

Agenda



FINANCE AND DEMOCRACY COMMITTEE

Date:	Monday, 28 September 2015 at 6:15 pm
Venue:	Town Hall, St Annes, FY8 1LW
Committee members:	<p>Councillor Karen Buckley (Chairman) Councillor Roger Small (Vice-Chairman)</p> <p>Councillors David Donaldson, Tony Ford JP, Angela Jacques, Kiran Mulholland, Linda Nulty, Liz Oades, Richard Redcliffe, Vince Settle, Elaine Silverwood, Richard Taylor.</p>

Public Platform

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

	PROCEDURAL ITEMS:	PAGE
1	Declarations of Interest: Declarations of interest, and the responsibility for declaring the same, are matters for elected members. Members are able to obtain advice, in writing, in advance of meetings. This should only be sought via the Council's Monitoring Officer. However, it should be noted that no advice on interests sought less than one working day prior to any meeting will be provided.	1
2	Confirmation of Minutes: To confirm the minutes, as previously circulated, of the meeting held on 3 August 2015 as a correct record.	1
3	Substitute Members: Details of any substitute members notified in accordance with council procedure rule 24(c).	1
	DECISION ITEMS	
4	Timetable for Developing Budget Proposals 2016/17	3 - 6
5	Business Rate Pooling 2016/17	7 - 13
	INFORMATION ITEMS	
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7	General Fund Revenue Budget Monitoring Report 2015/16 - Position as at 31st July 2015	15
8	Capital Programme Monitoring Report 2015/16 - Position as at 31st July 2015	16

	EXEMPT ITEMS	
9	Exclusion of the Public	17
10	<u>Exempt Item – Not for Publication</u> Housing Benefit and Council Tax Support – Introduction of Risk-Based Verification of Claims	-

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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DECISION ITEM



REPORT OF	MEETING	DATE	ITEM NO
FINANCE	FINANCE AND DEMOCRACY COMMITTEE	28 SEPTEMBER 2015	4

TIMETABLE FOR DEVELOPING BUDGET PROPOSALS 2016/17

PUBLIC ITEM

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

SUMMARY

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

Attached at Appendix A is a draft budget timetable for the period October 2015 to March 2016 for consideration. The timetable may need further consideration if there are any significant changes, for example if the timetables of precepting authorities change.

RECOMMENDATIONS

The Committee is recommended to:

1. Adopt the timetable as shown at Appendix A for the budget setting process for 2016/17

CORPORATE PRIORITIES

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 is the first item that relates to the budget setting process for 2016/17 and marks the commencement of that process.

REPORT

1. INFORMATION

- 1.1 The setting of the composite Council Tax can only be agreed after Lancashire County Council, the Police and Crime Commissioner for Lancashire and the Lancashire Combined Fire Authority have arrived at their respective Band D requirements.
- 1.2 The statutory deadline by which all the precepting authorities have to determine their requirements is 28th February 2016. Currently the dates proposed for the relevant meetings are:
 - 11th February 2016 for Lancashire County Council;
 - 15th February 2016 for the Lancashire Combined Fire Authority; and
 - 19th February 2016 for Police and Crime Commissioner for Lancashire.
- 1.3 The timetable set out in Appendix A includes key budget decision dates and proposed timescales for a budget consultation process to be undertaken. Dates for budget briefings with the Opposition Group are yet to be determined.
- 1.4 In light of the above it is proposed that if all information on precepts is available, the Budget decision will be taken at Budget Council on 2nd March 2016. Please note that this meeting will commence at 5:00pm.
- 1.5 If the budget cannot be set and Council Tax charges determined by 2nd March 2016, it is likely that a Council Tax instalment date of 1st April 2016 may not be achieved with a resultant financial loss to the Council. The statutory deadline to set Council Tax is 11th March 2016. Failure to set a Council Tax by the deadline is likely to have a financial impact on the Council and will be in breach of the statutory process.

2 CONSULTATION

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

IMPLICATIONS	
Finance	The financial implications are contained within the body of the report.
Legal	Timetable in place to ensure annual budget for 2016/17 is set with statutory and legislative guidelines
Community Safety	N/A
Human Rights and Equalities	N/A
Sustainability and Environmental Impact	N/A
Health & Safety and Risk Management	N/A

LEAD AUTHOR	TEL	DATE	DOC ID
Paul O'Donoghue Chief Financial Officer	01253 658566	Date of report	September 2015

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

Attached documents

1. Appendix A – Meeting dates

TIMETABLE FOR DEVELOPING BUDGET PROPOSALS 2016/17

Meeting Dates	Detail
November cycle of meetings	Consideration of draft revenue budget position and capital bids by programme committees
30 th Nov 2015	Finance & Democracy Committee - Updated Financial Forecast 2015/16 to 2019/20
14 th Dec 2015	Council - Updated Financial Forecast 2015/16 to 2019/20
Nov 15 to Feb 2016	Consideration of revenue budget options/capital bids by Budget Working Group
Nov 15/Feb 16	Opposition Briefings - to be arranged
Nov 15/Feb 16	Budget consultation exercise with stakeholders, including Town & Parish Councils and Business Rate Payers
22 nd Feb 2016	Finance & Democracy Committee - Budget Proposals Meeting - expected publication date of Budget & Policy Proposals
2 nd Mar 2016	Budget Council Meeting (5pm start)
11 th Mar 2016	Statutory Deadline for Council to set Council Tax

DECISION ITEM



REPORT OF		MEETING	DATE	ITEM NO
FINANCE		FINANCE AND DEMOCRACY COMMITTEE	28 SEPTEMBER 2015	5

BUSINESS RATE POOLING 2016/17

PUBLIC ITEM

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

SUMMARY

This report summarises the operation of a 'business rate pool' under the revised 'localisation of business rate' arrangements which have been in place since April 2013. The report notes the intention to establish such a pool for Lancashire authorities for the first time, commencing for the financial year 2016/17. The pooling prospectus for 2016/17 (which determines how a business rate pool should operate) has not yet been published by the Department for Communities and Local Government (DCLG) and consequently the scheme design, including participation eligibility, is not yet confirmed. However, if established it is anticipated that Fylde Council would have the opportunity to participate in the Lancashire business rate pool for 2016/17. The usual date for pool members to confirm their intention to form a business rate pool, which must be confirmed by DCLG, is 31st October in respect of the financial year which commences the following April. The report sets out the potential risks and rewards for Fylde Council of participation in the proposed Lancashire business rate pool.

In common with most other councils Fylde has a large number of business rate appeals which are yet to be determined by the appropriate agency, the Valuation Office. Many of these appeals were lodged prior to the commencement of the revised business rates arrangements and they often include an element of back-dating to the time of the original valuation which can significantly increase the potential cost to the Council. Due to the potential cost to the Council arising from the determination of these appeals, participation in a Lancashire business rate pool for 2016/17 would expose the Council to significant financial risk. Until these historic appeals are determined it is proposed that Fylde Council do not participate in a Lancashire business rate pool and that the position be kept under review.

