

Agenda

BUDGET COUNCIL



Date:	Wednesday, 2 March 2016 at 5:00pm
Venue:	Lowther Pavilion, West Beach, Lytham, FY8 5QQ
	Mayor : Councillor Peter Hardy Deputy Mayor : Councillor Heather Speak Leader : Councillor Susan Fazackerley Deputy Leader : Councillor Karen Buckley Councillors Ben Aiken, Christine Akeroyd, Frank Andrews, Peter Anthony, Tim Ashton, Mark Bamforth, Jan Barker, Keith Beckett ISO, Brenda Blackshaw, Julie Brickles, Maxine Chew, Alan Clayton, Delma Collins, Peter Collins, Michael Cornah, David Donaldson, David Eaves, Trevor Fiddler, Tony Ford JP, Richard Fradley, Gail Goodman JP, Shirley Green, Neil Harvey, Paul Hayhurst, Karen Henshaw JP, Paul Hodgson, Angela Jacques, Cheryl Little, Roger Lloyd, Kiran Mulholland, Barbara Nash, Edward Nash, Graeme Neale, Linda Nulty, Liz Oades, Sandra Pitman, Albert Pounder, Richard Redcliffe, Louis Rigby, Vince Settle, Elaine Silverwood, John Singleton JP, Roger Small, Richard Taylor, Raymond Thomas, Thomas Threlfall, Viv Willder.

	PROCEDURAL ITEMS:	PAGE
1	Declarations of Interest: Declarations of interest, and the responsibility for declaring the same, are matters for elected members. Members are able to obtain advice, in writing, in advance of meetings. This should only be sought via the Council's Monitoring Officer. However, it should be noted that no advice on interests sought less than one working day prior to any meeting will be provided.	1
2	Budget Procedure Rules: Members are reminded that procedure rules for the budget council meeting differ to ordinary council meetings. The procedure rules are attached for members' information.	3 - 4
3	Confirmation of Minutes: To confirm the minutes, as previously circulated, of the meeting held on 8 February 2016 as a correct record.	1
	ANNOUNCEMENTS:	
4	Mayor's Announcements	1
5	Chief Executive's Communications	1
	REPRESENTATIONS:	
6	Questions from Members of the Council	5
7	Questions from Members of the Public For procedure to ask a question at a Council meeting see Public Speaking at Council Meetings.	6

	DECISION ITEMS:	
8	Medium Term Financial Strategy Update, Including General Fund, Capital Programme and Treasury Management for 2015/16 to 2019/20	7 - 127

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

The code of conduct for members can be found in the council's constitution at
<http://fylde.cmis.uk.com/fylde/DocumentsandInformation/PublicDocumentsandInformation.aspx>

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APPENDIX 1 - Budget Council Procedure Rules

The following rules are to be used at Budget Council meetings and replace the usual procedure rules. A copy will be provided to each member before the start of the meeting, reading as follows:

Full Council Budget Meeting

- 1 **The Leader of the Council** will make his budget presentation to the Council. There is no time limit on this presentation.
- 2 **The Leader of the Council or the Chairman of the Finance and Democracy Committee** will then **Move** a Motion (**the Substantive Motion**) to recommend all the Council Tax resolutions and speak to the same. There is no time limit on the moving and speaking to this motion by the Leader of the Council or the Chairman of the Finance and Democracy Committee.

Once this is **seconded** the **following process will be followed**:

- 3 **The Mayor** will at this point ask the Leader of the Opposition and non-aligned members to indicate whether they will be presenting an alternative budget or whether they will be moving any amendments (an indication will be given but the amendments (if any) will not be tabled until the moving, seconding and full debate on the budget proposals has run its course). Amendments from any other member will be heard after the debate on the substantive motion or amendments from the Leader of the Opposition and non aligned members have been concluded.
- 3.1 **The Substantive Motion** will then be debated when any member can indicate to speak on the Motion being put. No speech by a member may exceed 10 minutes and each speaker may speak only once (Part 4, 13.5).
- 3.2 **If there is no Amendment** moved then the mover of the original motion, will have a right to reply at the end of the debate immediately before the **Motion** is put to the vote (Part 4, 13.6). The vote will be recorded (Part 4, 13.5(ii))
- 3.3 **However, if the Leader of the Opposition indicated that she would be presenting an alternative budget/moving an amendment she is invited to do so and there is no time limit.**
- 3.4 No speech by any other member may exceed 5 minutes, and each speaker may speak only once (Part 4, 13.7.d). The mover of the original Motion, has the right of reply at the close of the debate on the Amendment, but may not otherwise speak on it (Part 4, 13.7.e). This applies to all further amendments
- 3.5 **The Mover of an Amendment** has no right of reply on his or her Amendment (Part 4, 13.8).
- 3.6 **The Secunder of a Motion or Amendment** can reserve the right to speak for a later period in the debate (Part 4, 13.3 and 13.7.b).
- 3.7 **If the first Amendment is lost** then subsequent Amendments may be moved to the original Motion firstly by any non-aligned members and then any other members (Part 4, 13.7.g).
- 3.8 **If an Amendment is carried** the Motion as amended takes the place of the original Motion. This becomes the substantive Motion to which any further amendments are moved (Part 4, 13.7.f).

Part 4, Page 16 of 17

Updated: December 2015

3.9 The **Motion** must be **Seconded** and any **Amendments** must be **Moved, Seconded and voted upon**.
The vote will be recorded (Part 4, 13.5(ii))

3.10 In the event of all the amendments being lost the **original Motion will be put**.

The rules of debate for moving and amending motions will be in line with those set out in paragraph 13 of Part 4 of the constitution (rules of debate procedure rules).

<i>STANDING NOTE ON DISORDERLY CONDUCT</i>
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A. BY A MEMBER OF THE COUNCIL

In the event of disorderly conduct at the meeting by a member of the Council, the provisions of the Council Procedure Rules apply as follows:

MEMBER'S CONDUCT

Member not to be heard further

If a member persistently disregards the ruling of the [Mayor] by behaving improperly or offensively or deliberately obstructs business, the [Mayor] may move that the member be not heard further. If seconded, the motion will be voted on without discussion.

Member to leave the meeting

If the member continues to behave improperly after such a motion is carried, the chairman may move that either the member leaves the meeting or that the meeting is adjourned for a specified period. If seconded, the motion will be voted on without discussion.

B. BY MEMBERS OF THE PUBLIC

In the event of disorderly conduct at the meeting by a member of the public, the provisions of the Council Procedure Rules apply as follows:

1. If a member of the public interrupts proceedings, the Chairman will warn the person concerned. If they continue to interrupt, the Chairman will order their removal from the meeting room.
2. If there is a general disturbance in any part of the meeting room open to the public, the Chairman may call for that part to be cleared and may adjourn the meeting as felt necessary.

REPRESENTATIONS



REPORT OF	MEETING	DATE	ITEM NO
RESOURCES DIRECTORATE	COUNCIL	2 MARCH 2016	6

QUESTIONS FROM MEMBERS OF THE COUNCIL

PUBLIC ITEM

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

SUMMARY

No questions have been received from Members of the Council before the requisite deadline, as outlined in Procedural Standing Orders for Council and Committees of Part 4 of the Council's Constitution, and before the statutory deadline for publication of the agenda.

If any questions are received before the deadline, as outlined above, they will be circulated prior to the meeting for members' information, under separate cover.

Any question(s) will be heard during the Council meeting on 2 March 2016 and a response will be given by the Leader of the Council.

REPRESENTATIONS



REPORT OF	MEETING	DATE	ITEM NO
RESOURCES DIRECTORATE	COUNCIL	2 MARCH 2016	7

QUESTIONS FROM MEMBERS OF THE PUBLIC

PUBLIC ITEM

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

SUMMARY

No questions have been received from the public before the deadline, as outlined in the Procedural Standing Orders for Council and Committees in Part 4 of the Council's Constitution, and before the statutory deadline for publication of the agenda.

If any questions are received before the deadline, as outlined above, they will be circulated prior to the meeting for members' information, under separate cover.

Any question(s) will be heard during the Council meeting on 2 March 2016 and a response will be given by the Leader of the Council.

DECISION ITEM



REPORT OF	MEETING	DATE	ITEM NO
MANAGEMENT TEAM	COUNCIL	2nd MARCH 2016	8

MEDIUM TERM FINANCIAL STRATEGY UPDATE, INCLUDING GENERAL FUND, CAPITAL PROGRAMME AND TREASURY MANAGEMENT FOR 2015/16 TO 2019/20

PUBLIC ITEM

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

SUMMARY

- 1.1 Attached is the Council's Medium Term Financial Strategy (MTFS) for the five years 2015/16 to 2019/20. The MTFS is designed to provide a strategic link between available financial resources and the Council's corporate policy priorities, and to ensure that the Council sets a budget which is robust and sustainable in order that it can deliver the aspirations in line with its strategic objectives.
- 1.2 The report details the estimated financial resources available to the Council and identifies how they will be utilised to support the achievement of the Council's priorities. The report also identifies the key financial risks facing the Council over the life of the forecast. The Council's Revenue Budget expenditure and Forecast, Capital Programme, Treasury Management Strategy and Useable Reserves and Balances Policy are also set out in the report.
- 1.3 The forecast includes the impact of the 2015 Local Government Finance Settlement, provisional details of which were announced on 17th December 2015 with the Final Settlement details confirmed on 8th February 2016. For Fylde Council, along with most other district councils, the key factor in the settlement is the proposal of an optional four-year settlement, accompanied by a significant reduction in the estimated level of central government funding for future years. No information is provided regarding what the alternative levels of central government funding might be if councils do not accept the four-year proposal, although it is unlikely that funding on a year-by-year basis would be at higher levels than those contained within the four-year proposal. Therefore for the purposes of this Financial Strategy report it is assumed that central government funding will be in line with that shown within the four-year funding proposal.
- 1.4 A link to the final draft budget book for 2016/17 is provided below. The budget book provides the detailed resource allocations for services provided by the Council for the coming year.

<http://www.fylde.gov.uk/council/finance/finaldraftbudget1617/>

RECOMMENDATIONS

1. That the Council approve and adopt the recommendations of the Finance and Democracy Committee as follows:

- (a) The revised estimates for 2015/16 and the revenue budget for 2016/17 as set out in Appendix E, which includes a transfer to the Funding Volatility Reserve in the sum of £3.0m and a transfer to the Capital Investment Reserve in the sum of £32k;
- (b) The budget proposals and changes to Reserves and Balances as set out in Appendices F & H;
- (c) The updated Five Year Capital Programme as set out in Appendix G;
- (d) The updated Useable Reserves & Balances Policy as detailed in Appendix H;
- (e) An average Band D Council Tax of £190.77 for 2016/17 (excluding Town and Parish precepts), which is a 2.68% increase from the 2015/16 average Band D charge;
- (f) The Special Expenses policy as set out in Appendix I; which includes that:
 - for the purposes of charging special expenses, both the special expense costs and the tax bases relating to the areas of Lytham and St Annes will each be aggregated and the Council Tax charge per property at each band level will be the same across the whole area; and
 - the annual special expense charge per property will be set for 2016/17 at the 2015/16 level plus 2.8%, that being £69.84 per band D property; and
 - the annual borough wide charge per property will be set for 2016/17 at the 2015/16 level plus 2.8%, that being £148.87 per band D property; and
 - the budget resource to be allocated to delivering concurrent services and chargeable as special expenses for 2016/17 will be set at a sum equivalent to the annual special expense charge per property (band D equivalent) multiplied by the tax base for the special expense area;
- (g) The schedule of fees and charges for 2016/17 as detailed in Appendix J;
- (h) The Treasury Management Policy set out in Appendix K;
- (i) The Treasury Management Strategy set out in Appendix L, which incorporates the Minimum Revenue Provision Statement, the Council's Borrowing Strategy, Investment Strategy, and Treasury Prudential Indicators and Limits.

CORPORATE PRIORITIES (delete V which are not relevant)

To Promote the Enhancement of The Natural & Built Environment (Place)	✓	To Encourage Cohesive Communities (People)	✓
To Promote a Thriving Economy (Prosperity)	✓	To Meet Expectations of our Customers (Performance)	✓

SUMMARY OF PREVIOUS DECISIONS

This report forms part of the Budget and Council Tax setting process considered annually by Members.

REPORT

1. In March 2015 the Council agreed a five year financial strategy from 2014/15 to 2018/19. The Council acknowledges the need to continuously reduce costs and to seek efficiencies in order to meet the challenge of reduced public sector funding. The Council has successfully delivered this programme in year, and has delivered significant savings from its budget rightsizing programme across all years of the forecast. This leaves the Council well placed to address further pressures on funding and income.
2. The attached Medium Term Financial Strategy (MTFS) identifies the key financial risks for the Council moving forward. These are detailed in Section 16 (Revenue) and Section 19 (Capital) of the report.
3. On 17th December 2015 the Government published the Provisional Local Government Finance Settlement, and subsequently issued the Final Settlement details on 8th February 2016. Full details are contained within the attached MTFS.
4. The Council's MTFS and a summary of the budget proposals have been made available for consultation via the Council's website and has been provided directly to a range of stakeholders during February 2016. No responses to the budget consultation have been received.

IMPLICATIONS	
Finance	Detailed financial implications are contained in the body of the attached Medium Term Financial Strategy. Specific advice from the Council's Chief Financial Officer is contained within the overall conclusions to the report in Section 23.
Legal	None arising directly from the report.
Community Safety	None arising directly from the report.
Human Rights and Equalities	None arising directly from the report.
Sustainability and Environmental Impact	None arising directly from the report.
Health & Safety and Risk Management	None arising directly from the report.

REPORT AUTHOR	TEL	DATE	DOC ID
Paul O'Donoghue Chief Financial Officer	01253 658566	February 2016	

LIST OF BACKGROUND PAPERS		
Name of document	Date	Where available for inspection
Medium Term Financial Strategy (MTFS) Update, Including General Fund, Capital Programme and Treasury Management for 2014/15 – 2018/19	Budget Council meeting 3rd March 2015	www.fylde.gov.uk
MTFS – Outturn Position For 2014/15 (Including General Fund, Capital Programme & Treasury Management)	Finance and Democracy Committee meeting 22nd June 2015	www.fylde.gov.uk
Revenue Budget Monitoring Report & Capital Programme Monitoring Report – to Period 4 (31 st July 2015)	Finance and Democracy Committee meeting 28th September 2015	www.fylde.gov.uk
Financial Forecast Update (Including Revenue, Capital & Treasury Management) 2015/16 – 2019/20	Finance and Democracy Committee meeting 30th November 2015 and Council meeting 14th December 2015	www.fylde.gov.uk
Revenue Budget Monitoring Report & Capital Programme Monitoring Report – to Period 8 (30 th November 2015)	Finance and Democracy Committee meeting 25th January 2016	www.fylde.gov.uk
Financial Forecast Update (Position as at January 2016)	Finance and Democracy Committee meeting 25th January 2016 and Council meeting 8th February 2016	www.fylde.gov.uk

Attached documents

1. Medium Term Financial Strategy 2015/16 to 2019/20

MEDIUM TERM FINANCIAL STRATEGY: 2015/16 – 2019/20



Section 1: FOREWORD

- 1.1 Much work has been done over the last eight years to ensure that the Council's finances, as detailed in the Medium Term Financial Strategy (MTFS), remain robust. This current version of the MTFS shows a substantial in-year contribution to reserves for 2015/16 which reduces in scale in 2016/17 and further again in 2017/18, followed by a significant reversal in trend and sizeable budget deficits for 2018/19 onwards. The reasons for this change in the Council's in-year financial position are detailed within this report.
- 1.2 The continuation of Public Sector Deficit Reduction measures promoted by central government includes both immediate and medium term spending reductions on public services. Like all councils Fylde is also dealing with cost pressures whilst striving to maintain income streams.
- 1.3 This MTFS includes the impact of the 2015 Local Government Finance Settlement, details of which were announced on 17th December 2015. For Fylde Council, along with most other district councils, the key factor in the settlement is the proposal of an optional four-year settlement, accompanied by a significant reduction in the estimated level of central government funding for future years. No information is provided regarding what the alternative levels of central government funding might be if councils do not accept the four-year proposal, although it is unlikely that funding on a year-by-year basis would be at higher levels than those contained within the four-year proposal. Therefore for the purposes of this Financial Strategy report it is assumed that central government funding will be in line with that shown within the four-year funding proposal.
- 1.4 Additionally the government are consulting on a series of further possible changes in respect of New Homes Bonus entitlement which, if implemented, could have a further adverse effect on the Councils financial position. These are specifically:
 - The withholding of New Homes Bonus in areas where no local plan has been produced;
 - Reduced levels of New Homes Bonus for homes that are built following an appeal; and
 - Only making payments for the delivery of new homes above a baseline representing 'deadweight' i.e. an expected annual level of 'natural' growth.
- 1.5 In light of the additional challenges that are presented by the recent Finance Settlement and as detailed within this report, the Council needs to continue with the approach to delivering savings and efficiencies which have helped deliver balanced budgets and contribute to reserves over recent years. Through continued focus on the importance of financial stability the Council has delivered a significant savings programme since 2007 and has continued to significantly reduce senior management costs and other overheads. Ongoing modernisation work and business improvement will continue to make Council services more efficient, save money and maintain frontline services to customers. This work has yielded ongoing savings to help improve the Council's overall financial position over that period. For Fylde Council to continue to successfully meet the new challenges that it faces it is vital that this approach is re-doubled and that all reasonable opportunities for further cost-reduction measures and for the generation of additional income are seriously considered. Prudent financial management in previous years has provided a level of reserves which allows the necessary time to determine how this council can best respond to the increased challenges.
- 1.6 This work has already commenced. Since the announcement of the Financial Settlement a series of meetings with the Councils Management Team and budget-holders during early 2016 have produced some significant re-assessments of future year budget requirements and some more challenging income expectations. This has had the effect of going some way towards reducing the funding gap, particularly in the final years of the forecast, from

that which the Finance Settlement initially created. The effect of these changes is detailed in Appendices C and D to this report. Additional actions will be necessary to further address the remainder of the funding gap over the course of the coming years.

- 1.7 As part of that continued approach the Council's priorities for improvement remain and the Council needs to continue with the overall strategy making any changes it feels are relevant whilst recognising the future uncertainties that exist.
- 1.8 The assumptions that are contained within this MTFS are the latest best estimates and will be updated as and when further information is available. External pressures outside the Council's control are being experienced by many local authorities, and instructions remain in place that budget-holders should remain prudent and not commit to any unnecessary expenditure. This approach saves money and may result in an under-spend again this year.
- 1.9 The speed with which the national deficit reduction has been applied to local government means that the Council will need to continually identify further efficiencies, maximise income and look to create more capacity in order to deliver a balanced and sustainable budget in the medium term. Such an approach may lead to a review of service provision in some areas and a more measured achievement of improvement in priority areas.

Section 2: CONTENTS

Section 3	Purpose of the Medium Term Financial Strategy (MTFS)
Section 4	Vision for the Borough
Section 5	Strategic Planning
Section 6	Developing the MTFS
Section 7	Capital Strategy & Asset Management Plan
Section 8	MTFS in Summary
Section 9	Developing the Budget Forecast
Section 10	Background to the Forecast
Section 11	The General Fund Revenue Forecast & New Forecast Changes
Section 12	Savings and Growth Proposals
Section 13	Reserves & Balances Provision
Section 14	The Local Government Finance Settlement 2016/17 - 2019/20
Section 15	Collection Fund
Section 16	Key Areas of Financial Risk (Revenue)
Section 17	Conclusions - General Fund Revenue Forecast
Section 18	The Capital Programme
Section 19	Key Areas of Financial Risk (Capital)
Section 20	Conclusions Capital Programme
Section 21	Treasury Management Strategy
Section 22	Treasury Management Risks
Section 23	Overall Conclusions
Appendix A	Original General Fund Forecast
Appendix B	General Base Budget Assumptions
Appendix C	Forecast Changes since Budget Council 2015
Appendix D	Explanation of Forecast Changes in Appendix C
Appendix E	Latest General Fund Forecast Position – Including Budget Proposals
Appendix F	Budget Proposals - Revenue and Capital
Appendix G	Updated Five Year Capital Programme
Appendix H	Useable Reserves & Balances Policy and Summary Position
Appendix I	Special Expenses Policy
Appendix J	Proposed Fees and Charges 2016/17
Appendix K	Treasury Management Policy
Appendix L	Treasury Management Strategy

Section 3: THE PURPOSE OF THE MEDIUM TERM FINANCIAL STRATEGY

3.1 The purpose of the Medium Term Financial Strategy (MTFS) is to:

- (i) Deliver a budget which is robust and sustainable;
- (ii) Enable the Council to deliver the aspirations within its strategic plans;
- (iii) Ensure the Council delivers essential services by the efficient and effective use of its financial resources; and,
- (iv) Demonstrate commitment to transparency in its financial affairs by setting out what the Council is trying to achieve in an understandable format.

3.2 The MTFS is one of the Council's key enabling strategies. It sets out how the Council intends to manage its finances to help achieve the agreed objectives and priorities.

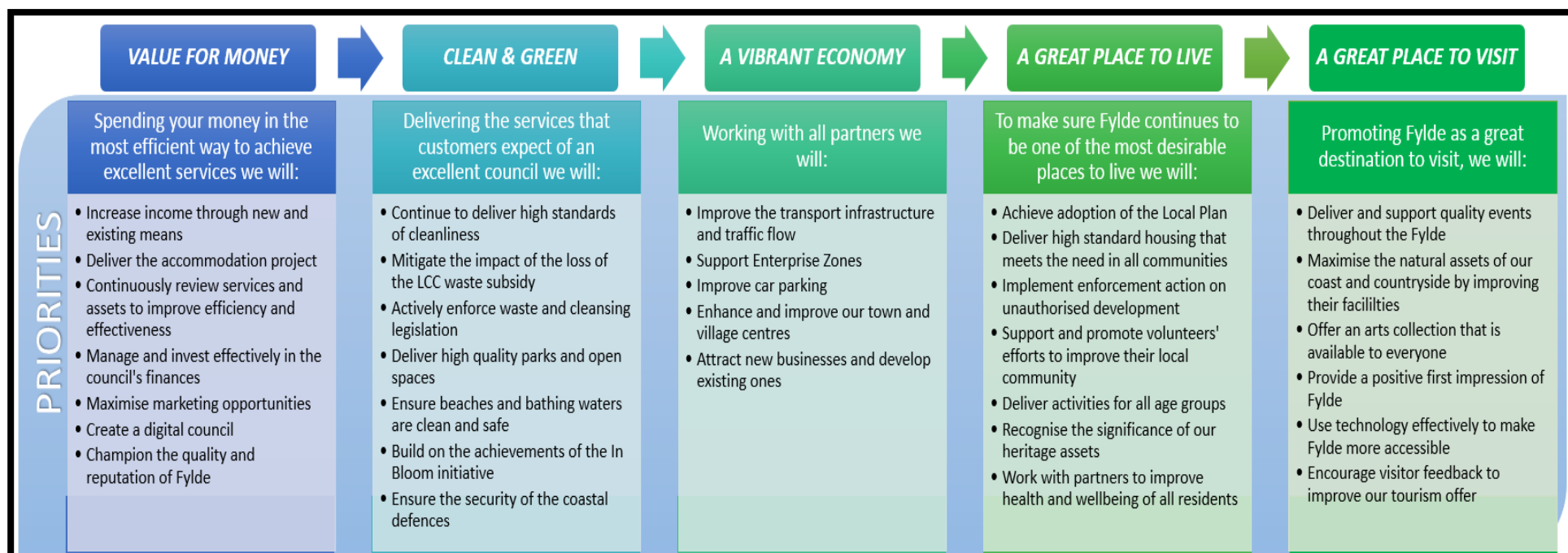
3.3 The Council has adopted a pro-active approach to financial management and a commitment to sound corporate governance, safeguarding public monies and ensuring accountability. Over recent years the Council has been recognised by its external auditors as making good progress with ongoing achievements and successes in priority service areas. It is recognised that whilst there are significant challenges ahead arrangements have been put in place to ensure that the priorities as set out in the Council's Corporate Plan are supported by a robust financial framework.

3.4 In formulating this strategy the Council has ensured that, within the resources available, it has taken account of:-

- National priorities for public service investment and delivery;
- Government efficiency targets and the priority given to deficit reduction;
- Corporate priorities that reflect local circumstances and are in tune with the priorities of partner organisations, including Health, Police, local businesses, voluntary and community organisations; and,
- Public consultation and feedback which has taken place.

Section 4: VISION FOR THE BOROUGH

- 4.1 The Council produces a Corporate Plan which outlines the key actions, targets and outcomes for the Authority and the wider community. The Corporate Plan is developed through consultation and feedback with stakeholders based on the key strategic responsibilities of the Council.
- 4.2 The Corporate Plan takes into consideration emerging legislation, policy and changes in resources and responsibilities informed the Local Government Association, the Department for Communities and Local Government, the Department for Work and Pensions and the various professional associations which provide support on policy, finance, governance, waste, planning, parks, public health and environmental health. The intention is to forecast the resources required to address the strategic issues the Council will need to deliver against over the next four years.
- 4.3 The current iteration of the Corporate Plan was updated during 2016, and was approved by Full Council at its meeting held on 8th February 2016. The new corporate plan covers the period 2016 to 2020 and contains the Council's vision, priorities, and specific actions over the period based on a realistic projection of the financial resources available to the Council. The Council's vision, as contained in the Corporate Plan, is "Let Fylde Prosper".
- 4.4 The Corporate Plan 2016-2020 is divided into five priorities listed below:



Section 5: STRATEGIC PLANNING

- 5.1 The Council has in place a corporate planning and performance management framework that includes an annual review of the Corporate Plan. The plan is reviewed in consultation with staff and councillors, partners in other public services, the community and voluntary sector, the local business community and local residents.
- 5.2 The Council regularly reviews progress against longer term plans and Members receive regular updates of the MTFS. It is recognised that despite robust action during recent financial years to produce a stable and sustainable financial position, the continuing reducing resources available to the public sector means that the Council needs to strive to continue to achieve a sustainable and robust budget.

Links to other Enabling Strategies

- 5.3 The Medium Term Financial Strategy is one of the Council's enabling strategies aimed at improving transparency and accountability in the way the Council delivers services and functions. Each enabling strategy is reviewed annually as part of the planning cycle and taken together drive innovation and efficiency to achieve continuous improvement. The other enabling strategies are:
- ICT Strategy;
 - Procurement Strategy;
 - Asset Management Plan & Capital Strategy;
 - Communication Strategy, and
 - People and Workforce Development Strategy.
- 4.4 The MTFS takes account of the resources the Council requires to deliver the strategies. Where resources are limited the Council's overall objectives will be the same but the pace of achievement may be adjusted. This factor may become more significant as reductions in public sector funding are further revised and take greater effect.

External funding

- 5.5 The borough has been successful in the past in securing funding from a number of investment streams from external funds including Heritage Lottery Fund Grants, The Local Strategic Partnership (LSP), the Environment Agency, section 106 planning monies, Lancashire County Developments Ltd and the North West Development Agency.
- 5.6 Progress against some corporate priorities is reliant on the continuing availability of external funding. However, the abolition of Regional Development Agencies, the cessation of funding for the LSP, and the future restrictions on capital funding may compromise the ability to deliver some community infrastructure improvements and will require more collaborative working with partners through bodies such as the Lancashire Enterprise Partnership. The inability to access external funding in the future could restrict the Council's scope to deliver capital development and growth schemes.

Section 6: DEVELOPING THE MEDIUM TERM FINANCIAL STRATEGY

- 6.1 Over the last eight years the Council has adopted a structured approach to financial management and corporate governance, safeguarding public monies and ensuring accountability. In 2015 the Council's external auditors KPMG audited the Council and again gave an "unqualified opinion", which demonstrates satisfaction with the Council's financial and governance arrangements.
- 6.2 Future spending reductions will require a further review of priorities and service delivery arrangements. Members will be engaged in this process as part of the service planning framework and through the revised committee arrangements that were implemented during 2015 as a consequence of the changes to the Council's system of governance.
- 6.3 One aspect of the revised governance arrangements was the formation of the Budget Working Group. The role of the Budget Working Group is defined as:
- 'To co-ordinate and oversee the budget setting process and to provide a strategic steer to programme committees on key elements of the budget setting process such as the level of growth or savings required in light of the overall financial position of the Council, capital bid expectations, fees and charges levels etc.'

