

Agenda

COUNCIL



Date:	Monday, 6 February 2017 at 7:00 pm
Venue:	Lowther Pavilion, West Beach, Lytham, FY8 5QQ
	<p>Mayor : Councillor Christine Akeroyd Deputy Mayor : Councillor Angela Jacques</p> <p>Leader : Councillor Sue Fazackerley Deputy Leader : Councillor Karen Buckley</p> <p>Councillors Ben Aitken, Frank Andrews, Peter Anthony, Tim Ashton, 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, Peter Hardy, Neil Harvey, Paul Hayhurst, Karen Henshaw JP, Paul Hodgson, 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, Heather Speak, Richard Taylor, Raymond Thomas, Thomas Threlfall, Viv Willder.</p>

	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 Council meeting held on 5 December 2016 as a correct record.	1
	ANNOUNCEMENTS:	
3	Mayor's Announcements	1
4	Chief Executive's Communications	1
	REPRESENTATIONS:	
5	Questions from Members of the Council	3
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10	Pay Policy Statement 2017	14 – 20
11	Regulation Of Investigatory Powers Act (RIPA) Policy	21 – 23
12	Bryning with Warton Neighbourhood Development Plan – Examiner’s Report and Progression to Referendum	24 – 28
13	Request for S106 Funds – Keenans Mill, Lord Street, St Annes	29 – 34
14	Financial Forecast Update (Position as at January 2017)	35 – 48
15	Constitutional Amendments	49 – 57
16	Appointment of External Auditors from 2018/19 Financial Year – Update	58 - 60

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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REPRESENTATIONS



REPORT OF	MEETING	DATE	ITEM NO
RESOURCES DIRECTORATE	COUNCIL	6 FEBRUARY 2017	5
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 constitutional 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 6 February 2017 and a response will be given by the Leader of the Council.

REPRESENTATIONS



REPORT OF	MEETING	DATE	ITEM NO
RESOURCES DIRECTORATE	COUNCIL	6 FEBRUARY 2017	6
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 members of 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 further questions are received before the constitutional 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 6 February 2017 and a response will be given by the Leader of the Council.

DECISION ITEM



REPORT OF	MEETING	DATE	ITEM NO
RESOURCES DIRECTORATE	COUNCIL	6 FEBRUARY 2017	7
INVITATION TO ACCEPT APPOINTMENT AS MAYOR 2017/18			

PUBLIC ITEM

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

SUMMARY

To invite a member of the Council to accept appointment as Mayor of the Borough of Fylde for the ensuring municipal year.

RECOMMENDATION

That the Council invites Councillor John Singleton to accept appointment at the 2017 Annual Meeting as Mayor of the Borough of Fylde for the municipal year 2017/18.

SUMMARY OF PREVIOUS DECISIONS

The Council is invited to appoint a Mayor of the Borough of Fylde annually.

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

REPORT

1. Members are invited to consider nominations for the position of Mayor for the municipal year 2017/18.
2. An updated seniority list is attached which shows the current position regarding this matter. The list has been compiled in accordance with the agreed Policy on the Operation of the Mayoralty.

IMPLICATIONS	
Finance	Provision is contained within the council budget for the Mayoralty.
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.

LEAD AUTHOR	TEL	DATE	DOC ID
Tracy Morrison	01253 658521	23 January 2017	

LIST OF BACKGROUND PAPERS		
Name of document	Date	Where available for inspection
None		

Attached document

1. Seniority List

FYLDE BOROUGH COUNCIL MAYORALTY
SENIORITY LIST – JANUARY 2017

	COUNCILLOR	START OF PRESENT TERM
1	CHRISTINE AKEROYD (Mayor 2016-17)	2002
2	JOHN R SINGLETON	2007
3	ALBERT POUNDER ¹	2003
4	PETER COLLINS	2003
5	THOMAS THRELFALL ²	1995
6	KEITH BECKETT	2007 (past service 1983-1986)
7=	BEN AITKEN	2007
7=	KAREN BUCKLEY	2007
7=	DAVID EAVES	2007
7=	TONY FORD	2007
7=	ANGELA JACQUES	2007
7=	CHERYL LITTLE	2007
7=	ELAINE SILVERWOOD	2007
14	KAREN HENSHAW	2010 (past service 2003-2007)
15	FRANK ANDREWS	2010
16=	JULIE BRICKLES	2011
16=	ALAN CLAYTON	2011
16=	DAVID DONALDSON	2011
16=	GAIL GOODMAN	2011
16=	PAUL HODGSON	2011
16=	EDWARD NASH	2011
16=	RICHARD REDCLIFFE	2011
16=	VIV WILLDER	2011
24	BARBARA NASH	2012
25=	MICHAEL CORNAH	2015 (past service 2007-2011)
25=	ROGER LLOYD	2015 (past service 1991-1995)
25=	ROGER SMALL	2015 (past service 1999-2011)
28=	JAN BARKER	2015
28=	BRENDA BLACKSHAW	2015
28=	DELMA COLLINS	2015
28=	RICHARD FRADLEY	2015
28=	SHIRLEY GREEN	2015
28=	NEIL HARVEY	2015

28=	GRAEME NEALE	2015
28=	SANDRA PITMAN	2015
28=	VINCE SETTLE	2015
28=	RICHARD TAYLOR	2015
28=	RAY THOMAS	2015
39	PETER ANTHONY	DEC 2015

	TIM ASHTON (excluded himself from draw with Liz Oades in 2010 and excluded himself from draw with T Threlfall and H Henshaw in 2011)	1991
	KIRAN MULHOLLAND	1991 Does not wish to be considered for Mayoralty (Declared August 2009)
	MAXINE CHEW	2003 Does not wish to be considered for Mayoralty (Declared January 2017)

	LOUIS RIGBY (has already been Mayor in 1991/92)	1976
	PAUL HAYHURST (has already been Mayor in 2000\1)	1979
	TREVOR J. FIDDLER (has already been Mayor in 2004\5)	1979 (broken service 1995-99)
	SUSAN FAZACKERLEY (has already been Mayor 2008/9)	1987
	LIZ OADES (has already been Mayor 2010-2011)	1991
	HEATHER SPEAK (has already been Mayor 2012/13)	1999
	LINDA NULTY (has already been Mayor 2013/14)	1999
	PETER HARDY (has already been Mayor 2015-16)	1999

¹ Having become eligible for office, Councillor Albert Pounder declined the position of Mayor for 2017/18. In doing so he stated his intent to decline the position for one year only, and that his name be inserted at the top of the list in the following year 2018/19, in line with the agreed policy on the Operation of the Mayoralty which forms a part of the Council's Constitution. Councillor Peter Collins who held the next position of seniority declined the position also for 2017/18 but requested to take up office in a subsequent year as determined by the seniority list. Councillor Chew, the next eligible senior member, then stated it was her intention to decline the position permanently and requested her name to be placed at the bottom of the list. Councillor Keith Beckett, being next on the list, also declined the office in 2017/18. Therefore the eight councillors next in equal sixth place on the list were asked if they would like to be considered to be elevated on the list to take up office in 2017/18, and of those who expressed interest, a draw took place. Councillor John Singleton was selected in this draw on 23rd January 2017 by the Leader, witnessed by the Chief Executive.

² In line with agreed policy, any member who has previously excluded themselves from the seniority list and therefore taking the position of Mayor, although eligible in terms of seniority, can decide that they wish to be inserted back into the list. In these circumstances, their position in the list will be agreed by the Leader of the Council and the Chief Executive. As a result of such a request from Councillor Thomas Threlfall, he has been re-inserted back into the list on, taking the ranking of Councillor Chew who excluded herself.

DECISION ITEM



REPORT OF	MEETING	DATE	ITEM NO
RESOURCES DIRECTORATE	COUNCIL	6 FEBRUARY 2017	8
INVITATION TO ACCEPT APPOINTMENT AS DEPUTY MAYOR 2017/18			

PUBLIC ITEM

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

SUMMARY

To invite a member of the Council to accept appointment as Deputy Mayor of the Borough of Fylde for the ensuing municipal year.

RECOMMENDATION

That the Council invites Councillor Raymond Thomas to accept appointment at the 2017 Annual Meeting as Deputy Mayor of the Borough of Fylde for the municipal year 2017/18.

SUMMARY OF PREVIOUS DECISIONS

The Council is invited to appoint a Mayor and Deputy Mayor of the Borough of Fylde annually.

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

REPORT

1. Members are invited to receive nominations for the position of Deputy Mayor for the municipal year 2017/18.
2. It is understood that Councillor Raymond Thomas will be nominated.

IMPLICATIONS	
Finance	An allowance is paid to the Deputy Mayor which is budgeted for within the council budget for the Mayoralty.
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.

LEAD AUTHOR	TEL	DATE	DOC ID
Tracy Morrison	01253 658521		

LIST OF BACKGROUND PAPERS		
Name of document	Date	Where available for inspection
None		

DECISION ITEM

REPORT OF	MEETING	DATE	ITEM NO
RESOURCES DIRECTORATE	COUNCIL	6 FEBRUARY 2017	9
SCHEDULE OF MEETINGS 2017/2018			

PUBLIC ITEM

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

SUMMARY

The attached Schedule of Meetings document highlights the proposed committees meeting dates for the forthcoming municipal year, 2017/18.

RECOMMENDATION

To approve the Schedule of Meetings for 2017/18 subject to any necessary amendments.

SUMMARY OF PREVIOUS DECISIONS

The Schedule of Meetings is approved at full Council each municipal year.

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

REPORT

- Appendix 1 highlights the proposed committee meeting dates for the forthcoming municipal year. Members are invited to endorse these proposals.
- The proposed schedule is based on the level of service for 2017/18 for which there is support from within existing budgetary provision.

IMPLICATIONS	
Finance	Provision is contained within the council budget for scheduled meetings.
Legal	None arising from the report.
Community Safety	None arising from the report.
Human Rights and Equalities	None arising from the report.
Sustainability and Environmental Impact	None arising from the report.
Health & Safety and Risk Management	None arising from the report.

