



Agenda

Finance and Democracy Committee

Date:	Monday, 23 November 2020 at 6:30pm
Venue:	Remote meeting via Zoom
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>

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Public Platform

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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
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DECISION ITEM

REPORT OF	MEETING	DATE	ITEM NO
FINANCE	FINANCE AND DEMOCRACY COMMITTEE	23 NOVEMBER 2020	4
FINANCIAL FORECAST UPDATE (INCLUDING REVENUE, CAPITAL & TREASURY MANAGEMENT) 2020/21 TO 2024/25			

PUBLIC ITEM

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

SUMMARY

The report provides Members with an update of the financial forecast for the Council for the five years 2020/21 to 2024/25. It includes changes arising since the Budget was set by Council in March 2020.

RECOMMENDATIONS

The Committee is recommended:

1. To note the implications of this updated financial forecast, and to also note that this report will be presented to the Council meeting on 7th December 2020; and
2. To recommend to Council that the sum of £0.692m be transferred from the Funding Volatility Reserve into the M55 Link Road Reserve, ahead of the accumulation of further Business Rate growth receipts arising from the Blackpool Airport Enterprise Zone, in order to confirm the availability of the full £2m contribution from Fylde Council to the scheme at this point, with an equivalent sum arising from business rates growth at the Enterprise Zone in future years being transferred into the Funding Volatility Reserve as and when such are growth is realised.

SUMMARY OF PREVIOUS DECISIONS

The Council set its budget for 2020/21 at its meeting of 4th March 2020. This report provides Members with an update of the financial position of the Council, including changes since that 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

1. PURPOSE OF THE FINANCIAL FORECAST UPDATE

- 1.1 This report is the mid-year and preliminary forecast of the Council's financial position and takes account of latest reserve balances, revenue and capital spending forecasts and treasury management issues. It also identifies and updates the financial risks and challenges facing the Council. The assumptions set out in this forecast are the latest best estimates and will be updated as and when further information becomes available.
- 1.2 This latest financial forecast update is designed to:
- Present an updated five-year financial forecast for revenue and capital spending based upon the best information available at the time;
 - Review and update the currently identified risks and opportunities;
 - Alert Members to any new specific risks and opportunities;
 - Inform Members of any changes required to budgets due to external factors outside the Council's control; and,
 - Provide a basis on which Members can begin to make future spending decisions.

2. BACKGROUND TO THE FORECAST

- 2.1 In order to 'scene set', the current financial position of the Council is summarised for Members as follows:

(i) Original Budget 2020/21

At the Council meeting on the 4th March 2020 the budget for 2020/21 and the medium term financial forecast were agreed. The resolution included a 1.99% increase in the average Council Tax amounts and a total net budget requirement of £10.450m for 2020/21. The General Fund balance at that time was forecast at the end of 2023/24 to be £2.549m. In agreeing the Original Budget for 2020/21 a number of key high level financial risks and assumptions were highlighted.

(ii) General Fund Revenue Outturn Position 2019/20

The revenue outturn position for 2019/20 was reported to Members in July 2020. The impact of the outturn position, including slippage items in the total sum of £0.345m, has been reflected in this updated forecast.

The favourable outturn position for revenue allowed for a further contribution to be made into the Capital investment Reserve for that year in the sum of £0.924m. Appendix E includes the latest estimate in this regard.

(iii) Covid-19 Impact

In the weeks following the setting of the budget for 2020/21, and the revised budget for 2019/20, the impact of the covid outbreak became increasingly apparent. The national 'lock-down' that was implemented in late March was unprecedented and had a substantial impact on both the national and the local economy. However, due to the timing of the commencement of the lock-down (24th March 2020) the effects of that situation for the 2019/20 financial year were limited.

The 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 much more apparent, although a range of national funding measures have also been introduced that assist in off-setting some of those negative financial effects.

Under the funding package for councils in respect of reduced sales, fees and charges income announced in July, the government will reimburse a proportion of lost income. Where losses are more than 5% of the budgeted income from sales, fees and charges, the government will cover them for 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. An initial assessment of the losses for the first four months of 2020/21 has recently been submitted with an anticipated initial receipt of grant in the sum of £0.426m. Further assessment of losses will be submitted later in 2020/21 and the position will be monitored carefully and reflected in future updates to the Financial Forecast.

The financial impact of the restriction measures for the current year, in terms of reduced levels of income and the cost of providing financial assistance to specific local businesses, continues to be carefully monitored. The pandemic has led to significant volatility in both income and expenditure levels across a number of service areas, and number of budget variations resulting from the impact of the covid restriction measures are included within this report, with details of the most significant variations being included within Appendix Cii.

In addition to the reimbursement for lost income, the government has announced funding allocations of both a general and specific nature to help local authorities manage the spending pressures caused by the covid restrictions. The specific and general grants notified to date are:

Covid Grant Allocation	£000
Employment costs of covid marshals	36
Funding to support vulnerable people (food and essential supplies)	74
Funding for the prevention of outbreaks of infectious diseases	109
Council Tax Reduction Scheme – reliefs awarded (£150 per claimant) plus other discretionary relief awards	586
Prevention of rough sleeping	5
Self Isolation (support payment low income families)	72
General / non-specific funding	1,151
Total	2,033

All Local Authorities are required to complete monthly government returns estimating the overall financial impact of the covid situation on their finances. Alongside all of the adverse financial impacts noted within the analysis at Appendix C, the single most significant anticipated consequence that is included within the Fylde Council return is the reduction in the collection of Council Tax and Business Rates for the year. Collection rates for 2020/21 are lower for the year to date than at this point in previous years and are being carefully monitored. It is possible that collection rates may improve through the remainder of the year. Similarly it is not clear at this stage

how much of the council tax and business rate debt will prove to be uncollectable and will ultimately be written off at a cost to the council and the other major preceptors.

(iv) Budget Right-sizing Exercise

During the autumn each year officers undertake a budget right-sizing exercise to identify any in-year budget variances and any future budget adjustments that might be appropriate. The exercise includes an analysis of underspends which have occurred over the last 3 financial years in order to identify structural variances and trends in income and expenditure levels. This has become part of the annual budget process. As a result a number of budget adjustments are included within Appendix Ci of this report under the heading 'Budget Rightsizing'. The efficiencies and savings captured by the right-sizing exercise are a combination of one-year-only and recurring savings. It is anticipated that in future years the level of efficiencies and savings that are achievable through the right-sizing exercise will be more limited.

(v) Capital Outturn Position 2019/20

The latest approved expenditure budget in the capital programme for 2019/20 was £14.299m. After adjusting for slippage of £2.131m, the overall outturn position for 2019/20 was an in-year favourable variance of £0.002m against the latest updated estimate.

(vi) General Fund Revenue Quarterly Budget Monitoring 2020/21

Revenue budget monitoring reports for the period to 30th September 2020 have been presented to each of the Programme Committees during the November cycle of meetings and are included later on the agenda for this meeting as information items. These reports identified a number of budget areas for further consideration. As a result, a number of changes have already been included in this latest forecast. These include revised fee income estimates, updated employee cost assumptions, and the latest estimate of employee costs.

3. THE GENERAL FUND REVENUE FORECAST

- 3.1 Appendix A of this report sets out the original revenue budget forecast as agreed at the Budget Council meeting on 4th March 2020.
- 3.2 Appendix B shows the general assumptions underpinning the base forecast, whilst Appendices Ci and Cii show the financial impact of changes to general assumptions and the impact of other significant changes that have been identified since the budget was approved, including the impact of outturn 2019/20 and the budget right-sizing exercise. Appendix D sets out the narrative which explain the significant changes made to the forecast.
- 3.3 The impact of all these changes are summarised in Appendix E which details the latest updated forecast. The forecast needs to be considered carefully in the light of the identified risks which cannot be fully quantified at this time but may have an impact on the forecast at some future point.

The following decisions have also been made since the Budget Council meeting on 4th March 2020 and may have a significant impact of the financial position of the Council:

3.4 Further Contribution to the M55 Link Road

The construction of a new purpose-built link road from Lytham St Anne's to the M55 (junction 4) has been a transport priority for Fylde Council and Lancashire County Council

since the 1990's and has been included in a number of corporate plans and strategic transport plans. It is a key infrastructure project in the adopted Fylde Local Plan and is seen as essential to the delivery of planned sustainable growth for the borough. In July 2016, the Council committed to providing funding in the initial sum of £1m to assist in the delivery of the link road. Since then the design and delivery plans and funding packages have moved on considerably and the overall cost of the scheme has been refined.

At the Council meeting of 18th March 2020 the Council approved the transfer into the M55 Link Road Reserve of current and future Business Rate growth receipts arising from the Blackpool Airport Enterprise Zone to a maximum sum of an additional £1m and that in the event that less than £1m of Business Rate growth has accumulated by the time that the funds are required by Lancashire County Council to deliver the road, that any shortfall would be met from the Funding Volatility Reserve.

The balance of the M55 Link Road Reserve currently stands at £1.308m. In order to expedite delivery of the road, by confirming the availability of the total £2m contribution from Fylde Council to the scheme, it is now proposed that the shortfall in the sum of £0.692m be transferred from the Funding Volatility Reserve into the M55 Link Road Reserve, ahead of the accumulation of further Business Rate growth receipts arising from the Blackpool Airport Enterprise Zone. It is further proposed that an equivalent sum arising from business rates growth at the Enterprise Zone in future years be transferred into the Funding Volatility Reserve as and when such are growth is realised.