RECOMMENDATIONS

The Committee is recommended to:

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

CORPORATE PRIORITIES			
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

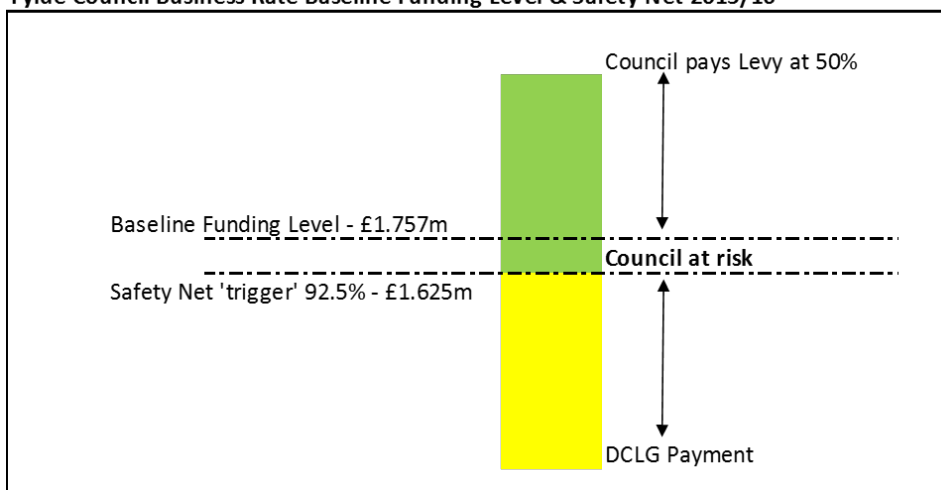
This is the first Committee item that relates to Business Rate Pooling.

REPORT

1. INFORMATION AND BACKGROUND

- 1.1 Business rates are a key source of funding for local authorities. Under the business rates retention system each billing authority retains a share of the business rates for its area based on prescribed proportions. For Fylde, this is 40% retained with the remainder shared between Central Government, County Council and Fire Authority (50%, 9% and 1% respectively).
- 1.2 All district Councils in two-tier areas, like Fylde, are classed as ‘tariff’ authorities; this means the Council’s individual rates baseline is greater than its baseline funding level which results in the Council paying a tariff to the Government from its share of “retained” business rates. The Council’s tariff last year was £8.025m. Conversely, a local authority will receive a ‘top-up’ if its baseline funding level is greater than its individual business rates baseline. All two-tier county councils and single-purpose fire and rescue authorities receive a top-up grant.
- 1.3 The system provides for councils to benefit from a share of growth in their business rates base and exposes them to the risk of reduced income where changes are adverse (e.g. business closures, rating appeals). The system, as currently designed, includes mechanisms for both a **levy** and a **safety net** to moderate such variances. A **levy** applies where an authority’s retained share of rates income exceeds its baseline funding level, whereas a **safety net** operates when the retained share of rates income falls below 92.5% of the baseline funding level. The diagram below illustrates this and shows the values for Fylde for 2015/16.

Fylde Council Business Rate Baseline Funding Level & Safety Net 2015/16



- 1.4 The diagram shows that under the current system if the Council's share of retained business rate income exceeds the value of the Baseline Funding Level (which for 2015/16 is £1.757m as calculated by DCLG) the Council pays to the Government a levy on this additional amount at a rate of 50%, whilst retaining 50% of the growth.
- 1.5 Conversely the current system provides a degree of protection in that if the Council's share of retained income drops below the Baseline Funding Level (which for 2015/16 is £1.625m) the extent of this drop is 'capped' at a level equivalent to 92.5% of the Baseline Funding Level (the 'Safety Net' level). If the Council's share of retained income drops below this level the Council receives a grant to bring the income up to the safety net level.
- 1.6 The following table shows an extract of the Council's safety net calculation for 2014/15 for information:

Table 1: Extract from Business Rates Outturn for 2014/15

	£M
Net Business Rates Income for the Borough	23.220
Less: Amounts attributable to Central Gov, LCC, and Fire Authority	(13.932)
"Retained" Business Rates	9.288
Less: "Tariff" paid over to Government	(8.025)
"Retained share of business rate income"	1.263

The "Retained share of business rate income" of £1.263m above was then compared against the Council's "Baseline funding level" for 2014/15 of £1.723m and because Fylde's retained share of rate income fell below 92.5% of the baseline funding level (i.e. fell below £1.594m) the Council was in receipt of a safety net payment from the Government of £331k to take its retained income back up to a total of £1.594m.

2. BUSINESS RATE POOLING

- 2.1 A further feature of the revised business rates arrangements allows Councils to group together to form a 'business rates pool', and at the Lancashire Chief Financial Officers'

meeting of 30 January 2015 it was agreed to investigate the potential benefits of forming a pool across Lancashire to come into effect for financial year 2016/17. Under such an arrangement Council's will have the option of joining the pool, with members combining all of their funding calculations under the business rate scheme, effectively adding their numbers together for all elements of the funding calculation, including the calculation of the tariff and top-up amounts. Appendix A sets out details of the DCLG pooling prospectus issued for the current financial year. Any authority not joining the pool for 2016/17 will have the option of joining for subsequent years.

- 2.2 The business rates forecasts completed by potential pooling partners across Lancashire indicate that each is projected to pay a levy to central government for 2015/16, ranging from £145k to £810k per authority; in total approximately £5m across the potential pooling partner authorities within Lancashire. It is estimated that the effect of aggregating all the business rate calculations of all potential pooling partner authorities within Lancashire (i.e. the district councils which are 'tariff' authorities and Lancashire County Council which is a 'top-up' authority) which would have the effect of producing a position whereby **no levy to central government would be payable by any of the pooling authorities**. Each authority could continue to retain the growth in its business rates income that it would have retained as an individual authority outside of the pool but would no longer be required to pay any of this growth over to central government. This 'retained levy' amount could then be re-distributed between pool members according to an agreed formula.
- 2.3 However, a business rates pool arrangement is not without risk. As part of a pool, the Council would relinquish the security afforded by the 'Safety Net' mechanism as described above. i.e. **there would be no safety net protection** should the Council's share of retained income fall below a specified level.
- 2.4 In 2014/15 Fylde Council benefitted from the safety-net system in place, as set out in Table 1 at paragraph 1.6. Had Fylde Council been part of a business rate pool in 2014/15, it would have been **£331k worse-off** because business rate income was below the safety-net threshold by this amount and the central government protection that was paid in this amount would not have been received.
- 2.5 The main reason for the fall in the Council's share of retained income below the safety net level in 2014/15 was the requirement to provide for the estimated cost of historic business rate appeals which have not yet been determined by the Valuation Office. For 2014/15 the business rates appeal provision was increased from £1.216m at 31 March 2014 to £3.560m at 31 March 2015. The majority of these appeals remain unresolved and represent a significant on-going risk until they are finally determined by the Valuation Office. The provision for appeals is monitored on a month-by-month basis. As at 31st July 2015, the estimated liability stood at £4.448m.
- 2.6 Once the appeals have been determined the level of risk to the Council reduces. It is possible within the mechanism which governs the pool arrangements that Councils may join a pool at a later date other than when first established.
- 2.7 Indications to date are that those Lancashire districts which have experienced growth in their business rates over the last couple of years and have paid a levy over to the government are inclined to join the pool for 2016/17 such that they retain a share of their levy payment, whilst those such as Fylde which have fallen below that safety net are inclined to remain out of the pool initially.