In addition all revenue and capital budget proposals, draft revenue budgets for 2016/17 and all proposed fees and charges for 2016/17 have been considered by each of the Council's programme committees with respect to proposals that fall within the remit of each committee and have provided comments and recommendations as appropriate.

The Budget Working Group has met a number of times to fulfil its role in the budget-setting process for 2016/17 and has carefully considered all budget proposals and the comments that each of the programme committees has made during their consideration of these matters in respect of services within their remit.

- 6.4 In December 2015 the Council received details of the provisional 2016/17 grant settlement along with an optional indicative four-year funding offer, and Final Settlement figures were confirmed on 8th February 2016. No information is provided regarding what the alternative levels of central government funding might be if councils do not accept the four-year proposal, although it is unlikely that funding on a year-by-year basis would be at higher levels than those contained within the four-year proposal. For the purposes of this Financial Forecast Update it is assumed that central government funding will be in line with that shown in the four-year funding proposal. The Council is taking a prudent approach to manage this uncertainty. Given this position the Finance and Democracy Committee is proposing a limited number of growth proposals to ensure that the Council continues to achieve a robust budget over the life of the forecast.
- 6.5 In formulating the budget proposals, Members have been cognisant of the national economic context and the financial risks and uncertainties facing the Council. The budget proposals for 2016/17 onwards are detailed in Appendices E and F of this report.
- 6.6 The Council's service planning and performance management framework is designed to ensure the continuous drive for improvement and ensure that Value for Money continues to be achieved.

Balancing the MTFS

- 6.7 The Council is primarily a service provider and employee costs are one of its largest areas of expenditure. A two-year pay award was agreed in respect of 2014/15 and 2015/16 at an average increase over the two years of approximately 2.2% (i.e. an average of 1.05% per annum). Provision has been made for pay increases in future years of 1% per annum.
- 6.8 Officers gave a commitment to Members following the 2011/12 outturn position to review underspends across the Council. This exercise was first carried out in autumn 2012 and is now well-embedded within the working practices of the Council, resulting in significant levels of favourable adjustments, the latest of which have been reflected in this revised forecast.

Section 7: CAPITAL STRATEGY AND ASSET MANAGEMENT PLAN

- 7.1 The Council owns a number of operational properties and assets and has developed a Capital Strategy and Asset Management Plan. Operational properties include office accommodation, depots, yards and venues such as the Town Hall and other offices, the crematorium, open space facilities, and various car parks. The Council has a five-year rolling programme of maintenance for its assets which is factored into the Medium Term Financial Strategy.
- 7.2 A small investment property portfolio is managed to generate income to support the revenue budget and maximise any opportunities for regeneration. This position is reviewed regularly by the Asset Management Group in order that income can be maximised and timely decisions made on the disposal of poorly performing or surplus assets.
- 7.3 The Asset Management Plan includes a stock condition survey to establish the rolling programme of repair and maintenance, which takes account of the need for efficiency and environmental impact.
- 7.4 The increasing pressure on the revenue budget impacts on the capacity of the Council to borrow. Asset holdings are therefore reviewed as part of the annual planning cycle to ensure the capital programme is matched with the funds available. This could lead to the disposal of some assets to maintain the remaining estate to the desired standard.
- 7.5 A key factor at present is the Council's Accommodation Project. The marketing of surplus assets has been undertaken to provide the capital funds for the essential refurbishment of the Town Hall and the purchase of land adjacent to the Council's existing depot at Snowdon Road. Following the disposal of St David's Road depot in St Anne's in 2012/13, Phase 1 of the refurbishment commenced during 2013 with roof works to the Town Hall building and the purchase of the Snowdon Road land. With the sale of the site at Derby Road, Wesham in 2013/14 further phases of works commenced (phases 2 – window replacement in 2014 and phase 3 – east wing/lift/protected stairwell in 2015) funded from the proceeds of the asset sales and from an ear-marked reserve established for this purpose during 2015/16 to which in-year revenue savings were transferred. The remaining asset to be sold is the

Public Offices in St Anne's which is expected to generate a further capital receipt which will fund the remaining elements of the Accommodation Project.

- 7.6 A cross party member/officer working group, the Accommodation Working Group, is in place to monitor the delivery of the Accommodation Project. The group meets when required based on progress made and the need for advice and guidance.
- 7.7 Furthermore a review of all heritage assets including furniture and art-work has been undertaken in order to explore opportunities and options available as a result of the Localism Act which came into force during 2012. The review reported during early 2016 and further actions may follow once the implications of the review have been fully assessed.

Section 8: THE MEDIUM TERM FINANCIAL STRATEGY IN SUMMARY

8.1 The MTFS sets out the Council's revenue budget allocations, the programme for capital investment, efficiency targets and forecasts for the period covered by the Strategy. The key influences on this strategy include:

- The reductions in central government funding announced in the 2016/17 Local Government Finance Settlement;
- The consequent spending reductions as a result of reduced resources in the medium term;
- Ensuring a robust and sustainable budget through the prudent use of reserves and balances and ensuring externally funded projects are facilitated;
- Developing new ways of delivering services using modernisation techniques to achieve higher levels of customer satisfaction, efficiency, value for money, strategic partnerships, service commissioning, and enterprise;
- The need to continuously review and maintain existing assets to a quality standard.

8.2 The MTFS looks at the current year and ahead over the next four years to identify the resources likely to be required by the Council to finance service priorities and to meet spending pressures. It aims to:

- Ensure the sustainability of the Council's budget;
- Facilitate pro-active strategic management of the budget to ensure service investments and dis-investments flow from the Council's corporate and service planning frameworks;
- Be responsive to a changing and uncertain financial climate in which existing funding streams cease and new opportunities arise; and,
- Demonstrate clearly to stakeholders, both internal and external, what the Council's plans are for the use of its resources.

The need for a longer term view of the Council's financial position has always been important but as central government funding reduces significantly in the coming years this is increasingly so.

8.3 The MTFS and forecast are supported by a number of monitoring procedures. These are as follows:

- General Fund Revenue Budget Monitoring;
- Capital Programme Monitoring;
- Treasury Management Monitoring and Mid-Year Strategy Review, together with specialist external advice; and,
- Annual Outturn reports on Capital, General Fund and Treasury Management.

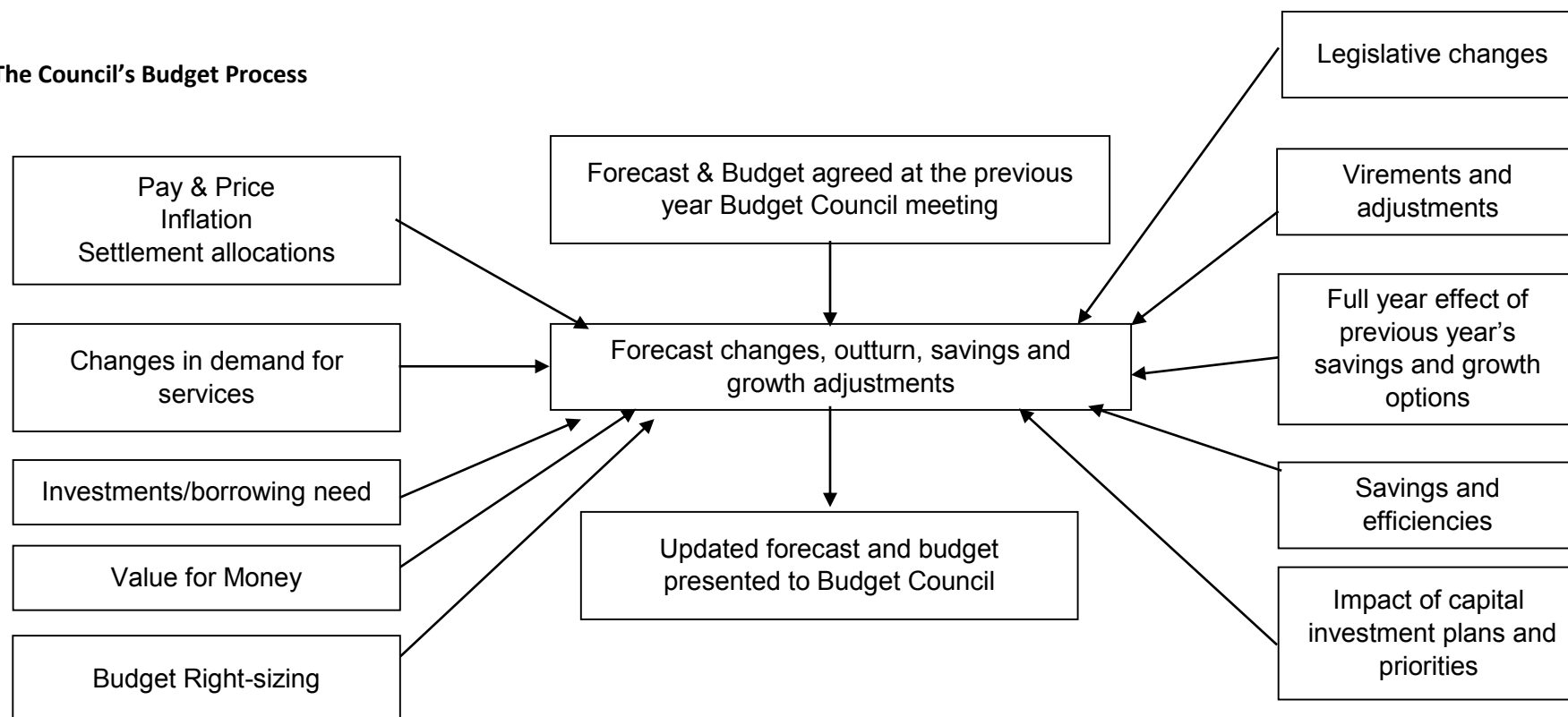
8.4 The recent Local Government Finance Settlement (which details illustrative levels of future central government funding) is a four-year settlement proposal. Giving councils the option of longer-term funding settlements is a significant development compared to previous one and two year allocations. However the figures for 2017/18 and beyond are part of an offer to any council that wishes to take it up. This will be conditional on councils publishing an 'Efficiency Plan'. There is no detail at this stage as to what an Efficiency Plan needs to contain. In the absence of any such detail the approach the Council is taking to meet the challenge of reduced levels of central government funding over the next four years is:

1. To redouble the challenges to existing expenditure budgets through the regular budget right-sizing exercises which have produced significant levels of savings in recent years in order to seek to further reduce total expenditure;
2. To seek to maximise existing income streams and explore new sources of income generation and to review existing services for opportunities to generate new forms of income or increased levels of income;
3. To ensure that the Councils staffing structure is appropriate to the needs of the services that are delivered and to take advantage of opportunities to review establishment structures;
4. To transfer a significant sum from General Fund balances to the Funding Volatility Reserve in 2015/16 to set-aside resources that can be used to support the revenue budget in future years, as and when that becomes necessary. Within the present Financial Forecast, as shown at Appendix E to this report, a transfer from the Funding Volatility Reserve is necessary to support the revenue budget in 2019/20. However if the activities to increase income and further reduce expenditure as described above have the predicted effect it may be possible to delay the timing of the requirement for such support until later years.

Section 9: DEVELOPING THE BUDGET FORECAST

- 9.1 The starting point for developing the forecast for the forthcoming year is the forecast agreed by Full Council at the last Budget setting meeting. The forecast is reviewed in the light of the previous year's outturn information. Changes and risks based on the latest available information such as the statutory annual Council Tax Base calculations and the most recent Local Government Finance Settlement are incorporated. Original assumptions are reviewed; new spending pressures are assessed and evaluated with any in year budget decisions being taken into account. The need for spending and savings is assessed in the light of available resources. The process is set out in the following diagram:

The Council's Budget Process



Throughout the process, all risks are analysed, assessed and reported as necessary and appropriate.

Section 10: BACKGROUND TO THE FORECAST

10.1 In order to 'scene set', the current financial position of the Council is summarised for Members as follows:

(i) Original Budget 2015/16: (Appendix A)

At the Council meeting on the 3rd March 2015 the budget for 2015/16 and the medium term financial forecast were agreed. The resolution included a 0.06% reduction in Council Tax and a total net budget requirement of £9.991m for 2015/16. Future reserve balances at that time were forecast at the end of 2018/19 to be £4.017m. In agreeing the Original Budget for 2015/16 a number of key high level financial risks and assumptions were highlighted.

(ii) General Fund – Outturn Position 2014/15

The revenue outturn position for 2014/15 was reported to Members in June. The impact of the outturn position, including additional contributions to earmarked reserves totalling £0.560m, has been reflected in this updated forecast.

(iii) Budget Rightsizing Exercise

In 2012 the Councils Management Team committed to carrying out a budget right-sizing exercise to analyse underspends which have occurred over the last 3 financial years. This exercise in reviewing outturn variances and adjusting future budgets accordingly has become part of the annual budget process. As a result a number of budget adjustments are included within Appendix C of this report under the heading 'Budget Rightsizing'. The efficiencies and savings captured by the right-sizing exercise are a combination of one year only and recurring savings. It is anticipated that in future years the level of efficiencies and savings that are achievable through the right-sizing exercise will be more limited.

(iv) Capital – Outturn Position 2014/15

The latest approved expenditure budget in the capital programme for 2014/15 was £1.235m. After adjusting for slippage of £0.211m, the overall outturn position for 2014/15 was an in-year balanced position against the latest updated estimate. The capital receipts surplus for the year, after taking into account of slippage, totals £39k which left a total underlying favourable variance of £39k.

(v) General Fund Revenue Budget Monitoring 2015/16

Periodic revenue budget monitoring reports have been presented to each of the programme committees during the year. These reports identified a number of budget areas for further consideration. As a result a number of changes have already been included in this latest forecast. These include revised fee income estimates, updated employee cost assumptions, and the latest estimate of borrowing costs.

Section 11: THE GENERAL FUND REVENUE FORECAST & NEW FORECAST CHANGES

- 11.1 Appendix A sets out the Original Base Budget forecast, agreed at Budget Council in March 2015. In rolling forward the forecast general assumptions included in the Base Budget are set out in Appendix B, with detailed changes since the last approved budget was set detailed in Appendix C. Explanations in support of these budget changes are set out in Appendix D.
- 11.2 **A summary of the impact of these latest changes, including the proposals of the Finance and Democracy Committee, and the summary forecast position for the Council, is set out in Appendix E.**

Section 12: SAVINGS & GROWTH PROPOSALS

- 12.1 In order to prepare for the funding uncertainties of future years only a limited number of growth proposals have been identified and the Council continues to look for further efficiencies. In identifying the growth items now proposed (detailed in Appendix F) and exploring opportunities for future savings, the following criteria has been considered:-
- The impact on the Council's corporate priorities;
 - The impact on front line service provision to residents;
 - The sustainability of proposed savings;
 - Value for Money and efficiency implications; and,
 - The potential for further cost reductions both in back-office and service delivery costs, in particular, to be achieved via a mix of more shared services and partnering arrangements.
- 12.2 The impact of any proposed budget reductions is assessed by way of an equality impact assessment. Any reduction in Council expenditure that leads to a reduction in services will inevitably have an impact on the wider community served. However, in carrying out a high level equality impact assessment on savings options it is necessary to look at two specific issues:
- The effect on persons who share a protected characteristic in relation to the wider community; and,
 - If and how one group is disproportionately disadvantaged by the cuts in relation to other groups.
- 12.3 The Council is consulting with a wide range of stakeholders, including the general public, local business groups, Town and Parish Councils, business rate payers, partners, and other local authorities.
- 12.4 In putting together the budget proposals consideration is given to the consultation and feedback which is collated on an ongoing basis through the various service providers as well as bespoke research aimed at specific initiatives. This includes customer satisfaction surveys, suggested service delivery improvements obtained through feedback and an analysis of the complaint and service failure data collated by the Council each month.

Section 13: RESERVES AND BALANCES PROVISION

13.1 The Council carries a number of reserves, balances and other provisions which are held for three main purposes:

- To maintain a working balance to help cushion the impact of uneven cash flows and avoid unnecessary temporary borrowing. This forms part of what is commonly referred to as 'general fund balances';
- A contingency to cushion the impact of unexpected events or emergencies; and
- A means of building up funds to meet known or predicted liabilities - commonly referred to as "earmarked reserves".

13.2 The Council's General Fund Reserve Balance at 31st March 2015 was £5.4m.

13.3 Within the existing statutory and regulatory framework, it is the responsibility of the Chief Financial Officer to advise local authorities about the level of reserves that they should hold and to ensure clear protocols for their establishment and use. Accordingly an updated Useable Reserves and Balances Policy is appended at Appendix H and approval of this updated policy is sought as part of this report. In line with the policy the current level of useable reserves and balances has been reviewed.

13.4 In December 2015 Council approved the transfer into the Accommodation Project Reserve of the sum of £504k. This is to be funded from favourable in-year revenue budget variances in 2015/16 to provide the required funding for the delivery of the Accommodation Project up to phase 5.

13.5 Having reviewed the current useable reserves and balances position, the budget proposals include the following in respect of reserves:

- a) In order to set aside sufficient reserves to help address the budgeted call on reserves in the latter years of the forecast, the Finance and Democracy Committee propose that a proportion of general fund reserves, in the sum of £3m, be transferred to the Funding Volatility Reserve in 2015/16;
- b) In order to ensure that there is sufficient resource within the Capital Investment Reserve to meet all of the previously approved capital schemes, and the additional capital schemes that are now proposed within this report, the Finance and Democracy Committee propose that a sum of £32k be transferred to the Capital Investment Reserve in 2015/16; and
- c) Following on from b) above, the Finance and Democracy Committee is proposing to establish a number of new capital schemes within the capital programme, all fully-funded from the Capital Investment Reserve. These are detailed in the capital budget proposals at Appendix F.

13.6 During the economic downturn of recent years the Council's balances have been maintained at prudent levels. Recent economic data indicates that the national economic recovery is underway and provides an encouraging outlook for future economic growth. However, the Council's financial position continues to be forecast against future financial uncertainty and significant risks.

- 13.7 To maintain a future stable financial environment for the Council and in light of the current economic climate and risks, a minimum level of General Fund reserves of £750k remains the recommendation of the Chief Financial Officer.

Section 14: THE LOCAL GOVERNMENT FINANCE SETTLEMENT 2016/17 – 2019/20

a) Background

In July 2015 the Government published the document '**A country that lives within its means - Spending Review 2015**'. The main focus of the document was to set out the government's intention of identifying the further savings in government expenditure that are necessary to achieve the stated objective of eliminating the national budget deficit by the end of the current parliament i.e. by 2019/20. To achieve this goal the government will be required to reduce annual public spending by around £37bn. Within the document is included the following intention: '**As part of the Spending Review, the government will look at transforming the approach to local government financing...**'

In a major announcement made to the Conservative Party Conference in October 2015, the Chancellor of the Exchequer, George Osborne, set out plans for local government to retain 100% of business rates revenues by 2020. Entitled 'devolution revolution' the stated aim of this reform is to ensure all income from local taxes goes on funding local services, so helping fix the current 'broken' system of financing local government. As a further incentive, local areas would be allowed to keep the full benefit from growing their business rates yield as a reward for promoting growth. The announcement is, therefore, effectively about 100% retention of growth in business rates by local authorities. The clear intention behind this policy is to incentivise local councils to attract, retain and support the growth of businesses in order to deliver economic growth.

However, in return for full business rates retention it was announced that 'Core Grant' would be phased out and local government will also be asked to take on new, as yet unnamed responsibilities, but which are thought to be centred on economic growth, to ensure the reforms are fiscally neutral.

b) Key Features of the Finance Settlement

The main documents detailing the Final Local Government Finance Settlement can be found at the following link:

<https://www.gov.uk/government/collections/final-local-government-finance-settlement-england-2016-to-2017>

The main proposal is a four-year settlement. Giving councils the option of longer-term funding settlements is a significant development compared to previous one and two year allocations. However the figures for 2017/18 and beyond are part of an offer to any council that wishes to take it up. This will be conditional on councils publishing an efficiency plan. It is unclear what the efficiency plan needs to contain and it is unclear what the alternative is for any council which does not take up the offer.

No information is provided regarding what the alternative levels of central government funding might be if councils do not accept the four-year proposal, although it is unlikely that funding on a year-by-year basis would be at higher levels than those contained within the four-year proposal.

Therefore for the purposes of this Financial Forecast Update it is assumed that central government funding will be in line with that shown in the four-year funding proposal.

There is a general principle being applied through the Funding Settlement that the demand and cost pressures on particular services, specifically adult social care, are being addressed by the allocation of significant additional funding to authorities which provide those services (i.e. Upper-tier and Unitary Councils) accompanied by a corresponding reduction in funding for those authorities (including Fylde Council) which do not.

The provisional settlement was announced in December 2015 and the Final Settlement figures announced on 8th February 2016. There were a number of changes between the provisional and final 2016/17 settlements, which are listed below. **The text in bold shows the impact of each on FBC:**

- Additional funding in the form of transitional grant, which the Local Government Association (LGA) lobbied for, of £150 million in both 16/17 and 17/18 for the councils most adversely affected by the change in revenue support grant. **FBC has been awarded an additional £56k transitional grant in both 2016/17 and 2017/18 – this has been reflected in this update of the MTFs.**
- The LGA lobbied for the removal of additional tariff / top-up adjustment (no negative RSG). The Government has made available £2.3 million in 17/18 and £22.8million in 18/19 to remove this adjustment. **FBC has a tariff adjustment in 2019/20 of £295k which has the effect of reducing the Council's business rate baseline level and therefore income by this amount in 2019/20. The announcement removes such adjustments in 17/18 and 18/19 – but the figures for 19/20 when FBC are affected remain unchanged.**
- Compared to the provisional settlement an extra £60.5 million has been added to the Rural Services Delivery Grant in 16/17 and £30 million in 17/18.
- The additional funding available over the four year period amounts to £415.6 million.
- As requested by the LGA, all Shire Districts will be given the flexibility to raise council tax by the maximum of £5 or 2%. According to DCLG numbers, this is an additional £39.2 million in council tax in 19/20 if all Shire Districts use this flexibility every year of the four year period. **FBC is a Shire District and can therefore increase average band D Council tax from 2016/17 by a maximum of £5, which equates to an average band D increase of 2.69%. The average band D increase of £4.98 proposed in this report equates to a 2.68% increase which ensures that the Council remains within the limits set out in the referendum principles for 2016/17.**
- The additional funding together with the assumed use of the £5 council tax flexibility each year leads to a spending power increase of £525 million in total across the four year period. **Again, in its updated calculations of spending power the DCLG are assuming that the £5 increase is applied by all Councils that are able to do so.**

Other key points:

- The government has published the final referendum principles. **The principles now effectively set the referendum threshold for FBC (as a Shire District) at a maximum of £5, that being the higher of a £5 increase or a 2% increase in monetary terms (a 2% increase being = £3.72 per annum on band D average council tax).**
- Councils that want to take up the four year settlement offer have until 14 October 2016 to respond to the Secretary of State.

- The LGA are expecting Public Health and Independent Living Fund allocations to be announced later in February.
- The Secretary of State announced a consultation on planning fees.
- The government has also announced that it will start a review of the needs formula in preparation for the introduction of 100 per cent business rates retention.

The DCLG analysis of “Spending Power” contained in the Final Settlement takes into account the full range of ways in which councils can raise money, and includes assumed increases in Council Tax of £5 or 2% (whichever is higher in monetary terms) for Shire Districts such as Fylde, and at an average of 1.75% per annum for all other Councils. It also includes additional funding from existing allocations directed towards supporting pressures on social care budgets, including reductions in New Homes Bonus allocations. There are therefore winners and losers, with Fylde Council appearing to be firmly in the latter category.

The Settlement proposes distributional changes, including a broadly equal percentage reduction in settlement core funding for different authorities of the same type. Different councils will have different views about this depending upon whether they are winners or losers. The change in Core Spending Power levels across all local authorities over the next four year period range from **reductions** of up to 17.1% and **increases** of up to 9.8% with Fylde being towards the ‘wrong’ end of the range with a reduction of 12.1%.

In summary the Final Settlement provides a significantly reduced forecast spending power figure for Fylde of £8.9m in 2019/20, compared to spending power in 2015/16 of £10.2m. The figure of £8.9m in the final settlement assumes FBC increase average band D Council Tax by £5 per annum for each of the next 4 years – if any of the £5 increases are not applied in full, the Council’s spending power will reduce accordingly.

Challenges ahead include those arising from general inflation, increases in demand for everyday services as the population grows and increases in core costs such as national insurance, the Living Wage and pension contributions, together with the impact of the Lancashire Waste cost-sharing funding reduction.

The headline figures announced in the final settlement that cash resources, or spending power, available to Local Government in total across England would be only marginally reduced from £44.5bn in 2015/16 to £44.3bn in 2019/20 could be viewed as distorting the true grant allocation figures, as for the first time the settlement calculations includes assumed council tax increases for future years.

Table 1 below shows an analysis of the estimated central government funding allocations for Fylde Borough Council between 2015/16 and 2019/20 as detailed in the final settlement:

Table 1: Estimated central government funding allocations for Fylde as set out in the final settlement

Adjusted Settlement Funding Assessment (RSG and NNDR)	New Homes Bonus	Total	Adjusted Settlement Funding Assessment (RSG and NNDR)	New Homes Bonus	Total	Change between 2015-16 and 2019-20 in central government funding	% change
2015-16	2015-16	2015-16	2019-20	2019-20	2019-20		
£3.258m	£1.660m	£4.918m	£1.623m	£1.129m	£2.753m	-£2.165m	-44%

The table shows a reduction in central government funding allocation of £2.165m or 44% over the period which will present a significant challenge to Fylde Borough Council. An element of these reductions for Fylde had already been anticipated in the Council's latest financial forecast, but not to this level.

c) Revenue Support Grant

The consequence of the announcement that 'core funding' would be phased-out by 2019/20 produces a profile of forecast Revenue Support Grant that is far steeper in terms of the level of future reductions in grant than was previously predicted, that being at a level of reduction at 28% per annum to reflect the scale of reductions in previous years. This is illustrated in Table 2 below.

Table 2: Forecast Revenue Support Grant - Funding Settlement Impact

	2015/16	2016/17	2017/18	2018/19	2019/20
	£000	£000	£000	£000	£000
December Financial Forecast Update – Estimated Grant Amount (Reduction at historic level of 28% per annum)	1,443	1,039	748	538	388
Estimated Grant Amount per Final Settlement February 2016	1,443	861	354	47	-

d) New Homes Bonus

The government is consulting on significant changes to the New Homes Bonus Scheme, with a preferred option to achieve savings of £800m by 2020 which will affect the funding receivable by councils through the scheme.

Key issues within the consultation include:

- The proposal from 2017/18 to reduce payments from 6 to 4 years, or to go further and reduce payments to 3 or 2 years; and
- Possible transition period to pay 5 years in 2017/18 then 4 years from 2018/19.

To reform the scheme in order to better reflect authority's performance on housing growth, options being considered include:

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

The impact of these proposed changes to the scheme result in a much-reduced income projection for Fylde Council, as contained within the draft funding offer for future years as shown in Table 3 below. Actual grant amounts are subject to change arising from a range of influences, including the outcome of the consultation process (and which if any of the proposals are adopted) and the actual rate of housing growth within the borough.

Table 3: Forecast New Homes Bonus - Funding Settlement impact

	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000
December Financial Forecast Update – Estimated Amount	1,660	1,856	1,877	1,871	1,863
Estimated Grant level per Final Settlement February 2016	1,660	1,863	1,873	1,177	1,129

It is important to note however that illustrative future levels of New homes Bonus as shown within the four-year funding offer and included within the Financial Forecast Summary as shown at Appendix E to this report, show allocations of New Homes Bonus which are different to either of the options on which the government is proposing within its consultation document.

The allocations shown in the four-year funding offer show 6 years of funding still being receivable in 2017/18, then reducing to four years of funding for 2018/19 onwards.

