

Agenda



FINANCE AND DEMOCRACY COMMITTEE

Date:	Monday, 23 January 2017 at 6:30 pm
Venue:	Town Hall, St Annes, FY8 1LW
Committee members:	<p>Councillor Karen Buckley (Chairman) Councillor Roger Small (Vice-Chairman)</p> <p>Councillors David Donaldson, Tony Ford JP, Angela Jacques, Kiran Mulholland, Linda Nulty, Liz Oades, Richard Redcliffe, Vince Settle, Elaine Silverwood, Richard Taylor.</p>

Public Platform

To hear representations from members of the public in accordance with council procedure rule 11.
To register to speak under Public Platform: see [Public Speaking at Council Meetings](#).

	PROCEDURAL ITEMS:	PAGE
1	Declarations of Interest: Declarations of interest, and the responsibility for declaring the same, are matters for elected members. Members are able to obtain advice, in writing, in advance of meetings. This should only be sought via the Council's Monitoring Officer. However, it should be noted that no advice on interests sought less than one working day prior to any meeting will be provided.	1
2	Confirmation of Minutes: To confirm the minutes, as previously circulated, of the meeting held on 21 November 2016 as a correct record.	1
3	Substitute Members: Details of any substitute members notified in accordance with council procedure rule 24(c).	1
	DECISION ITEMS	
4	Accommodation Project - Phase 7 Works	3 - 10
5	Affordable Warmth Scheme	11 - 18
6	Financial Forecast Update (Position as at January 2017)	19 - 32
7	Budget Setting – Fees and Charges 2017/18	33 - 36
	INFORMATION ITEMS	
8	Budget Setting – Revenue Budget 2017/18 – First Draft	37
9	General Fund Revenue Budget Monitoring Report 2016/17 – Position as at 30th November 2016	38 - 42

10	Capital Programme Monitoring Report 2016/17 – Position as at 30th November 2016	43 - 54
11	Mid-Year Performance 2016/17	55 - 58
12	Corporate Plan 2016 – 2020 Progress Update	59 - 65

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

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

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

© Fylde Borough Council copyright 2017

You may re-use this document/publication (not including logos) free of charge in any format or medium. You must re-use it accurately and not in a misleading context. The material must be acknowledged as Fylde Borough Council copyright and you must give the title of the source document/publication.

Where we have identified any third party copyright material you will need to obtain permission from the copyright holders concerned.

This document/publication is also available on our website at www.fylde.gov.uk

Any enquiries regarding this document/publication should be sent to us at the Town Hall, St Annes Road West, St Annes FY8 1LW, or to listening@fylde.gov.uk.

DECISION ITEM

REPORT OF		MEETING	DATE	ITEM NO
DEVELOPMENT SERVICES DIRECTORATE		FINANCE AND DEMOCRACY COMMITTEE	23 JANUARY 2017	4
ACCOMMODATION PROJECT - PHASE 7 WORKS				

PUBLIC ITEM

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

SUMMARY

The report presents information on the remaining work with phase 7 of the Town Hall/Chaseley refurbishment proposals and the outcome of a detailed costing exercise based on phase 7 (b) of the scheme now proposed, using rates sought from the contractor appointed to undertake previous phases. The report seeks the approval of Members to deliver phase 7 (b) works to be met from the council's agreed capital programme for 2016/17 and request approval to the letting of a contract to undertake the works.

The report also provides an update on progress with phases 6 and 7(a) of the Accommodation Project.

RECOMMENDATIONS

The Finance and Democracy Committee is requested to:

1. Approve the commencement of the proposed works in relation to the Accommodation Project in the sum of £211,702 for Phase 7 (b), including design and supervision fees.
2. To approve the letting of the contract for the proposed works to F Parkinson Ltd Blackpool in the sum of £196,000.

SUMMARY OF PREVIOUS DECISIONS (most recent only)

Council on 17th October 2016 resolved to:

1. Approve monies from the following earmarked revenue reserves be transferred into the Accommodation Project Reserve to fund the works, with the balance of £151k to be met from General Fund Reserves in 2016/17;
 - a. The Land Charges New Burdens: £28k
 - b. The Vehicle Maintenance Reserve: £127k
 - c. The Vehicle Replacement Financing Reserve: £212k; and
2. Note that subject to 1 (above), the financing of the remaining phases of the Accommodation Scheme (currently shown within the approved Capital Programme by way of a capital receipt arising from the sale of the former public offices site) will be amended to show the increase in total project

cost of £194k and the financing by way of the use of revenue reserves in the total sum of £518k as detailed in 1 (above).

Finance and Democracy Committee on 26th September 2017 resolved to:

1. Approve the proposed works in relation to the Accommodation Project in the sum of £518k (that being £363k for Phase 6 (Option 2b) and £155k for part of Phase 7) and recommend to Council that monies from the following ear-marked revenue reserves be transferred into the Accommodation Project Reserve to fund the works, with the balance of £151k to be met from General Fund Reserves in 2016/17:

- The Land Charges New Burdens: £28k;
- The Vehicle Maintenance Reserve: £127k;
- The Vehicle Replacement Financing Reserve: £212k;

2. Approve a funded budget increase to the capital scheme for the Accommodation Project, currently within the approved Capital Programme for delivery in 2016/17, in the total sum of £194k (£67k for phase 6 of the scheme and £127k for phase 7 of the scheme) such that the revised total costs are £363k for phase 6 of the project and £475k for phase 7;

3. Note that, subject to approval by Council, the financing of the remaining phases of the Accommodation Scheme (currently shown within the approved Capital Programme as being by way of a capital receipt arising from the sale of the former public offices site) will be amended to show the increase in total project cost of £194k and the financing by the use of revenue reserves in the total sum of £518k as detailed in 1 (above);

4. Note that the remaining works relating to phase 7 of the Accommodation Project (in the sum of £310k) will see the entire Accommodation Project finally completed other than for any external landscaping works to the grounds; and

5. Subject to the approval by Council of the transfer of reserves set out in recommendation 1 above, approve the letting of the main contract for the proposed works to F Parkinson Ltd Blackpool in the sum of £444,584, whilst noting that the cost of Phase 6 (option 2b) and phase 7 (1st floor) (including fees/surveys/furniture) is estimated to be £518,150 in total.

Finance and Democracy Committee on 22nd February 2016 resolved:

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

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

REPORT

1. The Council has previously agreed the refurbishment of office/civic accommodation on the Town Hall/Chaseley site consisting of 8 phases of work. Progress with each of the phases is shown in table 1.

Table 1 – Town Hall accommodation project phases

Phase	Elements of work	Comments
1	Roof replacement	Completed March 2014
2	Window replacement and structural repairs	Completed July 2014
3	East Wing including lift, new protected stairway and office extension	Completed March 2016
4	Chaseley link bridge and protected stairway	Completed October 2016
5	One Stop Shop & tourist information centre	Completed November 2016
6	Council chamber, lobby and basement	Underway, due for completion March 2017
7(a)	1 st floor of the Town Hall - internal refurbishment/redecoration/services upgrade including heating and lighting	Underway, due for completion March 2017
7(b)	2 nd floor of the Town Hall - internal refurbishment/redecoration/services upgrade including heating and lighting	Subject of this report
7(c)	Replacement of boilers	To be reported to committee in March 2017
8	Car park, external works and landscaping	To be undertaken 2017/18 using existing capital/revenue resources

2. The contract for Phase 6 and 7(a) started on 12th December 2016 and is estimated to be completed by March 2017. The contractor Parkinson's have progressed the scheme satisfactorily to date and the quality of the work is high. The procurement approach has been covered in previous reports and has allowed continuity of work and proves to be beneficial in progressing with the project in cost, programme and quality.
3. Phase 6 includes for providing a council chamber by extending the former council chamber into room 103 & create a lobby entrance using most of the corridor leading to the former chamber. This creates a space of approximately 118.5m². This scheme was appended to the previous report and referred to as option 2B.

4. There is an allowance within the scheme for furniture in the new chamber and officers are researching options for the type and style of furniture which will be considered by the Accommodation Working Group in due course.
5. The last report estimated the cost of the remaining works in phase 7 to be £320k and this amount has been set aside within the capital programme to complete the works. This includes the refurbishment of the 2nd floor of the Town Hall including replacement of boilers and fire alarm.
6. It is proposed to undertake the remaining works in phase 7 in two sub- phases.
 - Phase 7 (b), internal refurbishment/redecoration/services upgrade including heating and lighting works to the 2nd floor of the Town Hall, to be undertaken immediately following phase 7 (a) (works to the 1st floor). It is estimated that this will take 14 weeks
 - Phase 7 (c), works to replace the boilers, which are located in the basement of the Chaseley Building is technically a separate task to that involved with the refurbishment of phases 7 (a) and (b). It does not require the main contractor compound and support facilities. It is proposed therefore to undertake the replacement of the boilers during the summer months (June/July 2017).
7. At present the costs of undertaking phase 7 (b) have been calculated and are detailed in the table below.

Table 2 – Cost breakdown phase 7 (b)

Element	Phase 7 (b)
Second floor works	£74,479.93
Mechanical & electrical installations and BWIC	£59,303.98
Preliminaries	£52,902.09
Sub-total	<u>£186,686.00</u>
Contingencies 5%	£9,334.30
Sub-total	<u>£196,020.30</u>
Design & supervision fees 8%	£15,681.62
Totals	<u>£211,701.92</u>

8. The details of the remaining phase 7 (c) works to replace the boilers, is currently being finalised and will be reported to committee in March for approval with the work to be undertaken during the summer months.
9. Phase 7 (b) will be financed from the 2016/17 approved capital programme budget 'Accommodation Project - Phase 7 - Internal Refurb / Services'.
10. As part of approving the spend on any capital project the report in accordance with the Financial Procedure Rules needs to address a number of detailed issues which are set out below:
11. The objectives, outputs and outcomes of the project are to provide a fully accessible building and provide fire safety measures to comply with legislation. To address mechanical and electrical issues. Also to maximise use of the building so as to bring staff across from the Public Offices to allow the sale of that site.

12. In specifying this scheme Officers have surveyed the condition of the building and structural features and considered different solutions available. A summary of the specification is set out in the table below.

Table 3 – Specification summary

<p><u>Specification summary</u></p> <p><u>Phase 7 (b) 2nd floor</u></p> <p>Remodelling and refurbishment of the second floor offices and ancillary rooms of Town Hall, including minor demolition, alteration work and associated service installations, swipe access system and IT.</p>

13. The Town Hall is an asset currently managed and maintained by the Council and so there would not be any additional ongoing revenue costs involved.
14. A risk assessment is attached to the report at **appendix 1** which identifies those matters which require attention and mitigation.
15. It is planned (as with previous phases) that the works will be undertaken whilst the Town Hall remains in use so as to reduce costs although there will be the need to vacate specific rooms/offices as the works progress. Whilst the Public Offices remains available this will be used for decanting purposes. It must therefore be accepted that there will be some inconvenience and disruption. Mitigation of these issues is set out on the attached risk assessment.
16. Relevant drawings and documents will be supplied to the contractor which forms part of the contract to be awarded.
17. It is proposed that a report will be presented to the March meeting of committee to seek approval of phase 7 (c). Phase 8 Car park, external works and landscaping will be undertaken using in house capacity and existing capital and revenue resources and would be commenced during the latter half of 2017.

IMPLICATIONS	
Finance	The works as described in this report are part of the approved Capital Programme scheme for the Accommodation Project which is funded from the Accommodation Project Reserve.
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	The outcomes of the project are intended to deal with previously identified health and safety risks

LEAD AUTHOR	TEL	DATE	DOC ID
Paul Walker	01253 658431	10 th January 2017	

LIST OF BACKGROUND PAPERS		
Name of document	Date	Where available for inspection
Council, Cabinet, Portfolio Holder and Programme Committee reports and minutes	31 st August 2010 (Cabinet) 15 th December 2010 (Cabinet) 16 th November 2011 (Cabinet) 15 th February 2012 (Cabinet) 26 th March 2012 (Council) 19 th June 2012 (PH Decision) 24 th September 2012 (Council) 3 rd December 2012 (Council) 16 th January 2013 (Cabinet) 10 th April 2013 (Cabinet) 2 nd July 2013 (Cabinet) 5 th March 2014 (Cabinet) 25 th June 2014 (Cabinet) 3 rd August 2015 (Finance & Democracy Committee) 30 th November 2015 (Finance & Democracy Committee) 14 th December 2015 (Council) 22 nd February 2016 (Finance & Democracy Committee) 26 th September 2017 (Finance & Democracy Committee) 17 th October (Council)	http://www.fylde.gov.uk

Attached documents

1. Risk assessment

Appendix 1 Risk assessment

Directorate: Development Services		Date of Assessment: 10 th January 2017		
Section: Technical Services		Assessment Team: Paul Walker/Andrew Dickson/Darren Bell		
Assessment Activity / Area / Type: Town Hall/Chaseley Building refurbishment – Phases 7 (b)				
Do the hazards create a business continuity risk? Yes				
RISK DESCRIPTION	RISK SCORE (Likelihood x Impact)	RISK MITIGATION	RESIDUAL RISK SCORE (Likelihood x Impact)	RISK OWNER / RISK REGISTER
Noise and disruption due to the nature of the works	5x3=15	Move some staff located in some locations to other parts of the building and Public Offices during critical stages of the work and/or hold public meetings off site when the works may disrupt public meetings	5x2=10	Darren Bell
Loss of car parking spaces during the works due to contractors occupation	5x2=10	Relocate staff parking to North Promenade with limited public and disabled provision retained on site	5x1=5	Darren Bell
Unforeseen defects with associated costs	3x2=6	Contingency budget to deal with unforeseen works. Project management practices will be adopted and supervision to oversee the works	2x2=4	Darren Bell
Inclement weather delays	3x2=6	Project management practices will be adopted and supervision to oversee the works	2x2=4	Darren Bell

Works overrun	3x2=6	Project management practices will be adopted and supervision to oversee the works. Penalty clause included in the contract to discourage delays.	2x2=4	Darren Bell
---------------	-------	--	-------	-------------

Risk Likelihood

6 = Very High

5 = High

4 = Significant

3 = Low

2 = Very Low

1 = Almost impossible

Risk Impact

1= Negligible

2 = Marginal

3 = Critical

4 = Catastrophic

Multiply the likelihood by the impact and if the score is above 12 then mitigating action should be undertaken to reduce the risk. This action should be recorded and monitored in either a directorate or corporate risk register.

