

# Agenda



## FINANCE AND DEMOCRACY COMMITTEE

Date:	Monday, 26 September 2016 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	<b>Declarations of Interest:</b> Declarations of interest, and the responsibility for declaring the same, are matters for elected members. Members are able to obtain advice, in writing, in advance of meetings. This should only be sought via the Council's Monitoring Officer. However, it should be noted that no advice on interests sought less than one working day prior to any meeting will be provided.	1
2	<b>Confirmation of Minutes:</b> To confirm the minutes, as previously circulated, of the meeting held on 20 June 2016 as a correct record.	1
3	<b>Substitute Members:</b> Details of any substitute members notified in accordance with council procedure rule 24(c).	1
	<b>DECISION ITEMS</b>	
4	<b>Accommodation Project – Phases 6 and 7 Works – REPORT TO FOLLOW</b>	3
5	<b>Supporting the Delivery of Blackpool Airport Enterprise Zone</b>	4 – 28
6	<b>Revenue and Benefits Shared Service</b>	29 – 32
7	<b>Parish Council Election Recharges</b>	33 – 36
8	<b>Timetable for Developing Budget Proposals 2017/18</b>	37 – 40
9	<b>Business Rate Pooling 2017/18</b>	41 – 45
10	<b>Approval for S106 Funded Scheme for Improvements to the Children's Play Area on Derby Road, Wesham</b>	46 – 54

<b>11</b>	<b>Kirkham Public Realm Improvements : Phase 5</b>	<b>55 – 63</b>
	<b>INFORMATION ITEMS</b>	
<b>12</b>	<b>General Fund Revenue Budget Monitoring Report 2016/17 - Position as at 31<sup>st</sup> July 2016</b>	<b>64 – 69</b>
<b>13</b>	<b>Capital Programme Monitoring Report 2016/17 - Position as at 31<sup>st</sup> July 2016</b>	<b>70 – 80</b>
<b>14</b>	<b>Outside Bodies</b>	<b>81 – 85</b>
<b>15</b>	<b>2018 Parliamentary Boundary Review</b>	<b>86 – 87</b>

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

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# DECISION ITEM



REPORT OF		MEETING	DATE	ITEM NO
DEVELOPMENT SERVICES DIRECTORATE	FINANCE AND DEMOCRACY COMMITTEE		26 SEPTEMBER 2016	4
ACCOMMODATION PROJECT – PHASES 6 AND 7 WORKS				

## PUBLIC ITEM

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

Please note that the Accommodation Project - Phases 6 and 7 Works report is TO FOLLOW

# DECISION ITEM



REPORT OF	MEETING	DATE	ITEM NO
DEVELOPMENT SERVICES DIRECTORATE	FINANCE AND DEMOCRACY COMMITTEE	26 SEPTEMBER 2016	5
<b>SUPPORTING THE DELIVERY OF BLACKPOOL AIRPORT ENTERPRISE ZONE</b>			

## PUBLIC ITEM

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

### SUMMARY

This report outlines the background to the Blackpool Airport Enterprise Zone, the proposed governance structures and the resourcing arrangements necessary to support delivery.

The report seeks approval of a Memorandum of Understanding which is required by Government to be in place between Fylde Council, Blackpool Council and the Department for Communities and Local Government.

### RECOMMENDATIONS

#### The Committee is recommended to:

1. Approve the attached draft Memorandum of Understanding (MoU) and authorise officers to undertake any non-material alterations to the MoU as necessary;
2. Note that this Council's potential £1m commitment to the Moss Road project is included within the list of infrastructure investment schemes that are identified within the Memorandum of Understanding (in a non-prioritised order) as contributing towards the unlocking of the growth potential within the Enterprise Zone;
3. Note the establishment of a Project Team to provide the primary resource infrastructure necessary for the delivery of the Enterprise Zone and to maximise occupancy of the site, to be funded initially by Blackpool Council and in time by income arising from business rate growth across the enterprise zone site according to an agreed formula; and
4. Note the arrangements agreed with the Lancashire Enterprise Partnership for the creation of a Programme and Project Board to support the delivery of the Blackpool Airport Enterprise Zone.
5. Recommend an elected member nomination to the Project Board of the Blackpool Airport Enterprise Zone for consideration by council.

### SUMMARY OF PREVIOUS DECISIONS

Blackpool Airport Corridor Enterprise Zone: Business Rate Relief Policy – Finance and Democracy Committee 20<sup>th</sup> June 2016

It was RESOLVED to approve the Blackpool Airport Corridor Enterprise Zone Business Rate Relief Policy as attached at Appendix A of the report

Fylde Coast Framework for Inclusive Growth and Prosperity – Development Management Committee



15<sup>th</sup> June 2016

It was RESOLVED to agree the Framework for Inclusive Growth & Prosperity is consistent with the economic policy approach at Fylde

EDC (Economic Development Company) Update – Development Management Committee 20<sup>th</sup> January 2016

The Committee RESOLVED to ask Full Council to consider the governance/feedback arrangements of the Economic Development Company (EDC) and that an updated report be presented to committee in due course.

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

## INTRODUCTION AND BACKGROUND

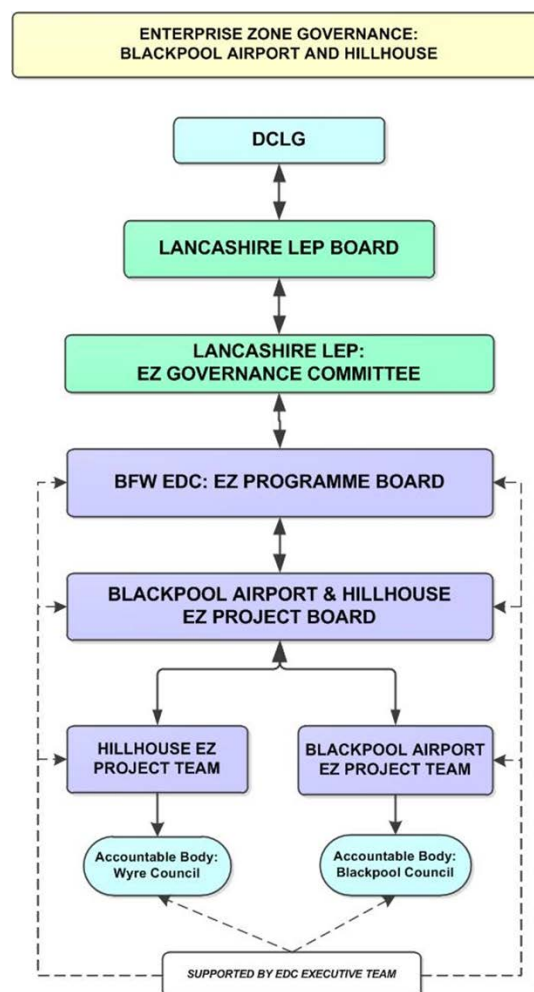
1. In February, Council agreed the new Corporate Plan which runs from 2016 to 2020. The plan contains five themes. Two of the priorities over the next four years under the theme 'A vibrant economy' are '*Support Enterprise Zones*' and '*Attract new businesses and develop existing ones*'. Agreed actions to deliver these include '*Engage effectively with the Local Enterprise Partnership*' and '*Channel business rates funding opportunities towards economic development*'.
2. Fylde Borough has two enterprise zones within its boundary: Lancashire Advanced Manufacturing and Engineering Enterprise Zone at Warton and the Blackpool Airport Enterprise Zone. The Lancashire Enterprise Zone has been in place since 2012. Blackpool Airport EZ, which is targeted at the energy, aerospace and aviation, food and drink manufacture, has been in place since 2016. The Blackpool Airport Enterprise Zone straddles the boundary with Blackpool Council. There is another enterprise zone at Hillhouse which is entirely within Wyre Borough which was approved at the same time as the Blackpool Airport EZ.
3. Enterprise Zones are single or multiple sites designated for business development which may offer business rate discounts or enhanced capital allowance for new businesses locating on the sites. The local authority on which an Enterprise Zone is situated is entitled to use any increase in business rates they collect from each Enterprise Zone site to support the further development of the Enterprise Zone and any other neighbouring areas in agreement with the Local Enterprise Partnership.
4. Enterprise Zones are designated as such by the Secretary of State with the agreement of the Chancellor of the Exchequer and operated by an accountable body in agreement with the Local Enterprise Partnership.
5. A Local Enterprise Partnership is a voluntary partnership between local authorities and businesses to help determine local economic priorities and lead economic growth within their

local area. As Local Enterprise Partnerships are not corporate bodies, they enter into agreements through an accountable local authority on their behalf.

6. The priorities in FBC's Corporate Plan have been further developed in the Blackpool Fylde & Wyre Economic Development Company (EDC) document '*Blackpool and the Fylde: Our Framework for Inclusive Growth and Prosperity*' which was recently approved by the Council and sets out a number of specific activities aimed at supporting the delivery of the Blackpool Airport Enterprise Zone.

## BLACKPOOL AIRPORT ENTERPRIZE ZONE

7. The EDC has agreed with the Lancashire Enterprise Partnership (LEP) a governance model for the Airport EZ which seeks to ensure that decision making, project and programme design and delivery is undertaken at the Fylde Coast level as much as possible. This is different to the Lancashire Advanced Manufacturing and Engineering Enterprise Zone at Warton and Samlesbury which is managed by the LEP. This report outlines the background to the Blackpool Airport Enterprise Zone, the proposed governance structures and the resourcing arrangements necessary to support delivery.
8. The governance structure of the Blackpool Airport and Hillhouse Enterprise Zones is set out below:



9. The following section provides detailed information about the changes to the EDC decision making arrangements which are necessary to facilitate and support the delivery of the Blackpool Airport Enterprise Zone and Hillhouse Enterprise Zone (henceforth EZs).

### **EZ PROGRAMME BOARD:**

10. The Board of Blackpool Fylde and Wyre EDC will act as Programme Board for both the Blackpool Airport Enterprise Zone and the Hillhouse International Energy and Chemicals Enterprise Zone, and will report to the Lancashire LEP Enterprise Zone sub-committee, and in turn Lancashire LEP and DCLG.
11. The Programme board will meet on a bi-monthly basis (with additional interim meetings if required) in advance of meetings of the Lancashire LEP EZ Sub-Committee. Membership of the existing EDC board will be supplemented to support its role as Programme board, including representation from DCLG, DBEIS, UKTI, HCA and Lancashire LEP.
12. The EZ programme board will adopt the terms of reference to follow that of the Lancashire EZ programme board as far as practicable, to ensure compatibility with the LEP EZ Governance Committee and meet Bi-Monthly – two weeks before scheduled meetings of the Lancashire LEP EZ Governance Committee. A quorum would be a minimum of five members to include representatives from each of Blackpool, Fylde and Wyre Councils

### **EZ PROJECT BOARD:**

13. Below this level a Project Board will be created to oversee the 'detailed' delivery of the EZs. The role, responsibility and members of this Project Board are as follows;
  - a. The Project Board will be responsible for the operational delivery of the two EZs, with a remit encompassing activity including commercial, financial, development, legal, planning, land, infrastructure, and highways works and, marketing and promotion. The Project Board shall also have responsibility for overseeing the award of Business Rates Relief in accordance with protocols agreed amongst the billing authorities from time to time, and for ensuring in so far that it is possible that the EZs are responsible for minimal displacement of local businesses. It shall also be responsible for reporting on these matters to the Programme Board.
  - b. The Project Board will include representatives from the local planning and highway authorities, economic development, marketing and communications, and the designated S151 officers from each of the business rates billing authorities; an elected member from each of the three local authorities; representation from the major EZ landowners; and representatives from the EDC, together with observers from UK Trade and Investment (UKTI), Department for Business Innovation and Skills (BIS) and the Department for Communities and Local Government (DCLG), and a representative from Marketing Lancashire and the LEP's secretariat.
  - c. A quorum shall comprise a minimum of two representatives from the three EDC member local authorities and EZ landowner representatives.
  - d. In addition to reporting to the Programme Board, the Project Board would receive reports from, and issue guidance to, the Project Teams for each of the two EZs.
  - e. It will also provide regular reports to the Programme Board, specifically focusing on:-
    - i. Regular progress updates on the negotiation and development of delivery agreements for each EZ.
    - ii. Regular progress updates on the delivery of masterplans for each EZ.
    - iii. Provision of public highway and utility infrastructure into the Hillhouse and Blackpool Airport EZs.
    - iv. The ongoing operational capability of Blackpool Airport.

- v. Regular progress updates on the delivery of the Lancashire Energy HQ at Blackpool Airport EZ.
  - vi. Regular progress updates on the establishment and progress of the re-purposing of the Global Renewables waste recycling facility at Hillhouse EZ.
  - vii. Regular progress updates on arrangements from time-to-time for any Joint Development Company arrangements for the delivery of property at Blackpool Airport.
  - viii. Regular progress reports on the drawdown/development of land on the two EZs.
  - ix. Regular progress reports on the generation of commercial leads and enquiries on the two EZs.
  - x. Regular financial reports regarding the generation of business rates growth at the two EZs.
  - xi. Approval of applications for Business Rates Relief at the two EZs.
  - xii. Regular financial reports on the provision and repayment of any public investment provided in support of the development of the two EZs.
  - xiii. Regular progress updates on the number of jobs and commercial floor-space created across the two EZs.
- f. Frequency of meetings: monthly (and always two weeks in advance of the Programme Board) there will be a sub-group of the Project Board established to consider and approve all applications for Business Rates Relief within the two EZs.

#### **MEMORANDUM OF UNDERSTANDING:**

14. In addition to the above changes to the EDC, the Government requires that each Local Authority enters into a Memorandum of Understanding (MoU) with DCLG. Fylde Council is therefore required to enter into just such an arrangement. The MoUs for both Blackpool Council and Wyre Council are of substantively similar form so as to ensure consistency of approach across all three local authorities and both Fylde Coast Enterprise Zones.
15. The MoU has been the subject of detailed negotiations between all the parties to it and a summary of key points is set out below and a full copy of the draft MoU is attached to this report. Councillors at Fylde, and in particular the Development Management Committee have been keen to ensure greater involvement in the activity of the EDC and as a result a Councillor from all three local authorities will be invited to attend the relevant Project Team meetings.
16. The MoU also defines the primary resource infrastructure necessary for the delivery of the Enterprise Zone, although full costs and details are still subject to further establishment as part of the Master-planning process. This includes a list of works that are considered essential to create the development opportunities on the site. The M55 Link Road will be defined as a one of the infrastructure investment schemes that will contribute towards the unlocking of the growth potential within the Enterprise Zone and a Fylde Council contribution of £1 million pounds to the scheme has been included within the MoU. The list attached in schedule 1 is not in priority order.
17. Key areas of activity set out and agreed upon within the MoU;
  - a. Agreement with Government to retain 100% of any business rate increases locally (subject to the governance arrangement put in place locally)
  - b. Agreement that the Government will reimburse the relevant local authorities the cost of providing each business occupying the Enterprise Zone a 100% discount on business rates for a five year period up to the state aid limits

- c. Agreement with Government to provide Enhance Capital Allowance (ECAs) across certain areas of the Enterprise Zone
- d. Governance arrangements for the delivery of the Enterprise Zone
- e. Ability to borrow prudentially to support investment and meet revenue costs in respect of the promotion and development of the Enterprise Zone
- f. Use of retained business rates to fund activity across the entirety of the Enterprise Zone and/or related infrastructure including any costs associated with prudential borrowing to meet the cost of major enabling infrastructure
- g. Use of retained business rates to fund activity across the entirety of the Fylde Coast area once all costs and infrastructure have been met in relation to Blackpool Airport Enterprise Zone
- h. Use of retained business rates to fund the core costs of the Blackpool Fylde & Wyre Economic Development Company
- i. A detailed listing of all the necessary and enabling infrastructure projects to 'open up' or otherwise support the delivery of the Enterprise Zone

IMPLICATIONS	
Finance	<p>100% of any business rate growth generated within an Enterprise Zone can be retained locally for re-investment within the locality and is not subject to the usual mechanism of redistribution to other preceptors or to government levies. Such arrangements exist for 25 years together with protection from any future resets of business rate baselines or redistribution.</p> <p>The arrangements include the creation of a team within Blackpool Fylde and Wyre EDC, focussed on the Enterprise Zone's to carry out the daily management and co-ordination to deliver the infrastructure requirements and marketing/business liaison to maximise occupancy of the site, to be funded initially by Blackpool Council and in time by income arising from business rate growth across the enterprise zone site.</p> <p>The M55 Link Road is defined as a one of the infrastructure investment schemes that will contribute towards the unlocking of the growth potential within the Enterprise Zone and a Fylde Council contribution of up to £1 million to the scheme has been included within the MoU to be funded from business rate growth. It should be noted that such potential contributions from retained business rate growth within the EZ towards the scheme will only accrue over a period of years and this scheme stands alongside other infrastructure investment within the EZ which will also require funding from growth in retained business rates.</p>
Legal	No material legal implications other than those mentioned in the report.
Community Safety	There are no community safety implications

Human Rights and Equalities	There are no equality or human rights implications
Sustainability and Environmental Impact	There are no direct sustainability or environmental implications from the report
Health & Safety and Risk Management	There are no direct health & safety or risk management implications

LEAD AUTHOR	TEL	DATE	DOC ID
Paul Walker	01253 658431	14 <sup>th</sup> September 2016	

LIST OF BACKGROUND PAPERS		
Name of document	Date	Where available for inspection
Finance and Democracy Committee Agenda & Minutes	20 <sup>th</sup> June 2016	<a href="http://www.fylde.gov.uk">www.fylde.gov.uk</a>
Development Management Committee Agenda & Minutes	15 <sup>th</sup> June 2016	<a href="http://www.fylde.gov.uk">www.fylde.gov.uk</a>
Development Management Committee Agenda & Minutes	20 <sup>th</sup> January 2016	<a href="http://www.fylde.gov.uk">www.fylde.gov.uk</a>

#### Attached Documents

1. Memorandum of Understanding between DCLG and Blackpool and Fylde Councils

#### Glossary of Terms Used

BFWEDC/EDC	Blackpool, Fylde & Wyre Economic Development Company
LEP	Local Enterprise Partnership
Lancashire LEP	Lancashire Local Enterprise Partnership
EZ	Enterprise Zone
DCLG	Department for Communities and Local Government
DBEIS/BIS	Department for Business, Enterprise, Innovation & Skills
UKTI	UK Trade and Investment
HCA	Homes and Communities Agency
ECAs	Enhanced Capital Allowances

**MEMORANDUM OF UNDERSTANDING  
BLACKPOOL AIRPORT ENTERPRISE ZONE**

**THIS Memorandum of Understanding (MoU) is dated [ ] 2016**

**PARTIES**

**1. THE SECRETARY OF STATE FOR COMMUNITIES AND LOCAL GOVERNMENT** whose principal address is 2 Marsham Street, London, SW1P 4DF (**Secretary of State**); and

**2. Blackpool Borough Council** who acts as the representative and the Accountable Body for Lancashire Local Enterprise Partnership and whose principal address is Number One, Bickerstaffe Square, Talbot Road Blackpool, Lancashire England, FY1 3AH..

