

# Agenda

## Finance and Democracy Committee

Date:	Monday, 28 January 2019 at 6:30 pm
Venue:	Town Hall, St Annes, FY8 1LW
Committee members:	Councillor Karen Buckley (Chairman) Councillor Neil Harvey (Vice-Chairman)  Councillors David Donaldson, Tony Ford JP, Angela Jacques, Kiran Mulholland, Linda Nulty, Liz Oades, Richard Redcliffe, Vince Settle, Elaine Silverwood, Roger Small.

### Public Platform

To hear representations from members of the public in accordance with Article 15 of the Constitution.  
 To register to speak under Public Platform: see [Public Speaking at Council Meetings](#).

	<b>PROCEDURAL ITEMS:</b>	<b>PAGE</b>
<b>1</b>	<b>Declarations of Interest:</b> Declarations of interest, and the responsibility for declaring the same, are matters for elected members. Members are able to obtain advice, in writing, in advance of meetings. This should only be sought via the Council's Monitoring Officer. However, it should be noted that no advice on interests sought less than one working day prior to any meeting will be provided.	<b>1</b>
<b>2</b>	<b>Confirmation of Minutes:</b> To confirm the minutes, as previously circulated, of the meeting held on <a href="#">26 November 2018</a> as a correct record.	<b>1</b>
<b>3</b>	<b>Substitute Members:</b> Details of any substitute members notified in accordance with council procedure rule 22(c).	<b>1</b>
	<b>DECISION ITEMS:</b>	
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9	Revenue Budget Monitoring Report 2018/19 – Position as at 30 <sup>th</sup> November 2018	70 - 76
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Contact: Sharon Wadsworth - Telephone: (01253) 658546 – Email: [democracy@fylde.gov.uk](mailto:democracy@fylde.gov.uk)

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

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## DECISION ITEM

REPORT OF	MEETING	DATE	ITEM NO
RESOURCES DIRECTORATE	FINANCE AND DEMOCRACY COMMITTEE	28 JANUARY 2019	4
<b>FINANCIAL FORECAST UPDATE 2018/19 TO 2022/23 (POSITION AS AT JANUARY 2019)</b>			

### PUBLIC ITEM

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

### SUMMARY

This report provides Members with an update of the financial forecast for the five years 2018/19 to 2022/23.

The main purpose of this update to the Financial Forecast is to reflect the impact of the provisional 2019/20 Local Government Finance Settlement, details of which were announced on 13th December 2018.

The bid by Lancashire councils to be selected as one of the '75% Business Rate Retention Pilot' schemes for 2019/20 was confirmed as successful as part of the settlement announcement, the implications of which are set out in the report.

The proposed change in the calculation methodology for New Homes Bonus (and the consequential reductions in the level of New Homes Bonus income in future years under the proposed revised arrangements) on which the government has consulted at various times, has not been implemented for 2019/20. Whilst this is welcomed and provides clarity in respect of 2019/20 the government may at some point amend the way in which the scheme operates for future years.

The assumptions set out in this forecast are the latest best estimates and will be updated as and when further information is made available.

### RECOMMENDATION

The Committee is recommended :

1. To note the implications of this updated financial forecast, and to also note that this update report will be presented to the Council meeting on 11<sup>th</sup> February 2019.

### SUMMARY OF PREVIOUS DECISIONS

The Council set its budget for 2018/19 at the meeting of 5<sup>th</sup> March 2018. This report provides Members with a further update to the financial forecast following the position that was considered by this Committee in November 2018 & by Council in December 2018.

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

## REPORT

### 1. PURPOSE OF THE FINANCIAL FORECAST UPDATE

- 1.1 This report updates the financial forecast which was considered by this Committee in November 2018 & by Council in December 2018. Attached at Appendix A is the financial forecast position reported to Members at that time. Appendix B shows the general assumptions underpinning the base forecast, whilst Appendix C sets out the latest changes and Appendix D sets out the supporting narrative to the latest changes. **Appendix E details the latest updated forecast position.**
- 1.2 The forecast has been updated to reflect the impact of the 2019/20 Local Government Finance Settlement, announced on 13<sup>th</sup> December 2018, and the decisions of Council at its meeting of 10<sup>th</sup> December 2018, including the continuation of the scheme for New Homes Bonus Grant distribution to town and parish councils to reflect growth in property numbers.
- 1.3 This latest financial forecast update is designed to:
- Present an updated five-year financial forecast for revenue and capital spending following the announcement of the Local Government Finance Settlement in December 2018;
  - Review and update the currently identified risks and opportunities;
  - Alert Members to any new specific risks and opportunities;
  - Inform Members of any changes required to budgets due to external factors outside the Council's control; and,
  - Provide a basis on which Members can begin to make future spending decisions.

### 2. THE CAPITAL PROGRAMME

- 2.1 The latest in-year position on the Capital Programme, along with the associated financial risks, is contained within a separate report for consideration at this meeting and has also been reported to each of the Programme Committees as part of the January cycle of meetings.
- 2.2 Any future capital financing issues facing the Council will be addressed as part of the Council's budget proposals for 2019/20 which will be published in mid-February 2019.

### 3. KEY CHANGES TO THE GENERAL FUND REVENUE BUDGET FORECAST

- 3.1 Many of the financial risks as set out in the Financial Forecast update considered by this Committee in November 2018 and by Council in December 2018 still remain. The changes to the General Fund Revenue Forecast are those arising from the Local Government Finance

Settlement, together with some further in-year revenue budget changes. These are detailed below:

i) **The 2019/20 Local Government Finance Settlement**

The main document detailing the Local Government Finance Settlement is entitled 'Provisional local government finance settlement: England, 2019 to 2020'. Full details of the settlement can be found at the following link: [Finance Settlement 2019 to 2020](#)

The key points arising from the Finance Settlement for Fylde Council are:

**a) Confirmation of acceptance of the bid by Lancashire authorities to form part of the '75% Business Rate Retention Pilot Scheme' arrangements for 2019/20**

As part of the 2019/20 budget consultation fourteen Lancashire Councils as well as the Lancashire Fire & Rescue Service submitted a bid to be included in a 75% business rates retention pilot scheme. On 13<sup>th</sup> December 2018 it was announced that this bid has been successful.

Under the current pooling arrangements business rate income raised in Fylde is first split with 50% going to the government and the rest being shared between Fylde Council (40%), LCC (9%) and Lancashire Fire and Rescue Service (1%). Under the pilot scheme this initial split will change to 25% government and 75% local preceptors. This increases the reward possible from growth of business rate income, but there is also a greater risk of adverse consequences if income declines.

This increased split means the members of the Lancashire pilot are expected to increase the estimated share of business rate income retained by a total of £9.6m in 2019/20. District Councils such as Fylde will see their initial allocation increase from 40% under the current system to 56% under the pilot arrangements.

The ADDITIONAL growth in retained business rate income under the pilot scheme will first be top sliced as follows:

- Initially, 5% of additional growth will be set aside to provide a resilience fund that will mitigate against any losses in business rate income for participating authorities should their income fall below baseline funding levels;
- A further 25% of the additional growth will then be set aside to create a Lancashire-wide fund to be used to target strategic economic growth and to improve financial sustainability within the county. This will be allocated based on decisions of the Lancashire Leaders Business Rates Pilot Group.

It is currently estimated that the residual additional growth retained by Fylde as a result of these arrangements will be £370k in 2019/20. **The beneficial effect of this is reflected in the updated Financial Forecast summary as shown at Appendix E to this report together with the estimated impact of the latest in-year business rate income monitoring.**

The government continues its ambition to implement a new 75% business rates retention scheme for **all** local authorities by 2020/21. The current pilot is expected to benefit the Council in terms of retaining more business rate income in 2019/20. However the final scheme for future years from 2020/21 onwards will differ predominately for two reasons:

- The current pilot uses historic baseline funding levels; however the result of the Government's fair funding review (see para **d**) below) will see this baseline adjusted via a scheme "reset" with the potential for Fylde Council to receive less of its retained business rate income, and
- The government may introduce a less favourable split between lower and upper tier authorities than is currently the case in the pilot arrangements.

The government is consulting on the reforms due to be implemented in 2020/21, and at this stage the forecast assumes a reduced level of business rate income closer to the current baseline level until details of the outcome of the fair funding review are known.

#### **b) Confirmation of the 2019/20 General Council Tax Referendum Principles**

As part of the 2018/19 Finance Settlement the government increased the general council tax referendum principle (the upper limit on the year-on-year increase that can be applied without the requirement for prior approval through a local referendum) from 1.99% to 2.99% for 2018/19 and 2019/20. For shire district councils such as Fylde Council, the council tax referendum principle that applies is therefore the higher of 2.99% or £5 for a Band D property in 2018/19 and 2019/20. An increase of 2.99% for 2019/20 for Fylde equates to £6.02 for a Band D property.

**The Financial Forecast currently assumes a 2.99% increase (at average band D) for each year of the forecast.** This will be kept under review and any amendment to this assumption will form part of a future update to this Financial Forecast.

Referendum principles will not be extended to town and parish councils for 2019/20, but could be applied to these councils in future years.

#### **c) No Change to the New Homes Bonus arrangements**

**The Government has refrained from introducing further reform to the calculation methodology in respect of New Homes Bonus.** The proposal to introduce further reform, including a change to the 0.4% baseline level and an option to withhold New Homes Bonus in respect of properties built following an appeal to the Planning Inspectorate, formed part of an earlier consultation on the operation of the scheme.

If introduced as proposed the changes would have reduced the total New Homes Bonus that Fylde Council would receive and consequently the continuation of the current arrangements is welcomed.

**The future forecast of New Homes Bonus income has been reviewed in the light of the latest available information on property numbers and updated forecast amounts are contained within the revised summary Financial Forecast at Appendix E to this report.**

#### **d) Announcement of a 'Fair Funding Review'.**

Alongside the Local Government Finance Settlement, the Government confirmed that it is looking to implement the Fair Funding Review in April 2020 and published the [Fair Funding Review Consultation](#). This consultation:

- proposes to simplify the assessment of local authorities' relative needs;
- considers the type of adjustment that will be made to an authority's relative needs assessment to take account of the relative resources available to them to fund local services; and

- proposes a set of principles that will be used to design potential transitional arrangements and examines how the baseline for the purposes of transition should be established.

Although no details are known at this stage it is possible that, given the financial pressures on upper-tier and unitary councils with responsibility for services with escalating costs such as adult social care, that the review could result in shire district councils being regarded as requiring a reduced share of national resources. Any implications arising from this review will be reported within future updates to the financial Forecast.

## ii) Other Revenue Budget Adjustments

### **a) New Homes Bonus Distribution to Town and Parish Councils**

The Council meeting of 10<sup>th</sup> December 2018 approved the continuation of the scheme for the distribution of a portion of the New Homes Bonus Grant income to town and parish Councils. The financial consequence of this decision is contained within the summary Financial Forecast at Appendix E to this report.

### **b) Other budget adjustments**

A limited number of further budget adjustments have been made to this updated financial forecast update, including confirmation of the actual level of income relating to the chargeable green waste collection service for 2018/19 now that subscriptions for the current year have ended. These are included within the variance analysis at Appendix C to this report and an explanation of each is provided at Appendix D. Council Tax income projections have also been updated from the December financial forecast to reflect the actual Council Tax base information for 2019/20 which was finalised in December 2018.

## 3.2 Other Continuing Financial Risks

Many of the other financial risks that were detailed within the previous Financial Forecast Update that was presented to the Council in December 2018 still remain. These are:

- **Future Central Government Funding Reductions**
- **Announcement of a 'Fair Funding Review'**
- **Retained Business Rates**
- **Borrowing Costs Assumptions**
- **Reduction in Housing Benefit Administration Grant**
- **Universal Credit**
- **Grounds Maintenance (External Contracts)**
- **The Living Wage**
- **Community Infrastructure Levy (CIL)**

Full details of each of these can be found within the December 2018 Financial Forecast report via the following link: [www.fylde.gov.uk/](http://www.fylde.gov.uk/)

## 4. **CONCLUSIONS**

- 4.1 The 2019/20 Local Government Financial Settlement has provided a degree of improvement, but has not fundamentally changed, the general financial standing of Fylde Council. There remains (as reported in the December 2018 Financial Forecast update) a projected surplus for each of the years up to and including 2022/23.

- 4.2 The confirmation of the success of the bid by Lancashire authorities to participate in the 75% Business Rate Retention pilot scheme is welcomed, as it the decision not to further amend the calculation methodology in respect of New Homes Bonus. Developments with regard to the more distant proposals (the implementation of a ‘Fair Funding Review’, encompassing a possible re-assessment of relative need within local government generally) will be followed closely and any implications reported within future Financial Forecast updates when known.
- 4.3 In order to maintain the current financial position, the Council needs to continue with the approach to delivering savings and efficiencies and maximising income which have helped deliver balanced budgets and contribute to reserves over recent years. 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 senior management costs and other overheads. Ongoing modernisation work and business improvement will continue to make Council services more efficient, save money and maintain frontline services to customers. This work has yielded ongoing savings to help improve the Council’s overall financial position over that period.
- 4.4 Although it is clear that further uncertainty lies ahead, **the finances of the Council remain robust and the reserves and balances are at healthy levels as compared to earlier periods.** Furthermore Fylde Council has a past record of taking actions in order to meet and overcome financial challenges as they arise. The Council will continue to seek opportunities to maintain a robust financial position in the face of a changing financial environment. This approach will ensure that the Council continues to achieve and sustain a balanced budget position on an ongoing basis and is able to deliver the priorities set out in the Corporate Plan.
- 4.5 The assumptions set out in this forecast are the latest best estimates and will be updated as and when further information becomes available.

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

LEAD AUTHOR	CONTACT DETAILS	DATE
Paul O’Donoghue Chief Financial Officer	01253 658566	January 2019

BACKGROUND PAPERS		
Name of document	Date	Where available for inspection
Medium Term Financial Strategy (MTFS) Update, Including General Fund, Capital Programme and Treasury Management for 2017/18 – 2021/2022	Budget Council meeting 5 <sup>th</sup> March 2018	<a href="http://www.fylde.gov.uk">www.fylde.gov.uk</a>
MTFS – Outturn Position For 2017/18 (Including General Fund, Capital Programme & Treasury Management)	Finance and Democracy Committee meeting 25 <sup>th</sup> June 2018	<a href="http://www.fylde.gov.uk">www.fylde.gov.uk</a>
Revenue Budget Monitoring Report 2018/19 – to 31 <sup>st</sup> July 2018	Finance and Democracy Committee meeting 24 <sup>th</sup> September 2018	<a href="http://www.fylde.gov.uk">www.fylde.gov.uk</a>
Capital Programme Monitoring Report 2018/19 – to 31 <sup>st</sup> July 2018	Finance and Democracy Committee meeting 24 <sup>th</sup> September 2018	<a href="http://www.fylde.gov.uk">www.fylde.gov.uk</a>
Medium Term Financial Strategy (MTFS) Update, Including General Fund, Capital Programme and Treasury Management for 2018/19 – 2022/23	Council meeting 10 <sup>th</sup> December 2018	<a href="http://www.fylde.gov.uk">www.fylde.gov.uk</a>

#### Attached documents

1. Appendix A – Forecast approved at Council on 10th December 2018
2. Appendix B – Schedule of general assumptions underpinning the forecast
3. Appendix C – Schedule of changes to the forecast
4. Appendix D – Explanation of changes to the forecast
5. Appendix E – Updated latest forecast position

