

Agenda



FINANCE AND DEMOCRACY COMMITTEE

Date:	Monday, 30 November 2015 at 6:30 pm
Venue:	Town Hall, St Annes, FY8 1LW
Committee members:	<p>Councillor Karen Buckley (Chairman) Councillor Roger Small (Vice-Chairman)</p> <p>Councillors David Donaldson, Tony Ford JP, Angela Jacques, Kiran Mulholland, Linda Nulty, Liz Oades, Richard Redcliffe, Vince Settle, Elaine Silverwood, Richard Taylor.</p>

Public Platform

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

	PROCEDURAL ITEMS:	PAGE
1	Declarations of Interest: Declarations of interest, and the responsibility for declaring the same, are matters for elected members. Members are able to obtain advice, in writing, in advance of meetings. This should only be sought via the Council's Monitoring Officer. However, it should be noted that no advice on interests sought less than one working day prior to any meeting will be provided.	1
2	Confirmation of Minutes: To confirm the minutes, as previously circulated, of the meeting held on 28 September 2015 as a correct record.	1
3	Substitute Members: Details of any substitute members notified in accordance with council procedure rule 24(c).	1
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DECISION ITEM



REPORT OF	MEETING	DATE	ITEM NO
RESOURCES DIRECTORATE	FINANCE AND DEMOCRACY COMMITTEE	30 TH NOVEMBER 2015	04

REVIEW OF COUNCIL TAX DISCOUNTS AND PREMIUM 2016/17

PUBLIC ITEM

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

SUMMARY

With effect from 1st April 2013, the Government introduced legislation allowing local authorities the discretion to determine discounts for both second homes and empty properties. One of the government's main intentions in localising these decisions was to enable authorities to encourage empty homes to be brought back into use. An additional premium can also be charged to the owners of properties left empty for over two years.

In January 2013 the Council considered the subject and introduced a regime of discounts to take effect from 1st April 2013. Subsequently at its meeting in January 2014 the Council considered the issue once again and agreed further changes to the regime of Council Tax discounts and introduced a long-term empty property premium charge, effective from 1st April 2014, for properties that had remained empty for more than two years.

For 2015/16 the arrangements were again reviewed but no further changes were introduced.

The Committee is requested to consider the suitability of the existing Council Tax discounts regime and the Council Tax Premium and to recommend any changes to these arrangements in respect of 2016/17 for consideration by the Council at the meeting of 14th December 2015.

RECOMMENDATION

1. The Committee is requested to consider this report and provide recommendations to Council as appropriate with regard to any proposed changes to the current Council Tax discounts and premium regime.

CORPORATE PRIORITIES

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

SUMMARY OF PREVIOUS DECISIONS

Having previously been considered by Cabinet at its meeting of 16th January 2013, Council resolved at its meeting of 28th January 2013 that with effect from 1st April 2013:

1. In respect of unfurnished vacant dwellings where major repairs or structural alterations are required, underway, or recently completed (previously class A exemptions) to approve a new discount at 100% for a period of up to 12 months;
2. In respect of vacant dwellings which are empty and substantially unfurnished (previously class C exemptions) to approve a new discount at 100% for a period of six months;
3. In respect of long-term empty properties (class C exempt properties after the expiration of the current 6 month exemption period) to approve no discount; and
4. In respect of second homes to approve retention of the existing discount of 10%.

Subsequently, following consideration by Cabinet at its meeting of 15th January 2014, Council resolved at its meeting of 27th January 2014 that with effect from 1st April 2014:

1. In respect of unfurnished vacant dwellings where major repairs or structural alterations are required, underway, or recently completed (previously class A exemptions) to continue to apply the current 100% discount for up to 12 months;
2. In respect of vacant dwellings which are empty and substantially unfurnished (previously class C exemptions) to continue to apply the current discount at 100% for a period of six months;
3. In respect of properties that have remained empty for more than 2 years to introduce a premium and charge 150% of council tax;
4. In respect of Second Homes that the current 10% discount should no longer apply from April 2014; and
5. To approve that the Revenues Shared Service will contact those property-owners who will become liable for the Council Tax premium as a consequence of their property having been unoccupied for in excess of two years to advise them of this decision prior to the dispatch of Council Tax bills.

Having previously been considered by Cabinet at its meeting of 26th November 2014, Council resolved at its meeting of 1st December 2014 that with effect from 1st April 2015:

1. To continue the current Council Tax discounts and premiums regime for 2015/16.

REPORT

1 Background

- 1.1 Section 12 of the Local Government Finance Act (LGFA) 2012 (which amended s.11A of the LGFA 1992) allows billing authorities to have discretionary powers to amend the discounts to council tax applicable for both second homes and long term empty properties. The Act also allows for a premium to be charged in cases where an owner has left a property unoccupied and unfurnished for over two years.

2 Current Position and Options from April 2016

2.1 Discount for dwellings undergoing major repairs

Current Position - 100% Discount for 12 Months

This is granted in respect of dwellings where the property is unoccupied and unfurnished, which needs or is undergoing major repairs or structural alterations. The maximum period for this discount is 12 months.

Options from April 2016

The Council can continue to allow a 100% discount for these properties or may set any lower percentage. The discount that is set will apply for a maximum of 12 months and the percentage discount cannot be varied during that time. Following the discount period the Council has previously decided that a full charge should apply.

The Government have suggested that a partial discount rather than a full 100% discount may encourage owners to bring these properties back into use more quickly than would otherwise be the case. However a degree of collection difficulty is inevitable if owners were to face an immediate charge instead of a 12 month 100% discount.

It is not anticipated that any change to the current position would have a material effect upon the number of long-term empty properties.

2.2 Discount for properties which are vacant

Current Position - 100% Discount for up to 6 months

Dwellings which become empty and unfurnished receive a 100% discount for up to 6 months. If the property remains empty beyond the 6 month period no further discount is given. (Where properties remain empty for a further 18 months a premium of 50% is applied – see below). Short periods of liability of under 6 weeks do not entitle the council tax payer to a further discount under this class if the property is subsequently vacated.

Options from April 2016

Billing authorities have been given discretion to set an appropriate level of discount of between 0% and 100% and the power to vary the period to which each percentage charge applies. It is commonly accepted that some period of full discount should be given.

It is not anticipated that any change to the current position would have a material effect upon the number of long-term empty properties.

2.3 Empty Homes Premium on Properties Remaining Empty for in Excess of 2 Years

Current Position – 50% premium is currently charged

Dwellings which have remained empty and unfurnished for over 2 years are charged 150% of the normal Council Tax charge.

Options from April 2016

This additional charge is discretionary and the Council could determine that the premium should no longer be applied. However the premium provides a strong incentive to owners to

bring the property back into use. For the current year the number of long-term empty properties (empty for more than 6 months) has reduced from 710 in October 2013 to 612 at October 2015 – a reduction of 98 properties (13.8%)

There remains a number of national exemptions in respect of certain classes of empty properties such that the premium does not apply in these cases. Full details are set out in section 3.0 of this report.

A further consideration in support of continuing to apply the premium charge links to the Council's Empty Property Strategy, which aims at reducing the number of empty properties in the borough. After two years of remaining empty, properties may start to deteriorate and impact negatively on neighbourhoods. The return to use of long term empty properties contributes to the New Homes Bonus received by the Council and helps improve current stock and increase overall supply.

Property owners are provided with advance notification that their property is approaching the date when the premium charge will commence – some three to four months prior to that date. This provides an opportunity for property owners to take appropriate action to avoid the premium charge where such a course of action is available to them e.g. the letting of a vacant property.

The current premium charge would appear to be having the intended effect and it could be reasonably implied that any reduction or removal of the charge would have the effect of increasing the number of long-term empty properties.

2.4 Second Home Discount

Current Position – No discount

For Fylde Borough Council there is no discount in respect of these properties.

Options from April 2016

A property is classed as a second home if it is furnished but no-one lives there as their sole or main residence. Council tax legislation allows the billing authority to award a discount on these properties of between 0% and 50%. Fylde Council could re-introduce a second homes discount within this range.

The removal of the Second Home discount has met with very little response amongst property owners who have been affected by this change. There would appear to be no compelling reason to suggest that a reversion to the previous discount position is required.

3.0 Continuing Exemptions

- 3.1 For certain types of properties there are exemptions under current legislation which apply nationally and which therefore exclude properties from the impact of locally determined changes to discounts and premiums. Examples of such exemptions include properties in probate, unoccupied dwellings which were previously the sole or main residence of a person who has moved into a hospital or care home, and unoccupied dwellings where the owner or tenant has moved in order to provide personal care to another person. Appendix A sets out

the exemptions for the various categories of properties which would exclude them from the changes to discounts and the premium charge that is currently under consideration. The exemption in respect of properties in probate runs for a 6 month period following probate, and all other exemptions listed in Appendix A run for an indefinite period whilst the exemption applies.

4.0 Conclusions

- 4.1 Members are requested to consider the regime of Council Tax discounts and the premium charge currently in operation. Members are further invited to make recommendations, as appropriate, for consideration by full Council at the meeting of 14th December 2015.

IMPLICATIONS	
Finance	Detailed financial implications are set out in the body of the report and the Appendices.
Legal	Section 12 of the Local Government Finance Act 2012 (which amended s.11A of the LGFA 1992) allows a billing authority to make a determination that any discount under section 11(2)(a) shall not apply or shall be such percentage (which may be 100%) as it may specify. In practise, this allows billing authorities to set a discount on unoccupied and unfurnished dwellings. Section 12 of the Local Government Finance Act 2012 also inserted a new section 11B into the LGFA 1992 allowing billing authorities, in relation to a dwelling that has been unoccupied and substantially unfurnished for more than two years, to charge up to 150% of the council tax that would be payable if the dwelling were occupied by two adults and no discounts were applicable. A billing authority which makes such a determination is required to publish a notice of it in at least one newspaper circulating in its area and do so before the end of the period of 21 days beginning with the date of the determination. Although, failure to comply with this condition shall not affect the validity of the determination.
Community Safety	None
Human Rights and Equalities	Any changes to the level of discount will be subject to an Equality Analysis.
Sustainability and Environmental Impact	None
Health & Safety and Risk Management	None

LEAD AUTHOR	TEL	DATE	DOC ID
Paul O'Donoghue Chief Financial Officer	01253 658566	November 2015	

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

Attached documents

Appendix A – Analysis of property classes which will remain exempt from Council Tax charges

Council Tax Exemption Categories - November 2015

Note: Locally determined discounts or premia do not apply for the following classes of properties where national exemptions take precedence

Exemption Class	Property Type
B	Unoccupied dwellings owned by a charity (up to six months).
D	A dwelling left unoccupied by people who are in prison.
E	An unoccupied dwelling which was previously the sole or main residence of a person who has moved into a hospital or care home.
F	Dwellings left empty by deceased persons (from notification of death up to six months following probate, after which full liability for council tax applies).
G	An unoccupied dwelling where the occupation is prohibited by law.
H	Unoccupied clergy dwellings.
I	An unoccupied dwelling which was previously the sole or main residence of a person who has moved into another residence to receive personal care (but which is not a hospital or care home).
J	An unoccupied dwelling which was previously the sole or main residence of a person who is the owner or tenant and who has moved in order to provide personal care to another person
K	An unoccupied dwelling where the owner is a student who last lived in the dwelling as their main home.
L	An unoccupied dwelling which has been taken into possession by a mortgage lender.
M	A hall of residence provided predominantly for the accommodation of students.
N	A dwelling which is occupied only by students, the foreign spouses of students, or school and college leavers.
O	Armed forces' accommodation.
P	A dwelling where at least one person who would otherwise be liable has a relevant association with a Visiting Force.
Q	An unoccupied dwelling where the person who would otherwise be liable is a trustee in bankruptcy.
R	Empty caravan pitches and boat moorings.

DECISION ITEM



REPORT OF	MEETING	DATE	ITEM NO
RESOURCES DIRECTORATE	FINANCE AND DEMOCRACY COMMITTEE	30 TH NOVEMBER 2015	05

COUNCIL TAX REDUCTION SCHEME 2016/17 INCLUDING GRANTS TO TOWN AND PARISH COUNCILS

PUBLIC ITEM

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

SUMMARY

From April 2013 the local Council Tax Reduction Scheme (CTRS) replaced the previous national scheme of Council Tax Benefit. The purpose of the scheme is to define the entitlement to support that eligible households receive. That support, through the CTRS, reduces the level of Council Tax that is payable by low income households.

The scheme that operates within Fylde borough for 2015/16 was approved by this Council in December 2014 for 2015/16 only.

This report provides the background to the change from Council Tax Benefit to CTRS in 2013/14; the approval of the CTRS for 2015/16; describes the experience to date of the operation of the local CTRS; and sets out the proposals in respect of the scheme for 2016/17. At the 14th December 2015 Council meeting Members will be requested to agree the details of a CTRS for 2016/17.

The Council's Revenue Budget and Financial forecast for 2016/17 onwards has been prepared on the assumption that the CTRS will be fully self-funding as it is for 2015/16. That is, that the net cost of the scheme to Fylde Borough Council (assuming that central government funding for the scheme is at a similar level as in previous years) will be met by applying reduced levels of support to claimants. The Council decision in December 2015 will be in respect of the scheme for 2016/17 only.

The report also addresses the question of the payment of grants to Town and Parish Councils to compensate them for reduced Council Tax income as a result of the introduction of a local CTRS and outlines the options available to the Council in this regard. At the December 2015 Council meeting Members will be requested to determine the issue of the payment of grants to Town and Parish Councils for 2016/17.

The Council's Revenue Budget and Financial forecast currently assumes that grants to Town and Parish Councils in relation to the introduction of CTRS will be made for 2016/17 onwards in the same sum as was paid in 2015/16, that being £68.8k.

RECOMMENDATION

Having due regard to the Equality Analysis as detailed in section 3.7 of this report, and the consultation responses, the Committee is requested to:

1. Consider the proposals for a Council Tax Reduction Scheme (CTRS) for 2016/17 as set out in section 3 of the report and provide a recommendation to Council;
2. Consider the options in relation to the payment of grants to Town and Parish Councils (to compensate them for income foregone as a consequence of the local CTRS) as set out in section 5 of the report and provide a recommendation to Council;
3. Consider and provide a recommendation to Council in respect of the proposed distribution methodology should Council subsequently agree to the payment of grants to Town and Parish Councils relating to the introduction of CTRS;
4. Consider and provide a recommendation to Council in respect of the proposed continuation of Discretionary Hardship Relief to provide additional support for claimants in exceptional circumstances and the Council's Discretionary Discount Policy which details discounts and reliefs in respect of Council Tax and Business Rates;
5. Recommend that Council approve, as necessary, that the financial implications are reflected in the Council's Revenue Budget and Financial forecast for 2016/17 onwards; and
6. To authorise the Director of Resources to make any necessary final amendments to the scheme arising from changes in the Department for Communities and Local Government's guidance or elsewhere and to bring any such changes to the Council meeting on the 14th December 2015 for approval.