**BACKGROUND**

A The Secretary of State has the power to declare an area to be an Enterprise Zone.

B. Enterprise Zones are single or multiple sites designated for business development which may offer business rate discounts or enhanced capital allowance for new businesses locating on the sites. The local authority on which an Enterprise Zone is situated is entitled to use any increase in business rates they collect from each Enterprise Zone site to support the further development of the Enterprise Zone and any other neighbouring areas in agreement with the Local Enterprise Partnership.

C. Enterprise Zones are designated as such by the Secretary of State with the agreement of the Chancellor of the Exchequer and operated by an accountable body in agreement with the Local Enterprise Partnership.

D. A Local Enterprise Partnership is a voluntary partnership between local authorities and businesses to help determine local economic priorities and lead economic growth within their local area. As Local Enterprise Partnerships are not corporate bodies, they enter into agreements through an accountable local authority on their behalf.

E-. Taking account of the application included within the attached schedule and other representations made by the Local Enterprise Partnership, the Secretary of State offers the Local Enterprise Partnership and the Accountable Body the right to set up and operate the Blackpool Airport Enterprise Zone subject to the terms and conditions set out within the other paragraphs of this MoU.

**IT IS AGREED THAT:**

**1 DEFINITIONS**

In this MoU the following words and phrases shall have the following meanings:

**“Accountable Body”** means the Blackpool Borough Council as the local authority responsible for the organisation and operation of the Blackpool Airport Enterprise Zone in line with plans agreed with the Lancashire Local Enterprise Partnership.

**“Application”** means the application for Enterprise Zone status submitted to the Secretary of State by the Lancashire Local Enterprise Partnership by 18<sup>th</sup> September 2015 (as may be amended from time to time after the date of this MoU) and includes each of the representations at Schedule 1 of this MoU (which shall be considered to have primacy in the event of conflicting statements).

**“Enterprise Zone”** means one or more sites which under the Regulations (as amended from time to time) are able to offer specific business incentives and permitted by the Secretary of State to market themselves as such.

**Blackpool Airport Enterprise Zone** means that site totalling 141 Hectares, and located in the Boroughs of Fylde and Blackpool shown with boundaries edged red on the plan at Appendix 1

**Lancashire Local Enterprise Partnership** means the Local Enterprise Partnership for Lancashire whose address is Lancashire Enterprise Partnership Ltd, County Hall, Preston, Lancashire, PR1 8XJ

**“Regulations”** means 'Capital Allowances (Designated Assisted Areas) Order 2016', 'Non-Domestic Rating (Designated Areas) Regulations 2016', and 'Non-Domestic Rating (Rates Retention) Regulations 2013'.

**“Term”** means the earlier of 31 March 2020 or either party giving written notice to the Local Enterprise Partnership to terminate the Enterprise Zone status under clause 5 excepting the dates for the termination of the right to benefit from business incentives which will be as set out in paragraph 2.

## **2 AGREEMENT TO SET UP AND OPERATE AN ENTERPRISE ZONE**

- Having relied upon the representations made by the Lancashire Local Enterprise Partnership in the Application, the Secretary of State offers the Local Enterprise Partnership, together with the Accountable body the right to set up and operate the Blackpool Airport Enterprise Zone for the Term, subject to the terms of this MoU, including the right to benefit from the following business incentives :
- Permitting the relevant local authorities to retain 100% of any business rate increase which accrues for a period of 24 years from the commencement date this being 1st April 2017 for Blackpool Airport Enterprise Zone, providing such sums are directed towards the development of the Enterprise Zones and thereafter towards Local Economic development priorities in agreement with the Lancashire Local Enterprise Partnership.
- Central government will reimburse to the relevant local authorities the cost of providing each business occupying an Enterprise Zone site a 100% discount on business rates for five years up to the maximum state aid de minimis threshold, for businesses that enter the zone



before 31 March 2022, e.g. if a business enters the zone on 31 March 2022, it can receive the discount (subject to de minimis) until 30 March 2027.

- As an alternative to the reimbursement of business rates, and up until 31<sup>st</sup> March 2022 allow businesses occupying a designated location within the designated sector of the Blackpool Airport Enterprise Zone, an Assisted Area, to count 100% up to €125 million of their first years' expenditure on qualifying plant and machinery assets against taxable income as an Enhanced Capital Allowance (ECAs)

The Accountable Body in agreement with the Lancashire Local Enterprise Partnership can agree to other local authorities benefitting from the Blackpool Airport Enterprise zone during the Term provided they have entered into an inter-party agreement as set out in 3.2 (a) and meet the relevant requirements in the Regulations.

### **3. TERMS AND CONDITIONS**

**3.1** The Accountable Body on behalf of the Lancashire Local Enterprise Partnership agrees, having undertaken due investigation, that at the date of this MoU:

- (a) The statements within the Application are accurate;
- (b) It is not aware of any information which is likely to materially undermine the ability of the Accountable Body or Lancashire Local Enterprise Partnership to deliver the Blackpool Airport Enterprise Zone in accordance with the Application and achieve the Outputs; and
- (c) It is not aware of any information, which is likely to significantly delay the Accountable Body or Lancashire Local Enterprise Partnership in delivering the Blackpool Airport Enterprise Zone in accordance with the Application or achieving the Outputs.

**3.2** The Accountable Body on behalf of the Lancashire Local Enterprise Partnership confirms, having undertaken this investigation, that:

- (a) It has obtained or shall use all reasonable actions to promptly obtain necessary approvals, authorisations, consents, exemptions, licences, permits, permissions (including planning permission) or registrations necessary to deliver Blackpool Airport Enterprise Zone in accordance with the Application;
- (b) It has or will secure the expertise and capacity to set up and operate the Blackpool Airport Enterprise Zone in accordance with the Application;
- (c) It will undertake all the steps to set up and operate the Blackpool Airport Enterprise Zone and confirm that each of these shall be achieved compliantly (including but not limited to achieving compliance with applicable procurement, state aid and planning law); and
- (d) It will deliver the relevant incentives at Schedule 2 for the period set out in the Application and this Agreement.

**3.3** The Lancashire Local Enterprise Partnership has agreed to:

- (a) organise and promote a governance group for the Blackpool Airport Enterprise Zone which is able to make strategic and operational decisions. These duties will be undertaken operationally on it's behalf by the Board of the Blackpool, Fylde and Wyre Economic Development Company Ltd This shall include representatives of each relevant local authority and shall meet at least quarterly ("**Governance Group**"); and
- (b) enter into agreements with each local authority on which Blackpool Airport Enterprise Zone site is situated and any other Local Enterprise Partnerships involved in the delivery of the Blackpool Airport Enterprise Zone. Such agreements should include the objectives and priorities for the Blackpool Airport Enterprise Zone as well as terms necessary to give effect to this MoU. This should include, but not be limited to, the use of business rates retained by the local authority(ies), how the local authority(ies) will use their general power of competence to support the Blackpool Airport Enterprise Zone, including but not limited to Compulsory Purchase Orders, simplified planning regimes, development orders, Joint Ventures and borrowing to support investment and arrangements for the provision of monitoring data). Where during the Term, new local authorities become involved in the Blackpool Airport Enterprise Zone or the legal status of the Lancashire Local Enterprise Partnerships involved in the Blackpool Airport Enterprise Zone changes, the Secretary of State may direct that the Lancashire Local Enterprise Partnership enters into new agreements under this clause, or assists in getting such organisations to become party to this MoU .
- (c) Use any government grant vested in the Accountable Body for the purposes of supporting the delivery of the Blackpool Airport Enterprise Zone and which shall be spent on the Blackpool Airport Enterprise Zone as agreed with the Lancashire Local Enterprise Partnership and in compliance with the relevant laws.

### 3.4 Implementation Plan

The Accountable Body on behalf of the Lancashire Local Enterprise Partnership shall design and submit to the secretary of state a 5 year implementation plan (which sets out the major steps and the individual(s) and organisation(s) who will be responsible to set up, operate and deliver the objectives and priorities which have been agreed for the Blackpool Airport Enterprise Zone) no later than 31 March 2017.

- 3.5 DCLG Enterprise Zone team shall support the set up and delivery of the Blackpool Airport Enterprise Zone (in particular through the contacts for the Blackpool Airport Enterprise Zone, who are Mick Allen and Katherine O'Connor of Cities and Local Growth Unit – North West 07867 143547 mick.allen@BEIS.gov.uk and Katherine.oconnor@BEIS.gov.uk )(who shall advise on the procedures for establishing the zones and resolving issues, which may arise in relation to government funding or legal arrangements. The Lancashire Local Enterprise Partnership and Accountable Body) shall be informed if there is a change in the DCLG Enterprise Zone team contact.

- 3.6 The DCLG Enterprise Zone team shall assist

(a) by providing information on the Blackpool Airport Enterprise Zone to the market via press releases, its national Enterprise Zone website, twitter account and other media.

(B) collaboration by inviting senior leaders from all England's Enterprise Zones to meet to discuss progress, challenges and good practice with senior government officials and Ministers

this support shall be provided up until 31 March 2020 and may be renewed / subject to alteration following that date.

**3.6** The Accountable Body on behalf of the Lancashire Local Enterprise Partnership shall:

- (a) send DCLG Enterprise Zone team contact the details of the primary point of contact ("**Local Enterprise Contact**") for the Blackpool Airport Enterprise Zone within 20 Working Days of entering into this Mou. The DCLG Enterprise Zone team contact shall be informed if there is a change in the Lancashire Local Enterprise contact, or the Accountable Body contact.
- (b) discuss progress of the Blackpool Airport Enterprise Zone with the DCLG Enterprise Zone team contact either in face-to-face or telephone meetings at least once a quarter. Such meetings shall be two-way enabling both parties to understand progress of the Blackpool Airport Enterprise Zone. Share information about the wider Enterprise Zone network and any issues which might adversely affect the planned progress of the Blackpool Airport Enterprise Zone.
- (c) take all reasonable steps to allow the DCLG Enterprise Zone team contact (or another team member in their place) to attend the Governance Group meetings (as mentioned at clause 3.5(a) including providing information on the date and location of meetings and sending papers which will be discussed. The DCLG Enterprise Zone team contact shall be entitled to decide whether they attend in an observer capacity or as a participant at the Governance Group meeting.

**3.7 Marketing**

The Lancashire Local Enterprise Partnership and the Accountable Body have agreed to use all reasonable endeavours to

- (a) promote the Blackpool Airport Enterprise Zone.
- (b) share with the Secretary of State a marketing plan for the Blackpool Airport Enterprise Zone within six months of entering into this MoU.
- (c) use DCLG and Enterprise Zone logos within marketing communications and signage.

**3.8 Monitoring**

The Accountable Body on behalf of the Lancashire Local Enterprise Partnership agree to use all reasonable endeavours to complete the management information at Schedule 3 within 21 Working Days of the commission from DCLG, which will be quarterly at the end of January, April, July and October.

**4. CHANGES**

All changes to the text of the application or this MoU must be approved by the Secretary of State in writing prior to the relevant change being deemed to be

effective. Until such time as a change is made in accordance with this clause, the parties shall, continue to perform this MoU in compliance with its terms before such change.

**5. TERMINATION**

- (a) The Secretary of State shall be entitled to suspend or withdraw the right of the Lancashire Local Enterprise Partnership to market an Enterprise Zone if it acts in a way which significantly damages the reputation of the Enterprise Zone Programme or if there has been a material breach of this MoU.
- (b) The Lancashire Local Enterprise Partnership with the agreement of all local authorities and any other Local Enterprise Partnerships involved in delivering the Blackpool Airport Enterprise Zone is entitled to ask for the Enterprise Zone status to be rescinded by submitting notice in writing.

**6. GOOD FAITH AND COOPERATION**

Each party covenants with the other that they shall act with the utmost good faith towards the other, shall comply with reasonable requests for information in relation to the Blackpool Airport Enterprise Zone submitted from time to time and will not do anything which would deliberately put the other in breach of its obligations under this MoU.

**7. MISCELLANEOUS**

Nothing in this MoU shall constitute a partnership or joint venture between the parties.

**ACCEPTANCE**

**THE SECRETARY OF STATE FOR COMMUNITIES AND LOCAL GOVERNMENT** whose principal address is 2 Marsham Street, London, SW1P 4DF (**Secretary of State**).

Signed for and behalf of

**SECRETARY OF STATE FOR** )

**COMMUNITIES** )

**AND LOCAL GOVERNMENT** )

Authorised Signatory: \_\_\_\_\_

Print Name: \_\_\_\_\_ Rt Hon Greg Clarke \_\_\_\_\_

Signed for and on behalf of

**Lancashire Local Enterprise Partnership**

Authorised Signatory: \_\_\_\_\_

Print Name: Edwin Booth ( Chair ) \_\_\_\_\_

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The following parties are aware of the requirements of this MoU (including the Application) and shall support and assist development and delivery of the Blackpool Airport Enterprise Zone throughout the Term.

**Blackpool Borough Council (LOCAL AUTHORITY and ACCOUNTABLE BODY)**

**Authorised Signatory:**

**Print Name: Neil Jack (Chief Executive)**

**Fylde Borough Council (LOCAL AUTHORITY)**

**Authorised Signatory**

**Print Name Allan Oldfield (Chief Executive)**

**SCHEDULE 1 - KEY INFORMATION ON BLACKPOOL AIRPORT ENTERPRISE ZONE**

General	
Name of Enterprise Zone	Blackpool Airport Enterprise Zone
Name of Local Enterprise Partnership	Lancashire LEP
Relevant local authorities	Blackpool Borough Council (Accountable body) Fylde Borough Council

Fill out information from the application form Q C.8 What is the Local Enterprise Partnership's agreed approach, with the relevant local authorities, about how the retained rates will be used to support development on the Enterprise Zone?

Briefly explain your financial or investment plan for how (for example, through borrowing or development of a recycling fund) and when the retained rates will be used.

**Use of retained rates**

EZ designation permits Local Enterprise Partnerships and local authorities to prudentially borrow should they wish to do so, support investment and meet revenue costs, in respect of the promotion and development of the EZ, by utilising future retained business rates growth to meet repayment charges.

The rates billing authorities for Blackpool Airport EZ, Blackpool Borough Council and Fylde Borough Council will retain and release as appropriate such additional income from business retained business rates growth within the EZ and direct use of funds for direct investment and to support prudential borrowing (where appropriate), subject to the prior agreement of the LEP on the proposed areas of investment.

There is an obligation on both the LEP and the billing authorities to invest funds from retained business rate growth initially into ensuring delivery of the respective EZ and thereafter the provision of associated infrastructure to support generation of new rates income.

The expectation of the local authorities and key stakeholders is that retained business rates growth will be applied across the entirety of the EZ, or associated infrastructure, and not simply within the rating authority area in which they were originally collected; and can be utilised to support prudential borrowing to meet the cost of major enabling infrastructure expenditure. In view of the anticipated gradual build-up of retained business rates income and the limited ability of current developers and stakeholders to contribute in advance to such capital expenditure anticipated t Blackpool Council will undertake prudential borrowing utilising its own resources to meet initial loan repayments subject to formal undertakings being given by partners to reimburse costs at a future date.

Blackpool Council as a principle landowner within the EZ will (subject to satisfactory business case being established, and to receiving prior approval from the LEP ), allocate funding and

prudentially borrow to cover operational revenue expenditure and capital investment including inter-alia site assembly, utilities provision and speculative pump priming development, at Blackpool Airport EZ subject to recovery of initial expenditure from the retained business rates, and from stakeholder contributions, with a view to ensure the maxim economic and employment potential of the EZ.

Once investment requirements within the Blackpool Airport EZ have been satisfied retained business rates will be directed to support the provision of enabling infrastructure and thereafter to support other economic development and growth activity within the Fylde coast /EDC area.

Once the business rates retention scheme for Blackpool Airport EZ come into effect on 1 April 2017, the business rates billing authorities, Blackpool, and Fylde will collect the additional rates, with the potential over the 25 year life of the EZ to raise circa £63M if the sites are pro-actively and constructively promoted and developed.

It is recognised that the Blackpool Airport EZ will become a critical asset – both in revenue and economic terms for local partners and the LEP. It is estimated that a total of £14.475m of primary infrastructure works may be needed to enable the various Blackpool Airport EZ development opportunities to be accessed and proceed. Additional private sector capital investment being required thereafter to deliver secondary infrastructure and built development.

Blackpool Airport EZ has a complex pattern of ownership with multiple freehold and long leasehold stakeholders, there is no single lead development partner in position to drive forward activity and deliver the EZ, in response to this, Blackpool Fylde and Wyre Economic Development Company will lead in co-ordinating the activity of the key stakeholders in bringing forward enabling infrastructure investment, in accordance with an agreed master-plan and implementation strategy, working in close consultation and formal partnership with Blackpool and Fylde Council's and the LEP, Blackpool Council as Accountable body will undertake the letting of all contracts on behalf of the EDC.

The detailed infrastructure and other investment required and particularly the phasing of work will be determined through a detailed master-plan and development investment strategy commissioned by the EDC and Blackpool Council on behalf of the public and private sector stakeholders. This study will be completed in early 2017 and be fully reflected in the detailed implementation delivery plan to be produced for the EZ by March 2017.

Blackpool Council has agreed to make up to £1,600,000 available over 5 years to fund the promotion, and administration of the EZ, incorporating the cost of engaging a small EZ delivery team, expert external consultancy support; and to meet the cost of critical early enabling activity such as master-planning, site investigation and assessment of highway and utilities capacity. It will also support collection and collation of monitoring data for quarterly reports to the Department for Communities and Local Government, and the LEP.

In terms of Capital expenditure which can be funded by retained business rates growth it is anticipated that the required primary infrastructure works to open the EZ for full development

will include:-

- New/upgraded Electrical power supply and distribution estimated cost Circa **£3,000,000**
- Enhanced site drainage including SUDS to serve eastern and western extremities enabling new development estimated costs Circa **£1,250,000**
- Provision of smart Grid energy technologies to support low carbon sustainability objectives Estimated cost Circa **£ 350,000**
- New eastern access road to link Amy Johnson Way to Common Edge Road estimated cost Circa **£1,250,000**
- New /upgraded access to link Eastern ECA areas of EZ to Squires Gate Lane estimated costs Circa **£1,000,000**
- New access to link western area of EZ – particularly redundant airport operational land to Squires Gate Lane estimated costs Circa **£ 850,000**
- Contribution to FBC towards the cost of M 55 Link Road **£1,000,000**
- Relocation of critical Operational Airport Infrastructure - including Control Tower, Apron, fire station, taxiway, Fuel farm facilities and radar (subject to full future reimbursement) Estimated cost Circa **£2,500,000**
- Demolition and site reclamation/decontamination/ecological and archaeological surveys of key sites (subject to future reimbursement) estimated costs Circa **£ 225,000**
- Relocation of Sports fields and other amenities (subject to future full reimbursement of cost) Estimated cost Circa **£1,250,000**
- Security fencing CCTV, Ultrafast Broadband provision and landscaping estimated costs Circa **£1,000,000**
- Offsite Highway and utilities diversion and reinforcement estimated cost Circa **£800,000**
- **Total excluding Contingency and on costs** **£14,475,000**

It is intended that the majority of infrastructure expenditure will be recouped during the lifetime of the Enterprise Zone through a development levy charged on each acre of land developed and occupied in accordance with EZ master-plan.