LEAD AUTHOR	TEL	DATE	DOC ID
Tracy Morrison	01253 658521		

LIST OF BACKGROUND PAPERS		
Name of document	Date	Where available for inspection
none		

Attached documents

1. Appendix 1 – Schedule of Meetings 2017/18

Fylde Borough Council Schedule of Meetings

Draft Version 4.2 created 24/01/17

For Information Only

2017/2018														
		CYCLE 1			CYCLE 2		CYCLE 3		CYCLE 4		CYCLE 5			
2017/18	May	June	July	August	September	October	November	December	January 2018-	February	March	April	May	2017/18
Mo	1 May Day								1 New Years Day					Mo
Tu	2			1					2				1	Tu
We	3			2			1		3				2	We
Th	4 County Council elections	1		3			2		4	1	1		3	Th
Fr	5	2		4	1		3	1	5	2	2		4	Fr
Sa	6	3	1	5	2		4	2	6	3	3		5	Sa
Su	7	4	2	6	3	1	5	3	7	4	4	1 Easter Sunday	6	Su
Mo	8	5	3	7	4	2	6	4 Council	8	5 Council	5 Budget Council	2 Easter Monday	7 May Day Bank Holiday	Mo
Tu	9	6 Environment, H&H	4	8	5 Environment, H&H	3	7 Environment H&H	5	9 Environment, H&H	6	6 Operational MGMT	3	8	Tu
We	10 Council AGM (14:00)	7	5	9	6 Dev Mgmt	4 Dev Mgmt	8 Dev Mgmt	6 Dev Mgmt	10 Dev Mgmt	7 Dev Mgmt	7 Dev Mgmt (EVE)	4	9 Council AGM (14:00)	We
Th	11	8 Tourism and Leisure	6	10	7 Tourism and Leisure	5	9 Tourism and Leisure	7	11 Tourism and Leisure	8	8 Tourism and Leisure	5	10	Th
Fr	12	9	7 MDSG (14:00)	11	8	6	10	8 MDSG (14:00)	12	9	9	6	11	Fr
Sa	13	10	8	12	9	7	11	9	13	10	10	7	12	Sa
Su	14	11	9	13	10	8	12	10	14	11	11	8	13	Su
Mo	15	12	10	14	11	9	13	11	15	12	12	9	14	Mo
Tu	16	13	11	15	12 Operational MGMT	10	14 Operational MGMT	12	16 Operational MGMT	13	13 Environment, H&Housing	10	15	Tu
We	17	14 Dev Mgmt (EVE)	12	16	13 Dev Mgmt (EVE)	11	15 Dev Mgmt (EVE)	13	17 Dev Mgmt (EVE)	14 Public Protection 10am	14 Dev Mgmt	11	16	We
Th	18	15 Audit & Standards	13	17	14	12	16 Audit & Standards	14	18 Audit & Standards	15	15 Audit & Standards	12	17	Th
Fr	19 MDSG (14:00)	16	14	18	15	13	17	15	19	16	16	13	18	Fr
Sa	20	17	15	19	16	14	18	16	20	17	17	14	19	Sa
Su	21	18	16	20	17	15	19	17	21	18	18	15	20	Su
Mo	22	19 Finance & Democracy	17 Council	21	18	16 Council	20 Finance & Democracy	18	22 Finance & Democracy	19 Special Finance & Democracy - Budget	19 Finance & Democracy	16 Council	21	Mo
Tu	23 Operational MGMT	20	18	22	19	17	21	19	23	20	20	17	22	Tu
We	24 Dev Mgmt	21	19 Public Protection 10am	23	20	18	22	20	24	21	21	18 Dev Mgmt	23 Dev Mgmt	We
Th	25	22	20 Audit & Standards	24	21 Audit & Standards	19	23	21	25	22	22	19	24	Th
Fr	26	23	21	25	22	20 MDSG (14:00)	24	22	26	23 MDSG (14:00)	23	20	25	Fr
Sa	27	24	22	26	23	21	25	23	27	24	24	21	26	Sa
Su	28	25	23	27	24	22	26	24	28	25	25	22	27	Su
Mo	29 Spring Bank Hol	26	24	28 Summer Bank Hol	25 Finance & Democracy	23	27	25 Christmas Day	29	26	26	23	28 Spring Bank Hol	Mo
Tu	30	27	25	29	26	24	28	26 Boxing Day	30	27	27	24	29	Tu
Wed	31	28 Dev Mgmt	26 Dev Mgmt	30	27	25 Public Protection 10am	29	27	31	28	28	25	30	Wed
Th		29	27	31	28	26	30	28			29	26	31	Th
Fr		30	28		29	27		29			30 Good Friday	27		Fr
Sa			29		30	28		30			31	28		Sa
Su			30			29		31				29		Su
Mo			31			30						30		Mo
Tu						31								Tu

KEY 2017/18 MEETINGS:		
Council	7	Mondays
Finance & Democracy	6	Mondays
Operational Management	5	Tuesdays
Environment, Health & Housing	5	Tuesdays
Development Management, 10am	11	Wednesdays
Development Management 6:30pm	5	Wednesdays
Tourism & Leisure	5	Thursdays
Audit and Standards	6	Thursdays
Public Protection	3	Wednesday am
MDSG	5	Fridays
TOTAL 2017/18 =	58	MEETINGS
Bank Holiday		

DECISION ITEM



REPORT OF	MEETING	DATE	ITEM NO
OFFICE OF THE CHIEF EXECUTIVE	COUNCIL	6 FEBRUARY 2017	10
PAY POLICY STATEMENT 2017			

PUBLIC ITEM

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

SUMMARY

The report provides details of the Pay Policy Statement for Fylde Council which is a requirement for all local authorities to have in place since April 1st 2012 as part of the Localism Act. The objective of the Statement is to ensure openness, transparency and fairness in pay policy arrangements. Annual reviews are required and this report represents the fourth annual review of the Pay Policy statement for Fylde.

RECOMMENDATION

That Council approve the Pay Policy Statement 2017 for Fylde Council, included as Appendix 1 to this report, which has no proposed changes from the statement approved in 2016.

SUMMARY OF PREVIOUS DECISIONS

The Pay Policy Statement was first established and approved by Full Council in 2012 and has been approved by Full Council every year since 2012.

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

REPORT

1. The Council is required as part of the Localism Act to produce a pay policy statement and to review and formally approve it each year.
2. The statement sets out the Council policy on:
 - I. Chief Officer Remuneration (recruitment, salary, bonus, performance related pay, charges, fees, allowances, benefits in kind, enhancement to pension at termination)
 - II. Remuneration of its lowest paid employees (covering the same elements as above) the definition used for this group and the reason for adopting that definition
 - III. The relationship between Chief Officer remuneration and that of other staff

This however is a minimum requirement and Councils can do more if they want.

3. The guidance from the DCLG provides details of what is expected in the Pay Policy Statement, and includes:
 - I. The opportunity for full council to vote on senior remuneration packages with a value over £100,000 prior to an offer of appointment being made
 - II. The relationship between Chief Officer remuneration and that of other staff and the ratio between the highest paid and median salary that the authority aims to achieve and maintain
 - III. The value of any system of earn back pay with an element of the basic pay at risk each year to be earned back through meeting pre-agreed objectives
 - IV. Any decision that the authority takes in relation to the award of severance to an individual Chief Officer
 - V. An explicit statement on whether or not to permit an individual to be in receipt of a pension in addition to receiving a salary
 - VI. Policies to deal with those who may have returned to the authority under a contract of service of any type having already received a severance or redundancy payment
4. In addition to this guidance it should be noted that the recommended practice for local authorities on data transparency states that Council's should disclose publically:
 - I. Senior employee salaries at £50,000 and above including disclosing the names, job descriptions, budgets and numbers of staff
 - II. An organisational chart
 - III. The pay multiple which is the ratio between the highest paid salary and the median average salary of the whole authority's workforce
5. The Council implemented a pay review process in 2007 and as part of that review a robust pay and grading evaluation scheme designed to ensure fairness and equity in terms of pay is in place.
6. The Council complies with the recommended practice for local authorities on data transparency and publishes data on www.fylde.gov.uk that is required to be made publicly available.
7. The Council's Pay Policy Statement is included as Appendix 1 to this report. Central to the statement is the acknowledgement that each job has a value in terms of scope, specialist

skills and knowledge, size and impact that has been subject to the agreed pay and grading evaluation scheme to determine an appropriate pay scale.

8. The Council's employee benefits policies are universally applied wherever possible and the financial arrangements for all employees leaving the organisation for whatever reason are based on the same principles regardless of grade.
9. The Statement has been subject to review and there has been no legislative or operational reason to change the policy over the last 12 months. The ratios between salary levels will change when they are republished in May 2017 to reflect any pay increases. All the required information in relation to the pay policy is published online and updated after the financial year end on March 31st.

IMPLICATIONS	
Finance	There is no change to the financial position of the Council arising from the report.
Legal	The legal responsibilities in respect of the Pay Policy Statement have been included in the body of the report.
Community Safety	There are no community safety implications as a result of this report.
Human Rights and Equalities	The pay and grading scheme implemented at Fylde has been subject to equality impact assessment. There are no direct human rights and implications arising from the report.
Sustainability and Environmental Impact	There are no direct implications as a result of this report.
Health & Safety and Risk Management	There are no direct implications as a result of this report.

LEAD AUTHOR	TEL	DATE	DOC ID
Allan Oldfield	01253 658500		

LIST OF BACKGROUND PAPERS		
Name of document	Date	Where available for inspection
Online Pay Policy and Data	April (annual update)	http://www.fylde.gov.uk/council/your-council/pay-policy-statement/ http://www.fylde.gov.uk/council/your-council/transparency/salary-ratios/ http://www.fylde.gov.uk/council/your-council/pay-scales/ http://www.fylde.gov.uk/council/your-council/management-team/

Attached documents

Appendix 1 – The Pay Policy Statement



Pay Policy Statement

Summary Statement

Fylde Council is committed to paying all employees appropriately and fairly through the implementation of recognised and approved job evaluation schemes that have been tested to ensure they are free of any bias. The pay scales for employees at all levels are in the public domain and the Council complies with the requirement to publish data on senior salaries and its entire pay scale in the interests of transparency.