3. CONCLUSIONS

- 3.1 The formation of a Lancashire wide pool presents both an opportunity (to retain levy payments which would otherwise be paid over to central government if there is growth in business rate income in the borough) and a risk (in that joining a pool removes the government's safety net protection system).
- 3.2 On balance it is recommended that because of the on-going risk from outstanding business rate appeals in the borough that Fylde Council do not participate in a business rate pool for Lancashire in 2016/17, assuming that one is established, and that this position is reviewed for future years determined in part by future levels of outstanding business rate appeals.

IMPLICATIONS	
Finance	Whilst it is impossible to project with any accuracy the 2016/17 financial position in terms of Business Rates Retention, it is considered that joining a pool at this stage presents a significant financial risk to the Council due to the potentially high value of Business Rate Appeals currently outstanding, and as such it is recommended that Fylde Council do not participate in a business rate pool for Lancashire in 2016/17.
Legal	The legal framework for the formation of a business rates pool is set out in paragraph 34 of Schedule 7B of the Local Government Finance Act 1988 (as inserted by schedule 1 to the Local Government Finance Act 2012). Each pool has to decide (and get approval from Government) on its governance arrangements. These cover, at the least: <ul style="list-style-type: none"> - the rights and obligations of pool members, including - how money is to be disbursed to/between pool members and how payments to central government are to be funded by the lead authority - the treatment of pool balances and liabilities following the pool's dissolution.
Community Safety	None
Human Rights and Equalities	None
Sustainability and Environmental Impact	None
Health & Safety and Risk Management	None

LEAD AUTHOR	TEL	DATE	DOC ID
Paul O'Donoghue Chief Financial Officer	01253 658566	Date of report	September 2015

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

Attached documents:

Appendix A – DCLG Pooling Prospectus

Appendix B – Principles of a Lancashire Wide Pool

DCLG Pooling Prospectus

For the current financial year, DCLG issued a Pooling Prospectus in July 2014 inviting applications for pooling. It is anticipated that a similar document will be published for 2016/17. There are currently 27 pools comprising 194 authorities in 2015/16. The key points of the 2014 Prospectus were as follows:

- Proposals for 2015/16 should reach DCLG by 31/10/14.
- Benefits of pooling can be wide including promoting joint working, benefits from economic growth, making strategic decisions easier, retention of income above baseline funding, management of income volatility, etc.
- As the pool is treated as a single body, DCLG calculate only one number for the sum that is owed by the pool as a tariff or owed to the pool as a top-up payment. Therefore one member of the pool should act as lead authority.
- Management of a pool and its governance arrangements are entirely matters for the individual pool, but DCLG will need to ensure that they are in place, in particular:
 - Member rights and obligations including
 - How money is distributed to both Members and Central Government
 - The treatment of pool balances following dissolution

The DCLG selection criteria is based on:

- The likely benefits of the proposals for local authorities
- The proposed governance arrangements
- The extent to which the proposals are affordable in terms of the rates retention scheme as a whole (i.e. wider affordability)

Principles of a Lancashire wide pool

- Initial indications are that the pool would include the County Council together with a number of district councils. The detailed arrangements including pool governance are expected to be worked up in the near future. This will include a distribution mechanism for the retained levy on a shared basis. To-date the suggestion has been that this be shared on the basis of 10% for the County with each District retaining 90% of its 'saved' levy.
- It will be necessary to appoint a 'lead' authority to administer the pool. No decision has yet been made on this albeit that it will most likely be a district council. The administering authority would receive a fee for acting in this capacity paid by the other pool members.
- All Councils will be required to confirm their position on membership of the pool by the 30th September in time for the assumed DCLG deadline of 31/10/15 based on the previous year's prospectus.
- Whilst no prospectus has been issued for 2016/17 applications, referring to the prospectus issued for 2015/16, an application had to be made to DCLG to establish a pool under paragraph 34 of Schedule 7B of the Local Government Finance Act 1988 by 31 October 2014 and acceptance was published as part of the draft Local Government Finance Report. Whilst authorities had the right to withdraw within 28 days of the draft publication, this meant that the whole pool could not continue. There was also an opportunity to exercise a request to withdraw during the course of a year to be effective the following year. A condition of joining the Lancashire pool, however, will be that if you have agreed to opt in for 2016/17 there will not be any opportunity to withdraw from the pool until 2017/18. Any authority not joining the pool for 2016/17 will have the option of joining for subsequent years.
- Members of the pool forfeit their right to a safety net payment – this is set at 92.5% of the Baseline Funding Level and withdrawal of the safety net for pool participation in effect means that the Government's guaranteed minimum level of income will be removed and each authority would be required to pay any shortfall below the safety net back into the pool.

INFORMATION ITEM



REPORT OF	MEETING	DATE	ITEM NO
RESOURCES DIRECTORATE	FINANCE AND DEMOCRACY COMMITTEE	15 SEPTEMBER 2015	6

COMMUNITY PROJECTS FUND

PUBLIC ITEM

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

SUMMARY OF INFORMATION

The Community Projects Fund awards grants between £500 and £2,000. Projects can only be supported for local Fylde groups who are of a voluntary or community based nature.

Awards for funding are determined by an awarding body comprising police, community and voluntary sector, community sector, health and council representatives. Applications for the larger fund are presented in person by the organisations applying for the funding. The Mayor of Fylde also sits on the Panel each municipal year.

SOURCE OF INFORMATION

Director of Resources

LINK TO INFORMATION

<http://fylde.cmis.uk.com/fylde/MeetingsCalendar/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/126/Committee/22/Default.aspx>

WHY IS THIS INFORMATION BEING GIVEN TO THE COMMITTEE?

To inform members of grants awarded thus far this year.

FURTHER INFORMATION

Contact Tracy Morrison on 01253 658521 or at tracy.morrison@fylde.gov.uk

INFORMATION NOTE

COMMUNITY PROJECTS FUND

The table below shows the grants awarded thus far this year.