The Masterplan will inform the Implementation Plan which will contain detailed proposals on costs and timescales and delivery mechanisms and responsibilities, As part of the master planning approach the Council will seek to procure a developer partner to further share and reduce any financial risk.

The EDC will lead on the production of the master-plan for the Blackpool Airport EZ on behalf of and in consultation with major stakeholders – this will confirm and quantify the crucial infrastructure requirements needed to facilitate a phased release of development opportunities, firming up costs and generated outputs. This information will inform the detailed five year delivery and implementation plan and the anticipated development levy receipt to contribute toward subsequent phases of infrastructure development.

Detailed cash flow modelling will follow the completion of the master-plan and it may be that adjustments to the current anticipated primary infrastructure forward funding will be required



to ensure that the development levy does not inhibit the ability of developer stakeholders to progress viable development and that costs of prudential borrowing can be met by anticipated retained business rates growth funds.

Blackpool Council in its capacity as a landowner is minded to undertake direct commercial development at risk, utilizing prudential borrowing and retained reserves to stimulate initial investment by way construction of property for bespoke and speculative occupation where initial private sector developers are unable to do so because of initial adverse market conditions, and to participate in land assembly within the EZ to enable viable development sites to be brought forward.

Any additional sources of public funding will be investigated to facilitate development and growth within the EZ – subject to state aid limits – including proposals in respect of future rounds of Growth Deal Funding, access to the LEP Growing Places Fund, and local funding initiatives to provide grants and short term loans to assist individual business where appropriate, although if further rounds of Regional Growth Fund or similar initiatives providing direct support to businesses is made available, then it would be sensible to align and promote these with the EZ strategy and seek support for infrastructure and enabling investment in addition to looking to support individual company investment projects.

Fill out information from the application form QE1. Please describe the governance arrangements for the proposed Enterprise Zone, clearly setting out the name and job title of the Senior Responsible Officer for delivery of the Zone, the governance structure and explain how progress will be owned by the Local Economic Partnership Board.

Detailed Governance arrangements to cover the Enterprise Zones at Blackpool Airport and Hillhouse International business park were agreed by the Lancashire LEP in July 2016 and confirmed by the Board of Blackpool Fylde and Wyre Economic Development Company. The agreed governance structure is illustrated at appendix 1.

#### **Accountable Body**

Blackpool Borough Council (a unitary authority) administers business rates collection for both Blackpool and Fylde Councils, and will act as the accountable body for Blackpool Airport EZ and will inter-alia administer business rates relief awards, retained business rates growth post April 2017 and where appropriate oversee approved prudential borrowing and repayment to Blackpool Council in respect of agreed advanced funding of operational and marketing costs and enabling works.

#### **Programme Board**

The Board of Blackpool Fylde and Wyre EDC will act as Programme Board for both the Blackpool Airport Enterprise Zone and the Hillhouse International Energy and Chemicals Enterprise Zone, and will report to the Lancashire LEP Enterprise Zone sub-committee, and in turn Lancashire LEP and DCLG.

The Programme board will meet on a bi-monthly basis (with additional interim meetings if required) in advance of meetings of the Lancashire LEP EZ Sub-Committee. Membership of

the EDC board will be supplemented to support its role as Programme board, including representation from DCLG ,DBEIS ,UKTI HCA and Lancashire LEP

The agenda will be divided into two parts:

- Part 1 to conduct normal EDC business (this may only be required quarterly)
- Part 2 to discharge the duties of the Programme Board (which is required bi-monthly)

Programme Board proposed Terms of Reference:

The EZ programme board will adopt the terms of reference to follow that of the Lancashire EZ programme board as far as practicable, to ensure compatibility with the LEP EZ Governance Committee.

Meetings: Bi-Monthly – two weeks before scheduled meetings of the Lancashire LEP EZ Governance Committee

Quorum: A minimum of five members to include representatives from each of Blackpool, Fylde and Wyre Councils

Chair: The Chair of programme board meetings would be either the current Chair of the EDC Board or if not available a Chair would be elected at the meeting from the members present.

Remit in respect of Blackpool Airport EZ will include:

- Approval of quarterly monitoring reports to chart progress to DCLG against requirements of the formal Memorandum of Understanding ( September 2017) and the Implementation and delivery plan to be entered into by March 2017
- Monitoring of progress against approved Marketing Plan
- Agree and monitor the delivery of the Master Plan for Blackpool Airport EZ
- Approve and monitor progress of the detailed delivery plans for the development of Blackpool Airport Enterprise Zone
- Determine the use of retained growth in business rates in consultation with the LEP
- Receive and as appropriate approve reports from the Joint Project Board for Hillhouse and Blackpool Airport EZs
- Consider regular progress reports on all commercial, financial, development, marketing and promotional activity and planning matters for consideration by the LEP Enterprise Zone Governance Committee
- Consider reports on the allocation of funding for infrastructure provision at Blackpool Airport Enterprise Zone
- Consider regular progress reports on commercial enquiries received in respect of the Enterprise Zone
- Determine specifications for consultancy support and provision of capital works
- In addition, it would approve the annual operational plan for the Enterprise Zone, and the annual business plan and annual report of the EDC Executive Team.
- Report in response to specific LEP request for information and activity.

**PROJECT BOARD**

A joint Project Board will be established and assume responsibility for the delivery of the Enterprise Zones at Blackpool Airport and Hillhouse International Business Park. Meeting on a monthly basis and two weeks prior to Programme board meetings to which it will report. Membership of the project board will be drawn from the main landowning stakeholders for each of the two sites and will also include senior local authority officers including the S151 financial officers for all three authorities; together with observers from UKTI, DBIS and DCLG, and a representative from Marketing Lancashire and the LEP co-ordination and support team from Lancashire County Council.

The Project Boards will elect a chair on economic development, marketing and communications an annual basis

The Joint Project Board will take responsibility for the operational delivery of the EZ, with a remit encompassing activity to oversee the practical development of Blackpool Airport EZ, including, financial, infrastructure and commercial development, legal, planning, site assembly, highways and marketing aspects of the two sites and will ensure that aspects of commercial confidentiality in respect of occupier enquiries are maintained, with end users determining where they locate.

The Project Board will also administer awards of business rates relief and act to minimise any local displacement. However, as Blackpool Airport has multiple property stakeholders, it will not be possible to prevent any business with appropriate planning consent from occupying property within the EZ.

Provision will be made for nominated representatives of elected members from each of Blackpool, Fylde and Wyre local authorities to attend Project Board and Project team meetings if requested

**PROJECT TEAM**

The Project Board will be supported by separate Project Teams for each of the EZs, which will be responsible for detailed day to day delivery of the EZ, and will report to the combined EZ Project Board. The EZ Project Team will act as a technical and commercial group responsible for progressing all technical specific site, highways, planning, infrastructure, financial and commercial issues, co-ordination of developer activity, and including site marketing, promotion and confidential enquiry handling. It will be attended by technical specialists, consultants and Local authority officers, together with landowners and developer representatives.

Attendance at meetings of the team will be flexible and dependent upon the nature of current business, with standing representatives from the BFWEDC, representatives of the major site owners, and representatives from the relevant local authorities.

The project teams will also be supported by retained external consultants, including local and national property agents, economic development consultants, legal advisors and engineering consultants.

The Blackpool Airport EZ project team will meet on a fortnightly basis and will be chaired by a senior officer from BFWEDC.

### **Blackpool Fylde and Wyre Economic Development Company**

The BFWEDC Executive team will co-ordinate overarching development and promotional activity on a day to day basis, liaising with individual development partners, contractors and marketing agents, as well as Government Agencies offering support including UKTI, DECC and DBEIS.

BFWEDC will provide secretarial and administrative support for the Programme Board, Project Board and Project Teams, and will lead and co-ordinate marketing and promotional activity. The BFWEDC team will work closely with Marketing Lancashire in developing a coherent 'Lancashire EZ offer' and marketing framework, and in supporting Marketing Lancashire in developing an effective international marketing proposition for the Lancashire EZ cluster.

BFWEDC will co-ordinate all enquiry handling, ensuring commercial confidentiality where enquiries would be appropriate for both EZs, and ensuring fairness and that it is the occupier who makes the final choice of location.

BFWEDC will be responsible for processing Business Rates Relief applications, and for collating and monitoring of data to enable reporting obligations, via the LEP, to DCLG to be fulfilled.

BFWEDC will lead negotiations with the various stakeholders at Blackpool Airport EZ in order to secure agreement and contribution to project implementation and delivery plan, including securing agreement to contribution to reimburse cost of advance enabling infrastructure activity.

The BFWEDC team activity in respect of the EZ's will be funded primarily from retained business rates by Blackpool Council, with appropriate proportional support provided by Wyre and Fylde Councils and developer contributions.

Fill out information from the Application form from Q E.2 capacity and skills you will make available to deliver the Enterprise Zone on a day to day basis, including the job titles and names of each of the staff members in the Local Enterprise Partnership and the relevant local authorities and the total costs of this staff team.

#### **Staffing levels, skills and costs**

The daily management and co-ordination of Blackpool Airport EZ will be undertaken by Blackpool Fylde and Wyre EDC, whose initial team focussed on the EZ's will comprise :

Head of Enterprise and Investment	- in post
Marketing Manager	- Recruitment underway
Business liaison manager	- Proposed Secondment from Blackpool Council
Administration/Property manager	- Proposed Secondment from Blackpool Council

Design apprentice	- Recruitment underway
<p>Additional full and part time posts may be added, or seconded, as requirement arises to fulfil specific support elements of the Enterprise Zone, to cover both Hillhouse and Blackpool Airport EZ's .</p> <p>Blackpool Council will make available a range of staff to support the development and promotion of the Enterprise Zone – generally as part of core designated duties and will not recharge time, save where it is existing custom and practice within the authority to recover staff and outgoing costs against to recharge time to specific projects, e.g. legal services. Fylde Borough Council will also make available staff to support the development and promotion of the Enterprise Zone, and participate in Project Board and Project team meetings</p> <p>The Chief Executive and assistant Chief Executive of Blackpool Council will sit on the Programme Board, as will the Chief Executive of Fylde Borough Council</p> <p>Service Directors and Section 151 officers from Blackpool and Fylde authorities will sit on the Project Board.</p> <p>The Project Team will have representation from existing Council officers at Blackpool and Fylde including representation from Planning, Highways, Economic Development, Finance, Legal, Communications and Engineering Teams and other Council staff as required.</p> <p>The Enterprise Zone Project at Blackpool Airport will be led on a day to day basis by Paul Robert Green Head of Enterprise and Investment at the Blackpool Fylde &amp; Wyre Economic Development Company - the lead officer responsible for drafting the initial Enterprise Zone bid for both Blackpool and Hillhouse Enterprise Zones with extensive experience of leading developing of major employment sites utilising public private joint ventures, including Rochdale Kingsway in Greater Manchester, Speke Garston on Merseyside, Greenbank / Ravenhead Renaissance in St Helens and St Asaph Business park in North Wales. Additional full time support staff including marketing manager will be recruited to support activity by November 2016.</p> <p>Operational staff and officers from other public sector organisations and the lead private sector developers may also be used as a resource to deliver the EZ on a day to day basis.</p>	

QE3 will you gather data that will allow the Local Enterprise Partnership and local authorities to monitor progress of the Enterprise Zone, for example this could include on delivering new jobs, business, investment?
<p>A baseline database will be set up with effect from 1<sup>st</sup> April 2016 and progress will be monitored on a quarterly basis. Reports will include information on performance: indicators which will include information as set out in Schedule 3 of the MOU. EZ data monitoring will also be undertaken using the online LOGAS net inputting technology and will include inter-alia:-</p>

- a. Planned on site infrastructure investments
- b. Progress against delivery of marketing strategy
- c. Enquiry data – organised by source, sector size, tenure proposal, potential jobs, whether inward investment or expansion / relocation by existing Fylde Coast or Lancashire based businesses- for reasons of commercial confidentiality such information may be anonymised
- d. Issue of proposal package
- e. Conversion of enquires into pre-let / pre-sale agreements
- f. Progress towards occupation / businesses commencing their operation on site, including analysis of proposed plant and machinery investment qualifying for enhanced capital allowances support
- g. Business rates retention profile/Business Rates Discount assessment.

QE5: Briefly set out your plan for marketing the sites to occupiers and/or investors, in the case of multiple site zones being clear if they will be marketed in clusters or in stages.

#### **Marketing Plan**

#### **TARGET SECTORS and MARKETING**

Blackpool Airport EZ is targeted at the energy, aerospace and aviation, food and drink manufacture, digital and creative sectors, but has the capacity to host a wider range of advanced manufacturing and professional service businesses (subject to planning consent), within the existing Blackpool Business Park and Squires Gate Industrial Estate elements of the EZ. Marketing and promotional activity will be focussed on target sectors but with numerous stakeholders who control property within the EZ it will not be possible to restrict new occupation to the identified key target sectors, discretion will be used in respect of any recommendation to Section 151 officers to award business rates relief.

In addition to BFWEDC employing a dedicated EZ marketing manager, the EDC will work closely with property agents appointed by development partners and with Marketing Lancashire to promote the EZ to an international market and into the target sectors, as part of a single Lancashire EZ Brand for overseas marketing.

Support will also be sought from UKTI particularly engaging with their sector specialists.

For national and local marketing an interactive web site and social media activity will support conventional marketing and attendance at target sector trade events. With activity led by the marketing manager a marketing Strategy, annual action plan and budget will be produced for March 2017 and reviewed annually. The Marketing manager will be assisted specialist external marketing, public relations and advertising consultants to fulfil the marketing plan activity

It is expected that private sector Development Partners will contribute to the cost of

collective marketing, but will also engage in their own marketing activity – primarily utilising local, regional and national property agents and utilising corporate and site specific websites and electronic marketing.

## **SCHEDULE 2 – SITES AND INCENTIVES**

### **MAPS TO FOLLOW**

<b>Proposed Sites</b>	<b>EZ</b>	<b>District / Local authority Ward</b>	<b>ECA</b>	<b>BRD</b>	<b>BRR</b>
<b>BLACKPOOL AIRPORT EZ</b>		<b>FYLDE BOROUGH COUNCIL ST LEONARDS WARD</b>	<b>NO</b>	<b>YES</b>	<b>YES</b>
<b>BLACKPOOL AIRPORT EZ</b>		<b>BLACKPOOL BOROUGH COUNCIL – STANLEY WARD</b>	<b>YES</b>	<b>YES</b>	<b>YES</b>

### **SCHEDULE 3 – MANAGEMENT INFORMATION**

Q1 What was the value of the retained rates that were reinvested in the Enterprise Zone in the last financial year?

Q2 What was the value of the retained rates that were reinvested in the LEP area in which the Enterprise Zone is situated, including the amount in Q1, in the last financial year?

Q3 What was the value of the borrowing against retained rates undertaken by the LEP accountable body or the EZ local authority in the last financial year?

Q4 What was the change in the number of newly created jobs, excluding construction jobs, on the Enterprise Zone in this quarter?

Q5 What was the change in the number of newly created construction jobs on the Enterprise Zone in this quarter?

Q6 What was the change in the number of jobs that were safeguarded on the Enterprise Zone in this quarter?

Q7 Was a Local Development Order introduced on the zone or a part of the zone this quarter?

Q8 What was the change in the number of businesses that started trading on the zone this quarter?

Q9 What was the value of any new public sector capital investment on the zone this quarter? Do not include borrowing against retained rates.

Q10 What was the value of any new public sector revenue investment on the zone this quarter?

Q11 What was the value of any new private sector investment on the zone this quarter (excluding non-monetary investment)?

Q12 What was the value of any new private sector non-monetary investment on the zone this quarter, e.g. use of facilities, staff?

Q13 What area of land was reclaimed and made ready for development on the zone this quarter?

Q14 What commercial floorspace was constructed on the zone in this quarter?

Q15 What commercial floorspace was refurbished on the zone this quarter?

Q16\* "What was the market rate for leasing commercial floorspace on the Enterprise Zone as of the current date?"

Q17 What land sales were there on the zone this quarter?



# DECISION ITEM



REPORT OF	MEETING	DATE	ITEM NO
RESOURCES DIRECTORATE	FINANCE AND DEMOCRACY COMMITTEE	26 SEPTEMBER 2016	6
<b>REVENUES AND BENEFITS SHARED SERVICE</b>			

## PUBLIC ITEM

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

## SUMMARY

Fylde Borough Council's revenues and benefits service is administered by Blackpool Council under a shared service agreement. The original arrangement was entered into for a five year period running to the end of September 2013. This was extended for a further period in September 2013 and the agreement will run its course in 2017. This report gives details of this arrangement and recommends its continuation.

## RECOMMENDATIONS

1. Finance and Democracy Committee to recommend to Council future arrangements with Blackpool Council for it to continue to discharge revenues and benefits functions on its behalf pursuant to Regulation 6 of the Local Authorities (Arrangements for the Discharge of Functions) (England) Regulations 2012 and in this regard to enter into a rolling five year agreement.

## SUMMARY OF PREVIOUS DECISIONS

Cabinet 18 September 2013 – *"In reaching its decision, Cabinet considered the details set out in the report before it and at the meeting and RESOLVED: to make arrangements with Blackpool Council for it to continue to discharge the revenues and benefits functions on Fylde Borough Council's behalf for a three year period from 1 October 2013 with an option to renew for a further 12 months pursuant to Regulation 5 of the Local Authorities (Arrangements for the Discharge of Functions) (England) Regulations 2012."*

## CORPORATE PRIORITIES

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

## REPORT

### 1. The Revenues and Benefits Service

In 2008, the Council entered into a shared services agreement with Blackpool Council with respect to the provision of a revenues and benefits service. The agreement was for an initial period of five years and this was then extended for a further four years running to 2017. Under the agreement, Blackpool provides the revenues and benefits service for both councils.

