

Agenda

Finance and Democracy Committee

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|--------------------|---|
| Date: | Thursday, 29 July 2021 at 6:30 pm |
| Venue: | Town Hall, St Annes, FY8 1LW |
| Committee members: | <p>Councillor Karen Buckley (Chairman) Councillor Vince Settle (Vice-Chairman)</p> <p>Councillors Peter Anthony, Peter Collins, Ellie Gaunt, Linda Nulty, Liz Oades, David O'Rourke, Richard Redcliffe, Elaine Silverwood, John Singleton JP, Michael Withers.</p> |

Public Platform

To hear representations from members of the public in accordance with Article 15 of the Constitution.

To register to speak under Public Platform: see [Public Speaking at Council Meetings](#)

| | PROCEDURAL ITEMS: | PAGE |
|----------|---|----------------|
| 1 | Declarations of Interest: Declarations of interest, and the responsibility for declaring the same, are matters for elected members. Members are able to obtain advice, in writing, in advance of meetings. This should only be sought via the Council's Monitoring Officer. However, it should be noted that no advice on interests sought less than one working day prior to any meeting will be provided. | 1 |
| 2 | Confirmation of Minutes: To confirm the minutes, as previously circulated, of the meeting held on 28 June 2021 as a correct record. | 1 |
| 3 | Substitute Members: Details of any substitute members notified in accordance with council procedure rule 23(c). | 1 |
| | DECISION ITEMS: | |
| 4 | Medium Term Financial Strategy (MTFS) - General Fund Revenue, Capital Programme & Treasury Management Outturn Position for 2020/21 | 3 - 32 |
| 5 | Additional Restrictions Grant - Fully Funded Revenue Budget Increase | 33 - 42 |
| 6 | Kirkham Heritage Action Zone – Fully Funded Capital Budget Increase | 43 - 46 |
| 7 | The Island Regeneration – Fully Funded Revenue Budget Increase | 47 - 49 |

Contact: Democracy - Telephone: (01253) 658504 – Email: democracy@fylde.gov.uk

The code of conduct for members can be found in the council's constitution at
<http://fylde.cmis.uk.com/fylde/DocumentsandInformation/PublicDocumentsandInformation.aspx>

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DECISION ITEM

| REPORT OF | MEETING | DATE | ITEM NO |
|---|---------------------------------|--------------|---------|
| RESOURCES DIRECTORATE | FINANCE AND DEMOCRACY COMMITTEE | 29 JULY 2021 | 4 |
| MEDIUM TERM FINANCIAL STRATEGY (MTFS) – GENERAL FUND REVENUE, CAPITAL PROGRAMME & TREASURY MANAGEMENT OUTTURN POSITION FOR 2020/21 | | | |

PUBLIC ITEM

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

SUMMARY

On 4th March 2021 the Council set its budget for 2021/22, also approving a revised budget for 2020/21. This report sets out for Members: the expected General Fund Revenue, Capital, and Treasury Management Outturn position for the financial year 2020/21; the major variations between the latest approved budget and the actual outturn expenditure; a summary of the impact on the Council's reserves; and includes a summary of the Council's Treasury Management operations for the financial year.

RECOMMENDATIONS

The Finance and Democracy Committee is recommended to:

1. approve the General Fund Revenue Outturn position as summarised in table 1 of the report;
2. approve the revenue slippage items and the transfer to general fund balances as set out in paragraph 2.5 and Appendix C of the report;
3. approve the transfers to earmarked reserves as set out in section 2 and as summarised in table 1 of the report;
4. approve the Capital Outturn position, including financing, as set out in sections 7 to 9 of the report;
5. approve the capital slippage items as set out in Appendix E of the report; and
6. approve the Treasury Management Annual Report as set out in sections 10 to 12 and the actual Prudential Indicators set out in Appendix F of the report.

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 2020/21 financial outturn.

CORPORATE PRIORITIES

| | |
|--|---|
| Economy – To create a vibrant and healthy economy | ✓ |
| Environment – To deliver services customers expect | ✓ |
| Efficiency – By spending money in the most efficient way | ✓ |
| Tourism – To create a great place to live and visit | ✓ |

REPORT

1. Introduction and Background

- 1.1 The Revenue Budget Forecast Update was reported to the Finance and Democracy Committee in both November 2020 and January 2021 and to Council in February 2021, with the Medium Term Financial Strategy (MTFS) and budget decisions presented to full Council for approval in March 2021.
- 1.2 As a consequence of the uncertainty about the impact of the Covid-19 pandemic on the national public finances, the Government implemented a one-year Spending Review for 2021/22 and the Council, as with all Local Authorities, received a one-year funding settlement for the year. This was the second year running that the funding settlement was for one-year only. The MTFS report presented to Council in March 2021 set out the full context of the financial landscape of the council and the wider local government sector as a whole, and can be found at this link: [MTFS Report March 2021](#)
- 1.3 This update report sets out the outturn position for the financial year 2020/21, a year which was dominated by the impacts of the Covid-19 pandemic. In response the Council has played a significant role in delivering a range of support to the community during the year including the provision of a substantial package of grants to businesses on behalf of the government, support for clinically extremely vulnerable residents, support for Council Tax-payers (including the processing of payments to those required to self-isolate), the inspection of premises to ensure compliance with covid restriction measure, support to the Community Hub (including the provision and delivery of food parcels to residents forced to self-isolate or 'shield'), supporting the programme of track and trace and latterly support in the delivery of the vaccination programme. The majority of this work has been delivered by existing Council employees who have necessarily been diverted from the "day job" to prioritise the response to the pandemic, and as a result there has been consequential impacts on some of the planned work which would otherwise have been carried out. This is reflected in increased budget slippage requests in particular for capital budget items this year as detailed in the report.
- 1.4 The financial impact of the covid restriction measures on a number of service areas, and consequently on the Council's financial position for 2020/21, has been significant, and as a consequence a range of national funding measures have been introduced that assist in off-setting some of those negative financial effects. Fylde Council was allocated general covid support grant funding for 2020/21 totalling £1.151m which was followed by a range of further grant allocations for specific purposes, including a number of 'new burdens' grants in respect of the administration of the numerous grant support for businesses payment schemes.
- 1.5 In July 2020 the government announced a further funding package for councils in respect of reduced sales, fees and charges income. Under this scheme the government will reimburse councils a proportion of eligible income that has been lost as a consequence of the pandemic, such as car parking income and planning fee income. Where losses are more than 5% of the budgeted income from sales, fees and charges, the government will cover 75p in every pound lost for the remainder i.e. the council will stand the first 5% of the loss and will be reimbursed for 75% of the remaining 95% of the shortfall. Initial assessments of the estimated grant receivable for 2020/21 under this scheme were included in the March 2021 MTFS report and stood at £0.914m at that time. The actual grant ultimately received during 2020/21 under the scheme was £0.710m, which indicates that the actual adverse impact on income budgets for the year was less significant than initial estimates had predicted. It was announced as part of the 2021/22 Local Government Finance Settlement that there would be an extension of the Sales, Fees and Charges Compensation Scheme to include the first quarter of 2021/22. The estimated financial impact of this continues to be assessed and this will be reflected in future updates of the Medium Term Financial Strategy.
- 1.6 Each of the covid related funding streams referred to above have been reflected in the relevant revised budgets for 2020/21 against which the financial outturn for the year is compared within the remainder of this report.

2. General Fund Revenue Outturn Position (including Collection Fund)

2.1 On the 4th March 2021, Council approved a revised Revenue Budget net requirement of £10.449m for 2020/21. The outturn position for 2020/21 is a net requirement of £9.007m resulting in a favourable variance (before financing and slippage) of £1.442m. In addition, a £5.582m favourable variance against the budgeted total of financing received during the year has resulted in a Revenue Budget favourable outturn variance, before slippage requests, totalling £7.024m. However, £5.577m of this variance is as a result of additional grant funding received from the government during 2020/21 to offset lost business rate income as a result of extended business rate reliefs (including to the retail, hospitality and leisure sectors and to small businesses) offered to businesses to support them during the pandemic. As a result of these reliefs, the business rate collection fund (administered by Fylde to collect business rates and then allocate the monies to central government and the major preceptors) is forecast to make a significant deficit in respect of 2020/21 when compared against the level of income expected before the year began. Because of timing differences between the flow of funds into and out of the collection fund it will be necessary to transfer this funding into the Collection Fund Deficit Reserve because this set aside will be required in 2021/22, 2022/23 and 2023/24 for release to offset the collection fund deficit which is spread across these years.

2.2 The underlying outturn position after taking account of the recommended transfer into the Collection Fund Deficit Reserve and the budgeted transfer into the Capital Investment Reserve (as set out in the MTFS report to Budget Council in March 2021) is therefore a favourable variance of £1.447m.

2.3 The outturn position is summarised in Table 1 below:

Table 1 – Summary Revenue Outturn Position 2020/21

| | <u>Budget</u> £m | <u>Actual</u> £m | <u>Variance</u> £m | |
|--|---------------------|---------------------|-----------------------|-------|
| Net expenditure for the year | 10.449 | 9.007 | (1.442) | (Fav) |
| Financing for the year | (12.262) | (17.844) | (5.582) | (Fav) |
| Surplus of resources for the year | (1.813) | (8.837) | (7.024) | (Fav) |
| LESS: | | | | |
| Required transfer to Collection Fund Deficit Reserve | 0 | 5.577 | 5.577 | (Fav) |
| Budgeted transfer to Capital Investment Reserve | 1.813 | 1.813 | - | - |
| Balance – underlying outturn variance | 0 | (1.447) | (1.447) | (Fav) |
| Recommended additional transfers to reserves | | | | |
| - Required transfer to GF balances re slippage | 0 | (0.299) | (0.299) | (Fav) |
| - Transfer to Funding Volatility Reserve | 0 | (1.148) | (1.148) | (Fav) |
| Recommended further transfers to reserves | 0 | (1.447) | (1.447) | (Fav) |

2.4 A more detailed analysis of the General Fund Revenue Account comparing actual expenditure against the revised approved estimate, analysed by committee, is set out in **Appendix A**. A detailed list of the significant variances within services which contribute to the outturn position is set out in **Appendix B**.

2.5 There are a number of budget variances arising from slippage which are recommended for operational effectiveness. These items total £0.299m 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 2021/22.**

2.6 The remaining favourable variance after accounting for this transfer for slippage is £1.148m. **It is therefore recommended that the sum of £1.148m is transferred to the Funding Volatility Reserve.** This reserve was established in 2013/14 from additional Business Rates received under the Business Rate Retention Scheme and is a voluntary set-aside established to provide a degree of protection to the Council's finances against future volatility in central government funding allocations and to fund

investment in activity to stimulate Economic Development in the Borough. This transfer would result in a current forecast balance on the reserve as at 31st March 2021 in the sum of £5.889m. Of this £4.031m is already committed to deliver existing approved schemes in the years 2021/22 to 2024/25, leaving a forecast unallocated balance on the reserve of £1.858m.

- 2.7 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.

3. Council Tax and Business Rates Income – The Collection Fund

- 3.1 As a Council Tax and Non-Domestic Rates (NDR) Billing Authority, Fylde Council is required by legislation to collect council tax and business rates within the borough on behalf of central government, Town and Parish Councils and major preceptors (being Lancashire County Council, and the Fire and Police Authorities), and to account for that income through a 'Collection Fund'. Under the Collection Fund accounting arrangements any surplus or deficit on the fund each year, which occur as a result of actual income being higher or lower than that budgeted for, is split between the Government and the other precepting bodies in proportion to their shares.

- 3.2 In July 2020 the Government announced that local authorities would be allowed to spread the estimated deficit on the 2020/21 Collection Fund over three years – from 2021/22 to 2023/24. The normal process of sharing surpluses and deficits is that they are spread over two years. As a result of Covid-19 and the extra reliefs awarded during 2020/21, there is a larger than normal deficit on the 2020/21 Collection Fund.

- 3.3 Early in 2021, as part of the Local Government Finance Settlement, a guarantee from central government was introduced to compensate local authorities for 75% of irrecoverable business rates and council tax lost income for 2020/21 as a result of the pandemic. The impact of this scheme is reflected in the outturn position for 2020/21 for both council tax and business rates below.

- 3.4 **For Council Tax only**, there was a deficit on the fund as at 31st March 2021 of £119k. This will be shared between Fylde Council, the County Council, the Police Authority and the Fire & Rescue Authority in 2021/22 to 2023/24. Fylde Council's share of the deficit is £15k, the impact of which will be reflected in future updates of the Council's financial forecast.

- 3.5 **For Non-Domestic Rates only**, there was a deficit on the fund as at 31st March 2021 of £11.156m. A large proportion of this arises from the decision from Government due to the impact of Covid-19 to increase business rate reliefs during 2020/21 to support businesses during the pandemic. The deficit will be shared between Central Government, Fylde Council, the County Council, and the Fire & Rescue Authority in 2021/22 to 2023/24. Fylde Council's share of the deficit is £3.907m, the negative impact of which will be funded in 2021/22 from the specific government grant allocated for this purpose and set aside into the Collection Fund Deficit Reserve in 2020/21 as detailed in section 2 of this report. The remaining balance on the collection fund deficit reserve is likely to be required to offset collection fund deficits in 2021/22 and later years.

- 3.6 The Collection Fund accounting processes mean 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. The Council's Financial Forecast will be updated during 2021/22 to reflect the anticipated timing of cash flows to and from the collection fund.

4. Statement of General Fund Revenue Balances

- 4.1 Table 2 details the Council's General Fund Balances position, as a result of the estimated Outturn at 31st March 2021:

Table 2 – Statement of General Fund Revenue Balances

| | <u>Budget</u> | <u>Actual</u> | <u>Variation</u> | |
|---|---------------|---------------|------------------|--------------|
| | <u>£m</u> | <u>£m</u> | <u>£m</u> | |
| Opening Balance 01/04/2020 | 4.272 | 4.272 | - | |
| In-year surplus transferred to reserves re slippage | - | 0.299 | 0.299 | (Fav) |
| Closing Balance 31/03/2021 | 4.272 | 4.571 | 0.299 | (Fav) |

4.2 The first call on revenue balances in 2021/22 is the recommended slippage of £0.299m as set out in **Appendix C** leaving general fund balances after allowing for these items at £4.272m.

5. Covid Business Support Grants

5.1 The Council received a range of grants from central government in 2020/21 to support the overall response to the COVID-19 pandemic. The financial impact of these grants is included within the outturn position and the council's Statement of Accounts. Included within the support provided was a range of business support grant funding which were administered by the Council in line within the guidance received from the Department for Business, Energy & Industrial Strategy (BEIS). Following the receipt of a grant the Council had to determine whether in administering the grant it was acting as an "agent" for the government or as "principal". Where the Council was **acting as agent** the following conditions applied:

- It was acting as an intermediary between the recipient and the Government Department; and
- It did not have "control" of the grant conditions and there was no flexibility in determining the level of grant payable.