**General Fund Budget Forecast 2018/19 to 2022/23 - 10th December 2018**

	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	Adverse / Favourable
<b>Forecast approved at Council on 5th March 2018</b>	9,675	10,149	10,420	10,547	10,547	
Forecast Changes - per Appendix C of December 2018 MTFS report	- 259	- 34	- 301	- 148	88	Favourable
<b>Forecast Budget Requirement</b>	<b>9,416</b>	<b>10,115</b>	<b>10,119</b>	<b>10,399</b>	<b>10,635</b>	
<b>Financed by:</b>						
<b>Council Tax Funding:</b>						
Council Tax - Precept	5,998	6,281	6,554	6,839	7,134	
Council Tax - Share of Previous Years Surplus/(Deficit)	- 35					
<b>Sub Total - Council Tax Funding</b>	<b>5,963</b>	<b>6,281</b>	<b>6,554</b>	<b>6,839</b>	<b>7,134</b>	
<b>Business Rates Funding:</b>						
Retained Rates (including assumed pooling benefit 2018/19 & 2019/20)	3,594	2,953	2,200	2,200	2,200	
<b>Sub Total - Business Rates net of reserve transfers</b>	<b>3,594</b>	<b>2,953</b>	<b>2,200</b>	<b>2,200</b>	<b>2,200</b>	
Council Tax Freeze Grant relating to 2015/16 freeze						
New Homes Bonus	1,349	1,379	1,476	1,399	1,348	
Less - NHB distribution to Town & Parish Councils	- 65					
Revenue Support Grant	47					
Less - Parish Element of Council Tax Support Funding	- 4					
<b>Sub Total - Other Funding</b>	<b>1,327</b>	<b>1,379</b>	<b>1,476</b>	<b>1,399</b>	<b>1,348</b>	
<b>Forecast Financing</b>	<b>10,884</b>	<b>10,613</b>	<b>10,230</b>	<b>10,438</b>	<b>10,682</b>	
<b>Forecast surplus(-)/deficit for year</b>	<b>- 1,468</b>	<b>- 498</b>	<b>- 111</b>	<b>- 39</b>	<b>- 47</b>	
<b>Reserves</b>						
Forecast surplus/deficit (-) for year from above:	1,468	498	111	39	47	
Less: Proposed Transfer to Capital Investment Reserve	- 1,468	- 498				
<b>Balance of surplus/deficit(-) remaining:</b>	<b>0</b>	<b>0</b>	<b>111</b>	<b>39</b>	<b>47</b>	
<b>Balance of General Fund Reserves b/f</b>	<b>3,685</b>	<b>3,685</b>	<b>3,685</b>	<b>3,796</b>	<b>3,835</b>	
Less transfer to/from(-) General Fund Reserves in year			111	39	47	
<b>Forecast Reserves at Year End</b>	<b>3,685</b>	<b>3,685</b>	<b>3,796</b>	<b>3,835</b>	<b>3,882</b>	
<b>Band D Council Tax (Excl Parish Precepts)</b>	<b>£201.61</b>	<b>£207.63</b>	<b>£213.84</b>	<b>£220.24</b>	<b>£226.83</b>	
<b>Band D Average Council Tax Increase</b>	<b>£5.85</b>	<b>£6.02</b>	<b>£6.21</b>	<b>£6.40</b>	<b>£6.59</b>	
<b>Band D Average Council Tax Increase</b>	<b>2.99%</b>	<b>2.99%</b>	<b>2.99%</b>	<b>2.99%</b>	<b>2.99%</b>	

### General Assumptions

The forecast has been prepared on the basis of the following assumptions:

- General Prices Inflation – a freeze or cash-limiting of all general revenue expenditure budgets with the exception of pay, fuel & utility budgets;
- Slippage - underspend items from 2017/18 agreed by the Finance and Democracy Committee in June 2018 have been slipped into 2018/19;
- Pay award - assumed to be 2% per annum for 2018/19 onwards;
- Employers Pension Contributions – the Council’s contribution to the Lancashire pension fund scheme is set in accordance with the estimated outcome of the 2016 Triennial Pension Review at 15.2% plus 9% deficit recovery lump sum payment for the period to 2019/20; any amendments resulting from the final review will be reflected in later updates to the Financial Forecast;
- Employer’s National Insurance contributions – the forecast reflects the statutory contribution rates currently in place, including a reduced contribution rate as a result of the Council being part of the pension scheme;
- Council tax increases – 2.99% increase assumed per annum from 2019/20 onwards;
- Government Grant Support – the forecast assumes central government funding is as notified in the draft Local Government funding settlement announced in December 2018;
- Fees and Charges – The forecast takes account of the revised fee levels as approved by Budget Council in March 2018. For future years budget-holders have reviewed fee levels as appropriate and any proposed changes to fees & charges will be considered at the Budget Council in March 2019 following consideration by the appropriate programme committee;
- Employee Cost Savings (including Vacancy Savings) – the forecast assumes Employee Cost Savings of £300k per annum from 2018/19 onwards;
- Localisation of Council Tax Benefit Scheme – the forecast assumes a fully funded scheme with no cost to the Council from 2018/19 onwards.

Appendix C

Forecast changes since December 2018 Council Meeting

	<u>18/19</u>	<u>19/20</u>	<u>20/21</u>	<u>21/22</u>	<u>22/23</u>	<u>ADVERSE /</u> <u>FAVOURABLE /</u> <u>NEUTRAL</u>
	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	
<b>1 <u>CHANGES AS A RESULT OF MEMBER APPROVALS:</u></b>						
Lowther potential additional subsidy - as approved at Council 19th November 2018	175	0	0	0	0	<b>ADVERSE</b>
<b>2 <u>UPDATED ESTIMATES OF INCOME BUDGETS:</u></b>						
Additional income from green waste subscription service	-18	-18	-18	-18	-18	<b>FAVOURABLE</b>
<b>TOTAL</b>	<b>157</b>	<b>-18</b>	<b>-18</b>	<b>-18</b>	<b>-18</b>	

The following notes relate to specific adjustments made to the Forecast set out in Appendix C

(1) Additional Subsidy to Lowther Trust in 2018/19

The payment of an additional subsidy to Lowther Trust for 2018/19 (up to a maximum potential sum of £175k) as approved by Council in November 2018 is now included within this updated Financial Forecast.

(2) Additional income from green waste subscription service

Confirmation of the actual level of income relating to the chargeable green waste collection service for 2018/19 (now that subscriptions for the current year have ended) shows a favourable variance against the budget of £18k. The final number of subscriptions for 2018/19 was 17,850 producing a total actual income for the service of £535,500. The income estimates for the current and all future years have been updated to reflect this increased projected level of income.

**Latest General Fund Budget Forecast 2018/19 to 2022/23**

	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	Adverse / Favourable
<b>Forecast approved at Council on 10th December 2018</b>	9,416	10,115	10,119	10,399	10,635	
Forecast Changes - per Appendix C	157	- 18	- 18	- 18	- 18	Adverse
<b>Forecast Budget Requirement</b>	<b>9,573</b>	<b>10,097</b>	<b>10,101</b>	<b>10,381</b>	<b>10,617</b>	
<b>Financed by:</b>						
<b>Council Tax Funding:</b>						
Council Tax - Precept	5,998	6,243	6,505	6,776	7,058	
Council Tax - Share of Previous Years Surplus/(Deficit)	- 35					
<b>Sub Total - Council Tax Income</b>	<b>5,963</b>	<b>6,243</b>	<b>6,505</b>	<b>6,776</b>	<b>7,058</b>	
<b>Business Rates Funding:</b>						
Retained Rates (including pooling benefit 2018/19 & pilot impact 2019/20)	3,591	3,641	2,200	2,200	2,200	
<b>Sub Total - Business Rates Income</b>	<b>3,591</b>	<b>3,641</b>	<b>2,200</b>	<b>2,200</b>	<b>2,200</b>	
New Homes Bonus	1,349	1,412	1,508	1,431	1,380	
Less - NHB distribution to Town & Parish Councils	- 65	- 69				
Revenue Support Grant	47					
Less - Parish Element of Council Tax Support Funding	- 4					
<b>Sub Total - Other Income</b>	<b>1,327</b>	<b>1,343</b>	<b>1,508</b>	<b>1,431</b>	<b>1,380</b>	
<b>Forecast Financing</b>	<b>10,881</b>	<b>11,227</b>	<b>10,213</b>	<b>10,407</b>	<b>10,638</b>	
<b>Forecast surplus(-)/deficit for year</b>	<b>- 1,308</b>	<b>- 1,130</b>	<b>- 112</b>	<b>- 26</b>	<b>- 21</b>	
<b>Reserves</b>						
Forecast surplus/deficit (-) for year from above:	1,308	1,130	112	26	21	
Less: Proposed Transfer to Capital Investment Reserve	- 1,308	- 1,130				
<b>Balance of surplus/deficit(-) remaining:</b>	<b>0</b>	<b>0</b>	<b>112</b>	<b>26</b>	<b>21</b>	
<b>Balance of General Fund Reserves b/f</b>	<b>3,685</b>	<b>3,685</b>	<b>3,685</b>	<b>3,797</b>	<b>3,823</b>	
Less transfer to/from(-) General Fund Reserves in year			112	26	21	
<b>Forecast Reserves at Year End</b>	<b>3,685</b>	<b>3,685</b>	<b>3,797</b>	<b>3,823</b>	<b>3,844</b>	
<b>Band D Council Tax (Excl Parish Precepts)</b>	<b>£201.61</b>	<b>£207.63</b>	<b>£213.84</b>	<b>£220.24</b>	<b>£226.83</b>	
<b>Band D Average Council Tax Increase</b>	<b>£5.85</b>	<b>£6.02</b>	<b>£6.21</b>	<b>£6.40</b>	<b>£6.59</b>	
<b>Band D Average Council Tax Increase</b>	<b>2.99%</b>	<b>2.99%</b>	<b>2.99%</b>	<b>2.99%</b>	<b>2.99%</b>	

## DECISION ITEM

REPORT OF	MEETING	DATE	ITEM NO
RESOURCES DIRECTORATE	FINANCE AND DEMOCRACY COMMITTEE	28 JANUARY 2019	5
<b>COUNCIL TAX AND BUSINESS RATES DISCRETIONARY DISCOUNT POLICY – 2019/20 UPDATE</b>			

### PUBLIC ITEM

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

### SUMMARY

Since the reform of Business Rates and Council Tax in 2013 (including the introduction of a degree of localisation of decision-making in respect of both Council Tax and Business Rates) national schemes of discounts and exemptions have been replaced by a range of national mandatory and local discretionary schemes.

In recent years central government has introduced further Business Rate reliefs to address particular circumstances or categories of business premises which are deemed to operate locally and must therefore be included within the approved policy for the award of such reliefs.

It is necessary, from time-to-time, to update the Council’s policy of Discretionary Discounts to incorporate new reliefs, or amendments to schemes of existing reliefs, or to provide clarification where such would be helpful.

### RECOMMENDATION

The Committee is recommended to:

1. Approve and adopt the Council Tax and Business Rates Discretionary Discount Policy (2019/20 update).

### SUMMARY OF PREVIOUS DECISIONS

Finance and Democracy Committee 19th March 2018 – resolved to ‘Approve and adopt the Council Tax and Business Rates Discretionary Discount Policy (2018/19 update).’

Council – 10th December 2018 – as part of the approval of the Council Tax Reduction Scheme for 2019/20 the Council resolved ‘To approve the continuation of Discretionary Hardship Relief for 2019/20 to provide additional support for claimants in exceptional circumstances’.

### CORPORATE PRIORITIES

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

## **REPORT**

### **BACKGROUND**

1. In respect of both Council Tax and Business Rates national schemes of discounts and exemptions have been in place since the introduction of those arrangements for local taxation. Fylde BC, in line with all local authorities, implemented the schemes of discounts and exemptions as directed by central government. Information of the available discounts and exemptions has always been made available to potential claimants and beneficiaries of such and for a number of years this information has also been promoted through the Council's website.
2. With the introduction of the local CTRS in April 2013 it became necessary for the Council to consider the provision of discretionary hardship relief to provide support for claimants in exceptional circumstances, and who are unable to increase their income from other means. Such provision is a key element of the operation of the scheme.
3. Section 76 of the Local Government Act 2003 (as amended by section 13A of the Local Government Finance Act 2012) empowers a billing authority to reduce the amount of tax payable as it thinks fit. Funding for such reductions must be provided by the Council and major preceptors as necessary.
4. In order to mitigate part of the impact of the CTRS on the most vulnerable households, the Council at that time approved the award of discretionary Hardship Relief under the above powers. Strict criteria are used to determine if any additional relief is appropriate and the level of any such award. Awards are made to those unable to increase their income and then only in exceptional circumstances.
5. With regard to Non-domestic (i.e. business) rates the Council is required to apply the national (mandatory) schemes of relief, as determined by central government. The Council may also award additional (discretionary) business rate relief. This may be in relation to charitable organisations (following the application of 80% mandatory relief) or in respect of other organisations in exceptional circumstances. In recent years central government has introduced further reliefs to address particular circumstances or categories of business premises which are deemed to operate locally and must therefore be included within the approved policy for the award of such reliefs
6. From time-to-time it is necessary to revise the Council Tax and Business Rates Discretionary Discount Policy in order to reflect changes in reliefs that are introduced by central government, and any changes in the application of the policy due to changes in local circumstances or to provide clarification.

### **CHANGES REFLECTED IN THE PROPOSED UPDATE OF THE POLICY**

7. This update includes the annual review of the policy and the inclusion of hardship relief which has operated for a number of years. In the November 2018 budget, the Chancellor announced a new discount for retail premises and a local newspaper relief, both of which are now included in the policy. Reference is also made to Enterprise Zone relief the details of which are included in a separate joint policy between Blackpool Council, Fylde Borough Council and Wyre Borough Council.

The proposed Discretionary Discount Policy for 2019/20, updated to reflect the changes above is attached at Appendix A.

IMPLICATIONS	
Finance	There are no financial implications arising directly from this report.
Legal	Section 76 of the Local Government Act 2003 (as amended by section 13A of the Local Government Finance Act 2012) empowers a billing authority to reduce the amount of tax payable as it thinks fit.
Community Safety	None
Human Rights and Equalities	None
Sustainability and Environmental Impact	None
Health & Safety and Risk Management	None

LEAD AUTHOR	CONTACT DETAILS	DATE
Paul O'Donoghue Chief Financial Officer	01253 658566	January 2019

BACKGROUND PAPERS		
Name of document	Date	Where available for inspection
Council Tax Reduction Scheme 2019/20	10th December 2018	<a href="http://www.fylde.gov.uk">www.fylde.gov.uk</a>

**Attached documents**

Appendix A - Council Tax and Business Rates Discretionary Discount Policy 2019/20



# **Council Tax and Business Rates**

## **Discretionary Discount Policy**

### **2019/20**

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## Record of Amendments:

Date	Version	Amended by	Description of changes
10/03/2014	1.1	Graeme Ruse	Business Rates Reliefs – added Retail Relief pages 19 – 22. New Build Relief page 23-24, Temporary Re-Occupation Relief page 25-26
01/10/2014	1.2	Andrew Turpin	Rural Rate Relief pages 27-28
19/12/2014	1.3	Andrew Turpin	Retail Relief page 19
02/11/2015	1.4	Graeme Ruse	Temporary Part Occupation Relief
21/10/2016	1.5	Graeme Ruse	Removal of New Build and Re-Occupation Relief
10/10/2017	1.6	Louise Jones	No changes – review only
05/03/2018	1.7	Andrew Turpin	Inclusion of Revaluation Relief and Public House Relief
03/09/2018	1.8	Andrew Turpin / Louise Jones	Review of policy
14/12/2018	1.9	David Holmes	Inserted Retail Discount, Local Newspaper Relief, Hardship Relief and noted EZ Relief. Removed the Public House relief.

## Approved By:

Name	Title	Signature	Date
Andrew Turpin	Head of Revenues & Exchequer Services		18 <sup>th</sup> December 2018
Louise Jones	Head of Benefits and Customer Services		18 <sup>th</sup> December 2018

## **1. Introduction**

Section 13A of the Local Government Finance Act 1992 (as amended) and sections 47, 48 and 49 of the Local Government Finance Act 1988 (as amended) empowers a billing authority to reduce the amount of tax payable.

Fylde has adopted a local Council Tax Reduction Scheme from 1st April 2013, which replaced Council Tax Benefit. However it is likely that other circumstances will arise where the Council could consider a further discretionary reduction in exceptional circumstances. In addition local Businesses who are experiencing severe financial difficulties may request assistance in meeting the burden of local taxation.

Funding for such reductions must be provided by the Council. This policy sets out how the Council will use these powers and the criteria that must be satisfied.

The Council is committed to publishing the policy to ensure that the local taxpayers are aware of the policy and are able to quickly and easily apply for assistance.

## **Aims of the Discretionary Discount Policy**

- Provide a mechanism for the Council to assist members of the community who are unable to meet the financial burden of local taxation
- Helping residents in receipt of Council Tax Reduction who are unable to increase their income
- Alleviating poverty
- Helping those who are trying to help themselves
- Supporting people who are starting work
- Supporting the most vulnerable in the local community
- Helping customers through difficult personal events
- Assisting customers in accordance with the Council's Child Poverty Strategy
- To ensure that no claimant or charge payer suffers any undue short-term disadvantage resulting from circumstances beyond their control

## **2. Policy Objectives and Action Plan**

### **Objective 1: To ensure that assistance is available and accessible to members of the community most in need**

- Ensure staff are aware of the policy and qualifying criteria
- Regular refresher training for assessment staff to promote proactive identification of potential cases
- Provide effective overview training on the policy and qualifying criteria on request to promote take-up and awareness in appropriate circumstances.
- Promote access to the scheme through continued development of the Fylde Council website to ensure that up to date information is provided and that relevant forms and information can be downloaded.
- Ensure advice providers are aware of the policy and qualifying criteria.
- Promoting awareness to Members
- Promote the scheme to target groups, which may include:
  - Social and Private Sector Housing Tenants with significant arrears who may apply for a Discretionary Housing Payment (DHP).
  - Council Tax payers who have been issued with a summons.
  - People requiring assistance from the Emergency Planning response team.
  - Customers who are seeking Council assistance with debts
- Providing a facility to visit customers to assist them in making an application and provide supporting documents.
- Working closely with existing and new service partners and stakeholders to promote awareness of the policy.

