

## DECISION ITEM

| REPORT OF   | MEETING             | DATE        | ITEM NO |
|---|---------------------|-------------|---------|
| CHIEF FINANCIAL OFFICER   | EXECUTIVE COMMITTEE | 25 MAY 2023 | 3       |
| <b>MEDIUM TERM FINANCIAL STRATEGY (MTFS) – GENERAL FUND REVENUE, CAPITAL PROGRAMME &amp; TREASURY MANAGEMENT OUTTURN POSITION FOR 2022/23</b> |                     |             |         |

### PUBLIC ITEM

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

### SUMMARY

On 2<sup>nd</sup> March 2023 the Council set its budget for 2023/24, also approving a revised budget for 2022/23. This report sets out for Members: the expected General Fund Revenue, Capital, and Treasury Management Outturn position for the financial year 2022/23; the major variations between the latest approved budget and the actual outturn expenditure; a summary of the impact on the Council's reserves; and includes a summary of the Council's Treasury Management operations for the financial year.

### RECOMMENDATIONS

#### The Executive Committee is recommended to:

1. approve the General Fund Revenue Outturn position as summarised in table 1 of the report;
2. approve the revenue slippage items and the transfer to general fund balances to fund these items as set out in paragraph 2.5 and Appendix C of the report;
3. approve the transfers to the Capital Investment Reserve as set out in paragraph 2.6 and as summarised in table 1 of the report;
4. approve the transfers out of the four reserves as detailed in paragraphs 1.4 to 1.7 of the report to allow the funds to be used in line with the grant conditions in 2023/24;
5. approve the Capital Outturn position, including financing, as set out in sections 6 to 8 of the report;
6. approve the capital slippage items as set out in Appendix E of the report; and
7. approve the Treasury Management Annual Report as set out in sections 9 to 11 and the actual Prudential Indicators set out in Appendix F of the report.

### SUMMARY OF PREVIOUS DECISIONS

The outturn position for the prior financial year is considered by members annually. There are no previous decisions in respect of the 2022/23 financial outturn.

### CORPORATE PRIORITIES

|  |   |
|--|---|
| Economy - To create a vibrant and healthy economy        | ✓ |
| Environment - To deliver services customers expect       | ✓ |
| Efficiency - By spending money in the most efficient way | ✓ |
| Tourism - To create a great place to live and visit      | ✓ |

## REPORT

### 1. Introduction and Background

- 1.1 The Revenue Budget Forecast Update was reported to the Finance and Democracy Committee in both November 2022 and January 2023 and to Council in December 2022 and February 2023, with the Medium Term Financial Strategy (MTFS) and budget decisions presented to full Council for approval in March 2023.
- 1.2 As a consequence of uncertainty concerning the impact of the Covid-19 pandemic on the national public finances, the Government implemented a one-year financial settlement for 2022/23 and the Council, as with all Local Authorities, received a single year funding settlement for the year. This was the third year running that the funding settlement was for one-year only. The MTFS report presented to Council in March 2023 set out the full context of the financial landscape of the council and the wider local government sector as a whole, and can be found at this link: [MTFS Report March 2023](#)
- 1.3 This report sets out the outturn position for the financial year 2022/23, a year that was shaped by a number of the key themes: the continuing recovery of the global economy from the impact of the covid pandemic; military conflict in Ukraine; and political and financial turbulence domestically during the latter part of 2022, though this has settled somewhat in recent months following the latest changes in central government administration. The first two of these factors combined to create a sharp rise in energy costs (particularly for gas) and in general levels of price inflation, peaking with an annual increase in the Consumer Price Index of 10.7% for November 2022, with the latest year-on-year figure still in excess of 10%. This has in turn led to a significant amount of industrial unrest, and disruption to services, as a consequence of industrial action across a range of sectors, including elements of the public sector, as wage settlement demands have increased and been resisted.

#### **External Grant Funding to be Carried Forward into 2023/24**

- 1.4 Fylde Council was allocated **general covid support grant funding** for 2021/22 totalling £392k. As at 31st March 2023, £141k of this funding remained unspent and following advice from the council's external auditors regarding the year end carry-over of this funding, this sum was transferred into the Covid-19 Unringfenced Grant Reserve at the balance sheet date. **It is now recommended that this sum be transferred out of the reserve to be available to spend in 2023/24.**
- 1.5 Also, the government introduced the **Homes for Ukraine Scheme** in 2022. This scheme allows people living in the UK to sponsor a named Ukrainian national or family to come to live in the UK with them, providing they have suitable accommodation to offer. As part of the government's commitment to helping people flee the conflict in the Ukraine, district councils have been asked to help to support the Ukrainian families via integration events in the community and support if they become homeless.

Fylde was provided with an initial allocation of £155,000 via Lancashire County Council to deliver this part of the scheme to facilitate community integration events and financial provision in the event that the Ukrainian guest becomes homeless. In December 2022 the Council was provided with a further allocation of funding over the three financial years 2022/23 to 2024/25 to deliver an extended Homes for Ukraine Scheme as a consequence of the continuation of the conflict and a re-assessment of the level and length of the support required by Ukrainian families hosted by local families.

Update reports outlining the amount of grant received, the projected spend and associated projects have been presented to the Environment, Health and Housing Committee, [with the most recent report available this link](#). As at 31st March 2023, £425k of this funding remained unspent and in line with proper accounting practice this sum was transferred into a new Homes for Ukraine Reserve at the balance sheet date. **It is now recommended that this sum be transferred out of the reserve to be available to spend in 2023/24.**

- 1.6 In addition to the above, in April 2022 the Government announced a new £2.6billion investment programme titled **UK Shared Prosperity Fund (UKSPF)**, to replace old EU structural funding. As part of the funding allocation process, the Council prepared and submitted an Investment Plan in August 2022 which was then approved by Government in December 2022. Fylde's allocation of UKSPF monies, split between capital and revenue, amounts to £2.6m to be defrayed over 3 financial years until the end of 2024/25. The Investment Plan details where the funding will be concentrated across the 3 investment themes as set out the Government's UKSPF guidance documents. The Investment Plan has been approved by the UKSPF Partnership Group, which brings together a cross section of key stakeholders including representatives from businesses, elected members, education and skills, and the community sectors. [More details can be found in the report to Council at this link.](#)

The revenue grant allocation for 2022/23 for Fylde was £258k. As at 31st March 2023, £154k of this funding remained unspent and in line with proper accounting practice this sum was transferred into a new UK Shared Prosperity Fund Reserve at the balance sheet date. **It is now recommended that this sum be transferred out of the reserve to be available to spend in 2023/24.**

- 1.7 Finally, during both 2021/22 and 2022/23 the government allocated funds to Fylde Council to assist with preparation for the introduction of Biodiversity Net Gain (BNG) legislation. From November 2023, all new major development will need to demonstrate that there has been at least 10% net gain in biodiversity (the requirement to demonstrate BNG for smaller scale projects has been deferred until April 2024). This grant was awarded to allow councils to prepare for the introduction of BNG, but detailed guidance has only recently been issued. As at 31st March 2023, £37k of this funding remained unspent and in line with proper accounting practice this sum was transferred into a new Biodiversity Net Gain Reserve at the balance sheet date. **It is now recommended that this sum be transferred out of the reserve to be available to spend in 2023/24.**

## 2. **General Fund Revenue Outturn Position (including Collection Fund)**

- 2.1 On 2nd March 2023, Budget Council approved a revised Forecast Revenue Budget net requirement of £11.457m for 2022/23. The outturn position for 2022/23 is a net requirement of £10.838m resulting in a favourable variance (before financing and slippage) of £0.619m. In addition, Budget Council approved Forecast Financing totalling £11.857m for the year, and the outturn position was £11.885m which is a favourable variance of £0.028m.
- 2.2 The financing figure of £11.885m above includes the net effect of transfers into and out of the Collection Fund Deficit Reserve which have been required as a result of additional grant funding received from the government during both 2021/22 and 2022/23 to offset lost business rate income as a result of extended business rate reliefs (including to the retail, hospitality and leisure sectors and to small businesses) offered to businesses to support them during the pandemic. As a result of these reliefs, the business rate collection fund (administered by Fylde to collect business rates and then allocate the monies to central government and the major preceptors) is forecast to make a significant deficit in respect of 2023/24 when compared against the level of income expected before the year began. Because of timing differences between the flow of funds into and out of the collection fund it will be necessary to transfer this grant funding into the Collection Fund Deficit Reserve because this set aside will be required in 2023/24 and 2024/25 for release to offset the collection fund deficit which is spread across these years. Further details on the Collection Fund are included in section 3 below
- 2.3 **The underlying outturn position**, after taking account of the transfers into and out of the Collection Fund Deficit Reserve, into the reserves set out in paragraphs 1.4 to 1.7 of the report and the budgeted transfer into the Capital Investment Reserve (as set out in the MTFs report to Budget Council in March 2023), **is therefore a total favourable variance of £0.647m.**
- 2.4 A more detailed analysis of the General Fund Revenue Account comparing actual expenditure against the revised approved estimate, analysed by committee, is set out in **Appendix A**. A detailed list of the significant variances within services which contribute to the outturn position is set out in **Appendix B**.

- 2.5 There are a number of budget variances arising which are recommended for operational effectiveness to be slipped into 2023/24 to allow the service areas to deliver these services/projects during the current year. These items are listed in **Appendix C** and total £0.435m. **It is recommended that this sum is transferred to general fund balances at year end such that this expenditure can be met in 2023/24.**
- 2.6 The remaining favourable variance after accounting for this transfer for slippage items is £0.212m. **It is recommended that the remaining underspend of £0.212m is transferred to the Capital Investment Reserve to fund future capital expenditure and minimise the need to borrow.** This approach is consistent with that adopted in recent years when a revenue underspend has been achieved. The recommended transfer would result in a current forecast balance on the reserve as at 31st March 2023 in the sum of £5.458m. A number of schemes are already committed against this reserve in the years 2023/24 onwards.
- 2.7 The revenue budget outturn position is summarised in Table 1 below:

**Table 1 – Summary Revenue Outturn Position 2022/23**

|  | <u>Budget</u><br>£m | <u>Actual</u><br>£m | <u>Variance</u><br>£m |       |
|--|---------------------|---------------------|-----------------------|-------|
| Net expenditure for the year                         | 11.457              | 10.838              | (0.619)               | (Fav) |
| Financing for the year                               | <u>(11.857)</u>     | <u>(11.885)</u>     | <u>(0.028)</u>        | (Fav) |
| <b>Surplus of resources for the year</b>             | <b>(0.400)</b>      | <b>(1.047)</b>      | <b>(0.647)</b>        | (Fav) |
| <b>LESS:</b>   |                     |                     |                       |       |
| Budgeted transfer to Capital Investment Reserve      | 0.400               | 0.400               | 0.000                 | -     |
| <b>Balance – underlying outturn variance</b>         | <b>0.000</b>        | <b>(0.647)</b>      | <b>(0.647)</b>        | (Fav) |
| <b>Recommended additional transfers to reserves</b>  |                     |                     |                       |       |
| - Required transfer to GF balances re slippage items | 0.000               | (0.435)             | (0.435)               | (Fav) |
| - Further transfer to Capital Investment Reserve     | 0.000               | (0.212)             | (0.212)               | (Fav) |
| <b>Recommended further transfers to reserves</b>     | <b>0.000</b>        | <b>(0.647)</b>      | <b>(0.647)</b>        | (Fav) |

- 2.8 Work continues to be undertaken to interrogate and verify the nature of any budget variances in order to continue the budget rightsizing work carried out during the last financial year. The outcome of this work will be reflected in future updates of the MTFS.

### **3 Council Tax and Business Rates Income – The Collection Fund**

- 3.1 As a Council Tax and Non-Domestic Rates (NDR) Billing Authority, Fylde Council is required by legislation to collect council tax and business rates within the borough on behalf of central government, Town and Parish Councils and major preceptors (being Lancashire County Council, and the Fire and Police Authorities), and to account for that income through a 'Collection Fund'. Under the Collection Fund accounting arrangements any surplus or deficit on the fund each year, which occur as a result of actual income being higher or lower than that budgeted for, is split between the Government and the other precepting bodies in proportion to their shares.
- 3.2 In July 2020 the Government announced that local authorities would be allowed to spread the estimated deficit on the 2020/21 Collection Fund over three years – from 2021/22 to 2023/24. The normal process of sharing surpluses and deficits is that they are spread over two years. As a result of Covid-19 and the extra reliefs awarded during 2021/22 and 2022/23, there were larger than normal deficits on the Collection Fund for those years.
- 3.3 For Council Tax only, there was a surplus on the fund as at 31st March 2023 of £276k. This will be shared between Fylde Council, the County Council, the Police Authority and the Fire & Rescue Authority in 2023/24. Fylde Council's share of the surplus is £34k, the impact of which will be reflected in future updates of the Council's financial forecast.