Where the Council was able to use its own discretion when allocating the amount of grant payable, it was **acting as principal**. For each grant scheme the government provided funding based upon its own estimates of local need, and a reconciliation process is in place for each of the grant schemes, with any remaining funds repaid to BEIS.

5.2 The first major grant round announced was the Small Business Grant Fund (SBGF) and Retail, Leisure and Hospitality Grant Fund (RLHGF). The grant details were issued in late March 2020, and as the grants sums payable were either £10K or £25K for each eligible business with eligibility criteria specified by BEIS, the Council acted as an agent in administering these grants and the total paid to Fylde businesses during 2020/21 was £18.375m. A further grant regime, the Discretionary Grant Fund was then introduced, with £1.011m distributed in the borough in 2020/21. The Council determined eligibility for these grants and therefore acted as a principal for this source of funding.

5.3 The Government then introduced a range of grants under the general heading of Local Restrictions Support Grant (LRSB), covering the period from August 2020 to 31st March 2021. In total the Council received grant across eleven separate allocations. Each separate tranche of LRSB had its own eligibility criteria. All except one tranche of grant funding (the Christmas Support Payments for Wet Led Pubs) remained open for final payments beyond 31st March 2021. Three rounds of the LRSB had a discretionary element and for these the Council determined eligibility and therefore acted as principal. Eight tranches of LRSB were received to support schemes without a discretionary element and for these the Council acted as the agent of Central Government.

5.4 In addition to the LRSB, the Government introduced a further discretionary grant scheme, the Additional Restrictions Grant. The Council introduced specific eligibility criteria for grant support to businesses based on knowledge of the Fylde economy and the local business community. During 2020/21, two rounds of grant were received totalling £2.333m for which the Council acted as principal. As a result of successfully fully allocating these funds to businesses by 30th June 2021, the Council will be in receipt of a further

allocation of £0.583m during 2021/22. A separate report on this agenda sets out more details in respect of the Additional Restrictions Grant scheme.

- 5.5 From 1st April 2021, the Council began administering a new round of business support grants known as Restart Grants on behalf of BEIS and it will continue to administer this grant regime until the closing date for final payments on 31st July 2021.
- 5.6 Appendix G of this report sets out the total grant receipts and payments made during 2020/21 under each of the above grant schemes.

6. General Fund Revenue Outturn Conclusions

- 6.1 The favourable outturn position for revenue allows for a contribution to be made to the Funding Volatility Reserve in the sum of £1.148m. This favourable revenue outturn represents an improvement to the overall financial position of the Council which will be reflected in future updates to the Financial Forecast during 2021/22.
- 6.2 In light of the potential for future general reductions in central government funding from 2022/23 onwards, the Council needs to continue with the approach to delivering savings and efficiencies which have helped deliver balanced budgets and provided contributions to reserves over recent years.
- 6.3 Through continued focus on the importance of financial stability the Council has delivered a significant savings programme in recent years and has continued to reduce overheads wherever possible. Ongoing modernisation work and business improvement will continue to make Council services more efficient, save money and maintain high quality frontline services to customers. For Fylde Council to continue to successfully meet the new challenges that it faces it is vital that this approach continues and that all reasonable opportunities for further cost-reduction measures and for the generation of additional income are seriously considered. Prudent financial management in previous years has provided a level of reserves which allows the necessary time to determine how this council can best respond to the challenges ahead.

7. Capital Outturn 2020/21

- 7.1 The summary outturn position for capital is set out in table 3 below. The latest expenditure budget in the capital programme for 2020/21 was £6.505m, and outturn expenditure was £4.893m leaving a net underspend of £1.612 for the year.

After adjusting for slippage of £1.546m the overall outturn position for 2020/21 is an in-year £66k favourable variance against the latest updated estimate. Capital programme expenditure for 2020/21 and details of variances for all capital schemes are shown in **Appendix D**.

Table 3 - Latest Estimate Compared with Outturn 2020/21

| | Notes | £m | |
|--|----------|--------------|--------------|
| Per MTFs report Budget Council 04/03/2021: | | | |
| Approved Capital Programme: | | 6.922 | |
| Changes since 04/03/2021 | | (417) | |
| Latest Budget | | 6.505 | |
| Less Outturn Expenditure | | (4.893) | |
| Net Underspend for Year | | 1.612 | (Fav) |
| Less Slippage (as per Note 1 below) | 1 | (1.546) | |
| Underlying Variance at Outturn | | 0.066 | (Fav) |

Note 1: Capital Schemes Slippage Requests (Full slippage explanations are contained in **Appendix E**)

| | £'000 |
|---|---------------------|
| Purchase of Land Adjacent to Squires Gate Station | 5 |
| Fairhaven Lake & Promenade Gardens Restoration | 408 |
| Staining Playing Fields Development Scheme | 43 |
| Coastal Signage Improvements | 68 |
| Fylde Sand Dunes Improvement Scheme | 46 |
| Blackpool Road North Playing Fields Drainage | 55 |
| Replacement Vehicles | 39 |
| Public Transport Improvements | 90 |
| Fairhaven and Church Scar Coast Protection | 10 |
| Accomm facilities at Snowdon Rd Depot (accelerated spend) | (144) |
| Charging Infrastructure for Electric Taxis | 150 |
| Outdoor Digital Signage | 30 |
| Disabled Facilities Grants (DFG) Programme | 106 |
| Housing Needs Grant | 27 |
| Progress Housing Buy Backs | 58 |
| Cemetery and Crematorium - Infrastructure Works | 35 |
| Affordable Housing Scheme, Lytham Road, Warton | 130 |
| St Annes Regeneration Schemes | 24 |
| Kirkham Public Realm Improvements | 3 |
| M55 Link Road | 122 |
| Kirkham and Wesham Station | 15 |
| Future High Street Fund: Kirkham | 17 |
| Wesham Community Centre | 32 |
| Kirkham Heritage Action Zone | <u>177</u> |
| Total Slippage requested | <u>1,546</u> |

- 7.2 The first periodic update of the Five Year Capital Programme for 2021/22 will be amended to reflect the outturn results and any other changes approved to date.

Usable Capital Receipts 2020/21

- 7.3 Capital Receipts are a component of the Council's capital financing strategy. Details of usable receipts received during 2020/21 are set out in table 4 below:

Table 4 - Useable Capital Receipts 2020/21

| | Latest Estimate | Outturn | Variance +/- | |
|--------------------------------------|-----------------|------------|--------------|-----|
| | £'000 | £'000 | £'000 | |
| Opening Balance at 01/04/2020 | 0 | 0 | 0 | |
| Capital Receipts received in year | 25 | 206 | 181 | Fav |
| Sub Total | 25 | 206 | 181 | Fav |
| Capital Receipts applied in year | | (45) | | |
| Closing Balance at 31/03/2021 | | 161 | | |

- 7.4 The favourable variance of £181k arises mainly from 'Right to Buy' receipts and vehicle sales being greater than budgeted for.

8. Capital Financing 2020/21

- 8.1 The proposed financing of capital expenditure is set out in table 5 below. The financing proposals represent the most cost-effective financing to the Council and leaves it with the greatest flexibility in respect of future years.

Table 5 - Capital Financing 2020/21

| | £'000 |
|--------------------------------|--------------|
| EXPENDITURE: | 4,893 |
| FINANCING: | |
| Grants & Contributions | 2,208 |
| Internal Borrowing | 440 |
| Capital Receipts | 45 |
| Revenue Contribution | 44 |
| Funding Volatility Reserve | 400 |
| Capital Investment Reserve | 1,756 |
| Total Capital Financing | 4,893 |

- 8.2 Should any minor changes be identified in capital expenditure as a result of final closure work, capital financing will be adjusted as appropriate.

9. Capital Outturn – Conclusions

- 9.1 After allowing for slippage the outturn position has produced an underlying programme favourable variance of £66k compared to the latest forecast reported to Members.
- 9.2 The outturn position will be reflected in future capital programme updates.

10. Treasury Management Annual Report

10.1 Summary

The Chartered Institute of Public Finance and Accountancy's Treasury Management Code requires authorities to report on the performance of the treasury management function at year end.

The Council is exposed to financial risks such as the loss of invested funds and the effect of changing interest rates. This report covers treasury activity and the associated monitoring and control of treasury risks.

Background

This section of the report covers Treasury Management operations for the financial year to 31st March 2021.

The Prudential Indicators and Treasury Management Strategy for 2020/21 were originally approved in the Medium Term Financial Strategy 2020/21 Report to Council on 4th March 2020. 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 7th December 2020 and the Medium Term Financial Strategy Report to Council on 4th March 2021. The Prudential Indicators and the outturn position for 2020/21 are shown at **Appendix F**.

11. Implications

11.1 Economic Background

The Coronavirus pandemic dominated 2020/21, leading to almost every country in the world being in some form of lockdown during the year. The start of the financial year saw many of the central banks cutting interest rates as lockdowns caused economic activity to grind to a halt. The Bank of England cut the Bank Rate to 0.1% and the UK government provided a range of fiscal stimulus measures.

Government initiatives supported the economy and the furlough (Coronavirus Job Retention) scheme was extended until September 2021. Despite the furlough scheme, unemployment still rose, and it is thought likely to increase again as the various government job support schemes are scheduled to come to an end during 2021.

The Consumer Price Index (CPI) rose by 0.7% in the 12 months to March 2021 well below the Bank of England's 2% target. UK gross domestic product (GDP) is now 8.7% below where it was prior to the pandemic at the end of 2019.

11.2 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 counter-party 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 during the year, **and the Council remains debt-free**.

Table 6 – Analysis of Borrowing

| Type of Loan | Balance 31/03/21 £m |
|--------------------------------|------------------------|
| Public Works Loan Board (PWLB) | Nil |
| Gross Borrowing | Nil |
| Operational Boundary | Nil |

11.3 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 4th March 2020 by investing with organisations with high credit quality. The investment activity during the year conformed to the approved strategy, and the Council had no liquidity difficulties.

11.4 Internally Managed Funds

During the year the Council held an average cash balance of £30m of internally managed funds, which were invested with approved banks, money market funds, Lancashire County Council and a number of other Local Authorities in line with the approved Treasury Management Strategy.

The overall performance was a gross return of 0.25%, compared with a benchmark return of 0.056%. Interest earned was £66.6k compared to a revised budget of £65.6k. The level of interest from investments was slightly in excess of the revised budget as the actual level of external investments was higher than anticipated due to the Council benefitting from a more favourable cash-flow position.

12. Prudential Indicators

12.1 The Council complied with all of its Prudential Indicator limits for 2020/21, details of which can be found in Appendix F.

13. Overall Outturn Conclusions 2020/21

13.1 The favourable outturn position for revenue allows for a contribution to be made to the Funding Volatility Reserve in the sum of £1.148m. This additional contribution is beneficial to the overall position of the Council and is thus to be welcomed. As a result, the financial position of the Council has improved since the revised 2020/21 budget was set in March 2021, the Council remains debt-free and the financial position remains robust.

13.2 Whilst challenges remain, and will no doubt continue to be present, prudent financial management has provided a relatively stable financial environment which allows the necessary time for the Council to assess and respond to the challenges it faces.

13.3 As a consequence of the uncertainty about the impact of the pandemic on national public finances, the Government implemented a one-year Spending Review for 2021/22 and the Council, as with all Local Authorities, received a one-year funding settlement for the year. This was the second year running that the funding settlement was for one-year only. The MTFS report presented to Council in March 2021 sets out the full context of the financial landscape of the council, including an assessment of the key financial risks which primarily relate to uncertainties around reviews of the future funding regime for local government. The report can be found at this link: [MTFS Report March 2021](#)

13.4 The impact of the pandemic on the financial position of the Council for 2020/21 and beyond, together with the potential for future general reductions in central government funding from 2022/23 onwards, requires that the Council continues the approach to continually seek opportunities to achieve savings and

efficiencies and to generate additional income to enable a balanced budget position to continue into the future and to provide on-going contributions to reserves.

- 13.5 At a strategic level, activity and resources are focussed on the delivery of the key objectives of the Council as set out within the approved Corporate Plan. Given the level of reserves that has been generated in recent years, the budget deficits currently projected in the final years of the most recent financial forecast appear to be at manageable levels. However, in an uncertain financial environment the position can change in unexpected ways. It is important that the Council continues to operate in a sound and prudent manner in order to maintain a stable financial position and to explore all opportunities by which the financial position can be further strengthened, whilst continuing to provide high quality services to residents and to deliver the priorities set out in the Corporate Plan.

| IMPLICATIONS | |
|---|--|
| Finance | Detailed financial implications are included within the body of the report |
| Legal | For 2020/21 there is a statutory requirement for the Chief Financial Officer to sign off a completed Annual Statement of Accounts for the Council by 31 st July 2021, in preparation for the Council's external auditors Deloitte to carry out an annual audit. This work remains on track. |
| Community Safety | Not applicable |
| Human Rights and Equalities | Not applicable |
| Sustainability and Environmental Impact | Not applicable |
| Health & Safety and Risk Management | Not applicable |

| LEAD AUTHOR | CONTACT DETAILS | DATE |
|--|-----------------|-----------|
| Paul O'Donoghue, Chief Financial Officer | 01253 658566 | July 2021 |

| BACKGROUND PAPERS | | |
|---|----------------------------|---|
| Name of document | Date | Where available for inspection |
| Medium Term Financial Strategy 2020/21 to 2024/25 | 4 th March 2021 | Report to Budget Council March 2021 |

Attached documents

- Appendix A** – General Fund Summary Revenue Expenditure & Income Account
- Appendix B** – General Fund Outturn 2020/21 – Variations from Revised Estimates
- Appendix C** – Revenue Budget Slippage Items requested
- Appendix D** – Capital Outturn 2020/21
- Appendix E** – Capital Outturn Slippage Items requested
- Appendix F** – Prudential Indicators
- Appendix G** – Business Support Grant Payment 2020/21