The revenues and benefits staff of both councils were combined into one team, sharing expertise and investment. The operation is based upon simplified, streamlined, standardised and automated processes that enable consistent, high quality service delivery. This has also resulted in this Council reducing its costs over time, with recurring savings of £125k per annum generated at the point the shared service was formed. The service has been successfully managed by Marie McRoberts, Head of Revenues and Benefits Shared Service. Marie will leave the service in September of this year and arrangements have been put in place for the benefits service to be managed by Louise Jones and the council tax service by Andrew Turpin. These officers already have good working relationships with Fylde colleagues, having worked alongside Marie for a number of years.

The service delivers:

- Billing, collection and recovery of Council Tax, including the localised support for Council Tax scheme
- Billing, collection and recovery of Business Rates
- Housing Benefit administration, assessment and payment
- Billing, collection and recovery of benefit overpayments
- Handling of all correspondence and complaints in line with Fylde and Blackpool Councils' agreed corporate procedures
- Data Protection and Freedom of Information issues relating to the revenues and benefits service
- Performance management and monitoring, including providing regular reconciliation reports as agreed between the parties
- Compilation of all Government returns relating to the service.
- Scanning and indexing of all documents sent to the service (Fylde BC only)
- Service specific reconciliations, system controls and system administration
- Interpretation and development of policy in relation to any policy changes affecting the service
- Briefing for both elected members and senior officers at both councils including attendance at Management Team, Council, Cabinet and Scrutiny meetings as and when required
- The provision of relevant training such as Members' Learning Hours in addition to staff training
- Assessment of Free School Meals, Clothing Allowances and Student Awards (Blackpool Council only)
- Financial Assessments for Social Care (Blackpool Council only)

Work specifically excluded in relation to the shared service includes the provision of customer contact centres at both Councils together with corporate debt recovery and benefit fraud activity. The Corporate Fraud service is administered on behalf of Fylde Council by Preston City Council and the shared service liaises with respect to these matters as necessary and in a timely manner.

### 2. Legal/Procurement position

The value of the revenues and benefits work provided by Blackpool Council to Fylde Council is greater than the threshold value for services set out in the Public Contracts Regulations 2015. This would normally mean that a contract for the work would need to be tendered in accordance with the regulations. However, this does not apply where services are carried out by one local authority on behalf of another pursuant to a genuine administrative arrangement – as opposed to a contract – between the two authorities.

The arrangements that exist between Fylde and Blackpool fall within that description. Fylde has arranged (and, if the recommendation of this report is accepted, will continue to arrange) for Blackpool to discharge the functions set out in this report. That arrangement, previously made by the Cabinet under regulation 5 of the Local Authorities (Arrangements for the Discharge of Functions) (England) Regulations 2012, would now fall under regulation 6 in consequence of Fylde's change in governance arrangements. It is a genuine administrative arrangement and is therefore not treated as a contract for the purposes of the procurement legislation.

### 3. Financial position

The approved base budget for 2016/17 for Fylde's element of the shared service arrangement payable to Blackpool Council currently stands at £1.011m. This budget is split on the following basis: 40% for Council Tax Collection costs at £404k, 15% for Business Rates Administration costs at £152k, and 45% for Housing Benefit Administration costs at £455k. The Council receives two sources of income as contributions towards these costs: a "Cost of Collection Allowance" from the Government for Business Rates Administration, which is budgeted at £112k for 2016/17, and a "Housing Benefit Admin Grant" towards the cost of Housing Benefit Administration, which is budgeted at £317k for 2016/17.

In addition to these direct costs and income streams, the Council also recharges the costs of support services and service management costs to these activities, including for example the cost of one-stop shop staff time spent on dealing with housing benefit claims and the cost of finance administration in processing Council Tax and Business Rate income and the issuing of payments for Housing Benefit.

For completeness, the approved base budget position for 2016/17 can therefore be summarised as follows:

	Council Tax Collection	Business Rates Administration	Housing Benefit Administration	Total
	£000	£000	£000	£000
Cost of Shared service – payable to Blackpool Council	404	152	455	1,011
Internal support, service management and other costs	181	59	167	407
<b>Total Gross Cost</b>	<b>585</b>	<b>211</b>	<b>622</b>	<b>1,418</b>
Less - Cost of Collection Allowance	0	(112)	0	(112)
Less - Housing Benefit Admin Grant	0	0	(317)	(317)
Less – Recovery of court costs	(150)	(13)	0	(163)
<b>Net Cost to FBC</b>	<b>435</b>	<b>86</b>	<b>305</b>	<b>826</b>

**NB: This report deals only with the direct costs of these services, namely the £1.011m shown in the first line in the above table.**

### 4. Welfare reforms

In recent years there has been a high pace of change within the service with a number of welfare reforms being introduced including the benefits cap, local council tax support scheme and universal credit. It is still anticipated that in the longer term that housing benefit administration will transfer to the Department of Work and Pensions within the next couple of years. Although council tax

administration and support will remain with local authorities, the eventual introduction of Universal Credit will have a fundamental impact of the work of the shared service.

## 5. The future

Given the period of great change in the administration of welfare benefits both now and in the future, combined with the good working relationship with Blackpool Council regarding the delivery of the revenues and benefits service, it is not recommended to pursue alternative service options which could range from bringing the service back in house, tendering the service or entering into discussions with other service providers who may wish to also consider a shared service model. Not only would this be extremely disruptive in a period of great change, but it could also be extremely costly both in monetary and administrative terms in trying to separate a service that has been combined for a significant period of time, with shared contracts in place for services such as IT contracts, and the cost of tendering would be significant. In addition there is a good working relationship with Blackpool Council and a high service standard in delivering the service.

It is recommended that the Council enters into a five-year rolling contract with Blackpool Council with a break clause that could be invoked by either party giving a two-year notice period.

IMPLICATIONS	
Finance	The financial implications are contained in the body of the report. The Council's base revenue budget contains provision on an ongoing basis for the cost of the shared revenues and benefits service.
Legal	The legal implications revolve around procurement and are contained in the body of the report.
Community Safety	None arising from this report
Human Rights and Equalities	None arising from this report
Sustainability and Environmental Impact	None arising from this report
Health & Safety and Risk Management	None arising from this report

LEAD AUTHOR	TEL	DATE	DOC ID
Tracy Morrison	01253 658521	6 September 2016	

LIST OF BACKGROUND PAPERS		
Name of document	Date	Where available for inspection
PDSC & Cabinet minutes	Sept 2013	<a href="http://www.fylde.gov.uk">www.fylde.gov.uk</a>

# DECISION ITEM



REPORT OF	MEETING	DATE	ITEM NO
RESOURCES DIRECTORATE	FINANCE AND DEMOCRACY COMMITTEE	26 SEPTEMBER 2016	7
PARISH COUNCIL ELECTION RECHARGES			

## PUBLIC ITEM

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

### SUMMARY

The council presently recharges the cost of parish council elections to the parish council concerned using a methodology that takes into account the actual cost of providing polling stations for each such election and divides most other costs equally between the relevant parishes.

Some parish councils have asked for other methods of apportioning the costs to be explored. The report sets out the results of applying two alternative methodologies and asks members to choose whether they wish to continue using the present methodology or to adopt one of the alternatives.

### RECOMMENDATION

1. Continue to recharge the cost of parish council elections using the present methodology for apportioning the costs between relevant parishes.

### SUMMARY OF PREVIOUS DECISIONS

None known

### CORPORATE PRIORITIES

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

## REPORT

1. The costs of holding an election for a parish councillor are paid by the borough council, but may be recharged to the parish council concerned<sup>1</sup>. Fylde Council does recharge the cost of parish elections.
2. The May 2015 polls were combined elections, in that parliamentary, borough council and parish council elections were held on the same day. In parishes or parish wards where there was a contested election for a parish councillor, one third of the cost of holding the combined elections in those parishes or parish wards fell to be recharged to the parish councils concerned. The one-third recharge was divided<sup>2</sup> between the parishes and parish wards concerned as set out in the following table

Element of the one-third recharge	Method of calculation
Polling station	Actual costs incurred in the parish or parish ward in question (these include hire costs for portable polling stations, as well as staff costs)
Poll cards	Divided equally between each contested parish or parish ward
Absent voting	Divided equally between each contested parish or parish ward
Count	Divided equally between each contested parish or parish ward
Clerical	£16.55 per 500 electors or part thereof
Returning officer	Divided equally between each contested parish or parish ward

3. At the May 2015 elections, there were ten contested elections for parish councils or parish council wards in Fylde. This level of competition was the highest for many years. Consequently, a number of parish councils who had not in recent times had to meet the cost of elections were faced with recharges. Further, because the polls were combined, poll cards were mandatory. Where a parish council election is held as a standalone poll, the parish council can decide whether or not to have poll cards issued.
4. Some parish councils have asked that consideration be given to different ways of calculating how the share of the cost of parish council elections is divided between parishes. Calculations have therefore been prepared showing how the recharges for the 2015 elections would have varied based on alternative methods of calculation. The total sum to be recharged between parishes remains the same: the difference is in the proportions of that cost which would have been recharged to each individual parish having a contested election.
5. The table in paragraph 6 shows the results of using the following three methods of dividing the costs between parishes :

Method 1: the present methodology, as described in paragraph 2 above

Method 2: All costs divided equally between the number of contested parishes or parish wards

Method 3: Cost apportioned on the basis of the electorate of the parish or parish ward

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<sup>1</sup> Representation of the People Act 18=983, section 36(5)

<sup>2</sup> Subject to some minor adjustment as a result of specific representations by parish councils

6. The results of the different methods of calculation on 2015 recharges would have been as follows:

Parish	Method 1: Present method of calculation	Method 2	Method 3
Bryning with Warton	£2343.57	£2406.68	£3212.58
Elswick	£2089.71	£2406.68	£992.20
Freckleton West	£2296.02	£2406.68	£2561.97
Little Eccleston with Larbreck	£2695.34	£2406.68	£394.41
St Annes: Ashton	£2514.67	£2406.68	£4091.29
St Annes: Central	£2446.68	£2406.68	£3559.80
St Annes: Kilnhouse	£2366.79	£2406.68	£3650.81
St Annes: St Leonards	£3224.64	£2406.68	£3826.11
Weeton with Preese	£2021.49	£2406.68	£516.89
Westby with Plumpton	£2067.92	£2406.68	£1260.76
Total	£24066.83	£24066.83	£24066.83

7. The present methodology (method 1) reflects, to some extent, the actual cost of running the election in each parish or parish ward. Method 2 divides all costs equally, regardless of where they were incurred. Method 3 places a greater financial burden on more populous parishes, who would arguably find it easier to raise the funds to pay, but does not reflect actual costs.
8. All of the methodologies are objectively justifiable, but both of the alternatives produce winners and losers when compared to the present methodology. Officers feel that the present method produces a fair means of recharging the cost of parish elections and, on balance, recommend that the present method of apportionment continue.

IMPLICATIONS	
Finance	There are no direct financial implications to Fylde Council in respect to this report. The options are all cost neutral to Fylde Council with the cost of the elections being recharged to the parishes.
Legal	The parish councils are obliged to pay the recharge decided by the council.
Community Safety	None arising from this report
Human Rights and Equalities	None arising from this report
Sustainability and Environmental Impact	None arising from this report
Health & Safety and Risk Management	None arising from this report

LEAD AUTHOR	TEL	DATE	DOC ID
Ian Curtis	01253 658506	8 April 2016	

LIST OF BACKGROUND PAPERS		
Name of document	Date	Where available for inspection
Spreadsheet showing basis of calculations used in the report		Town Hall, Lytham St Annes



# DECISION ITEM



REPORT OF		MEETING	DATE	ITEM NO
FINANCE	FINANCE AND DEMOCRACY COMMITTEE		26 SEPTEMBER 2016	8
<b>TIMETABLE FOR DEVELOPING BUDGET PROPOSALS 2017/18</b>				

## PUBLIC ITEM

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

### SUMMARY

A budget timetable needs to be approved which complies with the budget and policy framework rules, statutory deadlines, and if possible which facilitates early billing for Council Tax.

Attached at Appendix A is a draft budget timetable for the period October 2016 to March 2017 for consideration. The timetable may need further consideration if there are any significant changes, for example if the timetables of precepting authorities change.

### RECOMMENDATIONS

**The Committee is recommended to:**

1. Adopt the timetable as shown at Appendix A for the budget setting process for 2017/18

### SUMMARY OF PREVIOUS DECISIONS

This is the first item that relates to the budget setting process for 2017/18 and marks the commencement of that process.

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

## **REPORT**

### **1. INFORMATION**

- 1.1 The setting of the composite Council Tax can only be agreed after Lancashire County Council, the Police and Crime Commissioner for Lancashire and the Lancashire Combined Fire Authority have arrived at their respective Band D requirements.
- 1.2 The statutory deadline by which all the precepting authorities have to determine their requirements is 28<sup>th</sup> February 2017. Currently the dates proposed for the relevant meetings are:
  - 9<sup>th</sup> February 2017 for Lancashire County Council;
  - 13<sup>th</sup> or 20<sup>th</sup> February 2017 for the Lancashire Combined Fire Authority; and
  - Before 24<sup>th</sup> February 2017 for Police and Crime Commissioner for Lancashire.
- 1.3 The timetable set out in Appendix A includes key budget decision dates and proposed timescales for a budget consultation process to be undertaken.
- 1.4 In light of the above it is proposed that if all information on precepts is available, the Budget decision will be taken at Budget Council on 2<sup>nd</sup> March 2017. Please note that this meeting will commence at 5:00pm.
- 1.5 If the budget cannot be set and Council Tax charges determined by 2<sup>nd</sup> March 2017, it is likely that a Council Tax instalment date of 1<sup>st</sup> April 2017 may not be achieved with a resultant financial loss to the Council. The statutory deadline to set Council Tax is 11<sup>th</sup> March 2017. Failure to set a Council Tax by the deadline is likely to have a financial impact on the Council and will be in breach of the statutory process.

### **2 CONSULTATION**

- 2.1 As in previous years the Council will consult in respect of strategic budget issues. There will be a period of consultation with interested parties when any budget proposals are published. It is a requirement to consult with business rate payers over any proposed budget. There should also be meaningful consultation with those people who may be affected by any proposals in particular where they involve the discontinuance of a service. Detailed or specific consultation may be part of a proposal and follow after an in principle decision is made.

IMPLICATIONS	
Finance	The financial implications are contained within the body of the report.
Legal	Timetable in place to ensure annual budget for 2017/18 is set with statutory and legislative guidelines
Community Safety	N/A
Human Rights and Equalities	N/A
Sustainability and Environmental Impact	N/A
Health & Safety and Risk Management	N/A

LEAD AUTHOR	TEL	DATE	DOC ID
Paul O'Donoghue Chief Financial Officer	01253 658566	September 2016	

LIST OF BACKGROUND PAPERS		
Name of document	Date	Where available for inspection
N/A		N/A

Attached documents

1. Appendix A – Meeting dates

**TIMETABLE FOR DEVELOPING BUDGET PROPOSALS 2017/18**

<b>Meeting Dates</b>	<b>Detail</b>
November cycle of meetings	Consideration of draft revenue budget position and capital bids by programme committees
21 <sup>st</sup> Nov 2016	Finance & Democracy Committee - Updated Financial Forecast 2016/17 to 2020/21
5 <sup>th</sup> Dec 2016	Council - Updated Financial Forecast 2016/17 to 2020/21
Nov 16 to Feb 2017	Consideration of revenue budget options/capital bids by Budget Working Group
Nov 16/Feb 17	Opposition Briefings - to be arranged
Nov 16/Feb 17	Budget consultation exercise with stakeholders, including Town & Parish Councils and Business Rate Payers
20 <sup>th</sup> Feb 2017	Finance & Democracy Committee - Budget Proposals Meeting - expected publication date of Budget & Policy Proposals
2 <sup>nd</sup> Mar 2017	Budget Council Meeting (5pm start)
11 <sup>th</sup> Mar 2017	Statutory Deadline for Council to set Council Tax

# DECISION ITEM

REPORT OF	MEETING	DATE	ITEM NO
FINANCE	FINANCE AND DEMOCRACY COMMITTEE	26 SEPTEMBER 2016	9
<b>BUSINESS RATE POOLING 2017/18</b>			

## PUBLIC ITEM

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

### SUMMARY

This report summarises the operation of a 'business rate pool' under the revised 'localisation of business rate' arrangements which have been in place since April 2013. The report notes the existence of such a pool for Lancashire authorities which came into being for the 2016/17 financial year.

At the meeting of 28th September 2015 this Committee considered whether Fylde Council ought to participate in the Lancashire Business Rate Pool for 2016/17. The Committee determined that Fylde Council would not be a member of that pool for that year and that the position would be kept under review.

This report provides that review and seeks the agreement of the Committee that Fylde Council ought to continue the current position of non-participation in the Lancashire Business Rate Pool in respect of the 2017/18 financial year.

### RECOMMENDATIONS

#### The Committee is recommended to:

1. Agree that due to the continuing financial risk arising from the potential cost to the Council from membership of a business rate pool that Fylde Council does not participate in the Lancashire business rate pool for 2017/18; and
2. Agree that participation in the Lancashire business rate pool for 2018/19 and subsequent years should be kept under review and should be the subject of a report to the committee for consideration during next financial year.

### SUMMARY OF PREVIOUS DECISIONS

At the meeting of 28th September 2015 this Committee considered the participation by Fylde Council in a Lancashire Business Rate Pool for 2016/17 and determined:

1. That due to the financial risk arising from the potential cost to the Council from outstanding historic business rate appeals that Fylde Council do not participate in a Lancashire business rate pool for 2016/17; and
2. That participation in a Lancashire business rate pool for 2017/18 and subsequent years should be kept under review and should be the subject of a report to the committee for consideration during next financial year.

