



Minutes

FINANCE AND DEMOCRACY COMMITTEE

Date:	Monday, 30 November 2015
Venue:	Town Hall, St Annes.
Committee Members:	Councillor Karen Buckley (Chairman) Councillor Roger Small (Vice Chairman) Councillors David Donaldson, Susan Fazackerley, Angela Jacques, Linda Nulty, Richard Redcliffe, Vince Settle, Elaine Silverwood.
Other Councillors Present:	None
Officers Present:	Allan Oldfield, Tracy Morrison, Paul O'Donoghue, Ian Curtis, Sharon Wadsworth, Andrew Turpin (Blackpool Council), Louise Jones (Blackpool Council)
Other Attendees:	Four members of the public

Public Platform

Under the Public Platform arrangements, Mr Moor addressed the committee on the Corporate Plan.

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.

Councillor Buckley declared a personal and prejudicial interest, in agenda item 4, Review of Council Tax Discounts and Premiums 2016/17, and item 5, Council Tax Reduction Scheme 2016/17 and withdrew from the meeting during the discussion and voting thereon.

2. Confirmation of minutes

RESOLVED: To approve the minutes of the Finance and Democracy Committee meeting held on 28 September 2015 as a correct record for signature by the Chairman.

3. Substitute members

The following substitutions were reported under Council procedure rule 24(c):

Councillor Susan Fazackerley for Councillor Richard Taylor

Decision Items

4. Review of Council Tax Discounts and Premiums 2016/17

(Councillor Buckley withdrew from the meeting having declared an interest at the start of the meeting.

Paul O'Donoghue, Chief Financial Officer, presented the report to review the current regime of Council Tax discounts premium and to consider any further amendments. He explained that at the full Council meeting, on 14th December 2015, Council would be requested to determine any changes to be made to Council Tax discounts and to the long-term empty property premium for 2016/17.

In reaching its decision, the committee considered the details set out in the report before it and at the meeting and RESOLVED to recommend to Council to keep the current regime of Council Tax discounts and premium the same for 2016/17.

5. Council Tax Reduction Scheme 2016/17 Including Grants to Town and Parish Councils

Paul O'Donoghue, Chief Financial Officer, presented an overview of operation of the scheme to date, and the options available to the Council for the 2016/2017 scheme.

The Council's latest Financial Forecast assumed that the full cost of the Council Tax Reduction Scheme (CTRS) would be met by a reduction in support to claimants such that there would be no residual cost borne by Fylde Borough Council and other major preceptors.

Mr O'Donoghue outlined that the recommendation was to retain the main elements of the existing scheme for 2016/17 and maintain the current 22.7% maximum reduction in support to working-age claimants. It was proposed to change one element of the scheme and remove the family premium from the CTRS assessment following the announcement by Government of the intention to remove the family premium from housing benefit assessments for children born after April 2016 or for new claims after that date. This proposal would ensure that eligibility criteria were consistent for both schemes.

The major preceptors had been consulted on scheme proposals for 2016/17 and were in favour of this approach. As in previous years, pensioner claimants would be protected under national arrangements and would not be subject to any reduction in support.

Mr O'Donoghue further advised it was recommended to retain the Discretionary Hardship Relief Fund for 2016/17 especially in light of the proposed assessment changes.

In regards to the grants to Town and Parish Councils, Mr O'Donoghue explained that the change in 2013/2014 from Council Tax Benefit to a Council Tax Reduction Scheme affected the Council's tax-base and also the tax-base of Town and Parish Councils. In order to mitigate the impact on Town and Parish Councils, the Government had allocated a grant to borough councils such as Fylde with an expectation that this would be passed on to Town and Parish councils. It was further expected by the government that Town and Parish Councils would reduce their total precept amounts accordingly.

Mr O'Donoghue outlined a number of options proposed regarding funding for the Town and Parish Councils as follows:

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

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

Option 3: Fylde Borough Council could determine that due to the uncertainty surrounding central grant funding and the expectation that the current grant reduction trajectory will continue in the future (thus reducing the grant amount available for distribution to Town and Parish Councils still

further) the option which provides greatest clarity for future years for Town and Parish Councils is that funding relating to CTRS impacts will be distributed for 2016/17 in the sum of either £68.8k or £66.2k, but that no such payments will be made at all in any future years. This would allow Parish Councils to determine their own financial environment without having to take regard of the actions of the Borough Council.

