> March 2018. Please note that this meeting will commence at 5:00pm.
- 1.5 If the budget cannot be set and Council Tax charges determined by 5<sup>th</sup> March 2018, it is likely that a Council Tax instalment date of 1<sup>st</sup> April 2018 may not be achieved with a resultant financial loss to the Council. The statutory deadline to set Council Tax is 11<sup>th</sup> March 2018. Failure to set a Council Tax by the deadline is likely to have a financial impact on the Council and will be in breach of the statutory process.

### 2 CONSULTATION

- 2.1 As in previous years the Council will consult in respect of strategic budget issues. There will be a period of consultation with interested parties when any budget proposals are published. It is a requirement to consult with business rate payers over any proposed budget. There should also be meaningful consultation with those people who may be affected by any proposals in particular where they involve the discontinuance of a service. Detailed or specific consultation may be part of a proposal and follow after an in principle decision is made.

IMPLICATIONS	
Finance	The financial implications are contained within the body of the report.
Legal	Timetable in place to ensure annual budget for 2018/19 is set with statutory and legislative guidelines
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

LEAD AUTHOR	CONTACT DETAILS	DATE
Paul O'Donoghue Chief Financial Officer	01253 658566	September 2017

BACKGROUND PAPERS		
Name of document	Date	Where available for inspection
N/a	N/a	N/a

Attached Documents:

Appendix A - TIMETABLE FOR DEVELOPING BUDGET PROPOSALS 2018/19

**TIMETABLE FOR DEVELOPING BUDGET PROPOSALS 2018/19**

<b>Meeting Dates</b>	<b>Detail</b>
November cycle of meetings	Consideration of draft revenue budget position and capital bids by programme committees
20 <sup>th</sup> Nov 2017	Finance & Democracy Committee - Updated Financial Forecast 2017/18 to 2021/22
4 <sup>th</sup> Dec 2017	Council - Updated Financial Forecast 2017/18 to 2021/22
Nov 17 to Feb 2018	Consideration of revenue budget options/capital bids by Budget Working Group
Nov 17/Feb 18	Opposition Briefings - to be arranged
Nov 17/Feb 18	Budget consultation exercise with stakeholders, including Town & Parish Councils and Business Rate Payers
19 <sup>th</sup> Feb 2018	Finance & Democracy Committee - Budget Proposals Meeting - expected publication date of Budget & Policy Proposals
5 <sup>th</sup> Mar 2018	Budget Council Meeting (5pm start)
11 <sup>th</sup> Mar 2018	Statutory Deadline for Council to set Council Tax

## DECISION ITEM

REPORT OF	MEETING	DATE	ITEM NO
RESOURCES DIRECTORATE	FINANCE AND DEMOCRACY COMMITTEE	25 SEPTEMBER 2017	5
<b>BUSINESS RATES – NEW RELIEFS ARISING FROM THE 2017 BUDGET ANNOUNCEMENTS</b>			

### PUBLIC ITEM

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

### SUMMARY

In respect of both Council Tax and Business Rates, national schemes of discounts and exemptions have been in place since the introduction of those arrangements for local taxation. Fylde BC, in line with all local authorities, has implemented the schemes of discounts and exemptions as directed by central government in the form of an approved Council Tax and Business Rates Discretionary Discount Policy.

From time-to-time it is necessary to revise the Council Tax and Business Rates Discretionary Discount Policy in order to reflect changes in reliefs or new relief schemes that are introduced by central government, and any changes in the application of the policy due to changes in local circumstances, or to provide clarification.

As part of the March 2017 Budget statement the Chancellor announced three new business rate reliefs aimed at helping businesses most affected by the revaluation that took effect from April 2017. These were:

- Supporting small businesses – aimed at ensuring that no business losing small business rates relief or rural rate relief as a result of the revaluation faced excessive increases in bills;
- Relief for pubs – a £1,000 rebate for all pubs with a rateable value of under £100,000;
- Local discretionary fund – a £300 million national fund to be distributed to the hardest hit businesses under locally designed criteria.

The 'Supporting small businesses' relief is a mandatory relief which Councils are required to apply. The other two reliefs are categorised as 'discretionary reliefs' and therefore it is necessary to amend the existing Council Tax and Business Rates Discretionary Discount Policy in order to reflect these new relief schemes.

As funding for all of the additional reliefs will be met from specific government grants for this purpose there will be no impact on the financial position of Fylde Council arising from the implementation of the new reliefs.

This report proposes an update to the Discretionary Discount Policy with effect from 2017/18 to reflect the new discretionary reliefs that came into effect in April 2017.

### RECOMMENDATIONS

**The Finance and Democracy Committee is recommended to:**

1. Approve the additional Council Tax and Business Rates Discretionary Discount Policy for 2017/18 to reflect the new discretionary Business Rate reliefs that came into effect in April 2017.

## SUMMARY OF PREVIOUS DECISIONS

**Finance and Democracy Committee 20th March 2017** – resolved to ‘Approve and adopt the Council Tax and Business Rates Discretionary Discount Policy (2017/18 update).’

### CORPORATE PRIORITIES

Spending your money in the most efficient way to achieve excellent services ( <b>Value for Money</b> )	√
Delivering the services that customers expect of an excellent council ( <b>Clean and Green</b> )	
Working with all partners ( <b>Vibrant Economy</b> )	√
To make sure Fylde continues to be one of the most desirable places to live ( <b>A Great Place to Live</b> )	
Promoting Fylde as a great destination to visit ( <b>A Great Place to Visit</b> )	

## REPORT

1. As part of the March 2017 Budget statement the Chancellor announced three new business rate reliefs aimed at helping businesses most affected by the revaluation that took effect from April 2017. These were:

- Supporting small businesses;
- Relief for pubs;
- A Local discretionary Fund.

The ‘Supporting small businesses’ relief is a mandatory relief which Councils are required to apply. The other two reliefs are categorised as ‘discretionary reliefs’ and therefore it is necessary to amend the existing Council Tax and Business Rates Discretionary Discount Policy in order to reflect these new relief schemes.

### 2. Supporting Small Businesses

This is a relief scheme aimed at those ratepayers facing large increases in their Business Rate bills as a result of the loss of small business or rural rate relief. As the pre-existing transitional relief scheme does not provide support in respect of changes in reliefs, those ratepayers who are losing some or all of their small business or rural rate relief may be facing large percentage increases in bills from 1 April 2017.

The supporting small businesses relief will ensure that the increase per year in the bills of these ratepayers is limited to the greater of:

- a cash value of £600 per year (£50 per month), or
- the matching cap on increases for small properties in the transitional relief scheme - 5%, 7.5%, 10%, 15% and 15% for each year from 2017/18 to 2021/22 (all plus inflation).

### 3. Support for Pubs

This is a new discretionary relief scheme for pubs with a rateable value below £100,000. Eligible pubs will receive a £1,000 discount on their bill.

Local authorities will be expected to use their discretionary relief powers (under section 47 of the Local Government Finance Act 1988, as amended) to grant the relief in line with the relevant eligibility criteria.

### 4. Local Discretionary Fund

The Local Discretionary Fund will provide £300 million nationally over four years from 2017-18 to support those businesses that face the steepest increases in their business rates bills as a result of the 2017 Business Rate revaluation. The Government has assumed that support will be provided to:

- ratepayers or localities that face the most significant increases in bills; and
- ratepayers occupying lower value properties

## Summary Local Discretionary Fund Scheme for Fylde Council

In order to qualify for the Discretionary Relief, qualifying ratepayers must:

- have a rateable value below £500,000, **and**
- have been in occupation of the premises continuously since 31<sup>st</sup> March 2017, **and**
- have had an increase in net rates payable of more than 10% when comparing the 2017/18 net rates payable against the former 2016/17 financial year, **and**
- not be in receipt of mandatory relief, **and**
- not be in receipt of the Supporting Small Business Relief, **and**
- not be in the Business Rates Relief area of a designated Enterprise Zone.

However, Fylde Borough Council will **exclude** payment of relief for all of the above qualifying ratepayers where the valuation office property description includes:

- hospitals, health centres or doctors/GP surgeries, **or**
- banks and building societies, including separately rated cash machines and ATM's, **or**
- telecommunications network facilities.

Note: Fylde Council is excluded from making payment of relief to itself as a ratepayer or Lancashire County Council, or the Lancashire Fire Service, as these are precepting authorities.

For 2017/18 Fylde Council intends to offer relief of **5%** of the net rates payable, after payment of any other discretionary relief.

For 2017/18 the Fylde Council share of the discretionary pot is £125,915. Based on the above qualifying criteria it is estimated that around 85 ratepayers will be eligible for the relief based on the rating list as at April 2017. After these awards of relief are granted there would be a balance of £17,500 (14%) of year 1 funding allocation available to allow for further awards to be made during the year for new businesses or existing businesses that fall within the eligibility criteria due to changes in circumstance.

The additional guidance document in respect of the two new discretionary reliefs is shown at Appendix 1 to this report.

### 5. Consultation

The grant determination for revaluation relief requires that local authorities consult with 'relevant authorities' in the design of their local scheme. Relevant authorities for the purpose of this scheme means Lancashire County Council and Lancashire Fire and Rescue Authority.

The Council has consulted with its major preceptors in relation to its Revaluation Relief Scheme and has taken their comments into account when determining the eligibility criteria.

### 6. Conclusion

The Committee is requested to note the new Business Rate reliefs introduced as part of the 2017 Budget and approve the additional Council Tax and Business Rates Discretionary Discount Policy for 2017/18 to reflect the new reliefs.

As funding for all of the additional reliefs will be met from specific government grants for this purpose there will be no impact on the financial position of Fylde Council arising from the implementation of the new reliefs.



IMPLICATIONS	
Finance	Funding for all of the additional reliefs will be met from specific government grants for this purpose. Consequently there will be no impact on the financial position of Fylde Council arising from the implementation of the new reliefs.
Legal	Section 76 of the Local Government Act 2003 (as amended by section 13A of the Local Government Finance Act 2012) empowers a billing authority to reduce the amount of tax payable as it thinks fit.
Community Safety	None
Human Rights and Equalities	None
Sustainability and Environmental Impact	None
Health & Safety and Risk Management	None

LEAD AUTHOR	CONTACT DETAILS	DATE
Paul O'Donoghue, Chief Financial Officer	01253 658566	September 2017

BACKGROUND PAPERS		
Name of document	Date	Where available for inspection
n/a	n/a	n/a

Attached documents

Appendix 1 – Further Discretionary Business Rate Relief Schemes 2017/18



**Further Discretionary Business Rates Relief  
Schemes 2017/18**

**Revaluation Relief  
Public House Relief**

## Document Control

<b>Document owner:</b>	Andrew Turpin
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<b>Issued by:</b>	Graeme Ruse
<b>Last edited:</b>	11 <sup>th</sup> August 2017

## Record of Amendments

Date	Version	Amended by	Description of changes
None to date			

## Approval

Name	Title	Signature	Date
Andrew Turpin	Head of Revenues and Exchequer Services		11 <sup>th</sup> August 2017

## **1.0 Purpose of the Policy**

- 1.1 The purpose of this policy is to determine the level of additional Discretionary Business Rates Reliefs (introduced as part of the March 2017 budget announcement) to be granted to defined ratepayers within the Council's area.
- 1.2 Central government is keen that in certain cases, assistance should be provided to businesses which have had increases in their rate liability due to the revaluation of premises in April 2017. In these cases, and where the Council meets government guidelines, grants are available under section 31 of the Local Government Act 2003.
- 1.3 This document covers all aspects of the new Discretionary Business Rates Relief scheme 'Revaluation Relief' and 'Public House Relief' which are available from 1st April 2017. Where businesses apply for relief they will be granted (or not granted) relief in line with the policy as contained within this document.

## **2.0 Discretionary Relief – Application Requirements**

- 2.1 To be considered for discretionary relief ratepayers are obliged to make a written application to the Council. The Council will expect all businesses to make applications in such a format as is required (which may vary from time to time) and for the business to provide such information, evidence, certificates etc. as required in order to determine whether relief should be awarded.
- 2.2 The Council will consider carefully every application on its merits. With regard to these new discretionary reliefs there is no statutory appeal nor tribunal process in respect of any decision made by the Council. The Council will however, upon request, review decisions made. Details of the internal review process are given within this policy.
- 2.3 This policy document covers the granting of awards under the Revaluation Relief and Public House Relief schemes which cover a period of 12 months from 1st April 2017. The decision to grant, or not to grant, discretionary relief is a responsibility of the Council alone. The policy of the Council in respect of other Business Rate Relief schemes can be accessed at: [www.fylde.gov.uk](http://www.fylde.gov.uk).

## 3.0 Legislative Framework

- 3.1 Over the past few years, a number of schemes have been introduced by central government without specific legislative changes. These are administered under s47 of the Local Government Finance Act 1988 and guidance is often provided. The Council is keen to support such initiatives especially where they are designed to help local businesses and will look to maximise both the reliefs given as well as maximising any grants receivable. However, the Council reserves the right to vary its approach where thought appropriate.
- 3.2 In the case of Revaluation Relief, the government is keen that individual councils develop their own scheme to meet local needs. The government has allocated funds to the council to meet the costs of the schemes using a particular methodology, but it has been keen to point out that the precise nature of the scheme to be adopted is the sole responsibility of each local authority.

## 4.0 Financial Overview

- 4.1 In March 2017, the government announced that it would make available a discretionary fund of £300 million over four years from 2017-18 to support those businesses that face the steepest increases in their business rates bills as a result of the revaluation, known as Revaluation Relief. Government determined that Councils would be best placed to determine how this fund should be targeted and administered to support those businesses and locations within their area that are in the greatest need.
- 4.2 Every local authority within England has been allocated a share of the national fund to support their local businesses. The relief is to be administered through billing authorities' discretionary relief powers under s47 of the Local Government Act 1988. The financial allocations for Fylde Council are shown below at **4.6**.
- 4.3 The allocation of monies to local authorities and the methodology of the funding award is completely separate to the scheme itself.
- 4.4 Councils will be compensated for any relief granted under section 31 of the Local Government Act 2003. The Government has decided that any underspend cannot be transferred from one year to the next nor will there be any additional funding allocations in the event that councils award a higher value of relief than the initial allocation provides for.
- 4.5 A key criteria of the relief scheme is that the Council must consult with its major precepting authorities when formulating its local scheme.

- 4.6 The level of funding allocations in respect of the Discretionary Business Rates Relief Scheme are shown in the following table:

#### **Amount of discretionary fund awarded– Fylde Council**

<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>
£000	£000	£000	£000
126	61	25	4

- 4.7 The Council will also be compensated for the awarding of Public House Relief under section 31 of the Local Government Act 2003.

## **5.0 Discretionary Relief – EU State Aid requirements**

- 5.1 European Union competition rules generally prohibit government subsidies to businesses. Relief from taxes, including non-domestic rates, can constitute 'state aid'. The Council must consider this issue when granting discretionary rate relief.
- 5.2 Rate relief for charities and non-profit making bodies is not generally considered to be state aid, because the recipients are not in market competition with other businesses. However, where other bodies receive relief and are engaged in commercial activities, or if they are displacing an economic operator, or if they have a commercial partner, rate relief could constitute state aid.
- 5.3 Relief will be state aid compliant where it is provided in accordance with the De Minimis Regulations (1407/2013)<sup>1</sup>. The De Minimis Regulations allow an undertaking to receive up to €200,000 of De Minimis aid in a three-year period (consisting of the current financial year and the two previous financial years).
- 5.4 Where the relief to any one business is greater than the De Minimis level, then permission will need to be obtained from the European Commission. In such cases the matter will be referred to the Department for Communities and Local Government (DCLG) for advice and then referred back to the Council for consideration. It will be for the ratepayer to provide confirmation as to whether the State Aid provisions apply to them.
- 5.5 When making an application for relief under this scheme ratepayers will be required to provide the Council with sufficient information to allow it to determine whether the state aid De Minimis provisions are applicable in their particular case.
- 5.6 European Union competition rules regarding state aid requirements may change when the United Kingdom is no longer a member of the European Union.

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<sup>1</sup> <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:352:0001:0008:EN:PDF>



## 6.0 Administration of Discretionary Relief – General approach

- 6.1 All applications for relief must be in the format specified by the Council.
- 6.2 Applicants for relief are required to provide a completed application form plus any such evidence, documents, accounts, financial statements etc. as is necessary to allow the Council to make a decision on the application. Where insufficient information is provided, then no relief will be granted. In some cases, it may be necessary for officers to visit premises and we would expect organisations claiming relief to facilitate this where necessary.
- 6.3 The Council will provide this service and guidance free of charge. Ratepayers are encouraged to approach the Council direct and **NOT** to pay for such services through third parties.
- 6.4 Where an application is successful, then the following will be notified to them in writing:
- The amount of relief granted and the date from which it has been granted;
  - If relief has been granted for a specified period, the date on which it will end;
  - The new chargeable amount.
- 6.5 Where relief is not granted a written explanation of the decision will be provided.
- 6.6 Revaluation Relief and Public House relief is to be granted from the beginning of the financial year in which the decision is made. Decisions can be made up to 6 months after the end of the financial year for which the application was made, but if an application is made after this time it will not be considered.
- 6.7 A new application for discretionary relief will be necessary for each financial year or at such time intervals as the Council determines appropriate.
- 6.8 Variations in any decision will be notified to ratepayers as soon as practicable and will take effect as follows:
- Where the amount is to be increased due to a change in rate charge or a change in the Council's decision which increases the award: this will apply from the date of the increase in rate charge or the date determined by the Council as appropriate;
  - Where the amount is to be reduced due to a reduction in the rate charge or liability including any reduction in rateable value, awarding of another relief or exemption: this will apply from the date of the decrease in rate charge; and
  - Where the amount is to be reduced for any other reason: will take effect at the expiry of a financial year.
- 6.9 Any decision in respect of discretionary relief may be revoked at any time.

## 7.0 Consultation

- 7.1 The grant determination for revaluation relief requires that local authorities consult with 'relevant authorities' in the design of their local scheme. Relevant authorities for the purpose of this scheme means any major precepting authority.
- 7.2 The Council has consulted with its major preceptors in relation to its Revaluation Relief Scheme and has taken their comments into account when determining the eligibility criteria.