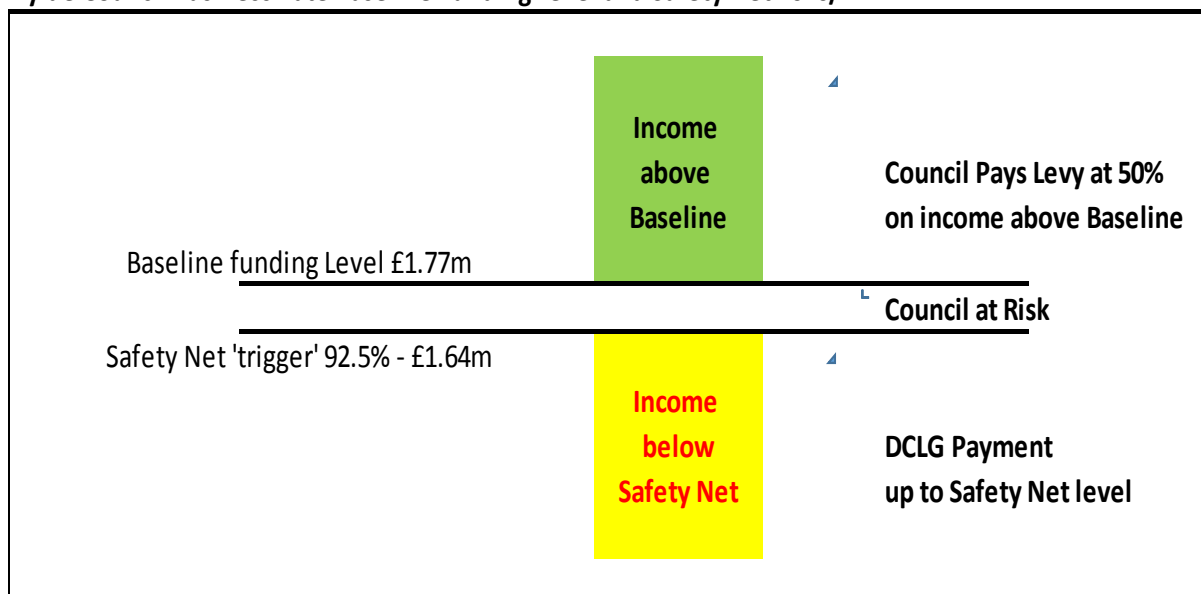
CORPORATE PRIORITIES	
Spending your money in the most efficient way to achieve excellent services ( <b>Value for Money</b> )	√
Delivering the services that customers expect of an excellent council ( <b>Clean and Green</b> )	√
Working with all partners ( <b>Vibrant Economy</b> )	√
To make sure Fylde continues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

## REPORT

### 1. INFORMATION AND BACKGROUND

- 1.1 Business rates are a key source of funding for local authorities. Under the business rates retention system each billing authority retains a share of the business rates for its area based on prescribed proportions. For Fylde, this is 40% retained with the remainder shared between Central Government, County Council and Fire Authority (50%, 9% and 1% respectively).
- 1.2 All district Councils in two-tier areas, like Fylde, are classed as ‘tariff’ authorities; this means the Council’s individual rates baseline is greater than its baseline funding level (which is effectively the Council’s ‘need’ as calculated by central government) which results in the Council paying a tariff to the Government from its share of “retained” business rates. Therefore Fylde pays a tariff over to the government from its retained 40% share of business rate.
- 1.3 The business rates retention system also provides for councils to benefit from a share of growth in their business rates base and exposes them to the risk of reduced income where changes are adverse (e.g. business closures, rating appeals). The system, as currently designed, includes mechanisms for both a **levy** and a **safety net** to moderate such variances. A **levy** applies where an authority’s retained share of rates income exceeds its baseline funding level, whereas a **safety net** operates when the retained share of rates income falls below 92.5% of the baseline funding level. The diagram below illustrates this and shows the values for Fylde for 2016/17.

## Fylde Council Business Rate Baseline Funding Level and Safety Net 2016/17



- 1.4 The diagram shows that under the current system if the Council's share of retained business rate income exceeds the value of the Baseline Funding Level (which for 2016/17 is £1.77m as calculated by DCLG) the Council retains 50% of the growth and pays 50% the remaining 50% to the Government by way of a levy.
- 1.5 Conversely the current system provides a degree of protection in that if the Council's share of retained income drops below the Baseline Funding Level the extent of this drop is 'capped' at a level equivalent to 92.5% of the Baseline Funding Level (the 'Safety Net' level - which for 2016/17 is £1.64m). If the Council's share of retained income drops below this level the Council receives a grant to bring the income up to the safety net level.

## 2. BUSINESS RATE POOLING

- 2.1 A feature of the business rates arrangements allows Councils to group together to form a 'business rates pool'. Under such an arrangements Councils in a pool combine all of their funding calculations under the business rate scheme, effectively adding their numbers together for all elements of the funding calculation, including the calculation of the tariff and top-up amounts.

For 2016/17 a number of the Lancashire district Councils formed a business rate pool together with Lancashire County Council. This contained all of the district Councils in Lancashire with the exception of Fylde Council, Preston City Council and Lancaster City Council. As unitary Councils, Blackpool and Blackburn-with-Darwen Councils have very different business rates profiles under the localisation of business rates arrangements and neither were part of the Lancashire pool.

- 2.2 For 2016/17 it has been estimated that the effect of aggregating all the business rate calculations of the Lancashire pooling authorities (comprising a number of the district councils which are 'tariff' authorities and Lancashire County Council which is a 'top-up' authority) will have the effect of producing a position whereby no levy to central government would be payable by any of the pooling authorities. Each authority will continue to retain the majority of the growth in its business rates income that it would have retained as an individual authority outside of the pool (subject to agreed pool management arrangements, any central pool contributions and after administration costs have been met) but would no longer be required to pay any of this growth over to central government through the levy system.

- 2.3 However, a business rates pool arrangement is not without risk. As part of a pool, a Council relinquishes the security afforded by the 'Safety Net' mechanism as described above. i.e. there would be no safety net protection should the Council's share of retained income fall below a specified level.
- 2.4 In common with most other councils Fylde has a large number of business rate appeals which are yet to be determined by the appropriate agency, the Valuation Office. Many of these appeals were lodged prior to the commencement of the revised business rates arrangements and they often include an element of back-dating to the time of the original valuation which can significantly increase the potential cost to the Council.
- 2.5 The Council is required to make adequate provision to meet the estimated cost of rating appeals. As a result of the continuing scale of the potential cost to the Council arising from historic appeals it has been necessary, as part of the 2015/16 outturn, to significantly increase the business rate appeal provision from £3.560m at 31st March 2015 to £9.613m at 31st March 2016. This judgement is based upon information held on the volume and potential value of outstanding appeals and after having taken specialist advice.
- 2.6 The effect of this has been that for 2015/16 the Council's share of the business rates income fell well below the safety net level. The Council will therefore receive a Safety Net payment in respect of 2015/16 of £0.953m from the DCLG to bring the Council back to the safety net funding level.
- 2.7 For the previous year, 2014/15, the Council received a Safety Net payment of £0.331m from DCLG to bring the Council back to the safety net funding level.
- 2.8 Had the Council been in a pooling arrangement for either of those years then the safety net protection would not have existed and the safety net payments would not have been received and the Council would have been significantly worse-off.
- 2.8 Subsequent to the financial outturn for 2015/16, one of the largest of the business rate appeals within the Fylde borough (in terms of potential cost to the Council), that of the Springfields site, has been heard and dismissed by the Valuation Office Tribunal. This represents a significant reduction in the overall value of appeals for which the Council has had to make provision and is likely, depending upon the outcome of other appeals within estimated cost-parameters, to lead to some benefit to the Council in the form of the release of monies from the provision in the coming years. However there remains a significant number of other outstanding historic appeals. As and when these are determined by the Valuation Office Tribunal the existing level of provision for these costs may or may not be sufficient to cover those costs. This represents an on-going risk to the Council's Business Rates income until all outstanding appeals have been determined.
- 2.9 Current membership of the Lancashire business rates pool suggests that those Lancashire districts which have experienced growth in their business rates over the last couple of years and have paid a levy over to the government have decided to join the pool for 2016/17 as a result of that recent trend such that they retain a share of their levy payment, whilst Fylde, Preston and Lancaster which have fallen below that safety net have decided to remain outside of the pool.

### **3. CONCLUSIONS**

- 3.1 The formation of a Lancashire wide pool presents both an opportunity (to retain levy payments which would otherwise be paid over to central government if there is growth in business rate income in the borough) and a risk (in that joining a pool removes the government's safety net protection system).
- 3.2 The decision on whether or not to join the pool comes down to a judgement call on whether or not the Council's income from business rates is likely to be above or below the safety net



level for 2017/18. Such an assessment is problematic due to the large fluctuations caused by movements in the provision for appeals. For both 2014/15 and 2015/16 the Council's income has been below the safety net level and the Council has therefore benefitted for being outside any pooling arrangement and has been in receipt of safety net payments from DCLG totalling £1.284m which would not have been receivable had the Council been in a pool.

- 3.3 On balance it is recommended that because of the on-going risk from outstanding business rate losses (including the potential for significant costs relating to historic appeals) Fylde Council do not seek to participate in a business rate pool for Lancashire in 2017/18 and that this position is reviewed for future years. Remaining outside the pool offers the Council the protection of the safety net arrangements which have benefitted Fylde for the last 2 years whilst meaning that the Council can still retain the benefit of a share of the growth in business rate income above the baseline level albeit at a lower level than would be the case if the Council was in the pool.

IMPLICATIONS	
Finance	Whilst it is impossible to project with any accuracy the 2017/18 financial position in terms of Business Rates Retention, it is considered that joining a pool at this stage presents a financial risk to the Council due to the potentially high value of Business Rate losses such that income falls below the Safety Net level, and as such it is recommended that Fylde Council do not seek to participate in a business rate pool for Lancashire in 2017/18.
Legal	The legal framework for the formation of a business rates pool is set out in paragraph 34 of Schedule 7B of the Local Government Finance Act 1988 (as inserted by schedule 1 to the Local Government Finance Act 2012). Each pool has to decide (and get approval from Government) on its governance arrangements. These cover, at the least: <ul style="list-style-type: none"> <li>- the rights and obligations of pool members, including</li> <li>- how money is to be disbursed to/between pool members and how payments to central government are to be funded by the lead authority</li> <li>- the treatment of pool balances and liabilities following the pool's dissolution.</li> </ul>
Community Safety	None
Human Rights and Equalities	None
Sustainability and Environmental Impact	None
Health & Safety and Risk Management	None

LEAD AUTHOR	TEL	DATE	DOC ID
Paul O'Donoghue Chief Financial Officer	01253 658566	September 2016	

LIST OF BACKGROUND PAPERS		
Name of document	Date	Where available for inspection
N/A		N/A

# DECISION ITEM



REPORT OF	MEETING	DATE	ITEM NO
DEVELOPMENT SERVICES DIRECTORATE	FINANCE AND DEMOCRACY COMMITTEE	26 SEPTEMBER 2016	10
<b>APPROVAL FOR S106 FUNDED SCHEME FOR IMPROVEMENTS TO THE CHILDREN'S PLAY AREA ON DERBY ROAD, WESHAM</b>			

## PUBLIC ITEM

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

### SUMMARY

This scheme was considered by the Tourism and Leisure Committee on the 8<sup>th</sup> September 2016.

This report provides details of a section 106 funded scheme for improvements to the children's play area on Derby Road, Wesham and recommends inclusion to the Capital Programme in 2016/17 to be fully funded from the Former Council Offices, Derby Road development in Wesham.

Officers from the Parks & Greenspace Team have been working in partnership with Town Councillors from Medlar with Wesham and community representatives during 2016, on a community project to improve the play facilities on the existing children's play area at Derby Road, Wesham.

The project meets the specific requirements of the section 106 agreement and has followed the ten stage process of the community parks improvement programme and will be delivered by the Parks and Greenspace Team, to ensure value for money and competent installation. There is no requirement for supplementary external funding for this project.

The report describes the details of the S106 funding and summarises and details the receipt of tenders, tender assessment following the procurement process for new play facilities and associated improvement works at the Derby Road Play Area, Wesham.

### RECOMMENDATION

**The Finance and Democracy Committee is recommended:**

1. to agree that the Council act as an accountable body for the proposed capital scheme;
2. to approve an addition to the 2016/17 capital programme in the sum of £24,000, to be fully funded from the Section 106 contributions as detailed in the report.

### SUMMARY OF PREVIOUS DECISIONS

Tourism & Leisure Committee 8 September 2016 – Approval for S106 funded scheme for improvements to the children's play area on Derby Road, Wesham

Following consideration of this matter it was RESOLVED:

1. to give consideration to the proposal and recommend to the Finance & Democracy Committee that the Council agree to act as accountable body for the proposed capital scheme;

2. to recommend to the Finance & Democracy Committee an addition to the 2016/17 capital programme in the sum of £24,000, to be fully funded from the Section 106 contributions as detailed in the report;
3. to authorise the proposed expenditure in respect of the scheme to undertake improvements to Derby Road, Wesham as detailed in the report, subject to the Finance and Democracy Committee approving that the scheme be added to the capital programme for 2016/17;
4. to approve the letting of the contract for the design and build of new play facilities and associated improvement works to Kompan in the sum of £24,000, subject to addition of the scheme to the capital programme being approved by the Finance & Democracy Committee in the same amount.

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. The former Council Office site on Derby Road, Wesham was sold by Fylde Council to a housing developer, which has since been developed into residential housing. The planning process generally requires housing developers to contribute towards improvements to public open space in the area of the development.
2. Fylde Council has received and is holding S106 funds of £24,000, that have been secured through developer contributions associated with this development. The planning agreement states "To apply the public open space contribution to the upgrading of existing play areas in the vicinity of the Site", and it is proposed to spend the S106 contribution on improving the children's play area on Derby Road, Wesham.
3. Officers from the Parks & Greenspace Team have been working in partnership with Elected Members of Medlar with Wesham Town Councillors and community representatives during 2016, on a community project to improve the play facilities on the existing children's play area at Derby Road, Wesham.
4. The existing play area is situated opposite the new residential development, and proves to be very popular and well used by the local community. The current play facility is small with limited play provision containing only a small number of ageing 'trim trail' style kit set within grass surfacing. The area has a 'bow top' perimeter fence to all sides. The play area sits within a larger open space that includes landscaping, tree planting and an area fenced specifically for dog walking. Although popular, the current play area offers little play value to the local community.

### SCHEME DETAILS

5. The aim of the project is to develop the play facilities for children within the age range of 1 to 8 years. The new equipment will provide additional play value and be as inclusive as possible given the location and current ground conditions.
6. The play area will benefit from new equipment including toddler and junior swing unit, a multi-unit with climbing facility and slide, agility trail, see-saw, springer unit and a roundabout. New safety surfacing will be installed under the equipment, in line with the style and layout of facilities.

#### **A COST BREAKDOWN OF THE SCHEME**

<b>DERBY ROAD, WESHAM</b>	
<b>Design Categories as described in the design brief</b>	<b>Net Figure (£)</b>
Preliminaries	£3,100.08
Surfacing	£2,455.46
Groundworks	£1,477.11
Equipment	£16,967.35
<b>TOTAL (Net)</b>	<b>£24,000</b>

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

7. The existing S106 contribution below has been 'ring-fenced' to the project, in agreement with Medlar and Wesham Town Council:

<b>Application Number</b>	<b>Development</b>	<b>S106 Contribution</b>
13/0449	Former Council Offices, Derby Road, Wesham	£24,000
<b>Total</b>		<b>£24,000</b>

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

8. Derby Road Play Area is owned by Medlar with Wesham Town Council. Any additional revenue implications linked to this proposal will be met by the Town Council. These costs have been clearly identified and agreed with the Parish Council.

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

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

#### **RISK ASSESSMENT**

10. A risk assessment has been carried out to identify and mitigate any risks associated with the project which is attached as Appendix 1.

#### **VIABLE ALTERNATIVES**

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

#### **PROCUREMENT PATH (AND ANY DELEGATIONS AS REQUIRED)**

12. Officers from the Parks & Greenspace Team have led the procurement process. The tender followed the 'quick quote' procedure using the CHEST procurement portal as the value is under £100,000 which falls into the category of mid-range contract. Fylde Council have submitted a project brief and specification to five playground specialists asking for a concept plan, cost breakdown, specification of works and schedule of works to be submitted.
13. Quotations have been received for the provision of new play facilities and associated improvement works on a design and build basis. The suppliers were given a project value figure of £24,000 and a design brief prepared by the Landscape Design and Development Officer, which provided suppliers with comprehensive details of the essential project requirements.
14. 4 completed tenders were received and evaluated on a 70% quality and 30% cost basis.
15. The price evaluation was carried out as follows: the proposals were to be based on a budget of £24,000 including a contingency. 30 marks were awarded for quotations of £24,000. For every £1,000 variance either way 5 points were deducted.
16. The quality evaluation was carried out as follows: quality criteria formed 70% of the total, based on the following quality criteria:

• Quality of design, creativity and innovation	20
• Range of equipment and play value	40
• Education and inclusivity	5
• Added value	5
<b>Quality Total</b>	<b>70</b>

17. The quality evaluation was made under the criteria listed below, and the information required from the suppliers was scored on the following basis:

<b>Score</b>	<b>Description</b>
0	The Evaluation Panel felt that none of the requirement was met or demonstrated or no response was provided.
1	The Evaluation panel felt that a few areas (20% or less) of the requirement has been met or demonstrated.
2	The Evaluation panel felt that some areas (between 21% and 59%) of the requirement has been met or demonstrated.
3	The Evaluation panel felt that most of the requirement (60% and above) has been met or demonstrated
4	The Evaluation panel felt that the requirement has been fully met or demonstrated.
5	The Evaluation Panel felt that the supplier had exceeded this requirement.

18. The quality scores are added to the price scores to identify the preferred submission. For example a price of £24,000, would be scored a maximum of 30 points, which would be added to the quality score (maximum 70 points), to give a score out of 100.
19. The result of the tender evaluation exercise is set out below. The evaluation panel comprised of officers from the Parks & Greenspace Team and representatives from Medlar with Wesham Town Council.

Company	Kompan	Playdale	Streetscape	Wicksteed
<b>Criteria</b>				
Price score	30	30	30	30
Quality of design, creativity and innovation	16	4	8	16
Range of equipment and play value	40	16	16	32
Education and inclusivity	3	2	1	3
Added value	2	0	0	2
<b>Total score</b>	<b>91</b>	<b>52</b>	<b>55</b>	<b>83</b>

20. The evaluation panel considered that the Kompan submission demonstrated a better quality provision in terms of quality of design and range of play equipment. The quotation figure for the recommended submission is £24,000, including a contingency. The delivery of this project can commence w/c 17<sup>th</sup> October 2016 and can be completed w/c 31<sup>st</sup> October 2016.

## **OBJECTIVES, OUTPUTS AND OUTCOMES**

21. Objectives, Outputs and Outcomes:

- Provide modern, safe and innovative play facilities
- Achieve the ambitions of the local community
- Improved access for all
- Provision of additional facilities for young people
- Clean and Green – “Deliver high quality parks and open spaces”
- Great Place to Live – “Support and promote volunteers effort to improve their local community”

## **DRAWINGS AND PLANS**

22. A full set of drawings detailing the scheme proposals are included in Appendix 2.

## **CONCLUSION**

23. The proposal is to award the tender to provide and install a range of play facilities and associated improvement works as detailed in this report at Derby Road, Wesham, as per the agreed tender specification to Kompan, to the value of £24,000 for completion w/c 31<sup>st</sup> October 2016

IMPLICATIONS	
Finance	<p>The report requests that the Committee agree that the Council act as accountable body for the additional capital budget in the sum of £24,000, fully funded from Section 106 contribution as detailed in the report.</p> <p>Furthermore the committee is requested to approve an addition to the 2016/17 capital programme in the sum of £24,000, to be fully funded from the Section 106 contributions as detailed in the report</p>
Legal	None arising from this report
Community Safety	Provision of modern recreational facilities is important in terms of providing diversionary activities
Human Rights and Equalities	None arising from this report
Sustainability and Environmental Impact	The proposals represent the replacement of old equipment which is no longer fit for purpose. Medlar with Wesham Town Council will be responsible for the maintenance of the new facilities.
Health & Safety and Risk Management	The quotation requests included Health and Safety information which will be developed by the successful contractor prior to starting on site to safeguard the public and contractor personnel.