CORPORATE PRIORITIES

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

SUMMARY OF PREVIOUS DECISIONS

The Council Tax Reduction Scheme in operation for 2015/16 was approved at the Council meeting of 1st December 2014. The full scheme is available on the Fylde Borough Council website at:

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

REPORT

1. Background to the CTRS Introduction and the adopted schemes for 2013/14 to 2015/16

- 1.1 As part of the 2012 Welfare Reform Act the national Council Tax Benefit (CTB) scheme was abolished and individual local authorities were instead required to introduce a local Council Tax Reduction Scheme (CTRS) with effect from 1st April 2013.
- 1.2 Each local Council Tax Reduction Scheme must incorporate the national scheme for pension-age claimants. This ensures that pensioners' support will continue at the previous level (i.e. as they were under the Council Tax Benefit regime).
- 1.3 Previously the cost of Council Tax Benefit was met in full by the Department for Work and Pensions (DWP). Under the revised arrangements Councils receive funding for their CTRS as part of the total funding settlement. For 2013/14 this was a separate element within the funding settlement and was identifiable as an amount of 90% of the cost of the Council Tax Benefit regime. From 2014/15 onwards funding for the CTRS has not been a separate identifiable element of the overall funding settlement.
- 1.4 In December 2014 the Council approved a scheme for 2015/16 which aimed to have a neutral financial impact on this Council and the major preceptors, assuming that central government funding for the scheme is at a similar level as in previous years. For working-age claimants (i.e. those not protected by the national scheme for pension-age claimants) there would be a means tested assessment to establish entitlement and a maximum percentage reduction in the level of support at the end of that assessment of 22.7%. This is the same maximum percentage reduction in the level of support as operated for 2014/15.

2. Key points arising from implementation of the local CTRS to date

- 2.1 There has been no evidence which has emerged since the inception of the scheme to suggest that it is fundamentally in need of revision. The scheme has embedded well with no formal legal challenge to the principle of the scheme.
- 2.2 Experience to date for 2014/15 and 2015/16 indicates that 22.7% maximum reduction in the level of support is the correct level at which the scheme becomes self-funding.
- 2.3 For 2015/16 in the period to 30th September 2015 a total of 2 hardship cases have been awarded additional support from the Discretionary Hardship Fund in the total sum of £157 (£1,705 for the full year 2014/15).

3. Proposed CTRS for 2016/17

- 3.1 The Council's Revenue Budget and Financial forecast for 2016/17 onwards currently assume that the CTRS will be fully self-funding, assuming a stable level of central government support for the scheme. That is, that the assumed net cost of the scheme to Fylde Borough Council will be met by applying reduced levels of support to claimants.
- 3.2 It is proposed that the 22.7% maximum reduction in the level of support is retained in the 2016/17 CTRS.
- 3.3 It is further proposed that the scheme for 2016/17 will continue to provide for an additional discretionary award which may also be granted in accordance with S13A (1) (a) or S13A (1) (c) of the Local Government Finance Act 2012.

- 3.4 Although the 2016/17 scheme will, as far as is possible, have the same design principles as that currently in operation a change to one element for 2016/17 is proposed. The Government has announced its intention to remove the family premium from housing benefit for children born after April 2016 or for new claims made after that date. The Council proposes to do the same for its CTRS for 2016/17 to keep this element of the scheme the same as housing benefit in order that eligibility criteria are consistent for both schemes. This change will only apply to working age claimants who are not in receipt of certain benefits such as Income Support, Income Based Job Seekers Allowance, Income-Related Employment & Support Allowance. The impact of this change will be that for all new claims and for existing claims including an element for children born after April 2016, the assessment would have a lower Applicable Amount and consequently the claimant could receive a reduced level of support than under the current scheme. As an example, if the family premium is removed from the CTRS assessment, the entitlement could be reduced by up to £3.49 per week (based on a 20% taper of £17.45 family premium).
- 3.5 A consultation paper was distributed to the Major Preceptors - Lancashire County Council, Lancashire Fire and Rescue Service and the Lancashire Police and Crime Commissioner in October 2015 seeking their views on the proposed scheme for 2016/17. The consultation and a summary of the responses of each are set out in the appendices to this report. In summary, all of the major preceptors are supportive of the proposals for the 2016/17 CTRS set out in this report.
- 3.6 Public consultation has also taken place and both the outcome of the consultation and the Council's response are shown at Appendices B and C to this report.
- 3.7 The Equality Analysis that has previously been carried out for the CTRS scheme has been revisited and updated. This aims to mitigate the impact on protected groups. As part of their consideration of the CTRS scheme for 2016/17 Members must read the updated Equality Analysis which is available on the Fylde Borough Council website at:

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

4 Hardship Relief

- 4.1 The provision of Discretionary Hardship Relief to provide support for claimants in exceptional circumstances, and who are unable to increase their income from other means, is a key element of the operation of the scheme. Section 76 of the Local Government Act 2003 in respect of Council Tax (as amended by section 13A of the Local Government Finance Act 2012) empowers a billing authority to reduce the amount of Council Tax as it thinks fit. Funding for such reductions must be provided by the Council and major preceptors as necessary.
- 4.2 In order to mitigate part of the impact of the CTRS on the most vulnerable households, the Council has adopted a Discretionary Discount Policy under the above powers. Strict criteria are used to determine if any additional relief is appropriate and the level of any such award. Awards are made only in exceptional circumstances to those unable to increase their income. The Council's Discretionary Discount Policy is available on the Fylde Borough Council website at:
- <http://www.fylde.gov.uk/resident/council-tax/>
- 4.3 It is proposed that for 2016/17 the Council Tax Reduction Scheme will continue to provide for additional discretionary awards which may also be granted in accordance with S13A (1) (a) or S13A (1) (c) of the Local Government Finance Act 2012.

- 4.4 The Major Preceptor consultation described at 3.5 above also provided the opportunity to comment on the proposals with regard to Hardship Relief. A summary of the responses on this matter is contained within Appendix A to this report.

5 Implications for Town and Parish Councils

- 5.1 The government's decision to move from a system whereby support for Council Tax was paid directly into a receiving person's Council Tax Account as a benefit, and instead to re-designate the support as a Council Tax discount, has had far-reaching implications. Notably, Town and Parish Councils were not immune from these changes.
- 5.2 This is because a discount reduces the amount of Council Tax payable and therefore impacts upon the Council tax-base calculation by reducing the tax-base to below the level that it would have been had the previous Council Tax Benefit system been retained. An element of the Council's overall funding settlement relates to the provision of support to Town and Parish Councils for the effects of the CTRS.
- 5.3 In December 2014 the Council agreed to fund Town and Parish Councils to compensate them for losses in income as a consequence of CTRS impact in 2015/16 in a total sum of £68.8k. This is a reduction on the funding in earlier years to reflect the overall central funding reductions that have been suffered by Fylde Borough Council.
- 5.4 There are a number of options in this regard which are summarised below:

Option 1: Fylde Borough Council could agree to fund Town and Parish Councils to compensate them for losses in income as a consequence of CTRS for 2016/17 at a level equivalent to that for 2015/16 i.e. in a total sum of £68.8k.

Option 2: Fylde Borough Council could agree to fund Town and Parish Councils to compensate them for losses in income as a consequence of CTRS impact in a total sum which reflects the overall central funding reductions that have been suffered by Fylde Borough Council. Based on the expected levels of central government funding for 2016/17 as contained within the latest Financial Forecast, the reduction would equate to 3.8%, leaving a sum of approximately £66.2k to be distributed.

Option 3: Fylde Borough Council could determine that due to the uncertainty surrounding central grant funding and the expectation that the current grant reduction trajectory will continue in the future (thus reducing the grant amount available for distribution to Town and Parish Councils still further) the option which provides greatest clarity for future years for Town and Parish Councils is that funding relating to CTRS impacts will be distributed for 2016/17 in the sum of either £68.8k or £66.2k, but that no such payments will be made at all in any future years. This would allow Parish Councils to determine their own financial environment without having to take regard of the actions of the Borough Council.

- 5.7 **The explicit intention of this grant was to encourage each Town and Parish Council to avoid the need for significant increases in the parish element of the total Council Tax charge. It may be relevant to note that not all Town and Parish Councils upon receipt of funding for the impact of CTRS introduction since 2013/14 have used this to avoid increases in the level of Council Tax at a Band D property level. Some have indeed used the funding in this way whilst others have not. Appendix D of this report provides an analysis of Town and Parish funding from 2012/13 to 2015/16 comprising Town and Parish Council Tax precepts and, since 2013/14, CTRS grants passed on by this Council.**

5.8 Additionally of note is the fact that, to date, Parish Councils are not covered by the restriction which limits Council Tax increases to 2% at Band D property level without the prior need for a local referendum to approve this increase. At the time of writing it is not known whether this exemption will also apply in respect of 2016/17. If this exemption continues for 2016/17 Parish Councils will be able to meet any funding shortfall arising from a reduction in CTRS grant from Fylde Borough Council by way of an increase in the precept level (both in total and at a per property level).

5.9 In the written ministerial statement by the then Local Government Minister Brandon Lewis on the provisional local government finance settlement 2014 to 2015 that was issued on 18th December 2013, the subject of Parish Councils and local Council Tax support was addressed in the following paragraph:

‘We have also set out previously that there is some £3.3 billion in the settlement this year for Council Tax support schemes. There is an element within this national pot that is there specifically to reflect reductions in the parish tax base. We have not separately identified the money because it is not ring-fenced and as caseloads change and schemes evolve, the amount that different parishes need will change. It would be wrong to try to manage that centrally. But we have been clear that we expect billing authorities to carry on passing on support to town councils and parishes to help mitigate any reduction in their tax base due to the local Council Tax support scheme.’

5.10 If Council determine that grants to compensate Parish Councils for the impact of CTRS will be made for 2016/17 it is proposed that the distribution methodology will be similar to that used in previous years i.e. the grant allocation will be in proportion to the changes in the tax-base of each Town and Parish for that year as a consequence of the introduction of the CTRS regime.

6. Review of the CTRS

6.1 A review of the Scheme must be carried out annually to ensure it remains fit for purpose taking account of ongoing changes in legislation, caseload and financial requirements. The Council will be required to approve the scheme each year.

7. Equality Analysis

7.1 The Government Equalities Analysis was published in January 2012. It considered equality impacts in relation to age and disability, concluding that protection for pensioners would be a positive impact and the effects on disabled people would depend on how each local authority responded to the reduction in council tax support. No impacts were identified in relation to gender or ethnicity and no other protected characteristics were considered and it was left to individual councils to identify full local impacts, based on local implementation.

7.2 The Council has carried out a much more detailed and robust Equality Analysis which is available on the Council’s website as described in paragraph 3.7. The impact of CTRS has been considered on people based on the following characteristics:

- Age
- Disability
- Sex and sexual orientation
- Gender reassignment

- Pregnancy and maternity
- Race
- Religion or belief
-

The analysis also contains a detailed action plan showing how the issues identified will be addressed and the monitoring arrangements that have been put in place.

8. Linkages to Wider Welfare Reform

- 8.1 The Welfare Reform Act 2012 provides for a major overhaul of the current benefits system. The abolition of Council Tax Benefit was implemented ahead of the commencement of Universal Credit.
- 8.2 Since its introduction in April 2013 the Council Tax Reduction Scheme has run alongside Housing Benefit. Housing Benefit administration will gradually diminish over the coming years. Wider changes to existing benefits during the next few years will mean customers on benefits will have less money available to pay their Council Tax liability.

9. Conclusion

- 9.1 At the meeting of 14th December 2015 the Council will be requested to agree a local Council Tax Reduction Scheme for 2016/17 which (as is the case for the scheme currently in operation) will incorporate a reduction in awards to working age claimants.
- 9.2 The Council will be presented with the proposals for the 2016/17 scheme as described in this report, subject to any required changes in the intervening period as a consequence of new government regulations or other announcements. For 2016/17 it is proposed that the percentage reduction made at the end of the assessment for working age claimants shall remain as for 2014/15 and 2015/16 at 22.7%, the percentage reduction such that the full costs of the Council Tax Reduction Scheme (assuming a stable level of central government support for the scheme) are recovered from the working-age recipients of support.
- 9.3 Schedule 6 of the Council Tax Reduction Scheme will detail the percentage reduction in support to working age claimants once the scheme design has been determined by Council and following any final minor adjustments to the calculation of costs for 2016/17. That Schedule forms part of the adopted scheme.
- 9.4 A review of the Scheme (including the percentage reduction in support detailed within Schedule 6 of the Scheme) should be carried out annually to ensure it remains fit for purpose taking account of ongoing changes in legislation, caseload and financial requirements. Therefore any decision with regard to changes to the CTRS will be in respect of 2016/17 only.
- 9.5 The Council will also be requested to consider the issue of the distribution of grants to Town and Parish Councils in relation to changes arising from the introduction of a local scheme. These alternative options are detailed at Section 5 of this report and are in summary:

Either:

- distribute grants to Parish Councils to reflect the impact of the introduction of CTRS at a level which is equivalent to the total sum distributed in respect of 2015/16 in the total sum of £68.8k – option 1 in Section 5.6 of this report; or

- distribute grants to Parish Councils to reflect the impact of the introduction of CTRS at a level which reflects the reduction in overall central grant funding at an approximate sum of £66.2k – option 2 in Section 5.6 of this report; or

- distribute grants to Parish Councils in the same amount as in 2015/16 (i.e. £68.8k) or at a reduced amount (ie. £66.2k) for 2016/17 only and thereafter no further grants will be distributed – option 3 in Section 5.6 of this report.

9.6 If the Council determines that grants to compensate Parish Councils for the impact of CTRS will be made for 2016/17 it is proposed that the distribution methodology will be similar to that used in previous years.