## 8.0 Decision-Making Process

- 8.1 Each application for relief will be considered against the criteria listed in this document, and it must be in the interests of the Council and the local community for a relief to be granted.
- 8.2 Applications for discretionary relief will be determined by the Chief Financial Officer of the Council.
- 8.3 Additional information may be required in order that an application for relief can be determined.
- 8.4 Decision making process:
  - Stage 1:** The Principal Income and Recovery Manager or the Head of the Revenues and Exchequer Services will make a recommendation to the Chief Financial Officer in respect of the application for relief, considering the application against the criteria set out in this policy and based upon the information provided by the applicant and that known to the Council.
  - Stage 2:** The Chief Financial Officer will consider the application and the recommendation to determine whether to award discretionary relief.
- 8.5 The Council will notify the applicant of its decision within 28 days of receiving sufficient information to make a decision.
- 8.6 The Council will accept an applicant's written request for a re-determination of its decision if there is new information available on which to reconsider the original decision.
- 8.7 The Council will notify an applicant of its decision within 28 days of receiving a request for a re-determination.



## 9.0 Eligibility Criteria

### 9.1 Revaluation Relief

9.1.1 The Council has decided that reliefs under the Revaluation Relief scheme will be awarded using the following criteria:

- a) The scheme is designed to assist ratepayers who have suffered significant increases in their rate liability due to the 2017 revaluation and the subsequent increase to their Rateable Value;
- b) Relief will not be granted where a hereditament has a rateable value of £500,000 or more at 1<sup>st</sup> April 2017 and where the increase calculated in **9.1.1d** is less than 10%;
- c) Relief will not be awarded where mandatory relief or Supporting Small Businesses Relief are granted or if the hereditament is within the Business Rates Relief qualifying area of a designated Enterprise Zone;
- d) In assessing any potential entitlement to an award under this scheme, the Council will compare the following:
  - The rate liability of the ratepayer at 31st March 2017 after any reliefs and reductions; and
  - The rate liability of the ratepayer at 1st April 2017 taking into account any transitional relief or discretionary relief within this policy;
- e) Relief will only be given to premises which are liable for occupied rates. No relief within this scheme will be granted for unoccupied premises;
- f) Relief will only be granted to ratepayers who were in occupation at 31st March 2017 and in occupation on 1st April 2017 and for each day subsequently;
- g) Ratepayers taking up occupation after the 1st April 2017 will not be eligible for relief on the basis that new ratepayers would not have suffered from increases due to a revaluation;
- h) Relief may be awarded for more than one premise as long as all other criteria are met.

9.1.2 Relief will **not** be awarded where:

- the ratepayer has been awarded a reduction under s44a of the Local Government Finance Act 1988; or
- the hereditament occupied by a Billing or Precepting Authority (known as excepted hereditaments);
- the hereditament has a subsequent increase in Rateable Value after the 1st April 2017 which takes it out of the scope of this scheme; or
- the hereditament is used for any of the following purposes:
  - a) hospitals, health centre's or doctors/GP surgeries;
  - b) banks and building societies, including separately rated cash machines and ATM's; or
  - c) telecommunications network facilities.

## 9.2 Public House Relief

- 9.2.1 For Public House Relief the amount of relief available for 2017/18 under this scheme is up to £1,000 for each eligible property. There is no relief available under this scheme for properties with a rateable value of £100,000 or more. Eligibility for the relief and the relief itself will be assessed and calculated on a daily basis.
- 9.2.2 The majority of pubs are independently owned or managed and will not be part of national 'chains' of public houses. Where pubs are part of a chain, relief will be available for each eligible property in the chain, subject to State Aid restrictions.
- 9.2.3 The government's policy intention is that eligible pubs should:
- a) be open to the general public, **and**
  - b) allow free entry other than when occasional entertainment is provided, **and**
  - c) allow drinking without requiring food to be consumed, **and**
  - d) permit drinks to be purchased at a bar.
- 9.2.4 For these purposes, it should exclude:
- a) restaurants
  - b) cafes
  - c) nightclubs
  - d) hotels
  - e) snack bars
  - f) guesthouses
  - g) boarding houses
  - h) sporting venues
  - i) music venues
  - j) festival sites
  - k) theatres
  - l) museums
  - m) exhibition halls
  - n) cinemas
  - o) concert halls
  - p) casinos
- 9.2.5 These exclusions are not exhaustive and it will be for the Council to determine those cases where eligibility is unclear.

## 10.0 Applications for relief under these schemes

10.1 The Council is keen to identify ratepayers who may qualify for these reliefs and as such will look to encourage certain ratepayers to apply. The Council will aim to simplify the application process wherever possible, but it will expect all applicants to provide such information as is required by the Council to support their application

10.2 The amount of Revaluation relief will be calculated as follows for 2017/18:

Relief will be awarded where all the qualifying criteria are met and qualifying ratepayers will **receive a 5% discount of their 2017/18 net rates payable**. In future years the level of relief will depend upon the amount of government grant allocation and will be determined by the Chief Financial Officer.

10.3 The amount of relief awarded under these schemes will be recalculated in the event of a change of circumstances. Relief is calculated on a daily basis in line with the ratepayer's liability on that day. This will include, for example, a backdated change to the rateable value of the hereditament. This change of circumstances could arise during the year in question or during a later year. Where any award of relief is to be reduced, the Council will look to recover the amount from the date the change of circumstances occurred.

10.4 The Non-Domestic Rating (Discretionary Relief) Regulations 1989 (S.I. 1989/1059) requires the Council to provide ratepayers with at least one year's notice in writing before any decision to revoke or vary a decision so as to increase the amount the ratepayer has to pay takes effect. Such a revocation or variation of a decision can only take effect at the end of a financial year. But within these regulations, the Council may still make decisions which are conditional upon eligibility criteria or rules for calculating relief which allow the amount of relief to be amended within the year to reflect changing circumstances.

10.5 Where any award of relief is granted, the Council will require any changes in circumstances which may affect the relief to be reported as soon as possible and in any event not more than 21 days from the happening of the event. This will be important where the change would result in the amount of the award of relief being reduced or cancelled e.g. where the premises comes unoccupied or is used for a purpose other than that determined by the Council as eligible for relief.

## 11.0 Fraud

11.1 Where a ratepayer falsely applies for any relief or where the ratepayer provides false information, makes false representation, or deliberately withholds information in order to gain relief, prosecutions will be considered under the Fraud Act 2006.



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## DECISION ITEM

REPORT OF	MEETING	DATE	ITEM NO
RESOURCES DIRECTORATE	FINANCE AND DEMOCRACY COMMITTEE	25 SEPTEMBER 2017	6
<b>BUSINESS RATES RETENTION AND BUSINESS RATES POOLING</b>			

### PUBLIC ITEM

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

### SUMMARY

This report summarises the operation of a 'business rate pool' under the revised 'localisation of business rate' arrangements which have been in place since April 2013. The report notes the existence of such a pool for Lancashire authorities which came into being for the 2016/17 financial year. At the meeting of 28<sup>th</sup> October 2016 this Committee approved Fylde Council participation in the Lancashire Business Rate Pool for 2017/18.

Subsequent to the commencement of the current arrangements in 2013, the government announced further reform to the business rates retention scheme and in October 2015 committed that, by the end of the then Parliament (i.e. originally intended to be 2019/20), local government should retain all taxes raised locally, including 100% of locally collected business rates. This amounts to a significant reform of the local government finance system. It should be noted that this commitment refers to the retention of 100% of business rates by the local government sector as a whole – it is not proposed that individual councils should retain 100% of business rates collected within their areas.

The most recent government consultation on 100% Business Rate Retention, undertaken during the spring of 2017 (and therefore prior to the June 2017 general election) included, inter alia, proposals to update the way that business rate pools operate. If implemented as described in the consultation document the proposals would mean that the arrangements for the Lancashire-wide Business Rate pool may cease to be appropriate and relevant for 2019/20 and beyond.

However the legislation required to implement these changes was absent from the programme of proposed government legislation for the current parliament within the June 2017 Queen's Speech, calling into question whether these proposals will now be put in to place.

At the present time it is unclear whether the earlier proposals on 100% Business Rate Retention, and the accompanying impact on the viability of business rate pools, will now be implemented as planned.

The Committee is invited to consider this matter and determine whether Fylde Council ought to continue membership of the Lancashire Business Rates Pool for 2018/19 on the assumption that the pool remains in existence beyond the current year. It is recommended that in the absence of clarity surrounding the intentions of central government with regard to the future of Business Rate pools, it is considered reasonable that the Council should continue membership of the Lancashire Business Rates Pool for 2018/19 assuming that the pool remains in existence.

## RECOMMENDATIONS

### The Finance and Democracy Committee is recommended to:

1. Approve the continuation of Fylde Council participation in the Lancashire Business Rates Pool for 2018/19 on the assumption that the pool remains in existence; and
2. Note that the next update to the Financial Forecast of the Council will be amended to reflect the latest information and expectations in respect of future levels of business rate income to the Council; and
3. Agree that participation in the Lancashire Business Rate Pool for future years beyond 2018/19 should be kept under review and should be the subject of a report to the committee for consideration during next financial year.

## SUMMARY OF PREVIOUS DECISIONS

At the meeting of 28th October 2016 this Committee considered participation by Fylde Council in a Lancashire-wide Business Rate Pool for 2017/18 and determined:

1. To approve the recommendation from Management Team, in light of the updated information regarding future expectations of Business Rate income as contained within the body of this report, and determine that Fylde Council will participate in the Lancashire Business Rate Pool for 2017/18;
2. Approve that sufficient resources are retained within a specific reserve for the duration of the Council's inclusion in the pool in order to mitigate against the possibility of losses as a result of the removal of safety-net protection; and
3. Agree that participation in the Lancashire Business Rate Pool for future years beyond 2017/18 should be kept under review and should be the subject of a report to the committee for consideration during next financial year.

At the meeting of 19th June 2017 this Committee considered an information item on the government proposals for 100% Business Rate Retention as they were framed at that date.

## CORPORATE PRIORITIES

Spending your money in the most efficient way to achieve excellent services ( <b>Value for Money</b> )	✓
Delivering the services that customers expect of an excellent council ( <b>Clean and Green</b> )	✓
Working with all partners ( <b>Vibrant Economy</b> )	✓
To make sure Fylde continues to be one of the most desirable places to live ( <b>A Great Place to Live</b> )	✓
Promoting Fylde as a great destination to visit ( <b>A Great Place to Visit</b> )	✓

## REPORT

### 1. INFORMATION AND BACKGROUND

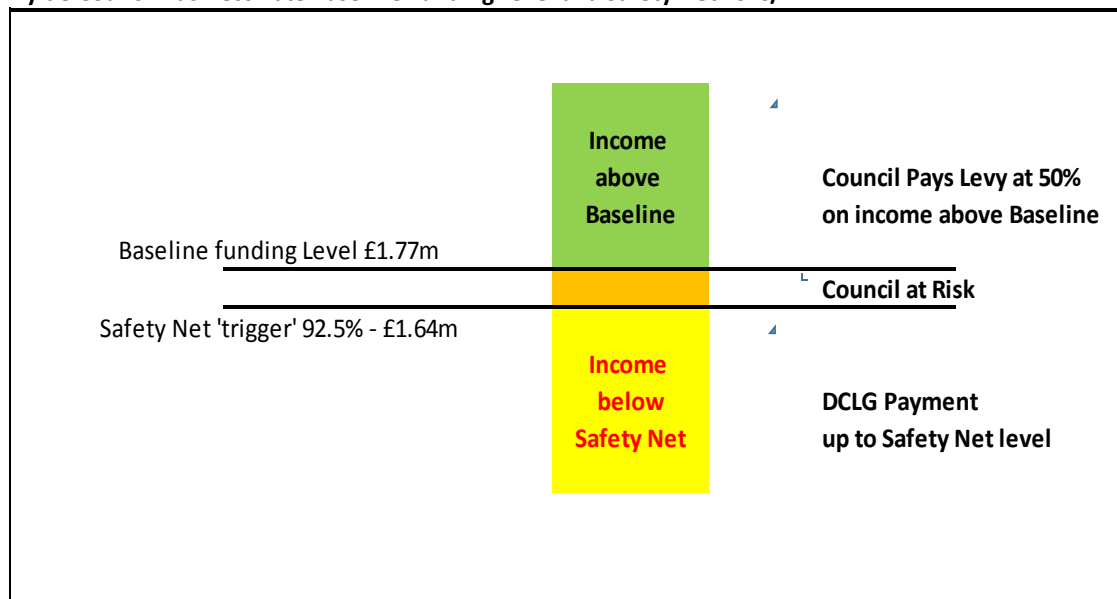
Business rates are a key source of funding for local authorities. From 2013/14 new arrangements replaced the former 'National Rates Pool' and under this revised regime each billing authority retains a share of the business rates for its area based on prescribed proportions. For Fylde, this is 40% retained with the remainder shared between Central Government, County Council and Fire Authority (50%, 9% and 1% respectively).

All district Councils in two-tier areas, like Fylde, are classed as 'tariff' authorities; this means the Council's individual rates baseline is greater than its baseline funding level (as calculated by central government) which results in the Council paying a tariff to the Government from its share of 'retained' business rates.

The business rates retention system also provides for councils to benefit from a share of growth in their business rates base and exposes them to the risk of reduced income where changes are adverse (e.g. business closures, rating appeals). The system, as currently designed, includes mechanisms for both a **levy** and a **safety net** to moderate such variances. A **levy** applies where an authority's retained share of rates income exceeds its baseline

funding level, whereas a **safety net** operates when the retained share of rates income falls below 92.5% of the baseline funding level. The diagram below illustrates this and shows the values for Fylde for 2016/17 (i.e. without participation in a business rate pooling arrangement).

**Fylde Council Business Rate Baseline Funding Level and Safety Net 2016/17**



The diagram shows that under the current system if the Council's share of retained business rate income exceeds the value of the Baseline Funding Level (which for 2016/17 is £1.77m as calculated by DCLG) the Council would pay to the Government a levy on this additional amount at a rate of 50%, whilst retaining 50% of the growth.

Conversely the current system provides a degree of protection in that if the Council's share of retained income drops below the Baseline Funding Level the extent of this drop is 'capped' at a level equivalent to 92.5% of the Baseline Funding Level (the 'Safety Net' level - which for 2016/17 is £1.64m). If the Council's share of retained income drops below this level the Council receives a grant to bring the income up to the safety net level.

## 2. BUSINESS RATE POOLING

A feature of the business rates arrangements allows councils to group together to form a 'business rates pool'. Under such an arrangements councils in a pool combine all of their funding calculations under the business rate scheme, effectively adding their numbers together for all elements of the funding calculation, including the calculation of the tariff and top-up amounts.

For 2017/18 Fylde Council joined a Lancashire-wide Business Rate pool for the first time. Combining with other local authorities within Lancashire (comprising a number of the district councils which are 'tariff' authorities and Lancashire County Council which is a 'top-up' authority) has the effect of producing a position whereby no levy to central government is payable by any of the pooling authorities. It is estimated that participating Councils within the Lancashire pool will retail 95% of their Business Rate growth compared to the 50% that is retained where a Council is not within a Business Rate pool as described within Section 1, above.

The estimated beneficial impact on the total amount of Business Rate income that is retained by Fylde Council as a consequence of joining the Lancashire-wide pool for 2017/18 onwards is shown within the latest update to the Financial Forecast as detailed in the table below:

	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
<b>Business Rates Funding:</b>					
Retained Rates Income	1,771	3,879	2,819	2,611	2,633
Approved Contribution to Funding Volatility Reserve		- 2,000			
<b>Sub Total - Business Rates net of reserve transfers</b>	<b>1,771</b>	<b>1,879</b>	<b>2,819</b>	<b>2,611</b>	<b>2,633</b>

The latest in-year monitoring of 2017/18 retained business rates income through the pool indicates that it remains financially advantageous for Fylde to remain in the pool for both 2017/18 and 2018/19.

### **3. FURTHER PROPOSED CHANGES TO THE BUSINESS RATE RETENTION SCHEME – 100% RETENTION**

The most recent government consultation on 100% Business Rate Retention, released in February 2017, included proposals to update the way that business rate pools are set up, and strengthen the incentives open to pools. The consultation included the proposal that the current voluntary approach can incentivise the wrong behaviours – leading in some areas to local authorities being excluded from pools due to their being perceived as ‘high risk’. In addition, the removal of the levy from the new 100% Business Rates Retention system would mean that the rewards for pooling are reduced. The government was proposing to remove the requirement for local authority consent to participate in a business rates pool.

By removing the requirement that all authorities must agree to being designated as a pool, the Secretary of State was proposing to ensure that pools are created across functional economic areas that maximise the opportunities for growth. DCLG were also planning to introduce a statutory duty to consult with areas on their pooling arrangements. Although the ultimate decision with respect to business rate pool composition would rest with the Secretary of State, all authorities in a functional economic area would have to take those discussions seriously.

Additionally the government were proposing a further change to the present arrangement by the designation of new ‘Local Growth Zones’, designed to add an additional growth incentive to the 100% Business Rates Retention system, along with an opportunity to give greater responsibility to local government for their own growth-related financial decisions, and to move away from having to approach central government for investment. Participation in a Local Growth Zones would not be optional but the complexion of the grouping would be determined by central government.

If implemented these changes would mean that the arrangements for the Lancashire-wide Business Rate pool may cease to be appropriate and relevant for 2019/20 and beyond.

### **4. LATEST POSITION**

The proposed revised Business Rate retention arrangements, previously intended to come into effect from 2019/20, would most likely have resulted in changes to the amounts of Business Rate income that is retained by Fylde Council, given that the Lancashire-wide pooling arrangement may not remain under the revised regime of compulsory Local Growth Zones. It would therefore have been reasonably clear what the impact of this change would be on the financial position of the Council and this could have been reflected within the next update to the Financial Forecast.

However, the outcome of both the June 2016 EU referendum and the June 2017 general election have had a consequential impact on the planned programme of government legislation, including the Finance Bill which would reform the Business Rate retention system for local authorities. Consequently the legislation required to implement these changes was absent from the programme of legislation for the current parliament within the June 2017 Queen’s Speech, calling into question whether these proposals will now be put in to place.

### **5. CONCLUSION**

Business Rate income is a key element within the Councils Financial Forecast, making a significant contribution to the total income of the Council. The latest forecast approved at Budget Council in March 2017 reflects anticipated income from the Lancashire-wide Business Rate pool (of which Fylde Council became a member for 2017/18) not only for 2017/18 but for all subsequent years in the forecast.

