



# Policy Development Scrutiny Committee

<b>Date:</b>	Thursday, 19 February 2015
<b>Venue:</b>	Town Hall, St Annes
<b>Committee members:</b>	Councillor Fabian Craig- Wilson ( Chairman)  Councillor Len Davies (Vice-Chairman)  Councillors Susan Ashton, David Chedd, Maxine Chew, Peter Collins, John Davies, David Donaldson, Charlie Duffy, Karen Henshaw JP, Barbara Nash, Edward Nash, Elizabeth Oades, Richard Redcliffe, Elaine Silverwood, Vivienne Willder
<b>Other Councillors:</b>	Councillors Karen Buckley, Susan Fazackerley, Cheryl Little
<b>Officers:</b>	Tracy Morrison, Paul Walker, Paul O'Donoghue, Paul Drinnan, Stephen Smith, Lyndsey Lacey, Alex Scrivens
<b>Members of the public</b>	There were no members of the public

## Public Platform

There was no speakers for public platform 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. Confirmation of minutes

RESOLVED: To approve the minutes of the Policy Development Scrutiny Committee meeting held on 13 November 2014 and 8 January 2015 as correct records for signature by the Chairman.

### 3. Substitute members

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

Councillor Barbara Nash for Councillor Ben Aitken

#### 4. Medium Term Financial Strategy Update, Including General Fund, Capital Programme and Treasury Management for 2014/15 to 2018/19

The comprehensive updated report on the Medium Term Financial Strategy (MTFS) for the five years 2014/15 to 2018/19 was introduced by Paul O'Donoghue (Section 151 Officer and Chief Financial Officer)

Members were reminded that the MTFS is designed to provide a strategic link between available financial resources and the Council's corporate policy priorities, ensuring that the Council sets a budget which is robust and sustainable to deliver the aspirations in line with its strategic objectives.

In summary, the report detailed the estimated financial resources available to the Council and identified how they would be utilised to support the achievement of the Council's priorities. The report also identified the key financial risks facing the Council over the life of the forecast. In addition, it detailed the various budgetary movements since the budget was set by Council in March 2014, together with the Council's Revenue Budget expenditure and Forecast, Capital Programme and Useable Reserves and Balances Policy.

Mr O'Donoghue drew to the Committee's attention the salient points contained in the report. He advised that the document would be presented to Budget Council meeting of 3 March 2015. In addition, feedback from the Budget consultation process would also be considered as part of the budget setting meeting.

In presenting the report, Mr O'Donoghue specifically drew the Committee's attention to the Local Government Finance Settlement for 2015/16 which he explained, was broadly in line with the indicative funding for 2015/16 which had formed the basis for the 2015/15 budget planning. He then went on to highlight key high level financial risks within the Revenue budget which included: New Homes Bonus, Government Grant Support (RSG), the Waste Recycling Cost Sharing Arrangement that the Council has in place with Lancashire County Council and the Localisation of Business Rates.

Mr O'Donoghue then went on to refer to key areas of medium financial risk within the Capital Programme including: Accommodation Project, Coast Protection Scheme, Vehicle Replacement and the Better Care Fund. In addition he drew the committee's attention to the budgetary movements since the budget was set at Council in March 2014, Cabinet's current Budget proposals together with details of the Capital Investment Reserve as set out in the report.

A copy of the Medium Term Financial Strategy 2014/15 to 2018/19 was attached as an appendix to the report.

In concluding his report, Mr O'Donoghue confirmed that as the Council's Chief Financial Officer he was required to comment on the robustness of the Council's financial position and that, having considered the major items of income and expenditure, in his opinion the finances of the Council remain robust for a four year period of a broadly balanced budget on the basis of the assumptions set out in the report. The final year of the forecast, however, provided a more challenging scenario. In forming this view, Mr O'Donoghue reiterated the risks outlined in sections 16 and 19 of the report and in particular, the current uncertainties surrounding assumptions upon which the forecast is based.

Councillor Karen Buckley was then invited by the Chairman to comment on Cabinet's specific budget proposals which were set out on pages 57-59 of the report. In doing so, she introduced her report by highlighting the proposed Council Tax freeze for the 5<sup>th</sup> year running including the continuing freezing of special expense charges. She then went through the report in detail and commented on each aspect of the proposals listed.

Various members commented on the proposals and sought clarification on a number of areas including: the phasing arrangements of the Accommodation Project; revenue items contained within the Budget proposals; grass verge cutting proposals, replacement of roof at Lowther Pavilion and

Freckleton Memorial Park proposals. These were addressed by Mr O'Donoghue and Councillor Buckley as appropriate. Mr O'Donoghue gave assurance that the queries which could not be directly answered on the night would be followed up and a response provided to the committee members.