In determining the pay and remuneration of all employees, the Council complies with all relevant employment legislation including; the Equality Act 2010; Part Time Employment (Prevention of Less Favourable Treatment) Regulations 2000; and where relevant, the Transfer of Undertakings (Protection of Earnings) Regulations.

All Council policies that relate to employment benefits are universally applied unless there is a specific contractual or business reason why they should be limited to a certain group of employees.

Basic Pay

All employee basic pay is based on pay and grading evaluation schemes with the GLPC scheme for posts up to Chief Officer and the Hay scheme for Chief Officer Posts. Both schemes have been tested to ensure that they are free from gender bias and the use of these schemes has been agreed with the relevant recognised trades unions.

Pay and grading evaluation panels made up of trained employee representatives evaluate the job description and person specification for the posts which in turn produces a score and a grade. Equality is ensured by evaluating the post and not the person.

Apprentices are paid above the government's apprenticeship rate.

The Council has adopted a policy to pay the Living Wage.

The Council adopts the national pay bargaining arrangements in respect of the establishment and the revision of the national pay spine is determined through any agreed annual pay increases negotiated with joint trade unions.

All other pay related allowances are the subject of either nationally or locally negotiated rates, having been determined from time to time in accordance with collective bargaining process.

Market Supplements

Market force supplements are only paid to employees and Chief Officers in exceptional circumstances in accordance with the strict controls in the Council's Market Supplements Policy. Any such payments are reviewed annually to ensure they remain valid and at present there are no Market Supplements paid at Fylde.

Incremental Progression

Progression through the grade for permanent and temporary employees, including Chief Officers, is only possible upon completion of satisfactory service and in line with the NJC terms and conditions as described in the Green Book.

New Appointments

Appointment to new posts are usually made at the bottom of the grade, unless there are exceptional circumstances where the most suitable candidate can evidence that such an offer would not reasonably be acceptable and the Council is satisfied that market conditions require the appointment to take place at a higher point than the minimum.

Any Chief Officer appointment is dealt with by the Chief Officer Employment Committee, using the normal recruitment procedures and options with appointments made to a post with a remuneration package of more than £100,000 being ratified by Full Council.

Overtime and Additional Hours Payments and Premium Payments

Contractual overtime and additional hours are paid in accordance with the NJC terms and conditions as described in the Green Book.

Non contractual, voluntary overtime, additional hour's payments are paid in accordance with the Council's pay review terms and agreed policy on overtime.

To meet specific operational requirements it may be necessary for an individual to temporarily take on additional duties, the Council's arrangements for authorising any additional remuneration, e.g. honoraria, ex gratia, 'acting up' relating to temporary additional duties are set out in the Council's personnel code. Any additional payment is subject to approval by the Employee Resource Panel that consists of the Chief Executive, the UNISON Chairman and a senior Human Resource officer.

Chief Officers are not permitted to be paid overtime, additional hour's payments or premium payments.

Bonus Payments and Earn Back Schemes

No employees including Chief Officers in the Council are in receipt of bonus payments or subject to earn back schemes where employees give up some salary to earn it back upon completion of agreed targets.

Performance Related Pay

The Council does not operate performance related pay schemes for any employees and has no plans to introduce policy to support performance related pay schemes.

Honorarium Payments

Honorarium payments are only made in exceptional circumstances and are subject to a business case being approved by the Employee Resource Panel with payment only made after the agreed outcome has been delivered / achieved.

Relationship between the Highest and the Lowest Paid

The Council is committed to paying employees based on the recognised job evaluation schemes detailed above. It is the application of these schemes that creates the salary differentials. Pay rates for each grade are published on the Council's website and updated at the start of each financial year in April.

Relationship between the Highest Paid Employee and the Median Salary

The relationship between the highest paid employee and the median salary will be calculated on an annual basis and published on the Council's website alongside the information provided regarding senior manager salaries. The information is updated at the start of each financial year in April.

As part of its overall and ongoing monitoring of alignment with external pay markets, both within and outside the sector, the Council will use available benchmark information as appropriate. In addition, upon the annual review of this statement, the Council will also monitor any changes in the relevant 'pay multiples' and benchmark against other comparable local authorities.

Charges, Fees and Allowances

The Travelling, Subsistence and Related Expenses Policy is applicable to all employees including Chief Officers.

The reimbursement of professional fees for certain occupational groups is covered by the Personnel Code and applies to all relevant employees regardless of grade.

Any other allowances paid to employees regardless of grade are detailed in the appropriate policy and procedures approved by the Council and paid only when necessary to the service activity.

Chief Officers do not receive additional allowance payments.

Electoral Fees

The Resources Director is the Council's appointed Returning Officer and is personally (not corporately) liable for the management of elections and referendums. The fee payable to the returning Officer for a European, UK Parliamentary and any other election or referendum organised nationally is set and paid for from Central Government. The fee payable to the Returning Officer for local and local by-elections is set at £155.33 per ward, for the parish and parish by-elections the fee is set at £80.34 per ward. The scale of fees is based on a payment for the first 3000 electors per ward, then for each 500 electors or part thereof over 3000 an additional fee is incurred. Although there is provision to pay an additional fee, no additional payment is made. Any changes to these fees will be considered as part of the annual review of the Pay Policy.

A panel is in place at Fylde that periodically reviews the payments made to any officers involved in election work.

Pension

Where employees have exercised their statutory right to become members of the Local Government Pension Scheme, the Council is required to make a contribution to the scheme representing a percentage of the pensionable remuneration due under the contract of employment of that employee. The rate of contribution is set by Actuaries advising the

Lancashire Pension Fund and reviewed on a triennial basis in order to ensure the scheme is appropriately funded. The employer contribution rates are set by statute and are available from the Payroll Team.

Under the terms of the Flexible Retirement Policy it is permitted for an employee to be in receipt of a pension and to be paid a salary at the same time. The policy requires a minimum reduction in hours worked of 50% and only employees aged 55 years and older are eligible to apply. Flexible retirement will only be granted in exceptional circumstances when there is a financial benefit to the Authority or extenuating personal circumstances without any cost to the Authority.

Redundancy Payments and Retirement

All employees including Chief Officers are entitled to redundancy payments and pension release in accordance with the Council's Redundancy and Retirement procedure.

Access to Information on Remuneration (Chief Officers and all staff)

The Council will identify and publish all remuneration information and job descriptions relating to any Officers paid in excess of £50,000 per annum. This includes the details of any employee that is employed on reduced hours but pro rata would earn in excess of £50,000 per annum.

Post titles and salary scale band will be published for all employees in the Council in the format of an organisational structure chart.

The Council will publish the policy on employee expenses and a table of all the salary pay scale points applicable at Fylde. The schedule of election fees paid to the Returning Officer will be published.

This information will be available on the Council website www.fylde.gov.uk and on request from the Council, it is updated at the start of the financial year in April.

<http://www.fylde.gov.uk/council/your-council/pay-policy-statement/>

Scope

This Pay Policy Statement applies to all Council employees, excluding those who are subject to the TUPE Regulations (Transfer of Undertakings Protection of Employment).

DECISION ITEM



REPORT OF	MEETING	DATE	ITEM NO
RESOURCES DIRECTORATE	COUNCIL	6 FEBRUARY 2017	11
REGULATION OF INVESTIGATORY POWERS ACT (RIPA) POLICY			

PUBLIC ITEM

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

SUMMARY

Under the Regulation of Investigatory Powers Act 2000, the council must have in place a system of authorising, recording and reviewing any surveillance that it carries out that it covered by the act. Its system must comply with the act, regulations and codes of practice. It must have its own RIPA policy. Legislation under RIPA requires annual review and re-adoption of the RIPA policy by the full council.

The report asks the council to endorse the guidance comprising its RIPA policy, and provides information in the council's use of RIPA in 2015/16 and in the current municipal year 2016/17 to date.

RECOMMENDATIONS

1. Note the information contained in the report about the council's use of surveillance powers.
2. Endorse the RIPA policy.

SUMMARY OF PREVIOUS DECISIONS

The council is invited annually to note the use made by the council of surveillance powers and adopt or endorse the council's RIPA policy. The council last did so at its meeting on 8 February 2016.

The Audit and Standards Committee receives quarterly reports on the council's use of surveillance powers.

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

REPORT

THE RIPA FRAMEWORK

1. The Regulation of Investigatory Powers Act 2000 (RIPA) regulates covert investigations by a number of bodies, including local authorities. It was introduced to ensure that individuals' rights are protected while also ensuring that law enforcement and security agencies have the powers they need to do their job effectively.
2. Fylde Council is therefore included within RIPA framework with regard to the authorisation of both directed surveillance and of the use of covert human intelligence sources.
3. Directed surveillance includes the covert surveillance of an individual in circumstances where private information about that individual may be obtained. A covert human intelligence source ("CHIS") is a person who, pretending to be someone that they are not, builds up a relationship of trust with another person for the purpose of obtaining information as part of an investigation.
4. RIPA introduced a mandatory system of authorisation and review for surveillance activities. Only certain people can be designated to authorise surveillance. Authorisations must be approved by the Magistrates' Court. There must be a centrally-retrievable record of authorisations.
5. As well as the act, the RIPA framework includes statutory instruments and codes of practice issued by the Home Office. Each public authority that can use RIPA must have its own RIPA policy. The Office of the Surveillance Commissioners can inspect any public authority's RIPA compliance. The Commissioners' inspections are rigorous and thoroughgoing.

CONSIDERATION OF RIPA POLICY

6. Under the Regulation of Investigatory Powers (Directed Surveillance and Covert Human Intelligence Sources) Order 2010:
 - The full council should set the RIPA policy and review use of RIPA at least once each year; and
 - Councillors should consider reports on use of RIPA at least quarterly to ensure that it is being used consistently with the council's policy and that the policy remains fit for purpose (a quarterly report goes to the council's Audit and Standards Committee for this purpose).
7. The present policy is available at the link below for members to endorse. There have been no changes since the policy was previously approved by the Council in February 2016.