### **Objective 2: To ensure discretionary discounts are only considered when no other means of assistance is available.**

- Ensure assessments of applications for local Council Tax Reduction incorporate a benefits maximization check.
- Ensure the applicant does not have income or capital which should be used to meet the liability.
- Signpost customers who do not meet the criteria to appropriate alternative advice services
- Conduct a regular review of the policy to ensure it is fit for purpose.
- Ensure a robust review procedure is in place to ensure decisions are independent, fair and consistent.
- Ensure publicity is available to encourage customers to claim other benefits they are entitled to and where to access debt advice and money management tools.
- Ensure other sums owed to the Council (e.g. sundry debts, Housing Benefit overpayments) are reviewed and reduced repayments agreed where appropriate
- Ensure a Discretionary Housing Payment for Housing Benefit is awarded if appropriate
- Ensure recovery action is delayed where appropriate
- Awards will be tailored to match need. The period and amount of an award will be determined based upon the circumstances in each case.

- Awards will only be made for a period relating to the financial year in which the application is made.
- Awards may be reviewed at any time and may be revised, reduced or withdrawn if it is found that the circumstances of the applicant have changed and the award is no longer appropriate.

**Objective 3: To monitor and evaluate the administration of the policy to ensure that the service reflects the needs of the community**

- Monitor of fund spending by monthly recording and reporting of expenditure provided to Senior Management.
- Conduct a regular review of income and expenditure forms used.
- Conduct a regular review of the policy.
- Review the outcome of requests for reconsideration to improve guidance and methodology.
- Respond to feedback on processes and procedures from partners and stakeholders.

### **3. Discretionary Discount - Customers in receipt of local Council Tax Reduction (Hardship Fund)**

Fylde Borough Council adopted a local Council Tax Reduction Scheme which is effective from 1st April 2013. During the development of the scheme the Councils' Equality Analysis identified that certain groups affected by the reduction in support would be unlikely to be able to increase their income.

For an award of this type of discretionary discount to be considered, the applicant must be:

- In receipt of Council Tax Reduction; and
- Have a shortfall between the level of Council Tax Reduction and their council tax liability; and
- In the opinion of the Council, be in need of further assistance with Council Tax in accordance with the qualifying criteria.

Requests for further reductions in Council Tax liability will be required in writing from the customer, their advocate / appointee or a recognised third party acting on their behalf.

Each case will be considered on 'its merits' however all of the following criteria should be met:

- There must be evidence of hardship or personal circumstance that justifies a further reduction in Council Tax liability.
- The Council must be satisfied that the customer has taken reasonable steps to resolve their situation prior to application.
- The customer does not have access to other assets that could be realised and used to pay the Council Tax.
- All other eligible discounts/reliefs have been awarded to the customer.

#### **Responsible officer**

The responsibility for making discretionary discount decisions will rest with the Chief Financial Officer, who will discharge this responsibility by the following process:

#### **Decision making process**

**Stage 1:** The initial request will be dealt with by a decision maker (Senior Benefits Assistant, Senior Benefit Specialist or Team Manager) who will consider the application against the criteria set out in this policy, based upon the information provided by the applicant and known to the Council.

**Stage 2:** A Senior Benefits Manager will authorise the decision.

#### **Notification of decision**

The Council will notify the applicant of its decision within 28 days of receiving sufficient information to make a decision.

### **Review of decision/re-determination requests**

The Council will accept an applicant's written request for a redetermination of its decision. The process will be as follows:

**Stage 1:** The original decision and any additional information provided will be reviewed by a different decision maker who will recommend either confirming or amending the original decision.

**Stage 2:** The Head of Benefits and Customer Services, or Head of Revenues and Exchequer Services, will consider the application for review and the recommendation and determine whether to award a discretionary discount.

### **Notification of review/re-determination decision**

The Council will notify an applicant of its decision within 28 days of receiving a request for a re-determination.

A discretionary reduction made under section 13A (1)(a) or (c) of the Local Government Finance Act (LGFA) 1992 can be the subject of an appeal to the Valuation Tribunal under section 16 of the LGFA 1992.

## **4. Discretionary Discounts – Customers not in receipt of local Council Tax Reduction**

Requests for reductions in Council tax liability will be required in writing from the customer, their advocate / appointee or a recognised third party acting on their behalf

Each case will be considered on 'its merits' however all of the following criteria should be met:

- There must be evidence of hardship or personal circumstance that justifies a reduction in Council Tax Liability.
- The Council must be satisfied that the customer has taken reasonable steps to resolve their situation prior to application.
- The customer does not have access to other assets that could be realised and used to pay the Council Tax.
- The customer is not entitled to an award under the local Council Tax Reduction Scheme.
- All other eligible discounts/reliefs have been awarded to the customer.

### **Responsible officer**

The responsibility for making discretionary decisions will rest with the Chief Financial Officer, who will discharge this responsibility by the following process:

A Revenues Manager will liaise with the applicant in each case to request sufficient information in order that a decision can be made

### **Decision making process**

**Stage 1:** The initial request will be dealt with by a Revenues Manager who will consider the application against the criteria set out in this policy, based upon the information provided by the applicant and known to the Council.

**Stage 2:** A Revenues Manager will authorise the decision.

### **Notification of decision**

The Council will notify the applicant of its decision within 28 days of receiving sufficient information to make a decision.

### **Review of decision/re-determination requests**

Council will accept an applicant's written request for a redetermination of its decision.

**Stage 1:** The original decision and any additional information provided will be reviewed by a different decision maker who will recommend either confirming or amending the original decision.

**Stage 2:** The Head of Revenues and Exchequer Services, or Head of Benefits and Customer Services, will consider the application for review and the recommendation and determine whether to award a discretionary discount.

**Notification of review/re-determination decision**

The Council will notify an applicant of its decision within 28 days of receiving a request for a re-determination.

A discretionary reduction made under section 13A (1) (a) or (c) of the Local Government Finance Act (LGFA) 1992 can be the subject of an appeal to the Valuation Tribunal under section 16 of the LGFA 1992.

## 5. Discretionary Discounts – Rate Relief Policy relating to organisations established for Charitable, Sporting and Community Purposes.

Each case will be considered on its merits however all of the following criteria should be met:

- Requests for reductions in Business Rates will be required in writing from the ratepayer or a recognised third party acting on their behalf.
- It must be in the interest of Council Tax payers for the local authority to grant a reduction.
- All other eligible discounts/reliefs have been awarded to the ratepayer.

In addition to the above, the Council has determined the following guidelines for the granting of discretionary rate relief.

- a) The organisation is small in stature in that it occupies a hereditament with a Rateable Value of less than £13,000 in the National Non-Domestic Rating List effective from 1 April 2017. *(the premise is that larger organizations are generally well established and can, to a certain extent, exist without any external aid at all)*, **and**
- b) The organisation is not part of a charging or precepting authority, **and**
- c) The organisation has been specifically set up for the benefit of the young, the aged, the disabled or for ethnic minorities. *(sports organisations that allow or promote junior or senior citizen membership would not necessarily fall under the jurisdiction of this rule. The organisation must have been created or is in being for the sole or main purpose of aiding any one of these sections of the community)*, **or**
- d) The property is for the general use of the local community without any membership and/or subscription requirements and has no specific use except for the general benefit of the community, **or**
- e) The property is used for the housing of vehicles used only for offshore emergency purpose, **or**
- f) The aims of the organisation are to educate volunteers in emergency training for the benefit of the local community.

Discretionary Relief of the remaining balance (taking into account 80% mandatory relief granted to all charitable bodies) may be granted to any non-profit making organisations that meet the above criteria.

The above is intended only as a guide when considering applications for discretionary rate relief. All applications will be considered on their merits and it might be found that it is only right and proper to approve applications which do not conform exactly to the above.

- g) The Council will continue with its current policy regarding granting discretionary rate relief, each application be considered on its merits and favourable consideration be given to applications from qualifying organisations in instances when the non-granting of relief could seriously jeopardize the financial viability of the organisation.
- h) One factor to be taken into account in determining discretionary rate relief shall be the training or coaching provided by sports clubs for the youth of the Borough.

In addition, organisations with charitable status and not being Limited Companies, and set up for recreational purposes:

- Whose membership is open to all sections of the community.
- Do not restrict membership on the grounds of ability or the availability of their facilities,
- Whose membership levels are not set at such a rate to preclude membership by all sections of the community,
- Who provide outside sporting activities,
- Who actively encourage participation by young people,
- Make their facilities available to people other than members e.g. to schools or casual public sessions,
- Whose main aim is sporting rather than social,
- Whose members are mainly from Fylde Borough.

**May** be given discretionary relief of 100% based on the Rateable Value of the outside playing area and changing areas only.

- i) Retail premises operated by a registered charity which have been granted mandatory rate relief may, in exceptional circumstances, receive a further discretionary award. The Council will consider the merits of each case but such an award is likely to be the exception rather than the rule.

### **Responsible officer**

The responsibility for making discretionary decisions will rest with the Chief Financial Officer, who will discharge this responsibility by the following process:

### **Decision making process**

**Stage 1:** The decision making process will involve the Principal Revenues Manager making a recommendation to the Head of Revenues and Exchequer Services, considering the application against the criteria set out in this policy, based upon the information provided by the applicant and known to the Council.

**Stage 2:** The Chief Financial Officer will consider the application and the recommendation of the Head of Revenues and Exchequer Services and determine whether to award a discretionary discount.

### **Notification of decision**

The Council will notify the applicant of its decision within 28 days of receiving sufficient information to make a decision.

### **Review of decision/re-determination requests**

The Council will accept an applicant's written request for a redetermination of its decision. The process will be as follows:

**Stage 1:** The original decision and any additional information provided will be reviewed and a recommendation made to either confirm or amend the original decision.

**Stage 2:** The Chief Financial Officer will consider the application for review and the recommendation and determine whether to award a discretionary discount.

**Notification of review/re-determination decision**

The Council will notify an applicant of its decision within 28 days of receiving a request for a re-determination.

Following the redetermination of a request for discretionary discount, there is no further right of appeal.

## 6. Other Discretionary Discounts

The Council may award Business Rates relief on any cases where it has been asked to do so, and where the award would be clearly in the interest of the local Council Tax payer.

The relief is available pursuant to s.47 of the Local Government Finance Act 1988, as amended by s.69 of the Localism Act 2011, and decisions are to be made on a case by case basis and dependent on the individual facts. This is often referred to as 'Localism Relief'.

Under the arrangements by which Business Rates income is shared by a number of public sector bodies, any award of a discount or relief will be funded in part by: Fylde Council, Central Government, Lancashire County Council and the Lancashire Fire Authority.

Each case will be considered on its merits however all of the following criteria should be met:

- it must be in the interest of the Council and community for the local authority to grant a reduction, **and**
- all other eligible discounts/reliefs have been awarded to the ratepayer.

### Responsible officer

The responsibility for making discretionary decisions will rest with the Chief Financial Officer, who will discharge this responsibility by the following process:

### Decision making process

**Stage 1:** The decision making process will involve the Principal Revenues Manager making a recommendation to the Head of Revenues and Exchequer Services, considering the application against the criteria set out in this policy, based upon the information provided by the applicant and known to the Council.

**Stage 2:** The Chief Financial Officer will consider the application and the recommendation of the Head of Revenues and Exchequer Services and determine whether to award a discretionary discount.

### Notification of decision

The Council will notify the applicant of its decision within 28 days of receiving sufficient information to make a decision.

### Review of decision/re-determination requests

The Council will accept an applicant's written request for a redetermination of its decision. The process will be as follows:

**Stage 1:** The original decision and any additional information provided will be reviewed and a recommendation made to confirm or amend the original decision.

**Stage 2:** The Chief Financial Officer will consider the application for review and the recommendation and determine whether to award a discretionary discount.

**Notification of review/re-determination decision**

The Council will notify an applicant of its decision within 28 days of receiving a request for a re-determination.

Following the redetermination of a request for discretionary discount, there is no further right of appeal.

## 7. Hardship Relief

In very exceptional circumstances the Council may award relief on a Business Rates bill in cases where it is satisfied payment of the bill will cause a business severe hardship.

The Council will only consider an award where it is evident that doing so would be in the interests of the wider community. This can be because failure to grant the relief would result in the loss of a unique and regularly required service, and/or because the failure to grant relief would directly result in a significant loss of jobs in the local community.

Hardship Relief is available pursuant to s.49 of the Local Government Finance Act 1988. The relief is designed for a local authority to provide discretionary assistance in exceptional and/or unexpected circumstance, but not to prop up a fundamentally failing business. Decisions are to be made on a case by case basis and dependent on the individual facts.

Under the arrangements by which Business Rates income is shared by a number of public sector bodies, any award of a discount or relief will be funded in part by: Fylde Council, Central Government, Lancashire County Council and the Lancashire Fire Authority.

The Council may award hardship relief as a percentage of the total amount due, or as a single monetary value.

There are no time limits to the award of hardship relief, but the relief is considered to be a 'one-time' award. There is no requirement for the Council to award this relief periodically.

In order to consider an award the applicants shall provide the following:

- Details of the unique and regularly required service provided.
- Details of how much is outstanding.
- Details of their current financial circumstance, including details of any assets or security held, and including details of debts owed to other creditors.
- Copies of their latest audited accounts.
- Details of the company, such as the product sold, the customer base, numbers in the workforce.
- The reason why they cannot pay their bill.
- How much relief they require.
- An assumption of what would happen if no assistance was provided by the Council.

### Responsible officer

The responsibility for making discretionary decisions will rest with the Chief Financial Officer, who will discharge this responsibility by the following process:

### Decision making process

**Stage 1:** The decision making process will involve the Principal Revenues Manager making a recommendation to the Head of Revenues and Exchequer Services, considering the

application against the criteria set out in this policy, based upon the information provided by the applicant and known to the Council.

**Stage 2:** The Chief Financial Officer will consider the application and the recommendation of the Head of Revenues and Exchequer Services and determine whether to award a discretionary discount.

### **Notification of decision**

The Council will notify the applicant of its decision within 28 days of receiving sufficient information to make a decision.

### **Review of decision/re-determination requests**

The Council will accept an applicant's written request for a redetermination of its decision. The process will be as follows:

**Stage 1:** The original decision and any additional information provided will be reviewed and a recommendation made to either confirm or amend the original decision.

**Stage 2:** The Chief Financial Officer will consider the application for review and the recommendation and determine whether to award a discretionary discount.

### **Notification of review/re-determination decision**

The Council will notify an applicant of its decision within 28 days of receiving a request for a re-determination.

Following the redetermination of a request for discretionary discount, there is no further right of appeal.

## **8. Rural Rate Relief**

Relief of up to 100% can be granted to the occupier of a general store, post office, pub or petrol station if it is the only such business in the authority's rural settlement list. Each case will be dealt with on its own set of circumstances and ratable value limits will apply.

### **Responsible officer**

The responsibility for making discretionary decisions will rest with the Chief Financial Officer, who will discharge this responsibility by the following process:

### **Decision making process**

**Stage 1:** The decision making process will involve the Principal Revenues Manager making a recommendation to the Head of Revenues and Exchequer Services, considering the application against the criteria set out in this policy, based upon the information provided by the applicant and known to the Council.

**Stage 2:** The Chief Financial Officer will consider the application and the recommendation of the Head of Revenues and Exchequer Services and determine whether to award a discretionary discount.

### **Notification of decision**

The Council will notify the applicant of its decision within 28 days of receiving sufficient information to make a decision.

### **Review of decision/re-determination requests**

The Council will accept an applicant's written request for a redetermination of its decision. The process will be as follows:

**Stage 1:** The original decision and any additional information provided will be reviewed and a recommendation made to either confirm or amend the original decision.

**Stage 2:** The Chief Financial Officer will consider the application for review and the recommendation and determine whether to award a discretionary discount.

### **Notification of review/re-determination decision**

The Council will notify an applicant of its decision within 28 days of receiving a request for a re-determination.

Following the redetermination of a request for discretionary discount, there is no further right of appeal.

## **9. Temporary Part Occupation Relief**

The Ratepayer is liable for the full non-domestic rate whether a property is wholly occupied or only partly occupied. Under s44A of the Local Government Finance Act 1988, where a property is partly occupied for a short time the Council has discretion to request that the Valuation Office apportion the rateable value of a property between the occupied and unoccupied parts; thereby reducing the amount payable.

Applications must be made in writing and supported by: -

- A completed application form
- Detailed maps which outline the whole property and indicate the partly occupied section.
- Details of the planned period of time for the part occupation.
- Details of future intentions.
- Details of the cause for the part occupation.

A site visit will normally be undertaken.

Where necessary the ratepayer may be required to provide additional information to support their application.

### **Responsible officer**

The responsibility for making discretionary relief decisions will rest with the Chief Financial Officer, who will discharge this responsibility by the following process:

### **Decision making process**

**Stage 1:** The decision making process will involve the Principal Revenues Manager making a recommendation to the Head of Revenues and Exchequer Services, considering the application against the criteria set out in this policy, based upon the information provided by the applicant and known to the Council.

**Stage 2:** The Chief Financial Officer will consider the application and the recommendation of the Head of Revenues and Exchequer Services and determine whether to award a discretionary discount.