Following consideration of the report it was RESOLVED that the committee note the contents of the Medium Term Financial Strategy including Cabinet's budget proposals, and note that Budget Council on 3<sup>rd</sup> March 2015 be recommended to approve and adopt:

- (a) The revised estimates for 2014/15 and the revenue budget for 2015/16 as set out in Appendix E of the report, which includes the transfers to the Capital Investment Reserve in the total sum of £911k and the increase in the balance of the General Fund Reserve in the sum of £255k;
- (b) The budget proposals and changes to Reserves and Balances as set out in Appendix F of the report;
- (c) The updated Five Year Capital Programme including the changes proposed by Cabinet, as set out in Appendix G of the report;
- (d) The updated Useable Reserves & Balances Policy as detailed in Appendix H of the report;
- (e) An average Band D Council Tax of £185.79 for 2015/16 (excluding Town and Parish precepts), which is a 0.06% reduction from the 2014/15 average Band D charge;
- (f) The Special Expenses policy as set out in Appendix I; which includes that:
  - for the purposes of charging special expenses, both the special expense costs and the tax bases relating to the areas of Lytham and St Annes will each be aggregated and the Council Tax charge per property at each band level will be the same across the whole area; and
  - the annual special expense charge per property will be set for 2015/16 at the same level as for 2014/15, that being £67.94 per band D property; and
  - the annual borough wide charge per property will be set for 2015/16 at the same level as for 2014/15, that being £144.82 per band D property; and
  - the budget resource to be allocated to delivering concurrent services and chargeable as special expenses for 2015/16 will be set at a sum equivalent to the annual special expense charge per property (band D equivalent) multiplied by the tax base for the special expense area;
- (g) The schedule of fees and charges for 2015/16 as detailed in Appendix J of the report.

#### 5. Economic Development Strategy – Review of Action Plan

The Chairman invited Paul Drinnan (Regeneration Manager) and Stephen Smith (Economic Development Officer) to the table to present a review of the Action Plan in relation to the Economic Development Strategy.

The report included an appendix detailing the type and scope of activity undertaken by the Council in delivering the Economic Development Strategy and Action Plan 2012 to 2030 since its adoption by Cabinet in January 2013.

In considering the matter, members raised a number of matters and these related to: member input/involvement into the Economic Development Strategy and associated activities/representation on various economic development sub groups. In addition, the Chairman sought to amend section 11.1 of the activity report and read out her proposal to the committee (as detailed in 2 below).

Following discussion it was RESOLVED:

1. To note the report and recommend to Cabinet that following two years of detailed review of the Economic Development Strategy and Service, subsequent Action Plans be reviewed annually by the appropriate programme committee.

2. To recommend to Cabinet that section 11.1 of the Economic Development Activity report be amended to read:

“To assess the potential economic benefits (and possible disadvantages) of exploration and or development of the energy and renewable sectors to local communities” and that reference to the bodies/organisations listed under “by whom” be amended to read “Fylde Borough Council, Lancashire County Council and energy sector companies”

(Prior to the conclusion of the debate and voting, Councillors Chew, Ashton, Oades and Silverwood left the room)

#### 6. Mid- End Performance Exception Report 2014/15

Alex Scrivens (Corporate Performance and Efficiency Officer) presented the Mid-Year Performance Exception Report for the period April-September 2014.

Mr Scrivens provided a brief overview of key performance outcomes for the first half of the financial year 2014/15 with particular reference to performance above target and the performance below target. He explained that for the “*performance above target*”, the narrative provided information about how the target had been exceeded and how that would be maintained. With regard to “*performance below target*” the narrative explained why the target was missed and what measures had been put in place to help achieve the target in the future.

In addition, Mr Scrivens drew the Committee’s attention to those areas where a performance measure change request was proposed and these related to PM 23, 49, 76, 36, 152 as outlined in the report. It was the general view that PM49 relating to the percentage of phone calls to 01253 658658 remain at 90%.

Following consideration of this matter it was RESOLVED to note the report and recommend to Cabinet that with the exception of PM49, the proposed measure change requests of PM 23, 76, 36 and 152 be approved.

(Councillors Chew, Ashton, Oades and Silverwood were not in attendance during the consideration and voting on this matter)

#### 7. Overview and Scrutiny Work Plans - Update

Following consideration of the overview and scrutiny workplans (which were included as an appendix to the report) it was RESOLVED to note the report.

(Councillors Chew, Ashton, Oades and Silverwood were not in attendance during the consideration and voting on this matter).

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