GENERAL FUND OUTTURN 2020/21

| Summary Revenue Account | | | | |
|---|-----------------|---------------------------|----------------------|-----|
| Outturn 2020/21 | | | | |
| Latest Estimate | Outturn | Variance + Over / (Under) | Favourable / Adverse | |
| Net Service Expenditure | £'000 | £'000 | £'000 | |
| Tourism and Leisure Committee | 2,849 | 2,529 | (320) | Fav |
| Operational Management Committee | 4,264 | 3,990 | (274) | Fav |
| Environment, Health and Housing Committee | (613) | 477 | 1,090 | Adv |
| Planning Committee | 1,371 | 875 | (496) | Fav |
| Finance and Democracy Committee | 4,168 | 3,208 | (960) | Fav |
| Contingency | (300) | 0 | 300 | Adv |
| Net Cost of Services | 11,740 | 11,079 | (660) | Fav |
| Use of Earmarked Reserves | (2,566) | (2,256) | 310 | Adv |
| Capital Accounting Adjustments | 597 | 205 | (392) | Fav |
| Interest payable and similar charges | 0 | 1 | 1 | Adv |
| Interest and investment income | (66) | (67) | (2) | Fav |
| Minimum Revenue Provision | 744 | 744 | 0 | - |
| Pension accounting adjustment | 0 | (700) | (700) | Fav |
| Accumulated Absences Adjustment | 0 | 1 | 1 | Adv |
| Sub-Total of Appropriations | (1,291) | (2,072) | (781) | Fav |
| Total Net Requirement (See App B, part 1 for variance details) | 10,449 | 9,007 | (1,442) | Fav |
| Financing | | | | |
| General Government Grants: | | | | |
| - New Homes Bonus | (1,746) | (1,747) | (1) | Fav |
| - Other Government Grants | 0 | (10) | (10) | Fav |
| Council Tax Outturn (incl previous years surplus/deficit) | (6,565) | (6,567) | (2) | Fav |
| Business Rates Outturn (incl previous years surplus/deficit) | (3,951) | (9,520) | (5,569) | Fav |
| Total Net Requirement | (12,262) | (17,844) | (5,582) | Fav |
| Surplus of resources for the year | (1,813) | (8,837) | (7,024) | Fav |
| Analysis of recommended Transfers to Reserves: | | | | |
| - original budgeted transfer to Capital Investment Reserve | (1,813) | (1,813) | 0 | - |
| - transfer to general fund revenue balances re slippage | 0 | (299) | (299) | Fav |
| - transfer to Collection Fund Deficit Reserve | 0 | (5,577) | (5,577) | Fav |
| - transfer to Funding Volatility Reserve | 0 | (1,148) | (1,148) | Fav |
| Recommended transfers to reserves | (1,813) | (8,837) | (7,024) | Fav |
| Statement of General Fund Revenue Balances | | | | |
| General Fund Revenue Balances b/f | (4,272) | (4,272) | 0 | - |
| Recommended transfer to general fund revenue balances | 0 | (299) | (299) | Fav |
| General Fund Revenue Balances c/f | (4,272) | (4,571) | (299) | 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.

2020/21 Revenue Outturn Variances

Note: Shaded areas relate to items for which a slippage request has been made

| STAFFING COSTS AND AUTHORITY WIDE BUDGETS | | | | | | |
|---|--|-------------------------------|----------------------|----------------|--------------------|---|
| Service Area | Detailed Description | Latest Full Year Budget £'000 | Actual Outturn £'000 | Variance £'000 | Adverse/Favourable | Reason for Variance |
| Authority Wide | Employee costs including basic pay, pension, NI, and overtime, plus agency costs | 9,486 | 9,260 | -226 | FAV | There has been a favourable outturn variance against the latest budget for employee costs across the organisation (including the impact of 'turnover savings' i.e. natural delays in the recruitment to vacant posts). |
| Covid Support Funding | Government Grant Funding | -1,344 | -1,748 | -404 | FAV | Throughout 2020/21 the government provided various tranches of funding to support councils in responding to the impacts of the pandemic. As these funding streams were announced and confirmed for Fylde, funded budget increases were approved in order to deliver the requirements of the funding. The favourable variance relates to £167k of unbudgeted grant funding for the administration of BEIS business support grants (which was delivered from existing staffing resources) and £237k of unbudgeted grant funding from LCC in respect of support for Clinically Extremely Vulnerable residents, which again was delivered from existing staffing resources. |
| Authority Wide | Repairs and maintenance of buildings | 206 | 185 | -21 | FAV | The authority-wide budget for the ongoing repair and maintenance of council owned assets is underspent during 2020/21. £18k of the underspend relates to scheduled works at Snowdon Road depot which were delayed due to covid restrictions. A slippage request has been submitted for this element of the underspend so these works can be carried out during 2021/22. |
| Organisational Improvement Costs | Organisational Improvement Costs | 20 | 11 | -9 | FAV | A number of events and activities to support staff development and organisational improvement were planned for 2020/21 but have been delayed due to the pandemic. A slippage request has been made to re-phase this work into 2021/22. |
| Sub total | | 8,368 | 7,708 | -660 | Favourable | |

TOURISM AND LEISURE COMMITTEE

| Service Area | Detailed Description | Latest Full Year Budget £'000 | Actual Outturn £'000 | Variance £'000 | Adverse/Favourable | Reason for Variance |
|---------------------------------------|--------------------------------------|-------------------------------|----------------------|----------------|--------------------|---|
| Tourism & Leisure | Games site fee income | -34 | -11 | 23 | ADV | Income projections from game sites were reduced to reflect the closure of facilities due to covid restrictions. Outturn income was less than expected resulting in this adverse variance. |
| Fylde Tourism | Events and Attraction Costs | 8 | 1 | -7 | FAV | Due to the reduced number of events as a result of covid restrictions, this budget was little used, but a slippage request is made to allocate the funds to 2021/22 for potential additional events as we hopefully emerge from covid restrictions. |
| Parks Mobile & Arbor Team | Computer - Program / Licence Charges | 6 | 0 | -6 | FAV | This favourable outturn variance has arisen as a result of unspent budget allocation for Tree Inspection Software to be originally procured in 2020. Due to the impacts of Covid-19 the supplier was not in operation. Slippage is required to allow for this action to be completed in line with audit recommendations for tree management. |
| Parks Development - Lytham & St Annes | Drives and paths | 20 | 14 | -6 | FAV | This budget was earmarked as a match contribution for works associated with the Fairhaven HLF Project - but it was later confirmed it was no longer required so could be reinvested back into general park improvements. A slippage request has been submitted for the unspent amount. |
| Parks Development - Lytham & St Annes | Comm Projects & Initiatives | 15 | 8 | -7 | FAV | A number of community projects scheduled to be delivered in 2020/21 financial year were delayed due to covid restrictions and are now planned to be delivered during 2021/22 including community park landscaping projects, improved community and recreational facilities, Green Flag Award applications and associated site improvements. A slippage request has been made for this budget. |
| Coast and Countryside | Purchase of Equipment | 16 | 6 | -10 | FAV | Planned expenditure on beach wheelchairs was delayed due to covid restrictions resulting in this favourable variance. A slippage request has been made to deliver this in 2021/22. |
| Coast and Countryside | Consultants fees | 70 | 84 | 14 | ADV | There has been some accelerated spend against the budget which is profiled over 2020/21 and 2021/22 for consultants fees in relation to sand extraction development studies on St Annes foreshore, which has resulted in this adverse variance. |
| Persimmon Conservation Project | Environmental Projects | 5 | 0 | -5 | FAV | Due to Covid-19 measures delays have been experienced on this project. The first element of the scheme to re-grade the dunes has been completed. The signage and access elements are yet to be completed once manufacturers are fully operational and are to provide the necessary services to provide the signage and materials. Slippage is requested in respect of the balance of funding to ensure the successful continuation and completion of the project. |
| Sub total | | 106 | 102 | -4 | Favourable | |

FINANCE & DEMOCRACY COMMITTEE

Appendix B (cont'd)

| Service Area | Detailed Description | Latest Full Year Budget £'000 | Actual Outturn £'000 | Variance £'000 | Adverse/ Favourable | Reason for Variance |
|------------------------|---|----------------------------------|-------------------------|-------------------|------------------------|--|
| ICT | Purchase of Computer Equipment / Improvements to ICT resilience and recovery arrangements. | 427 | 293 | -134 | FAV | A number of planned improvements have been delayed due to the pandemic. The increased requirement for remote working by staff and for enhanced communications services has led to an ongoing review of planned ICT developments and a range of additional improvements are now scheduled for 2021/22, including: unification and continual improvement work of network security resources including firewall and remote authentication to mitigate against ongoing cyber threats; and the replacement and migration of major line of business ICT systems. A slippage request from the computer equipment purchase costs budget is now being made to allow this work to be delivered in 2021/22. |
| Corporate | Bank Charges | 93 | 103 | 10 | ADV | There have been additional bank charges for card transactions across the organisation during the year as there has been increased online payment activity, including as a result of the pandemic. |
| Housing Benefits | Rent Allowances (net), including subsidy from govt, Discretionary Housing Payments and Overpayment recovery | 63 | 107 | 44 | ADV | Demand-led Housing Benefit expenditure, net of government funding to support this via Housing Benefit Subsidy, was higher than the budgeted level, and overpayment recoveries were less than forecast leading to this adverse outturn variance. |
| Finance Administration | Computer - Program / Licence Charges | 93 | 62 | -31 | FAV | Planned development of the corporate financial ledger system during 2020/21 to provide a fully hosted cloud based cash receipting and bank reconciliation system to reduce reliance on complex spreadsheet reconciliations was delayed because of the pandemic. A slippage request has been made to deliver this improvement in 2021/22. |
| Sub total | | 676 | 565 | -111 | Favourable | |

OPERATIONAL MANAGEMENT COMMITTEE

| Service Area | Detailed Description | Latest Full Year Budget £'000 | Actual Outturn £'000 | Variance £'000 | Adverse/ Favourable | Reason for Variance |
|--------------------------|--------------------------------|----------------------------------|-------------------------|-------------------|------------------------|--|
| Public Conveniences | Income | -23 | -36 | -13 | FAV | Additional income due to increased usage of the public conveniences due to higher than expected levels of visitors and local holiday makers during pandemic. |
| Trade Waste Service | Income, net of tipping charges | -201 | -169 | 32 | ADV | The trade waste service was suspended due to premises closures and reduced operations during lockdowns; customer accounts adjusted accordingly with impact on income - collection & waste disposal budgets resulting in this adverse variance. |
| Land charges | Fees and charges income | -28 | -46 | -18 | FAV | The property market has been buoyant during the pandemic which has led to the generation of additional income. |
| Cemetery and Crematorium | Income | 1,300 | 1,260 | -40 | FAV | Income estimates have been adjusted during the year to reflect anticipated income levels, which at outturn have been slightly below those estimated, resulting in this adverse variance. |
| Highways Cleansing | Weed Control | 22 | 9 | -13 | FAV | Budget underspend due to suspension of contractor service during pandemic. |
| Waste Management | Fleet Costs | 601 | 411 | -190 | FAV | There are several favourable variances in respect of vehicle costs. Some are due to the fact that a number of vehicles have been acquired in the past few years and are covered under warranty, replacing older and more expensive to maintain vehicles. Additionally fuel costs have been lower than anticipated resulting in this favourable outturn variance. |
| Sub total | | 1,671 | 1,429 | -242 | Favourable | |

| Service Area | Detailed Description | Latest Full Year Budget £'000 | Actual Outturn £'000 | Variance £'000 | Adverse/ Favourable | Reason for Variance |
|------------------------|--|----------------------------------|-------------------------|-------------------|------------------------|--|
| Homelessness | Bed and breakfast expenditure, void loss costs, net of housing benefit and universal credit repayments | 130 | 55 | -75 | FAV | In response to the pandemic additional funding has been received from MHCLG under the "Everyone In" Policy, with funding being awarded via Next Steps Framework. Accordingly there has been reduced demand on standing budgets. |
| Mortgage repossessions | Mortgage repossession grants | 20 | 0 | -20 | FAV | In 2009/10 DCLG allocated £23.5k to Fylde Council to assist in preventing homelessness as a result of mortgage repossession or landlord repossession and in 2012 provided a further £30k for the same purpose. A policy is in place such that the unspent balance of funding is carried forward as slippage to be used the following year. |
| Licensing | Hackney Carriage Driver and Premises Licenses | -105 | -83 | 22 | ADV | There have been fewer annual licence renewals during the year due to the impact of Covid-19, resulting in this adverse variance. |
| Housing Standards | Care and repair service | 30 | 0 | -30 | FAV | The Care and Repair service was not carried out during 2020/21 while a review was carried out, resulting in this favourable variance. A trial scheme with Preston Care and Repair has recently been approved for 2021/22. |
| Housing Standards | Disabled Facilities Grant Fees | -118 | -145 | -27 | FAV | Additional fee income has been received from additional DFG capital spend during the year as the programme of DFG programme of works which initially stalled at the start of the pandemic picked up significantly during the latter parts of the financial year. |
| Sub total | | -43 | -173 | -130 | Favourable | |

PLANNING COMMITTEE

Appendix B (cont'd)

| Service Area | Detailed Description | Latest Full Year Budget £'000 | Actual Outturn £'000 | Variance £'000 | Adverse/ Favourable | Reason for Variance |
|------------------------|---|-------------------------------|----------------------|----------------|---------------------|--|
| Development Management | Consultants and Archaeology Fees | 37 | 27 | -10 | FAV | Due to the nature of applications received during the year, the requirement to appoint external consultants to provide specialist advice to assist in the determination of planning applications was lower than expected in total, resulting in this favourable outturn variance. |
| Development Management | Planning application fee income, including pre-planning advice | -330 | -359 | -29 | FAV | Planning fee income is closely monitored through the MTFS. The reduction in the number of major planning applications and associated fees resulted in the expected fee income being revised from £665,000 to £330,000 during 2020/21. Although the fee income has recovered over the revised expectation, it remains significantly below the original estimate. Government has recognised the impact of the pandemic on local authority fee income and measures have been put in place to allow the council to be compensated for part of this loss of income. |
| Planning Appeals | Planning Appeal Hearing Costs | 54 | 0 | -54 | FAV | There have been no major planning appeals during the year. The recent adoption of the local plan and the council's ability to demonstrate a 5 year supply of housing land is likely to have reduced the number of appeals over previous years. |
| Planning Enforcement | Enforcement Costs | 30 | 0 | -30 | FAV | This money has been identified to address breaches of planning control at a specific site. In accordance with national guidance and restrictions imposed during the coronavirus pandemic it has not been possible to pursue this case. Accordingly a slippage request has been submitted for consideration. |
| Development Management | Consultants Fees | 30 | 0 | -30 | FAV | Fewer major applications were received during the year that required external specialist advice to assist in their determination. It is presumed that the reduction on major applications was a direct result of the coronavirus pandemic and that applications will return to normal levels as the economic recovery continues. |
| Planning Policy | Local Development Framework Costs | 15 | 0 | -15 | FAV | The review of the local plan is progressing, but was delayed due to coronavirus pandemic. It is intended that the plan review will progress through this year and so a slippage request has been submitted. |
| Economic Regeneration | Consultants Fees | 150 | 0 | -150 | FAV | This budget is allocated as funding towards the St Annes Town Centre/Island Strategy and master plan. The work is currently out to tender and will be completed during 2021/22 and a slippage request has been submitted for consideration in order deliver this work. |
| Economic Regeneration | Contribution from Funding Volatility Reserve to fund the consultants fees above | -150 | 0 | 150 | ADV | The above works are being funded from the Funding Volatility Reserve, and the transfer from the reserve will be slipped along with the expenditure budget above. |
| Building control | Income from fees and charges | -85 | -158 | -73 | FAV | The service has seen an increase in workload from small scale domestic developments during the pandemic, most likely due to residents having increased time and resource to invest in their property over the various periods of travel restrictions, which has resulted in this favourable outturn variance. |
| Sub total | | -249 | -490 | -241 | Favourable | |

| | | |
|---|---------------|-------------------|
| Other minor variances | -54 | Favourable |
| Total Variances - Net Budget Requirement | -1,442 | Favourable |