3.5 Business Rates: Membership of the Lancashire Business Rates Pool 2020/21 and Future Year Income Estimates

In 2018/19 the government announced plans to introduce '75% Business Rate Retention' for all authorities with effect from 2020/21. As part of the development of these revised arrangements the government invited bids from existing Business Rate Pools to act as 'pilots' for the proposed scheme. An analysis of the impact of the 'pilot' scheme arrangements for the Lancashire Business Rates Pool indicated that a significant net beneficial impact would result across Lancashire authorities. Consequently, the Lancashire pool applied for inclusion in the pilot scheme and was subsequently accepted as a participant for 2019/20.

The implementation of the '75% Business Rate Retention' scheme is closely linked to the Fair Funding Review which has now been delayed from 2019/20 first to 2020/21 and now to 2021/22 as a consequence of the covid-19 outbreak (see section 4 below).

As a result of the initial delay to the review, for 2020/21 there has been a reversion to the arrangements that were in place prior to the 'pilot' scheme i.e. that the Lancashire Business Rate Pool continued to operate but without the benefit of the '75% pilot' arrangements.

Although there remains a degree of uncertainty at this stage, it is increasingly likely that the business rate regime that operates for 2021/22 will be a continuation of the arrangements for the current year, including the option of a pooling arrangement across local authority areas.

Consequently each of the existing Lancashire pool members have indicated their support to the submitting of a proposal for a continuation of the pool for 2021/22. However, as the nature of the Business Rate regime for 2021/22 is uncertain, it may be that following the announcement of the provisional Local Government Finance Settlement, due to be announced in late 2020, a pool member may find themselves disadvantaged by the proposed 2021/22 Business Rate arrangements. It is open to each pool member to decide to withdraw from the pool within 28 days of the provisional Settlement. If any Lancashire pool

member were to decide to withdraw from the pool for 2021/22 the pool would effectively be dissolved and pooling would not be possible for Lancashire for 2021/22.

The latest in-year monitoring and future modelling suggests that continued participation in a Lancashire Business Rate Pool for 2021/22 would be financially beneficial to Fylde Council. Currently the Financial Forecast assumes that Fylde Council will participate in a Lancashire-wide pooling arrangement up to and including 2020/21 only, until such time as there is certainty that a pool will be in operation for 2021/22.

Following a re-assessment of the appropriate level of provision for Business Rate appeal losses in 2019/20, the updated Financial Forecast shows the impact of the release of a proportion of that provision, in part as a result of the settlement of a long-standing legal case against the local government sector by NHS Trusts which was ultimately settled in favour of local councils. This one-off beneficial impact takes effect during 2021/22 due to the timing of transactions relating to the business rate element of the Collection Fund. (See also Section 8 of the report). This has had the effect of significantly increasing the level of business rates income in 2021/22 as shown at Appendix E.

However, given the impact of covid restrictions on many businesses during the current year, it may be necessary to increase the provision for Business Rate appeal losses in 2020/21 and/or 2021/22 as many businesses will undoubtedly appeal the rateable values at which business properties have been assessed, particularly in instances where such assessments are based upon the revenues of the business during the year

Any amendments to the estimated levels of forecast Business Rate income to be retained will be reflected in future updates to the Financial Forecast.

3.6 The Budget Right-sizing Exercise and further Transfers to Ear-marked Reserves

The Council meeting of 4th March 2020 approved transfers to the Capital Investment Reserve in 2019/20 and 2020/21 equivalent to the balance of the revenue surplus for those years (after allowing for all approved transfers to other reserves), estimated at that time to be £0.832m for 2019/20 and £1.288m for 2020/21.

Following a favourable outturn position for 2019/20 and a review of the budget position for 2020/21 as part of the preparation of this Financial Forecast update, including the identification of fortuitous additional income for the year, costs-savings and the outcome of the budget right-sizing exercise, the revised forecast revenue surplus for 2020/21, currently stands at £1.375m as detailed at Appendix E, and the revised forecast revenue surplus for 2021/22 is currently £1.311m.

4. CENTRAL GOVERNMENT FUNDING AND THE LOCAL GOVERNMENT SPENDING REVIEW

4.1 Retained Business Rates

The government had previously announced a reform to the Business Rates system due to be implemented for all authorities in 2020/21 as part of a Fair Funding Review into overall funding arrangements for Local Government. This was delayed from 2019/20 as a consequence of uncertainties surrounding the departure of the United Kingdom from the European Union, and again from 2020/21 due to the Covid-19 pandemic. This Review and the reform to the Business Rates system is now expected to take place during 2021/22 with implementation anticipated from 2022/23. A fundamental element of the proposed reforms is a “reset” of the business rate “baseline” for each local authority against which any growth and business rate retention can be measured. Fylde council has benefitted significantly from retained growth against the existing baseline, and there is a risk that the amount of Business

Rate income retained by Fylde Council in future years will be at a lower level. The financial forecast approved by Budget Council in March 2020 assumed a reduced level of business rate income from 2022/23 onwards at a level that is closer to the existing baseline level in anticipation of such a reset. This will be reviewed as part of the next Financial Forecast update and future estimates of business rate income will be updated when more information is known as necessary.

4.2 New Homes Bonus

In October 2019 the government published the 'Local Government Finance Settlement 2020-21: Technical Consultation'. Amongst a number of proposals, the settlement consultation proposed a review of the New Homes Bonus scheme and for 2020/21 the New Homes Bonus allocations were for one year only and not annual allocations for a longer period as had previously been the case. The outcome of that review has been delayed due to the Covid-19 outbreak and the situation for 2021/22 in respect of New Homes Bonus is unknown at this point. The scheme may continue to operate in its current, or in an amended form, or may be replaced by an entirely different mechanism by which central government funding is calculated and distributed to local authorities. Or it may not be replaced at all.

The Financial Forecast summary at Appendix E assumes a reduced level of New Homes Bonus for 2021/22 onwards based upon an estimate of a further single year allocation for 2021/22, together with the legacy payments from earlier year as previously notified.

Until further details are known in this regard, future year income estimates for New Homes Bonus have been assumed at this same level. These will be amended in future updates to the Financial Forecast as and when the future of the New Homes Bonus scheme is more clearly known.

No allocation of New Homes Bonus grant to town and parish councils for 2021/22 has been assumed in this update. Following consideration of this issue by the Finance and Democracy Committee at the November meeting of the committee, any changes necessary to the forecast will be reflected in future updates.

5. **KEY AREAS OF FINANCIAL RISK TO THE GENERAL FUND REVENUE BUDGET FORECAST.**

- 5.1 In considering this forecast Members should note that there are a number of significant risks. In assessing each risk the following has been taken into account:-

High Level Financial Impact Risk

- Potentially a significant sum, with the potential for impact over a number of years
- Relatively little mitigation available to spread or defer the impact
- The possibility of a significant financial impact on the council if the risk materialises
- Probable need for change to the forecast if it materialises

Medium Level Financial Impact Risk

- Potentially a large sum, with the potential for impact over a number of years
- Some mitigation may be possible to spread or defer the impact
- The possibility of a sizeable financial impact on the council if the risk materialises
- Possible need for change to the forecast if it materialises

Low Level Financial Impact Risk

- Potentially a less significant sum
- Some mitigation may be possible to spread or defer the impact
- Impact should be capable of being absorbed without major forecast changes

5.2 **High Level Financial Impact Risks**

(i) Future Central Government Funding

As detailed in Section 4 above there is a clear risk that the actual levels of central government funding beyond the current year (i.e. for 2021/22 onwards) may differ from the amounts for those years that are reflected within this update.

Given that both retained Business Rates and New Homes Bonus are a major source of funding for the Council and that both will be subject to review during 2021/22, this represents a significant risk to the overall level of future central government funding.

Currently we await the funding settlement for 2021/22, which is expected to be announced in December 2020. It is likely that this will again be a single year settlement for 2021/22 and we may not have any certainty regarding funding for future years until next year.

Any amendments to the levels of central government funding levels within the Financial Forecast will be made as and when any revised allocations are provided and will be reflected in future updates to the Financial Forecast.

(ii) Announcement of a 'Fair Funding Review'

Intrinsically linked to the risks as described above relating to future Central Government funding levels, the Government has also confirmed that it is now proposing to undertake the long awaited Fair Funding Review during 2021, with implementation of a revised funding mechanism being planned for 2022/23 (delayed initially from the intended review during 2019/20 and again from the planned review in 2020/21 due to the Covid-19 outbreak).

The Government has previously issued a consultation document which focussed specifically on potential approaches that have been identified to measure the relative needs of local authorities. In particular, it:

- presents the idea of using a simple foundation formula to measure the relative needs of local authorities, based on a small number of common cost-drivers;
- considers a number of service areas where in addition, a more sophisticated approach to measuring relative needs may potentially be required; and
- outlines the statistical techniques that could be used to construct relative needs.

The consultation did not cover the relative resources adjustment, transition or other technical matters but noted that these will be the subject of a later series of discussion papers.