IMPLICATIONS	
Finance	Financial implications are contained within the body of the report.
Legal	As part of the 2012 Welfare Reform Act the national Council Tax Benefit (CTB) scheme was abolished after 2012/13, with individual local authorities instead being required to introduce a local Council Tax Reduction Scheme (CTRS) with effect from 2013/14 and subsequent years.
Community Safety	None
Human Rights and Equalities	An Equality Analysis has been carried out and is available on the Council's website as detailed in the report.
Sustainability and Environmental Impact	None.
Health & Safety and Risk Management	The elements of the working age scheme will need to be reviewed annually to avoid increased financial risk to the Council.

LEAD AUTHOR	TEL	DATE	DOC ID
Paul O'Donoghue Chief Financial Officer	01253 658566	November 2015	

LIST OF BACKGROUND PAPERS		
Council Tax reduction Scheme 2013/14	28 th January 2013	www.fylde.gov.uk
Council Tax reduction Scheme 2014/15	27 th January 2014	www.fylde.gov.uk
Council Tax reduction Scheme 2015/16	1 st December 2014	www.fylde.gov.uk

Attached documents

Appendix A - Consultation and responses from major preceptors

Appendix B - Public Consultation

Appendix C - Results of Public Consultation

Appendix D – Comparison of levels of Town and Parish Councils Funding between 2012/13 and 2015/16

Preceptor Consultation Letter – sent to LCC, Police and Fire Authorities - 6th October 2015

Dear Sirs,

Fylde Borough Council - Council Tax Reduction Scheme 2015/16 – Consultation with major preceptors on the design of the local scheme.

Summary:

This paper sets out the proposed Council Tax Reduction Scheme (CTRS) that will operate in Fylde borough for the year 2016/17.

Introduction:

The scheme that currently operates within Fylde borough was approved by this Council in December 2014.

That Scheme, in summary, is one which:

- maintains most of the previous council tax benefit rules but reduces the award by a standard percentage at the end of the calculation for working age claimants such that the CTRS is self-funding ie. That the scheme does not result in the loss of Council Tax income to Fylde Council or the major preceptors. The claimant has to pay this amount to the Council as their contribution to Council Tax.
- in 2015/16 the maximum percentage reduction in support in respect of working-age claimants is 22.7%.
- includes the national scheme which protects claimants of pensionable age from any reductions.
- provides a Discretionary Hardship Fund to support claimants in exceptional circumstances who are unable to increase their income from other means.

The full Scheme is available on the Fylde Borough Council website at

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

The proposed 2016/17 Scheme:

It is proposed that for 2016/17 the scheme be one which maintains most of the previous council tax benefit rules but reduces the level of the award by a standard percentage at the end of the calculation for working age claimants. Each of the adopted local schemes since 2013/14 have been in accordance with this principle. It is not intended to change this element of the design in respect of 2016/17.

Council Members will be asked to agree a scheme of Council Tax Support in December 2015.

The principles for the 2016/17 scheme will remain that it needs to:

- be affordable in terms of grant received, revenue loss and costs to operate
- be as fair as possible and a detailed ‘map’ of those affected is required; a detailed Equality Analysis is required

- be transparent, understandable to customers and practical to operate
- be feasible to implement within the constraints of the timescales and available software
- be simple in design avoiding unnecessary complexity
- avoid the costs and risks associated with collecting additional data

Changes to the Scheme for 2016/17

It is proposed that, as far as possible, the 2016/17 scheme will have the same design principles as that currently in operation. However, the Government has announced its intention to remove the family premium from housing benefit for children born after April 2016 or for new claims made after that date. The Council proposes to do the same for its CTRS for 2016/17 to keep this element of the scheme the same as housing benefit.

This change will only apply to working age claimants who are not in receipt of certain benefits such as Income Support, Income Based Job Seekers Allowance, Income-Related Employment & Support Allowance. The impact of this change will be that for all new claims and for existing claims including an element for children born after April 2016, the assessment would have a lower Applicable Amount and consequently the claimant could receive a lower award of Council Tax Reduction than under the current scheme. As an example, if the family premium is removed from the Council Tax Reduction assessment, the entitlement could be reduced by up to £3.49 per week (based on a 20% taper of £17.45 family premium).

It is proposed that the scheme for 2016/17 will:

- Maintain the current council tax support rules and reduce the level of support by a specified percentage level at the end of the calculation (bottom slice) such that the CTRS is self-funding. It is estimated that for working-age recipients the maximum reduction in the level of support will be between 20% - 25%.
- Provide for an additional discretionary award which may also be granted in accordance with S13A (1) (a) or S13A (1) (c) of the Local Government Finance Act 2012.
- Include the national scheme for pension age claimants for whom there is no reduction in the level of support.

Hardship Fund

The existence of a Discretionary Hardship Fund to provide support for claimants in exceptional circumstances who are unable to increase their income from other means is a key element of the operation of the scheme.

It is proposed that for 2016/17 the Council Tax Reduction Scheme will provide for an additional discretionary award which may also be granted in accordance with S13A (1) (a) or S13A (1) (c) of the Local Government Finance Act 2012.

Consultation Questions

1. Do you agree or disagree that the 2016/17 Fylde Council Tax Reduction Scheme should be based on the existing rules with the final award made to a working age claimant being reduced so that the maximum reduction in the level of support is between 20% - 25% for 2016/17? (note: the maximum reduction in the level of support under the scheme for 2015/16 is 22.7%).
2. Do you agree or disagree that the 2016/17 Fylde Council Tax Reduction Scheme should be amended to remove the family premium (in line with the announcement made by Government in respect of housing benefit) for children born after April 2016 or for new claims made after that date?
3. Do you have any other suggested changes to the 2016/17 Fylde Council Tax Reduction Scheme instead of the proposed changes as described at point 2 above?
4. Hardship Fund – Please provide your views on the proposal to continued operation of a Hardship Fund alongside the CTRS scheme to provide support in exceptional circumstances to the most vulnerable claimants.
5. Hardship Fund – Please provide your views on the inclusion of a hardship fund as an additional discretionary award which may also be granted in accordance with S13A (1) (a) or S13A (1) (c) of the Local Government Finance Act 2012.
6. Do you have any other comments to make about the proposed 2016/17 Fylde Council Tax Reduction Scheme?

The Council appreciates the potential impact of the final scheme on its own finances and those of other preceptors. However, at the same time it needs to balance this against the impact it will have in respect of low income Council Tax payers of the Borough. The Council recognises that other preceptors may have strong opinions in respect of the final scheme that is adopted. It is important therefore that the opinion of all interested parties is reported and forms part of the consideration by the elected members in making a final decision.

Responses

Please provide your responses by e-mail / hard copy at the contact points shown above by **31st October 2015**.

Yours sincerely



Paul O'Donoghue

Chief Financial Officer

Summary of Responses from Major Preceptors

A. Neil Kissock, Acting Director of Financial Services, Lancashire County Council (3rd November 2015)

Thank you for your letter of 6th October, 2015, consulting Lancashire County Council on the approach that Fylde Borough Council intends to adopt in continuing its scheme for Council Tax Support. We very much welcome the opportunity to provide our views on the proposals.

It remains the strong view of Lancashire County Council that the proposed scheme for Council Tax Support must:

- Be affordable in terms of grant received, revenue loss and costs to operate;
- Be as fair as possible
- Be transparent, understandable to customers and practical to operate;
- Be feasible to administer within the constraints of the timescales and available software;
- Be simple in design, avoiding unnecessary complexity;
- Avoid the costs and risks associated with collecting additional data.

Consultation questions

- **Do you agree or disagree that the 2016/17 Fylde Council Tax Reduction Scheme should be based on the existing rules with the final award made to a working age claimant being reduced so that the maximum reduction in the level of support is between 20%-25% for 2016/17?**

Lancashire County Council feels that a reduction in the level of support to working age claimants that meets the full cost of the Council Tax Support Scheme to authorities is the most appropriate approach. It offers protection to the most vulnerable individuals as identified within the existing Council Tax system and, at a time when resources are extremely limited and will be reduced significantly in 2016/17 and future years, it is vital that the operation of the scheme does not pass on additional costs to Billing and Precepting authorities.

- **Do you agree or disagree that the 2016/17 Fylde Council Tax Reduction Scheme should be amended to remove the family premium (in line with the announcement made by Government respect of housing benefit) for children born after April 2016 or for new claims made after that date?**

Lancashire County Council agrees with the proposed approach.

- **Do you have any other suggested changes to the 2016/17 Fylde Council Tax Reduction Scheme instead of the proposed changes as described at point 2 above?**

No — it is important to try and maintain as consistent a scheme as possible in order to provide stability to clients, minimising the potential changes in light of government announcements.

- **Hardship fund — Please provide your views on the proposal to continue operation of a Hardship Fund alongside the CTRS scheme to provide support in exceptional circumstances to the most vulnerable clients.**

Lancashire County Council is satisfied that the current approach of paying hardship payments to those claimants who are most vulnerable is appropriate.

- **Hardship Fund — Please provide your views on the inclusion of a hardship fund as an additional discretionary award which may also be granted in accordance with S1 3A (1) (a) or S1 3A (1) (c) of the Local Government Finance Act 2012.**

Lancashire County Council does not object to this in principle, however would ask that the scheme be monitored in order to remain affordable for all precept authorities in light of current financial conditions.

- **Do you have any other comments to make about the proposed 2016/17 Fylde Council Tax Reduction Scheme?**

No

We thank you for the opportunity to take part in the consultation and are happy to discuss any of the responses we have provided with you further.

B. Steve Freeman, Chief Finance Officer, Police and Crime Commissioner for Lancashire (26th October 2015)

Thank you for your letter consulting the Police and Crime Commissioner for Lancashire on the approach that Fylde council intends to adopt in continuing its scheme for Council Tax Support from April next year. We very much welcome the opportunity to provide our views on the proposals.

It remains the strong view of the Commissioner that the proposed scheme for council tax support must:

- Be affordable in terms of grant received, revenue loss and costs to operate;
- Be as fair as possible
- Be transparent, understandable to customers and practical to operate;
- Be feasible to administer within the constraints of the timescales and available software;
- Be simple in design, avoiding unnecessary complexity;
- Avoid the costs and risks associated with collecting additional data.

Council Tax Support Scheme 2016/17

In respect of your scheme for 2016/17 the Commissioner feels that a reduction in the level of support to working age claimants of between 20-25% is the most appropriate approach as it offers protection to the most vulnerable individuals as identified within the existing Council Tax system and offers no additional costs to the Billing and Precepting authorities.

The Commissioner agrees with your proposed approach in respect of the removal of the family premium for children born after April 2016.

At a time when resources are extremely limited and will be reduced significantly in 2016/17 and future years it is vital that the operation of the scheme does not pass on additional costs to precepting authorities.

Hardship Fund

The Commissioner continues to support the provision of hardship payments to the most vulnerable claimants in exceptional circumstances and is content that the current process for the management of such cases is reasonable.

We thank you for the opportunity to take part in the consultation and are happy to discuss any of the responses we have provided with you further.

**C. Keith Mattinson, Director of Corporate Services, Lancashire Fire & Rescue Service
(by e-mail 7th October 2015)**

Responses to consultation questions:

1. We agree with this proposal
2. We agree with this proposal
3. No
4. Given the size an amount of any awards we continue to support the approach adopted
5. I am not clear on how this is different from the current scheme that you apply, and refer to above
6. No

Public Consultation

This consultation sets out options for the Council Tax Reduction Scheme (CTRS) that will operate in Fylde borough for the year 2016/17.

The scheme that currently operates within Fylde borough (for 2015/16) was approved by this Council in December 2014.

That Scheme, in summary, is one which:

- maintains most of the previous council tax benefit rules but reduces the award by a standard percentage at the end of the calculation for working age claimants. The claimant has to pay this amount to the Council as their contribution to Council Tax.
- in 2015/16 the maximum percentage reduction in respect of working-age claimants is 22.7%.
- includes the national scheme which protects claimants of pensionable age from any reductions
- provides a Discretionary Hardship Fund to support claimants in exceptional circumstances who are unable to increase their income from other means.

The proposed 2016/17 Scheme:

It is proposed that, as far as possible, the 2016/17 scheme will have the same design principles as that currently in operation. However, the Government has announced its intention to remove the family premium from housing benefit for children born after April 2016 or for new claims made after that date. The Council proposes to do the same for its CTRS for 2016/17 to keep this element of the scheme the same as housing benefit.

This change will only apply to working age claimants who are not in receipt of certain benefits such as Income Support, Income Based Job Seekers Allowance, Income-Related Employment & Support Allowance. The impact of this change will be that for all new claims and for existing claims including an element for children born after April 2016, the assessment would have a lower Applicable Amount and consequently the claimant could receive a lower award of Council Tax Reduction than under the current scheme. As an example, if the family premium is removed from the Council Tax Reduction assessment, the entitlement could be reduced by up to £3.49 per week (based on a 20% taper of £17.45 family premium).

Other than this proposed change the amounts that individuals will be required to pay may also change in the event of changes to a claimant's circumstances or if Fylde Council and/or other preceptors (eg. Lancashire County Council) amend their levels of Council Tax for 2016/17.

Following consultation with interested parties and the public in respect of previous years CTRS the clear preference was for the adopted scheme as described i.e. one which maintains most of the previous council tax benefit rules but reduces the level of the award by a standard percentage at the end of the calculation for working age claimants. It is not expected that this element of the design will change for 2016/17.

Council Members will be asked to agree a CTRS for 2016/17 in December 2015.

It is proposed that for 2016/17 a fully self-funding scheme is retained. It is estimated that for working-age recipients the maximum reduction in the level of support will be between 20% - 25%. The Scheme would include the national scheme for pension age claimants for whom there is no reduction in the level of support

Do you agree or disagree that the 2016/17 Fylde Council Tax Reduction Scheme should be based on the existing rules with the final award made to a working age claimant being reduced such that the maximum reduction in support is between 20% - 25%? (note: the maximum reduction in the level of support under the current scheme is 22.7%).

Do you agree or disagree that the 2016/17 Fylde Council Tax Reduction Scheme should be amended to remove the family premium (in line with the announcement made by Government in respect of housing benefit) for children born or new claims made after April 2016?

Do you have any other suggested changes to the 2016/17 Fylde Council Tax Reduction Scheme instead of the proposed changes as described above?

Do you have any other comments to make about this proposal?