Total of Fund – Community Projects Fund	£24,000		
Round One		Amount Approved	Amount Remaining
Name of Group	Project		
Friends of Fylde Community Link	Purchase of vehicle to transport clients	2,000.00	22,000.00
Wesham Community Pride Trust	Lighting for skateboard park	1,156.00	20,844.00
Mythop Road Allotments	Purchase of steel container for storage	896.56	19,947.44
Kirkham & Wesham Cricket Club	Mobile cricket net for junior practice	750.00	19,197.44
Friends of the Estuary	Credit from 2014/15 due to project change	+500.00	19,697.44
Total of Fund – Discretionary Fund	£8,338		
Name of Group	Project	Amount Approved	Amount Remaining
Staining Acting and Musical Group	Equipment for the shows	500.00	7,838.00
Singleton Village Hall	Plastic folding tables and chairs	500.00	7,338.00
Park View	Gardening equipment for under 5s	370.50	6,967.50
1st Kirkham & Wesham Scout Group	Purchase of mess tent	500.00	6,467.50
Staining Parish Council	Purchase of defibrillator	500.00	5,967.50
Lytham St Annes Road Runners Club	Leaflets promoting St Annes Carnival races	142.00	5,825.50
Supporters of Ashton Gardens	Book entertainers and performers	500.00	5,325.50
Rotary Club St Annes on Sea	Hire of bouncy castle and refreshments	300.00	5,025.50
St Annes United Reformed Church Ecology Group	Further work on Ecology Garden	500.00	4,525.50
Goldcoast BMX	Lawn edger to maintain track	400.00	4,125.50

FURTHER INFORMATION AVAILABLE FROM

Tracy Morrison, Director of Resources, tracy.morrison@fylde.gov.uk, 01253 658521.

INFORMATION ITEM



REPORT OF		MEETING	DATE	ITEM NO
MANAGEMENT TEAM		FINANCE AND DEMOCRACY COMMITTEE	28 SEPTEMBER 2015	7

GENERAL FUND REVENUE BUDGET MONITORING REPORT 2015/16 - POSITION AS AT 31ST JULY 2015

PUBLIC ITEM

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

SUMMARY OF INFORMATION

The purpose of this report is to provide an update of the Council's General Fund (GF) Revenue Budget as at 31st July 2015 and specifically for those areas under the Committee's remit.

SOURCE OF INFORMATION

Chief Financial Officer – the report is based upon information extracted from the Council's financial ledger system for the period to July 31st 2015.

LINK TO INFORMATION

General Fund Revenue Budget monitoring Report to 31st July 2015:

<http://www.fylde.gov.uk/council/finance/budget-monitoring/2015-16/revenue/>

WHY IS THIS INFORMATION BEING GIVEN TO THE COMMITTEE?

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

FURTHER INFORMATION

Contact: Paul O'Donoghue (Chief Financial Officer)

Tel: 01253 658566

GENERAL FUND REVENUE BUDGET MONITORING REPORT 2015/16 –

POSITION AS AT 31ST JULY 2015

Summary

The purpose of this report is to provide an update on the Council's General Fund (GF) Revenue Budget as at 31st July 2015. The report includes a narrative description of the most significant variances from the profiled latest budget and details any actions required to address these. Appendix A to this report shows the value of the most significant variances (those in excess of £5k) for all of the Council services by Committee and provides a brief explanation for each variance.

1. Background

- 1.1 The Council operates a system of Revenue Budget Monitoring which revolves around the production of detailed monthly monitoring reports for budget holders. Significant variances from the expected budget position at the point of monitoring, both for expenditure and income, are summarised in monitoring reports which are periodically reported to each Programme Committee for information purposes. This report therefore details the findings and issues emerging from budget monitoring carried out to 31st July 2015.
- 1.2 It should be noted that work continues on improving budget profiling across the Council in order that budget profiles more accurately reflect the spending pattern of individual budgets across the financial year. This serves to enhance budget monitoring and focus attention on true variances rather than budget profiling issues. This is a continuous process with budget holders so that the improved profiling continues to refine the budget monitoring system.
- 1.3 Council approved the 2015/16 budget at its meeting on 3rd March 2015. Subsequently on 22nd June 2015 Cabinet approved the Council's outturn position for 2014/15. The impact of those approvals, including savings and growth options approved at Council and slippage from 2014/15 approved at Cabinet, are now reflected in the Council's financial ledger and therefore this report monitors expenditure and income against the updated approved budgets.

2. Budget Rightsizing Exercise

- 2.1 In 2011/12 The Council's Management Team committed to carrying out an annual budget rightsizing exercise to analyse underspends which have occurred over the last 3 financial years and to adjust current and future year budgets to better reflect the level of resource requirement in the context of current financial constraints. This process has continued to be undertaken annually and will be repeated during the second quarter of 2015/16. Any resulting changes to budgets will be reflected in later updates to the Council's Financial Forecast.

3. Budget Areas to Note

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

i. Employee Costs

The budget forecast which was approved by Budget Council in March 2015 assumed reduced payroll costs as a result of 'turnover savings' (delays in the recruitment to vacant posts) of £75,000 per annum from 2015/16 onwards. Actual savings achieved in relation to direct employee costs to 31st July 2015 are already in excess of this target. These savings may not recur to this extent for the remainder of the year. The employee costs budget will be reviewed as part of the right-sizing exercise on service budgets later in the year and a favourable MTFS adjustment may follow.

ii. Sale of Sand (Sand-winning)

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

iii. Fleet Costs

Expenditure on fleet costs for the year to date indicates a number of variances against various elements of the budget. Much of the favourable variance in material costs is due to the fleet replacement programme and efficiencies generated from revised working practices as part of the modernisation strategy. At present the fleet budgets are predicted to be on target at the end of the year. However, experience shows that expenditure on items such as fuel (which is subject to price volatility) and vehicle hire (which can increase due to vehicle breakdowns) can be difficult to predict and the current position could change. The fleet budgets will be reviewed as part of the right-sizing exercise on service budgets later in the year.

iv. Crematorium Income

Income from cremations has been significantly higher than the budgeted level. However this is offset by a reduction in the level of income received as a result of the introduction of the 'CAMEO' scheme from January 2013. The CAMEO scheme results in a payment through a central pool to those authorities (including Fylde) who have undertaken modernisation works at their facilities to reduce emissions in line with government directives. This is funded by payments into the central pool from those authorities which have not carried out the modernisation works. However since its inception receipts into the pool have been less than was forecast resulting in a reduction in the level of receipts to those eligible authorities (including Fylde). As the scheme becomes embedded the collection of payments into the pool may improve and appropriate enforcement action may be introduced, but that is not certain at this stage. Consequently as part of the budget right-sizing exercise the anticipated of income from the CAMEO Scheme both for 2015/16 and for future years will be reviewed as will the future level of income generated by the crematorium.

v. 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 which have created the current favourable variance. The budget will be reviewed as part of the right-sizing exercise on service budgets later in the year and may lead to a favourable MTFS adjustment.

vi. Council Tax and Housing Benefits

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

5. Conclusions

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

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

Finance staff work continuously with budget holders across the Council, and are heavily reliant upon budget-holders to be able to understand and quantify the potential impact of in-year hotspot variances within their areas of responsibility.