Requests to transfer 2020/21 budget to 2021/22

| Service Area | Detail | Slippage Requested £000 | Explanation of Slippage | Effect on service delivery if not approved |
|---|--|----------------------------|--|---|
| AUTHORITY-WIDE BUDGETS | | | | |
| Authority Wide | Repairs and maintenance of buildings | 18 | The authority-wide budget for the ongoing repair and maintenance of council owned assets is underspent during 2020/21. £18k of the underspend relates to scheduled works at Snowdon Road depot which were delayed due to covid restrictions. | Without the relevant slippage the planned maintenance budget for 2021/22 across the whole estate would need to be reviewed due to shortfall in budget. |
| Organisational Improvement | Organisational Improvement Costs | 6 | Events and activities not possible due to COVID regs to be delivered in 2021/22 | No significant risk the activities are civic / mayoral / staff recognition & reward / Leaders events. |
| Sub-total | | 24 | | |
| OPERATIONAL MANAGEMENT COMMITTEE | | | | |
| Recycling Project | Purchase of hessian sacks / printing | 21 | The council received grant income from LCC during 2019/20 for the delivery of a recycling project involving the purchase of hessian sacks. The project was delayed as a result of the pandemic, and this slippage request has been made to deliver this project. | The requested slippage is in order to be able to deliver the scheme funded by the grant. If the slippage is not approved, then the grant will become repayable to LCC. |
| Sub-total | | 21 | | |
| FINANCE & DEMOCRACY COMMITTEE | | | | |
| Revenues and Benefits Service - Central Costs | Council Tax Reduction Scheme (CTRS) - Hardship Fund | 4 | This represents the balance of the original £10k allocation of funding for this purpose which is carried forward to next financial year to provide some budget provision for potential claimants during the new year - as per the management of the CTRS scheme as approved and adopted. | The Council has a legal obligation to provide a Hardship Fund for CTRS recipients - the requested slippage is to provide the resource to meet that obligation. |
| Computer Services | Purchase of Computer Equipment / Improvements to ICT resilience and recovery arrangements. | 134 | A number of planned improvements have been delayed due to the pandemic. The increased requirement for remote working by staff and for enhanced communications services has led to an ongoing review of planned ICT developments and a range of additional improvements are now scheduled for 2021/22, including: unification and continual improvement work of network security resources including firewall, offline/ cloud backups, and virtual desktop infrastructure capacity to mitigate against ongoing cyber threats and meet increased demand; the replacement and migration of major line of business ICT systems and legacy server infrastructure to support dynamic working and additional remote connectivity. A slippage request from the computer equipment purchase costs budget is now being made to allow this work to be delivered in 2021/22. | Without the requested slippage the planned ICT improvements would not be deliverable. |
| Finance Admin Team | Computer - Program Licence Charge | 31 | Civica Hosted Distribution - Provides a fully hosted cloud based cash receipting and bank reconciliation system. | Delivers greater efficiencies, reduces reliance on complex and error prone spreadsheet reconciliations and creates a stronger foundation for new technologies and innovation. |
| Sub-total | | 169 | | |

| Service Area | Detail | Slippage Requested £000 | Explanation of Slippage | Effect on service delivery if not approved |
|--|--|-------------------------|---|---|
| ENVIRONMENT, HEALTH & HOUSING COMMITTEE | | | | |
| Environmental Protection Team | LCC Covid-19 Support Grant | 16 | Funding has been awarded from Lancashire County Council to appoint a Protection Practitioner to work within the Environmental Protection Team. The resource is to supplement the Council's own resources to help respond to the current COVID-19 response | If the slippage were not to be approved this additional resource would have to cease and the funding be returned to Lancashire County Council. |
| | | -16 | | |
| Community Safety | Community Safety Initiatives | 12 | Community Safety funding is now significantly diminished due to the fact that external grants are no longer being received, other than for smaller amounts of funding, for example, from the Police and Crime Commissioner. The intention is to manage the limited resources prudently and when such usage is most effective. As a result of Covid, there has been a delay in the delivery of activities and consequently a slippage request has been made to transfer the remaining resource into 2021/22. It is possible that not all of this will be used in 2021/22 and a future request to transfer funding beyond 2021/22 may be made. The Grant monies are specifically for Community Safety Initiatives as stipulated by the LSP until such time as the money is fully spent. | If the slippage were not to be approved this would have a detrimental effect on the funding local community safety initiatives. The initiatives are aimed at addressing particular crime or anti-social behaviour issues within Fylde and the monies would have to be repaid to Lancashire County Council. At the cessation of the LSP an undertaking was given to utilise the funding for the agreed purposes. It is unclear what would be the consequence if that undertaking were not honoured. |
| | | -12 | | |
| Housing, Homelessness and Housing Advice | Mortgage Repossessions - Grants & Loans | 20 | In 2009/10 DCLG allocated £23.5k to Fylde Council to assist in preventing homelessness as a result of mortgage repossession or landlord repossession and in 2012 provided a further £30k for the same purpose. A policy is in place such that the unspent balance of funding is carried forward to be used the following year, subject to general budget pressures permitting. | If the slippage were not to be approved the mortgage repossession prevention work could not continue. As this is grant funding that can only be used for mortgage repossession prevention work the funding would need to be returned to central government if not used for the intended purpose. |
| | | -20 | Funding for project as described above. | |
| Housing, Homelessness and Housing Advice | Community Housing Fund | 10 | Complete building survey of all blocks on the development. Tendering exercise undertaken by CASS associates and preferred contractor has been chosen. Funding includes element for Peter Hamilton Associates to engage with community group to assist in process for undertaking the survey and understanding results. | Without the requested slippage the commitments made under Phase 2 to undertake building survey and community engagement work would not progress. |
| | | -10 | Funding for project as described above. | |
| Housing, Homelessness and Housing Advice | Homeless Reduction Act Initiatives | 28 | Funding specifically for HRA initiatives to support LA housing services. Latest report to committee for spend 05/01/21 committed spend up to 2020/21 for Rapid Rehousing Officer post continuation and customer service role. Remaining funding to go into HRA initiatives. | Without the requested slippage initiatives to support vulnerable households as a result of the Homeless Reduction Act would not be able to be taken forward. |
| | | -28 | Funding for project as described above. | |
| Housing, Homelessness and Housing Advice | 16 / 17 Year old homelessness Grant | 4 | The grant has been used to deliver an E-learning course developed by YMCA to be to run for 3 years from 01/04/2019. The 2019/20 funding established a mobile application and annual license fee commitment for next 3 years. | This grant funding can only be used for projects associated with preventing homelessness for 16/17 year olds. Without the requested slippage the full 3 year initiative could not be delivered. |
| | | -4 | Funding for project as described above. | |
| Rapid Re-housing Project | Rapid Re-housing Project | 1 | The final element of MHCLG Rough Sleeping Pathway Funding for the Navigator/Supported Officer (Rapid Rehousing Officer) includes funding to support individuals into accommodation. No restrictions covers a range of support needs from carpets to Aldi vouchers. | This grant funding can only be used for projects associated with rough sleeping pathway. Without the requested slippage the personal budgeting support would be removed and the funding returned. |
| | | -1 | Funding for project as described above. | |
| Trailblazer Funding | Trailblazer remaining funding to be used for No Second Night Out | 3 | Govt announced Everyone In as a response to Covid 19 and funding has been provided by Cold Weather Fund, next Steps and Protect Plus to assist to offset additional B&B costs. Requirement for budget for 20/21 for NSNO was minimal. | Without the requested slippage the Council would incur the costs of No Second Night Out and the funding would be returned. |
| | | -3 | Funding for project as described above. | |
| Housing, Homelessness and Housing Advice | Landlord Incentive Scheme | 4 | This budget is set up with DFG management fee income to incentivise Landlords to accept clients with rent in advance and rent bond payments and energy efficiency measures to support homeless prevention and housing | Without the requested slippage opportunities to deliver initiatives to support collaborative working with private landlords would be lost. |
| Sub-total | | 4 | | |

| Service Area | Detail | Slippage Requested £000 | Explanation of Slippage | Effect on service delivery if not approved |
|-----------------------|--|-------------------------|---|---|
| PLANNING COMMITTEE | | | | |
| Planning Enforcement | Enforcement Costs | 30 | The proposed enforcement action was not taken having regard to national guidance regarding such matters during the coronavirus pandemic | This funding has been set aside to address a particular site were breaches of planning control are ongoing. Funds have been set aside in order to ensure that these breaches can be addressed. |
| Planning Policy | Local Development Framework Costs | 15 | The review of the local plan has been delayed as a result of the coronavirus pandemic | The review of the local plan is ongoing and costs will be incurred as the process continues. Failure to continue with the review will mean that the local plan will be deemed to be out of date with potential for unallocated sites to be put forward for development which will lead to additional costs in defending planning appeals. |
| Economic Regeneration | Consultants Fees | 150 | This funding has been set aside to complete the St Annes Town Centre and Island Strategy and Masterplan which will now be completed during 2021/22 | The St Annes Town Centre/Island Strategy and Masterplan is a key objective in the Corporate Plan. The strategy and masterplan will be a key piece of work that will guide future investment in the town centre and will be used to support bids for external funding to help secure the future of the town centre. |
| Economic Regeneration | Contribution from Funding Volatility Reserve | -150 | The above work is being funded from the Funding Volatility Reserve, so it is necessary to slip the contribution from the reserve along with the expenditure budget. | See above. |
| | Sub-total | 45 | | |

| Service Area | Detail | Slippage Requested £000 | Explanation of Slippage | Effect on service delivery if not approved |
|--|--|-------------------------|---|--|
| TOURISM AND LEISURE COMMITTEE | | | | |
| Coast and Countryside | Environmental Projects - Persimmon Project | 5 | Due to Covid-19 measures delays have been experienced on this project. The first element of the scheme to re-grade the dunes has been completed. The signage and access elements are yet to be completed once manufacturers are fully operational and are to provide the necessary services to provide the signage and materials. Slippage is requested in respect of the balance of funding to ensure the successful continuation and completion of the project. | It is necessary to slip the revenue budget to ensure the successful continuation and completion of the project. |
| | | -5 | £106 contributions approved to fund the project. | |
| Coast and Countryside | Purchase of Equipment | 10 | Due to Covid-19 restrictions there has been an underspend on beach equipment and beach wheelchairs | The slippage request would fund additional equipment associated with beach wheelchairs and would be based out of the wind sports centre / Trax facility once brought back into the Council. We have two chairs that have unfortunately not been able to be used due to covid restrictions, but would hope to implement and extend this project wider with this slippage request. |
| Parks Mobile & Arbor Team | Computer - Program Licence Charges | 6 | Due to Covid-19 delays have been experienced in procuring the tree inspection software due to impact on the suppliers | Unable to fulfil the audit action of improving inspections and associated records through the procurement of new Arbortrek Tree Inspection software / hardware. |
| Fylde Tourism | Events & Attraction Costs | 7 | Due to Covid-19 restrictions the budgets weren't used in 20/21 but would be able to support additional events in 21/22 | There is a potential opportunity to support additional events should covid conditions allow for these to take place in 2021 / 22, especially out of season events. The budget code had not been used as much as hoped due to covid restrictions, but should there be an opportunity to further support 3rd party events if covid allows, this funding could be made available to attract in additional events. |
| Parks Development - Lytham & St. Annes | Community Projects & Initiatives | 7 | Cessation of community projects during 20/21 due to Covid-19 pandemic. | Community projects still pending from 20/21 financial year to be delivered during 21/22 including community park landscaping projects, improved community and recreational facilities, Green Flag Award applications and associated site improvements. The risk to the slippage request will be the reduction of site improvements and reduction in our capacity to design and deliver community based projects. |
| | Drives & Paths Maintenance | 6 | Budget was earmarked as a match contribution for works associated with the Fairhaven HLF Project - but it was later confirmed it was no longer required so could be reinvested back into general park improvements. | The £6,000 is required for reinvestment into park and open space pathway improvements - this includes reducing public risk by filling tarmac potholes, playground access path resurfacing and formal gardens path resurfacing. The risk is that identified path hazards will take longer to repair and the scope of what we are able to achieve will reduce. |
| Sub-total | | 36 | | |
| Total Revenue Slippage | | 299 | | |

