



# MINUTES

## Finance and Democracy Committee

<b>Date:</b>	Monday, 20 November 2017
<b>Venue:</b>	Town Hall, St Annes.
<b>Committee Members Present:</b>	Councillor Karen Buckley (Chairman) Councillors David Donaldson, Sue Fazackerley, Tony Ford, Neil Harvey, Angela Jacques, Linda Nulty, Liz Oades, Richard Redcliffe, Louis Rigby and Vince Settle.
<b>Officers Present:</b>	Allan Oldfield, Paul O'Donoghue and Katharine McDonnell
<b>Other Attendees:</b>	Louise Jones, Revenues and Benefits Shared Service One member of the public was present

### Public Platform

There were no speakers on this occasion.

#### 1. Declarations of Interest

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

Councillor Karen Buckley declared a pecuniary interest in agenda item 6, Council Tax Reduction Scheme, the nature of the interest being that she was a landlord.

#### 2. Confirmation of Minutes

RESOLVED: To approve the minutes of the Finance and Democracy Committee meeting held on 19 June 2017 as a correct record for signature by the Chairman.

#### 3. Substitute Members

The following substitutions were reported under Council procedure rule 24(c):

Councillor Sue Fazackerley for Councillor Roger Small

Councillor Louis Rigby for Councillor Elaine Silverwood

### Decision Items

#### 4. New Homes Bonus: Proposed Policy on the Provision of Grants to Town and Parish Councils

Paul O'Donoghue, Chief Financial Officer, presented a proposed policy regarding the provision of grants to Town and Parish Councils for those town and parish councils which had experienced the highest growth in housing numbers which had been developed by the Budget Working Group. He explained that the scheme used the same data upon which the New Homes Bonus was calculated for Fylde Borough Council. He further explained that it was specifically for those town and parish councils that experienced growth above a baseline 0.4% which was the

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same way that the Fylde Borough Council grant was calculated. It was proposed that 5% of the Fylde Borough Council New Homes Bonus be paid to Town and Parish Councils, it was expected this would amount to around £65k for 2018/19.

Mr O'Donoghue concluded by advising there would be an application process, with criteria to be met, such as grants that would help with the development of community facilities and parks and greenspaces, with further details as set out in the report. If approved by committee, the proposal would go to Council in December 2017 before Town and Parish Councils set their Council Tax precepts.

The Committee discussed the proposal, and in response to questions, Mr O'Donoghue advised that if a project required the accumulation of more than one year's funding it would be considered under the scheme. There was some discussion regarding the impact of development on a neighbouring parish, rather than the parish where it was situated. It was asked if a funding model more akin to the S106 funding could be used. Mr O'Donoghue advised that the policy had been developed to reflect Parish boundaries.

It was suggested that it would be useful to review the effectiveness of the policy after 12 months of operation.

It was therefore RESOLVED to

1. Recommend to Council the adoption of a new policy on the provision of grants to town and parish councils; and
  2. If approved by Council on 4 December 2017, that the scheme be reviewed after 12 months of operation.
5. Financial Forecast Update (Including Revenue, Capital & Treasury Management) 2017/18 to 2021/22

Paul O'Donoghue, Chief Financial Officer, presented an update of the Financial Forecast. He advised that the report was the first update of the financial forecast since the budget had been set in March 2017. The report, as usual, was in three separate parts relating to the revenue budget, treasury management (which had been subject to a report to Audit and Standards on 16 November 2017) and the capital programme.

Mr O'Donoghue, turning to the Capital Programme first, advised there had been some slippage of capital items, most notably the Coastal Defence scheme due to timing and phasing of the scheme.

Mr O'Donoghue moved on to the Revenue position. He advised that the Revenue position had been updated to reflect the outturn position, the budget right sizing exercise, ongoing budget monitoring, and reflecting the continued membership of the Lancashire business rates pool. He advised there was some uncertainty over income from business rates in the future, but further information was expected from the Government following the Chancellor's Budget Statement.

He advised that there was a recommendation to the release of the collection deficit reserve, of £381k into the capital investment reserve.

Mr O'Donoghue drew the Committee's attention to the high level risks, which had been reviewed, which included fluctuations to Central Government funding; retained business rates and uncertainty over the Lancashire Business Rate Pool.

He drew the Committee's attention to appendix E of the report, which detailed the forecast surplus/deficits throughout the life of the Medium Term Financial Strategy. He advised that there was currently a forecast surplus of £820k for the current year, a forecast surplus of £430k for next year, whilst the following 3 years were forecast to have a deficit of around £0.5m per annum.

In response to questions, Mr O'Donoghue advised that previous updates had assumed a 1% increase for staff pay awards, however due to changes nationally and taking advice from other Chief Financial Officers, it had been prudent to amend the amount to 1.5% which was reflected in the update before Committee.

The Committee commented that the measured, managed, planned approach to the budget appeared to be safeguarding jobs within the authority.

It was RESOLVED to

1. Note the implications of the updated financial forecast, and to note that the report would be presented to the Council meeting on 4 December 2017;

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2. Note the revised forecast revenue surpluses for 2017/18 and 2018/19 of £779k and £435k respectively as detailed at Appendix E; and
3. Recommend to Council the release of the balance of the Collection Fund Deficit in the sum of £381k and the transfer of the amount into the Capital Investment Reserve in 2017/18.