At the present time it is unclear whether the earlier proposals on 100% Business Rate Retention, and the consequential impact on the viability of business rate pools, will now be implemented.

It is anticipated that continued membership of the pool for 2018/19 would result in the Council benefitting financially from the consequential greater proportion of business rate income that is retained by Fylde Council, should the pool continue to operate for 2018/19.



In the absence of clarity surrounding the intentions of central government with regard to the future of Business Rate pools, it is considered reasonable that the Council should continue membership of the Lancashire Business Rates Pool for 2018/19 assuming that the pool remains in existence.

It is also considered appropriate that the next update to the Financial Forecast of the Council be amended to reflect the latest information and expectations in respect of future levels of business rate income to the Council given the current lack of clarity concerning the intentions of central government in this matter.

IMPLICATIONS	
Finance	Whilst it is impossible to accurately predict the 2018/19 financial position in terms of Business Rates Retention and given the lack of clarity surrounding the intentions of central government with regard to the future of Business Rate pools, it is considered reasonable that the Council should continue membership of the Lancashire Business Rates Pool for 2018/19 assuming that the pool remains in existence. The next update to the Financial Forecast of the Council will be amended to reflect the latest information and expectations in respect of future levels of business rate income to the Council.
Legal	The legal framework for the formation of a business rates pool is set out in paragraph 34 of Schedule 7B of the Local Government Finance Act 1988 (as inserted by schedule 1 to the Local Government Finance Act 2012). Each pool has to decide (and get approval from Government) on its governance arrangements. These cover, at the least: <ul style="list-style-type: none"> <li>- the rights and obligations of pool members, including:</li> <li>- how money is to be disbursed to/between pool members and how payments to central government are to be funded by the lead authority</li> <li>- the treatment of pool balances and liabilities following the pool's dissolution.</li> </ul>
Community Safety	None
Human Rights and Equalities	None
Sustainability and Environmental Impact	None
Health & Safety and Risk Management	None

LEAD AUTHOR	CONTACT DETAILS	DATE
Paul O'Donoghue, Chief Financial Officer	01253 658566	September 2017

BACKGROUND PAPERS		
Name of document	Date	Where available for inspection
n/a	n/a	n/a

## DECISION ITEM

REPORT OF	MEETING	DATE	ITEM NO
RESOURCES DIRECTORATE	FINANCE AND DEMOCRACY COMMITTEE	25 SEPTEMBER 2017	7
<b>TOWN HALL WEDDING VENUE PROPOSAL</b>			

### PUBLIC ITEM

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

### SUMMARY

The council is seeking to adopt a more commercial approach to achieve a self-sufficient council by 2020, in response to this a suggestion has been put forward to use the civic accommodation at the Town Hall as a wedding venue. This is an approach used in several other local authorities, the report outlines the proposed benefits from the Town hall becoming a new wedding venue.

### RECOMMENDATIONS

1. That the Town Hall be approved as a location to host licensed weddings within the Borough and that officers make an application to Lancashire County Council for a licence in 2018 once the Council Chamber refurbishment has been completed.
2. That subject to the approval of a licence the Town Hall is used as a wedding ceremony venue on Fridays (subject to operational requirements) and Saturdays for a trial period of twelve months with set-up costs to be met from existing budgets and a charge of £350 for a Friday ceremony and £650 for a Saturday ceremony.

### SUMMARY OF PREVIOUS DECISIONS

None

CORPORATE PRIORITIES	
Spending your money in the most efficient way to achieve excellent services ( <b>Value for Money</b> )	✓
Delivering the services that customers expect of an excellent council ( <b>Clean and Green</b> )	
Working with all partners ( <b>Vibrant Economy</b> )	✓
To make sure Fylde continues to be one of the most desirable places to live ( <b>A Great Place to Live</b> )	✓
Promoting Fylde as a great destination to visit ( <b>A Great Place to Visit</b> )	✓

## REPORT

1. By 2020, every local authority is required to be self-sufficient, with central government grants diminishing then being removed. The Local Government Association (LGA) Peer Challenge Report in June 2016 stated that income generation needed to be developed at Fylde to contribute to the revenue stream.
2. A number of employee suggestions were made to generate income including the use of the Town Hall as a wedding venue. Offering the Town Hall as a wedding venue with the photo opportunities along the Promenade Gardens in close proximity is an opportunity for which there is an anticipated market. The refurbishment of the Town Hall has made the proposal more viable.
3. Members of the Self-Sufficient Officer Working Group visited Wyre Council, who offer wedding ceremonies in the Council Chamber and Members Lounge. Officers at Wyre explained the procedures and protocols in place and a wedding was observed. Officers were able to gather important tips and suggestions about seating, audio equipment and greeting guests based on lessons learnt at Wyre.
4. The setup cost will be minimal and can be met from within existing budgets. Wyre Council have approximately 15 weddings per year promoting the facility through Facebook and word of mouth with numbers increasing year on year. The wedding and civil partnership fees for the hire of either the Council Chamber or the Members Lounge at Wyre are Monday to Friday £330 and Saturday is £650.
5. It is proposed that wedding ceremonies are offered on a trial basis with Fridays offered, subject to operational requirements together with Saturdays and for the scheme to be reviewed after 12 months.
6. There are several factors to be considered such as employing extra staff and having weekend opening, the Customer Services Manager will lead on this initiative should it proceed. Factors to consider include:
  - Meet standards set by Lancashire Council to become a registered venue
  - Consider key dates in the local tourism calendar with a particular reference to St Anne's
  - Employee availability on Saturdays to support the ceremony and the Registrar
  - Rooms prepared for the ceremony i.e. balloons, chair covers, candles, and flowers
  - Parking spaces would be required spaces for the wedding party
7. A draft project plan has been put together to outline the next steps:

Milestones	Due Date
Accommodation project to factor in a new wedding venue	March 2017
Fylde visit to Wyre to share best practise on Council's wedding venues	April 2017
Report back on findings, demand, cost, pitfalls etc.	July 2017
Accommodation project works for the wedding venue rooms to be completed	January 2018
Fylde Council to hold a 21 days public online consultation day period to approve this as a new venue	January 2018
Applying for a licence from LCC, assuming we submit all the required information, be determined within 8 weeks	February 2018
Establish role for facilitating / hosting weddings (HR involvement)	March 2018
Venue information packs to be created	April 2018
Market & promote the Town Hall venue	March 2018
New venue launched	May 2018

8. This could be a viable commercial opportunity that can attract income to contribute to the revenue fund but also enhance and maximise the use of the Town Hall.

IMPLICATIONS	
Finance	If the proposal is approved there would be additional income to the Council which it is not possible to quantify at this stage. This would be reflected in future updates to the Financial Forecast.
Legal	None arising from report
Community Safety	None arising from report
Human Rights and Equalities	None arising from report
Sustainability and Environmental Impact	None arising from report
Health & Safety and Risk Management	None arising from report

LEAD AUTHOR	CONTACT DETAILS	DATE
Tracy Morrison Alex Scrivens	01256 658521 01253 658543	20 JULY 2017

BACKGROUND PAPERS		
Name of document	Date	Where available for inspection
Wyre Council Civil Marriages and Civil Partnerships Information		<a href="http://wyre.gov.uk/weddings-and-civil-partnerships">wyre.gov.uk/weddings and civil partnerships</a>

## DECISION ITEM

REPORT OF	MEETING	DATE	ITEM NO
CORPORATE SERVICES	FINANCE AND DEMOCRACY COMMITTEE	25 SEPTEMBER 2017	8
<b>THE TRANSFORMATION STRATEGY</b>			

### PUBLIC ITEM

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

### SUMMARY

The report introduces the final proposed draft of the Transformation Strategy that has been subject to extensive consultation and feedback amongst all elected members and employees and approved by the cross party member working group established by the committee on June 19<sup>th</sup> 2017.

### RECOMMENDATION

1. That the committee approve the final draft of the Transformation Strategy proposed by the cross party member working group which is included as Appendix 1 to this report.

### SUMMARY OF PREVIOUS DECISIONS

June 19<sup>th</sup> Finance & Democracy

It was RESOLVED that a consultation of elected members be undertaken and a working group of members be formed to be review the consultation on the strategy and provide their input. The members of the working group were confirmed as Councillors Fazackerley, Buckley, Oades, Nulty, Redcliffe and Donaldson.

### CORPORATE PRIORITIES

Spending your money in the most efficient way to achieve excellent services ( <b>Value for Money</b> )	✓
Delivering the services that customers expect of an excellent council ( <b>Clean and Green</b> )	
Working with all partners ( <b>Vibrant Economy</b> )	
To make sure Fylde continues to be one of the most desirable places to live ( <b>A Great Place to Live</b> )	
Promoting Fylde as a great destination to visit ( <b>A Great Place to Visit</b> )	

### REPORT

1. The Transformation Strategy was developed in response to feedback from the LGA Corporate Peer Review Challenge which recommended that all the activities already in place aimed at transforming (changing & improving) the organisation should be brought together into a single strategy and reviewed to ensure that the activities are up to date, appropriate and will lead to the transformation required to deliver a self-sufficient council by 2020. The Corporate Peer Review Challenge identified several areas in which the council was making good progress in terms of transformation including:

- Cultural Transformation that has been evident for several years and is embedding new behaviours, practices and attitudes across the organisation
  - Digital Transformation driving efficiencies through reduced cost, smarter working and process improvement, it was recognised that Fylde has made progress but there is still a lot of opportunity for further development
  - Commercial Transformation necessary to maximise the use of existing resources / assets and develop new income streams to support the revenue that funds all council services
  - Financial Transformation from a risk averse approach to a policy that supports a more commercial approach to estates, assets and financial management
  - Political Transformation to develop governance arrangements within the committee structure that can be agile and responsive enough to support a more commercial approach and engage all members
2. The strategy brings together all the strands of transformation currently in progress linking them to the corporate requirement to be self-sufficient by 2020.
  3. A draft of the Transformation Strategy was presented for information at the Finance & Democracy meeting on June 19<sup>th</sup> 2017, the committee took the opportunity to discuss this strategy in further detail and recommended that every elected member is afforded an opportunity to comment directly on the draft and that a cross party member working group considered any feedback from elected members. All members were invited to provide comment on the draft strategy and received a direct email with a copy of the draft strategy and asked to provide feedback using a dedicated online form by July 10<sup>th</sup> 2017.
  4. The cross party member working group met on Tuesday July 11<sup>th</sup> and considered all the feedback provided by elected members, as well as direct contributions from the working group members, to edit, revise and produce a final draft. Edits and changes agreed by the cross party working group were incorporated into a final draft that was circulated to the members of the cross party working group to proof read, check and provide any further comment. The final draft attached in Appendix 1 to this report represents the proposed Transformation Strategy from the member working group.

IMPLICATIONS	
Finance	None as a result of this report
Legal	None as a result of this report
Community Safety	None as a result of this report
Human Rights and Equalities	None as a result of this report
Sustainability and Environmental Impact	None as a result of this report
Health & Safety and Risk Management	None as a result of this report

LEAD AUTHOR	CONTACT DETAILS	DATE
Allan Oldfield	<a href="mailto:Allan.oldfield@fylde.gov.uk">Allan.oldfield@fylde.gov.uk</a>	August 17 <sup>th</sup> 2017

BACKGROUND PAPERS		
Name of document	Date	Where available for inspection
LGA Peer Challenge Review – Approval	July 2017	<a href="#">Full Council Meeting</a>

#### Attached documents

**Appendix 1:** The Transformation Strategy – Final Draft



# Transformation Strategy 2016-20



# The Need for Transformation

Transformation is change, a constant in every modern organisation, standing still or more of the same is not an option if an organisation intends to survive. At Fylde the objective is simply to survive but to *thrive*, by creating an environment of continuous improvement focused on customer need driven by a philosophy that *'great services are delivered by great people'*. This strategy provides the framework for Fylde to embed sustainable transformation as part of the *'way we do things'*, the *'day job'*, setting a context for positive change that will deliver improvement to match customer need.

Pressure on local authority resources has increased under the banner of austerity and the necessity for the public sector to be more efficient in delivering real value for money to the taxpayer. Traditional hierarchical bureaucratic institutions must transform into modern progressive organisations that identify, meet, and deliver, customer need with the ability to continuously respond when there is a change in customer need.

By 2020 local authorities must be 'self-sufficient', with no grant from central government contributing to the revenue stream the delivery of services will be funded through Council Tax, retained business rates and locally generated income streams. This strategy ensures every aspect of business at Fylde is as efficient as possible, delivering maximum value as well as continuous improvement. A self-sufficient council must maximise income to allow for the best service possible whilst minimising service delivery cost through efficiencies.

The 21<sup>st</sup> century customer expectation is driven by technological advances, the generations brought up on digital interfaces will not be equipped to engage with organisations operating burdensome procedure and paper based bureaucracy. The culture at Fylde has to be based on constant transformation, it is not a project with a start and finish, the journey is continuous and as such the behaviour of every employee must support transformation as part of the *'day job'*.

The 2016-2020 Transformation Strategy will ensure Fylde is an efficient self-sufficient council. Every service area, working arrangement, partnership and process will be designed to maximise income streams to increase the capacity of the council and meet customer need through maximum value for money practices. However, it will take time before demand for face to face or phone service diminishes, during which it is essential that customers who need to interact using those formats continue to do so.

## The Transformation Strategy

The Local Government Association conducted a Peer Review Challenge at Fylde in May 2016 which identified several existing, developing and planned transformation initiatives and recommended that these form a single Transformation Strategy to include:

- **Cultural Transformation** – the *'way we do things'*
- **Digital Transformation** – driving change through technology to meet customer need
- **Commercial Transformation** – the need to develop a commercial approach
- **Financial Transformation** – shift from a risk averse approach to support self sufficiency
- **Political Transformation** – agile, flexible and responsive governance



Aligning each strand of transformation to the self-sufficient council will ensure every opportunity is explored for maximum income and value for money preparing Fylde for a new approach to service funding and delivery from 2020.

Local government is complex, no private company delivers the array of services and functions that a modern council provides coupled with the duty to serve everyone regardless of ability, age, gender, opinion or the place in which they choose to live. As a consequence local government has been slow to use digital technology to transform the way it does business, in a world where customer expectation is to deliver services effectively at speed, digital transformation is essential.

The imperative is to change, but to do so at pace and at scale. This is the meaning of transformation, a change in working, of culture and of disposition, changes made possible by digital technology. Through digital technologies Fylde will deliver better outcomes for all stakeholders, while progress has been made Fylde is a long way from seamless services and a fully digitalised back office. The strategy is not just about developing digital services but digital tools that will transform labour intensive processes, contribute to faster economic growth, renew local democracy and ultimately change the way the whole council operates and manages resources.

The current staffing level of approximately 250 FTE (Full Time Equivalents) is required to deliver the range of services offered today and in the future. The efficiencies achievable from downsizing through natural movement have successfully been delivered, resources now need to be re-aligned based on priority. Resource capacity achieved through transformation will be reallocated based on priority at any given time.

## The Vision

The vision is to transform the relationship between the customer and the council, putting more control in the hands of the customer and being more responsive to their need. The tools, technology and approaches of the digital era provide greater opportunities than ever before to achieve:

- Better understanding of what customers need
- Design and deliver services quicker at much lower cost
- Continuously improve services, based on data and evidence
- Provide equality of opportunity between persons who share a relevant protected characteristic and those who do not share it

Every element of transformation at the council will have a foundation based on digital technologies to deliver the vision articulated below:

### **The Vision of Seamless Services**

Almost all transactions will take place online, seamless integration across all services enables customers to verify their identity once, through voice or thumbprint. The two-dimensional Fylde website has been replaced by interactive digital platforms that connect customers with third-party apps and services, and stream personalised content on local democracy, jobs and services. Digital platforms help Fylde enable instead of directly provide most local services.

### **The Vision of Relational Services**

Services that are about connections between people still have face-to-face contact and can't be digitised. However, digital technologies support these services, new tools help people to manage their own need and connect to a broad network of support such as peer mentors, health coaches, friends and family, volunteers and group-based activities. Many services have been revolutionised by predictive algorithms, which allow the council to intervene in a more timely and effective way.

### **The Vision of How Fylde Works**

Fylde is lean, agile and data-driven, acting as broker or enabler at the centre of a large web of innovative partners, providers and community groups. Multi-agency working is the norm, teams and departments are temporary structures that form around specific local challenges. A truly mobile workforce has freed up public space and digital platforms are used to share public space, equipment and even workforce time with other councils, businesses and residents.

## **Cultural Transformation**

Fylde has been transforming the culture of the council since 2003 advocating 'leadership from everywhere', it is a long term initiative that requires a contribution from every stakeholder in the organisation because people create culture. The culture is founded on core competencies and behaviours expected of every employee included in Table 1.

**Table 1: The Core Cultural Competencies at Fylde**

<p><b>CUSTOMER FOCUS</b></p> <ul style="list-style-type: none"> <li>• Treats employees as customers</li> <li>• Puts the customer first and values the customer in everything they do</li> <li>• Is professional, polite and friendly at all times</li> <li>• Appreciates the customer is the only reason there is a job</li> <li>• Challenges whether the existing ways of doing things meet customer need</li> </ul>
<p><b>WORKING TOGETHER</b></p> <ul style="list-style-type: none"> <li>• Promotes effective working across different service areas</li> <li>• Accepts and provides constructive challenge</li> <li>• Is an effective team player</li> <li>• Demonstrates the ability to learn from others</li> <li>• Focuses on solutions rather than problems</li> <li>• Works with others to deliver great performance</li> </ul>
<p><b>EFFECTIVE COMMUNICATION</b></p> <ul style="list-style-type: none"> <li>• Clearly explains the reasons for decisions made</li> <li>• Open, honest and transparent in all communication</li> <li>• Champions success at every opportunity</li> <li>• Demonstrates the ability to listen and understand</li> <li>• Never 'bad mouths' the organisation</li> <li>• Contributes to feedback and engagement at work</li> </ul>

**PRIDE & INTEGRITY**

- Demonstrates enthusiasm and personal commitment
- Takes pride in working for Fylde Council
- Enjoys the work they do in their chosen career
- Has respect for others at all times
- Appreciates and values the opinion, interests and views of others
- Always represents Fylde in a positive manner

**STRONG LEADERSHIP MANAGEMENT**

- Is always accessible and approachable
- Leads by example and always displays a positive attitude
- Motivates, encourages and supports others to achieve their best
- Has a strong focus on doing what is best for the organisation
- Manages change as part of the 'day job'
- Makes creative suggestions about how to do things better

This framework for behaviour is supported by corporate mantras reinforcing shared values that define 'how we work' to create a culture that enables everyone to make a positive difference. The overarching strapline; '*to deliver excellence*' is supported by:

- Everyone works together
- Excellent people deliver excellent service
- Learn from mistakes to improve
- A no blame culture
- Encourage and champion success
- Everyone is an ambassador of the council
- The customer is the only reason we have a job
- One Council One Team

Competencies define the behaviour expected from every employee in their approach, attitude and application, they are embedded in policy and procedure to ensure from recruitment onwards every employee is aware of the behaviour required from them and their colleagues. Cultural transformation is the foundation that shapes all transformation.

