

# Agenda

## Policy Development Scrutiny Committee

Date:	Wednesday, 18 June 2014 at 6:15pm
Venue:	Town Hall, St Annes, FY8 1LW
Committee members:	<p>Councillor Fabian Craig-Wilson (Chairman)  Councillor Leonard Davies (Vice-Chairman)</p> <p>Councillors Ben Aitken, Frank Andrews, Susan Ashton, David Chedd, Maxine Chew, John Davies, David Donaldson, Charlie Duffy, Karen Henshaw JP, Edward Nash, Elizabeth Oades, Richard Redcliffe, Elaine Silverwood, Vivienne M Willder.</p>

**Public Platform** To hear representations from members of the public.

Item		Page
1	<b>Declarations of Interest:</b> Any member needing advice on Declarations of Interest should contact the Monitoring Officer before the meeting.	1
2	<b>Confirmation of Minutes:</b> To confirm the minutes of the previous meetings held on 24 April 2014, as a correct record as attached.	3 - 6
3	<b>Substitute Members:</b> Details of any substitute members notified in accordance with council procedure rule 23(c).	1
4	<b>The Corporate Plan 2013-16 (Actions update)</b>	7 - 10
5	<b>Year-End Performance Exception Report 2013/14</b>	11 - 25
6	<b>Medium Term Financial Strategy (MTFS) General Fund Revenue, Capital Programme &amp; Treasury Management Financial Outturn Position for 2013/14</b>	26 - 48

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# Minutes

## Policy Development Scrutiny Committee



<b>Date:</b>	Thursday, 24 April 2014
<b>Venue:</b>	Town Hall, St Annes
<b>Committee members:</b>	Chairman: Councillor Fabian Craig-Wilson Vice-Chairman: Councillor Len Davies  Councillors Ben Aitken, Frank Andrews, Susan Ashton, David Chedd, Peter Collins, John Davies, Charlie Duffy, Karen Henshaw <sup>JP</sup> , Barbara Nash, Edward Nash, Elizabeth Oades, Richard Redcliffe, Elaine Silverwood and Vivienne Willder.
<b>Officers:</b>	Tracy Morrison, John Cottam, Lucy Wright, Kirstine Riding, Alex Scrivens and Katharine McDonnell

### Public Platform

There were no members of the public in attendance on this occasion.

#### 1. Declarations of interest

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

There were no declarations of interest on this occasion.

#### 2. Substitute members

The following substitutions were reported under Council procedure rule 23(c):

Councillor Peter Collins substituted for Councillor Maxine Chew

Councillor Barbara Nash substituted for Councillor David Donaldson

#### 3. The Residents Survey

Alex Scrivens (Corporate Performance Officer), presented the results of the Residents Survey 2013.

Mr Scrivens explained that the survey had been conducted in its present format since 2012. Prior to 2012, the Council's performance had been measured via a compulsory, 14 page paper residents' survey, conducted at a cost of some £7,000. This compulsory survey was abolished in 2009, by the then Government, as it was burdensome and costly. The last set of results from this survey were October 2008. Questions for the shorter 2012 questionnaire used the broadly similar questions from the 2008, to enable comparisons.

The current survey focused on frontline services and was available year round via the Council's website. Mr Scrivens advised that additional publicity regarding the survey was used during

November, December and January each year, to raise the profile of the survey. The results indicated high satisfaction levels with the Council's services.

The Committee raised a number of questions and points in the course of their discussion regarding the format and content of the questionnaire. Mr Scrivens explained that whilst not all the questions related to services of the Council, such as perception of safety or shopping facilities, these however provided the Council with important information regarding residents' perceptions of Fylde as a place to live.

Members of the Committee commented that comparison with other Councils would be useful to put the results into context. In addition, it was suggested the survey should be redesigned to make clear which services were provided by other bodies, such as parish councils or the police.

The Committee also raised some concern regarding the number of responses to the survey and suggested that the officers should consider making paper copies available in libraries or in Council offices. Mr Scrivens advised that paper copies, whilst available on request, took considerable resources not only to print, but also to capture the data for analysis.

After discussion, the Committee, RESOLVED:

1. To note the outcomes from the 2013 resident survey and the progress made since 2008 in terms of satisfaction with services, the Council and the local community.
2. To recommend to officers to:
  - undertake comparison work to benchmark Fylde's results against other authorities, if it is available;
  - to redesign the questionnaire and focus on the services the Council is directly responsible for delivering;
  - to explore different methods of access to and advertising of the questionnaire.

#### 4. Fylde Rural Housing Needs Survey

Tracy Morrison (Director of Resources), John Cottam (Principal Housing Officer), Lucy Wright (Senior Housing Officer) and Kirstine Riding (Senior Housing Officer) presented extra analysis of the Fylde Rural Housing Needs Survey as requested by the Committee at its meeting on 20<sup>th</sup> February 2014.

Ms Morrison explained that the questions used for the survey had been developed from a number of expert sources, including questions developed by the Department of Environment, Food and Rural Affairs (DEFRA) in association with the Housing Corporation and National Network for Rural Housing Enablers; the Cumbrian Rural Housing Trust; and ARC4, a consultancy firm who specialised in rural housing needs surveys.

Ms Morrison further advised that 13,500 had been sent out with a response rate of 28%. She stated that as the survey had been conducted in-house, not only had costs been low, the raw data was available for further analysis.

Mrs Wright explained how the figure of 40 units per year had been calculated. She advised that using the responses to Part II of the survey, three factors had been considered in the calculation, the total net income of a household; the amount of mortgage respondents could afford; and maximum weekly outgoings for housing costs. The results showed that 254 households earned less than £385 per week, 178 could afford a mortgage of less than £150,000, and 200 households could afford up to £6000 a month on housing costs. Taking an average of those three figures produced a housing need

of 222 over five years, which was rounded down and divided to produce an annual figure of 40. Mrs Wright advised that the housing need figure was concerned with planning for future need.

Mrs Wright provided also detail regarding the categories of respondents including age and family make up; reasons for moving; and present housing circumstances.

The Chairman thanked officers for their work on the survey.

The Committee asked further questions and sought clarification on definitions of categories, such as unsecure accommodation. Mrs Wright explained that privately rented and living with family were both considered to be unsecure. Privately rented tenancies were typically no longer than six months, whereas there were no legal safe guards or notice periods when living with family.

Concerns were again raised regarding delays with the initial posting of the survey, which had resulted in surveys being received after advertised information sessions were held. Mrs Riding advised that lessons had been learnt from the in-house mailing of the survey, but officers were satisfied that a 28% return rate provided for a robust set of data.

There was discussion regarding the statistical work underpinning the housing need figure.

Following a lengthy discussion, and upon the request of five Councillors, a recorded vote was held,

***Votes for the proposal (9):*** Councillors Craig-Wilson, L Davies, Aitken, Andrews, Ashton, E Nash, B Nash, Redcliffe and Willder.

***Votes against the proposal (6)*** Councillors Chedd, Duffy, Henshaw, Oades, Silverwood and Collins

***Abstentions (1)*** – Councillor J Davies

It was therefore RESOLVED:

1. To approve the final report and conclusions of the Fylde Rural Housing Needs Survey and the findings to be used to assist in future policy development.
2. To present the findings to a future meeting of the Parish Liaison meeting.
3. To hold two further community information events organised with town and parish councils and key partners to disseminate the results of the survey, provide general housing advice, and raise awareness of the piece of research and how it will be used going forward.

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# REPORT

REPORT OF	MEETING	DATE
LEADER OF THE COUNCIL	POLICY DEVELOPMENT SCRUTINY COMMITTEE	18 JUNE 2014

## THE CORPORATE PLAN 2013-16 (ACTIONS UPDATE)

### PUBLIC ITEM

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

### SUMMARY

The report provides details of the proposed update to the short term actions in the Corporate Plan for the period 2013-2016. The three year targets and outcomes were agreed in 2013, this report provides details of the annual refresh of the short term actions for 2014/15.

### RECOMMENDATIONS

1. That the Committee considers the proposed key actions updated in the Corporate Plan and approves them to Cabinet subject to any further recommendations.

### CABINET PORTFOLIO

The item falls within the following Cabinet portfolio:

Leader of the Council - Councillor David Eaves.

### SUMMARY OF PREVIOUS DECISIONS

The Corporate Plan 2013-2016 is reviewed on annual basis to ensure the actions are in line with targets and outcomes approved at the Full Council meeting in July 2013.

### REPORT

1. The Council works towards a three year Corporate Plan that outlines the key actions, targets and outcomes for the Authority and the wider community. Appendix 1 to the report is the proposed Corporate Plan targets and outcomes for the period 2013-2016 that were approved at the Full Council meeting in July 2013.

2. 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, including the Local Government Association, the Department for Communities and Local Government, the Department for Work and Pensions and the various professional associations that provide support on policy, governance, waste, planning, parks and environmental health. The intention is to forecast the resources required to address the strategic issues the Council will need to address over the next three years.
3. The Corporate Plan is a high level strategic document that forms part of the Council's budget and policy framework. In accordance with the constitution it requires approval by Full Council. The document has developed over some time and is presented as a single sided 'poster' style matrix that has long term outcomes (probably more than three years), medium term targets (to achieve by year 3) and short term specific actions for the current financial year. The plan is part of a wider performance management framework that has been approved by the Council with the short term actions in the Directorate Service Plans developed each year.
4. Each year as part of the performance management framework at Fylde, and in accordance with the agreed governance arrangements, the short term specific actions for the current year are identified through the Service Planning process and approved. This provides the opportunity to check progress against the medium term targets and assess the ongoing viability of the long term outcomes.
5. The actions included in the 'Short Term' section of the Corporate Plan in Appendix 1 have been drawn from the 2014/15 Service Planning and represent the high level priority actions that will contribute to the targets and outcomes approved. Progress against the identified actions for each year will be monitored through the performance reports that are presented at regular intervals to the scrutiny committee.
6. There are no proposals to make any changes to the agreed target or outcome descriptors in the Corporate Plan although some of the actual percentage targets for the satisfaction indicators have been increased based on performance to date and recommendations from scrutiny.
7. As part of the process for performance management and approval of the Corporate Plan the scrutiny committee is asked to consider the actions that have been included for 2014/15 to ensure that they are consistent with the targets and outcomes agreed in the plan.

<b>IMPLICATIONS</b>	
Finance	There is no change to the financial position of the Council arising from the report.
Legal	There is no change to the legal position of the Council arising from the report.
Community Safety	There are no direct community safety implications.
Human Rights and Equalities	There is no change to the human rights and equalities position of the Council arising from the report.
Sustainability and Environmental Impact	There is no change to the sustainability and environmental position of the Council arising from the report.
Health & Safety and Risk Management	There is no change to the health and safety or risk management position of the Council arising from the report.



REPORT AUTHOR	TEL	DATE	DOC ID
Allan Oldfield	(01253) 658576	May 19 <sup>th</sup> 2014	

LIST OF BACKGROUND PAPERS		
Name of document	Date	Where available for inspection
Cabinet Reports	2013/14	<a href="http://www.fylde.gov.uk/committees/10/">http://www.fylde.gov.uk/committees/10/</a>
Policy Scrutiny Reports	2013/14	<a href="http://www.fylde.gov.uk/committees/10/">http://www.fylde.gov.uk/committees/10/</a>