### **Notification of decision**

The Council will notify the applicant of its decision within 28 days of receiving sufficient information to make a decision.

### **Review of decision/re-determination requests**

The Council will accept an applicant's written request for a redetermination of its decision. The process will be as follows:

**Stage 1:** The original decision and any additional information provided will be reviewed and a recommendation made to either confirm or amend the original decision.

**Stage 2:** The Chief Financial Officer will consider the application for review and the recommendation and determine whether to award a discretionary discount.

### **Notification of review/re-determination decision**

The Council will notify an applicant of its decision within 28 days of receiving a request for a re-determination.

Following the redetermination of a request for discretionary discount, there is no further right of appeal.

## 10. Retail Discount

The Government announced in the 2018 Budget that it will provide a Business Rates Retail Discount scheme for occupied retail properties with a rateable value of less than £51,000 in each of the years 2019-20 and 2020-21. The value of discount should be one third of the bill, and must be applied once mandatory reliefs and other discretionary reliefs have been applied.

Properties that will benefit from the relief will be occupied hereditaments with a rateable value of less than £51,000, that are wholly or mainly being used as shops, restaurants, cafes and drinking establishments.

### What constitutes retail usage

We consider shops, restaurants, cafes and drinking establishments to mean:

#### **Hereditaments that are being used for the sale of goods to visiting members of the public:**

- Shops (such as: florists, bakers, butchers, grocers, greengrocers, jewellers, stationers, off licences, chemists, newsagents, hardware stores, supermarkets, etc)
- Charity shops
- Opticians
- Post offices
- Furnishing shops/ display rooms (such as: carpet shops, double glazing, garage doors)
- Car/ caravan show rooms
- Second hand car lots
- Markets
- Petrol stations
- Garden centres
- Art galleries (where art is for sale/hire)

#### **Hereditaments that are being used for the provision of the following services to visiting members of the public:**

- Hair and beauty services (such as: hair dressers, nail bars, beauty salons, tanning shops, etc)
- Shoe repairs/ key cutting
- Travel agents
- Ticket offices e.g. for theatre
- Dry cleaners
- Launderettes
- PC/ TV/ domestic appliance repair
- Funeral directors
- Photo processing
- Tool hire
- Car hire

#### **Hereditaments that are being used for the sale of food and/ or drink to visiting members of the public:**

- Restaurants
- Takeaways
- Sandwich shops
- Coffee shops
- Pubs
- Bars

To qualify for the relief the hereditament must be wholly or mainly being used as a shop, restaurant, cafe or drinking establishment. This is a test on use rather than occupation, therefore hereditaments which are occupied but not wholly or mainly used for the qualifying purpose will not qualify for the relief.

### **What does not constitute retail usage**

The list below sets out the types of uses which we **do not** consider as being eligible for the purpose of this relief, and will therefore not qualify under this scheme.

#### **Hereditaments that are being used for the provision of the following services to visiting members of the public:**

- Financial services (e.g. banks, building societies, cash points, bureaux de change, payday lenders, betting shops, pawn brokers)
- Other services (e.g. estate agents, letting agents, employment agencies)
- Medical services (e.g. vets, dentists, doctors, osteopaths, chiropractors)
- Professional services (e.g. solicitors, accountants, insurance agents/ financial advisers, tutors)
- Post office sorting offices

#### **Hereditaments which are not reasonably accessible to visiting members of the public**

- Premises where membership is required to gain entry (e.g. affiliated social clubs)
- Premises where payment is required to gain entry

Generally speaking, for the purpose of this policy we do not consider other assembly or leisure uses beyond those listed at above to be retail uses for the purpose of the discount. For example, cinemas, theatres and museums are outside the scope of the scheme, as are nightclubs and music venues which are not similar in nature to the hereditaments described above. Hereditaments used for sport or physical recreation (e.g. gyms) are also outside the scope of the discount, as are hotels and similar accommodation. Where there is doubt, we will exercise discretion with reference to the above and our knowledge of the local tax base.

### **Amount of relief available**

The total amount of government-funded relief available for each property for 2019-20 and 2020-21 under this scheme is one third of the bill, after mandatory reliefs and other discretionary reliefs funded by section 31 grants have been applied. There is no relief available under this scheme for unoccupied properties, or properties with a rateable value of £51,000 or more.

Ratepayers that occupy more than one property will be entitled to relief for each of their

eligible properties, subject to State Aid De Minimis limits.

A new hereditament created as a result of a split or merger during the financial year, or where there is a change of use, should be considered afresh for the relief on that day.

### **Responsible officer**

The responsibility for making discretionary relief decisions will rest with the Chief Financial Officer, who will discharge this responsibility by the following process:

### **Decision making process**

In accordance with Government Guidance for the administration of the scheme, and to assist local businesses, the s151 Officer has agreed that the Council may make a number of assumptions with regard to eligibility to ensure relief is awarded to qualifying businesses as soon as possible.

Businesses awarded relief will be advised to inform the Council if they do not qualify for relief as a result of exceeding State Aid limits. Should a ratepayer believe they are entitled to the relief and it has not been awarded, an application form will be provided and relevant enquiries undertaken to determine eligibility.

Where an application form is sent and a response is received, a Revenues Manager will review eligibility and seek a decision from the Chief Financial Officer.

### **Notification of decision**

The Council will notify the applicant of its decision within 28 days of receiving sufficient information to make a decision.

### **Review of decision/re-determination requests**

The Council will accept an applicant's written request for a redetermination of its decision. The process will be as follows:

**Stage 1:** The original decision and any additional information provided will be reviewed and a recommendation made to either confirm or amend the original decision.

**Stage 2:** The Chief Financial Officer will consider the application for review and the recommendation and determine whether to award a discretionary discount.

### **Notification of review/re-determination decision**

The Council will notify an applicant of its decision within 28 days of receiving a request for a re-determination.

Following the redetermination of a request for discretionary discount, there is no further right of appeal.



## 11. Local Newspaper Relief

The Government introduced a £1,500 Business Rate discount for office space occupied by local newspapers in England, up to a maximum of one discount per local newspaper title and per hereditament, and up to state aid limits, for 2 years from 1 April 2017. This was extended in the 2018 budget and will now apply until 31<sup>st</sup> March 2020.

The relief is to be specifically for local newspapers and by that we mean what would be considered to be a “traditional local newspaper.” The relief will not be available to magazines.

### Responsible officer

The responsibility for making discretionary relief decisions will rest with the Chief Financial Officer, who will discharge this responsibility by the following process:

### Decision making process

In accordance with Government Guidance for the administration of the scheme, and to assist local businesses, the s151 Officer has agreed that the Council may make a number of assumptions with regard to eligibility to ensure relief is awarded to qualifying businesses as soon as possible.

Businesses awarded relief will be advised to inform the Council if they do not qualify for relief as a result of exceeding State Aid limits. Should a ratepayer believe they are entitled to the relief and it has not been awarded, an application form will be provided and relevant enquiries undertaken to determine eligibility.

Where an application form is sent and a response is received, a Revenues Manager will confirm eligibility and seek a decision from the Chief Financial Officer.

### Notification of decision

The Council will notify the applicant of its decision within 28 days of receiving sufficient information to make a decision.

### Review of decision/re-determination requests

The Council will accept an applicant’s written request for a redetermination of its decision. The process will be as follows:

**Stage 1:** The original decision and any additional information provided will be reviewed and a recommendation made to either confirm or amend the original decision.

**Stage 2:** The Chief Financial Officer will consider the application for review and the recommendation and determine whether to award a discretionary discount.

### Notification of review/re-determination decision

The Council will notify an applicant of its decision within 28 days of receiving a request for a re-determination.

Following the redetermination of a request for discretionary discount, there is no further right of appeal.

## 12. Enterprise Zone Relief

The Council's Executive approved the joint Enterprise Zone Business Rates Relief Policy on Monday 20<sup>th</sup> June 2016. The policy allows for relief to be applied (up to state aid limits) where business moves into the designated Enterprise Zone before 2022, subject to qualifying criteria. The policy is published on our website at [www.fylde.gov.uk](http://www.fylde.gov.uk).

This is a joint policy between Blackpool Council, Fylde Borough Council and Wyre Borough Council.

## **13. Revaluation Relief**

Central Government is keen that in certain cases, assistance should be provided to businesses which have had increases in their rate liability due to the revaluation of premises in April 2017. In these cases, and where the Council meets Central Government guidelines, grants are available under section 31 of the Local Government Act 2003.

The following sections cover all aspects of the Discretionary Business Rates Relief scheme “Revaluation Relief” which is available from 1st April 2017. Where businesses apply for relief they will be granted (or not granted) relief in line with the following policy.

### **Legislative Background**

To be considered for the following discretionary relief schemes ratepayers are obliged to make a written application to the Council. The Council will expect all businesses to make applications in such a format as is required (which may vary from time to time) and for the business to provide such information, evidence, certificates etc. as required in order to determine whether relief should be awarded.

The Council will consider carefully every application on its merits. There is no statutory appeal process or Tribunal against any decision made by the Council. The authority will however, upon request, review decisions made. Details of the internal review process are given within this policy.

This policy document covers the granting of awards under the Revaluation Relief which covers a period of 12 months from 1st April 2019. The decision to grant or not to grant discretionary relief is a matter purely for the Council.

### **The Council’s approach to granting Government led Discretionary Relief schemes**

Over the past few years, a number of schemes have been led by Central Government but without specific legislative changes. These are administered under s47 of the Local Government Finance Act 1988 and guidance is often provided. The Council is keen to support such initiatives especially where they are designed to help local businesses and will look to maximise both the reliefs given as well as maximising any grants receivable. However, the Council reserves the right to vary its approach where thought appropriate.

In the case of Revaluation Relief, Central Government is keen that individual Councils develop their own scheme to meet local needs. Government has allocated funds to the Council using a particular methodology, but it has been keen to point out that this should have no bearing on the actual scheme adopted by the Council.

### **Effect on the Council’s Finances**

In March 2017, Central Government announced that it would make available a discretionary fund of £300 million over four years from 2017-18 to support those businesses that face the steepest increases in their business rates bills as a result of the revaluation, known as

Revaluation Relief. Government determined that Councils would be best placed to determine how this fund should be targeted and administered to support those businesses and locations within their area that are in the greatest need.

Every authority within England is to be provided with a share of the fund to support their local businesses. This is to be administered through billing authorities' discretionary relief powers under s47 of the Local Government Act 1988. The full effects of the financial allocation are shown below.

The allocation of monies to authorities and the methodology of the funding award is completely separate to the scheme itself and Government believes that local authorities are best placed to judge the particular circumstances of local ratepayers and direct the funding where it is most needed to support local economies.

Councils will be compensated for any relief granted under section 31 of the Local Government Act 2003. The Government has decided that any underspend cannot be transferred from one year to the next.

A key criteria of reimbursement will be that the Council will consult with its major precepting authority when formulating its scheme.

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

Amount of discretionary fund awarded (£000s) – Fylde Council			
2017-18	2018-19	2019-20	2020-21
126	61	25	4

### Discretionary Relief – EU State Aid requirements

European Union competition rules generally prohibit Government subsidies to businesses. Relief from taxes, including non-domestic rates, can constitute state aid. The Council must bear this in mind when granting discretionary rate relief.

Rate relief for charities and non-profit making bodies is not generally considered to be state aid, because the recipients are not in market competition with other businesses. However, where other bodies receive relief and are engaged in commercial activities or if they are displacing an economic operator or if they have a commercial partner, rate relief could constitute state aid.

Relief will be State Aid compliant where it is provided in accordance with the De Minimis Regulations (1407/2013)<sup>1</sup>. The De Minimis Regulations allow an undertaking to receive up to €200,000 of De Minimis aid in a three-year period (consisting of the current financial year and

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

the two previous financial years).

Where the relief to any one business is greater than the De Minimis level, then permission will need to be obtained from the European Commission. In such cases the matter will be referred to the Department for Communities and Local Government (DCLG) for advice and then referred back to the Council for consideration. It will be for the ratepayer to provide confirmation as to whether the State Aid provisions apply to them.

In all cases, where discretionary relief is to be granted or where liability is to be reduced, when making an application, ratepayers will be required to provide the Council with sufficient information to determine whether these provisions are applicable in their case.

European Union competition rules regarding state aid requirements may change when the United Kingdom exits the European Union.

### Administration of Discretionary Relief – General approach

Applicants may be required to provide a completed application form plus any such evidence, documents, accounts, financial statements etc. necessary to allow the Council to make a decision. Where insufficient information is provided, then no relief will be granted. In some cases, it may be necessary for officers to visit premises and we would expect organisations claiming relief to facilitate this where necessary.

The Council will provide this service and guidance free of charge. Ratepayers are encouraged to approach the Council direct and **NOT** pay for such services through third parties.

Where an application is successful, then the following will be notified to them in writing:

- The amount of relief granted and the date from which it has been granted;
- If relief has been granted for a specified period, the date on which it will end;
- The new chargeable amount.

Where relief is not granted then a notification of the decision will be provided, in writing.

Revaluation Relief is to be granted from the beginning of the financial year in which the decision is made. Decisions can be made up to 6 months after the end of the financial year for which the application was made, but if an application is made after this time it will not be considered.

A fresh application for discretionary relief will be necessary for each financial year or at such time-period as the Council determines.

Variations in any decision will be notified to ratepayers as soon as practicable and will take effect as follows:

- Where the amount is to be increased due to a change in rate charge or a change in the Council's decision which increases the award – this will apply from the date of the increase in rate charge or the date determined by the Council as appropriate;
- Where the amount is to be reduced due to a reduction in the rate charge or liability

including any reduction in rateable value, awarding of another relief or exemption this will apply from the date of the decrease in rate charge; **and**

- Where the amount is to be reduced for any other reason, it will take effect at the expiry of a financial year

A decision may be revoked at any time.

### Consultation

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

The grant determination for Revaluation Relief states that a condition of the fund is that consultation is undertaken with 'relevant authorities'. Relevant authorities for the purpose of this scheme means any major precepting authority.

In the case of Fylde Borough Council the precepting authorities has been consulted, namely the Lancashire County Council and the Lancashire Combined Fire and Rescue Service.

### Revaluation Relief

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

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

Relief will **not** be awarded where:

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

The Council will look to simplify the application process wherever possible, but it will expect any ratepayers to provide such information as is required by the Council to support their application.

A standard percentage reduction in the value of the rates payable will be applied to all eligible applicants, that rate to be determined by the level of available funding during the year.

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

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

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

### **Decisions by the Council under this scheme**

Any application will be considered against the criteria listed in this document, and it must be in the interest of the Council and community for the local authority to grant a reduction.

The responsibility for making discretionary decisions will rest with the Chief Financial Officer.

Additional information may be required by the Council in order that a decision can be made.

**Decision making process:**

**Stage 1:** The Principal Revenues Manager or Head of Revenues and Exchequer Services will make a recommendation to the Chief Financial Officer, considering the application against the criteria set out in this policy, based upon the information provided by the applicant and known to the Council.

**Stage 2:** The Chief Financial Officer will consider the application and the recommendation to determine whether to award a discretionary discount.

The Council will notify the applicant of its decision within 28 days of receiving sufficient information to make a decision.

The Council will accept an applicant's written request for a redetermination of its decision if there is new information available on which to reconsider the original decision.

The Council will notify an applicant of its decision within 28 days of receiving a request for a re-determination.

**Fraud**

Where a ratepayer falsely applies for any relief or where the ratepayer provides false

information, makes false representation, or deliberately withholds information in order to gain relief, prosecutions will be considered under the Fraud Act 2006.



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## DECISION ITEM

REPORT OF	MEETING	DATE	ITEM NO
MANAGEMENT TEAM	FINANCE AND DEMOCRACY COMMITTEE	28 JANUARY 2019	6
<b>BUDGET SETTING – FEES AND CHARGES 2019/20</b>			

### PUBLIC ITEM

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

### SUMMARY

Each year, as part of the budget-setting process, the schedule of fees and charges for the coming year (for each of the services that the Council provides) is reviewed by budget-holders prior to that schedule being considered by the relevant Programme Committee and finally being approved at the March Budget Council meeting.

Each Programme Committee is required to recommend to the Council for approval a schedule of fees and charges for those activities within the remit of the Committee.

This report requests that Members consider the proposed schedule of fees and charges for those services within the remit of this committee as detailed at Appendix A to this report and provide a recommendation to Council in this regard.

Note: A full schedule of proposed fees and charges for all Council services for 2019/20 is accessible at the link below:

<http://www.fylde.gov.uk/council/finance/fees-charges/>

### RECOMMENDATIONS

**The Committee is requested to consider the schedule of fees and charges for those activities within the remit of this committee as detailed in Appendix A to this report and:**

1. To recommend to Council a proposed schedule of fees and charges applicable for 2019/20; and
2. To note that the final fees and charges for 2019/20 will be approved by the Budget Council in March 2019.

### SUMMARY OF PREVIOUS DECISIONS

The proposed fees and charges for services that are within the terms of reference of each programme committee are recommended to Council for approval as part of the annual budget-setting process. There have been no previous decisions in respect of these fees and charges for 2019/20.