- 3.4 For Non-Domestic Rates only, there was a deficit on the fund as at 31st March 2023 of £2.926m. A large proportion of this arises from the decision from Government due to the impact of Covid-19 to continue to increase business rate reliefs during 2021/22 and 2022/23 to support businesses during the pandemic. This has the impact of reducing business rates collectable by the council, thus creating a shortfall in income. The deficit will be shared between Central Government, Fylde Council, the County Council, and the Fire & Rescue Authority in 2023/24. Fylde Council's share of the deficit is £1.170m, the negative impact of which will be funded in 2023/24 from the specific government grant allocated for this purpose (i.e. to offset collection fund deficits caused by the additional reliefs awarded to businesses) which has been set aside into the Collection Fund Deficit Reserve in 2020/21 to 2022/23. The remaining balance on the Collection Fund Deficit Reserve is likely to be required to offset collection fund deficits in 2023/24 and later years.
- 3.5 The Collection Fund accounting processes mean that there are significant timing differences between when a deficit or surplus on the collection fund occurs and when the relevant payments or receipts are made to or from the relevant parties to the collection fund. The Council's Financial Forecast will be updated during 2023/24 to reflect the anticipated timing of cash flows to and from the collection fund.

#### 4. Statement of General Fund Revenue Balances

- 4.1 Table 2 details the Council's General Fund Balances position, as a result of the estimated Outturn at 31st March 2023:

**Table 2 – Statement of General Fund Revenue Balances**

|   | <u>Budget</u> | <u>Actual</u> | <u>Variation</u> |              |
|---|---------------|---------------|------------------|--------------|
|   | <u>£m</u>     | <u>£m</u>     | <u>£m</u>        |              |
| Opening Balance 01/04/2022                          | 4.571         | 4.571         | -                |              |
| In-year surplus transferred to reserves re slippage | -             | 0.435         | 0.435            | (Fav)        |
| <b>Closing Balance 31/03/2023</b>                   | <b>4.571</b>  | <b>5.006</b>  | <b>0.435</b>     | <b>(Fav)</b> |

- 4.2 The first call on revenue balances in 2023/24 is the recommended slippage of £0.435m as set out in **Appendix C** leaving general fund balances after allowing for these items at £4.571m.

#### 5. General Fund Revenue Outturn Conclusions

- 5.1 The favourable outturn position for revenue allows for a further contribution to be made to the Capital Investment Reserve in the sum of £0.212m. This favourable revenue outturn represents an improvement to the overall financial position of the Council which will be reflected in future updates to the Financial Forecast during 2023/24.
- 5.2 In light of the potential for future general reductions in central government funding from 2024/25 onwards, the Council needs to continue with the approach to delivering savings and efficiencies which have helped deliver balanced budgets and provided contributions to reserves over recent years.
- 5.3 Through continued focus on the importance of financial stability the Council has delivered a significant savings programme in recent years and has continued to reduce overheads wherever possible. Ongoing modernisation work and business improvement will continue to make Council services more efficient, save money and maintain high quality frontline services to customers. For Fylde Council to continue to successfully meet the new challenges that it faces it is vital that this approach continues and that all reasonable opportunities for further cost-reduction measures and for the generation of additional income are seriously considered. Prudent financial management in previous years has provided a level of reserves which allows the necessary time to determine how this council can best respond to the challenges ahead.

## 6. Capital Outturn 2022/23

6.1 The summary outturn position for capital is set out in table 3 below. The latest expenditure budget in the capital programme for 2022/23 was £9.049m, and outturn expenditure was £7.096m leaving a net underspend of £1.953 for the year.

After adjusting for slippage items totalling £1.952m, the overall outturn position for 2022/23 is an in-year £1k favourable variance against the latest updated estimate.

**Table 3 - Latest Estimate Compared with Outturn 2022/23**

|   | Notes    | £m             |              |
|---|----------|----------------|--------------|
| Per MTFs report Budget Council 02/03/2023:  |          |                |              |
| <b>Approved Capital Programme:</b>          |          | <b>9.049</b>   |              |
| <b>Changes since 02/03/2023</b>             |          | <b>-</b>       |              |
| <b>Latest Budget</b>                        |          | <b>9.049</b>   |              |
| Less Outturn Expenditure (see Note 1 below) | <b>1</b> | <b>(7.096)</b> |              |
| <b>Net Underspend for Year</b>              |          | <b>1.953</b>   | <b>(Fav)</b> |
| Less Slippage (see Note 2 below)            | <b>2</b> | <b>(1.952)</b> |              |
| <b>Underlying Variance at Outturn</b>       |          | <b>0.001</b>   | <b>(Fav)</b> |

**Note 1:** Further details of capital programme expenditure for 2022/23 on a scheme by scheme basis and details of variances are shown in **Appendix D**.

**Note 2:** The following list sets out a summary of capital scheme slippage requests. Full details of slippage requests and explanations are contained in **Appendix E**.

|  | £'000 |
|--|-------|
| Purchase of Land Adjacent to Squires Gate Station          | 6     |
| Fairhaven Lake & Promenade Gardens Restoration             | 240   |
| Coastal Signage Improvements                               | 54    |
| Blackpool Road North Playing Fields Drainage               | 26    |
| Park View Drainage Improvement Scheme                      | 15    |
| Fairhaven Boathouse - Remodelling and Refurbishment Scheme | 217   |
| Petanque Court   | 7     |
| Improvements to Children's Play Areas                      | 100   |
| St Annes Paddling Pool Water Quality Improvements          | 35    |
| Replacement Operational Vehicles                           | 531   |
| Public Transport Improvements                              | 90    |
| St Annes Sea Wall (accelerated spend)                      | (66)  |
| Charging Infrastructure for Electric Taxis                 | 8     |
| Staining Drainage Improvement Scheme                       | 65    |
| North Beach Car Park Public Conveniences                   | 17    |
| Stanner Bank Public Conveniences Refurbishment             | 38    |

|  |                     |
|--|---------------------|
| Changing Places Public Conveniences              | 7                   |
| Disabled Facilities Grants (DFG) Programme       | 213                 |
| Affordable Warmth Scheme – Housing               | 47                  |
| Housing Needs Grant                              | 51                  |
| CCTV Replacement Schemes                         | 1                   |
| Hydration Points                                 | 44                  |
| Fylde Affordable Housing Delivery Programme      | 33                  |
| Tree Planting Scheme                             | 11                  |
| Lytham Regeneration Schemes (accelerated spend)  | (6)                 |
| Kirkham Public Realm Improvements                | 2                   |
| Future High Street Fund: Kirkham                 | 199                 |
| Kirkham Heritage Action Zone (accelerated spend) | <u>(33)</u>         |
| <b>Total Slippage requested</b>                  | <b><u>1,952</u></b> |

- 6.2 The next periodic update of the Five Year Capital Programme for 2023/24 will be amended to reflect the outturn results and any other changes approved to date.
- 6.3 Capital Receipts are a component of the Council’s capital financing strategy. Details of usable receipts received during 2022/23 are set out in table 4 below:

**Table 4 - Useable Capital Receipts 2022/23**

|                                      | Latest Estimate | Outturn           | Variance +/- |     |
|--------------------------------------|-----------------|-------------------|--------------|-----|
|                                      | £'000           | £'000             | £'000        |     |
| Opening Balance at 01/04/2022        | 99              | 99                | -            |     |
| Capital Receipts received in year    | 320             | 432               | 112          |     |
| <b>Sub Total</b>                     | <b>419</b>      | <b>531</b>        | <b>112</b>   | Fav |
| Capital Receipts applied in year     |                 | <u>(225)</u>      |              |     |
| <b>Closing Balance at 31/03/2023</b> |                 | <b><u>306</u></b> |              |     |

- 6.4 The favourable variance of £112k arises mainly from ‘Right to Buy’ receipts receivable by the council as former council housing stock is sold by the current registered provider. The balance of £306k of capital receipts held at 31<sup>st</sup> March 2023 will be applied against capital expenditure in 2023/24 and future years.

## 7. Capital Financing 2022/23

- 7.1 The proposed financing of capital expenditure is set out in table 5 below. The financing proposals represent the most cost-effective financing to the Council and leaves it with the greatest flexibility in respect of future years.

**Table 5 - Capital Financing 2022/23**

|                                 |              |
|---------------------------------|--------------|
|                                 | £'000        |
| <b>EXPENDITURE:</b>             | <b>7,096</b> |
|                                 | £'000        |
| <b>FINANCING:</b>               |              |
| External Grants & Contributions | 3,615        |
| Capital Receipts                | 225          |
| M55 Link Road Reserve           | 2,000        |
| Funding Volatility Reserve      | 7            |
| Capital Investment Reserve      | 1,249        |
| <b>Total Capital Financing</b>  | <b>7,096</b> |

7.2 Should any minor changes be identified in capital expenditure as a result of final closure work, capital financing will be adjusted as appropriate.

## **8. Capital Outturn – Conclusions**

8.1 After allowing for slippage the outturn position has produced an underlying programme favourable variance of £1k compared to the latest forecast reported to Members.

8.2 The outturn position will be reflected in future capital programme updates.

## **9. Treasury Management Annual Report**

### **9.1 Introduction**

The Chartered Institute of Public Finance and Accountancy's (CIPFA) Treasury Management Code requires authorities to report on the performance of the treasury management function at year end.

The Council is exposed to financial risks such as the loss of invested funds and the effect of changing interest rates. This report covers treasury activity and the associated monitoring and control of treasury risks.

### **Background**

This section of the report covers Treasury Management operations for the financial year to 31<sup>st</sup> March 2023. The Prudential Indicators and Treasury Management Strategy for 2022/23 were originally approved in the Medium Term Financial Strategy 2022/23 Report to Council on 3<sup>rd</sup> March 2022. The Prudential Indicators are updated as required and changes have been approved by Council in the Mid-Year Prudential Indicators & Treasury Management Monitoring Report to Council on 5<sup>th</sup> December 2022 and the Medium Term Financial Strategy Report to Council on 2<sup>nd</sup> March 2023. The Prudential Indicators and the outturn position for 2022/23 are shown at **Appendix F**.

## **10. Report**

### **10.1 Economic Background**

The continuing recovery of the global economy from the impact of the covid pandemic; military conflict in Ukraine; and political and financial turbulence domestically during the latter part of 2022 were all major issues at various stages during the 2022/23 financial year and remain significant influences on the economic and political environment.

The economic backdrop during the year was characterised by high oil, gas and commodity prices, ongoing high inflation and its impact on consumers’ cost of living and no imminent end in sight to the conflict in Ukraine. Consequently, the economic outlook for UK and world growth remains weak.

The year saw a sharp rise in energy costs (particularly for gas) and in general levels of price inflation, peaking with an annual increase in the Consumer Price Index of 10.7% for November 2022, reducing to an annual increase of 10.1% for January 2023, though again increasing in February 2023 to an annual increase of 10.4%. This has in turn led to a significant amount of industrial unrest, and disruption to services, as a consequence of industrial action across a range of sectors, including elements of the public sector, as wage settlement demands have increased and been resisted.

The Bank of England has incrementally increased the official Bank Base Rate from 0.75% to 4.25% over the period. As a result, the council has benefited from increased investment yields which are reflected in the council’s medium term financial forecast. That said, the council’s Treasury Management Strategy prioritises the security of any investment over the return achieved. The council has complied with all aspects of the 2022/23 Treasury Management Strategy and Prudential Indicators as approved by Council in March and will continue to conduct all treasury management activities prudently and in line with those approvals.

**10.2 Borrowing**

In line with advice from treasury advisors the council’s borrowing strategy is to postpone new borrowing and to utilise in-house cash balances instead (also known as internal borrowing). This is the most prudent strategy, particularly in periods when investment returns are low as compared to the cost of borrowing and counter-party risk is high. Such a strategy minimises treasury risk by reducing both external debt and in-house investments. Therefore, as in the previous few years, no new borrowing has been taken during the year, **and the Council remains debt-free.**

**Table 6 – Analysis of Borrowing**

| Type of Loan                   | Balance 31/03/23<br>£m |
|--------------------------------|------------------------|
| Public Works Loan Board (PWLB) | Nil                    |
| <b>Gross Borrowing</b>         | <b>Nil</b>             |
| <b>Operational Boundary</b>    | <b>Nil</b>             |

**10.3 Investments**

The security of investments is the Council’s main investment objective. This is achieved by adhering to the Treasury Management Strategy approved by Council on 2<sup>nd</sup> March 2022 by investing with organisations with high credit quality. The investment activity during the year conformed to the approved strategy, and the Council had no liquidity difficulties.

**10.4 Internally Managed Funds**

During the year the Council held an average cash balance of £36.8m of internally managed funds, which were invested with approved banks, money market funds, Lancashire County Council and a number of other Local Authorities in line with the approved Treasury Management Strategy.

The increases in bank base rate during the year has resulted in higher returns on investments as compared to the original budget.

The overall performance was a gross return of 1.63%, compared with a benchmark return of 2.25%. The benchmark is the SONIA (the Sterling Over-Night Index Average rate) which is based on actual transactions and reflects the average of the interest rates that banks pay to borrow sterling overnight from other financial institutions and other institutional investors. Whilst this is the standard benchmark used by local authorities for investment returns, in times of increasing interest rates, as has been the case for much of 2022/23, it is expected that actual returns will be lower than the benchmark. This is due to the trailing effect of earlier investments which are still held but which were agreed when investment return rates were lower – e.g., 3, 6 or 12 months previously.

Interest earned was £0.643m compared to a revised budget of £0.510m. The level of interest from investments was higher than the revised budget due to higher in-house cash balances during the year and reduced capital expenditure, combined with increases in the bank base rate during the year.

