



# Minutes

## FINANCE AND DEMOCRACY COMMITTEE

<b>Date:</b>	Monday, 22 February 2016
<b>Venue:</b>	Town Hall, St Annes.
<b>Committee Members:</b>	Councillor Karen Buckley (Chairman) Councillor Roger Small (Vice-Chairman)  Councillors Alan Clayton, David Donaldson, Tony Ford JP, Neil Harvey, Angela Jacques, Kiran Mulholland, Linda Nulty, Liz Oades, Vince Settle, Richard Taylor.
<b>Other Councillors Present:</b>	Councillors Sue Fazackerley, Julie Brickles and Sandra Pitman.
<b>Officers Present:</b>	Allan Oldfield, Paul O'Donoghue, Paul Walker, Mark Wilde, Andrew Dickson, Katharine McDonnell
<b>Other Attendees:</b>	Phil Nixson and Shaun Ward, Blackpool Council Mr Wood, Bryning with Warton Parish Council

### 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.

There were no declarations on this occasion.

### 2. Confirmation of minutes

RESOLVED: To approve the minutes of the Finance and Democracy Committee meeting held on 25 January 2016 as a correct record for signature by the Chairman.

### 3. Substitute members

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

Councillor Neil Harvey for Councillor Richard Redcliffe.

Councillor Alan Clayton for Councillor Elaine Silverwood.

### Decision Items

#### 4. Medium Term Financial Strategy Update, Including General Fund, Capital Programme and Treasury Management for 2015/16 to 2019/20

Paul O'Donoghue, Chief Financial Officer presented the Medium Term Financial Strategy update, which included details of the General Fund, Capital Programme and Treasury Management for the period 2015/16 to 2019/20.

He advised that the report was the penultimate stage in the budget setting process 2016/17, drawing together the work of the budget working group and of the revenue and capital budget items considered by the programme committees during the year. He advised that it was within the remit of the Finance & Democracy Committee to recommend a budget package to Council.

Mr O'Donoghue advised that the Local Government Financial settlement had been finalised, with a number of changes to the provisional settlement which the committee had considered at its last meeting. The most significant changes affecting Fylde Council included a transition grant awarded in 2016/17 and 2017/18 in the sum of £56k in each of those years, and more significantly Shire Districts such as Fylde were now able to increase Council Tax by a maximum of £5 or 2% whichever was the greater, on an average band D, which for Fylde would be £5 for 2016/17.

Mr O'Donoghue drew members attention to the High Level Revenue Risks facing the Council particularly in regards to New Homes Bonus and the Council's continued reliance on it as a source of funding for the revenue budget. It was considered a particular risk due to Government consultation on a number of options regarding New Homes Bonus. These options included reducing payments from 6 years to 4 years, or withholding the grant in areas where there was no local plan produced or for those homes granted on appeal.

He drew member's attention to the summarised revenue budget forecast at Appendix E of the report which included proposed transfers of £32k into the capital investments reserve and £3m into the funding volatility reserve.

Mr O'Donoghue concluded in presenting summaries regarding the updated capital programme, the Treasury Management Strategy, proposed Fees and Charges Schedule and the Chief Financial Officer's opinion, which was that the estimates had been prepared with the most up to date and accurate information, provide the Council with a robust financial position for at least a number of years, as outlined in the report.

The Chairman briefly outlined the budget proposals which included to increase the average band D Council Tax for 2016/17 by £4.98 (which equated to 2.68%); the proposals on the revenue budget were for an additional post for an arts development officer and ongoing revenue for a capital scheme at the Promenade gardens; and the capital budget proposals as set out in Appendix F of the report.

Following a brief discussion, the Committee RESOLVED to request Council to approve and adopt:

(a) The revised estimates for 2015/16 and the revenue budget for 2016/17 as set out in Appendix E, which includes a transfer to the Funding Volatility Reserve in the sum of £3.0m and a transfer to the Capital Investment Reserve in the sum of £32k;

(b) The budget proposals and changes to Reserves and Balances as set out in Appendices F & H;

(c) The updated Five Year Capital Programme including the changes proposed by the Budget Working Group, as set out in Appendix G;

(d) The updated Useable Reserves & Balances Policy as detailed in Appendix H;

(e) An average Band D Council Tax of £190.77 for 2016/17 (excluding Town and Parish precepts), which is a 2.68% increase from the 2015/16 average Band D charge;

(f) The Special Expenses policy as set out in Appendix I; which includes that:

- for the purposes of charging special expenses, both the special expense costs and the tax bases relating to the areas of Lytham and St Annes will each be aggregated and the Council Tax charge per property at each band level will be the same across the whole area; and
- the annual special expense charge per property will be set for 2016/17 at the 2015/16 level plus 2.8%, that being £69.84 per band D property; and
- the annual borough wide charge per property will be set for 2016/17 at the 2015/16 level plus 2.8%, that being £148.87 per band D property; and

- the budget resource to be allocated to delivering concurrent services and chargeable as special expenses for 2016/17 will be set at a sum equivalent to the annual special expense charge per property (band D equivalent) multiplied by the tax base for the special expense area;

(g) The schedule of fees and charges for 2016/17 as detailed in Appendix J;

(h) The Treasury Management Policy set out in Appendix K;

(i) The Treasury Management Strategy set out in Appendix L, which incorporates the Minimum Revenue Provision Statement, the Council's Borrowing Strategy, Investment Strategy, and Treasury Prudential Indicators and Limits.