In order to achieve a consistency of approach all illustrative future allocations of central government funding that are contained within the four-year funding offer have been used within this Financial Forecast update. If the outcome of the consultation with respect to New Homes Bonus produces future payments that are different to those shown within the four-year funding offer and that are in line with the consultation proposals then future receipts of New Homes Bonus income will be lower than those currently shown and future updates to the financial forecast will be amended accordingly.

e) Council Tax

The final referendum principles for 2016/17 have been published. All Shire Districts will be given the flexibility to raise council tax by the maximum of £5 or 2%, whichever is higher in monetary terms. According to DCLG numbers, this is an additional £39.2 million in council tax in 2019/20 if all Shire Districts use this flexibility every year of the four year period. The principles now effectively set the referendum threshold for FBC (as a Shire District) at a maximum of £5, that being the higher of a £5 increase or a 2% increase in monetary terms (a 2% increase being = £3.72 per annum on band D average council tax). The settlement is silent on Council Tax Freeze Grant going forward, the assumption being that this will no longer be offered to Councils who freeze.

In addition, social care authorities will be able to increase their council tax by 2 per cent over the existing referendum threshold, with the proviso that the additional 2 per cent 'social care precept' is spent on adult social care services. This will have to be separately itemised on council tax bills. Fylde Council is not affected by this element of the settlement in terms of its own precept, although residents may be liable for the additional charge should Lancashire County Council decide to levy this additional element of Council Tax.

f) Retained Business Rates

There are no changes to the current business rates retention scheme for 2016/2017. The Government will consult "in summer 2016" on the introduction of 100 per cent business rates retention, including what it describes as the right model of devolution and level of flexibility. The scheme will allow for retention of business rates by local government at the macro level, not for individual authorities to retain all of their own rates collected locally. The settlement states that: "By the end of the Parliament local government will retain 100% of business rate revenues to fund local services, giving them control of £13 billion of additional local tax revenues, and £26 billion in total business rate revenues". The DCLG have confirmed that these arrangements will come into place from 2020/21 **together with as yet unspecified "additional responsibilities devolved to local authorities"** which are thought to be centred on economic growth, to ensure the reforms are fiscally neutral.

The 4-year settlement figures provided by the DCLG include updated indicative business rate retention figures at the baseline level throughout the four year settlement period. For Fylde Council these are shown in Table 4 below.

Table 4: Forecast Business Rate Funding - Funding Settlement impact

	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000
December Financial Forecast Update – Estimated Amount (Set at 'Safety Net' level)	1,625	1,657	1,690	1,724	1,759
Estimated Grant level per Final Settlement February 2016 (At baseline from 2016/17 onwards)	1,625	1,771	1,806	1,859	1,623

NB: All the figures quoted in the settlement and contained within this report from 2016/17 onwards include business rates (or NNDR) at the **BASELINE** level. **There is the possibility therefore of the Council's financial position being improved as a result of additional business rates above the baseline level being generated in the borough, or via additional new home bonus generated from extra new homes beyond the level assumed in the settlement.**

g) The Better Care Fund

The Settlement confirms the continuation of the Better Care Fund (BCF) and additional funding for adult social care through the BCF worth £1.5 billion by 2019/2020. In the interim years, the additional funding through the BCF will be worth £105 million in 2017/2018 and £825 million in 2018/2019. This funding will be allocated as a specific grant. The allocations of Disabled Facilities Grant that Fylde Council receive are funded from the BCF.

h) A more flexible use of capital receipts

The settlement proposes that between April 2016 and March 2019 councils will be able to use new capital receipts to pay for the revenue set-up costs of projects that are designed to make revenue savings in the future. It will be for individual local authorities to decide if a project qualifies. In order to qualify, councils will be required to prepare an annual efficiency strategy listing all qualifying projects and this strategy, and any variations to it, will need to be approved by full council.

The guidance includes examples of eligible projects to transform service delivery or deliver efficiency savings, including:

- integrated services across different functions
- shared services across different authorities
- new ways of working such as digital service delivery
- joint working such as joint procurement or selling services to other authorities.

The guidance gives few examples of the type of revenue costs that might be incurred on these projects, but these might include feasibility studies, pilot schemes, consultancy fees, redundancy payments, lease buyouts, equipment disposal, staff training or website development. The guidance is clear that only initial set-up costs may be capitalised, not on-going running costs.

i) Rural Services Funding

Government funding through the Rural Services Delivery Grant will continue. The Government will top slice £20 million from Revenue Support Grant in 2016/2017 to pay as a non-ringfenced Section 31 grant to the upper quartile of authorities based on the super-sparsity indicator. This funding will increase to £65 million over the four year period of the Settlement. Fylde Council does not qualify for this grant.

Section 15: THE COLLECTION FUND

- 15.1 The Council is required to maintain a separate fund for the collection and distribution of amounts due in respect of Council Tax and National Non Domestic Rates (NNDR). The deficit on the collection fund for Council Tax as at 31st March was £183k. This deficit will be shared in accordance with regulations and will form part of the 2016/17 Council Tax Calculation. The Council's share of the deficit is £25k.
- 15.2 Prior to 2013/14, the Council collected Business Rates on behalf of Central Government. All the Business Rates income was paid directly into a central pool which was re-distributed to individual councils according to a needs-based formula. Under the new regulations the Council notionally retains a 40% share of its business rates, after which a tariff in the form of a further payment to central government is applied. As at 31st March 2015 the actual collection of NNDR was lower than originally forecast, largely as a result of the extension of the small business rate relief scheme. As a consequence, the Council's share of the Collection Fund deficit for the year was £506k which was offset by additional Government grant to recompense local authorities for the extension of the small business rate relief scheme.

Section 16: KEY AREAS OF FINANCIAL RISK (REVENUE)

- 16.1 In considering this forecast Members should note that there are a number of significant risks. In the context of the Council's financial forecast a risk can be defined as a change with an unknown or uncertain impact on the financial position of the Council that can be favourable or adverse. In assessing each risk the following has been taken into account:-

High Level Financial Impact Risk

- Potentially a significant sum, with the potential for impact over a number of years
- Relatively little mitigation available to spread or defer the impact
- The possibility of a significant financial impact on the Council if the risk materialises
- Probable need for change to the forecast if it materialises

Medium Level Financial Impact Risk

- Potentially a large sum, with the potential for impact over a number of years
- Some mitigation may be possible to spread or defer the impact
- The possibility of a sizeable financial impact on the Council if the risk materialises
- Possible need for change to the forecast if it materialises

Low Level Financial Impact Risk

- Potentially a less significant sum
- Some mitigation may be possible to spread or defer the impact
- Impact should be capable of being absorbed without major forecast changes

16.2 High Level Financial Impact Risks

i. New Homes Bonus

New Homes Bonus represents an important element of the Council's overall funding. As detailed within section 14 of this report the indicative future allocations of New Homes Bonus are forecast to reduce in future years. Those revised future allocations have been reflected in the updated Financial Forecast summary as shown at Appendix E to this report.

Furthermore, the government is consulting on significant changes to the operation of the New Homes Bonus Scheme, with a preferred option to achieve savings of £800m by 2020.

Key issues within the consultation include:

- The proposal from 2017/18 to reduce payments from 6 to 4 years, or to go further and reduce payments to 3 or 2 years; and
- Possible transition period to pay 5 years in 2017/18 then 4 years from 2018/19.

To reform the scheme in order to better reflect authority's performance on housing growth, options being considered include:

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

Actual grant amounts are subject to change arising from a range of influences, including the outcome of the consultation process (and which if any of the proposals are adopted) and the actual rate of housing growth within the borough.

It is important to note however that illustrative future levels of New homes Bonus as shown within the four-year funding offer and included within the Financial Forecast Summary as shown at Appendix E to this report, show allocations of New Homes Bonus which are different to either of the options on which the government is proposing within its consultation document.

The allocations shown in the four-year funding offer show 6 years of funding still being receivable in 2017/18, then reducing to four years of funding for 2018/19 onwards.

In order to achieve a consistency of approach all illustrative future allocations of central government funding that are contained within the four-year funding offer have been used within this Financial Forecast update. If the outcome of the consultation with respect to New Homes Bonus produces future payments that are different to those shown within the four-year funding offer and that are in line with the consultation proposals then future receipts of New Homes Bonus income will be lower than those currently shown and future updates to the financial forecast will be amended accordingly.

Reform of the New Homes Bonus scheme along the lines as proposed in the consultation that is currently under way could further reduce income to the Council in future years to a significant extent. Consequently this represents a major financial risk to the Council.

ii. Localisation of Business Rates

The February 2016 Final Finance Settlement did not introduce any changes to the current business rates retention scheme for 2016/2017. However the Government will consult "in summer 2016" on the introduction of 100 per cent business rates retention, including what it describes as the right model of devolution and level of flexibility. The scheme will allow for retention of business rates by local government at the macro level, not for individual authorities to retain all of their own rates collected locally. The settlement states that: "By the end of the Parliament local government will retain 100% of business rate revenues to fund local services, giving them control of £13 billion of additional local tax revenues, and £26 billion in total business rate revenues". The DCLG have confirmed that these arrangements will come into place from 2020/21 together with as yet unspecified "additional responsibilities devolved to local authorities".

In response to the challenges set by the Financial Settlement for future years the retained business rate income that is now shown in the Financial Summary at Appendix E now include business rates (or NNDR) at the **BASELINE** level. Previously income was included at the lower '**SAFETY NET**' level below which actual income cannot fall. There is the possibility therefore of the Council's financial position being improved as a result of additional business rates above the baseline level being generated in the borough, or via additional new home bonus generated from extra new homes beyond the level assumed in the settlement. Also there is the risk that income will not meet the baseline level and consequently the Council's financial position will be less favourable than predicted.

Due to the importance of retained Business Rates income to Fylde Council and the uncertainty surrounding future arrangements this remains a significant financial risk.

16.3 Medium Level Financial Impact Risks

i. Planning Appeal and Judicial Review Costs

During 2013/14 a significant cost claim against the Council was finalised which exceeded the then budgetary provision and at its January 2014 meeting the Council was required to approve an unfunded budget increase to provide for these costs. Consequently the budgets for 2014/15 and subsequent years were also increased in response to anticipated further planning appeal costs.

Additionally, the possibility of further legal costs being incurred as part of the enforcement notice on the illegal Travellers site at Hardhorn is uncertain and any potential cost is very difficult to estimate as this is subject to any further legal challenges that may be made.

This budgetary provision will be kept under review in order that the Council is able to respond to any appeals which may occur. In planning appeal costs in future years are in excess of these revised budget amounts further amendments to the financial forecast may become necessary.

ii. Reduction in Housing Benefit Administration Grant

The Council receives an annual grant to support the cost of the administration of Housing Benefit and Council Tax. The grant that the Council receives for these purposes has reduced in recent years, particularly in respect of the Housing Benefit element, as the government moves away from a system of Housing Benefit payments and towards a Universal Credit Scheme. This financial forecast reflects the latest estimates of reduced grant levels for 2015/16 and for subsequent years.

As updated grant notifications are received in respect of future years it may be necessary to update the forecast accordingly.

iii. Universal Credit

The Government has commenced the consolidation of a number of welfare benefit allowances into a revised Universal Credit Scheme. One of these is Housing Benefit which is currently administered by the Council through the shared service with Blackpool Council. The intention is that the new Universal Credit Scheme will be provided on-line and will be administered by Department of Work and Pensions. The roll-out of the

new arrangements are gradual and began in Fylde in respect of a small number of the less-complex cases in November 2014. The timing and financial implications of future developments of the scheme remain uncertain.

iv. Grounds Maintenance – External Contracts

Throughout the future life of the forecast a number of grounds maintenance contracts with external parties will come to an end or will be due for renewal/re-tender. At the same time other opportunities will arise for additional contract work and these will be actively pursued as appropriate. Income from contracts supports the work of the Parks and Leisure Service teams by way of a contribution to management costs and corporate overheads. Officers will endeavour to seek extensions to contracts as they become due for renewal/expiry and will continue to seek suitable alternative new work. Should this not be possible there may be an adverse impact on the Councils financial position.

16.4 Low Level Financial Impact Risks

(i) The Living Wage

In March 2015 the Council agreed a policy to adopt the Living Wage Foundation rate of £7.85 per hour for all employees, excluding apprentices, for 2015/16 such that the Council became a 'Living Wage Employer'. The cost of this includes the resultant impact on agency labour costs after 12 weeks employment as a result of the Agency Worker Directive.

The level of the Living Wage hourly rate is set by the Living Wage Foundation in the autumn of each year. The Council's revenue estimates includes annual amounts for the anticipated impact of the annual increases in the hourly rates for the Foundation Living Wage and the National Living Wage. In the event that actual future year increases are higher than the estimated levels such that the increases cannot be contained within the approved budgets future adjustments to the Financial Forecast may be necessary.

Additionally, in the autumn of 2015 the government announced the introduction of a statutory National Living Wage to apply from April 2016 for all employees over the age of 25 at an initial hourly rate of £7.20, rising to £9.00 per hour by 2020. As this rate of pay is significantly higher than the current statutory Minimum Wage this will adversely affect agency labour costs in respect of periods of employment of up to 12 weeks (after which the Living Wage Foundation rate applies).

Both the introduction of a statutory National Living Wage and the rate of the increase in the Foundation Living Wage will adversely affect both the total employee costs of the Council and those of external partners for whom Fylde Council provides financial support. Any additional costs which may arise in this regard will also be reflected in future updates to the Financial Forecast.

(ii) Community Infrastructure Levy (CIL)

The Community Infrastructure Levy (CIL) which came into operation nationally in April 2011 is intended to assume the role of the traditional Section 106 Agreement. However Section 106 Agreements will continue to have a role to play on site specific development proposals. For the

CIL to become operational within the borough the Local Plan will need to be in place. Officers will be exploring infrastructure requirements as part of the work on the Local Plan with the aim of producing, for public consultation, an Infrastructure Delivery Plan which will help inform a CIL charging schedule. At this moment in time the financial implications are unknown.

(iii) Lowther Gardens Trust

The Council's revenue budget currently contains budget provision for a subsidy payable to Lowther Trust for the operation of Lowther Pavilion, as detailed in the service level agreement. The budget stands at £39k in 2015/16 and reduces to £32k in 2016/17, that being the final year of the five-year subsidy period as agreed with Lowther Trust. Ongoing dialogue with the Trust indicates that a subsidy from Fylde Council will be requested by Lowther Trust beyond 2016/17, but there is currently no budget provision for this in the financial forecast.

There is therefore a risk that further funding requests will be received by the Council.

16.5 Additional Note re Waste Recycling Cost Sharing Arrangements with Lancashire County Council

The following item has previously been identified as a high level financial risk due to the scale of its impact upon the council's finances. The loss of income has been fully reflected in the updated financial forecast at Appendix E. The note below is provided for information purposes.

Waste Recycling Cost Sharing Arrangements (Lancashire County Council)

Lancashire County Council is the Waste Disposal Authority (WDA) for Lancashire and Fylde Borough Council is a Waste Collection Authority (WCA) as defined by the Environmental Protection Act 1990 (EPA). Section 52(1) of the Act places a duty on WDAs to pay waste disposal credits to a WCA in its area when the WCA diverts waste from the household waste stream for recycling - the value of credit being the savings per tonne in disposal costs. The Clean Neighbourhoods and Environment Act 2005 introduced flexibility to this requirement by allowing authorities to develop joint working arrangements, tailored to their area, to work towards the goals of the National Waste Management Strategy.

Additionally, central Government expects local authorities to consider whether a better, more appropriate, cost-sharing model can be developed for their area in order to aid in the achievement of Landfill Allowance Trading Scheme obligations and local plans for recycling and composting. To this end the Lancashire Waste Strategy (LWS) was adopted by WCA's in Lancashire in 2001.

The Lancashire Waste Strategy was updated in April 2013 to move away from the previous Property Based Payment Mechanism (which provided a discretionary index-linked payment from LCC to participating districts for each domestic property covered by a three stream collection service i.e. green waste, dry recycling and residual (grey bin) waste) to a fixed level of support paid annually.

These arrangements with LCC run to March 2018. The value to Fylde Council of income from LCC under the updated agreement are summarised below:

	Total Income to FBC from LCC under the existing Cost Sharing Agreement
	£000
2015/16	777
2016/17	764
2017/18	763

On 27th January 2014, FBC were informed (along with other participating Districts) that LCC's Cabinet Member for Public Protection and Waste had adopted a 'Policy for Making Recycling Payments (Recycling Credits) to Waste Collection Authorities'. **The policy indicates that the existing payment arrangements will cease after 2017/18.** The decision had been taken having carried out a detailed review of LCC's obligations and having considered the requirement for the County Council to reduce its expenditure by £300m over the next four years.

This therefore represents a significant risk to FBC's financial position in the final year of this forecast and beyond with the loss of up to £763k per annum from 2018/19 onwards.

A Lancashire wide review of waste collection arrangements, with the aim of providing "a comprehensive evaluation of the fundamental aspects of waste collection with a view to reducing the cost of provision of collection services across Lancashire" has been undertaken in 2015/16 and is due to report its findings in 2016.

The loss of cost sharing income has been reflected in this update of the forecast, based upon the decision which has been taken by LCC. The outcome of the waste review and the resultant financial implications to Fylde Council of this development and any new arrangements will be reflected in the future updates to the financial forecast as they become clearer.

Section 17: CONCLUSIONS – GENERAL FUND REVENUE FORECAST

- 17.1 Earlier updates of the Financial Forecast over recent years have made reference to the risks and uncertainties to which all local government has become increasingly accustomed as we remain within a period of financial austerity following the financial crisis of 2008. In response the government has continued with its policy of reducing the quantum of public sector expenditure. Fylde Council has seen the effects of this in the form of significant reductions in central government funding allocations. The much greater than anticipated funding reductions that were announced as part of the recent Local Government Finance Settlement have increased the risk to the Councils financial stability.
- 17.2 However, over the last few years the Council has delivered significant efficiencies and savings which have seen general fund reserves grow to a level which allows the Council to deal with future challenges and pressures in a planned and effective way. The Council faces a number of uncertainties in the future in respect of its finances, and the current forecast has a number of high risk financial assumptions which are outside the Council's control.
- 17.3 A number of risks are significant, in particular the future of central government grant funding including income from Business Rate retention and New Homes Bonus.
- 17.4 The gap between in-year income and expenditure in the final years of the forecast will need to be addressed. However with balances at the current level and with the main risk not arising until 2018/19 the Council is well-placed to take action in the intervening period to minimise the scale of this issue. Officers and Members will be continuously monitoring all areas of concern through established budget setting procedures and will work to ensure that the Council's Revenue Budget remains robust and sustainable.

Section 18: THE CAPITAL PROGRAMME

- 18.1 Capital Expenditure is defined as expenditure on the acquisition of a fixed asset and/or expenditure which adds value to (not merely maintains) the value of an existing fixed asset. Examples of fixed assets are; land, building, plant and vehicles. Capital expenditure also includes the making of an advance, grant or other financial assistance towards expenditure which would, if incurred by the Council, be classed as capital expenditure.
- 18.2 The Capital Programme for the years 2015/16 to 2019/20 is updated continually for agreed changes and reported in periodic monitoring reports to each Programme Committee.
- 18.3 **The latest updated Capital Programme is shown at Appendix G.** This has been updated to reflect the latest position including the Finance and Democracy Committee budget proposals. A prudent approach is taken in preparing the programme to ensure that financing resources are only recognised when there is relative certainty that they will be received. Cost efficiencies achieved in respect of vehicle fleet modernisation, waste collection service development and lease rationalisation have been incorporated.
- 18.4 All of the additions to the Capital Programme now being proposed are fully-funded from the Capital Investment Reserve (following the in-year contribution of £32k from revenue resources in 2015/16 proposed as part of this report). Consequently there are no additional borrowing requirements as a result of these additions and changes to the Capital Programme.
- 18.5 Capital schemes are directly linked with the Council's priorities and delivered through a series of key programmes through detailed Service Delivery Plans. Major items of enhancement or renewal are identified through the Council's Asset Management Plan.
- 18.6 In considering the Capital Programme, the Finance and Democracy Committee are proposing a number of changes, which are summarised in Appendix F and are reflected within the updated capital programme at Appendix G of the report.
- 18.7 Financing the Capital Programme

The Council finances the Capital Programme from a variety of sources. These include:-

- (i) Specific Capital Grant Allocations;
 - (ii) Disabled Facilities Grant / Better Care Fund (from central government);
 - (iii) Capital Receipts;
 - (iv) External Funding (such as Heritage Lottery / Environment Agency Funding);
 - (v) Prudential Borrowing / Leasing;
 - (vi) Revenue Funding; and
 - (vii) Earmarked reserves such as the Capital Investment Reserve and Accommodation Project Reserve.
- 18.8 The Revenue Budget includes provision for total borrowing repayments based on the borrowing requirement shown in the updated Capital Programme.

- 18.9 In updating the Capital Programme a number of schemes have been re-phased into later years to reflect the latest estimated delivery timescales.
- 18.10 Given the significant financial resources directed towards delivery of the Capital Programme, and the consequential revenue implications of some of the financing options, it is necessary for the Council to carefully consider the most appropriate mechanism for ensuring that the programme is delivered in the most cost effective manner.

Section 19: KEY AREAS OF FINANCIAL RISK (CAPITAL)

- 19.1 Members should be aware that the following financial risk areas remain relevant on the Capital Programme:

19.2 Medium Level Financial Impact Risks

(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 has been re-marketed during 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.

In August 2015 the Finance and Democracy Committee approved virements of £230k from phases 7 and 8 of the scheme to fund the phase 3 works and approved the commencement of the phase 3 works during 2015/16. The report also noted that the cost limiting approach to providing satisfactory accommodation will not be possible from within the funding realised from the sale of surplus assets. Subsequently in December 2015 Council approved the establishment of an Accommodation Project Reserve; the transfer into the Accommodation Project Reserve of £504k from favourable in-year revenue budget variances in 2015/16; and capital virements in the total sum of £310k from Phase 7 of the Accommodation Project capital scheme to fund Phases 4 and 5 of the works (£280k to be vired into Phase 4 and £30k into Phase 5).

The cross-party Accommodation Working Group continues to monitor and manage this project and regular update reports on the project will continue to be provided to Members.

The scheme remains a risk due to uncertainty over the level of funding available to deliver the remaining phases of the scheme.

(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, fully funded from DEFRA resources. This report has now been completed and was submitted for consideration by the Environment Agency's LRPG on the 6th August 2015. Following a number of queries and points of clarification the Project Appraisal Report has been approved. The next stage is the detailed, customer led design of the new sea walls and involves undertaking an environmental impact assessment and appropriate assessment with regards to the potential to disturb overwintering birds during construction, gaining the necessary approval for the work to progress, seeking planning permission and a Marine Management Organisation licence. Once these approval are obtained it will unlock funding for both Fairhaven Lake and Church Scar sea defence construction schemes.

The Fairhaven/Church Scar Sea Walls scheme is currently reflected in the capital programme at an estimated cost of £16.5m. The DEFRA funding spans the years 2016/17 to 2019/20. Fylde Council's contribution of £400k towards sea wall development works is fully-funded from the Capital Investment Reserve. Further updates and any future changes to the scheme will be reported to members and the Capital Programme will be updated accordingly.

The scheme remains a risk due to the significant value of the works in the context of the Council's overall capital programme.

(iii) Vehicle Replacement

The estimated vehicle replacement budget to replace existing fleet at the end of its useful economic life from 2015/16 to 2019/20 within the Capital Programme totals £3.901m. Within the forecast it is assumed that an element of this future cost will be financed from borrowing.

It is important to note that purchase prices will fluctuate with new models and technological/legislative changes and it is therefore necessary to reality check the costs associated with new vehicles on an annual basis and make any necessary adjustments to the capital program to ensure that ongoing fleet replacement is accurately budgeted for in future years. The introduction of the Euro VII engine requirements in future years is in line with stringent environmental regulations. There is no current timeline for this at present however it may fall within the next 5 years. This may have significant financial consequences for future fleet procurement the extent of which is currently unknown as was the case for the introduction of the Euro VI engine with reduced emissions for light passenger and commercial vehicles in 2014 which has resulted in higher purchase prices and resultant increased costs which have been reflected in the additional fleet replacement costs within this financial forecast.

The scheme remains a risk due potential volatility in the cost of vehicles in future years.

(iv) Better Care Fund (Formerly Disabled Facilities Grants)

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 was previously 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.

The 2016/17 Finance Settlement confirms the continuation of the Better Care Fund and additional funding for adult social care through the BCF worth £1.5 billion by 2019/2020. In the interim years, the additional funding through the BCF will be worth £105 million in 2017/2018 and £825 million in 2018/2019. This funding will be allocated as a specific grant. The allocations of Disabled Facilities Grant that Fylde Council receive are funded from the BCF.

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 Environment, Health and Housing Committee has also recently established a working group to review of the delivery of the Disabled Facilities Grant to improve effectiveness.

The Capital Programme includes annual provision for DFG's at the level of the 2015/16 grant allocation. However this is the only year for which the allocation has been confirmed and for 2016/17 onwards the figures in the programme are estimates based upon the 2015/16 allocation. For as long as DFG works remains a statutory obligation the grant is unlikely to be withdrawn by the Government but could be reduced. Any future reduction 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.

19.3 **Low Level Financial Impact Risks**

(i) Project Slippage

Any areas of slippage in the Capital Programme must be addressed in future years to ensure that there is no loss of external grant arising due to conditions associated with specific grant awards within specified timescales.

(ii) 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.

(iii) 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 which has been re-phased in the programme into 2016/17. There is a risk that this remaining resource is insufficient to meet future capital expenditure needs for the facility.

Section 20: CONCLUSIONS – CAPITAL PROGRAMME

- 20.1 The current Capital Programme as updated is showing a balanced position. The consequence of the Finance and Democracy Committee's proposals to fund all of the additional capital projects from the capital investment reserve is to limit additional borrowing requirements to those schemes already committed.
- 20.2 There are a number of priority areas beginning to emerge across the Council's property asset portfolio that may require further investment in the medium term.
- 20.3 Any additional expenditure which is not fully funded by either external finance, revenue contributions, or from existing earmarked reserves would require the generation of capital receipts or further borrowing. The latter would place additional pressure on the Revenue Budget from the consequent financing costs.
- 20.4 Due to the ongoing risks faced by the Council, the Programme will continue to be closely monitored and reviewed on a regular basis.

Section 21: TREASURY MANAGEMENT STRATEGY

- 21.1 Treasury Management is defined as the management of cash flow, banking monies, money market and capital market transactions and the control of the risks associated with these activities. Prudential Indicators provide the framework within which these transactions should be monitored.
- 21.2 The objective of the Prudential Code for Capital Finance in Local Authorities (the Code) is to provide a framework to ensure that the Council's Capital and Revenue Budget Plans are affordable, prudent and sustainable. **The Council's Treasury Management Policy is set out at Appendix K.**
- 21.3 The Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Treasury Management requires the Council to review and approve a Treasury Management Strategy. The Strategy covers the operation of the treasury function, its expected activities for the forthcoming year and also includes a number of Prudential Indicators. **The Treasury Management Strategy is included at Appendix L.**
- 21.4 The Prudential Code requires the Council to approve, revise and monitor a number of mandatory Prudential Indicators covering the forthcoming three years. These are included in the Treasury Management Strategy at Appendix L.

Section 22: TREASURY MANAGEMENT RISKS

- 22.1 There are a number of potential areas of significant risk associated with Treasury Management activities.

The main risks to the Medium Term Financial Strategy as a result of Treasury Management activity are:

- (i) Unexpected movement in cash flow;
- (ii) Difference between actual interest rates and rates used in the forecast; and
- (iii) The security of monies invested with counterparties.