## **11. Prudential Indicators**

- 11.1 The Council complied with all of its Prudential Indicator limits for 2022/23, details of which can be found in **Appendix F**.

## **12. Overall Financial Outturn Conclusions 2022/23**

- 12.1 The favourable outturn position for revenue allows for an additional contribution to be made to the Capital Investment Reserve in the sum of £0.212m. This further contribution is beneficial to the overall position of the Council and is thus to be welcomed. As a result, the financial position of the Council has improved since the revised 2022/23 budget was set in March 2023, the Council remains debt-free, and the financial position remains robust.
- 12.2 Whilst challenges remain, and will no doubt continue to be present, prudent financial management has provided a relatively stable financial environment which allows the necessary time for the Council to assess and respond to the challenges it faces.
- 12.3 As a consequence of the continuing uncertainty about the impact of the pandemic on national public finances, the Government implemented a one-year Spending Review for 2022/23 and the Council, as with all Local Authorities, received a one-year funding settlement for the year. This was the third year running that the funding settlement was for one-year only. The MTFS report presented to Council in March 2023 sets out the full context of the financial landscape of the council, including an assessment of the key financial risks which primarily relate to uncertainties around reviews of the future funding regime for local government. The report can be found at this link: [MTFS Report March 2023](#).
- 12.4 The potential for future general reductions in central government funding from 2024/25 onwards requires that the Council continues the approach to continually seek opportunities to achieve savings and efficiencies and to generate additional income to enable a balanced budget position to continue into the future and to provide on-going contributions to reserves.
- 12.5 The ongoing high level of inflation is exerting significant upward pressure on prices for utilities and on supplies and services across all sectors of the economy, which in turn increases the base costs for both revenue and capital budget items. The situation is particularly acute in the construction sector where supply chain issues and price increases are combining to put increased risks on the delivery of capital programme schemes. This is likely to be a continuing issue for the council during 2023/24.
- 12.6 At a strategic level, activity and resources are focussed on the delivery of the key objectives of the Council as set out within the approved Corporate Plan. Given the level of reserves that has been generated in recent years, the budget deficits currently projected in the final years of the most recent financial forecast appear to be at manageable levels. However, in an uncertain financial environment the position can change in unexpected ways. It is important that the Council continues to operate in a sound and prudent manner in order to maintain a stable financial position and to explore all opportunities by which the financial position can be further strengthened, whilst continuing to provide high quality services to residents and to deliver the priorities set out in the Corporate Plan.

| IMPLICATIONS                            |  |
|---|--|
| Finance                                 | Financial implications are included within the body of the report.   |
| Legal                                   | For 2022/23 there is a statutory requirement for the Chief Financial Officer to sign off a completed draft Annual Statement of Accounts for the Council by 31 <sup>st</sup> May 2023. This work remains on track. Following this the Council's external auditors Deloitte will carry out an annual audit of the financial statements. The annual audit for the previous year ended 31 <sup>st</sup> March 2022 has yet to be concluded as a result of resourcing challenges being experienced by the council's external auditors, Deloitte. Regular updates are provided to the council's Audit Committee. |
| Community Safety                        | Not applicable   |
| Human Rights and Equalities             | Not applicable   |
| Sustainability and Environmental Impact | Not applicable   |
| Health & Safety and Risk Management     | Not applicable   |

| LEAD AUTHOR                                 | CONTACT DETAILS             | DATE                      |
|---|-----------------------------|---------------------------|
| Paul O'Donoghue,<br>Chief Financial Officer | paul.odonoghue@fylde.gov.uk | 25 <sup>th</sup> May 2023 |

| BACKGROUND PAPERS                                   |                            |   |
|---|----------------------------|---|
| Name of document                                    | Date                       | Where available for inspection                      |
| Medium Term Financial Strategy - 2022/23 to 2026/27 | 2 <sup>nd</sup> March 2023 | <a href="#">Report to Budget Council March 2023</a> |

**Attached documents:**

- Appendix A** – General Fund - Summary Revenue Expenditure & Income Account
- Appendix B** – General Fund Outturn 2022/23 – Variations from Revised Estimates
- Appendix C** – Revenue Budget Slippage Items requested
- Appendix D** – Capital Outturn 2022/23
- Appendix E** – Capital Outturn Slippage Items requested
- Appendix F** – Prudential Indicators 2022/23

**GENERAL FUND OUTTURN 2022/23**

| Summary Revenue Account   |                 |                 |                           |                      |
|---|-----------------|-----------------|---------------------------|----------------------|
| Outturn 2022/23   |                 |                 |                           |                      |
|   | Latest Estimate | Outturn         | Variance + Over / (Under) | Favourable / Adverse |
| <b>Net Service Expenditure</b>  | <b>£'000</b>    | <b>£'000</b>    | <b>£'000</b>              |                      |
| Tourism and Leisure Committee   | 2,928           | 3,220           | 292                       | Adv                  |
| Operational Management Committee  | 3,929           | 4,223           | 294                       | Adv                  |
| Environment, Health and Housing Committee   | 2,237           | 1,822           | (415)                     | Fav                  |
| Planning Committee  | 3,461           | 3,626           | 165                       | Adv                  |
| Finance and Democracy Committee   | 3,745           | 3,624           | (121)                     | Fav                  |
| Contingency   | (312)           | (44)            | 268                       | Adv                  |
| <b>Net Cost of Services</b>   | <b>15,988</b>   | <b>16,471</b>   | <b>483</b>                | Adv                  |
| Net use of Earmarked Reserves   | (2,553)         | (3,700)         | (1,147)                   | Fav                  |
| Transfers to Earmarked Reserves for use in 2023/24  |                 |                 |                           |                      |
| - transfer to Covid-19 Unringfenced Grant Reserve   | 0               | 141             | 141                       | Adv                  |
| - transfer to Homes for Ukraine Reserve   | 0               | 425             | 425                       | Adv                  |
| - transfer to UK Shared Prosperity Fund Reserve   | 0               | 174             | 174                       | Adv                  |
| - transfer to Biodiversity Net Gain Reserve   | 0               | 37              | 37                        | Adv                  |
| Use of General Fund Balances re Slippage from 2021/22   | (485)           | (485)           | 0                         | -                    |
| Capital Accounting Adjustments  | (1,728)         | (712)           | 1,016                     | Adv                  |
| Interest payable and similar charges  | 0               | 0               | 0                         | -                    |
| Interest and investment income  | (510)           | (643)           | (133)                     | Fav                  |
| Minimum Revenue Provision   | 745             | 745             | 0                         | -                    |
| Pension accounting adjustment   | 0               | (1,609)         | (1,609)                   | Fav                  |
| Accumulated Absences Adjustment   | 0               | (5)             | (5)                       | Fav                  |
| <b>Sub-Total of Appropriations</b>  | <b>(4,531)</b>  | <b>(5,633)</b>  | <b>(1,102)</b>            | Fav                  |
| <b>Total Net Requirement (See App B for variance details)</b>   | <b>11,457</b>   | <b>10,838</b>   | <b>(619)</b>              | Fav                  |
| <b>Financing</b>  |                 |                 |                           |                      |
| General Government Grants:  |                 |                 |                           |                      |
| - New Homes Bonus   | (1,174)         | (1,174)         | 0                         | -                    |
| - Lower Tier Services Grant   | (89)            | (89)            | 0                         | -                    |
| - Services Grant  | (133)           | (133)           | 0                         | -                    |
| Council Tax Outturn (incl previous years surplus/deficit)   | (6,881)         | (6,909)         | (28)                      | Fav                  |
| Business Rates Outturn (incl previous years surplus/deficit)  | (3,580)         | (3,580)         | 0                         | -                    |
| <b>Total Net Requirement</b>  | <b>(11,857)</b> | <b>(11,885)</b> | <b>(28)</b>               | Fav                  |
| <b>Surplus of resources for the year</b>  | <b>(400)</b>    | <b>(1,047)</b>  | <b>(647)</b>              | Fav                  |
| <b>Analysis of recommended Transfers to Reserves:</b>   |                 |                 |                           |                      |
| - original budgeted transfer to Capital Investment Reserve  | (400)           | (400)           | 0                         | -                    |
| - additional transfer to Capital Investment Reserve   | 0               | (212)           | (212)                     | Fav                  |
| - transfer to general fund revenue balances re slippage   | 0               | (435)           | (435)                     | Fav                  |
| <b>Recommended transfers to reserves</b>  | <b>(400)</b>    | <b>(1,047)</b>  | <b>(647)</b>              | Fav                  |
| <b>Statement of General Fund Revenue Balances</b>   |                 |                 |                           |                      |
| <b>General Fund Revenue Balances b/f</b>  | <b>(5,056)</b>  | <b>(5,056)</b>  | <b>0</b>                  | -                    |
| Approved use of GF Balances re Slippage from 2021/22  | 485             | 485             | 0                         | -                    |
| Recommended transfer to GF Balances re Slippage in to 2023/24   | 0               | (435)           | (435)                     | Fav                  |
| <b>General Fund Revenue Balances c/f</b>  | <b>(4,571)</b>  | <b>(5,006)</b>  | <b>(435)</b>              | Fav                  |
| <b>Note</b> - this table has been provided to assist Members in understanding the outturn position. The Statutory Statement of Accounts will be in a different format to comply with the latest Code of Practice on Local Authority Accounting. |                 |                 |                           |                      |

**2022/23 Revenue Outturn - Significant Variances**

Note: Shaded areas relate to items for which a slippage request has been made

| STAFFING COSTS AND AUTHORITY WIDE BUDGETS |  |                               |                      |                |                     |   |
|---|--|-------------------------------|----------------------|----------------|---------------------|---|
| Service Area                              | Detailed Description   | Latest Full Year Budget £'000 | Actual Outturn £'000 | Variance £'000 | Adverse/ Favourable | Reason for Variance   |
| Authority Wide                            | Employee costs including basic pay, pension, NI, car mileage and overtime, plus agency costs | 10,875                        | 10,747               | -128           | FAV                 | There has been a favourable outturn variance against the latest budget for employee costs across the organisation (including the impact of 'turnover savings' i.e. natural delays in the recruitment to vacant posts). Slippage requests have been made in a number of service areas which total £51k. These are included within Appendix C.  |
| Authority Wide                            | Organisational Improvement Costs   | 25                            | 18                   | -7             | FAV                 | As part of the LGA Planning Advisory Service (PAS) review in 2022, we are currently at the stage of sourcing an external provider to carry out business improvement works for our planning team as recommended by the PAS action planning reports. This has been delayed due to consultation exercises with all stakeholders, mainly the parish councils. Therefore, a slippage request has been made to allow the business improvement works to be achieved in 2022/23 in accordance with the PAS recommendations.   |
| Authority Wide                            | Computer Programme Licence Fees  | 311                           | 287                  | -24            | FAV                 | There has been a saving during the year in the cost of computer programme licences across a range of Council services resulting in this favourable outturn variance.  |
| Authority Wide                            | Photocopying charges and postage costs   | 67                            | 34                   | -33            | FAV                 | There has been a saving during the year in the cost of photocopying and postages across a range of Council services resulting in this favourable outturn variance.  |
| Authority Wide                            | Miscellaneous property repairs and maintenance   | 189                           | 211                  | 22             | ADV                 | The costs of essential repairs and maintenance of the council's assets has increased during the year as a result of inflation, which has resulted in this adverse variance.   |
| Authority Wide                            | Utility Costs  | 197                           | 134                  | -63            | FAV                 | The scale of the increases in water, sewerage electricity and gas charge levels during 2022/23 was less than had been anticipated at the time of the budget right-sizing process, as part of which these budgets were updated. This has resulted in a favourable outturn variance. However an increased level of charges is expected to take effect during 2023/24.   |
| Authority Wide                            | Rental income from council owned assets / café's etc   | -233                          | -266                 | -33            | FAV                 | The level of rental income in respect of Council-owned assets (such as cafes) has been higher than the budgeted amount due to the impact of a number of rent reviews that have taken place during the year, resulting in this favourable outturn variance.  |
| Covid Support Funding                     | Government Grant Funding   | 256                           | 115                  | -141           | FAV                 | Throughout 2021/22 the government provided various tranches of funding to support councils in responding to the impacts of the pandemic. As these funding streams were announced and confirmed for Fylde, funded budget increases were approved in order to deliver the requirements of the funding. The favourable variance relates to £141k of Unringfenced Covid support grant funding from the government which remained unspent at year end, and the adverse variance represents the transfer of the unspent sum into the Covid-19 Unringfenced Grant Reserve at year end for subsequent use in 2023/24. |
|   | Remaining Grant Funding - transfer to reserve  | 0                             | 141                  | 141            | ADV                 |   |
| <b>Sub total</b>                          |  | <b>11,687</b>                 | <b>11,421</b>        | <b>-266</b>    | <b>Favourable</b>   |   |

