



MINUTES

Internal Affairs Scrutiny Committee

Date:	Tuesday, 20 February 2024
Venue:	Reception Room, Town Hall, St Annes
Committee Members Present:	Councillor Susan Fazackerley MBE (Chairman) Councillor John Kirkham (Vice-Chairman) Councillors Damian Buckley, Kelly Farrington, Joanne Gardner, Ed Nash, Sandra Pitman, Richard Redcliffe, Andrew Redfearn, William Taylor, Viv Willder, Michael Withers.
Other Councillors Present:	Councillor Karen Buckley (Leader of the Council) Councillor Ellie Gaunt (Lead Member- Finance and Resources) Councillor Michelle Morris (Lead Member - Customer and Operational Services) Councillor Peter Collins
Officers Present:	Allan Oldfield, Paul O'Donoghue, Paul Walker, Mark Evans, Alex Scrivens, Eddie Graves, Lyndsey Lacey-Simone

Procedural Items

1. Declarations of Interest

Members were reminded that any disclosable pecuniary interests should be declared as required by the Localism Act 2011 and any personal or prejudicial interests should be declared as required by the Council's Code of Conduct for Members.

There were no Declarations of Interest on this occasion.

2. Confirmation of Minutes

It was RESOLVED: to confirm as a correct record the minutes of the previous meeting held on 24 January 2024 (previously circulated).

3. Substitute Members

The following substitution was reported under Council procedure rule 23 (c):

Councillor Michael Withers substituted for Councillor Cheryl Little.

Variation of Business

The Chairman varied the business on the agenda as detailed below.

Scrutiny Items

4. General Fund Revenue Budget Monitoring Report 2023/24 - Position as at 31st December 2023

Paul O'Donoghue, Chief Financial Officer, presented an updated report on General Fund Revenue Budget Monitoring of the Council as at 31st December 2023.

One of the key challenges highlighted by Mr O'Donoghue was the ongoing impact of inflationary pressures. He explained that this had resulted in an increased number of adverse variances as set out in the appendix to the report. He added that the financial risks facing the Council, as set out in the latest MTFS update report to Council 2023 remained.

A copy of the General Fund Revenue Budget Monitoring Report to 31st December 2023 was included as an appendix to the report.

Following the presentation, the Chairman invited questions. Clarification was sought on matters associated with inflationary pressures; the totalling of figures for the adverse and favourable variances and the ability to maximise assets and revenue from events and attractions. Mr O'Donoghue addressed these points in turn.

It was RESOLVED to note and accept the report.

5. Capital Programme Monitoring Report - Position as at 31st December 2023

Paul O'Donoghue, Chief Financial Officer, presented an updated report on the approved Capital Programme of the Council as at 31st December 2023.

The report provided an in-year progress update in respect of those schemes within the Capital Programme that had been approved for delivery in 2023/24, together with an update on the overall five-year Capital Programme of the Council. The report also included a narrative description of some of the more significant schemes within the Capital Programme and details of any risks and the actions required to address these.

Included as appendices were (i) Capital Programme 2023/24 in-year scheme monitoring report as at 31/12/2023; (ii) Updated Capital Programme 2023/24 - By scheme; (iii) Updated Capital Programme 2023/24 - Financing and (iv) Updated Capital Programme 2023/24- Summary.

Following the presentation, the Chairman invited questions. These related to the resourcing, delivery and procurement of the various schemes. In addition, clarification was sought on the term/phrase "balanced position" referred to in the report. Mr O'Donoghue addressed each point in turn.

It was RESOLVED to note and accept the report.

6. Medium Term Financial Strategy Update, including General Fund, Capital Programme and Treasury Management for 2023/24 to 2027/28

The Chairman invited Councillor Ellie Gaunt (Lead Member- Finance and Resources) and Paul O'Donoghue (Chief Financial Officer) to present the Medium-Term Financial Strategy (MTFS) Update for the five years 2023/24 to 2027/28.

By way of introduction, Mr O'Donoghue stated that the report had been presented to the Executive Committee for consideration at its meeting on 19th February 2024 and would subsequently be considered at the Budget Council meeting of 4th March 2024.

Members were advised that the MTFS is designed to provide a strategic link between available financial resources and the Council's corporate policy priorities and to ensure that the Council sets a budget which is robust and sustainable in order that it can deliver its strategic objectives and ensure a balanced budget.