Section 23: OVERALL CONCLUSIONS

- 23.1 As has been detailed within previous updates to the Financial Forecast, the Council was already facing a number of uncertainties in the future in respect of its finances and was already anticipating reductions in central government funding for future years. The much greater funding reductions that were announced as part of the 2016/17 Local Government Finance Settlement have increased the risk to the Council's financial stability.
- 23.2 Also of particular note is the ending of the income that the Council currently receives under the Waste Recycling Cost Sharing Arrangements with Lancashire County Council from 2018/19.
- 23.3 One of the major new risks to the Council's financial position that the Spending Review has brought is the risk to the receipt of New Homes Bonus over and above the reduced grant estimates as shown in Table 3 of this report. There are a number of options that the Government will consider following a consultation process. These are specifically:
- The withholding of New Homes Bonus in areas where no local plan has been produced;
 - Reduced levels of New Homes Bonus for homes that are built following an appeal; and
 - Only making payments for the delivery of new homes above a baseline representing 'deadweight' i.e. an expected annual level of 'natural' growth.
- 23.4 In light of the additional challenges that are presented by the recent Finance Settlement and as detailed within this report, the Council needs to continue with the approach to delivering savings and efficiencies which have helped deliver balanced budgets and contribute to reserves over recent years. Through continued focus on the importance of financial stability the Council has delivered a significant savings programme since 2007 and has continued to significantly reduce senior management costs and other overheads. Ongoing modernisation work and business improvement will continue to make Council services more efficient, save money and maintain frontline services to customers. This work has yielded ongoing savings to help improve the Council's overall financial position over that period. For Fylde Council to continue to successfully meet the new challenges that it faces it is vital that this approach is re-doubled and that all reasonable opportunities for further cost-reduction measures and for the generation of additional income are seriously considered. Prudent financial management in previous years has provided a level of reserves which allows the necessary time to determine how this council can best respond to the increased challenges.
- 23.5 This work has already commenced. Since the announcement of the Provisional Financial Settlement in December a series of meetings with the Council's Management Team and budget-holders during early 2016 have produced some significant re-assessments of future year budget requirements and some more challenging income expectations. This has had the effect of going some way towards reducing the funding gap, particularly in the final years of the forecast, from that which the Finance Settlement initially created. The effect of these changes is detailed in Appendices C and D to this report. Additional actions will be necessary to further address the remainder of the funding gap over the course of the coming years.
- 23.6 As part of that continued approach the Council's priorities for improvement remain and the Council needs to continue with the overall strategy making any changes it feels are relevant whilst recognising the future uncertainties that exist.

- 23.7 The assumptions that are contained within the Forecast Update are the latest best estimates and will be updated as and when further information is available. External pressures outside the Council's control are being experienced by many local authorities, and instructions remain in place that budget-holders should remain prudent and not commit to any unnecessary expenditure. This approach saves money and may result in an under-spend this year.
- 23.8 Further revisions to the figures and assumptions in this update will be necessary over the coming months and updates to the forecast will be prepared on a regular basis.
- 23.9 In the medium term the Council is forecast to hold available reserves at above the minimum recommended. There is however, a high level of risk within the MTFS regarding some of the assumptions made, particularly Government grants in future years. Should one or more of the significant risks identified materialise remedial action may be required.
- 23.10 The 2016/17 Local Government Finance Settlement (which details illustrative levels of future central government funding) is a four-year settlement proposal. Giving councils the option of longer-term funding settlements is a significant development compared to previous one and two year allocations. However the figures for 2017/18 and beyond are part of an offer to any council that wishes to take it up. This will be conditional on councils publishing an 'Efficiency Plan'. There is no detail at this stage as to what an Efficiency Plan needs to contain. In the absence of any such detail the approach the Council is taking to meet the challenge of reduced levels of central government funding over the next four years is:
1. To redouble the challenges to existing expenditure budgets through the regular budget right-sizing exercises which have produced significant levels of savings in recent years in order to seek to further reduce total expenditure;
 2. To seek to maximise existing income streams and explore new sources of income generation and to review existing services for opportunities to generate new forms of income or increased levels of income;
 3. To ensure that the Councils staffing structure is appropriate to the needs of the services that are delivered and to take advantage of opportunities to review establishment structures;
 4. To transfer a significant sum from General Fund balances to the Funding Volatility Reserve in 2015/16 to set-aside resources that can be used to support the revenue budget in future years, as and when that becomes necessary. Within the present Financial Forecast, as shown at Appendix E to this report, a transfer from the Funding Volatility Reserve is necessary to support the revenue budget in 2019/20. However if the activities to increase income and further reduce expenditure as described above have the predicted effect it may be possible to delay the timing of the requirement for such support until later years.

23.11 Under section 151 of the Local Government Act 2003, the Council's Chief Financial Officer is required to comment on the robustness of the Council's financial position.

Having considered the major items of expenditure and income and their sensitivity to change, together with the savings and growth proposals and their impact on the Council's future forecasts and level of reserves, it is the Chief Financial Officer's opinion:

- **that the estimates have been prepared and reviewed utilising the most up to date and accurate information available;**
- **that the recommendations contained in this report provide the Council with a robust financial position at least for a number of years on the basis of the assumptions set out in this report, and is of the view that:**
 - **the Council has the processes and procedures in place to continue to develop further savings and income generation proposals as necessary to ensure that the minimum revenue balances are maintained over the medium term in light of the financial uncertainty regarding the future impact of the reforms to Local Government Finance in future years; and,**
 - **the Council has the processes and procedures in place to monitor the strategy and its risks in order to take effective remedial action should the need arise.**

In forming this view on the Council's financial position the Chief Financial Officer would remind Members of the risks outlined in sections 16 and 19 of the report and, in particular, the current uncertainties surrounding the assumptions upon which the forecast is based. These will be monitored closely and advice provided to Members accordingly over the coming months.

In making any final recommendations both the Finance and Democracy Committee and Council must carefully consider and monitor the risks set out in sections 16 and 19 of this report and note that action will be necessary to find means of further reducing the gap between in-year income and expenditure in later years of the forecast as shown in Appendix E of this report. The level of reserves that has been generated in recent years provide an important 'window of opportunity' during which the Council can consider how it can best address the budgeted gap from 2018/19 onwards in a controlled and measured way.

General Fund Budget Forecast 2014/15 to 2018/19 - Approved at Budget Council March 2015

	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	Adverse / Favourable
Forecast approved at Budget Council on 3rd March 2014	9,869	9,936	9,993	10,243	10,243	
Forecast changes - per Appendix C of March 2015 report	- 939	57	34	- 183	839	Favourable
Cabinet Budget Proposals - per Appendix F of March 2015 report		- 2	- 48	- 53	- 53	Favourable
Forecast Budget Requirement	8,930	9,991	9,979	10,007	11,029	
Financed by:						
Revenue Support Grant	1,991	1,443	1,039	748	538	
Business Rates Funding - Safety Net Level	1,594	1,625	1,657	1,690	1,724	
Council Tax Freeze Grant relating to 2014/15 freeze	57					
Council Tax Freeze Grant relating to 2015/16 freeze		59				
Less - Parish Element of Council Tax Support Funding	- 72	- 69	- 69	- 69	- 69	
Sub Total	3,570	3,058	2,627	2,369	2,193	
Council Tax (including Collection Fund Surplus/Deficit)	5,257	5,248	5,396	5,543	5,693	
Other grants						
New Homes Bonus	1,269	1,654	1,954	1,975	1,969	
Forecast Financing	10,096	9,960	9,977	9,887	9,855	
Forecast surplus(-)/deficit for year	- 1,166	31	2	120	1,174	
Reserves						
Forecast surplus/deficit(-) for year from above:	1,166	- 31	- 2	- 120	- 1,174	
Less: Contribution to Capital Investment Reserve (CIR)	- 850					
Less: Contribution to CIR from addnl sandwinning income	- 20					
Less: Contribution to CIR from addnl crem income	- 41					
Balance remaining:	255	- 31	- 2	- 120	- 1,174	
Balance of General Fund Reserves b/f	5,089	5,344	5,313	5,311	5,191	
Less transfer to/from(-) General Fund Reserves in year	255	- 31	- 2	- 120	- 1,174	
Forecast Reserves at Year End	5,344	5,313	5,311	5,191	4,017	
Band D Council Tax (Excl Parish Precepts)	£185.90	£185.79	£189.51	£193.30	£197.17	
Council Tax Increase	0.0%	0.0%	2.0%	2.0%	2.0%	

General Base Budget Assumptions

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

- General Prices Inflation – a freeze or cash-limiting of all general revenue expenditure budgets with the exception of pay, fuel & utility budgets;
- Slippage - underspend items from 2014/15 agreed by Finance and Democracy Committee in June 2015 have been slipped into 2015/16;
- Pay award - assumed to be 1% per annum from 2016/17 onwards throughout the life of the forecast;
- Employers Pension Contributions – the Council's contribution to the Lancashire pension fund scheme is set in accordance with the outcome of the most recent Triennial Pension Review at 12.5% plus 9% deficit recovery lump sum payment for the period to 2016/17; any amendments resulting from the next review will be reflected in later updates to the Financial Forecast;
- Employer's National Insurance contributions – the forecast reflects the statutory contribution rates currently in place, including a reduced contribution rate as a result of the Council being part of the pension scheme. This reduced rate will increase due to the introduction of a Single Tier Flat Rate State Pension from April 2016, and the impact of this has been reflected in the forecast;
- Council tax increases – £4.99 increase per annum is assumed within the forecast from 2017/18 onwards in line with latest government announcement on the threshold for Council Tax increases without the prior need for a referendum;
- Revenue Support Grant - from 2016/17 onwards the forecast reflects levels of grant as shown within the Final Local Government Finance Settlement 2016/17 and offer to Councils for future years;
- Transition Grant - from 2016/17 onwards the forecast reflects levels of grant as shown within the Final Local Government Finance Settlement 2016/17 and offer to Councils for future years;
- New Homes Bonus - from 2016/17 onwards the forecast reflects levels of New Homes Bonus as shown within the Final Local Government Finance Settlement 2016/17 and offer to Councils for future years;
- Retained Business Rates - from 2016/17 onwards the forecast reflects levels of Retained Business Rates as shown within the Final Local Government Finance Settlement 2016/17 and offer to Councils for future years;
- Fees and Charges – income is shown at the fee levels in operation during 2015/16 for all services other than the Crematorium for which a degree of future price increases is built into the income budgets;
- Vacancy Savings – the forecast assumes £200k per annum savings target from 2016/17 onwards;
- Localisation of Council Tax Benefit Scheme – the forecast assumes a fully funded scheme with no cost to the Council from 2016/17 onwards in line with the decision on the 2016/17 scheme as agreed at the Council meeting in December 2015.

Appendix C

Forecast changes since Budget Council March 2015:

	15/16 £000	16/17 £000	17/18 £000	18/19 £000	19/20 £000	ADVERSE / FAVOURABLE / NEUTRAL
1 CHANGES AS A RESULT OF MEMBER APPROVALS:						
Shared Fraud Service - approved by Cabinet 25th March 2015	-72	-24	-24	-24	-24	FAVOURABLE
Slippage of items from 2014/15 approved at Finance & Democracy Cttee 22nd June 2015	99					ADVERSE
Members Allowances - Council 6th July 2015	8	8	8	8	8	ADVERSE
Kirkham Public Offices -Extension to Service Level Agreement With Citizens Advice Bureau	-12	-8	-8	-8	-8	FAVOURABLE
2 BUDGET RIGHTSIZING EXERCISE:						
Revenue impact of budget right-sizing exercise across all budget areas of the Council	-181	-24	-46	-46	-8	FAVOURABLE
3 UPDATED ESTIMATES OF INCOME BUDGETS:						
Increase in Crematorium Income forecasts	-157	-149	-174	-199	-224	FAVOURABLE
Reduction in income from CAMEO scheme	25	20	20	20	20	ADVERSE
Increase in Planning Application Fee Income forecasts	-428	-175	-100	-100	-100	FAVOURABLE
Reduction in Planning Appeals budget provision			-25	-25	-25	FAVOURABLE
Increase in car parking income forecasts	-67	-50	-50	-50	-50	FAVOURABLE
Reduction in trade waste income forecasts	24	44	44	44	44	ADVERSE
Increase in sandwinning income forecasts	-40	-50	-75	-25	-25	FAVOURABLE
Reduction in Fairhaven Lake boat income	19					ADVERSE
4 STAFFING COSTS:						
Updated estimate for future years pay award and on-costs					124	ADVERSE
Updated estimate for employee/agency labour costs - increases to the Living Wage hourly rates		39	95	108	149	ADVERSE
Additional in-year vacancy savings target	-209	-125	-125	-125	-125	FAVOURABLE
5 OTHER FORECAST CHANGES						
Reinstatement of budgets for public offices running costs		46				ADVERSE
Borough Elections					80	ADVERSE
Neighbourhood plan referendum - St Annes and Warton		36				ADVERSE
Net savings from revised borrowing assumptions and interest rate forecasts	-217	-201	-153	-232	-62	FAVOURABLE
Estimated reduction in housing benefit admin grant					10	ADVERSE
Land Charges - New Burdens Grant (Received Nov 2015)	-74					FAVOURABLE
Bank Charges - increase in card processing charges for customers paying by Debit Card	5	5	5	5	5	ADVERSE
Savings on fuel costs	-41	-20	-20	-20	-20	FAVOURABLE
Pre-Planning Advice - Additional Fee Income		-10	-20	-20	-20	FAVOURABLE
TOTAL	-1,318	-638	-648	-689	-251	FAVOURABLE

Explanations of Forecast Changes set out in Appendix C

Appendix D

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

(1) Changes as a Result of Member Approvals

The forecast that was approved by Budget Council in March 2015 has been updated to reflect the financial impact of Member decisions made since then.

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

Officers gave a commitment to Members following the 2011/12 outturn position to review underspends across the Council. This exercise was first carried out in autumn 2012 and is now well-embedded within the working practices of the Council, resulting in significant levels of favourable adjustments, the latest of which have been reflected in this revised forecast.

(3) Increased Crematorium Income forecasts

Income from cremations in recent years has been significantly higher than the budgeted level. Consequently the forecast income expectations for future has been reviewed and a more challenging income budget has been established.

(4) Crematorium - CAMEO Scheme Income

The forecast has been updated to reflect the impact of the introduction of the 'Cameo' scheme in respect of the government directive on emission reductions. The replacement of cremators in recent years at Lytham Park Crematorium (which meet the new environmental emissions standards) results in the receipt of income to Fylde Council through the CAMEO scheme, this being funded by payments into the scheme by authorities who do not operate cremators that comply with the revised emissions regulations.

(5) Increase in estimated Planning Application Fee Income

Planning application fee income is dependent on the number and nature of applications received. A number of significant applications have been received towards the end of the last financial year and during the early part of this year. The income estimate has been reviewed and increased budgets have been established for both the current year and for future years of the forecast.

(6) Reduction of Forecast Planning Appeal Costs

The reduction in the cost to the Council of planning appeals in recent years has benefitted the Council. Future year's budgets have been reviewed, resulting in a saving which is reflected in this financial forecast update.

(7) Increase in estimated Car Park income

Income from Car Parks is difficult to predict and is, to a significant extent, dependent upon weather conditions during the key holiday periods. However income has exceeded the estimates for a number of years and a further review of the income budgets has resulted in increases in the levels of income expectations for future years which has a positive effect on this financial forecast update.

(8) Trade Waste – Reduction in income Assumptions

The loss of a number of bulk bin customers of Lytham has resulted in a reduction in income for the current year. The budget has been reviewed as part of the right-sizing exercise and adjustments to income estimates have been made for both the current year and for future years of the forecast to reflect a continuation of this trend.

(9) Increase in Sand-winning Income forecasts

Income from the sale of sand in the year to date has been higher than the forecast amount and consequently this income budget for the current year and for future years has been reviewed resulting in increases to the income budgets. The increase in income 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.

(10) Fairhaven Lake – Reduction in Boat Hire Income

The forecast has been updated to reflect the impact of reduced boat hire income at Fairhaven Lake during 2015/16 which is due to a combination of the relatively poor weather during the main summer period and difficulties in acquiring replacement boats as scheduled.

(11) Staffing Costs

The forecast assumes an estimated 1% pay award per annum from 2016/17. Salary estimates are based upon a revised assessment of the base level of salary costs to reflect any staffing changes that have occurred since the last point of calculation.

The adoption of the Living Wage Foundation hourly rate and the announcement of a National Living Wage from April 2016 will have implications for some grades of Council employees and for agency labour costs in future years. The forecast has been updated to reflect those estimated additional costs.

The forecast that was approved by Council in March 2015 had an assumed level of 'turnover savings' (delays in the recruitment to vacant posts) of £75,000 per annum from 2015/16 onwards. This was increased to a future year's savings target of £100,000 per annum as part of the December 2015 Financial Forecast update. For the current year actual savings to date are already in excess of this target. Accordingly, the

turnover savings targets for the current year and for the remainder of the forecast period have been updated. The savings target for 2016/17 onwards is now set at £200,000 per annum to reflect a revised estimate of the level of future savings.

(12) Reinstatement of budgets for Public Offices

The forecast has been updated to reinstate the budgets for the running costs of the Public Offices building in 2016/17 to reflect the Council's anticipated continued ownership of the building into 2016/17.

(13) Borough Election Costs

Fylde Borough is next due to hold a Council election in 2019/20. The estimated costs of this have been added to the Financial Forecast.

(14) Neighbourhood Plan Referenda

The estimated cost of holding a referendum on the proposed Neighbourhood Plans in St Annes and in Warton in 2016/17 have been added to the Financial Forecast.

(15) Net savings from revised borrowing assumptions and interest rate forecasts

The forecast has been updated to reflect both:

- the latest estimated cost of borrowing required in order to fund expenditure approved within the capital programme and revised assumptions regarding the likelihood of further external borrowing in future years; and
- the latest estimate of investment interest estimated to be received on cash balances and reserves which the Council invests as part of daily treasury management activities.

(16) Reduction in Housing Benefit Admin Subsidy Grant receivable from Central Government

The forecast has been updated to reflect the expectation that housing benefit admin subsidy grant will continue to reduce further in the future as the wider Welfare Reform Agenda changes take effect and workloads change accordingly. A degree of grant reduction is reflected in the latest financial forecast but the actual level of reduction may be greater. As grant notifications are received in respect of future years it may be necessary to update the forecast accordingly.

(17) Land Charges New Burdens Grant

In November 2015 the Council was advised that it was to receive an additional central government grant to compensate for refunds of Land Charges fees that were made following a legal challenge to the sale of unrefined data under the Environmental Information Regulations 2004. This grant has been reflected in the updated Financial Forecast.

(18) Bank Charges – Card Processing Costs

The Council incurs charges from Banks and Card Issuing Companies (MasterCard and Visa) whenever it receives payments by credit or debit card. Unlike many organisations the Council does not levy a fee for the use of these cards but in the current year those charges have increased, particularly for debit cards, the impact of which has been reflected in the updated Financial Forecast. This issue is to be reviewed with the option of levying a charge for such payment methods in the future.

(19) Reductions in Fuel Costs

There has been an underspend on fleet fuel costs largely as a result of lower wholesale diesel prices since July 2015 and improved driver awareness of economical driving techniques. The impact of this underspend has been reflected in the updated Financial Forecast for 2015/16 and, to a lesser degree, for future years. Fuel budgets will be kept under review in the light of wholesale fuel costs which are subject to a high degree of volatility. Further savings may be achievable in later years if the fuel price remains at this comparatively low level.

(20) Pre-Planning Advice – Additional Fee Income

Following a review of the level of fees for the provision of pre-planning advice to developers the Development Management Committee has proposed a revised schedule of fees for this service and the forecast has been updated to reflect additional income estimated to be received as a result of this change.

Latest General Fund Budget Forecast 2015/16 to 2019/20

	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	Adverse / Favourable
Forecast approved at Council on 3rd March 2015	9,991	9,979	10,007	11,029	11,029	
Forecast changes - per Appendix C	- 1,318	- 638	- 648	- 689	- 251	Favourable
Budget Proposals - per Appendix F		30	38	47	47	Adverse
Forecast Budget Requirement	8,673	9,371	9,397	10,387	10,825	
Financed by:						
Revenue Support Grant	1,443	861	354	47		
Business Rates Funding - BASELINE	1,625	1,771	1,806	1,859	1,623	
Transition Grant		56	56			
Council Tax Freeze Grant relating to 2015/16 freeze	59					
Less - Parish Element of Council Tax Support Funding	- 69	- 66	- 66	- 66	- 66	
Sub Total	3,058	2,622	2,150	1,840	1,557	
Council Tax (including Collection Fund Surplus/Deficit)	5,248	5,484	5,667	5,851	6,038	
Other grants						
New Homes Bonus	1,660	1,859	1,873	1,177	1,129	
Forecast Financing	9,966	9,965	9,690	8,868	8,724	
Forecast surplus(-)/deficit for year	- 1,293	- 594	- 293	1,519	2,101	
<u>Reserves</u>						
Forecast surplus/deficit(-) for year from above:	1,293	594	293	- 1,519	- 2,101	
Less: Contribution to Accommodation Project Reserve	- 504					
Less: Contribution to Capital Investment Reserve	- 32					
Balance of surplus/deficit(-) remaining:	757	594	293	- 1,519	- 2,101	
Balance of General Fund Reserves b/f	5,443	3,200	3,794	4,087	2,568	
Less: Contribution to/from Funding Volatility Reserve	- 3,000				1,500	
Less transfer to/from(-) General Fund Reserves in year	757	594	293	- 1,519	- 2,101	
Forecast Reserves at Year End	3,200	3,794	4,087	2,568	1,967	
Band D Council Tax (Excl Parish Precepts)	£185.79	£190.77	£195.76	£200.75	£205.74	
Band D Average Council Tax Increase		£4.98	£4.99	£4.99	£4.99	
Band D Average Council Tax Increase	0.00%	2.68%	2.62%	2.55%	2.49%	

BUDGET PROPOALS - REVENUE ITEMS

	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	Description
Arts Development Officer - Full-time post	0	30	30	31	31	The appointment of a dedicated full-time Arts Development Officer who would be responsible for management of the Arts Collection as part of a wider arts development role and to secure external funding for projects at a level which exceeds the cost of the post. The engagement of a full time officer would enable the post holder to take on a wider role in terms of the arts and creative industry offer across the Borough
Capital Scheme - Promenade Gardens Water Play Facility - on-going Revenue Costs	0	0	8	16	16	Additional revenue requirement arising from the approval of the capital scheme considered by Tourism and Leisure Committee are estimated at up to £16k per annum, comprising additional costs relating to electricity, water and purification chemicals.
TOTAL OF GROWTH PROPOSALS	0	30	38	47	47	

Appendix F (part 2 – Capital)

BUDGET PROPOSALS - CAPITAL ITEMS (Note: It is recommended that each of the schemes detailed in the table below is funded from the Capital Investment Reserve)

		2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	Description
Tourism and Leisure						
Promenade Gardens Water Play Facility		0	100	0	0	The project involves the creation of an interactive water play area e.g. water jet plaza with ornamental features (including lighting) and a variety of interactive play facilities performing a range of play functions. The area will have an anti-slip surface, and be self-draining, therefore not holding standing water. It will be accessible by all, which will mean alterations to the structure of the pool, to allow access. The equipment will be modern, safe and colourful and provide a range of play activities for children of all ages. The total scheme cost is estimated at £200,000 with the remaining funding to be sourced through external funding bids and the use of s106 planning agreement monies.
Hope Street Footways		24	0	0	0	The scheme relates to the resurfacing of footways within Hope Street Park. The footways will be resurfaced with a durable material which will remove trip hazards and provide safe and even surfaces capable of access for all.
Warton-with-Westby Parish Council Play Area		50	0	0	0	This scheme was initiated by a request on behalf of the Parish Council concerning Bridges Playing Fields, Canberraway, Warton. The Parish Council have requested a £50,000 donation toward the refurbishment of the site due to the significant importance the grounds have both as a sports ground and community recreational facility within the Borough. The scheme is divided into a number of phases with the cost of the total works being in the region of £300,000. The remaining funding to be sourced through a combination of external funding bids, the use of s106 planning agreement monies and a contribution from the Parish Council.
Operational Management						
Vehicle Wash-down Facility - Snowdon Rd Depot		25	0	0	0	This scheme relates to the construction of a new vehicle wash-down bay at the Snowdon Road Depot site. Currently vehicles are washed adjacent to the entrance of the site. This area is unsuitable and has a number of health and safety risks. The new facility would allow waste water from the process to drain into the foul drainage system through a petrol interceptor and would reduce the risks of accidents.
North Promenade Toilets Refurbishment		84	0	0	0	This scheme is for the refurbishment and up-grading of the Public Convenience Facilities on the North Promenade Car Park and to also provide disabled and baby-changing facilities designed for improved customer satisfaction and safety to extend the current service provision.
Bus Shelter Replacement Programme		30	0	0	0	This scheme is for the replacement of bus shelters and the provision of new additional shelters. The current revenue budget provision is solely for the day-to-day maintenance of existing bus shelters and there is no approved budget resource for the provision of new shelters. The scheme value at £30,000 would provide between 6 and 8 replacement or new shelters.
Environment, Health & Housing						
Lytham Park Cemetery - Windbreak Canopy		60	0	0	0	This scheme is for the refurbishment of the area at the exit to the crematorium chapel to create a more comfortable environment for visitors by the construction of a steel framed canopy over the area. This would create an improved enclosed environment for people leaving the crematorium chapel after a funeral service.
TOTAL OF CAPITAL SCHEME PROPOSALS:		273	100	0	0	

UPDATED 5 YEAR CAPITAL PROGRAMME 2015/16 to 2019/20 - SUMMARY

	Updated Estimate 2015/16 £000	Estimate 2016/17 £000	Estimate 2017/18 £000	Estimate 2018/19 £000	Estimate 2019/20 £000
Committee:					
Finance & Democracy Committee	554	1,428	0	0	0
Tourism & Leisure Committee	1,016	590	140	40	40
Operational Management Committee	714	4,115	8,817	6,310	870
Environment, Health & Housing Committee	837	561	762	468	468
Development Management Committee	259	404	0	0	0
Total Expenditure	3,380	7,098	9,719	6,818	1,378
Financing:					
Capital Receipts - General Asset Sales	45	45	45	45	45
Capital Receipts - Right to Buy Receipts	132	25	25	25	25
Capital Receipts - (Accommodation Project)	547	987	0	0	0
Better Care Fund / Disabled Facilities Grant	480	468	468	468	468
Section 106 Monies - Woodlands Road, Ansdell	4	0	0	0	0
Section 106 Monies - St Annes	80	274	0	0	0
Section 106 Monies - Lytham	0	130	0	0	0
Section 106 Monies - Staining	40	0	0	0	0
Section 106 Monies - Parks Improvement - Frobisher Drive	34	0	0	0	0
Section 106 Monies - 93 St Albans Road CPO	105	0	0	0	0
Capital Grant - Repayments	57	0	0	0	0
Capital Investment Reserve	821	960	393	78	182
Budget Proposal - Capital Investment Reserve	0	273	100	0	0
Accommodation Project Reserve	0	504	0	0	0
Other External Finance (see analysis below)	703	3,290	7,300	5,600	0
Direct Revenue Finance	73	0	0	0	0
Prudential Borrowing	259	142	1,388	602	658
Total Financing	3,380	7,098	9,719	6,818	1,378
Total surplus (-) / shortfall in year	0	0	0	0	0
Cumulative surplus (-) / shortfall	0	0	0	0	0

Appendix G (continued)

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

	Updated Estimate 2015/16 £000	Estimate 2016/17 £000	Estimate 2017/18 £000	Estimate 2018/19 £000	Estimate 2019/2020 £000
FINANCE & DEMOCRACY COMMITTEE					
Accommodation Project - Phase 3 - East Wing Inc. Lift	547				
Accommodation Project - Phase 4 - Chaseley Link Bridge	0	482			
Accommodation Project - Phase 5 - One Stop Shop	0	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			
Compliance with INSPIRE Directive	7				
Sub total	554	1,428	0	0	0
TOURISM & LEISURE COMMITTEE					
Ashton Gardens Depot	0	63			
Snowdon Road Depot	320				
Hope Street Pavillion Refurbishment - Phase 2	153				
St Annes Pool	0	93			
St Annes Pool - External Works	0	120			
Fairhaven Lake & Promenade Gardens - First Round	0	20			
Park View Playing Field - Sand & Water Play Facility	272				
Community Parks Improvement Programme - Frobisher Drive Play Equipment	34				
Replacement Boats Fairhaven Lake	55				
Promenade Gardens Water Play Facility - BUDGET PROPOSAL	0	0	100		
Promenade Footways	0	40	40	40	40
Fairhaven Footway Improvements	55				
Hope Street Footways - BUDGET PROPOSAL	0	24			
Lowther Pavilion Roof	8	115			
Fairhaven Toddlers Play Area	67				
Sand Dunes re-modelling at North Beach Car Park / Summerfields	5	15			
Freckleton Memorial Park	0	50			
Warton-with-Westby Parish Council Play Area - BUDGET PROPOSAL	0	50			
Lytham Hall	47				
Sub total	1,016	590	140	40	40
OPERATIONAL MANAGEMENT COMMITTEE					
Replacement Vehicles	548	346	1,487	680	840
Vehicle Wash-down Facility - Snowdon Rd Depot - BUDGET PROPOSAL	0	25			
North Promenade Toilets Refurbishment - BUDGET PROPOSAL	0	84			
Bus Shelter Replacement Programme - BUDGET PROPOSAL	0	30			
Car Park Improvements	30	30	30	30	30
Fylde Headlands Preliminary Work	86				
Fairhaven and Church Scar Coast Protection Scheme	0	3,600	7,300	5,600	
Repair & Renewal - Flood Defences	50				
Sub total	714	4,115	8,817	6,310	870
ENVIRONMENT, HEALTH & HOUSING COMMITTEE					
Disabled Facilities Programme	617	468	468	468	468
93 St Albans Road - Compulsory Purchase Order	105				
Rapid Deployment CCTV Replacement Projects	82				
Infant Memorial Garden - Phase 2	15				
Cemetery and Crematorium - Infrastructure Works	6		294		
Lytham Park Cemetery - Windbreak Canopy - BUDGET PROPOSAL	0	60			
Cemetery / Crematorium Pumping Station	4				
New memorial garden - Lytham Park Cemetery	8	33			
Sub total	837	561	762	468	468
DEVELOPMENT MANAGEMENT COMMITTEE					
Kirkham Regeneration Scheme - Town Centre Phase 4	50				
Woodlands Road Regeneration Scheme - Town Centre Phase 3	89				
Public Realm Regeneration - St Annes	80				
St Annes Regeneration Schemes	0	274			
Lytham Regeneration Schemes	0	130			
Staining Regeneration Schemes	40				
Sub total	259	404	0	0	0
Total Expenditure	3,380	7,098	9,719	6,818	1,378

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

	Updated Estimate 2015/16 £000	Estimate 2016/17 £000	Estimate 2017/18 £000	Estimate 2018/19 £000	Estimate 2019/2020 £000
FINANCING:					
Capital Receipts - General Asset Sales	45	45	45	45	45
Capital Receipts - Right to Buy Receipts	132	25	25	25	25
Capital Receipts - (Accommodation Project)	547	987			
Capital Receipts - Vehicle Sales					
Leasing					
Better Care Fund / Disabled Facilities Grant	480	468	468	468	468
Section 106 Monies - Woodlands Road, Ansdell	4				
Section 106 Monies - St Annes	80	274			
Section 106 Monies - Lytham	0	130			
Section 106 Monies - Staining	40				
Section 106 Monies - Parks Improvement - Frobisher	34				
Section 106 Monies - 93 St Albans Road CPO	105				
Capital Grant - Repayments	57				
Capital Investment Reserve	821	960	393	78	182
Budget Proposal - Capital Investment Reserve		273	100		
Accommodation Project Reserve	0	504			
Other External Finance (see analysis below)	703	3,290	7,300	5,600	
Direct Revenue Finance	73				
Prudential Borrowing	259	142	1,388	602	658
Total Financing	3,380	7,098	9,719	6,818	1,378

Total surplus (-) / shortfall in year	0	0	0	0	0
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Cumulative surplus (-) / shortfall	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	82				
Environment Agency - Fylde Coastal Preliminaries	86	3,200	7,300	5,600	
Environment Agency - Flood Defence	50				
Other Contributions - Hope Street Pavillion Refurbishment	66				
Arts Council - St Annes Pool	0	90			
NHS - Infant Memorial Garden Donation and fund raising	13				
INSPIRE Grant	7				
New Fylde Housing - DFG Contribution	80				
Coastal Communities Grant	272				
Coastal Revival Fund	47				
	703	3,290	7,300	5,600	0

Fylde Borough Council

Useable Reserves and Balances Policy

Policy on Useable Reserves and Balances

1 The Useable Reserves and Balances Policy

- 1.1 Setting the level of useable reserves and balances is just one of several related decisions in the formulation of the Council's Medium Term Financial Strategy.
- 1.2 In establishing and approving the Medium Term Financial Strategy, "the Council will ensure that it maintains a prudent level of reserves in line with best practice and relevant guidelines".
- 1.3 Any surplus balances will be considered in the light of the budget forecast and the risks associated with that forecast. Any changes to this Policy will require approval by Members.