#### 6. Council Tax Reduction Scheme 2018/19

Paul O'Donoghue, Chief Financial Officer and Louise Jones, Shared Service, presented information regarding the Council Tax Reduction Scheme for 2018/19. Mr O'Donoghue advised that the scheme was reviewed annually. He stated that the existing scheme was embedded and working well. He also advised that the major preceptors had been consulted, with each supporting the Council's scheme.

Mr O'Donoghue advised that Members should have due regard to the Equality Analysis as detailed in the papers, in consideration of the scheme. He advised that the scheme included a Hardship Relief Fund.

In response to questions, Ms Jones advised there had been 3 awards made from the Hardship Relief Fund in 2017/18 for £138 in total. She advised there had more applications, however each application was considered for essential income/expenditure very carefully.

With no further comment or questions, it was RESOLVED to;

1. Recommend to Council the continuation of the existing CTRS scheme for 2018/19 as set out in section 3 of the report;
2. Recommend to Council the continuation of Discretionary Hardship Relief for 2018/19 to provide additional support to claimants in exceptional circumstances and the Council's Discretionary Discount Policy which detailed discounts and reliefs in respect of Council Tax and Business Rates;
3. Recommend that Council approve, as necessary, that the financial implications were reflected in the Council's Revenue Budget and Financial forecast for 2018/19 onwards; and
4. Authorise the Director of Resources to make any necessary final amendments to the scheme arising from changes in the Department for Communities and Local Government's guidance or elsewhere and to bring any such changes to the Council meeting on 4 December 2017 for approval.

(Councillor Buckley, having declared an interest, left the room for the duration of the item. In the absence of the Vice Chairman, Councillor Redcliffe assumed the Chair).

#### 7. Fleet Replacement – Direct Purchase of Previously Hired Vehicles

Paul O'Donoghue advised that the Operational Management Committee had considered a proposal to replace previously hired Fleet vehicles with directly purchased vehicles. He advised that five operational vehicles were currently on short term hire, as the Parks Service had previously had a year-on-year external contract for grounds maintenance with Blackpool Coastal Housing. However the Parks Service had been successful in being awarded a 5 year contract, and it was therefore prudent to look at alternative ways of procuring the required vehicles. The proposal to directly purchase the vehicles, would provide a £5k per annum saving.

It was RESOLVED to;

1. Note the recommendation of the Operational Management Committee of 14 November 2017 with regard to the proposed vehicle purchases as described in the report; and
2. Approve a fully-funded capital budget increase for vehicle purchases of £136,024 in 2018/19, fully-funded from virements from the revenue budgets for vehicle hire costs in 2018/19 and future years.

#### 8. Proposal to Dissolve the Blackpool, Fylde and Wyre Economic Development Company and Form an Economic Prosperity Board

Allan Oldfield, Chief Executive, presented a report regarding the dissolution of the Blackpool, Fylde and Wyre Economic Development Company (EDC) and to establish a joint committee, to be called the Blackpool, Fylde and Wyre Economic Prosperity Board (EPB). Mr Oldfield explained that the EDC had been formed in anticipation of a

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casino licence being awarded to Blackpool. However when this did not transpire Blackpool, Fylde and Wyre continued to work together for economic prosperity across the Fylde coast.

There was no reason for the EDC to continue being subject to all the rules of a registered company. It did not, and had never held any money, and in its present form was no longer fit for purpose. A joint committee would provide more flexibility; it would have direct member involvement and have at least three non-voting, co-opted members drawn from the private sector. The rules of operation for the EPB are based on the Local Government Association best practice rules for joint committees which are applicable to local authorities that operate a committee system of governance.

In response to a question regarding the private sector representatives, Mr Oldfield advised that no one had yet been approached, these would be determined by the Leaders of the Councils at the first meeting of the Economic Prosperity Board. There was support and agreement for the proposal across the committee.

It was RESOLVED

1. To recommend Council to authorise the Leader of the Council, in her role as ‘member’ of the Blackpool, Fylde and Wyre Economic Development Company (EDC) to dissolve the aforementioned company. (This will require a special resolution of the ‘members’ of the company. In effect this will be the three Leaders of the three Councils signing a resolution to disestablish the company);
2. Subject to 1 above, to establish a Blackpool, Fylde and Wyre Economic Prosperity Board (EPB) in the form of a Joint Committee and approve the Procedure Rules for that Board as appended at Appendix 1;
3. Subject to 1 above, to recommend to Council that the Leader of the Council be nominated as the Authority’s representative on the EPB and that the Leader of the Council be authorised, in accordance with the Procedure Rules of the EPB, to appoint a substitute member to attend in her absence, should the need arise;
4. Subject to 1 above, that the servicing of the EPB be undertaken on a rotational basis between the constituent authorities and the EPB at its first meeting agree which Authority will commence with that role and also which Authority will be the ‘Lead Authority’ in terms of carrying out the economic development functions delegated to the EPB; and
5. Subject to 1 above, to invite Lancashire County Council to be a member of the EPB on the basis as set out in the Procedure Rules as set out in Appendix 1.

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