**Attached documents**

**Appendix 1:** The Corporate Plan 2013 – 2016

OUR VISION		<b>“TO ACHIEVE EXCELLENCE”</b>			
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)	
<b>LONG TERM (The Outcomes)</b>	<ol style="list-style-type: none"> <li>Our coast and countryside environment is enhanced and conserved</li> <li>High quality towns, villages and settlements that have benefitted from excellent planning decisions</li> <li>High quality, vibrant parks and open spaces throughout the borough</li> <li>A Local Plan that sets out a clear vision for the natural and built environment to 2030</li> <li>New coastal defense that protect communities and provide an improved public realm/recreational resource</li> <li>High quality planned infrastructure that supports investment and growth across the borough</li> </ol>	<ol style="list-style-type: none"> <li>The lowest levels of all crime categories across the Lancashire districts</li> <li>Strong partnership working with other service providers across the community</li> <li>Improve public health and reduce health inequalities in the Borough.</li> <li>Access to good quality housing, prevention of homelessness and a reduction in empty residential properties</li> <li>Active community, volunteer and friends groups throughout the borough</li> </ol>	<ol style="list-style-type: none"> <li>Unemployment levels amongst the lowest in the North West</li> <li>Vibrant urban and rural communities that offer diverse employment opportunities</li> <li>Average earnings per household amongst the highest in the North West</li> <li>Minimise the number of empty retail properties in town centres</li> <li>Effective public protection, food safety and licensing services that enhance the quality of life</li> <li>High levels of educational achievement in schools and colleges</li> <li>Effective public and private partnership working across the Fylde Coast</li> <li>A vibrant and growing tourism sector</li> </ol>	<ol style="list-style-type: none"> <li>A financially stable position for the Council and strong financial forecast</li> <li>Value for money achieved from quality service delivery</li> <li>High levels of satisfaction with the Council’s performance</li> <li>High levels of employee satisfaction with the Council as a place to work</li> <li>Effective and efficient governance arrangements that support transparency and openness</li> <li>Minimum impact of welfare reform on local communities</li> <li>All customers to receive excellent customer service as standard</li> <li>Service delivery and corporate policy that is consistent with the corporate objectives</li> </ol>	
<b>MEDIUM TERM (The Targets)</b>	<ol style="list-style-type: none"> <li>To complete the Local Plan (Part 1) by May 2015</li> <li>To secure the funding for coastal defense improvements from Defra</li> <li>To achieve a household recycling rate of at least 47% by March 2016</li> <li>To achieve over 82% customer satisfaction with parks and open spaces by 2016</li> <li>To complete the relevant actions of the dunes management action plan by March 2016</li> <li>To achieve 100% success in Green Flag applications up to March 2016</li> <li>To achieve and maintain at least 90% of households on wheeled bin collection services by March 2016</li> <li>To complete the review of all council owned assets by March 2016</li> </ol>	<ol style="list-style-type: none"> <li>To continue the reduction of all crime within the Borough by March 2016</li> <li>To achieve at least 10,000 hours per annum of volunteer / community group support by 2016</li> <li>To help achieve at least 92% of people feeling safe in the borough when out at night by March 2016</li> <li>To deliver 200 affordable housing units between April 2013 and March 2016</li> <li>To complete the empty property Strategy and Home Energy Conservation Act plan</li> <li>To connect with least one volunteer or friends group in every ward of the Borough by March 2016</li> <li>To achieve at least 95% satisfaction with Fylde as a place to live by March 2016</li> </ol>	<ol style="list-style-type: none"> <li>To have less than 5% unemployment in the Borough by March 2016</li> <li>To help achieve at least 80% customer satisfaction with shopping facilities in the Borough by March 2016</li> <li>To achieve at least 75% customer satisfaction with the planning service by March 2016</li> <li>To achieve at least 95% satisfaction with Fylde as a place to visit</li> <li>To have at least 92% of food premises scoring 3 or higher for food hygiene rating scheme by March 2016</li> <li>To deliver joint working with EDC partners on job creation</li> <li>To have at least three new companies operating in the Enterprise Zone by March 2016</li> </ol>	<ol style="list-style-type: none"> <li>To achieve at least 85% residents satisfaction with value for money from the Council by March 2016</li> <li>To maintain a robust financial forecast with a sustainable level of support from reserves in the medium term.</li> <li>To achieve at least 95% satisfaction from employees with Fylde as a place to work by March 2016</li> <li>To achieve at least 85% customer satisfaction with the Council’s overall performance by March 2016</li> <li>To achieve at least 85% satisfaction with the refuse collection and household recycling services by March 2016</li> <li>To achieve at least 85% satisfaction with street cleanliness by March 2016</li> <li>To achieve at least 85% residents satisfaction overall rating for Fylde Council by March 2016</li> </ol>	
<b>SHORT TERM (The Actions)</b>	<ol style="list-style-type: none"> <li>Evaluate the recycling service to address TEEP regulations</li> <li>Adoption by the Env Agency’s Large Projects Review Group (LPRG) of the Project Appraisal Report (PAR) for the Fylde Coast Protection Strategy</li> <li>Support delivery of the Community Safety Partnership Action Plan</li> <li>Review approach to CCTV – monitored &amp; non-monitored</li> <li>Upgrade and repair as much council owned infrastructure as possible</li> <li>Implement Route Smart system to improve efficiency of the waste service</li> <li>Increase wheeled bin service to as many properties as possible</li> <li>Delivery of Fylde Local Plan to 2030 Part 1 – Preferred Options</li> <li>Deliver Kirkham and Ansdell regeneration projects</li> <li>Incorporate management of the shellfish beds and inspections into policy</li> <li>Manage Bathing Water regulations to comply with new signage requirements</li> </ol>	<ol style="list-style-type: none"> <li>Map the current volunteer &amp; friends groups by ward and identify any gaps across the Borough</li> <li>Implement enforcement decision on the illegal site at Hardhorn</li> <li>Implement dune management action plan and realignment activity</li> <li>Implement statutory individual voter registration system</li> <li>Deliver a successful 2014 Euro election and governance referendum</li> <li>Manage any implications for governance arrangements as a result of the referendum</li> <li>Review and update the corporate Emergency Plan</li> <li>Develop 2015/16 Council Tax support/reduction scheme</li> <li>Prepare for 2015 General, Borough, Parish elections</li> </ol>	<ol style="list-style-type: none"> <li>Implement residents off street car parking permit scheme</li> <li>Implement the Coastal Master Plan</li> <li>Submit stage 1 Heritage Lottery Fund for regeneration of Fairhaven Lake</li> <li>Public Offices – continue to market the site for sale/handle enquiries</li> <li>Review &amp; update the corporate Business Continuity Plan</li> <li>Identify development opportunities to deliver Affordable Housing with key partners using Section 106 funds</li> <li>Use affordable housing needs data to inform strategic housing in Fylde linked to Section 106 funds</li> <li>Review the policy for licensing alcohol and entertainment venues in accordance with new legislative requirements and best practice</li> <li>Adopt Master Plan for phase 1 development at Warton Enterprise Zone with LEP</li> <li>Develop effective working relationship and understanding of the LEP</li> </ol>	<ol style="list-style-type: none"> <li>Work with partners to manage impact of the cost sharing decision by LCC and any potential mitigating options</li> <li>Implement the Committee Management Information System (CMIS)</li> <li>Undertake work to replace windows, structural repairs and associated works in the Town Hall</li> <li>Progress work to develop, tender and implement further stages of the accommodation project</li> <li>Implement the actions to complete the Snowdon Road Depot project</li> <li>Complete the actions in the Planning Improvement Plan</li> <li>Manage the change to single Fraud investigation service</li> <li>Implement the ICT vision and plan</li> </ol>	

# REPORT



REPORT OF	MEETING	DATE
CORPORATE PERFORMANCE	POLICY DEVELOPMENT SCRUTINY COMMITTEE	18 JUNE 2014

## YEAR-END PERFORMANCE EXCEPTION REPORT 2013/14

### PUBLIC ITEM

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

### SUMMARY

The report provides details of the key performance outcomes for the whole of the financial year 2013/14. Performance is reported against the targets set for the year and commentary is provided on the key outcomes.

### RECOMMENDATIONS

1. That members approve the proposed deleted performance measures PM30, PM63 and PM75 listed in the report.
2. That members approve the proposed change of PM4: Percentage of complaints responded to within 5 working days to 'the number of complaints not responded to within five working days'.
3. That the committee examines the report along with the supporting Appendix, scrutinises the performance to date and makes any appropriate recommendations to officers or Cabinet members that would support performance improvement or performance reporting.

### CABINET PORTFOLIO

This item falls within the following cabinet portfolio(s):

Finance and Resources - Councillor Karen Buckley.

### SUMMARY OF PREVIOUS DECISIONS

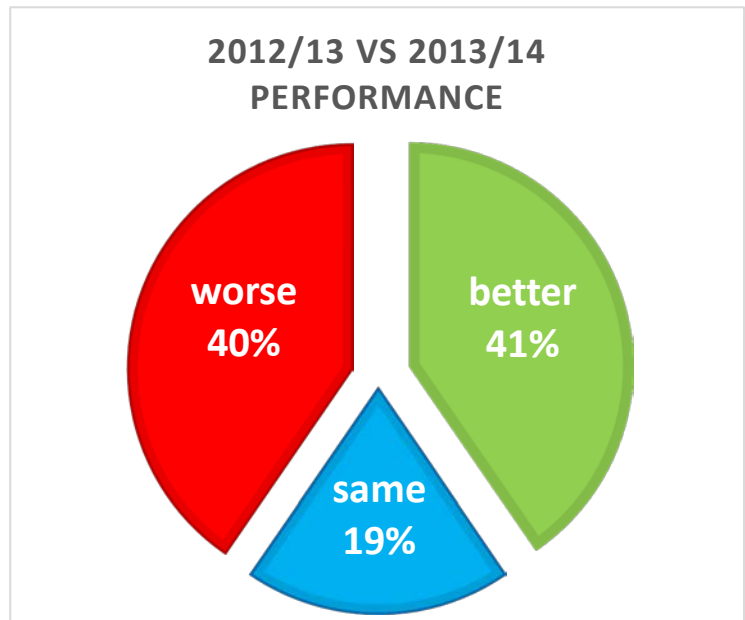
The Performance Exception Report is presented to scrutiny on a six monthly basis with any recommendations included in reports to Cabinet or taken into account by officers.

## REPORT

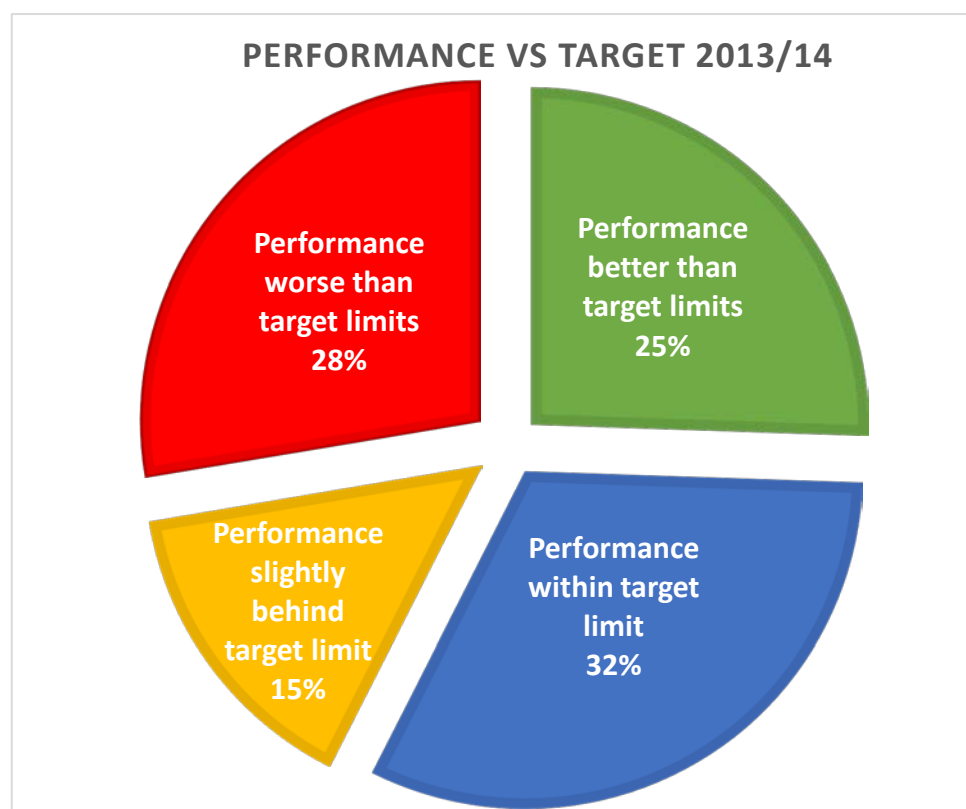
### YEAREND CORPORATE PERFORMANCE SUMMARY

How did we perform at yearend? (April 2013 – March 2014)

Benchmarking performance against the same period last year the results show that 41% of the indicators have improved and 40% have performed worse whilst 19% achieved the same performance.



57% of performance indicators are within tolerance or exceeded targets set at the mid-year. Overall 28% of performance indicators are below the target, 15% were slightly below the thresholds set.



\*\*\*\*\* PERFORMANCE ABOVE TARGET \*\*\*\*\*

For each performance indicator listed, commentary is provided to explain why progress has exceeded target along with details of how this will be maintained.

**CHIEF EXECUTIVE DIRECTORATE**

PM3: Number of complaints received was 605, lower than the target of 1800 and better than the same period last year of 1,876 complaints.

*The number of complaints recorded has decreased significantly because of the impact made by the boxes to bins and the Bartec project in the waste service leading to much higher than expected reductions in the number of missed bins. The team now record in real time any addresses that do not have bins left out for collection or if the collection cannot be made for any reason, this information is available to the customer service team who have accurate information when the customer calls. The complaint recording process has been checked and regular reminders sent to all staff to ensure that every complaint is recorded.*

PM76: Delivery of at least ten thousand hours community work in partnership with HMP Kirkham was 14,960 hours, above the target of 10,000.

*Fylde Council have continued to develop the successful partnership with HMP prison. There have been a number of placements both with the Parks department and Operational Services. These placements assist with work over and above the statutory obligations of the Council. In Operational Services this includes additional litter picking, improved delivery times, clearances of alleyways and the delivery of promotional materials at no extra cost to the Council. The work only covers tasks that would not otherwise be done because there is no funding in place and never replaces the work of existing employees.*

**DEVELOPMENT SERVICES DIRECTORATE**

PM22: Number of 'in bloom' awards achieved by groups working with Local Authority was 29, which is higher than the target of 25 and the same as the last year's figure of 29.