CAPITAL OUTTURN 2020/21

| | |
|---|--|
|  | SCHEME DELIVERED TO BUDGET DURING THE YEAR |
|  | SCHEME UNDERSPENT AGAINST BUDGET |
|  | SCHEME OVERSPENT AGAINST BUDGET |

| APPROVED SCHEMES | Head of Service / Budget Holder | Latest Budget 2020/21 £000 | Actual Outturn £000 | Variance £000 | Variance | See key | Slippage £000 | Comments |
|---|---------------------------------|----------------------------|---------------------|---------------|------------|---------|---------------|---|
| FINANCE & DEMOCRACY COMMITTEE | | | | | | | | |
| Purchase of Land Adjacent to Squires Gate Station | Darren Bell | 5 | | 5 | Underspent | ▲ | -5 | A report is being considered by Finance and Democracy Committee on 28 June seeking authority to proceed with a compulsory purchase order to acquire the site. Slippage of £5k is requested. |
| Lytham Hall Driveway | Paul Walker | 52 | 52 | 0 | On target | 😊 | | The scheme has been completed within the approved budget during the year. |
| Sub total | | 57 | 52 | 5 | | | -5 | |
| TOURISM & LEISURE COMMITTEE | | | | | | | | |
| Fairhaven Lake & Promenade Gardens Restoration | Mark Wilde | 1,199 | 791 | 408 | Underspent | ▲ | -408 | Building / landscaping works and the lake works project are scheduled to be completed during 2021/22. Slippage of £408k is requested. |
| Fairhaven Adventure Golf | Mark Wilde | 491 | 489 | 2 | Underspent | ▲ | | The scheme has been completed within the approved budget during the year. |
| Staining Playing Fields Development Scheme | Mark Wilde | 94 | 51 | 43 | Underspent | ▲ | -43 | The drainage contract has now been completed and plans for landscaping works are currently being developed with project completion anticipated during 2021/22. Slippage of £43k is requested. |
| Coastal Signage Improvements | Darren Bell | 97 | 29 | 68 | Underspent | ▲ | -68 | Phases 1 and 2 (Consolidation / Rationalisation and Digital Beach Signs) are currently in progress. Internal construction works for the selected locations are being prepared. Phases 3-5 (Beach Safety, Waymarking & Directional and Heritage and Interpretation) are currently being implemented and will be completed in 2021/22. Slippage of £68k is requested. |
| Open Space access control measures | Mark Wilde | 15 | 13 | 2 | Underspent | ▲ | | The scheme has been completed within the approved budget during the year. |
| Fylde Sand Dunes Improvement Scheme | Mark Wilde | 46 | | 46 | Underspent | ▲ | -46 | The first phase of the scheme to regrade the dunes opposite the Persimmon Homes development has now been successfully completed. Works are expected to be completed for the second and third phases of the scheme - which include new dune entrance ways and signage during 2021/22. Slippage of £46k is requested. |
| Improvements to Children's Play Areas | Mark Wilde | 50 | 49 | 1 | Underspent | ▲ | | The scheme has been completed within the approved budget during the year. |
| Blackpool Road North Playing Fields Drainage | Darren Bell | 75 | 20 | 55 | Underspent | ▲ | -55 | Works started in March 2021 and will be completed during 2021/22. Slippage of £55k is requested. |
| Sub total | | 2,067 | 1,442 | 625 | | | -620 | |

| APPROVED SCHEMES | | Latest Budget 2020/21 £000 | Actual Outturn £000 | Variance £000 | | | Slippage £000 | Comments |
|--|------------------|----------------------------|---------------------|---------------|------------|---|---------------|---|
| OPERATIONAL MANAGEMENT COMMITTEE | | | | | | | | |
| Replacement Vehicles | Kathy Winstanley | 529 | 490 | 39 | Underspent | ▲ | -39 | A number of operational vehicles of a bespoke specification have been commissioned but were not delivered to the Council by the year-end. Slippage of £39k is requested in this regard and the vehicles are now expected to be received in the early part of the financial year 2021/22. |
| Car Park Improvements | Darren Bell | 20 | 20 | 0 | On target | 😊 | | The scheme has been completed within the approved budget during the year. |
| Public Transport Improvements | Darren Bell | 108 | 18 | 90 | Underspent | ▲ | -90 | This scheme relates to developer contributions (s106) funding that is paid to Lancashire County Council (LCC). The funding will contribute to the delivery of improved public transport services where an enhanced public transport requirement is identified as a result of increased housing development. These payments may be made over a period of several years and in this instance the s106 agreement allows for payments to be made up until 2028. Slippage of £90k is requested in order that the full amount may be paid to LCC in later years at the appropriate point in time. |
| Fairhaven and Church Scar Coast Protection including Public Realm Works and Stanner Bank car park - barrier scheme | Darren Bell | 330 | 307 | 23 | Underspent | ▲ | -10 | Slippage of £10k relates to some Sand Dune improvement works on the Dunes North of Fairhaven Lake. This was an outstanding condition of the Fairhaven Coastal Defence scheme which Environment Agency Grant in Aid can be claimed. |
| St Anne's Sea Wall | Darren Bell | 300 | 300 | 0 | On target | 😊 | | The scheme has been completed within the approved budget during the year. |
| Accommodation/ facilities at Snowdon Road Depot - Welfare Improvements | Darren Bell | 64 | 208 | -144 | Overspent | 🚫 | 144 | There has been an accelerated spend on Accommodation/ facilities at Snowdon Road Depot - Welfare Improvements during 2020/21. The remaining budget for 2021/22 will be reduced by £144k to offset the additional spend for 2020/21. |
| Toilet facilities and perimeter fencing at the Splash Park facility | Darren Bell | 185 | 120 | 65 | Underspent | ▲ | | The scheme has been completed within the approved budget during the year with a scheme underspend of £65k. This is mainly attributed to relatively easy service connections to the main sewer. |
| Charging Infrastructure for Electric Taxis | Darren Bell | 150 | | 150 | Underspent | ▲ | -150 | Contractors are liaising with Electricity Northwest regarding technical issues for each site. Timescales have been delayed by covid restrictions and the current revised timescale anticipates full project completion during 2021/22. Slippage of £150k is requested. |
| Pleasant Street Car Park Toilet Refurbishment | Darren Bell | 82 | 82 | 0 | On target | 😊 | | The scheme has been completed within the approved budget during the year. |
| Cemetery and Crematorium - Infrastructure Phase 3a | Darren Bell | 76 | 76 | 0 | On target | 😊 | | The scheme has been completed within the approved budget during the year. |
| Cemetery and Crematorium - Infrastructure Phase 3b | Darren Bell | 220 | 185 | 35 | Underspent | ▲ | -35 | The main project is now complete. Additional landscaping, surfacing and drainage works will be completed during 2021/22. Slippage of £35k is requested. |
| Outdoor Digital Signage | Mark Evans | 32 | 2 | 30 | Underspent | ▲ | -30 | The outdoor digital signage proposal has been referred to the Town Centres Working Group in order to consider alternative siting proposals that will be more suitable in the conservation area location in which they are proposed. Various options are currently being examined and it is expected that the projects will be delivered within 2021/22. Slippage of £30k is requested. |
| Sub total | | 2,096 | 1,808 | 288 | | | -210 | |

| APPROVED SCHEMES | | Latest Budget 2020/21 £000 | Actual Outturn £000 | Variance £000 | | | Slippage £000 | Comments |
|--|------------|----------------------------|---------------------|---------------|------------|---|---------------|---|
| ENVIRONMENT, HEALTH & HOUSING COMMITTEE | | | | | | | | |
| Disabled Facilities Grants (DFG) Programme | Mark Evans | 1,276 | 1,170 | 106 | Underspent | ▲ | -106 | Following earlier delays in activity due to covid restrictions the grant programme is now progressing as normal and all of the original funding has been fully spent by the end of 2020/21. A further top up grant was provided in December 2020 amounting to £146k which has resulted in a request for £106k to be slipped into 2021/22. |
| Housing Needs Grant | Mark Evans | 27 | | 27 | 0 | ▲ | -27 | This money relates to repayment of DFG previously made by the council in the event that a property is subsequently sold. The repayments are utilised to offset any abortive professional costs related to proposed DFG awards that do not go ahead. Slippage of £27k is requested. |
| Progress Housing Buy Backs | Mark Evans | 58 | | 58 | Underspent | ▲ | -58 | Finance & Democracy Committee in November 2020 approved a fully funded addition to the Capital Programme – 'Progress Housing Buy Backs' in 2020/21 for £57,500 to be met from a portion of S106 developer contributions for affordable housing currently held by the Council for this purpose and authorised the required expenditure for the capital grant payment in 2020/21 to Progress Housing Association, totalling £57,500. Delays to the scheme have resulted in this slippage request of £58k. |
| Affordable Housing Scheme, Lytham Road, Warton | Mark Evans | 130 | | 130 | Underspent | ▲ | -130 | Council (19/10/20) approved a scheme for affordable housing on Lytham Road Warton, utilising S106 funding. phased equally over two financial years (2020/21 and 2021/22), the sum of £260,000 to be fully funded from a portion of the balance of S106 developer contributions for affordable housing currently held by the Council for this purpose (from Agreement ref: 12/0717 - Moss Farm, Cropper Road, Westby). Delays to the scheme have resulted in this slippage request of £130k. |
| Sub total | | 1,491 | 1,170 | 321 | | | -321 | |

| APPROVED SCHEMES | | Latest Budget 2020/21 £000 | Actual Outturn £000 | Variance £000 | | | Slippage £000 | Comments |
|--|------------|----------------------------|---------------------|---------------|------------|---|---------------|---|
| PLANNING COMMITTEE | | | | | | | | |
| St Annes Regeneration Schemes | Mark Evans | 97 | 73 | 24 | Underspent | ▲ | -24 | The funding is specifically aimed at delivering the Wood Street (Phase 3) Scheme. Any residual amounts unspent will be directed towards the implementation of the next phase of the regeneration scheme. Slippage of £24k is requested. |
| Kirkham Public Realm Improvements | Mark Evans | 5 | 2 | 3 | Underspent | ▲ | -3 | This is a residual amount from the last phase of regeneration works allocated for signage which will now be delivered in 2021/22. Slippage of £3k is requested. |
| M55 Link Road (Inc. S106 monies for design work) | Mark Evans | 208 | 86 | 122 | Underspent | ▲ | -122 | The accelerated delivery of the M55 Link Road is subject to a funding package made up from a number of sources. Due to issues with securing a commitment to the project from all partners, it was not possible to progress the road project in 2020/21. Negotiations have now been concluded and work is programmed to commence in June 2021. As the project progresses, further work to refine the design will be necessary and so slippage of £122k is requested. |
| Ansdell / Fairhaven - Public Realm Scheme | Mark Evans | 10 | 27 | -17 | Overspent | ⊘ | | During the course of construction of this scheme unexpected issues relating to a cellar at an adjacent property requiring additional work and a requirement to provide additional bollards to ensure pedestrian safety were identified resulting in an increase in costs associated with this scheme and a subsequent overspend which exceeded the identified contingencies. |
| Kirkham and Wesham Station | Mark Evans | 15 | | 15 | Underspent | ▲ | -15 | This funding was identified to allow a feasibility study to be carried out which would examine the alternative proposals available to deliver off street parking at Kirkham and Wesham Station. This has been delayed as a result of changes to the rail franchise operating on the Preston-Blackpool Line, but the project is now progressing. Slippage of £15k is requested. |
| Future High Street Fund: Kirkham | Mark Evans | 100 | 83 | 17 | Underspent | ▲ | -17 | This is a government-funded scheme with delivery phased over a number of years. Funding is being utilised on a staged basis in connection with consultant requirements to deliver the detailed business case. Slippage of £17k is requested. |
| Wesham Community Centre | Mark Evans | 59 | 27 | 32 | Underspent | ▲ | -32 | This scheme was programmed to commence in early October 2020, Whilst preliminary ground works have commenced a national shortage of building materials had meant that there was a 6 - 8 week lead in for delivery of some of the required materials which had led to a delay. The project will be completed during 2021/22. Slippage of £32k is requested. |
| Kirkham Heritage Action Zone | Mark Evans | 300 | 123 | 177 | Underspent | ▲ | -177 | This is a 4 year programme with spending being spread across the programme period. Delays of approx 6 months have resulted from the Coronavirus pandemic and officers are currently working with Historic Engalnd to agree a reprofiling of the spend. Slippage of £177k is requested. |
| Sub total | | 794 | 421 | 373 | | | -390 | |
| Total Expenditure | | 6,505 | 4,893 | 1,612 | | | -1,546 | |

Capital Slippage 2020/21

Appendix E

Requests to transfer 2020/21 Budget to 2021/22

| Scheme | Detail | Slippage Requested £000 | Explanation of Slippage | Effect on service delivery if Slippage is not approved |
|---|---------------------------------|----------------------------|--|---|
| FINANCE & DEMOCRACY COMMITTEE | | | | |
| Purchase of Land Adjacent to Squires Gate Station | Purchase of Land | 5 | A report is being considered by Finance and Democracy Committee on 28 June seeking authority to proceed with a compulsory purchase order to acquire the site. | If the slippage were not to be approved there would be insufficient approved funding in 2021/22 to complete the land purchase. |
| | Sub-total | 5 | | |
| TOURISM & LEISURE COMMITTEE | | | | |
| Fairhaven Lake & Promenade Gardens Restoration | Building Works and Improvements | 408 | Building / landscaping works and the lake works project are scheduled to be completed during 2021/22. | If the slippage were not to be approved there would be insufficient funding in 2021/22 to deliver the full scheme as specified. |
| Staining Playing Fields Development Scheme | Building Works and Improvements | 43 | The drainage contract has now been completed and plans for landscaping works are currently being developed with project completion anticipated during 2021/22. | If the slippage were not to be approved there would be insufficient funding in 2021/22 to deliver the full scheme as specified. |
| Coastal Signage Improvements | Building Works and Improvements | 68 | Phases 1 and 2 (Consolidation / Rationalisation and Digital Beach Signs) are currently in progress. Internal construction works for the selected locations are being prepared. Phases 3-5 (Beach Safety, Waymarking & Directional and Heritage and Interpretation) are currently being implemented and will be completed in 2021/22. | If the slippage were not to be approved there would be insufficient funding in 2021/22 to deliver the full scheme as specified. |
| Fylde Sand Dunes Improvement Scheme | Building Works and Improvements | 46 | The first phase of the scheme to regrade the dunes opposite the Persimmon Homes development has now been successfully completed. Works are expected to be completed for the second and third phases of the scheme - which include new dune entrance ways and signage during 2021/22. | If the slippage were not to be approved there would be insufficient funding in 2021/22 to deliver the full scheme as specified. |
| Blackpool Road North Playing Fields Drainage | Building Works and Improvements | 55 | Works started in March 2021 and will be completed during 2021/22. | If the slippage were not to be approved there would be insufficient funding in 2021/22 to deliver the full scheme as specified. |
| | Sub-total | 620 | | |