## TOURISM AND LEISURE COMMITTEE SERVICES

Appendix B (cont'd)

| Service Area               | Detailed Description | Latest Full Year Budget<br>£'000 | Actual Outturn<br>£'000 | Variance<br>£'000 | Adverse/<br>Favourable | Reason for Variance   |
|----------------------------|----------------------|----------------------------------|-------------------------|-------------------|------------------------|---|
| Fairhaven Lake and Gardens | Adventure Golf       | -165                             | -141                    | 24                | ADV                    | Income for the Adventure Golf facility was below the anticipated level as it was necessary to close the facility for a period during the year due to inclement weather conditions and during the period of national mourning following the death of Queen Elizabeth II. |
| Parks External Contracts   | Net contribution     | -105                             | -116                    | -11               | FAV                    | The net contribution on parks external contracts has been higher than budgeted for resulting in this favourable outturn variance.   |
| <b>Sub total</b>           |                      | <b>-270</b>                      | <b>-257</b>             | <b>13</b>         | <b>Adverse</b>         |   |

## OPERATIONAL MANAGEMENT COMMITTEE SERVICES

| Service Area             | Detailed Description  | Latest Full Year Budget<br>£'000 | Actual Outturn<br>£'000 | Variance<br>£'000 | Adverse/<br>Favourable | Reason for Variance   |
|--------------------------|---|----------------------------------|-------------------------|-------------------|------------------------|---|
| Car Parking              | Off-Street Car Parking - fixed penalty fees   | -45                              | -65                     | -20               | FAV                    | Due to an increase in visitor numbers during 2022/23 the number of Penalty Charge Notices that were issued was also higher, resulting in this favourable outturn variance.  |
| Car Parking              | Ticket issuing machine costs  | 14                               | 27                      | 13                | ADV                    | The cost of ticket issuing machines was in excess of the budget, resulting in this adverse variance.  |
| Car Parking              | Car parking fees  | -755                             | -733                    | 22                | ADV                    | Car parking fee income was marginally below the overall budgeted level for the year, resulting in this adverse variance. This variance is offset by additional fixed penalty income shown above.  |
| Cemetery and Crematorium | Income from interments, cremations and memorials, net of the direct cost of memorials | -1,275                           | -1,372                  | -97               | FAV                    | Income estimates have been adjusted during the year to reflect anticipated income levels, which at outturn have been above those estimated, resulting in this favourable variance.  |
| Cemetery and Crematorium | Medical fees, and cremator repair and maintenance costs                               | 73                               | 92                      | 19                | ADV                    | Operation costs in respect of the cemetery and crematorium were in excess of the budget, resulting in this favourable variance.   |
| Cemetery and Crematorium | Drives and pathway improvements   | 20                               | 14                      | -6                | FAV                    | A reduced level of repairs and maintenance to drives and footpaths was undertaken during the year. It is proposed that the underspend in 2022/23 be combined with the 2023/24 budget to enable better value for money to be achieved in the contracting of these works during 2023/24. Consequently a slippage request has been submitted to facilitate this. |
| Footway Lighting         | Electricity costs   | 29                               | 45                      | 16                | ADV                    | The cost of electricity has increased during the year and has exceeded the budget provision resulting in this adverse variance.   |
| Waste Management         | Fleet Costs   | 631                              | 671                     | 40                | ADV                    | Operational fleet costs, including maintenance, repairs and fuel costs were in excess of the budget, resulting in this adverse variance.  |
| Waste Management         | Replacement Waste Containers  | -55                              | -78                     | -23               | FAV                    | There has been a significant increase in income during the year due to additional bin sales (including those for new property developments) along with an increase in the bin charging structure.   |
| <b>Sub total</b>         |   | <b>-1,363</b>                    | <b>-1,399</b>           | <b>-36</b>        | <b>Favourable</b>      |   |

| Service Area                        | Detailed Description   | Latest Full Year Budget £'000 | Actual Outturn £'000 | Variance £'000 | Adverse/ Favourable | Reason for Variance  |
|-------------------------------------|--|-------------------------------|----------------------|----------------|---------------------|--|
| ICT                                 | Purchase of Computer Equipment / Improvements to ICT resilience and recovery arrangements.   | 662                           | 457                  | -205           | FAV                 | A number of planned improvements have been delayed as the authority continued to respond to the changing ICT requirements post-covid. These include: Projects around new and better ways of working and its associated ICT strategy; changes to the structure from the Management Review and a consideration on wider strategic technology commitments; the continual threat of cyber risk and the need to constantly adapt and improve our security posture in that space; and the development of new internal and customer-facing digital services that will be the primary focus of ICT Services in 2023/24, alongside the decommissioning and migrating of legacy platforms, infrastructure (including core resiliency infrastructure) and systems to enable modern and efficient ways of working. Slippage requests totalling £192k in respect of ICT budgets have been made to allow this work to be delivered in 2023/24. |
| UK Shared Prosperity Fund           | UKSPF Investment Plan Support Fees   | 258                           | 84                   | -174           | FAV                 | The favourable variance relates to an underspend on the council's allocation of UK Shared Prosperity Fund Grant. Revised guidance allows these costs to be slipped to Year 2 of the scheme. The adverse variance represents the transfer of the unspent sum into the UK Shared Prosperity Fund Reserve at year end for subsequent use in 2023/24.  |
|                                     | Remaining Grant Funding - transfer to reserve  | 0                             | 174                  | 174            | ADV                 |  |
| External Audit Fees                 | Additional grant income from PSAA following Redmond Review.  | 0                             | -16                  | -16            | FAV                 | The council was in receipt of £16k from PSAA during the year as part of its commitment to distribute surplus funds to support external audit fee increases, which was not budgeted for resulting in this favourable variance.  |
| Miscellaneous                       | Grant income   | 0                             | -31                  | -31            | FAV                 | The council was in receipt of un-budgeted new burdens grant income of £31k from BEIS during the year in respect of Post Payment Assurance audit work in respect of Covid-19 business support grants, which led to this favourable outturn variance.  |
| Treasury Management                 | Interest and Investment Income Receivable  | -510                          | -643                 | -133           | FAV                 | Interest income from treasury management investments were higher than budgeted for as a result of interest rate rises during the latter part of the financial year.  |
| Council Tax Reduction Scheme (CTRS) | Hardship Fund  | 10                            | 4                    | -6             | FAV                 | This represents the £6k balance of the original £10k allocation of funding for this purpose and a £5k top up agreed at the Finance and Democracy Committee in 2021/22, which is carried forward to the following financial year to provide budget provision for potential claimants during the new year - as per the management of the CTRS scheme as approved and adopted.  |
| Council Tax                         | Council Tax Income   | -6,881                        | -6,909               | -28            | FAV                 | Council Tax income was slightly in excess of the budgeted level, which resulted in this favourable outturn variance.   |
| Housing Benefits                    | Rent Allowances (net), including subsidy from govt, Discretionary Housing Payments, overpayment recovery, and administration costs and grant | 75                            | 203                  | 128            | ADV                 | Demand-led Housing Benefit expenditure (which was £12.7m for the 2022/23 year), is offset by government funding via Housing Benefit Subsidy, and the net position, also reflecting Housing Benefit Admin Grant, was higher than the budgeted level leading to this adverse outturn variance.   |
| <b>Sub total</b>                    |  | <b>-6,386</b>                 | <b>-6,677</b>        | <b>-291</b>    | <b>Favourable</b>   |  |

## ENVIRONMENT, HEALTH &amp; HOUSING COMMITTEE SERVICES

Appendix B (cont'd)

| Service Area                             | Detailed Description                          | Latest Full Year Budget £'000 | Actual Outturn £'000 | Variance £'000 | Adverse/Favourable | Reason for Variance   |
|--|---|-------------------------------|----------------------|----------------|--------------------|---|
| Sports Development                       | Weight Management Activities                  | 37                            | 20                   | -17            | FAV                | Following a new partnership with AFC Fylde Community Foundation to extend the weight management service we wanted to ensure this partnership was hitting the targets set by the funders. We now have enough information to ensure the partnership will be a success and we have set specific targets for AFC. One of the funding targets which we have struggled with is within our deprived areas. We now have a plan in place to deliver in key target areas of the borough and engaged with partners to deliver this element of the funding. A slippage request has been made to allow the targets to be achieved in 2023/24 in accordance with the partnership agreement. |
|  | Weight Management Programme                   | -42                           | -25                  | 17             | ADV                |   |
|  | Business Health Matters Initiatives           | 30                            | 1                    | -29            | FAV                |   |
|  | ESF - Business Health Matters Funding         | -54                           | -27                  | 27             | ADV                |   |
| Homes for Ukraine Scheme                 | Ukraine Scheme Initiatives                    | 230                           | 52                   | -178           | FAV                | This scheme is directed towards assisting Ukrainian guests, particularly focussing on homeless prevention and support in the community. The Council is re-imbursed all costs in respect of the scheme by Lancashire County Council. The favourable variances reflect the in-year underspends on the funding and the adverse variance represents the transfer of the unspent sums into the Homes for Ukraine Scheme Reserve at year end for subsequent use in 2023/24.   |
|  | Government Grant Funding                      | -230                          | -477                 | -247           | FAV                |   |
|  | Remaining Grant Funding - transfer to reserve | 0                             | 425                  | 425            | ADV                |   |
| Housing, Homelessness and Housing Advice | CAB - Debt Advice Service                     | 19                            | 1                    | -18            | FAV                | This service was originally set up with the CAB and included core staffing costs. The service is now run by Blackpool Debt Advice service and is on a 'per-client' basis which has reduced the costs during 2022/23. A slippage request has been submitted in respect of this budget to enable the service to continue in 2023/24.  |
|  | Storage and Removal Costs                     | 5                             | 29                   | 24             | ADV                | The usage and consequent cost of providing these services is demand-led and is a statutory function of the Council under the Homeless Reduction Act. The cost has exceeded the budget during the year due to an increase in relief homeless presentations during 2022/23.   |
|  | Bed & Breakfast Accommodation                 | 280                           | 316                  | 36             | ADV                |   |
|  | Hsing Benefit/Universal Credit Repayment      | -70                           | -83                  | -13            | FAV                | An increase in the number of relief homeless presentations has increased income from Housing Benefits which has helped to partially offset increased accommodation costs.   |
|  | Miscellaneous Income                          | -2                            | -32                  | -30            | FAV                | For 2022/23 the Housing Service has been pro-active in invoicing for an affordable contribution to B&B costs where clients are in employment, recharges for damage in temporary accommodation and contributions towards storage and removal costs, resulting in a significant increase in income during the year and consequently this favourable outturn variance.   |
| Housing Standards                        | Disabled Facilities Grant Fees                | -160                          | -147                 | 13             | ADV                | A greater than usual number of extensions in respect of children were completed in 2022/23 for which no grant administration fees are charged, resulting in this adverse outturn variance.  |
| Taxi Licensing                           | Hackney Carriage Vehicle Licences             | -19                           | -24                  | -5             | FAV                | There was an increased number of requests for vehicle changes/accident damaged vehicles during the year than was forecast (equating to around 26 additional tests) resulting in this favourable outturn variance.   |
|  | Miscellaneous Income                          | 0                             | -5                   | -5             | FAV                | The Council received an unanticipated New Burdens grant from central government in compensation for the need to carry out additional checks on taxis to be undertaken in response to national changes in licencing requirements, resulting in this favourable outturn variance.   |
| <b>Sub total</b>                         |   | <b>24</b>                     | <b>24</b>            | <b>0</b>       | <b>Adverse</b>     |   |

PLANNING COMMITTEE SERVICES

Appendix B (cont'd)

| Service Area                  | Detailed Description   | Latest Full Year Budget £'000 | Actual Outturn £'000 | Variance £'000 | Adverse/ Favourable | Reason for Variance   |
|-------------------------------|--|-------------------------------|----------------------|----------------|---------------------|---|
| Development Management        | Planning application fee income, including pre-planning advice | -500                          | -513                 | -13            | FAV                 | Planning application fee income varies according to the number and nature of applications that are received. The budgeted income from application fees was amended downwards during the financial year, but a number of unexpected major applications were received towards the end of the financial year resulting in a higher level of fee income than had been anticipated at the time the adjustment was made.  |
| Planning Enforcement          | Enforcement Costs  | 40                            | 0                    | -40            | FAV                 | In line with government guidance issued during the Coronavirus pandemic, planning enforcement action was deferred during the year. It is expected that the intended enforcement action will still need to be addressed during the 2023/24 financial year. In the event that enforcement action is taken, it is expected that the cost associated with that action will be significant and consequently a slippage request has been submitted in respect of this budget. |
| Biodiversity Net Gain Grant   | Biodiversity Net Gain Grant                                    | 0                             | 37                   | 37             | ADV                 | This council has been in receipt of government grant in respect of Biodiversity Net Gain assessment which was not budgeted for. The favourable variances reflect the in-year underspends on the funding and the adverse variance represents the transfer of the unspent sums into the Biodiversity Net Gain Grant Reserve at year end for subsequent use in 2023/24.  |
|                               | Remaining Grant Funding - transfer to reserve                  | 0                             | -37                  | -37            | FAV                 |   |
| Local Plan                    | Consultants Fees   | 38                            | 0                    | -38            | FAV                 | Work has commenced on commissioning updated evidence to support the review of the Fylde Local Plan, in particular the production of an update Economic Needs Assessment, Gypsy and Traveller Accommodation Assessment (GTAA) and Strategic Flood Risk Assessment. However the work has not yet been completed and a slippage requested has been submitted to enable this work to be completed in 2023/24.   |
| Planning Policy               | Local Devlpmnt Framework Costs                                 | 15                            | 0                    | -15            | FAV                 |   |
| The Island Site               | Consultants Fees   | 120                           | 100                  | -20            | FAV                 | Part of the payment for work on the St Annes Town Centre and Island Masterplan was paid in 2021/22 which has resulted in this favourable outturn variance.  |
| North Beach Windsports Centre | Feasibility Study  | 13                            | 5                    | -8             | FAV                 | The total cost of the feasibility study for the site was less than anticipated, resulting in this favourable outturn variance.  |
| St Annes Public Offices       | Legal Fees and Court Costs                                     | 0                             | -11                  | -11            | FAV                 | The balance of the legal fee costs relating to the site were met in full from the sale receipts in respect of 288-290 Clifton Drive which actually exceeded those costs. Consequently this revenue budget was not required to meet those fees.  |
| Economic Regeneration         | LCC - Greater Lancashire Plan - Consultant Fees                | 10                            | 0                    | -10            | FAV                 | This budget is aimed at delivering the corporate and political priorities with regard to partnership working to achieve a devolution deal for Lancashire. However although the consultation fees were not expended in 2022/23 it is anticipated that these costs will arise in 2023/24. Consequently a slippage request has been submitted to provide the necessary funding for this work in 2023/24.   |
| 48 Preston Street (Hillside)  | Other Fees   | 7                             | 0                    | -7             | FAV                 | These anticipated fees were not required, resulting in this favourable outturn variance.  |
| <b>Sub total</b>              |  | <b>-257</b>                   | <b>-419</b>          | <b>-162</b>    | <b>Favourable</b>   |   |

|   |             |                   |
|---|-------------|-------------------|
| <b>Other minor variances</b>                    | <b>95</b>   | <b>Adverse</b>    |
| <b>Total Variances - Net Budget Requirement</b> | <b>-647</b> | <b>Favourable</b> |