2 Integrated Financial Planning

- 2.1 Under section 114 of the Local Government Finance Act 1988 the Chief Financial Officer is required to report to all Councillors if there is or is likely to be unlawful expenditure or an unbalanced budget. This would include situations where reserves have become seriously depleted and it is forecast that the authority will not have the resources to meet its expenditure in a particular financial year.

There are no statutory minimum levels of general reserves but in line with best practice and CIPFA advice it is suggested that 5% of the total net budget requirement is set as the minimum for the reserve balances. For Fylde this equates to approximately £500k based on a net budget requirement for 2016/17 of £9.4m.

However, during 2008/09, due to the downturn in the economy, the Council had to take urgent in year action to make further service cuts in order to maintain minimum balances at that time. In order to remain financially robust over the medium term, Budget Council in February 2009, based on Chief Financial Officer advice, agreed to increase the minimum level of balances to £750k. This recommendation remains in place in order for the Council to maintain a future stable financial environment for the Council in light of the current economic climate and risks.

In making a recommendation as to the level of balances which should be maintained, the Chief Financial Officer will pay particular attention to:-

- The overall financial standing of the authority (level of borrowing, debt outstanding, council tax collection rates, etc.)
- The authority's track record in budget and financial management including the robustness of the Council's Medium Term Financial Strategy
- The authority's capacity to manage in-year budget pressures
- The strength of the financial information and reporting arrangements
- The authority's virement and end of year procedures in relation to revised budget and cash limit under/over spends at authority and departmental level
- The adequacy of the authority's insurance arrangements to cover major unforeseen risks.

- 2.2 The level of earmarked reserves will be reviewed in the preparation of each update to the Medium Term Financial Strategy and annually as part of the closure of accounts process. The creation of any new Earmarked Reserves will be subject to Member approval.
- 2.3 The Council's General Fund balances at 31st March 2015 was £5.4m.

3 Reporting Framework

- 3.1 Any recommended changes to the level of useable reserves held will be reported within the Medium Term Financial Strategy or in the consideration of the Annual Accounts and will take account of the strategic, operational and financial risks facing the authority at that time.
- 3.2 In making any recommendation the Chief Financial Officer will provide Members, (in line with the requirements of the Local Government Act 2003) with an opinion on the robustness of the budget estimates and on the adequacy of the Council's useable reserves.

4 Earmarked General Fund Reserves

- 4.1 Earmarked general fund reserves are a means of voluntary and prudently building up funds to meet known future or predicted liabilities. When establishing reserves the Council must adhere to the International Financial Reporting Standards (IFRS) and in particular the need to distinguish between reserves (set aside for future liabilities) and provisions (mandatory set asides for actual liabilities existing).

In approving any new earmarked reserves the Council needs to identify the purpose of the reserve, the protocol for its use and the procedures for its management and control. The earmarked reserves as at 31st March 2015 and expected as at 31st March 2016 are set out in a note at the end of this Appendix. The note identifies any earmarked reserves that can be released to revenue if required.

5 Presentation of the Reserves & Balances

- 5.1 These have been presented in a way which is hopefully in an easy to follow and useful summary format. These Reserves & Balances are also fully detailed in the Annual Statement of Accounts, but are presented in a more technical format to ensure that the Council comply with the new International Financial Reporting Standards (IFRS).

6 Earmarked Reserves – Proposals for 2016/17

- 6.1 Having reviewed the current useable reserves and balances it is now proposed for 2016/17:
- i. In order to minimise the need for additional borrowing in the future, a transfer be made to the Capital Investment Reserve in the sum of £32k to provide sufficient resource for all capital bids currently being considered;
 - ii. To transfer a sum of £3.0m from General Fund balances to the Funding Volatility Reserve in 2015/16 to set-aside resources that can be used to support the revenue budget in future years, as and when that becomes necessary; and

iii. Following on from i) above, the Finance and Democracy Committee is proposing the establishment of a number of new capital schemes within the capital programme, all fully-funded from the Capital Investment Reserve. These are detailed in the capital budget proposals at Appendix F of this report.

- 6.2 The capital schemes to be funded from the Capital Investment Reserve and the forecast balance at the end of each year throughout the forecast are set out in the table below, and more details on the new schemes proposed is provided in Appendix F of this report.

Capital Investment Reserve - Analysis of forecast balances, contributions and expenditure

	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000
Opening balance at start of year	521	1,652	2,775	1,986	753	260	182
Transferred in at financial outturn 2012/13	319						
sub -total	840						
<u>Schemes approved at Budget Council 4th March 2013</u>							
Fairhaven lake and prom gardens - HLF bid				- 20			
Contribution to Kirkham Public Realm Scheme	- 35	- 35					
Cemetary and Crematorium Infrastructure Works	- 80						
<u>Schemes approved at Budget Council 3rd March 2014</u>							
Hope Street Pavilion Refurbishment			- 20				
St Annes Pool External Works				- 30			
Snowdon Road Depot Improvements			- 320				
Lytham Park Cemetery Infrastructure			- 6		- 294		
Coastal Protection Schemes				- 400			
Budgeted transfer in at financial outturn 2013/14	455						
PLUS additional transfer in at year end 13/14 from underspend	472						
Budgeted transfer in at financial outturn 2014/15		850					
Budgeted transfer in from additional sandwinning and crem fee income		61					
Additional transfer in at financial outturn 2014/15		247					
Fairhaven boat replacement - approved at Council 1st December 2014			- 55				
<u>Schemes approved at Budget Council 3rd March 2015</u>							
Fleet replacement schedule - updated estimate of replacement costs				- 23	- 99	- 78	- 182
Vehicle Fleet - switching from hire to direct purchase			- 182	- 274			
Fairhaven footway improvements			- 15				
Sand dunes re-modelling at North Beach car park / Summerfields			- 5	- 15			
New Memorial Garden Lytham Park Cemetery			- 8	- 33			
Fairhaven Toddlers Play Area			- 67				
Lowther Pavilion Roof			- 8	- 115			
Kirkham Regeneration Scheme - Town Centre Phase 4			- 50				
Woodland Road Regeneration Scheme - Town Centre Phase 3			- 85				
Freckleton Memorial Park				- 50			
<u>Proposed transfer at Budget Council 2nd March 2016</u>			32				
<u>Schemes proposed for approval at Budget Council 2nd March 2016</u>							
Promenade Gardens Water Play Facility					- 100		
Hope Street Footways				- 24			
Vehicle Wash-down Facility - Snowdon Rd Depot				- 25			
North Promenade Toilets Refurbishment				- 84			
Bus Shelter Replacement Programme				- 30			
Lytham Park Cemetery - Windbreak Canopy				- 60			
Warton-with-Westby Parish Council Play Area				- 50			
Forecast balance at end of year	1,652	2,775	1,986	753	260	182	0

Useable Reserves and Balances position

1. Earmarked Reserves

Reserve	Purpose	How and When Used	Estimated Balance 31/03/15 £000	Estimated Transfers in in 2015/16 £000	Estimated Use/ Transfers out 2015/16 £000	Estimated Balance 31/03/16 £000	Comments
Land Charges - New Burdens Reserve	Created in 2010/11, this is a voluntary set-aside of grant received in 2010/11 towards potential third party claims in relation to historic Land Charge enquiries. Topped up at outturn 11/12.	Reserve to be maintained until the ongoing legal cases are resolved.	128	0	-82	46	Expected to be required in 2016/17 to settle the remaining historic Land Charges claims and costs.
Vehicle Maintenance Reserve	Voluntary set aside created in 2008/09 to contribute towards the cost of vehicle maintenance repairs. Topped up at outturn 11/12.	To support any additional vehicle maintenance repairs.	127	0	0	127	Not available for release - to be left intact to supplement vehicle maintenance budget as the fleet ages
ICT Investment Reserve	Voluntary set aside for the funding of new IT initiatives and development of IT systems - this fund was established from savings in revenue ICT expenditure.	To be used to fully fund ICT developments and investment in moving this important support function forward.	120	0	-60	60	Not available for release - £60k approved for ICT investment in 2015/16. The balance to be retained for future IT development requirements including needs following refurbishment of the Town Hall.
Performance Reward Grant Reserve	Created in 2009/10, this is a voluntary set aside of performance reward grant (PRG). Although Fylde Borough Council is the Accountable Body for the Fylde PRG, The Fylde Local Strategic Partnership (LSP) are the appointed decision making body in relation to the allocation of the PRG.	Used to set aside Performance Reward Grant funding in order to support LSP approved project bids.	44	0	0	44	Not available for release - The LSP approved some legacy funding for projects prior to its wind-up in March 2013. The remaining scheme relates to CCTV replacement. It is anticipated that the CCTV replacement will be delivered in 2016/17 and subsequent years.
Capital Investment Reserve	Created in 2012/13, this is a voluntary revenue set aside established to fund capital expenditure and thus minimise the future need to borrow.	As required to meet the cost of capital expenditure.	2,775	32	-821	1,986	After taking account of the capital budget proposals set out in Appendix F of this report, the uncommitted balance on the reserve stands at nil. There is therefore no available balance for release.
Accommodation Project Reserve	Created in 2015/16, this is a voluntary set-aside of funds to provide for the continued delivery of the accommodation project.	To be used to fund the accommodation project works.	0	504	0	504	Expected to be required in 2016/17 to fund phases 4 & 5 of the accommodation project works.
Vehicle Replacement Financing Reserve	Created in 2010/11. This is a voluntary set aside established to meet the cost of future debt repayments in respect of the replacement & purchase of vehicles.	Used to meet the cost of future debt repayments in respect of the replacement & purchase of vehicles	212	0	0	212	Not currently available for release as additional borrowing would be required to fund any future shortfall in the capital financing of the capital programme.

1. Earmarked Reserves

Reserve	Purpose	How and When Used	Estimated Balance 31/03/15 £000	Estimated Transfers in in 2015/16 £000	Estimated Use/ Transfers out 2015/16 £000	Estimated Balance 31/03/16 £000	Comments
MMI Insurance Reserve	Created in 2011/12, this is a set aside to cover the likely liability in respect of the MMI scheme of arrangement.	Used to meet the cost of future scheme run off.	90	0	0	90	Not available for release as to be fully utilised to fund the scheme run-off.
High Street Innovation Fund (HSIF) Reserve	Created in 2012/13, this is a set aside to finance expenditure incurred linked to the award of the HSIF grant.	Used to finance expenditure incurred on the HSIF project	58	0	-52	6	None is available for release as the reserve is to be fully committed to fund expenditure on the HSIF project. The whole £100k has been awarded/committed in grants to successful bidders, and to date the majority of this has been paid out. Further payments will be made in 2016/17 and any remaining balance will be carried forward and paid out in future years to the successful bidders.
Community Right to Bid/Challenge Reserve	Created in 2012/13, this is a set aside of grant awarded to fund costs involved in potential future community right to bid.	Used to meet any potential costs arising from the community right to bid/challenge initiatives.	46	0	0	46	Not available for release as the monies are ear-marked for meeting community right to bid/challenge costs.
Collection Fund Deficit Reserve	Created in 2013/14, this is a voluntary set-aside of funds to meet the Council's share of the collection fund deficit, which was created as a result of the doubling of Small Business Rate Relief.	Used to meet the current deficit on the collection fund.	630	83	0	713	Not available for release as the reserve is ear-marked for offsetting the current collection fund deficit.
Funding Volatility Reserve	Created in 2013/14 from additional Business Rates received under the Business Rate Retention Scheme, this is a voluntary set-aside established to provide a degree of protection to the Council's finances against future volatility in central government funding allocations and to fund investment in activity to stimulate Economic Development in the Borough.	Used to cushion the impact of future funding reductions and to fund investment in activity to stimulate Economic Development in the Borough.	221	3,000	0	3,221	For release to support the revenue budget as and when necessary to cushion the impact of future funding reductions and to fund investment in activity to stimulate Economic Development in the Borough, with the first call on this reserve being as match funding for the Fairhaven lottery bid should this be successful in the maximum sum of £400k.
Total Earmarked Reserves			4,451	3,587	-983	7,055	

2. General Fund Reserve

General Fund	An unallocated general working balance reserve fund to help cushion the impact of uneven costs of running council's day to day services or the impact of unexpected events or emergencies.	In line with the annual budget and medium term forecast as approved by Council, taking in to account strategic, operational and financial risks facing the council over the medium term.	5,443	757	-3,000	3,200	This is the position in line with the Council's current financial forecast.
Total General Fund Reserves			5,443	757	-3,000	3,200	

Total

9,894	4,344	-3,983	10,255
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SPECIAL EXPENSES POLICY

At its meeting of 3rd March 2008, the Council implemented a differential taxation policy by introducing special expense charges as set out in the following recommendations:

- i) *That the resolutions of the former Policy and Resources Committee of 15 January 2001, relating to special expenses (minute 13), be rescinded in relation to categories (a) and (b) as set out in the minute, so that items falling within those categories (parks, gardens, open spaces and games sites) or within this resolution but outside those categories (Christmas lights/trees) will become the council's special expenses under section 35(2)(d) of the Local Government Finance Act 1992 and that the items of Special Expenses as listed in paragraph 9.4 be approved.*
- ii) *That the principle of differential taxation be agreed and the impact is set out in Table A of Appendix E.*

Until the Special Expenses Policy applicable to 2013/14 was approved by Council, annual fluctuations in the cost of concurrent services charged as special expenses resulted in corresponding fluctuations in amounts payable by residents. The 2013/14 Special Expenses Policy set the charge for 2013/14 at the same level as for 2012/13. Since that date each element of the Council Tax has remained at the same level.

For 2016/17 a 2.8% increase is proposed in respect of each of the individual elements of the Council Tax charge i.e. the borough-wide charge and the special expense charge, in order that both elements shall be similarly affected.

Therefore, the special expenses policy for 2016/17 shall be:

- the annual special expense charge per property will be set for 2016/17 at the 2015/16 level plus 2.8%, that being £69.84 per band D property;
- the annual borough wide charge per property will be set for 2016/17 at the 2015/16 level plus 2.8%, that being £148.87 per band D property; and
- the budget resource to be allocated to delivering concurrent services and chargeable as special expenses for 2016/17 will be set at a sum equivalent to the annual special expense charge per property (band D equivalent) multiplied by the tax base for the special expense area.

For the purposes of charging special expenses, both the special expense costs and the tax bases relating to the areas of Lytham and St Annes will each be aggregated and the Council Tax charge per property at each band level will be the same across the whole area.

Proposed Fees and Charges 2016/17

Appendix J

	VAT Code	Unit Of Charge	Variable Charge Discretionary (D) Prescribed (P)	Approved 2015/16 Fees & Charges £	Proposed 2016/17 Fees & Charges £
<u>OPERATIONAL MANAGEMENT COMMITTEE</u>					
<u>Waste Operations</u>					
Bulky Household Waste Collections					
- Up to 3 Items	d	Up to 3 Items	D	19.45	19.65
- 4 to 10 Items	d	4 to 10 Items	D	38.90	39.30
- Over 10 Items (Charge per hour)	d	Over 10 Items (Per hour)	D	72.85	73.60
- Collection of fridge	d	Per fridge	D	38.90	39.30
Commercial Waste:					
- Grey Sacks	d	Per 50 Sacks	D	69.46	71.15
- 660L Bulk Bin (Disposal Charges)	d	Per Empty	D	3.29	3.36
- 660L Bulk Bin (Disposal Charges)	d	Per Empty	D	5.95	6.12
- 1100L Bulk Bin (Collection Charge)	d	Per Empty	D	5.20	5.30
- 1100L Bulk Bin (Disposal Charge)	d	Per Empty	D	9.92	10.21
- Bulk Bin Lease	d	Per Year	D	125.12	125.12
- Bulk Bin Sale	d	Per Bulk Bin	D	450.00	460.00
Schedule 2 Waste:					
- Grey Sacks	d	Per 50 Sacks	D	37.91	38.67
- 660L Bulk Bin	d	Per Empty	D	3.29	3.36
- 1100L Bulk Bin	d	Per Empty	D	5.20	5.30
- Bulk Bin Lease	d	Per Year	D	125.12	125.12
- Bulk Bin Sale	d	Per Bulk Bin	D	450.00	460.00
Recycling 4 Business:					
- Blue Sacks –Paper/Card	d	Per 50 Sacks	D	42.29	43.14

VAT Codes:

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Proposed Fees and Charges 2016/17

Appendix J

	VAT Code	Unit Of Charge	Variable Charge Discretionary (D) Prescribed (P)	Approved 2015/16 Fees & Charges £	Proposed 2016/17 Fees & Charges £
Wheeled Bin Rates:					
- Provision of Green Box to household still on original recycling scheme	N/A		D	Free	Free
- Provision of Blue Bag to household still on original recycling scheme	N/A		D	Free	Free
- Provision of one Wheeled bin (grey, green, blue or brown) at new build properties	d	Per Bin	D	32.15	32.50
- Provision of full set of wheeled bins (grey, green, blue and brown) at a new build property	d	Per Set	D	100.00	100.00
- Provision of lost, stolen, damaged or additional (if eligible) wheeled bin including delivery	d	Per Bin	D	32.15	32.50
- Provision of lost, stolen, damaged grey and green wheeled bins lid or wheels (including delivery and fitting)	d	Per Bin	D	12.80	13.00
- Provision of a bulk bin to multiple-occupancy properties for recycling	d	Per bin	D	447.37	460.00
- Provision of a bulk bin to multiple-occupancy properties for the collection of residual waste	d	Per bin	D	450.00	460.00
- Provision of two black sacks per week to properties unsuitable for wheeled bins for collection of residual waste.	N/A	Per 2 Sacks	D	Free	Free
Dog Control Charges:					
- Cost of collection and knelling – per day	a	Per Day	D	18.00	18.50
- Cost to collect stray dog from Kennels	a	Per Collection of Stray	D	66.00	67.50
- Cost of return of stray dog by dog warden	a	Per Return of Stray	D	30.00	30.00
- Fixed Penalty Notice for Dog Fouling (Statutory Fee)	d	Per Fixed Penalty Notice	P	50.00	50.00
Fleet Management Services:					
MOT Class 1 - One off customer	d	Per MOT	P	25.00	£25.00
MOT Class 1 - Motor Trade Customers	d	Per MOT	P	25.00	£25.00
MOT Class 1 - FBC Staff, relatives, members	d	Per MOT	P	25.00	£25.00
MOT Class 2 – One off customer	d	Per MOT	P	25.00	£25.00
MOT Class 2 - Motor Trade Customers	d	Per MOT	P	25.00	£25.00
MOT Class 2 - FBC Staff, relatives, members	d	Per MOT	P	25.00	£25.00
MOT Class 3 - One off customer	d	Per MOT	P	35.00	£35.00
MOT Class 3 - Motor Trade Customers	d	Per MOT	P	35.00	£35.00

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Proposed Fees and Charges 2016/17

Appendix J

	VAT Code	Unit Of Charge	Variable Charge Discretionary (D) Prescribed (P)	Approved 2015/16 Fees & Charges £	Proposed 2016/17 Fees & Charges £
MOT Class 3 - FBC Staff, relatives, members	d	Per MOT	P	35.00	£35.00
MOT Class 4 – One off Customer	d	Per MOT	p	40.00	£40.00
MOT Class 4 – Motor Trade Customers	d	Per MOT	P	35.00	£35.00
MOT Class 4 – FBC Staff, relatives, members	d	Per MOT	P	35.00	£35.00
MOT Class 4 – Repeat customers (5 or more tests in 12 months)	d	Per MOT	P	35.00	£35.00
MOT Class 4 – Fylde Licenced Taxi-drivers (must be FBC registered)	d	Per MOT	P	35.00	£35.00
MOT Class 5 – One off customer	d	Per MOT	P	55.00	£55.00
MOT Class 5 –Motor Trade Customers	d	Per MOT	P	50.00	£50.00
MOT Class 5 – FBC Staff, relatives, members	d	Per MOT	P	50.00	£50.00
MOT Class 5 – Repeat customers (5 or more tests in 12 months)	d	Per MOT	P	50.00	£50.00
MOT Class 7 – One off customer	d	Per MOT	P	55.00	£55.00
MOT Class 7 – Motor Trade Customer	d	Per MOT	P	50.00	£50.00
MOT Class 7 – FBC Staff, relatives, members	d	Per MOT	P	50.00	£50.00
MOT Class 7 – Repeat Customers	d	Per MOT	P	50.00	£50.00
Taxi Test – Retest (If applicable)	d	Per MOT	D	10.00	£17.50
Minor Repairs – Labour Per 30 Minutes (Plus parts)	a	Per half hour labour	D	15.00	£35.00
Use of Diagnostics	a	Per Use	D	40.00	£40.00
Land Charges					
Note: Land Charges Fees will be in accordance with the Fylde Borough Council scheme for the Recovery of Land Charges fees 2010 which came into force on the 1st January 2010 http://www.fylde.gov.uk/business/landcharges/					

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Proposed Fees and Charges 2016/17

Appendix J

	VAT Code	Unit Of Charge	Variable Charge Discretionary (D) Prescribed (P)	Approved 2015/16 Fees & Charges £	Proposed 2016/17 Fees & Charges £
<u>Car Parks</u>					
<u>St Annes</u>					
St. Annes Square:					
9:00 a.m. to 6:00 p.m. (All Days)					
- Cars etc. – up to 0.5 Hours	a	Per Session	D	0.80	0.80
- Cars etc. – 0.5 to 1 hour	a	Per Session	D	1.30	1.30
- Cars etc. – 1 to 2 hours	a	Per session	D	2.40	2.40
- Car etc. – 2 to 3 hours	a	Per session	D	3.60	3.60
- At other times	N/A	Free	D	Free	Free
St. Annes Swimming Pool:					
9:00 a.m. to 6:00 p.m.					
- Cars etc. - up to 1 hour	a	Per Session	D	1.20	1.20
- Cars etc. - 1 to 2 hours	a	Per Session	D	2.10	2.10
- Cars etc. - 2 to 3 hours	a	Per Session	D	2.70	2.70
- Cars etc. - 3 to 4 hours	a	Per Session	D	3.20	3.20
- Cars etc. - over 4 hours	a	Per Session	D	4.30	4.30
- At Other times for passenger vehicles:	N/A	Free	D	Free	Free
- Overnight Motorhome Parking (per vehicle 6 p.m. to 10 a.m. following day)	a	Per Session	D	5.00	5.00
- Motorhome 1 day tariff (up to 10 a.m. following day)	a	Per Session	D	8.00	8.00
- Motorhome 2 day tariff	a	Per Session	D	15.00	15.00
- Motorhome 3 day tariff	a	Per Session	D	21.00	21.00

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Proposed Fees and Charges 2016/17

Appendix J

	VAT Code	Unit Of Charge	Variable Charge Discretionary (D) Prescribed (P)	Approved 2015/16 Fees & Charges £	Proposed 2016/17 Fees & Charges £
Wood Street:					
9:00 a.m. to 6:00 p.m. (All Days)					
- Cars etc. –up to 0.5 hour	a	Per Session	D	0.80	0.80
- Cars etc. - 0.5 to 1 hour	a	Per Session	D	1.30	1.30
- Cars etc. – 1 to 2 hours	a	Per Session	D	2.40	2.40
- Cars etc. – 2 to 3 hours	a	Per Session	D	3.60	3.60
- At Other times	a	Free	D	Free	Free
North Beach:					
9:00 a.m. to 6 p.m. (All Days)					
- Cars etc. - up to 1 hour	a	Per Session	D	1.20	1.20
- Cars etc. - 1 to 2 hours	a	Per Session	D	2.10	2.10
- Cars etc.- 2 to 3 hours	a	Per Session	D	2.70	2.70
- Cars etc.- 3 to 4 hours	a	Per Session	D	3.20	3.20
- Cars etc.- Over 4 hours	a	Per Session	D	4.30	4.30
- At other times	N/A	Free	D	Free	Free
North Promenade:					
9:00 a.m. to 6:00 p.m.					
- Cars etc. - up to 1 hour	a	Per Session	D	1.20	1.20
- Cars etc. - 1 to 2 hours	a	Per Session	D	2.10	2.10
- Cars etc.- 2 to 3 hours	a	Per Session	D	2.70	2.70
- Cars etc.- 3 to 4 hours	a	Per Session	D	3.20	3.20
- Cars etc.- Over 4 hours	a	Per Session	D	4.30	4.30
- At other times	N/A	Free	D	Free	Free