| Scheme | Detail | Slippage Requested £000 | Explanation of Slippage | Effect on service delivery if Slippage is not approved |
|---|--|-------------------------|---|---|
| OPERATIONAL MANAGEMENT COMMITTEE | | | | |
| Replacement Vehicles | Purchase of Vehicles | 39 | A number of operational vehicles of a bespoke specification and with long build times have been commissioned but were not delivered to the Council by the year-end. Slippage is requested in this regard and the vehicles are now expected to be received in the early part of the financial year 2020/21. | If the slippage were not to be approved the vehicles would have to be funded from the 2021/22 budget for vehicle replacements which would impact on the delivery of future years of the vehicle replacement schedule. |
| Public Transport Improvements | Payment of S106 Developer Contributions to Lancashire County Council for enhanced public transport provision | 90 | This scheme relates to developer contributions (s106) funding that is paid to Lancashire County Council (LCC). The funding will contribute to the delivery of improved public transport services where an enhanced public transport requirement is identified as a result of increased housing development. These payments may be made over a period of several years and in this instance the s106 agreement allows for payments to be made up until 2028. Slippage of the unspent amount of £90k is requested in order that the full amount may be paid to LCC in later years at the appropriate point in time. | If the slippage were not to be approved the payments to LCC under the agreement would have to be funded from other resources. |
| Fairhaven and Church Scar Coast Protection | Building Works and Improvements | 10 | Slippage of £10k relates to some Sand Dune improvement works on the Dunes North of Fairhaven Lake. This was an outstanding condition of the Fairhaven Coastal Defence scheme which Environment Agency Grant in Aid can be claimed. | If the slippage were not to be approved there would be insufficient funding in 2021/22 to deliver the full scheme as specified. |
| Accommodation facilities at Snowdon Road Depot | Building Works and Improvements | -144 | There has been an accelerated spend on Accommodation facilities at Snowdon Road Depot in 2020/21. The budget for 2021/22 will be reduced by £144k to offset the additional spend for 2020/21. | If the slippage were not to be approved there would be insufficient funding in 2021/22 to deliver the full scheme as specified. |
| Charging Infrastructure for Electric Taxis | Building Works and Improvements | 150 | Contractors are liaising with Electricity Northwest regarding technical issues for each site. Timescales have been delayed by covid restrictions and the current revised timescale anticipates full project completion during 2021/22. | If the slippage were not to be approved there would be insufficient funding in 2021/22 to deliver the full scheme as specified. |
| Cemetery and Crematorium - Infrastructure Works | Building Works and Improvements | 35 | The main project is now complete. Additional landscaping, surfacing and drainage works will be completed during 2021/22. | If the slippage were not to be approved there would be insufficient funding in 2020/21 to deliver the full scheme as specified. |
| Outdoor Digital Signage | Building Works and Improvements | 30 | The outdoor digital signage proposal has been referred to the Town Centres Working Group in order to consider alternative siting proposals that will be more suitable in the conservation area location in which they are proposed. Various options are currently being examined and it is expected that the projects will be delivered within 2021/22. | If the slippage were not to be approved there would be insufficient funding in 2021/22 to deliver the full scheme as specified. |
| Sub-total | | 210 | | |

| Scheme | Detail | Slippage Requested £000 | Explanation of Slippage | Effect on service delivery if Slippage is not approved |
|--|--------|----------------------------|---|---|
| ENVIRONMENT, HEALTH & HOUSING COMMITTEE | | | | |
| Disabled Facilities Grants (DFG) Programme | | 106 | Following earlier delays in activity due to covid restrictions the grant programme is now progressing as normal and all of the original funding has been fully spent by the end of 2020/21. A further top up grant was provided in December 2020 amounting to £146k which has resulted in a request for £106k to be slipped into 2021/22. | If the slippage were not to be approved there would be insufficient funding in 2021/22 to deliver the full scheme as specified. |
| Housing Needs Grant | | 27 | Housing Needs grant awards are dependent on the repayments received by the sale of properties where DFG grant has previously been provided. The funding to be used where professional services been provided, such as architectural fees, but the DFG grant has not gone ahead. | If the slippage were not to be approved there would be insufficient funding in 2021/22 to deliver the full scheme as specified. |
| Progress Housing Buy Backs | | 58 | Finance & Democracy Committee in November 2020 approved a a fully funded addition to the Capital Programme – ‘Progress Housing Buy Backs’ in 2020/21 for £57,500 to be met from a portion of S106 developer contributions for affordable housing currently held by the Council for this purpose and authorised the required expenditure for the capital grant payment in 2020/21 to Progress Housing Association, totalling £57,500. Delays to the scheme have resulted in this slippage request. | If the slippage were not to be approved there would be insufficient funding in 2021/22 to deliver the full scheme as specified. |
| Affordable Housing Scheme, Lytham Road, Warton | | 130 | Council (19/10/20) approved a scheme for affordable housing on Lytham Road Warton, utilising S106 funding. phased equally over two financial years (2020/21 and 2021/22), the sum of £260,000 to be fully funded from a portion of the balance of S106 developer contributions for affordable housing currently held by the Council for this purpose. Delays to the scheme have resulted in this slippage | If the slippage were not to be approved there would be insufficient funding in 2021/22 to deliver the full scheme as specified. |
| Sub-total | | 321 | | |

| Scheme | Detail | Slippage Requested £000 | Explanation of Slippage | Effect on service delivery if Slippage is not approved |
|-----------------------------------|---------------------------------|-------------------------|---|--|
| PLANNING COMMITTEE | | | | |
| St Annes Regeneration Schemes | Regeneration Scheme | 24 | The funding is specifically aimed at delivering the Wood Street (Phase 3) Scheme. Any residual amounts unspent will be redirected towards the implementation of the next phase of the regeneration scheme. | If the slippage were not to be approved there would be insufficient funding in 2021/22 to deliver the full scheme as specified. |
| Kirkham Public Realm Improvements | Regeneration Scheme | 3 | This is a residual amount from the last phase of regeneration works allocated for signage which will now be delivered in 2021/22. | If the slippage were not to be approved there would be insufficient funding in 2021/22 to deliver the full scheme as specified. |
| M55 Link Road - Design Fees | Design fees | 122 | The accelerated delivery of the M55 Link Road is subject to a funding package made up from a number of sources. Due to issues with securing a commitment to the project from all partners, it was not possible to progress the road project in 2020/21. Negotiations have now been concluded and work is programmed to commence in June 2021. As the project progresses, further work to refine the design will be necessary and so slippage of £122k is requested. | If the slippage were not to be approved the delivery of the M55-Heyhouses link road would be further delayed as funding would only be provided based on the original development 'triggers' set out in the planning permission for the residential development at Queensway. Facilitation of the M55 Link Road is a key action within the Council's approved Corporate Plan. |
| Kirkham and Wesham Station | Building Works and Improvements | 15 | This funding was identified to allow a feasibility study to be carried out which would examine the alternative proposals available to deliver off-street parking at Kirkham and Wesham railway station. This has been delayed as a result of changes to the rail franchise operating on the Preston to Blackpool line, but the project is now progressing. | If the slippage were not to be approved there would be insufficient funding in 2021/22 to deliver the full scheme as specified. |
| Future High Street Fund: Kirkham | Building Works and Improvements | 17 | This is a government-funded scheme with delivery phased over a number of years. Funding is being utilised on a staged basis in connection with consultant requirements to deliver the detailed business case. | If the slippage were not to be approved there would be insufficient funding in 2021/22 to deliver the full scheme as specified. |
| Wesham Community Centre | Building Works and Improvements | 32 | This scheme was programmed to commence in early October 2020, whilst preliminary ground works have commenced a national shortage of building materials had meant that there was a 6 - 8 week lead in for delivery of some of the required materials which had led to a delay. | If the slippage were not to be approved there would be insufficient funding in 2021/22 to deliver the full scheme as specified. |
| Kirkham Heritage Action Zone | Building Works and Improvements | 177 | This is a 4 year programme with spending being spread across the programme period. Delays of approx 6 months have resulted from the Coronavirus pandemic and officers are currently working with Historic England to agree a reprofiling of the spend. | If the slippage were not to be approved there would be insufficient funding in 2021/22 to deliver the full scheme as specified. |
| | Sub-total | 390 | | |
| Total Capital Slippage | | 1,546 | | |

Prudential Indicators

| Prudential Indicator | Revised Indicator 2020/21 £m | Actual 2020/21 £m | Note |
|--|------------------------------------|-------------------------|------|
| Authorised limit for external debt | 6.0 | 0 | 1 |
| Operational boundary for external debt | 0 | 0 | 2 |
| Principal sums invested > 364 days | 5.0 | 0 | |
| Maturity structure of borrowing (Upper limits):- | | | |
| Under 12 months | 100% | 0% | |
| 12 months – 2 years | 100% | 0% | |
| 2 years – 5 years | 100% | 0% | |
| 5 years – 10 years | 100% | 0% | |
| 10 years and above | 100% | 0% | |
| External Debt – Gross Borrowing | 0 | 0 | 2 |
| Investments | 20.0 | 20.0 | 3 |
| Capital Expenditure | 6.9 | 4.9 | |
| Capital Financing Requirement | 5.1 | 5.0 | |
| Ratio of Financing Costs to Net Revenue Stream | 5.6% | 3.8% | |
| | | | |

Notes

1. The Authorised Limit indicator of £6.0m 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.
2. The Operational Boundary is the expected borrowing position of the Council during the year. It is not a limit and can be breached.
3. This is the actual investments held at 31st March 2021.

Covid Business Support Grants

| | Grant Received in the year 2020/21 | Amounts paid to businesses in the year 2020/21 |
|--|--|---|
| Covid Business Support Grant | | |
| Small Business Grants Fund (SBGF) and Retail, Hospitality and Leisure Grant Fund (RHLGF) | (18,375,000) | 18,375,000 |
| Local Authority Discretionary Grant Fund (LADGF) | (1,011,250) | 1,011,250 |
| Local Restrictions Support Grant - Closed (09 September to 05 November) | (84,332) | 40,724 |
| Local Restrictions Support Grant - Closed (Addendum) (05 November to 02 December) | (1,608,516) | 1,091,688 |
| Local Restrictions Support Grant - Closed (02 December to 04 January) | (793,928) | 654,414 |
| Local Restrictions Support Grant - Closed (Addendum) (05 January to 15 February) | (2,412,774) | 1,611,024 |
| Local Restrictions Support Grant - Closed (Addendum) (16 February to 31 March) | (2,527,668) | 1,655,637 |
| Closed Business Lockdown Payments (CBLP) | (4,824,000) | 3,225,000 |
| Christmas Support Payments - Wet Led Pubs | (32,000) | 28,000 |
| Local Restrictions Support Grant - Open | (586,340) | 436,216 |
| Additional Restrictions Grant | (2,333,173) | 1,679,600 |
| Total | (34,588,981) | 29,808,553 |

DECISION ITEM

| REPORT OF | MEETING | DATE | ITEM NO |
|---|---------------------------------|--------------|---------|
| RESOURCES DIRECTORATE | FINANCE AND DEMOCRACY COMMITTEE | 29 JULY 2021 | 5 |
| ADDITIONAL RESTRICTIONS GRANT – FULLY FUNDED REVENUE BUDGET INCREASE | | | |

PUBLIC ITEM

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

SUMMARY

The report provides details of the Additional Restrictions Grant (ARG) funding that has been administered by the Council on behalf of the Department for Business, Energy and Industrial Strategy (BEIS) to date with the recommendation to add a fully funded ARG award of £583,161 to the 2021/22 revenue budget.

RECOMMENDATIONS

1. The Committee are requested to approve a fully funded revenue budget increase of £583,161 in 2021/22 funded from BEIS to administer in accordance with the ARG guidance delivering support to local businesses until March 2022.
2. That the committee note the significant support provided to local businesses and the economic recovery from COVID through the administration of the ARG fund.

SUMMARY OF PREVIOUS DECISIONS

N/A

CORPORATE PRIORITIES

| | |
|--|---|
| Economy – To create a vibrant and healthy economy | √ |
| Environment – To deliver services customers expect | √ |
| Efficiency – By spending money in the most efficient way | √ |
| Tourism – To create a great place to live and visit | √ |

REPORT

Additional Restrictions Grant (ARG)

1. The Additional Restrictions Grant (ARG) is a limited financial support package funded by central government through BEIS to provide support to businesses adversely affected because of COVID restrictions and / or social distancing measures, particularly businesses that could not access financial support through other national grant schemes i.e. Local Restrictions Support Grant; Closed Business Lockdown Payment; and Restart Grant. The ARG has been administered by the local authority in accordance with the guidance provided by BEIS.

2. The key message to local authorities from the Secretary of State in respect to all business support funding has been to get grants paid to the eligible businesses as soon as practical with the financial support needed because of the immediate impact of lockdown and COVID measures on businesses. A significant amount of employee resource was required to ensure that every scheme was administered correctly but as quickly as possible with extensive post payment reporting that will be in place until 2022.
3. The ARG was first awarded in October 2020 as a single allocation based on £20 per head of population for each local authority to operate a 'discretionary' grant scheme in accordance with the guidance provided by BEIS, when entering Tier 3 then the November 2020 national lockdown restrictions. Fylde received the first grant of £1,615,600 following the introduction of Tier 3 restrictions on 15 October 2020.
4. In January a further ARG award was made in response to the third lockdown and the ongoing COVID measures continuing to impact businesses that were not eligible for LRSF funding or where more adversely impacted because the business relied on 'gathering' i.e. clubs, theatres, events etc, the award was again based on per-population, Fylde was awarded £717,573, taking the total allocation to Fylde at that time to £2,333,173.
5. With the lockdown from January 5th, 2021 extending to June (now July) with announcement of the national road map in February 2021, there was the opportunity for a further award provided that the local authority could demonstrate that the previous funding had been spent in accordance with the guidance by June 30th, 2021. Fylde successfully administered all the previous ARG grant funding by June 10th 2021 qualifying for a further allocation of £583,161. The committee is requested to approve this award as an addition to the 2021/22 revenue budget to be administered in accordance with the guidance.
6. The objective of the ARG scheme is:
 - a. To offer financial assistance to a priority range of businesses operating in the **hospitality, leisure, and accommodation sector** that have been severely impacted by COVID related restrictions; This is consistent with the guidance provided by the government when allocating support grants. Small and medium sized businesses, often independently owned, in these sectors have been most severely impacted by the restrictions on travel, social mixing, in-person service, and premise control measures in businesses that cannot deliver services online.
 - b. To provide strategic financial assistance to larger businesses critical to the economic recovery of the local economy in 2021; and
 - c. To communicate advice and support (financial and non-financial) to all businesses affected by COVID-related trading restrictions.
7. Local Authorities have discretion to determine precise eligibility criteria for the ARG grant scheme to target local priority businesses however this is subject to meeting the conditions / requirements set out in the published guidance from BEIS which is currently at the eighth revision as of June 2021.
8. The aim of the ARG fund at Fylde Council is to support as many local businesses as possible that have been adversely impacted by COVID measures and which make a major contribution to the priority business sectors in the local economy. The fund is limited therefore it has been necessary to prioritise the businesses to support and the level of grant provided.
9. When the first ARG grant was announced in October 2020 there were no plans to make further allocations, the expectation was that the November lockdown that followed the September / October tier arrangements in Lancashire would lead to the re-opening of all businesses for Christmas, this was not the case. The message from BEIS was to use the ARG to provide immediate support to retail, leisure, tourism, and accommodation businesses impacted by COVID measures and to also consider longer term schemes that will assist the recovery of the local economy post pandemic, with the original funding to be spent by March 2022.
10. The requirement for subsequent lockdown periods and extended COVID measures triggered the decision to allocate further ARG grant funding with the same objectives and guidance. The continuation of the January lockdown and COVID measures led to a decision to make available further ARG funds on the provision that previous ARG funds had been spent. This was a shift from the initial advice in October 2020 that the fund should be for both immediate support and longer-term recovery. The funded budget increase approved in this report will be used to support the longer-term post COVID recovery to March 2022.