DECISION ITEM



REPORT OF	MEETING	DATE	ITEM NO
DEVELOPMENT SERVICES DIRECTORATE	FINANCE AND DEMOCRACY COMMITTEE	23 JANUARY 2017	5
AFFORDABLE WARMTH SCHEME			

PUBLIC ITEM

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

SUMMARY

This report provides details of a two year allocation of £28,210 per year by Lancashire County Council to Fylde Borough Council for the delivery of an affordable warmth scheme during 2016/17 and 2017/18. The scheme is to provide capital measures such as boiler replacements and installation of central heating to vulnerable residents where an affordability issue has also been identified. This issue was considered at the Environment, Health and Housing Committee meeting of 10th January 2017.

RECOMMENDATION

The Committee is requested:

1. To note that Environment, Health and Housing Committee on the 10th January 2017 considered the proposal and approved the delivery of the affordable warmth scheme as described in this report.
2. To approve a fully-funded addition to the capital programme in the sum of £28,210 in 2016/17 and £28,210 in 2017/18 in relation to the initiative, fully funded by a grant from Lancashire County Council in the same sum.
3. To authorise the scheme expenditure as detailed in the report.

SUMMARY OF PREVIOUS DECISIONS

1. This matter was considered by the Environment, Health and Housing Committee on the 10th January 2017.

It was RESOLVED

1. To approved the affordable warmth scheme as described in the report;
2. To recommend to Finance and Democracy Committee the approval of a new fully funded capital scheme in the sum of £28,210 in 2016/17 and £28,210 in 2017/18 in relation to the initiative, fully funded by a grant from Lancashire County Council in the same sum; and
3. To authorise the scheme expenditure as detailed in the report subject to approval of the scheme from the Finance and Democracy Committee.

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

REPORT

BACKGROUND

1. On the 13.9.2016 Lancashire County Council gave approval for the allocation of £1,000,000 to local authorities over a two year period to “support for residents in reducing energy bills, and in particular addressing fuel poverty”. Please find document link here: <http://council.lancashire.gov.uk/ieDecisionDetails.aspx?ID=9208> and at the end of this report.
2. Lancashire County Council (LCC) have split this funding between the district authorities based on the percentage of fuel poor households within each authority. The table of distribution is attached (Document one). Fylde Councils allocation is £28,210 per year for a minimum of two years. This funding must be allocated to capital projects within residential dwellings only.
3. The Home Energy Conservation Act 1995 (HECA) places requirements on Local Authorities to reduce emissions of Carbon Dioxide to the atmosphere by improvements to the energy efficiency of the residential dwellings within the area. This grant funding will assist towards this HECA requirement.

INTERVENTIONS

4. The funding available is capital, therefore, is directed at interventions that make a long term contribution to helping people keep their homes warm through physical improvements in the home that help improve thermal comfort and efficiency.
5. A meeting held on the 27th September 2016 between all districts and LCC discussed the types of measures that could be installed under this scheme. The following measures were approved by LCC on the 10th October 2016.
 - Servicing, repairs and replacement boilers and heating systems and associated works, including controls.
 - Repairs to and new radiators and radiator reflectors
 - Gas fire services and repairs
 - Draught proofing measures – windows, doors, loft hatches, electrical fittings on walls and ceilings, suspended floorboards, pipework leading outside, ceiling-to-wall joints. Thermal blinds and carpets may be included as draught proofing measures in appropriate circumstances where other long-term measures have been considered and the thermal benefit can be demonstrated – details for inclusion must be provided in the monitoring.
 - Standard loft and cavity wall insulation
 - Interventions for 'hard to treat' cavities and solid walls such as non-standard insulation solutions and external or internal wall insulation.
 - Glazing improvements

ELIGIBILITY

6. Lancashire County Council have set the eligibility criteria for access to the grant scheme. Being on a low income, living in thermal inefficient home, having higher heating needs, and high fuel costs can all increase the risks of living in a cold home. The funding is aimed at the most vulnerable to harm from cold or damp homes. This could include a wide range of individuals who either are, or are at serious risk of, experiencing poor health and wellbeing due to a cold home.

On the 5th March 2015 the National Institute for Health and Care Excellence (NICE) published its new guidance '[Excess winter deaths and morbidity and the health risks associated with cold homes](#)'. It indicates the following groups to be particularly vulnerable to the effects of living in a cold home:

- people with cardiovascular conditions
 - people with respiratory conditions (in particular, chronic obstructive pulmonary disease and childhood asthma)
 - people with mental health conditions
 - people with disabilities
 - older people (65 and older)
 - households with young children (from new-born to school age [up to age 5])
 - pregnant women
7. Households will be eligible for funding if they meet at least one of the health vulnerabilities listed above and an affordability issue has been identified. An affordability issue can be confirmed in one of the following three ways:
 - Someone being in receipt of means tested benefits.
 - The CSE fuel poverty calculator being completed - this must be completed where a household is receiving more than £1,000.
 - A 'declaration' by the Local Authority or health / social care professional that affordability issues are present.

THE METHOD AND COST OF FINANCING THE SCHEME

8. The scheme is fully funded by Lancashire County Council without the need of Fylde Council to provide any match funding or financial contribution.
9. Fylde Council will be required to administer the scheme, this will be undertaken within the existing resources of the Housing Services section.
10. This scheme will be in operation alongside other sources of funding and where possible these will be combined to allow the fund to go further. Lancashire County Council have stated that this is the preferred method of delivery in order for the fund to be maximised. Applicants will firstly be assessed to determine their eligibility for Home Heating Cost Reduction Obligation (HHCRO) funding. This funding is based on the carbon saving achieved by the measure. In most cases the HHCRO amount will not totally fund the measure and in these cases the difference can be paid by this proposed affordable warmth scheme. HHCRO funding is available via FireFly Energi who are currently administering the Cosy Homes in Lancashire (CHiL) scheme on behalf of Fylde and Lancashire County Council.
11. Only contractors who are approved to undertake HHCRO work could be used where HHCRO funding is applied for. HHCRO installers are required to undertake a strict quality assurance programme known as Publicly Available Specification (PAS)2030. They are also required to have £10,000,000 of Public and Employers liability insurance as well as £3,000,000 of Professional Indemnity Insurance. The applicant or owner of the property has discretion on who they appoint to undertake any works on their property. If the applicant wishes to use their own contractor

who is not PAS2030 HHCRO funding would not be applicable. Where an applicant wishes to appoint their own contractor the measure will be fully funded by the affordable warmth scheme. These contractors would be checked to ensure they have current public and employers liability insurance. The cost of this measure will also be checked to ensure it is reasonable for the proposed works.

12. Fylde council will be required to report monthly on the costs and types of measures which have been installed to Lancashire County Council.
13. An application form has been sent to LCC confirming the works which will be covered by this project, the method of delivery (with regards contractors and HHCRO funding) and projected costings. This has been approved by LCC. See document two below.
14. The scheme is not tenure specific however private rented properties would be expected to firstly meet their obligations under the Housing Act 2004 in relation to heating and insulation without grant assistance. Social housing would also be expected to meet this obligation. In addition contributions will be asked for from the housing provider prior to the approval of any affordable warmth funding. Therefore it is expected that the majority of funding will be directed towards owner occupied properties.
15. Funding will be paid by Lancashire County Council in two stages. An initial 60% £16,926 can be paid upfront with the remaining 40% £11,284 to be paid once 50% of the total grant amount has been spent £14,105.
16. The council will be permitted to carry over 40% of the funding into 2017/18 if necessary.

IMPLICATIONS	
Finance	Approval of the request for the scheme to be added to the Capital Programme for 2016/17 and 2017/18 would provide for the delivery of the initiative with the cost being met by a capital grant from Lancashire County Council.
Legal	Enabling and facilitating the improvement of the energy efficiency of dwellings in the council area is a requirement of The Home Energy Conservation Act 1995
Community Safety	None arising directly from this report
Human Rights and Equalities	None arising directly from this report
Sustainability and Environmental Impact	Improving the energy efficiency of dwellings will contribute to sustainable communities and improve the environment
Health & Safety and Risk Management	None arising directly from this report

LEAD AUTHOR	TEL	DATE	DOC ID
Tom Birtwistle	01253 658561	04/01/2017	

LIST OF BACKGROUND PAPERS		
Name of document	Date	Where available for inspection
Green Energy Fund: Strand 3, Supporting Domestic Energy Reduction	13/9/2016	http://council.lancashire.gov.uk/ieDecisionDetails.aspx?ID=9208

Funding Allocation 2016/17	28/9/2016	See Attached Document one.
Application form	9/12/2016	See Attached Document two.

Document one:

ENDING ALLOCATIONS, 2016-17								
TEST DECC STATISTICS FOR 2014, released 30th June 2016								
	All Households	Fuel Poor Households	Percent Fuel Poor	Percentage of Lancashire's Fuel poor households	Funds divided by number of fuel poor households assuming total fund £500,000 p.a	PAYMENT 1 60% upfront	When 50% of total amount spent can claim 2nd payment. 50% is:	PAYMENT 2 40%
Burnley	38195	5147	13.5	9.3	£46,613	£27,968	£23,306	£18,645
Chorley	45691	3968	8.7	7.2	£35,936	£21,561	£17,968	£14,374
Fylde	35470	3115	8.8	5.6	£28,210	£16,926	£14,105	£11,284
Hyndburn	34927	4544	13.0	8.2	£41,152	£24,691	£20,576	£16,461
Lancaster	58846	6970	11.8	12.6	£63,123	£37,874	£31,561	£25,249
Pendle	37985	5324	14.0	9.6	£48,216	£28,930	£24,108	£19,286
Preston	58542	7276	12.4	13.2	£65,894	£39,536	£32,947	£26,358
Ribble Valley	24481	2830	11.6	5.1	£25,629	£15,378	£12,815	£10,252
Rossendale	29549	3284	11.1	5.9	£29,741	£17,845	£14,870	£11,896
South Ribble	46904	3659	7.8	6.6	£33,137	£19,882	£16,569	£13,255
West Lancashire	46166	4607	10.0	8.3	£41,723	£25,034	£20,861	£16,689
Wyre	48092	4486	9.3	8.1	£40,627	£24,376	£20,313	£16,251
	504,848	55,210		100	£500,000.00	£300,000	£250,000.0	£200,000.00

Document two:

Lancashire Affordable Warmth Funding 2016-17

Name of Local Authority	Fylde Council
Contact Name	Tom Birtwistle. Principal Housing Services Officer
Address	Housing Services, Town Hall, St. Anne's on sea, Lancashire, FY8 1LW
Telephone Number of contact	01253 658691
Email address of contact	Tom.Birtwistle@fylde.gov.uk

Detail of the activity / intervention to be provided	Estimate of Proportion of budget (£)	Why is this needed?	Who will deliver it? (identify partners)	Please outline <u>how</u> you will target the groups listed in the guidance
Boiler replacements	£15,000	To replace any defective or dangerous heating system	<p>Firefly Energi to determine any ECO contribution. Then a PAS2030 registered installer in line with the requirements for ECO funding.</p> <p>Contractors determined by the client or home owner. These will be checked to ensure they have current insurance certificates. Works will be checked to</p>	<p>Direct referrals</p> <p>From existing holding lists</p> <p>Persons previously identified as vulnerable.</p>

			ensure prices are reasonable.	
Boiler Repairs	£5,000	To remedy any defective heating systems identified from boiler inspection	“”	“”
Double glazing (to replace single glazing only to habitable rooms)	£4,000	To ensure thermal efficiency to habitable rooms such as bedroom and living room	“”	“”
Loft insulation (top up)	£4,210	Low cost measure with high energy saving impact	“”	“”

Total funding requested (up to the amount shown): £28,210 in two payments as arrange by LCC
--

DECISION ITEM



REPORT OF		MEETING	DATE	ITEM NO
MANAGEMENT TEAM		FINANCE AND DEMOCRACY COMMITTEE	23 JANUARY 2017	6
FINANCIAL FORECAST UPDATE (POSITION AS AT JANUARY 2017)				

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 2016/17 to 2020/21. It now includes the impact of the 2017/18 Local Government Finance Settlement, details of which were announced on 15th December 2016. For Fylde Council the key factor in the settlement is the change in the calculation methodology in respect of New Homes Bonus and the consequential reductions in the level of New Homes Bonus income in future years under the revised arrangements, commencing with effect from 2017/18. Although a certain degree of reduced future funding had previously been anticipated and had already been reflected in the latest Financial Forecast Update that was presented to Council in December 2016, the scale of the funding reduction is greater than was expected and represents a renewed challenge to Fylde Council in the coming years.