We are still at the early part of 2015/16 and it is therefore not possible to draw any firm conclusions on the in-year financial position. The financial risks facing the Council, as set out in the MTFS to Council in March 2015 still remain. Instructions issued by Management Team that budget holders are to remain prudent in order to build up additional balances are still in place.

REVENUE MONITORING 2015/16 - Period 4 to July 31st 2015 (Variances in excess of £5k)
Appendix A

Service Area	Detailed Description	Full Year Budget	Budget as at Period 4	Actual & Commitments as at Period 4	Variance as at Period 4	FAV / ADV	Variance	Budget Holder	Budget Holder Comments
		£	£	£	£		%		
FINANCE & DEMOCRACY COMMITTEE / CORPORATE CROSS CUTTING BUDGETS									
All Council services	Employee costs including basic pay, pension, NI, and overtime, plus agency costs	8,065,028	2,784,921	2,653,779	-131,142	FAV	-4.7%	Corporate	The budget forecast which was approved by Budget Council in March 2015 assumed reduced payroll costs as a result of ‘turnover savings’ (delays in the recruitment to vacant posts) of £75,000 per annum across all Council services from 2015/16 onwards. Actual savings achieved in relation to direct employee costs to 31st July are already in excess of this target. The employee costs budget for 2015/16 will be reviewed and updated as part of the budget right-sizing exercise.
Utility costs and Business Rates	Electricity	119,386	30,495	9,223	-21,272	FAV	-69.8%	Andrew Dickson	These budgets relate to utility and business rate costs across the Council's property estate. Reductions in the level of most of these budgets, especially the electricity and gas budgets, are anticipated as a consequence of a number of factors including; the beneficial effect of recent Town Hall roof and window replacement works in reducing heat loss from the building; a reduction in the overall number of properties within the Council's property estate; and the fall in energy prices linked particularly to falls in the price of oil to the energy generating sector. These budgets will each be reviewed as part of the right-sizing exercise.
	Gas	78,972	15,547	9,668	-5,879	FAV	-37.8%		
	Business Rates	217,589	217,589	220,669	3,080	ADV	1.4%		
	Water Charges - Metered	73,081	18,670	7,174	-11,496	FAV	-61.6%		
	Sewerage & Environmental Services	36,301	36,301	25,297	-11,004	FAV	-30.3%		
TOURISM & LEISURE COMMITTEE									
St. Annes-Leisure (Strategic)	Games Site Fees	-50,000	-33,000	-24,914	8,086	ADV	24.5%	Darren Bell	Income is lower than the budgeted amount due to the relatively poor weather during the period (15 un-playable days at games sites during June due to strong winds & rain). The budget will be kept under review for the remainder of the year.
Lytham-Leisure (Strategic)	Games Site Fees	-59,000	-40,120	-18,292	21,828	ADV	54.4%	Mark Wilde	Income is lower than the budgeted amount due to a combination of the relatively poor weather during the period and difficulties in acquiring replacement boats at Fairhaven Lake as scheduled. The budget will be kept under review for the remainder of the year.
Coast and Countryside	Sale of Sand (sandwinning)	-125,000	-37,155	-50,313	-13,158	FAV	-35.4%	Gary Sams	The sale of sand has continued on an improving trend. This budget will be reviewed as part of the right-sizing exercise.

Appendix A (cont'd)

Service Area	Detailed Description	Full Year Budget	Budget as at Period 4	Actual & Commitments as at Period 4	Variance as at Period 4	FAV / ADV	% Variance	Budget Holder	Budget Holder Comments
		£	£	£	£		%		
OPERATIONAL MANAGEMENT COMMITTEE									
Trade Waste Service	Bulk Bin Collection Charges	-156,940	-150,662	-137,367	13,295	ADV	8.8%	Kathy Winstanley	The loss of a number of bulk bin customers of Lytham has resulted in a reduction in income during the period. The budget will be reviewed as part of the right-sizing exercise.
Fleet Charges	FMS Materials Cost	144,125	48,153	28,585	-19,568	FAV	-40.6%	Kathy Winstanley	The favourable budget variance across a range of vehicles is as a result of the number of new vehicles in use, the removal of the need to go on landfill sites, new tyre contract and improved driving practices. Many of the new vehicles are now out of warranty and this under-spend will reduce over the life of the vehicles. Adjustments to the FMS budgets will be considered as part of the budget right sizing exercise.
	Fuel	334,566	111,621	97,922	-13,699	FAV	-12.3%		
	Tyres Renewal	38,171	12,861	5,942	-6,919	FAV	-53.8%		
Car Parks	Car Parking Fees	-483,812	-187,809	-216,442	-28,633	FAV	-15.2%	Andrew Dickson	The income is in excess of the budget for the period due to increased usage/visitor numbers despite periods of inclement weather. The budget will be reviewed as part of the right-sizing exercise.
ENVIRONMENT HEALTH & HOUSING COMMITTEE									
Cemetery & Crematorium	Cremations	-851,000	-252,860	-287,710	-34,850	FAV	-13.8%	Darren Bell	Income from cremations has continued to increase. The budget will again be reviewed as part of the budget right-sizing exercise to reflect the current and predicted future levels of income. Also to be reviewed will be the anticipated income levels resulting from the introduction of the 'CAMEO' scheme which has not fulfilled earlier expectations. Paragraph iv of the Revenue Monitoring Report provides further details in this regard.
	CAMEO Scheme Income	-20,000	-6,672	21,000	27,672	ADV	414.7%		
DEVELOPMENT MANAGEMENT COMMITTEE									
Development Management	Planning Application Fees	-475,000	-305,330	-544,625	-239,295	FAV	-78.4%	Mark Evans	Several major planning applications have been received during the period that were accompanied by significant application fees. Application fee income forecasts will be reviewed as part of the right-sizing exercise.
Planning Appeals	Planning Appeal Hearing Costs	237,849	23,785	1,600	-22,185	FAV	-93.3%	Mark Evans	No planning inquiries or appeal hearings have taken place during this period that have incurred costs. Managers within the service are aware that a number of appeals are pending that will most likely incur costs later this financial year.

INFORMATION ITEM



REPORT OF		MEETING	DATE	ITEM NO
MANAGEMENT TEAM		FINANCE AND DEMOCRACY COMMITTEE	28 SEPTEMBER 2015	8

CAPITAL PROGRAMME MONITORING REPORT 2015/16 - POSITION AS AT 31ST JULY 2015

PUBLIC ITEM

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

SUMMARY OF INFORMATION

The purpose of this report is to provide an update of the Council's approved Capital Programme as at 31st July 2015 and specifically for those schemes under the Committee's remit.