Although no details are known at this stage it is possible that, given the financial pressures on upper-tier and unitary councils with responsibility for services with escalating costs such as adult social care, that the review could result in shire district councils being regarded as requiring a reduced share of national resources. Any implications arising from this review will be reported within future updates to the financial Forecast when they are known.

(iii) Retained Business Rates – Business Rates Pooling

The decision to continue membership of the Lancashire Business Rates Pool for 2021/22, should that prove to be a viable option for that year following the announcement of the provisional Finance Settlement for 2021/22, would provide for additional retained Business Rate income for 2021/22 as compared to the financial forecast approved by Council in March 2020.

Currently the Financial Forecast assumes that Fylde Council will participate in a Lancashire-wide pooling arrangement up to and including 2020/21 only, until such time as there is certainty that a pool will be in operation for 2021/22.

Any amendments to the levels of forecast Business Rate income to be retained will be reflected in future updates to the Financial Forecast.

5.3 Medium Level Financial Impact Risks

(i) Borrowing Cost Assumptions

In light of the current level of reserves and balances held by the Council, the forecast currently assumes that no external borrowing will be required during the life of the Financial Forecast and that internal cash balances will be utilised to fund capital expenditure. This means that the base forecast contains no provision for any external borrowing costs.

There is a risk therefore that if circumstances change over the forecast period and it is necessary to take out further external borrowing to fund existing capital commitments, there is no budget cover for such an eventuality. It is not currently envisaged that such circumstances will occur during the life of the forecast, and the position will be monitored carefully on an ongoing basis.

(ii) Reduction in Housing Benefit Administration Grant

The Council receives an annual grant to support the cost of the administration of Housing Benefit and Council Tax. The grant that the Council receives for these purposes has reduced in recent years, particularly in respect of the Housing Benefit element, as the government moves away from a system of Housing Benefit payments and towards a Universal Credit Scheme. This financial forecast reflects the latest estimates of reduced grant levels for 2020/21 and for subsequent years.

As updated grant notifications are received in respect of future years it may be necessary to update the forecast accordingly.

(iii) Universal Credit

The Government has commenced the consolidation of a number of welfare benefit allowances into a revised Universal Credit Scheme. One of these is Housing Benefit which is currently administered by the Council through the shared service with Blackpool Council. The intention is that the new Universal Credit Scheme will be provided on-line and will be administered by Department of Work and Pensions. The roll-out of the new arrangements are gradual and began in Fylde in respect of a small number of the less-complex cases in November 2014. The timing and financial implications of future developments of the scheme remain uncertain.

(iv) Grounds Maintenance – External Contracts

Throughout the future life of the forecast a number of grounds maintenance contracts with external parties will come to an end or will be due for renewal/re-tender. At the same time other opportunities will arise for additional contract work and these will be actively pursued

as appropriate. Income from contracts supports the work of the Parks and Leisure Service teams by way of a contribution to management costs and corporate overheads. Officers will endeavour to seek extensions to contracts as they become due for renewal/expiry and will continue to seek suitable alternative new work. Should this not be possible there may be an adverse impact on the forecast.

5.4 **Low Level Financial Impact Risks**

(i) The Living Wage

In March 2015 the Council agreed a policy to adopt the Living Wage Foundation pay rates for all employees, excluding apprentices, with effect from 2015/16, such that the Council became a 'Living Wage Employer' from that point forward. Additionally, in the autumn of 2015, the government announced the introduction of a statutory National Living Wage to apply from April 2016 for all employees over the age of 25.

The revenue estimates include annual amounts for the estimated impact of the annual increases in the hourly rates for the Foundation Living Wage and the National Living Wage. In the event that actual future year increases are higher than the estimated levels such that the increases cannot be contained within the approved budgets future adjustments to the Financial Forecast may be necessary.

(ii) Community Infrastructure Levy (CIL)

The Community Infrastructure Levy (CIL) which came into operation nationally in April 2011 was intended to assume the role of the traditional Section 106 Agreement. A review of the operation of the CIL Regulations considered that the CIL process was too complex and uncertain and was acting as a barrier to the delivery of housing. Accordingly, on 1 September 2019, the Regulations that govern the introduction of CIL and its operation alongside Section 106 agreements were revised. Under the new arrangements, Section 106 Agreements will continue to have a role to play in securing essential infrastructure.

Fylde Council has commenced work on the introduction of a CIL, but this was placed on hold pending the adoption of the local plan and the publication of the updated Regulations. Now the revised Regulations have been published, work on a CIL for Fylde can recommence. However, this will have to await the partial revision of the local plan as a CIL will need to have regard to any revisions to, and a revised viability assessment of, the local plan. Until a CIL is adopted, Fylde will continue to utilise Sn 106 agreements in order to secure essential infrastructure.

Until the review of the Fylde Local Plan is completed, the financial implications are unknown.

6. **GENERAL FUND RESERVE AND OTHER EARMARKED RESERVES & PROVISIONS**

6.1 The Council carries a General Fund Reserve (often referred to as General Reserves) and a number of other earmarked reserves and provisions. These are held for a number of purposes:

- As a working balance to help cushion the impact of uneven cash flows and avoid the need for temporary borrowing;
- As monies specifically set aside for future events or liabilities (known as earmarked reserves and provisions); and
- As a contingency to cushion the impact of unexpected events or emergencies.

6.2 The Council's General Fund Reserve Balance at 31st March 2020 was £4.272m.

- 6.3 The Council has a Useable Reserves and Balances Policy in place, which is reviewed and approved annually as part of the budget setting process. If any reserves can be released, proposals will be presented in a future financial forecast update.

7. CONCLUSIONS – GENERAL FUND REVENUE FORECAST

- 7.1 The overall position on the Council's financial forecast, as summarised in Appendix E of this report, is an improvement in the short-term since Budget Council in March 2020, with increased surpluses now forecast for 2020/21 and 2021/22. The improved financial forecast position for 2021/22 is due largely to the release of a proportion of the Business Rates appeal provision as described at 3.5 above.
- 7.2 However, in light of the impact of the Covid-19 restriction measures on the financial position of the Council for 2020/21, and possibly beyond 2020/21, together with the potential for future reductions in central government funding and uncertainties around the level of retained business rates from 2021/22 onwards, the Council needs to continue with the approach to delivering savings and efficiencies which have helped deliver balanced budgets and contribute to reserves over recent years. Through continued focus on the importance of financial stability the Council has delivered a significant savings programme over the last decade and has continued to reduce senior management costs and other overheads. Ongoing modernisation work and business improvement will continue to make Council services more efficient, save money and maintain high quality frontline services to customers. This work has yielded ongoing savings to help improve the Council's overall financial position over that period. For Fylde Council to continue to successfully meet the new challenges that it faces it is vital that this approach is re-doubled 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 increased challenges.
- 7.3 The assumptions that are contained within the Forecast Update are the latest best estimates and will be updated as and when further information is available. External pressures outside the Council's control are being experienced by all local authorities, in particular the impacts of the ongoing pandemic which is causing significant volatility. Instructions remain in place that budget-holders should remain prudent and not commit to any unnecessary expenditure. This approach saves money and may result in an under-spend for the 2020/21 financial year.
- 7.4 Budget planning work for 2021/22 is well underway and further updates of the financial forecast will be brought before Members in due course.

8. COLLECTION FUND

- 8.1 As a Council Tax and National Non-Domestic Rates (NNDR) Billing Authority, the Council is required by legislation to maintain a separate fund for the collection and distribution of amounts due in respect of Council Tax and NNDR, and to calculate the surplus or deficit for each financial year on the Collection Fund by comparing estimated collection levels with actual levels on a rolling basis. Prior to 2013/14 the requirement was to maintain this for Council Tax only, however, as part of the Local Government Finance Act 2012 the Government implemented a Business Rates Retention Scheme from April 2013, whereby the collection and distribution of NNDR is also collected and distributed via the Collection Fund (the distribution of NNDR had previously been managed nationally).

- 8.2 For Council Tax only, there was a surplus on the fund as at 31st March 2020 of £861k. This will be shared between Fylde Council, the County Council, the Police Authority and the Fire & Rescue Authority in 2020/21 & 2021/22. Fylde Council's share of the surplus is £111k, the beneficial impact of which is reflected within Appendix E.
- 8.3 For Non-Domestic Rates only, there was a surplus on the fund as at 31st March 2020 of £3.869m. A large proportion of this arises from the release in 2019/20 of a provision for business rate appeals on behalf of NHS Trusts for mandatory charitable rate relief which has been defended successfully at a national level. The surplus will be shared between Central Government, Fylde Council, the County Council and the Fire & Rescue Authority in 2020/21 & 2021/22. Fylde Council's share of the surplus is £2.120m, the beneficial impact of which is reflected within the Business rate income forecasts within Appendix E.
- 8.4 As a consequence of the mechanism by which central government have compensated local authorities for the provision of national rate relief schemes for a large number of businesses in 2020/21 due to the covid situation, the Collection Fund will show a significant deficit at the end of 2020/21 as a result of lost income due to the awarding of those reliefs. These will be met by specific government grant to compensate for this loss of income which will be a General Fund item rather than Collection Fund. It will be necessary to set aside this specific grant during 2020/21 in order to offset the Fylde Council share of the deficit, which will impact the Council in 2021/22.