THE COUNCIL'S USE OF RIPA IN 2015-16 AND 2016-17 TO DATE

8. The council did not use RIPA in 2015-16. In the current municipal year 2016-17 to date, the Council has not used RIPA.

IMPLICATIONS	
Finance	No implications
Legal	Authorisation of surveillance activity gives that surveillance “lawful authority” for the purposes of the European Convention on Human Rights.
Community Safety	CCTV cameras have the capability of being used for purposes falling within the ambit of RIPA. If they were so used, a RIPA authorisation would need to be obtained.
Human Rights and Equalities	See the comments under “Legal”
Sustainability and Environmental Impact	No implications
Health & Safety and Risk Management	Failure to comply with the statutory requirements would lead to an adverse report by the Surveillance Commissioners.

LEAD AUTHOR	TEL	DATE	DOC ID
Ian Curtis	01253 658506		

LIST OF BACKGROUND PAPERS		
Name of document	Date	Where available for inspection
Employee’s Guide: Regulation of investigatory Powers Act 2000, 2015 revision	January 2015	www.fylde.gov.uk

DECISION ITEM



REPORT OF	MEETING	DATE	ITEM NO
DEVELOPMENT SERVICES DIRECTORATE	COUNCIL	6 FEBRUARY 2017	12
BRYNING WITH WARTON NEIGHBOURHOOD DEVELOPMENT PLAN – EXAMINER’S REPORT AND PROGRESSION TO REFERENDUM			

PUBLIC ITEM

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

SUMMARY

Following the Independent Examination of the Bryning with Warton Neighbourhood Development Plan (the Plan), the Independent Examiner, Mr Nigel McGurk BSc(Hons), NCD, MBA, MRTPI, has now issued his examination report. The Examiner’s report concludes that subject to recommended modifications, the Plan meets with the “Basic Conditions” set out in legislation and should proceed to a Neighbourhood Planning Referendum.

Following on from the receipt of the Examiner’s Report, the Local Planning Authority must consider each recommendation and decide what action to take in response to each recommendation. If satisfied that, subject to the modifications made, the draft Neighbourhood Development Plan meets the legal requirements and Basic Conditions, a Referendum must be held on ‘making’ the Plan by the Local Authority. Following a successful Independent examination and public Referendum, the Bryning with Warton Neighbourhood Development Plan will form part of the statutory Development Plan, alongside the current saved Local Plan policies.

RECOMMENDATION

1. That Full Council accept the Independent Examiner’s modifications and proceed the Bryning with Warton Neighbourhood Development Plan to Referendum.

SUMMARY OF PREVIOUS DECISIONS

Development Management Committee – 18 January 2017 – Bryning with Warton Neighbourhood Development Plan – Examiner’s Report and Progression to Referendum

Development Management Committee agreed to accept the Independent Examiner’s modifications and recommend to Full Council to agree to the draft Decision Statement and proceed the Bryning with Warton Neighbourhood Development Plan to Referendum.

Development Management Committee 20 January 2012 – Neighbourhood Development Plan Update

For information purposes the planning policy team produced an indicative timetable for the five emerging Neighbourhood Development Plans in the Fylde Borough.

Development Management Committee 19 December 2012 – Delegated Powers for Neighbourhood Area Applications

Development Management Committee resolved the following powers to be delegated to the Director of Strategic Development:

Power to designate an area as a Neighbourhood Area under section 61G(1) of the Town and Country Planning Act 1990 where the relevant body that has applied for the designation is a parish council, the designation is in accordance with that application and the area to be designated consists of the whole of the area of that Council.

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

REPORT

INTRODUCTION

1. Under the Town and Country Planning Act 1990 (as amended), Fylde Borough Council has a statutory duty to assist communities in the preparation of neighbourhood development plans and orders and to take plans through a process of examination and referendum. The Localism Act 2011 (Part 6 Chapter 3) sets out the local planning authority's responsibilities under Neighbourhood Planning.

BACKGROUND

2. On the 17 July 2013, Bryning with Warton Parish Council requested that, in accordance with section 5(1) of the Neighbourhood Planning (General) Regulations 2012 (the Regulations), their parish boundary be designated as a Neighbourhood Area, for which a Neighbourhood Development Plan be prepared.
3. Fylde Council confirmed that for the purposes of section 5 (1) of the Regulations the Parish Council is the "relevant body" for their area and in accordance with section 6 of the Regulations, Fylde Borough Council placed on their website this application, including a parish boundary map, details of where representations could be sent, and by what date, for a six week period from 22 August 2013 to 04 October 2013. The application was also advertised in the local newspaper and also on the Parish Council's website. The Neighbourhood Area application was then approved on the 25 October 2013.
4. Following on from this approval, a Bryning with Warton Neighbourhood Plan Steering Group (BwWNPSG) was established, which comprised of volunteers, parish councillors and advised by planning consultants, all working on behalf of the Parish Council in preparing a Neighbourhood Development Plan (the NDP).
5. The Parish Council submitted their Submission version plan to Fylde Council, in accordance with part 5 of Regulation 16 of the Neighbourhood Planning (General) Regulations 2012, and the NDP was publicised and comments were invited over a six week consultation period, which ran from 9 October 2014 to 28 November 2014. However, after careful deliberation the NDP was delayed from going to Independent Examination due to the pending outcome of the Blackfield End Farm planning appeal, the result of which had the potential to have a significant impact on the NDP.
6. After receiving the appeal decision (which was significantly delayed) BwWNPSG were advised by Fylde Council to revise the NDP, taking into account the outcome of that appeal decision and the

number of dwellings now approved at Warton. However, the BwWNPSG chose to keep the NDP as originally drafted. Therefore, Fylde Council, with the approval of Bryning-with-Warton Parish Council appointed an Independent Examiner, Mr Nigel McGurk BSc (Hons) MCD MBA MRTPI to review the NDP and to consider whether it met the 'Basic Conditions' required by legislation and whether it should proceed to referendum.

7. The Examiner subsequently submitted his final report in April 2016 and concluded that subject to the suggested modifications the NDP was capable of meeting the legal requirements set out in the Localism Act 2011, including meeting with the Basic Conditions, and should proceed to Referendum. However, the Examiner's modifications were significant including the removal of the entire housing section of the NDP including policies and allocations as he *'could not conclude with any degree of certainty that the neighbourhood plan will have no likely significant environmental effects.'* He went on to state that he could not conclude that the Neighbourhood Plan did not breach EU obligations especially as the NDP allocated land for housing. Further modifications were textual, including the deletion of a further three policies.
8. After careful consideration and the thorough exploration of alternative options, including developing design codes and policies, retaining the housing section after first carrying out a Habitat Regulations Assessment (HRA) which would be required in order to identify any impact the proposed housing allocations had on the nearby protected European sites leading to further consultation and re-examination of the NDP, together with a recent public consultation with local residents (who voted in favour of accepting the Examiner's recommendations and modifications and proceeding to Referendum), the BwWNPSG have decided to go ahead and accept the Examiner's recommendations and proceed the NDP to Referendum.
9. Paragraph 12 of Schedule 4B to the Town and Country Planning Act 1990, as inserted by the Localism Act 2011, requires a local planning authority to consider each of the recommendations made in the examiner's report and decide what action to take in response to each recommendation. If the authority is satisfied that, subject to the modifications made, the draft Neighbourhood Development Plan meets the legal requirements and Basic Conditions as set out in legislation, a Referendum must be held on the making of the NDP by the local planning authority. If the local planning authority is not satisfied that the NDP meets the Basic Conditions and legal requirements then it must refuse the proposal. A Referendum must take place and a majority of residents who turn out to vote, must vote in favour of the Neighbourhood Plan (50% plus one vote) before it can be 'made'.
10. The Basic Conditions are as follows:
 - Having regard to national policies and advice contained in the guidance issued by the Secretary of State is it appropriate to make the NDP?
 - Will the making of the NDP contribute to the achievement of sustainable development?
 - Will the making of the NDP be in general conformity with the strategic policies set out in the Development Plan for the area?
 - Does the making of the NDP breach or is otherwise incompatible with EU obligations or Human Rights legislation?
 - Will the making of the NDP have a significant effect upon a European site or a European offshore marine site, either alone or in combination with other plans and projects?

DECISION

11. The Neighbourhood Planning (General) Regulations 2012 requires the local planning authority to outline what action it will take in response to the recommendations that the examiner made in the report under paragraph 10 of Schedule 4A to the 1990 Act (as applied by Section 38A of the 2004 Act) in relation to a Neighbourhood Development Plan. The modifications are in line with

the National Planning Policy Framework and the emerging Fylde Local Plan to 2032, which has now been submitted to the Secretary of State.

IMPLICATIONS	
Finance	There is provision for the cost of the development of Neighbourhood Plans within the Council's approved revenue budget, funded by specific government grants for this purpose. However this may not cover the full cost of all emerging neighbourhood plans. As is usually the case additional costs will be met, where possible, from existing approved budgets. However should this not be possible a subsequent funded budget increase to the Council's current approved budget may be necessary.
Legal	The Local Planning Authority is required to accord with the Regulations at relevant stages of the process. There will be a potential need for a legal officer input at relevant stages, which will have time resource issues. There is a potential for judicial review if the Council do not agree with all the modifications suggested by the Examiner.
Community Safety	None arising directly from the report.
Human Rights and Equalities	None arising directly from the report.
Sustainability and Environmental Impact	The Neighbourhood Development Plan should promote the principles of sustainable development. The submitted Neighbourhood Development Plan is also supported by a Sustainability Report.
Health & Safety and Risk Management	There is a possible risk that the level of request to undertake Neighbourhood Planning and the level of input required will exceed the capacity of the Council to provide support and have a detrimental impact on progressing the Local Plan.