*The 'In Bloom' initiative continually improves across the Borough as officers from the Parks and Greenspace Team continue to encourage and support additional community groups to engage in the scheme. The continued success in the scheme leads to more awards and community partnerships whilst improving and sustaining horticultural and environmental standards around the Borough. This indicator is a measure of the effectiveness of partnership working in the Borough and the performance is attributed to the partnerships rather than a single organisation.*

PM23: Number of swims at St Anne's pool was 61,600, above the target of 53,844 and worse than last year's figures of 88,651.

*The target figure was revised down as a result of a 3 month closure due to the pool refurbishment. The much improved changing facilities, reception and spectator area will ensure pool usage should continue to increase.*

PM36: Percentage of major applications determined within 13 weeks was 67.86%, higher than the target of 30% and better than the same period last year of 23.33%.

*New processes have been put in place as part of the Improvement Plan to ensure that major applications are determined within 13 weeks or, in line with government performance measures, within an extended period of time that has been agreed with the applicant. No decisions in regard to applications that have taken more than 13 weeks are issued unless an extension of time has been received. Accordingly, performance should continue to be maintained or improved in future. Due to*

*nationally imposed penalties for failure to determine major applications, achievement of this performance measure has been given priority.*

## **RESOURCES DIRECTORATE**

PM29: Percentage of cases where homelessness was prevented and households were able to remain in own their home or assisted accommodation was 90%, which is above the target of 86% and better than the same period last year of 86%.

*Fylde BC have a proactive approach to prevent homelessness which has resulted in homelessness being prevented for 90% of closed housing advice cases.*

PM34: Average time to accommodate all homeless households rehoused into permanent accommodation was 7 weeks, below the target of 9 weeks and better than the same period last year of 10 weeks.

*This indicator reflects the length of time accommodated before a household is rehoused into permanent accommodation. There have been a number of successful placements however there are still a number of households waiting for smaller accommodation which is in limited supply due to welfare reform changes.*

PM47: The number of unique hits on the Council's website [www.fylde.gov.uk](http://www.fylde.gov.uk) was 440,844, above the target set of 409,992.

*Website hits have again surpassed the target with strong performance based on optimising the customer journey to get the information or service they want when visiting the site. We will continue to improve our online self-service through enhanced forms and expanded services for online payments adding more value to the customer experience, facilitating access to the information and services they need at any time which will contribute to the ongoing development and high performance standards set since moving to our new website.*

PM49: Percentage of phone calls to 01253 658658 answered was 89.45%, above the target of 85% and better than last year figure of 85.71% of calls answered.

*The customer service team have gone above and beyond this year and improved performance whilst also lowering the cost of the service. Call volume has increased this year but the team have worked together and delivered exceptional results. Maintaining the excellent performance of 13/14 may be a challenge due to a number of changes in personnel in the first two months and a reduction in resource during recruitment and training.*

PM64: % satisfaction with IT service overall was 99%, above the target of 86% and better than last year's figure of 85%.

*The ICT service has worked hard to improve customer satisfaction with a number of activities including first day inductions and improving customer response times.*

PM66: Average speed of processing new benefit claims was 18.63 days, below the target of 21 days and better than the last year of 20.1 days.

*The service has managed to keep new claims processing times better than target despite the impact of significant welfare reforms during the year. It is intended that with additional processing resource being based at Fylde the times can be maintained despite increasing workloads.*

PM67: Average Speed for processing notifications of changes in benefit circumstances was 15.76 days, below the target of 23 days.

*The service has managed to keep change of circumstance processing times better than target despite the impact of significant welfare reforms. It is hoped that with additional processing resource being based at Fylde these processing times can be maintained despite increasing workloads.*

\*\*\*\*\* **PERFORMANCE BELOW TARGET** \*\*\*\*\*

**For each performance indicator commentary is provided to explain why performance is currently not on target along with details of any corrective action.**

#### **CHIEF EXECUTIVE DIRECTORATE**

PM4: Percentage of complaints responded to within 5 working days was 93.6%, below the target of 100% and worse than the same period last year of 97.6%.

*The actual number of complaints dealt with in the 5 working day target has reduced but due to the significant decrease in the number of complaints (PM3) the percentage figure is worse. However, every complaint should be responded to within 5 working days even if it is an acknowledgement that states who is dealing with the complaint and when they can expect a full response, which is why the target remains 100%. Because complaints are recorded it is possible to identify the service areas where there have been challenges responding within the target time and provide the necessary support. It is proposed that this indicator is changed to 'The number of complaints that were not responded to within five working days'. This would be consistent with PM3 which also reports the actual number, the target will remain to deal with all complaints within five working days.*

PM5: Percentage of staff absent with long term sickness was 51.85%, above the target of 25% and worse than the last years of 26.31%.

*The Council has experienced an increase in the amount of day's sickness per annum, per employee predominantly due to long term sickness absence. This is the primary reason for the increase in overall sickness absence with unfortunate long term illnesses befalling two employees that have covered most of the 12 month period, during which they have received full support to return to work and at the time of publishing this report both cases have been resolved.*

#### **DEVELOPMENT SERVICES DIRECTORATE**

PM37: Percentage of 'minor' applications determined within 8 weeks was 41.75%, below the target of 60% and worse than last year of 43.98% for minor applications determined.

*Priority has been given to determining "major" applications received during the year because of the nationally imposed penalties for failure to meet targets for the determination of such applications (see PM36). The number of "minor" applications determined during the year was 206 compared with 177 during 2012/13, which represents a 16% increase in workload. The planning improvement plan is intended to deliver improvements in performance across all application types and processes have already been put in place to more finely monitor performance of "minor" applications.*

PM38: Percentage of 'other' applications determined within 8 weeks was 68.81%, below the target of 80% and was better than last years of 62.56% for other applications determined.

*Priority has been given to determining "major" applications received during the year because of the nationally imposed penalties for failure to meet targets for the determination of such applications (see PM36). Notwithstanding the focus on "major" applications, the determination of other applications has improved since 2012/13. The planning improvement plan is intended to deliver*

*improvements in performance across all application types and processes have already been put in place to more finely monitor performance of “other” applications.*

PM39: Net additional homes provided was 235, below the target of 306 but better than last year’s figure of 162.

*Although this is a performance measure that the Council does not have direct control over, the Councils role is to approve new homes for development with a target set through an evidence based assessment. Over the last few years the build out rate has been very low and never achieved the target for new home completion set by the RSS (Regional Spatial Strategy) figure of 306, the current number is an improvement on the previous 12 months. This performance measure has always been retained as important information on record for members to be aware of the progress to date. The target is currently under review as part of the work on the Strategic Market Housing Assessment.*

## **RESOURCES DIRECTORATE**

PM25: Percentage of premises scoring 3 or higher on the food hygiene rating scheme was 83% below the target of 92% and worse than the same period last year of 92.6%.

*Those premises scoring “3” or above on the National Food Hygiene Rating Scheme are deemed to be broadly compliant with food law. Ratings are reflective of standards maintained by the Food Business Operator and this indicator relies on certain extrinsic factors which to a degree are out of the control of the Local Authority. Our diligence in terms of completing 96% of all Category “A” to “C” inspections has exposed this level of non-compliance. All businesses will continue to receive regular inspection and those scoring below a rating of “3” will continue to be dealt with in a risk based and proportionate manner that is consistent with the requirements of the Food Law Code of Practice and the Food Hygiene Rating Scheme Brand Standard.*

PM28: Number of households living in temporary accommodation was 11, above the target of 6 and worse than the same period last year of 10 households.

*This indicator monitors the number of households living in the Council’s temporary accommodation. A number of households have been waiting for suitable permanent accommodation to become available either in the social rented sector and the private rented sector. The number of households applying to Fylde BC as homeless who need accommodation while their homelessness is investigated has increased during the last quarter of 2013-14.*

PM31: Average time accommodated in B&B (family only) is 2 weeks, above the target of 0 weeks and worse than the same period last year of 1.5 weeks.

*A target of zero has been set because government guidance is that B&B should be avoided. However, B&B has been used for a short time for 5 families during 2013-14. This was a necessary last resort while waiting for suitable temporary units to become available. It should be noted that the national target of no more than 6 weeks has not been exceeded. The target for 2014/15 will be discussed by the housing team given that the national target is no more than 6 weeks, a target of zero based on government guidance may be too optimistic.*

PM32: Average time accommodated in B&B - all homeless households (days) was 42, above the target of 0 weeks and worse than the same period last year of 21 weeks.

*A target of zero is set because government guidance is that B&B should be avoided. However, we have had to use B&B on several occasions due to the lack of suitable temporary accommodation becoming available and suitable to the needs of the household. The target of zero will be discussed and reviewed for 2014/15.*



PM33: Average time accommodated in interim facilities (including holiday flats, leased properties) was 12 weeks, above the target of 7 weeks and worse than the same period last year of 10 weeks.

*This indicator reflects the time in temporary accommodation for homeless households whilst their circumstances are investigated. The aim is to keep this time to a minimum to reduce disruption for the households and cost for the Council. A number of factors have impacted on performance including the availability of suitable alternative accommodation to meet the needs of the household.*

PM40: Number of affordable homes delivered (Gross) was 59, below the target of 70 and better than the same period last year of 29.

*A number of sites have not completed in 2013-14 therefore the expected target of 70 has not been met. The partnership with the Registered Social Landlords and control over affordable commuted sums*

*provides the Council with some influence over this measure that does not exist with the private sector build out rate. The target is based though on the known projects and plans of the registered social landlords in the borough.*

PM75a: Percentage change in 'length' of time applicants are on the waiting list for a disabled facility grant was 50%, above the target of 0% and worse than last year's period figure of -55% recorded.

*Length of time on list was 12 months, up from 8 months = +50%. The demand for the mandatory disabled facilities grant continues to exceed the resources available to the council with which to approve them. The length of time on the waiting list has grown as a direct consequence of the lack of resources. It is unlikely that any corrective actions can be taken unless additional resources become available.*

PM75b: Percentage change in 'number' of applicants on the waiting list for a disabled facilities grant was 36.4%, above the target of 0% and worse than the same period last year of -8.3%.

*The actual numbers on the DFG waiting list at yearend was 75, up from 55 = +36.4%. The demand for the mandatory disabled facilities grant continues to exceed the resources available to the council with which to approve them. The length of time on the waiting list has therefore grown as a direct consequence of the lack of resources. It is unlikely that any corrective actions can be taken unless additional resources become available.*

\*\*\*\*\* **DELETED PERFORMANCE MEASURES** \*\*\*\*\*

**For each performance indicator a reason is provided for the deletion.**

PM63: Percentage of helpdesk calls resolved in 1 working day

*The measure was not providing any useful data that allowed the service to improve further, for example new starter requests took 4 weeks to resolve due to the request being logged before the new starter was in post. This has been replaced with PM95 that measures service downtime, which will allow the service to target resources at areas of concern highlighted by the new performance measure. PM95: Percentage of key ICT Service availability during core times has now been created to reflect a more robust way of monitoring the performance of the service.*

PM30: Percentage of households in mortgage difficulties who approach the LA and a positive outcome is reached

*Removed because the Government mortgage rescue scheme has now ended as at 31.03.2014. However the council does have a small pot of government funding remaining to assist in the prevention of mortgage repossession and the new proposed indicator would assist in monitoring this. It would also monitor any increases or decreases in people seeking advice regarding mortgage*

*repossession. PM98: Number of households in mortgage difficulty approaching the LA and have received appropriate advice is has now been created.*

PM75a: Percentage in change in length of time applicants on the waiting list for a Disabled facility and PM75b: Percentage in change in number of applicants on the waiting list for a Disabled facilities Grant

*To assist with the clarity of performance reporting, the following have been created PM97a: The length of time for applicants on the waiting list for a Disabled facility grant and PM97b: The number of applicants on the waiting list for a Disabled facilities Grant.*

\*\*\*\*\* **NEW PERFORMANCE 2014/15** \*\*\*\*\*

**Special notes for particular new performance measures.**

The Government has introduced two performance indicators to measure the performance of local planning authorities.

PM151 Speed of decisions on major planning applications

The measure to be used is the average percentage of decisions on applications for major development made:

(a) within the statutory determination period; or (b) within such extended period as has been agreed in writing between the applicant and the local planning authority; as recorded in the data collected by the Department for Communities and Local Government.

The average percentage figure for the assessment period as a whole is used. The assessment period for this measure is the two years up to and including the most recent quarter for which data on planning application decisions are available at the time of designation. The Government has set a threshold for designation which is 30% or fewer of an authority's decisions made within the statutory determination period or such extended period as has been agreed in writing with the applicant.