Requests to transfer 2022/23 budget to 2023/24

| Service Area                                      | Detail   | Slippage Requested £000 | Explanation of Slippage  | Effect on service delivery if not approved   |
|---|--|-------------------------|--|--|
| <b>AUTHORITY-WIDE SERVICES</b>                    |  |                         |  |  |
| Organisational Improvement                        | Organisational Improvement Costs   | 7                       | As part of the LGA Planning Advisory Service (PAS) review in 2022, we are currently at the stage of sourcing an external provider to carry out business improvement works for our planning team as recommended by the PAS action planning reports. This has been delayed due to consultations with all stakeholders, mainly the parish councils. Therefore, a slippage request has been made to allow the business improvement works to be achieved in 2023/24 in accordance with the PAS recommendations.   | The slippage is required in order for the business improvement works to be achieved in 2023/24 in accordance with the PAS recommendations.   |
| Corporate Employee Savings                        | Employee Costs Outturn Savings   | 12                      | There has been a favourable outturn variance against the latest budget for employee costs across the organisation. It is proposed that a proportion of the underspend be used in 2023/24 to provide the resource required for the Tourist Information Centre (TIC) out of core hours service including evening and weekend activities and events. The team provides TIC cover and community support and promote local tourist attractions. The Community Support role is multi-faceted and provides additional support to various services from litter-picking to reporting any safety concerns, to speaking to customers face-to-face whilst representing the face of the Council.  | This slippage will provide additional resources for the Community Support service in 2023/24. Without this service both the safety and customer service levels of the council would be reduced. Since the inception of the service it has developed into key a key contributor towards the safe and successful delivery of Fylde Council attractions and assets. |
| <b>Sub-total</b>                                  |  | <b>19</b>               |  |  |
| <b>FINANCE &amp; DEMOCRACY COMMITTEE SERVICES</b> |  |                         |  |  |
| Revenues and Benefits Service - Central Costs     | Council Tax Reduction Scheme (CTRS) - Hardship Fund  | 6                       | This represents the £6K balance of the original £10k allocation of funding for this purpose and a £5K top up agreed at the Finance and Democracy Committee 22/11/2021, which is carried forward to the following financial year to provide budget provision for potential claimants during the new year - as per the management of the CTRS scheme as approved and adopted.  | The Council has a legal obligation to provide a Hardship Fund for CTRS recipients - the requested slippage is to provide the resource to meet that obligation.   |
| Human Resources                                   | Training Expenses - Qualifications   | 8                       | Expenditure during the year has been lower than anticipated as a consequence of changes in training requirements arising from the restructuring of certain officer posts and responsibilities. As staff have assumed new responsibilities it has been necessary to undertake a review of the current and future training requirements within certain areas of the council, resulting in an underspend as compared to the budget during 2022/23. A slippage request has been submitted to allow the required training to be delivered in 2023/24.   | If the slippage is not approved the available resource in 2023/24 may be insufficient to provide for the essential management training requirements of the Council.  |
| Electoral Registration                            | Elections Act 2023   | 7                       | This budget is funded from government 'New Burdens' grant received in 2022/23 for additional activity to implement voter ID requirements. A slippage request has been submitted in respect of this budget to allow the work to continue to be implemented during 2023/24.  | This work is a requirement of the Elections Act 2023 and the costs are unavoidable. Approval of the slippage would provide the necessary funding for those costs in 2023/24.   |
| ICT   | Purchase of Computer Equipment / Improvements to ICT resilience and recovery arrangements. | 192                     | A number of planned improvements have been delayed as the authority continued to respond to the changing ICT requirements post-covid. These include: Projects around new and better ways of working and its associated ICT strategy; changes to the structure from the Management Review and a consideration on wider strategic technology commitments; the continual threat of cyber risk and the need to constantly adapt and improve our security posture in that space; and the development of new internal and customer-facing digital services that will be the primary focus of ICT Services in 2023/24, alongside the decommissioning and migrating of legacy platforms, infrastructure (including core resiliency infrastructure) and systems to enable modern and efficient ways of working. Slippage requests totalling £192k in respect of ICT budgets have been made to allow this work to be delivered in 2023/24. | Without the requested slippage the planned ICT improvements would not be deliverable.  |
| <b>Sub-total</b>                                  |  | <b>213</b>              |  |  |
| <b>OPERATIONAL MANAGEMENT COMMITTEE SERVICES</b>  |  |                         |  |  |
| Cemetery & Crematorium                            | Drives & Paths   | 6                       | A reduced level of repairs and maintenance to drives and footpaths was undertaken during the year. It is proposed that the underspend in 2022/23 be combined with the 2023/24 budget to enable better value for money to be achieved in the contracting of these works during 2023/24.   | If the slippage were not approved less work could be undertaken in 2023/24 leading to the increased degradation of footpaths and the potential of trip incidents increasing.   |
| <b>Sub-total</b>                                  |  | <b>6</b>                |  |  |

| Service Area  | Detail  | Slippage Requested £000 | Explanation of Slippage  | Effect on service delivery if not approved  |
|---|---|-------------------------|--|---|
| <b>ENVIRONMENT, HEALTH &amp; HOUSING COMMITTEE SERVICES</b> |   |                         |  |   |
| Community Safety  | Community Safety Initiatives                      | 25                      | Community Safety funding is now significantly diminished due to the fact that external grants are no longer being received, other than for smaller amounts of funding, for example, from the Police and Crime Commissioner. The intention is to manage the limited resources prudently and when such usage is most effective. As a result of Covid, there has been a delay in the delivery of activities and consequently a slippage request has been made to transfer the remaining resource into 2023/24. It is possible that not all of this will be used in 2023/24 and a future request to transfer funding beyond 2023/24 may be made. The Grant monies are specifically for Community Safety Initiatives as stipulated by the LSP until such time as the money is fully spent.                                  | If the slippage were not to be approved this would have a detrimental effect on the funding of local community safety initiatives. It is becoming apparent there are numerous negative side effects to the lockdown and slippage would enable partners to provide additional support in areas such as mental health, youth diversionary activities within Fylde and the monies would have to be repaid to Lancashire County Council.  |
|   |   | -25                     |  | At the cessation of the LSP an undertaking was given to utilise the funding for the agreed purposes. It is unclear what would be the consequence if that undertaking were not honoured.   |
| Commercial Team   | Food Safety Consultants                           | 10                      | There has been an underspend on salaries within the Commercial Team due to a number of vacant posts. It is proposed that this underspend be used to cover the cost of food safety consultants in 2023/24 to carry out additional inspections to those to be carried out by the core team in order to fulfill the yearly statutory cycle of inspections.  | The service needs to employ food safety consultants to complete the yearly inspection cycle (which is a statutory function). The use of a consultant will allow the 2 members of staff employed by the Council to do higher risk premises as well as complaints and outbreak investigation. If the slippage were not to be approved there is a risk of not completing the inspection cycle which would leave businesses un-inspected with out-dated food hygiene ratings, potentially placing the public at risk. |
| Environmental Protection Team                               | Environmental Protection Consultants              | 13                      | There has been an underspend on salaries with the Environmental Protection Team in 2022/23. It is proposed that this underspend be used to cover consultant fees in 2023/24 to meet the increased work load arising from an increased incidence of anti-social behaviour.  | The Environmental Protection Act 1990 states that all nuisance complaints must be investigated by the Local Authority. This slippage will ensure the statutory functions of the service are met in 2023/24.   |
| Community Safety - Delivery Costs                           | Consultants Fees                                  | 7                       | This underspend has arisen due to delays in the implementation of the Town Centre CCTV project. The Council has engaged Instrom as consultants for the scheme and a slippage request has been made in respect of this budget to allow that scheme to be delivered in 2023/24.  | The Council has a contractual obligation to Instrom, the scheme consultants for the town centre CCTV project. If the slippage request is refused it would have a detrimental impact on the Town Centre CCTV scheme delivery.  |
| Housing, Homelessness and Housing Advice                    | CAB - Debt Advice Service                         | 18                      | This service was originally set up with the CAB and included core staffing costs. The service is now run by Blackpool Debt Advice service and costs are on a 'per-client' basis which has reduced the costs during 2022/23. It is proposed to slip the underspend into 2023/24 to support service delivery in the new year.  | Without the requested slippage debt advice referrals for clients approaching the local authority at threat of homelessness will not be available, increasing the risk of additional homelessness within the borough.  |
| Housing, Homelessness and Housing Advice                    | Repossession Prevention                           | 6                       | This service is aimed at preventing homelessness within the private rented sector by providing funding to assist with rent arrears. The funding will be used to support clients within the private rented sector facing repossession due to rent arrears, often as a result of Covid 19, the impact which remains a major factor for many clients approaching the homeless service with rent arrears.  | This is ringfenced funding for the prevention of homelessness within the private rented sector. If the slippage were not approved the service could not continue and the funding would have to be returned to DLUHC.  |
| Housing, Homelessness and Housing Advice                    | Domestic Abuse Act Initiatives                    | 4                       | This is a statutory housing function under Part IV of the Domestic Abuse Act 2021. The Housing Outreach Worker post was established in December 2021 and is held jointly between Fylde and Wyre Councils and employed by Fylde Coast Womens Aid.   | Without the requested slippage the Council would be unable to commit to the project for the 12 month term as initially agreed. The DCLG funding is provided to local authorities to take forward the Part IV Housing Duties.  |
|   | MHCLG - Domestic Abuse Support to Victims Funding | -4                      | Funding for project as detailed above.   |   |
| Housing, Homelessness and Housing Advice                    | Rough Sleeper Initiatives                         | 17                      | These funding streams were combined to create an accommodation finding service for rough sleepers and ex-offenders. The previous partners, Empowerment, were not delivering on the project so the contract was ended. The Homeless Service were providing the support for the clients direct and the requirements of the funding have been met. The intention is to move this funding into the Repossession Prevention Funding aimed at saving tenancies of single people in rent arrears or use this money for top up payment of Rent in Advance for 6 months. Currently we are not moving anyone on as the rents are above the LHA rates, but they are remaining in B&B accommodation which is a direct cost to the LA. A slippage request has been submitted to use this funding in 2023/24 to continue the scheme. | If the slippage were not to be approved the scheme would be unable to continue, leading to potentially greater incidence of homelessness within the borough.  |
|   | Ex-Offender Initiatives                           | 22                      |  |   |
|   | MHCLG Funding                                     | -39                     | This represents the funding for the above project.   |   |
| Housing, Homelessness and Housing Advice                    | Changing Futures Project                          | 10                      | Funding for this programme provides for the rent for the Changing Futures HUB along with the YMCA for which additional funding was received in 2022/23. A slippage request has submitted to enable the continuation of the Changing Futures Hub in Fylde.  | Without the requested slippage the service would not be able to continue and the funding would need to be returned to MHCLG.  |
|   | MHCLG Changing Futures Funding                    | -10                     |  |   |
| <b>Sub-total</b>  |   | <b>54</b>               |  |   |