Response – Council Tax Reduction Scheme consultation

Council Tax Reduction Scheme consultation

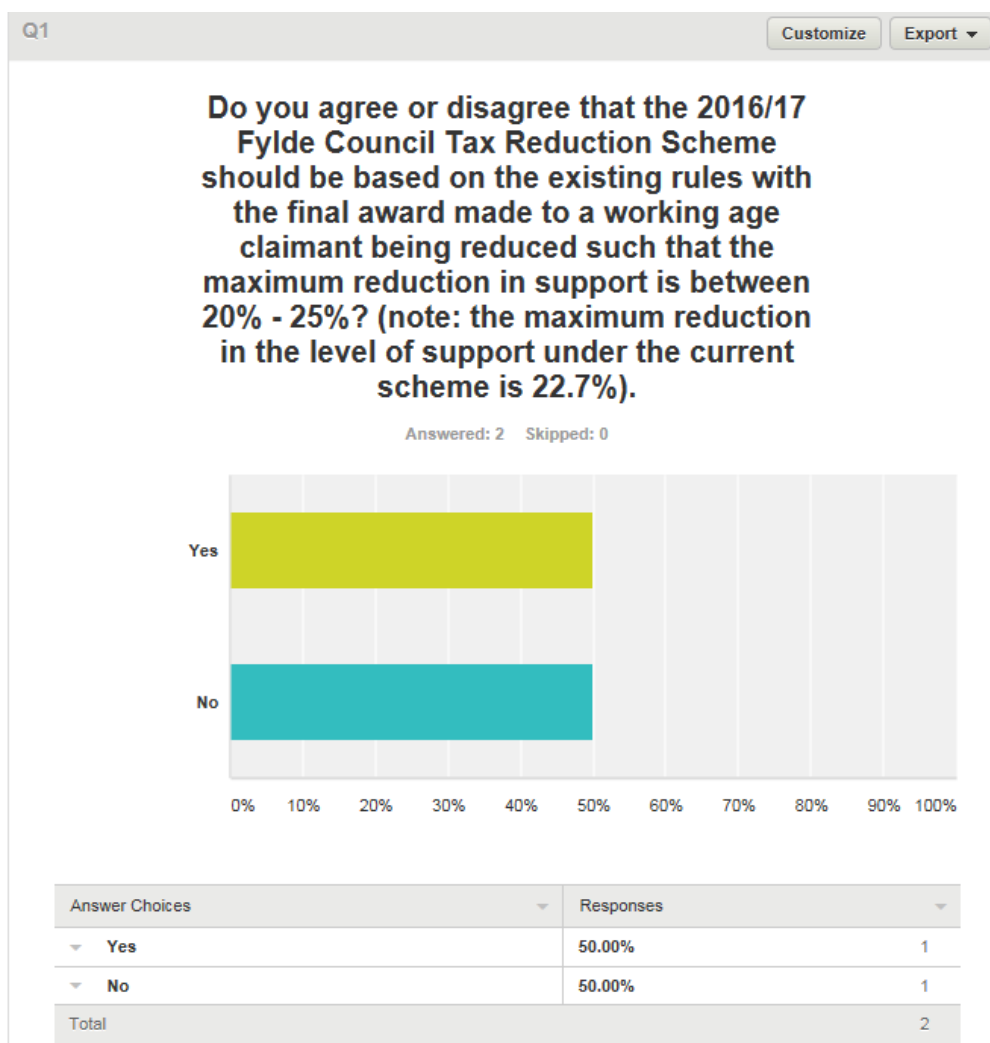
Fylde Council sought views on the proposed 2016/17 local Council Tax Reduction Scheme over a 3 week period between 2 October 2015 and 9 November 2015. Only two responses were received by the Council, one agreed with the proposed scheme and one disagreed.

The two comments that were submitted alongside the responses were:

1. "Seems reasonable to me."
2. "You should take off DLA and disability premium from income. People on these benefits do not have the spare income those benefits are there for a purpose because cost of living is already higher."

As part of our duties under Equalities legislation, the Council has considered the impact of Council Tax changes on a range of groups with "protected characteristics" and has produced an Equalities Analysis taking into account comments received.

The Council would like to thank the participants for their time and interests.



Appendix D

Comparison of levels of Town and Parish Councils Funding between 2012/13 and 2015/16

Town/Parish Council	Town & Parish Precepts £	Total Town & Parish Precepts & CTRS Grants £	Total Town & Parish Precepts & CTRS Grants £	Total Town & Parish Precepts & CTRS Grants £	Increase in Total Town and Parish Council Funding (precept and CTRS grant) 12/13 to 15/16 £	Increase in Total Town and Parish Council Funding (precept and CTRS grant) 12/13 to 15/16 %
	2012.13	2013.14	2014.15	2015.16		
Bryning-with-Warton	49,725	76,987	92,369	97,196	47,471	95.5%
Elswick	18,797	23,289	25,976	26,018	7,221	38.4%
Freckleton	96,797	110,149	108,794	107,793	10,996	11.4%
Greenhalgh-with-Thistleton	5,000	4,167	5,162	5,187	187	3.7%
Kirkham	165,581	175,873	181,980	183,758	18,177	11.0%
Little Eccleston-with-Larbreck	6,805	7,387	7,476	7,856	1,051	15.4%
Medlar-with-Wesham	49,998	55,780	58,013	60,068	10,070	20.1%
Newton-with-Clifton	49,969	53,473	52,650	52,281	2,312	4.6%
Ribby-with Wrea	48,200	48,200	48,200	48,200	0	0.0%
Singleton	16,621	17,879	18,669	18,844	2,223	13.4%
Staining	52,628	61,433	63,816	63,597	10,969	20.8%
St.Annes	150,000	166,205	175,467	174,806	24,806	16.5%
Treales, Roseacre & Wharles	6,636	6,749	6,668	10,235	3,599	54.2%
Weeton-with-Preese	13,800	15,407	15,116	15,050	1,250	9.1%
Westby-with-Plumpton	8,000	8,501	8,631	8,491	491	6.1%
Total	738,557	831,480	868,987	879,380	140,823	19.1%

DECISION ITEM



REPORT OF		MEETING	DATE	ITEM NO
MANAGEMENT TEAM		FINANCE AND DEMOCRACY COMMITTEE	30 th NOVEMBER 2015	06

FINANCIAL FORECAST UPDATE (INCLUDING REVENUE, CAPITAL & TREASURY MANAGEMENT) 2015/16 TO 2019/20

PUBLIC ITEM

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

SUMMARY

The report provides Members with an update of the financial forecast for the five years 2015/16 to 2019/20. It includes changes arising since the Budget was set by Council in March 2015.

RECOMMENDATION

The Committee are recommended :

1. To note the implications of this updated financial forecast, and to also note that this update report will be presented to the Council meeting on 14th December 2015;
2. With regards to the Accommodation Project:
 - a) To recommend to Council the establishment of an Accommodation Project Reserve to ensure continued delivery of the accommodation project;
 - b) To recommend to Council the approval of a transfer into the Accommodation Project Reserve in the sum of £504k to be funded from favourable in-year revenue budget variances in 2015/16;
 - c) To recommend to Council the approval of capital virements in the total sum of £310,000 from Phase 7 of the Accommodation Project capital scheme to fund Phases 4 and 5 of the works (£280k to be vired into Phase 4 and £30k into Phase 5); and
 - d) To note that a further report will be presented to a later meeting of this Committee which will provide full details of the proposed works in relation to the next phases of the scheme, and which will request approval to enter into contractual agreements to deliver those works.

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

SUMMARY OF PREVIOUS DECISIONS

The Council set its budget for 2015/16 at its meeting of 3rd March 2015. This report provides Members with an update of the financial position of the Council, including changes since that date.

REPORT

1. PURPOSE OF THE FINANCIAL FORECAST UPDATE

1.1 This report is the mid-year and preliminary forecast of the Council's financial position and takes account of latest reserve balances, revenue and capital spending forecasts and treasury management issues. It also identifies and updates the financial risks and challenges facing the Council. The assumptions set out in this forecast are the latest best estimates and will be updated as and when further information becomes available.

1.2 This latest financial forecast update is designed to:

- Present an updated five-year financial forecast for revenue and capital spending based upon the best information available at the time;
- 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. BACKGROUND TO THE FORECAST

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

(i) Original Budget 2015/16

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

(ii) General Fund Revenue Outturn Position 2014/15

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

(iii) Budget Right-sizing Exercise

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

(iv) Capital Outturn Position 2014/15

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

(v) General Fund Revenue Quarterly Budget Monitoring 2015/16

Revenue budget monitoring reports for the period to 31st July 2015 have been presented to each of the Programme Committees during the September cycle of meetings. These reports identified a number of budget areas for further consideration. As a result a number of changes have already been included in this latest forecast. These include revised fee income estimates, updated employee cost assumptions, and the latest estimate of borrowing costs.

3. THE GENERAL FUND REVENUE FORECAST

- 3.1 Appendix A sets out the original base budget forecast, agreed at the Budget Council meeting on 3rd March 2015.
- 3.2 Appendix B shows the general assumptions underpinning the base forecast, whilst Appendix C shows the financial impact of changes to general assumptions and the impact of other significant changes that have been identified since the budget was approved, including the impact of outturn 2014/15 and the budget right-sizing exercise. Appendix D sets out the narrative which explain the significant changes made to the forecast. Included in the changes are a number of items arising from the Capital Programme which are explained in the 'Capital' section of this report.
- 3.3 The impact of all these changes are summarised in Appendix E which details the latest updated forecast. The forecast needs to be considered carefully in the light of the identified risks which cannot be fully quantified at this time but may have considerable impact on the forecast at some future point.

3.4 The Establishment of an Accommodation Project Reserve

In August 2015 the Finance and Democracy Committee approved virements of £230k from phases 7 and 8 of the Accommodation Project capital scheme to fund the phase 3 works and approved the commencement of the phase 3 works during 2015/16. The report also noted that the cost limiting approach to providing satisfactory accommodation will not be possible from within the funding realised from the sale of surplus assets.

Members also requested that a further report be prepared to include recommendations as to the possible sources of funding to ensure the delivery of the accommodation project up to phase 5 of the overall scheme. In order to achieve such a position would require the identification of additional resources in the sum of £504k.

Following a review of the budget position for 2015/16 as part of the preparation of this Financial Forecast update, including the identification of fortuitous additional income for the year, costs-savings and the outcome of the budget right-sizing exercise, the forecast revenue surplus for 2015/16 is £777k, as detailed at Appendix E.

It is proposed that of this revenue budget surplus a sum of £504k is transferred to an Accommodation Project Reserve to provide a source of funding for the delivery of the Accommodation Project up to phase 5 of the total scheme.

This would leave a remaining estimated surplus for 2015/16 of £273k which, at this point, would increase the General Fund Revenue Reserve such that the current estimate of the General Fund Revenue Reserve at 31st March 2016 is revised to £5.716m.

If the transfer of funding into the Accommodation Project Reserve is approved, a further report will be presented to a later meeting of the Finance and Democracy Committee which will provide full details of the proposed works in relation to the next phases of the scheme, and which will request approval to enter into contractual agreements to deliver those works.

4. KEY AREAS OF FINANCIAL RISK TO THE GENERAL FUND REVENUE BUDGET FORECAST.

- 4.1 In considering this forecast Members should note that there are a number of significant risks. In assessing each risk the following has been taken into account:-

High Level Financial Impact Risk

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

Medium Level Financial Impact Risk

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

Low Level Financial Impact Risk

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

4.2 High Level Financial Impact Risks

Background – the Spending Review 2015

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

The 2015 Summer Budget commenced this process, setting out £17bn of measures to reduce the deficit, including £12bn by 2019/20 from welfare reform and £5bn by 2019/20 from tackling tax avoidance and tax planning, evasion and non-compliance. The 2015 Spending Review, the outcome of which will be announced on 25th November, will confirm how the Government plans to deliver the remaining £20bn of savings. Within the document is included the following intention: '**As part of the Spending Review, the government will look at transforming the approach to local government financing...**'

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

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

At the time of writing there is no clarity beyond the current year regarding future central government funding arrangements.

(i) Revenue Support Grant

The Government have provided Revenue Support Grant allocations in respect of 2015/16 but have given no indication of the level of grant receivable thereafter. Future year's forecasts are based upon annual reductions of 28% per annum from 2016/17 onwards in line with the trajectory of grant reductions over the last few years. If future year's grant reductions are greater than this assumed level this may have a significant impact upon the forecast.

Any additional information arising from the Spending Review which provides greater clarity regarding future Revenue Support Grant allocations will be reflected in subsequent updates to this Financial Forecast.

(ii) New Homes Bonus

The budget forecast that was approved by Council on 3rd March 2015 included an assumed future level of New Homes Bonus (NHB) of a further £300k per annum in each year. This calculation was based upon an estimated growth in total property numbers and incorporated the grant calculations as they have been in operation since the inception of the NHB scheme in 2011. However the latest estimate of the likely level of New Homes Bonus to be received for 2016/17 indicates that this level of income is unlikely to be achieved (the additional property numbers used for calculating New Homes Bonus is based upon completed dwellings and not dwellings under construction). Consequently the estimated additional New Homes Bonus amount for 2016/17 has been revised to £200k. As each annual allocation is receivable for six years, this reduced level will be receivable for 2016/17 and the five subsequent years.

It is expected that for 2017/18 and later years the level of New Homes Bonus will revert to an additional £300k per annum. This is based upon the known level of properties currently under construction and historic levels of annual house completion. The table below shows annual allocations of NHB for Fylde Council since 2011/12 and future estimates of the amounts to be received, together with the years in which the annual allocations will be received throughout the period of this forecast:

Annual New Homes Bonus allocations since the introduction of the scheme:

	2011/12 (actual) £000	2012/13 (actual) £000	2013/14 (actual) £000	2014/15 (actual) £000	2015/16 (actual) £000	2016/17 (est'd) £000	2017/18 (est'd) £000	2018/19 (est'd) £000	2019/20 (est'd) £000	Total £000
Receivable in:										
2015/16	279	306	308	382	385					1,660
2016/17	279	306	308	376	385	200				1,854
2017/18		306	308	376	385	200	300			1,875
2018/19			308	376	385	200	300	300		1,869
2019/20				376	385	200	300	300	300	1,861

Note: for 2014/15 the Council received an additional allocation of £6k for one year only.