The statistics take into account the information recorded by the Department for Communities and Local Government. For the speed of processing applications for major development this includes the extent to which planning performance agreements were determined on time in district matter authorities, and the extent to which applications subject to Environmental Impact Assessment were determined within 16 weeks in county matter authorities. From the first quarter of 2013-14 the figures also reflect the extent to which all applications for major development were determined within the relevant statutory period, or such longer period as had been agreed in writing between the applicant and the local planning authority. The Council's current performance against the above indicator to the end of December 2013 is 49.2%

The Government is currently considering whether to raise the threshold for designating authorities as under-performing, based on the speed of deciding applications for major development, from the current 30% to 40% or fewer of decisions made on time. This higher threshold would be used for any designations in October 2014, for both district and county matter authorities. Accordingly the 2014/15 target has been raised to 40% from 30% to reflect the new national designation threshold.

PM152 Quality of decisions on major planning applications

The measure used for assessing the quality of decisions is the average percentage of decisions on applications for major development that have been overturned at appeal, once nine months have elapsed following the end of the assessment period; as recorded in the data collected by the

Department for Communities and Local Government. The average percentage figure for the assessment period as a whole is used. The nine months specified in the measure are to enable the majority of decisions on planning applications made during the assessment period to be followed through to subsequent appeals that may be lodged, and for the outcome of those appeals to be known. The assessment period for this measure is the two years up to and including the most recent quarter for which data on planning application decisions are available at the time of designation, taking into account the nine months to be allowed for beyond the end of the assessment period.

The current threshold for designation is 20% or more of an authority's decisions on applications for major development made during the assessment period being overturned at appeal.

The Council's current performance against the above indicator to the end of March 2013 is 10%. The Government has not yet announced proposals for raising this threshold. More details on the [criteria for designation](#) are available on the DCLG website.

Performance is reviewed and published every quarter, the corporate scorecard can view be viewed and monitored online [www.fylde.gov.uk/performance](http://www.fylde.gov.uk/performance)

IMPLICATIONS	
Finance	There are no direct implications arising from the report
Legal	There are no direct implications arising from the report
Community Safety	There are no direct implications arising from the report
Human Rights and Equalities	There are no direct implications arising from the report
Sustainability and Environmental Impact	There are no direct implications arising from the report
Health & Safety and Risk Management	There are no direct implications arising from the report






REPORT AUTHOR	TEL	DATE	DOC ID
Alex Scrivens	01253 658543	5/6/14	
Allan Oldfield	01253 658500	5/6/14	

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













#### Attached Documents

- Appendix 1 Performance Key with Icon Status
- Appendix 2 The Performance Indicator Table (April 2013 - March 2014)
- Appendix 3 Performance Indicators To Be Added To The April - March 2014/15 Suite

Appendix 1: PERFORMANCE KEY WITH ICON STATUS

<h2>Performance Status Icons</h2>	
	<b>Over Performance</b> – the indicator is over performing against target.
	<b>On Track</b> – the indicator is performing within tolerance of target.
	<b>Cautionary Under Performance</b> – the indicator is moderately under performing. Whilst the indicator has slipped from target it maybe a minor blip overall or minor action will remedy it.
	<b>Under Performance</b> – the indicator is under performing against target.
	<b>Missing Data</b> – the indicator is missing data, this could be due to lag in data in the way the information is collated, or because its currently unavailable or this indicator being new therefore no benchmarking comparison data .

**Appendix 2: THE PERFORMANCE INDICATOR TABLE (APRIL 2013 - MARCH 2014)**

Performance <b>better</b> than target limits						
Fylde Council Local Key Performance Indicator	Good Performance Is	Actual 2012/13	Actual 2013/14	Target 2013/14	Status	New Target 2014/15
PM3: Number of complaints received (Corporate)	Smaller is Better	1876	<b>605</b>	1800		1500
PM22: Number of 'in bloom' awards achieved by groups working with LA	Bigger is Better	29	<b>29</b>	25		25
PM23: Number of swims at St Anne's pool	Bigger is Better	88651	<b>61600</b>	53844		100000
PM29: % of cases where homelessness prevented and households able to remain in own home or assisted	Bigger is Better	86	<b>90</b>	86		86
PM34: Average weeks to accommodate all homeless households rehoused into permanent accommodation	Smaller is Better	10	<b>7</b>	9		9
PM36: Percentage of major applications determined within 13 weeks	Bigger is Better	23.33	<b>67.86</b>	30		40
PM47: The number of unique hits on the Council's website www.fylde.gov.uk	Bigger is Better	436590	<b>440844</b>	409992		450000
PM49: Percentage of phone calls to 01253 658658 answered	Bigger is Better	85.71	<b>89.45</b>	85		87
PM64: % satisfaction with IT service overall	Bigger is Better	85	<b>99</b>	86		95
PM66: Average speed of processing new claims	Smaller is Better	20.1	<b>18.63</b>	21		21
PM67: Average Speed for processing notifications of changes in circumstances	Smaller is Better	15.24	<b>15.76</b>	23		23
PM76: Delivery of at least 1000 hours community work through partnership with HMP Kirkham	Bigger is Better	15149	<b>14960</b>	10000		10000

Performance within target limits						
Fylde Council Local Key Performance Indicator	Good Performance Is	Actual 2012/13	Actual 2013/14	Target 2013/14	Status	New Target 2014/15
PM6: Percentage of customers satisfied with the service received from Fylde Council	Bigger is Better	82.96	<b>84.61</b>	85		85
PM14: Percentage of invoices paid within 30 days or within agreed payment terms (Corporate)	Bigger is Better	92.72	<b>93.35</b>	94		94
PM20: Number of Major parks achieving a 'Green Flag' award	Bigger is Better	5	<b>5</b>	5		5
PM21: Number of community groups supported (including 'in bloom' & 'friends of')	Bigger is Better	25	<b>30</b>	29		29
PM30: % households in mortgage difficulties who approach the LA and a positive outcome is reached	Bigger is Better	100	<b>100</b>	100		Replaced PM98
PM55: Missed bins as a percentage of all collections	Smaller is Better	0.04	<b>0.05</b>	0.05		0.05
PM56: Percentage of household waste recycled	Bigger is Better	46	<b>46</b>	45		47
PM68: Proportion of Council Tax collected	Bigger is Better	98	<b>97.8</b>	97.5		97.5
PM69: Percentage of Business Rates, which should have been received, received	Bigger is Better	98.03	<b>97.54</b>	98		98
PM70: % of Licensing Act 2003 certificates issued within 3 working days of statutory time scale (Q)	Bigger is Better	99.7	<b>100</b>	100		100
PM71c: Total % of hackney carriage/private hire vehicle & driver licenses issued within 3 days	Bigger is Better	100	<b>100</b>	100		100
PM72: Percentage of statutory EPA Permitted process inspections completed (quarterly)	Bigger is Better	100	<b>100</b>	100		100
PM73: Percentage of high risk "A" rated health and safety premise inspections completed (quarterly)	Bigger is Better	100	<b>100</b>	100		100
PM74: Percentage first time HGV fleet MOT passes	Bigger is Better	90.27	<b>88</b>	85		90
PM86: Percentage of FOIs responded to within the statutory deadline of 20 days	Bigger is Better	97.73	<b>98.73</b>	95		100

Performance <b>slightly behind</b> target limits						
Fylde Council Local Key Performance Indicator	Good Performance Is	Actual 2012/13	Actual 2013/14	Target 2013/14	Status	New Target 2014/15
PM2: Average number of days sickness per Full Time Employee	Smaller is Better	5.4	<b>6.74</b>	5.5		6
PM11: Percentage of Audit plan completed	Bigger is Better	88.4	<b>92.9</b>	94		95
PM12: Percentage satisfaction rating indicated by post-audit surveys	Bigger is Better	89.3	<b>88.9</b>	90		90
PM19: All Recorded Crime in Fylde Per 1,000 population	Smaller is Better	38.05	<b>40.25</b>	38.05		40
PM27: Percentage of high risk food hygiene inspections completed - Category A to C (quarterly)	Bigger is Better	91	<b>96</b>	97		90
PM63: % of helpdesk calls resolved in 1 working day	Bigger is Better	88	<b>89</b>	90		Replaced PM95
PM65 Time taken process Housing Benefit / Council Tax new claims & change in circumstances	Smaller is Better	16.08	<b>16.22</b>	16		22

Performance worse than target limits						
Fylde Council Local Key Performance Indicator	Good Performance Is	Actual 2012/13	Actual 2013/14	Target 2013/14	Status	New Target 2014/15
PM4: Percentage of complaints responded to within five working days	Bigger is Better	97.6	<b>93.6</b>	100		100
PM5: Percentage of staff off with Long Term Sickness (Corporate)	Smaller is Better	26.31	<b>51.85</b>	25		30
PM25: % of premises scoring 3 or higher on the food hygiene rating scheme (quarterly)	Bigger is Better	92.6	<b>83</b>	92		90
PM28: Number of households living in temporary accommodation	Smaller is Better	10	<b>11</b>	6		6
PM31: Average time accommodated in B&B - family only (weeks)	Smaller is Better	1.5	<b>2</b>	0		0
PM32: Average time accommodated in B&B - all homeless households (days)	Smaller is Better	21	<b>42</b>	0		0
PM33: Average time accommodated in interim facilities (inc holiday flats, leased properties)(weeks)	Smaller is Better	10	<b>12</b>	7		7
PM37: Percentage of minor applications determined within 8 weeks	Bigger is Better	43.98	<b>41.75</b>	60		60
PM38: Percentage of other applications determined within 8 weeks	Bigger is Better	62.56	<b>68.81</b>	80		80
PM39: Net additional homes provided	Bigger is Better	162	<b>235</b>	306		306
PM40: Number of affordable homes delivered (Gross)	Bigger is Better	29	<b>59</b>	70		55
PM75a: Percentage in change in length of time applicants on the waiting list for a Disabled facility	Smaller is Better	-55	<b>50</b>	0		Replaced PM97a
PM75b: Percentage in change in number of applicants on the waiting list for a Disabled facilities Grant	Smaller is Better	-8.3	<b>36.4</b>	0		Replaced PM97b



**Appendix 3: PERFORMANCE INDICATORS TO BE ADDED TO THE APRIL - MARCH 2014/15 SUITE**

New Performance Measures 2014/15			
Fylde Council Local Key Performance Indicator	Good Performance Is		Target 2014/15
PM94: Number of recorded safety inspections carried out on each unit of children's play equipment	Bigger is Better		50
PM95: Percentage of key ICT Service availability during core times	Bigger is Better		90
PM96: Percentage of customers satisfied with MOT experience	Bigger is Better		90
PM97a: The length of time for applicants on the waiting list for a Disabled facility grant	Smaller is Better		0
PM97b: The number of applicants on the waiting list for a Disabled facilities Grant	Smaller is Better		0
PM98: Number of households in mortgage difficulty approaching the LA and have received appropriate advice	Smaller is Better		40
PM99: Number households received financial assistance from the council to prevent repossession	Bigger is Better		2
PM151: Speed of decisions on major planning applications	Bigger is Better		50
PM152: Quality of decisions on major planning applications	Bigger is Better		5

# REPORT

REPORT OF	MEETING	DATE
FINANCE	POLICY DEVELOPMENT SCRUTINY COMMITTEE	18 JUNE 2014

## MEDIUM TERM FINANCIAL STRATEGY (MTFS) – GENERAL FUND REVENUE, CAPITAL PROGRAMME and TREASURY MANAGEMENT OUTTURN POSITION FOR 2013/14

### PUBLIC ITEM

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

### SUMMARY

On 3<sup>rd</sup> March 2014 the Council set its budget for 2014/15 and also set a revised budget for 2013/14. This report sets out for Members the expected General Fund Revenue, Capital, and Treasury Management Outturn position for the financial year 2013/14. The report outlines the major variations between the latest approved budget and the actual outturn expenditure and quantifies the impact on the Council's reserves. The report also includes a summary of the Council's Treasury Management operations for the financial year. Work is still ongoing and some minor variations may be identified which will be reported in future Medium Term Financial Strategy (MTFS) updates.

### RECOMMENDATIONS

Scrutiny members are requested to consider the report and are invited to make any comments or recommendations on the financial outturn position for consideration by the Cabinet at its meeting of 25<sup>th</sup> June 2014.

The Cabinet, at its meeting on 25th June 2014, will be requested to consider the following recommendations and to:

1. approve the General Fund Revenue Outturn Expenditure and slippage as set out in Sections 2 to 5, and Appendix C (revenue budget slippage items);
2. approve the transfers to earmarked reserves as set out in paragraphs 2.5 to 2.7 and as summarised in table 2;
3. note the position in respect of partnerships funding as set out in paragraph 2.11;
4. approve the Capital Outturn as set out in sections 6 to 9, the capital slippage detailed in Appendix E, and the proposed capital financing as set out in Table 7; and
5. approve the Treasury Management Annual Report as set out in sections 10 to 12 and the actual Prudential Indicators set out in Appendix F.

## **CABINET PORTFOLIO**

This item falls within the following cabinet portfolio(s):

Finance and Resources

-

Councillor Karen Buckley

## **SUMMARY OF PREVIOUS DECISIONS**

The outturn position for the prior financial year is considered by members annually. There are no previous decisions in respect of the 2013/14 financial outturn.