9. THE CAPITAL PROGRAMME

- 9.1 The Capital Programme is updated continually for agreed changes and reported to Members during the financial year on a periodic basis. The latest position on monitoring of the current year's programme on a scheme by scheme basis is set out in an information item report which has been before each of the programme committees during the current cycle of meetings and is included on the agenda of this meeting.
- 9.2 The latest updated Capital Programme Summary for the years 2020/21 to 2024/25 is set out in Table 1 below. The Programme has been updated for changes to the end of October 2020. A prudent approach is taken in preparing the programme to ensure that financing resources are only recognised when there is reasonable certainty that they will be received.

TABLE 1 - SUMMARY CAPITAL PROGRAMME

	Estimate 2020/21 £000	Estimate 2021/22 £000	Estimate 2022/23 £000	Estimate 2023/24 £000	Estimate 2024/25 £000
Committee:					
Finance & Democracy Committee	57	0	0	0	0
Tourism & Leisure Committee	3,055	165	40	40	40
Operational Management Committee	2,864	197	366	1,001	821
Environment, Health & Housing Committee	1,679	1,290	1,130	1,130	1,130
Planning Committee	3,079	1,107	1,032	612	0
Total Capital Payments	10,734	2,759	2,568	2,783	1,991
Financing:					
Availability of Resources	10,734	2,759	2,568	2,783	1,991
Total surplus (-) / shortfall in year	0	0	0	0	0
Cumulative surplus (-) / shortfall	0	0	0	0	0

9.3 Capital schemes are directly linked with the Council's priorities. Major items of enhancement or renewal are identified via the Council's Asset Management Plan and work is underway to review and update this. The planned spend over the life of the programme is continuously reviewed. If any scheme profiling amendments are required these will be reflected in future periodic update reports.

9.4 Financing the Capital Programme

The Council finances the Capital Programme from a variety of sources. These include:-

- (i) Specific Capital Grant Allocations;
- (ii) Disabled Facilities Grant;
- (iii) Capital Receipts;
- (iv) External Funding (such as Heritage Lottery Funding and the Environment Agency);
- (v) Prudential Borrowing/Leasing;
- (vi) Revenue Funding; and
- (vii) Capital Investment Reserve

9.5 Members are asked to note the current balanced position on the Capital Programme.

10. VEHICLE PURCHASES

10.1 The Council has adopted a Service Modernisation Strategy for Operational Services which includes a rolling programme of vehicle replacement that assumes the replacement of vehicles on a like-for-like basis at the end of their useful economic life. The approved capital programme includes significant capital expenditure for scheduled operational vehicle replacements during the life of the forecast. This expenditure has been reviewed and re-phased to reflect the currently expected profile of vehicle replacements.

11. KEY AREAS OF FINANCIAL RISK TO THE CAPITAL PROGRAMME

There are a number of financial risk areas within the Capital Programme for Members to be aware of:

11.1 Medium Level Financial Impact Risks

i) Coast Protection Scheme

The Fairhaven and Church Scar Coast Protection Scheme budget is £22.1m, being funded by Flood Defence Grant-in-Aid (which is an Environment Agency eligible cost reimbursable grant) of up to £21.4m; alongside a contribution from Fylde Council of £670k.

Work started on site in December 2017 and was completed in July 2020, a completion some 5 months ahead of the original schedule, and with an underspend currently estimated at around £0.375m. There is a 12 months defects liability on the contract and the Council will have to keep a project manager on the project to administer any defects during this period. A final grant claim will be submitted to the Environment Agency and the retentions will be released in August 2021. Any unspent grant will be returned to the Environment Agency.

In addition to the core sea defence works the re-modelled car park entrance public realm enhancement at Stanner Bank has been added to the contract. Whilst the scheme is nearing completion on site, there remains the possibility of additional contract costs beyond those in the approved budget until such time that the scheme is finally completed.

Due to the significant value of scheme it is classified as a medium level financial risk

ii) Fairhaven Lake and Gardens Heritage Lottery Scheme

The Council meeting of 16th July 2018 approved the underwriting of external grant funding bids in respect of the Fairhaven Lake and Gardens Heritage Lottery Scheme in the maximum sum of £343k in the event that not all of the funding bids would be successful, this to be met from the Capital Investment Reserve. The underwriting by the Council allowed the Heritage Lottery Fund bid to progress, that bid subsequently being successful. In addition, the Council has approved funding for the scheme in the sum of £400k to be met from the Funding Volatility Reserve.

Additionally, delays in the procurement process has caused the commencement of the works to be delayed as the initial bids for the works that were received exceeded the available funding to a significant degree and a full re-tendering exercise was required to be undertaken. Contracts for the building and landscape works have now been let within budget and are scheduled to be completed by May 2021. The lake works project will be undertaken in financial year 2021/22.

Until the scheme is fully delivered there remains the possibility of additional contract costs beyond those in the approved budget. As such the scheme is considered a medium level risk.

iii) Town Centre Regeneration Kirkham

Following the Government's Future High Street funding initiative (FHSF), the Planning Committee resolved, in the autumn of 2019, to choose Kirkham Town Centre as its choice to pursue any bids for funding under the scheme. The first opportunity, being part of the broader FHSF, named the High Street Heritage Action Zone initiative (HS HAZ) was launched. This was a competitive process and seeks to enhance the historic environment of high streets that have conservation area status. Following the expansion of the funding for the scheme, due to unprecedented bids from a national perspective, the Kirkham bid proved to be successful, following a recommendation to Government from Historic England (HE). HE is the body responsible for administering the scheme. The grant award is £1.8m and will be

match funded from a number of sources including Fylde Council, Kirkham Town Council and commuted Section 106 payments associated with public realm contributions attributed to residential planning permissions. The scheme will run over 4 years, commencing in April 2020, and includes a wide range of projects.

In line with many other authorities, due to COVID 19, the implementation of the scheme has been delayed and a revised project plan, which sets out the projects to be delivered and the associated funding, is in the process of being agreed with Historic England (as at early October 2020). Some revenue spending will commence this year with the larger capital programmes from April 2021. A Project Board is in the process of being brought together, this being essential given the large portfolio of schemes and the number of external partners engaged in the projects.

A bid has also been submitted under the main body of the Future High Street Fund totalling £8.6m and proposes to deliver a number of schemes across the whole of the town centre including the repurposing of buildings, traffic management measures, building reuse and enhancement and public realm projects. This is once again a competitive process and the outcome will not be known until later in the year, but the bid is well founded and the economic case very strong. The governments measures for assessing economic benefits and value of money (known as the Cost Benefit Ratio) have been exceeded. It is known that the fund may well be oversubscribed and so it is not known how allocations will be made i.e. whether the most imaginative and value for money projects may prove to be more successful, requests made for authorities to prioritise schemes thereby reducing their 'ask', or some scheme not being successful at all. The outcome of this assessment is awaited.

It is now known that a second round of the Future High Street Fund will be launched in 2021.

Given the overall value of the scheme and current uncertainty regarding funding sources this scheme is considered a medium level risk.

11.2 Low Level Financial Impact Risks

i) St Annes Regeneration Schemes

Following the completion of the upgrading scheme for St. Andrews Road South, Planning Committee agreed that the next phase for regeneration activity should be Wood Street – Phase 3. Unfortunately, difficulties arose in negotiating the design proposals for the easterly side due to one owner being reluctant to participate in the scheme, primarily because the property was up for sale. It is understood that the new owner would wish to participate should the opportunity arise in the future. The scheme commenced in February but was placed on hold due to the Covid 19 Pandemic. Work resumed in June and is now complete (apart from the placing of the 5 trees) with the car park reopening. The trees will be planted shortly. The scheme has been completed to budget, absorbing extra costs due to delays whilst the work was suspended.

The next section of works has been agreed along St. Annes Road West between The Pier and The Square (known as the Square-Pier Link). A scheme designed to the available budget was presented and approved by Planning Committee, but the Regeneration Manager was asked to look at extending the scheme, potentially widening pavements to provide an enhanced pedestrian ambience and increased paving space capacity to absorb high levels of footfall that is encountered at peak times. As matters stand, the potential for achieving these

enhancements to the scheme is being discussed with Lancashire County Council as any further amendments would have to be agreed, since there would be changes to the highway configuration. It is hoped that a revised scheme, in principle, can be produced over the next few weeks with a detailed plan prepared and costed for presentation to the appropriate committees of the Council. Work could commence in the early part of Spring 2021 subject to agreement as regards additional funding being made available for the scheme. This would mean that the scheme would be delivered across the financial years 2020/21 and 2021/22.

ii) Lytham Regeneration Schemes

In respect of the large capital scheme for Lytham town centre, a number of suggestions have been made by the Lytham Business Group and other parties, some of which require careful consideration along with agencies such as Lancashire County Council. Options are being considered involving local members and a draft plan is being drawn together. This will have a phased programme of works to be considered in due course by the Planning Committee. It is envisaged that the first phase will be commenced in 2021/22. Plans have been prepared and will be presented to the Town Centre Working Group at the earliest opportunity. This will enable detailed schemes to be prepared. The proposed lighting replacement scheme for West/East Beach is at an advanced stage of planning and has been supported by the Working Group. It is hoped that subject to approval by Planning Committee, the scheme could be completed by the end of 2020/21. The lighting scheme is estimated to cost around £75k although contributions are being sought from Lancashire County Council.

iii) Vehicle Replacement Programme

The estimated vehicle replacement profile, to replace existing fleet at the end of its useful economic life from 2020/21 to 2024/25 within the Capital Programme totals £3.0m.