VAT Codes:

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

Proposed Fees and Charges 2016/17

Appendix J

	VAT Code	Unit Of Charge	Variable Charge Discretionary (D) Prescribed (P)	Approved 2015/16 Fees & Charges £	Proposed 2016/17 Fees & Charges £
Fairhaven Road:					
9:00 a.m. to 6:00 p.m. (All Days)					
- Cars etc. - up to 1 hour	a	Per Session	D	1.20	1.20
- Cars etc. - 1 to 2 hours	a	Per Session	D	2.10	2.10
- Cars etc.- 2 to 3 hours	a	Per Session	D	2.70	2.70
- Cars etc.- 3 to 4 hours	a	Per Session	D	3.20	3.20
- Cars etc.- Over 4 hours	a	Per Session	D	4.30	4.30
- At other times	N/A	Free	D	Free	Free
- Coaches	N/A	Free	D	Free	Free
St. Albans Road					
	N/A	Free	D	Free	Free
<u>Fairhaven</u>					
St. Pauls Avenue:					
9:00 a.m. to 6:00 p.m. (All Days)					
- Cars etc. - up to 1 hour	a	Per Session	D	1.20	1.20
- Cars etc. - 1 to 2 hours	a	Per Session	D	2.10	2.10
- Cars etc.- 2 to 3 hours	a	Per Session	D	2.70	2.70
- Cars etc.- 3 to 4 hours	a	Per Session	D	3.20	3.20
- Cars etc.- Over 4 hours	a	Per Session	D	4.30	4.30
- At other times	N/A	Free	D	Free	Free
Fairhaven Lake					
	N/A	Free	D	Free	Free

VAT Codes:

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Proposed Fees and Charges 2016/17

Appendix J

	VAT Code	Unit Of Charge	Variable Charge Discretionary (D) Prescribed (P)	Approved 2015/16 Fees & Charges £	Proposed 2016/17 Fees & Charges £
Stanner Bank:					
9:00 a.m. to 6:00 p.m. (All Days)					
- Cars etc. - up to 1 hour	a	Per Session	D	1.20	1.20
- Cars etc. - 1 to 2 hours	a	Per Session	D	2.10	2.10
- Cars etc.- 2 to 3 hours	a	Per Session	D	2.70	2.70
- Cars etc.- 3 to 4 hours	a	Per Session	D	3.20	3.20
- Cars etc.- Over 4 hours	a	Per Session	D	4.30	4.30
- At other times	N/A	Free	D	Free	Free
- Business Permit	a	Annual	D	100.00	100.00
Lytham					
Pleasant Street:					
0:00 a.m. to 6:00 p.m. (All Days)					
- Cars etc. - up to 0.5 hour	a	Per Session	D	0.80	0.80
- Cars etc. - 0.5 to 1 hour	a	Per Session	D	1.30	1.30
- Cars etc. - 1 to 2 hours	a	Per Session	D	2.40	2.40
- Cars etc.- 2 to 3 hours	a	Per Session	D	3.60	3.60
- Cars etc.- 3 to 5 hours	a	Per Session	D	6.00	6.00
- Cars etc.- 5 to 7 hours	a	Per Session	D	8.00	8.00
- Cars etc. – 7-9 hours	a	Per Session	D	10.00	10.00
- At other times	N/A	Free	D	Free	Free
- Business Permit	a	Annual	D	335.00	335.00
- Resident Permit	a	Annual	D	285.00	285.00
- North Clifton Street Restricted Residents Permit (1995)	a	Annual	D	20.00	20.00

VAT Codes:

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Proposed Fees and Charges 2016/17

Appendix J

	VAT Code	Unit Of Charge	Variable Charge Discretionary (D) Prescribed (P)	Approved 2015/16 Fees & Charges £	Proposed 2016/17 Fees & Charges £
Lytham Station:					
9:00 a.m. to 6:00 p.m. (All Days)					
- Cars etc. - up to 1 hour	a	Per Session	D	0.90	0.90
- Cars etc. - 1 to 2 hours	a	Per Session	D	1.40	1.40
- Cars etc.- 2 to 4 hours	a	Per Session	D	2.20	2.20
- Cars etc.- Over 4 hours up to 6 p.m.	a	Per Session	D	2.70	2.70
- At other times	N/A	Free	D	Free	Free
- Cars etc. – 1 to 2 days	a	Per Session	D	5.00	5.00
- Cars etc. – 2 to 3 days	a	Per Session	D	7.50	7.50
- Cars etc. – 3 to 4 days	a	Per Session	D	10.00	10.00
- Cars etc. – 5 to 7 days	a	Per Session	D	12.00	12.00
- Annual Permits (All)	a	Annual	D	160.00	160.00
Lytham Green (Bath Street & Dicconson Terrace):					
9:00 a.m. to 6:00 p.m. (All Days)					
- Cars etc. - up to 1 hour	a	Per Session	D	1.20	1.20
- Cars etc. - 1 to 2 hours	a	Per Session	D	2.10	2.10
- Cars etc.- 2 to 3 hours	a	Per Session	D	2.70	2.70
- Cars etc.- 3 to 4 hours	a	Per Session	D	3.20	3.20
- Cars etc.- Over 4 hours	a	Per Session	D	4.30	4.30
- At other times	N/A	Free	D	Free	Free

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Proposed Fees and Charges 2016/17

Appendix J

	VAT Code	Unit Of Charge	Variable Charge Discretionary (D) Prescribed (P)	Approved 2015/16 Fees & Charges £	Proposed 2016/17 Fees & Charges £
<u>Kirkham</u>					
Mill Street	N/A	Free	D	Free	Free
<u>Eagles Court</u>	N/A	Free	D	Free	Free
Orders Lane	N/A	Free	D	Free	Free
<u>Administrative Buildings</u>					
Town Hall:					
9:00 a.m. to 6:00 p.m. (Sat – Sun and Bank holidays)					
- Cars etc. – up to 1 hour	a	Per Session	D	1.20	1.20
- Cars etc. – 1 to 2 hours	a	Per Session	D	2.10	2.10
- Cars etc. – 2 to 3 hours	a	Per Session	D	2.70	2.70
- Cars etc. – 3to 4 hours	a	Per Session	D	3.20	3.20
- Cars etc. – Over 4 hours	a	Per Session	D	4.30	4.30
Public Offices:					
9:00 a.m. to 6:00 p.m. (Sat – Sun and Bank holidays)					
- Cars etc. - up to 1 hour	a	Per Session	D	1.20	1.20
- Cars etc. – 1 to 2 hours	a	Per Session	D	2.10	2.10
- Cars etc. – 2 to 3 hours	a	Per Session	D	2.70	2.70
- Cars etc. – 3 to 4 hours	a	Per Session	D	3.20	3.20
- Cars etc. – Over 4 hours	a	Per Session	D	4.30	4.30
<u>General</u>					
Fylde Resident's Permit Scheme - Restricted to certain car parks	a	Annual	D	25.00	25.00
Horse Box Permit (North Beach and Fairhaven Road)	a	Annual	D	15.00	15.00
Any Permit Replacement	a	As Required	D	15.00	15.00
Parking Dispensation	a	Per Agreed Period	D	As Negotiated. Max £16/day	As Negotiated. Max £16/day

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Proposed Fees and Charges 2016/17

Appendix J

	VAT Code	Unit Of Charge	Variable Charge Discretionary (D) Prescribed (P)	<u>Approved</u> 2015/16 Fees & Charges £	Proposed 2016/17 Fees & Charges £
<u>General Continued:</u>					
Penalty Charge Notices (PCNs)					
- Lower Rate PCN	d	Per Offence	P	50.00 (14 day discount 25.00)	50.00 (14 day discount 25.00)
- Higher Rate PCN	d	Per Offence	P	70.00 (14 day discount 35.00)	70.00 (14 day discount 35.00)
Additional Charge to PCN if Charge Certificate Issued	d	Per Offence	P	50% of PCN	50% of PCN
Additional Charge to PCN if registered with court as debt	d	Per Offence	P	7.00	7.00

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Proposed Fees and Charges 2016/17

Appendix J

	VAT Code	Unit Of Charge	Variable Charge Discretionary (D) Prescribed (P)	Approved 2015/16 Fees & Charges £	Proposed 2016/17 Fees & Charges £
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<u>DEVELOPMENT MANAGEMENT COMMITTEE</u>					
<u>Planning</u>					
Pre-application Advice:					
Large Scale Major Development	a	Per Enquiry	D	-	1,000.00
Significant Major Development	a	Per Enquiry	D	-	750.00
Small Scale Major Development	a	Per Enquiry	D	-	500.00
Minor Development (A)	a	Per Enquiry	D	-	350.00
Minor Development (B)	a	Per Enquiry	D	-	250.00
Householder Meeting	a	Per Enquiry	D	-	100.00
Householder Written Only	a	Per Enquiry	D	-	50.00
(N.B the above charges relate to a revised scheme of charging introduced for 2016/17. Accordingly there are no comparative charges for 2015/16).					
Printing Charges:					
A4 Documents including Decision Notes, Completion Certificates and Plans:					
Up to 14 Copies	N/A	Up to 14 Copies	D	No Charge	No Charge
15 Copies	a	15 Copies	D	2.00	2.00
Further copies	a	Per Copy	D	15p	15p
A3 Documents including Plans:					
Up to 7 Copies	N/A	Up to 7 Copies	D	No Charge	No Charge
8 Copies	a	8 Copies	D	2.00	2.00
Further Copies	a	Per Copy	D	25p	25p
A combination of the above shall be treated on the basis of 10p per copy for A4 and 20p per copy for A3. When the trigger of £1.50 is reached in any combination charging should commence.					

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Proposed Fees and Charges 2016/17

Appendix J

	VAT Code	Unit Of Charge	Variable Charge Discretionary (D) Prescribed (P)	Approved 2015/16 Fees & Charges £	Proposed 2016/17 Fees & Charges £
A2 Plans:					
1 st Copy	a	1 st Copy	D	4.30	4.30
Additional Copies	a	Per Additional Copy	D	3.00	3.00
A1 Plans:					
1 st Copy	a	1 st Copy	D	8.50	8.50
Additional Copies	a	Per Additional Copy	D	5.75	5.75
Publications:					
Fylde Borough Local Plan to 2032 Revised Preferred Option	e	Per document	D	-	50.00
Fylde Borough Local Plan As Altered 2005	e	Per document	D	46.00	46.00
Postage	c	Per document		0.50	0.50
Housing Land Availability	e	Per document	D	15.50	15.50
Postage	c	Per document		1.00	1.00
2002 Housing Needs Survey	e	Per document	D	51.00	51.00
Postage	c	Per document		3.00	3.00
Interim Housing Policy	e	Per document	D	25.50	-
Postage	c	Per document		0.50	-
House Extending Your Home	e	Per document	D	30.00	30.00
Postage	c	Per document		0.50	0.50
Strategic Housing Land Availability Assessment	e	Per document	D	3.30	3.30
Postage	c	Per document		0.50	0.50

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Proposed Fees and Charges 2016/17

Appendix J

	VAT Code	Unit Of Charge	Variable Charge Discretionary (D) Prescribed (P)	Approved 2015/16 Fees & Charges £	Proposed 2016/17 Fees & Charges £
Land at Wesham Hospital	e	Per document	D	2.20	2.20
Postage	c	Per document		0.50	0.50
Land at Queensway	e	Per document	D	2.20	2.20
Postage	c	Per document		0.50	0.50
Queen Mary School	e	Per document	D	5.50	5.50
Postage	e	Per document		0.50	0.50
Windows Doors and Architectural Joinery	e	Per document	D	5.50	5.50
Postage	c	Per document		0.50	0.50
Wimbourne Stables	e	Per document	D	2.20	2.20
Postage	c	Per document		0.50	0.50
Policy for Shop Front Design Guide	e	Per document	D	3.30	3.30
Postage	c	Per document		0.50	0.50
606 Clifton Drive North (Revised Development Brief)	e	Per document	D	2.20	2.20
Postage	c	Per document		0.50	0.50
Land at Weeton Road, Wesham	e	Per document	D	2.20	2.20
Postage	c	Per document		0.50	0.50
The Conversion of Fylde's Traditional Farm Buildings	e	Per document	D	3.30	3.30
Postage	c	Per document		0.50	0.50
Any document not included in the above list will be charged at the relevant charge per page as set out above					

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Proposed Fees and Charges 2016/17

Appendix J

	VAT Code	Unit Of Charge	Variable Charge Discretionary (D) Prescribed (P)	Approved 2015/16 Fees & Charges £	Proposed 2016/17 Fees & Charges £
Planning Fees Planning fees are charged at the national rates which are established and set by the Government. http://www.fylde.gov.uk/assets/files/3475/PlanningAppFees.pdf					
Building Control Standard charge for erection or conversion of dwelling houses up to 300m2 and up to 3 storeys					
1 dwelling	a	Per application	D	690.00	690.00
2 dwellings	a	Per application	D	930.00	930.00
3 dwellings	a	Per application	D	1,170.00	1,170.00
4 dwellings	a	Per application	D	1,410.00	1,410.00
5 dwellings	a	Per application	D	1,650.00	1,650.00
Erection or conversion of 6 or more dwellings or flats	a	Per application	D	Negotiated fee	Negotiated fee
Erection of dwellings or flats where the total floor area exceeds 300m2	a	Per application	D	Negotiated fee	Negotiated fee
Standard charges for extensions to existing dwellings					
Extension with floor area not exceeding 10m2	a	Per application	D	350.00	375.00
Extension with floor area exceeding 10m2, but not exceeding 40m2	a	Per application	D	450.00	475.00
Extension with floor area exceeding 40m2, but not exceeding 80m2	a	Per application	D	600.00	650.00
Loft conversion up to 40m2 that does not include a dormer window	a	Per application	D	350.00	375.00

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Proposed Fees and Charges 2016/17

Appendix J

	VAT Code	Unit Of Charge	Variable Charge Discretionary (D) Prescribed (P)	Approved 2015/16 Fees & Charges £	Proposed 2016/17 Fees & Charges £
Standard charges for extensions to existing dwellings continued:					
Loft conversion up to 40m2 that includes a dormer window	a	Per application	D	450.00	475.00
Erection or extension of a detached or attached domestic garage not exceeding 40m2	a	Per application	D	250.00	275.00
Erection or extension of a detached or attached domestic garage or carport with floor area exceeding 40m2, but not exceeding 80m2	a	Per application	D	350.00	375.00
Conversion of domestic garage to habitable room	a	Per application	D	300.00	325.00
Notifiable electrical work carried out by a non-competent person (i.e. not Part P registered)	a	Per application	D	150.00	250.00
Reversion work from an approved inspector	a	Per application	D	Negotiated Fee	Negotiated Fee
Building work in relation to more than one building	a	Per application	D	Negotiated Fee	Negotiated Fee
Extension to a dwelling where floor area exceeds 80m2	a	Per application	D	Negotiated Fee	Negotiated Fee
Loft conversion (with or without a dormer) to a dwelling where floor area exceeds 40m2	a	Per application	D	Negotiated Fee	Negotiated Fee
Garage or carport where floor area exceeds 60m2	a	Per application	D	Negotiated Fee	Negotiated Fee
Regularisation of any work which would normally be subject to an individual charge/negotiated fee	e	Per application	D	Minimum 120%	Minimum 120%
Standard charges to other works to dwellings:					
Renovation of a thermal element of a single dwelling or flat	a	Per application	D	150.00	150.00
Renovation of a thermal element to more than one dwelling or flat	a	Per application	D	Negotiated Fee	Negotiated Fee
Replacement windows (multi flat or single dwelling , up to 20 windows)	a	Per application	D	100.00	100.00
Replacement of more than 20 windows	a	Per application	D	Negotiated Fee	Negotiated Fee
Internal alterations (Incl. structural) and installation of fittings other than electrical work	a	Per application	D	Negotiated Fee	Negotiated Fee

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Proposed Fees and Charges 2016/17

Appendix J

	VAT Code	Unit Of Charge	Variable Charge Discretionary (D) Prescribed (P)	Approved 2015/16 Fees & Charges £	Proposed 2016/17 Fees & Charges £
Standard charges to other works to dwellings continued					
Fixed price based on cost of work:					
Up to £5,000	a	Per application	D	200.00	200.00
£5,000 to £10,000	a	Per application	D	300.00	300.00
£10,000 to £20,000	a	Per application	D	400.00	400.00
£20,000 to £30,000	a	Per application	D	500.00	500.00
£30,000 to £40,000	a	Per application	D	600.00	600.00
£41,000 to £100,000	a	Per application	D	72.00 per £10k	72.00 per £10k
£101,000 to £1,000,000	a	Per application	D	48.00 per £10k	48.00 per £10k
Electrical Work					
Electrical work other than a rewire	a	Per application	D	150.00	Negotiated fee
Rewire of a dwelling including new consumer unit	a	Per application	D	250.00	Negotiated fee
Standard charges for work to non-domestic buildings:					
Extensions and new buildings (commercial)					
Not Exceeding 10m2 (industrial and storage)	a	Per application	D	300.00	300.00
Not exceeding 10m2 (other use classes)	a	Per application	D	350.00	350.00
Between 10m2 and 40m2 (industrial and storage)	a	Per application	D	400.00	400.00
Between 10m2 and 40m2 (other use classes)	a	Per application	D	500.00	500.00
Exceeding 40m2	a	Per application	D	Negotiated fee	Negotiated fee

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Proposed Fees and Charges 2016/17

Appendix J

	VAT Code	Unit Of Charge	Variable Charge Discretionary (D) Prescribed (P)	Approved 2015/16 Fees & Charges £	Proposed 2016/17 Fees & Charges £
Standard charges for work to non-domestic buildings continued					
All other work and alterations to non-domestic buildings					
Window replacement (up to 20 windows)	a	Per application	D	150.00	150.00
Window replacement (over 20 windows)	a	Per application	D	Negotiated fee	Negotiated fee
Renovation of a thermal element (cost up to £20,000)	a	Per application	D	150.00	150.00
Renovation of a thermal element (cost over £20,000)	a	Per application	D	Negotiated fee	Negotiated fee
Alterations and works not described elsewhere, including structural, shop and office fit-out and installation of controlled fittings. Based on cost of works:					
Up to £5,000	a	Per application	D	250.00	250.00
£5,000 to £10,000	a	Per application	D	300.00	300.00
£10,000 to £20,000	a	Per application	D	360.00	360.00
£20,000 to £30,000	a	Per application	D	450.00	450.00
£30,000 to £40,000	a	Per application	D	600.00	600.00
£41,000 to £100,000	a	Per application	D	72.00 per £10k	72.00 per £10k
£101,000 to £1,000,000	a	Per application	D	48.00 per £10k	48.00 per £10k
Miscellaneous Charges					
Re-open an archive file	a	Per file	D	60.00	60.00
Research and retrieval of manual records (other than for search records)	a	Per file	D	36.00	36.00
Copy Decision Notices and Completion certificates	a	Per Notice	D	10.00	20.00

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Proposed Fees and Charges 2016/17

Appendix J

	VAT Code	Unit Of Charge	Variable Charge Discretionary (D) Prescribed (P)	Approved 2015/16 Fees & Charges £	Proposed 2016/17 Fees & Charges £
NOTES: 1) Where a negotiated fee is indicated factors such as design brief, competency, build duration, service level agreement, number of units/dwellings and type of construction are factored in to provide the individual charge. 2) Where works are of estimated cost value and are being carried out simultaneously as a standard charge item for extensions to an existing dwelling the fee shall be reduced by 50%. 3) Where a person is registered disabled and the proposals are for the benefit of that person the application is exempt from charge.					

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Proposed Fees and Charges 2016/17

Appendix J

	VAT Code	Unit Of Charge	Variable Charge Discretionary (D) Prescribed (P)	Approved 2015/16 Fees & Charges £	Proposed 2016/17 Fees & Charges £
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<u>TOURISM AND LEISURE COMMITTEE</u>					
<u>Fairhaven Lake</u>					
Motor Boat Hire:					
- Passengers 1/2	a	Per 20 min	D	6.50	7.00
Rowing Boat Hire:					
- Passengers 1/2	a	Per 30 min	D	5.00	5.50
Pedalo Hire:					
- Passengers 1/2	a	Per 30 min	D	5.00	5.50
Canoe Hire:					
- Passengers 1/2	a	Per 30 min	D	5.00	5.50
Motor Launch					
- Adult 16+	a	Per Trip	D	3.40	3.50
- Senior Citizen / Junior	a	Per Trip	D	1.70	1.80
- Child 5-15	a	Per Trip	D	1.70	1.80
- Under 5 years	a	Per Trip	D	Free	Free
Private Use:					
Windsurfing/Dinghy/Canoe:					
- 2 hr. period	a	Per 2 hr.	D	6.00	6.00
- Day	a	Per Day	D	12.00	12.00
- Season	a	Per Season	D	75.00	75.00

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Proposed Fees and Charges 2016/17

Appendix J

	VAT Code	Unit Of Charge	Variable Charge Discretionary (D) Prescribed (P)	Approved 2015/16 Fees & Charges £	Proposed 2016/17 Fees & Charges £
Game Sites					
Bowling (Crown & Flat):					
- Adult Bowls	a	Per Hour	D	4.50	5.00
- Senior Citizen/Junior Bowls	a	Per Hour	D	4.00	4.00
- Junior Bowls	a	Per Hour	D	-	2.00
- Hire of Bowls – deposit	a		D	5.00	5.00
- Adult Contract	a	Annual	D	73.00	75.00
- Senior Citizen Contract	a	Annual	D	56.00	57.00
- Junior Contract	a	Annual	D	-	28.00
- Winter Contract only	a	Winter	D	12.00	13.00
Green Reservation per hour	a	Per Hour	D	23.00	25.00
Tennis:					
- Adult / Family court hire per hour	a	Per Hour	D	7.20	7.20
- Junior / Senior Citizen court hire per hour	a	Per Hour	D	4.20	4.20
- Hire of Rackets – deposit	a		D	5.00	5.00
Club Reservation April – September					
(1 Court for one 3 hr. session per week)					
- Adult	a	Per Season	D	110.00	110.00
- Junior	a	Per Season	D	65.00	65.00
Club Reservation October – March					
(1 Court for one 3 hr. session both Sat & Sun)					
	a	Per Season	d	70.00	70.00

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Proposed Fees and Charges 2016/17

Appendix J

	VAT Code	Unit Of Charge	Variable Charge Discretionary (D) Prescribed (P)	Approved 2015/16 Fees & Charges £	Proposed 2016/17 Fees & Charges £
Golf:					
- Adult Mini Golf – 18 holes	a	Per Round	D	5.00	5.00
- Junior / Senior Citizen Mini Golf – 18 holes	a	Per Round	D	3.00	3.00
- Adult Mini Golf – 9 hole	a	Per Half Round	D	3.00	3.00
- Junior / Senior Citizen Mini Golf – 9 holes	a	Per Half Round	D	2.00	2.00
Family Ticket Mini Golf Only (2 adults, 2 children) – 18 holes	a	Per Round	D	13.00	13.00
Family Ticket Mini Golf Only (2 adults, 2 Children) – 9 holes	a	Per Round	D	8.00	8.00
- Lost Ball	a	Per Ball	D	1.00	1.00
- Adult Putting	a	Per Round	D	3.70	3.70
- Junior / Senior Citizen Putting	a	Per Round	D	2.20	2.20
Family Ticket Putting Only (2 adults, 2 children)	a	Per Round	D	9.60	9.60
- Adult Crazy Golf	a	Per Round	D	3.00	3.00
- Junior / Senior Citizen Crazy Golf	a	Per Round	D	2.00	2.00
Family Ticket Crazy Golf only (2 adults, 2 children)	a	Per Round	D	8.00	8.00
<u>Sports Facilities</u> (Park View Rd, Blackpool Rd)					
Football:					
- Occasional Match (approx.. 2 hours)	a	Per 2 hours	D	48.00	50.00
- Additional pitch maintenance schedule (annual single payment)	a	Single Payment	D	1,650.00	-
Season Booking:					
One match each week of the season					
- Adult	c	Per Season	D	400.00	400.00
- Junior	c	Per Season	D	210.00	210.00

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Proposed Fees and Charges 2016/17

Appendix J

	VAT Code	Unit Of Charge	Variable Charge Discretionary (D) Prescribed (P)	Approved 2015/16 Fees & Charges £	Proposed 2016/17 Fees & Charges £
Sports Facilities (Park View Rd, Blackpool Rd) Football Season Bookings Continued:					
One match every other week					
- Adult	c	Per Season	D	220.00	220.00
- Junior	c	Per Season	D	120.00	120.00
Use of changing facilities & showers when hired separately from pitch use:					
Weekly Per Season					
- Adult	c	Per Season	D	285.00	-
- Junior	c	Per Season	D	155.00	-
Fortnightly Per Season					
- Adult	c	Per Season	D	150.00	-
- Junior	c	Per Season	D	75.00	-
Casual					
- Adult	a	Per Season	D	30.00	-
- Junior	a	Per Season	D	15.00	-
Hewitt Lecture Room: Per hour or part there of:					
- Monday to Friday	c	Per Hour*	D	16.00	16.00
- Saturdays & Bank Holidays	c	Per Hour*	D	22.00	22.00
- Commercial Hire	c	Per Hour*	D	45.00	45.00
- Share Room (Room 2)	c	Per Hour*	D	13.00	13.00
*Rate per hour is charged in half hour periods					

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Appendix J

Allotment Plots:						
-	Full plot yearly rent	d	Per Plot	D	35.00	40.00
-	Full plot yearly water charge	d	Per Plot	D	3.00	5.00
-	Half plot yearly rent	d	Per Plot	D	17.50	20.00
-	Half plot yearly water charge	d	Per Plot	D	1.50	2.50

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	VAT Code	Unit Of Charge	Variable Charge Discretionary (D) Prescribed (P)	<u>Approved</u> 2015/16 Fees & Charges £	Proposed 2016/17 Fees & Charges £
<u>ENVIRONMENT, HEALTH AND HOUSING COMMITTEE</u>					
<u>Cemetery & Crematorium</u>					
The fees for a 'resident' apply where the deceased, immediately before their death was an inhabitant of the Borough of Fylde or a parishioner of any Parish comprised therein.					
Interments:					
For the Interment of:					
- The body of a stillborn child, or a child whose age at the time of death did not exceed 17 years. In a child's grave allocated by the Authority	d	Per Interment	D	0.00	0.00
- The body of a non-resident whose age exceeded 17 years at the time of death	d	Per Interment	D	750.00	777.00
- The body of a resident whose age exceeded 17 years at the time of death	d	Per Interment	D	500.00	518.00
- For interment in a vault of a non-resident (exclusive of the charges for brickwork)	d	Per Interment	D	750.00	777.00
- For the interment in a vault of a resident (exclusive of the charges for brickwork)	d	Per Interment	D	500.00	518.00
- Construction of a vault	d	Per Vault	D	Cost + 10%	Cost + 10%
- For the interment of cremated remains in a grave for a non-resident	d	Per Interment	D	180.00	198.00
- For the interment of cremated remains in a grave for a resident	d	Per Interment	D	120.00	132.00
For the purchase of exclusive right of burial in:					
- An earth grave, for 100 years for a non-resident	d	Per Grave	D	990.00	1026.00
- An earth grave, for 100 years for a resident	d	Per Grave	D	660.00	684.00
- An earth grave non-standard size for cremated remains, for 100 years for a non-resident	d	Per Grave	D	700.00	726.00
- An earth grave non-standard size for cremated remains, for 100 years for a resident	d	Per Grave	D	467.00	484.00

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Proposed Fees and Charges 2016/17