The report also provides a link to the Council's draft Capital Strategy which sets out the Council's approach to capital investment and summarises the process for the consideration of capital bids. Comments and feedback are invited upon this draft. It is proposed that the Capital Strategy will be presented for consideration at the Council meeting of 12th October 2015.

SOURCE OF INFORMATION

Chief Financial Officer – the report is based upon information extracted from the financial ledger system for the period to July 31st 2015.

LINK TO INFORMATION

- Capital Programme Monitoring 2015/16 as at 31st July 2015:

www.fylde.gov.uk/council/finance/budget-monitoring/2015-16/capital

- Draft Capital Strategy:

www.fylde.gov.uk/council/finance/

(see 'In this Section' – Draft Capital Strategy 2015)

WHY IS THIS INFORMATION BEING GIVEN TO THE COMMITTEE?

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

FURTHER INFORMATION

Contact: Paul O'Donoghue (Chief Financial Officer)

Tel: 01253 658566

CAPITAL PROGRAMME MONITORING REPORT 2015/16 –

POSITION AS AT 31ST JULY 2015

Summary

The purpose of this report is to provide an in-year progress update in respect of those schemes within the Capital Programme that have been approved for delivery in 2015/16, together with an update on the Council's overall Five Year Capital Programme. This report includes a narrative description of the most significant risks to the Capital Programme and details any actions required to address these. Appendix A to this report provides an update by Committee on schemes scheduled for commencement or delivery in 2015/16. Appendix B provides a summary of the latest position for the 5 year Capital Programme and Appendix C provides details of the financing of the programme.

1. Background

The Council approved the Capital Programme on 3rd March 2015. That update showed a balanced capital programme position from 2015-16 onwards. This report includes year to date expenditure and sets out the latest phasing of the programme and any additions or changes since the last current position was presented to Council in March 2015. The Programme has also been rolled forward to include the year 2019/20.

2. Capital Programme Re-Phasing of Budgets

This monitoring report sets out the latest phasing of the Programmed Schemes and any resulting revenue implications of borrowing will be reflected in future updates to the Councils Financial Forecast.

3. Notes on Specific Schemes

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

(i) Accommodation Project

The accommodation project was originally included in the capital programme on the basis that the scheme would be self-financing from capital receipts from the sale of 3 sites (St David's Road Depot, Derby Road, Wesham and the Public Offices). Actual asset sales and receipts are dependent on market conditions and cannot be predicted with certainty. St David's Road depot was sold in 2012/13, and the site at Derby Road, Wesham was sold in 2013/14. The Public Offices 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 and Members requested a further report in November with recommendations to the available sources of funding to ensure the delivery of the accommodation project up to 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.

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 approval by the Environment Agency's LRPg on the 6th August 2015. Once the Project Appraisal Report is approved, further funding from DEFRA is then required to complete the next stage. This is the detailed, customer led design of the new sea walls and involves gaining the necessary approval for the work to progress, planning permission, Marine Management Organisation licence, environmental impact assessment and appropriate assessment with regards to the potential to disturb overwintering birds during construction. Once these approval are obtained it will unlock funding for both Fairhaven Lake and Church Scar sea defence construction schemes.

The overall cost of the Fairhaven Sea Wall is currently estimated by DEFRA to be £7.3m, and Church Scar Sea Wall to be £9.4m. The DEFRA funding spans the years 2015/16 to 2018/19. 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.

(iii) Disabled Facilities Grants (DFGs)

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

As part of the 2013 Spending Round review the Government established the 'Better Care Fund', with the intention of "providing an opportunity to transform local services so that people are provided with better integrated care and support". Under these new arrangements from 2015/16 onwards the funding for Disabled Facilities Grants (DFGs) transferred to the Department of Health, with funding being distributed to all Councils via the upper-tier authority for that area. As such, in Lancashire the fund will be administered by Lancashire County Council. Each upper-tier authority then allocates the funding to their respective housing authorities (i.e. district councils within their area) to enable them to continue to meet this statutory responsibility.

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

The Capital Programme includes annual provision for DFG's at the level of the 2015/16 grant allocation. 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 and will only be confirmed in the year they are due. For as long as DFG works remains a statutory obligation the grant is unlikely to be withdrawn by the Government but could be reduced.

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.

(iv) Project Slippage

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

(v) Other Capital Receipts

The approved programme for 2015/16 onwards assumes "Right to Buy" receipts of £25k per annum and "General Asset Sales" of £45k per annum. Future receipts are dependent on prevailing market conditions and values cannot be predicted with certainty. This will be monitored and reviewed during the year and adjusted accordingly in future monitoring reports, along with the impact this may have on the financing of the programme.

(vi) Capital Investment in St. Annes Pool

As part of the arrangement with the YMCA for the operation of the pool, the Council undertook to provide Capital support in the event of major works, repair or breakdown and a provision of £153k was included in the

programme for this eventuality. There is now a remaining capital resource of £93k in 2015/16. There is a risk that this remaining resource is insufficient to meet future capital expenditure needs for the facility.

4 Conclusions

- 4.1 Actual expenditure to 31st July 2015 is £608k against a full year budget of £4.434m. This equates to 13.7% of the latest budget. The expenditure on a number of schemes is phased later during the financial year.
- 4.2 The current Capital Programme as updated is showing a balanced position for 2015/16 onward. There are a number of priority areas beginning to emerge across the Council's property asset portfolio that will require further investment. The Capital Programme and the associated financing will be subject to discussion with Members during the months in the lead up to the annual budget setting process for 2016/17.
- 4.3 Any additional expenditure which is not fully funded by external finance would normally require the generation of capital receipts or further borrowing (the latter placing further pressure on the Revenue Budget from the consequent repayment costs). However Budget Council on 4th March 2013 approved the creation of a Capital Investment Reserve to finance future capital expenditure. The balance of this reserve at 31st March 2015 was £2.720m after an additional contribution at outturn for 2014/15 of £247k. Commitments to date of £2.379m leave a current uncommitted balance on the reserve of £341k. It is anticipated that this reserve would offer the preferred source of finance for any further additions to the Capital Programme in future years.