It is important to note that purchase prices will fluctuate with new models and technological/legislative changes and it is therefore necessary to reality check the costs associated with new vehicles on an annual basis and make any necessary adjustments to the capital programme to ensure that ongoing fleet replacement is accurately budgeted for in future years.

Due to the significant value of the vehicle replacement programme and the potential for changes in vehicle specifications and emissions regulations this scheme has been highlighted as a potential future risk.

iv) Project Slippage

It is important that the Council monitors capital scheme slippage to ensure that no loss of external grant is imposed due to conditions associated within specified timescales.

v) Other Capital Receipts

The approved programme for 2021/22 onwards assumes “Right to Buy” receipts of £25k per annum and “General Asset Sales” of £45k per annum. Future receipts are dependent on prevailing market conditions and values cannot be predicted with certainty. This will be monitored and reviewed during the year and adjusted accordingly in future quarterly monitoring reports, along with the impact this may have on the financing of the programme.

vi) Better Care Fund (Formerly Disabled Facilities Grants)

As the local housing authority, the Council has a statutory duty to provide disabled adaptations within the Borough. In order to fund these works the Council receives grant support which previously was provided by the Department for Communities and Local Government (DCLG). From 2015/16 the Government established the ‘Better Care Fund’, and under these new arrangements the funding for Disabled Facilities Grants transferred to the

Department of Health, with funding being distributed to all Councils via the upper-tier authority for that area. As such, in Lancashire the fund is administered by Lancashire County Council. Each upper-tier authority then allocates the funding to their respective housing authorities (i.e. district councils within their area) to enable them to continue to meet this statutory responsibility.

The level of government funding has increased significantly under the 'Better Care Fund' arrangements and budget for 2020/21 of £1.130m provides for the delivery of disabled adaptations to similar levels as 2019/20. It is anticipated that for 2020/21 all identified need for disabled adaptations can be met from the existing resource.

12. CONCLUSIONS – CAPITAL PROGRAMME

- 12.1 The current Capital Programme as updated is showing a balanced position for 2020/21 onwards.
- 12.2 The capital programme and the associated financing will be subject to discussion with Members during the coming months as part of the annual budget setting process for 2021/22.
- 12.3 Any additional expenditure which is not fully funded by external finance would normally require the generation of capital receipts or further borrowing (the latter placing further pressure on the Revenue Budget from the consequent repayment costs). However, Budget Council on 4th March 2013 approved the creation of a Capital Investment Reserve to finance future capital expenditure. The balance of this reserve at 31st March 2020 was £6.455m including the budgeted transfer into the reserve of £1.288m in respect of 2020/21. Of this £3.522m is already committed to deliver existing approved capital schemes in the years 2020/21 to 2021/22, leaving a forecast unallocated balance on the reserve at 31st March 2020 of £2.933m. The estimated transfers in are of course subject to change as costs and income undoubtedly fluctuate over the next 2 financial years.

13. TREASURY MANAGEMENT

- 13.1 The Treasury Management Strategy and Prudential Indicators for the current financial year were approved by Council on 4th March 2020.
- 13.2 The regulatory framework for treasury management requires Councils to receive a mid-year Treasury Review report. This report will be presented to the Audit and Standards Committee for scrutiny on 26th November 2020 and subsequently will be presented to Council on 7th December 2020.

14. KEY AREAS OF FINANCIAL RISKS FOR TREASURY MANAGEMENT

- 14.1 There are a number of potential areas of significant risk associated with Treasury Management activities, the most significant of which are:
 - (i) Unexpected movements in cash flow;
 - (ii) Differences between the actual interest rate and interest rates used in the forecast; and,
 - (iii) The security of monies invested with counterparties

15. CONCLUSIONS – TREASURY

- 15.1 The Covid-19 crisis has caused a major downturn in both the domestic and global economy, the long-term effects of which are yet to be fully understood. For the UK this is exacerbated by the consequences of Brexit, the outcome of which remains uncertain even at this late stage with Brexit due on 31st December 2020. Investment yields remain low and some financial institutions are offering only negative interest rates to investors.

The Council has complied with all aspects of the 2020/21 Treasury Management Strategy and Prudential Indicators as approved by Council in March and will continue to conduct all treasury management activities prudently and in line with those approvals.

16. OVERALL CONCLUSIONS ON THE LATEST FINANCIAL FIVE YEAR FORECAST UPDATE

- 16.1 The overall position on the Council's financial forecast, as summarised in Appendix E of this report, is an improvement in the short-term since Budget Council in March 2020, with increased surpluses now forecast for 2020/21 and 2021/22, with a much more challenging forecast position for the years thereafter. The improved financial forecast position for 2021/22 is due largely to the release of a proportion of the Business Rates appeal provision as described in section 3.5 of this report.
- 16.2 The impact of the Covid-19 restriction measures on the financial position of the Council for 2020/21, and possibly beyond 2020/21, together with the potential for future general reductions in central government funding from 2021/22 onwards, requires that the Council continue the approach to continually seek opportunities to achieve savings and efficiencies to enable a balanced budget position to continue into the future and to provide on-going contributions to reserves.
- 16.3 In light of the uncertainties surrounding future national funding arrangements the Council needs to continue with the approach to delivering savings and efficiencies and maximising income which have helped deliver balanced budgets and contribute to reserves over recent years. 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 senior management costs and other overheads. Ongoing modernisation work and business improvement will continue to make Council services more efficient, save money and maintain frontline services to customers. This work has yielded ongoing savings to help improve the Council's overall financial position over that period.
- 16.4 Although further challenges may be encountered in the future the reserves and balances are at healthy levels as compared to earlier periods. The outcome of the long-awaited Fair Funding Review into Local Government Financing is eagerly awaited and may provide a degree of greater clarity regarding the future financial landscape. Furthermore, Fylde Council has a past record of taking actions in order to meet and overcome those challenges; the recent introduction of a chargeable green waste collection service being a prime example of such action, as was the decision to join a Business Rates pool from 2017/18. Fylde Council will continue to seek other such opportunities to maintain a robust financial position in the face of a challenging and changing financial environment. This approach will ensure that the Council continues to achieve and sustain a balanced budget position on an ongoing basis and is able to deliver the priorities set out in the Corporate Plan.
- 16.5 The assumptions set out in this forecast are the latest best estimates and will be updated as and when further information becomes available. External pressures outside the

Council's control are being experienced by all local authorities, and instructions remain in place that Officers should not commit to any unnecessary expenditure.

- 16.6 **The financial position of the Council remains robust. Members should, however, continue to be cognisant of the risks that are detailed within this report in order to maintain a sustainable financial position for the Council.**

IMPLICATIONS	
Finance	The financial implications are contained within the body of the report.
Legal	None arising from this report
Community Safety	None arising from this report
Human Rights and Equalities	None arising from this report
Sustainability and Environmental Impact	None arising from this report
Health & Safety and Risk Management	None arising from this report

LEAD AUTHOR	CONTACT DETAILS	DATE
Paul O'Donoghue Chief Financial Officer	01253 658566	November 2020

BACKGROUND PAPERS		
Name of document	Date	Where available for inspection
Medium Term Financial Strategy (MTFS) Update, Including General Fund, Capital Programme and Treasury Management for 2019/20 – 2023/24	Budget Council meeting 4 th March 2020	www.fylde.gov.uk
MTFS – Outturn Position For 2019/20 (Including General Fund, Capital Programme & Treasury Management)	Finance and Democracy Committee meeting 28 th July 2020	www.fylde.gov.uk
Revenue Budget Monitoring Report 2020/21 – to 30 th September 2020	Finance and Democracy Committee meeting 23 rd November 2020	www.fylde.gov.uk
Capital Programme Monitoring Report 2020/21 – to 30 th September 2020	Finance and Democracy Committee meeting 23 rd November 2020	www.fylde.gov.uk

Appendices:

1. Appendix A – Forecast approved at Council on 4th March 2020
2. Appendix B – Schedule of general assumptions underpinning the forecast
3. Appendices Ci & Cii – Schedules of changes to the forecast
4. Appendix D – Explanation of changes to the forecast
5. Appendix E – Updated latest forecast position

General Fund Budget Forecast 2019/20 to 2023/24 - Approved at Budget Council March 2020