In summary, the report detailed the estimated financial resources available to the Council and identified how they would be utilised to support the achievement of the Council's priorities. The report also identified the key financial risks facing the Council over the life of the forecast. Incorporated within the report was the Council's Revenue Budget, Expenditure Forecast, Capital Programme, Treasury Management Strategy and Useable Reserves and Balances Policy. The update also included the impact of the 2024/25 Local Government Finance Settlement.

The report confirmed that although it is clear that further uncertainty and challenges lie ahead in the later years of the financial forecast, the finances of the Council remain robust, and the reserves and balances are at reasonably healthy levels as compared to earlier periods.

Following on from the above, Councillor Ellie Gaunt was invited by the Chairman to further expand on the details of the report. In doing so, she referred to some of the key areas of financial risk (revenue) with specific reference

to the uncertainties in local government finance settlements; pay/ price inflationary pressures; investment income and potential borrowing needs which were referred to in Section 10 of the report.

Councillor Gaunt went on to say that the 2024/25 Local Government Finance Settlement will protect the Council's core spending power resulting in Fylde's spending power increasing to 1.8% when local factors are taken into consideration. She added that as part of other settlements from Central Government, the New Homes Bonus is retained for 2024/25 and similarly the business rates retention pool. She explained that both of these settlements significantly support the revenue budget.

Councillor Gaunt then went on to expand on medium revenue risks facing the council which she explained are dominated by pay and price inflation. She added that Fylde is in a fortunate position to offset this against interest received. Matters associated with income of expenses variances was also highlighted.

Members were advised that in light of the uncertainties, it was proposed to increase council tax by 2.99% or £6.54 on a band D property and review/ revise the various fees and charges as set out in the report.

Taking all the matters highlighted into account, Councillor Gaunt confirmed that the outturn position was a budgeted surplus of £425k for 23/24 and a budgeted surplus of £375k for 24/25 with deficits forecast for the 3 subsequent years of the MTFs.

Councillor Gaunt then went on to refer to the four proposed capital schemes referred to in Appendix F of the report totalling £278k which were proposed to be funded from the Capital Investment Reserve. She also reminded members of several other capital schemes in progress, which taken together, provided an estimated capital spend of £11.13m for 2024/25. She highlighted the risks which centred around the complexity of the work, price inflation consideration and a potential need for future external borrowing there are risks attached to these schemes.

Councillor Gaunt drew members attention to the Reserves and Balances position, explaining that the three largest reserves were the General Fund, the Capital Investment and the Funding Volatility Reserves. She explained that the General Fund supported the day-to-day revenue workings of the Council and Mr O'Donoghue in his capacity of Chief Financial Officer recommended that the minimum level of the General Fund reserve is raised from £750k to £1m to maintain a stable financial environment. She advised that as at 31st March 2024 the balance on the General Fund reserve was expected to be £4.751m.

Members were advised that the Capital Investment Reserve supported the Capital Programme and as of 31st March 2024, the balance was expected to be £4.982m falling to £2.602m on 31 March 2025. The Funding Volatility Reserve was expected to be £4.145m on 31st March 2025. She explained the reserve was there to cushion the impact of future funding reductions and support economic development.

In conclusion, Councillor Gaunt highlighted the various policies which provided the framework for managing the Council's finances within all professional guidelines. She also mentioned the special expenses policy which had been in place for a number of years and is charged to residents within the areas of Lytham, Ansdell and St Annes for those services which were delivered in other areas of the borough by town and parish councils. She stressed the importance attached to the Council to striving for efficiency, value for money in all areas and protecting quality service provision as well as maximising income streams and delivering balanced budgets.

Following the presentation, the Chairman invited questions. These related to the following areas: spend arrangements on capital schemes; borrowing and inflationary pressures; debt management and additional payments to St Annes Town Council regarding Christmas tree lights. Mr O'Donoghue addressed these points in turn.

It was RESOLVED to note and accept the report as presented.

7. The Residents Survey 2023

The Chairman invited Alex Scrivens (Corporate Performance and Engagement Manager) to present the report.

In summary, the report provided details of the background to the Residents' Survey along with the 2023 results. Satisfaction with services, the Council and the local community was compared against previous data sets and the cumulative outcomes for the current year. The report also included details of any trends, patterns, or anomalies in the results.

Included as appendices to the report were (i) The Residents' Survey Questionnaire and (ii) The Residents' Survey Results.