LEAD AUTHOR	TEL	DATE	DOC ID
Sara Jones	01253 658420	19/01/2017	

LIST OF BACKGROUND PAPERS		
Name of document	Date	Where available for inspection
Bryning with Warton Submission Neighbourhood Plan 2030	September 2014	http://www.fylde.gov.uk/council/planning-policy--local-plan-/local-development-framework/warton-neighbourhood-plan/
Bryning with Warton Submission Neighbourhood Plan – Consultation Statement	September 2014	http://www.fylde.gov.uk/council/planning-policy--local-plan-/local-development-framework/warton-neighbourhood-plan/
Bryning with Warton Submission Neighbourhood Plan – ‘Basic Conditions’ Statement	September 2014	http://www.fylde.gov.uk/council/planning-policy--local-plan-/local-development-framework/warton-neighbourhood-plan/
Bryning with Warton NDP Examiner's Report	April 2016	http://www.fylde.gov.uk/council/planning-policy--local-plan-/local-development-

		framework/warton-neighbourhood-plan/
Amended draft Plan – with suggested modifications version	January 2017	http://www.fylde.gov.uk/council/planning-policy--local-plan-/local-development-framework/warton-neighbourhood-plan/
Comprehensive list of modifications as suggested by the Independent Examiner Nigel McGurk.	Jan 2017	Schedule of Changes

DECISION ITEM



REPORT OF	MEETING	DATE	ITEM NO
DEVELOPMENT SERVICES DIRECTORATE	COUNCIL	06 FEBRUARY 2017	13
REQUEST FOR S106 FUNDS - KEENAN'S MILL, LORD STREET, ST ANNES			

PUBLIC ITEM

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

SUMMARY

This report provides details of an affordable housing scheme at Keenan's Mill, Lord Street, St Annes and recommends inclusion to the Capital Programme in 2017/18 to be fully funded from a portion of the balance of S106 developer contributions for affordable housing currently held by the Council for this purpose.

RECOMMENDATIONS

The Council is requested:

1. To approve the recommendation of the Environment, Health and Housing Committee at the meeting of 10th January 2017 for a fully-funded addition to the Capital Programme for 2017/18 in the sum of £840,000 - "Affordable Housing Scheme at Keenan's Mill" to be fully-funded from part of the balance of S106 developer contributions for affordable housing currently held by the Council for this purpose (from Agreement Ref: 03/0157 - Queen Mary School Development: a total capital contribution of £444,300 with the remaining funds £395,700 to be identified and tabled at the meeting); to deliver 26 units for affordable rent at Keenan's Mill, Lord Street, St Annes to New Progress Housing Association.

SUMMARY OF PREVIOUS DECISIONS

Minutes of Cabinet, 26th November 2014

1. To approve the use of S106 monies to facilitate the appointment of the temporary project officer/consultant on the terms outlined in the report;
2. To approve the appointment of a temporary project officer/consultant for a maximum period of 6 months to produce a deliverable S106 funded Affordable Housing Programme for the Borough; and
3. To approve a fully-funded revenue budget increase for the total sum of £25,000 (£16,000 in 2014/15 and £9,000 in 2015/16) to fund the costs of the temporary project officer/consultant for a maximum period of 6 months to be met from the S106 Affordable Housing receipts in respect of the agreements as identified at Appendix 2 of the report.

Minutes of Environment, Health and Housing Committee 10th January 2017

The Committee **RESOLVED** unanimously to **RECOMMEND TO COUNCIL**

1. A fully funded addition to the Capital Programme in the sum of £840,000 – "Affordable Housing Scheme at Keenans Mill" for 2017/18 to be fully-funded from part of the balance of

S106 developer contributions for affordable housing currently held by the Council for this purpose (from Agreement Ref:03/0157 – Queen Mary School Development: a total capital contribution of £444,300 and £395,700 from Land East of Richmond Avenue, Wrea Green Agreement Ref 13/97 and 12/408); to deliver 26 units for affordable rent at Keenans Mill, Lord Street, St Annes to New Progress Housing Association; and

2. *To authorise expenditure in the sum of £840,000 to New Progress Housing Association in relation to the scheme after regard and consideration of the compliance with the financial regulations covered within the body of the report.*

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

REPORT

1. This report is a request for S106 funds for a proposed affordable housing scheme at Keenans Mill, Lord Street, St Annes. New Progress Housing Association (NPHA) wish to develop a 26 unit scheme of affordable housing with the assistance of S106 capital grant funding.
2. S106 funds arise where developers may be required to make 'off-site' affordable housing provision in lieu of provision 'on-site'. This is normally achieved by S106 fund contributions towards the provision of affordable homes in areas of higher need. S106 funds may be used to meet all the Affordable housing required or part of the total required with some being delivered on site. Additionally, in the early stages of a large scale development, S106 funds may be taken in lieu, until infrastructure is put in place as the development progresses ie schools, roads, shops and transport links.
3. The proposed development opportunity at Lord Street, St Annes has been identified and detailed scheme worked up. The scheme is considered to be achievable with land available; a Housing Association has been identified willing to commit to developing the site and a scheme design worked up and Planning application submitted.
4. The site is a 'Brownfield' development opportunity which will make best use of available land resources and achieve localised regeneration in St Annes as well as providing low cost homes for local people.
5. Off-site S106 affordable housing off site contribution rates per unit are £50,000 provided by the developer, and this amount is then re-cycled into affordable housing projects at a capital contribution rate of up to £50,000 per unit or 50% of the total scheme costs, however, this is not set in policy and the council can approve a higher percentage subsidy.

SCHEME DETAILS

6. The site already has planning consent (15/0810) for 14 semi-detached houses as residential development. A new submission has been made for 5 X two storey dwellings and a 3 storey

building providing 21 apartments following demolition of the existing building with access from Lord Street (16/0905).

7. Pre application discussions have been had with planning who are supportive of the scheme following acoustic evidence that the noise from the nearby industrial units will not impact on the residents in the apartments and a unilateral legal undertaking from all partners involved in the development that the scheme will secure 100% affordable housing.
8. The scheme is ideally located close to local facilities and served by excellent public transport links. A block of 21 apartments over three floors and 5 houses with off road parking for all units. There is easy access to the site off Lord Street.
9. All units will be let at affordable rents with space standards that meet Progress Housing Design standards. The property mix is as follows;
 - a. 10 x one bed, two person apartments at 47sqm
 - b. 11 x two bed, three person apartments at 60 sqm
 - c. 2 x two bed, four person houses at 77 sqm
 - d. 3 x three bed, five person houses at 90 sqm
10. The proposed scheme will provide a mix of unit types to meet identified need in the local area. Appendix 1 contains NPHA needs and demand report based on households registered on MyHomeChoice Fylde Coast in August 2016.
11. Table 1 below details cost breakdown of the scheme and Table 2 the method and cost of financing the scheme.

Table 1: COST BREAKDOWN OF THE SCHEME

Acquisition	£600,000
Works	£2,461,000
On costs	£189,853
Interest	£88,164
Total scheme costs	£3,339,017

Table 2: THE METHOD AND COST OF FINANCING THE SCHEME

Loan supported by rental income	£1,525,309
HCA grant funding	£470,000
Fylde Council S106 contribution	£840,000
NPHA contribution from reserves	£503,708
Total funding identified	£3,339,017

12. The scheme benefits from Homes and Communities Agency (HCA) grant funding from allocations transferred from other sites which were part of the Affordable Housing Programme (AHP2) 2015-18 programme totalling £470,000. 20 apartment scheme at Clifton Drive South Council Offices that did not go ahead and a site in South Ribble. NPHA are contributing from reserves £503,708 and securing a loan supported by rental income of £1,525,309.
13. This capital contribution request from Section 106 funding is for £32,300 per unit totalling £840,000. Total scheme costs (Table 1) are £3.39mm, the S106 funding request represents 25% of total scheme costs (Table 2). 15% is funded from NPHA reserves and 45% funded by NPHA borrowing supported by the rental income. HCA RCGF totals 15% of total scheme costs.

THE FUTURE REVENUE BUDGET IMPACT

14. There are no additional revenue implications to this proposal as the units on completion will be owned and managed by NPHA. A planning obligation will be in place to ensure that the affordable housing will be available in perpetuity.

RELEVANT VALUE FOR MONEY ISSUES

15. Fylde BC receive off site grant rates of £50,000 per unit of affordable housing required on a site. Therefore the grant rate for affordable units delivered using S106 funds is up to £50,000 per unit or 50% of total scheme costs. This scheme requires a grant rate of £32,300 per unit which totals £840,000 for 26 units of affordable housing which equates to 25% of total scheme costs.
16. NPHA will be investing £503,708 from their own reserves and borrowing £1,525,309 offset against rental income. A total of £2,029,017 which equates to 60% of total scheme costs.
17. HCA grant funding will be invested into the scheme totalling £470,000 which equates to 15% of total scheme costs.
18. The S106 funding latest position statement shows that there is currently £950,950 available of which £444,303 is from 03/0157 - Queen Mary School Development for use within Lytham and St Anne's.

RISK ASSESSMENT

19. Capital contributions will be paid in two stages; 50% when the scheme is on site and 50% on practical completion.
20. The risks associated with letting and managing the properties will be the responsibility of NPHA.
21. An agreement for the payment of a capital contribution will be entered into to protect Fylde BC investment and ensure the properties remain as Affordable Housing in perpetuity.
22. Planning permission will secure a unilateral legal undertaking from all partners involved in the development that the scheme will secure 100% affordable housing.

VIABLE ALTERNATIVES

23. Planning permission is already in place for 14 semi-detached market units with a 30% affordable housing requirement.
24. The new proposed scheme will secure of a mix of affordable rented units to meet identified housing need within the borough.

OBJECTIVES, OUTPUTS AND OUTCOMES

25. To provide 26 affordable homes to meet local housing need.
26. The S106 project that ran in 2015 sought to:
 - a. Identify 'Brownfield' development opportunities in order to make best use of available land resources and achieve localised regeneration as well as providing low cost homes for local people,
 - b. develop an Affordable Housing Programme funded from existing and anticipated S106 monies held by the Council
27. This new build housing scheme will provide a mix of one and two bedroom apartments and two and three bedroom houses for affordable rent.
28. The scheme is on a brownfield site, Keenan's Mill, Lord Street, St Annes. The site was a former print works Oldroyd Publishing and has been disused for several years.