LEAD AUTHOR	TEL	DATE	DOC ID
Mark Wilde	01253 648475	15 <sup>th</sup> August 2016	

LIST OF BACKGROUND PAPERS		
Name of document	Date	Where available for inspection
Tourism & Leisure Minutes	8/9/16	Council website

## Appendices

1. Committee Risk Assessment
2. Detailed Design and illustration

## Appendix 1

### Committee Risk Assessment Template

Directorate: Development Services		Date of Assessment: 15 <sup>th</sup> August 2016		
Section: Parks & Greenspace		Assessment Team: Mark Wilde & Johanna Wood		
Assessment Activity / Area / Type: Improvements to the children's play area and associated improvement works at Derby Road, Wesham				
Do the hazards create a business continuity risk? No				
RISK DESCRIPTION	RISK SCORE (Likelihood x Impact)	RISK MITIGATION	RESIDUAL RISK SCORE (Likelihood x Impact)	RISK OWNER / RISK REGISTER
Increased maintenance implication for Medlar with Wesham Town Council.	4	Derby Road, Wesham play area is owned by Medlar with Wesham Town Council. Any additional revenue implications linked to this proposal will be met by the Town Council. These costs have been clearly identified and agreed with the Town Council.	2	Mark Wilde
Failure of contractor to deliver to specification	9	Project management support from in house technical expertise and fixed price contract. All works to be completed to the detailed design and specification.	6	Johanna Wood



Possibility of personal injury to the public during the construction period.	8	A pre-contract health and safety plan will be developed by the contractor to ensure the safe operation within the site. Areas of active construction will be fenced off and information provided about safety aspects of the construction site. The contractor will carry five million pounds public liability insurance.	6	Johanna Wood
The new play area and associated improvement works fail to meet community or stakeholder aspirations.	6	The existing facility does not meet the need of the local community with regard to the condition and range of play equipment. Consultation has been carried out with local residents and Town Councillors were involved in the assessment of tenders and designs for the work.	3	Johanna Wood
Increased risks to the public as a result of the development.	6	A full risk assessment will be completed before the area is open to the public.	4	Johanna Wood
Project not delivered on time and funding not utilised.	9	Officers work closely with successful contractor to ensure timely start on site.	6	Johanna Wood
Project overspend	9	Project officer to monitor & control costs. Budget contains an element for preliminaries.	6	Johanna Wood

#### 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	26 SEPTEMBER 2016	11
<b>KIRKHAM PUBLIC REALM IMPROVEMENTS : PHASE 5</b>			

## PUBLIC ITEM

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

### SUMMARY

As a consequence of the approved development at Mill Farm, Wesham a commuted payment of £110,000 was negotiated by way of an agreement under Section 106 of the Town and Country Planning Act 1990 to be used for the purposes of upgrading Kirkham and Wesham town centres. The primary justification for the funding requirement was directly related to the estimated trading diversion from the anchor town centre convenience store in Kirkham (Morrison's) to the new Aldi store.

The funding 'split' between the two town centres was not stipulated within the terms attached to the Agreement. However, in so far as Kirkham is concerned, the next logical area for improvement follows on directly from earlier phases. This is an expansive area taking in large areas of private forecourts as well as adopted footways. The area proposed lies between Birley Street and Market Square on the northerly side of Poulton Street.

As on previous occasions, it is recommended that this Council works directly with Lancashire County Council in both procurement and delivery of the scheme.

Subject to legal agreements being signed with building owners, who have control of some of the forecourts, it is anticipated that work can commence in the early autumn.

### RECOMMENDATIONS

The Committee is recommended to:

1. Approve a fully funded addition to the 2016/17 capital programme in the total sum of £90,000 for the proposed scheme, to be fully-funded from the Section 106 contributions as detailed in the report;
2. Note that the Development Management Committee on 7<sup>th</sup> September 2016 authorised the expenditure in the sum of £90,000, as detailed in the schedule attached as Appendix 2, (subject to inclusion of the scheme in the capital programme as now requested) to be released from the Councils capital programme funded by the commuted payment requirement attached to planning application 13/0655.

## SUMMARY OF PREVIOUS DECISIONS

At its meeting on 7 September 2016, The Development Management Committee resolved:

1. To consider the proposal as detailed within the report and recommend to the Finance & Democracy Committee that it approve a fully funded addition to the 2016/17 capital programme in the total sum of £90,000 for the proposed scheme, to be fully-funded from the Section 106 contributions as detailed in the report; and
2. Subject to the addition of the scheme to the capital programme being approved by the Finance and Democracy Committee as detailed above, to approve expenditure in the sum of £90,000, as detailed in the schedule attached as Appendix 2, to be released from the Councils capital programme funded by the commuted payment requirement attached to planning application 13/0655.
3. Approve the layout and details of the public realm enhancement scheme as indicated at Appendix 1 and in accordance with the schedule of works as indicated at Appendix 2, but authorise officers to undertake none material alterations to the scheme in the light of constructional issues that might become apparent on site as the development is undertaken.
4. Agree to the method of procurement and implementation as set out in the report, namely the continued working partnership with Lancashire County Council for the delivery of the scheme.
5. That officers be tasked with identifying and defining a plan to allow the remaining balance of £20,000 to be expended on a suitable regeneration scheme within the Wesham area.

## CORPORATE PRIORITIES

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

## REPORT

### Background

1. The Council's Regeneration Framework provides a compendium of schemes, largely relating to the enhancement of the town and village centres of the Borough. Kirkham, as the market town of Fylde, features as an adopted scheme and to date a number of phases have been completed with funding secured from a number of sources. The public realm improvements have, for the most part, been concentrated latterly on re-paving the main high street (Poulton Street) although in the past there has been a grant aided building frontage improvement scheme. The Development Management Committee has approved a 'Zoning Plan', which highlights how the principal town centre area can be divided into a series of phases for improvement. To date four phases have been completed (Zones 1, 2, 3 along with part of 4 (undertaken as one contract) and 5 - Appendix 3).

2. The completed phases have been welcomed by local traders and the broader community, as the scheme has significantly uplifted the quality of the local environment. The refurbishment for Poulton Street has primarily included new paving and kerbing to footways and forecourts and has been complimented by street furniture, a small section of tree planting and in turn complemented by the efforts of Kirkham in Bloom. Some of the properties along Poulton Street have the use of forecourt areas but to date, these are actually owned/maintained by Lancashire County Council and so no agreement has been needed with building owners to undertake the work. However, in the case of this phase a number of the forecourts are privately owned.
3. The funding for the enhancement of Poulton Street has so far been drawn from a number of sources including the Borough Council, County Council and the High Street Innovation Fund. As a result of the Mill Farm development, a commuted payment of £110,000 was negotiated with the developer and Committee resolved that this should be used for the purposes of enhancing the centres of Kirkham and Wesham. This was justified as it was estimated that the Aldi component of the Mill Farm development would have an impact on Morrison's in Kirkham Town Centre. Although the level of impact was considered to fall within acceptable limits, the objective of the funding requirement was one of mitigating the trading impact and potential loss of footfall to Morrison's – and its spin off to the town centre. One recognised method is to enhance the appearance of the town centre with the objective of increasing patronage to offset that potentially lost due to impact of the new retail store.
4. In requiring the commuted payment, The Development Management Committee did not resolve at the time how it was to be split between the two centres, although the primary justification was the impact on the Morrison's store. However, to undertake the next logical area for enhancement, namely Birley Street to Market Square, this whole length will realistically require improvement at the same time, particularly as it is hoped to improve 'cross levels' over the footway and forecourt areas. The cost of the scheme is estimated at £90,000 and so one of the issues for Committee to consider is whether this split of the available funding is appropriate in the light of the overall contribution secured through the Section 106 agreement. It will be noted that at the time of issuing the report the cost of the scheme is shown as £91,633 (APPENDIX 2). However, some small changes to the scheme will result in the cost being brought to within the stipulated £90,000 figure. A revised table will be re-issued to Committee, when finalised.

#### **Scheme Details**

5. The proposed scheme design follows on from earlier phases as described in the foregoing paragraphs. This section includes the major part of Zone 6 (the paved areas around Market Square not being included at this stage). Within this section of Poulton Street there are twelve frontage properties although the forecourts of five have already been block paved; this work being undertaken a number of years ago. Of the seven to be improved there are six separate ownerships. At the time of preparing the report, all the owners had been contacted with each of them supporting the scheme in principle. Detailed negotiations are continuing and by the time of Committee's consideration it is hoped that all will have signed the relevant agreement, or be close to it.
6. The Plan at Appendix 1 shows the extent of the works and the broad content of the scheme. As with all schemes of this nature, as it progresses, there may be the need to make minor revisions taking account of unforeseen circumstances which has, in the past, included the presence of basements or services that do not accord with presumed locations. For this reason, Committee is asked to allow officers to make minor 'working amendments' to the scheme as appropriate on the basis that such changes do not materially affect the scope,

content and objectives of the scheme as presented. The introduction of trees is supported and from close inspection it is considered that practically four could be accommodated in the positions shown on plan, but this will depend on the precise location of services which will be established once construction commences.

7. The property owners will be asked to enter into a legal agreement with the Council. This allows for construction to take place but also to ensure that the quality materials that are to be used will not be compromised in the future. This might be the case were any excavation to take place within forecourts for the purpose of service repairs or renewals. This is standard practice with schemes of this nature.
8. Lancashire County Council has indicated that subject to all the preliminary matters being resolved, it is hoped that work can commence as soon as possible, probably later in September.

### **Value of Money and Procurement**

9. For some time the Borough Council has had a working arrangement with Lancashire County Council that has acted as the main contractor for regeneration schemes and has worked hand in hand with the Regeneration Team in implementing them. Many of the works take place within the adopted highway and in many cases the County Council has made a financial contribution to the particular scheme. As the details of the scheme and construction are undertaken on a partnership 'team' basis the calculation of the schemes and required specification can be calculated from the outset. This saves time and expense and the involvement of external quantity surveyors. In addition, as the County Council is the main contractor and works closely with the Council, this gives assurances that the budget costs and on-going progress of the scheme can be very closely monitored and design and specifications adjusted as it progresses. The County Council has its own costs and procurement regulations to ensure best value which is passed on to this Council. It is proposed therefore, that as previously agreed, this method of procurement and construction continues in the implementation of this particular scheme. In the circumstances, this Council's normal procurement procedures should be superseded by entering into a contractual agreement and arrangement with Lancashire County Council.

### **Financing the Scheme**

10. As outlined, the funding is by way of the commuted payment made by the developer in respect of the Mill Farm development, but is not currently included within the approved Capital Programme for the financial year 2016/17. Accordingly the request to include the scheme within the Capital Programme will need to be agreed by this Committee. The proposal was considered by the Development Management Committee on 7 September 2016 who recommended that the scheme progress in line with the recommendation set out in this report.

### **Risks Associated with the Scheme**

11. The attached Bill of Quantities identifies the full costs associated with the scheme including contingencies to take account of potential unknown costs. The scheme is monitored throughout construction and reporting mechanisms are put in place to ensure that these costs are carefully controlled. To date, all of the regeneration schemes over the Borough have been delivered within the allocated budget. All potential issues that could result in a budget overrun

are carefully assessed before the commencement of works and minimised as far as is possible. All legal issues appertaining to land ownership and traffic management issues that are relevant are resolved prior to commencement. The financial and other risks associated with this capital scheme are therefore minimised as far as is possible.

## Alternatives

12. This capital scheme is specifically targeted at undertaking the next logical zone as identified for the improvement of Poulton Street and the adjoining areas. This zone would be the largest area improved so far. The design seeks to maintain the same specification of the previous phases in quality and in its principles. The craftsmanship is expected to be high, judging by the achievements of previous phases. Committee could, if it was to so chose, allocate a different split between the required amount to undertake this scheme and what was to remain and could be spent in Wesham. However, it would be difficult to undertake part of this scheme. In addition to the visual impact of an uncompleted scheme, there could well be constructional issues as the opportunity of reducing the present awkward falls across the present footway could not be fully resolved. These alternatives were considered by the Development Management Committee in reaching its recommendation to this Committee that the scheme should progress as recommended, with £90,000 of the £110,000 commuted sum received as a result of the Mill Farm development being committed to the proposed improvements in Kirkham. It should be noted that as of yet, a fully designed and costed scheme for enhancements to Wesham centre has not been agreed with the Town Council. Any scheme would, of course, require approval of the Borough Council.

## Conclusion

13. This report details the proposed implementation of street enhancement works between Birley Street and Market Square in Kirkham. The funding of the scheme is by way of the use of part of funding secured through the Section 106 agreement associated with the Mill Farm development. The procurement and implementation path follows on from earlier phases. The completed scheme will achieve a significant enhancement of this particular section of Poulton Street, which has a commercial character and is included within the town centre conservation area. The scheme has the widespread support of the local business community and the property owners have indicted their full support.

IMPLICATIONS	
Finance	<p>The committee is requested to agree a fully funded addition to the 2016/17 capital programme of £90,000, to be funded from a Section 106 contribution as detailed in the report.</p> <p>The committee is requested to note that the Development Management Committee on 7<sup>th</sup> September 2016 authorised the expenditure in the sum of £90,000, as detailed in the schedule attached as Appendix 2, (subject to inclusion of the scheme in the capital programme as now requested) to be released from the Councils capital programme funded by the commuted payment requirement attached to planning application 13/0655.</p> <p>Once completed there are no on-going revenue costs to the Council arising from this scheme.</p>

Legal	The Mill Farm section 106 agreement requires that the public realm contribution paid under it be used to secure works to publicly owned streets, pathways, right of ways publicly accessible open spaces and any public and civic buildings and facilities in Kirkham and Wesham town centres or elsewhere in the vicinity of the Mill Farm development. The recommended scheme involves works to private forecourts. Members will need to be satisfied that those works in particular fall within the purposes of the section 106 agreement. If they do not fall within the purposes of the section 106 agreement, the funds could be the subject of a claim for repayment by the developer.
Community Safety	Not relevant.
Human Rights and Equalities	No specific issues. The scheme is aimed at benefitting all sections of the community.
Sustainability and Environmental Impact	Scheme aimed at sustaining and enhancing the role of Kirkham as an important service centre and market town.
Health & Safety and Risk Management	Dealt with as part of the contractual arrangements.

LEAD AUTHOR	TEL	DATE	DOC ID
Paul Drinnan	01253 658434	12 September 2016	

LIST OF BACKGROUND PAPERS		
Name of document	Date	Where available for inspection
Planning Application & s106 Agreement 13/0655	17 <sup>th</sup> February 2015	<a href="http://www3.fylde.gov.uk/online-applications/">http://www3.fylde.gov.uk/online-applications/</a>
Kirkham Town Centre Public Realm Scheme – DM Committee Decision	20 <sup>th</sup> August 2015	<a href="https://fylde.cmis.uk.com/fylde/Committees.aspx">https://fylde.cmis.uk.com/fylde/Committees.aspx</a>

#### Attached documents

1. APPENDIX 1 : Plan of the area the subject of the report.
2. APPENDIX 2 : Schedule of Works/Bill of Quantities connected with the scheme.
3. APPENDIX 3 : Plan of the Zones previously approved by Committee





**Phase 6**

				Alternative	
Item	Description	Quantity	Unit	Rate (£)	Total (£)
	<b>Series 100 - Preliminaries</b>				
100.1	Welfare & Traffic Management	1	Sum		£ 5,598.85
	<b>Series 200 - Site Clearance</b>				
200.6	Take up and set aside Granite Setts	15	m <sup>2</sup>	£ 20.00	£ 300.00
200.7	Take up and dispose Granite Setts	60	nr	£ 20.00	£ 1,200.00
200.8	Take up and dispose PCC Kerbs	120	nr	£ 3.52	£ 422.40
	<b>Series 500 - Drainage</b>				
500.1	Complete gully class D400/G1 cover & frame, 500 x 350 clear opening	1	nr	£ 332.48	£ 332.48
500.2	Connection of 150mm dia pipe to existing 225mm dis pipe, depth ne 3m	3	nr	£ 74.78	£ 224.34
500.3	Raise the level of existing Manhole cover not exceeding 150mm in footway (Concrete)	1	nr	£ 88.24	£ 88.24
500.4	Raise the level of existing Single BT cover & frame not exceeding 150mm in footway	2	nr	£ 86.00	£ 172.00
500.5	Raise the level of existing SV cover not exceeding 150mm in footway	15	nr	£ 15.00	£ 225.00
	<b>Series 600 - Earthworks</b>				
600.1	Excavation of Unacceptable Material Class U1/U2	190.98	m <sup>3</sup>	£ 16.35	£ 3,122.52
600.2	EO for excavation in flexible footway	84.88	m <sup>3</sup>	£ 6.21	£ 527.10
600.3	Disposal of unacceptable material class U1	190.98	m <sup>3</sup>	£ 21.00	£ 4,010.58
600.4	Completion of formation	1061	m <sup>2</sup>	£ 0.50	£ 530.50
	<b>Series 1100 - Kerbing</b>				
1100.1	Charchon Woburn Blocks Rustic	1061	m <sup>2</sup>	£ 42.80	£ 45,410.80
1100.2	Charchon Europa Block Laid Herringbone	0	m <sup>2</sup>	£ 42.80	£ -
1100.3	Kerbs laid straight or to a radius greater than or equal to 12m. 145mm x 255mm	117	m	£ 36.00	£ 4,212.00
1100.4	Re-lay Granite Strip	15	m <sup>2</sup>	£ 50.00	£ 750.00
1100.6	Granular Sub Base Type 1	106.1	m <sup>3</sup>	£ 38.00	£ 4,031.80
	<b>9900 - Special Items</b>				
9900.1	Railing	0	nr	£ -	£ -
9900.2	Bollards - Spec to be Agreed	15	nr	£ 200.00	£ 3,000.00
9900.3	Construction of Brick Wall	0	m <sup>2</sup>	£ 114.00	£ -
9900.4	Specialist Surface Treatment	0	m <sup>2</sup>	£ 25.00	£ -
9900.5	Tree Planting size 16-18cm to be agreed	7	nr	£ 200.00	£ 1,400.00

