



Minutes

FINANCE AND DEMOCRACY COMMITTEE

Date:	Monday, 26 September 2016
Venue:	Town Hall, St Annes.
Committee Members:	Councillor Karen Buckley (Chairman) Councillor Roger Small (Vice-Chairman) Councillors Alan Clayton, David Donaldson, Sue Fazackerley, Tony Ford JP, Angela Jacques, Kiran Mulholland, Linda Nulty, Richard Redcliffe, Vince Settle, Elaine Silverwood.
Officers Present:	Allan Oldfield, Tracy Morrison, Paul Walker, Paul O'Donoghue, Ian Curtis, Paul Drinnan, Stephen Smith, Andrew Dickson, and Katharine McDonnell
Other Attendees:	Rob Green, Phil Nixon and one member of the public

Public Platform

There were no speakers on this occasion.

1. Declarations of interest

Members were reminded that any disclosable pecuniary interests should be declared as required by the Localism Act 2011 and any personal or prejudicial interests should be declared as required by the Council's Code of Conduct for Members. There were no declarations.

2. Confirmation of minutes

RESOLVED: To approve the minutes of the Finance and Democracy Committee meeting held on 20th June 2016 as a correct record for signature by the Chairman.

3. Substitute members

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

Councillor Susan Fazackerley for Councillor Richard Taylor.

Councillor Alan Clayton for Councillor Liz Oades.

Decision Items

4. Accommodation Project – Phases 6 and 7 Works

Paul Walker, Director Development Services, Andrew Dickson, Head of Technical Services, and Phil Nixon, Senior Project Manager, Blackpool Council presented an update on phases 4 and 5 of the accommodation works and details of phases 6 and 7 of the Town Hall refurbishment proposals.

Mr Walker explained that the Accommodation Working Group had met recently to discuss phases 6 and 7 of the project and the need to identify funds for the next phase of the refurbishment in order

to maintain momentum of the project. It was acknowledged that the sale of the public offices would not be finalised for some time and an alternative source of funding would be required.

Mr Walker explained that work had been undertaken over the summer to provide the detailed surveys, designs and technical specifications for Phase 6. Phase 6 was to provide a council chamber, refurbished civic suite and lobby with the completion of the works to the basement. During the detailed surveys it became clear that the structural solutions required to deliver Phase 6 would significantly increase both cost and the time to complete the Phase.

The Accommodation Working Group requested other options to be explored to deliver Phase 6. Option 2b emerged as an alternative scheme, a detailed plan of both Option 1 and Option 2b were appended to the report and A3 copies circulated to the committee for their consideration.

Mr Walker explained the proposals for the release of funding from reserves to enable the completion of Phase 6 and part of Phase 7 of the Accommodation Project.

In response to questions from committee, Mr Dickson explained that the initial scheme required the removal of supporting walls, and with the weight of the upper floors, which the detailed survey had revealed to be a composite of steel and concrete, would have required an independent steel structure to be piled into the basement.

The committee discussed the proposals and broadly supported the proposed Option 2b. The committee sought further clarification regarding the specific reserves mentioned in the report. Paul O'Donoghue, Chief Financial Officer, provided details regarding the use of the specific reserves.

Following discussion, it was RESOLVED to:

1. Approve the proposed works in relation to the Accommodation Project in the sum of £518k (that being £363k for Phase 6 (Option 2b) and £155k for part of Phase 7) and recommend to Council that monies from the following ear-marked revenue reserves be transferred into the Accommodation Project Reserve to fund the works, with the balance of £151k to be met from General Fund Reserves in 2016/17:
 - The Land Charges New Burdens: £28k;
 - The Vehicle Maintenance Reserve: £127k;
 - The Vehicle Replacement Financing Reserve: £212k;
2. Approve a funded budget increase to the capital scheme for the Accommodation Project, currently within the approved Capital Programme for delivery in 2016/17, in the total sum of £194k (£67k for phase 6 of the scheme and £127k for phase 7 of the scheme) such that the revised total costs are £363k for phase 6 of the project and £475k for phase 7;
3. Note that, subject to approval by Council, the financing of the remaining phases of the Accommodation Scheme (currently shown within the approved Capital Programme as being by way of a capital receipt arising from the sale of the former public offices site) will be amended to show the increase in total project cost of £194k and the financing by the use of revenue reserves in the total sum of £518k as detailed in 1 (above);
4. Note that the remaining works relating to phase 7 of the Accommodation Project (in the sum of £310k) will see the entire Accommodation Project finally completed other than for any external landscaping works to the grounds; and
5. Subject to the approval by Council of the transfer of reserves set out in recommendation 1 above, approve the letting of the main contract for the proposed works to F Parkinson Ltd Blackpool in the sum of £444,584, whilst noting that the cost of Phase 6 (option 2b) and phase 7 (1st floor) (including fees/surveys/furniture) is estimated to be £518,150 in total.