New Homes Bonus is un-ringfenced funding, and Fylde Council use the funding in its entirety to support the ongoing revenue expenditure of the Council. It is worth noting that NHB is becoming an increasing proportion of the total financing receivable by the Council. The table below shows that actual/forecast income from NHB since 2014/15, together with the total forecast income receivable by the Council, and the proportion which NHB comprises of the total:

FBC New Homes Bonus income as a proportion of total forecast income

Year	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
FBC Forecast funding from New Homes Bonus (£000)	1,269	1,660	1,854	1,875	1,869	1,861
FBC Forecast total financing (including NHB) (£000)	10,096	9,966	9,877	9,787	9,755	9,786
NHB as a % of total forecast financing	12.6%	16.6%	18.9%	19.2%	19.2%	19.0%

The table illustrates that New Homes Bonus income is an increasingly significant source of funding to the Council, and as central government Revenue Support Grant is forecast to decrease year on year, NHB as a proportion of the Council's forecast total financing is estimated to increase from 12.6% in 2014/15 to 19.2% by 2017/18.

The reliance upon New Homes Bonus to support ongoing revenue expenditure of the Council is one of the most significant financial risks facing the Council.

(iii) Localisation of Business Rates

The current year is only the third year of the operation of the localised business rate scheme. These new arrangements can have a significant effect on councils, as any changes to the Business Rates yield now directly impact on council funding levels, with both the risks and rewards of Business Rate growth being shared between Central Government, Precepting Authorities and Billing Authorities.

Such losses and gains are subject to separate 'Safety Net' and 'Levy' arrangements to reduce the potential volatility of local authority funding under the new system, effectively limiting the gain or loss in any one year.

However any single change, such as that which occurred in 2014/15 with the announcement of the cessation of commercial operations at Blackpool Airport (actually located largely within the borough of Fylde), can have a significant and sudden impact of the finances of the Authority that is affected.

All rateable values are supposed to be reassessed every five years at a general revaluation, although the next one, due in 2015, has been postponed. The current rating list is based on a revaluation which took place in 2010. A large number of businesses within the borough, and indeed nationwide, have lodged appeals to the Valuation Office Agency (VOA) against the level of their business rating valuations. These appeals are often supported by specialist rating agents and the outcome can be backdated to the date of the appeal or the last revaluation (i.e. 2010). This scenario can result in significant in-year business rate refunds being made to businesses whose appeals are successful. The VOA have committed to reducing the backlog of appeals within the system, which may increase the possibility of a greater volume of refunds being made.

Monitoring arrangements to provide an early identification of in-year trends in respect of business rate income have been developed, including regular appeals updates and meetings with VOA officers. There will, however, remain an element of uncertainty as events triggered by changes in business circumstances and the determination of appeals are, by their nature, unpredictable.

Consequently the financial forecast which was approved by Council in March 2015 assumes that for 2015/16 and for future years business rate income will be at the 'Safety Net' level. This is considered to be a prudent approach to business rate income planning as business rates income cannot fall below this level. This approach is continued in this current financial forecast. If business rates income were to exceed the Safety Net level this will result in a favourable outturn variance.

Any additional information arising from the Spending Review which provides greater clarity regarding arrangements in respect of retained Business Rate income will be reflected in subsequent updates to this Financial Forecast.

(iv) Waste Recycling Cost Sharing Arrangements (Lancashire County Council)

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

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

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

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

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

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

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

Following dialogue between Lancashire districts and LCC on this matter, LCC have commissioned a Lancashire wide review of waste collection arrangements, with the aim of providing "a comprehensive evaluation of the fundamental aspects of waste collection with a view to reducing the cost of provision of collection services across Lancashire". Fylde Council is participating in that review which is currently underway and expected to report its findings in spring 2016.

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

4.3 Medium Level Financial Impact Risks

(i) Planning Appeal and Judicial Review Costs

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

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

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

(ii) Reduction in Housing Benefit Administration Grant

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

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

(iii) Universal Credit

The Government has commenced the consolidation of a number of welfare benefit allowances into a revised Universal Credit Scheme. One of these is Housing Benefit which is currently administered by the Council through the shared service with Blackpool Council. The intention is that the new Universal Credit Scheme will be provided on-line and will be administered by Department of Work and Pensions. The roll-out of the new arrangements are gradual and began in Fylde in respect of a small number of the less-complex cases in November 2014. The timing and financial implications of future developments of the scheme remain uncertain.

(iv) Grounds Maintenance – External Contracts

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

(v) Changes in Council Tax, and Capping Regulations

This forecast includes a freeze in the level of Council Tax in respect of the current year, other than a minor technical reduction from £185.90 to £185.79 as the average annual Fylde band D Council Tax charge. This will be the fifth year in a row that Council Tax has not increased. For each of the years when Council Tax was frozen the Council has received short term compensatory grants from central government. This forecast assumes increases in Council Tax charges of 2.0% per annum from 2016/17 onwards (per Appendix E).

In the Autumn Statement of December 2014 the Chancellor announced that funding would be available to Councils that freeze Council Tax for 2015/16. This freeze grant is also shown within this financial forecast for 2015/16. There is currently no information regarding the availability of Council Tax Freeze Grant for future years.

The Localism Act 2011 replaced the previous power of the Secretary of State to cap council tax increases with a system of mandatory referendums triggered by “excessive” increases. Any local authority (including police and fire authorities) setting an increase above a ceiling set by the Secretary of State and approved by the House of Commons will trigger a referendum of all registered electors in their area. The Government believe this will make local authorities much more transparent and much more accountable to local people. If Councils want to increase Council Tax beyond the specified level in any given year, they will have to make the case to the local electorate and receive approval via a referendum. The impact on the Council will depend on the ceiling set by the Secretary of State compared to any future proposed Council Tax rises. Although the ceiling is set for 2015/16 at 2.0% it is apparent that the government has previously considered a lower threshold.

There is a possibility that future years capping regulations will restrict the increase in Council Tax that is permissible without the need for a local referendum to a level that is lower than the assumed 2% level. Should this be the case there is a risk that the increase in income from Council Tax as shown in the forecast in future years may not be achievable.

4.4 **Low Level Financial Impact Risks**

(i) The Living Wage

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

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

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

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

(ii) Community Infrastructure Levy (CIL)

The Community Infrastructure Levy (CIL) which came into operation nationally in April 2011 is intended to assume the role of the traditional Section 106 Agreement. However Section 106 Agreements will continue to have a role to play on site specific development proposals. For the CIL to become operational within the borough the Local Plan will need to be in place. Officers will be exploring infrastructure requirements as part of the work on the Local Plan with the aim of producing, for public consultation, an Infrastructure Delivery Plan which will help inform a CIL charging schedule. At this moment in time the financial implications are unknown.

(iii) Lowther Gardens Trust

The Council's revenue budget currently contains budget provision for a subsidy payable to Lowther Trust for the operation of Lowther Pavilion, as detailed in the service level agreement. The budget stands at £39k in 2015/16 and reduces to £32k in 2016/17, that being the final year of the five-year subsidy period as agreed with Lowther Trust. It is not known at this stage whether a subsidy from Fylde Council will be requested by Lowther Trust beyond 2016/17, nor the likely value of any such request.

There is a risk that the existing budget provision is insufficient to sustain the continuing operation of the Pavilion over the life of the agreement and that further funding requests will be received by the Council.

5. GENERAL FUND RESERVE AND OTHER EARMARKED RESERVES & PROVISIONS

5.1 The Council carries a General Fund Reserve (often referred to as General Reserves) and a number of other earmarked reserves and provisions. These are held for a number of purposes:

- As a working balance to help cushion the impact of uneven cash flows and avoid the need for temporary borrowing;
- As monies specifically set aside for future events or liabilities (known as earmarked reserves and provisions); and
- As a contingency to cushion the impact of unexpected events or emergencies.

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

5.3 The Council has a Useable Reserves and Balances Policy in place, which is reviewed and approved annually as part of the budget setting process. If any reserves can be released, proposals will be presented in a future financial forecast update.

6. CONCLUSIONS – GENERAL FUND REVENUE FORECAST

6.1 The Council faces a number of uncertainties in the future in respect of its finances, particularly from the Spending Review, the outcome of which is due to be announced in November 2015. As part of that announcement further reductions in the level of central government funding may become apparent. The current forecast has a number of high risk financial assumptions which are outside the Council's control.

6.2 A number of these risks, as well as being significant, have a high probability factor. The scale of the changes in the later years of the forecast will only be fully realised when the Government confirms grant settlement figures and may have a significant impact on the final forecast and overall financial strategy of the Council. In addition the cessation of the income that the Council receives under the Waste Recycling Cost Sharing Arrangements with Lancashire County Council will have a seriously detrimental impact on the Council's financial position from 2018/19 when the planned changes come into effect.

6.3 The financial situation the Council faces continues to be challenging and uncertain, and the gap between in-year income and expenditure in later years of the forecast will need to be addressed.

6.4 Budget planning work for 2016/17 is well underway and further updates of the financial forecast will be brought before Members in due course.

7. COLLECTION FUND

7.1 The Council is required to maintain a separate fund for the collection and distribution of amounts due in respect of Council Tax and National Non Domestic Rates (NNDR). The deficit on the collection fund for Council Tax as at 31st March was £183k. This deficit will be shared

in accordance with regulations and will form part of the 2016/17 Council Tax Calculation. The Council's share of the deficit is £25k.

- 7.2 Prior to 2013/14, the Council collected Business Rates on behalf of Central Government. All the Business Rates income was paid directly into a central pool which was re-distributed to individual councils according to a needs-based formula. Under the new regulations the Council notionally retains a 40% share of its business rates, after which a tariff in the form of a further payment to central government is applied. As at 31st March 2015 the actual collection of NNDR was lower than originally forecast, largely as a result of the extension of the small business rate relief scheme. As a consequence, the Council's share of the Collection Fund deficit for the year was £506k which was offset by additional Government grant to recompense local authorities for the extension of the small business rate relief scheme.

8. THE CAPITAL PROGRAMME

- 8.1 The Capital Programme is updated continually for agreed changes and reported to Members during the financial year on a periodic basis.
- 8.2 The latest updated Capital Programme Summary for the years 2015/16 to 2019/20 is set out in Table 1 below. The Programme has been updated for changes to the end of September 2015. A prudent approach is taken in preparing the programme to ensure that financing resources are only recognised when there is reasonable certainty that they will be received.

TABLE 1 - SUMMARY CAPITAL PROGRAMME

	Estimate 2015/16 £000	Estimate 2016/17 £000	Estimate 2017/18 £000	Estimate 2018/19 £000	Estimate 2019/20 £000
Estimated Expenditure:					
Finance & Democracy Committee	1,028	954	0	0	0
Tourism & Leisure Committee	1,127	358	40	40	40
Operational Management Committee	957	3,698	8,817	6,310	870
Environment, Health & Housing Committee	715	468	762	468	468
Development Management Committee	389	274	0	0	0
Total Capital Payments	4,216	5,752	9,619	6,818	1,378
Financing:					
Availability of Resources	4,216	5,752	9,619	6,818	1,378
Total surplus (-) / shortfall in year	0	0	0	0	0
Cumulative surplus (-) / shortfall	0	0	0	0	0

- 8.3 Capital schemes are directly linked with the Council's priorities. Major items of enhancement or renewal are identified via the Council's Asset Management Plan and work is underway to

review and update this. The planned spend over the life of the programme is continuously reviewed. If any scheme profiling amendments are required these will be reflected in future periodic update reports.

8.4 Financing the Capital Programme

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

- (i) Specific Capital Grant Allocations;
- (ii) Disabled Facilities Grant;
- (iii) Capital Receipts;
- (iv) External Funding (such as Heritage Lottery Funding);
- (v) Prudential Borrowing/Leasing;
- (vi) Revenue Funding; and
- (vii) Capital Investment Reserve

8.5 Members should note the current balanced position on the Capital Programme.

9. VEHICLE PURCHASES

9.1 The Council has adopted a Service Modernisation Strategy for Operational Services which includes a rolling programme of vehicle replacement that assumes the replacement of vehicles on a like-for-like basis at the end of their useful economic life. The approved capital programme includes significant capital expenditure for scheduled operational vehicle replacements in 2017/2018.

Cabinet on the 24th September 2014 RESOLVED to approve the continuation of in-house service delivery of all Operational Services until the outcomes of the independent review of waste collection services across Lancashire are known and have been fully assessed and the County Council's statutory obligations under the Environmental Protection Act 2010 (EPA) have been clarified, and in any event before the commitment of significant capital expenditure in relation to fleet replacement.

The outcome of that review is scheduled for the spring of 2016. Following that the longer term plan for future vehicle replacement will be reviewed and any changes arising will be reflected in future updates to the Capital Programme.

10. KEY AREAS OF FINANCIAL RISK TO THE CAPITAL PROGRAMME

There are a number of financial risk areas within the Capital Programme for Members to be aware of:

10.1 Medium Level Financial Impact Risks

(i) Accommodation Project

The accommodation project was originally included in the capital programme on the basis that the scheme would be self-financing from capital receipts from the sale of 3 sites (St David's Road Depot, Derby Road, Wesham and the Public Offices). Actual asset sales and receipts are dependent on market conditions and cannot be predicted with certainty. St David's Road depot was sold in 2012/13, and the site at Derby Road, Wesham was sold in

2013/14. The Public Offices was re-marketed during 2014/15 and the Accommodation Working Group have reviewed a number of further expressions of interest. Disposals of this nature where external agencies, planning decisions, external legal specialists and property developers are involved often take some time to bring to a conclusion.

In August 2015 the Finance and Democracy Committee approved virements of £230k from phases 7 and 8 of the scheme to fund the phase 3 works and approved the commencement of the phase 3 works during 2015/16, funded from residual capital receipts from the asset sales.

The proposed establishment of an Accommodation Project Reserve, to provide a source of funding for the delivery of further phases of the Accommodation Project is detailed within Section 3.4 of this report. This report also recommends the transfer of monies into that reserve and that capital virements be approved in the total sum of £310,000 from Phase 7 of the Accommodation Project capital scheme. This would provide sufficient resource for the funding of Phases 4 and 5 of the works.

Completion of the accommodation project is dependent upon the receipt of income from the disposal of the public offices asset. The cross-party Accommodation Working Group continues to monitor and manage this project and regular update reports on the project will continue to be provided to Members.