#### 5. Capital Bid – Bryning with Warton Parish Council

Allan Oldfield, Chief Executive, introduced the item advising that the capital bid had initially been rejected by the Tourism and Leisure committee in November 2015, however the Finance and Democracy committee, at their meeting on 25 January, had been presented with information that the Tourism and Leisure committee may have received out of date or inaccurate information when making their decision. The Finance and Democracy committee had determined to consider the new information at a future meeting as part of their remit to lead the budget setting process.

Mr Oldfield further advised that Mr Wood, clerk to Bryning with Warton Parish Council, Paul Walker, Director for Development Services and Mark Wilde, Head of Parks were present to answer any questions the committee may have.

Councillor Pitman addressed the committee regarding her concerns over the inadequacy of vehicular access to the playing fields, historic social division, failure of resident users to form a friends group, and the parish council not using proper procedures in the selecting of the provider of the play equipment.

Mr Wood addressed the committee advising that the submitted plan showed proposed access. He further advised that no tendering process had been started but three suppliers had been approached to provide plans based on a budget of £100k. A tendering process would be conducted in the proper way when the funding was secured. Mr Wood also advised that there was a Friends group, but who were properly constituted and planning more fundraising in the future. They were inactive at the moment due to the time of year.

Mr Wilde provided the committee with details of the ten step Parks Improvement Plan which the Council recommended Friends groups followed. He advised the Parks team had taken around 12-15 scheme through the process with great success.

Cllr Taylor advised that the Parish Council had applied to a trust for some funding so had approached suppliers to provide clarity regarding a price. He further advised the consultation for the neighbourhood planning process had highlighted support for improvements to Bridges Playing Fields. He also advised that the Parish Council had put aside all income from the users of the playing fields, such as football teams, to fund the improvements.

There followed a full discussion with some committee members supporting the bid, whilst other members expressed concern regarding the status of the Friends group and clarity of the process undertaken so far, with some indicating that they felt that the bid for funding was premature. Members also discussed the request to advance s106 monies to the Parish Council for the improvement of the playing fields commenting that it could set an unwelcome precedent.

On conclusion of the discussion it was RESOLVED

1. To recommend to Council the inclusion of the proposed capital bid of £50k, to be funded from the Capital Investment Reserve, for the refurbishment of the recreation area at Bridges Playing Fields, Warton. The funding would only be released when all the necessary steps of

the Parks Improvement Programme had been satisfactorily met, and with the Council being the accountable body; and

2. To reject the request from the Parish Council for an advance payment of £50k from the receipt of a s.106 payment due to be made by the developer of Riversleigh Farm towards the improvement of Bridges Playing Field.

6. Accommodation Project – Phases 4 and 5 Works

Paul Walker, Director of Development Services and Andrew Dickson, Head of Technical Services, together with Shaun Ward and Phil Nixon, Blackpool Council presented an update on phase 3 of the accommodation works and details of phases 4 and 5 of the Town Hall and Chaseley building refurbishment proposals and the outcome of a detailed costings exercise.

It was explained that some difficulties had arisen during Phase 3 due to the age of the building, such as the uncovering of previously unknown blocked up doorways, windows, and chimney flues, unusual floor constructions, and plumbing and wiring issues. These issues had been taken into account during the costing exercise for Phases 4 and 5.

As a result there were a number of cost changes for Phases 4 and 5 namely that an additional £74k was required for electrical work and an additional £18k for the link bridge canopy. However these additional costs could be offset by savings on the staircase and an index linked reduction of the contingency from 5% to 4.3%. A further saving on the project could be made by letting the contracts for Phases 4 and 5 consecutively, which would result in a reduction in the completion time of 8 weeks from 32 weeks to 24 weeks.

It was RESOLVED to approve the proposed works and approve letting of the main contract for Phases 4 and 5 to F Parkinson Ltd Blackpool in the sum of £725,854 whilst noting that the total cost of Phases 4 and 5 (including fees and surveys) was estimated to be £783,922 with the works being funded from the approved 2016/17 capital programme scheme of £784,000 for Accommodation Project – Phase 4 – Chaseley Link Bridge and Phase 5 – One Stop Shop.

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