Since the previous update was presented to this Committee the Council meeting of 5th December 2016 approved:

- a) the introduction of a year-round green waste subscription service for implementation in 2017;
- b) an increase in car park tariffs by an average 5% with effect from 1 April 2017; and
- c) a reduction in the total value of grants to town and parish councils in relation to the Council Tax Reduction Scheme (CTRS) effective from 2017/18.

The estimated additional income (or reduced expenditure) to the Council arising from these changes is also reflected in this updated financial forecast.

Also of note is the confirmation by DCLG of the multi-year settlement offer following the acceptance of the Efficiency Plan that was submitted in the summer of 2016.

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 6th February 2017.

SUMMARY OF PREVIOUS DECISIONS

The Council set its budget for 2016/17 at the meeting of 2nd March 2016. This report provides Members with a further update to the financial forecast following the position that was considered by this Committee in November 2016 & Council in December 2016. This update includes the impact of the Local Government Finance Settlement that was announced in late December 2016 and the decisions of Council at its meeting of 5th December 2016.

CORPORATE PRIORITIES

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

REPORT

1. PURPOSE OF THE FINANCIAL FORECAST UPDATE

- 1.1 This report updates the financial forecast which was considered by this Committee in November 2016 & by Council in December 2016. 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 Local Government Finance Settlement, details of which were announced on 15th December 2016 and the decisions of Council at its meeting of 5th December 2016 in relation to green waste collection charges, car park tariffs and grants to town and parish councils relating to the CTRS scheme.
- 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 2016;
 - 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 2017/18 which will be published in mid-February 2017.

3. KEY CHANGES TO THE GENERAL FUND REVENUE BUDGET FORECAST

3.1 All financial risks as set out in the Financial Forecast update considered by this Committee in November 2016 & Council in December 2016 still remain. The key 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) Local Government Finance Settlement

The main document detailing the Local Government Finance Settlement is entitled 'Provisional local government finance settlement: England, 2017 to 2018'. Full details of the settlement can be found at the following link: <https://www.gov.uk/government/collections/provisional-local-government-finance-settlement-england-2017-to-2018>

a) The December 2015 Settlement and New Homes Bonus Consultation

The December 2015 Local Government Financial Settlement proposed a four-year settlement for local authority funding covering the years 2015/16 to 2019/20. Giving councils the option of longer-term funding settlements was a significant development compared to previous one and two year allocations. The "offer" (of a four year settlement) was conditional upon councils publishing an efficiency plan which Fylde Council did in the summer of 2016. Consequently Fylde's efficiency plan was accepted and it has been confirmed that the Council is eligible for the four-year funding offer. The budget for 2016/17 that was approved by Council on 2nd March 2016 assumed that central government funding for future years would be in line with that shown in the four-year funding proposal.

Alongside the December 2015 funding settlement the government also published a consultation document relating to New Homes Bonus, including a preferred option to achieve savings of £800m by 2020 which would reduce the funding that is receivable by councils through the scheme.

Key options discussed within the consultation included:

- A reduction in the overall costs of the scheme by moving from 6 years of payments to 4 years of payments;
- A proposal from 2017/18 to reduce payments from 6 to 4 years, or to go further and to reduce payments to 3 or 2 years
- A possible transition period to pay 5 years in 2017/18 then 4 years from 2018/19.

To further reform the scheme in order to better reflect authority's performance on housing growth, additional options that were proposed included:

- Withholding the bonus in areas where no local plan has been produced;
- Reducing payments for homes built on appeal; and
- Only making payments for delivery above a baseline representing deadweight.

The impact of these proposed changes to the scheme, whichever options were adopted, would result in a much-reduced income projection for Fylde Council, as compared to earlier forecasts.

An estimate of the likely impact, as far as they could be predicted given the range of proposals contained within the consultation, were included within the 2016/17 budget that was approved in March 2016.

b) The December 2016 Settlement and New Homes Bonus Consultation Response

In respect of Revenue Support Grant and Retained Business Rates, the December 2016 financial settlement broadly confirmed the funding totals for the four year period ending

2019/20 that had been provided earlier and which had been reflected in the 2016/17 budget that was approved by Council in March 2016.

For New Homes Bonus a response to the consultation was announced alongside the 2017/18 finance settlement on 15th December 2016 (A government response to the consultation was originally proposed for June 2016).

The response takes the form of a revised scheme, effective from 2017/18, which incorporates some of the proposals as contained within the consultation, namely:

- a. A move to a scheme incorporating 5 years allocations for 2017/18 and 4 years from 2018/19 onwards (funding was previously based upon 6 year allocations);
- b. Not to remove New Homes Bonus payments for those homes granted following a planning appeal or to those authorities who had not yet agreed a Local Plan (though this will be kept under review); and
- c. The implementation of a baseline level of expected housing growth for each council area, equivalent to 0.4% of current housing stock, with New Homes Bonus being receivable only in respect of housing growth above that baseline level. For Fylde Council the baseline is around 146 houses at Council Tax Band D equivalent property level for 2017/18. **Therefore no New Homes Bonus will be 'earned' for the first 146 (Band D equivalent) properties that are completed in Fylde Council area in 2017/18. Only after that number has been reached will New Homes Bonus be receivable for each additional property that is completed.**

The impact of these changes is greater than was anticipated and is shown in the table below.

Table 1: Forecast New Homes Bonus - Funding Settlement impact

	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
December Financial Forecast Update – Estimated NHB Amount	1,863	2,153	1,351	1,296	1,296
Estimated NHB receivable per Funding Settlement Dec 2016	1,863	1,661	1,176	994	996
Reduction in estimated New Homes Bonus funding receivable	0	492	175	302	300

The forecast has been updated to reflect the latest estimates above based upon the consultation response announcement in December 2016. Actual income receivable by the Council is subject to fluctuation based upon actual house completions in the borough each year, and as a consequence these figures are subject to change.

c) Council Tax

For shire district councils (including Fylde Council) the referendum principles for 2017/18 retain an upper limit of either 2 per cent or £5 (on a Band D council tax bill).

In addition, social care authorities (which do not include Fylde Council but do include Lancashire County Council) will be able to increase their council tax by an additional 3% in 2017-18 or 2018-19, but still cannot exceed 6% in total over the 3 year period 2016-17 to 2018-19.

Referendum principles will not be extended to town and parish councils for 2017/18, but could be applied to these councils in the future.

ii. Other Revenue Budget Adjustments

Alongside the adjustments to the financial forecast that have been made as a consequence of the reduced New Homes Bonus funding, the Council meeting of 5th December 2016 approved a number of proposals that are also of significant financial importance which have been reflected in this updated financial forecast update. Additionally a further review of budgets and actual income and expenditure levels has been carried out based upon in-year budget monitoring and a number of budget adjustments for both the current and for future years have resulted from this analysis. Explanations of the most significant adjustments are summarised below, with further information being provided at Appendix D to this report.

a) The introduction of a year-round green waste subscription service

Although the introduction of a chargeable green waste collection service was approved in principle by the Council meeting in December 2016 the scheme details are to be approved by the Operational Management Committee at the meeting of 17th January 2017. The projected income levels that are included within this updated forecast are predicated upon the recommendations to that committee being approved. The key recommendations that may influence the level of projected income are:

- The implementation date of a subscription service of 1st June 2017
- An annual subscription of £25 per bin in year 1 (reduced year service to March 31st 2018), and
- An increased subscription level to £30 from year 2 (full year service April 1st to March 31st).

If the Operational Management Committee should determine that the scheme operate differently to these assumptions the consequential financial implications, should there be any, will be reflected in later updates to the financial forecast.

Income levels arising from the proposed scheme are calculated by reference to assumed participation rates of 50% in year 1, 60% in year 2 and 70% thereafter as detailed in the December report to Council. Actual take-up and the consequential income that this will generate is difficult to estimate ahead of implementation of the scheme. As the scheme commences and progresses it may be necessary to make changes to the participation levels (and the income assumptions that flow from those participation levels) within later updates to the financial forecast.

It is proposed that the upfront one-off costs associated with implementing the scheme will be met from existing revenue budgets wherever possible. However if this is not achievable any shortfall would be met from the income that is generated in year 1 of the scheme which may affect the income assumptions used at this stage.

b) Car park tariffs

The Council meeting of 5th December 2016 approved an increase in car park tariffs by an average 5% with effect from 1 April 2017. It is estimated that this will generate additional income from charges of £26k per annum which has been reflected in this updated forecast.

c) Grants to town and parish councils

The Council meeting of 5th December 2016 approved a reduction in the total value of grants to town and parish councils in relation to the Council Tax Reduction Scheme (CTRS) effective from 2017/18. The total grant amount that is distributed to town and parish councils will reduce from £66k per annum, as assumed within the December financial forecast, to £27k

for 2017/18, £4k for 2018/19 and nil thereafter. The effect of this decision has also been reflected in this updated forecast.

d) Other budget adjustments

A number of further budget adjustments, mostly favourable variances arising from additional income that has been received, have been made to this updated financial forecast update. 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 include the actual Council Tax base information for 2017/18 which was finalised in December 2016.

3.2 Community Housing Fund

In January 2017 the Council was notified of an allocation of funding in the sum of £440,381 for 2016/17 in relation to the Community Housing Fund, intended to address the impact of second homes within communities and the distortion of the housing market that may result from high numbers of such. The stated aim of the fund is to:

“Support communities to deliver affordable housing units of mixed tenure in response to the challenges created by a large number of second homes, thereby contributing to the overall national effort to boost housing supply over the next four years. In addition to this, the fund will help build collaboration, skills and supply chains at local level to promote sustainability and longer-term delivery. The fund will also provide capital investment, technical support and revenue to make more schemes viable and significantly increase community-led housing including through Community Land Trusts.”

This allocation of funding was not anticipated and currently officers are exploring how the money may best be utilised to deliver the objectives of the fund and a report will be presented to Members in due course.

3.3 Other Continuing Financial Risks

In addition to the adverse effect upon the Councils financial position as a consequence of the Spending Review announcements, particularly relating to New Homes Bonus, all of the other financial risks that were detailed within the previous Financial Forecast Update that was presented to the Council in December 2016 still remain. These are:

- **Future Central Government Funding Reductions**
- **Retained Business Rates – Pooling**
- **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 2016 Financial Forecast report via the following link: www.fylde.gov.uk/December2016FinancialForecast/

4. CONCLUSIONS

- 4.1 As has been detailed within previous updates to the Financial Forecast, the Council was already facing a number of uncertainties in the future in respect of its finances and was already anticipating reductions in central government funding for future years. The additional funding reductions in respect of New Homes Bonus that were announced as part

of the December 2016 Local Government Finance Settlement have adversely affected the Councils financial position.

- 4.2. In light of the additional challenges that are presented by the recent Finance Settlement and as detailed within this report, the Council needs to continue with the approach to 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 significantly 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. For Fylde Council to continue to successfully meet the new challenges that it faces it is vital that this approach is re-doubled and that all reasonable opportunities for further cost-reduction measures and for the generation of additional income are seriously considered. Prudent financial management in previous years has provided a level of reserves which allows the necessary time to determine how this council can best respond to the increased challenges.
- 4.3 This work has already commenced. As detailed within this report (section 3.1 ii) the Council in December 2016 has taken a number of decisions with regard to income generation and expenditure reduction that will have a significant and positive effect on the financial forecast for future years, demonstrating a responsiveness to the current financial challenges which is essential for the Council to continue in a robust financial position.
- These decisions have had the effect of going some way towards reducing the funding gap, particularly in the final years of the forecast, from that which the 2016/17 Finance Settlement initially created. The effect of these changes are shown within in Appendices C and D to this report. Additional actions will be necessary to further address the remainder of the funding gap over the course of the coming years.
- 4.4 As part of that continued approach the Council's priorities for improvement remain and the Council needs to continue with the overall strategy making any changes it feels are relevant whilst recognising the future uncertainties that exist.
- 4.5 The assumptions that are contained within the Forecast Update are the latest best estimates and will be updated as and when further information is available. External pressures outside the Council's control are being experienced by many local authorities, and instructions remain in place that budget-holders should remain prudent and not commit to any unnecessary expenditure. This approach saves money and may result in an under-spend this year.
- 4.6 Further revisions to the figures and assumptions in this update will be necessary over the coming months and updates to the forecast will be prepared on a regular basis.
- 4.7 Activity and resources are focussed on the delivery of the key objectives of the Council as set out within the Councils approved Corporate Plan. At this point the finances of the Council remain robust with a relatively stable financial forecast in the years to 2020/21. Given the level of reserves that has been generated in recent years the budget deficit in the final years of the forecast is manageable. However in an uncertain financial environment the position can change in unexpected ways. It is important that the Council continues to operate in a sound and prudent manner in order to maintain a stable financial position and to explore further means by which the financial position can be further strengthened, whilst continuing to provide high quality services to residents and to deliver the priorities set out in the Corporate Plan.