| Service Area                                  | Detail                            | Slippage Requested £000 | Explanation of Slippage   | Effect on service delivery if not approved  |
|---|-----------------------------------|-------------------------|---|---|
| <b>PLANNING COMMITTEE SERVICES</b>            |                                   |                         |   |   |
| Economic Regeneration                         | LCC - Greater Lancashire Plan     | 10                      | This budget is aimed at delivering the corporate and political priorities with regard to partnership working to achieve a devolution deal for Lancashire. However although the consultation fees were not expended in 2022/23 it is anticipated that these costs will arise in 2023/24. Consequently a slippage request has been submitted to provide the necessary funding for this work in 2023/24.   | If the slippage is not approved there is a risk that it would not be possible to deliver the corporate and political priorities with regards to partnership working to achieve a devolution deal for Lancashire.  |
| Development Management                        | Computer - Licence Charges        | 6                       | The work to upgrade the planning IT systems has resulted in an in year saving due to lower licence fees. However, additional work is still required to upgrade the systems and it is proposed to use this underspend to develop the new system in line with objectives set out in the Planning Advisory Service Peer Review recommendations. Consequently a slippage request has been submitted in respect of this budget.  | If the slippage were not to be approved the development of the new computer system (in line with objectives set out in the Planning Advisory Service Peer Review recommendations) would not be deliverable.   |
| Local Plan                                    | Consultants Fees                  | 38                      | Work has commenced on commissioning updated evidence to support the review of the Fylde Local Plan, in particular the production of an update Economic Needs Assessment, Gypsy and Traveller Accommodation Assessment (GTAA) and Strategic Flood Risk Assessment. However the work has not yet been completed and a slippage requested has been submitted to enable this work to be completed in 2023/24.   | If this funding were not to be available in 2023/24 (which will be added to other identified funding streams) it would not be possible to complete the work and update the Local Plan, so putting the Council at risk of losing planning appeals for inappropriate development and not being able to fulfill the aim of maintaining an up to date Local Plan as set out in the Planning Advisory Service Peer Review. |
| Local Plan                                    | Sustainability Appraisal          | 4                       | In line with the Local Development Scheme, the Council is currently progressing the adoption of two Supplementary Planning Documents (Flood Risk Management and Car Parking) that will help inform future planning decisions. Each document will require a sustainability appraisal which has been commissioned, but not yet completed. Slippage is requested to meet the costs of the contracted work in 2023/24.  | If the slippage were not approved it will not be possible to meet the costs of the contracted work.   |
| Planning Enforcement                          | Enforcement Costs                 | 40                      | In line with government guidance issued during the Coronavirus pandemic, planning enforcement action was deferred during the year. It is expected that the the intended enforcement action will still need to be addressed during the 2023/24 financial year. In the event that enforcement action is taken, it is expected that the cost associated with that action will be significant and consequently a slippage request has been submitted in respect of this budget. | If the slippage were not to be approved this would reduce the resource available to take action in respect of an unauthorised development, which may then be allowed to remain.   |
| Planning Policy                               | Local Development Framework Costs | 15                      | Work has commenced on commissioning updated evidence to support the review of the Fylde Local Plan, in particular the production of an update Economic Needs Assessment, Gypsy and Traveller Accommodation Assessment (GTAA) and Strategic Flood Risk Assessment. However the work has not yet been completed and a slippage requested has been submitted to enable this work to be completed in 2023/24.   | If this funding were not to be available in 2023/24 (which will be added to other identified funding streams) it would not be possible to complete the work and update the Local Plan, so putting the Council at risk of losing planning appeals for inappropriate development and not being able to fulfill the aim of maintaining an up to date Local Plan as set out in the Planning Advisory Service Peer Review. |
| <b>Sub-total</b>                              |                                   | <b>113</b>              |   |   |
| <b>TOURISM AND LEISURE COMMITTEE SERVICES</b> |                                   |                         |   |   |
| Fylde Sand Dunes Project                      | Sand Dunes Project Materials      | 7                       | These works are undertaken using Environment Agency grant funding for the sand dune project. There have been delays in receiving materials for the works during 2022/3 resulting in this underspend. A slippage request has been submitted to allow these works to be delivered during 2023/24  | If the slippage were not to be approved the soft coastal defence works would not be as extensive due to less materials being acquired and the funding would need to be returned to the Environment Agency.  |
|   | Sand Dunes Project Grant Funding  | -7                      | Grant funding for the Sand Dunes project covering the above materials costs   |   |
| Kirkham Pool                                  | Subsidy to YMCA                   | 11                      | This underspend relates to the saving to the Council for the facility in 2022/23. A slippage request has been submitted to allow for this sum to be available in 2023/24.   | If the slippage is not approved the available funding for the service in 2023/24 would not be available.  |
| Management of the Arts                        | Art Collections Management        | 2                       | This funding provides for the on-going restoration of items within the Lytham St Annes Art Collection.  | If the slippage request were not approved it would require additional fundraising by the Friends of the Collection in 2023/24 to support the cost of the on-going restoration of the paintings and the care of the collection.  |

| Service Area                           | Detail                           | Slippage Requested £000 | Explanation of Slippage  | Effect on service delivery if not approved   |
|--|----------------------------------|-------------------------|--|--|
| Sports Development                     | Weight Management Activities     | 17                      | Following a new partnership with AFC Fylde Community Foundation to extend the weight management service we wanted to ensure this partnership was hitting the targets set by the funders. We now have enough information to ensure the partnership will be a success and we have set specific targets for AFC. One of the funding targets which we have struggled with is within our deprived areas.  | If this slippage request is refused, then these activities will not continue for 2023/24 and the Council will not meet the aims and objectives set out in the application. The funding will have to be returned to Lancashire County Council |
|  | LCC - Weight Management Funding  | -17                     | We now have a plan in place to deliver in key target areas of the borough and engaged with partners to deliver this element of the funding. A slippage request has been made to allow the targets to be achieved in 2023/24 in accordance with the partnership agreement.  |  |
|  | Business Health Matters          | 27                      | This is a scheme co-ordinated by Active Lancashire that is aimed at improving health & well-being within the workplace. Fylde Council has delivered the scheme at levels 2 & 3 to over 20 local businesses during 2022/23. The scheme is to be delivered over the financial years 2022/23 & 2023/24 and a slippage request has been submitted to enable the remainder of the programme to be delivered in 2023/24 in accordance with the agreement with Active Lancashire. | If the slippage request is refused the Council will not meet the aims and objectives set out in the application and the funding would need to be returned to Active Lancashire   |
|  | ESF - Business Health Matters    | -27                     |  |  |
| Persimmon Conservation Project         | Environmental Projects           | 18                      | The delivery of the original environmental programme, funded through developer s106 monies, has been delayed due to Covid and further post-Covid issues relating to the lack of availability of materials. If the slippage is approved the remaining funding will be spent within the 2023/24 year to continue the project.  | If the slippage were not approved the continuation of the scheme in 2023/24 would not be deliverable.  |
|  | S106 Contribution                | -18                     |  |  |
| Parks Development - Lytham & St. Annes | Community Projects & Initiatives | 3                       | It was not possible to secure suitable contractors to carry out these project works during 2022/23. A slippage request has been submitted to allow these works to be delivered in 2023/24.   | If the slippage were not approved it would not be possible to complete the planned projects.   |
|  | Hard Landscape Schemes           | 4                       | It was not possible to secure suitable contractors to carry out these project works during 2022/23. A slippage request has been submitted to allow these works to be delivered in 2023/24.   | If the slippage were not approved it would not be possible to complete the planned projects.   |
| St.Annes-Leisure (Strategic)           | Consultants Fees                 | 10                      | This underspend has arisen due to the re-phasing of the St Annes Paddling Pool re-design scheme. These costs were ultimately incurred in 2023/24 and consequently a slippage request has been submitted to provide the necessary funding for this work in 2023/24.   | If the slippage were not approved there would be insufficient funds to fund the project.   |
| <b>Sub-total</b>                       |                                  | <b>30</b>               |  |  |
| <b>Total Revenue Slippage</b>          |                                  | <b>435</b>              |  |  |

## CAPITAL OUTTURN 2022/23

| KEY:  |  |
|---|--|
|  | SCHEME DELIVERED TO BUDGET DURING THE YEAR |
|  | SCHEME UNDERSPENT AGAINST BUDGET           |
|  | SCHEME OVERSPENT AGAINST BUDGET            |

| APPROVED SCHEMES                                  | Head of Service / Budget Holder | Financing Source  | Latest Budget 2022/23<br>£000 | Actual Outturn<br>£000 | Variance<br>£000 | Variance          | See key   | Slippage required into 2023/24<br>£000 | Budget Holder Comments   |
|---|---------------------------------|---|-------------------------------|------------------------|------------------|-------------------|---|--|--|
| <b>OPERATIONAL MANAGEMENT COMMITTEE SCHEMES</b>   |                                 |   |                               |                        |                  |                   |   |  |  |
| Replacement Vehicles                              | Mark Wilde                      | Internal Borrowing / Capital Receipts / Capital Investment Reserve          | 628                           | 97                     | 531              | Underspent        |    | 531                                    | The replacement vehicle purchases for 2022/23 will be required to be re-phased into 2023/24 due to expected longer lead times from the tenders. Slippage is requested.   |
| Public Transport Improvements                     | Darren Bell                     | S106 Developer Contributions  | 150                           | 60                     | 90               | Underspent        |    | 90                                     | This scheme relates to developer contributions (s106) funding that is paid to Lancashire County Council (LCC). The funding will contribute to the delivery of improved public transport services where an enhanced public transport requirement is identified as a result of increased housing development. These payments may be made over a period of several years and in this instance the s106 agreement allows for payments to be made up until 2028. Slippage is requested. |
| Fairhaven and Church Scar Coast Protection Scheme | Darren Bell                     | Specific Government Grant (Environment Agency) / Capital Investment Reserve | 10                            | 10                     | 0                | On target         |    |  | This scheme has been delivered and completed within budget.  |
| St Annes Sea Wall                                 | Charlie Richards                | Specific Government Grant (Environment Agency)                              | 701                           | 767                    | -66              | Accelerated Spend |    | -66                                    | There has been accelerated spend on the planning stage during 2022/23 which will be met by additional or a re-phasing of the external grant.   |
| Charging Infrastructure for Electric Taxis        | Darren Bell                     | Specific Government Grant   | 27                            | 19                     | 8                | Underspent        |    | 8                                      | The majority of the scheme has been completed to budget. Minor slippage is requested.  |
| Staining Drainage Improvement Scheme              | Darren Bell                     | Capital Investment Reserve / Staining Parish Council                        | 65                            |                        | 65               | Underspent        |    | 65                                     | Plans for landscaping works are currently being developed with project completion anticipated to be during 2023/24. Slippage is requested.   |
| North Beach Car Park Public Conveniences          | Darren Bell                     | Capital Investment Reserve  | 150                           | 133                    | 17               | Underspent        |    | 17                                     | The scheme is substantially complete. Slippage is requested.   |
| Stanner Bank Public Conveniences Refurbishment    | Darren Bell                     | Capital Investment Reserve  | 78                            | 40                     | 38               | Underspent        |    | 38                                     | The Public Convenience's element was completed in January 2023. The footpath access to the rear of the building is to be completed during 2023/24. Slippage is requested.  |
| Cleaning Mechanical Sweeper Vehicle               | Mark Wilde                      | Capital Investment Reserve  | 64                            | 64                     | 0                | On Target         |  |  | This scheme has been delivered and completed within budget.  |
| Changing Places                                   | Darren Bell                     | Capital Investment Reserve / Specific Grant                                 | 40                            | 33                     | 7                | Underspent        |  | 7                                      | External funding was awarded in March 2022. The Council agreed 10% match funding and draw down for Phase 1 (April 2022). The total funding to deliver 3 changing places facilities by March 2024 is £120,000. The first facility at North Beach Windsports Centre is complete and the initial £45k external funding has been received. Negotiations for Lowther and Kirkham sites have been initiated with potential options being explored. Slippage is requested.                |
| <b>Sub total</b>                                  |                                 |   | <b>1,913</b>                  | <b>1,223</b>           | <b>690</b>       |                   |   | <b>690</b>                             |  |
| <b>FINANCE &amp; DEMOCRACY COMMITTEE SCHEMES</b>  |                                 |   |                               |                        |                  |                   |   |  |  |
| Purchase of Land Adjacent to Squires Gate Station | Darren Bell                     | Capital Investment Reserve  | 6                             |                        | 6                | Underspent        |  | 6                                      | This project is ongoing. As agreed by Council the compulsory purchase of the land has been started. It is expected that the process will be completed during 2023/2024. Slippage is requested.   |
| Public Offices Capital Works                      | Darren Bell                     | Capital Investment Reserve  | 65                            | 65                     | 0                | On target         |  |  | This scheme has been delivered and completed within budget.  |
| Purchase of Land at Back Glen Eldon Road          | Darren Bell                     | Capital Receipts  | 220                           | 220                    | 0                | On target         |  |  | This scheme has been delivered and completed within budget.  |
| <b>Sub total</b>                                  |                                 |   | <b>291</b>                    | <b>285</b>             | <b>6</b>         |                   |   | <b>6</b>                               |  |