Appendix J

	VAT Code	Unit Of Charge	Variable Charge Discretionary (D) Prescribed (P)	Approved 2015/16 Fees & Charges £	Proposed 2016/17 Fees & Charges £
<u>Cemetery & Crematorium Continued:</u>					
Removal & Re-fix of Memorials:					
- For removal and re-fix of memorials	d	Per Memorial	D	Cost + 10%	Cost + 10%
Memorials					
For the right to erect:					
- A headstone not exceeding 3ft	c	Per Memorial	D	70.50	74.00
- A headstone on Foundation	c	Per Memorial	D	128.75	134.00
- Kerbings on permitted graves	c	Per Memorial	D	62.00	65.00
- For each extra inscription (Inc. VAT)	a	Per Inscription	D	30.00	32.00
Cremations:					
For the cremation:					
- Of the body of a stillborn child or of a child whose age at the time of death exceeded one month but did not exceed 17 years.	c	Per Cremation	D	0.00	0.00
- Of the body of a person whose age at the time of death exceeded 17 years	c	Per Cremation	D	600.00	625.00
- Early morning & adult simplicity cremations by appointment with the Crematorium Registrar	c	Per Cremation	D	410.00	420.00
- Saturday morning service traditional cremations	c	Per Cremation	D	900.00	937.50
Memorial Wall Plaques:					
- Single wall plaque including inscription to 70 characters.	a	Per Plaque	D	208.50	217.00
- Double wall plaque including 2 inscriptions to 140 characters.	a	Per Plaque	D	417.00	434.00
- Double wall plaque including reserved section to 70 characters.	a	Per Plaque	D	307.00	319.50
- Second inscription on existing plaque	a	Per Plaque	D	110.00	114.50

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Appendix J

	VAT Code	Unit Of Charge	Variable Charge Discretionary (D) Prescribed (P)	Approved 2015/16 Fees & Charges £	Proposed 2016/17 Fees & Charges £
Cremations Continued:					
Memorial Niche:					
- For a purchase of a new niche to include interment of first casket.	c	Per Niche	D	360.00	375.00
- For the purchase of a refurbished niche to include first casket.	c	Per Niche	D	206.00	215.00
- For the interment of a second casket in an existing niche.	c	Per Internment	D	46.50	48.00
- Single inscription on niche cover	a	Per Inscription	D	90.00	93.00
Extra Letters on Existing Memorial Stone:					
- Extra Lettering on existing kerbstones	a	Per Inscription	D	110.00	114.50
- For cleaning and re-blackening original inscription (per section)	a	Per Section	D	45.00	47.00
- For other types of memorial works	a	Per Occasion	D	Cost + 50%	Cost + 50%
Book of Remembrance:					
- For a two line entry	a	Per entry	D	42.25	44.00
- For an entry up to five lines	a	Per entry	D	84.50	88.00
- For an entry up to eight lines	a	Per entry	D	126.75	132.00
- For an entry up to five lines to include a floral emblem, badge, crest or other design	a	Per entry	D	149.00	155.00
- For an entry up to eight lines to include a floral emblem, badge, crest or other design	a	Per entry	D	193.50	199.00
Copies of Book Entries on Folded Memorial Card:					
- For a two line entry	a	Per Card	D	27.30	28.50
- For an entry up to five lines	a	Per Card	D	40.20	42.00
- For an entry up to eight lines	a	Per Card	D	66.00	68.50
- For an entry up to five lines to include a floral emblem, badge, crest, or other design	a	Per Card	D	108.00	112.00
- For an entry up to eight lines to include a floral emblem, badge, crest, or other design	a	Per Card	D	134.00	139.50

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Appendix J

	VAT Code	Unit Of Charge	Variable Charge Discretionary (D) Prescribed (P)	Approved 2015/16 Fees & Charges £	Proposed 2016/17 Fees & Charges £
Resources					
<u>Private Sector Housing</u>					
- Enforcement Notice (Housing Act 204)	d	Per Notice	D	375.00	419.00
- HMO Licence (Housing Act 204)	d	Per Application	D	800.00	919.00
- HMO Licence Renewal (Housing Act 2004)	d	Per Application	D	300.00	303.00
- Immigration housing inspection	d	Per Inspection	D	65.00	130.00
<u>Environmental Health, Rodent & Pest Control Charges</u>					
Domestic Premises:					
- Rodents and insects which present a risk to public health: (Mice, Rats, Cockroaches and bed bugs). (The fee includes up to 2 revisits if needed.)	a	Up to 3 visits	D	40.00	45.00
- Pests (Excluding Wasps) which do not present a risk to public health. (The fee is per treatment although includes a revisit within 1 month if needed.)	a	Per Treatment	D	67.00	70.00
- Pests (Including Wasps) which do not present a risk to public health (The Fee is per treatment although includes a revisit within 1 month if needed.)	a	Per Treatment	D	60.00	65.00
Call out fee – if Officer visits but no treatment required	a	Per Visit	D	20.00	20.00
Non Domestic Premises:					
All Pests					
- Call out and treatment minimum charge	a	Per Visit	D	85.00	90.00
- Subsequent visits	a	Per Visit	D	42.00	45.00
- Advisory visit to customers premises	a	Per Visit	D	20.00	20.00
- Contract Work		Individual Price Per Contract		Individual Price Per Contract	
- Moles – Up to 3 visits (Domestic and non-domestic)	a	Per Treatment	D	55.00	60.00
- Subsequent visits	a	Per Additional Visit	D	28.00	30.00

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Proposed Fees and Charges 2016/17

Appendix J

	VAT Code	Unit Of Charge	Variable Charge Discretionary (D) Prescribed (P)	Approved 2015/16 Fees & Charges £	Proposed 2016/17 Fees & Charges £
Drainage Services					
- Clearance of blocked drain	a	Per Clearance	D	110.00	110.00
- CCTV drain investigation	a	Per investigations	D	110.00	110.00
- Combined clearance and CCTV investigation	a	Per Clearance / Investigation	D	210.00	210.00
Removal of Illegal Traveller Encampments:					
- Work associated with illegal encampments up to removal order stage	a	Per Encampment	D	330.00	350.00
- Should the encampment remain, then work associated with execution of removal order – per hour	a	Per hour	D	110.00	120.00
- Legal costs and removal to be charged in addition to the above		Per Encampment	D	At Cost	At Cost
Air Pollution Control (Environment Protection Act 1990) – Fees are set by Statute					
Application Fees:					
- Standard Process	d	Per Application	P	1,579.00	1579.00
- Additional fee for the operating without a permit	d	Per Application	P	1,137.00	1137.00
- Reduced fee activities: Service Stations, Vehicle Refinishers, Dry Cleaners and Small Waste Oil Burners under 0.4MW	d	Per Application	P	148.00	148.00
- PVR I & II	d	Per Application	P	246.00	246.00
- Vehicle Refinishers	d	Per Application	P	346.00	346.00
- Reduced Fee activities: Additional Fee for operating without a permit	d	Per Application	P	68.00	68.00
- Mobile Screening & Crushing Plants	d	Per Application	P	1,579.00	1579.00
- For 3 rd to 7 th applications	d	Per Application	P	943.00	943.00
- For 8 th and subsequent applications	d	Per Application	P	477.00	477.00
Note: Where the application for any of the above is for combined Part B and waste application add £297 to the amounts above.					

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Proposed Fees and Charges 2016/17

Appendix J

	VAT Code	Unit Of Charge	Variable Charge Discretionary (D) Prescribed (P)	Approved 2015/16 Fees & Charges £	Proposed 2016/17 Fees & Charges £
Annual Subsistence Charge:					
- Standard Process LOW risk	d	Per Process	P	739 (+99)*	739 (+99)*
- Standard LOW risk (including £36 fee for payment by instalments)	d	Per Process	P	775 (+99)*	775 (+99)*
- Standard Process MEDIUM risk	d	Per Process	P	1,111 (+149)*	1,111 (+149)*
- Standard Process MEDIUM risk (including £36 fee for payments by instalments)	d	Per Process	P	1,147 (+149)*	1,147 (+149)*
- Standard Process HIGH risk	d	Per Process	P	1,672 (+198)*	1,672 (+198)*
- Standard Process HIGH risk (including £36 fee for payment by instalments)	d	Per Process	P	1,708 (+198)	1,708 (+198)
*Note: Additional amount in brackets is charge where permit is for combined Part B and waste installation. Where a Part B installation is subject to reporting under the E-PRTR add an extra £99 to the above amounts					
- Reduced fee activities: LOW risk	d	Per Process	P	76.00	76.00
- Reduced fee activities: LOW risk (including £36 fee for payment by instalments)	d	Per Process	P	112.00	112.00
- Reduced fee activities: MEDIUM risk	d	Per Process	P	151.00	151.00
- Reduced fee activities: MEDIUM risk (including £36 fee for payment by instalments)	d	Per Process	P	187.00	187.00
- Reduced fee activities: HIGH risk	d	Per Process	P	227.00	227.00
- Reduced fee activities: HIGH risk (Including £36 fee for payment by instalments)	d	Per Process	P	450.00	450.00
- PVR I & II combined LOW risk	d	Per Process	P	108.00	108.00
- PVR I & II combined LOW risk (including £36 fee for payment by instalments)	d	Per Process	P	144.00	144.00
- PVR I & II combined MEDIUM risk	d	Per Process	P	216.00	216.00
- PVR I & II combined MEDIUM risk (including £36 fee for payment by instalments)	d	Per Process	P	252.00	252.00
- PVR I & II combined HIGH risk	d	Per Process	P	326.00	326.00
- PVR I & II combined HIGH risk (including £36 fee for payment by instalments)	d	Per Process	P	362.00	362.00

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Appendix J

	VAT Code	Unit Of Charge	Variable Charge Discretionary (D) Prescribed (P)	Approved 2015/16 Fees & Charges £	Proposed 2016/17 Fees & Charges £
- Vehicle Refinishers LOW risk	d	Per Process	P	218.00	218.00
- Vehicle Refinishers LOW risk (including £36 fee for payment by instalments)	d	Per Process	P	254.00	254.00
- Vehicle Refinishers MEDIUM risk	d	Per Process	P	349.00	349.00
- Vehicle Refinishers MEDIUM risk (including £36 fee for payment by instalments)	d	Per Process	P	385.00	385.00
- Vehicle Refinishers HIGH risk	d	Per Process	P	524.00	524.00
- Vehicle Refinishers HIGH risk (including £36 fee for payment by instalments)	d	Per Process	P	560.00	560.00
- Mobile Screen & Crushing Plants LOW risk	d	Per Process	P	618.00	618.00
- Mobile Screen & Crushing Plants LOW risk (including £36 fee for payment by instalments)	d	Per Process	P	1,025.00	1,025.00
- Mobile Screen & Crushing Plants MEDIUM	d	Per Process	P	654.00	654.00
- Mobile Screen & Crushing Plants MEDIUM risk (including £36 fee for payment by instalments)	d	Per Process	P	1,484.00	1,484.00
- Mobile Screen & Crushing Plants HIGH	d	Per Process	P	989.00	989.00
- Mobile Screen & Crushing Plants HIGH risk (including £36 fee for payment by instalments)	d	Per Process	P	1,520.00	1,520.00
For 3rd to 7th Authorisations					
- Mobile Screening & Crushing Plants LOW risk	d	Per Process	P	368.00	368.00
- Mobile Screening & Crushing Plants MEDIUM risk	d	Per Process	P	590.00	590.00
- Mobile Screening & Crushing Plants HIGH risk	d	Per Process	P	884.00	884.00
For 3rd to 7th Authorisations (Including £36 fee for payment by instalments)					
- Mobile Screening & Crushing Plants LOW risk (including £36 fee for payment by instalments)	d	Per Process	P	404.00	404.00
- Mobile Screening & Crushing Plants MEDIUM risk (including £36 fee for payment by instalments)	d	Per Process	P	626.00	626.00
- Mobile Screening & Crushing Plants HIGH risk (including £36 fee for payment by instalments)	d	Per Process	P	920.00	920.00

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For 8th and subsequent Authorisations					
- Mobile Screening & Crushing Plants LOW risk	d	Per Process	P	189.00	189.00
- Mobile Screening & Crushing Plants MEDIUM risk	d	Per Process	P	302.00	302.00
- Mobile Screening & Crushing Plants HIGH risk	d	Per Process	P	453.00	453.00
For 8th and Subsequent Authorisations (Including £36 fee for payment by instalments)					
- Mobile Screening & Crushing Plants LOW risk (including £36 fee for payment by instalments)	d	Per Process	P	225.00	225.00
- Mobile Screening & Crushing Plants MEDIUM risk (including £36 fee for payment by instalments)	d	Per Process	P	338.00	338.00
- Mobile Screening & Crushing Plants HIGH risk (including £36 fee for payment by instalments)	d	Per Process	P	489.00	489.00
Transfer & Surrender:					
- Standard Process Transfer	d	Per Process	P	162.00	162.00
- Standard Process Partial Transfer	d	Per Process	P	476.00	476.00
- New Operator at Low Risk reduced fee activity	d	Per Process	P	75.00	75.00
- Surrender (all Part B activities)	d	Per Process	P	0.00	0.00
- Reduced fee activities: Transfer	d	Per Process	P	0.00	0.00
- Reduced fee activities: Partial Transfer	d	Per Process	P	45.00	45.00
Temporary Transfer for mobile					
- First Transfer	d	Per Process	P	51.00	51.00
- Repeat Transfer following enforcement or warning	d	Per Process	P	51.00	51.00
Substantial Changes (s10 & s11):					
- Standard Process	d	Per Process	P	1,005.00	1,005.00
- Standard Process where substantial change results in a new PPC activity	d	Per Process	P	1,579.00	1,579.00
- Reduced Fee activities	d	Per Process	P	98.00	98.00
Note: All the prescribed licensing fees above are awaiting DEFRA notification of the new prescribed charges for 2016/17					

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	VAT Code	Unit Of Charge	Variable Charge Discretionary (D) Prescribed (P)	Approved 2015/16 Fees & Charges £	Proposed 2016/17 Fees & Charges £
List of Authorised Processes:					
- Commercial Interest	a	Per Property / Site Per Hour	D	75.00	75.00
- Fylde Residents / Students (Academic Research)	d	Per Property / Site Per Hour	D	Free	Free
Public Register Entries:					
- Commercial Interest – per hour	a	Per Property / Site Per Hour	D	110.00	110.00
- Fylde Residents / students (Academic Research)	d	Per Property / Site Per Hour	D	Free	Free
Contaminated Land Enquiries:					
- Contaminated Land Enquiries: Desk top study – records /search and basic written response where no more than one site identified - per hour	a	Per Property / Site Per Hour	D	110.00	110.00
- Contaminated Land Enquiries: Where in addition to above, basic written response detailed landfill gas or chemical data is requested or the enquiry covers more than one site.	d	Per Property / Site Per Hour	D	Individual Costs to be negotiated	Individual Costs to be negotiated
Other Environmental Information:					
- Commercial Interest – Per Hour	a	Per Hour	D	110.00	110.00
- Fylde Residents / Students (Academic Research)	d	Per Session	D	Free	Free
Street Trading Consents:					
- Class 1: Commercial – Annual	d	Per Application	D	440.00	440.00
- Class 1: Commercial – Renewal	d	Per Application	D	410.00	410.00
- Class 2 : Charitable Organisations (no more than one day duration)	d	Per Application	D	0.00	0.00
Volunteer Surrender of food:					
- Documentation / Certification (Per Hour – minimum 1 hour)	d	Per Application	D	105.00	105.00
Export Certificates:					
- Export Certificate	d	Per Certificate	D	60.00	60.00
Water Sampling:					
- Swimming baths etc. per hour	d	Per Sample	D	-	-
- Analysis Costs	d	Per Sample	D	-	-

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	VAT Code	Unit Of Charge	Variable Charge Discretionary (D) Prescribed (P)	Approved 2015/16 Fees & Charges £	Proposed 2016/17 Fees & Charges £
General Fees & Charges:					
- Work carried out in default of a notice (Initial Costs)	a	Per Investigation	D	110.00	120.00
- Plus cost per premises / Site Visit	a	Per Site / Premises	D	60.00	65.00
Private Water Supplies Regulations 2009					
- Risk Assessment	a	Per Assessment	P	500.00 (MAX)	500.00 (MAX)
- Sampling	a	Each Visit	P	100.00 (MAX)	100.00 (MAX)
- Investigation	a	Each Investigation	P	100.00 (MAX)	100.00 (MAX)
- Granting an authorisation	a	Each Authorisation	P	100.00 (MAX)	100.00 (MAX)
- Analysing a sample (reg 10)	a	Each Sample	P	25.00 (Max)	25.00 (Max)
- Analysing a sample taken during check monitoring	a	Each Sample	P	100.00 (Max)	100.00 (Max)
- Analysing a sample taken during audit monitoring	a	Each Sample	P	500.00 (Max)	500.00 (Max)

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Licenses					
Site Licensing Fees – The Mobiles Homes Act 2013:					
- New Site Application	d	Per Application	D	320.00	320.00
- Transfer Existing Site Licence	d	Per Application	D	190.00	190.00
- Alteration of Conditions	d	Per Application	D	375.00	375.00
- Depositing Site Rules	d	Per Application	D	80.00	80.00
- Annual Licence Fee – Per Site	d	Per Site	D	250.00	250.00
- Annual Licence Fee - Pitch Fee	d	Per Pitch	D	5.00	5.00
Street Café:					
- Grant	d	Per Application	D	300.00	300.00
- Renewal	d	Per Application	D	220.00	220.00
Sex Shop:					
- Grant	d	Per Application	D	1,640.00	1,640.00
Public/Private Hire:					
- Vehicle	d	Per Application	D	180.00	180.00
- Hackney Carriage Vehicle Licences	d	Per Application	D	180.00	180.00
- Hackney Carriage Drivers Licences	d	Per Application	D	90.00	90.00

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Plate Charges					
- Full Set	d	Per Application	D	18.50	18.50
- Rear Plate & Mount	d	Per Application	D	10.25	10.25
- Rear Plate Only	d	Per Application	D	5.00	5.00
- Rear Mount Only	d	Per Application	D	5.25	5.25
- Front Plate & Mount	d	Per Application	D	5.25	5.25
- Front Plate Only	d	Per Application	D	2.50	2.50
- Front Mount Only	d	Per Application	D	2.75	2.75
- Button & Keys	d	Per Application	D	1.25	1.25
- Pouch	d	Per Application	D	1.25	1.25
- Private Hire Door Stickers	d	Per Pair	D	6.15	6.15
Drivers					
- New (annual)	d	Per Application	D	90.00	90.00
- New (3 yearly)	d	Per Application	D	-	225.00
- Private Hire Operators 1-5 Vehicles (5 yearly)	d	Per Application	D	-	300.00
- Private Hire Operators 6-10 Vehicles (5 yearly)	d	Per Application	D	-	320.00
- Private Hire Operators 11 Vehicles (5 yearly)	d	Per Application	D	-	345.00
- Replacement Driver Badges	d	Per Application	D	10.50	10.50
- Driver Licence Renewals (Private Hire or Hackney)	d	Per Application	D	75.00	75.00
- Driver Licence Renewals (Private Hire or Hackney 3 yearly)	d	Per Application	D	-	175.00
- Drivers Combined New	d	Per Application	D	125.00	125.00
- Drivers Combined New (3 yearly)	d	Per Application	D	-	225.00

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- Driver Combined Existing	d	Per Application	D	80.00	80.00
- Driver Combined Existing (3 yearly)	d	Per Application	D	-	175.00
- Transfer Licence Fee	d	Per Application	D	35.25	35.25
Notes: We do not issue refunds with respect to Taxi/PHV Licences					
- Fare Cards	d	Per Application	D	2.60	2.60
- Knowledge Test	d	Per Test	D	18.20	18.20
Licensing & Registration:					
- Animal Boarding Establishment	d	Per Application	D	125.00	125.00
- Dog Breeding Establishment Licence	d	Per Application	D	125.00	125.00
- Dangerous Wild animal Licence	d	Per Application	D	220.00	220.00
- Pet Shop Licence	d	Per Application	D	125.00	125.00
- Riding Establishment Licence	d	Per Application	D	220.00	220.00
- Riding Establishment Licence Renewal	d	Per Application	D	195.00	195.00
- Scrap Metal Collectors	d	Per Application	D	505.00	330.00
- Scrap Metal Site	d	Per Application	D	645.00	335.00
- Second Hand Dealer Registration	d	Per Application	D	120.00	120.00
- Skin Piercing Registration – Premises	d	Per Application	D	160.00	160.00
- Skin Piercing Registration - Persons	d	Per Application	D	160.00	160.00
Notes: Skin piercers include acupuncturists, tattooists, ear piercers and electrologists'. Both skin piercers and their premises have to be registered with an Authority. Normally there is one registered proprietor for each premises, although there may be a number of practitioners. Each and every additional practitioner will be required to register.					

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General: Alterations or additions to the above licences, registrations and consents, which result in the need to visit premises and issue documentation will be charged at half the standard fee. - Many of the Licences are issued from the 1st January each year. Where application is made part way through a year, 1/12 of the standard fee will be charged for each full month remaining plus an administration fee of £54.00 - Where a licence is surrendered part way through a year a 1/12 refund of the standard fee will be charged for each full calendar month remaining, less an administration fee of £54.00 - Licence fee levels for 2016/17 have been assessed to ensure the fee equates to no more than the cost of providing the licence.					
<u>Gambling Act 2005 – Premises Licence Fees</u>					
Casino Premises Licence:					
- Annual Fee	d	Per Application	D to P max	260.00	260.00
- Variation Fee	d	Per Application	D to P max	185.00	185.00
- Transfer Fee	d	Per Application	D to P max	150.00	150.00
- Reinstatement of Licence	d	Per Application	D to P max	150.00	150.00
Bingo Premises Licence:					
- New Application	d	Per Application	D to P max	190.00	190.00
- Annual Fee	d	Per Application	D to P max	235.00	235.00
- Provisional Statement Fee	d	Per Application	D to P max	150.00	150.00
- Premises Licence fee holder of provisional statements	d	Per Application	D to P max	30.00	30.00
- Variation Fee	d	Per Application	D to P max	180.00	180.00
- Transfer Fee	d	Per Application	D to P max	150.00	150.00
- Reinstatement of Licence	d	Per Application	D to P max	150.00	150.00

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Bingo Premises (Other) Licence:					
- New Application	d	Per Application	D to P max	185.00	185.00
- Annual Fee	d	Per Application	D to P max	235.00	235.00
- Provisional Statement Fee	d	Per Application	D to P max	150.00	150.00
- Provisional Licence fee for holders of provisional statements	d	Per Application	D to P max	30.00	30.00
- Variation Fee	d	Per Application	D to P max	185.00	185.00
- Transfer Fee	d	Per Application	D to P max	150.00	150.00
- Reinstatement of Licence	d	Per Application	D to P max	150.00	150.00
Adult Gaming Centre Premises Licences:					
- New Application	d	Per Application	D to P max	190.00	190.00
- Annual Fee	d	Per Application	D to P max	235.00	235.00
- Provisional Statement Fee	d	Per Application	D to P max	150.00	150.00
- Premises Licence fee for holders of provisional statements	d	Per Application	D to P max	30.00	30.00
- Variation Fee	d	Per Application	D to P max	185.00	185.00
- Transfer Fee	d	Per Application	D to P max	150.00	150.00
- Reinstatement of Licence	d	Per Application	D to P max	150.00	150.00
Family Entertainment Centre Premises Licence:					
- New Application	d	Per Application	D to P max	190.00	190.00
- Annual Fee	d	Per Application	D to P max	235.00	235.00

VAT Codes:

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

Proposed Fees and Charges 2016/17

Appendix J

	VAT Code	Unit Of Charge	Variable Charge Discretionary (D) Prescribed (P)	Approved 2015/16 Fees & Charges £	Proposed 2016/17 Fees & Charges £
Family Entertainment Centre Premises Licence Continued:					
- Provisional Statement Fee	d	Per Application	D to P max	150.00	150.00
- Premises Licence fee for holders of provisional Statement	d	Per Application	D to P max	30.00	30.00
- Variation Fee	d	Per Application	D to P max	185.00	185.00
- Transfer Fee	d	Per Application	D to P max	150.00	150.00
- Reinstatement of Licence	d	Per Application	D to P max	150.00	150.00
Tracks:					
- New Application	d	Per Application	D to P max	190.00	190.00
- Annual Fee	d	Per Application	D to P max	235.00	235.00
- Provisional Statement fee	d	Per Application	D to P max	150.00	150.00
- Premises licence fee for holder of provisional Statement	d	Per Application	D to P max	30.00	30.00
- Variation Fee	d	Per Application	D to P max	185.00	185.00
- Transfer Fee	d	Per Application	D to P max	140.00	140.00
- Reinstatement of licence	d	Per Application	D to P max	150.00	150.00
- Fee for notification of change of circumstance	d	Per Application	P	50.00	50.00
- Fee for copy of licence	d	Per Application	P	25.00	25.00

VAT Codes:

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

Proposed Fees and Charges 2016/17

Appendix J

	VAT Code	Unit Of Charge	Variable Charge Discretionary (D) Prescribed (P)	Approved 2015/16 Fees & Charges £	Proposed 2016/17 Fees & Charges £
Licensing Act Charges					
Licensed Premises Fees:					
Non-Domestic Rateable Value					
Application / Initial Fee					
Band A: 0 - 4300	d	Per Application	P	100.00	100.00
Band B: 4301 - 3300	d	Per Application	P	190.00	190.00
Band C: 33001 - 87000	d	Per Application	P	315.00	315.00
Band D: 87001 - 125000	d	Per Application	P	450.00	450.00
Band E: 125001 and Over	d	Per Application	P	635.00	635.00
Annual / Renewal Charge					
Band A: 0 - 4300	d	Per Application	P	70.00	70.00
Band B: 4301 - 3300	d	Per Application	P	180.00	180.00
Band C: 33001 - 87000	d	Per Application	P	295.00	295.00
Band D: 87001 - 125000	d	Per Application	P	320.00	320.00
Band E: 125001 and Over	d	Per Application	P	350.00	350.00
Note:					
Where the premises are in Band D or Band E, and where the primary or exclusive function is to supply alcohol for consumption on the premises the fees will be as follows.					
Annual / Renewal Charge					
Band D: 87001 - 125000	d	Per Application	P	640.00	640.00
Band E: 125000 and Over	d	Per Application	P	1,050.00	1,050.00
Personal Licence: Renewable after 10 years	d	Per Application	P	37.00	37.00

VAT Codes:

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

Proposed Fees and Charges 2016/17

Appendix J

	VAT Code	Unit Of Charge	Variable Charge Discretionary (D) Prescribed (P)	<u>Approved</u> 2015/16 Fees & Charges £	Proposed 2016/17 Fees & Charges £
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Other Fees & Charges:					
Application for copy of licence or summary on theft, loss etc. of premises licence or summary	d	Per Application	P	10.50	10.50
Notification of Change of name or address (holder of premises licence)	d	Per Application	P	10.50	10.50
Application to vary to specify individual as premises supervisor	d	Per Application	P	10.50	10.50
Application to transfer premises licence	d	Per Application	P	23.00	23.00
Interim authority notice	d	Per Application	P	23.00	23.00
Application for making a provisional licence	d	Per Application	P	23.00	23.00
Application for a copy certificate or summary on theft, loss of certificate or summary	d	Per Application	P	315.00	315.00
Notification of change of name or alteration of club rules	d	Per Application	P	10.50	10.50
Change of relevant registered address of club	d	Per Application	P	10.50	10.50
Temporary event notices	d	Per Application	P	10.50	10.50
Application of copy of notice on theft, loss etc. of temporary event notice	d	Per Application	P	21.00	21.00
Application for copy of licence on theft, loss etc. of personal licence	d	Per Application	P	10.50	10.50
Notification of change of name or address (personal licence)	d	Per Application	P	10.50	10.50
Notice of interest in any premises	d	Per Application	P	21.00	21.00
Note: All the prescribed Licensing Act 2003 fees are currently prescribed in regulations to the act. New legislation is anticipated whereby such fees shall be locally set but the date for this currently unknown.					