29. The site will meet Fylde BC Corporate Objectives of 'A great place to live'
- a. deliver housing that meet the need in all communities
 - b. Ensure high standards of housing across all markets
 - c. Approve development that enhances the community

DRAWINGS AND PLANS

30. A full set of drawings for the scheme are available to view on the Council website:
- a. Site location plan
 - b. Proposed site layout
 - c. Proposed house type floor plans and elevations
 - d. Proposed apartment floor plans
 - e. Proposed apartment elevations

CONCLUSION

30. The scheme will deliver 26 units of affordable housing for rent on a brownfield site, formally a print works. The scheme will secure 21 one and two bedroom apartments and 5 two and three bedroom houses with off road parking for all units.
31. Within Fylde, evidenced through MyHomeChoice Fylde Coast, there is significant demand for one and two bedroom accommodation. The proposed scheme will go towards meeting this unmet demand within the borough.

IMPLICATIONS	
Finance	This report requests that Full Council approve a fully-funded addition to the Capital Programme for 2017/18 in respect of the Affordable Housing Scheme at Keenans Mill". The scheme will be fully-funded from part of the balance of S106 developer contributions for affordable housing currently held by the Council for this purpose.
Legal	An agreement for the payment of a capital contribution will be entered into to protect Fylde BC investment and ensure the properties remain as Affordable Housing in perpetuity. Planning permission will secure a unilateral legal undertaking from all partners involved in the development that the scheme will secure 100% affordable housing.
Community Safety	None arising directly from this report
Human Rights and Equalities	None arising directly from this report
Sustainability and Environmental Impact	Regeneration of a brownfield site in St Annes
Health & Safety and Risk Management	None arising directly from this report

LEAD AUTHOR	TEL	DATE	DOC ID
Kirstine Riding	01253 658569	20/01/2017	

LIST OF BACKGROUND PAPERS		
Name of document	Date	Where available for inspection
EH&H Committee Minutes	10/1/2017	www.fylde.gov.uk
NPHA needs and demand report	January 2017	Council website
S106 funding latest position statement	January 2017	Council website
Drawings and plans	January 2017	Council website

DECISION ITEM



REPORT OF	MEETING	DATE	ITEM NO
MANAGEMENT TEAM	COUNCIL	6 FEBRUARY 2017	14
FINANCIAL FORECAST UPDATE (POSITION AS AT JANUARY 2017)			

PUBLIC ITEM

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

SUMMARY

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

At the Council meeting of 5th December 2016 (which approved the previous Financial Forecast Update) a number of other decisions were taken, namely:

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

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

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

This update report was considered at the Finance and Democracy Committee meeting of 23rd January 2016.

The assumptions set out in this forecast are the latest best estimates and will be updated as and when further information is made available.

RECOMMENDATION

Council is recommended :

1. To note the implications of this updated financial forecast.

SUMMARY OF PREVIOUS DECISIONS

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

CORPORATE PRIORITIES

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

REPORT

1. PURPOSE OF THE FINANCIAL FORECAST UPDATE

- 1.1 This report updates the financial forecast which was considered by this Committee in November 2016 & by Council in December 2016. Attached at Appendix A is the financial forecast position reported to Members at that time. Appendix B shows the general assumptions underpinning the base forecast, whilst Appendix C sets out the latest changes and Appendix D sets out the supporting narrative to the latest changes. **Appendix E details the latest updated forecast position.**
- 1.2 The forecast has been updated to reflect the impact of the Local Government Finance Settlement, details of which were announced on 15th December 2016 and the decisions of Council at its meeting of 5th December 2016 in relation to green waste collection charges, car park tariffs and grants to town and parish councils relating to the CTRS scheme.
- 1.3 This latest financial forecast update is designed to:
 - Present an updated five-year financial forecast for revenue and capital spending following the announcement of the Local Government Finance Settlement in December 2016;
 - Review and update the currently identified risks and opportunities;
 - Alert Members to any new specific risks and opportunities;
 - Inform Members of any changes required to budgets due to external factors outside the Council's control; and,
 - Provide a basis on which Members can begin to make future spending decisions.

2. THE CAPITAL PROGRAMME

- 2.1 The latest in-year position on the Capital Programme, along with the associated financial risks, is contained within a separate report for consideration at this meeting and has also been reported to each of the Programme Committees as part of the January cycle of meetings.
- 2.2 Any future capital financing issues facing the Council will be addressed as part of the Council's Budget proposals for 2017/18 which will be published in mid-February 2017.

3. KEY CHANGES TO THE GENERAL FUND REVENUE BUDGET FORECAST

3.1 All financial risks as set out in the Financial Forecast update considered by Council in December 2016 still remain. The key changes to the General Fund Revenue Forecast are those arising from the Local Government Finance Settlement, together with some further in-year revenue budget changes. These are detailed below:

i) Local Government Finance Settlement

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

a) The December 2015 Settlement and New Homes Bonus Consultation

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

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

Key options discussed within the consultation included:

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

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

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

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

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

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

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

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

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

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

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

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

Table 1: Forecast New Homes Bonus - Funding Settlement impact

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

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

c) Council Tax

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

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

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

ii. Other Revenue Budget Adjustments

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

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

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

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

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

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

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

b) Car park tariffs

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

c) Grants to town and parish councils

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

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

d) Other budget adjustments

A number of further budget adjustments, mostly favourable variances arising from additional income that has been received, have been made to this updated financial forecast update. These are included within the variance analysis at Appendix C to this report and an explanation of each is provided at Appendix D. Council Tax income projections have also been updated from the December financial forecast to include the actual Council Tax base information for 2017/18 which was finalised in December 2016.

3.2 Community Housing Fund

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

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

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

3.3 Other Continuing Financial Risks

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

- **Future Central Government Funding Reductions**
- **Retained Business Rates – Pooling**
- **Borrowing Costs Assumptions**
- **Reduction in Housing Benefit Administration Grant**
- **Universal Credit**
- **Grounds Maintenance (External Contracts)**
- **The Living Wage**
- **Community Infrastructure Levy (CIL)**

Full details of each of these can be found within the December 2016 Financial Forecast report via the following link: www.fylde.gov.uk/December2016FinancialForecast/

4. CONCLUSIONS

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

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

- 4.2. In light of the additional challenges that are presented by the recent Finance Settlement and as detailed within this report, the Council needs to continue with the approach to delivering savings and efficiencies which have helped deliver balanced budgets and contribute to reserves over recent years. Through continued focus on the importance of financial stability the Council has delivered a significant savings programme since 2007 and has continued to significantly reduce senior management costs and other overheads. Ongoing modernisation work and business improvement will continue to make Council services more efficient, save money and maintain frontline services to customers. This work has yielded ongoing savings to help improve the Council's overall financial position over that period. For Fylde Council to continue to successfully meet the new challenges that it faces it is vital that this approach is re-doubled and that all reasonable opportunities for further cost-reduction measures and for the generation of additional income are seriously considered. Prudent financial management in previous years has provided a level of reserves which allows the necessary time to determine how this council can best respond to the increased challenges.
- 4.3 This work has already commenced. As detailed within this report (section 3.1 ii) the Council in December 2016 has taken a number of decisions with regard to income generation and expenditure reduction that will have a significant and positive effect on the financial forecast for future years, demonstrating a responsiveness to the current financial challenges which is essential for the Council to continue in a robust financial position.
- These decisions have had the effect of going some way towards reducing the funding gap, particularly in the final years of the forecast, from that which the 2016/17 Finance Settlement initially created. The effect of these changes are shown within in Appendices C and D to this report. Additional actions will be necessary to further address the remainder of the funding gap over the course of the coming years.
- 4.4 As part of that continued approach the Council's priorities for improvement remain and the Council needs to continue with the overall strategy making any changes it feels are relevant whilst recognising the future uncertainties that exist.
- 4.5 The assumptions that are contained within the Forecast Update are the latest best estimates and will be updated as and when further information is available. External pressures outside the Council's control are being experienced by many local authorities, and instructions remain in place that budget-holders should remain prudent and not commit to any unnecessary expenditure. This approach saves money and may result in an under-spend this year.
- 4.6 Further revisions to the figures and assumptions in this update will be necessary over the coming months and updates to the forecast will be prepared on a regular basis.
- 4.7 Activity and resources are focussed on the delivery of the key objectives of the Council as set out within the Councils approved Corporate Plan. At this point the finances of the Council remain robust with a relatively stable financial forecast in the years to 2020/21. Given the level of reserves that has been generated in recent years the budget deficit in the final years of the forecast is manageable. However in an uncertain financial environment the position can change in unexpected ways. It is important that the Council continues to operate in a sound and prudent manner in order to maintain a stable financial position and to explore further means by which the financial position can be further strengthened, whilst continuing to provide high quality services to residents and to deliver the priorities set out in the Corporate Plan.

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

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

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

Attached documents

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

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

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

General Assumptions

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

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

Appendix C

Forecast changes since MTFS Update to Council December 2016:

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

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

(1) Changes as a Result of Member Approvals

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

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

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

(3) Cameo Income – Lytham Crematorium

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

(4) Council Tax – Additional income from Court Costs

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

(5) Car Parking – Additional Income

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

(6) Art Collection – Valuation Costs

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

(7) Re-phasing of Neighbourhood Plan Referenda

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

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

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

DECISION ITEM

REPORT OF	MEETING	DATE	ITEM NO
MONITORING OFFICER	COUNCIL	6 FEBRUARY 2017	15
CONSTITUTIONAL AMENDMENTS			

PUBLIC ITEM

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

SUMMARY

Following an initial report presented on 22 September 2016, in relation to the effectiveness of the Audit and Standards Committee, the Audit and Standards Committee, at the meeting on 19 January 2017, considered a number of proposed amendments to its terms of reference. The proposed amendments would more closely reflect best practice guidance advocated by the Chartered Institute of Public Finance and Accountancy (CIPFA) in their published advice. The amendment forms part of the improvement action plan adopted by the Committee and solely relates to the audit element of the committee's terms of reference. The committee recommends the amendment for adoption by the council.