## **REPORT**

### **1.0 Introduction**

- 1.1 The Revenue Budget Forecast Update was reported to Council in December 2013 and Cabinet in January and February 2014, with the Medium Term Financial Strategy (MTFS) and budget decisions presented to full Council for approval in March 2014. This report sets out the outturn position at the end of the financial year to March 2014.
- 1.2 In line with the Accounts and Audit Regulations 2011, the Council is required to have the pre-audited draft Statement of Accounts formally signed and dated by the Chief Financial Officer (Section 151 Officer) by no later than 30th June each year.
- 1.3 The MTFS outturn position 2013/14 report constitutes part of the Council's performance management reporting procedures.
- 1.4 In considering the outturn for 2013/14 members should be aware that throughout the year there has been close control of expenditure by Management Team and, in response to the uncertainty surrounding the Government's Comprehensive Spending Review, officers with budget holder responsibility were instructed by Management Team to remain prudent and minimise expenditure commitments and maximise efficiencies and savings wherever possible. That instruction remains in place, and has resulted in the generation of in-year savings throughout the majority of 2013/14. In addition to this prudent budget management, the Council has received the benefit of additional income beyond the level budgeted for. Full details of the outturn variances are included in Appendix B of the report.

### **2.0 General Fund Revenue Outturn Position (including Collection Fund)**

- 2.1 This section of the report covers the General Fund Revenue Outturn position for 2013/14. The General Fund Revenue budget can be defined as the day to day running costs associated with the delivery of the Council's services. This is monitored and reported to the Portfolio Holder (Finance & Resources) on a quarterly basis.
- 2.2 A summary of the General Fund Revenue Account comparing actual expenditure against the revised approved estimate, analysed by service, is set out in Appendix A. A detailed list of the variances within services which contribute to the outturn position is set out in Appendix B.
- 2.3 Work continues to be undertaken to interrogate and verify the nature of any budget variances in order to continue the budget rightsizing work carried out during the last financial year. The outcome of this work will be reflected in future updates of the MTFS.

## Net Budget Requirement

- 2.4 On the 3rd March 2014, Council approved a Revised Revenue Budget net requirement of £9.671m for 2013/14. Subsequently, Cabinet approved 2 items which affected this net requirement as follows:
- i. On 5<sup>th</sup> March Cabinet approved re-phasing of the £184k revenue budget set aside in 2013/14 for decanting in respect of the Accommodation project, and agreed to use this sum as a revenue contribution to the capital scheme to deliver the window replacement work programme. £10k was budgeted to be spent in 2013/14 and £174k budgeted to be spent in 2014/15, which had the effect of reducing the 2013/14 budget by £174k; and
  - ii. On 26<sup>th</sup> March Cabinet approved re-phasing of the delivery plan and associated budgets for the Local Plan, which had the effect of reducing the budget in 2013/14 by £21k and increasing the 2014/15 by a corresponding amount.

These approvals have the following effect on the net requirement for 2013/14:

**Table 1:**

	£m
Net budget requirement approved at budget Council 3 <sup>rd</sup> March 2014	9.671
Less: impact of approval at Cabinet detailed in 2.4 i above	(0.174)
Less: impact of approval at Cabinet detailed in 2.4 ii above	(0.021)
Updated net budget requirement	<b>£9.476m</b>

The outturn position for 2013/14 is a net requirement of £8.882m, resulting in a favourable variance (before financing and slippage) of £0.594m.

- 2.5 There are a number of budget variances arising from slippage and other adjustments that are recommended for operational effectiveness. These items total £94k and are listed in Appendix C. **It is recommended that this sum is transferred to general fund balances at year end such that this expenditure can be met in 2014/15.** The underlying underspend in relation to the net budget requirement, after accounting for both slippage and minor technical accounting adjustments during the year is reduced to £0.472m. Together with sound budget management, a number of one-off items have contributed to this level of favourable variance including one-off income gains achieved during the year. A detailed analysis of all the variances contributing to this outturn position is set out in Appendix B. **It is recommended that this sum of £0.472m is transferred to the Capital Investment Reserve. This will be in addition to the budgeted transfer to the reserve of £0.455m approved by Budget Council on 3<sup>rd</sup> March 2014.** The purpose of this reserve is to fund capital investment in the future and to minimise the need for additional borrowing. The balance on the reserve will stand at £1.652m following the transfers in. The Council, at its meetings of 4<sup>th</sup> March 2013 and 3<sup>rd</sup> March 2014, has already approved commitments of £1.125m from this reserve spread between 2014/15 and 2017/18, leaving an uncommitted balance available of £0.527m for further capital investment.

## Financing

- 2.6 In relation to financing, the outturn position for 2013/14 is net financing received during the year of £10.735m compared to a budget of £10.126m, resulting in a favourable variance of

£0.609m. Of this, £0.374m relates to a grant received by the Council in 2013/14 in relation to the Business Rate Retention Scheme. The following is an extract from the MTFs approved by Council in March 2014 which explains the purpose of this grant:

*On 30<sup>th</sup> January 2014, the Council received a grant determination letter from DCLG agreeing to reimburse FBC, along with other authorities, for the cost of the temporary increase in Small Business Rate Relief in 2013/14. The letter states that 'The grant recompenses authorities for their individual reduction in non-domestic rating income associated with the increase in Small Business Rate Relief in 2013-14. This is an interim grant payment as authorities will be funded at outturn costs which will not be known until the summer 2014. A reconciliation process will be conducted once outturn figures are known. The department will make reconciliation payments to authorities or require reconciliation payments from authorities based on that process.' The payment to FBC set out in the letter is £319k. This represents an interim payment equating to approximately 90% of the DCLG's estimate of the cost to FBC, which by extension is estimated at £354k.*

At that time it was unclear whether the payment was a revenue item, or whether it should be accounted for through the collection fund along with other NNDR (National Non-Domestic Rates) transactions, and guidance from DCLG was still awaited. Given the late notification of this item, the lack of guidance and the uncertainty over accounting treatment, the grant was not reflected in the forecast.

Clarification has now been received on the accounting treatment to be applied in respect of the grant which clarifies that this is a General Fund Grant which is to be used to offset the Council's share of the deficit on the NNDR collection fund caused by the reduction in NNDR income receivable as a result of the doubling of Small Business Rate Relief in 2013/14.

The total deficit on the NNDR Collection Fund at the end of 2013/14 is £1.039m. This deficit is split between the Government, LCC, the Fire Authority, and FBC, with FBC's share being £0.416m. The new legislation means that there are significant timing differences between when a deficit or surplus on the collection fund occurs and when the relevant payments or receipts are made to or from the relevant parties to the collection fund. In line with the guidance **it is recommended that a contribution to a new earmarked Collection Fund Deficit Reserve of £0.416m is made such that FBC's share of the collection fund deficit can be met when it is due.**

- 2.7 The remaining favourable variance in financing received during the year relates to additional NNDR income received in year when compared to the budgeted safety net level, together with a one-off redistributed capitalisation grant from central government and a further grant in relation to Community Right to Bid/Challenge funding. It is recommended that the Community Right to Bid/Challenge funding is transferred to the existing earmarked reserve for this purpose to fund any costs involved in a potential future Community Right to Bid/Challenge. Therefore in addition to the need to establish a new earmarked NNDR Deficit Reserve to provide for FBC's share of the collection fund deficit, **it is recommended that the remaining favourable financing variance of £0.221m, after other transfers have been taken into account, be set aside in a new earmarked Funding Volatility Reserve to provide a degree of protection to the Council's finances against future volatility in central government funding allocations.** Full analysis of these variances is detailed in appendix B of the report.
- 2.8 In arriving at the Outturn position the Council's Budget decisions agreed at Council on 3<sup>rd</sup> March 2014 have been implemented.

2.9 The underspend position is detailed in Appendix A, and is summarised in Table 2 below:

**Table 2 – Estimated General Fund Revenue Outturn Position:**

	<u>Budget</u> £m	<u>Actual</u> £m	<u>Variance</u> £m	
Net expenditure for the year	9.476	8.882	(0.594)	(Fav)
Financing for the year	(10.126)	(10.735)	(0.609)	(Fav)
<b>Surplus of resources for the year</b>	<b>(0.650)</b>	<b>(1.853)</b>	<b>(1.203)</b>	(Fav)
Less budgeted transfer to Capital Investment reserve	0.455	0.455	0	-
<b>Re-phasing of budgets approved by Cabinet, transferred to GF balances:</b>				
Accommodation Project (approved Cabinet 5/3/14)	0.174	0.174	0	-
Local Plan re-phasing (approved Cabinet 26/3/14)	0.021	0.021	0	-
<b>Recommended transfers to reserves</b>	<b>0</b>	<b>(1.203)</b>	<b>(1.203)</b>	(Fav)
<b>Analysis of recommended transfers to reserves:</b>				
- transfer to GF revenue balances re slippage	0	(0.094)	(0.094)	(Fav)
- transfer to Collection Fund Deficit Reserve	0	(0.416)	(0.416)	(Fav)
- transfer to Funding Volatility Reserve	0	(0.221)	(0.221)	(Fav)
- transfer Capital Investment Reserve	0	(0.472)	(0.472)	(Fav)
<b>Recommended transfers to reserves</b>	<b>0</b>	<b>(1.203)</b>	<b>(1.203)</b>	(Fav)

2.10 No financial resources have been lost to the Council as a result of the outturn position.

2.11 In addition to the General Fund outturn position as set out at Appendix A and the variances as shown in Appendix B, the Council is also delivering a number of projects that are funded from external sources but for which the scheme has yet to be delivered in full. These monies relate to residual funding distributed by the Fylde Local Strategic Partnership (LSP) before it ceased to exist from 31<sup>st</sup> March 2013. The balance of sums held at 31<sup>st</sup> March 2014 are in respect of:

**Table 3 – Partnership Funding**

- Community Safety Delivery Costs (funding towards CCTV project)		£38k	
- Local Strategic Partnership Residual Funding:			
▪ Community Projects Fund	£37k		}
▪ Hope Street pavilion funding	£20k		
▪ Discretionary Fund	£8.5k		
▪ Community Safety Support	£9k		
▪ Food co		£1.5k	
		£76k	
- Community Safety Initiatives		£57k	
		<u>£171k</u>	

The allocation of residual LSP Funding was approved by Cabinet at its meeting of 10<sup>th</sup> April 2013, and the funding towards the CCTV project was approved by Council at its meeting of 3<sup>rd</sup> December 2012.

### 3.0 Collection Fund Outturn Position

- 3.1 As a Council Tax and Non-Domestic Rates (NDR) Billing Authority, the Council is required by legislation to calculate the surplus or deficit for each financial year on the Collection Fund. Prior to 2013/14 the requirement was to maintain this for Council Tax only, however, as part of the Local Government Finance Act 2012 the Government implemented a Business Rates Retention Scheme from April 2013, whereby the collection and distribution of NDR is collected and distributed via the Collection Fund (distribution of NDR had previously been managed nationally).
- 3.2 For Council Tax only, there was a cumulative deficit on the fund as at 31<sup>st</sup> March 2014 of £44k. This will be shared between the Borough Council, the County Council, the Police Authority and the Fire & Rescue Authority in 2014/15 & 2015/16. The Borough Council's share of the deficit is £5k.
- 3.3 For Non-Domestic Rates only, there was a deficit on the fund as at 31<sup>st</sup> March 2014 of £1.039m. This will be shared between Central Government, the Borough Council, the County Council and the Fire & Rescue Authority in 2014/15 & 2015/16. The Borough Council's share of the deficit is £0.416m.

### 4.0 Statement of General Fund Revenue Balances

- 4.1 Table 4 details the Council's General Fund Balances position, as a result of estimated Outturn at 31<sup>st</sup> March 2014:

**Table 4 – Statement of General Fund Revenue Balances**

	Budget	Actual	Variation	
	£m	£m	£m	
Opening Balance 01/04/2013	4.800	4.800	-	
Impact of re-phasing of budgets as set out in paragraph 2.4	0.195	0.195	-	
Transfer to/(from) balances	0	0.094	(0.094)	(Fav)
<b>Closing Balance 31/03/2014</b>	<b>4.995</b>	<b>5.089</b>	<b>(0.094)</b>	<b>(Fav)</b>

- 4.2 The first call on revenue balances in 2014/15 is the proposed slippage of £94k as set out in Appendix C, and the re-phased expenditure of £195k as set out in paragraph 2.4, leaving general fund balances after allowing for these items at £4.800m.

### 5.0 General Fund Revenue Outturn Conclusions

- 5.1 The Emergency Budget and the Comprehensive Spending Review of 2010 resulted in a great deal of uncertainty for the Council and the beginning of a period of substantial financial constraint. The Local Government finance settlement for 2013/14 onwards marked the start of a new era in the way Local Government is funded. The introduction of Business Rates Retention from April 2013 has had a significant effect on councils, as 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.