(ii) Coast Protection Scheme

The Strategic Appraisal Report (StAR) for the Fylde Shoreline Strategy was approved by the Environment Agency's Large Project Review Group (LRPG) in January 2014 and included the replacement of sea defences at Fairhaven and Church Scar. Following this approval further funding was released by DEFRA and Cabinet approved spend for a Coastal Headland Study Project Appraisal Report (PAR) in the sum of £175k, fully funded from DEFRA resources. This report has now been completed and was submitted for approval by the Environment Agency's LRPG on the 6th August 2015. Once the Project Appraisal Report is approved, further funding from DEFRA is then required to complete the next stage. This is the detailed, customer led design of the new sea walls and involves gaining the necessary approval for the work to progress, involving preparation of an environmental impact assessment and appropriate assessment with regards to the potential to disturb overwintering birds during construction leading to planning permission, and a Marine Management Organisation licence.. Once these approvals are obtained it will unlock funding for both Fairhaven Lake and Church Scar sea defence construction schemes.

The Council's capital programme includes an estimate of £16,500,000 over the years 2016 to 2019 which was a figure originally derived from the approved StAR. The project as now defined by the PAR report is estimated at £19,830,000 (including risk contingencies) and is to be funded by a combination of grant from the Environment Agency which is estimated at £19,430,000 and a Fylde Council capital programme contribution of £400,000 which is currently shown in 2016/17, with the FBC contribution being funded from the capital investment reserve. Further updates and any future changes to the scheme will be reported to members and the Capital Programme will be updated accordingly.

Due to the significant value of this scheme this has been highlighted as a potential future risk.

(iii) Disabled Facilities Grants (DFGs)

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

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

In order to monitor the level of demand upon this resource the number of applications on the various categories of waiting lists and the periods of waiting time for DFG's are closely monitored and are reported to Members as appropriate.

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

Any future reduction in DFG grant funding income received by the Council will have a direct impact on the level of works that can be undertaken. There is also a direct revenue implication on DFG fees which would also have to be adjusted. For these reasons DFG's have been highlighted as a potential future risk.

A detailed report on the current position for DFG's will be presented to the January meeting of the Environment, Health and Housing Committee.

(iv) Vehicle Replacement Programme

The estimated vehicle replacement profile, to replace existing fleet at the end of its useful economic life from 2015/16 to 2019/20 within the Capital Programme totals £3.9m. Within the forecast it is assumed that the majority of this will be financed from borrowing. It is within the delegations of the Chief Financial Officer to determine how the replacement programme is best financed and if leasing becomes a more economically advantageous method then future forecast updates will be updated to reflect such decisions.

It is important to note that purchase prices will fluctuate with new models and technological/legislative changes and it is therefore necessary to reality check the costs associated with new vehicles on an annual basis and make any necessary adjustments to the capital programme to ensure that ongoing fleet replacement is accurately budgeted for in future years. The Euro VII engine will be introduced in future years in line with stringent environmental regulations. There is no current timeline for this at present however it may fall

within the next 5 years. This will have significant financial consequences for future fleet procurement the extent of which is currently unknown.

Due to the significant value of the vehicle replacement programme and the potential for changes in vehicle specifications and emissions regulations this scheme has been highlighted as a future risk.

10.2 Low Level Financial Impact Risks

(i) Project Slippage

It is important that the Council monitors capital scheme slippage to ensure that no loss of external grant is imposed due to conditions associated within specified timescales.

(ii) Other Capital Receipts

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

(iii) Capital Investment in St. Annes Pool

As part of the arrangement with the YMCA for the operation of the pool, the Council undertook to provide Capital support in the event of major works, repair or breakdown and a provision of £153k was included in the programme for this eventuality. There is now a remaining capital resource of £93k in 2015/16. There is a risk that this remaining resource is insufficient to meet future capital expenditure needs for the facility.

11. CONCLUSIONS – CAPITAL PROGRAMME

- 11.1 The current Capital Programme as updated is showing a balanced position for 2015/16 onwards.
- 11.2 The capital programme and the associated financing will be subject to discussion with Members during the coming months as part of the annual budget setting process for 2016/17.
- 11.3 Any additional expenditure which is not fully funded by external finance would normally require the generation of capital receipts or further borrowing (the latter placing further pressure on the Revenue Budget from the consequent repayment costs). However Budget Council on 4th March 2013 approved the creation of a Capital Investment Reserve to finance future capital expenditure. The balance of this reserve at 31st March 2015 was £2.775m after an additional contribution at outturn for 2014/15 of £247k. Commitments to date of £2.434m leave a current uncommitted balance on the reserve of £341k. It is anticipated that this reserve would offer the preferred source of finance for any further additions to the Capital Programme in future years.

12. TREASURY MANAGEMENT

- 12.1 The Treasury Management Strategy and Prudential Indicators were approved by Council on 3rd March 2015.

- 12.2 The regulatory framework for treasury management requires Councils to receive a mid-year Treasury Review report. This report will be presented to the Audit and Standards Committee for scrutiny on 26th November 2015 and subsequently will be presented to Council on 14th December 2015.

13. KEY AREAS OF FINANCIAL RISKS FOR TREASURY MANAGEMENT

- 13.1 There are a number of potential areas of significant risk associated with Treasury Management activities, the most significant of which are:
- (i) Unexpected movements in cash flow;
 - (ii) Differences between the actual interest rate and interest rates used in the forecast; and,
 - (iii) The security of monies invested with counterparties

14. CONCLUSIONS - TREASURY

- 14.1 Investment rates available in the market have continued at historically low levels and are expected to remain low for some time. Also there remains uncertainty in economic forecasts and financial markets. The Council will continue to aim to achieve the optimum return on investments commensurate with proper levels of security and liquidity that have been approved by Members.

15. OVERALL CONCLUSIONS ON THE LATEST FINANCIAL FIVE YEAR FORECAST UPDATE

- 15.1 The Government have made it clear that it continues to be committed to a deficit reduction programme with the aim of significantly accelerating the reduction in the structural budget deficit of the Country. In July 2015 the Government published the document 'A country that lives within its means - Spending Review 2015'. The outcome of the review is due to be announced in November 2015 and is expected to set out the means by which the deficit reduction will be achieved. Included in the spending review announcement is expected to be a revision to the funding arrangements for Local Government, largely relating to Revenue Support Grant and the retained element of Business Rates income.
- 15.2 The assumptions set out in this forecast are the latest best estimates and will be updated as and when further information, including the outcome of the Spending Review, is available. External pressures outside the Council's control are being experienced by all local authorities, and instructions remain in place that Officers should not commit to any unnecessary expenditure and this may result in an under spend this year.
- 15.3 Much work has been done over the last 6 years to ensure that the Council's finances remain robust. This current version of the MTFS shows an in-year contribution to reserves for 2015/16 and 2016/17, followed by a deteriorating picture during the remainder of the forecast period with an increasing reliance upon drawings from the General Fund Reserve to achieve a balanced budget position. This arises largely as a result of external factors which adversely impact upon the Council's financial position, in particular the ceasing of the Lancashire Waste Cost Sharing Agreement after 2017/18. The implementation of Public Sector Deficit Reduction measures promoted by central Government includes both

immediate and medium term spending reductions on public services. Like all councils Fylde is also dealing with ongoing cost pressures.

- 15.4 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. The Council continues to examine the balance between charges and tax levels looking closely at new opportunities for income generation.
- 15.5 The Council began a budget right-sizing programme during the summer of 2012 in preparation for the ongoing Government funding reductions anticipated in future years. Following presentation of the 2012/13 outturn report to both Cabinet and Scrutiny Committee, Management Team again committed to carrying out a budget rightsizing exercise to analyse underspends which have occurred over the last 3 financial years. As a result a number of budget adjustments are included within Appendix C of this report under the heading 'Budget Rightsizing'. This programme will continue year-on-year in order to contribute to addressing the ongoing financial challenges faced by the Council, but it should be noted that there is a limit to the efficiencies and savings that can be achieved through this approach. Members and Management Team have carried out further work to address the broader challenges posed by the reduction in Government grant funding and work continues to investigate shared service options and the implementation of modernisation and business process improvement that will make Council services more cost-effective. This programme will yield efficiency improvements to help improve the Council's overall financial position.
- 15.6 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.
- 15.7 Given the significant uncertainty around potential Government spending cuts in future years further revisions to the figures and assumptions in this update will be necessary over the coming months.
- 15.8 **At this point the finances of the Council remain robust. Members must, however, remain cognisant of the risks that are detailed within this report and note that the gap between in-year income and expenditure in later years of the forecast will need to be addressed.**

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	November 2015	

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

Attached documents

1. Appendix A – Forecast approved at Council on 3rd March 2015
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

Appendix A

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

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

General Assumptions

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

- General Prices Inflation – a freeze or cash-limiting of all general revenue expenditure budgets with the exception of pay, fuel & utility budgets;
- Slippage - underspend items from 2014/15 agreed by Cabinet in June 2015 have been slipped into 2015/16;
- 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 recent Triennial Pension Review at 12.5% plus 9% deficit recovery lump sum payment for the period to 2016/17; any amendments resulting from the next review will be reflected in later updates to the Financial Forecast;
- Employer's National Insurance contributions – the forecast reflects the statutory contribution rates currently in place, including a reduced contribution rate as a result of the Council being part of the pension scheme. This reduced rate will increase due to the introduction of a Single Tier Flat Rate State Pension from April 2016, and the impact of this has been reflected in the forecast;
- Council tax increases – 2% increase per annum from 2016/17 onwards in line with latest government announcement on the threshold for referendums;
- Government Grant Support – the forecast assumes a 28 % annual grant reduction from 2016/17 onwards in line with the trajectory of the last few years;
- New Homes Bonus – the forecast assumes the receipt of grant in line with current legislation, with future year's forecast based upon historical tax base increase data;
- Fees and Charges – 0% increase in all years, budget holders to review in line with policy and any changes to fees & charges to be agreed at Budget Council in March 2016;
- Vacancy Savings – the forecast assumes £200k savings target for 2015/16, and £100k per annum from 2016/17 onwards;
- Localisation of Council Tax Benefit Scheme – the forecast assumes a fully funded scheme with no cost to the Council from 2015/16 onwards pending a Council decision on the 2016/17 scheme to be agreed in December 2015 following the completion of consultation.

Appendix C

Forecast changes since Budget Council March 2015:

	15/16 £000	16/17 £000	17/18 £000	18/19 £000	19/20 £000	ADVERSE / FAVOURABLE / NEUTRAL
1 CHANGES AS A RESULT OF MEMBER APPROVALS:						
Shared Fraud Service - approved by Cabinet 25th March 2015	-72	-24	-24	-24	-24	FAVOURABLE
Slippage of items from 2014/15 approved at Finance & Democracy Cttee 22nd June 2015	99					ADVERSE
Members Allowances - Council 6th July 2015	8	8	8	8	8	ADVERSE
2 BUDGET RIGHTSIZING EXERCISE:						
Revenue impact of budget right-sizing exercise across all budget areas of the Council	-132	-56	-41	-41	-3	FAVOURABLE
3 UPDATED ESTIMATES OF INCOME BUDGETS:						
Increase in Crematorium Income forecasts	-157	-93	-93	-93	-93	FAVOURABLE
Reduction in income from CAMEO scheme	41	20	20	20	20	ADVERSE
Increase in Planning Application Fee Income forecasts	-275	-125	-50	-50	-50	FAVOURABLE
Reduction in trade waste income forecasts	24	44	44	44	44	ADVERSE
Increase in sandwinning income forecasts	-25	-50	-25			FAVOURABLE
Reduction in Fairhaven Lake boat income	19					ADVERSE
4 STAFFING COSTS:						
Updated estimate for future years pay award and on-costs					124	ADVERSE
Updated estimate for employee/agency labour costs - increases to the Living Wage hourly rates		13	31	50	72	ADVERSE
Additional in-year vacancy savings target	-125	-25	-25	-25	-25	FAVOURABLE
5 OTHER FORECAST CHANGES						
Reinstatement of budgets for public offices running costs		46				ADVERSE
Borough Elections					80	ADVERSE
Neighbourhood plan referendum - St Annes and Warton		36				ADVERSE
Net savings from revised borrowing assumptions and interest rate forecasts	-207	-20	-33	-132	122	FAVOURABLE
Estimated reduction in housing benefit admin grant					10	ADVERSE
TOTAL	-802	-226	-188	-243	285	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 by Budget Council in March 2015 has been updated to reflect the financial impact of Member decisions made since then.

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

Officers gave a commitment to Members following the 2011/12 outturn position to review underspends across the Council. This exercise was first carried out in autumn 2012 and has been repeated each year since, resulting in a significant level of favourable adjustments which have been reflected in the revised forecast.

(3) Revised Crematorium Income forecasts

The forecast has been updated to reflect additional income generated in-year at the Crematorium and for the impact of the introduction of the 'Cameo' scheme. Income from cremations for the year to date has been significantly higher than the budgeted level. However this is offset by a reduction in the level of income received as a result of the introduction of the 'CAMEO' scheme from January 2013. The CAMEO scheme results in a payment through a central pool to those authorities (including Fylde) who have undertaken modernisation works at their facilities to reduce emissions in line with government directives. This is funded by payments into the central pool from those authorities which have not carried out the modernisation works. However receipts into the pool to date have been less than was forecast resulting in a reduction in the expected level of payments to those eligible authorities (including Fylde). As the scheme becomes embedded the collection of payments into the pool may improve and appropriate enforcement action may be introduced, but that is not certain at this stage and income expectations have been amended accordingly.

(4) Increase in Planning Application Fee Income

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

(5) Trade Waste – Reduction in income Assumptions

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

(6) Increase in Sand-winning Income forecasts

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

(7) Fairhaven Lake – Reduction in Boat Hire Income

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

(8) Staffing Costs

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

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

The forecast that was approved by Council in March 2015 has an assumed level of 'turnover savings' (delays in the recruitment to vacant posts) of £75,000 per annum from 2015/16 onwards. Actual savings to date are already in excess of this target. Accordingly, the turnover savings targets for the current year and for the remainder of the forecast period have been updated to reflect a revised estimate of the level of savings.

(9) Reinstatement of budgets for Public Offices

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

(10) Borough Election Costs

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

(11) Neighbourhood Plan Referenda

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

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

The forecast has been updated to reflect both:

- the latest estimated cost of borrowing required in order to fund expenditure approved within the capital programme. The one-off saving in 2015/16 is as a result of the decision to delay borrowing in the short term and to use internal cash balances to fund capital expenditure; and
- the latest estimate of investment interest estimated to be received on cash balances and reserves which the Council invests as part of daily treasury management activities.