Additionally Audit and Standards Committee has considered a number of recommendations and constitutional changes arising from the recent governance review. The report to Audit and Standards Committee collated the views of members and officers, recommendations from the LGA Peer Review and the Institute of Local Government report, authored by John Cade. The Committee has made a number of recommendations, arising from that report, for adoption by the council.

RECOMMENDATION

1. To accept the recommendation of the Audit and Standards Committee to adopt the revised terms of reference for Audit and Standards Committee as described within the report.
2. To accept recommendations of the Audit and Standards Committee and amend the constitution, as follows:
 - To add the following wording to the constitution under the remit of the Operational Management Committee; "Considering reports, reviewing and formulating where necessary policies relating to building control and land charges";
 - Remove the requirement for a drawdown report to be taken to committee prior to spending, within the limits detailed in the report;
 - To change the name of the Development Management Committee to Planning Committee; and
 - To give the Chief Executive, or the Directors in his absence, the power to make emergency decisions in consultation with the relevant committee Chairman or Vice Chairman in his/her absence together with the Leader of the Council with the emergency power procedure to be reviewed by Audit and Standards Committee in 12 months' time.
3. To note that the Audit and Standards Committee has recommended a review of the Council's public speaking arrangements and a subsequent report will be considered at a future meeting of the Audit and Standards Committee, with any recommendations arising as a result being reported back to Council.

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

REPORT

Proposed amendments to the Audit and Standards Terms of Reference

1. In September 2016 the Audit and Standards Committee considered a report on its effectiveness compared to best practice guidance set out by CIPFA in its publication 'Audit Committees: Practical Guidance for Local Authorities and Police'. The guidance incorporates an effectiveness self-assessment checklist to permit benchmarking against good practice.
2. The Chair and Vice Chair of the Audit and Standards Committee carried out the self-assessment review against the checklist, supported by the Head of Internal Audit. The review related solely to the audit element of the committee's mandate.
3. The Improvement Plan raised two issues in relation to the committee's terms of reference:
 - The present terms of reference do not fully set out the purpose of an Audit Committee as documented in CIPFA's Position Statement
 - Although the current terms of reference do mention the core areas identified in CIPFA'S Position Statement, they are not always in the same context or to the same extent as the suggested core functions in the CIPFA guidance
4. The action agreed by the committee in relation to both observations above was to compare the existing terms of reference to the core areas as identified in CIPFA's guidance. Any enhancements or changes suggested would be referred to the Council for addition into the terms of reference as required.
5. In addition, the committee agreed that responsibility for and means of providing assurance on risk management to the Council and the public needed to be properly re-established and made clear in the revised terms of reference.
6. The following additions to the proposed terms of reference have been made:
 - Section 1 - new section that explains the committee's overall remit in terms of the audit element of the committee's mandate
 - Paragraph 2.7 - extends and defines the committee's role in relation to internal audit
 - Paragraph 3.4/5 - states the committee's role in relation to risk management
 - Paragraph 3.6 - new phrase added concerning governance and corporate objectives
 - Paragraph 3.8 - establishes the committee's right to consider reports from external audit and other inspection agencies
 - Paragraph 3.9 - refers to monitoring arrangements for fraud and value for money
 - Paragraphs 3.11 - relates to matters referred by other committees or by statutory officers

- Paragraphs 3.13 - sets out the treasury management role of the committee
 - Section 4.2 - establishes the committee's right to consider the external auditor's opinion to those charged with governance
 - Paragraph 5.2 - refers to the promotion of ethical values and arrangements to achieve them
 - Paragraph 6.3 - establishes the right of the committee to report to other committees and corporate groups
 - Paragraphs 6.4 - gives an undertaking to review committee performance annually
7. Some minor adjustments to phrasing and removal of duplicated sentences or words have also been made but these make no significant difference to the meaning or substance.
 8. The proposed terms of reference for the audit element of the committee's mandate, which reflects best practice as described above, is attached as an Appendix to this report. New wording is highlighted.

Constitutional amendments arising from the Governance Review

9. In accordance with an undertaking to review the new governance arrangements recommended by the cross party Governance Working Group, a survey was sent to councillors and a request for feedback and comments was sent out to officers in January 2016. A period of several weeks was allowed for comments and feedback with a paper version of the survey circulated at the Full Council meeting as well as links to the online version. Members and senior officers also had the opportunity to provide open comment and feedback on any aspect of the governance arrangements. The online consultation was available at www.fylde.gov.uk to allow comment from any stakeholders.
10. The feedback generated a number of practical suggestions which were considered by the Audit and Standards committee at its January 2017 meeting. Whilst the governance review feedback was being analysed, the Local Government Association, through the Peer Review Challenge in May 2016, suggested that the review would also benefit from external review and suggested the Institute of Local Government Studies at Birmingham University (INLOGOV) undertake this work. The proposal provided the opportunity for an external professional perspective on the arrangements in place at Fylde as well as allowing comparison with other authorities that had made the same transition from cabinet to committee arrangements.
11. The council subsequently engaged John Cade from the Institute of Local Government Studies at Birmingham University ("INLOGOV") which is the leading UK centre for the study of local public service management, policy and governance, and has worked within local government and the public sector for over 40 years. Mr Cade had also worked with other local authorities who had changed governance arrangements. Mr Cade visited the council at the beginning of September 2016 engaging with 21 councillors and interviewing the management team.
12. Mr Cade focused on considering governance arrangements that are both best practice but also appropriate to the culture and appetite of the local authority, whilst recognising that any recommendations must be appropriate to the current ambition of the council.
13. Mr Cade's report, together with comments from the LGA Peer Review and survey results from members and officers were considered by the Audit and Standards Committee at its meeting on 19 January 2017. Arising from the committee's considerations a number of constitutional amendments and changes have been recommended.
14. Table 1 below sets out those proposed constitutional changes, and are recommended to Council for adoption.

Table 1

Governance Review Finding	Commentary	Recommendation from Audit and Standards Committee
Constitution is silent on which committee is responsible for land charges and building control, suggest that it should be added to Operational Management committee's remit.	The constitution needs to be clear which committee has responsibility for this council function.	Add the following wording to the constitution under the remit of the Operational Management Committee; "Considering reports, reviewing and formulating where necessary policies relating to building control and land charges".
There should not be a need for a drawdown report where funds for a specific project are already in the Council's approved capital programme.	There is currently a requirement for a drawdown report to be taken to the relevant committee prior to a project starting despite the project being in the Council's approved capital programme.	To avoid delays, the removal of the requirement for a drawdown report to be taken to committee prior to spending. This would apply only for previously approved capital schemes up to the value of £100k. A subsequent report setting out how the money was spent would be reported to the relevant committee. Drawdown reports for more complex and costly schemes, over £100k in value, would still require the sign-off of elected members through the appropriate committee prior to the scheme commencing.
The INLOGOV report recommended that the name of the Development Management Committee be changed to the Planning Committee.	This would more adequately reflect the mix of agenda items the DM Committee considers	To change the name of Development Management Committee to Planning Committee
The INLOGOV report recommended that there should be provision for urgent decisions to be taken	It is best practice in committee arrangements for there to be provision within the Constitution for an officer(s) to take urgent decisions in consultation with the Chairman of a Committee or any other named member. The decision	To give the Chief Executive, and the Directors, in his absence, the power to make emergency decisions in consultation with the relevant committee chairman, and their Vice-Chairman in his/her absence together with the Leader of the Council, with the

	would then be reported the next meeting of the relevant committee for information.	circumstances to be reported to the next available meeting of the relevant committee.
<p>There were a number of respondents who offered comments regarding public speaking seeking review of public speaking, commenting on confusion regarding pre-registering, the need to tighten the scope for public platform, and the need to draw all public speaking together in the constitution.</p>	<p>The public speaking rules would benefit from a redraft and consistency across all committees. The issues of whether or not pre-registration should be required; the number of speakers; the time allowed per speaker; and whether speakers can only address items on the current agenda, should be considered.</p> <p>Additionally by drawing together all the public speaking rules into one place in the Constitution, would assist making the rules clearer for the public.</p>	<p>To request the Director of Resources review and redraft the current public speaking arrangements for meetings of the Council and its committees. In particular review the current procedures for elected members wishing to speak at the Development Management Committee, and to consider allowing members of the public the opportunity to speak again if the item has previously been deferred. All public speaking arrangements should be collated together in the Constitution. The redrafted arrangements to be presented for consideration at a future meeting of the Audit and Standards Committee.</p>

IMPLICATIONS	
Finance	The proposed changes to the terms of reference of the Audit and Standards Committee will enhance good governance and probity. There are no financial implications arising from this report.
Legal	No specific implications
Community Safety	No specific implications
Human Rights and Equalities	No specific implications
Sustainability and Environmental Impact	No specific implications
Health & Safety and Risk Management	In completing this review the Council seeks compliance with best practice in demonstrating the effectiveness of the Audit and Standards Committee, which is a key component in the consideration of the system of internal control and risk

LEAD AUTHOR	TEL	DATE	DOC ID
Tracy Morrison	01253 658521	23 January 2017	

LIST OF BACKGROUND PAPERS		
Name of document	Date	Where available for inspection
Effectiveness of the Audit Committee 2016 Audit and Standards Committee Improvement Plan 2016	September 2016	S:\Internal Audit\Effectiveness of the Audit & Standards Committee - 0916.doc S:\Internal Audit\Audit & Standards Improvement Plan.doc

Attached documents

1. Proposed Terms of Reference (audit element) for the Audit and Standards Committee

APPENDIX 1

AUDIT AND STANDARDS COMMITTEE

1. Function and Purpose

(i) The function of the Audit and Standards Committee is to provide an independent and high-level resource to support good governance and strong public financial management.