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

REPORT AUTHOR	TEL	DATE	DOC ID
Paul O'Donoghue Chief Financial Officer	(01253) 658566	January 2017	

LIST OF 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 2015/16 – 2017/20	Budget Council meeting 2 nd March 2016	www.fylde.gov.uk
MTFS – Outturn Position For 2015/16 (Including General Fund, Capital Programme & Treasury Management)	Finance and Democracy Committee meeting 20 th June 2016	www.fylde.gov.uk
Revenue Budget Monitoring Report 2016/17 – to 31 st July 2016	Finance and Democracy Committee meeting 26 th September 2016	www.fylde.gov.uk
Capital Programme Monitoring Report 2016/17 – to 31 st July 2016	Finance and Democracy Committee meeting 26 th September 2016	www.fylde.gov.uk
Medium Term Financial Strategy (MTFS) Update, Including General Fund, Capital Programme and Treasury Management for 2016/17 – 2020/21	Council meeting 5 th December 2016	www.fylde.gov.uk

Attached documents

1. Appendix A – Forecast approved at Council on 5th December 2016
2. Appendix B – Schedule of general assumptions underpinning the forecast
3. Appendix C – Schedule of unavoidable changes to the forecast
4. Appendix D – Narrative on unavoidable changes to the forecast and specific assumptions to support Appendix C
5. Appendix E – Updated latest forecast position

Latest General Fund Budget Forecast 2016/17 to 2020/21

	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	Adverse / Favourable
Forecast approved at Council on 2nd March 2016	9,371	9,397	10,387	10,825	10,825	Favourable
Forecast Changes - per Appendix C of December 2016 MTFs	- 148	- 161	- 160	- 196	- 43	
Forecast Budget Requirement	9,223	9,236	10,227	10,629	10,782	
Financed by:						
Council Tax Funding:						
Council Tax - Precept	5,484	5,720	5,942	6,168	6,399	
Council Tax - Share of Previous Years Surplus/(Deficit)	70	50				
Sub Total - Council Tax Funding	5,554	5,770	5,942	6,168	6,399	
Business Rates Funding:						
Baseline (including contribution from CF deficit reserve)	1,771	3,879	2,819	2,611	2,633	
Contribution to Funding Volatility Reserve		- 2,000				
Sub Total - Business Rates net of reserve transfers	1,771	1,879	2,819	2,611	2,633	
Other Funding:						
New Homes Bonus	1,863	2,153	1,351	1,296	1,296	
Revenue Support Grant	861	354	47			
Transition Grant	56	56				
Less - Parish Element of Council Tax Support Funding	- 66	- 66	- 66	- 66	- 66	
Sub Total - Other Funding	2,714	2,497	1,332	1,230	1,230	
Forecast Financing	10,039	10,146	10,093	10,009	10,262	
Forecast surplus(-)/deficit for year	- 816	- 910	134	620	520	
Reserves						
Forecast surplus/deficit(-) for year from above:	816	910	- 134	- 620	- 520	
Less: Contribution to Accommodation Project Reserve	- 151					
Less: Further Contribution to Accommodation Project Reserve	- 320					
Less: Contribution to M55 Link Road Reserve	- 345	- 459				
Balance of surplus/deficit(-) remaining:	0	451	- 134	- 620	- 520	
Balance of General Fund Reserves b/f	3,481	3,481	3,932	3,798	3,178	
Less transfer to/from(-) General Fund Reserves in year		451	- 134	- 620	- 520	
Forecast Reserves at Year End	3,481	3,932	3,798	3,178	2,658	
Band D Council Tax (Excl Parish Precepts)	£190.77	£195.76	£200.75	£205.74	£210.73	
Band D Average Council Tax Increase	£4.98	£4.99	£4.99	£4.99	£4.99	
Band D Average Council Tax Increase	2.68%	2.62%	2.55%	2.49%	2.43%	

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 2015/16 agreed by the Finance and Democracy Committee in June 2016 have been slipped into 2016/17;
- Pay award - assumed to be 1% per annum from 2016/17 onwards throughout the forecast;
- Employers Pension Contributions – the Council's contribution to the Lancashire pension fund scheme is set in accordance with the outcome of the 2013 Triennial Pension Review at 12.5% plus 9% deficit recovery lump sum payment for the period to 2016/17; any amendments resulting from the next 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. This reduced rate will increase due to the introduction of a Single Tier Flat Rate State Pension from April 2016, and the impact of this has been reflected in the forecast;
- Council tax increases – £4.99 increase per annum from 2017/18 onwards in line with latest government announcement on the threshold for referendums;
- Government Grant Support – the forecast assumes central government funding is as notified in the illustrative four-year funding settlement announced in January 2016, amended for known changes in respect of retained Business Rates and New Homes Bonus for 2016/17;
- Fees and Charges – The forecast takes account of the 5% increase in car parking fees from April 2017 and of the planned increases in cemetery and crematorium fees. In respect of other services budget-holders have reviewed fee levels as appropriate and any proposed changes to fees & charges will be considered at the Budget Council in March 2017 following consideration by the appropriate programme committee;
- Vacancy Savings – the forecast assumes £310k savings target for 2016/17, and £200k per annum from 2017/18 onwards;
- Localisation of Council Tax Benefit Scheme – the forecast assumes a fully funded scheme with no cost to the Council from 2016/17 onwards following a decision on the 2017/18 scheme that was agreed at the Council meeting in December 2016.

Appendix C

Forecast changes since MTFS Update to Council December 2016:

	16/17 £000	17/18 £000	18/19 £000	19/20 £000	20/21 £000	ADVERSE / FAVOURABLE / NEUTRAL
1 CHANGES AS A RESULT OF MEMBER APPROVALS:						
Disposal of Kirkham Car Parks - approved by Operational Management Committee in November 2016	0	-12	-12	-12	-12	FAVOURABLE
Income/savings from introduction of green waste charges - approved by Council 5th December 2016	0	-300	-440	-500	-500	FAVOURABLE
Increase in car parking income - 5% increase - approved by Council 5th December 2016	0	-26	-26	-26	-26	FAVOURABLE
2 BUDGET RIGHTSIZING EXERCISE:						
Revenue impact of budget right-sizing across all budget areas of the Council	-20	-2	-2	-2	-2	FAVOURABLE
3 UPDATED ESTIMATES OF INCOME BUDGETS:						
CAMEO Income - Lytham Crematorium	-15	0	0	0	0	FAVOURABLE
Council Tax - Additional income from court costs	-40	0	0	0	0	FAVOURABLE
Increase in car parking income forecasts - based on useage over the last two years	-65	-30	-30	-30	-30	FAVOURABLE
4 OTHER FORECAST CHANGES						
Art Collection valuation costs	0	6	0	0	0	ADVERSE
Rephasing of budgets for Neighbourhood Plan Referenda - St Annes / Warton	-36	36	0	0	0	NEUTRAL
TOTAL	-176	-328	-510	-570	-570	FAVOURABLE

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

(1) Changes as a Result of Member Approvals

The forecast that was approved at the Council meeting in December 2016 has been updated to reflect the financial impact of Member decisions made since then. The significant decisions in financial terms of their effect are detailed within the body of the report.

(2) Recurring savings from right-sizing exercise across all budget areas of the Council

A further review of budgets in recent months has highlighted some additional minor budget variances across a number of budget areas.

(3) Cameo Income – Lytham Crematorium

The Environment Agency national Cameo scheme for redistributing income to those authorities that have undergone crematoria replacement under the mercury abatement regulations (including Fylde Council) has not operated as intended and income to the council under the scheme is erratic and largely unpredictable. In December 2016 the Council was notified of a payment under the scheme in the current year which was unbudgeted and has resulted in this favourable variance.

(4) Council Tax – Additional income from Court Costs

Income for the year is in excess of the budget due to additional court summonses being issued in the first part of the year in respect of Council Tax debts. In 2015/16 there was a reduction in the number of such cases whilst a legal challenge (to Haringey Council specifically but by extension to all councils in this matter) was resolved.

(5) Car Parking – Additional Income

Income levels across most car parks are in excess of the budget for 2016/17 and are also higher than in previous years, as a result of mostly favourable weather during key periods of the season. A favourable outturn variance is anticipated and the budgets in respect of the current and future years have been adjusted to reflect increased income expectations.

(6) Art Collection – Valuation Costs

The Councils accounting policy in respect of asset valuations requires that the art collection is professionally valued at intervals of not more than five years. The previous valuation was carried out during 2012/13 and therefore the next valuation will be necessary during 2017/18.

(7) Re-phasing of Neighbourhood Plan Referenda

The referenda that are required as part of the approval of the Neighbourhood Plans in respect of Warton and St Annes are now not expected to be held in 2016/17 and consequently the anticipated cost has been re-phased into 2017/18.

Latest General Fund Budget Forecast 2016/17 to 2020/21

	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	Adverse / Favourable
Forecast approved at Council on 5th December 2016	9,223	9,236	10,227	10,629	10,782	
Forecast Changes - per Appendix C	- 176	- 328	- 510	- 570	- 570	Favourable
Forecast Budget Requirement	9,047	8,908	9,717	10,059	10,212	
Financed by:						
Council Tax Funding:						
Council Tax - Precept	5,484	5,733	5,954	6,181	6,413	
Council Tax - Share of Previous Years Surplus/(Deficit)	70	50				
Sub Total - Council Tax Funding	5,554	5,783	5,954	6,181	6,413	
Business Rates Funding:						
Retained Rates (including pooling benefit & contbtn from CF deficit reserve)	1,771	3,879	2,819	2,611	2,633	
Approved Contribution to Funding Volatility Reserve		- 2,000				
Sub Total - Business Rates net of reserve transfers	1,771	1,879	2,819	2,611	2,633	
Other Funding:						
New Homes Bonus	1,863	1,661	1,176	994	996	
Revenue Support Grant	861	354	47			
Transition Grant	56	56				
Less - Parish Element of Council Tax Support Funding	- 66	- 27	- 4			
Sub Total - Other Funding	2,714	2,044	1,219	994	996	
Forecast Financing	10,039	9,706	9,992	9,786	10,042	
Forecast surplus(-)/deficit for year	- 992	- 798	- 275	273	170	
Reserves						
Forecast surplus/deficit(-) for year from above:	992	798	275	- 273	- 170	
Less: Approved Contribution to Accommodation Project Reserve	- 151					
Less: Approved Contribution to Accommodation Project Reserve	- 320					
Less: Approved Contribution to M55 Link Road Reserve	- 521	- 283				
Balance of surplus/deficit(-) remaining:	0	515	275	- 273	- 170	
Balance of General Fund Reserves b/f	3,481	3,481	3,996	4,271	3,998	
Less transfer to/from(-) General Fund Reserves in year		515	275	- 273	- 170	
Forecast Reserves at Year End	3,481	3,996	4,271	3,998	3,828	
Band D Council Tax (Excl Parish Precepts)	£190.77	£195.76	£200.75	£205.74	£210.73	
Band D Average Council Tax Increase	£4.98	£4.99	£4.99	£4.99	£4.99	
Band D Average Council Tax Increase	2.68%	2.62%	2.55%	2.49%	2.43%	

DECISION ITEM



REPORT OF		MEETING	DATE	ITEM NO
MANAGEMENT TEAM		FINANCE AND DEMOCRACY COMMITTEE	23 JANUARY 2017	7
BUDGET SETTING – FEES AND CHARGES 2017/18				

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 2017/18 is accessible at the link below:

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

RECOMMENDATION

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 2017/18; and
2. To note that the final fees and charges for 2017/18 will be approved by the Budget Council in March 2017.

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 2017/18.