The behaviours are common sense professional etiquette articulated in a simple framework so everyone is clear about their role and responsibility. Clearly articulated and consistently applied competencies are essential to culture and integral to workforce planning, reputation management and job satisfaction. Cultural transformation, the 'way we do things', created by *our* people is the foundation for the transformation strategy.

This behaviour will support the elimination of discrimination, harassment and victimisation, and advance the equality of opportunity, as well as foster good relations, between persons who share a relevant protected characteristic and persons who do not share it.

**To deliver cultural transformation we will:**

- Design and deliver joined-up, end-to-end services based on customer need
- Deliver major transformation programmes to connect the whole council

- Establish a council wide approach and attitude to transformation
- Support non-digital employees to understand the potential of digital opportunities
- Embed digital skills to ensure every employee understands digital

## Digital Transformation

Modern efficient organisations must embrace technology in order to meet customer need in a digital world, self-service is efficient and increases speed of service delivery through automation, it must be possible for any service that can be delivered online to be available 24/7 with any technology that can reduce cost, create capacity and improve performance in any aspect of the business, pursued.

Digital channels must be the forefront of service delivery with a 'click, call, and come in' hierarchy, always seeking to migrate customers to 'click'. Through organisational re-engineering, web development and infrastructure integration progress has been made with online service and the migration of customers online as the preferred method of contact. Fylde currently has approximately 100 services available online and downloadable forms accessible through the web, along with a vast range of information however, this progress has been insufficient and the council is underdeveloped in terms of the digital and online service offer. Initiatives have been poorly co-ordinated and implemented, managed ad hoc on a service by service basis with poor corporate integration.

Nationally, the pace of digital channel shift has increased exponentially driven by the need for organisations to be more efficient as a result of austerity; advances in technology; increased affordability; the rising demand for 24/7 service; and the growing ability of customers using digital channels, particularly on mobile devices. Customer need has been transformed by technology while service delivery has stood still.

'Digital' is defined as the technologies that allow people without specialised programming skills to interact directly with other people and organisations via the internet, using a computer, mobile device or other interface. Private and public sector organisations are investing in digital service provision to keep pace with demand and maximise savings, to stand still and not transform the digital offer will result in being left behind. A 'Digital by Preference' (DBP) initiative is the first stage in transforming service delivery to achieve the following:

- Identify high volume front-line services not currently available online, and provide them online ensuring service is as transactional as possible, the target is to require no officer input (end to end digital services).
- Review services and payment facilities Fylde currently provide online to ensure they are as transactional as possible and easy for customers to use.
- Support the migration of customers online to drive up self-service.
- Reduce the need for contact in person and over the phone creating capacity whilst increasing productivity.

Priority will be given to services with the highest volume of front-line interaction with customers which offer the greatest opportunity for savings in corporate cross cutting transactions i.e. payments and invoicing.

Digital transformation will impact every aspect of business through social media, mobile and remote service delivery, the 'paperless' office and 24/7 service. The transformation will be from a

traditional process driven bureaucratic organisation to a modern efficient entity customers can engage with at any time from any location with significant reduction in resource and cost.

**To deliver digital transformation we will:**

- Establish seamless services using personalised data to customise information about public services, jobs, local events, news, and decisions taken by local councillors.
- Make greater use of design tools to uncover blockages in customer transaction and ensure the needs of different groups (including those with limited digital proficiency) are met.
- Digitising the back office - ensure that data and capabilities can be shared across services and that outwardly 'digital' services don't rely on manual or extraneous processes.

## Commercial Transformation

To deliver the self-sufficient council by 2020 a commercial approach is essential. Local authorities are risk averse, managing public funds with the necessary checks and balances to ensure appropriate protection of the public purse. Fylde must transform from a traditional risk averse culture in which opportunities are missed because procedure has priority, to a culture in which innovation and creativity are encouraged with opportunities explored in a flexible and responsive organisation.

New and existing income streams must be explored and maximised to finance existing or enhanced service delivery. The Self Sufficient employee working group will consider, develop and implement projects to generate new income streams or enhance existing ones, this is the conduit between idea and implementation. The individual(s) that suggest ideas will be directly engaged in developing it to implementation or will know exactly why it is not, or cannot be, taken forward. The approach uses the skill, knowledge and experience of employees who deliver the service to drive change and improvement in the service.

The option to acquire additional assets to generate commercial revenue will be explored as part of the commercial and financial transformation required to achieve a self-sufficient council by 2020. Assets should be income generating, for example, car parks must realise the maximum possible income through strategic position and layout that delivers maximum volume. Many facilities are unused for a significant proportion of the time e.g. Town Hall facilities unused in the evenings and weekend.

Capacity achieved through efficiencies will be used to generate income by selling services to the market where applicable for example, consultancy services in professional disciplines or cleansing, waste and grounds maintenance.

Fylde will work with commercial experts to develop the necessary skill for a commercial and less risk averse approach to investment opportunities and asset management. Marketing, advertising, profit, partnership, joint ventures and sponsorship will be part of the commercial strategy and a core function in the local authority. Commercial transformation will influence financial policy, asset management and procurement with the objective to secure income into the revenue stream that by 2020 not only supports the existing service delivery at Fylde but additional service delivery is funded.

**To deliver this transformation we will:**

- Use digital to connect business and provide local information and tailor business support.
- Enable councils to shape places in ways that were previously impossible – by engaging customers in new, more meaningful ways and helping the local economy to grow.
- Radically transforming the way we work – including how we are organised internally and manage resources, to become open, innovative and collaborative.

## Financial Transformation

The council has adopted a prudent financial strategy since 2008 when the financial management of the authority was inadequate as a result of low reserves. This was the right strategy to achieve the transformation to a robust financial position in 2016 with significant general and ear marked reserves and low borrowing, putting the council in a strong position to take a less risk averse approach to financial management. The need to transform financial management at Fylde is driven by the requirement to be self-sufficient by 2020 with no central government grant funding the revenue account will be dependent on; business rate retention; new homes bonus; council tax; and commercial income streams.

Transformation of the financial position is reliant on how the elements of the funding stream controlled by the council are managed. Council tax is the major source of funding and within the control of the council subject to limits set by government, Fylde will seek to maximise income from council tax. A number of income streams are directly influenced by the council, at every opportunity existing income streams will be maximised whilst maintaining value for money and new sources of income will be explored. Capital sums and revenue surplus will be invested in schemes that generate a financial return for the council, priority will be afforded to long term sustainable income generating initiatives that contribute to the revenue account.

The approach to transforming commercialism and assets at the council is inextricably linked to the financial transformation, by 2020 the revenue account will be funded to an extent that the council is able to deliver a greater range of service provision than the funding arrangements under the central government grant model.

### **To deliver this transformation we will:**

- Digitalise all financial transactions within and between the council
- Develop an investment portfolio that generates income to the revenue account

## Political Transformation

The political landscape at Fylde has changed from executive to committee arrangements, the self-sufficient transformed council will be delivered under a committee system of governance. It is essential governance arrangements have the flexibility to respond quickly to circumstances and opportunities presented by the market as part of the commercial, financial and digital transformation. Elected members will be in a position to provide clarity of direction and support actions that deliver the transformation necessary to achieve a self-sufficient organisation.

Decision making arrangements must be streamline, transparent and robust with members that are engaged, well informed and empowered in a political culture consistent with the organisational culture, founded on common competency behaviours. Clear political ambition delivered by strong

political leaders through effective group structures across all political parties is necessary to deliver political transformation.

Every opportunity will be investigated to ensure that the council operates the most efficient, fit for purpose, modern political structures and governance arrangements, recognising that organisations are fast moving entities and elected members must be flexible and responsive to transformation. The cultural transformation will pervade every aspect of the council including the political environment.

A transformed political culture at Fylde in 2020 will have effective decisions made through efficient committee arrangements; a clear demarcation of responsibilities between members and paid employees; open and transparent communication between elected representatives; an ambitious shared vision for the borough with regional and sub regional objectives; and the opportunity for meaningful engagement for every member of the council.

**To deliver this transformation we will:**

- Use digital technology to inform and consult people.
- Involve and collaborate with people using technology.
- Make better use of data to improve decision making

## DECISION ITEM

REPORT OF	MEETING	DATE	ITEM NO
DEVELOPMENT SERVICES DIRECTORATE	FINANCE AND DEMOCRACY COMMITTEE	25 SEPTEMBER 2017	9
<b>PROMENADE GARDENS WATER PLAY FACILITY PROJECT</b>			

### PUBLIC ITEM

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

### SUMMARY

At the Budget Council meeting of March 2016, approval was confirmed for a capital growth item in the sum of £100,000 in respect of a new water play facility on the Promenade Gardens. The total scheme cost was estimated at that time as £200,000, with the remainder of the funding to be sourced through external funding bids and the use of s106 planning agreement monies.

A comprehensive consultation exercise has been undertaken, in addition to detailed technical research to provide this type of facility, and the capital cost to deliver a scheme of this nature, and one that meets the aims of the community, is now estimated at £250,000.

The project team continue to seek external funding opportunities and are awaiting decisions on various external grants, which if successful would achieve a funding level for the scheme of £200,000.

This report presents an update on the progress to date on the water play project scheme, including potential project options, current funding position and estimated timescales.

The Tourism and Leisure Committee at the meeting of 7<sup>th</sup> September 2017, considered the 3 options detailed in section 20 of this report and support option 3, which is to recommend to the Finance and Democracy Committee approval of a fully-funded budget increase for the scheme within the Capital Programme for 2017/18 in the sum of £50,000 to achieve the project budget of £250,000, with the additional £50,000 to be met from the Capital Investment Reserve.

### RECOMMENDATIONS

**The Finance and Democracy Committee are requested to:**

- Note the preference expressed by the Tourism and Leisure Committee at the meeting of 7<sup>th</sup> September 2017 to support Option 3 of the alternatives as detailed in section 20 of this report in respect of the delivery of the a new water play facility on the Promenade Gardens; and
- Approve a fully-funded budget increase for the Water Play scheme within the Capital Programme for 2017/18 in the sum of £50,000 to be met from the Capital Investment Reserve.

### SUMMARY OF PREVIOUS DECISIONS

**Full Council meeting in 16 March 2016:**

- To approve and adopt the recommendations of the Finance and Democracy Committee as follows:
  - (c) The updated Five Year Capital Programme including the changes proposed by the Budget Working Group, as set out in Appendix G,



## Tourism and Leisure Committee 7 September 2017

Following consideration of this matter the committee RESOLVED:

1. To note the current position with regard to the water play project;
2. To support the re-circulatory system of recirculating the water of the new water play facility as set out in the report.
3. To agree Option 3 as set out in the report which recommends to the Finance and Democracy Committee approval of a fully funded budget increase for the scheme within the Capital Programme for 2017/18 in the sum of £50,000 to achieve the project budget of £250,000 with the additional £50,000 to be met from the Capital Investment Reserve.

### CORPORATE PRIORITIES

Spending your money in the most efficient way to achieve excellent services ( <b>Value for Money</b> )	✓
Delivering the services that customers expect of an excellent council ( <b>Clean and Green</b> )	✓
Working with all partners ( <b>Vibrant Economy</b> )	✓
To make sure Fylde continues to be one of the most desirable places to live ( <b>A Great Place to Live</b> )	✓
Promoting Fylde as a great destination to visit ( <b>A Great Place to Visit</b> )	✓

### BACKGROUND

1. At the Budget Council meeting of March 2016, approval was confirmed for a capital growth item in the sum of £100,000 in respect of a new water play facility on the Promenade Gardens. The total scheme cost was estimated at that time as £200,000, with the remainder of the funding to be sourced through external funding bids and the use of s106 planning agreement monies.
2. Officers from the parks development team are taking the project through the 10 stage Community Parks Improvement Process shown below:
  1. Set up a supporters group (Friends group with constitution)
  2. Apply to LCC for support officer from the Environmental Projects Team to assist with:
    - Comprehensive consultation exercise
    - External funding
  3. Initial consultation with group, local residents and users to produce a design brief based on community need
  4. Produce 3 concept drawings based on the design brief
  5. Consult / agree / produce final Masterplan
  6. Cost the project up in sections (produce B of Q and specifications)
  7. Prepare funding strategy
  8. Tender and evaluation (with community)
  9. Project Management
  10. Open Event / Future use /Maintenance
3. The Friends of Promenade Gardens was set up in April 2016 and includes around 12 members including representatives from local businesses and residents. The group meets on a regular basis and have been integral in leading on a range of consultation exercises to involve wider audiences, to ensure that any proposal meets the needs and ambition of local residents and visitors.
4. A comprehensive range of consultation exercises have been undertaken including design workshops at several key events such as the St. Annes Kite Festival and St. Annes Carnival, and at several key locations around St. Annes including Ashton Gardens, Sainsbury's, St. Annes Town Hall and the Island Leisure Complex. This has resulted in 333 completed questionnaires regarding the project.

5. Further to public consultation and further detailed technical research, a preferred style of water play facility has now been established, that is most suitable to the location, maintenance/management and community need. It must be noted that water play facilities are technically complicated due to their nature, therefore the consultation has focused on concept designs as opposed to detailed designs. A detailed design will be requested from Tenderers and will form part of the procurement process and evaluation.
6. As part of the wider consultation and research process, officers have visited facilities of a similar nature around Lancashire to establish the alternative types of water play provision including infrastructure options, variety of equipment, operating costs and any other potential issues.

#### **CURRENT POSITION**

7. The preferred option for the Promenade Gardens is a re-circulatory system which recirculates the water as opposed to a 'one use' system that needs refilling with fresh water at each operation. The capital costs for this type of system are higher, but the operating costs are much lower compared to 'one use' systems and prove to be more environmentally and financially sustainable, as a large percentage of the water will be retained in the system and recycled. The revised cost for the project, incorporating this design feature is estimated at £250,000.
8. Officers and the Friends group have been working on external grant applications and fund raising initiatives to achieve the necessary £250,000 to deliver the preferred scheme.
9. The group have been successful with fund raising with local businesses, charities and Lancashire County Council, and have submitted two external funding grant applications to Veolia and Lancashire Environmental Fund.
10. Subsequently, the grant application of £40,000 to Veolia has been unsuccessful due to a very recent change to the geographical range of the funding criteria. A decision on the Lancashire Environmental Fund application will be given in October 2017.
11. The current funding strategy is shown below:

<b>Funding Body</b>	<b>Amount (£)</b>	<b>Status</b>
Fylde Borough Council Capital Grant	£100,000	Secured
Friends of Promenade Gardens Fundraising	£1,550	Secured
LCC Member Grant	£500	Secured
Lancashire County Council	£6,000	Secured
Fylde Council S106 Contributions from Promenade, St. Annes development	£55,745	Secured
Lancashire Environmental Fund	£27,000	Awaiting decision October 2017
Lytham St. Annes Lions	£3,300	Secured
Friends of Promenade Gardens further miscellaneous funding	£6,000	Unsecured
<b>Total</b>	<b>£200,095</b>	

#### **SCHEME DETAILS**

12. The new water play area will be housed in the 'paddling pool' area on the Promenade Gardens. Any proposal needs to be sympathetic to the heritage and of the Edwardian Gardens and be accessible by all. Officers from the Planning and Regeneration teams have been consulted on these specific issues. The Regeneration Manager will form part of any future tender evaluation panel to ensure heritage, planning and environmental compliance.

13. The budget will be used to install a range of water play equipment with suitable surfacing in addition to providing all the relevant operational plant and equipment, to run the facility that will be housed in a suitably designed plant room on the Promenade Gardens.
14. Further works will include improvements to the pool infrastructure, resurfacing of paths and improved landscaping in addition to signage and furniture. The original structure of the paddling pool and seating area will be repaired and retained.
15. The proposed masterplan is shown in Appendix 1. The changing facility and kiosk shown on the plan will not form part of the project at this stage, but have been designed into the masterplan in case a phase two scheme is progressed.
16. The annual maintenance costs of the water play facility will depend on the final design proposal which will be submitted on a design and build basis by tenderers. It is proposed that future maintenance costs form part of the quality evaluation criteria, to encourage financial sustainable designs.

## **PROCUREMENT**

17. The procurement of the project will depend on the grant application decision from the Lancashire Environmental Fund in October 2017, and the decision from the Tourism and Leisure Committee September 2017.
18. The original deadline to deliver the project was March 2018. Due to the funding bid failure to Veolia, it was considered appropriate to allow Members the opportunity to review the current position of the project in terms of funding options and delivery timescales. If options A or C are supported set out in section 20 of this report, the project can still be completed within the original deadline of March 2018. If option B is supported, officers will continue to seek external funding which may lead to a delay of the project delivery.
19. Once the funding strategy has been agreed, it is proposed to advertise an Open Tender for the project, based on the available budget. The tender will be on a design and build basis based on the masterplan due to the specialist nature of the facilities, and will include a 60%/40% quality/cost evaluation.

## **CONCLUSIONS AND DELIVERY OPTIONS**

20. The Tourism and Leisure Committee at its meeting of 7 September 2017 was requested to note the current position regarding the project and the financing secured to date as detailed above, and to select a preferred course of action to achieve delivery of the scheme from the options below:
  - Option A:** To proceed with a reduced scheme using the currently available funding of £200,000 to be delivered within the original project timeframe of 2017/18;
  - Option B:** That officers continue to seek the £50,000 budget shortfall to complete the preferred scheme via external funding grant applications, in an attempt to achieve a project budget of £250,000;
  - Option C:** To recommend to the Finance and Democracy Committee approval of a fully-funded budget increase for the scheme within the Capital Programme for 2017/18 in the sum of £50,000 to achieve the project budget of £250,000, with the additional £50,000 to be met from the Capital Investment Reserve.
21. The Tourism and Leisure Committee agreed to support option 3 and consequently this report requests the necessary approval from the Finance and Democracy Committee in that regard.