	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	Adverse / Favourable
Forecast approved at Council on 5th March 2019	10,241	10,166	10,433	10,658	10,658	
Forecast Changes - per Appendix C of March 2020 MTFS Report	231	238	170	159	683	Adverse
Revenue Budget Growth Items - per Appendix F of March 2020 MTFS Report		46	49	52	53	Adverse
Forecast Budget Requirement	10,472	10,450	10,652	10,869	11,394	
Financed by:						
<i>Council Tax Funding:</i>						
Council Tax - Precept	6,212	6,456	6,660	6,869	7,084	
Council Tax - Share of Previous Years Surplus/(Deficit)	- 8	109				
<i>Sub Total - Council Tax Income</i>	6,204	6,565	6,660	6,869	7,084	
<i>Business Rates Funding:</i>						
Retained Rates (including pooling benefit & pilot impact 2019/20)	3,757	3,427	2,200	2,244	2,289	
<i>Sub Total - Business Rates Income</i>	3,757	3,427	2,200	2,244	2,289	
New Homes Bonus	1,412	1,822	1,431	1,380	1,380	
Less - NHB distribution to Town & Parish Councils	- 69	- 76				
<i>Sub Total - Other Income</i>	1,343	1,746	1,431	1,380	1,380	
Forecast Financing	11,304	11,738	10,291	10,493	10,753	
Forecast surplus(-)/deficit for year	- 832	- 1,288	361	376	641	
<u>Reserves</u>						
Forecast surplus/deficit (-) for year from above:	832	1,288	- 361	- 376	- 641	
Less: Proposed Transfer to Capital Investment Reserve	- 832	- 1,288				
Balance of surplus/deficit(-) remaining:			- 361	- 376	- 641	
Balance of General Fund Reserves b/f	3,927	3,927	3,927	3,566	3,190	
Less transfer to/from(-) General Fund Reserves in year			- 361	- 376	- 641	
Forecast Reserves at Year End	3,927	3,927	3,566	3,190	2,549	
Band D Council Tax (Excl Parish Precepts)	£206.60	£210.71	£214.91	£219.19	£223.56	
Band D Average Council Tax Increase	£4.99	£4.11	£4.20	£4.28	£4.37	
Band D Average Council Tax Increase	2.48%	1.99%	1.99%	1.99%	1.99%	

General Base Budget Assumptions

The forecast has been prepared on the basis of the following assumptions:

- General Prices Inflation – a freeze or cash-limiting of all general revenue expenditure budgets with the exception of payroll budgets;
- Slippage - underspend items from 2019/20 agreed by the Finance and Democracy Committee in July 2020 have been slipped into 2020/21;
- Pay award - assumed to be 2.75% per annum for 2020/21 and each year thereafter;
- Employers Pension Contributions – the Council's contribution to the Lancashire pension fund scheme is set in accordance with the estimated outcome of the 2016 Triennial Pension Review at 15.2% plus 9% deficit recovery lump sum payment for the period to 2019/20; any amendments resulting from the final review will be reflected in later updates to the Financial Forecast;
- Employer's National Insurance contributions – the forecast reflects the statutory contribution rates currently in place, including a reduced contribution rate as a result of the Council being part of the pension scheme;
- Council tax increases – assumed at 1.99% increase per annum from 2021/22 onwards;
- New Homes Bonus Grant – the forecast for 2021/22 currently assumes a reduced level of New Homes Bonus based upon the expectation of a further single year allocation for 2021/22, together with the legacy payments from earlier year as previously notified. No allocation of New Homes Bonus grant to town and parish councils has been assumed at this point;
- Fees and Charges – The forecast takes account of the revised fee levels as approved by Budget Council in March 2020. For future years budget-holders have reviewed fee levels as appropriate and any proposed changes to fees & charges will be considered at the Budget Council in March 2021 following consideration by the appropriate programme committee;
- Vacancy Savings – the forecast assumes vacancy savings of £300k per annum from 2020/21 onwards;
- Localisation of Council Tax Benefit Scheme – the forecast assumes a fully funded scheme with no cost to the Council from 2020/21 onwards.

Appendix Ci

General forecast changes since Budget Council March 2020

	2020/21	2021/22	2022/23	2023/24	2024/25	
	£000	£000	£000	£000	£000	<u>ADVERSE /</u> <u>FAVOURABLE /</u> <u>NEUTRAL</u>
1 <u>CHANGES AS A RESULT OF MEMBER APPROVALS:</u>						
F&D Committee - 28/07/20 - Slippage from 2019/20	345	0	0	0	0	ADVERSE
2 <u>BUDGET RIGHTSIZING EXERCISE:</u>						
Revenue impact of budget right-sizing across all budget areas of the Council	8	-9	-16	-20	8	FAVOURABLE
3 <u>STAFFING COSTS:</u>						
Update estimated pay award from 2020/21 to 2.75% per annum	75	150	225	300	300	ADVERSE
Estimated 2.75% pay award for 2024/25	0	0	0	0	275	ADVERSE
Employee costs: in-year additional savings	-100	0	0	0	0	FAVOURABLE
4 <u>OTHER FORECAST CHANGES</u>						
Additional Costs for Public Offices - delay in disposal	29	0	0	0	0	ADVERSE
Additional Income - Public Offices Car Park - delay in disposal	-4	0	0	0	0	FAVOURABLE
Revised Estimate of investment interest receipts	43	49	33	31	31	ADVERSE
TOTAL	396	190	242	311	614	

Covid Related Forecast changes since Budget Council March 2020

	2020/21	2021/22	2022/23	2023/24	2024/25	
	£000	£000	£000	£000	£000	<u>ADVERSE /</u> <u>FAVOURABLE /</u> <u>NEUTRAL</u>
1 CHANGES AS A RESULT OF MEMBER APPROVALS:						
F&D Committee - 22/06/20 - COVID 19 Local Authority Grants to Town Centres	15	0	0	0	0	ADVERSE
F&D Committee - 22/06/20 - Fylde Coast YMCA	100	0	0	0	0	ADVERSE
T&L Committee - 23/09/20 - Exempt Item - Rent Subsidies due to Covid-19	127	0	0	0	0	ADVERSE
2 UPDATED ESTIMATES OF INCOME BUDGETS:						
Green waste subscription service - Additional subscription income	-28	0	0	0	0	FAVOURABLE
Council Tax Court Costs Recovered - loss of income due to court closure	200	0	0	0	0	ADVERSE
Disabled Facilities Grant Fees - income reduction due to reduced level of grant awards	62	0	0	0	0	ADVERSE
Ashton Pavilion Café - rent reduction/subsidies due to closure	22	0	0	0	0	ADVERSE
Pleasure Island/Salters Wharf - rent reduction/subsidies due to closure	69	0	0	0	0	ADVERSE
Carr Bridge Wood Caravan site - rent reduction/subsidies due to closure	28	0	0	0	0	ADVERSE
Kirkham Offices/Rent of Rooms - rent reduction/subsidies due to closure	11	0	0	0	0	ADVERSE
Miscellaneous Properties -rent reduction/subsidies due to closure	64	0	0	0	0	ADVERSE
Land Charges - reduction in fee income	34	0	0	0	0	ADVERSE
Games Site Fees - reduction in fee income due to closure	58	0	0	0	0	ADVERSE
Lytham Wartime Festival - loss of income due to cancellation of event	18	0	0	0	0	ADVERSE
Kite Festival- loss of income due to cancellation of event	20	0	0	0	0	ADVERSE
Cemetery & Crematorium - reduction in memorial Income	25	0	0	0	0	ADVERSE
Taxi Licensing - reduction in income from issue/renewal of licences	10	0	0	0	0	ADVERSE
Public Conveniences - reduction in income due to closure	10	0	0	0	0	ADVERSE
Trade Waste - reduction in income due to closure of premises	61	0	0	0	0	ADVERSE
Household Refuse Special Collection - income reduction due to reduced demand	40	0	0	0	0	ADVERSE
Building Control Fees - income reduction due to reduced demand	81	0	0	0	0	ADVERSE
Planning Application Fees - income reduction due to reduced demand	270	0	0	0	0	ADVERSE
Car Parking Fees - reduction in usage due to covid restriction measures	170	0	0	0	0	ADVERSE
Car Parks Parking Fees - income reduction due to reduced usage of car parks	10	0	0	0	0	ADVERSE
Waste Services Recycling Project - loss of income from suspension of project	10	0	0	0	0	ADVERSE
Fleet Services MOT Test Fees - income reduction due to reduced demand	12	0	0	0	0	ADVERSE
Housing Benefit Overpayment Recovery - reduction in recovery activity in early 2020/21	250	0	0	0	0	ADVERSE
Government Compensatory Grant for Sales, Fees and Charges Income (Estimated)	-768	0	0	0	0	FAVOURABLE
3 UPDATED ESTIMATES OF EXPENDITURE BUDGETS:						
Mayoralty - Reduced Expenditure due to cancellation of events	-15	0	0	0	0	FAVOURABLE
Festival Support/Club Days - Reduced Expenditure due to cancellation of events	-10	0	0	0	0	FAVOURABLE
1940's Lytham Wartime Festival - Reduced Expenditure due to cancellation of event	-35	0	0	0	0	FAVOURABLE
Kite Festival - Reduced Expenditure due to cancellation of events	-30	0	0	0	0	FAVOURABLE
Bulky Waste Collection costs - Reduced Expenditure due to reduced demand	-35	0	0	0	0	FAVOURABLE
LCC-Landfill Levy/Tipping Charges - Reduced usage of facility	-60	0	0	0	0	FAVOURABLE
Recycling Project - Reduced Expenditure due to suspension of project	-10	0	0	0	0	FAVOURABLE
Parks Services - Purchase of additional Personal Protective Equipment (PPE)	7	0	0	0	0	ADVERSE
Waste Services - Purchase of additional PPE	13	0	0	0	0	ADVERSE
Cemetery & Crematorium - Additional IT costs for live streaming of services	2	2	2	2	2	ADVERSE
Waste Services - Additional agency staff costs to cover absences	50	0	0	0	0	ADVERSE
Increase in provision for bad debts - sundry debtors/Housing Benefit overpayments	200	0	0	0	0	ADVERSE
Housing - Additional Expenditure on bed & breakfast services to avoid homelessness	80	0	0	0	0	ADVERSE
General Government Grant to support Covid related costs	-1,151	0	0	0	0	FAVOURABLE
Specific Government Grant to meet costs of the Business Support Grant Schemes	-130	0	0	0	0	FAVOURABLE
TOTAL	-143	2	2	2	2	

The following notes relate to specific adjustments made to the Forecast set out in Appendices Ci and Cii:

Ci - General forecast changes since Budget Council March 2020

(1) Changes as a Result of Member Approvals

The forecast that was approved at the Council meeting in March 2020 has been updated to reflect the financial impact of Member decisions made since then. The significant decisions in financial terms of their effect are detailed within the body of the report.