11. Fylde Council has delivered several schemes aimed at offering support to as many local businesses as possible that have been most adversely affected by COVID measures, which have been unable to access any other funding (or insufficient grants) and are in the priority sectors of retail, tourism, leisure and hospitality in accordance with BEIS guidance. ARG has also been used to support the recovery of the local economy as the nation moves towards post pandemic. Appendix 1 to this report outlines the details of the various ARG schemes that have been administered at Fylde.

12. To date (6th July 2021) 794 individual businesses have been supported through the ARG scheme within the overall funding envelope. The additional fully funded increase of £583,161 to the ARG fund will be spent by 31 March 2022 in accordance with the guidance.

| IMPLICATIONS | |
|---|---|
| Finance | The Committee is requested to approve a fully funded revenue budget increase of £583,161 in 2021/22 funded from BEIS to administer in accordance with the ARG guidance delivering support to local businesses until March 2022. |
| Legal | The council is required to administer the scheme in accordance with the guidance issued by BEIS and provide post payment assurance. |
| Community Safety | There are no direct impacts because of the report |
| Human Rights and Equalities | There are no direct impacts because of the report |
| Sustainability and Environmental Impact | There are no direct impacts because of the report |
| Health & Safety and Risk Management | There are no direct impacts because of the report |

| LEAD AUTHOR | CONTACT DETAILS | DATE |
|-------------------------------|---|---------------------------|
| Allan Oldfield / Carrie Clark | allan.oldfield@fylde.gov.uk 01253 658634 | 7 th July 2021 |

| BACKGROUND PAPERS | | |
|-------------------------|-----------|---|
| Name of document | Date | Where available for inspection |
| ARG Schemes at Fylde | July 2021 | https://new.fylde.gov.uk/additional-restrictions-grant-main/ |
| Business Grant Guidance | Oct 2020 | Government Website |
| BEIS Website | N/A | https://www.gov.uk/government/organisations/department-for-business-energy-and-industrial-strategy |

Attached documents

Appendix 1 – ARG Support Scheme

Appendix 1 – ARG Support Scheme

All ARG support schemes were administered on behalf of BEIS and developed in accordance with the published guidance – the latest draft can be [found at this link](#).

ARG EVENTS SUPPORT GRANT

Ongoing Scheme: Up to £10k, the scheme is a longer-term recovery initiative that will run until March 2022.

The ARG Event Support Scheme is aimed at supporting recovery of the tourism and culture economy in Fylde in the post-COVID pandemic period. The ARG Event Support Scheme will contribute towards any additional cost of an event resulting from measures put in place to manage COVID infection and other costs associated to the delivery of the event attributed to the pandemic. The grant is also intended to support the post-pandemic recovery by supporting events in the Autumn and Winter months that extend the traditional event season and attract footfall.

The grant funding will be available to any formal established organisation, private sector business, or recognised charity that holds an event between 1 July 2021, and 31 March 2022, subject to the criteria set out in the scheme. Support will be available to returning events, new events, and one-off events established to support the post-pandemic economic recovery in Fylde. ARG grants are aimed at sectors of the economy and businesses that have been adversely impacted by the COVID 19 pandemic, events fall within this category.

ARG awards cannot be made to public authorities including town, parish, and borough councils and an event must be an attraction or entertainment activity available to the public, private events restricted to invites and / or members will not be supported.

The applicant/s must be able to demonstrate the cultural and tourism benefit from the proposed event and the economic impact it will have on recovery in the local area for example, the wider economic impact from expenditure in the local community because of increased footfall. Organisers will have to demonstrate that the pandemic has adversely impacted the core business and that ARG funding will contribute to the recovery of the business.

Eligibility

To be eligible to apply for the ARG Event Support Grant the following must be met:

- The event must be held in the Fylde Borough
- The operator must be local to and / or operate in the Borough.
- The event must take place before March 31st, 2022.
- The event must have cultural, social and / or economic benefit.
- The event must be a form of attraction, show, entertainment etc.
- The event must be available to the public (free or by ticket).
- The event must comply with the guidance for all events in Fylde.

The organiser must be an actively trading business/registered charity/sole trader. A business is trading if it is engaged in business activity. This should be interpreted as carrying on a trade or profession or buying and selling goods or services to generate turnover.

Exclusions

- Only 1 application per event can be accepted. Multiple businesses cannot be awarded for the same event.
- Businesses which are in administration, insolvent or where a striking-off notice has been made.
- Extensions of, or additions to established and existing events are excluded. For example, daily, weekly, monthly established markets and car boot sales, travelling fairgrounds/fun fairs. This list is not exhaustive so please contact us if you are unsure to confirm eligibility before applying.

What the grant can fund

If a grant is awarded it can be used to fund up to 100% for measures that are additional to manage the COVID 19 virus e.g. testing facilities; additional equipment or resources for social distancing; sanitisers / hygiene facilities etc. and up to 50% (to a maximum of £10,000 in total) for any element of the operational infrastructure, including:

- Equipment hire and set up i.e. toilets, marquees, etc.
- Event safety arrangements i.e. road safety
- Marketing, publicity, and promotion
- Hire of land or assets to hold the event.

ARG funding cannot be used for capital investment or purchases.

Grant Conditions

- Any award will be made on approval of the application with payment made to the organisation on the production of certified receipts.
- The grant cannot be used to pay salary, wages, commission fees etc. to any individuals associated with the event.
- The grant cannot be used for capital assets.
- The application must be submitted by January 31st, 2022, to allow time to process the scheme by March 31st, 2022.

Applications must be made using the online form.

ARG VACANT PREMISES GRANT

[Ongoing Scheme](#): *Up to £10k, the scheme is a longer-term recovery initiative that will run until March 2022.*

The Additional Restrictions Grant (ARG) Vacant Premises Grant was established April 2021 to support start-up costs for small local businesses which locate in vacant premises between 1 March 2021 and 31 March 2022. This scheme is intended to stimulate new business in the town centres of St Annes, Lytham and Kirkham that will encourage footfall to the area. The grant will support new businesses with a contribution towards the initial

investment for shop fitting and set-ups costs. Applicants can claim for up to 50% of the setup, shop fitting, refit, or branding cost of the business to a maximum of £10,000. The economic climate has been challenging for all business during the COVID pandemic with in-person businesses having had additional costs to keep customers safe, while trading has been restricted due to COVID measures.

Businesses which meet all the following criteria can apply for a grant:

- Moving or expanding into a vacant / empty high street unit in the town centre*
- Offering an in-person service that would generate footfall to the town centre
- Small independent sole trader / operator or locally based chain
- Premises must be within the town centre locations as marked in Appendix 1
- Premises must include ground floor shop frontage

*if the move involves creating a vacant premise in the designated town centre support area the business will not qualify for the grant.

Exclusions

- Businesses that are part of a large regional or national chain / franchise in the food and drink, hospitality, or beauty / hair sectors
- Existing businesses relocating from one town centre location in Fylde to a different town centre (unless expanding)
- Business that might duplicate or displace already established businesses
- Businesses that do not have fixed premises in the town centre

Applications can be made via an online form.

ARG DISCRETIONARY AWARD SCHEME

Closed scheme awarded £1,081,000 to 639 eligible applicants.

The local discretionary grant scheme set up in November 2020 was operated by every local authority and funded through the ARG. It was aimed at businesses that do not have business rate accounts or are not in the economic sectors that make them eligible for other grants.

Who could apply for the ARG?

The scheme was aimed at a range of priority businesses in the Fylde economy including the following:

- Leisure, hospitality, and tourism businesses without business rate accounts that have not been eligible for any other support

- Small businesses in shared rented space e.g. market traders not eligible for any other support
- Small businesses that remain open during the national lockdown but have experienced a significant loss of income due to national restrictions
- Amateur sports clubs, charities, and community recreational associations not eligible for any other support
- Home workers experiencing significant loss of income due to national restrictions
- Mobile workers who have been forced to cease trading under Tier 3 or National Lockdown restrictions

Eligibility

To be eligible to apply for the ARG the business must:

- Be located and trading primarily in the Fylde borough area
- Have been trading on, and before 16th October,
- Be adversely affected by the restrictions introduced in Tier 3 and the national lockdown
- Have less than 40 employees
- Have ongoing fixed costs associated to the business

Exclusions

The following exclusions will apply:

- Businesses that are part of a large regional or national chain / franchise
- Businesses that are eligible for a Local Restrictions Support Grant (Closed)
- Businesses that are in administration, insolvent or where a striking-off notice has been made
- Mobile workers who were not required to cease trading during Tier 3 or National Lockdown restrictions

Three levels of grant were available through the ARG scheme: £1000, £2000 or £3000. The amount awarded to eligible applicants was based on an assessment of the evidence provided against the following criteria:

- The impact of lockdown measures on income to the business, considering whether the business has been able to continue any trading (including online)
- Any impact on the ability to trade because of social distancing and lockdown measures e.g. additional cost to address COVID measures
- The financial viability of the business in terms of cash flow and reserves

The first round of the scheme closed to applications in December but as a result of the National Lockdown in January 2021, a second round of applications was opened with new businesses awarded with further awards made to businesses that had already successfully received a payment in round one. Following the continued restrictions and the additional support offered in the form of the Restart Grant to rate-paying businesses forced to close by restrictions, a final payment was made to the majority of successful applicants across both application periods based on the severity of the impact from ongoing COVID restrictions in priority business sectors.

ARG LICENCED DRIVERS SCHEME

Closed scheme awarded £212,450 awarded to 609 applications (over two awards)

This was a targeted scheme for taxi drivers licenced with Fylde Council. The impact from reduced tourism footfall across the Fylde coast has adversely affected licenced drivers that have had limited or no other means of support from other local or national schemes.

The initial scheme was open to drivers with a valid licence from Fylde Council on 16 October 2020 and drivers were contacted directly in December 2020 to complete an online form and claim the award.

As a result of the National Lockdown in January 2021 National lockdown and the continued lack of demand for taxi services due to the restrictions, a second round of the award was made and new drivers since October were contacted to allow them to claim their first award on the scheme.

ARG CLOSED PREMISES SUPPLEMENTARY SCHEME

Closed scheme awarded £320,500 to 197 eligible applicants.

After the second National Lockdown between 5 November and 2 December 2020, most premises in the hospitality and accommodation sector were required to remain closed from 2nd to 30th December because Lancashire was subject to Tier 3 restrictions – these were the days when Liverpool was Tier 2 and everyone headed there for the night out. The closure came at a time when the businesses in this sector would have been experiencing the busiest trading period of the year, in the build up to Christmas and New Year, increasing the financial impact of the closure restrictions.

In response to this an additional supplementary award was made from the ARG fund for businesses in the hospitality and accommodation sectors whose premises were required to remain closed during December that had already made an LRS (Closed) or ARG application prior to 24 December 2020. The businesses that received an additional supplementary award were contacted directly to notify them of the award that was made alongside the government closure grant.

ARG EXCEPTIONS SCHEME

Closed scheme awarded £344,496.86 to 18 eligible applications

This scheme was set up in January 2021 to address exceptional circumstances where local businesses have been unable to secure enough support from other grant schemes (including other elements of the ARG). The scheme supported priority businesses in the local economy where there was evidence of significant and exceptional or unique circumstances that place the business at risk as a direct result of local or national COVID restrictions.

Almost every business had challenges under the COVID regulations and there are grants available, however some businesses have circumstances that led to far more adverse impact by the COVID regulations and required additional support.

The criteria for eligibility included:

- The business must have already been awarded an LRSO (Open), LRSO (Closed), or ARG Discretionary award.
- Long term (minimum 6 month) impact as a direct result of COVID restrictions on the income of the business without any significant recovery between the lockdown periods.
- The business has premises or operational costs that cannot be reduced or mitigated because of closure or reduced trade
- The business is not a sole trader and employs at least five people (paid or volunteers)
- The service or product is delivered or produced in the borough of Fylde; and that
- The business is in the leisure, tourism, entertainment, or hospitality sectors

Following an initial enquiry and eligibility check, applicants were invited to submit an online application form.

ADDITIONAL RESTRICTIONS GRANT SUPPLEMENTARY – ANIMAL BOARDING FACILITIES

Closed scheme awarded £148,000 to 22 eligible applications

In March 2021, the Council allocated funding for a discretionary award to kennels and catteries in the Borough that have been unable to access the LRSO (Closed)/CBLP grant schemes but are adversely impacted by the COVID pandemic regulations that restrict international travel and guidance restricting domestic travel, both reducing demand for animal boarding facilities for almost all of the pandemic to date.

Businesses with an animal boarding license were directly contacted and advised to complete an online form to access the award. Following the continued restrictions and the additional support offered in the form of the Restart Grant to businesses forced to close by restrictions, a second payment was made to these businesses to support their recovery.

ADDITIONAL RESTRICTIONS GRANT SUPPLEMENTARY - WEDDINGS TRAVEL LIVE EVENTS

Closed scheme awarded £163,000 to 63 eligible applications

With the announcement of Road Map and continued ongoing COVID measures funding for a discretionary award to businesses involved with weddings, live events, travel or where gatherings are required to take place was made, this was because businesses in these sectors have been significantly adversely impacted by COVID related restrictions, measures and the period to full recovery for these sectors is long-term.

The award was based on the nature and size of the business as well as the ongoing cost of the business premises. The business had to have already been awarded an LRSG (Closed) or ARG Discretionary award for it to be eligible for this award.

ARG STEP 3 EXTENSION SUPPORT SCHEME

Closed scheme awarded £64,500 to 26 eligible applications

In July 2021, an additional award was made to those businesses that are 'most significantly' impacted by the four-week extension of the COVID measures in Step 3 of the National Road Map to Recovery to 19 July 2021.

The sectors awarded included:

- Animal boarding - the restrictions on travel remaining in place reducing demand for animal boarding facilities.
- Locally owned travel agents - the restrictions on travel remaining in place reducing demand for travel agencies.
- Wet-led night-time venues - the restrictions on capacity, social distancing, and table service remaining in place reducing the ability for businesses whose primary income is vertical drinking to operate at normal capacity.
- Locally owned theatre - the restrictions on social distancing remaining in place reducing the available capacity that theatre venues can offer.
- Coach travel companies - the restrictions on travel and social distancing remaining in place reducing demand and available capacity for coach travel businesses.

The business must have already been awarded an LRSG (Closed) or ARG Discretionary award for it to have been considered for this award.