IMPLICATIONS	
Finance	The Committee are recommended to approve a fully-funded addition of the proposed scheme in the sum of £50,000 to the Capital Programme for 2017/18, to be fully funded from the Capital Investment Reserve.
Legal	None arising from this report.
Community Safety	Improving the quality and range of open space facilities provides an opportunity to increase public use and reduce nuisance behaviour.
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.

LEAD AUTHOR	CONTACT DETAILS	DATE
Mark Wilde	markw@fylde.gov.uk & Tel 01253 658475	11 September 2017

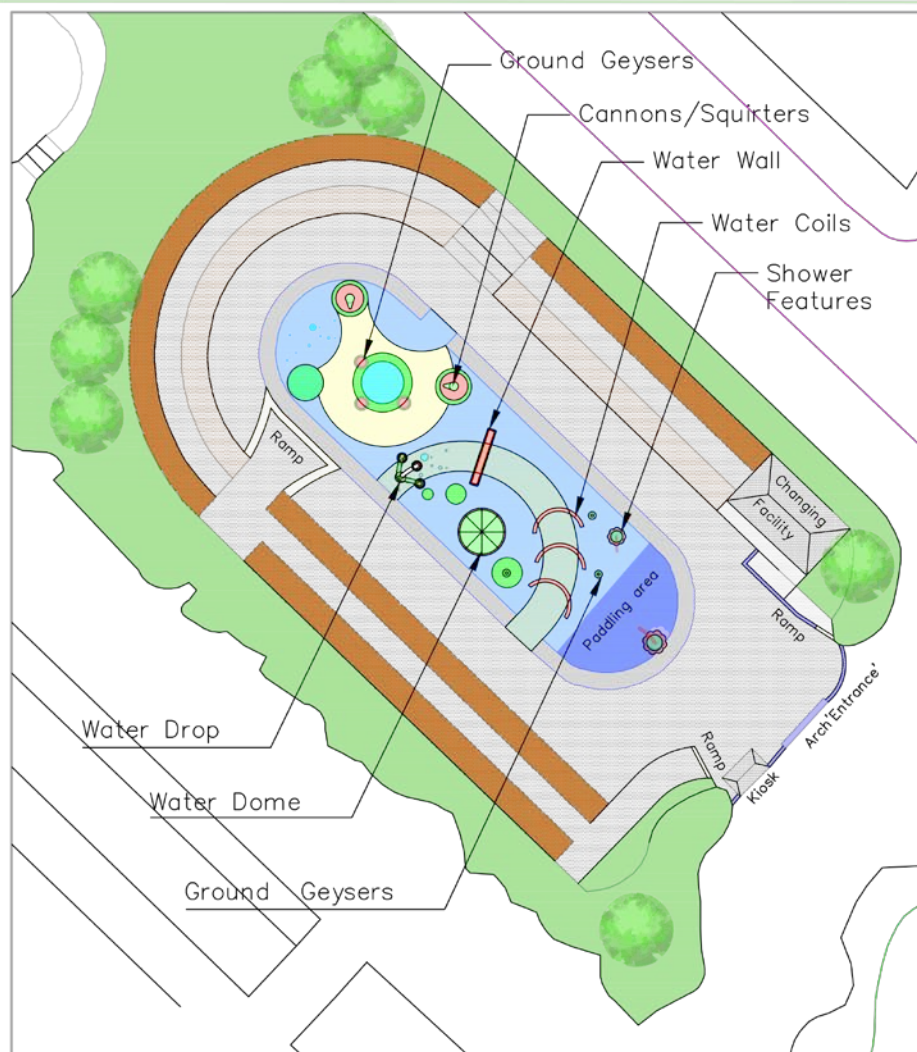
BACKGROUND PAPERS		
Name of document	Date	Where available for inspection
Minutes of Tourism & Leisure Committee	7/9/17	<a href="#">Minutes of Tourism &amp; Leisure Committee</a>

#### Attached documents

Appendix 1.

Promenade Water Play Masterplan

## Promenade Gardens Water Play : Splash Zone : MASTERPLAN



Masterplan : A colourful high impact scheme which offers play features on the water splashpad theme.

Play features to incl;  
Water Coils  
Water Dome  
Ground Geysers  
Water Drop  
Water Wall  
Cannons/Squirters  
Shower Feature

## Legend :



Surfacing: blue



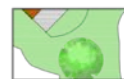
Surfacing: yellow



Tarmac



Amphitheatre Seating



Planting

Masterplan includes the illustration of a kiosk which could generate income to help towards running costs and a changing facility for babies and disabled children.

It is thought that these would form part of a second phase with a secondary discrete grant being considered. It does not form part of the initial funding being sought.

Facilities will be specified for the use of ages 3-14yrs

Generic Water Play Features to inc. in order of preference:



1. Water Coils



2. Water Dome



3. Ground Geyser



4. Water Drop



5. Water Wall



6. Cannon/Squirter



7. Shower Feature

Promenade Gardens  
Friends : PGF  
in association with:



## DECISION ITEM

REPORT OF	MEETING	DATE	ITEM NO
DEVELOPMENT SERVICES DIRECTORATE	FINANCE AND DEMOCRACY COMMITTEE	25 SEPTEMBER 2017	10
<b>DEVELOPMENT OF PLAY AREA – BRIDGES PLAYING FIELD, WARTON</b>			

### PUBLIC ITEM

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

### SUMMARY

At the Budget Council meeting of March 2016, Council approved a capital growth item in the sum of £50,000 as match funding for a parks development project at Bridges Playing Field, Warton, to be fully-funded from the Capital Investment Reserve, on condition that the project follow the ten stage Community Parks Improvement Programme.

Due to difficulties in retaining community support for the project, Bryning-with-Warton Parish Council have made the decision to proceed with a phased approach to the project and not to pursue the £50,000 match funding from the Capital Programme.

The report details a reduced scheme at Bridges Playing Field, and requests that section 106 contributions of £106,500 are used for the provision of new children's play facilities at Bridges Playing Field as detailed in the report.

The Tourism and Leisure Committee at the meeting of 7th September 2017, recommended the allocation of the S106 contributions of £106,500 relating to the developments at Riversleigh Farm, Tennyson Avenue and Eden Farm, Warton to deliver the proposed project at Fleetwood Road, dependant on the decision of the Finance and Democracy Committee meeting on the 25th September 2017.

The Finance and Democracy Committee are requested to approve a fully-funded addition to the Capital Programme for 2017/18 in the sum of £106,500, fully funded by the S106 developer contribution to deliver the scheme as detailed in this report, and to approve a reduction to the Capital Programme for 2017/18 in the sum of £50,000 in respect of the scheme resulting from the revised funding arrangements for the scheme.

### RECOMMENDATIONS

#### The Finance and Democracy Committee are requested:

1. To approve a fully-funded addition to the Capital Programme for 2017/18 in the sum of £106,500 in respect of the parks development project at Bridges Playing Field, Warton, fully funded from the S106 developer contributions relating to the Riversleigh Farm, Tennyson Avenue and Eden Farm developments in Warton for the same amount; and
2. To approve a reduction to the Capital Programme for 2017/18 in the sum of £50,000 in respect of the parks development project at Bridges Playing Field, Warton, to reflect the revised funding arrangements for the scheme as detailed within this report.



## SUMMARY OF PREVIOUS DECISIONS

### Full Council meeting 16 March 2016:

'This scheme was initiated by a request on behalf of the Parish Council concerning Bridges Playing Field, Canberraway Way, Warton. The Parish Council have requested a £50,000 donation towards the refurbishment of the site due to the significant importance the grounds save both as a sports ground and community recreational facility within the borough. The scheme is divided into a number of phases with the costs of the total works being in the region of £300,000. The remaining funding to be sourced through a combination of external funding bids, the use of S106 planning agreement monies and a contribution from the Parish Council'.

The proposal was carried and it was therefore RESOLVED:

1. To approve and adopt the recommendations of the Finance and Democracy Committee as follows:

(c) The updated Five Year Capital Programme including the changes proposed by the Budget Working Group, as set out in Appendix G, with the correction of the name of the capital scheme from Warton with Westby Parish Council Play Area to the correct name of Bryning-with-Warton Parish Council Play Area;

### Tourism and Leisure Committee 7 September 2017

Following consideration of this matter it was RESOLVED:

1. To recommend to the Finance and Democracy Committee approval of a fully-funded addition to the Capital Programme for 2017/18 in the sum of £106,500 fully-funded from the S106 developer contributions relating to the Riversleigh Farm, Tennyson Avenue and Eden Farm, Bryning Lane developments in Warton for the same amount;

2. To recommend to the Finance and Democracy Committee approval of a reduction to the Capital Programme for 2017/18 in the sum of £50,000 in respect of the open space improvement scheme at Bridges Playing Field, Warton, which is now not to proceed as originally intended;

3. Subject to the approval of 1 above, to agree to allocate the sum of £106,500 to Bryning-with-Warton Parish Council to carry out open space improvements at Bridges Playing Field, Warton as detailed in this report on condition that the Parish Council be required to enter into an agreement with Fylde Council, prior to release of funds, and to provide details of how the funds have been used within 12 months of the allocation.

## CORPORATE PRIORITIES

Spending your money in the most efficient way to achieve excellent services ( <b>Value for Money</b> )	✓
Delivering the services that customers expect of an excellent council ( <b>Clean and Green</b> )	✓
Working with all partners ( <b>Vibrant Economy</b> )	✓
To make sure Fylde continues to be one of the most desirable places to live ( <b>A Great Place to Live</b> )	✓
Promoting Fylde as a great destination to visit ( <b>A Great Place to Visit</b> )	✓

## BACKGROUND

1. Members of Bryning-with-Warton Parish Council and Fylde Council Officers have been working on a park improvement project, since 2016 to develop play and recreational facilities at Bridges Playing Field, Warton.
2. The original funding strategy prepared by the Parish Council aimed to raise a total project budget of around £300,000, to deliver a full refurbishment of the site over 3 phases. Potential funding was identified from a variety of sources including section 106 contributions, external grant funding, contribution from the Parish Council, and further match funding in the sum of £50,000 from Fylde Council's Capital Investment Reserve.
3. A capital bid was submitted on behalf of Bryning-with-Warton Parish Council in the sum of £50,000 in March 2016. At the Full Council meeting in March 2016, Council approved a capital growth item in the sum of £50,000, to be funded from the Capital Investment Reserve, to be added to the Capital Programme to be

used for the refurbishment of play and leisure facilities at Bridges Playing Field, Warton on condition that the project followed the ten stage community parks improvement programme.

4. Since March 2016, representatives from the Parish Council have worked with Fylde Council officers to take the project through the ten stage community parks improvement programme. It has proved difficult to sustain an active Friends group and community involvement in general, however public consultation exercises have been undertaken to establish the needs and aims of the community with regard to the provision of new play and leisure facilities at Bridges Playing Field.
5. Due to the difficulty in sustaining an active Friends group to assist with external funding grants for the wider scheme, the Parish Council have made a request to deliver stage 1 of the scheme which is aimed at providing new and improved play and leisure facilities at Bridges Playing Field.
6. Once stage 1 of the scheme is completed, the Parish Council are hopeful that the community may show more willingness to re-establish and sustain a formal Friends group that can assist in delivering phases 2 and 3 of the scheme.
7. Therefore, the Parish Council have now requested the release of Section 106 monies currently held by Fylde Council for public open space improvements in Warton, and have confirmed that they do not want to pursue the £50,000 capital match funding from Fylde, as it is delaying the project.

#### **CURRENT POSITION**

8. The planning process generally requires housing developers to contribute towards improvements to public open space in the vicinity of the new development.
9. Fylde Council, as the Planning Authority, has received and is holding funds that have been secured through developer contributions associated with new housing developments at Riversleigh Farm, Tennyson Avenue and Eden Farm, Bryning Lane, Warton.
10. The terms of the Planning Agreement 13/526 for the Riversleigh Farm development in relation to the public open space contribution states that 'the sum of £83,000 to be payable by the owners to the Council towards the provision of improvements at Bridges Playing Field, Warton for the purpose of improving / refurbishing the play facilities'.
11. The terms of the Planning Agreement 10/0340 for the Tennyson Avenue development states that the S106 contributions would be paid to Fylde Council in two phases: 'The first (£14,700) and second (£2,800) public open space contributions are intended to be used by the Council to provide or improve or to facilitate the provision or improvement of public open space likely to benefit the occupiers of the dwelling'. Providing S106 contributions of £17,500 for the Tennyson Avenue development.
12. The terms of the Planning Agreement 09/0732 for the Eden Farm, Warton development states that the S106 contributions of £6,000 are to be used on open space improvements 'To benefit the occupiers of the development'.
13. Bryning-with-Warton Parish Council have requested that the total S106 contributions of £106,500 relating to all three developments are allocated to the provision of new play and leisure facilities at Bridges Playing Fields, Warton as the site falls within the geographical catchment area of the three housing developments.
14. The Tourism and Leisure Committee approved the allocation of the total S106 contributions of £106,500 from the three developments at Riversleigh Farm, Tennyson Avenue and Eden Farm, Bryning Lane, Warton to help deliver phase 1 of the project at Bridges Playing Field as detailed in this report, dependant on the decision of the Finance and Democracy Committee meeting on the 25<sup>th</sup> September 2017.

#### **SCHEME DETAILS**

15. Bryning-with-Warton Parish Council have received 6 costed detailed play area designs from 6 national play companies, to ensure a competitive project that meets the needs of the community. The preferred option had been submitted by Proludic.
16. The budget will be used to remove the old play area equipment and surfacing, supply and install a range of toddler and junior play equipment, provision of new safety surfacing and new furniture in addition to landscape improvements.



17. Bryning-with-Warton Parish Council have also raised match funding of £32,164 towards the project, providing a total project budget for phase one of £138,664.
18. The Parish Council has expressed a wish to procure and manage this project independently and will therefore be required to enter into an agreement with Fylde Council prior to the release of funds to ensure accountability on how the funds will be spent and to include an indemnity against Fylde Council being required to pay back the money to the developer should the terms of the S106 agreement not be fully met by the project.

IMPLICATIONS	
Finance	This report requests approval of a fully-funded addition to the Capital Programme for 2017/18 in the sum of £106,500 in respect of the parks development project at Bridges Playing Field, Warton, fully funded from the S106 developer contributions; and a reduction to the Capital Programme for 2017/18 in the sum of £50,000 in respect of the same scheme to reflect the revised funding arrangements.
Legal	Section 106 contributions are made by developers under specific planning agreements relating to each new development. The planning agreement will specify how the monies are to be spent in terms of geography and scope and a developer can usually require repayment of S106 contributions, if they have not been spent within ten years of the Agreement. With reference to the Bridges Playing Field project, it will be necessary to develop a legal agreement with Bryning with Warton Parish Council to include how the S106 contributions are to be used, to indemnify Fylde Council against having to pay back the monies to the developer, should the terms of the S106 agreement not be met.
Community Safety	Improving the quality and range of open space facilities provides an opportunity to increase public use and reduce nuisance behaviour.
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.

LEAD AUTHOR	CONTACT DETAILS	DATE
Mark Wilde	markw@fylde.gov.uk & Tel 01253 658475	11 September 2017

BACKGROUND PAPERS		
Name of document	Date	Where available for inspection
Report, Appendices and Minutes of Tourism & Leisure Committee	7/9/17	<a href="#">Tourism &amp; Leisure Committee 7<sup>th</sup> September 2017</a>

## DECISION ITEM

REPORT OF	MEETING	DATE	ITEM NO
DEVELOPMENT SERVICES DIRECTORATE	FINANCE AND DEMOCRACY COMMITTEE	25 SEPTEMBER 2017	11
<b>RELEASE OF S106 MONIES – FLEETWOOD ROAD PLAYING FIELDS, WESHAM</b>			

### PUBLIC ITEM

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

### SUMMARY

The report details a public open space improvement scheme at Fleetwood Road Playing Fields, Wesham proposed by Medlar-with-Wesham Town Council to be funded by S106 developer contributions of £25,000.

The Tourism and Leisure Committee at the meeting of 7<sup>th</sup> September 2017, recommended the allocation of the S106 developer contributions of £25,000 relating to the Pastures Development, Wesham to deliver the proposed project at Fleetwood Road, dependant on the approval of the Finance and Democracy Committee to the addition of the scheme to the 2017/18 Capital Programme.

### RECOMMENDATIONS

**The Finance and Democracy Committee is recommended:**

1. To approve a fully-funded addition to the Capital Programme in 2017/18 in the sum of £25,000 fully funded from the S106 developer contribution relating to The Pastures development, Wesham for the same amount.

### SUMMARY OF PREVIOUS DECISIONS

#### Tourism and Leisure Committee 7 September 2017

Following consideration of this matter it was RESOLVED:

1. To recommend to the Finance and Democracy Committee approval of a fully-funded addition to the Capital Programme in 2017/18 in the sum of £25,000 fully funded from the S106 developer contribution relating to The Pastures development, Wesham for the same amount;
2. Subject to the approval of 1 above, to agree to allocate the sum of £25,000 to Medlar-with-Wesham Town Council to carry out open space improvements at Fleetwood Road Playing Fields, Wesham as detailed in the report on condition that the Town Council be required to enter into an agreement with Fylde Council, prior to release of funds, and to provide details of how the funds have been used within 12 months of the allocation.