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

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

Appendix E

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

	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	Adverse / Favourable
Forecast approved at Budget Council on 3rd March 2015	9,991	9,979	10,007	11,029	11,029	Favourable
Forecast changes - per Appendix C	- 802	- 226	- 188	- 243	285	
Forecast Budget Requirement	9,189	9,753	9,819	10,786	11,314	
Financed by:						
Revenue Support Grant	1,443	1,039	748	538	388	
Business Rates Funding - Safety Net Level	1,625	1,657	1,690	1,724	1,759	
Council Tax Freeze Grant relating to 2015/16 freeze	59					
Estimated Council Tax Freeze Grants						
Less - Parish Element of Council Tax Support Funding	- 69	- 69	- 69	- 69	- 69	
Sub Total	3,058	2,627	2,369	2,193	2,078	
Council Tax (including Collection Fund Surplus/Deficit)	5,248	5,396	5,543	5,693	5,847	Favourable
Other grants						
New Homes Bonus	1,660	1,854	1,875	1,869	1,861	
Forecast Financing	9,966	9,877	9,787	9,755	9,786	
Forecast surplus(-)/deficit for year	- 777	- 124	32	1,031	1,528	
Reserves						
Forecast surplus/deficit(-) for year from above:	777	124	- 32	- 1,031	- 1,528	
Less: Contribution to Accommodation Project Reserve	- 504					
Balance of surplus/deficit(-) remaining:	273	124	- 32	- 1,031	- 1,528	
Balance of General Fund Reserves b/f	5,443	5,716	5,840	5,808	4,777	Favourable
Less transfer to/from(-) General Fund Reserves in year	273	124	- 32	- 1,031	- 1,528	
Forecast Reserves at Year End	5,716	5,840	5,808	4,777	3,249	
Band D Council Tax (Excl Parish Precepts)	£185.79	£189.51	£193.30	£197.17	£201.11	
Council Tax Increase	0.0%	2.0%	2.0%	2.0%	2.0%	

DECISION ITEM



REPORT OF	MEETING	DATE	ITEM NO
RESOURCES DIRECTORATE	FINANCE AND DEMOCRACY COMMITTEE	30 NOVEMBER 2015	7

COMMUNITY ASSET NOMINATION: THE FAIRHAVEN, CLIFTON DRIVE, LYTHAM ST ANNES

PUBLIC ITEM

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

SUMMARY

The council has received a nomination for the inclusion of the Fairhaven public house in Fairhaven in its list of assets of community value. Under the Localism Act 2011, the committee must decide whether the property fulfils the criteria for inclusion and, if it does, include it in the list.

RECOMMENDATIONS

1. Agree that the Fairhaven public house, Lytham St Annes is land of community value, in that in the opinion of the authority the actual use of the building furthers the social wellbeing and social interests of the local community and it is realistic to think that there can continue to be a use of the land which will further the social wellbeing or social interests of the local community; and
2. Accept the nomination to include the Fairhaven in the council's list of assets of community value.

CORPORATE PRIORITIES

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

SUMMARY OF PREVIOUS DECISIONS

None

REPORT

CRITERIA FOR LISTING

1. The Localism Act 2011 introduces a concept of an 'Asset of Community Value'. Section 87 of the Localism Act places a duty on Local Authorities to 'maintain a list of land in its area that is land of community value'. 'Land' includes buildings and structures.
2. Land is of community value if (in the opinion of the local authority) an actual or current use¹ of it furthers the social wellbeing or social interests of the local community and it is realistic to think that there can continue to be a use of the land which will further (whether or not in the same way) the social wellbeing or social interests of the local community.
3. Land is also of community value if (again in the opinion of the local authority) there has been a time in the recent past when an actual use of it furthered the social wellbeing or social interests of the local community and it is realistic to think that there is a time in the next five years when there could be a use of the land that would further (whether or not in the same way) the social wellbeing or social interests of the local community.
4. 'Social interests' includes cultural interests, recreational interests and sporting interests.
5. Although it is for the local authority to determine whether land falls within the criteria to be included in the list, assets may only be included in the list in response to a nomination by a parish council or a voluntary or community body with a local connection. In addition to the List of Assets of Community Value the council must also maintain a list of land which has been the subject of unsuccessful nominations.

EFFECT OF LISTING

6. If the land is included in the list, the land would become subject to notification requirements and moratorium periods that would apply if an owner of the land wished to dispose of it.
7. An owner cannot dispose of property/land that is on the list, unless they have informed the local authority. Informing the local authority triggers the interim moratorium period. The interim moratorium period lasts for 6 weeks, during which time a community interest group can request the local authority that they be treated as a potential bidder. If the local authority receives such a request, the full moratorium period, which lasts for six months from the time the owner notified the authority of its intention to dispose, takes effect. The owner may not, subject to certain exceptions, dispose of the property during an applicable moratorium period.

THE APPLICATION

8. The application covers the Fairhaven public house on Clifton Drive, Fairhaven, including its residential quarters and its car park bounded by Clifton Drive and Marine Drive.
9. The nomination to list the Fairhaven was made by Friends of the Fairhaven, which is a voluntary or community body which meets the criteria² to make a community nomination. The property does not fall within one of the exceptional categories of land that are not capable of being land of community value (residence, caravan site, operational land). The committee must therefore consider whether, in their opinion, the land falls within either of the categories of land of community value set out in paragraphs 2 or 3 above.

¹ Ancillary uses do not count.

² See section 89 of the Localism Act 2011 and regulations 4 and 5 of the Assets of Community Value (England) Regulations 2012

10. In support of the nomination, the body states:

- '1. It is the only pub on Clifton Drive between Queens pub in Lytham & St Annes: - A rare asset*
- '2. It will be additional tourist asset particularly after enhancement to Granny's Bay, Church Scar and Fairhaven Lake*
- '3. Its community use is invaluable:-*
 - Quiz night weekly;*
 - Darts team;*
 - Evening rock club meeting;*
 - Potential for club meetings & other functions;*
 - Potential for senior lunches & other senior functions;*
 - Potential to entertain the community & it already does so when open;*
 - It's a meeting place socially for the community;*
 - People come from as far away as Fleetwood for lunch then a walk around the lake*
 - It has wheelchair access:-Is easy for disabled people to access the pub to enhance their lives as is already the case.*
 - It is right in the heart of the community:-Easy local access for all without having to drive etc.*
- '4. Its history goes back a long way. It was built in 1895 as the 1st building and then replaced in 1976 as it is today. Its part of the heritage of our community. See pic. Page 71 of "Images of Lytham St Annes" by Steve Singleton*
- '5. Its potential for vibrant trade within the community is vast thereby forming an integral part of our community as a whole.*
- '6. We are passionate about keeping it open as a thriving community asset.*
- '7. The signatures presented form only a small part of those interested.*
- '8. It is the only pub in Fairhaven. Next nearest is Blossoms in Ansdell over a high hill the elderly find it difficult to traverse.'*

CONSIDERATION

11. As it is clear that it is within the authority's area, the only question for the committee is whether the land nominated is of community value, as defined in the Localism Act and reproduced in paragraphs 2 and 3 of this report. If the land is considered to be of community value, listing is mandatory.
12. As the proposed listing relates to a present use, the first part of the test for listing is that an actual or current use³ of the land furthers the social wellbeing or social interests of the local community.
13. A traditional pub will usually further the social interests or social wellbeing of its local community. A pub will often provide the focus for its community and act as an informal meeting place, as well as a base for sports and pastimes. Over 850 pubs have been listed as assets of community value across the country⁴ since the listing provisions came into force. Pubs form the largest single category of listed community assets.⁵

³ Ancillary uses do not count.

⁴ Campaign for Real Ale website at www.camra.org.uk/list-your-local

⁵ Planning Resource website at www.planningresource.co.uk/article/1309475/pubs-top-councils-community-asset-rules

14. The Fairhaven is described by its owners as '*a well-established food led pub [which]... attracts customers from further afield...and boasts a strong local customer base*'. It is said to attract '*families, couples, regulars, holidaymakers and passing trade*'⁶.
15. Though the Fairhaven attracts trade from tourists and has a prominent food offer, there appears to be no reason to suggest that it does not also fulfil the community role of a traditional pub. It is also relevant in this regard that there is only one other traditional pub within a radius of one mile of the Fairhaven. As the Fairhaven fulfils the community role of a traditional pub, the first part of the test for listing appears to be met.
16. The second part of the test is that it is realistic to think that there can continue to be a use of the land which will further (whether or not in the same way) the social wellbeing or social interests of the local community. The committee therefore needs to consider whether it is realistic to think that the Fairhaven could continue to fulfil the community role of a traditional pub. Given the '*first rate reputation*', '*vibrant trade*' and '*strong local customer base*' of the premises⁷, it seems likely that the community pub role could continue and that the second part of the test is fulfilled⁸.
17. If both parts of the statutory test are fulfilled, the committee must resolve to list the land as an asset of community value.

IMPLICATIONS	
Finance	<p>The listing of land can give rise to a claim for compensation from the owner of the land if he has incurred loss or expense in relation to the land which would be likely not to have been incurred if the land had not been listed. However, the possibility of a compensation liability is not a ground which the council can take into account in deciding whether to include land on its list.</p> <p>The Council is liable for any compensation payment that may be required to be paid to owners of properties in the circumstances described above up to a limit of £20k in any financial year, with any compensation above this level being met by central government. In recognition of this new potential burden the Council has received grants from central government in the total sum of £30k. A Community Right to Bid/Challenge Reserve was created to set aside this grant to fund the costs of any future compensation that might be payable under the scheme.</p>
Legal	<p>The owner of land can require a review of the decision to list his land. A review must be carried out by an</p>

⁶ Enterprise Inns website at www.enterpriseinns.com/run-a-pub/pubs/Pages/fairhaven-lytham.aspx

⁷ Enterprise Inns website at www.enterpriseinns.com/run-a-pub/pubs/Pages/fairhaven-lytham.aspx

⁸ If the committee felt that it was not realistic to consider that the community pub role of the premises could continue, it should then go on to consider whether it would be realistic to think that there can continue to be a use of the land which will further the social wellbeing or social interests of the local community in some other way

	officer of the authority of appropriate seniority who did not take any part in making the decision to be reviewed. The result of the review can be appealed through the tribunal system
Community Safety	None
Human Rights and Equalities	The Government considers that the system for listing assets of community value is compatible with the European Convention on Human Rights
Sustainability and Environmental Impact	None
Health & Safety and Risk Management	See the comments under 'Finance'

LEAD AUTHOR	TEL	DATE	DOC ID
Ian Curtis	01253 658506	10 November 2015	

LIST OF BACKGROUND PAPERS		
Name of document	Date	Where available for inspection
Letter and attachments from Mrs C Hedges	2 November 2015	Town Hall, St Annes
Community Right to Bid: Non-Statutory Advice Note for Local Authorities	October 2012	www.gov.uk/government/publications/community-right-to-bid-non-statutory-advice-note-for-local-authorities

DECISION ITEM



REPORT OF	MEETING	DATE	ITEM NO
DIRECTOR OF RESOURCES	FINANCE AND DEMOCRACY COMMITTEE	30 NOVEMBER 2015	8

NOTICE OF MOTION – HONORARY ALDERMAN

PUBLIC ITEM

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

SUMMARY

At the Council meeting held on 12 October 2015, Councillor Hayhurst put forward a notice of motion regarding Honorary Alderman. The motion was referred to the Finance and Democracy Committee for further discussion and consideration.

RECOMMENDATION

1. To consider one of the following options:
 - (a) Refer the notice of motion back to Council with a recommendation or number of recommendations; or
 - (b) For the committee to determine the notice of motion itself

CORPORATE PRIORITIES

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

SUMMARY OF PREVIOUS DECISIONS

The Policy and Resources Committee meeting held on 27 September 1999 RESOLVED the following:
 “That the Council’s primary, but not sole, criterion for candidature for the conferment of the title of Honorary Alderman be 20 years past service (in aggregate) to the Council and that, subject to the concurrence of the candidate, the Chief Executive be authorised to give notice of the proposal to pass the necessary special resolution in the case of those past members who subsequently satisfy the primary criterion. “

REPORT

1. The Council currently confers the title of Honorary Alderman on retiring members in accordance with Section 249 of the Local Government Act 1972, which refers to eminent service, the precise wording of the Act can be found at Appendix 1, and the additional criteria of 20 years aggregate service as determined by the Policy and Resources Committee on 27 September 1999.
2. Conferment of the title is determined by two-thirds of the Council at a special meeting, with the recipient receiving an illuminated address at a special presentation evening. The title Honorary Alderman confers no powers, but Honorary Alderman are traditionally invited to attend civic events such as Annual Council and Remembrance Sunday.
3. At the Council meeting held on 12 October 2015, Councillor Hayhurst put forward the following notice of motion:
“That the Council practice of inviting retiring members who have completed 20 years of service or more to become Honorary Aldermen, be extended to include retiring members with less than 20 years service but who have previously served as Mayor of the Borough.”
4. During the course of the debate the following amendment was put forward by Councillor Ed Nash, and accepted by the council:
“That the motion be referred to the appropriate committee for further discussion and determination, and return to this Council, as necessary.”
5. Following the meeting of the Council, neighbouring authorities were asked what, if any procedures and criteria were in place for honouring past members of the council. The responses are appended at Appendix 2. These findings are merely to assist members in their discussions.
6. Finance and Committee is the appropriate committee and it is for the committee to determine how to proceed with this notice of motion.

IMPLICATIONS	
Finance	There are no financial implications to the recommendations set out in this report.
Legal	None arising directly from this report.
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
Tracy Morrison	01253 658521	19 October 2015	

LIST OF BACKGROUND PAPERS
None

Attached documents

1. Section 249, Local Government Act 1972
2. Procedures and criteria from other North West authorities regarding Honorary Alderman

Section 249 Local Government Act 1972

(1) A principal council may, by a resolution passed by not less than two-thirds of the members voting thereon at a meeting of the council specially convened for the purpose with notice of the object, confer the title of honorary aldermen or honorary alderwomen on persons who have, in the opinion of the council, rendered eminent services to the council as past members of that council, but who are not then members of the council.

(2) No honorary alderman or honorary alderwoman shall, while serving as a member of the council, be entitled to be addressed as alderman or alderwoman or to attend or take part in any civic ceremonies of the council as an alderman or alderwoman.