- 5.2 The level of general fund revenue reserves, which have been further supplemented at the end of the 2013/14 financial year, ensures that the Council has a robust financial forecast over the medium term. 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 must 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. However the Council's Medium Term Financial Strategy continues to show a budgeted call on reserves in the latter years, indicating that this work will need to continue. Recruitment was frozen throughout 2011/12 and an authority wide senior management restructure was completed and implemented during 2013/14. Furthermore instructions to all spending officers have remained in place to minimise expenditure commitments, to remain prudent and continue to maximise efficiencies in service delivery. These actions, together with some one-off income gains, have again delivered a favourable outturn in 2013/14 with minimal significant short term impact on service delivery. However, a small number of items of expenditure have been delayed and slippage is requested for these items.
- 5.3 The Council began a budget rightsizing programme during the summer of 2012 in preparation for the ongoing Government funding reductions anticipated in future years. This initiative was repeated during 2013 and will continue year-on-year in order to reduce the required net expenditure and contribute to addressing the ongoing financial challenges faced by the Council. Members and Management Team have carried out work to address the challenge 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.
- 5.4 The speed with which the national deficit reduction programme has been applied to local government means that the Council will need to continually identify further efficiencies, maximise income and look to create more capacity in order to deliver a balanced and sustainable budget in the medium term. Such an approach may lead to a review of service provision in some areas and a more measured achievement of improvement in priority areas. The financial pressures facing the Council in the future, as reported in detail in the MTFS considered at Budget Council in March this year, still remain.
- 5.5 Action is being taken to mitigate the financial risks as set out in the MTFS as far as is possible. Work is still ongoing on closing the accounts for the financial year and some minor budget variations may be identified during the statutory audit carried out by KPMG. Should this occur, these will be reported in the next update of the MTFS and in the final statutory accounts of the Council.

## **6.0 Capital Outturn 2013/14**

- 6.1 The latest approved expenditure budget for the capital programme for 2013/14 was £2.289m. After adjusting for slippage of £0.110m, the overall outturn position for 2013/14 is an in-year expenditure underspend of £2k against the latest updated estimate. This is set out in Table 5 below. There was an in-year adverse variance of £23k in respect of general capital receipts



which is in relation to a shortfall of Right to Buy Receipts from New Fylde Housing when compared to the budgeted level. The application of the programme surplus of £10k leaves a total underlying adverse variance at outturn of £11k as set out in Table 5.

- 6.2 The 1st quarter update of the Five Year Capital Programme for 2014/15 will be amended to reflect the outturn results and any other changes approved to date.
- 6.3 The financing proposals represent the most cost effective financing to the Council and leave it with the greatest flexibility in respect of future years.

**Table 5 - Latest Estimate Compared with Outturn 2013/14**

	Notes	£m	
MTFS 03/03/14 Approved Capital Programme		2.239	
Changes since 03/03/14 (as per Note 1)	1	0.050	
<b>Latest Estimate</b>		<b>2.289</b>	
Less Outturn Expenditure		(2.177)	
<b>Net Underspend for Year</b>		<b>0.112</b>	(Fav)
Less Slippage (as per Note 2)	2	(0.110)	(Adv)
Less Capital Receipts shortfall		(0.023)	(Adv)
Add Quarter 3 Programme Surplus		0.010	(Fav)
<b>Underlying Variance at Outturn</b>		<b>(0.011)</b>	<b>(Adv)</b>

**Note 1: Changes since 04/03/2014**

- £40k Increased expenditure on Disabled Facilities Grant funded through a contribution received from New Fylde Housing and capital grant repayments.
- £10k Increased expenditure on the Accommodation Project in 2013/14 and £174k in 2014/15 fully funded from direct revenue financing (Decant Budgeted Costs)

**Note 2: Capital Schemes Slippage Requests to 2014/15**

	£'000
Accommodation Project	12
Disabled Facilities Programme	43
Cemetery / Crematorium Pumping Station	30
Fylde Headlands Preliminary Work	25
<b>Total Slippage requested</b>	<b>110</b>

Full slippage explanations are contained in Appendix E of the report and details of variances for all capital schemes are shown in Appendix D.

## 7.0 Usable Capital Receipts 2013/14

7.1 Capital Receipts are a major component of the Council's capital financing strategy. Details of usable receipts are set out in table 6:

**Table 6 - Useable Capital Receipts 2013/14**

	Latest Estimate (Less slippage)	Outturn	Variance +/-	
	£'000	£'000	£'000	
Opening balance brought forward at 01/04/2013	271	271	0	
General Capital Receipts received in year	42	19	(23)	(Adv)
Accommodation Project Capital Receipts received in year	0	896	896	(Fav)
<i>Sub Total</i>	313	1,186	873	(Fav)
Capital Receipts used in year to finance expenditure		(288)		
Closing balance carried forward at 31/03/2014		<b>898</b>		

7.2 The opening balance of £271k brought forward is in relation to residual receipts regarding assets sold during the previous financial year to fund the accommodation project. During that year (2012/13) receipts of £489k were received from the disposal of the St David's Road site in St Annes. Of this, £218k was used to fund the purchase of additional land at the Council's existing Snowdon Road depot site in St Annes, leaving a residual balance to be brought forward into 2013/14 of £271k.

7.3 The closing balance of £898k is in relation to residual receipts regarding assets sold to fund the accommodation project. Capital receipts relating to the project received during the year were £896k from the disposal of the Derby Road site in Wesham. The balance of receipts in the sum of £898k has been set aside into a capital receipts unapplied fund in order to finance further programmed expenditure on the refurbishment of the Town Hall.

## 8.0 Capital Financing 2013/14

8.1 The proposed financing of capital expenditure is set out in table 7:

**Table 7 - Proposed Capital Financing 2013/14**

<b>EXPENDITURE:</b>	<b>£'000</b>
	<b>2,177</b>
<b>FINANCING:</b>	
Grants & Contributions	1,289
Capital Receipts	288
Borrowing	407

Revenue Contribution  
**Total Capital Financing**

193  
**2,177**

- 8.2 It should be noted that whilst £407k of expenditure incurred during the year will be financed from borrowing, no actual additional borrowing has taken place during the financial year. This expenditure has been financed by internal borrowing in the interim in line the advice of the Council's Treasury Advisors as this is currently the most cost effective approach available to the Council as opposed to incurring additional costs associated with external borrowing.
- 8.3 Should any minor changes be identified in capital expenditure as a result of final closure work, capital financing will be adjusted as appropriate.

### **9.0 Capital Outturn – Conclusions**

- 9.1 After allowing for slippage, the outturn position has produced an underlying in year net adverse variance of £11k compared to the latest forecast reported to Members.
- 9.2 This variance is in direct relation to a shortfall in budgeted capital receipts received from New Fylde Housing – Right to Buy Receipts. The Capital Programme includes estimated receipts for Right to Buy of £25k and it is always difficult to predict actual sale levels until they occur.
- 9.3 The outturn position will be reflected in future capital programme updates.

### **10.0 Treasury Management Annual Report**

#### **10.1 Summary**

This section of the report covers Treasury Management operations for the financial year to 31<sup>st</sup> March 2014.

The Prudential Indicators and Treasury Management Strategy for 2013/14 were set out in the Medium Term Financial Strategy Update Report to Council on 4<sup>th</sup> March 2013. The Prudential Indicators are updated as required and changes have been approved by Council in the Mid-Year Prudential Indicators & Treasury Management Monitoring Report to Council on 2<sup>nd</sup> December 2013 and the Medium Term Financial Strategy Update Report to Council on 4<sup>th</sup> March 2013. Performance has been monitored during the year and reported on a quarterly basis to the Portfolio Holder for Finance & Resources. The Prudential Indicators and the outturn position for 2013/14 are shown in Appendix F.

#### **10.2 Regulatory Background**

The Local Government Act 2003 requires the Council to adopt the CIPFA (the Chartered Institute of Public Finance and Accountancy) Prudential Code and produce Prudential Indicators. The Council's treasury activities are regulated by statutory requirements and a professional code of practice (the CIPFA Code of Practice on Treasury Management). The Code of Practice recommends that members are informed of treasury management activities

#### **11.0 Implications**

### 11.1 Economic Background

From the start of the financial year, international markets have been concerned about the lack of growth in the Eurozone, the UK and Japan. Concerns about the UK economy included fears of a triple-dip recession, falling wages, and low business investment.

However, as the year has progressed UK economic growth has exceeded earlier expectations with much of the improvement being due to the strength of the service sector and to an increase in household consumption driven by higher consumer confidence, greater availability of consumer credit and strengthening house prices. The service sector, manufacturing and construction have all registered some growth in the final quarter of 2013/14 which indicates that a balanced recovery may be developing.

CPI (Consumer Price Index) inflation fell to 1.6% in March 2014 largely due to the easing of petrol prices and to the effect of discounting by retailers.

### 11.2 Interest Rates

The Monetary Policy Committee (MPC) has maintained the Base Rate at 0.5% throughout 2013/14 and the Bank of England has indicated that it expects any future increases to the bank rate to be gradual in nature.

### 11.3 Borrowing

In line with advice from treasury advisors the borrowing strategy is to postpone new borrowing and to utilise in-house cash balances instead (also known as internal borrowing). This is the most prudent strategy, particularly in periods when investment returns are low and counterparty risk is high. Such a strategy minimises treasury risk by reducing both external debt and in-house investments. Therefore, no new long term borrowing has been taken.

Long term borrowing is only undertaken for a capital purpose and the statutory borrowing limit, the Authorised Limit (£9.9m), was not breached.

The Council's existing debt at 31<sup>st</sup> March 2014 remained at £3.8m, all of which is at fixed rates and is as set out in Table 8. There was no requirement for short term borrowing for cash flow purposes throughout the year.

**Table 8 – Analysis of Borrowing**

Type of Loan	Balance 31/03/14 £m
Public Works Loan Board (PWLB)	3.8
Short Term Borrowing	0
<b>Gross Borrowing</b>	<b>3.8</b>

No new borrowing was taken out during 2013/14; the level remained at £3.8m throughout the year. The average rate of interest payable was 2.86%.

The figures in this report are based on the actual amounts borrowed and invested and so may differ from those in the final statutory annual accounts by items such as accrued interest and other statutory accounting adjustments.

#### 11.4 Investments

The security of investments is the Council’s main investment objective. This is achieved by adhering to the Treasury Management Strategy approved by Council on 4<sup>th</sup> March 2013. The investment activity during the year conformed to the approved strategy, and the Council had no liquidity difficulties.

#### 11.5 Internally Managed Funds

During the year, cash sums managed internally by the Council have been invested for periods of up to two weeks with approved banks, money market funds, and Lancashire County Council. The Council held an average cash balance of £11m of internally managed funds. The overall performance was a gross return of 0.44% compared with a benchmark return of 0.41%, and interest earned was £48k compared to a revised budget of £46k.

#### 12.0 Prudential Indicators

12.1 The Council complied with all of its Prudential Indicator limits for 2013/14. Details can be found in Appendix F.

#### 13.0 Overall Conclusion

13.1 The report represents an improvement in the Council’s General Fund Revenue forecast balances position compared with previous budget forecasts. The favourable outturn position should be regarded as a helpful windfall given the future financial challenges faced by the Council. Members are already aware of the underlying budget position which shows a budgeted call on reserves in the latter years of the forecast. This indicates that ongoing modernisation and business improvement programmes need to continue.

The improved outturn position leaves the Council well placed to face these uncertainties and ensure that any future savings requirements can be planned and phased over a longer period than would otherwise be the case.