5. Supporting the Delivery of Blackpool Airport Enterprise Zone

Allan Oldfield, Chief Executive, Stephen Smith, Economic Development Officer, and Rob Green, Blackpool, Fylde and Wyre Economic Development Company, presented information to committee regarding the governance and resourcing arrangements necessary to support the delivery of the Blackpool Airport Enterprise Zone.

Mr Oldfield advised that the committee was requested to approve a Memorandum of Understanding between Fylde Council, Blackpool Council and the Department for Communities and Local Government (DCLG). He explained that the Blackpool, Fylde and Wyre Economic Development Company would be managing and developing the Enterprise Zone.

The Committee discussed the report asking for clarification on the development levy, infrastructure proposals to enable development, retention of business rates, the parties to the Memorandum of Understanding, and the membership of the Project Board.

Mr Smith and Mr Green explained that whilst the details of the development levy were still being finalised, and would be subject to detailed consideration as part of a Masterplan, the principle of the levy was to recoup the initial cost of the primary infrastructure put in to enable development, such as the reopening of the Moss Road. The parties to the Memorandum were unclear due to the formatting of the report, however it was clarified that the parties would be Blackpool Council, Fylde Council, DCLG and Lancashire Local Enterprise Partnership.

In response to the question regarding the membership of the Economic Development Company, Mr Smith explained that the membership of the Economic Development Company Board was unaffected. The Chief Executive confirmed the Leader of the Council would continue as representatives on that body, the nomination sought was for the Enterprise Zone Project Board.

Regarding the retention of business rates, it was explained that business rates generated in the Enterprise Zone would be retained for re-investment in the Enterprise Zone pursuant to the Enterprise Zone Act.

It was proposed that the nominated member to the Project Board should be the Chairman of the Finance and Democracy Committee, rather than a named individual.

The committee RESOLVED to

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

6. Revenue and Benefits Shared Service

Tracy Morrison, Director of Resources, presented a report about the shared Revenue and Benefits Service arrangements with Blackpool Council. She advised that the current arrangement was due to run until 2017 and it was recommended that the arrangements continued. She outlined the benefits of the current arrangements and the alternative arrangements that could be put in place.

The committee commented on how well the shared service operated.

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

7. Parish Council Election Recharges

Tracy Morrison, Director of Resources presented a report regarding the recharging of the cost of parish council elections to the parish council concerned. She advised that the current recharge process used a methodology which took into account the actual cost of the polling stations and divided other costs equally between the relevant parish councils.

Ms Morrison advised that some parish councils had requested that other methods for apportioning the costs be explored. She advised there was no prescribed method for recharging parish councils, but following a benchmarking exercise against other local authorities, she presented illustrative figures for two alternative methods for recharging, as well as for the current method used by Fylde Borough Council. One alternative shared all costs equally across the number of contested parishes or parish wards, and the other apportioned costs according to the size of the electorate.

The committee discussed the difficulties experienced by smaller parishes of raising sufficient funds to cover the costs of elections, the costs of temporary polling stations often required in the smaller parishes and how each alternative would produce winners and losers compared to the present arrangements.

It was RESOLVED to continue to recharge the cost of parish council elections using the present methodology for apportioning costs between relevant parishes.

8. Timetable for Developing Budget Proposals 2017/18

Paul O'Donoghue, Chief Financial Officer, presented a proposed budget setting timetable for 2017/18. He advised it complied with the budget and policy framework, statutory deadlines and would facilitate early billing for Council Tax, where possible.