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

REPORT

- 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.
- 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.
- 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.
- 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 2017.
Legal	None arising directly from this report
Community Safety	None arising directly from this report
Human Rights and Equalities	None arising directly from this report
Sustainability and Environmental Impact	None arising directly from this report
Health & Safety and Risk Management	None arising directly from this report

LEAD AUTHOR	TEL	DATE	DOC ID
Management Team		December 2016	

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 2016/17 Fees & Charges £	DRAFT 2017/18 Fees & Charges £
---------------------------------	----------	----------------	--	-----------------------------------	--------------------------------

<u>Revenues & Benefits Service</u>					
Council Tax Administration					
Recovery of admin costs in issuing summonses & liability orders	d	Each	D	75.00	75.00
Business Rates (NNDR) Administration					
Recovery of admin costs in issuing summonses & liability orders	d	Each	D	75.00	75.00
<u>Electoral Services</u>					
Register of Electors					
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	0.20	0.20
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

INFORMATION ITEM



REPORT OF		MEETING	DATE	ITEM NO
MANAGEMENT TEAM		FINANCE AND DEMOCRACY COMMITTEE	23 JANUARY 2017	8
BUDGET SETTING – REVENUE BUDGET 2017/18 - FIRST DRAFT				

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 2017/18 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 2017/18 – First Draft

LINK TO INFORMATION

<http://www.fylde.gov.uk/council/finance/17.18>

WHY IS THIS INFORMATION BEING GIVEN TO THE COMMITTEE?

The provision of a first draft of the 2017/18 Revenue Budget to the Council's Programme Committees is referenced within the Timetable for Developing Budget Proposals 2017/18 report which was approved by the Finance and Democracy Committee at the meeting of 26th September 2016.

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 2017/18 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. A further budget-rightsizing exercise will be carried out early in 2017 and this first draft will be updated to reflect any changes arising from that piece of work.

The final revenue budget for 2017/18 will include any subsequent decisions made and will be presented to Members for approval at the Council meeting on 2nd March 2017.

FURTHER INFORMATION: Contact: Paul O'Donoghue, Chief Financial Officer.

Telephone: 01253 658566

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

INFORMATION ITEM



REPORT OF		MEETING	DATE	ITEM NO
MANAGEMENT TEAM		FINANCE AND DEMOCRACY COMMITTEE	23 JANUARY 2017	9
GENERAL FUND REVENUE BUDGET MONITORING REPORT 2016/17 - POSITION AS AT 30 th NOVEMBER 2016				

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 30th November 2016 and specifically for those areas under the Committee's remit.

SOURCE OF INFORMATION

Chief Financial Officer – the report is based upon information extracted from the Council's financial ledger system for the period to 30th November 2016.

LINK TO INFORMATION

General Fund Revenue Budget monitoring Report to 30th November 2016:

<https://www.fylde.gov.uk/revenuenovember2016/>

WHY IS THIS INFORMATION BEING GIVEN TO THE COMMITTEE?

This information is provided to enable the committee to consider and scrutinise periodic revenue budget monitoring reports for those areas under the 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 2016/17 –

POSITION AS AT 30TH NOVEMBER 2016

Summary

The purpose of this report is to provide an update on the Council's General Fund Revenue Budget as at 30th November 2016. 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 30th November 2016.
- 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 2016/17 budget at its meeting on 2nd March 2016. Subsequently on 20th June 2016 the Finance and Democracy Committee approved the Council's outturn position for 2015/16. The impact of those approvals, including savings and growth options approved at Council and slippage from 2015/16 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 2016 and the resulting changes to budgets were reflected in the revised Financial Forecast that was presented to the Council in December 2016. 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 budget forecast which was approved by Budget Council in March 2016 assumed reduced payroll costs as a result of 'turnover savings' (delays in the recruitment to vacant posts) of £200k per annum from 2016/17 onwards. The actual savings achieved in relation to direct employee costs for the current year are significantly in excess of this level and consequently the target for the current year was increased to £310k as part of the revised Financial Forecast that was presented to the Council in December 2016. As compared to this revised target the position as at November 30th is a further favourable variance of £39k. This budget will be kept under review during the remainder of the financial year.

ii. Council Tax Costs Recovered

Income is in excess of the budget due to additional court summonses being issued in the first part of the year in respect of Council Tax debts. In 2015/16 there was a reduction in the number of such cases whilst

a legal challenge (to Haringey Council specifically but by extension to all councils in this matter) was resolved. A favourable outturn variance is anticipated.

iii. Planning Application Fee Income

The authority has continued to receive a number of large scale planning applications that have attracted significant application fees. The number of individual planning applications received this year is also notably higher than recent years. This budget will be kept under review during the remainder of the financial year. At this stage a favourable outturn variance is anticipated.

iv. Planning Appeal Hearing Costs

The number of planning inquiries expected in the year has reduced as a result of the method of hearing the appeal being revised or a revised application being approved thereby removing the need for the appeal to proceed. A number of appeals have been delayed and will be heard later in 2017. This budget will be kept under review during the remainder of the financial year. At this stage a favourable outturn variance is anticipated.

v. Car Parking Income

Income levels across most car parks are in excess of the budget, and are also higher than in previous years, as a result of mostly favourable weather during key periods of the season. A favourable outturn variance is anticipated and the budgets in respect of future years will be adjusted to reflect increased income expectations.

4. Conclusions

- 4.1 The updated financial forecast as presented to the Council in December 2016 is an improved position from that considered by the Budget Council in March 2016. The current position is a forecast surplus in the current year and in 2017/18, with deficits in 2018/19 and beyond, albeit at a reduced level since the budget was set. A significant factor in the improved position is the forecast increase in funding receivable from the Business Rate Retention Scheme, including the impact of joining the Lancashire Business Rate Pool in 2017/18.
- 4.2 In light of the budget challenges that will need to be addressed in the later years of the forecast, the Council needs to continue with the approach to 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 significantly 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.
- 4.3 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.
- 4.4 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 2016/17 - Period 8 to November 30th 2016 (Variances in excess of £5k)

Key

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

Service Area	Detailed Description	Full Year Budget	Budget as at Period 8	Actual & Commitments as at Period 8	Variance as at Period 8	FAV / ADV	Variance	Alert	Budget Holder Comments
		£	£	£	£		%		
FINANCE & DEMOCRACY COMMITTEE / CORPORATE CROSS CUTTING BUDGETS									
All Council services	Employee costs including basic pay, pension, NI, and overtime, plus agency costs	8,275,520	5,447,616	5,408,307	-39,309	FAVOURABLE	-0.7%	GREEN	The budget forecast which was approved by Budget Council in March 2016 assumed reduced payroll costs as a result of 'turnover savings' (delays in the recruitment to vacant posts) of £200k per annum from 2016/17 onwards. The actual of savings achieved in relation to direct employee costs for the current year to date is in excess of this level and consequently the target for the current year was increased to £310k as part of the revised Financial Forecast that was presented to the Council in December 2016. As compared to this revised target the position as at November 30th is a further favourable variance of £39k. This budget will be kept under review during the remainder of the financial year. At this stage a favourable outturn variance is anticipated.
Council Tax Collection Costs	Council Tax Costs Recovered	-150,000	-100,020	-167,303	-67,283	FAVOURABLE	-67.3%	GREEN	Income is in excess of the budget due to additional court summonses being issued in the first part of the year in respect of Council Tax debts. In 2015/16 there was a reduction in the number of such cases whilst a legal challenge (to Haringey Council specifically but by extension to all councils in this matter) was resolved. A favourable outturn variance is anticipated.
DEVELOPMENT MANAGEMENT COMMITTEE									
Development Management	Planning Application Fees	-700,000	-613,400	-625,533	-12,133	FAVOURABLE	-2.0%	GREEN	The authority has continued to receive a number of large scale planning applications that have attracted significant application fees. The number of individual planning applications received this year is also notably higher than recent years. This budget will be kept under review during the remainder of the financial year. At this stage a favourable outturn variance is anticipated.
Planning Appeals	Planning Appeal Hearing Costs	100,000	42,922	30,020	-12,902	FAVOURABLE	-30.1%	GREEN	The number of planning inquiries expected in the year has reduced as a result of the method of hearing the appeal being revised or a revised application being approved thereby removing the need for the appeal to proceed. A number of appeals have been delayed and will be heard later in 2017. This budget will be kept under review during the remainder of the financial year. At this stage a favourable outturn variance is anticipated.

REVENUE MONITORING 2016/17 - Period 8 to November 30th 2016 (Variances in excess of £5k)
Key

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

Service Area	Detailed Description	Full Year Budget	Budget as at Period 8	Actual & Commitments as at Period 8	Variance as at Period 8	FAV / ADV	Variance	Alert	Budget Holder Comments
		£	£	£	£		%		
ENVIRONMENT HEALTH & HOUSING COMMITTEE									
Residential Park Homes Licensing	Mobile Homes - Annual Licence Fee	-	-	-6,315	-6,315	FAVOURABLE		GREEN	This income arising from the introduction of a new fee new fee for this licence from 2016/17. A favourable outturn variance is anticipated and the budget in respect of future years will be adjusted to reflect this income.
OPERATIONAL MANAGEMENT COMMITTEE									
Car Parks	Car Parking Fees	-544,852	-414,096	-478,230	-64,134	FAVOURABLE	-15.5%	GREEN	Income levels across most car parks are in excess of the budget, and are also higher than in previous years, as a result of mostly favourable weather during key periods of the season. A favourable outturn variance is anticipated and the budgets in respect of future years will be adjusted to reflect increased income expectations.
Computer Services	Purchase of Computer Equipment	108,432	70,136	59,878	-10,258	FAVOURABLE	-14.6%	BLUE	The IT team have had a number of staffing vacancies during the year which has resulted in the rescheduling of expenditure into the latter part of the financial year. It is currently anticipated that the remaining budget will be fully spent by year end in delivering corporate priorities around IT.
	Computer - Other Expenditure	53,644	35,768	16,482	-19,286	FAVOURABLE	-53.9%		

INFORMATION ITEM



REPORT OF		MEETING	DATE	ITEM NO
MANAGEMENT TEAM		FINANCE AND DEMOCRACY COMMITTEE	23 JANUARY 2017	10
CAPITAL PROGRAMME MONITORING REPORT 2016/17 - POSITION AS AT 30th NOVEMBER 2016				

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 30th November 2016 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 for the period to 30th November 2016.

LINK TO INFORMATION

Capital Programme Monitoring 2016/17 as at 30th November 2016:

<https://www.fylde.gov.uk/capitalnovember2016/>

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

CAPITAL PROGRAMME MONITORING REPORT 2016/17 –

POSITION AS AT 30TH NOVEMBER 2016

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 2016/17, together with an update on the Council's overall Five Year Capital Programme. This report includes a narrative description of the most significant risks to the Capital Programme and details any actions required to address these. Appendix A to this report provides an update by Committee on schemes scheduled for commencement or delivery in 2016/17. 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 2nd March 2016. That update showed a balanced capital programme position from 2016/17 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 2016. The Programme has also been rolled forward to include the year 2020/21.

2. Notes on Specific Schemes

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

(i) Accommodation Project

Phase 3 of the project (the east wing refurbishment) was completed during the summer of 2016. Phases 4 and 5 (the Chaseley Link Bridge and One Stop Shop) were completed in November 2016. The new one stop shop and call centre are now operational.

A report was approved by Finance & Democracy on 26th September 2016 for a £194,000 fully funded budget increase to Phases 6 & 7 to the capital programme in 2016/17 and also recommended to Council that monies from earmarked reserves totalling £518k (Land Charges New Burdens - £28k, Vehicle Maintenance Reserve - £127k, Vehicle Replacement Financing Reserve - £212k and General Fund Reserves - £151k) fund all of Phase 6 (£363k) and part of Phase 7 (£155k of the total £475k).

In December 2016 Council approved a further transfer to the Accommodation Project Reserve of £320k to be funded from favourable in-year budget variances, such that there would then be sufficient funds for the completion of the project up to phase 7.

Regular update reports on the project will continue to be provided to Members. Phases 6 and 7a works have commenced. The project is due for completion up to phase 7 during the early part of 2017/18.

ii) Coast Protection Scheme

The Strategic Appraisal Report for the Fylde Shoreline Strategy was approved by the Environment Agency's Large Project Review Group (LRPG) in January 2014 and included the replacement of sea defences at Fairhaven and Church Scar. Following this approval further funding was released by DEFRA and Cabinet approved spend for a Coastal Headland Study Project Appraisal Report (PAR) in the sum of £175k with a further £95k awarded in August 2016, fully funded from DEFRA resources. The PAR report was submitted for approval by the Environment Agency's LRPG on the 6th August 2015. Following a number of queries and points of clarification the Project Appraisal report has been approved.

The next stage is the preliminary detailed, customer led design of the new sea walls and involves gaining the necessary approval for the work to progress, planning permission, Marine Management Organisation licence,

environmental impact assessment and appropriate assessment with regards to the potential to disturb overwintering birds during construction. Once these approval are obtained it will unlock funding for both Fairhaven Lake and Church Scar sea defence construction schemes.