The Committee discussed all aspects of the report in detail, having due regard to the Equality Analysis, and RESOLVED to recommend to Council:

1. To retain the currently implemented key features of the Council Tax Reduction Scheme for 2016/17, with a projected nil cost to the Council and the major preceptors and a 22.7% maximum reduction in the level of support to working age claimants, excepting for the removal of the family premium from the CTRS assessment as described in section 3.4 of the report;
2. To adopt Option 2, as set out in Section 5.4 of the report, for payments of grants to Town and Parish Councils. That is, in 2016/17 for Fylde Borough Council to agree to fund Town and Parish Councils to compensate them for losses in income as a consequence of the Council Tax Reduction Scheme impact in a total sum which reflects the estimated funding reductions that will apply to Fylde Borough Council for 2016/17. This reduction equates to 3.8%, with £66,200 to be distributed.
3. That the distribution methodology for payment of grants to Town and Parish Councils relating to the Council Tax Reduction Scheme, as described in section 5.10 of the report, will be such that the grant allocation will be in proportion to the changes in the tax-base of each Town and Parish Council for that year under the 2016/17 Council Tax Reduction Scheme regime.
4. To recommend that the Council Tax Reduction Scheme continues to provide funding for Discretionary Hardship Relief in accordance with S13A (1) (a) or S13A (1) (c) of the Local Government Finance Act 2012, as detailed in section 4 of the report.
5. To recommend to Council that the financial implications are reflected in the Council's Revenue Budget and Financial forecast for 2016/17 onwards; and
6. To authorise the Director of Resources to make any necessary final amendments to the scheme arising from changes in the Department for Communities and Local Government's guidance or elsewhere and to bring any such changes to the Council meeting on the 14th December 2015 for approval.

(At the conclusion of the above item, Councillor Buckley returned to the meeting.)

6. Financial Forecast Update (Including Revenue, Capital and Treasury Management) 2015/16 to 2019/20

Paul O'Donoghue, Chief Financial Officer, presented an update of the Council's financial position for the five years 2015/16 to 2019/20 which included changes arising since the budget was set by Council in March 2015. The report set out the purpose and background to the financial forecast and included latest reserve balances, revenue and capital spending forecasts and treasury management issues. It also identified the key high, medium and low level financial impact risks and challenges facing the Council.

Mr O'Donoghue highlighted the high level financial impact risks as set out in the report including the waste recycling cost sharing arrangements with Lancashire County Council that would cease after 2017/18, Business Rate retention scheme and new homes bonus.

Members were informed that a future report would follow once the full impact of central government funding arrangements were known.

The report detailed the proposed establishment of an Accommodation Project Reserve to provide a source of funding for the delivery of further phases of the Accommodation Project and the necessary transfer of

Mr O'Donoghue concluded that the finances of the Council remain robust but that Members must, however, remain cognisant of the risks that were detailed within the report and note that the gap between in-year income and expenditure from 2018/19 would need to be addressed.

Following a full discussion it was RESOLVED:

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

7. Community Asset Nomination: The Fairhaven, Clifton Drive, Lytham St Annes

Ian Curtis, Head of Governance, introduced the report detailing the receipt of a nomination, from the Friends of Fairhaven, for the Fairhaven public house to be included in the list of assets of community value. Mr Curtis explained the application process and effect of the listing to members and clarified that the committee must decide if the property fulfilled the criteria for inclusion as set out in The Localism Act 2011.

Representatives from the Friends of Fairhaven group were invited by the chairman to address the committee.

Following a lengthy debate and a show of hands it was RESOLVED to:

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

8. Notice of Motion – Honorary Alderman

Tracy Morrison, Director of Resources, introduced the item on the Notice of Motion that was referred by Council, at the meeting held on 12 October 2015, to the Finance and Democracy Committee for further discussion and consideration.

The original motion that was put forward by Councillor Hayhurst was:

“That the Council practice of inviting retiring members who have completed 20 years of service or more to become Honorary Aldermen, be extended to include retiring members with less than 20 years service but who have previously served as Mayor of the Borough.”

Ms Morrison confirmed that the terms of reference for the Finance and Democracy committee permitted the matter to be determined by the committee. The original criteria for inviting retiring members to become Honorary Alderman was set in accordance with Section 249 of the Local Government Act 1972 and the Policy and Resources Committee, on 27 September 1999, resolved that 20 years aggregate service be included in the additional criteria.

During the ensuing discussion several suggestions were raised and discussed by the committee and following a show of hands it was RESOLVED:

1. That the Finance and Democracy committee would determine the notice of motion.
2. That the additional criteria for conferment of Honorary Alderman be amended from 20 years aggregate service to 16 years aggregate service.

Information Items

The following information items were received by the committee.

9. Budget Setting – Revenue Budget 2016/17 – First Draft

Members were reminded that the first draft of the revenue budget was available online for review. Any comments or feedback was to be directed to the appropriate lead officer or director of budget holder.

10. Outside Bodies

Reports from Councillors representing the council on outside bodies were circulated to the committee for information.

11. The Corporate Plan 2016 - 2020

A draft of the Corporate Plan 2016-2020 was circulated to members for information and comment. Mr Oldfield confirmed that a decision on the Corporate Plan, taking into consideration all comments received, would now be taken at the 8 February 2016 Council meeting.

Mr. Oldfield clarified the position in respect of information items at all committee meetings stating that they are items that the members can debate and can make recommendations on if they wish. The reason they are not decision items is because a decision or approval is not required to progress the item.

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