IMPLICATIONS	
Finance	Detailed financial implications are included within the body of the report.
Legal	There is a statutory requirement for the Chief Financial Officer to sign off a completed Annual Statement of Accounts for the Council by 30 <sup>th</sup> June each year, in preparation for the Council’s external auditors KPMG to carry out an annual audit.
Community Safety	Not applicable

Human Rights and Equalities	Not applicable
Sustainability and Environmental Impact	Not applicable
Health & Safety and Risk Management	Not applicable

REPORT AUTHOR	TEL	DATE	DOC ID
Paul O'Donoghue, Chief Financial Officer	01253 658566	9 <sup>th</sup> June 2014	

LIST OF BACKGROUND PAPAERS		
Name of document	Date	Where available for inspection
Medium Term Financial Strategy 2013/14 to 2017/18	3rd March 2014	<a href="http://www.fylde.gov.uk">www.fylde.gov.uk</a>

**Attached documents**

Appendix A – General Fund Summary Revenue Expenditure & Income Account

Appendix B – General Fund Outturn 2013/14 – Variations from Revised Estimates

Appendix C – Revenue Budget Slippage Items requested

Appendix D – Capital Outturn 2013/14

Appendix E – Capital Outturn Slippage Items requested

Appendix F – Prudential Indicators

**GENERAL FUND OUTTURN 2013/14**

Summary Revenue Account				
Outturn 2013/14				
Latest Estimate	Outturn	Variance + Over / (Under)	Favourable / Adverse	
£'000	£'000	£'000		
<b>Net Service Expenditure</b>				
Chief Executive	2,810	2,695	(115)	Fav
Resources	3,876	3,821	(55)	Fav
Development Services	3,521	3,246	(275)	Fav
<b>Net Cost of Services</b>	<b>10,207</b>	<b>9,762</b>	<b>(445)</b>	Fav
Contingency	0	0	0	-
Contributions to / (from) other Funds	(241)	(217)	24	Adv
Capital Accounting Adjustments	(1,220)	(1,345)	(125)	Fav
Interest payable and similar charges	109	109	0	-
Interest and investment income	(46)	(49)	(3)	Fav
Minimum Revenue Provision	667	667	0	-
Pension accounting adjustment	0	(45)	(45)	Fav
<b>Sub-Total of Appropriations</b>	<b>(731)</b>	<b>(880)</b>	<b>(149)</b>	Fav
<b>Total Net Requirement</b>	<b>9,476</b>	<b>8,882</b>	<b>(594)</b>	Fav
<b>Financing</b>				
General Government Grants:				
New Homes Bonus	(907)	(907)	0	-
s31 Grant - Business Rates Retention Scheme	0	(374)	(374)	Fav
Other Government Grants	(17)	(49)	(32)	Fav
Revenue Support Grant and Business Rate Retention	(4,088)	(4,291)	(203)	Fav
Demand on the collection fund (incl previous years surplus)	(5,114)	(5,114)	0	-
	<b>(10,126)</b>	<b>(10,735)</b>	<b>(609)</b>	Fav
<b>Surplus of resources for the year</b>	<b>(650)</b>	<b>(1,853)</b>	<b>(1,203)</b>	Fav
<b>Approved Transfer to Reserves</b>				
Transfer to Capital Investment Reserve	455	455	0	-
	<b>(195)</b>	<b>(1,398)</b>	<b>(1,203)</b>	Fav
<b>Re-phasing of budgets approved by Cabinet, tfr to GF balances:</b>				
Accommodation Project (approved Cabinet 5th March 2014)	174	174	0	-
Local Plan re-phasing (approved Cabinet 26th March 2014)	21	21	0	-
<b>Recommended transfers to reserves</b>	<b>0</b>	<b>(1,203)</b>	<b>(1,203)</b>	Fav
<b>Analysis of recommended Transfers to Reserves:</b>				
- transfer to general fund revenue balances re slippage	0	(94)	(94)	Fav
- transfer to Collection Fund Deficit Reserve	0	(416)	(416)	Fav
- transfer to Funding Volatility Reserve	0	(221)	(221)	Fav
- transfer to Capital Investment Reserve	0	(472)	(472)	Fav
<b>Recommended transfers to reserves</b>	<b>0</b>	<b>(1,203)</b>	<b>(1,203)</b>	Fav
<b>Statement of General Fund Revenue Balances</b>				
<b>General Fund Revenue Balances b/f</b>	<b>(4,800)</b>	<b>(4,800)</b>	<b>0</b>	-
Re-phasing of budgets approved by Cabinet, tfr to GF balances:	(195)	(195)	0	-
Recommended transfer to general fund revenue balances	0	(94)	(94)	Fav
<b>General Fund Revenue Balances c/f</b>	<b>(4,995)</b>	<b>(5,089)</b>	<b>(94)</b>	Fav

**Note** - this table has been provided to assist Members in understanding the outturn position. The Statutory Statement of Accounts will be in a different format to comply with the latest Code of Practice on Local Authority Accounting.

2013/14 Revenue Outturn Variances from Latest Estimates

APPENDIX B

Service Area	Detailed Description	Latest Full Year Budget £	Actual at year end £	Variance £	Adverse / Favourable	Reason for Variance
<b>Staffing costs and authority wide budgets</b>						
Authority wide	Staffing budgets, including on costs	7,702,462	7,599,830	-102,632	Favourable	This favourable variance is as a result of a higher than anticipated level of in-year savings from staffing vacancies.
Human Resources	Blackpool BC - HR Services	169,500	160,722	-8,778	Favourable	This favourable variance has resulted from in-year contract efficiencies.
Authority wide	Printing and stationery costs	55,084	47,532	-7,552	Favourable	This favourable variance is as a result of the authority wide drive to reduce printing and stationery costs wherever possible.
Payroll	Blackpool BC - Payroll Services	27,000	21,883	-5,117	Favourable	This favourable variance has resulted from in-year contract efficiencies.
Utilities costs	Electricity, Gas, Water, Sewerage and Environmental charges	298,070	272,676	-25,394	Favourable	With a relatively mild winter (in temperature terms) expenditure on heating has been lower than average.
Fleet Costs	FMS Materials Cost	159,344	119,499	-39,845	Favourable	Materials budgets are underspent across a range of vehicles as a result of the number of new vehicles acquired, the removal of the need to go on landfill sites, and improved driving practices. It is anticipated that this saving will reduce as the age of the vehicles increases and as warranties expire.
	Fuel Costs	338,114	331,050	-7,064	Favourable	Fuel usage lower than anticipated on some vehicles. The fleet budgets will be further refined during 2014/15 to achieve a closer alignment to fuel requirements for each vehicle.
	Hire of Transport	172,022	164,325	-7,697	Favourable	This favourable variance has resulted from the reduced requirement for hired vehicles in the year. This budget will be reviewed during 2014/15 in the light of this favourable variance.
<b>Chief Executive</b>						
Public Conveniences	Miscellaneous Receipts	-29,000	-35,385	-6,385	Favourable	Coin income from public conveniences was higher than anticipated during the year. The income budget will be reviewed during 2014/15 in the light of this favourable variance.
Fylde Waste Schemes	Replacement Waste Containers	40,000	22,862	-17,138	Favourable	This favourable variance is due to the reduced requirement during the year to purchase additional waste containers for the supply to new properties and the replacement of damaged containers.
Trade Waste Service	LCC-Landfill Levy/Tipping Charges	140,000	129,699	-10,301	Favourable	LCC disposal charges have been lower than anticipated due to an overall reduction in the total volume of trade waste collected, partially offset by slightly lower income achieved from disposal fees charged.
	Bulk Bin Disposal Charges	-150,820	-143,820	7,000	Adverse	



Service Area	Detailed Description	Latest Full Year Budget £	Actual at year end £	Variance £	Adverse / Favourable	Reason for Variance
<b>Resources</b>						
Legal Services Team	Books & Periodicals	20,000	11,255	-8,745	Favourable	One off saving in 2013/14 only as a result of revised purchase arrangements.
Rent Allowances - Housing Benefit	Rent Allowances, net of subsidy	-156,115	-146,451	9,664	Adverse	Adverse variance resulting from changes in subsidy recoverable on housing benefit payments totalling £20.9m during the year, net of adjusted provision for bad debt.
Council Tax Collection Costs	Miscellaneous Receipts - court fees	-160,000	-141,745	18,255	Adverse	Shortfall in the level of court costs rechargeable to Council Tax payers in default. This budget will be reviewed during 2014/15 in the light of this variance.
Council Tax Benefits	Council Tax Benefit	0	-46,206	-46,206	Favourable	One-off gain in 2013/14 for net reductions in Council Tax Benefit previously awarded. Prior to 2012/13, this would have been shown in the Collection Fund, but due to the abolition in Council Tax Benefit from 13/14 onwards, this is now credited directly to General Fund.
Revs & Bens Central Costs	CTRS - Hardship Fund	10,000	344	-9,656	Favourable	This favourable variance is as a result of a low level of hardship awards being made to claimants during 2013/14. It is proposed that the remaining £9,656 available in this budget is slipped into 2014/15 to provide some budget provision for potential claimants during the new year.
Food Safety Compliance	Legal Fees	-39,000	-46,756	-7,756	Favourable	Additional legal fees have been generated as a consequence of specific food safety compliance cases that have arisen during the year.
Homelessness	B & B costs, net of housing benefit repayments	15,000	26,846	11,846	Adverse	Although the Housing Team has avoided where possible the use the Bed and Breakfast accommodation for temporary housing and has utilized other temporary accommodation units or other homelessness prevention initiatives, the need for B & B accommodation during the year has been greater than was anticipated. The additional cost of this is partially offset by an increase in housing benefit repayment income.
<b>Development Services</b>						
Coast and Countryside	Sale of Sand (sandwinning)	-92,250	-98,635	-6,385	Favourable	This is a demand led budget, and more sand has been extracted during the year than was anticipated. This relatively small increase may be indicative of the beginnings of a general improvement in the condition of the construction sector.
Crematorium	Cremation income / contract repair and maintenance	-752,000	-857,088	-105,088	Favourable	The additional income is the result of extra cremations being carried out due to extended reduction in capacity at Carleton Crematorium as a replacement cremator scheme is carried out. The additional income is partially offset by additional contract repair and maintenance costs in respect of the increased use of the cremators.
Development Management	Consultants Fees	25,019	17,362	-7,657	Favourable	The nature of planning applications received during 2013/14 were such that it was not necessary to engage consultants to provide specialist advice to the extent that was initially envisaged, resulting in this favourable variance.
	Advertising	15,000	9,968	-5,032	Favourable	During 2013 there was a review of the practice in respect of statutory advertisements relating to major planning applications, applications for listed building consent and applications affecting the character of a conservation area. As a result of this review and change in practice there has been a reduction in the costs of advertising in respect of these public notices.

Service Area	Detailed Description	Latest Full Year Budget £	Actual at year end £	Variance £	Adverse / Favourable	Reason for Variance
Planning Appeals	Planning Appeal Hearing Costs	166,118	121,118	-45,000	Favourable	The budget for 2013/14 included provision for public inquiry costs relating to planning appeals in relation to applications in Wrea Green. These inquiries did not take place during 2013/14 as originally proposed, with the method of determining the appeals being switched to written representations and the appeals being determined in May 2014. A partial award of costs was made against the Council in regard to one of the four appeals and part of this budget will still be required to fund this claim, which has not yet been submitted by the appellant. It is proposed that the full £45k underspend from 2013/14 is slipped to meet these outstanding costs and also to further add to the 2014/15 planning appeals budget in order that there is greater provision to deal with any forthcoming appeals in the new year, as this budget has been under pressure in recent years.
Coast Protection	Other General Repairs and Maintenance	77,190	71,458	-5,732	Favourable	The budget was increased during the year by a virement from other cost centres to provide for the repair of damage following the storm surges and high winds in December and February. The actual repairs costs have been less than was previously estimated.
Footway Lighting	Other General Repairs and Maintenance	10,000	15,644	5,644	Adverse	Increased repair costs have been incurred during 2013/14 due to the ageing infrastructure. This budget will be reviewed during 2014/15 as part of the budget right-sizing exercise. In addition a capital bid to replace footway lighting features on a rolling basis may need to be considered in due course.
Corporate Repair & Maintenance	Other General Repairs and Maintenance	307,157	320,579	13,422	Adverse	Repair and maintenance needs during the year slightly exceeded the available budget. This work has dealt with health and safety concerns arising during the year and schemes which will reduce future recurring maintenance costs.
Car Parking Fee Income	Various Sites	-511,482	-520,578	-9,096	Favourable	The favourable weather conditions during 2013/14 have resulted in the generation of additional income from car parking for the year.
Direct Revenue Financing - Ashton Gardens Depot	Direct Revenue Financing	85,000	0	-85,000	Favourable	In line with the recommendations from the Council meeting of 3rd December 2012, a direct revenue financing budget of £85k was established to fund improvements at Ashton Gardens Depot as part of the accommodation project pending capital receipts being received to fund the project. Capital receipts in excess of this sum have been received in 2013/14 and will be used to fund these works during 2014/15 which has resulted in this favourable revenue outturn variance.
Direct Revenue Financing - Cem & Crem pumping station (£30k), Accommodation project window replacement (£10k).	Direct Revenue Financing	40,000	0	-40,000	Favourable	Budget provision existed in 2013/14 in respect of the following schemes : £30k Cem/Crem Pumping Station - funded from in year revenue savings in 2012/13, and £10k Town Hall window replacement being the estimate of costs to be spent on the scheme in 2013/14. Neither of these schemes incurred expenditure during 2013/14 and a slippage request has been made to move this funding into 2014/15.