VAT Codes:

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

Proposed Fees and Charges 2016/17

Appendix J

	VAT Code	Unit Of Charge	Variable Charge Discretionary (D) Prescribed (P)	Approved 2015/16 Fees & Charges £	Proposed 2016/17 Fees & Charges £
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<u>FINANCE AND DEMOCRACY COMMITTEE</u>					
<u>Revenues & Benefits Service</u>					
Council Tax Administration					
Recovery of admin costs in issuing summonses & liability orders	d	Each	D	75.00	75.00
Business Rates (NNDR) Administration					
Recovery of admin costs in issuing summonses & liability orders	d	Each	D	75.00	75.00
<u>Electoral Services</u>					
Register of Electors					
Sale of copies :- (a) Data Format	d	Each	P	20.00 plus £1.50 per 1000 names (or part)	20.00 plus £1.50 per 1000 names (or part)
(b) Printed Format	d	Each	P	10.00 plus £5.50 per 1000 names (or part)	10.00 plus £5.50 per 1000 names (or part)
Price of a copy of return or declaration of election expenses (or accompanying document)	d	Each side	P	0.20	0.20
Sale of marked copies of Register	d	Each	P	10.00 plus £2.00 per 1000 names (or part)	10.00 plus £2.00 per 1000 names (or part)

VAT Codes:

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

Treasury Management Policy Statement

Fylde Borough Council defines its treasury management activities as:

The management of the Council's cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities, and the pursuit of optimum performance consistent with those risks.

The Council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the organisation.

The Council acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving best value in treasury management, and to employing suitable performance measurement techniques, within the context of effective risk management.

The Council will create and maintain, as the cornerstones for effective treasury management:

- A treasury management policy statement, stating the policies, objectives and approach to risk management of its treasury management activities;
- Suitable treasury management practices, setting out the manner in which the Council will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities.

Council Members will receive reports on its treasury management policies, practices and activities, including as a minimum, an annual strategy and plan in advance of the year, a mid-year review and an annual report after the close of the financial year.

The Council delegates responsibility for the implementation and monitoring of its treasury management policies and practices and the execution and administration of treasury management decisions to the Chief Financial Officer (who is also the Section 151 Officer), who will act in accordance with the Council's policy statement and treasury management practices and CIPFA's Standard of Professional Practice on Treasury Management.

Under revised governance arrangements which apply from May 2015 the Council has nominated the Audit and Standards Committee to be responsible for ensuring effective scrutiny of the treasury management strategy and policies.

Treasury Management Strategy and Prudential Indicators 2016/17 to 2018/19

1. Introduction

- 1.1 The Local Government Act 2003 requires the Council to adopt the CIPFA Prudential Code and produce Prudential Indicators. This report updates existing approved indicators and introduces indicators for an additional year to 2018/19.
- 1.2 The Council is required to receive and approve the Treasury Management Strategy including the Investment Strategy before the start of each financial year. The treasury management function includes responsibility to ensure that the Council's cash is organised in accordance with the relevant professional codes and that sufficient cash is available to meet the capital plans. This will involve both the organisation of the cash flow and, where capital plans require, the organisation of appropriate borrowing facilities. The Strategy includes the relevant treasury and prudential indicators, the current and projected debt position and the annual borrowing and investment strategy.
- 1.3 The Audit Committee considered the Council's Mid-Year Prudential Indicators and Treasury Management monitoring report for 2015/16 on 26th November 2015. The Council also considered the Mid-Year Prudential Indicators and Treasury Management monitoring report 2015/16 at the meeting of 14th December 2015 and approved the revised Prudential Indicators and Limits as detailed within the report.
- 1.4 The Council's capital expenditure plans are a key driver of treasury management activity and are summarised in Appendix G.
- 1.5 In the highly unlikely event of it being necessary, due to unprecedented external circumstances occurring during the year, the Council will consider updating the Treasury Management Strategy as appropriate. If these circumstances arise a revised Treasury Management Strategy will be prepared and presented for approval at the next available Council meeting. Otherwise the Strategy will be updated annually for approval at Budget Council.

2. Economic Background

- 2.1 Domestic demand has grown robustly, supported by sustained real income growth and a gradual decline in private sector savings. Low oil and commodity prices were a notable feature of 2015, and contributed to annual CPI inflation falling to 0.1% in October. Wages are growing at 3% a year, and the unemployment rate has dropped to 5.4%. Mortgage approvals have risen to over 70,000 a month and annual house price growth is around 3.5%. These factors have boosted consumer confidence, helping to underpin retail spending and hence GDP growth, which was 1.9% (year on year) in the fourth quarter of 2015.
- 2.2 The Authority's Treasury Advisor's, Arlingclose, forecast the first rise in Bank Rate to be during the quarter ending September 2016 (see Table 1) and a gradual pace of increases thereafter.

Table 1 Arlingclose Interest Rate Forecast

Quarter Ending	Bank Rate %	Investment Rates		Borrowing Rates		
		3 month %	1 year %	5 year %	20 year %	50 year %
Mar 2016	0.50	0.60	1.20	2.10	3.30	3.30
Jun 2016	0.50	0.70	1.35	2.18	3.33	3.35
Sep 2016	0.75	0.80	1.45	2.25	3.35	3.40
Dec 2016	0.75	0.95	1.55	2.33	3.38	3.43
Mar 2017	1.00	1.05	1.70	2.40	3.40	3.45
Jun 2017	1.00	1.15	1.80	2.48	3.43	3.48
Sep 2017	1.25	1.30	1.95	2.55	3.45	3.50
Dec 2017	1.25	1.40	2.00	2.63	3.48	3.53
Mar 2018	1.50	1.50	2.10	2.70	3.50	3.55
Jun 2018	1.50	1.60	2.15	2.78	3.53	3.58
Sep 2018	1.50	1.65	2.15	2.85	3.55	3.60
Dec 2018	1.50	1.70	2.15	2.93	3.58	3.63
Mar 2019	1.50	1.75	2.15	3.00	3.60	3.65

3. Treasury Balances Forecast

3.1 At the 31st March 2016, the Authority is forecast to have £2.3m of borrowing and £12.3m of investments. The forecast changes to these balances are shown in Table 2 below.

Table 2 Treasury Balances Forecast

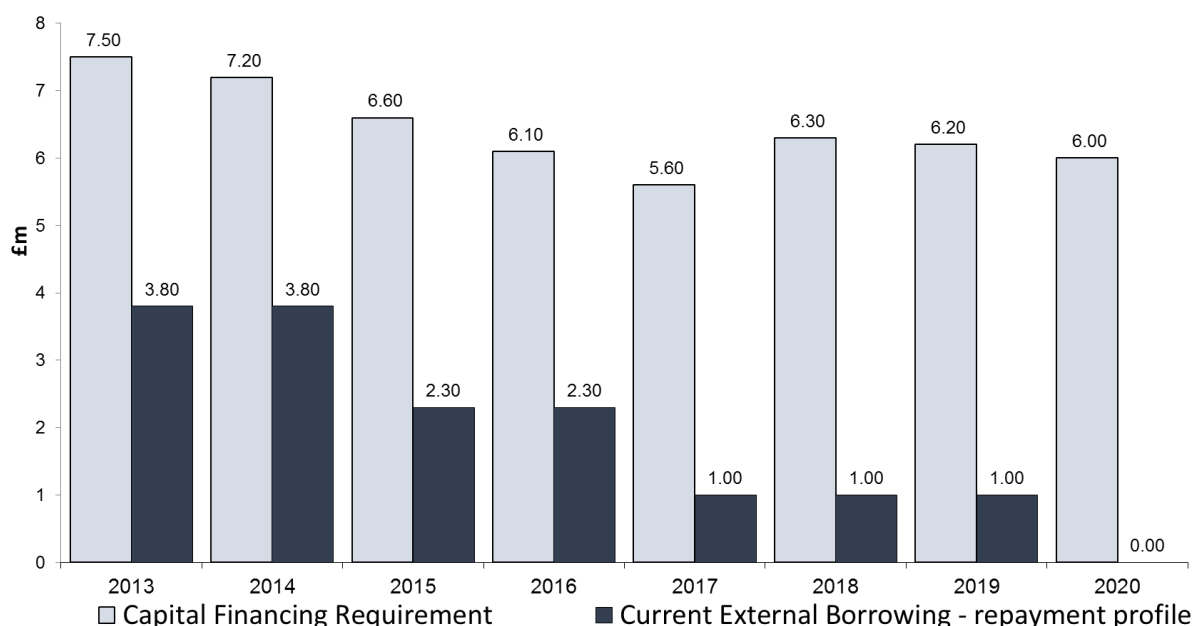
	31.03.16 Forecast £M	31.03.17 Forecast £M	31.03.18 Forecast £M	31.03.19 Forecast £M	31.03.20 Forecast £M	Notes
- Capital Financing Requirement (CFR)	6.1	5.6	6.3	6.2	6.0	1
- Less: Long Term Borrowing already taken	(2.3)	(1.0)	(1.0)	(1.0)	-	2
- Cumulative Borrowing Requirement	3.8	4.6	5.3	5.2	6.0	3
- Useable Reserves and Provisions at 31 st March	10.5	10.2	10.2	8.9	8.3	4
- Working Capital	5.6					5
- Less: Internal Borrowing	(3.8)	(0.8)	(0.7)	0	(0.9)	6
- Cash available for Investments	12.3	9.4	9.5	8.9	7.4	7

Notes to Table 2

1. The CFR is the amount the Council needs to borrow for a capital purpose. The CFR increases when Prudential Borrowing is used to finance the capital programme.
2. This is the balance of existing debt that the Council is forecast to hold at the end of each year taking account of scheduled repayments throughout the period shown.
3. This is the cumulative amount of new borrowing that is required to finance the Capital Programme. The timing of new borrowing is determined in part by the amount of Internal Borrowing. Internal Borrowing occurs when the Council temporarily uses its own cash resources to finance capital expenditure rather than arranging new external borrowing. This is a prudent approach when investment returns are low and counterparty risk is high.
4. This represents the amount of usable reserves, balances and provisions which are available to the Council. The forecast changes to the amount of usable reserves and provisions are determined by the drawdown of reserves, balances and provisions as estimated in the Medium Term Financial Strategy 2015/16 to 2019/20 and the Capital Programme.
5. Working Capital is a temporary surplus in day to day cash.
6. Internal Borrowing occurs when the Authority temporarily uses its own cash resources to finance capital expenditure rather than new external borrowing. This is a prudent approach when investment returns are low.
7. This is the forecast amount of funds available for investment after allowing for the funding of Internal Borrowing.

- 3.2 No additional external borrowing was undertaken during the year. The total actual borrowing at the 31st March 2016 is £2.3M. The Graph below shows the Capital Financing Requirement and Actual Borrowing at the 31st March 2013 to 31st March 2020.

Capital Financing Requirement and Actual Borrowing (£M): as at 31st March



3.3 CIPFA's Prudential Code for Capital Finance in Local Authorities recommends that the Council's total debt should be lower than its highest forecast CFR over the next three years. Table 2 shows that the Council expects to comply with this recommendation.

3.4 The budget for interest on investment income in 2016/17 is £71k. The budget for interest payable on external debt for 2016/17 is £49k (of this, £49k relates to existing debt based on an average interest rate of 3.37%).

4. Investment Strategy

4.1 Both the CIPFA Code and the Communities and Local Government Guidance require the Council to invest its funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return. Therefore the primary principle governing the Council's investment policy is the security of its investments, although the return on the investment is also a consideration. The Council will also ensure that:

- A counterparty list is maintained in compliance with the counterparty criteria and limits and is set out in Table 3. The Council receives credit rating advice from its Treasury advisors as and when ratings change and the Council's list of counterparties is updated immediately.
- It maintains a policy covering the categories of investment types it will invest in, criteria for choosing investment counterparties with adequate security, and will adopt adequate procedures for the monitoring the security of all investments. This is set out in the Specified and Non-Specified investment sections below and the limits are set out in Tables 3 and 4.
- It has sufficient liquidity in its investments. It will determine the maximum periods for which funds may be prudently committed.

- 4.2 The Council's level of cash fluctuates throughout the year depending upon the timing of high-value transactions including council tax and non-domestic rates income and payments to preceptors and suppliers. The Council may invest its surplus funds with any of the counterparties in Table 3 below, subject to the cash and time limits shown.

Table 3: Approved Investment Counterparties and Limits

Investment Type (Note 1)	Banks Unsecured (Note 2)	Banks Secured (Note 3)	Government (Note 4)
UK Government (Gilts & Debt Management Office)	n/a	n/a	£ Unlimited for up to 5 years
UK Treasury Bills	n/a	n/a	£8m in total for up to 1 year
UK Local Authorities	n/a	n/a	£5m each for up to 5 years
Institutions Rated A- (or above)	£2m each for up to 6 months	£3m each for up to 1 year	N/A
Institutions Rated BBB+	£1m for up to 3 months	£2m for up to 6 months	N/A
	Up to a maximum of £8m in total		
UK Unrated Building Societies (Note 5)	£1m each (up to a maximum of £2m in total) for up to 3 months		
Money Market Funds (Note 6)	£2m per Fund (up to a maximum of £9m in total)		
Cash Plus Funds (Note 6)	£3m per Fund (up to a maximum of £5m in total)		
Any other organization (Note 7)	£100k each for 5 years		

Notes to Table 3

- Investment decisions will be made by reference to the lowest published long-term credit rating from Fitch, Moody's or Standard & Poor's credit rating agencies.
- Banks Unsecured includes accounts, deposits, certificates of deposit and senior unsecured bonds with banks and building societies that have a minimum credit rating of A- or BBB+ as defined in the table above. These investments are subject to the risk of credit loss via a bail-in in the event that the bank fails.
- Banks Secured includes covered bonds, reverse repurchase agreements and other collateralised arrangements with banks and building societies with a minimum credit rating of A- or BBB+ as defined in the table above. These investments are secured on the bank's assets which limits the potential losses in the unlikely event of insolvency, and means that they are exempt from bail-in. The highest of the collateral credit rating and the counterparty credit rating will be used to determine the cash and time limits.
- Government includes loans and bonds issued or guaranteed by national governments, regional and local authorities and multilateral development banks. These investments are not subject to bail-in, and there is a low risk of insolvency. Investments with the UK Central Government may be made in unlimited amounts as a contingency in the event of a financial crisis.

5. The Building Societies regulatory framework and insolvency regime means that in the unlikely event of a Building Society liquidation, the Authority's deposits would be paid out in preference to retail depositors. Most Building Societies do not have a credit rating, therefore, a credit analysis will be undertaken by Treasury Advisor's Arlingclose which will determine a preferred list of Building Societies with whom to invest.

6. These Funds are shares in diversified investment vehicles which invest in any of the investment types above (Notes 2 to 4), plus equity shares and property. These funds provide wide diversification, together with the services of a professional Fund Manager. The Money Market Funds offer same-day liquidity and very low volatility and are used as an alternative to instant access bank accounts. The Cash Plus Funds may be used for investments for a longer period and the value of these investments may change in line with market prices but offer enhanced returns over the longer term. These funds have no defined maturity date but are available for withdrawal after a notice period.

7. This is subject to an external credit assessment and specific advice from the Authority's treasury management adviser.

8. Investments with institutions domiciled in foreign countries rated AA+ or higher will be limited to £2m per foreign country. This limit does not apply to pooled funds (Money Market Funds and Cash Plus Funds) as these funds spread their investments over many countries in order to reduce risk.

- 4.3 To minimise counterparty risk, the Section 151 Officer may implement additional internal treasury instructions from time-to-time, over and above the approved investment strategy cash limits and time limits, as and when economic or market conditions require that a more prudent approach is adopted. At present there are no additional instructions in place.
- 4.4 All investments are authorised by the Section 151 Officer or the Deputy Section 151 Officer.
- 4.5 The placing of residual overnight deposits with the Council's own bank does count against the counterparty limits. If a deposit in the Council's own bank exceeds the counterparty limit for more than three working days (due to cash flow fluctuations), the decision will be referred to the Section 151 Officer or Deputy Section 151 Officer for confirmation.
- 4.6 The Council uses long-term credit ratings from the three main rating agencies. The lowest available credit rating is used to determine credit quality. Credit ratings are monitored by the Council's treasury advisers on a daily basis. Where a credit rating agency announces that an organisation is 'on review' for a possible credit rating downgrade (so that it may fall below the approved rating criteria), then only those investments that can be withdrawn on the next working day will be made until the outcome of the review is announced. This policy will not apply to credit rating 'negative outlooks' which indicate a long-term trend rather than an imminent change of credit rating.
- 4.7 Credit ratings are not the only predictors of investment default. Other information is also used to assess the credit quality of counterparties. This information includes credit default swap prices, financial statements, potential government support and reports in the financial press. This information is analysed by the Council's treasury advisers and no investments will be made with an organisation if there are doubts about its credit quality, even though it may meet the credit rating criteria.
- 4.8 The Department of Communities and Local Government Guidance defines two types of investments – specified and non-specified investments. **Specified investments** are:
- denominated in pound sterling,
 - due to be repaid within 12 months of the arrangement,

- not defined as capital expenditure by legislation, and
- invested with one of:
 - the UK Government
 - a UK local authority, parish council or community council, or
 - a body or investment scheme of “high credit quality”

The Council defines “high credit quality” organisations and securities as:

- those having a credit rating of A- or higher that are domiciled in the UK for deposits up to one year,
- those domiciled in a foreign country with a sovereign rating of AA+ or higher for deposits of up to one year,
- those having a credit rating of BBB+ or higher for periods of up to 6 months,

For money market funds and other pooled funds “high credit quality” is defined as those having a credit rating of A- or higher.

- 4.9 **Non-Specified Investments** – Any investment not meeting the definition of a specified investment is classed as non-specified. The Council does not intend to make any investments denominated in foreign currencies and will not make any investments with low credit quality bodies, nor any that are defined as capital expenditure by legislation, such as company shares.

Non-specified investments will therefore be limited to long-term investments, i.e. those that are due to mature 12 months or longer from the date of arrangement, and investments with bodies and schemes not meeting the definition on high credit quality. Limits on non-specified investments are shown in Table 4.

Table 4 Non-Specified Investment Limits

Counterparty	Cash limit
Total Long-term investments	£5.0M
Total investments	£5.1M

5. Risk Management

- 5.1 The Council measures and manages its exposure to treasury management risks using the following indicators.

- **Security** – the minimum long term rating for an investment counterparty is a rating of BBB+. The historic risk of default of counterparties for a BBB+ rated institution is 0.16%.
- **Liquidity** – the Authority will maintain short term liquid deposits of at least £1M available within a week’s notice and short term borrowing is available on the Money Market as and when required.
- **Yield** – the benchmark for returns on investments is the 7 day LIBID (London InterBank Bid Rate). Actual investment returns are monitored against budget.

- 5.2 Limit for Investments over 364 days (Table 5) – This limit is set to ensure adequate liquidity of investments and is the maximum amount of funds the Council will invest longer term.

Table 5 Limit for Investments over 364 days

	2016/17 Estimate £M	2017/18 Estimate £M	2018/19 Estimate £M
Limits for investments over 364 days	5.0	5.0	5.0

- 5.4 There are a number of additional items that the Council is obliged to include in the Treasury Management Strategy. These are:

- **Use of financial derivatives** – the Council has no plans to use financial derivatives.
- **Investment training** – the training needs of the treasury management staff are assessed annually as part of the appraisal process. Treasury staff regularly attend training courses and seminars provided by Arlingclose and CIPFA.
- **Investment advisors** – the Council has appointed Arlingclose Limited as treasury management advisers and receives specific advice on investment, debt and capital finance issues.
- **Money borrowed in advance of need** – the Council may borrow in advance of need, where this is expected to provide the best long-term value for money. The total amount borrowed will not exceed the authorised borrowing limit.

6. Prudential Indicators

- 6.1 A further three prudential indicators (as detailed in Table 6) establish limits on the overall level of borrowing. These prudential indicators are set by the Council itself. These indicators are:

- Gross Borrowing Indicator
- The Authorised Limit for External Debt
- The Operational Boundary for External Debt

Table 6 Operational Boundary and Authorised Limit for External Debt

	2015/16 Revised £M	2016/17 Estimate £M	2017/18 Estimate £M	2018/19 Estimate £M	Notes
CFR (Under-Borrowing)/Over Borrowing	6.1 (3.8)	5.6 -	6.3 -	6.2 0.1	1
Gross Borrowing Indicator	2.3	5.6	6.3	6.3	
Operational Boundary	2.3	5.6	6.3	6.3	2
Contingency	6.0	6.0	6.0	6.0	3
Authorised Limit	8.3	11.6	12.3	12.3	4

Notes to Table 6

1. The Council is currently maintaining an under-borrowed position of £3.8M. This means that the capital borrowing need (the Capital Financing Requirement), has not been fully funded with debt as cash supporting the Council's reserves, balances and cash flow has been used as a temporary measure. This strategy is prudent as investment returns are low and counterparty risk is high. This practice is in line with advice from the Council's treasury advisors Arlingclose.
2. Operational Boundary for External Debt – this is based on the expected maximum external debt during the course of the year. It is not a limit and therefore may be exceeded on occasion.
3. A contingency is required for unexpected cash movements, service delivery failure or debt rescheduling.
4. The authorised limit is the affordable borrowing limit determined in the compliance with the Local Government Act 2003. It is the maximum amount of the debt that the Authority can legally owe. The authorised limit provides headroom over and above the operational boundary for unusual cash movements in exceptional circumstances.

6.2 The following indicators are set to manage interest rate risk and reduce the impact of an adverse movement in interest rates. The indicators are:

- **Upper limit on fixed rate debt (Table 7)** – this limit reflects the fact that the Authority may wish to have all its borrowings at fixed rates. Fixed rate borrowings are those where the rate of interest is fixed for at least 12 months, measured from the start of the financial year. The limit allows sufficient headroom to borrow in advance of need if required (see paragraph 8.6)
- **Upper limit on variable rate debt (Table 7)** – This limit reflects the potential need to take some variable rate debt if interest rates for fixed rate borrowing are not attractive.
- **Maturity structure of debt (Table 8)** – this limit controls how much of the Authority's debt will mature within a certain time period.

Table 7 Limits on Fixed and Variable Rate Debt

	2016/17 Estimate £M	2017/18 Estimate £M	2018/19 Estimate £M
Limits on fixed rate debt	6.30	6.30	6.30
Limits on variable rate debt (50% of total debt)	3.15	3.15	3.15

Table 8 Maturity Structure of Debt

	Lower Limit	Upper Limit
Under 12 months	0%	70%
12 months to 2 years	0%	100%
2 years to 5 years	0%	100%
5 years to 10 years	0%	100%
10 years and above	0%	100%

No lower limit is set in order to allow flexibility when managing the debt portfolio.

7. Affordability Prudential Indicators

- 7.1 Prudential Indicators are also required to assess the affordability of capital investment plans. These provide an indication of the impact of the capital investment plans on the Authority's finances.
- 7.2 Table 9 sets out the actual and estimates of the Ratio of Financing Costs to the net revenue stream – This identifies the trend in the cost of capital (borrowing costs net of investment income) against the net revenue stream.

Table 9 Ratio of Financing Costs to Net Revenue Stream

	2015/16 Revised	2016/17 Estimate	2017/18 Estimate	2018/19 Estimate
Ratio	7.0%	6.7%	7.4%	8.5%

- 7.3 The estimates of financing costs include existing commitments and the proposals in this budget report. The ratio is reducing in 2016/17 due to the repayment of £1.2M of PWLB loans and an assumption that no additional borrowing costs will be incurred (interest and MRP) to finance the Capital Programme; this is to be met by the use of internal borrowing.
- 7.4 Table 10 sets out the estimates of the incremental impact of capital investment decisions on the Council Tax – This identifies the revenue costs (interest and MRP) of approved Prudential Borrowing in the Capital Programme as at Quarter 3 2015/16 (see Appendix G).

Table 10 Incremental Impact of additional Capital Investment borrowing decisions on the Band D Council Tax

	2016/17 Estimate £	2017/18 Estimate £	2018/19 Estimate £
Estimated Incremental Impact of Capital Investment decisions on the Council Tax (Band D Equivalent) from the 2015/16 base	-2.16	3.28	0.38

- 7.5 The Council Tax Band D cost of borrowing is reducing for 2016/17 as a result of assuming at this point that, for the purposes of determining a prudent budget no additional borrowing will be undertaken during 2016/17 up to the level of the Capital Financing Requirement.

8. Borrowing Strategy

- 8.1 The Council currently holds £2.3M of loans which has funded previous years' capital expenditure.
- 8.2 Given the significant cuts to local government funding, the Council's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio. Internal borrowing has been the most cost-effective means of funding capital expenditure. This has lowered overall treasury risk by reducing both external debt and temporary investments. However, this position will not be sustainable over the longer term.

- 8.3 The borrowing strategy is being closely monitored with regard to the outlook for interest rates. In conjunction with advice from treasury advisors Arlingclose, the Council may act quickly when taking new borrowing in order to secure debt before an expected rise in interest rates. This may mean that borrowing costs are incurred and the impact on revenue budgets will be reported in the next Financial Forecast Update. The borrowing limits in Tables 6 to 8 have been set sufficiently high to allow the Council the flexibility to arrange additional external borrowing to achieve the best long-term value for money if there is a significant risk of an increase in the interest rates on borrowing.
- 8.4 In addition, the Council may borrow short-term (for up to one month) to meet temporary cash-flow shortfalls. The approved sources of short-term and long-term borrowing are:
- Public Works Loan Board and its successor body;
 - UK Local Authorities
 - Any institution approved for investments
 - Any other bank or building society authorised to operate in the UK
 - UK public and private sector pension funds (except Lancashire County Pension Fund as it is the Authority's own pension fund)
 - Capital market bond investors
 - UK Municipal Bonds Agency plc and other special purpose companies created to enable local authority bond issues.

In addition, capital finance may be raised by the following methods that are not borrowing, but may be classed as debt liabilities:

- Operating and finance leases
 - Hire purchase
 - Sale and leaseback
- 8.5 The Council may re-schedule debt (i.e. replace existing loans with new loans) or repay loans without replacement where this is expected to lead to an overall saving or reduction in risk.
- 8.6 Any decision to borrow in advance of need will be within approved Capital Financing Requirement estimates (Table 2), and will be considered carefully to ensure that value for money can be demonstrated and that the Council can ensure the security of such funds. Borrowing in advance will be made within the constraints that:
- it will be limited to no more than 100% of the expected increase in capital borrowing need (CFR) over the three year period to 2018/19.
- 8.7 All decisions on borrowing will be reported to the appropriate Committee as part of the Councils annual reporting cycle on Treasury Management and Prudential Indicators.

9. Minimum Revenue Provision Policy Statement

- 9.1 The Authority is required to provide for an element of the accumulated capital expenditure each year through a charge to revenue known as the Minimum Revenue Provision (MRP).

The Department for Communities and Local Government (DCLG) regulations require the Authority to approve an MRP policy in advance of each year. This policy sets out how much the Authority will set

aside from revenue each year in order to fund capital expenditure. Council is recommended to approve the following MRP statement:

- i) For capital expenditure incurred before 1 April 2008 – Existing practice which is based on 4% of the adjusted CFR. This option provides for a 4% reduction in the borrowing need (CFR) each year.
- ii) From 1 April 2008 the MRP policy for all unsupported capital expenditure (i.e. Prudential Borrowing) will be the estimated life of the assets in accordance with the Regulations.

Glossary of Treasury Terms

Term	Description
Counterparty	Another party to an agreement.
Credit rating	A measure of the credit worthiness of an institution, corporation, or a country. Credit ratings are calculated from financial history and current assets and liabilities. Typically, a credit rating tells a lender or investor the probability of the subject being able to pay back a loan.
Derivative	A contract whose value is based on the performance of an underlying financial asset, index or other investment. For example, an option is a derivative because its value changes in relation to the performance of an underlying stock.
Debt Management Office (DMO)	The Debt Management Office provides a deposit facility which is guaranteed by the British government and has a AAA credit rating.
Gilt	Registered British government securities giving the investor an absolute commitment from the government to honour the debt that those securities represent.
Government Money Market Fund (MMF)	Money Market Funds that invest solely in government securities.
London inter-bank bid rate (LIBID)	The interest rate at which banks will borrow money in the London inter-bank market.
Liquidity	As assessment of how readily available an investment is; the length of term.
Money Market Fund (MMF)	A well rated, highly diversified pooled investment fund whose assets mainly comprise of short term instruments.
Public Works Loan Board (PWLb)	PWLb is part of HM Treasury and lends money to local authorities.
Rating agency	Bodies that assess the financial strength of companies and governments, both domestic and foreign, particularly their ability to meet the interest and principal payments on their bonds and other debt.
Security	As assessment of the creditworthiness of a counterparty.
Treasury adviser	External consultancy firms that provide information to local authorities, including information regarding counterparty creditworthiness.
Yield	Interest, or rate of return, on an investment.