Construction Cost  
Contingency Sum for Resticted Access 10%

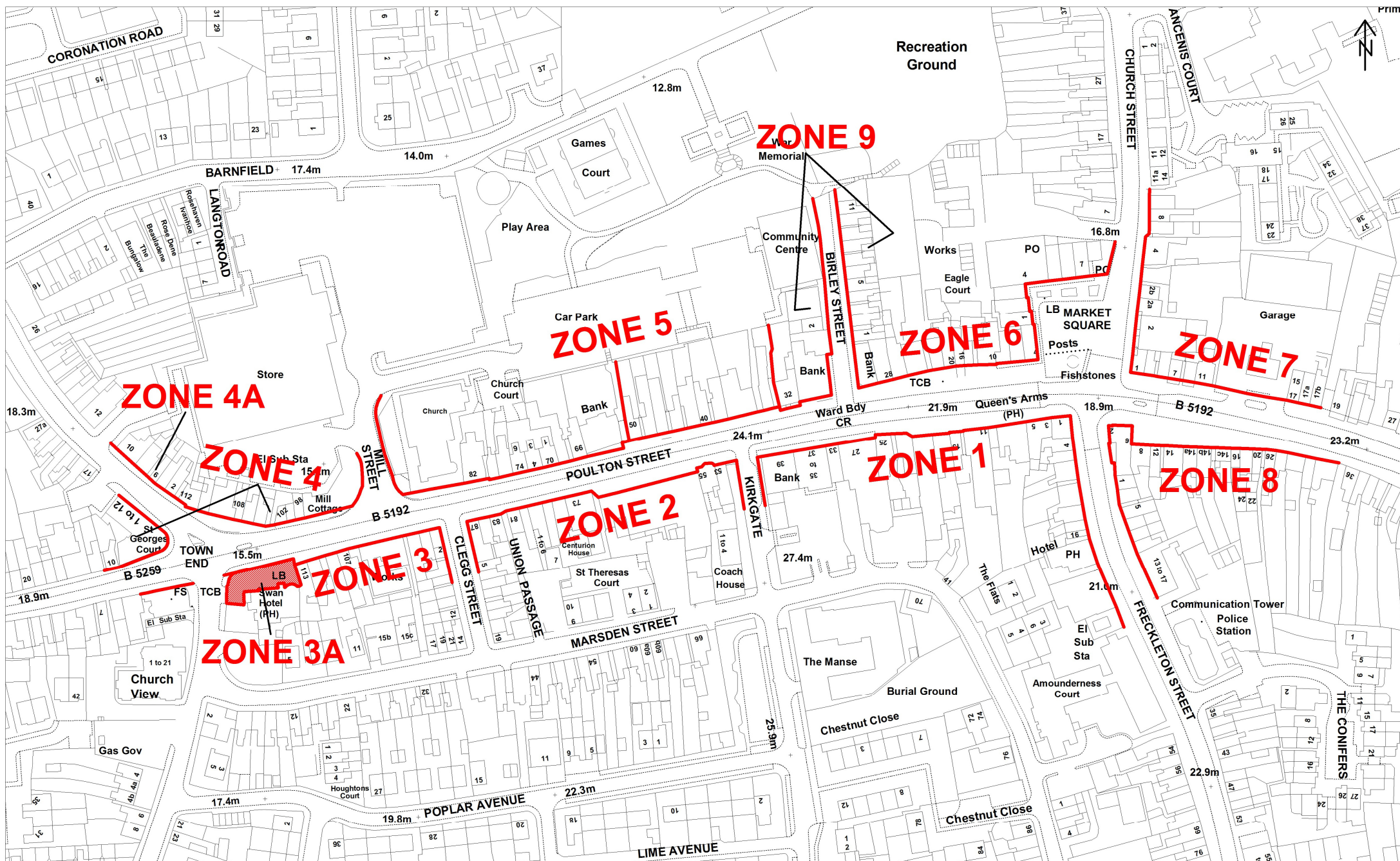
£	75,558.62
£	7,555.86
<b>£</b>	<b>83,114.48</b>

Supervision + 5%  
Overhead + 5%

£	4,155.72
£	4,363.51
<b>£</b>	<b>91,633.71</b>

**More information required as to what is to happen with these items.**





Scale 1:2000

# INFORMATION ITEM



REPORT OF		MEETING	DATE	ITEM NO
MANAGEMENT TEAM		FINANCE AND DEMOCRACY COMMITTEE	26 SEPTEMBER 2016	12
GENERAL FUND REVENUE BUDGET MONITORING REPORT 2016/17 - POSITION AS AT 31 <sup>ST</sup> JULY 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 31<sup>st</sup> July 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 July 31<sup>st</sup> 2016.

### LINK TO INFORMATION

General Fund Revenue Budget monitoring Report to 31<sup>st</sup> July 2016:

<https://www.fylde.gov.uk/revenue2016/>

### 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

# GENERAL FUND REVENUE BUDGET MONITORING REPORT 2016/17 –

## POSITION AS AT 31<sup>ST</sup> JULY 2016

### Summary

The purpose of this report is to provide an update on the Council's General Fund (GF) Revenue Budget as at 31<sup>st</sup> July 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 31<sup>st</sup> July 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 2<sup>nd</sup> March 2016. Subsequently on 20<sup>th</sup> 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 and therefore this report monitors expenditure and income against the updated approved budgets.

### 2. Budget Rightsizing Exercise

- 2.1 In 2011/12 The Council's Management Team committed to carrying out an annual budget rightsizing exercise 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 has continued to be undertaken annually and will be repeated during the second quarter of 2016/17. Any resulting changes to budgets will be reflected in later updates to the Council's Financial Forecast.

### 3. Budget Areas to Note

There are a number of budget areas to note on this General Fund Budget Monitoring report:

#### 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 £200,000 per annum from 2016/17 onwards. Actual savings achieved in relation to direct employee costs to 31<sup>st</sup> July 2016 are already in excess of this target as a result of a large number of un-filled posts during the period, a number of which have now been recruited to. These savings are therefore unlikely to recur to this extent for the remainder of the year. The employee costs budget will be reviewed as part of the right-sizing exercise on service budgets later in the year and a favourable MTFS adjustment may follow.

#### ii. Car Parking Income

The income is in excess of the budget for the period due to increased usage/visitor numbers largely as a result of dry, sunny weather conditions during the early part of the year. Additionally the current approved budget assumes the loss of income from the closure in 2016/17 and 2017/18 of the Stanner Bank and St Pauls Avenue car parks as a result of the coast protection works to be carried out at Fairhaven and Church Scar. The works had been expected to commence in 2016/17 but will now not commence

until 2017/18. The budget will be adjusted to reflect this and any other changes in the next update to the Financial Forecast.

**iii. Sale of Sand (Sand-winning)**

Income from the sale of sand has been higher than the forecast amount and consequently this income budget will be reviewed as part of the budget right-sizing exercise with the intention of increasing the income budget to reflect the current level of income. The increase may be a consequence of greater levels of activity in the construction industry, and the consequential demand for sand as a building material, possibly reflecting an upturn in the house-building market.

**iv. Fleet Costs**

Expenditure on fleet costs for the year to date indicates a number of variances against various elements of the budget. Much of the adverse variance in material and repair costs reflect the fact that many vehicles are no longer within the manufacturers' warranty period and consequently repair costs fall on the Council. The favourable variance on fuel costs arises from the lower wholesale diesel prices for the first part of the year and improved driver awareness of economical driving techniques. The fleet budgets will be reviewed as part of the right-sizing exercise on service budgets later in the year and any necessary adjustments will be made.

**v. Planning Enforcement Costs**

The Council has incurred some costs in relation to the Direct Enforcement Action at the unauthorised Traveller Site at Fairfield Road, Hardhorn. The outcome of the appeal relating to the 6 occupied pitches has recently been determined and the Council is considering the decision. This budget will be kept under review during the remainder of the financial year.

**vi. Council Tax and Housing Benefits**

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

**4. Conclusions**

External pressures outside the Council's control are impacting on all local authorities. Instructions remain in place that officers should not commit to any unnecessary expenditure and should seek to maximise efficiencies. This approach has a downward impact on costs incurred by the Council and may result in an under-spend against budget this year.

Regular budget monitoring reports are an integral part of the Council's financial monitoring framework. These will be available on the Councils website.

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.

We are still at the early part of 2016/17 and it is therefore not possible to draw any firm conclusions on the in-year financial position. The financial risks facing the Council, as set out in the MTFS to Council in March 2016 still remain. Instructions issued by Management Team that budget holders are to remain prudent in order to build up additional balances are still in place.

**REVENUE MONITORING 2016/17 - Period 4 to July 31st 2016 (Variances in excess of £5k)**
**Appendix A**

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

Service Area	Detailed Description	Full Year Budget	Budget as at Period 4	Actual & Commitments as at Period 4	Variance as at Period 4	FAV / ADV	Variance	Alert	Budget Holder	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	8,379,723	2,801,428	2,704,815	-96,613	FAVOURABLE	-3.4%	GREEN	Corporate	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 £200,000 per annum from 2016/17 onwards. The actual level of savings achieved in relation to direct employee costs for the current year to date is in excess of this target as a result of delays in recruitment to a number of key posts which either have been recently filled or which will be filled in the coming months. A favourable variance to his extent is not anticipated to be repeated in later periods. This budget will be kept under review during the remainder of the financial year.
Legal Services Team	Legal Fees and Court Costs	7,500	2,496	15,267	12,771	ADVERSE	511.7%	AMBER	Ian Curtis	The overspend has resulted from the payment of counsel’s fees for representing the Council in an inquest relating to a fatality at a privately-owned local swimming pool. As the Council is the health and safety enforcement authority, it was appropriate and necessary for the Council to be represented at the inquest. The circumstances of the fatality will now form the basis of a prosecution by the Council. The budget will be kept under review for the remainder of the year.
Legal Services Team	Income from Legal Fees	-7,500	-2,500	-8,391	-5,891	FAVOURABLE	-235.6%	GREEN		The additional income largely comprises the reimbursement of costs from the diversion of a public footpath at Mill Farm. This work is carried out by the council as planning authority where a footpath is to be diverted to enable a development to take place, but the costs are reimbursed by the developer. A favourable outturn variance is anticipated.
DEVELOPMENT MANAGEMENT COMMITTEE										
Planning Appeals	Planning Appeal Hearing Costs	152,060	33,204	20,845	-12,359	FAVOURABLE	-37.2%	BLUE	Mark Evans	A number of planning appeals are expected to be contested later in the year which will result in further costs being incurred. This budget will be kept under review during the remainder of the financial year.
Planning Enforcement	Enforcement Costs	100,000	33,360	6,161	-27,199	FAVOURABLE	-81.5%	BLUE	Mark Evans	The Council has incurred some costs in relation to the Direct Enforcement Action at the unauthorised Traveller Site at Fairfield Road, Hardhorn. The outcome of the appeal relating to the 6 occupied pitches has recently been determined and the Council is considering the decision. This budget will be kept under review during the remainder of the financial year.

**REVENUE MONITORING 2016/17 - Period 4 to July 31st 2016 (Variances in excess of £5k)**
**Appendix A (cont'd.)**

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

Service Area	Detailed Description	Full Year Budget	Budget as at Period 4	Actual & Commitments as at Period 4	Variance as at Period 4	FAV / ADV	Variance	Alert	Budget Holder	Budget Holder Comments
		£	£	£	£		%			
<b>ENVIRONMENT HEALTH &amp; HOUSING COMMITTEE</b>										
Licensing Act 2003	Premises Licences 2003 Act	-75,000	-13,500	-29,579	-16,079	FAVOURABLE	-119.1%	BLUE	Chris Hambly	The licensing team have received an unusual amount of new licence applications in the first quarter resulting in the increased income (including licences relating to the Lytham Proms event and at AFC Fylde). This was an exceptional situation and is unlikely to be repeated during the remainder of the year.
<b>OPERATIONAL MANAGEMENT COMMITTEE</b>										
Car Parking Fees	Car Parking Fees	-524,130	-207,877	-240,962	-33,085	FAVOURABLE	-15.9%	GREEN	Andrew Dickson / Darren Bell	The income is in excess of the budget for the period due to increased usage/visitor numbers largely as a result of dry, sunny weather conditions during the period. Additionally the current approved budget assumes the closure in 2016/17 and 2017/18 of the Stanner Bank and St Pauls Avenue car parks as a result of the coast protection works to be carried out at Fairhaven and Church Scar. The works had been expected to commence in 2016/17 but will now not commence until 2017/18. The budget will be adjusted to reflect this and any other changes in the next update to the Financial Forecast.
Computer Services	Purchase of Computer Equipment	114,932	38,336	9,546	-28,790	FAVOURABLE	-75.1%	BLUE	Paul O'Donoghue	A number of IT projects have not progressed as planned due to staffing changes and vacancies within the IT team. Following a restructure the IT team now has sufficient resources to deliver the proposed developments and it is anticipated that the planned expenditure will occur later in the financial year to result in an outturn position broadly in line with the budget.
Fylde Waste Schemes	Replacement Waste Containers	40,000	10,000	36,484	26,484	ADVERSE	264.8%	AMBER	Kathy Winstanley	There has been a need to replenish stocks of blue, brown and green bins due to increased requests from new build properties, such that the annual budget has almost all been expended in the first quarter of the year. The budget will be kept under review but it is anticipated that an increase will be required later in the year. This expenditure is offset by additional income from the charges levied for new bins as and when they are provided.
Trade Waste Service	Bulk Bin Lease Charges	-50,000	-48,750	-54,413	-5,663	FAVOURABLE	-11.6%	GREEN		The income is in excess of the budget for the period due to increased customer demand. The budget will be reviewed as part of the right-sizing exercise.
Fleet Services	FMS Material Costs	140,875	47,037	54,273	7,236	ADVERSE	15.4%	AMBER		These budgets should be considered together. Both of the budgets are currently overspent due to high material/repair and welding costs as the fleet ages. These budgets will be reviewed as part of the right-sizing exercise and adjusted as necessary.
	Repairs by Commercial Garages	23,150	7,834	14,028	6,194	ADVERSE	79.1%	AMBER		
	Fuel Costs	313,266	104,493	87,236	-17,257	FAVOURABLE	-16.5%	GREEN		This favourable variance arises from the lower wholesale diesel prices for the first part of the year and improved driver awareness of economical driving techniques. The budget will be reviewed as part of the right-sizing exercise and adjusted as necessary.



**REVENUE MONITORING 2016/17 - Period 4 to July 31st 2016 (Variances in excess of £5k)**
**Appendix A (cont'd.)**

Key	<b>BLUE</b>	Variance currently showing but expected to be on target at year end
	<b>GREEN</b>	Possible Favourable Outturn Variance
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	<b>RED</b>	Projected Adverse Outturn Variance

Service Area	Detailed Description	Full Year Budget	Budget as at Period 4	Actual & Commitments as at Period 4	Variance as at Period 4	FAV / ADV	Variance	Alert	Budget Holder	Budget Holder Comments
		£	£	£	£		%			
<b>TOURISM &amp; LEISURE COMMITTEE</b>										
St.Annes Leisure (Strategic)	Game Site Fees	-50,000	-33,000	-22,494	10,506	ADVERSE	31.8%	BLUE	Mark Wilde	Income has been affected by weather conditions that have been unfavourable to games activities (and boating at Fairhaven Lake in particular) largely due to strong winds. An improvement in weather conditions for the remainder of the tourist season may restore income levels by the year-end such that income targets may be achieved.
Lytham Leisure (Strategic)		-59,000	-40,120	-33,616	6,504	ADVERSE	16.2%	BLUE		
Coast and Countryside	Sale of Sand (sandwinning)	-150,000	-37,485	-62,188	-24,703	FAVOURABLE	-65.9%	GREEN	Andrew Dickson / Darren Bell	The sale of sand has continued on an improving trend which is likely to be related to the increase in activity amongst construction companies following a period of relative inactivity. This budget will be reviewed as part of the right-sizing exercise and adjusted as necessary.

# INFORMATION ITEM



REPORT OF		MEETING	DATE	ITEM NO
MANAGEMENT TEAM		FINANCE AND DEMOCRACY COMMITTEE	26 SEPTEMBER 2016	13
<b>CAPITAL PROGRAMME MONITORING REPORT 2016/17 - POSITION AS AT 31<sup>ST</sup> JULY 2016</b>				

## PUBLIC ITEM

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

### SUMMARY OF INFORMATION

The purpose of this report is to provide an update of the Council's approved Capital Programme as at 31<sup>st</sup> July 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 July 31<sup>st</sup> 2016.

### LINK TO INFORMATION

Capital Programme Monitoring 2016/17 as at 31<sup>st</sup> July 2016:

<https://www.fylde.gov.uk/capital2016/>

### 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 31<sup>ST</sup> JULY 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 2<sup>nd</sup> 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**

The accommodation project was originally included in the capital programme on the basis that the scheme would be self-financing from capital receipts from the sale of 3 sites (St David's Road Depot, Derby Road, Wesham and the Public Offices). Actual asset sales and receipts are dependent on market conditions and cannot be predicted with certainty. St David's Road depot was sold in 2012/13, and the site at Derby Road, Wesham was sold in 2013/14. The Public Offices site has been re-marketed since 2014/15 and the Accommodation Working Group have reviewed a number of further expressions of interest. Disposals of this nature where external agencies, planning decisions, external legal specialists and property developers are involved often take many months to conclude.

Work on Phases 4 and 5 are on track and are scheduled to be completed within budget during the autumn of 2016.

Delivery of the remaining substantive phases of the scheme (6 and 7) is dependent on realising a capital receipt from the sale of the Public Offices or the identification of an alternative source of funding. It is now proposed to fund phase 8 (Car park & external works) from a combination of the annual car park capital budget and the landscaping element being undertaken by the in-house parks staff. All funding options continue to be considered by the cross-party Accommodation Working Group which monitors and manages this project. Regular update reports on the project will continue to be provided to Members. Virements from phase 7 totalling £354k and from phase 8 totalling £186k have previously been approved by Members to earlier phases of the project to allow the delivery of those earlier phases. The current budgets shown for these later phases (6, 7 and 8) therefore do not reflect the estimated cost of delivery. Updated costings for these phases are currently being prepared.

##### **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 LRP 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 1m, 2017/18 13m, 2018/19 5.825m. The total project cost is now 19.825m including a contribution from Fylde Council of 400K. We are awaiting the formal confirmation letter from the environment agency that the MTP has been updated and once received this will be reflected in the revised MTFS. Further updates and any future changes to the scheme will be reported to members and the Capital Programme will be updated accordingly.

### **(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.

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.