Service Area	Detailed Description	Latest Full Year Budget £	Actual at year end £	Variance £	Adverse / Favourable	Reason for Variance
<b>Financing</b>						
General government grants	s31 grant received re business rates	0	-374,056	-374,056	Favourable	s31 grant received from central government to contribute towards FBC's share of the deficit on the NNDR collection fund as a result of the doubling of small business rate relief.
General government grants	Other government grants	-17,000	-49,056	-32,056	Favourable	This favourable variance has resulted from additional government grants received during the year which were in excess of the budget. These relate to: capitalisation grant unused and therefore redistributed by central government; and community right to challenge funding.
General government grants	Revenue support grant and Business Rate Retention	-4,087,918	-4,291,052	-203,134	Favourable	Net favourable variance as a result of additional business rates collected in year when compared to the budgeted safety net level.
Other minor variances	Various			-40,899	Favourable	Net total of all other outturn variances across the Council.
<b>Total</b>				<b>-1,203,570</b>		

Revenue Slippage 2013/14

Appendix C

Requests to transfer 2013/14 budget to 2014/15

Ref.	Cost Centre	Service Area	Sub Analysis	Slippage Requested £	Explanation of Slippage	Effect on service delivery if not approved
<b>RESOURCES DIRECTORATE</b>						
1.1	7520	Revs & Bens Central Costs	Council Tax reduction Scheme - Hardship Fund	9,656	This favourable variance is as a result of a low level of hardship awards being made to claimants during 2013/14. It is proposed that the remaining £9,656 available in this budget is slipped into 2014/15 to provide some budget provision for potential claimants during the new year.	The Hardship Fund provides an opportunity for the Council to award additional relief in a small number of cases to persons who have suffered a reduction in the level of support they receive as a consequence of the introduction of the Council Tax Reduction Scheme (which replaced Council Tax Benefit from 2013/14). The Hardship Fund is a key element of the Council Tax Reduction Scheme and helps to ensure that the scheme adopted by the Council meets all legal requirements in respect of equality analysis and the provision of additional support in exceptional circumstances. If the slippage were not to be approved an equivalent amount of funding would need to be found from another source to meet these obligations.
<b>Resources sub-total</b>				<b>£ 9,656</b>		
<b>DEVELOPMENT SERVICES DIRECTORATE</b>						
1.2	3605	Planning Appeals	Planning Appeal Hearing Costs	45,000	The budget for 2013/14 included provision for public inquiry costs relating to planning appeals in relation to applications in Wrea Green. These inquiries did not take place during 2013/14 as originally proposed, with the method of determining the appeals being switched to written representations and the appeals being determined in May 2014. A partial award of costs was made against the Council in regard to one of the four appeals and part of this budget will still be required to fund this claim, which has not yet been submitted by the appellant. It is proposed that the full £45k underspend from 2013/14 is slipped to meet these outstanding costs and also to further add to the 2014/15 planning appeals budget in order that there is greater provision to deal with any forthcoming appeals in the new year, as this budget has been under pressure in recent years.	A partial award of costs has been made against the Council in regard to one of the appeals at Wrea Green and this will need to be paid once a claim is submitted and ratified by the Council. In recent years the planning appeals budget has been under strain and unfunded budget increase requests have been made to Council to supplement the budget. If the slippage were not to be approved an equivalent amount of funding would need to be found from another source to meet these obligations.
1.3		Cem & Crem pumping station (£30k), Accommodation project window replacement (£10k).	Direct Revenue Financing	40,000	Budget provision existed in 2013/14 in respect of the following schemes : £30k Cem/Crem Pumping Station - funded from in year revenue savings in 2012/13, and £10k Town Hall window replacement being the estimate of costs to be spent on the scheme in 2013/14. Neither of these schemes incurred expenditure during 2013/14 and a slippage request has been made to move this funding into 2014/15.	Progress with the cemetery pumping station scheme has been delayed due to staff resources being diverted to manage the accommodation scheme works. Without a fully functioning pumping station the Council could not meet its long term statutory responsibilities. It is important therefore that this work progresses at a later date. The sum of £10k Accommodation Scheme works is in respect of the Town Hall window replacement scheme, the delay being due to the arrival on site of the replacement windows at a later date than was originally anticipated. The Council is contractually obliged to pay for this work.
<b>Development Services sub-total</b>				<b>£ 85,000</b>		
<b>Total Revenue Slippage</b>				<b>£ 94,656</b>		

## CAPITAL OUTTURN 2013/14

APPROVED SCHEMES	Original Approved Budget 2013/14 £000	Slippage B/F from 2012/13 £000	Adjustments since 04.03.13 £000	Updated Estimate 2013/14 £000	Actual Outturn £000	Variance £000	Slippage £000	Comments
<b>CHIEF EXECUTIVE:</b>								
Replacement Vehicles	177		-65	112	112	0		The scheme was completed within the approved budget during 2013/14.
<b>Sub total</b>	<b>177</b>	<b>0</b>	<b>-65</b>	<b>112</b>	<b>112</b>	<b>0</b>	<b>0</b>	
<b>RESOURCES:</b>								
Disabled Facilities Programme	366	185	44	595	552	43	43	The original budget was adjusted to reflect slippage from 2012/13 approved by Cabinet 26th June 2013. Since the budget was set, a contribution of £40k was received from New Fylde Housing in March 2014. Slippage is requested.
<b>Sub total</b>	<b>366</b>	<b>185</b>	<b>44</b>	<b>595</b>	<b>552</b>	<b>43</b>	<b>43</b>	
<b>DEVELOPMENT SERVICES:</b>								
Accommodation Project	2,784	10	-2,523	271	259	12	12	The original budget was adjusted to reflect slippage from 2012/13 approved by Cabinet 26th June 2013. Special Cabinet 2nd July 2013 approved expenditure of £261,120 for works to the Town Hall roof. The remainder of the budget was re-profiled into 2014/15. A further budget increase of £184k was approved at Cabinet on 5th March 2014 (£10k in 2013/14 and £174k in 2014/15) fully funded from direct revenue financing in the form of the existing decant costs budget. Slippage is requested of the small residual budget from 2013/14.
Lansdowne Road Play Area	0	0	58	58	58	0		New fully funded scheme approved by Council 25th March 2013. The scheme was completed within the approved budget during 2013/14.
Fylde Community Growing Project	0	7		7	6	1		The original budget was adjusted to reflect slippage from 2012/13 approved by Cabinet 26th June 2013. The scheme was completed within the approved budget during 2013/14, delivering a small saving.
Promenade Garden Play Area Project	50			50	50	0		Fully funded scheme approved by Council 3rd December 2012. The scheme was completed within the approved budget during 2013/14.
St Annes Pool - Changing Facilities Improvement	13	10	635	658	656	2		Fully funded scheme approved by Council 3rd December 2012. A report approved by Council 25th March 2013 increased the budget by way of a fully funded contribution from Sport England & Fylde Coast YMCA. A budget virement of £35k was approved by Cabinet on 18th September 2013. Contractors work completed in January 2014. The scheme was completed within the approved budget during 2013/14, delivering a small saving.
Lytham Park Cemetery - Infant Memorial Garden	30			30	30	0		Fully funded scheme approved by Council 3rd December 2012. The scheme was completed within the approved budget during 2013/14.

APPROVED SCHEMES	Original Approved Budget 2013/14 £000	Slippage B/F from 2012/13 £000	Adjustments since 04.03.13 £000	Updated Estimate 2013/14 £000	Actual Outturn £000	Variance £000	Slippage £000	Comments
Cemetery and Crematorium - Infrastructure Works	80			80	80	0		Fully funded scheme approved by Council 4th March 2013. The scheme was completed within the approved budget during 2013/14.
St Annes 2012	0	2		2	2	0		The original budget was adjusted to reflect slippage from 2012/13 approved by Cabinet 26th June 2013. The scheme was completed within the approved budget during 2013/14.
Car Park Improvements	30	2	7	39	38	1		The original budget was adjusted to reflect slippage from 2012/13 approved by Cabinet 26th June 2013. Subsequently a virement was approved by Cabinet 27th November 2013. The scheme was completed within the approved budget during 2013/14, delivering a small saving.
Town Centre Regeneration - Ansdell	0	258	-30	228	227	1		The original budget was adjusted to reflect slippage from 2012/13 approved by Cabinet 26th June 2013, and the fact that LCC funding of £30k will be spent directly by LCC on the scheme and not via Fylde Council. The scheme was completed within the approved budget during 2013/14, delivering a small saving.
Promenade Footways	40	9	10	59	62	-3		The original budget was adjusted to reflect slippage from 2012/13 approved by Cabinet 26th June 2013. Subsequently a virement was approved by Cabinet on 27th November 2013 and a fully funded increase approved by Cabinet on 15th January 2014 in relation to storm damage which occurred during winter months. The scheme was completed within the year but a small overspend occurred due to the extent of the damage requiring repair.
Cemetery / Crematorium Pumping Station	30			30	0	30	30	Fully funded scheme approved by Council 3rd December 2012. Scheme detail presented to Cabinet in November 2013. Scheme delayed in 2013/14 due to other urgent priorities. Slippage requested.
Contribution to Kirkham Public Realm Improvement Scheme	35			35	35	0		Fully funded scheme approved by Council 4th March 2013. The scheme was completed within the approved budget during 2013/14.
Fylde Headlands Preliminary Work	0		35	35	10	25	25	Fully funded scheme approved by Cabinet 15th January 2014. Slippage requested.
<b>Sub total</b>	<b>3,092</b>	<b>298</b>	<b>-1,808</b>	<b>1,582</b>	<b>1,513</b>	<b>69</b>	<b>67</b>	
<b>Total Expenditure</b>	<b>3,635</b>	<b>483</b>	<b>-1,829</b>	<b>2,289</b>	<b>2,177</b>	<b>112</b>	<b>110</b>	

## Requests to transfer 2013/14 Budget to 2014/15

Ref. No.	Cost Centre	Scheme	Detail	Slippage Requested £	Explanation of Slippage	Effect on service delivery if not approved
<b>RESOURCES DIRECTORATE</b>						
1.1	Z010	Disabled Facilities Grants	Capital Grants	43,000	This budget has been supplemented during the year by way of a contribution of £40k from New Fylde Housing which was received in March 2014. The majority of the slippage of £43k reflects Disabled Facilities Grant works which have been approved but for which the work has not yet been completed.	If the slippage is not granted the £43k of approved works would have to be funded from the 2014/15 budget for this purpose, representing approximately 11% of the total budget of £382k.
Resources sub-total				<b>£ 43,000</b>		
<b>DEVELOPMENT SERVICES DIRECTORATE</b>						
2.1	Z118 / Z119	Accommodation Project	Building Works and Improvements	12,000	This item comprises two elements: £2k in respect of outstanding works committed but not yet completed as part of the Town Hall re-roofing scheme; and £10k in respect of the Town Hall window replacement scheme, the delay being due to the arrival on site of the replacement windows at a later date than was originally anticipated.	In respect of both elements the works are already committed. The Council is therefore contractually obliged to pay for this work which will deliver important elements of the accommodation project.
2.2	Z108	Cemetery / Crematorium Pumping Station	Building Works and Improvements	30,000	Progress with the scheme has been delayed due to staff resources being diverted to manage the accommodation scheme works.	Without a fully functioning pumping station the Council could not meet its long term statutory responsibilities. It is important therefore that this work progresses at a later date.
2.3	Z116	Fylde Headlands Preliminary Work	Building Works and Improvements	25,000	Initial progress with the scheme has been slower than was originally planned. The project is however now making good progress and is expected to be completed on time.	The outcome of the study will form the basis of a grant submission to the Environment Agency Large Projects Review Group (LPRG) during 2014 in order to secure capital funding for the initial phases of work to replace the coastal defences at Fairhaven Lake and Church Scar. The study would not be able to proceed were the slippage request not to be approved and consequently the delivery of the Coastal Protection scheme would not progress.
Development Services sub-total				<b>£ 67,000</b>		
<b>Total Capital Slippage</b>				<b>£ 110,000</b>		

## Appendix F

### Prudential Indicators

Prudential Indicator	Revised Indicator 2013/14 £m	Actual 2013/14 £m	Note
Authorised limit for external debt	9.9	3.8	1
Operational boundary for external debt	3.8	3.8	2
Principal sums invested > 364 days	0	0	
Limit on fixed interest rate debt	3.8	3.8	2
Limit on variable interest rate debt	1.9	0	
Maturity structure of borrowing (Upper limits) :-			
Under 12 months	70%	40%	
12 months – 2 years	100%	0%	
2 years – 5 years	100%	34%	
5 years – 10 years	100%	26%	
10 years and above	100%	0%	
External Debt – Gross Borrowing	3.8	3.8	2
Investments	0	9.1	
Capital Expenditure	2.2	2.2	
Capital Financing Requirement	7.2	7.2	
Ratio of Financing Costs to Net Revenue Stream	7.2%	7.2%	
Incremental Impact on Capital Investment Decisions on the Council Tax	£14.84	£9.80	3

#### Notes

1. The Authorised Limit for external debt represents the limit beyond which borrowing is prohibited, and is set and revised by the Council. It reflects the level of borrowing which, in extreme circumstances, could be afforded in the short term. This is the statutory limit determined under section 3 (1) of the Local Government Act 2003. The Authorised Limit indicator of £9.9m is set deliberately higher than the actual forecasted borrowing amount as it needs to take into account any unexpected cash movements, and becomes the Authority's statutory limit. During 2013/14 the Authorised Limit was not exceeded.
2. The Operational Boundary is based on the expected maximum external debt during the course of the year. It is not a limit and therefore may be exceeded on occasion. During 2013/14 the Operational Boundary was not exceeded.
3. The incremental impact on Council Tax is lower than the Prudential Indicator as the Council has used in-house cash (internal borrowing) to fund capital expenditure rather than external borrowing. This is cheaper than external borrowing and minimises treasury risk (see Section 11.3).