CORPORATE PRIORITIES	
Spending your money in the most efficient way to achieve excellent services ( <b>Value for Money</b> )	✓
Delivering the services that customers expect of an excellent council ( <b>Clean and Green</b> )	✓
Working with all partners ( <b>Vibrant Economy</b> )	✓
To make sure Fylde continues to be one of the most desirable places to live ( <b>A Great Place to Live</b> )	✓
Promoting Fylde as a great destination to visit ( <b>A Great Place to Visit</b> )	✓

## REPORT

1. The planning process generally requires housing developers to contribute towards improvements to public open space in the vicinity of the new development.
2. Fylde Council, as the Planning Authority, has received and is holding funds that have been secured through developer contributions associated with a new housing development at The Pastures, Wesham.
3. The terms of the Planning Agreement 11/0763 for The Pastures development in relation to the public open space contribution states that 'the sum of £25,000 to be used by Fylde Borough Council towards improvement works at the Wesham Recreation Ground off Fleetwood Road, Wesham.'
4. Medlar-with-Wesham Town Council have requested that the total section 106 contribution of £25,000 relating to The Pastures development is released and allocated to improvement works at Fleetwood Road Playing Fields, Wesham as stated in the Planning Agreement.
5. The Tourism and Leisure Committee approved the allocation of the total section 106 contribution of £25,000 from The Pastures development to deliver the project as detailed in this report, dependant on the decision of the Finance and Democracy Committee meeting on the 25<sup>th</sup> September 2017.

## SCHEME DETAILS

6. Medlar-with-Wesham Town Council have prepared a costed open space improvement project at Fleetwood Road Playing Fields to meet the requirements of the Planning Application 11/0763, including a new footpath which is a specific requirement of the Planning Agreement.
7. The budget will also be used to install additional play equipment and to carry out improvements to the landscape and drainage.
8. All project costs above the S106 contribution of £25,000 will be met by Medlar-with-Wesham Town Council. The Town Council will also fund a new picnic area with furniture as part of the project.
9. The Town Council has expressed a wish to procure and manage this project independently and will therefore be required to enter into an agreement with Fylde Council, prior to the release of funds to ensure accountability on how the funds will be spent and to include an indemnity against Fylde Council being required to pay back the money to the developer should the terms of the S106 agreement not be met by the project.

IMPLICATIONS	
Finance	The Committee are recommended to approve the addition of the Fleetwood Road Playing Fields scheme to the Capital Programme for 2017/18 in the sum of £25,000, fully-funded from S106 developer contributions held by Fylde Council for this purpose.
Legal	Section 106 contributions are made by developers under specific planning agreements relating to each new development. The planning agreement will specify how the monies are to be spent in terms of geography and scope and a developer can usually require repayment of S106 contributions, if they have not been spent within 10 years of the Agreement. With reference to the Fleetwood Road Playing Fields project, it will be necessary to develop a legal agreement with Medlar-with-Wesham Town Council to include how the S106 contributions are to be used, to indemnify Fylde Council against having to pay back the monies to the developer, should the terms of the S106 agreement not be met.
Community Safety	Improving the quality and range of open space facilities provides an opportunity to increase public use and reduce nuisance behaviour.
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.

LEAD AUTHOR	CONTACT DETAILS	DATE
Mark Wilde	markw@fylde.gov.uk & Tel 01253 658475	13 September 2017

BACKGROUND PAPERS		
Name of document	Date	Where available for inspection
Report, Appendices and Minutes of Tourism & Leisure Committee	7/9/17	<a href="#">Tourism &amp; Leisure Committee 7<sup>th</sup> September 2017</a>

## INFORMATION ITEM

REPORT OF	MEETING	DATE	ITEM NO
BLACKPOOL COUNCIL	FINANCE AND DEMOCRACY COMMITTEE	25 SEPTEMBER 2017	12
<b>BLACKPOOL AIRPORT ENTERPRISE ZONE PROGRESS REPORT</b>			

### PUBLIC ITEM

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

### SUMMARY OF INFORMATION

#### Background

Blackpool Airport Enterprise Zone (EZ) was designated in November 2015, and came into existence with effect from 1 April 2016 with a programmed 25 year lifespan and aspirations to host 3,000 new jobs, secure in excess of £300m private sector investment with 180 plus new businesses locating to the EZ.

It has the potential to secure more than £50m of retained business rates over its lifetime to be utilised to support provision of enabling infrastructure, marketing and promotion, together with an objective of securing a long term sustainable future for Blackpool Airport.

The EZ is centred on the existing Squires Gate and Blackpool Business Park employment areas, and much of the operational infrastructure of Blackpool Airport is included in the zone, although this excludes the main runway. The EZ covers an area of 141 Ha (much larger than many of the UKs other EZs) straddling the boundary between Fylde (55% of the site area) and Blackpool (45%), much of the site sits within designated greenbelt and has multiple stakeholders with approaching 40 freehold and long leasehold property interests and over 200 occupiers, all of which offer a series of challenges to successful delivery. The EZ is designed to operate in a way to compliment the offer of its near neighbours, the Hillhouse Technology Enterprise Zone in Wyre and the Warton Enterprise Zone.

The EZ offers two mutually exclusive financial incentives for new occupiers, NNDR (Business Rates) relief of up to £55,000 per annum for five years (available in designated areas until 31<sup>st</sup> March 2022) or Enhanced Capital Allowances for investment in new fixed plant and machinery, (available until November 2023) offering a very tight window of opportunity to kick start the EZ, given the likely level of enabling infrastructure that will be required to open up development and investment opportunities.

The EZ has a wider variety of target sectors than most and will seek to attract investment from Aviation, Energy, Advanced Manufacturing, Food and Drink manufacturing and Digital and Creative sectors and back office administration but will not be closed to other suitable employment opportunities being hosted.

#### Governance Arrangements

In agreement with Lancashire Local Enterprise Partnership (LEP)(June 2016) a Governance structure has been established, with a Project Team; a Joint Project Board (with Hillhouse EZ), and a Programme Board, which reports in turn to the Lancashire LEP EZ Governance sub-committee, meeting quarterly. Blackpool Council acts as the Accountable Body for the Enterprise Zone under the terms of the Memorandum of Understanding between Fylde Council and Blackpool Council signed on 9<sup>th</sup> November 2016.

The above arrangements may soon change slightly with the establishment of a Blackpool, Fylde and Wyre Joint Economic Prosperity Board (EPB) which will be a joint Committee of the three authorities. The Joint Economic

Prosperity Board will seek to instil a stronger and robust governance framework for the economic development and growth agenda across the Fylde Coast, bringing in greater political accountability. In relation to the EZ it will act as Programme Board and it may be worthy of consideration that some planning and building regulations powers in respect of the EZ are delegated to the new EPB to ensure a consistent service delivery and decision making throughout the entire EZ.

#### **Current Activity - Masterplan**

In July 2016 Blackpool Council provisionally allocated funding of £1.6m over a five year period to support delivery of the EZ, subject to the recovery of funding over time from stakeholders and retained business rates growth. Genecon Ltd, (economic consultants) were appointed to prepare the Implementation and Delivery Plan, submitting an interim Delivery Plan based on the original bid submission in September 2016, which was accepted by DCLG. The final version of the Implementation and Delivery Plan, including a detailed business plan for the next five years of operation, will be submitted to DCLG for approval in November 2017. This document will be based upon the outcome of the ongoing master-planning work.

Following a competition run by DCLG an award of £50,000 was secured in January 2017 to support the provision of detailed master-planning for the EZ. In March 2017, following completion of a competitive tendering process, a consultant team led by Mott McDonald and including How Planning, BE Group and IBI architects, were appointed to undertake the Masterplan preparation for the EZ.

The final cost of producing the Masterplan and the subsequent Implementation, Delivery and Marketing strategies will be approaching £150,000, of which £50,000 has been paid by DCLG via the LEP. The balance will initially be met from the provisional funding allocation by Blackpool Council as accountable body.

The final version of the Masterplan should be completed by the end of September 2017 and the formal process of adoption by both Councils should commence soon afterwards. The relevant committee at Fylde would be Planning and would probably commence with a six week public consultation. Both Councils will adopt the Masterplan contemporaneously.

#### **Current Activity – Business Rates Relief**

The ability to offer business rates relief of up to £55,000 per annum for five years is a major incentive in securing investment and associated employment, particularly from small and medium enterprises. A rates relief protocol has been agreed and adopted by the three Fylde coast local authorities which sets out uniform procedures for agreeing awards of EZ business rates relief across both Blackpool Airport and Hillhouse EZs, with the LEP expressing a desire to extend this to cover the EZs at Warton and Samlesbury.

There is a formal application process which is managed by the Blackpool Airport Enterprise Zone Delivery Manager, seconded from Fylde and based at Blackpool Council and the NNDR rating team at Blackpool Council (who also act for Fylde in this respect) with decisions on the award of business rates relief being made by the respective S151 officers of each rating authority.

To date (August 2017) Blackpool Council has committed to providing business rates relief worth £618k over 5 years to 15 businesses and has 'offered in principle' to grant further relief worth £266k to 3 business who are looking to move to the EZ. Fylde Council has committed to providing business rates relief, worth £422k over 5 years to 4 businesses and has 'offered in principle' to grant further relief worth £78k to 3 businesses. The 'offer in principle' is a scheme used to give prior assurance that businesses will receive relief before they complete a purchase or sign a lease. Each Council is reimbursed for the award of these reliefs by way of a direct grant receivable from central government.

#### **Current Activity – Retained Business Rates**

The ability to retain locally any additional business rates growth commenced on 1 April 2017, to ensure the best overall baseline position as significant reductions in the RV of the Airport occurred between December 2015 and December 2016.

The RV baseline for the EZ is set at £2,373,000, 100% of any increase in NNDR collected above the baseline is retained by the rating authority and accountable body for reinvestment within the EZ.

To ensure the effective project management and delivery of the EZ, periodic estimates of the likely retained business rates are undertaken. These estimates are based on information known at the time, including those

developments which are complete, those awaiting valuation and those which are under construction. The estimates also include speculative developments but as with any development of this nature these may not happen within the target dates; if at all. To date (August 2017) an estimated total of £18.06m of retained business rates could be available for re-investment within the EZ over its lifetime. This figure is based on estimated rateable values and does not include future exempt or empty period, transition or any losses through appeals in rateable values and it does not include any bad debt provision, including any ratepayer who becomes subject to insolvency proceedings.

#### **Current Activity – Marketing**

Marketing Lancashire will lead and co-ordinate all international marketing for Lancashire's four Enterprise Zones under the Lancashire Advanced Manufacturing and Energy Cluster (LAMEC) banner, and utilising the services of international real estate consultants Colliers, who are to be appointed by the LEP to market the Samlesbury EZ. Planned activity includes attending MiPiM UK (London) in Oct 2017 and MiPiM Europe at Cannes in March 2018.

The LEP have funded Marketing Lancashire's activity in developing the LAMEC branding, but it is expected that the EZ Accountable Body will be requested to contribute to the cost of future activity, in addition to locally generated marketing and promotion and site signage.

#### **Current Activity – Enquiries**

To date (August 2017) there have been in excess of 140 enquiries received in relation to the EZ since April 2016, of which 36 businesses have located or re-located within the EZ to new or larger premises. Enquiries include bespoke design and build projects, property and or sites for sale or rental, business expansions and or relocations. Owing to the nature of the EZ land ownership (i.e. multiple individual owners) it is not always possible to control or monitor every business that occupies premises.

#### **Current Activity – Employment Opportunities**

Given the constraints on monitoring individual business activity within the EZ it is only possible to report on the creation of known employment opportunities. To date (August 2017) approximately 460 jobs have been located within the EZ or are committed to relocate since April 2016. It is difficult to require that businesses provide details of staffing, particularly where they do not seek formal EZ benefits. As such it is estimated that approximately 145 of the 460 are new additional employment opportunities.

#### **Current Activity – EZ Resources**

In August 2017 Blackpool and Fylde Council entered into a Secondment Agreement to provide the post of Blackpool Airport Enterprise Zone Delivery Manager. The post will work as part of Blackpool's Growth and Prosperity Team to ensure effective working arrangements between Blackpool and Fylde. The post will focus on the delivery of the Blackpool Airport Enterprise Zone, its Masterplan and Implementation Plan in order to attract new investment to both Blackpool and Fylde. It will provide support to the Blackpool, Fylde and Wyre Economic Prosperity Board and ensure effective liaison between Fylde and Blackpool on strategic planning matters. The agreement lasts for a period of 3 years and further details of the post-holder can be seen below.

#### **SOURCE OF INFORMATION**

The above information is provided by Blackpool Council as Accountable Body for delivery of the Blackpool Airport Enterprise Zone.

#### **WHY IS THIS INFORMATION BEING GIVEN TO THE COMMITTEE?**

At the request of the Chair of the Finance & Democracy Committee this is the first formal update report on the progress of the delivery of the Enterprise Zone.

#### **FURTHER INFORMATION**

Steve Smith, Blackpool Airport Enterprise Zone Delivery Manager, Blackpool Council, 01253 478726, [steve.smith2@blackpool.gov.uk](mailto:steve.smith2@blackpool.gov.uk)

# INFORMATION ITEM

REPORT OF	MEETING	DATE	ITEM NO
MANAGEMENT TEAM	FINANCE AND DEMOCRACY COMMITTEE	25 SEPTEMBER 2017	13
<b>GENERAL FUND REVENUE BUDGET MONITORING REPORT 2017/18 - POSITION AS AT 31<sup>ST</sup> JULY 2017</b>			

## PUBLIC ITEM

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

## SUMMARY OF INFORMATION

The purpose of this report is to provide an update on the General Fund (GF) Revenue Budget of the Council as at 31st July 2017 and specifically for those areas under the remit of the Committee.

## SOURCE OF INFORMATION

Chief Financial Officer – the report is based upon information extracted from the financial ledger system of the Council for the period to July 31st 2017.

## LINK TO INFORMATION

General Fund Revenue Budget monitoring Report to 31st July 2017:

<http://www.fylde.gov.uk/council/finance/budget-monitoring/2017-18/>

## WHY IS THIS INFORMATION BEING GIVEN TO THE COMMITTEE?

This information is provided to enable the committee to consider and scrutinise periodic revenue budget monitoring reports for those areas under the remit of the Committee.

## FURTHER INFORMATION

Contact: Paul O'Donoghue, Chief Financial Officer.

Tel 01253 658566

e-mail: [paul.o'donoghue@fylde.gov.uk](mailto:paul.o'donoghue@fylde.gov.uk)



# GENERAL FUND REVENUE BUDGET MONITORING REPORT 2017/18 –

## POSITION AS AT 31<sup>ST</sup> JULY 2017

### Summary

The purpose of this report is to provide an update on the General Fund (GF) Revenue Budget of the Council as at 31<sup>st</sup> July 2017. The report includes a narrative description of the most significant variances from the profiled latest budget and details any actions required to address these. Appendix A to this report shows the value of the most significant variances (those in excess of £5k) for all of the Council services by Committee and provides a brief explanation for each variance.

### 1. Background

- 1.1 The Council operates a system of Revenue Budget Monitoring which revolves around the production of detailed monthly monitoring reports for budget holders. Significant variances from the expected budget position at the point of monitoring, both for expenditure and income, are summarised in monitoring reports which are periodically reported to each Programme Committee for information purposes. This report therefore details the findings and issues emerging from budget monitoring carried out to 31<sup>st</sup> July 2017.
- 1.2 It should be noted that work continues on improving budget profiling across the Council in order that budget profiles more accurately reflect the spending pattern of individual budgets across the financial year. This serves to enhance budget monitoring and focus attention on true variances rather than budget profiling issues. This is a continuous process with budget holders so that the improved profiling continues to refine the budget monitoring system.
- 1.3 Council approved the 2017/18 budget at its meeting on 2<sup>nd</sup> March 2017. Subsequently on 19<sup>th</sup> June 2017 the Finance and Democracy Committee approved the financial outturn position for 2016/17. The impact of those approvals, including savings and growth options approved at Council and slippage from 2016/17 approved by the Finance and Democracy Committee, are now reflected in the financial ledger of the Council and therefore this report monitors expenditure and income against the updated approved budgets.

### 2. Budget Rightsizing Exercise

- 2.1 In 2011/12 The Councils Management Team committed to carrying out an annual budget rightsizing exercise to analyse underspends which have occurred over the last 3 financial years and to adjust current and future year budgets to better reflect the level of resource requirement in the context of current financial constraints. This process has continued to be undertaken annually and will be repeated during the second quarter of 2017/18. Any resulting changes to budgets will be reflected in later updates to the Councils Financial Forecast.

### 3. Budget Areas to Note

There are a number of budget areas to note on this General Fund Budget Monitoring report:

#### i. Employee Costs

The budget forecast which was approved by Budget Council in March 2017 assumed reduced payroll costs as a result of 'turnover savings' (delays in the recruitment to vacant posts) of £200,000 per annum from 2017/18 onwards. The actual level of savings achieved in relation to direct employee costs for the current year to date shows a marginally increased level of turnover savings to date. This budget will be kept under review during the remainder of the financial year.

#### ii. Green Waste Subscription Charges

There has been a higher uptake for the new chargeable green waste collection scheme than was originally forecast and consequently income exceeds the budget for the year. This budget will be reviewed as part of the right-sizing exercise and adjusted as necessary.

### **iii. Replacement Waste Containers**

There has been a need to replenish bin stocks due to increased requests from new build properties, such that the annual budget has almost all been expended. The budget will be kept under review but it is anticipated that an increase will be required later in the year. This expenditure is offset by additional income from the charges levied for new bins as and when they are provided.

### **iv. Sale of Sand (Sand-winning)**

Income from the sale of sand has been higher than the forecast amount and consequently this income budget will be reviewed as part of the budget right-sizing exercise with the intention of increasing the income budget to reflect an increased level of income. The increase may be a consequence of greater levels of activity in the construction industry following a period of relative inactivity.

### **v. Planning Appeal Costs**

A number of planning appeals are expected to be contested later in the year which will result in further costs being incurred. This budget will be kept under review during the remainder of the financial year.

### **vi. Council Tax and Housing Benefits**

There are currently a number of significant variances on the various control accounts in respect of Council Tax and Housing Benefits, particularly Rent Allowance expenditure. However, as the majority of these are directly reimbursed from central government grant a large variance at year end is not currently anticipated and the variances have therefore been excluded from the variance analysis report. The position will be kept under review throughout the remainder of the year and a MTFS adjustment may follow.

## **4. Conclusions**

External pressures outside the Council's control are impacting on all local authorities. Instructions remain in place that officers should not commit to any unnecessary expenditure and should seek to maximise efficiencies. This approach has a downward impact on costs incurred by the Council and may result in an under-spend against budget this year.

Regular budget monitoring reports are an integral part of the Council's financial monitoring framework. These will be available on the Council's website.

Finance staff work continuously with budget holders across the Council, and are heavily reliant upon budget-holders to be able to understand and quantify the potential impact of in-year hotspot variances within their areas of responsibility.