(ii) The purpose of the committee in relation to audit is to provide to those charged with governance independent assurance on the adequacy of the risk management framework, the internal control environment and the integrity of the financial reporting and annual governance processes. By overseeing internal and external audit it also makes an important contribution to ensuring that effective assurance arrangements are in place.

(iii) The purpose of the committee in relation to standards is to promote and maintain the highest ethical standards and conduct by councillors. The committee is responsible for operating a locally based system for initial assessment of complaints that a member may have breached the Code of Conduct.

2. Audit Activity

(i) Considering the Chief Internal Auditor's annual report and opinion, and a summary of internal audit activity (actual and proposed) and the level of assurance it can give over the authority's corporate governance arrangements.

(ii) Receiving other reports from the Chief Internal Auditor who may report directly to the Chairman of the Committee if deemed necessary.

(iii) Approving (but not directing) internal audit's strategy, plan and performance.

(iv) Considering summaries of specific internal audit reports as requested.

(v) Considering reports dealing with the management and performance of internal audit.

(vi) Considering reports from the Chief Internal Auditor on agreed recommendations not implemented within a reasonable timescale.

(vii) In relation to the authority's internal audit function:

- **overseeing its independence, objectivity, performance and professionalism**
- **supporting the effectiveness of the internal audit process**
- **promoting the effective use of internal audit within the assurance framework.**

(viii) Considering the external auditor's annual letter, relevant reports and the report to those charged with governance.

(ix) Considering specific reports as agreed with the external auditor.

(x) Receiving other reports from the external auditor who may report directly to the Chairman of the Committee if deemed necessary.

(xi) Commenting on the scope and depth of external audit work and ensuring it gives value for money.

(xii) Under current legislation appointing the council's external auditor.

(xiii) Commissioning work from internal and external audit.

(xiv) Supporting effective relationships between external and internal audit, inspection agencies

and relevant bodies, and that the value of the audit process is actively promoted.

(xv) Meeting the external auditor and Chief Internal Auditor in private if deemed necessary.

3. Regulatory framework

(i) Maintaining an overview of the council's constitution in particular the Contracts Procedure Rules, Financial Regulations and Codes of Conduct.

(ii) Advising the Council on changes to the Constitution.

(iii) Reviewing any issue referred to it by the Chief Executive or a Director, or any council body.

(iv) Considering the effectiveness of the authority's risk management arrangements and the control environment.

(v) Reviewing the risk profile of the authority and assurances that action is being taken on risk-related issues, including partnerships with other organisations.

(vi) Ensuring that the authority's assurance statements, in particular the Annual Governance Statement, properly reflect the risk environment and any actions required to improve it **and demonstrate how governance supports the achievements of the authority's objectives.**

(vii) Overseeing the council's arrangements for corporate governance and agreeing necessary action to ensure compliance with best practice.

(viii) Considering the reports and recommendations of external audit and inspection agencies and their implications for governance, risk management or internal control.

(ix) Monitoring arrangements for ensuring value for money and for managing the authority's exposure to the risks of fraud and corruption.

(x) Monitoring council policies on Whistleblowing and the Anti-Fraud and Corruption Policy and Strategy and the council's complaints process.

(xi) Considering governance, risk or control matters at the request of other committees or statutory officers.

(xii) Considering the council's compliance with its own and other published standards and controls

(xiii) Reviewing and monitoring treasury management arrangements in accordance with the CIPFA Treasury Management Code of Practice.

4. Accounts

(i) Reviewing and approving the Annual Statement of Accounts. Specifically, considering whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit that need to be brought to the attention of the Council.

(ii) Considering the external auditor's opinion to those charged with governance on the financial statements and reports to members, and monitoring management action in response to the issues raised by external audit.

5. Standards

(i) To assist the Council in fulfilling its duty under the Localism Act 2011 to promote and maintain high standards of conduct by members.

(ii) To support ethical values and review the arrangements to achieve those values.

(iii) To monitor and advise the Council about the adoption, revision and operation of its Code of Conduct in the light of best practice and any changes in the law.

(iv) To keep under review the arrangements for dealing with allegations that a member of the Council or a member of a town or parish council within the Council's district has failed to comply with the relevant Code of Conduct.

(v) To determine whether a member for the Council or a member of a town or parish council within its district has failed to comply with the relevant Code of Conduct.

(vi) Where it finds that a failure to comply with the Code of Conduct has occurred, to determine what action, if any, to take.

(vii) To assist the Council with the appointment of an Independent Person(s) as required by the Localism Act 2011.

(viii) To determine any request for a dispensation under Section 33 of the Localism Act 2011.

(ix) To advise the Council on, and review as necessary, any local Protocols regulating the conduct of Members and to deal with allegations of breach of any such Protocol.

(x) To consider reports referred by the Monitoring Officer.

(xi) To respond on behalf of the Council to national reviews and consultations on standards related issues.

(xii) To consider and make recommendations to the Council on any other matter that may be referred to the Committee relating to the conduct of members within the authority.

6. Arrangements

The Committee will:

(i) meet a minimum of four times each year, (timetable to be agreed)

(ii) have the authority to request the attendance of any elected Member or Officer of the Authority

(iii) have the right to report to all other committees, corporate risk groups and other strategic groups

(iv) consider and assess the performance of the committee annually

DECISION ITEM



REPORT OF	MEETING	DATE	ITEM NO
RESOURCES DIRECTORATE	COUNCIL	6 FEBRUARY 2017	16
APPOINTMENT OF EXTERNAL AUDITORS FROM 2018/19 FINANCIAL YEAR – UPDATE			

PUBLIC ITEM

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

SUMMARY

The report presents an update of the issues arising from the introduction of new powers for local authorities to appoint their external auditor from the 2018/19 financial year onwards. In addition the report proposes that Fylde Council agrees to opt into the national scheme for auditor appointments that is managed by Public Sector Auditor Appointments (PSAA). This item was considered by the Audit and Standards Committee at the meeting of 19th January 2017.

RECOMMENDATIONS

The Council is recommended to:

1. Note the update on the issues arising from the introduction of new powers for local authorities to appoint their external auditor from the 2018/19 financial year onwards as contained within this report; and
2. To approve the recommendation of the Audit and Standards Committee at the meeting of 19th January 2017 that Fylde Council agree to opt into the national scheme for auditor appointments that is managed by Public Sector Auditor Appointments Limited (PSAA).

SUMMARY OF PREVIOUS DECISIONS

This issue was considered by the Audit & Standards Committee in January 2017 at which the committee recommended that Fylde Council agree to opt into the national scheme for auditor appointments.

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REPORT

1. Following a change in legislation and the cessation of role of the Audit Commission, the responsibility for the appointment of external auditors will fall to individual councils with effect from the audit of the 2018/19 accounts. An external auditor for the audit of the accounts for 2018/19 has to be appointed before the end of 2017. Consequently a procurement process will be necessary to provide for the selection of an external auditor from that date.
2. The matter was considered by the Audit and Standards Committee in January 2016. At that time the committee agreed that the Council should develop an appropriate procurement strategy and select a preferred approach during 2016. Progress towards achieving such an agreed approach has been delayed whilst the government considered a proposal from the Local Government Association (LGA) for a national collective scheme for auditor appointments to manage the procurement and selection process. The LGA proposed that such an arrangement would result in a more efficient and cost-effective way for individual authorities to manage the local appointment of their auditors.
3. In July 2016, the Secretary of State for Communities and Local Government specified Public Sector Auditor Appointments Limited (PSAA) as an appointing person under regulation 3 of the Local Audit (Appointing Person) Regulations 2015. PSAA is a not-for-profit company established by the Local Government Association (LGA) which administered the previous audit contracts let by the Audit Commission before it closed. For audits of the accounts from 2018/19, PSAA will be able to appoint an auditor to relevant principal authorities that choose to opt into its national collective scheme.
4. In the summer of 2016 the PSAA produced a [prospectus](#) to set out how it planned to develop the arrangements for local auditor appointments.
5. The timetable that PSAA have outlined for appointing auditors under the scheme requires that formal invitations to local authorities to opt into these arrangements have now been issued. The deadline for councils to indicate their acceptance of this invitation is 9th March 2017. The invitation to participate in the scheme was accompanied by a further [information document](#) by PSAA.
6. If a council chooses not to participate in the national auditor appointment scheme that is managed by PSAA it will be required to establish an internal procurement and selection process to manage the appointment of its future external auditor. This would require the commitment of staff and Member resources to ensure that the process is delivered effectively and may require the acquisition of specialist procurement services. Most of the other Lancashire district councils have indicated that they are likely to participate in the PSAA national scheme for auditor appointments to take advantage of the efficiencies that this would provide.

CONCLUSION

7. It is recommended that Fylde Council accept the invitation to participate in the PSAA national auditor appointment process as described within this report in order to benefit from the efficiencies and economies of scale offered by this approach. To comply with the relevant regulations this is a decision that must be made by the authority as a whole and consequently the final decision must be made at a meeting of the Council.

IMPLICATIONS	
Finance	Participation in the PSAA national managed scheme for auditor appointments is regarded by most authorities as the most efficient and cost effective way of selecting and appointing an external audit provider. At this point the cost of the external auditor work for 2017/18 onwards is not known. It is expected however that the cost would be met from the existing approved budget provision.
Legal	The Local Audit and Accountability Act 2014 requires principal authorities to appoint auditors, and provides detailed procedures for making those appointments. The act also allows the secretary of state to specify a person who may make appointments on behalf of authorities. The Local Audit (Appointing Person) Regulations 2015 authorise PSAA as the appointing person. Fylde can therefore use PSAA to select and appoint its external auditor.
Community Safety	None arising directly from this report
Human Rights and Equalities	None arising directly from this report
Sustainability and Environmental Impact	None arising directly from this report
Health & Safety and Risk Management	None arising directly from this report

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

LIST OF BACKGROUND PAPERS		
Name of document	Date	Where available for inspection
PSAA Prospectus August 2016	August 2016	Council Website
PSAA Information document October 2016	October 2016	Council Website