CAPITAL PROGRAMME - 2015/16 IN-YEAR SCHEME MONITORING REPORT - AS AT 31/07/15
Appendix A

APPROVED SCHEMES	Financing Source	Approved Budget 2015/16 £000	Slippage B/F from 2014/15 £000	Adjustments from 03/03/15 £000	Updated Budget 2015/16 £000	Expenditure to 31.07.15 £000	Variance £000	Comments
<u>FINANCE & DEMOCRACY COMMITTEE</u>								
Accommodation Project - Phase 3 - East Wing Inc. Lift	Proceeds from the sale of surplus Council Assets	315	2	230	547	2	545	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 Committee requested a further report be presented to the meeting in November containing recommendations as to the possible sources of further funding to ensure the delivery of the accommodation project up to phase 5.
Accommodation Project - Phase 4 - Chaseley Link Bridge		202			202		202	
Accommodation Project - Phase 5 - One Stop Shop		272			272		272	
Compliance with INSPIRE Directive	Specific Government Grant (INSPIRE)	0	7		7	7	0	The INSPIRE directive places a legal obligation on public authorities which hold geographical regarding the environment within their locality. The budget has been adjusted to reflect slippage approved by Committee 22nd June 2015. The scheme has now been completed within the budget.
Sub total		789	9	230	1,028	9	1,019	
<u>TOURISM & LEISURE COMMITTEE</u>								
Ashton Gardens Depot	Proceeds from the sale of surplus Council Assets	61	2		63		63	The budget for this scheme has been adjusted to reflect the slippage as approved by the Finance and Democracy Committee of 22nd June 2015. The scheme is currently on hold pending the disposal of the Public offices site (the works will need to be completed prior to that disposal). The scheme may be re-phased into 2016/17 if progress on the disposal is not expected in 2015/16.
Snowdon Road Depot	Capital Investment Reserve	320			320		320	The works on this scheme have commenced and completion is expected during November 2015.
Hope Street Pavilion Refurbishment - Phase 2	Capital Investment Reserve/ External Donations	79		74	153	25	128	The works on this scheme have commenced and completion is expected during September 2015.
St Annes Pool	No external finance - funded by borrowing/general asset disposal receipts	93			93		93	This represents the balance of the maintenance scheme resource which will be retained and drawn upon when required.
St Annes Pool - External Works	Capital Investment Reserve/ Arts Council Grant	120			120		120	A scheme has been proposed which will be designed in-house subject to the delivery of other priority projects. Once designed there will need to be consultation with stakeholders and then dialogue with the Arts Council over match funding. This scheme may not proceed in 2015/16 and may be re-phased into 2016/17 or removed from the capital programme altogether. A subsequent bid may be submitted in the future once the above has been carried out which will probably include external funding from 106 agreements from an adjacent development.

Appendix A (Cont'd)

APPROVED SCHEMES	Financing Source	Approved Budget 2015/16 £000	Slippage B/F from 2014/15 £000	Adjustments from 03/03/15 £000	Updated Budget 2015/16 £000	Expenditure to 31.07.15 £000	Variance £000	Comments
TOURISM & LEISURE COMMITTEE (CONT)								
Fairhaven Lake & Promenade Gardens - First round	Capital Investment Reserve	20			20		20	This scheme represented the match funding for the development of the Heritage Lottery Development Bid. Given that the first round bid was unsuccessful a report will be presented to the September 2015 meeting of the Tourism & Leisure Committee outlining how the Fairhaven Masterplan can be delivered in the future. The report will look at other known possible sources of funding and will make recommendations as appropriate.
Park View Playing Field - Sand & Water Play Facility	Specific Government Grant (Coastal Communities)	272			272		272	Works nearly complete and playground due to be handed over from the contractor shortly.
Community Parks Improvement Programme - Frobisher Drive Play Equipment	S106 Developer Contributions	0		34	34	33	1	This scheme has now been completed with a minor underspend.
Replacement Boats Fairhaven	Capital Investment Reserve	0	55		55	19	36	The selected supplier was unable to deliver to the council's specification and the contract was terminated accordingly. Some of the boat fleet has been replaced with reconditioned craft. A report will be presented to the September 2015 meeting of the Tourism & Leisure Committee to allocate the remaining funding to alternative procurement options.
Promenade Footways	No external finance - funded by borrowing/general asset disposal receipts	40		-40	0		0	Funding for this scheme has been amalgamated into the Fairhaven Footways Improvements project below.
Fairhaven Footway Improvements	Capital Investment Reserve / General Asset Sale Receipts	15		40	55		55	The works in relation to this scheme has been designed and tendered. A report will be presented to the September meeting of the Tourism and Leisure Committee to seek approval to the commencement of the scheme.
Lowther Pavilion Roof	Capital Investment Reserve	8			8		8	This funding represents the resource required to undertake the preparatory works for the substantive scheme programmed for 2016/17. Surveys are underway to inform a design and specification for partial re-roof. Dialogue is also taking place with Trustees over their refurbishment requirements and further development ambitions.
Fairhaven Toddlers Play Area	Capital Investment Reserve	67			67		67	A project design brief has been prepared and is currently being consulted upon. The scheme is due to go out to tender in September 2015 and a report will then presented to the November 2015 meeting of Tourism & Leisure Committee to seek approval to the commencement of the works.
Sand Dunes re-modelling at North Beach Car Park / Summerfields	Capital Investment Reserve	20			20		20	Surveys are underway and are due for completion in October 2015. The design works have also been commissioned. The scheme will require stakeholder engagement and the necessary approvals prior to commencement.
Freckleton Memorial Park	Capital Investment Reserve	50			50		50	This scheme is phased over two years. In addition to the Council's contribution a further £80k of external funding has been secured. Furthermore the outcome of two more external bid submissions in the total sum of £50k is awaited. The outcome of those bids is anticipated for December 2015. The outcome of those bid submissions will determine the extent of the scheme.
Sub total		1,165	57	108	1,330	77	1,253	

Appendix A (Cont'd)