It was RESOLVED to adopt the timetable for the 2017/18 budget setting process, as shown in Appendix A of the report.

9. Business Rate Pooling 2017/18

Mr O'Donoghue, Chief Financial Officer, reported the availability of business rates pooling arrangements with other Lancashire local authorities and discussed the opportunities and risks associated with the council joining or not joining those arrangements. He explained that participants of a pool benefited from being able to retain a greater share of any growth in their business rates base above the government set baseline, however it would expose them to the risk of reduced income where changes were adverse because business rate pools were not protected with a government safety net.

Mr O'Donoghue reminded the committee of last year's decision not to enter the business rate pool. He advised that because of the on-going risk from outstanding business rate losses (including the potential for significant costs relating to historic appeals) Fylde Council do not seek to participate in a business rate pool for Lancashire in 2017/18 and that this position is reviewed for future years.

After a brief discussion it was RESOLVED to

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

10. Approval for S106 Funded Scheme for Improvements to the Children's Play Area on Derby Road, Wesham

Paul Walker, Director of Development Services, requested approval of the inclusion of a fully funded addition to the 2016/17 capital programme for improvements to a children's play area on Derby Road, Wesham. He explained that the scheme had received approval at the Tourism and Leisure Committee on 8 September 2016, but required Finance and Democracy Committee approval for inclusion in the capital programme.

It was RESOLVED to

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

11. Kirkham Public Realm Improvements: Phase 5

Stephen Smith, Economic Development Officer, and Paul Drinnan, Regeneration Manager, requested approval of an addition to the capital programme of £90,000 for a proposed public realm improvement scheme in Kirkham town centre. The programme would be fully funded by contributions paid under a planning obligation associated with the Mill Farm development in Wesham. The proposed scheme had been approved at the 7 September 2016 meeting of the Development Management Committee. Questions arose as to the allocation of the contribution to Kirkham rather than Wesham and the conformity of the proposed scheme with the terms of the planning obligation.

The Chairman referred to representations from Medlar-with-Wesham Town Council and a member of the public expressing dismay that the majority of the public realm contribution from the planning obligation would be spent in Kirkham. Mr Drinnan advised that Kirkham had a public realm improvement scheme and the work would complete the next phase of planned works within the town centre. He further advised that when looking at the impact of out of town retail on a local town centre, the National Planning Policy Framework and Planning Practice Guidance required that the impact was measured on a defined town centre. He explained that Fylde's local plan had three defined town centres, Lytham, St Annes and Kirkham.

The Chairman referred to observations in the "implications" section of the report and sought clarification that the use of the contribution for the improvement of private forecourts would satisfy the legal requirements of the planning obligation. Mr Smith advised that the scheme was to improve the whole of the town centre and that the private forecourts could properly be regarded as publically accessible open spaces. Covenants would be required from landowners to ensure that this would continue to be the case. Mr Drinnan advised that these agreements had been entered into with landowners in other town centres where these types of public realm improvement works had been undertaken. On that basis, he and Mr Smith felt that the scheme satisfied the requirements of the planning obligation. Ian Curtis (Head of Governance) said that members of the Development Management Committee had received and accepted the same advice from planning officers.

Following a further discussion, it was RESOLVED to

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

Information Items

12. General Fund Revenue Budget Monitoring Report 2016/17 – Position as at 31st July 2016

The committee were provided with an update of the Council's General Fund Revenue Budget as at 31 July 2016, specifically those areas under the committee's remit.

13. Capital Programme Monitoring Report 2016/17 – Position as at 31st July 2016

The committee were provided with an update of the Council's approved Capital Programme as at 31 July 2016, specifically those schemes under the committee's remit.

14. Outside Bodies

Reports from Councillors representing the council on outside bodies were circulated to the committee for information.

15. 2018 Parliamentary Boundary Review

Information regarding the Boundary Commission's proposed changes to the Fylde Constituency Boundary was presented to the committee. It was RESOLVED that Fylde's response to the consultation would be debated at a future meeting of Council.

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