(3) Services rendered to the council of an existing county, county borough, borough or urban or rural district the area of which becomes wholly or partly included in a new county or district shall be treated for the purposes of subsection (1) above as services rendered to the council of the new county or district, as the case may be.

(4) An honorary alderman or honorary alderwoman of a principal council may attend and take part in such civic ceremonies as the council may from time to time decide, but shall not, as such, have the right—

(a) to attend meetings of the council or a committee of the council (including a joint committee upon which they are represented); or

(b) to receive any such allowances or other payments as are payable under sections 173 to 176 above.

(4A) A principal council may spend such reasonable sum as they think fit for the purpose of presenting an address, or a casket containing an address, to a person on whom they have conferred the title of honorary alderman or honorary alderwoman.

Local Authority	Honorary Alderman	Criteria	notes
Blackpool	N		
Blackburn	N		
Burnley	Y	Eminent service + 15 yrs	Significant service to the local area, especially voluntary. Must be of good character. Then considered by Member Structures Working Group who will consult group leaders and the Mayor before taking the decision to council.
Chorley	N		
Hyndburn	Y	Eminent service +12 yrs (see note)	Those members who have held title of Mayor, Mayoress, Leader of the Council or Leader of the Opposition will be considered if they do not have 12yrs service
LCC	Y	Eminent service + yrs service (see note)	2011 – 20 yrs service, 2014 – minimum 16 yrs service No formal mechanism but discussion with CE and group leaders
Lancaster	Y	Eminent Service + 15yrs	
Pendle	Y	Eminent Service only	No formal mechanism
Preston	Y	Eminent service + 15 yrs (unless exceptional circumstances)	Request from group leader to CE is considered by Honours Task Group and MO.
Ribble Valley	Y	Eminent service + 20yrs	
Rossendale	Y	Eminent service only	
South Ribble	N		
West Lancs	Y	Eminent service only	No formal mechanism, just a conversation with group leaders
Wyre	Y	Eminent service + 16yrs	

INFORMATION ITEM



REPORT OF	MEETING	DATE	ITEM NO
MANAGEMENT TEAM	FINANCE AND DEMOCRACY COMMITTEE	30 NOVEMBER 2015	9

BUDGET SETTING – REVENUE BUDGET 2016/17 - FIRST DRAFT

PUBLIC ITEM

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

SUMMARY OF INFORMATION

The first draft of the revenue budget for 2016/17 has been prepared and is available via the link below. As in previous years, the budget has been prepared on a continuation basis and has been updated to reflect all Committee and Council decisions made to date, the outcome of the budget-rightsizing exercise and all virements.

SOURCE OF INFORMATION

Revenue Budget Book 2016/17 – First Draft

LINK TO INFORMATION

<http://www.fylde.gov.uk/council/finance/1617/>

WHY IS THIS INFORMATION BEING GIVEN TO THE COMMITTEE?

The provision of a first draft of the 2016/17 Revenue Budget to the Council's Programme Committees is referenced within the Timetable for Developing Budget Proposals 2016/17 report which was approved by the Finance and Democracy Committee at the meeting of 28th September 2015.

This allows members of each Programme Committee to review the draft revenue budget for the services within the Committee's terms of reference and to provide any comments or feedback as appropriate to the committee lead officer, service Director or budget holders.

This first draft does not reflect any changes to fees and charges for 2016/17 as these will be considered by Programme Committees during the January cycle of meetings. Nor does it reflect any revenue growth items or the revenue implications of capital bids. A further budget-rightsizing exercise will be carried out early in 2016 and this first draft will be updated to reflect any changes arising from that piece of work.

The final revenue budget for 2016/17 will include any subsequent decisions made will be presented to Members for approval at the Council meeting on 2nd March 2016.

FURTHER INFORMATION

Contact: Paul O'Donoghue, Chief Financial Officer.

Telephone: 01253 658566

e-mail: paul.o'donoghue@fylde.gov.uk

INFORMATION ITEM



REPORT OF		MEETING	DATE	ITEM NO
RESOURCES DIRECTORATE		FINANCE AND DEMOCRACY COMMITTEE	30 NOVEMBER 2015	10

OUTSIDE BODIES

PUBLIC ITEM

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

SUMMARY OF INFORMATION

On 6 July 2015 the Council made a number of appointments to outside bodies. These appointments followed from recommendations from the programme committees for appointments from within their respective memberships.

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

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

SOURCE OF INFORMATION

Elected member representatives to the Outside Bodies

LINK TO INFORMATION

[Outside Bodies reporting forms](#)

WHY IS THIS INFORMATION BEING GIVEN TO THE COMMITTEE?

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

FURTHER INFORMATION

Contact Tracy Morrison, tel: 658521

Details

Councillor Name and Role on Outside Body (for example, Observer, Trustee, Director)	Karen Buckley
Email	cllr.kbuckley@fylde.gov.uk
Period this report covers (date):	May - November 2015
Name of Outside Body:	North West Employers
How often does the organisation meet? And how often have you attended?	It has met twice since my appointment - 14 July (AGM) and 22 September. I have attended the latter meeting on NW Regional Pay.
Key issues arising for Fylde Borough Council	FBC has adopted the living wage as a minimum for all its employees. The introduction of a new national living wage next April will not have an immediate impact as this is at a lower level (£7.20), however it is proposed that this will rise to beyond £9 by the end of this parliament and therefore our MTFS will have to take account of this.
	Examples of issues could be those that may affect decisions regarding budget setting, challenges for residents, policy changes that affect partnership working etc
Who did you inform of these issues within Fylde Borough Council?	Chief Finance Officer
In the light of these meetings, is it worthwhile for the Council to continue to have a representative/representatives on this body?	Yes
Any further comments?	Of the NW councils represented, most had taken the decision to implement the living wage or were about to take that decision. The introduction of the new national living wage was not thought to bring with it any immediate issues, however, the rise to £9 per hour by 2020, together with upward pressure on other bandings will be significant. This is particularly the case for upper tier authorities or unitaries who contract out a large number of services, eg. care. Further discussions were held on the pay spine for local authorities and whether it is time to look at it again, given the fact that by 2020 the bottom third of the pay spine will be irrelevant.

Outside Bodies - Member Reporting Form

Councillor Name and Role on Outside Body (for example, Observer, Trustee, Director)	PETER HARDY (MAYOR) MAY 2015-2016
Period this report covers (date):	↓ ↓
Name of Outside Body:	FYLDE COMMUNITY PROJECTS FUND.
How often does the organisation meet? And how often have you attended?	3 TIMES PER YEAR + E-MAIL FOR SMALLER BIDS
Key issues arising for Fylde Borough Council <i>Examples of issues could be those that may affect decisions regarding budget setting, challenges for residents, policy changes that affect partnership working etc</i> (continue on a separate sheet if necessary).	THE FUND IS A GOOD WAY OF DEVELOPING THEIR PROJECTS. £25,000 IS A SMALL AMMOUNT BUT GOES A LONG WAY IN HELPING SMALLER PROJECTS TO ACHIEVE THERE AIMS. I THINK IT IS A GOOD THING TO DO AND WOULD LIKE TO THINK THE COUNCIL WOULD CONTINUE THIS WORTHWHILE FUND.
Who did you inform of these issues within Fylde Borough Council?	TRACY MORRISON & JO COLLINS ADMINISTER THE FUND.
In the light of these meetings, is it worthwhile for the Council to continue to have a representative/representatives on this body?	YES I THINK IT IS VERY WORTHWHILE.
Any further comments? (continue on a separate sheet if necessary)	

Outside Bodies - Member Reporting Form

Councillor Name and Role on Outside Body (for example, Observer, Trustee, Director)	Cllr Edward Nash. Member
Period this report covers (date):	March 2015 – September 2015
Name of Outside Body:	North West of England & the Isle of Man Reserve Forces & Cadets Association
How often does the organisation meet? And how often have you attended?	Twice annually, attended AGM on 3 July 2015 at Haydock
Key issues arising for Fylde Borough Council (Continue on a separate sheet if necessary).	<p>Recruiting for the Reserves has improved owing to enhanced terms and conditions but is still a priority..</p> <p>All public sector organisations are urged to encourage their employees to join the reserves. Salaries are paid to enable reservists to serve longer to enable employers to hire temp replacements. Reservists qualify for full rates of Services pay when serving and an armed forces pension.</p> <p>Councils are asked to identify employees who are reservists and give them support when necessary.</p> <p>Lancashire County Council have formed an Armed Forces Network of Council champions of which our champion is a board member. We are looking at best practice and co-ordinating resources across the county.</p>
Who did you inform of these issues within Fylde Borough Council?	Chief Executive
In the light of these meetings, is it worthwhile for the Council to continue to have a representative/representatives on this body?	Yes, this is strongly encouraged by the MOD
Any further comments? (continue on a separate sheet if necessary)	

INFORMATION ITEM



REPORT OF	MEETING	DATE	ITEM NO
CHIEF EXECUTIVE	FINANCE AND DEMOCRACY COMMITTEE	30 NOVEMBER 2015	11

THE CORPORATE PLAN 2016-2020

PUBLIC ITEM

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

SUMMARY OF INFORMATION

The link in the report is to the proposed Corporate Plan strategic objectives and outcomes for the period 2016-2020. The Corporate Plan is developed through consultation and feedback with stakeholders based on the key strategic responsibilities of the Council. The Plan takes into consideration emerging legislation, policy and changes in resources and responsibilities and is informed by partners, elected members and external organizations.

The Corporate Plan is a high level strategic document that forms part of the Council's budget and policy framework. The document has developed over time and is presented as a single sided 'poster' style matrix with long term outcomes, medium term targets and short term specific actions. The plan is part of a wider performance management framework and links with the Directorate Service Plans developed each year.

The current Corporate Plan expires in 2016, the revised plan outlines the key achievements that the council will deliver between 2016 and 2020. Members can submit comments, suggestions or feedback on the Corporate Plan by emailing alex.scrivens@fylde.gov.uk or calling 01253 658543. The final draft will be presented to Full Council in December for approval.

SOURCE OF INFORMATION

Current legislation in all service areas.
Local Government Association guidance.
District Council Network advice, initiatives and projects.
Service Plans.
Partner consultation, research and feedback.
Medium Term Financial Forecast.
Resident Survey and other customer feedback mechanisms.

LINK TO INFORMATION

[Proposed Corporate Plan 2016-2020](#)

WHY IS THIS INFORMATION BEING GIVEN TO THE COMMITTEE?

The information is being included on the agenda of every committee in the November cycle of meetings to ensure that all elected members are aware of the opportunity to provide comment, suggestion and seek clarification on the proposed Corporate Plan.

FURTHER INFORMATION

Allan Oldfield, allano@fylde.gov.uk 01253 658500

Priorities & achievements...

VALUE FOR MONEY

Spending your money in the most efficient way to achieve excellent services we will:

- Increase income through new and existing means
- Deliver the accommodation project
- Continuously review services and assets
- Manage and invest effectively in the council's finances
- Maximise marketing opportunities
- Create a digital council

CLEAN & GREEN

Delivering the services that customers expect of an excellent council we will:

- Continue to deliver high standards of cleanliness
- Mitigate the impact of the loss of the LCC waste subsidy
- Deliver high quality parks and open spaces
- Ensure beaches and waters are clean and safe
- Build on the achievements of the In Bloom initiative

A VIBRANT ECONOMY

Working with all partners we will:

- Improve the transport infrastructure and traffic flow
- Support Enterprise Zones
- Improve car parking
- Enhance and improve our town and village centres
- Deliver the coastal defence project at Fairhaven and Church Scar with the Environment Agency
- Attract new businesses and develop existing ones

A GREAT PLACE TO LIVE

To make sure Fylde continues to be one of the most desirable places to live we will:

- Achieve adoption of the Local Plan
- Deliver housing that meets the need in all communities
- Ensure high standards of housing across all markets
- Approve development that enhances the community
- Implement enforcement action on unauthorised development
- Support and promote volunteers' efforts to improve their local community
- Involve local residents in the future of their community
- Deliver activities for all age groups
- Champion the quality and reputation of Fylde
- Recognise the significance of our heritage assets

A GREAT PLACE TO VISIT

Promoting Fylde as a great destination to visit, we will:

- Deliver and support quality events throughout the Fylde
- Maximise the natural assets of our coast and countryside by improving their facilities
- Offer an arts collection that is available to everyone
- Provide a positive first impression of Fylde
- Use technology effectively to make Fylde more accessible
- Encourage visitor feedback to improve our tourism offer

The actions we plan to take to deliver our priorities...

ACTIONS

Agree funding approach for the remaining phases of the accommodation project

Produce and implement an investment strategy

Further reduce the requirement for paper/print through the use of technology

Increase online service /information provision

Explore and initiate new income streams

ACTIONS

Actively enforce waste and cleansing legislation

Identify and target fly tipping hotspots to reduce their levels

Promote initiatives to reduce dog fouling

Focus resources on the reduction of seasonal litter

Maintain and increase Green Flag status for parks and open spaces

Strive to achieve Blue Flag status for the beaches

Work with partners to improve the quality of the bathing water

Review the waste service to deliver savings through changes

Improve signage in areas where dog controls are in place

ACTIONS

Assess the benefits of becoming a member of the Combined Authority

Engage effectively with the Local Enterprise Partnership

Progress the re-opening of the M55/ Moss Road link

Support the Fylde Coast highways and transport masterplan projects (junction 2)

Enforce car parking regulations and review car parking options

Develop the digital high street

Engage positively in the Duty to Co-operate on planning initiatives

Facilitate and support Town Centre Partnerships

Channel business rates funding opportunities to economic development

ACTIONS

Implement the timetable for the Local Plan delivery

Provide appropriate provision for Travellers

Take enforcement action on unauthorised encampments

Carry out resident surveys and act upon the findings

Review and improve bus shelter provision

Deliver the actions within the heritage strategy

Build on the success of the Residents' Car Parking Scheme

Review public information systems for residents

ACTIONS

Develop a policy on events including Club Days, festivals and concerts

Implement actions from the arts review

Improve information in tourist areas and about tourist areas including entrance signage and welcome points

Develop and promote rural tourism

Decide the most effective way to market Fylde, including the future of the holiday guide

Carry out visitor surveys and act upon the results

Review and develop social media and online information

Improve the Promenade and its attractions

Revisit the strategy for the development of Fairhaven Lake