The overall cost of the Fairhaven and Church Scar Coast Protection Scheme within the Capital Budget is £16.5m including a contribution from Fylde Council of £400k. The DEFRA funding spans the years 2016/17 to 2018/19. Fylde Council's contribution of £400k towards sea wall development works is fully-funded from the Capital Investment Reserve. Following annual review of the Environment Agency's Medium Term Plan (MTP) the project funding has been reviewed and re-phased as follows 2016/17 £1.4m, 2017/18 £13m, 2018/19 £5.825m. The total project cost is now calculated as £20.225m, including the contribution from Fylde Council of £400K. We have now received confirmation of these revised scheme costings and consequently this will be reflected in a future updated MTFS. 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 to members.

(iii) Disabled Facilities Grants (DFGs)

As local housing authority, the Council has a statutory duty to provide disabled adaptations within the Borough. In order to fund these works the Council receives grant support which previously was provided by the Department for Communities and Local Government (DCLG).

As part of the 2013 Spending Round review the Government established the 'Better Care Fund', with the intention of "providing an opportunity to transform local services so that people are provided with better integrated care and support". Under these new arrangements from 2015/16 onwards the funding for Disabled Facilities Grants (DFGs) 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 will be 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.

This Council has previously made a decision to limit DFG expenditure to the level of the funding received for this purpose. In order to monitor the level of demand upon this resource the number of applications on the various categories of waiting lists and the periods of waiting time for DFG's are closely monitored and are reported to Members as appropriate.

The Capital Programme includes annual provision for DFG's at the level of the 2015/16 grant allocation from 2017/18 onwards - £468k. However for this year 2016/17 the allocation has been confirmed and a report was presented to Council 4th July 2016 due to a significant increased DFG allocation via the Better Care Fund totalling £849k. For 2017/18 onwards the figures in the programme are estimates and will only be confirmed in the year they are due. For as long as DFG works remains a statutory obligation the grant is unlikely to be withdrawn by the Government but could be reduced.

Following the review of processes for delivering DFG's and the significant increase in funding it has been possible to make progress with reducing the waiting list to 8 cases (Dec 16), from a high of 80 cases (April 2015). Whilst the significant increase in grant is to be welcomed it is unlikely to be fully spent within this financial year due to the backlog in assessments by the Occupational Therapy Service. The OT Service has pledged to appoint additional resources over the coming months to reduce the backlog of cases. Once further cases are processed by the OT Service this will likely lead to higher demand for DFG's than currently.

Any changes in DFG income received by the Council will have a direct impact on the level of works that can be undertaken. There is also a direct revenue implication on DFG fees which would also have to be adjusted.

(iv) Project Slippage

Areas of slippage must 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 2016/17 onwards assumes “Right to Buy” receipts of £25k per annum and “General Asset Sales” of £45k per annum. Future receipts are dependent on prevailing market conditions and values cannot be predicted with certainty. This will be monitored and reviewed during the year and adjusted accordingly in future monitoring reports, along with the impact this may have on the financing of the programme.

(vi) Capital Investment in St. Annes Pool

As part of the arrangement with the YMCA for the operation of the pool, the Council undertook to provide Capital support in the event of major works, repair or breakdown and a provision of £153k was included in the programme for this eventuality. There is now a remaining capital resource of £93k in 2016/17. The plant and equipment at St Annes Swimming Pool is in need of replacement and a 5 year replacement programme is currently being developed which will be presented to committee in 2017/18. There is a risk that this remaining resource is insufficient to meet future capital expenditure needs for the facility.

3 Conclusions

- 3.1 Actual expenditure to 30th November 2016 is £2.305m against an updated full year budget of £9.355m. This equates to approximately 25% 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 2016/17 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 2017/18.
- 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 2016 was £2.275m. However all of this is committed to deliver approved schemes in the years 2016/17 to 2019/20 and there is presently no funding available within this reserve for additional future projects. Whilst it remains the case that this reserve is the preferred source of finance for any further additions to the Capital Programme in future years, additional contributions to the reserve would be required in order to create such a funding source.

CAPITAL PROGRAMME - 2016/17 IN-YEAR SCHEME MONITORING REPORT - AS AT 30/11/16
Appendix A

APPROVED SCHEMES	Financing Source	Approved Budget 2016/17 £000	Slippage B/F from 2015/16 £000	Adjustments from 03/03/16 £000	Updated Budget 2016/17 £000	Expenditure to 30/11/16 £000	Variance £000	Comments
<u>FINANCE & DEMOCRACY COMMITTEE</u>								
Accommodation Project - Phase 3, 4 & 5 - East Wing Inc. Lift, Chaseley Link Bridge and One Stop Shop	Proceeds from the sale of surplus Council Assets, and the Accommodation Project Reserve	784	19		803	750	53	Phase 3 of the project (the east wing refurbishment) was completed during the summer of 2016. Phases 4 and 5 (the Chaseley Link Bridge and One Stop Shop) were completed in November 2016. The new one stop shop and call centre are now operational.
Accommodation Project - Phase 6 - Council Chamber & Ground Floor		296		67	363	16	347	These phases of the project have progressed during 2016/17. Some elements will continue into the early part of 2017/18 and budgets may need to be re-phased to reflect this. Further details are provided at section 2(i) of the accompanying report.
Accommodation Project - Phase 7a - Internal Refurb / Services - First Floor		348		127	155		155	
Accommodation Project - Phase 7a - Internal Refurb / Services - 2nd Floor		0			320		320	
Accommodation Project - Phase 8 - Car Park & External Works		0			0		0	
Sub total		1,428	19	194	1,641	766	875	
<u>TOURISM & LEISURE COMMITTEE</u>								
Ashton Gardens Depot	Proceeds from the sale of surplus Council Assets	63			63		63	The scheme is currently on hold pending the disposal of the Public offices site (the works will need to be completed prior to that disposal). The scheme may be re-phased into 2017/18 as the disposal of that site is now not expected to take place until later in 2017/18.
St Annes Pool	No external finance - funded by borrowing/general asset disposal receipts	93			93		93	This represents the balance of the maintenance scheme resource which will be retained and drawn upon when required. The scheme may be re-phased into 2017/18. The plant and equipment at St Annes Swimming Pool is in need of replacement. A 5 year replacement programme is currently being developed which will be presented to committee in 2017/18.
St Annes Pool - External Works	Capital Investment Reserve/ Arts Council Grant	120			120		120	A scheme has been proposed which will be designed in-house subject to the delivery of other priority projects. Once designed there will need to be consultation with stakeholders and then dialogue with the Arts Council over match funding. This scheme may be re-phased into 2017/18. A report will be presented to Committee prior to any spend.

Appendix A (Cont'd)

APPROVED SCHEMES	Financing Source	Approved Budget 2016/17 £000	Slippage B/F from 2015/16 £000	Adjustments from 03/03/16 £000	Updated Budget 2016/17 £000	Expenditure to 30/11/16 £000	Variance £000	Comments
TOURISM & LEISURE COMMITTEE (CONT)								
Fairhaven Lake & Promenade Gardens - First round	Capital Investment Reserve	20			20		20	The Council has submitted a bid to the Heritage Lottery Fund in August 2016 for development funding to restore Fairhaven Lake and Gardens historic buildings ,structures and landscapes. An update on the bid will be given to the Tourism and Lesiure Committee at its meeting in January 2017. If successful the match funding will be required in 2017/18. A report will be presented to committee prior to any spend. This scheme is to be re-phased into 2017/18.
Promenade Footways	No external finance - funded by borrowing/general asset disposal receipts	40	7		47		47	The budget for this scheme has been adjusted to reflect the slippage as approved by the Finance and Democracy Committee of 20th June 2016. A report was presented to the Tourism and Leisure Committee on the 8th September 2016 and authorisation was granted for the expenditure works in 2016/17. The works are now substantially complete and will be fully completed during 2016/17.
Hope Street Footways	Capital Investment Reserve	24			24	24	0	A report was presented to The Tourism and Leisure Committee to authorise the expenditure for resurfacing works to Hope Street Park footpaths in 2016/17. This scheme has been completed to budget.
Lowther Pavilion Roof	Capital Investment Reserve	115	3		118	11	107	The scheme was planned to be delivered by Lowther Gardens Trust during the summer of 2016. Unfortunately the scheme has been delayed and is proposed to be delivered in January 2017. The grant is still to be paid when the works have been completed.
Sand Dunes re-modelling at North Beach Car Park / Summerfields	Capital Investment Reserve	15	2		17		17	Surveys have been undertaken and a scheme design prepared. The scheme has been consulted upon and tendered. A report is due to be presented to the Tourism and Leisure Committee at its meeting in January 2017. The budget for this scheme has been adjusted to reflect the slippage as approved by the Finance and Democracy Committee of 20th June 2016. The scheme is expected to be completed to budget during 2016/17.
Freckleton Memorial Park	Capital Investment Reserve / S106 Monies / External grants and contributions	50		122	172	141	31	Finance & Democracy Committee in June 2016 approved the Council to act as accountable body and approved a fully funded capital budget increase to the 2016/17 capital programme of £122k to be fully funded from various external grants and Section 106 contributions to give a total capital budget of £172k. Letting of the contract was agreed and awarded to Wicksteed playgrounds and the scheme is expected to be completed to budget during 2016/17.
Warton-with-Westby Parish Council Play Area	Capital Investment Reserve	50			50		50	Officers are working with the Friends group and taking account of the results of the consultation by the Town Council. Progress meeting are on going and a Report will be presented to Committee prior to any spend. The scheme may be re-phased into 2017/18.
Improvements to Children's Play Area - Derby Road, Wesham	S106 Developer Contributions	0		24	24		24	On 26th September 2016 the Finance & Democracy Commitnittee approved a fully-funded addition to the capital programme of £24k in 2016/17 to be met from a S106 developer contribution. The scheme is expected to be completed in line with the budget during 2016/17.
Sub total		590	12	146	748	176	572	

Appendix A (Cont'd)

APPROVED SCHEMES	Financing Source	Approved Budget 2016/17 £000	Slippage B/F from 2015/16 £000	Adjustments from 03/03/16 £000	Updated Budget 2016/17 £000	Expenditure to 30/11/16 £000	Variance £000	Comments
OPERATIONAL MANAGEMENT COMMITTEE								
Replacement Vehicles	Capital Investment Reserve / Borrowing	346	60	56	462	365	97	The budget for this scheme has been adjusted to reflect the slippage and fully funded capital budget increase for a weed removal vehicle as approved by the Finance and Democracy Committee of 20th June 2016. All vehicle acquisitions are expected to be completed in line with the budget during 2016/17.
Vehicle Wash-down Facility - Snowdon Rd Depot	Capital Investment Reserve	25			25		25	The scheme has been tendered, a report presented to the Operational Management Committee in November 2016 and the contract has now been awarded. Completion is expected during 2016/17.
North Promenade Toilets Refurbishment	Capital Investment Reserve	84			84		84	The scheme has been completed to budget in 2016/17.
Bus Shelter Replacement Programme	Capital Investment Reserve	30			30		30	In November 2016 the Operational Management Committee authorised commencement of the works which are expected to be completed during in 2016/17.
Car Park Improvements	no external finance - funded by borrowing/general asset disposal	30			30	29	1	The scheme has been completed to budget in 2016/17.
Fylde Headlands Preliminary Work	Specific Government Grant (Environment Agency)	0	38	95	133	85	48	Preliminary design work completed. Marine Management Organisation application submitted and planning application submitted during December 2016. Natural England consent to be sought through the planning process.
Fairhaven and Church Scar Coast Protection Scheme	Specific Government Grant (Environment Agency) / Capital Investment Reserve	3,600			3,600		3,600	The current year budget of £3.6m is based upon the original expenditure profile for the scheme, as provided by the Environment Agency. An updated expenditure profile has now been provided by the EA as detailed within the body of the report. Work is currently ongoing with Blackpool Council with regards to project delivery and a further report will be presented to Committee to update and propose the best options available for Fylde on the delivery of this scheme.
Repair & Renewal - Flood Defences	Specific Government Grant (Environment Agency)	0	33		33	1	32	The budget for this scheme has been adjusted to reflect the slippage as approved by the Finance and Democracy Committee of 20th June 2016. Any unused grant will be returned to the Environment Agency.
Sub total		4,115	131	151	4,397	480	3,917	

Appendix A (Cont'd)