Clarification was sought on the response rate; meaningful feedback from the survey and opportunities for residents to include additional narrative within the survey; links to other social media platforms and why there had been a reduction in satisfaction with planning and building control services. Mr Scrivens and Mr Evans addressed these points as appropriate.

It was RESOLVED to note and accept the results from the Residents Survey.

8. The Corporate Plan 2024 -2028

Allan Oldfield (Chief Executive) and Councillor Karen Buckley (Leader of the Council) jointly presented the report.

In summary, the report provided details of the proposed Corporate Plan which outlines the key strategic objectives and aims of the Council for 2024-2028. Members were advised that the plan is developed every four years with annual progress reports and reviews, the strategic objectives and aims in the plan shape the operational service plan actions.

It was reported that the Plan takes into consideration emerging legislation, policy, changes in resources and responsibilities, known strategic issues over the coming years, and is informed by customers, partners, elected members, and external organisations.

Councillor Buckley stated that the information is presented to the scrutiny committee for the opportunity to provide comment, suggestion and feedback prior to being considered by Full Council.

Included at Appendix 1 of the report was a copy of the Corporate Plan 2024-28. A paper copy was made available at the meeting.

At the conclusion of the presentation, the Chairman invited questions. These related to the following areas: the process for involving wider member input to contribute to the document; the aims/substance of the document and intended audience; collection of data; business planning and links to other strategic documents/Service Plans and the ability to refer to highway maintenance in the document. These questions were addressed in turn by Councillor Buckley and Mr Oldfield as appropriate.

In commenting on the section within the Corporate Plan relating to Clean and Green Environment, it was suggested that bullet point 3 be rephrased as follows "Develop *and implement* a climate change strategy to reduce our carbon footprint" An undertaking to modify the wording along those lines was agreed at the meeting.

The Committee RESOLVED to recommend the proposed Corporate Plan 2024-2028 to Full Council for approval.

9. In- Depth Scrutiny Review - Affordable Housing

Lyndsey Lacey- Simone (Principal Governance and Scrutiny Officer) presented the report. In doing so, she reminded members that at the 5 September meeting of the Committee, it was agreed to commence an in-depth scrutiny review on Affordable Housing. Members were invited to consider/agree the proposed Scoping Document attached to the report and nominate members to be appointed to a Task and Finish Group to undertake the review.

During the discussion on the nomination of members to be appointed to a Task and Finish Group, Councillor Viv Willder also volunteered to be a member of the Group. The Chairman noted her interest in joining the group in the event that any members withdraw from the Group.

Following discussion, it was RESOLVED:

1. To agree to the detail of the proposed Scoping Document as set out in the report.
2. That the Task and Finish Group comprising Councillors Sue Fazackerley, Kelly Farrington, John Kirkham, Joanne Gardner, Gavin Harrison, and Sanda Pitman be appointed to undertake an in -depth review on Affordable Housing.
3. To recommend direct to the Executive Committee the findings from the first part of the review relating to the Housing Needs Survey 2022 (HNS) and the associated update to the Affordable Housing Supplementary Planning

Document (AHSPD) which is deemed to be a priority with the remaining work relating other elements of the affordable housing review being picked up by the Task and Finish Group later in the year.

10. Planning Peer Review Action Plan - Monitoring Delivery

Mark Evans (Head of Planning) presented the updated report.

Members were reminded that further to the request of the Executive Committee at its meeting on 17 October, the monitoring of the Planning Peer Review Action Plan would be included as a standing item for consideration at each meeting of the Internal Affairs Scrutiny Committee.

Mr Evans explained that the report was the second in a series of monitoring reports that provided an update on the delivery of the individual actions contained in the plan.

A copy of the Planning Peer Review Action Plan Scrutiny Monitoring Report (November 2023 - January 2024) was included as an appendix to the report.

In referring to the detail of Appendix the report, Mr Evans drew members attention to Action 15.4 town & parish council comment process, which made reference to an "action plan". He suggested that the words "action plan" be replaced with the words "Project Brief".

It was RESOLVED to note the progress made to date in delivering the action plan to date and the minor amendment made to the document.

11. Ongoing Scrutiny Workplans - 2023/24

The Committee was provided with an update on the current work programme of the two scrutiny committees. Members were reminded that going forward, this would be a standing item on the scrutiny agendas.

It was RESOLVED to note the report.

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