| APPROVED SCHEMES   | Head of Service / Budget Holder | Financing Source  | Latest Budget 2022/23<br>£000 | Actual Outturn<br>£000 | Variance<br>£000 | Variance   | See key | Slippage required into 2023/24<br>£000 | Budget Holder Comments  |
|--|---------------------------------|---|-------------------------------|------------------------|------------------|------------|---------|--|---|
| <b>TOURISM &amp; LEISURE COMMITTEE SCHEMES</b>             |                                 |   |                               |                        |                  |            |         |  |   |
| Fairhaven Lake & Promenade Gardens Restoration             | Mark Wilde                      | Capital Investment Reserve                                | 250                           | 10                     | 240              | Underspent | ▲       | 240                                    | The building and landscape capital works are now complete. The defect period for the contractor, John Turners, was the end of September 2022. Snagging is on-going on some smaller items and the retention has not yet paid. The lake package works are ongoing. The onsite team are overseeing developments on the jetty and lake edging improvements. Officers are currently engaging with a specialist company to re-work the methodology for the planned lake dredging. The HLF aware of the delays and are supporting the council in extending the timeframe for the lake works delivery. Slippage is requested. |
| Repairs and Improvements to the Pathways at Fairhaven Lake | Mark Wilde                      | Capital Investment Reserve                                | 70                            | 70                     | 0                | On target  | 😊       |  | This scheme has been delivered and completed within budget.   |
| Staining Playing Fields Development Scheme                 | Mark Wilde                      | S106 Developer Contributions / Capital Investment Reserve | 30                            | 30                     | 0                | On target  | 😊       |  | This scheme has been delivered and completed within budget.   |
| Coastal Signage Improvements                               | Darren Bell                     | Capital Investment Reserve                                | 61                            | 7                      | 54               | Underspent | ▲       | 54                                     | Phases 1, 2 and 3 (Consolidation / Rationalisation, Digital Beach Signs and Beach Safety Signs) have been completed. Phases 3 and 5 (Waymarking & Directional and Heritage & Interpretation) are currently being modelled. Delivery of the remainder of the scheme is anticipated to be during 2023/24. Slippage is requested.  |
| Blackpool Road North Playing Fields Drainage               | Darren Bell                     | Capital Investment Reserve                                | 26                            |                        | 26               | Underspent | ▲       | 26                                     | The works are substantially complete. The remaining funding for additional works on the maintenance of football pitches is to be utilised as match-funding for an external funding bid to further improve the football pitches. Slippage is requested.  |
| Park View Drainage Improvement Scheme                      | Darren Bell                     | Capital Investment Reserve                                | 64                            | 49                     | 15               | Underspent | ▲       | 15                                     | The works are substantially complete. The remaining funding for additional works on the maintenance of football pitches is to be utilised as match-funding for an external funding bid to further improve the football pitches. Slippage is requested.  |
| Fairhaven Boathouse - Remodelling and Refurbishment Scheme | Darren Bell                     | Capital Investment Reserve                                | 217                           |                        | 217              | Underspent | ▲       | 217                                    | This scheme is currently scheduled for delivery in 2023/24. Slippage is requested.  |
| Play Area Improvements                                     | Mark Wilde                      | Capital Investment Reserve                                | 43                            | 43                     | 0                | On target  | 😊       |  | This scheme has been delivered and completed within budget.   |
| Friends of Newton Community Park Improvement Scheme        | Charlie Richards                | S106 Developer Contributions                              | 37                            | 37                     | 0                | On target  | 😊       |  | This scheme has been delivered and completed within budget.   |
| Fairhaven Kiosk / Ice Cream Bar Project                    | Darren Bell                     | Funding Volatility Reserve                                | 7                             | 7                      | 0                | On target  | 😊       |  | This scheme has been delivered and completed within budget.   |
| Boating Pool Safety Improvements                           | Mark Wilde                      | Capital Investment Reserve                                | 26                            | 26                     | 0                | On target  | 😊       |  | This scheme has been delivered and completed within budget.   |
| North Beach Windsports Centre                              | Darren Bell                     | Capital Investment Reserve                                | 281                           | 281                    | 0                | On target  | 😊       |  | This scheme has been delivered and completed within budget.   |
| Petanque Court   | Mark Wilde                      | Capital Investment Reserve                                | 13                            | 6                      | 7                | Underspent | ▲       | 7                                      | Following a tender process, a drawdown report was presented and approved at the January 2022 Tourism & Leisure Committee. A contract has now been issued to the successful tenderer. Works are due to be completed by the end of May 2022. Slippage is requested.   |
| Play Area - Blackpool Road North Playing Field             | Mark Wilde                      | Capital Investment Reserve                                | 125                           | 125                    | 0                | On target  | 😊       |  | This scheme has been delivered and completed within budget.   |
| Improvements to Children's Play Areas                      | Mark Wilde                      | Capital Investment Reserve                                | 100                           |                        | 100              | Underspent | ▲       | 100                                    | Following a tender exercise, formal contract has now been awarded to Kompan Play Ltd. Works will commence in 2023/24. Slippage is requested.  |
| St Annes Paddling Pool Water Quality Improvements          | Mark Wilde                      | Capital Investment Reserve                                | 53                            | 18                     | 35               | Underspent | ▲       | 35                                     | This scheme was approved by Council in February 2023 and will be completed during 2023/24. Slippage is requested.   |
| <b>Sub total</b>   |                                 |   | <b>1,403</b>                  | <b>709</b>             | <b>694</b>       |            |         | <b>694</b>                             |   |

| APPROVED SCHEMES   | Head of Service / Budget Holder | Financing Source  | Latest Budget 2022/23<br>£000 | Actual Outturn<br>£000 | Variance<br>£000 | Variance   | See key | Slippage required into 2023/24<br>£000 | Budget Holder Comments  |
|--|---------------------------------|---|-------------------------------|------------------------|------------------|------------|---------|--|---|
| <b>ENVIRONMENT, HEALTH &amp; HOUSING COMMITTEE SCHEMES</b> |                                 |   |                               |                        |                  |            |         |  |   |
| Disabled Facilities Grants (DFG) Programme                 | Ian Williamson                  | Specific Grant (Better Care Fund) / External Contributions / Grant repayments | 1,503                         | 1,290                  | 213              | Underspent | ▲       | 213                                    | The grant programme has seen significant spend during 2022/23. Slippage is requested for the remaining monies that have not been spent in year.   |
| Affordable Warmth Scheme - Housing                         | Ian Williamson                  | Specific Grant (Lancashire County Council)                                    | 60                            | 13                     | 47               | Underspent | ▲       | 47                                     | The project is up and running and expected to complete during 2023/24. Additional funding awarded in March 2023 for £29,938 to continue the project into 23/24. Slippage is requested.  |
| Housing Needs Grant  | Ian Williamson                  | DFG Grant Repayments  | 55                            | 4                      | 51               | Underspent | ▲       | 51                                     | Housing Needs grant awards are dependent on the repayments received by the sale of properties where DFG grant has previously been provided. The funding to be used where professional services have been provided, such as architectural fees, but the DFG grant has not gone ahead. Funding has been used in previous years for specific community information events. Planning of a 2023/24 programme of events is underway as part of the HMO inspection project. Slippage is requested. |
| CCTV Replacement Schemes                                   | Ian Curtis                      | Specific Grant (LSP Performance Reward Grant)                                 | 1                             |                        | 1                | Underspent | ▲       | 1                                      | Four WCCTV rapid deployable cameras with accessories have been purchased and two have been deployed at Lytham Windmill and Park View. The other two are available for deployment on submission of an application. This is the residual funding. Slippage is requested.  |
| Hydration Points   | Darren Bell                     | Capital Investment Reserve  | 60                            | 16                     | 44               | Underspent | ▲       | 44                                     | A report for additional hydration points was approved in March 2023. Four wall mounted units have been installed with signage being designed. Two free-standing units were installed Autumn 2022 though won't be commissioned until Spring 2023 to avoid freezing pipes. Slippage is requested.   |
| Fylde Affordable Housing Delivery Programme                | Mark Evans                      | S106 Developer Contributions  | 41                            | 8                      | 33               | Underspent | ▲       | 33                                     | The Housing Survey has now been completed. The funding was originally drawn down following a fact-finding mission by approaching consultants to establish potential cost. The procurement exercise that was undertaken has enabled us to appoint consultants for an amount below budget. Slippage is requested.   |
| Affordable Housing Scheme, Lytham Road, Warton             | Mark Evans                      | S106 Developer Contributions  | 260                           | 260                    | 0                | On target  | 😊       |  | This scheme has been delivered and completed within budget.   |
| Tree Planting Scheme                                       | Mark Evans                      | Capital Investment Reserve  | 19                            | 8                      | 11               | Underspent | ▲       | 11                                     | The take up of trees for the "15 Trees for 15 Parishes" scheme was not as high as envisaged. The Carbon Neutral Working Group asked that the funds be slipped to allow planting during the 2022/23 planting season (which has now been completed under budget) and for a tree canopy survey to be completed. It is proposed to request that remaining funds be slipped to supplement further tree planting during the 2023/24 planting season. Slippage is requested.                       |
| <b>Sub total</b>   |                                 |   | <b>1,999</b>                  | <b>1,599</b>           | <b>400</b>       |            |         | <b>400</b>                             |   |

| APPROVED SCHEMES                                 | Head of Service / Budget Holder | Financing Source   | Latest Budget 2022/23 | Actual Outturn | Variance     | Variance          | See key | Slippage required into 2023/24 | Budget Holder Comments   |
|--|---------------------------------|--|-----------------------|----------------|--------------|-------------------|---------|--------------------------------|--|
|  |                                 |  | £000                  | £000           | £000         |                   |         | £000                           |  |
| <b>PLANNING COMMITTEE SCHEMES</b>                |                                 |  |                       |                |              |                   |         |                                |  |
| Lytham Regeneration Schemes                      | Charlie Richards                | S106 Developer Contributions/ Specific Grant/ Capital Investment Reserve   | 55                    | 61             | -6           | Accelerated Spend | ☺       | -6                             | The Lytham Beach Lighting Scheme has seen accelerated spend during 2022/23 which will be met by the UK Shared Prosperity Fund.   |
| Kirkham Public Realm Improvements                | Charlie Richards                | S106 Developer Contributions / Capital Investment Reserve                  | 2                     |                | 2            | Underspent        | ▲       | 2                              | This is a residual amount from the last phase of regeneration works allocated for signage which will now be delivered as part of the Kirkham Future High Street Fund / Heritage Action Zone programme. Slippage is requested.  |
| M55 Link Road (Inc. S106 monies for design work) | Mark Evans                      | S106 Developer Contributions / M55 Link Road Reserve                       | 2,121                 | 2,120          | 1            | Underspent        | ▲       |                                | This scheme has been delivered and completed with a minor underspend.  |
| St Annes Pier - Coastal Revival Fund             | Mark Evans                      | Specific Grant   | 5                     | 5              | 0            | On target         | ☺       |                                | This scheme has been delivered and completed within budget.  |
| Future High Street Fund: Kirkham                 | Charlie Richards                | Specific Grant   | 500                   | 301            | 199          | Underspent        | ▲       | 199                            | In April 2021 an award of £6.29m for the Kirkham scheme was announced from the Ministry of Housing, Communities and Local Government (MHCLG) which was approved at Council on the 5th July 2021. During 2021/22 the Council purchased 2 properties within Kirkham Town Centre for restoration alongside the Kirkham Heritage Action Zone Scheme. Council approved a funded budget increase of £845k (£520k in 2022/23 and £325k in 2023/24) in July 2022 fully funded from Lancashire County Council grant. Slippage is requested for the unspent monies into 2023/24. |
| Elswick Village Green                            | Mark Evans                      | Capital Investment Reserve / S106 Developer Contributions / Specific Grant | 60                    | 60             | 0            | On target         | ☺       |                                | This scheme has been delivered and completed within budget.  |
| Kirkham Heritage Action Zone                     | Charlie Richards                | Capital Investment Reserve / S106 Developer Contributions / Specific Grant | 550                   | 583            | -33          | Accelerated Spend | ☺       | -33                            | This is a 4 year programme (2020-2024) with spending being spread across the programme period. There has been accelerated spend on the planning stage during 2022/23 which will be met by a re-phasing of the funding.   |
| 25 Victoria Road St Annes Y-Pad Scheme           | Ian Williamson                  | S106 Developer Contributions   | 150                   | 150            | 0            | On target         | ☺       |                                | This scheme has been delivered and completed within budget.  |
| <b>Sub total</b>                                 |                                 |  | <b>3,443</b>          | <b>3,280</b>   | <b>163</b>   |                   |         | <b>162</b>                     |  |
| <b>Total Expenditure</b>                         |                                 |  | <b>9,049</b>          | <b>7,096</b>   | <b>1,953</b> |                   |         | <b>1,952</b>                   |  |

**Capital Slippage 2022/23**

**Requests to transfer 2022/23 Budget to 2023/24**

| Scheme | Detail | Slippage Requested £000 | Explanation of Slippage | Effect on service delivery if Slippage is not approved |
|--------|--------|-------------------------|-------------------------|--|
|--------|--------|-------------------------|-------------------------|--|

**FINANCE & DEMOCRACY COMMITTEE SCHEMES**

|   |                  |          |   |  |
|---|------------------|----------|---|--|
| Purchase of Land Adjacent to Squires Gate Station | Purchase of Land | 6        | As agreed by Council the compulsory purchase of the land has been started and could take 12 months to complete. | If the slippage were not to be approved there would be insufficient approved funding in 2023/24 to complete the land purchase. |
|   | <b>Sub-total</b> | <b>6</b> |   |  |