### CORPORATE PRIORITIES

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

## REPORT

1. Each year, as part of the budget-setting process for the coming financial year, budget-holders are required to review the fees and charges that the Council applies to the range of services which it delivers.
2. There are different considerations for assessing changes to the level of fees and charges depending upon the nature of the service. This is explained below:
  - For certain activities, for example some environmental health-related activities, fee levels are set by statute at a prescribed level. In respect of these types of activity the review of fees and charges is restricted to ensuring that the correct amount is approved by Council and is correctly applied for the forthcoming year;
  - For other types of charges in respect of services for which the Council has statutory responsibilities (for example in relation to licensing matters) fee levels must be set at an appropriate level such that only eligible costs are recovered. In respect of these types of activity the review of fees and charges comprises a review of costs and the adjustment of fees where necessary to avoid the under or over-recovery of costs. Where only minor discrepancies are found between costs and fee levels the charges may be left unchanged until the next review to avoid the costs associated with more regular leaflet re-printing etc.; and
  - For other activities which are not set by statute and for which the Council is not acting under statutory powers (e.g. games site fees) fee levels may be set at levels that are determined by the Council itself. In respect of these types of activity the review of fees and charges comprises a review of costs, a review of the fee levels of competitor providers and after a consideration of the likely effect on demand for the services and the total income that would be received at different fee levels.
3. Fee levels for all services have been reviewed according to the differing criteria as described above and the Programme Committee is invited to consider and provide comments as appropriate.
4. The role of the Council's Programme Committees in providing a recommendation to Council of a schedule of fees and charges for services within the remit of that committee is a key part of the budget-setting process for the coming year. The final schedule of fees and charges for all Council services will be considered by the Budget Council in March.

IMPLICATIONS	
Finance	The recommendation to Council of a schedule of proposed fees and charges for services within the remit of each Programme Committee is a key part of the budget-setting process for the coming year. This report requests that Members consider the schedule of fees and charges as detailed at Appendix A and provide a recommendation to Council as appropriate. Any financial implications from proposed changes to fees and charges will be quantified and reflected in the financial forecast contained in the final Medium Term Financial Strategy report to be considered by Budget Council in March 2019.
Legal	None arising from this report
Community Safety	None arising from this report
Human Rights and Equalities	None arising from this report
Sustainability and Environmental Impact	None arising from this report
Health & Safety and Risk Management	None arising from this report

LEAD AUTHOR	CONTACT DETAILS	DATE
Management Team		December 2018

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

**Attached documents**

Appendix A – Fees and Charges Schedule – Finance and Democracy Committee

FINANCE AND DEMOCRACY COMMITTEE	VAT Code	Unit Of Charge	Variable Charge Discretionary (D) Prescribed (P)	Approved 2018/19 Fees & Charges £	<b>DRAFT 2019/20 Fees &amp; Charges £</b>
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<b><u>Revenues &amp; Benefits Service</u></b>					
<b>Council Tax Administration</b>					
Recovery of admin costs in issuing summonses & liability orders	d	Each	D	75.00	<b>72.50</b>
<b>Business Rates (NNDR) Administration</b>					
Recovery of admin costs in issuing summonses & liability orders	d	Each	D	75.00	<b>72.50</b>
<b><u>Electoral Services</u></b>					
<b>Register of Electors</b>					
Sale of copies :- (a) Data Format	d	Each	P	20.00 plus £1.50 per 1000 names (or part)	20.00 plus £1.50 per 1000 names (or part)
- (b) Printed Format	d	Each	P	10.00 plus £5.00 per 1000 names (or part)	10.00 plus £5.00 per 1000 names (or part)
Price of a copy of return or declaration of election expenses (or accompanying document)	d	Each side	P	<b>0.20</b>	<b>0.20</b>
Sale of marked copies of Register / Absent Voters List					
- (a) Printed Format	d	Each	P	10.00 plus £2.00 per 1000 names (or part)	10.00 plus £2.00 per 1000 names (or part)
- (b) Data Format	d	Each	P	10.00 plus £1.00 per 1000 names (or part)	10.00 plus £1.00 per 1000 names (or part)

**VAT Codes:**

a = Standard Rate   c = Exempt   d = Outside Scope   e = Zero Rated

FINANCE AND DEMOCRACY COMMITTEE	VAT Code	Unit Of Charge	Variable Charge Discretionary (D) Prescribed (P)	Approved 2018/19 Fees & Charges £	DRAFT 2019/20 Fees & Charges £
<b><u>Estates</u></b>					
<b>Legal fees for Disposal of Freehold (including lease premiums / reverse premiums)</b>					
<b>Commercial:</b>					
Up to £5,000	c	Per transaction	D	500.00	<b>500.00</b>
£5,000 - £10,000	c	Per transaction	D	825.00	<b>825.00</b>
£10,000 - £25,000	c	Per transaction	D	1,000.00	<b>1,000.00</b>
£25,000 - £50,000	c	Per transaction	D	1,250.00	<b>1,250.00</b>
Over £50,000	c	Per transaction	D	3% of transaction	<b>3% of transaction</b>
<b>Charities and Community Groups</b>					
Up to £5,000	c	Per transaction	D	100.00	<b>100.00</b>
£5,000 - £10,000	c	Per transaction	D	150.00	<b>150.00</b>
£10,000 - £25,000	c	Per transaction	D	250.00	<b>250.00</b>
£25,000 - £50,000	c	Per transaction	D	350.00	<b>350.00</b>
Over £50,000	c	Per transaction	D	1% of transaction	<b>1% of transaction</b>
<b>Legal fees for Disposal of Leaseholds</b>					
<b>Commercial:</b>					
New Lease Rent up to £7,500 pa	c	Per transaction	D	750.00	<b>750.00</b>
New Lease Rent over £7,500 pa	c	Per transaction	D	950.00	<b>950.00</b>
Lease Renewal	c	Per transaction	D	550.00	<b>550.00</b>

**VAT Codes:**

a = Standard Rate   c = Exempt   d = Outside Scope   e = Zero Rated

FINANCE AND DEMOCRACY COMMITTEE	VAT Code	Unit Of Charge	Variable Charge Discretionary (D) Prescribed (P)	Approved 2018/19 Fees & Charges £	<b>DRAFT 2019/20 Fees &amp; Charges £</b>
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<b>Legal fees for Disposal of Leaseholds continued</b>					
<b>Charities and Community Groups:</b>					
New Lease Rent up to £7,500 pa	c	Per transaction	D	250.00	<b>250.00</b>
New Lease Rent over £7,500 pa	c	Per transaction	D	350.00	<b>350.00</b>
Lease Renewal	c	Per transaction	D	150.00	<b>150.00</b>
<b>Legal fees for Easements, Licences and Agreements</b>					
<b>Commercial:</b>					
Garden Licences	c	Per transaction	D	250.00	<b>250.00</b>
Less than 1 year	c	Per transaction	D	350.00	<b>350.00</b>
Over 1 year	c	Per transaction	D	500.00	<b>500.00</b>
Licence Renewals	c	Per transaction	D	-	<b>50.00</b>
<b>Charities and Community Groups:</b>					
Garden Licences	c	Per transaction	D	50.00	<b>50.00</b>
Less than 1 year	c	Per transaction	D	50.00	<b>50.00</b>
Over 1 year	c	Per transaction	D	150.00	<b>150.00</b>
Licence Renewals	c	Per transaction	D	-	<b>50.00</b>
<b>Legal fees for Assignment, Alterations and User Clause</b>					
<b>Commercial:</b>					
Assignment without Guarantor / Rent Deposit	c	Per transaction	D	650.00	<b>650.00</b>

**VAT Codes:**

a = Standard Rate   c = Exempt   d = Outside Scope   e = Zero Rated

FINANCE AND DEMOCRACY COMMITTEE	VAT Code	Unit Of Charge	Variable Charge Discretionary (D) Prescribed (P)	Approved 2018/19 Fees & Charges £	DRAFT 2019/20 Fees & Charges £
<b>Legal fees for Assignment, Alterations and User Cause continued</b>					
Assignment with Guarantor / Rent Deposit	c	Per transaction	D	950.00	<b>950.00</b>
Licence to Alter	c	Per transaction	D	950.00	<b>950.00</b>
<b>Commercial:</b>					
Change of User Clause	c	Per transaction	D	750.00	<b>750.00</b>
<b>Charities and Community Groups:</b>					
Assignment without Guarantor / Rent Deposit	c	Per transaction	D	150.00	<b>150.00</b>
Assignment with Guarantor / Rent Deposit	c	Per transaction	D	250.00	<b>250.00</b>
Licence to Alter	c	Per transaction	D	350.00	<b>350.00</b>
Change of User Clause	c	Per transaction	D	150.00	<b>150.00</b>
<b>Legal fees for Surrender /Re-Gear of Leasehold Interest</b>					
<b>Commercial:</b>					
Surrender	c	Per transaction	D	750.00*	<b>750.00*</b>
Re-Gear of Leasehold	c	Per transaction	D	1,250.00*	<b>1,250.00*</b>
* represents a minimum – premium fees apply					
<b>Legal fees for Statutory Management / Covenant Breach</b>					
<b>Commercial:</b>					
S146 Notice	c	Per transaction	D	750.00	<b>750.00</b>
Other Covenant Breaches	c	Per transaction	D	650.00	<b>650.00</b>
<b>Charities and Community Groups:</b>					
S146 Notice	c	Per transaction	D	250.00	<b>250.00</b>

**VAT Codes:**

a = Standard Rate   c = Exempt   d = Outside Scope   e = Zero Rated

FINANCE AND DEMOCRACY COMMITTEE	VAT Code	Unit Of Charge	Variable Charge Discretionary (D) Prescribed (P)	Approved 2018/19 Fees & Charges £	DRAFT 2019/20 Fees & Charges £
<b>Legal fees for Assignment, Alterations and User Cause continued</b>					
Other Covenant Breaches	c	Per transaction	D	150.00	<b>150.00</b>
<b>Legal Fees</b>					
All transactions (most cases will be within the set price scale but more complex cases charges may exceed this)	c	Per transaction	D	500.00 – 1250.00	<b>500.00 – 1250.00</b>
<b><u>Civic Room Hire</u></b>					
<b>Civil Ceremonies</b>					
Monday - Friday	c	Per Ceremony	D	350.00	<b>350.00</b>
Saturday - Sunday and Bank Holidays	c	Per Ceremony	D	650.00	<b>550.00</b>
Corkage Charge – Celebratory drinks package with customers own drinks	c	Per Bottle	D	-	<b>10.00</b>
<b><u>Miscellaneous</u></b>					
Filming on Fylde Borough Land	c	Per Application	D	Negotiable	<b>Negotiable</b>

**VAT Codes:**

a = Standard Rate   c = Exempt   d = Outside Scope   e = Zero Rated

FINANCE AND DEMOCRACY COMMITTEE	VAT Code	Unit Of Charge	Variable Charge Discretionary (D) Prescribed (P)	Approved 2018/19 Fees & Charges £	<b>DRAFT 2019/20 Fees &amp; Charges £</b>
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VAT Codes:  
a = Standard Rate   c = Exempt   d = Outside Scope   e = Zero Rated

## DECISION ITEM

REPORT OF	MEETING	DATE	ITEM NO
DEVELOPMENT SERVICES DIRECTORATE	FINANCE AND DEMOCRACY COMMITTEE	28 JANUARY 2019	7
<b>STAINING PLAYING FIELDS DEVELOPMENT PROJECT</b>			

### PUBLIC ITEM

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

### SUMMARY

The Supporters of Staining Open Space (SOSOS) have been working in partnership with Fylde and LCC officers since 2015, on a community project to “regenerate Chain Lane Playing Fields to provide a community facility that is accessible and suitable for use by all ages and abilities”.

The project has followed the ten stage process of the community parks improvement programme, which has included a comprehensive consultation exercise, the production of an agreed Masterplan and funding strategy. Officers have assisted SOSOS with a number of external funding bids, in addition to their own fundraising and a grant from Staining Parish Council. At the Council meeting on the 5 March 2018, Council approved a capital contribution of £50,000 to the Staining Playing Fields Development Project in 2018/19, to be funded from the Councils Capital Investment Reserve.

Approval is also sought for the Council to act as the accountable body for the delivery of the entire scheme.

This matter was considered by the Tourism and Leisure Committee at the meeting of 10<sup>th</sup> January 2019.

### RECOMMENDATION

**The Finance and Democracy is requested to approve the recommendations of the Tourism and Leisure Committee as follows:**

1. To approve that the Council may act as the accountable body for the Staining Playing Fields Development Project in the total sum of £280,842; and
2. To approve a fully-funded increase in the sum of £230,842 in respect of the Staining Playing Fields Development scheme within the approved Capital Programme (£101,512 in 2018/19 and £129,330 in 2019/20) to be met from the various external grants and Section 106 contributions as detailed in the report, noting that the approved Capital Programme for 2018/19 currently includes funding in respect of this scheme in the sum of £50,000.

### SUMMARY OF PREVIOUS DECISIONS

**Cabinet 28th April 2010** – Community Parks Improvement Programme:

Cabinet considered the details set out in the report before it and at the meeting and RESOLVED:

2. To agree that the Council will act as the accountable body for individual schemes and funding streams where necessary.
4. To present individual detailed reports of the remaining schemes to future meetings of Cabinet to ensure that the Council’s financial regulations are satisfied.

**Tourism and Leisure Committee 11th January 2018** - Budget Setting - Prioritisation of Capital Bids 2018/19

It was RESOLVED to support the bid as detailed in the report for further consideration by the Budget Working

Group.

**Budget Council 5th March 2018** - Medium Term Financial Strategy Update, including General Fund, Capital Programme and Treasury Management for 2017/18 to 2021/22.

**Tourism and Leisure Committee 10<sup>th</sup> January 2019** - The Committee RESOLVED:

1. To recommend to the Finance and Democracy Committee approval that the Council may act as the accountable body for the Staining Playing Fields Development Project in the total sum of £280,842;
2. To recommend to the Finance and Democracy Committee approval to a fully-funded increase in the sum of £230,842 in respect of the Staining Playing Fields Development scheme within the approved Capital Programme (£101,512 in 2018/19 and £129,330 in 2019/20) to be met from the various external grants and Section 106 contributions as detailed in the report, noting that the approved Capital Programme for 2018/19 currently includes funding in respect of this scheme in the sum of £50,000; and
3. Subject to approval of the above, to approve the letting of the contract for the Staining Chain Lane Playing Fields drainage scheme (Phase 1) to STRI Ltd in the sum of £101,512.

#### CORPORATE PRIORITIES

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

#### REPORT

1. The Supporters of Staining Open Space (SOSOS) have been working in partnership with Fylde and LCC officers since 2015, on a community project to “regenerate Chain Lane Playing Fields to provide a community facility that is accessible and suitable for use by all ages and abilities”.
2. SOSOS are a group of like-minded local residents and Parish Council members who are passionate in their aim to improve the range and standard of recreational facilities at Chain Lane Playing Fields in Staining. The group, in partnership with Staining Parish Council took the opportunity to work with officers to take the project through the ten stages of the community parks improvement programme:
  - Set up a supporters group (Friends group with a constitution)
  - Apply to LCC for support officer from the Environmental Projects Team to assist with:
    - i. Comprehensive consultation exercises
    - ii. External funding grant assistance
  - Initial consultation with group, local residents and users to produce a design brief based on community need
  - Produce 3 concept drawings based on the design brief
  - Consult / agree / produce final Masterplan
  - Cost the project up in sections (Bill of Quantities and specifications)
  - Prepare funding strategy
  - Tender and evaluation (with community)
  - Project Management
  - Open Event / Future use /Maintenance
3. The constituted group have attended regular progress meetings with officers, stakeholders and the Parish Council during the past 3 years, and have carried out numerous public consultation events to establish local need and requirements.

4. The consultation feedback was analysed and directly informed a number of concept designs for the site prepared by Fylde Councils Landscape Design & Development Officer. Further consultation exercises and meetings were undertaken with the Parish Council, local residents and local sports clubs to agree a final Masterplan for the site.
5. Once the Masterplan was agreed, the decision was taken to split the project into 3 distinct elements to be phased on site; primary drainage works, secondary sports pitch works and landscaping works, with the primary drainage works prioritised in order to secure time-sensitive partnership funding through the John Lees Charitable Trust.
6. The overall cost breakdown for the 3 phases of work is show in the table below:

Phase	Cost
1. Primary Drainage Works	£101,512
2. Secondary Sports Pitch Drainage	£50,000
3. Landscaping Works	£129,330

#### **PRIMARY DRAINAGE SCHEME DETAILS – PHASE 1**

7. Chain Lane Playing Fields currently hosts 3 football pitches (1 x 11 a-side, 1 x 7 a-side and 1 x 5 a-side) and some teenage play facilities adjacent to the main entrance and car park. The football pitches are constantly waterlogged and often unusable due to the lack of a sports field drainage system.
8. The drainage project will see the playing fields split into three main water catchment zones as per the drawing attached at Appendix A. The catchment zones will be installed with equally spaced underdrains which will gather into a main 150mm surface water drain and flow into a combination of newly constructed swales and detention basin's designed to store the capacity of a 1 in 200 year 6 hour storm event.