APPROVED SCHEMES	Financing Source	Approved Budget 2016/17 £000	Slippage B/F from 2015/16 £000	Adjustments from 03/03/16 £000	Updated Budget 2016/17 £000	Expenditure to 30/11/16 £000	Variance £000	Comments
ENVIRONMENT, HEALTH & HOUSING COMMITTEE								
Disabled Facilities Grants Programme	Specific Grant (Better Care Fund) / External Contributions / Grant repayments	468	46	381	895	355	540	The budget for this scheme has been adjusted to reflect the slippage as approved by the Finance and Democracy Committee of 20th June 2016. A report was also approved by Council on 4th July 2016 for a £380,621 fully funded capital budget increase due to an increased DFG allocation via the Better Care Fund. A review of how DFGs are delivered has recently been agreed by the EH&H Committee which together with increased funding has seen the waiting list reduce from 80 to 8 within two years. Whilst the significant increase in grant is to be welcomed it is unlikely to be fully spent within this financial year due to the backlog in assessments by the Occupational Therapy (OT) Service. The OT Service has pledged to appoint additional resources over the coming months to reduce the backlog of cases.
93 St Albans Road - Compulsory Purchase Order	S106 Developer Contributions	0	105		105	4	101	The budget for this scheme has been adjusted to reflect the slippage as approved by the Finance and Democracy Committee of 20th June 2016. A detailed scheme is currently being designed and costed and a report will be considered by the Environment, Health & Housing Committee at a later date.
Affordable Housing Scheme Sunnybank Mill, Kirkham	S106 Developer Contributions	0		460	460	0	460	A report was approved by Council on 4th July 2016 for a £920,000 fully funded addition to the capital programme, phased over two financial years (£460,000 payable in 2016/17 and £460,000 payable in 2017/18) to be met from a portion of the balance of S106 developer contributions for affordable housing currently held by the Council for this purpose totalling £865,155.44, and a further £54,844.56 when funds become available, totalling £920,000. The programme is expected to be completed in line with the budget during 2016/17.
Rapid Deployment CCTV Replacement Projects	Specific Grant (LSP Performance Reward Grant)	0	38		38		38	The budget for this scheme has been adjusted to reflect the slippage as approved by the Finance and Democracy Committee of 20th June 2016. The budget for CCTV camera replacement is planned to be spent on the revised CCTV project as approved by Council. Any remaining monies are to be earmarked and allocated to replacement cameras as and when they are required (subject to a community impact assessment and approval by committee) as also previously agreed by Council. A Working Group has been established to consider Rapid Deployment Cameras and their replacement and will report back to the Environment, Health and Housing Committee in due course.
Lytham Park Cemetery - Windbreak Canopy	Capital Investment Reserve	60			60		60	An initial scheme has been designed in partnership with Blackpool Council involving a fully glazed extension. Consultation with relevant staff, members and users of the facility resulted in the initial proposals being rejected. Revised proposals have been drafted and informally consulted upon involving a large pergola feature. Initial feedback indicates a number of issues with the revised proposals meaning it does not deliver the intended outcomes of the project. New ideas and proposals are being generated to result in an alternative scheme. If this is acceptable the scheme will be presented to committee in February to approve the scheme and seek authorisation for the expenditure with the scheme completed in 2016/17."
New memorial garden - Lytham Park Cemetery	Capital Investment Reserve	33			33		33	A new boundary fence has been installed. A report was presented to the November 2015 meeting of the Environment, Health & Housing Committee approving the location, draw down of funding and the procurement route of the various elements of the scheme. The scheme was re-phased into 2016/17 and is expected to be completed to budget during the year.
Sub total		561	189	841	1,592	359	1,232	

Appendix A (Cont'd)

APPROVED SCHEMES	Financing Source	Approved Budget 2016/17 £000	Slippage B/F from 2015/16 £000	Adjustments from 03/03/16 £000	Updated Budget 2016/17 £000	Expenditure to 30/11/16 £000	Variance £000	Comments
DEVELOPMENT MANAGEMENT COMMITTEE								
Woodlands Road Regeneration Scheme - Town Centre Phase 3	Capital Investment Reserve / S106 Developer Contributions	0	19		19		19	A report was presented to Development Management Committee in November 2015 approving commencement of the works. The budget for this scheme has been adjusted to reflect the slippage as approved by the Finance and Democracy Committee of 20th June 2016. The scheme has been completed to budget in 2016/17. A small amount of residual funding will slightly extend the scheme to a sum of £5,000 and a Funded Budget Increase will be requested in due course. This will allow for the extension of the street lighting scheme subject to match funding by Lancashire County Council and as such the scheme will finally be completed in May 2017. The residual amount will therefore need to be carried over in to the next financial year.
St Annes Regeneration Schemes	S106 Developer Contributions	274			274	39	235	This funding is earmarked for the next phase of St Annes Town Centre including St Andrews Road Road North/South and The Crescent. A draft plan has been prepared and discussions are on going, since August 2016 with property owners in the locality. The first element of the scheme, relating to the new street lighting scheme for The Crescent and St Andrews Road North has been commissioned and will be completed early into the calendar year 2017. The timeframe for delivery of the remainder of the scheme is proposed to be in the Spring of 2017. In view of the delays caused by the initial problems of building owner engagement (absent landlords and the like) the scheme may be re-phased into the financial year 2017/18.
Lytham Regeneration Schemes	S106 Developer Contributions	130			130		130	Design work on the scheme was planned to commence in April 2016 for delivery of the scheme being later in the 2016/17 financial year. However, local community groups have indicated that this funding could also be used to match fund further funding from other bodies. As a result, the scheme content is to be widened to incorporate a public art component and a project group established to work towards a fully integrated scheme. A revised scheme is to be developed over the next few months and it may be necessary to re-phase delivery of the project as a consequence. Any changes to the scheme and delivery timeframe will be reported to Members and the Capital Programme will be updated accordingly. The scheme may be re-phased into the financial year 2017/18, subject to further match funding being identified.
Staining Regeneration Schemes	S106 Developer Contributions	0	40		40		40	The budget for this scheme has been adjusted to reflect the slippage as approved by the Finance and Democracy Committee of 20th June 2016. This project is subject to ongoing discussions with Staining Parish Council. A draft scheme has been prepared based on the outcome of those discussions and the Parish Council has also suggested some features to be included. The plans are to be amended and a further report to Members will follow in due course.
Kirkham Public Realm Improvements	S106 Developer Contributions	0		90	90	60	30	A report was approved by Finance & Democracy on 26th September 2016 for a £90,000 fully funded addition to the capital programme in 2016/17 to be met from a S106 developer contribution. The programme is expected to be completed in line with the budget during 2016/17.

Appendix A (Cont'd)

APPROVED SCHEMES	Financing Source	Approved Budget 2016/17 £000	Slippage B/F from 2015/16 £000	Adjustments from 03/03/16 £000	Updated Budget 2016/17 £000	Expenditure to 30/11/16 £000	Variance £000	Comments
M55 Link Road	S106 Developer Contributions	0		425	425	425	0	A report was approved by Council on 4th July 2016 for a £424,765 fully funded addition to the capital programme in 2016/17 to be met from a S106 developer contribution with an in principle contribution of up to £1m towards the cost of construction of the M55 link road up to 2019, the establishment of a specific 'M55 link-road Reserve' a transfer of £196k from the Capital Investment Reserve into the M55 Link-road Reserve with a further report detailing how the remainder of the contribution may be identified. The timing of these transactions is yet to be finalised and the budget may be re-phased into 2017/18 at a later date.
Sub total		404	59	515	978	524	454	
Total Expenditure		7,098	410	1,847	9,355	2,305	7,050	

UPDATED 5 YEAR CAPITAL PROGRAMME 2015/16 TO 2019/20 - BY SCHEME

	Updated Estimate 2016/17 £000	Estimate 2017/18 £000	Estimate 2018/19 £000	Estimate 2019/2020 £000	Estimate 2020/2021 £000
FINANCE & DEMOCRACY COMMITTEE					
Accommodation Project - Phase 4 - Chaseley Link Bridge	501				
Accommodation Project - Phase 5 - One Stop Shop	302				
Accommodation Project - Phase 6 - Council Chamber	363				
Accommodation Project - Phase 7 - Internal Refurb / Services	475				
Accommodation Project - Phase 8 - Car Park & External Works	0				
Sub total	1,641	0	0	0	0
TOURISM & LEISURE COMMITTEE					
Ashton Gardens Depot	63				
St Annes Pool	93				
St Annes Pool - External Works	120				
Fairhaven Lake & Promenade Gardens - First Round	20				
Promenade Gardens Water Play Facility	0	100			
Promenade Footways	47	40	40	40	40
Hope Street Footways	24				
Lowther Pavilion Roof	118				
Sand Dunes re-modelling at North Beach Car Park / Summerfields	17				
Freckleton Memorial Park	172				
Warton-with-Westby Parish Council Play Area	50				
Improvements to Children's Play Area - Derby Road, Wesham	24				
Sub total	748	140	40	40	40
OPERATIONAL MANAGEMENT COMMITTEE					
Replacement Vehicles	462	1,212	1,262	471	547
Vehicle Wash-down Facility - Snowdon Rd Depot	25				
North Promenade Toilets Refurbishment	84				
Bus Shelter Replacement Programme	30				
Car Park Improvements	30	30	30	30	30
Fylde Headlands Preliminary Work	133				
Fairhaven and Church Scar Coast Protection Scheme	3,600	7,300	5,600		
Repair & Renewal - Flood Defences	33				
Sub total	4,397	8,542	6,892	501	577
ENVIRONMENT, HEALTH & HOUSING COMMITTEE					
Disabled Facilities Programme	895	468	468	468	468
93 St Albans Road - Compulsory Purchase Order	105				
Affordable Housing Scheme Sunnybank Mill, Kirkham	460	460			
Church Road Methodist Church, St Annes		550			
Rapid Deployment CCTV Replacement Projects	38				
Cemetery and Crematorium - Infrastructure Works	0	294			
Lytham Park Cemetery - Windbreak Canopy	60				
New memorial garden - Lytham Park Cemetery	33				
Sub total	1,591	1,772	468	468	468
DEVELOPMENT MANAGEMENT COMMITTEE					
Woodlands Road Regeneration Scheme - Town Centre Phase 3	19				
St Annes Regeneration Schemes	274				
Lytham Regeneration Schemes	130				
Staining Regeneration Schemes	40				
Kirkham Public Realm Improvements	90				
M55 Link Road	425				
Sub total	978	0	0	0	0
Total Expenditure	9,355	10,454	7,400	1,009	1,085

UPDATED 5 YEAR CAPITAL PROGRAMME 2016/17 TO 2020/21 - FINANCING

	Updated Estimate 2016/17 £000	Estimate 2017/18 £000	Estimate 2018/19 £000	Estimate 2019/2020 £000	Estimate 2020/2021 £000
FINANCING:					
Capital Receipts - General Asset Sales	45	45	45	45	45
Capital Receipts - Right to Buy Receipts	25	25	25	25	25
Capital Receipts - (Accommodation Project)	682				
Capital Receipts - Vehicle Sales					
Leasing					
Better Care Fund / Disabled Facilities Grant	895	468	468	468	468
Section 106 Monies - St Annes	274				
Section 106 Monies - Lytham	130				
Section 106 Monies - Staining	40				
Section 106 Monies - Kirkham	90				
Section 106 Monies - Freckleton Memorial Garden	15				
Section 106 Monies - Play Area - Derby Road, Wesham	24				
Section 106 Monies - 93 St Albans Road CPO	105				
Section 106 Monies - Affordable Housing, Sunnybank Mill	460	460			
Section 106 Monies - Church Road Methodist Church, St Annes		550			
Section 106 Monies - M55 Link-Road	425				
Capital Grant - Repayments					
Capital Investment Reserve	1,324	493	78	182	
M55 Link-Road Reserve					
Accommodation Project Reserve	1,022				
Other External Finance (see analysis below)	3,601	7,300	5,600		
Direct Revenue Finance	56				
Prudential Borrowing	142	1,113	1,184	289	547
Total Financing	9,355	10,454	7,400	1,009	1,085
Total surplus (-) / shortfall in year	0	0	0	0	0
Cumulative surplus (-) / shortfall	0	0	0	0	0

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	3,295	7,300	5,600		
Environment Agency - Flood Defence	71				
Arts Council - St Annes Pool	90				
Freckleton Parish Council	20				
British Aerospace	10				
Friends of Freckleton Memorial Garden	9				
Lancashire County Council	6				
Lancashire Environment Fund	30				
Veolia	32				
New Fylde Housing - DFG Contribution					
	3,601	7,300	5,600	0	0

INFORMATION ITEM



REPORT OF	MEETING	DATE	ITEM NO
RESOURCES DIRECTORATE	FINANCE AND DEMOCRACY COMMITTEE	23 JANUARY 2017	11
MID-YEAR PERFORMANCE 2016/17			

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 2016/17. Performance is reported against the targets set for the year and commentary is provided by performance exception.

SOURCE OF INFORMATION

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

LINK TO INFORMATION

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

<http://www.fylde.gov.uk/assets/files/7077/The-Corporate-Plan-2016-2020.pdf> - Full details of the Corporate Plan 2016-20

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.

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

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

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

PM05: Percentage of sickness absence as a result of long-term sickness was 43.92%, the target is 30, and last year's comparison figure was 23.5%.

The management of sickness absence is still very good with a low figure per employee per annum of sickness at around 5.5 days, however, there has been an increase in the number of long term sickness cases in the last 12 months, although this is only three employees the reasons for absence in two of the cases was severe to the extent that neither was able to return to work and both have subsequently left the organisation. The third case is being managed with the appropriate support made available. Three long term sickness cases at once contributes 60 days per month to the sickness total which has a disproportionate impact on a work force head count of 250 employees. The percentage sickness attributed to long term absence will reduce over the second half of the financial year based on the current position with one remaining case but given that good performance relies on the ability, and luck, of approximately 250 people not picking up a long term illness the position can changed quite quickly.