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. 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 31<sup>st</sup> July 2016 is £658k against a full year budget of £8.622m. This equates to 7.6% of the latest budget. The expenditure on a number of schemes is phased later during the financial year.
- 3.2 The current Capital Programme as updated is showing a balanced position for 2016/17 onward. 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 4<sup>th</sup> March 2013 approved the creation of a Capital Investment Reserve to finance future capital expenditure. The balance of this reserve at 31<sup>st</sup> 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 31/07/16**

**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 31/07/16 £000	Variance £000	Comments
	<b><u>FINANCE &amp; DEMOCRACY COMMITTEE</u></b>								
Z120 / Z121	Accommodation Project - Phase 3 & 4 - East Wing Inc. Lift & Chaseley Link Bridge	Proceeds from the sale of surplus Council Assets, and the Accommodation Project Reserve	482	19		501	420	81	Phase 3 (east wing) is now completed whilst phases 4 and 5 of the scheme are currently underway and are scheduled to be completed within budget during the autumn of 2016.
Z122	Accommodation Project - Phase 5 - One Stop Shop		302			302		302	
Z123	Accommodation Project - Phase 6 - Council Chamber		296			296		296	Delivery of the remaining phases of the scheme (6, 7 and 8) is dependent on realising a capital receipt from the sale of the Public Offices or the identification of an alternative source of funding. All funding options continue to be considered by the cross-party Accommodation Working Group which monitors and manages this project. Regular update reports on the project will continue to be provided to Members. Virements from phase 7 totalling £354k and from phase 8 totalling £186k have previously been approved by Members to earlier phases of the project to allow the delivery of those earlier phases. The current budgets shown for these later phases (6 ,7 and 8) therefore do not reflect the estimated cost of delivery. Updated costings for these phases are currently being prepared.
Z124	Accommodation Project - Phase 7 - Internal Refurb / Services		348			348		348	
Z125	Accommodation Project - Phase 8 - Car Park & External Works		0			0		0	
	<b>Sub total</b>		<b>1,428</b>	<b>19</b>	<b>0</b>	<b>1,447</b>	<b>420</b>	<b>1,027</b>	
	<b><u>TOURISM &amp; LEISURE COMMITTEE</u></b>								
Z102	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 was re-phased into 2016/17 as the disposal of that site is now not expected to take place until later in 2016/17.
Z076	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.
Z128	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. During 2015/16 this scheme was re-phased into 2016/17. 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 31/07/16 £000	Variance £000	Comments
	<b><u>TOURISM &amp; LEISURE COMMITTEE (CONT)</u></b>								
Z112	Fairhaven Lake & Promenade Gardens - First round	Capital Investment Reserve	20			20		20	This scheme represented the match funding for the development of the Heritage Lottery Development Bid. Given that the first round bid was unsuccessful a report was presented in September 2015 to the Tourism & Leisure Committee outlining how the Fairhaven Masterplan can be delivered in the future and subsequently this scheme was re-phased into 2016/17. A report will be presented to Committee prior to any spend.
Z147	Promenade Gardens Water Play Facility	Capital Investment Reserve	0			0		0	This scheme is profiled to be delivered in 2017/18.
Z097	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 will be presented to Committee in September to propose and seek authorisation of the expenditure works in 2016/17.
Z148	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.
Z141	Lowther Pavilion Roof	Capital Investment Reserve	115	3		118		118	The scheme is planned to be delivered during the summer of 2016 and is expected to be completed to budget during 2016/17.
Z143	Sand Dunes re-modelling at North Beach Car Park / Summerfields	Capital Investment Reserve	15	2		17		17	Surveys were completed in October 2015. The design works have also been commissioned. The scheme will require stakeholder engagement and the necessary approvals prior to commencement. A detailed proposal is currently being worked in consultation with Councillors and Residents. The budget for this scheme has been adjusted to reflect the slippage as approved by the Finance and Democracy Committee of 20th June 2016.
Z144	Freckleton Memorial Park	Capital Investment Reserve / S106 Monies / External grants and contributions	50		122	172		172	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.
Z149	Warton-with-Westby Parish Council Play Area	Capital Investment Reserve	50			50		50	Officers are awaiting information on the status of the Friends group and the consultation results from the Town Council. Progress meeting are on going and a Report will be presented to Committee prior to any spend.
	<b>Sub total</b>		<b>590</b>	<b>12</b>	<b>122</b>	<b>724</b>	<b>24</b>	<b>700</b>	

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 31/07/16 £000	Variance £000	Comments
	<b>OPERATIONAL MANAGEMENT COMMITTEE</b>								
Z038	Replacement Vehicles	Capital Investment Reserve / Borrowing	346	60	56	462		462	The budget for this scheme has been adjusted to reflect the slippage and fully funded capital budget increase for weed removal 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.
Z150	Vehicle Wash-down Facility - Snowdon Rd Depot	Capital Investment Reserve	25			25		25	A report will be presented to Committee to propose and seek authorisation of the expenditure works in 2016/17.
Z154	North Promenade Toilets Refurbishment	Capital Investment Reserve	84			84		84	A report has been presented to Committee to seek authorisation of the expenditure works in 2016/17.
Z151	Bus Shelter Replacement Programme	Capital Investment Reserve	30			30		30	A report will be presented to the Committee to propose and seek authorisation of the expenditure works in 2016/17.
Z049	Car Park Improvements	No external finance - funded by borrowing/general asset disposal receipts	30			30	29	1	The scheme has been completed to budget in 2016/17.
Z116	Fylde Headlands Preliminary Work	Specific Government Grant (Environment Agency)	0	38	95	133	5	128	The budget for this scheme has been adjusted to reflect the slippage as approved by the Finance and Democracy Committee of 20th June 2016 and the addition to the scheme of £95,000, approved by Council on 4th July 2016, for further preliminary works to be undertaken which has been met by an additional grant from the Environment Agency in the same amount.
Z130	Fairhaven and Church Scar Coast Protection Scheme	Specific Government Grant (Environment Agency) / Capital Investment Reserve	3,600			3,600		3,600	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.
Z131	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.
	<b>Sub total</b>		<b>4,115</b>	<b>131</b>	<b>151</b>	<b>4,397</b>	<b>35</b>	<b>4,362</b>	



## 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 30/06/16 £000	Variance £000	Comments
	<b>ENVIRONMENT, HEALTH &amp; HOUSING COMMITTEE</b>								
Z1010	Disabled Facilities Grants Programme	Specific Grant (Better Care Fund) / External Contributions / Grant repayments	468	46	381	895	175	720	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. 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.
Z152	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 EH&H Committee.
Z155	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.
Z107	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.
Z113	Cemetery and Crematorium - Infrastructure Works	Capital Investment Reserve	0			0		0	This part of the scheme is for the initial design phase of the of the substantial burial ground extension works programmed for 2017/18. The design work is currently being undertaken.
Z153	Lytham Park Cemetery - Windbreak Canopy	Capital Investment Reserve	60			60		60	A report will be presented to Committee to propose and seek authorisation of the expenditure works in 2016/17.
Z134	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 during 2015/16 and is expected to be completed to budget in 2016/17.
	<b>Sub total</b>		<b>561</b>	<b>189</b>	<b>841</b>	<b>1,591</b>	<b>179</b>	<b>1,412</b>	

**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 31/07/16 £000	Variance £000	Comments
	<b>DEVELOPMENT MANAGEMENT COMMITTEE</b>								
Z137	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 is expected to be completed to budget in 2016/17.
Z138	St Annes Regeneration Schemes	S106 Developer Contributions	274			274		274	This funding is earmarked for the next phase of St Annes Town Centre including St Andrews Road North/South and The Crescent. A draft plan has been prepared and discussions are underway 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 by the end of the calendar year 2016. The timeframe for delivery of the remainder of the scheme is linked to the outcome of the Government Coastal Community Fund bid as a successful outcome would allow for a more expansive regeneration scheme to be achieved. It is currently anticipated that this particular scheme will commence in the spring of 2017 and that a portion of the scheme may be re-phased into the 2017/18 financial year.
Z139	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
Z140	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 likewise suggested some features be included. The plans are to be amended and a further report to Members will follow.
	<b>Sub total</b>		<b>404</b>	<b>59</b>	<b>0</b>	<b>463</b>	<b>0</b>	<b>463</b>	
	<b>Total Expenditure</b>		<b>7,098</b>	<b>410</b>	<b>1,114</b>	<b>8,622</b>	<b>658</b>	<b>7,964</b>	

**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
<b>FINANCE &amp; DEMOCRACY COMMITTEE</b>					
Accommodation Project - Phase 4 - Chaseley Link Bridge	501				
Accommodation Project - Phase 5 - One Stop Shop	302				
Accommodation Project - Phase 6 - Council Chamber	296				
Accommodation Project - Phase 7 - Internal Refurb / Services	348				
Accommodation Project - Phase 8 - Car Park & External Works	0				
<b>Sub total</b>	<b>1,447</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOURISM &amp; LEISURE COMMITTEE</b>					
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				
<b>Sub total</b>	<b>724</b>	<b>140</b>	<b>40</b>	<b>40</b>	<b>40</b>
<b>OPERATIONAL MANAGEMENT COMMITTEE</b>					
Replacement Vehicles	462	1,487	680	867	458
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				
<b>Sub total</b>	<b>4,397</b>	<b>8,817</b>	<b>6,310</b>	<b>897</b>	<b>488</b>
<b>ENVIRONMENT, HEALTH &amp; HOUSING COMMITTEE</b>					
Disabled Facilities Programme	895	468	468	468	468
93 St Albans Road - Compulsory Purchase Order	105				
Affordable Housing Scheme Sunnybank Mill, Kirkham	460	460			
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				
<b>Sub total</b>	<b>1,591</b>	<b>1,222</b>	<b>468</b>	<b>468</b>	<b>468</b>
<b>DEVELOPMENT MANAGEMENT COMMITTEE</b>					
Woodlands Road Regeneration Scheme - Town Centre Phase 3	19				
St Annes Regeneration Schemes	274				
Lytham Regeneration Schemes	130				
Staining Regeneration Schemes	40				
<b>Sub total</b>	<b>463</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Expenditure</b>	<b>8,622</b>	<b>10,179</b>	<b>6,818</b>	<b>1,405</b>	<b>996</b>

**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
<b>FINANCING:</b>					
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)	1,006				
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 - Freckleton Memorial Garden	15				
Section 106 Monies - 93 St Albans Road CPO	105				
Section 106 Monies - Affordable Housing, Sunnybank Mill	460	460			
Capital Grant - Repayments					
Capital Investment Reserve	1,324	493	78	182	
Accommodation Project Reserve	504				
Other External Finance (see analysis below )	3,601	7,300	5,600		
Direct Revenue Finance	56				
Prudential Borrowing	142	1,388	602	685	458
<b>Total Financing</b>	<b>8,622</b>	<b>10,179</b>	<b>6,818</b>	<b>1,405</b>	<b>996</b>

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

**Other External Finance: Analysis**

LSP Performance Reward Grant	38				
Environment Agency - Fylde Coastal Preliminaries	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	26 SEPTEMBER 2016	14
OUTSIDE BODIES				

## PUBLIC ITEM

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

### SUMMARY OF INFORMATION

On 11 April 2016, the Council made a number of appointments to outside bodies. These appointments followed from recommendations from the programme committees for appointments from within their respective memberships.

In line with the Protocol for Members on Outside Bodies (Part 5f of the Council's Constitution), every member serving on an outside body is required to complete a reporting form every six months, which is submitted to the relevant programme committee to which the external partnership relates.

Included as an appendix to this report are: returned completed reporting forms and a list of outstanding reports/ details of those bodies which have not met.

### SOURCE OF INFORMATION

Elected member representatives to the Outside Bodies

### LINK TO INFORMATION

[Outside Bodies Reports and Summary](#)

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

The information is provided to maintain an understanding of the work of the outside bodies, and remain abreast of any issues that may have an impact on the residents of the borough or the council.

### FURTHER INFORMATION

Contact Tracy Morrison, tel: 658521

## Details

<b>Councillor Name and Role on Outside Body (for example, Observer, Trustee, Director)</b>	Councillor Christine Akeroyd, Panel Member
<b>Email</b>	cllr.cakeroyd@fylde.gov.uk
<b>Period this report covers (date):</b>	May 2016 - May 2017
<b>Name of Outside Body:</b>	Community Projects Discretionary Fund
<b>How often does the organisation meet? And how often have you attended?</b>	The panel do not meet for this funding, this is done electronically by email.
<b>Key issues arising for Fylde Borough Council</b>	None.
	Examples of issues could be those that may affect decisions regarding budget setting, challenges for residents, policy changes that affect partnership working etc
<b>Who did you inform of these issues within Fylde Borough Council?</b>	N/A
<b>In the light of these meetings, is it worthwhile for the Council to continue to have a representative/representatives on this body?</b>	Yes
<b>Any further comments?</b>	I would like to see this very worthwhile funding of smaller applications continue to support Fylde community groups in new projects or to enhance existing projects.

## Details

<b>Councillor Name and Role on Outside Body (for example, Observer, Trustee, Director)</b>	Karen Buckley (FBC Rep)
<b>Email</b>	cllr.kbuckley@fylde.gov.uk
<b>Period this report covers (date):</b>	to August 2016
<b>Name of Outside Body:</b>	North West Employers
<b>How often does the organisation meet? And how often have you attended?</b>	Pay Review Meeting in September/AGM & Conference in July; other adhoc meetings.
<b>Key issues arising for Fylde Borough Council</b>	Reduction in government funding set to continue whilst pressure to provide the quality of service expected by the public is high. Council resources will depend on growing the size of the council tax and business rates growth, plus pressure to build new homes and businesses. Suggestions are that local government needs to be more entrepreneurial to succeed. Officers/councillors must embrace cost saving measures, invest to save, income-increasing ideas, and manage public expectations that funding streams are extremely limited.
	Examples of issues could be those that may affect decisions regarding budget setting, challenges for residents, policy changes that affect partnership working etc
<b>Who did you inform of these issues within Fylde Borough Council?</b>	Colleagues and Committee Members
<b>In the light of these meetings, is it worthwhile for the Council to continue to have a representative/representatives on this body?</b>	Yes
<b>Any further comments?</b>	Thank you to Cllr Sandra Pitman for attending this last meeting as a substitute for Cllr Karen Buckley.

## Details

<b>Councillor Name and Role on Outside Body (for example, Observer, Trustee, Director)</b>	Edward Nash Member
<b>Email</b>	cllr.enash@fylde.gov.uk
<b>Period this report covers (date):</b>	To 13th September 2016
<b>Name of Outside Body:</b>	NW England and Isle of Man Reserve Forces and Cade
<b>How often does the organisation meet? And how often have you attended?</b>	Twice yearly but with added events. I have attended three times during the reporting period.
<b>Key issues arising for Fylde Borough Council</b>	Challenges in recruiting reserves. Challenges in supporting veterans with mental illness Basing in Weeton Barracks
	Examples of issues could be those that may affect decisions regarding budget setting, challenges for residents, policy changes that affect partnership working etc
<b>Who did you inform of these issues within Fylde Borough Council?</b>	Chief Executive
<b>In the light of these meetings, is it worthwhile for the Council to continue to have a representative/representatives on this body?</b>	Yes
<b>Any further comments?</b>	The shape of the Armed Forces is shifting to a smaller regular element supported by more reserves. Reservists have a higher commitment and a more integrated role than the former TA, RNR and RAFVR. It is in all our interests to encourage young people to join the Reserves and support employers in releasing them for service. 2LANCS will exchange basing with 1LANCS in Weeton in 2018. 1YORKS will exchange in 2023



## Outside Bodies Returned Forms – SEPT 2016

Outside Body	Councillor	Info First Requested	First Reminder	Second Reminder	Date Returned	Notes
<b>Finance &amp; Democracy, 26/09/16 meeting</b> <b>Closing date for reports Tuesday 13 September 2016</b>						
Fylde Community Projects Fund	The Mayor – Christine Akeroyd	13/4/16 by email	4 July 2016	8 Aug 2016	13/09/2016	Received
North West Employers Organisation	Chair F&D – Karen Buckley (sub Richard Taylor)	13/4/16 by email	4 July 2016	8 Aug 2016	09/09/2016	Received
NW of England & Isle of Man Reserve Forces & Cadets Association	Ed Nash	13/4/16 by email	4 July 2016	8 Aug 2016	07/09/2016	Received

# INFORMATION ITEM



REPORT OF		MEETING	DATE	ITEM NO
RESOURCES DORECTORATE		FINANCE AND DEMOCRACY COMMITTEE	26 SEPTEMBER 2016	15
2018 PARLIAMENTARY BOUNDARY REVIEW				

## PUBLIC ITEM

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

### SUMMARY OF INFORMATION

The Boundary Commission for England has published its Initial Proposals for new constituency boundaries. If adopted, the changed constituencies would become effective at the next general election, expected to be in 2020. The proposals and maps for the nine English regions have been published on the website. The 12-week public consultation period has commenced. This will be the first time the public will get a chance to see what their new constituencies might look like, and give the Commission their views on the proposals.

The proposals have a significant impact on the parliamentary representation of the Fylde district. Presently, the whole of the council's district is within the Fylde parliamentary constituency, which also includes the Lea area of Preston. The Commission (in paragraph 33 on page 14 of the proposals document) proposes the following:

*"On the Fylde, we noted that the electorates of both Blackpool constituencies were very low and that both needed additional wards to increase their electorates to within the electoral quota. We propose that the Blackpool North constituency extend northwards to the mouth of the estuary of the River Lune and include the towns of Fleetwood and Thornton. In the north-east of the proposed constituency, the River Wyre would form a physical boundary between it and our proposed Fylde constituency. We propose that the Blackpool South constituency be extended both northwards and southwards, with the inclusion of the St. Leonard's and Kilnhouse wards around Blackpool Airport. We considered that this allowed the town of Lytham St. Anne's to remain largely undivided in our reconfigured Fylde constituency, which, in order to increase its electorate to achieve the electoral quota, also includes the town of Poulton-le-Fylde."*

The proposals would therefore include some Fylde electors in the parliamentary constituency of Blackpool South, rather than in Fylde, as at present.

The initial proposals will subject to public consultation until 5 December. Representations can be made in writing (via a dedicated website, [www.bce2018.org.uk](http://www.bce2018.org.uk)) or at any of a series of five public hearings to be held during October. The Commission reminds anyone making representations to bear in mind the tight constraints place upon the Commission by rules set by Parliament and the need for any counter-proposals to take account of knock-on effects in neighbouring areas (see generally pages 23-25 of the proposals document).

**SOURCE OF INFORMATION**

Boundary Commission for England

**LINK TO INFORMATION**

[Initial Proposals for Constituency Boundaries in the North West](#)

See also: [Guide to the 2018 Review of Parliamentary Constituencies](#), [interactive map of proposals](#).

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

The proposals make significant changes to the pattern of parliamentary constituencies in Fylde, which will in turn affect electoral administration. Electoral administration is within the committee's terms of reference.

**FURTHER INFORMATION**

Contact Ian Curtis, [ianc@fylde.gov.uk](mailto:ianc@fylde.gov.uk), 01253 658506