#### **SPORTS TURF DRAINAGE – PHASE 2**

9. A secondary drainage system for the pitches will be designed and tendered separately in the New Year and will be installed after the primary drainage works. The secondary drainage system will supplement the primary drainage system and help provide all year round playable football pitches.

#### **LANDSCAPE AND PARK IMPROVEMENTS SCHEME – PHASE 3**

10. A landscape masterplan was prepared following the consultation exercise, with the key objectives being to improve accessibility, enhance the arboreal offering, improve signage and create a distinct health and well-being zone around the playing fields.
11. The masterplan is now being developed in further detail by the Senior Parks Development Officer and will be delivered after the drainage works are completed in the summer of 2019. The current landscape masterplan is included within Appendix 2.

#### **THE METHOD AND COST OF FINANCING THE SCHEME**

12. In early 2017 the Friends group wrote to Fylde Council to request a £50K capital contribution towards the project. The request went to the Tourism and Leisure Committee and the request was agreed at the meeting of 11<sup>th</sup> January 2018. £50K is included within the approved Capital Programme for 2018/2019 for this project.
13. The Friends of Staining Open Spaces have secured external financial contributions from Staining Parish Council (£25,042) and the John Lees Charitable Trust (£30,000). The contribution from the John Lees Trust has been secured on the basis that works on site start prior to April 2019.
14. The 2 existing S106 contributions below have been 'ring-fenced' to the project, in agreement with the Parish Council. The total of S106 contribution is £175,000, relating to two developments in Staining. The developments and contributions are listed below:
15. The terms of the Planning Agreement 12/0765 for Jubilee Gardens, Staining in relation to the public open space contribution states *"Prior to first occupation of a Dwelling pay the sum of £160,000 (one hundred and sixty thousand pounds) to the Council for the improvement of public open space provision in the village of Staining"*.

16. The terms of the Planning Agreement 13/0590 for Land Kings Close, Staining in relation to the public open space contribution states “the sum of fifteen thousand pounds (£15,000.00) to be used by the Council towards the upgrade of the facilities at the Village Hall Site, or such other local open space scheme in the vicinity of the Site as may be agreed between the Council and the Owner and/or the Developer”.

Application Number	Development	S106 Contribution
12/0765	Jubilee Gardens, Staining	£160,000
13/0590	Land Kings Close, Staining	£15,000
<b>Total</b>		<b>£175,000</b>

17. The total budget available for the three phases of the project is summarised in the below table:

Source	Amount	Status
Staining Parish Council	£25,042	Secured
FOSOS Fundraising	£800	Secured
John Lees Charitable Trust	£30,000	Secured
Section 106	£175,000	Secured
FBC	£50,000	Secured
<b>TOTAL</b>	<b>£280,842</b>	

#### **FUTURE REVENUE BUDGET IMPACT**

18. Staining QEII Playing Fields are owned by Staining Parish Council. Any additional revenue implications linked to this proposal will be met by the Parish Council, who are fully aware of this.

#### **RELEVANT VALUE FOR MONEY ISSUES**

19. In order to ensure that value for money is achieved a procurement exercise has been undertaken in accordance with the Council’s contract procedure rules. Selection of the successful tenderer will be on the basis that value for money is a key consideration as well as the suitability of the new facility.

#### **VIABLE ALTERNATIVES**

20. The project could have been procured and delivered by the Community group or Parish Council. However, professional assistance from Council Officers with specific regard to landscape design, procurement and project management proves to provide the best value for money, competent schemes and is the favoured delivery option by external funders.

#### **OBJECTIVES, OUTPUTS AND OUTCOMES**

21. Objectives, Outputs and Outcomes:

- Provide all-year-round playable football pitches for the benefit of the local football club
- Achieve the ambitions of the local community
- Provision of additional facilities for young people
- Clean and Green – “Deliver high quality parks and open spaces”
- Great Place to Live – “Support and promote volunteers effort to improve their local community”

## IMPLICATIONS

Finance	<p>Funding for the Staining Playing Fields Development Project is included within the approved Capital Programme for 2018/2019 in the sum of £50k, funded from the Capital Investment Reserve.</p> <p>This report requests that the Finance and Democracy Committee approve a funded budget increase to the value of the scheme within the approved capital programme of £230,842, to be met from the various external grants and Section 106 contributions as detailed in the report to provide a total budget of £280,842 (£101,512 in 2018/19 and £129,330 in 2019/20).</p> <p>The report further requests that the Finance and Democracy Committee agree to the Council acting as accountable body for the full scheme in the total sum of £280,842.</p>
Legal	None arising from this report
Community Safety	Provision of modern recreational facilities is important in terms of providing diversionary activities
Human Rights and Equalities	None arising from this report
Sustainability and Environmental Impact	The scheme has been designed to accommodate a 1 in 200 year storm event in line with Sustainable Drainage principles.
Health & Safety and Risk Management	The quotation requests included Health and Safety information which will be developed by the successful contractor prior to starting on site to safeguard the public and contractor personnel.

LEAD AUTHOR	CONTACT DETAILS	DATE
Charlie Richards	<a href="mailto:charlie.richards@fylde.gov.uk">charlie.richards@fylde.gov.uk</a>	January 2019

## BACKGROUND PAPERS

Name of document	Date	Where available for inspection
Cabinet agenda and minutes	28th April 2010	<a href="#">Cabinet agenda and minutes</a>
Tourism & Leisure Committee agenda and minutes	11 January 2018	<a href="#">Tourism &amp; Leisure Committee agenda and minutes</a>
Budget Council minutes	5 <sup>th</sup> March 2018	<a href="#">Budget Council minutes</a>
Tourism and Leisure Committee minutes	10 <sup>th</sup> January 2019	<a href="#">Tourism &amp; Leisure Committee minutes</a>

# INFORMATION ITEM

REPORT OF	MEETING	DATE	ITEM NO
MANAGEMENT TEAM	FINANCE AND DEMOCRACY COMMITTEE	28 JANUARY 2019	8
<b>BUDGET SETTING – REVENUE BUDGET 2019/20 - FIRST DRAFT</b>			

**PUBLIC ITEM**

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

**SUMMARY OF INFORMATION**

The first draft of the revenue budget for 2019/20 has been prepared and is available via the link below. As in previous years, the budget has been prepared on a continuation basis and has been updated to reflect all Committee and Council decisions made to date, the outcome of the budget-rightsizing exercise and all virements.

**SOURCE OF INFORMATION**

Revenue Budget Book 2019/20 – First Draft

**LINK TO INFORMATION –**

<http://www.fylde.gov.uk/council/finance/first-draft-budget-book-2019-20>

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

The provision of a first draft of the 2019/20 Revenue Budget to the Council’s Programme Committees is referenced within the Timetable for Developing Budget Proposals 2019/20 report which was approved by the Finance and Democracy Committee at the meeting of 24th September 2018.

This allows members of each Programme Committee to review the draft revenue budget for the services within the Committee’s terms of reference and to provide any comments or feedback as appropriate to the committee lead officer, service Director or budget holders.

This first draft does not reflect any changes to fees and charges for 2019/20 as these will be considered by Programme Committees during the January cycle of meetings. Nor does it reflect any revenue growth items or the revenue implications of capital bids. At this stage the draft budget for 2019/20 does not include recharges in respect of support services and service management costs as these elements remain to be finalised. A further budget-rightsizing exercise will be carried out early in 2019 and this first draft will be updated to reflect any changes arising from that piece of work.

The final revenue budget for 2019/20 will include any subsequent decisions made and will be presented to Members for approval at the Council meeting on 5th March 2019.

**FURTHER INFORMATION**

Contact: Paul O’Donoghue, Chief Financial Officer.  
 Tel 01253 658566 e-mail: paul.o'donoghue@fylde.gov.uk

## INFORMATION ITEM

REPORT OF	MEETING	DATE	ITEM NO
MANAGEMENT TEAM	FINANCE AND DEMOCRACY COMMITTEE	28 JANUARY 2019	9
<b>REVENUE BUDGET MONITORING REPORT 2018/19 – POSITION AS AT 30<sup>th</sup> NOVEMBER 2018</b>			

### PUBLIC ITEM

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

### SUMMARY OF INFORMATION

The purpose of this report is to provide an update of the Council's General Fund (GF) Revenue Budget as at 30<sup>th</sup> November 2018 and specifically for those services under the Committee's remit.

### SOURCE OF INFORMATION

Chief Financial Officer – the report is based upon information extracted from the financial ledger system of the Council for the period to 30th November 2018.

### LINK TO INFORMATION

General Fund Revenue Budget Monitoring Report 2018/19 as at 30<sup>th</sup> November 2018:

<http://www.fylde.gov.uk/council/finance/budget-monitoring/2018-19/>

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

This information is provided to enable the committee to consider and scrutinise periodic revenue budget monitoring reports for those services under the committee's remit.

### FURTHER INFORMATION

Contact: Paul O'Donoghue, Chief Financial Officer.

Tel 01253 658566 e-mail: paul.o'donoghue@fylde.gov.uk

# GENERAL FUND REVENUE BUDGET MONITORING REPORT 2018/19

## POSITION AS AT 30<sup>TH</sup> NOVEMBER 2018

### Summary

The purpose of this report is to provide an update on the Council's General Fund Revenue Budget as at 30<sup>th</sup> November 2018. The report includes a narrative description of the most significant variances from the profiled latest budget and details any actions required to address these. Appendix A to this report shows the value of the most significant variances (those in excess of £5k) for all of the Council services by Committee and provides a brief explanation for each variance.

### 1. Background

- 1.1 The Council operates a system of Revenue Budget Monitoring which revolves around the production of detailed monthly monitoring reports for budget holders. Significant variances from the expected budget position at the point of monitoring, both for expenditure and income, are summarised in monitoring reports which are periodically reported to each Programme Committee for information purposes. This report therefore details the findings and issues emerging from budget monitoring carried out to 30<sup>th</sup> November 2018.
- 1.2 It should be noted that work continues on improving budget profiling across the Council in order that budget profiles more accurately reflect the spending pattern of individual budgets across the financial year. This serves to enhance budget monitoring and focus attention on true variances rather than budget profiling issues. This is a continuous process with budget holders so that the improved profiling continues to refine the budget monitoring system.
- 1.3 Council approved the 2018/19 budget at its meeting on 5<sup>th</sup> March 2018. Subsequently on 25<sup>th</sup> June 2018 the Finance and Democracy Committee approved the Council's outturn position for 2017/18. The impact of those approvals, including savings and growth options approved at Council and slippage from 2017/18 approved by the Finance and Democracy Committee, are now reflected in the Council's financial ledger.

### 2. Budget Rightsizing Exercise

- 2.1 Since 2011 an annual budget rightsizing exercise has been undertaken to analyse underspends which have occurred over the last 3 financial years and to adjust current and future year budgets to better reflect the level of resource requirement in the context of current financial constraints. This process was undertaken during the autumn of 2018 and the resulting changes to budgets were reflected in the revised Financial Forecast that was presented to the Council in December 2018. These amendments have also now been reflected in the Council's financial ledger. Therefore this report monitors expenditure and income against the updated approved budgets.

### 3. Budget Areas to Note

As would be expected, because monitoring is being undertaken as a comparison to recently revised budgets, there are only a small number of variances from that revised position to note. The main variances are described below:

#### i. Employee Costs

The forecast includes an estimate of 'turnover savings' (delays in the recruitment to vacant posts) of £300k per annum. The actual savings achieved to date in relation to direct employee costs (including the savings from delays in recruitment to posts) are in excess of this level and consequently this budget will be reviewed as part of the next update to the Financial Forecast.

#### ii. Cemetery and Crematorium Income

Whilst there has been some increase in the number of burials carried out in the year to date the number of cremations held this year has been below expectations. The income budget for cremations has been raised year-on-year as previous income expectations have been exceeded and a review of future income forecasts will be undertaken. Additionally some of the income shortfall is due to restrictions on available service times due to the building works being carried out in relation to the external canopy scheme. This budget will be kept under review during the remainder of the year and the service may yet recover the position if activity increases in the following months.

### **iii. Green Waste Collection Service income**

Subscription to the Green Waste collection service for 2018/19 has now ended and the final number of subscribing households has been higher than forecast (at 17,850 compared to 17,303 in 2017/18), resulting in a favourable variance on the income budget of over £18,000. The budget for 2018/19 and subsequent years will be updated in the next Financial Forecast revision to reflect this increased level of income achieved in 2018/19 and the forecast income for future years.

### **iv. Fleet and Plant Expenditure**

There are a number of favourable variances in respect of vehicle costs. Some are due to the fact that a number of vehicles have been acquired in the past 9 months, replacing older and more expensive to maintain vehicles. Additionally fuel costs for the first part of the year have been lower than anticipated. These budgets will be kept under review during the remainder of the financial year and adjusted as necessary.

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

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

## **4. Conclusions**

- 4.1 The updated financial forecast as presented to the Council in December 2018 is an improvement in the short-term since Budget Council in March 2018 and now shows surpluses forecast for each of the years up to and including 2022/23. The improved financial forecast position for 2018/19 is due to a number of factors including increased levels of income from retained business rates and the impact of the in-year savings and efficiencies. The Council needs to continue with the approach of delivering savings and efficiencies which have helped deliver balanced budgets and contribute to reserves over recent years. Through continued focus on the importance of financial stability the Council has delivered a significant savings programme since 2007 and has continued to reduce senior management costs and other overheads. Ongoing modernisation work and business improvement will continue to make Council services more efficient, save money and maintain frontline services to customers.
- 4.2 Finance staff work continuously with budget holders across the Council, and are heavily reliant upon budget-holders to be able to understand and quantify the potential impact of in-year hotspot variances within their areas of responsibility.
- 4.3 Regular budget monitoring reports such as this one are an integral part of the Council's financial monitoring framework. These are made available on the Councils website.

**REVENUE MONITORING 2018/19 - Period 8 to November 30th November 2018 (Variances in excess of £5K)**

Key

<b>BLUE</b>	Variance currently showing but expected to be on target at year end
<b>GREEN</b>	Favourable variance against latest budget
<b>AMBER</b>	Adverse variance against latest budget
<b>RED</b>	Projected adverse outturn variance

Service Area	Detailed Description	Full Year Budget £	Budget as at Period 8 £	Actual & Commitments as at Period 8 £	Variance as at Period 8 £	FAV / ADV	Alert	Budget Holder Comments
<b>FINANCE &amp; DEMOCRACY COMMITTEE / CORPORATE CROSS CUTTING BUDGETS</b>								
All Council services	Employee costs including basic pay, pension, NI, and overtime, plus agency costs	8,895,672	6,040,587	5,924,064	-116,523	FAV	<b>GREEN</b>	The forecast includes an estimate of 'turnover savings' (delays in the recruitment to vacant posts) of £300k per annum. The actual savings achieved to date in relation to direct employee costs (including the savings from delays in recruitment to posts) are in excess of this level and consequently this budget will be reviewed as part of the next update to the Financial Forecast.
Organisational Improvement	Organisational Improvement Costs	23,000	15,336	5,369	-9,967	FAV	<b>BLUE</b>	A number of additional commitments have recently been finalised for upcoming initiatives. It is anticipated that this budget will be fully spent by the end of the financial year.
Legal Services Team	Legal Fees	-10,000	-6,668	-19,478	-12,810	FAV	<b>GREEN</b>	This favourable variance arises from an increase in the level of legal fees, which include fees that are charged for the preparation of Section 106 Developer agreements as well as legal costs recovered in litigation. The actual level of income varies significantly depending on the number of such agreements completed in any given period and the level of costs awarded by the court and recovered. This budget will be kept under review for the remainder of the financial year and may be adjusted in a future update to the Financial Forecast.
Elections - Other/Referendum	Elections - Neighbourhood Plan Referenda	26,411	17,611	0	-17,611	FAV	<b>GREEN</b>	We are currently awaiting the outcome of St Annes Neighbourhood Plan appeal which will determine when this budget will be required. If the budget is not required in this financial year a slippage request into 2019/20 may follow in due course.