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

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










PM68: Proportion of Council Tax collected was 58.5%, the target is 49%, and last year's comparison figure was 59.5%.

There is always more than 50% of CTAX collected when 50% of the financial year has expired because of upfront payments and the fact that many direct debit customers are on 10 month payments so pay 100% of CTAX by February. The target has been divided by calendar months and will be profiled in future to reflect the payment profile. The collection rate by September 30th 2016 is actually 1% down compared to the same period in 2015, officers are continuing to push direct debit payment and reducing payment by cash or cheque that cost additional resource.

PERFORMANCE KEY ICON STATUS

	Over Performance – the indicator is over performing against target
	On Track – the indicator is performing within tolerance of target.
	Cautionary Under Performance – 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.
	Under Performance – the indicator is under performing against target.
N/A	Not Applicable – no comparable data available. This could be due to the methodology being change or being a new measure created.
	Missing Data – 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.

APPENDIX 1: Performance Measures mid-year performance (1st April 2016 - 30th September 2016)

Finance and Democracy						
Local Key Performance Indicators	Frequency	Good Performance Is	APR'15-SEP'15	APR'16-SEP'16	Target To Date	Status
PM02: Average number of days sickness per Full Time Employee	Monthly	Smaller is Better	4.57	5.98	6	
PM05: Percentage of sickness absence as a result of long-term sickness	Quarterly	Smaller is Better	23.5	43.92	30	
PM14: Percentage of invoices paid within 30 days or within agreed payment terms (Corporate)	Quarterly	Bigger is Better	94.74	93.6	95	
PM65 Time taken to process Housing Benefit new claims and change in circumstances	Quarterly	Smaller is Better	16.49	21.87	22	
PM66: Average speed of processing new claims	Quarterly	Smaller is Better	17.65	21.27	21	
PM67: Average Speed for processing notifications of changes in circumstances	Quarterly	Smaller is Better	16.31	21.95	23	
PM68: Proportion of Council Tax collected	Quarterly	Bigger is Better	59.5	58.5	49	
PM69: Percentage of Business Rates, which should have been received, received	Quarterly	Bigger is Better	54.08	52.92	49	
PM86: Percentage of FOIs responded to within the statutory deadline of 20 days	Quarterly	Bigger is Better	98.89	98.59	100	

INFORMATION ITEM



REPORT OF	MEETING	DATE	ITEM NO
OFFICE OF CHIEF EXECUTIVE	FINANCE AND DEMOCRACY COMMITTEE	23 JANUARY 2017	12
CORPORATE PLAN 2016-2020 PROGRESS UPDATE			

PUBLIC ITEM

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

SUMMARY OF INFORMATION

The report provides an update on the council's Corporate Plan 2016-2020.

The Corporate Plan is developed through consultation and feedback with stakeholders and takes into consideration emerging legislation, policy and changes in resources and responsibilities, it is also informed by partners, elected members and external organizations.

The Corporate Plan is a strategic document that forms part of the Council's budget and policy framework, it is presented as a single sided 'poster' style matrix with long term outcomes and specific actions. The plan is part of a wider performance management framework and links with the Directorate Service Plans developed each year.

The report outlines the progress to date against Corporate Plan actions that were due to be delivered or progressed between April 2016 and October 2016.

As part of the annual service planning cycle, each of the two directorates have separate dedicated service plans. The service plans are refreshed each year which contain operational improvement activities, these all contribute towards the council five priorities. There are an additional 47 improvement activities for 2016/16 on top of the 41 Corporate Plan 2016-20 actions. All activities are captured within the council's performance management system called [InPhase](#), these are then reported and monitored during monthly senior management meetings.

SOURCE OF INFORMATION

Officers responsible for actions input data into the InPhase corporate online system from service based performance data.

LINK TO INFORMATION

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

<http://www.fylde.gov.uk/assets/files/7077/The-Corporate-Plan-2016-2020.pdf> - Full details of the Corporate Plan 2016-20

<http://intra.fylde.gov.uk/resources/performance/service-planning> - further information regarding Directorate Service Plans 2016/17

WHY IS THIS INFORMATION BEING GIVEN TO THE COMMITTEE






The information is being included on the agenda of every committee in the current cycle of meetings to ensure all elected members are aware of the opportunity to provide comment, suggestion and seek clarification on the proposed Corporate Plan.

FURTHER INFORMATION



Alex Scrivens, alexs@fylde.gov.uk 01253 658543

Allan Oldfield, allano@fylde.gov.uk 01253 658500

PERFORMANCE KEY ICON STATUS



	Over Performance – the indicator is over performing against target
	On Track – the indicator is performing within tolerance of target.
	Cautionary Under Performance – 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.
	Under Performance – the indicator is under performing against target.
N/A	Not Applicable – no comparable data available. This could be due to the methodology being change or being a new measure created.
	Missing Data – 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.

APPENDIX 1: Corporate Plan 2016-20 actions to date (1st April 2016 – 31st October 2016)


A VIBRANT ECONOMY			
Reference	Corporate Plan Action	Due Date	Status
<u>OIP:IA:D:30</u>	Progress the re-opening of the M55 / Moss Road link. The preferred option is to deliver a new road but as a minimum to see its re-opening	30/09/2016	
The council has pledged up to £1m towards the cost of an accelerated single contract to build the new link road. Regular meetings are facilitated by the council between all parties to secure the design of the link road and the letting of a contract for its construction. It is hoped that work will commence mid 2017 with completion during 2019.			
<u>OIP:IA:R:23</u>	Assess the benefits of becoming a member of the Combined Authority.	30/04/2016	
<p>The following benefits should be realised from the Lancashire Combined Authority:</p> <ul style="list-style-type: none"> • A single voice for Lancashire in the debate that will shape the future of the 'Northern Powerhouse'. Lancashire needs a strong voice and a clear understanding of what it wants to achieve to influence the debate and ensure communities are not 'left behind' the rest of the North when securing the freedoms, flexibilities and economies of scale that can only be realised on a regional footprint. • A joint focus for driving economic growth. When new funding arrangements for Local Government are fully implemented, councils will be reliant on business rates to fund services. • An opportunity for all district councils to influence, shape and have accountability for the work of the LEP and the major funding streams that Government distributes through the LEP. • An opportunity to influence and contribute the Fylde coast requirements in a 'Lancashire Plan' focused on economy, skills and development. • The ability to share and access, capacity; expertise; resources; skills; and experience across Lancashire through formal arrangements in a co-ordinated and planned manner. • The ability to work collectively on the common challenge of delivering sustainable public services, every local authority faces ongoing austerity, grant reductions, budget cuts and service reviews • The opportunity to be 'at the table' through formal and transparent engagement in transport decisions providing a strong voice for Lancashire in shaping the priorities in Transport for the North • A structured and transparent governance framework for Lancashire Leaders to meet with voting rights, minutes and agendas that provide increased accountability. <p>✓ A Devolution Deal is separate from a Combined Authority, the Lancashire Combined Authority will consider a Devolution Deal but does not need to have one</p> <p>✓ A Devolution Deal for Lancashire will focus on the five themes that the Combined Authority is dedicated to dealing with</p>			

- ✓ A Devolution Deal almost always includes the requirement to have a directly elected mayor for the Combined Authority
- ✓ Any devolution proposals will need to be approved by Full Council, it cannot be approved by the Combined Authority
- ✓ An overview and scrutiny committee will be established made up of at least one councillor from each authority who is not a member of the combined authority
- ✓ No additional resources have been required to operate and govern the Lancashire Combined Authority, existing resources are being used
- ✓ In the event any additional resources are required it will require a unanimous vote of the Combined Authority
- ✓ Combined Authority meetings will be held in public and include published minutes and agendas after April 2017, this offers transparency to the Lancashire regional governance arrangements

CLEAN & GREEN


Reference	Corporate Plan Action	Due Date	Status
<u>OIP:IA:R:32</u>	Focus resources on the reduction of seasonal litter.	31/10/2016	
Officers have been investigating options for the provision of larger litter bins along the promenade from Starr Gate to Lytham Windmill to increase provision and reduce emptying frequency, they have met with suppliers and are in the process of compiling a report with costings and recommendations.			
<u>OIP:IA:D:45</u>	Support community groups throughout the borough to maximise success in the regional and national 'In Bloom' initiative.	31/10/2016	
In 2016 the various community led In Bloom groups have won 20 national and regional awards working with the local authority to differing degrees. The current working relationships are effective and being developed further in consultation with the community groups, some of which require more support and assistance from the team than others.			

VALUE FOR MONEY

Reference	Corporate Plan Action	Due Date	Status
<u>OIP:IA:D:01</u>	Set a timetable with reporting milestones for the accommodation project.	30/06/2016	
A timetable and reporting milestones for the accommodation project has been prepared and presented to the Accommodation Working Group in June 2016. A report was considered by the Finance & Democracy Committee on 26th September which agreed funding of the remaining phases. Good			

progress has been made on the approved phases and it is expected that the scheme will be fully completed during 2017.

A GREAT PLACE TO LIVE

Reference	Corporate Plan Action	Due Date	Status
<u>OIP:IA:R:38</u>	Take enforcement action on illegal encampments.	30/06/2016	
Nine of the pitches on the illegal encampment at Hardhorn have been cleared with the remaining six having received planning permission on appeal, officers are working with the travellers on this site to agree and discharge the conditions. A number of other unlawful encampments on public land have been moved on by way of legal proceedings in the minimum of time allowed by law, an established procedure is in place to both prevent and react to illegal encampments.			

Priority H/M/L	Description of Improvement Action	Corporate Priority	Progress Update Due
L	Increase online service and information provision – the only process	Value For Money	May 2017
L	Review and develop social media and online information	Value For Money	Jan 2017
M	Review the waste service to deliver savings through changes	Value For Money	Feb 2017
M	Carry out resident & employee surveys and act upon the findings	Value For Money	Dec 2016
M	Promote initiatives to reduce dog fouling (PSPO's)	Clean & Green	Mar 2017
M	Improve signage across the borough to deter dog fouling and promote dogs on leads	Clean & Green	Mar 2017
M	Produce and implement a commercial investment strategy	Value For Money	Feb 2017
M	Further reduce the requirement for paper & print through the use of technology and behaviour change	Value For Money	Mar 2020
H	Explore and initiate new income streams – a more commercial approach	Value For Money	April 2017
M	Identify and target fly tipping hotspots to reduce incidents	Clean & Green	May 2017
M	Channel business rates funding opportunities to economic development	Vibrant Economy	Mar 2017
M	Review public information systems for residents	Great Place To Live	June 2017
M	Tackle social isolation and health inequalities working with Public Health	Great Place To Live	Mar 2017
M	Work with partners to improve the quality of the bathing water	Clean & Green	Nov 2016
H	Deliver the coastal defence project at Fairhaven and Church Scar with the Environment Agency	Clean & Green	Mar 2017
M	Enforce car parking regulations and review car parking options	Vibrant Economy	Dec 2016
M	Build on the success of the Residents' Car Parking Scheme	Great Place To Live	Mar 2017
M	Review and improve bus shelter provision	Great Place To Live	Jan 2017
M	Engage effectively with the Local Enterprise Partnership	Vibrant Economy	Mar 2017
H	Support the Fylde Coast Highways and Transport Masterplan projects (junction 2)	Vibrant Economy	Mar 2017

M	Investigate the potential of developing the digital high street	Vibrant Economy	May 2017
M	Engage positively in the Duty to Co-operate on planning initiatives	Vibrant Economy	Mar 2017
M	Facilitate and support Town Centre Partnerships	Vibrant Economy	Mar 2017
H	Implement the timetable for the Local Plan delivery (see separate project plan timetable)	Great Place To Live	Jan 2017
M	Provide appropriate provision for Travellers	Great Place To Live	Mar 2017
M	Develop and implement a policy to protect our heritage (see detailed strategy/action plan)	Great Place To Live	Mar 2017
M	Improve entrance signage and welcome points	Great Place To Visit	Mar 2017
M	Strive to achieve Blue Flag status for the beaches	Clean & Green	Mar 2017
M	Improve information in and about tourist areas	Great Place To Visit	Feb 2017
M	Develop and promote rural tourism	Great Place To Visit	Feb 2017
M	Decide the most effective way to market Fylde as a holiday destination	Great Place To Visit	Feb 2017
M	Carry out visitor surveys and act upon the results	Great Place To Visit	Oct 2017
M	Maximise the natural assets of our coast and countryside by improving their facilities	Great Place To Visit	May 2017
H	Revisit the strategy for the development of Fairhaven Lake	Great Place To Visit	May 2017
M	Develop a policy on events including Club Days, festivals and concerts – Tourism	Great Place To Visit	Feb 2017
M	Maintain and increase Green Flag status for parks and open spaces	Clean & Green	Jan 2017

***A number of the progress updates are due by March 2017 which is the first year completed of the four year plan**