**TOURISM & LEISURE COMMITTEE SCHEMES**

|  |                                 |            |   |   |
|--|---------------------------------|------------|---|---|
| Fairhaven Lake & Promenade Gardens Restoration             | Building Works and Improvements | 240        | Building / landscaping works are now complete with retention payments due in 2022/23 financial year. The lake works package are scheduled to be completed during 2023/24.   | If the slippage were not to be approved there would be insufficient funding in 2023/24 to deliver the full scheme as specified. |
| Coastal Signage Improvements                               | Building Works and Improvements | 54         | Phases 1, 2 and 3 (Consolidation / Rationalisation, Digital Beach Signs and Beach Safety Signs) have been completed. Phases 3 and 5 (Waymarking & Directional and Heritage & Interpretation) are currently being modelled. Delivery of the remainder of the scheme is anticipated to be during 2023/24. | If the slippage were not to be approved there would be insufficient funding in 2023/24 to deliver the full scheme as specified. |
| Blackpool Road North Playing Fields Drainage               | Building Works and Improvements | 26         | The works are substantially complete. The remaining funding for additional works on the maintenance of football pitches is to be utilised as match-funding for an external funding bid to further improve the football pitches. Slippage is requested.  | If the slippage were not to be approved there would be insufficient funding in 2023/24 to deliver the full scheme as specified. |
| Park View Drainage Improvement Scheme                      | Building Works and Improvements | 15         | The works are substantially complete. The remaining funding for additional works on the maintenance of football pitches is to be utilised as match-funding for an external funding bid to further improve the football pitches. Slippage is requested.  | If the slippage were not to be approved there would be insufficient funding in 2023/24 to deliver the full scheme as specified. |
| Fairhaven Boathouse - Remodelling and Refurbishment Scheme | Building Works and Improvements | 217        | This scheme is currently scheduled for delivery in 2023/24. Slippage is requested.  | If the slippage were not to be approved there would be insufficient funding in 2023/24 to deliver the full scheme as specified. |
| Petanque Court   | Building Works and Improvements | 7          | Following a tender process, a drawdown report was presented and approved at the January 2022 Tourism & Leisure Committee. A contract has now been issued to the successful tenderer. Works are due to be completed by the end of May 2022.  | If the slippage were not to be approved there would be insufficient funding in 2023/24 to deliver the full scheme as specified. |
| Improvements to Children's Play Areas                      | Building Works and Improvements | 100        | Following a tender exercise, formal contract has now been awarded. The project works are scheduled to be completed during 2023/24.  | If the slippage were not to be approved there would be insufficient funding in 2023/24 to deliver the full scheme as specified. |
| St Annes Paddling Pool Water Quality                       | Building Works and Improvements | 35         | The project works are scheduled to be completed during 2023/24.   | If the slippage were not to be approved there would be insufficient funding in 2023/24 to deliver the full scheme as specified. |
|  | <b>Sub-total</b>                | <b>694</b> |   |   |

| Scheme  | Detail   | Slippage Requested £000 | Explanation of Slippage   | Effect on service delivery if Slippage is not approved  |
|---|--|-------------------------|---|---|
| <b>OPERATIONAL MANAGEMENT COMMITTEE SCHEMES</b> |  |                         |   |   |
| Replacement Vehicles                            | Purchase of Vehicles   | 531                     | A number of operational vehicles of a bespoke specification and with long build times have been commissioned but were not delivered to the Council by the year-end. Slippage is requested in this regard and the vehicles are now expected to be received during 2023/24.   | If the slippage were not to be approved the vehicles would have to be funded from the 2023/24 budget for vehicle replacements which would impact on the delivery of future years of the vehicle replacement schedule. |
| Public Transport Improvements                   | Payment of S106 Developer Contributions to Lancashire County Council for enhanced public transport provision | 90                      | This scheme relates to developer contributions (s106) funding that is paid to Lancashire County Council (LCC). The funding will contribute to the delivery of improved public transport services where an enhanced public transport requirement is identified as a result of increased housing development. These payments may be made over a period of several years and in this instance the s106 agreement allows for payments to be made up until 2028. Slippage of the unspent amount of £90k is requested in order that the full amount may be paid to LCC in later years at the appropriate point in time. | If the slippage were not to be approved the payments to LCC under the agreement would have to be funded from other resources.   |
| St Annes Sea Wall                               | Building Works and Improvements  | -66                     | There has been accelerated spend on the planning stage during 2022/23 which will be met by additional or a re-phasing of the external grant.  | If the accelerated spend / budget rephasing were not to be approved there would be excessive budget in 2023/24 that would require funding from another resource.  |
| Charging Infrastructure for Electric Taxis      | Building Works and Improvements  | 8                       | The majority of the scheme has been completed to budget. Minor slippage is requested.   | If the slippage were not to be approved there would be insufficient funding in 2023/24 to deliver the full scheme as specified.   |
| Staining Drainage Improvement Scheme            | Building Works and Improvements  | 65                      | Plans for landscaping works are currently being developed with project completion anticipated to be during 2023/24. Slippage is requested.  | If the slippage were not to be approved there would be insufficient funding in 2023/24 to deliver the full scheme as specified.   |
| North Beach Car Park Public Conveniences        | Building Works and Improvements  | 17                      | The scheme is substantially complete. Slippage is requested.  | If the slippage were not to be approved there would be insufficient funding in 2023/24 to deliver the full scheme as specified.   |
| Stanner Bank Public Conveniences Refurbishment  | Building Works and Improvements  | 38                      | Public Convenience's element completed January 2023. Footpath access to the rear of the building to be completed during 2023/24. Slippage is requested.   | If the slippage were not to be approved there would be insufficient funding in 2023/24 to deliver the full scheme as specified.   |
| Changing Places                                 | Building Works and Improvements  | 7                       | External funding was awarded in March 2022. The Council agreed 10% match funding and draw down for Phase 1 (April 2022). The total funding to deliver 3 changing places facilities by March 2024 is £120,000. The first facility at North Beach Windsports Centre is complete and the initial £45k external funding has been received. Negotiations for Lowther and Kirkham sites have been initiated with potential options being explored. Slippage is requested.   | If the slippage were not to be approved there would be insufficient funding in 2023/24 to deliver the full scheme as specified.   |
| <b>Sub-total</b>                                |  | <b>690</b>              |   |   |

| Scheme   | Detail                          | Slippage Requested £000 | Explanation of Slippage  | Effect on service delivery if Slippage is not approved  |
|--|---------------------------------|-------------------------|--|---|
| <b>ENVIRONMENT, HEALTH &amp; HOUSING COMMITTEE SCHEMES</b> |                                 |                         |  |   |
| Disabled Facilities Grants (DFG) Programme                 | Grant Payments                  | 213                     | The grant programme has seen significant spend during 2023/24. Slippage is requested for the remaining monies that have not been spent in year.  | If the slippage were not to be approved there would be insufficient funding in 2023/24 to deliver the full scheme as specified. |
| Affordable Warmth Scheme - Housing                         | Grant Payments                  | 47                      | Project is up and running and expected to complete during 2023/24. Slippage is requested.  | If the slippage were not to be approved there would be insufficient funding in 2023/24 to deliver the full scheme as specified. |
| Housing Needs Grant  | Grant Payments                  | 51                      | Housing Needs grant awards are dependent on the repayments received by the sale of properties where DFG grant has previously been provided. The funding to be used where professional services have been provided, such as architectural fees, but the DFG grant has not gone ahead in 2022/23. Funding has been used in previous years for specific community information events. Planning of a 2023/24 programme of events is underway as part of the HMO Inspection project. Slippage is requested. | If the slippage were not to be approved there would be insufficient funding in 2023/24 to deliver the full scheme as specified. |
| CCTV Replacement Schemes                                   | Purchase of Equipment           | 1                       | Residual funding from CCTV Replacemnt in 2022/23   | If the slippage were not to be approved there would be insufficient funding in 2023/24 to deliver the full scheme as specified. |
| Hydration Points   | Building Works and Improvements | 44                      | A drawdown request for a small number of hydration points was approved in March 2022. Four wall mounted units have been installed with signage being designed. Two free-standing units were installed Autumn 2022 though won't be commissioned until Spring2023 to avoid freezing pipes. Slippage is requested.  | If the slippage were not to be approved there would be insufficient funding in 2023/24 to deliver the full scheme as specified. |
| Fylde Affordable Housing Delivery Programme                | Building Works and Improvements | 33                      | The Housing Survey has now been completed. The funding was originally drawn down following a fact-finding mission by approaching consultants to establish potential cost. The procurement exercise that was undertaken has enabled us to appoint consultants for an amount below budget. Slippage is requested.  | If the slippage were not to be approved there would be insufficient funding in 2023/24 to deliver the full scheme as specified. |
| Tree Planting Scheme                                       | Grant Payment                   | 11                      | Take up of trees for the "15 Trees for 15 Parishes" scheme was not as high as envisaged. The Carbon Neutral Working Group asked that the funds be slipped to allow planting during the 2022/23 planting season (which has now been completed under budget) and for a tree canopy survey to be completed. It is proposed to request that remaining funds be slipped to supplement further tree planting during the 2023/24 planting season. Slippage is requested.                                      | If the slippage were not to be approved there would be insufficient funding in 2023/24 to deliver the full scheme as specified. |
| <b>Sub-total</b>   |                                 | <b>400</b>              |  |   |

| Scheme                            | Detail                          | Slippage Requested £000 | Explanation of Slippage  | Effect on service delivery if Slippage is not approved   |
|-----------------------------------|---------------------------------|-------------------------|--|--|
| <b>PLANNING COMMITTEE SCHEMES</b> |                                 |                         |  |  |
| Lytham Regeneration Schemes       | Regeneration Scheme             | -6                      | The Lytham Beach Lighting Scheme has seen accelerated spend during 2022/23 funded by the UK Shared Prosperity Fund.  | If the accelerated spend / budget rephasing were not to be approved there would be excessive budget in 2023/24 that would require funding from another resource. |
| Kirkham Public Realm Improvements | Regeneration Scheme             | 2                       | This is a residual amount from the last phase of regeneration works allocated for signage which will now be delivered as part of the Kirkham Future High Street Fund / Heritage Action Zone programme in 2023/24.  | If the slippage were not to be approved there would be insufficient funding in 2023/24 to deliver the full scheme as specified.                                  |
| Future High Street Fund: Kirkham  | Building Works and Improvements | 199                     | In April 2021 an award of £6.29m for the Kirkham scheme was announced from the Ministry of Housing, Communities and Local Government (MHCLG) which was approved at Council on the 5th July 2021. During 2021/22 the Council purchased 2 properties within Kirkham Town Centre for restoration alongside the Kirkham Heritage Action Zone Scheme. Council approved a funded budget increase of £845k (£520k in 2022/23 and £325k in 2023/24) in July 2022 fully funded from Lancashire County Council grant. Slippage is requested for the unspent monies into 2023/24. | If the slippage were not to be approved there would be insufficient funding in 2023/24 to deliver the full scheme as specified.                                  |
| Kirkham Heritage Action Zone      | Building Works and Improvements | -33                     | This is a 4 year programme (2020-2024) with spending being spread across the programme period. There has been accelerated spend on the planning stage during 2022/23 which will be met by a re-phasing of the funding.   | If the accelerated spend / budget rephasing were not to be approved there would be excessive budget in 2023/24 that would require funding from another resource. |
|                                   | <b>Sub-total</b>                | <b>162</b>              |  |  |
| <b>Total Capital Slippage</b>     |                                 | <b>1,952</b>            |  |  |

## Prudential Indicators

| Prudential Indicator                             | Revised Indicator | Actual  | Note |
|--|-------------------|---------|------|
|  | 2022/23           | 2022/23 |      |
|  | £m                | £m      |      |
| Authorised limit for external debt               | 6.0               | 0       | 1    |
| Operational boundary for external debt           | 0                 | 0       | 2    |
| Principal sums invested > 364 days               | 0                 | 0       |      |
| Maturity structure of borrowing (Upper limits):- |                   |         |      |
| Under 12 months                                  | 100%              | 0%      |      |
| 12 months – 2 years                              | 100%              | 0%      |      |
| 2 years – 5 years                                | 100%              | 0%      |      |
| 5 years – 10 years                               | 100%              | 0%      |      |
| 10 years and above                               | 100%              | 0%      |      |
| External Debt – Gross Borrowing                  | 0                 | 0       |      |
| Investments                                      | 23.7              | 22.9    | 3    |
| Capital Expenditure                              | 8.83              | 6.88    |      |
| Capital Financing Requirement                    | 4.14              | 3.53    |      |
| Ratio of Financing Costs to Net Revenue Stream   | 2.0%              | 0.9%    | 4    |
|  |                   |         |      |

Notes

1. The Authorised Limit indicator of £6.0m is set deliberately higher than the actual forecasted borrowing amount as it needs to take into account any unexpected cash movements and becomes the Authority's statutory limit.
2. The Operational Boundary is the expected borrowing position of the Council during the year. It is not a limit and can be breached.
3. This is the value of actual investments held at 31<sup>st</sup> March 2023.
4. The ratio of financing costs to the net revenue stream has reduced as a result of the additional investment income received during the year.