(2) Impact of budget-right-sizing exercise across all budget areas of the Council

Each year officers carry-out a budget right-sizing exercise focussing on a review of underspends across all budget areas. For the current year, due to the effect of covid restrictions on a range of services areas, the majority of the budget amendments are shown within Appendix Cii and there are only a modest number of non-covid related budget changes within this section.

(3) Staffing Costs

The agreed 2.75% per annum pay award for 2020/21 has been assumed in each future year of the forecast. The final year of the forecast, 2024/25 is included for the first time as part of this November 2020 update.

Additionally further in-year savings in employee costs for 2020/21 in the sum of £100k have been assumed in line with the budget-monitoring assessment as at 30th September 2020.

(4) Other Forecast Changes:

Public Offices - Additional Costs

As a result of delays in the sale and lease of the public offices site it is appropriate to now assume the requirement for full year budgets for the site in 2020/21, offset in part by additional car park income arising from the continued operation of the car park beyond the date previously assumed.

Revised Estimate of investment interest receipts

In response to the global outbreak of coronavirus the UK Government reduced the base rate 0.1% from 0.25%. Consequently investment yields have remained low during 2020/21, with some financial institutions offering only negative interest rates to investors. This has had the effect of reducing the level of investment interest income for the year, and a reduced level of investment income is also assumed for future years.

Cii - Covid Related Forecast changes since Budget Council March 2020

Details are provided within Appendix Cii, classified as either:

- Changes as a Result of Member Approvals;
- Updated Estimates of Income Budgets; or
- Updated Estimates of Expenditure Budgets.

Latest General Fund Budget Forecast 2020/21 to 2024/25

	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	Adverse / Favourable
Forecast approved at Council on 4th March 2020	10,450	10,652	10,869	11,394	11,394	Adverse Favourable
Forecast Changes - per Appendix C I - General	396	190	242	311	614	
Forecast Changes - per Appendix C ii - Covid Related	- 143	2	2	2	2	
Forecast Budget Requirement	10,703	10,844	11,113	11,707	12,010	
Financed by:						
<i>Council Tax Funding:</i>						
Council Tax - Precept	6,456	6,660	6,869	7,084	7,306	
Council Tax - Share of Previous Years Surplus/(Deficit)	109					
<i>Sub Total - Council Tax Income</i>	6,565	6,660	6,869	7,084	7,306	
<i>Business Rates Funding:</i>						
Retained Rates (including pooling benefit)	3,767	4,359	2,600	2,600	2,600	
<i>Sub Total - Business Rates Income</i>	3,767	4,359	2,600	2,600	2,600	
New Homes Bonus	1,822	1,136	1,136	1,136	1,136	
Less - NHB distribution to Town & Parish Councils	- 76					
<i>Sub Total - Other Income</i>	1,746	1,136	1,136	1,136	1,136	
Forecast Financing	12,078	12,155	10,605	10,820	11,042	
Forecast surplus(-)/deficit for year	- 1,375	- 1,311	508	887	968	
<u>Reserves</u>						
Forecast surplus/deficit (-) for year from above:	1,375	1,311	- 508	- 887	- 968	
Less: Proposed Transfer to Capital Investment Reserve	- 1,375	- 1,311				
Balance of surplus/deficit(-) remaining:	0	0	- 508	- 887	- 968	
Balance of General Fund Reserves b/f	4,272	4,272	4,272	3,764	2,877	
Less transfer to/from(-) General Fund Reserves in year			- 508	- 887	- 968	
Forecast Reserves at Year End	4,272	4,272	3,764	2,877	1,909	
Band D Council Tax (Excl Parish Precepts)	£210.71	£214.91	£219.19	£223.56	£228.02	
Band D Average Council Tax Increase	£4.11	£4.20	£4.28	£4.37	£4.46	
Band D Average Council Tax Increase	1.99%	1.99%	1.99%	1.99%	1.99%	

DECISION ITEM

REPORT OF	MEETING	DATE	ITEM NO
RESOURCES DIRECTORATE	FINANCE AND DEMOCRACY COMMITTEE	23 NOVEMBER 2020	5
COVID 19 COUNCIL TAX HARDSHIP FUND UPDATE			

PUBLIC ITEM

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

SUMMARY

One of the support measures from central government for residents as a result of the COVID 19 pandemic was the Council Tax COVID-19 Hardship Fund 2020/21. The government announced in the Budget on 11 March that it would provide local authorities in England with £500 million of new grant funding to support economically vulnerable people and households in their local area.

A delegated decision was made in respect to this fund on April 30th 2020 and an update was presented to the June meeting of the committee. This report provides an update on the current position for the discretionary award of £150 for any Working Age residents on the Council Tax Reduction Scheme (CTR).

RECOMMENDATIONS

The Committee is recommended to:

1. Note the current position with regard to Working Age claims for Council Tax Reduction and the increase in the caseload since the start of the financial year; and
2. In the absence of further specific government funding for the scheme, to approve a fully funded revenue budget increase for 2020/21 to a maximum sum of £50,000 to permit the further award of grants of £150 for each Working Age Council Tax Reduction claim during 2020/21, to be met from the general central government Covid Support Grant, noting that Fylde Council allocations of the general grant to date are in the total sum of £1.151m.

SUMMARY OF PREVIOUS DECISIONS

COVID 19 Council Tax Hardship Fund Report – 22nd June 2020

[Delegated Decision – April 30th](#)

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. The Council Tax COVID-19 hardship fund 2020 to 2021 was announced in the Budget on 11 March to provide local authorities in England with £500m of new grant funding to support economically vulnerable people and households in their local area. The expectation was that most of the hardship fund will be used to provide council tax relief, alongside existing local council tax support schemes. This funding is distinct from the £5bn COVID-19 response fund to support public services. Councils had already established local council tax support schemes for 2020-21 and the government expected billing authorities to primarily use the grant allocation to reduce the council tax liability of individuals in the area, using discretionary powers under s13A(1)(c) of the Local Government Finance Act 1992.
2. Fylde received a grant allocation of £586,022 from the £500m scheme. An extract from the detailed guidance is shown below, explaining how the award should initially be used to support Council Taxpayers.

The Government's strong expectation is that billing authorities will provide all recipients of working age local council tax support ('LCTS') during the financial year 2020-21 with a further reduction in their annual council tax bill of £150, using their discretionary powers to reduce the liability of council tax payers outside of their formal LCTS scheme design.

Where a taxpayer's liability for 2020-21 is, following the application of council tax support, less than £150, then their liability would be reduced to nil. Where a taxpayer's liability for 2020-21 is nil, no reduction to the council tax bill will be available.

There should be no need for any recipient of LCTS to make a separate claim for a reduction under this scheme. The billing authority should assess who is eligible for support from the hardship fund and automatically rebill those council taxpayers.

Whether or not a taxpayer has been affected by COVID-19, directly or indirectly, should not be taken into account in assessing eligibility for this reduction.

3. Anyone eligible for the £150 mandatory relief at the time the grant was announced was notified that the award would be made and automatically credited to their account. If the balance on the account was less than £150 then the account would be adjusted to zero.
4. In addition to the expected £150 awards to claimants, in April this committee approved a discretionary scheme to support newly self-employed people, and subsequently in June resolved to pause the award of discretionary awards. Awards under the discretionary scheme total £4.5k.
5. There was the expectation that this grant was awarded to any Working Age claims during 2020/21. The allocation of funding was based on CTR caseload as at Q3 2019/20, when 2,713 claimants were in receipt of Council Tax Reduction. Working Age Council Tax Reduction caseload has seen a steady increase over the past few months although has been relatively static more recently:

	Apr 20	May 20	Jun 20	Jul 20	Aug 20	Sep 20	Oct 20
Working Age Caseload	2,888	2,916	3,226	3,305	3,392	3,349	3,327

6. The cumulative total of awards of up to £150 made to date is now in excess of 3,900 meaning that together with the cost of the discretionary scheme the monies allocated from MCHLG have been exhausted towards the end October 2020. Whilst representation has been made to MCHLG to consider additional funding, no further support has been announced to date. With a number of months left in the financial year and an increase in Working Age Council Tax Reduction claims expected due to the ongoing impact of COVID-19 on the local economy, members are asked to consider whether additional grants of up to £150 should be made to any new claimants for the remainder of the financial year, along with those who have not received a grant since the funds were exhausted.