APPROVED SCHEMES	Financing Source	Approved Budget 2015/16 £000	Slippage B/F from 2014/15 £000	Adjustments from 03/03/15 £000	Updated Budget 2015/16 £000	Expenditure to 31.07.15 £000	Variance £000	Comments
OPERATIONAL MANAGEMENT COMMITTEE								
Replacement Vehicles	Capital Investment Reserve / Borrowing	802	24		826	245	581	The budget for this scheme has been adjusted to reflect the slippage as approved by the Finance and Democracy Committee of 22nd June 2015. All vehicle acquisitions are expected to be completed in line with the budget during 2015/16.
Car Park Improvements	No external finance - funded by borrowing/general asset disposal receipts	30			30	30	0	Eight new Pay & Display meters have been purchased and installed. The scheme has been completed to budget in 2015/16.
Fylde Headlands Preliminary Work	Specific Government Grant (Environment Agency)	70	16		86	20	66	The Project Appraisal Report has been submitted for approval by the Environment Agency Large Projects Review Group on 6th August 2015. Further work will be required later in the year to continue to meet Environment Agency requirements for schemes of this scale and nature.
Repair & Renewal - Flood Defences	Specific Government Grant (Environment Agency)	0	30		30	15	15	The grant scheme has come to an end with 3 claims been approved. Any unused grant will be returned to the Environment Agency.
Sub total		902	70	0	972	310	662	
ENVIRONMENT, HEALTH & HOUSING COMMITTEE								
Disabled Facilities Programme	Specific Grant (Better Care Fund) / External Contributions / Grant repayments	366	52	149	567	139	428	The budget for this scheme has been adjusted to reflect the slippage as approved by the Finance and Democracy Committee of 22nd June 2015 and increased grant allocation and recycled grant repayments. The programme is expected to be completed in line with the budget during 2015/16.
Rapid Deployment CCTV Replacement Projects	Specific Grant (LSP Performance Reward Grant)	0		82	82	29	53	The budget for CCTV camera replacement is planned to be spent on the revised CCTV project as approved by Council. Any remaining monies are to be earmarked and allocated to replacement cameras as and when they are required (subject to a community impact assessment and approval by committee) as also previously agreed by Council.
Infant Memorial Garden - Phase 2	Capital Investment Reserve / NHS & Other donations	0	15		15	16	-1	This scheme has now been completed with a minor overspend.
Cemetery and Crematorium - Infrastructure Works	Capital Investment Reserve	0		6	6		6	This part of the scheme is for the initial design phase of the of the substantial burial ground extension works programmed for 2017/18. The design work is currently being undertaken.
Cemetery / Crematorium Pumping Station	Capital Investment Reserve	0	4		4	3	1	The works on this scheme have been completed. The final invoice is awaited and the total scheme costs will be in line with the budget.
New memorial garden - Lytham Park Cemetery	Capital Investment Reserve	41			41	8	33	A new boundary fence has been installed. A report will be presented to the September 2015 meeting of the Environment, Health & Housing Committee to select a location for the garden and seek approval to the commitment of the remaining scheme funding.
Sub total		407	71	237	715	195	520	

Appendix A (Cont'd)

APPROVED SCHEMES	Financing Source	Approved Budget 2015/16 £000	Slippage B/F from 2014/15 £000	Adjustments from 03/03/15 £000	Updated Budget 2015/16 £000	Expenditure to 31.07.15 £000	Variance £000	Comments
DEVELOPMENT MANAGEMENT COMMITTEE								
Kirkham Regeneration Scheme - Town Centre Phase 4	Capital Investment Reserve	50			50		50	A report will be presented to a special Development Management Committee in August 2015 to outline the scheme and seek approval to the commencement of the works. In addition to this there will be a further £35k of revenue monies allocated to this scheme from the High Street Innovation Fund. Commencement on site is scheduled for September 2015, subject to Committee approval in August.
Woodlands Road Regeneration Scheme - Town Centre Phase 3	Capital Investment Reserve / S106 Developer Contributions	85	4		89		89	The initial survey works and the public consultation have commenced and will inform a subsequent draft scheme. A report will be presented to a future Development Management Committee to seek approval for commencement of the works.
Public Realm Regeneration - St Annes	S106 Developer Contributions	80			80	17	63	The public realm scheme at Park Road is expected to be completed to budget in 2015/16.
St Annes Regeneration Schemes	S106 Developer Contributions	274		-274	0		0	This funding is earmarked for the next phase of St Annes Town Centre including St Annes Road South and The Crescent. A draft scheme will be prepared early 2016 for spend during 2016/17. Consequently this scheme will be re-phased into 2016/17.
Lytham Regeneration Schemes	S106 Developer Contributions	130			130		130	Section 106 monies have been received and a scheme is currently being drafted for public consultation.
Staining Regeneration Schemes	S106 Developer Contributions	40			40		40	This project is subject to ongoing discussions with Staining Parish Council. A Draft scheme is to be prepared based on the outcome of those discussions.
Sub total		659	4	-274	389	17	372	
Total Expenditure		3,922	211	301	4,434	608	3,826	

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	202				
Accommodation Project - Phase 5 - One Stop Shop	272				
Accommodation Project - Phase 6 - Council Chamber		179			
Accommodation Project - Phase 7 - Internal Refurb / Services		775			
Accommodation Project - Phase 8 - Car Park & External Works		0			
Compliance with INSPIRE Directive	7				
Sub total	1,028	954	0	0	0
TOURISM & LEISURE COMMITTEE					
Ashton Gardens Depot	63				
Snowdon Road Depot	320				
Hope Street Pavillion Refurbishment - Phase 2	153				
St Annes Pool	93				
St Annes Pool - External Works	120				
Fairhaven Lake & Promenade Gardens - First Round	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 Footways	0	40	40	40	40
Fairhaven Footway Improvements	55				
Lowther Pavilion Roof	8	115			
Fairhaven Toddlers Play Area	67				
Sand Dunes re-modelling at North Beach Car Park / Summerfields	20				
Freckleton Memorial Park	50				
Sub total	1,330	155	40	40	40
OPERATIONAL MANAGEMENT COMMITTEE					
Replacement Vehicles	826	68	1,487	680	840
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	30				
Sub total	972	3,698	8,817	6,310	870
HEALTH & HOUSING COMMITTEE					
Disabled Facilities Programme	567	468	468	468	468
Rapid Deployment CCTV Replacement Projects	82				
Infant Memorial Garden - Phase 2	15				
Cemetery and Crematorium - Infrastructure Works	6		294		
Cemetery / Crematorium Pumping Station	4				
New memorial garden - Lytham Park Cemetery	41				
Sub total	715	468	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	130				
Staining Regeneration Schemes	40				
Sub total	389	274	0	0	0
Total Expenditure	4,434	5,549	9,619	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	33	25	25	25	25
Capital Receipts - (Accommodation Project)	1,084	954			
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	130				
Section 106 Monies - Staining	40				
Section 106 Monies - Parks Improvement - Frobisher	34				
Capital Grant - Repayments	47				
Capital Investment Reserve	1,247	534	393	78	182
Other External Finance (see analysis below)	686	3,200	7,300	5,600	
Direct Revenue Finance	73				
Prudential Borrowing	451	49	1,388	602	658
Total Financing	4,434	5,549	9,619	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	30				
Other Contributions - Hope Street Pavillion Refurbishment	66				
Arts Council - St Annes Pool	90				
NHS - Infant Memorial Garden Donation and fund raising	13				
INSPIRE Grant	7				
New Fylde Housing - DFG Contribution	40				
Coastal Communities Grant	272				
	686	3,200	7,300	5,600	0

DECISION ITEM



REPORT OF	MEETING	DATE	ITEM NO
RESOURCES DIRECTORATE	FINANCE AND DEMOCRACY COMMITTEE	28 SEPTEMBER 2015	9

EXCLUSION OF THE PUBLIC

PUBLIC ITEM

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

RECOMMENDATION

Members are invited to consider passing a resolution concerning the exclusion of the public from the meeting in accordance with the provisions of Section 100(A)(4) of the Local Government Act 1972 on the grounds that the business to be discussed is exempt information as defined in paragraph 7 of schedule 12A to the Local Government Act 1972, information relating to any action taken or to be taken in connection with the prevention, investigation or prosecution of crime.