We are still at the early part of 2017/18 and it is therefore not possible to draw any firm conclusions on the in-year financial position. The financial risks facing the Council, as set out in the MTFS to Council in March 2017 still remain. Instructions issued by Management Team that budget holders are to remain prudent in order to build up additional balances are still in place.

**REVENUE MONITORING 2017/18 - Period 4 to July 31st 2017 (Variances in excess of £5k)**
**Appendix A**

Key	BLUE	Variance currently showing but expected to be on target at year end
	GREEN	Possible Favourable Outturn Variance
	AMBER	Possible Adverse Outturn Variance
	RED	Projected Adverse Outturn Variance

Service Area	Detailed Description	Full Year Budget	Budget as at Period 4	Actual & Commitments as at Period 4	Variance as at Period 4	FAV / ADV	Variance	Alert	Budget Holder	Budget Holder Comments
		£	£	£	£		%			
<b>FINANCE &amp; DEMOCRACY COMMITTEE / CORPORATE CROSS CUTTING BUDGETS</b>										
All Council services	Employee costs including basic pay, pension, NI, and overtime, plus agency costs	8,459,696	2,909,075	2,899,162	-9,913	FAVOURABLE	-0.3%	GREEN	Corporate	The budget forecast which was approved by Budget Council in March 2017 assumed reduced payroll costs as a result of 'turnover savings' (delays in the recruitment to vacant posts) of £200,000 per annum from 2017/18 onwards. The actual level of savings achieved in relation to direct employee costs for the current year to date shows a marginally increased level of turnover savings to date. This budget will be kept under review during the remainder of the financial year.
Legal Services Team	Legal Fees	-7,500	-2,500	-9,301	-6,801	FAVOURABLE	-272.0%	GREEN	Ian Curtis	This favourable variance arises from an increase in the level of legal fees, which are largely fees that are charged for the preparation of Section 106 Developer agreements. It therefore varies significantly depending on the number of such agreements completed in any given period. This budget will be reviewed as part of the right-sizing exercise and adjusted as necessary.
<b>TOURISM &amp; LEISURE COMMITTEE</b>										
Coast and Countryside	Sale of Sand (sandwinning)	-230,000	-76,728	-96,952	-20,224	FAVOURABLE	-26.4%	GREEN	Estates Asset Manager	The sale of sand has continued on an improving trend which is likely to be related to the increase in activity amongst construction companies following a period of relative inactivity. This budget will be reviewed as part of the right-sizing exercise and adjusted as necessary.
<b>OPERATIONAL MANAGEMENT COMMITTEE</b>										
Fylde Waste Schemes	Replacement Waste Containers	40,000	13,344	39,253	25,909	ADVERSE	194.2%	AMBER	Sarah Wilson	There has been a need to replenish bin stocks due to increased requests from new build properties, such that the annual budget has almost all been expended. The budget will be kept under review but it is anticipated that an increase will be required later in the year. This expenditure is offset by additional income from the charges levied for new bins as and when they are provided.
	Green Waste Subscription Charge	-300,000	-300,000	-408,550	-108,550	FAVOURABLE	-36.2%	GREEN		There has been a higher uptake for the new chargeable green waste collection scheme than was originally forecast and consequently income exceeds the budget for the year. This budget will be reviewed as part of the right-sizing exercise and adjusted as necessary.

**REVENUE MONITORING 2017/18 - Period 4 to July 31st 2017 (Variances in excess of £5k)**
**Appendix A (cont'd)**

Key	<b>BLUE</b>	Variance currently showing but expected to be on target at year end
	<b>GREEN</b>	Possible Favourable Outturn Variance
	<b>AMBER</b>	Possible Adverse Outturn Variance
	<b>RED</b>	Projected Adverse Outturn Variance

Service Area	Detailed Description	Full Year Budget	Budget as at Period 4	Actual & Commitments as at Period 4	Variance as at Period 4	FAV / ADV	Variance	Alert	Budget Holder	Budget Holder Comments
		£	£	£	£		%			
<b>ENVIRONMENT, HEALTH AND HOUSING COMMITTEE</b>										
Housing Standards	Disabled Facilities Grant Fees	-35,000	-11,672	-21,668	-9,996	FAVOURABLE	-85.6%	GREEN	Kirstine Riding	The significant increase in the level of Disabled Facilities Grant funding from central government has the effect of also increasing the level of fees receivable by Fylde Council for the management of grant-funded works as more grants are awarded. This budget will be reviewed as part of the right-sizing exercise and adjusted as necessary.
Pollution Control	Permits - Waste Oil Burners	-3,800	-1,268	-6,893	-5,625	FAVOURABLE	-443.6%	GREEN	Chris Hambly/Phil Dent	Income is higher than anticipated as a result of the receipt of two new permit applications which are each subject to an application fee. This budget will be reviewed as part of the right-sizing exercise and adjusted as necessary.
Cemetery and Crematorium	Cremations	-1,060,000	-299,701	-294,242	5,460	ADVERSE	1.8%	AMBER	Alan Royston	The number of cremations carried out is marginally below the anticipated level. The income budget will be kept under review but may recover this relatively minor shortfall, given the scale of the annual income budget, during the remainder of the financial year.
<b>DEVELOPMENT MANAGEMENT COMMITTEE</b>										
Planning Appeals	Planning Application Fees	-775,000	-340,000	-333,835	6,165	ADVERSE	1.8%	AMBER	Mark Evans	Planning application fee income for the period is marginally below the budget. The timing of when applications are made is often difficult to forecast and this shortfall may be recovered during the remainder of the year. The budget will be kept under review.
	Planning Appeal Hearing Costs	80,000	26,688	1,013	-25,676	FAVOURABLE	-96.2%	BLUE		A number of planning appeals are expected to be contested later in the year which will result in further costs being incurred. This budget will be kept under review during the remainder of the financial year.

## INFORMATION ITEM

REPORT OF	MEETING	DATE	ITEM NO
MANAGEMENT TEAM	FINANCE AND DEMOCRACY COMMITTEE	25 SEPTEMBER 2017	14
<b>CAPITAL PROGRAMME MONITORING REPORT 2017/18 –            POSITION AS AT 31<sup>st</sup> JULY 2017</b>			

### PUBLIC ITEM

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

### SUMMARY OF INFORMATION

The purpose of this report is to provide an update on the approved Capital Programme of the Council as at 31st July 2017 and specifically for those schemes under the remit of the Committee.

### SOURCE OF INFORMATION

Chief Financial Officer – the report is based upon information extracted from the financial ledger system of the Council for the period to July 31st 2017.

### LINK TO INFORMATION

Capital Programme monitoring Report to 31st July 2017:

<http://www.fylde.gov.uk/council/finance/budget-monitoring/2017-18/>

### WHY IS THIS INFORMATION BEING GIVEN TO THE COMMITTEE?

This information is provided to enable the committee to consider and scrutinise the Capital Programme monitoring reports for those schemes under the remit of the Committee.

### FURTHER INFORMATION

Contact: Paul O'Donoghue, Chief Financial Officer.

Tel 01253 658566 e-mail: [paul.o'donoghue@fylde.gov.uk](mailto:paul.o'donoghue@fylde.gov.uk)

## **CAPITAL PROGRAMME MONITORING REPORT 2017/18 –**

### **POSITION AS AT 31<sup>ST</sup> JULY 2017**

#### **Summary**

The purpose of this report is to provide an in-year progress update in respect of those schemes within the Capital Programme that have been approved for delivery in 2017/18, together with an update on the overall Five Year Capital Programme of the Council. This report includes a narrative description of the most significant risks to the Capital Programme and details any actions required to address these. Appendix A to this report provides an update by Committee on schemes scheduled for commencement or delivery in 2017/18. Appendix B provides a summary of the latest position for the 5 year Capital Programme and Appendix C provides details of the financing of the programme.

#### **1. Background**

The Council approved the Capital Programme on 2<sup>nd</sup> March 2017. That update showed a balanced capital programme position from 2017/18 onwards. This report includes year to date expenditure and sets out the latest phasing of the programme and any additions or changes since the capital programme was presented to Council in March 2017. The Programme has also been rolled forward to include the year 2021/22.

#### **2. Notes on Specific Schemes**

There are a number of schemes for which further information is provided below:

##### **(i) Accommodation Project**

This has been a key scheme for the Council and sees the accomplishment of an ambition to refurbish the town hall premises that has existed for a number of years. The works to the first and second floor of the Town Hall are now complete and staff have now located back to all floors within the building. The remaining element of these phases of the works i.e. those relating to the Council chamber, will commence shortly with completion anticipated during 2017/18.

##### **ii) Coast Protection Scheme**

The total scheme cost within the approved Capital Programme is £19.825m, being funded by an Environment Agency grant of £19.425m and a contribution from Fylde Council of £0.4m. The tender return date was 18<sup>th</sup> August 2017 and tenders are currently being evaluated. A report will be presented to the Operational Management Committee in September 2017 to provide an update following the tender appraisal process.

##### **(iii) Disabled Facilities Grants (DFGs)**

As local housing authority, the Council has a statutory duty to provide disabled adaptations within the Borough. In order to fund these works the Council receives grant support which previously was provided by the Department for Communities and Local Government (DCLG). From 2015/16 the Government established the 'Better Care Fund', and under these new arrangements the funding for Disabled Facilities Grants transferred to the Department of Health, with funding being distributed to all Councils via the upper-tier authority for that area. As such, in Lancashire the fund is administered by Lancashire County Council. Each upper-tier authority then allocates the funding to their respective housing authorities (i.e. district councils within their area) to enable them to continue to meet this statutory responsibility.

The level of government funding has increased significantly under the 'Better Care Fund' arrangements and the updated budget for 2017/18 (including slippage from 2016/17) of £1.159m provides for the delivery of more disabled adaptations than has previously been possible. A report to the Environment, Health and Housing Committee in June 2017 provided an update with regard to this scheme and included a number of variations to the operation of the programme to reflect the significant increase in available funding. It is anticipated that for 2017/18 all identified need for disabled adaptations can be met from the existing resource.

#### **(iv) Project Slippage**

Areas of slippage are addressed each year to ensure that no loss of external grant is imposed due to conditions associated within specified timescales.

#### **(v) Other Capital Receipts**

The approved programme for 2017/18 onwards assumes “Right to Buy” receipts of £25k per annum and “General Asset Sales” of £45k per annum. Future receipts are dependent on prevailing market conditions and values cannot be predicted with certainty. This will be monitored and reviewed during the year and adjusted accordingly in future monitoring reports, along with the impact this may have on the financing of the programme.

#### **(vi) Capital Investment in St. Annes Pool**

As part of the arrangement with the YMCA for the operation of the pool, the Council undertook to provide Capital support in the event of major works, repair or breakdown and a provision of £153k was included in the programme for this eventuality. There is now a remaining capital resource of £93k in 2017/18. There is a risk that this remaining resource is insufficient to meet future capital expenditure needs for the facility.

### **3 Conclusions**

- 3.1 Actual expenditure to 31<sup>st</sup> July 2017 is £655k against a full year budget of £21.743m. This equates to 3.0% of the latest budget. A number of the schemes will be re-phased into 2018/19 as part of the next Financial Forecast update to members. The expenditure on a number of schemes is phased later during the financial year.
- 3.2 The current Capital Programme as updated is showing a balanced position for 2017/18 onward. The Capital Programme and the associated financing will be subject to discussion with members during the months in the lead up to the annual budget setting process for 2018/19.
- 3.3 Any additional expenditure which is not fully-funded by external finance would normally require the generation of capital receipts or further borrowing (the latter placing further pressure on the Revenue Budget from the consequent repayment costs). However Budget Council on 4<sup>th</sup> March 2013 approved the creation of a Capital Investment Reserve to finance future capital expenditure. The forecast balance of this reserve at 31<sup>st</sup> March 2017 was £1.323m, including further planned transfers into the reserve in 2017/18 and 2018/19. Of this £596k is already committed to deliver approved schemes in the years 2017/18 to 2020/21. Additional future projects will be subject to further consideration as part of the budget setting process for 2018/19. Whilst it remains the case that this reserve is the preferred source of finance for any further additions to the Capital Programme, continuing contributions to the reserve are required in order to maintain a sustainable funding source for future years.

**CAPITAL PROGRAMME - 2017/18 IN-YEAR SCHEME MONITORING REPORT - AS AT 31/07/17**
**Appendix A**

APPROVED SCHEMES	Financing Source	Approved Budget 2017/18 £000	Slippage B/F from 2016/17 £000	Adjustments from 02/03/17 £000	Updated Budget 2017/18 £000	Expenditure to 31/07/17 £000	Variance £000	Comments
<b><u>FINANCE &amp; DEMOCRACY COMMITTEE</u></b>								
Accommodation Project - Phase 6 & 7 - Council Chamber & Internal Refurb / Services	Proceeds from the sale of surplus Council Assets, and the Accommodation Project Reserve	0	365	135	500	175	325	The works to the first and second floor of the Town Hall are now complete. The remaining element of these phases of the works i.e. those relating to the Council chamber, will commence shortly with completion anticipated during 2017/18.
<b>Sub total</b>		<b>0</b>	<b>365</b>	<b>135</b>	<b>500</b>	<b>175</b>	<b>325</b>	
<b><u>TOURISM &amp; LEISURE COMMITTEE</u></b>								
Ashton Gardens Depot	Proceeds from the sale of surplus Council Assets	63			63		63	This scheme is currently on hold pending the disposal of the Public offices site (the works will need to be completed prior to that disposal). It is anticipated that this scheme will be re-phased to 2018/19 as part of the next Financial Forecast update.
St Annes Pool	No external finance - funded by borrowing/general asset disposal receipts	93			93		93	This represents the balance of the maintenance scheme resource which will be retained and drawn upon when required. The plant and equipment at St Annes Swimming Pool is in need of replacement. A 5 year replacement programme is currently being developed which will then be presented to the Tourism and Leisure Committee for consideration.
St Annes Pool - External Works	Capital Investment Reserve/ Arts Council Grant	120			120		120	The status of this scheme is currently being reviewed and a report will be presented to Committee following that review by way of an update. It is anticipated that this scheme may be re-phased to 2018/19 as part of the next Financial Forecast update.
Fairhaven Lake & Promenade Gardens - First round	Capital Investment Reserve	20		200	220	2	218	A report was presented to the Tourism & Leisure Committee in June 2017 detailing the latest position in respect of this scheme. Subsequently the Council approved a fully-funded increase to the scheme of £200,336, to be met by a Heritage Lottery Fund grant and by other contributions. Recruitment of the key officers to deliver the scheme has commenced. Delivery of this phase of the scheme is expected to fall into 2017/18 and 2018/19 and consequently an element of the scheme will be re-phased into 2018/19 as part of the next Financial Forecast update.
Promenade Gardens Water Play Facility	Capital Investment Reserve	100			100		100	Comprehensive consultation on the project is now complete. A funding bid of £45K to Veolia failed due to a change in the geographical criteria. A decision from Lancashire Environmental Fund in respect of a grant application in the sum of £30K is expected in October 2017. If this grant application is successful, the overall project shortfall will be in the region of £50K on a total estimated budget of £250K. Officers will continue to seek further funding to deliver the desired project before the end of March 2018. However, this will depend upon the success of further funding applications.
Promenade Footways	No external finance - funded by borrowing/general asset disposal receipts	40			40		40	A report will be presented to Committee in September 2017 to seek authorisation for the expenditure works in 2017/18 as is currently planned.



**Appendix A (Cont'd)**

<b>APPROVED SCHEMES</b>	<b>Financing Source</b>	<b>Approved Budget 2017/18 £000</b>	<b>Slippage B/F from 2016/17 £000</b>	<b>Adjustments from 02/03/17 £000</b>	<b>Updated Budget 2017/18 £000</b>	<b>Expenditure to 31/07/17 £000</b>	<b>Variance £000</b>	<b>Comments</b>
Bryning-with-Warton Parish Council Play Area	Capital Investment Reserve	50			50		50	A report will be presented to the Tourism and Leisure Committee and then the Finance & Democracy Committee in September 2017 to provide an update on this project. The Parish Council have found it difficult to follow the 10 stage Community Parks Development Process in terms of sustained community involvement and have decided to progress with stage one of the scheme only using available S106 monies, to give the opportunity to work with the community on future phases.
Mussel Tank Project	Specific Grant (LSA Civic Society)	0		130	130	7	123	Delivery of this scheme is planned to start in early September and will take approximately 12 weeks. Completion of the scheme is expected during 2017/18.
<b>Sub total</b>		<b>486</b>	<b>0</b>	<b>330</b>	<b>816</b>	<b>9</b>	<b>807</b>	
<b>OPERATIONAL MANAGEMENT COMMITTEE</b>								
Replacement Vehicles	Capital Investment Reserve / Borrowing	1,267	38	11	1,316	45	1,271	All vehicle acquisitions are expected to be completed in line with the budget during 2017/18.
Car Park Improvements	No external finance - funded by borrowing/general asset disposal receipts	30			30		30	It is anticipated that this scheme will be been completed to budget in 2017/18.
Fylde Headlands Preliminary Work	Specific Government Grant (Environment Agency)	0	8		8	7	1	It is anticipated that this scheme will be been completed to budget in 2017/18.
Public Transport Improvements	S106 Developer Contributions	0		90	90		90	This is funding that is held by Fylde Council but will be transferred to Lancashire County Council on local bus route improvements and a dial-a-ride scheme. The funding will be spent over several years.
Fairhaven and Church Scar Coast Protection Scheme	Specific Government Grant (Environment Agency) / Capital Investment Reserve	14,400			14,400	18	14,382	This scheme is currently at the tendering and tender evaluation phase. A report will be presented to the Operational Management Committee in September 2017 to request approval to proceed. It is anticipated that a significant proportion of the 2017/18 budget for the scheme will be re-phased into 2018/19 as part of the next Financial Forecast update.
<b>Sub total</b>		<b>15,697</b>	<b>46</b>	<b>101</b>	<b>15,844</b>	<b>70</b>	<b>15,774</b>	