**REVENUE MONITORING 2018/19 - Period 8 to November 30th November 2018 (Variances in excess of £5K)**

Key

<b>BLUE</b>	Variance currently showing but expected to be on target at year end
<b>GREEN</b>	Favourable variance against latest budget
<b>AMBER</b>	Adverse variance against latest budget
<b>RED</b>	Projected adverse outturn variance

Service Area	Detailed Description	Full Year Budget £	Budget as at Period 8 £	Actual & Commitments as at Period 8 £	Variance as at Period 8 £	FAV / ADV	Alert	Budget Holder Comments
<b>OPERATIONAL MANAGEMENT COMMITTEE</b>								
Vehicle & Plant	FMS Materials Cost	147,670	98,555	62,965	-35,590	FAV	<b>BLUE</b>	There are a number of favourable variances in respect of vehicle costs. Some are due to the fact that a number of vehicles have been acquired in the past 9 months, replacing older and more expensive to maintain vehicles. Additionally fuel costs for the first part of the year have been lower than anticipated. These budgets will be kept under review during the remainder of the financial year and adjusted as necessary.
	Fuel Costs	318,906	212,660	199,185	-13,475	FAV	<b>BLUE</b>	
	Tyres - Renewal	35,086	23,492	11,735	-11,757	FAV	<b>BLUE</b>	
	Agrippa Signage	11,005	7,365	990	-6,375	FAV	<b>BLUE</b>	
	Hire of Transport	70,377	46,931	20,462	-26,469	FAV	<b>BLUE</b>	
Car Parks	Car Parking Fees	-605,000	-463,417	-508,582	-45,165	FAV	<b>GREEN</b>	The sustained period of good weather during the late spring and summer months led to an increase in the number of visitors to the area resulting in a higher level of parking income as compared to the budget for the period to date. Income during the remainder of the year will be significantly lower than that of the summer period. The budget will be kept under review for the remainder of the financial year and will be adjusted for future years as necessary.
Fylde Waste Schemes	Green Waste Subscription Charge	-517,000	-517,000	-535,510	-18,510	FAV	<b>GREEN</b>	Subscription to the Green Waste collection service for 2018/19 has now ended and the final number of subscribing households has been higher than forecast, resulting in a favourable variance on the income budget of over £18,000. The budget for 2018/19 and subsequent years will be updated in the next Financial Forecast revision to reflect this increased level of income achieved in 2018/19 and the forecast income for future years.

## REVENUE MONITORING 2018/19 - Period 8 to November 30th November 2018 (Variances in excess of £5K)

Key

<b>BLUE</b>	Variance currently showing but expected to be on target at year end
<b>GREEN</b>	Favourable variance against latest budget
<b>AMBER</b>	Adverse variance against latest budget
<b>RED</b>	Projected adverse outturn variance

Service Area	Detailed Description	Full Year Budget £	Budget as at Period 8 £	Actual & Commitments as at Period 8 £	Variance as at Period 8 £	FAV / ADV	Alert	Budget Holder Comments
<b>ENVIRONMENT, HEALTH &amp; HOUSING COMMITTEE</b>								
Cemetery & Crematorium	Interments	-200,000	-133,360	-151,098	-17,738	FAV	<b>AMBER</b>	Whilst there has been some increase in the number of burials carried out in the year to date this is more than offset by a significant reduction in the number of cremations carried out. Some of this is due to restrictions on available service times due to the building works being carried out in relation to the external canopy scheme. This budget will be kept under review during the remainder of the year and the service may yet recover the position if activity increases in the following months.
	Cremations	-1,100,000	-733,480	-669,207	64,274	ADV		
Homelessness	CAB - Debt Advice Service	16,366	10,912	4,264	-6,648	FAV	<b>GREEN</b>	Delays in the commencement of this project has led to an underspend in the year to date. The budget will be kept under review and a request for slippage of the remaining funding into 2019/20 may follow in due course.
	Homelessness Reduction Act Initiatives	9,000	6,000	19	-5,981	FAV	<b>GREEN</b>	Alternative sources of central government funding have been used to deliver these initiatives during the first part of the year in order that all available funding is maximised. The budget requirement for the remainder of the year will be kept under review and adjusted as appropriate.
	Void Loss/Recharge Costs	14,290	9,528	-3,462	-12,990	FAV	<b>GREEN</b>	Improved management practices aimed at maintaining a minimum level of voids within the temporary housing units have led to a reduced level of costs during the year. The budget will be kept under review during the remainder of the year and adjusted as appropriate.
	Housing Benefit/Universal Credit Repayment Income	-10,000	-6,668	-12,327	-5,659	FAV	<b>GREEN</b>	Improved management practices have resulted in all temporary accommodation placements being initially funded from available Housing Benefit Grants, together with the prompt establishment of payment agreements where rent arrears occur. The budget will be kept under review during the remainder of the year and adjusted as appropriate.
Taxi Licensing	Private Hire Driver Licences	-12,692	-8,464	-2,892	5,572	ADV	<b>AMBER</b>	In accordance with the Deregulation Act 2015, the Council had to make provision for the issue of three year driver licences, as opposed to the traditional 1 year licence. Whilst we continue to offer the one year licence, take up of the three year licence in 2016/17 has resulted in increased income for that year but reduced income levels for the subsequent two years i.e. 2017/18 and 2018/19. Income is expected to increase again during 2019/20 as the initial three year licences become due for renewal. This budget will be kept under review during the remainder of the financial year and adjusted as necessary.
Community Grants	Community Projects Fund	20,000	13,336	3,186	-10,150	FAV	<b>BLUE</b>	The availability of funding for community groups from this initiative is currently being widely promoted to increase the number of applications from eligible organisations. It is anticipated that further awards will be made during the remainder of the financial year. This budget will be kept under review.

**REVENUE MONITORING 2018/19 - Period 8 to November 30th November 2018 (Variances in excess of £5K)**

Key

<b>BLUE</b>	Variance currently showing but expected to be on target at year end
<b>GREEN</b>	Favourable variance against latest budget
<b>AMBER</b>	Adverse variance against latest budget
<b>RED</b>	Projected adverse outturn variance

Service Area	Detailed Description	Full Year Budget £	Budget as at Period 8 £	Actual & Commitments as at Period 8 £	Variance as at Period 8 £	FAV / ADV	Alert	Budget Holder Comments
<b>PLANNING COMMITTEE</b>								
Development Management	Consultants Fees	51,000	34,008	9,720	-24,288	FAV	BLUE	Consultants will be required to carry out specialist assessment of several planning applications during the final quarter of the year and it is expected that this work will be completed within the approved budget by the end of the financial year.
	Archaeology and Ecology Agreement	32,000	21,336	6,594	-14,742	FAV	BLUE	The Archaeological Service Level Agreement with Lancashire County Council is currently under renegotiation with the Lancashire Districts and, as a result there are a number of outstanding invoices that have not been issued by LCC. It is expected that the budget will be spent by year end.
	Planning Application Fees	-750,000	-500,100	-507,799	-7,699	FAV	BLUE	Planning application fee income for the period is marginally in excess of the budget. The timing of when applications are made is often difficult to forecast and this budget will be kept under review for the remainder of the financial year and may be adjusted in a future update to the Financial Forecast.
Planning Appeals	Planning Appeal Hearing Costs	80,000	53,344	60,058	6,714	ADV	BLUE	A number of planning inquiries have taken place during the year to date and others may be contested later in the year which will result in further costs being incurred. This budget will be kept under review during the remainder of the financial year.
Planning Enforcement	Enforcement Costs	15,000	10,000	0	-10,000	FAV	BLUE	This budget relates to potential legal action to secure compliance with conditions at a particular site. It is expected that these costs will be incurred during the final quarter of the year.
Development Management Team	Consultants Fees	40,000	26,672	0	-26,672	FAV	BLUE	This budget has not been required in the financial year to date. This budget will be kept under review for the remainder of the financial year and may be adjusted in a future update to the Financial Forecast.
Local Plan	Legal Fees and Court Costs	24,000	16,004	27,375	11,371	ADV	AMBER	It is expected that there will be no further costs against this code during the remainder of the financial year and that a relatively minor overspend will be reported for the whole of 2018/19 for this budget.

## INFORMATION ITEM

REPORT OF	MEETING	DATE	ITEM NO
MANAGEMENT TEAM	FINANCE AND DEMOCRACY COMMITTEE	28 JANUARY 2019	10
<b>CAPITAL PROGRAMME MONITORING REPORT 2018/19 - POSITION AS AT 30<sup>th</sup> NOVEMBER 2018</b>			

### PUBLIC ITEM

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

### SUMMARY OF INFORMATION

The purpose of this report is to provide an update of the Council's approved Capital Programme as at 30<sup>th</sup> November 2018 and specifically for those schemes under the Committee's remit.

### SOURCE OF INFORMATION

Chief Financial Officer – the report is based upon information extracted from the financial ledger system of the Council for the period to 30th November 2018.

### LINK TO INFORMATION

Capital Programme Monitoring 2018/19 as at 30<sup>th</sup> November 2018:

<http://www.fylde.gov.uk/council/finance/budget-monitoring/2018-19/>

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

This information is provided to enable the committee to consider and scrutinise the latest position on the Council's approved Capital Programme for those schemes under the committee's remit.

### FURTHER INFORMATION

Contact: Paul O'Donoghue, Chief Financial Officer.

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

## CAPITAL PROGRAMME MONITORING REPORT 2018/19 –

### POSITION AS AT 30<sup>TH</sup> NOVEMBER 2018

#### Summary

The purpose of this report is to provide an in-year progress update in respect of those schemes within the Capital Programme that have been approved for delivery in 2018/19, together with an update on the Council's overall Five Year Capital Programme. This report includes details on a number of the more significant schemes within the Capital Programme. Appendix A to this report provides an update by Committee on all schemes scheduled for commencement or delivery in 2018/19. Appendix B provides a summary of the latest position for the 5 year Capital Programme and Appendix C provides details of the financing of the programme.

#### 1. Background

The Council approved the Capital Programme on 5<sup>th</sup> March 2018. That update showed a balanced capital programme position from 2018/19 onwards. This report includes year to date expenditure and sets out the latest phasing of the programme and any additions or changes since the capital programme was presented to Council in March 2018. The Programme has also been rolled forward to include the year 2022/23.

#### 2. Notes on Specific Schemes

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

##### i) Fairhaven and Church Scar Coast Protection Scheme

The Fairhaven and Church Scar Coast Protection scheme total cost is £21.83m, being funded by Environment Agency grants of £21.43m and a contribution from Fylde Council of £0.4m. This is made up of a contract price of £17.6m, with a risk/contingency budget of £1.7m and a budget for fees of £0.5m. Work started on site in December 2017 and is progressing well with the replacement hard sea defences at Church Scar nearing completion and with work on the promenade underway. Work on the sheet piling around Fairhaven Lake started in September, four months ahead of schedule.

In addition to the core sea defence works a range of public realm enhancements to the scheme have been added to the scheme at a total cost of £360k, funded by Fylde Council from the Capital Investment Reserve. The works relate to the remodelling of the Stanner Bank car park entrance, the provision of bespoke seating to compliment the wider landscape and the provision of ducting to allow for future services connection to a potential structure/building on or around the Mawson lookout. These works will be delivered alongside the main scheme.

The Coastal Defence Team have been successful in securing additional funding from the Environment Agency to enable the Granny's Bay hard sea defences to be delivered following completion of the Fairhaven Scheme in 2019/20. A report on this additional work in the sum of £2m (which is reflected in the total scheme cost above) was approved by the Operational Management Committee at its meeting in September and Council in October 2018. The Granny's Bay works will essentially tie the two schemes at Fairhaven and Church Scar together, as well as providing local erosion and flood protection. Completion of these works will remove the requirement for much of the emergency maintenance works undertaken by the Council following extreme storms at Granny's Bay. With Granny's Bay now included the whole scheme is now currently forecast to be completed by summer 2020.

The expenditure forecast has been re-phased to reflect the current expectations regarding the timing of the delivery of the scheme. Further re-phasing of the expenditure profile between the years is likely to be required as the scheme progresses and the capital programme will be updated accordingly and reported regularly to members.

## **(ii) Accommodation Project**

This has been a key scheme for the Council and sees the accomplishment of an ambition to refurbish the town hall premises that has existed for a number of years. All of the internal works are now complete and staff have now located back to all floors within the building. In September 2018 the Finance and Democracy Committee approved a scheme to complete the remaining element of the project relating to the exterior parking areas and associated landscaping in the total sum of £238k. It is anticipated that these works will be completed within the current financial year.

## **(iii) Better Care Fund (Formerly Disabled Facilities Grants)**

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

The level of government funding has increased significantly under the 'Better Care Fund' arrangements and the updated budget for 2018/19 (including slippage from 2017/18, 2018/19 grant allocation, a further grant top up in year of £120k and a £40k contribution from Progress Housing) totalling £1.415m provides for the delivery of more disabled adaptations than has previously been possible. It is anticipated that for 2018/19 all identified need for disabled adaptations can be met from the existing resource.

## **(iv) Project Slippage**

Areas of slippage will be addressed in future years to ensure that no loss of external grant is imposed due to conditions associated within specified timescales.

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

The approved programme for 2018/19 onwards assumes "Right to Buy" receipts of £25k per annum and "General Asset Sales" of £90k for 2018/19 and £45k for 2019/20 per annum thereafter. Future receipts are dependent on prevailing market conditions and values cannot be predicted with certainty. This will be monitored and reviewed during the year and adjusted accordingly in future quarterly monitoring reports, along with the impact this may have on the financing of the programme.

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

As part of the arrangement with the YMCA for the operation of the pool, the Council undertook to provide Capital support in the event of major works, repair or breakdown and a provision of £153k was included in the programme for this eventuality. There is now a remaining capital resource of £93k that has been re-phased into 2019/20. There is a risk that this remaining resource is insufficient to meet future capital expenditure needs for the facility.

## **3 Conclusions**

3.1 Actual expenditure to 30<sup>th</sup> November 2018 is £10.403m against an updated full year budget of £17.996m.

This equates to approximately 58% of the full year budget. The expenditure on a number of schemes is phased later during the financial year and there is usually a period of time that elapses between the completion of schemes and the final settlement of all invoices.

3.2 The current Capital Programme as updated is showing a balanced position for 2018/19 onwards. The Capital Programme and the associated financing will be subject to discussion with Members during the months in the lead up to the annual budget setting process for 2019/20.

3.3 Any additional expenditure which is not fully-funded by external finance would normally require the generation of capital receipts or further borrowing (the latter placing further pressure on the Revenue Budget from the consequent repayment costs). However Budget Council on 4th March 2013 approved the creation of a Capital Investment Reserve to finance future capital expenditure. The balance of this reserve at 31st March 2018 was £3.219m after a favourable 2017/18 outturn position allowed for the transfer to the reserve of an additional sum of £0.560m for 2017/18. Of this, £1.933m was already committed to previously-approved capital schemes leaving an unallocated balance on the reserve at that point of £1.286m.

Planned transfers into the reserve in 2018/19 and 2019/20 are currently estimated to be a total of £1.966m, whilst a number of additional schemes to be funded from the reserve have been approved since 1<sup>st</sup> April 2018 in the total sum of £0.653m. Consequently the latest estimate of the unallocated balance on the Capital investment Reserve, including the anticipated transfers into the reserve in 2018/19 and 2019/20, stands at £2.599m.

Whilst it remains the case that this reserve is the preferred source of finance for any further additions to the Capital Programme, continuing contributions to the reserve are required in order to maintain a sustainable funding source for future years.