DECISION ITEM

| REPORT OF | MEETING | DATE | ITEM NO |
|--|---------------------------------|--------------|---------|
| DEVELOPMENT SERVICES DIRECTORATE | FINANCE AND DEMOCRACY COMMITTEE | 29 JULY 2021 | 6 |
| KIRKHAM HERITAGE ACTION ZONE – FULLY FUNDED CAPITAL BUDGET INCREASE | | | |

PUBLIC ITEM

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

SUMMARY

The report sets out the details of the Cultural Programme Support Funding which was awarded to the council in addition to the HS HAZ award. This funding was via a separate grant of £80,000 was awarded by Historic England to establish a Cultural Programme and this will need to be added to the capital programme as a funded budget increase.

The matter was considered by the Planning Committee on 23 June 2021 as part of a wider report relating to the HS HAZ programme.

RECOMMENDATIONS

1. to request approval of a fully funded capital budget increase of £80,000 to this scheme phased as detailed (£35,000 2021/22; £35,000 2022/23 and £10,000 2023/24) fully funded from a further grant award from Historic England of £80,000.
2. to note that a previous report has been provided to the planning committee (23/06/21) to authorise the £35,000 drawdown of expenditure for 2021/22 subject to this fully funded budget increase request.

SUMMARY OF PREVIOUS DECISIONS

[On 23 June 2021, Planning Committee](#) resolved:

1. To note the spend to date on delivery of the High Street Heritage Action Zone programme of £123,000 (2020/21) & £73,000 (2021/22) which has been undertaken in line with emergency powers.
2. To approve the further draw-down of £917,802 in respect of Kirkham Heritage Action Zone which is included within the approved Capital Programme for 2021/22 and further reports will follow requesting drawdown from 2022/23 onwards.
3. To note that a further report will be presented to Finance & Democracy Committee at the next cycle of meetings to request approval of a fully funded capital funded budget increase of £80,000 to this scheme phased as detailed (£35,000 2021/22; £35,000 2022/23 and £10,000 2023/24) and that subject to this decision committee authorise the draw-down of £35,000 of this additional grant during 2021/22 to deliver the cultural programme.
4. That Councillor Liz Oades be nominated to Chair the Council's Kirkham Futures Steering Group that will oversee the delivery of the HS HAZ and FHSF programmes.
5. To authorise officers to establish a Kirkham Futures Community Project Board, consisting of representatives

of the local community, key stakeholders, and delivery partners to act as a vehicle to engage with the local community during the development and delivery of the HS HAZ programme.

On 11 March 2021, the Chief Executive, in consultation with the Chairman of the Planning Committee and Leader of the Council, authorised the use of emergency powers to award contracts for the delivery of the HS HAZ fund in accordance with the approved grant award scheme.

On 4 March 2021, Budget Council approved an updated 5 year Capital Programme which included £3.271m commitment to deliver the Kirkham Heritage Action Zone spread over 4 years as follows: £300,00 (2020/21); £1,327,000 (2021/22); £1,032,000 (2022/23); and £612,000 (2023/24).

On 3 June 2020, Planning Committee resolved:

1. That Committee approves the detailed approach to the development of the final business case for the Future High Street Fund Business Case to be submitted to the Ministry of Housing, Communities and Local Government. Officers will subsequently inform Committee of the outcome from which point further reports as appropriate, will be submitted to Committee highlighting the details and refined proposals for the future implementation and implications of the scheme. The scheme as submitted will also form part of a longer-term regeneration strategy for the town centre, to be fully developed and again brought forward for consideration by Committee.
2. That Committee agree to the recruitment of a Project Officer to assist with the delivery of the HAZ subject to confirmation of the grant award from Historic England. The post will be fully funded by the Historic England grant and associated match funding as previously agreed by Committee.

On 13 November 2019, Planning Committee

Following detailed consideration of this matter it was RESOLVED:

1. To approve the broad approach to the development of the Future High Street Fund Business Case (as set out in appendix 1 of the report), which will also form part of a longer term regeneration strategy for the town centre, to be developed with full details of individual components of the scheme to be brought forward to Committee for consideration as appropriate in due course.
2. To agree and adopt the Future High Street Consultants Brief for the purposes of engaging the appropriate consultants and as a basis for the outcomes directly inputting into the detailed business case. (as set out in Appendix 2 of the report)
3. To approve the approach as set out in the report for the compilation of the Heritage Action Zone Programme subject to the detailed proposals being brought forward in due course, as appropriate
4. To agree to the formation of a Project Board to assist in the delivery of the initiatives should they be successful and that the matter of member inclusion be considered in due course.
5. To approve a request to the Finance and Democracy Committee for an addition to the Capital Programme in the total sum of £150,000 (£75,000 in 2019/20 and £75,000 in 2020/21) in respect of the Kirkham Future High Street Fund Scheme, to be met in full by a central government grant for this purpose (The initial £75,000 has been confirmed, with the second allocation of £75,000 expected to be confirmed in early 2020. If the second allocation is not granted the value of the capital scheme will be reduced to the value of the initial allocation, such that only expenditure that will be met by the total grant allocation will be committed).
6. That, subject to approval by the Finance and Democracy Committee of 5 above, the Committee authorises the use of the grant received by the Ministry of Housing, Communities and Local Government (or as subsequently agreed) for the purposes of commissioning the appropriate consultants to assist with the preparation of the fully development Business Case in respect of the Future High street Fund bid for Kirkham
7. To authorise appropriate arrangements be made for a committee bus tour of the 3 town centres of Kirkham, Lytham and St Annes in the New Year.

| CORPORATE PRIORITIES | |
|--|---|
| Economy – To create a vibrant and healthy economy | ✓ |
| Environment – To deliver services customers expect | ✓ |
| Efficiency – By spending money in the most efficient way | ✓ |
| Tourism – To create a great place to live and visit | ✓ |

REPORT

BACKGROUND

1. The High Street Heritage Action Zone (HS HAZ) initiative seeks to create economic growth and improve quality of life in places through working with local people and partners to breathe new life into old places that are rich in heritage. The council's bid to secure this funding to help revitalise Kirkham Town Centre was successful, and the funding has been included in the council's capital programme.
2. In addition to the main award, a separate award of £80,000 was made to the council to allow a programme of cultural works to be progressed alongside the main HS HAZ programme.

THE CULTURAL PROGRAMME

3. The overall HS HAZ programme is composed of a series of individual projects that were reported to the Planning Committee in detail on 23 June 2021.
4. The Cultural Programme enabled buy-in of specialist consultancy support from arts consultants to write the Cultural Pilot grant scheme and prepare a further bid to the main Cultural Grant application. This enabling money allowed a bid to be submitted, which was successful. Accordingly, a further £80,000 will need to be added to the capital programme and this report requests that the Finance & Democracy Committee approve this addition.
5. A full presentation of the various HS HAZ projects, including the Cultural Programme was provided to members of the Planning Committee on 23 June 2021 detailing each individual project.

VALUE FOR MONEY AND DETAILS OF PROCUREMENT PATH

6. In order to ensure that value for money is achieved procurement will be undertaken in accordance with the Council's contract procedure rules. Selection of the successful tenderer will be on the basis that value for money is a key consideration. The project will not have any ongoing maintenance implications.

CONCLUSION

7. The various funding awards that have been received will allow significant interventions to be made in Kirkham Town Centre that will help to revive the fortunes of the town.

| IMPLICATIONS | |
|---|--|
| Finance | The committee is requested to approve a fully funded capital budget increase of £80,000 to this scheme phased as detailed (£35,000 2021/22; £35,000 2022/23 and £10,000 2023/24) fully funded from a further grant award from Historic England of £80,000 and that subject to this decision, to note that a previous report (23/06/21) had been provided to the planning committee to authorise the £35,000 drawdown of expenditure for 2021/22. |
| Legal | None |
| Community Safety | None |
| Human Rights and Equalities | None |
| Sustainability and Environmental Impact | None |

| | |
|-------------------------------------|------|
| Health & Safety and Risk Management | None |
|-------------------------------------|------|

| LEAD AUTHOR | CONTACT DETAILS | DATE |
|-------------|---|-----------|
| Mark Evans | mark.evans@fylde.gov.uk & Tel 01253 658460 | June 2021 |

DECISION ITEM

| REPORT OF | MEETING | DATE | ITEM NO |
|----------------------------------|---------------------------------|--------------|---------|
| DEVELOPMENT SERVICES DIRECTORATE | FINANCE AND DEMOCRACY COMMITTEE | 29 JULY 2021 | 7 |

THE ISLAND REGENERATION – FULLY FUNDED REVENUE BUDGET INCREASE

PUBLIC ITEM

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

SUMMARY

The report sets out the details of the Lancashire Economic Recovery Grant Fund that was awarded to Fylde Council in June 2021 for the establishment of The Island Regeneration Programme. The Programme will define the objectives and will act as the delivery vehicle for the regeneration of the Island site in St Annes. The scope of the Programme will be defined specifically by the production of a holistic spatial Masterplan, accompanied by a business case and delivery strategy. The commissioning of the Masterplan is subject to a live procurement exercise, identified as a separate deliverable alongside the commissioning of the St Annes Town Centre Strategy for which a figure of £150,000 is already included within the Revenue Budget.

The commissioning of the Masterplan is currently subject to a live two-phase tender process that will be concluded at the end of August 2021.

In total, £108,000 has been awarded by Lancashire County Council based on a contribution by Fylde Council of £12,000, which is 10% of the overall £120,000 estimated commission cost.

Lancashire County Council have confirmed that they will consider further match funding to support project delivery and acquisition once the Masterplan and Delivery Strategy is completed.

The purpose of this report is to seek approval of the funding and integrate this into the 2021/2022 Revenue Budget and give a background to the scope of the Masterplan and overall regeneration objectives.

RECOMMENDATIONS

The Finance and Democracy Committee are requested:

1. To approve a fully funded revenue budget increase of £120,000 for 2021/2022, of which £108,000 is funded from the Lancashire Economic Recovery Grant from Lancashire County Council and a further £12,000 is funded from the funding volatility reserve for the commissioning of the Island Regeneration Programme Masterplan.

SUMMARY OF PREVIOUS DECISIONS

None to date

CORPORATE PRIORITIES

| | |
|--|---|
| Economy – To create a vibrant and healthy economy | √ |
| Environment – To deliver services customers expect | √ |
| Efficiency – By spending money in the most efficient way | √ |
| Tourism – To create a great place to live and visit | √ |

REPORT

BACKGROUND

1. The regeneration of the Island site at St Annes is a key component of the Council’s Corporate Plan 2020/ 2024 and has been high on the political agenda for many years.
2. To achieve the Council’s ambition to regenerate the Island site, it has been proposed to establish a Programme board as a delivery vehicle for several interrelated projects, the introduction of which will initiate a comprehensive regeneration of the site. These projects will be defined as part of initial stages of the Programme, the main part of which comprises the commissioning of a Masterplan.
3. The current vision for the site as defined by the disbanded Island Working Group is as follows; “to seek regeneration of The Island site to achieve a vibrant, unique, mixed use, attractive, all year round site/destination for tourism that complements the town centre which is both competitive and viable, whilst retaining some control by the council and the potential for future increases in income receivable”. This vision will be reviewed by the incoming multi-disciplinary team however it is not expected to change fundamentally.
4. In January 2021, Officers prepared an initial expression of interest to Lancashire County Council in relation to the Lancashire Economic Recovery & Growth Fund for the Island Regeneration. The expression of interest was successful, and Fylde Council were invited by Lancashire County Council to prepare and submit a full business case application for the full funding amount required to deliver the Masterplan.
5. The full business case was submitted on 23rd February 2021, which included details of the proposed multi-disciplinary team and services required to produce the Masterplan, a draft schedule and confirmation of the estimated costs to commission the services. The business case also contained details of how the both the initial phase and future phases would be project managed by Fylde Council.
6. The estimated budget costs for the commission are £120,000. This estimate has been derived from benchmark projects and a short exercise detailing the amount of resources per month that are estimated to be required over the duration of the commission. The actual costs for the commission will be confirmed following conclusion of the tender process.
7. On 28th June 2021, Lancashire County Council confirmed the award of £108,000 (subject to a £12,000 match funding contribution from Fylde Council) towards a total project cost of £120,000 to produce the Masterplan for the Island site. Lancashire County Council also confirmed a commitment to consider future funding bids to deliver individual projects identified through the Masterplan process.
8. The Island Masterplan commission is being combined with the wider St Annes Town Centre Strategy commission to achieve best value and produce a coordinated blueprint for the future resort-wide regeneration of St Annes. The tender process will be concluded towards the end of August.

METHOD AND COST OF FINANCING THE SCHEME

9. Funding for the Island Regeneration is to be included within the Revenue Budget for 2021/2022 in the sum of £120,000.

VALUE FOR MONEY AND DETAILS OF PROCUREMENT PATH

10. To ensure that value for money is achieved procurement will be undertaken in accordance with the Council’s contract procedure rules. Selection of the successful tenderers will be on the basis that value for money is a key consideration.

11. Any future revenue budget impact to Fylde Council will be identified through the development and establishment of the overall Programme. The initial preparation of the Masterplan will not require any additional revenue funding and will be delivered/managed through existing resources. A high-level business case will be prepared alongside the Masterplan to give a high-level expectation of the costs required once the various projects are delivered.

GOVERNANCE

12. The recently established St Annes Regeneration Programme Board will oversee the delivery of the Masterplan with individual projects identified through this process being overseen by the Planning Committee. The Programme Board will report directly to Finance and Democracy and include representatives from several Council Committees. The specific make-up of the Programme board will be confirmed within a future drawdown report to be prepared following conclusion of the St Annes Town Centre Strategy and Masterplan tender process.

SUMMARY

13. Fylde Council have been awarded £108,000 from the Lancashire Economic Recovery & Growth Fund based on a contribution by Fylde Council of £12,000, which is 10% of the overall £120,000 estimated commission cost for the preparation of a Masterplan for the Island site. The production of a Masterplan will define the objectives for regeneration of the Island site to enable recovery post-Covid and capitalise on the introduction of new sea defences planned to be completed in 2024. The Masterplan will inform the establishment of a long-term Programme to regenerate the Island and St Annes Town Centre.

| IMPLICATIONS | |
|---|---|
| Finance | The approval of a fully funded revenue budget increase of £120,000 for 2021/2022, of which £108,000 is funded from Lancashire Economic Recovery Grant from Lancashire County Council and a further £12,000 is funded from the funding volatility reserve for the commissioning of the Island Regeneration Programme Masterplan as detailed in the report. |
| Legal | None |
| Community Safety | None |
| Human Rights and Equalities | None |
| Sustainability and Environmental Impact | None |
| Health & Safety and Risk Management | None |

| LEAD AUTHOR | CONTACT DETAILS | DATE |
|------------------|---|-----------|
| Charlie Richards | charlie.richards@fylde.gov.uk & Tel 07389 137952 | July 2021 |
| Mark Evans | mark.evans@fylde.gov.uk & Tel 01253 658460 | July 2021 |