**Appendix A (Cont'd)**

APPROVED SCHEMES	Financing Source	Approved Budget 2017/18 £000	Slippage B/F from 2016/17 £000	Adjustments from 02/03/17 £000	Updated Budget 2017/18 £000	Expenditure to 31/07/17 £000	Variance £000	Comments
<b>ENVIRONMENT, HEALTH &amp; HOUSING COMMITTEE</b>								
Disabled Facilities Grants Programme	Specific Grant (Better Care Fund) / External Contributions / Grant repayments	468	230	461	1,159	310	849	A report to the Environment, Health and Housing Committee in June 2017 provided an update with regard to this scheme and included a number of variations to the operation of the programme to reflect the significant increase in central government grant for this purpose. It is anticipated that all identified need for disabled adaptations can be met from the existing resource for 2017/18. Actual expenditure will be determined by the level of identified need.
Housing Needs Grant	DFG Grant Repayments	0		6	6		6	In July the Council approved the creation of a new scheme within the 2017/18 approved Capital Programme to be termed 'Housing Needs Grant' that will be funded from DFG grant repayments. This scheme budget will be updated accordingly as and when repayments to the Council are forthcoming.
93 St Albans Road - Compulsory Purchase Order	S106 Developer Contributions	0	99		99	84	15	The Compulsory Purchase Order has been actioned and compensation to the former owner of the property and the legal costs have now been made. In February 2017 the Environment, Health and Housing Committee approved refurbishment of the property in the sum of £147,890 (subject to sufficient S106 funds being forthcoming) and a jointly funded venture for the property in conjunction with a Registered Provider. A further update report will be presented to the Environment, Health and Housing Committee in September 2017.
Affordable Housing Scheme Sunnybank Mill, Kirkham	S106 Developer Contributions	460	460		920	0	920	Planning permission has now been granted for the delivery of 23 units of affordable rented housing. Housing and Legal Services officers are currently in discussion with the ForViva Housing Association regarding the delivery of the project.
Affordable Housing Scheme - Keenan Mill	S106 Developer Contributions	840			840	0	840	Planning permission has now been granted for the delivery of 26 units of affordable rented housing. Housing and Legal Services officers are currently in discussion with the Progress Housing Association regarding the delivery of the project.
Church Road Methodist Church, St Annes	S106 Developer Contributions	550			550	0	550	A consultation document with regard to the scheme has recently been distributed to interested parties and it is anticipated that planning permission will be sought for the delivery of 10 units of affordable rented housing later in 2017/18.
Affordable Warmth Scheme	Specific Grant (Lancashire County Council)	28	18		46	7	39	The Affordable Warmth Scheme is a two-year project covering 2016/17 and 2017/18 and is linked to levels of fuel poverty within the district. The scheme is funded by Lancashire County Council and is contained within the Housing Services Private Sector Assistance Policy for which approval was confirmed by Members in January 2017. Delivery commenced late in 2016/17.
Rapid Deployment CCTV Replacement Projects	Specific Grant (LSP Performance Reward Grant)	38			38		38	A Working Group has been established to consider Rapid Deployment Cameras and their replacement and will report back to the Environment, Health and Housing Committee in due course.
Cemetery and Crematorium - Infrastructure Works	Capital Investment Reserve	294			294		294	This scheme is now not expected to be delivered during 2017/18 and it is anticipated that the scheme will be re-phased into 2018/19 as part of the next Financial Forecast update.
Lytham Park Cemetery - Windbreak Canopy	Capital Investment Reserve	60			60		60	Following discussion and consultation with the working group and relevant stakeholders a scheme has been proposed which is currently being developed. The scheme is now not deliverable during 2017/18 and it is anticipated that the scheme will be re-phased into 2018/19 as part of the next Financial Forecast update.
<b>Sub total</b>		<b>2,738</b>	<b>807</b>	<b>467</b>	<b>4,012</b>	<b>401</b>	<b>3,611</b>	

Appendix A (Cont'd)

APPROVED SCHEMES	Financing Source	Approved Budget 2017/18 £000	Slippage B/F from 2016/17 £000	Adjustments from 02/03/17 £000	Updated Budget 2017/18 £000	Expenditure to 31/07/17 £000	Variance £000	Comments
<b>PLANNING COMMITTEE</b>								
Woodlands Road Regeneration Scheme - Town Centre Phase 3	Capital Investment Reserve / S106 Developer Contributions	0	6		6		6	The scheme was largely completed during 2016/17 with only a small amount of residual funding remaining. It is anticipated that the remaining elements will be completed to budget during 2017/18.
St Annes Regeneration Schemes	S106 Developer Contributions	237			237		237	This funding is earmarked for the next phase of St Annes Town Centre including St Andrews Road North/South and The Crescent. A draft plan has been prepared and discussions with property owners in the locality have taken place. The scheme will commence in 2017/18 with a proportion of the works now expected to fall into 2018/19. Consequently an element of the scheme will be re-phased to 2018/19 as part of the next Financial Forecast update.
Lytham Regeneration Schemes	S106 Developer Contributions	130			130		130	Originally this scheme was planned to be delivered in 2016/17. However, local community groups have indicated that this funding could also be used to match-fund further funding opportunities from other bodies. As a result, the scheme content is to be widened to incorporate a public art component and a project group was established to work towards a fully integrated scheme. A revised scheme is in the process of development and it is anticipated that works will commence later in 2017/18.
Staining Regeneration Schemes	S106 Developer Contributions	40			40		40	Following discussions with the Parish Council a scheme has now been developed and agreed. The scheme will be presented for consideration at the Planning Committee in September 2017.
Kirkham Public Realm Improvements	S106 Developer Contributions	0	21		21		21	The majority of this scheme was completed in 2016/17, the remaining element being slippage from 2016/17. The remaining works and the final account is expected to be finalised during 2017/18 within budget.
M55 Link Road	S106 Developer Contributions	0	137		137		137	In 2016/17 the Council approved a £425k fully-funded addition to the capital programme to be met from a S106 developer contribution to fund the detailed technical design of the proposed link road. This work is progressing and payment is being made in stages as work is completed. This element of the scheme is expected to be completed during 2017/18.
<b>Sub total</b>		<b>407</b>	<b>164</b>	<b>0</b>	<b>571</b>	<b>0</b>	<b>571</b>	
<b>Total Expenditure</b>		<b>19,328</b>	<b>1,382</b>	<b>1,033</b>	<b>21,743</b>	<b>655</b>	<b>21,088</b>	

**UPDATED 5 YEAR CAPITAL PROGRAMME 2017/18 TO 2021/22 - BY SCHEME**

	Estimate 2017/18 £000	Estimate 2018/19 £000	Estimate 2019/2020 £000	Estimate 2020/2021 £000	Estimate 2021/2022 £000
<b>FINANCE &amp; DEMOCRACY COMMITTEE</b>					
Accommodation Project - Phase 6 & 7 - Council Chamber / Internal Refurb	500				
Accommodation Project - Phase 8 - Car Park & External Works	0				
<b>Sub total</b>	<b>500</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOURISM &amp; LEISURE COMMITTEE</b>					
Ashton Gardens Depot	63				
St Annes Pool	93				
St Annes Pool - External Works	120				
Fairhaven Lake & Promenade Gardens - First Round	220				
Promenade Gardens Water Play Facility	100				
Promenade Footways	40	40	40	40	40
Bryning-with-Warton Parish Council Play Area	50				
Mussel Tank Project	130				
<b>Sub total</b>	<b>816</b>	<b>40</b>	<b>40</b>	<b>40</b>	<b>40</b>
<b>OPERATIONAL MANAGEMENT COMMITTEE</b>					
Replacement Vehicles	1,316	1,262	471	547	77
Car Park Improvements	30	30	30	30	30
Fylde Headlands Preliminary Work	8				
Public Transport Improvements	90				
Fairhaven and Church Scar Coast Protection Scheme	14,400	5,425			
<b>Sub total</b>	<b>15,844</b>	<b>6,717</b>	<b>501</b>	<b>577</b>	<b>107</b>
<b>ENVIRONMENT, HEALTH &amp; HOUSING COMMITTEE</b>					
Disabled Facilities Programme	1,159	929	929	929	929
Housing Needs Grant	6				
93 St Albans Road - Compulsory Purchase Order	99				
Affordable Housing Scheme - Sunnybank Mill, Kirkham	920				
Affordable Housing Scheme - Keenan Mill	840				
Church Road Methodist Church, St Annes	550				
Affordable Warmth Scheme	46				
Rapid Deployment CCTV Replacement Projects	38				
Cemetery and Crematorium - Infrastructure Works	294				
Lytham Park Cemetery - Windbreak Canopy	60				
<b>Sub total</b>	<b>4,012</b>	<b>929</b>	<b>929</b>	<b>929</b>	<b>929</b>
<b>PLANNING COMMITTEE</b>					
Woodlands Road Regeneration Scheme - Town Centre Phase 3	6				
St Annes Regeneration Schemes	237				
Lytham Regeneration Schemes	130				
Staining Regeneration Schemes	40				
Kirkham Public Realm Improvements	21				
M55 Link Road - S106 monies for design work	137				
<b>Sub total</b>	<b>571</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Expenditure</b>	<b>21,743</b>	<b>7,686</b>	<b>1,470</b>	<b>1,546</b>	<b>1,076</b>

**UPDATED 5 YEAR CAPITAL PROGRAMME 2017/18 TO 2021/22 - FINANCING**

	Estimate 2017/18 £000	Estimate 2018/19 £000	Estimate 2019/2020 £000	Estimate 2020/2021 £000	Estimate 2021/2022 £000
<b>FINANCING:</b>					
Capital Receipts - General Asset Sales	45	45	45	45	45
Capital Receipts - Right to Buy Receipts	25	25	25	25	25
Capital Receipts - (Accommodation Project)	63				
Better Care Fund / Disabled Facilities Grant	1,159	929	929	929	929
Disabled Facilities Grant Repayments - 'Housing Needs Grants'	0				
Section 106 Monies - St Annes	237				
Section 106 Monies - Lytham	130				
Section 106 Monies - Staining	40				
Section 106 Monies - Kirkham	21				
Section 106 Monies - 93 St Albans Road CPO	99				
Section 106 Monies - Affordable Housing, Sunnybank Mill	920				
Section 106 Monies - Church Road Methodist Church, St Annes	450				
Section 106 Monies - M55 Link-Road	137				
Section 106 Monies - Affordable Housing, Keenans Mill	840				
Section 106 Monies - Public Transport Improvements	90				
Section 106 Monies - Vehicle acquisition - 'Area Conservation'	11				
Capital Grant - Repayments	6				
Capital Investment Reserve	1,060	78	182		
Accommodation Project Reserve	500				
Other External Finance (see analysis below )	14,583	5,425	0		
Direct Revenue Finance	24				
Prudential Borrowing	1,303	1,184	289	547	77
<b>Total Financing</b>	<b>21,743</b>	<b>7,686</b>	<b>1,470</b>	<b>1,546</b>	<b>1,076</b>

<b>Total surplus (-) / shortfall in year</b>	0	0	0	0	0
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<b>Cumulative surplus (-) / shortfall</b>	0	0	0	0	0
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*See note below for external funding available to finance the above schemes:*

**Other External Finance: Analysis**

LSP Performance Reward Grant	38				
Environment Agency - Coast Protection Scheme	14,008	5,425			
Arts Council - St Annes Pool	90				
Lancashire County Council - Affordable Warmth Scheme	35				
Lytham St Annes Civic Society	130				
Community Housing Grant Fund - Church Road Methodist Church	100				
Heritage Lottery Fund - Fairhaven	165				
Coastal Defence Project - Fairhaven	7				
United Utilities - Fairhaven	7				
RSPB Contribution - Fairhaven	3				
New Fylde Housing - DFG Contribution	0				
	14,583	5,425	0	0	0

## INFORMATION ITEM

REPORT OF	MEETING	DATE	ITEM NO
RESOURCES DIRECTORATE	FINANCE AND DEMOCRACY COMMITTEE	25 SEPTEMBER 2017	15
<b>OUTSIDE BODIES</b>			

### PUBLIC ITEM

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

### SUMMARY OF INFORMATION

On 3 April 2017, the Council made a number of appointments to outside bodies. These appointments followed from recommendations from the programme committees for appointments from within their respective memberships.

In line with the Protocol for Members on Outside Bodies (Part 5f of the Council's Constitution), every member serving on an outside body is required to complete a reporting form every six months, which is submitted to the relevant programme committee to which the external partnership relates.

Included as an appendix to this report are: returned completed reporting forms and a list of outstanding reports/ details of those bodies which have not met.

### SOURCE OF INFORMATION

Elected member representatives to the Outside Bodies

### LINK TO INFORMATION

[Outside Bodies Reports and Summary](#)

### WHY IS THIS INFORMATION BEING GIVEN TO THE COMMITTEE?

The information is provided to maintain an understanding of the work of the outside bodies, and remain abreast of any issues that may have an impact on the residents of the borough or the council.

### FURTHER INFORMATION

Contact Tracy Morrison, Director of Resources – [tracy.morrison@fylde.gov.uk](mailto:tracy.morrison@fylde.gov.uk)

## Details

<b>Councillor Name and Role on Outside Body (for example, Observer, Trustee, Director)</b>	Cllr Karen Buckley
<b>Email</b>	kebuckley@btinternet.com
<b>Period this report covers (date):</b>	up to 22 August 2017
<b>Name of Outside Body:</b>	Blackpool Airport Enterprise Zone
<b>How often does the organisation meet? And how often have you attended?</b>	I am appointed to the Project Board which has met irregularly so far.
<b>Key issues arising for Fylde Borough Council</b>	Retention of Blackpool Airport, increased quality jobs, adequate infrastructure/services, M55 link road.
	Examples of issues could be those that may affect decisions regarding budget setting, challenges for residents, policy changes that affect partnership working etc
<b>Who did you inform of these issues within Fylde Borough Council?</b>	Leader/Finance & Democracy Committee
<b>In the light of these meetings, is it worthwhile for the Council to continue to have a representative/representatives on this body?</b>	Yes
<b>Any further comments?</b>	A marketing strategy for the Enterprise Zone has been put forward to Government, together with a bid for funding. The next step is the submission of a master plan. Project Board meetings have been a little sporadic and it is hoped that these will be more regular and focused in the future now that a team has been put together, which includes the secondment of one of Fylde's officers. Balfour Beatty, having brought the airport to a position where it is no longer losing money, is now looking to sell. Interested parties have submitted tenders but an announcement as to the new owner is still awaited (at the time of writing). Fylde and Blackpool Council representatives are clear that they wish the runway and operational airport to be retained. I have asked for an update on the EZ from Rob Green of the Blackpool, Fylde & Wyre Economic Development Company to be presented to Finance & Democracy Committee in September.

## Details

<b>Councillor Name and Role on Outside Body (for example, Observer, Trustee, Director)</b>	Councillor John Singleton - Panel Member
<b>Email</b>	cllr.jsingleton@fylde.gov.uk
<b>Period this report covers (date):</b>	May 2017 - May 2018
<b>Name of Outside Body:</b>	Community Projects Fund
<b>How often does the organisation meet? And how often have you attended?</b>	Three times per financial year for the larger bids (£300-£2000) and the smaller bids (£1-£300) are assessed electronically as they are received.
<b>Key issues arising for Fylde Borough Council</b>	
	Examples of issues could be those that may affect decisions regarding budget setting, challenges for residents, policy changes that affect partnership working etc
<b>Who did you inform of these issues within Fylde Borough Council?</b>	
<b>In the light of these meetings, is it worthwhile for the Council to continue to have a representative/representatives on this body?</b>	Yes
<b>Any further comments?</b>	Community groups throughout Fylde can benefit from this funding to start up and enhance their projects



## Details

<b>Councillor Name and Role on Outside Body (for example, Observer, Trustee, Director)</b>	Councillor Karen Buckley
<b>Email</b>	cllr.kbuckley@fylde.gov.uk
<b>Period this report covers (date):</b>	Up to 16 August 2017
<b>Name of Outside Body:</b>	North West Employers
<b>How often does the organisation meet? And how often have you attended?</b>	I attend the AGM and any other full membership meetings but am unable to attend committees which meet approx. 4 times per year.
<b>Key issues arising for Fylde Borough Council</b>	The two year pay deal comes to an end in March 2018, which was 1% pa plus further increases for lower scale staff in order to work towards achieving the National Living Wage. At Fylde, we already recognise the Living Wage Foundation's minimum wage level. Negotiations are underway with the Union for a pay settlement post April 2018.
	Examples of issues could be those that may affect decisions regarding budget setting, challenges for residents, policy changes that affect partnership working etc
<b>Who did you inform of these issues within Fylde Borough Council?</b>	Allan Oldfield (or substitute) also attend
<b>In the light of these meetings, is it worthwhile for the Council to continue to have a representative/representatives on this body?</b>	Yes
<b>Any further comments?</b>	Please click on the link below to access the Annual Report from NW Employers: <a href="https://nwemployers.org.uk/nwe17_annual-report-v5-1-spreads-update-hr-1/">https://nwemployers.org.uk/nwe17_annual-report-v5-1-spreads-update-hr-1/</a>

## Details

<b>Councillor Name and Role on Outside Body (for example, Observer, Trustee, Director)</b>	Edward Nash Member
<b>Email</b>	cllr.enash@fylde.gov.uk
<b>Period this report covers (date):</b>	To 1 September 2017
<b>Name of Outside Body:</b>	Reserve Forces and Cadets
<b>How often does the organisation meet? And how often have you attended?</b>	Once, attended once
<b>Key issues arising for Fylde Borough Council</b>	Rebasing of Armed Forces. Weeton Camp to double in size by 2022 Unit changeover Weeton 2018 2LANCS to 1LANCS
	Examples of issues could be those that may affect decisions regarding budget setting, challenges for residents, policy changes that affect partnership working etc
<b>Who did you inform of these issues within Fylde Borough Council?</b>	Chief Executive
<b>In the light of these meetings, is it worthwhile for the Council to continue to have a representative/representatives on this body?</b>	Yes
<b>Any further comments?</b>	We need more extensive interaction with the reserves but none stationed in Fylde

Outside Body		Councillor	Report rec'd?
<b>Finance and Democracy Committee, 25/9/17 meeting</b> <b>Closing date Tuesday 12 September</b>			
	Blackpool Airport and Hillhouse Enterprise Zone Project Board	Chairman of Finance and Democracy	Received
	Fylde Community Projects Fund	The Mayor – John Singleton	Received
	North West Employers Organisation	Chair F&D – Karen Buckley (sub Roger Small)	Received
	NW of England & Isle of Man Reserve Forces & Cadets Association	Ed Nash	Received