**CAPITAL PROGRAMME - 2018/19 IN-YEAR SCHEME MONITORING REPORT - AS AT 30/11/18**

**Appendix A**

APPROVED SCHEMES	Financing Source	Approved Budget 2018/19 £000	Slippage B/F from 2017/18 £000	Adjustments from 05/03/18 £000	Updated Budget 2018/19 £000	Expenditure to 30/11/18 £000	Variance £000	Comments
<b>FINANCE &amp; DEMOCRACY COMMITTEE</b>								
Accommodation Project - Phase 8 - Town Hall Car Park	Capital Investment Reserve / borrowing / general asset disposal receipts	0	0	238	238	0	238	F&D Committee (24/09/18) Approved the virement of £60,000 from the Car Park Improvement capital scheme to the Accommodation Project Scheme and a fully-funded increase to the Capital Programme scheme for the Accommodation Project in the sum of £178,000 for 2018/19 to be met from the Capital Investment Reserve. It is anticipated that this scheme will be completed to budget in 2018/19.
<b>Sub total</b>		<b>0</b>	<b>0</b>	<b>238</b>	<b>238</b>	<b>0</b>	<b>238</b>	
<b>TOURISM &amp; LEISURE COMMITTEE</b>								
Ashton Gardens Depot	Proceeds from the sale of surplus Council Assets	63		57	120	2	118	It is anticipated that this scheme will be completed to budget in 2018/19.
St Annes Pool	No external finance - funded by borrowing/general asset disposal receipts	93		-93	0		0	There is no expenditure currently planned for 2018/19. Consequently the budget has been re-phased into 2019/20 and this will be reflected in the latest update of the Financial Forecast.
Fairhaven Lake & Promenade Gardens - First round	Capital Investment Reserve	107	5	0	112	90	22	It is anticipated that this element of the scheme will be completed to budget in 2018/19. The second round grant application to the HLF for the substantive project has been secured as of 11th December 2018. This will enable a major restoration of the lake and surrounding parkscape to be completed by the end of Summer 2020.
Promenade Gardens Water Play Facility	Capital Investment Reserve	150	0	109	259	259	0	This scheme has been completed to budget during 2018/19.
Promenade Footways	No external finance - funded by borrowing/general asset disposal receipts	40	0	0	40	40	0	This scheme has been completed to budget during 2018/19.
Staining Playing Fields Development Scheme	Capital Investment Reserve	50	0	0	50		50	It is anticipated that this scheme will be completed to budget in 2018/19.
Town Hall Arts Store Improved Storage Facilities	Capital Investment Reserve	50	0	0	50	35	15	It is anticipated that this scheme will be completed to budget in 2018/19.
<b>Sub total</b>		<b>553</b>	<b>5</b>	<b>73</b>	<b>631</b>	<b>426</b>	<b>205</b>	

## Appendix A (Cont'd)

APPROVED SCHEMES	Financing Source	Approved Budget 2018/19 £000	Slippage B/F from 2017/18 £000	Adjustments from 05/03/18 £000	Updated Budget 2018/19 £000	Expenditure to 30/11/18 £000	Variance £000	Comments
<b>OPERATIONAL MANAGEMENT COMMITTEE</b>								
Replacement Vehicles	Capital Investment Reserve / Borrowing	1,398	19	45	1,462	1,231	231	It is anticipated that all vehicle purchases will be completed to budget in 2018/19. If any vehicle orders are delayed due to specific build time this may lead to the re-phasing of a proportion of the budget into 2019/20
Car Park Improvements	No external finance - funded by borrowing/general asset disposal receipts	60	0	-60	0		0	Finance & Democracy Committee in September 2018 approved the virement of £60,000 from the Car Park Improvement capital scheme to the Accommodation Project Scheme
Coastal Cleansing and the Provision of Beach Bins	Capital Investment Reserve	0	0	25	25		25	It is anticipated that this scheme will be completed to budget in 2018/19.
Public Transport Improvements	S106 Developer Contributions	18	0	30	48		48	It is anticipated that this scheme will be completed to budget in 2018/19.
Fairhaven and Church Scar Coast Protection Scheme	Specific Government Grant (Environment Agency) / Capital Investment Reserve	12,000	-170	-330	11,500	6,404	5,096	Delivery of the scheme remains on schedule, with further information provided within the body of this report. Any changes or re-phasing will be reflected in future updates of the Financial Forecast.
Fairhaven and Church Scar Coast Public Realm Works	Capital Investment Reserve	360		-260	100		100	A proportion of this budget has been re-phased into 2019/20 to reflect the revised delivery timescale for the scheme. This has been reflected in the latest update of the Financial Forecast.
<b>Sub total</b>		<b>13,836</b>	<b>-151</b>	<b>-550</b>	<b>13,135</b>	<b>7,635</b>	<b>5,500</b>	

Appendix A (Cont'd)

APPROVED SCHEMES	Financing Source	Approved Budget 2018/19 £000	Slippage B/F from 2017/18 £000	Adjustments from 05/03/18 £000	Updated Budget 2018/19 £000	Expenditure to 30/11/18 £000	Variance £000	Comments
<b>ENVIRONMENT, HEALTH &amp; HOUSING COMMITTEE</b>								
Disabled Facilities Grants Programme	Specific Grant (Better Care Fund) / External Contributions / Grant repayments	929	245	241	1,415	1,055	360	The budget has been increased by a further £160k for 2018/19 comprising an additional grant allocation of £120k from central government and a £40k contribution from Progress Housing. This will be reflected in the next update of the Financial Forecast. It is anticipated that the majority of the grant allocation will be spent in 2018/19.
Housing Needs Grant	DFG Grant Repayments	0		16	16	3	13	It is anticipated that this scheme will be completed to budget in 2018/19.
Affordable Housing Scheme - 93 St Albans Road Refurbishment	S106 Developer Contributions	74		-18	56		56	It is anticipated that this scheme will be completed to budget in 2018/19.
Affordable Housing Scheme Sunnybank Mill, Kirkham	S106 Developer Contributions	460			460		460	It is anticipated that this scheme will be completed to budget in 2018/19.
Affordable Housing Scheme - Keenan Mill	S106 Developer Contributions	840			840	840	0	This scheme has been completed to budget during 2018/19.
Church Road Methodist Church, St Annes	S106 Developer Contributions	275	275	-275	275	275	0	Part of this budget will be re-phased into 2019/20 to reflect final completion of the scheme in that year. This will be reflected in future updates of the Financial Forecast.
Affordable Warmth Scheme	Specific Grant (Lancashire County Council)	0	31		31	16	15	It is anticipated that this scheme will be completed to budget in 2018/19.
CCTV Replacement Schemes	Specific Grant (LSP Performance Reward Grant)	38			38		38	The money is only to be used for replacement monitored cameras as they are required. It is anticipated that not all expenditure will be spent this financial year and any remaining monies will be requested for slippage to 2019/20.
Cemetery and Crematorium - Infrastructure Works	Capital Investment Reserve	294		-294	0	0	0	This budget has been re-phased into 2019/20 to reflect the revised delivery timescale for the scheme and this has been reflected in the latest update of the Financial Forecast.
Lytham Park Cemetery - Windbreak Canopy	Capital Investment Reserve	60		50	110	37	73	It is anticipated that this scheme will be completed to budget in 2018/19.
<b>Sub total</b>		<b>2,970</b>	<b>551</b>	<b>-280</b>	<b>3,241</b>	<b>2,226</b>	<b>1,015</b>	

## Appendix A (Cont'd)

APPROVED SCHEMES	Financing Source	Approved Budget 2018/19 £000	Slippage B/F from 2017/18 £000	Adjustments from 05/03/18 £000	Updated Budget 2018/19 £000	Expenditure to 30/11/18 £000	Variance £000	Comments
<b>PLANNING COMMITTEE</b>								
St Annes Regeneration Schemes	S106 Developer Contributions / Capital Investment Reserve	117	8	40	165		165	A review of the delivery timescale for the substantive regeneration scheme in St Annes has concluded that it will not be practicable to commence the scheme in the current financial year. Consequently the budget will be re-phased into 2019/20 to reflect the revised delivery timescale for the scheme. This will be reflected in future updates of the Financial Forecast.
Lytham Regeneration Schemes	S106 Developer Contributions	130		-130	0		0	The proposals for Lytham Town Centre are to be reviewed as part of a reassessment of the wider regeneration scheme and a revised proposal will be presented to the Committee for consideration in due course. This scheme has therefore been re-phased into 2019/20 in the latest update of the Financial Forecast to reflect the revised delivery timescale for the scheme.
Kirkham Public Realm Improvements	S106 Developer Contributions / Capital Investment Reserve	50			50		50	It is anticipated that this scheme will be completed to budget in 2018/19.
M55 Link Road	S106 Developer Contributions	0	108	250	358	116	242	This relates to the use of s.106 monies for design work on the scheme to construct a new link road from the M55 to St Annes. It is anticipated that the design works will be completed to budget in 2018/19.
Coastal Footpath Enhancements	S106 Developer Contributions	0		20	20		20	It is anticipated that this scheme will be completed to budget in 2018/19.
Ansdell / Fairhaven - Public Realm Scheme	Capital Investment Reserve	110			110		110	It is anticipated that this scheme will be completed to budget in 2018/19.
St Annes Pier - Coastal Revival Fund	Specific Grant	0		48	48		48	It is anticipated that this scheme will be completed to budget in 2018/19.
	<b>Sub total</b>	<b>407</b>	<b>116</b>	<b>228</b>	<b>751</b>	<b>116</b>	<b>635</b>	
	<b>Total Expenditure</b>	<b>17,766</b>	<b>521</b>	<b>-291</b>	<b>17,996</b>	<b>10,403</b>	<b>7,593</b>	

**UPDATED 5 YEAR CAPITAL PROGRAMME 2018/19 TO 2022/23 - BY SCHEME**

	Estimate 2018/19 £000	Estimate 2019/2020 £000	Estimate 2020/2021 £000	Estimate 2021/2022 £000	Estimate 2022/2023 £000
<b>FINANCE &amp; DEMOCRACY COMMITTEE</b>					
Accommodation Project - Phase 8 - Town Hall Car Park	238				
	0				
<b>Sub total</b>	<b>238</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOURISM &amp; LEISURE COMMITTEE</b>					
Ashton Gardens Depot	120				
St Annes Pool	0	93			
Fairhaven Lake & Promenade Gardens - First Round	112				
Fairhaven Lake & Promenade Gardens Restoration	0	120			
Fairhaven HLF Project Underwriting	0				
Promenade Gardens Water Play Facility	259				
Promenade Footways	40	40	40	40	40
Staining Playing Fields Development Scheme	50				
Town Hall Arts Store Improved Storage Facilities	50				
<b>Sub total</b>	<b>631</b>	<b>253</b>	<b>40</b>	<b>40</b>	<b>40</b>
<b>OPERATIONAL MANAGEMENT COMMITTEE</b>					
Replacement Vehicles	1,462	471	547	77	323
Car Park Improvements	0	30	30	30	30
Coastal Cleansing and the Provision of Beach Bins	25				
Public Transport Improvements	48	48	48	48	30
Fairhaven and Church Scar Coast Protection Scheme	11,500	7,330			
Fairhaven and Church Scar Coast Public Realm Works	100	260			
<b>Sub total</b>	<b>13,135</b>	<b>8,139</b>	<b>625</b>	<b>155</b>	<b>383</b>
<b>ENVIRONMENT, HEALTH &amp; HOUSING COMMITTEE</b>					
Disabled Facilities Programme	1,415	1,050	1,050	1,050	1,050
Housing Needs Grant	16				
Affordable Housing Scheme - 93 St Albans Road	56				
Affordable Housing Scheme - Sunnybank Mill, Kirkham	460				
Affordable Housing Scheme - Keenan Mill	840				
Church Road Methodist Church, St Annes	275	275			
Affordable Warmth Scheme	31				
Rapid Deployment CCTV Replacement Projects	38				
Cemetery and Crematorium - Infrastructure Works	0	294			
Lytham Park Cemetery - Windbreak Canopy	110				
<b>Sub total</b>	<b>3,241</b>	<b>1,619</b>	<b>1,050</b>	<b>1,050</b>	<b>1,050</b>
<b>PLANNING COMMITTEE</b>					
St Annes Regeneration Schemes	165	150			
Lytham Regeneration Schemes	0	130			
Kirkham Public Realm Improvements	50				
M55 Link Road - \$106 monies for design work	358				
Coastal Footpath Enhancements	20				
AnsdeU / Fairhaven - Public Realm scheme	110				
St Annes Pier - Coastal Revival Fund	48				
<b>Sub total</b>	<b>751</b>	<b>280</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Expenditure</b>	<b>17,996</b>	<b>10,291</b>	<b>1,715</b>	<b>1,245</b>	<b>1,473</b>

**UPDATED 5 YEAR CAPITAL PROGRAMME 2018/19 TO 2022/23 - FINANCING**

	Estimate 2018/19 £000	Estimate 2019/2020 £000	Estimate 2020/2021 £000	Estimate 2021/2022 £000	Estimate 2022/2023 £000
<b>FINANCING:</b>					
Capital Receipts - General Asset Sales	90	45	45	45	45
Capital Receipts - Right to Buy Receipts	25	25	25	25	25
Capital Receipts - (Accommodation Project)	63				
Better Care Fund / Disabled Facilities Grant	1,375	1,010	1,010	1,010	1,010
Disabled Facilities Grant Repayments - 'Housing Needs Grants'	16				
Section 106 Monies - St Annes	165	100			
Section 106 Monies - Lytham	0	130			
Section 106 Monies - Kirkham	21				
Section 106 Monies - Affordable Housing, Sunnybank Mill	460				
Section 106 Monies - Church Road Methodist Church, St Annes	175	275			
Section 106 Monies - M55 Link-Road	358				
Section 106 Monies - Affordable Housing, Keenans Mill	840				
Section 106 Monies - Public Transport Improvements	48	48	48	48	18
Section 106 Monies - Refurbishment of 93 St Albans Road, St Annes	56				
Capital Investment Reserve	937	1,306			
M55 Link-Road Reserve					
Other External Finance (see analysis below )	11,869	6,970	40	40	40
Direct Revenue Finance	136				
Prudential Borrowing	1,362	382	547	77	335
<b>Total Financing</b>	<b>17,996</b>	<b>10,291</b>	<b>1,715</b>	<b>1,245</b>	<b>1,473</b>

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

**Other External Finance: Analysis**

LSP Performance Reward Grant	38				
Environment Agency - Fylde Coastal Preliminaries	11,500	6,930			
Lancashire County Council - Affordable Warmth Scheme	31				
Community Housing Grant Fund - Church Road Methodist Church	100	0			
Heritage Lottery Fund - Fairhaven	112				
Coastal Revival Fund	48				
New Fylde Housing - DFG Contribution	40	40	40	40	40
	11,869	6,970	40	40	40

## INFORMATION ITEM

REPORT OF	MEETING	DATE	ITEM NO
RESOURCES DIRECTORATE	FINANCE AND DEMOCRACY COMMITTEE	28 JANUARY 2019	11
<b>MID-YEAR PERFORMANCE 2018/19</b>			

### PUBLIC ITEM

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

### SUMMARY OF INFORMATION

The report provides details of the key performance outcomes for the first half of the financial year 2018/19. Performance is reported against the targets set for the year and commentary is provided by performance exception.

### SOURCE OF INFORMATION

Finance and Democracy team input data into the InPhase corporate online system from service based performance data

### LINK TO INFORMATION

<http://fyldeperformance.inphase.com> - Full Corporate Performance suite for Fylde Council

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

The performance information is relevant to the committee terms of reference and the responsibility of the committee to monitor performance of the services within its remit.

### FURTHER INFORMATION

Contact: Alex Scrivens, Performance & Improvement Manager (01253 658543 or [alexs@fylde.gov.uk](mailto:alexs@fylde.gov.uk)).

**Mid-Year Commentary by Performance Exception for the  
Finance and Democracy Committee**

**\*\*\*\*\* PERFORMANCE ABOVE TARGET \*\*\*\*\***

*Commentary is provided to explain why progress has exceeded target, with details of how this will be maintained.*

*None to report.*

**\*\*\*\*\* PERFORMANCE BELOW TARGET \*\*\*\*\***

*Commentary is provided to explain why performance is currently not on target, with details of any corrective action.*

PM14: Percentage of invoices paid within 30 days or within agreed payment terms (Corporate) was 86% and last year's comparison figure was 93.84%. The target is 95%.

*Performance has slipped marginally below the 90% level for the first time in many years as a result of staff vacancies and a long-term sickness absence (which ultimately resulted in retirement on ill-health grounds) within the finance admin team. It is expected that performance will recover to previous levels now that the vacancies within the team have been filled.*

## PERFORMANCE KEY ICON STATUS

	<b>Over Performance</b> – the indicator is over performing against target
	<b>On Track</b> – the indicator is performing within tolerance of target.
	<b>Cautionary Under Performance</b> – the indicator is moderately under performing. Whilst the indicator has slipped from target it maybe a minor blip overall or minor action will remedy it.
	<b>Under Performance</b> – the indicator is under performing against target.
	<b>Missing Data</b> – the indicator is missing data, this could be due to lag in data in the way the information is collated, or because its currently unavailable.
<b>N/A</b>	<b>Not Applicable</b> – no comparable data available. This could be due to the methodology being change or being a new measure created.

**APPENDIX 1: Performance Measures mid-year performance (1st April 2018 - 30th September 2019)**

Finance and Democracy						
Local Key Performance Indicators	Frequency	Good Performance Is	APR 2017 to SEP 2017	APR 2018 to SEP 2018	Mid-year Target	Performance Status
<a href="#">PM02: Average number of days sickness per Full Time Employee</a>	Monthly	Smaller is Better	8.16	<b>5.54</b>	5.5	
<a href="#">PM05: Percentage of sickness absence as a result of long-term sickness</a>	Quarterly	Smaller is Better	48.3	<b>29.62</b>	30	
<a href="#">PM14: Percentage of invoices paid within 30 days or within agreed payment terms (Corporate)</a>	Quarterly	Bigger is Better	93.84	<b>86</b>	95	
<a href="#">PM66a: Average days for processing New Claims for Housing Benefit</a>	Quarterly	Smaller is Better	32.5	<b>19.85</b>	19	
<a href="#">PM66b: Average days processing new claims for Council Tax Reduction</a>	Quarterly	Smaller is Better	34.46	<b>19.82</b>	19	
<a href="#">PM67a: Average days processing changes in circumstances for Housing Benefit</a>	Quarterly	Smaller is Better	9.71	<b>9.09</b>	12	
<a href="#">PM67b: Average days processing changes in circumstances for Council Tax Reduction</a>	Quarterly	Smaller is Better	9.89	<b>9.39</b>	12	
<a href="#">PM68: Proportion of Council Tax collected</a>	Quarterly	Bigger is Better	56.52	<b>56.7</b>	48.75	
<a href="#">PM69: Percentage of Business Rates, which should have been received, received</a>	Quarterly	Bigger is Better	53.79	<b>54.07</b>	49	
<a href="#">PM86: Percentage of FOIs responded to within the statutory deadline of 20 days</a>	Quarterly	Bigger is Better	99.08	<b>98.8</b>	100	