7. An assessment of the potential increase in claimants for the remainder of the year is difficult to quantify given current volatility due to the impacts of the pandemic. The government has recently announced the extension of the nationwide Coronavirus Job Retention Scheme (also known as the furlough scheme) which offers financial support to allow businesses to furlough staff in certain circumstances. It is thought that this may reduce the number of customers who might otherwise need to claim CTRS and hardship relief. The latest estimate based upon current known circumstances and caseload since the funding was exhausted is that perhaps 50 further claimants per month may qualify for CTRS for the 5 months from November 2020 to March 2021, giving a total of 250 for the remainder of the year. At £150 per award this would cost an additional £37,500. If members support the proposal to continue the scheme it is suggested that a contingency is added to account for any increase in caseload beyond that estimated and a budget allocation totalling **up to** £50,000 be allocated for this purpose.
8. It should be recognised that as we move further through the financial year, as new accounts are created, there will be a reduced Council Tax liability for the remainder of the year. After Council Tax Reduction is then awarded this will reduce liability further so it is possible that amounts of less than £150 remain, meaning that any awards would be lower, reducing the cost to the Council.
9. In order to allow the Council Tax COVID-19 Hardship Fund to continue to operate for the remainder of the financial year and whilst representations for additional funding are continuing, the Committee is requested to approve the continuation of the scheme for 2020/21 with the necessary funding to a maximum sum of £50,000 being met from a portion of the general covid support grant, the total allocation of grant so far being in the sum of £1.151m for Fylde Council.

IMPLICATIONS	
Finance	Fylde Council was allocated £586k specific funding to operate the Covid 19 Council Tax Hardship Fund, as detailed in the report. Due to the volume of cases that become eligible under the scheme, that funding has been fully expended. The Committee are requested to approve the utilisation of a proportion of the general covid grant allocation to a maximum sum of £50,000 to allow the scheme to continue to operate for 2020/21 whilst representations to government for additional specific funding for the scheme are on-going.
Legal	None arising from this report
Community Safety	None arising from this report
Human Rights and Equalities	None arising from this report
Sustainability and Environmental Impact	None arising from this report
Health & Safety and Risk Management	None arising from this report

LEAD AUTHOR	CONTACT DETAILS	DATE
Paul O'Donoghue	paul.odonoghue@fylde.gov.uk 01253 658566	November 2020

BACKGROUND PAPERS		
Name of document	Date	Where available for inspection
Council Tax COVID-19 hardship fund 2020 to 2021	March 2020	https://www.gov.uk/government/publications/council-tax-covid-19-hardship-fund-2020-to-2021-guidance

DECISION ITEM

REPORT OF	MEETING	DATE	ITEM NO
RESOURCES DIRECTORATE	FINANCE AND DEMOCRACY COMMITTEE	23 NOVEMBER 2020	6
COUNCIL TAX AND BUSINESS RATES DISCRETIONARY DISCOUNT POLICY – 2020/21 UPDATE			

PUBLIC ITEM

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

SUMMARY

Since the reform of Business Rates and Council Tax in 2013 (including the introduction of a degree of localisation of decision-making in respect of both Council Tax and Business Rates) national schemes of discounts and exemptions have been replaced by a range of national mandatory and local discretionary schemes.

In recent years central government has introduced further Business Rate reliefs to address particular circumstances or categories of business premises which are deemed to operate locally and must therefore be included within the approved policy for the award of such reliefs.

It is necessary, from time-to-time, to update the Council's policy of Discretionary Discounts to incorporate new reliefs, or amendments to schemes of existing reliefs, or to provide clarification where such would be helpful.

RECOMMENDATION

The Committee is recommended to:

1. Approve and adopt the Council Tax and Business Rates Discretionary Discount Policy (2020/21 update).

SUMMARY OF PREVIOUS DECISIONS

Finance and Democracy Committee 28th January 2019 – Resolved to approve and adopt the Council Tax and Business Rates Discretionary Discount Policy (2019/20 update).

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. In respect of both Council Tax and Business Rates national schemes of discounts and exemptions have been in place since the introduction of those arrangements for local taxation. Fylde BC, in line with all local authorities, implemented the schemes of discounts and exemptions as directed by central government. Information of the available discounts and exemptions has always been made available to potential claimants and beneficiaries of such and for a number of years this information has also been promoted through the Council's website.
2. With the introduction of the local CTRS in April 2013 it became necessary for the Council to consider the provision of discretionary hardship relief to provide support for claimants in exceptional circumstances, and who are unable to increase their income from other means. Such provision is a key element of the operation of the scheme.
3. Section 76 of the Local Government Act 2003 (as amended by section 13A of the Local Government Finance Act 2012) empowers a billing authority to reduce the amount of tax payable as it thinks fit. Funding for such reductions must be provided by the Council and major preceptors as necessary.
4. In order to mitigate part of the impact of the CTRS on the most vulnerable households, the Council at that time approved the award of discretionary Hardship Relief under the above powers. Strict criteria are used to determine if any additional relief is appropriate and the level of any such award. Awards are made to those unable to increase their income and then only in exceptional circumstances.
5. With regard to Non-domestic (i.e. business) rates the Council is required to apply the national (mandatory) schemes of relief, as determined by central government. The Council may also award additional (discretionary) business rate relief. This may be in relation to charitable organisations (following the application of 80% mandatory relief) or in respect of other organisations in exceptional circumstances. In recent years central government has introduced further reliefs to address particular circumstances or categories of business premises which are deemed to operate locally and must therefore be included within the approved policy for the award of such reliefs
6. From time-to-time it is necessary to revise the Council Tax and Business Rates Discretionary Discount Policy in order to reflect changes in reliefs that are introduced by central government, and any changes in the application of the policy due to changes in local circumstances or to provide clarification.

CHANGES REFLECTED IN THE PROPOSED UPDATE OF THE POLICY

7. This update includes the annual review of the policy and the policy has also been updated to account for measures announced as a result of the COVID-19 pandemic, including the Expanded Retail Discount and the OFSTED Registered Nursery Discount scheme. Reference is also made to Enterprise Zone relief the details of which are included in a separate joint policy between Blackpool Council, Fylde Borough Council and Wyre Borough Council.

The proposed Discretionary Discount Policy for 2020/21 is attached at Appendix A.

IMPLICATIONS	
Finance	The additional reliefs reflected in the updated policy are fully funded by central government, and as such there are no financial implications arising directly from this report.
Legal	Section 76 of the Local Government Act 2003 (as amended by section 13A of the Local Government Finance Act 2012) empowers a billing authority to reduce the amount of tax payable as it thinks fit.
Community Safety	None
Human Rights and Equalities	None
Sustainability and Environmental Impact	None
Health & Safety and Risk Management	None

LEAD AUTHOR	CONTACT DETAILS	DATE
Paul O'Donoghue Chief Financial Officer	01253 658566	November 2020

BACKGROUND PAPERS		
Name of document	Date	Where available for inspection
None		

Attached documents

Appendix A - Council Tax and Business Rates Discretionary Discount Policy 2020/21



Council Tax and Business Rates

Discretionary Discount Policy

2020/21

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Record of Amendments:

Date	Version	Amended by	Description of changes
10/03/2014	1.1	Graeme Ruse	Business Rates Reliefs – added Retail Relief pages 19 – 22. New Build Relief page 23-24, Temporary Re-Occupation Relief page 25-26
01/10/2014	1.2	Andrew Turpin	Rural Rate Relief pages 27-28
19/12/2014	1.3	Andrew Turpin	Retail Relief page 19
02/11/2015	1.4	Graeme Ruse	Temporary Part Occupation Relief
21/10/2016	1.5	Graeme Ruse	Removal of New Build and Re-Occupation Relief
10/10/2017	1.6	Louise Jones	No changes – review only
05/03/2018	1.7	Andrew Turpin	Inclusion of Revaluation Relief and Public House Relief
03/09/2018	1.8	Andrew Turpin / Louise Jones	Review of policy
14/12/2018	1.9	David Holmes	Inserted Retail Discount, Local Newspaper Relief, Hardship Relief and noted EZ Relief. Removed the Public House relief.
03/03/2020	1.10	Graeme Ruse	Amended Retail Discount and reinstated Public House relief.
08/09/2020	1.11	David Holmes	Changes to policy following a re-structure and an update to introduce COVID-19 measures, including the Expanded Retail Discount and the OFSTED Registered Nursery Discount scheme.

Approved By:

Name	Title	Signature	Date
Louise Jones	Head of Revenues, Benefits and Customer Services		8 September 2020

1. Introduction

Section 13A of the Local Government Finance Act 1992 (as amended) and sections 47, 48 and 49 of the Local Government Finance Act 1988 (as amended) empowers a billing authority to reduce the amount of tax payable.

Fylde has adopted a local Council Tax Reduction Scheme since 1st April 2013, which replaced Council Tax Benefit. However it is likely that other circumstances will arise where the Council could consider a further discretionary reduction in exceptional circumstances. In addition local Businesses who are experiencing severe financial difficulties may request assistance in meeting the burden of local taxation.

Funding for such reductions must be provided by the Council. This policy sets out how the Council will use these powers and the criteria that must be satisfied.

The Council is committed to publishing the policy to ensure that the local taxpayers are aware of the policy and are able to quickly and easily apply for assistance.

Aims of the Discretionary Discount Policy

- Provide a mechanism for the Council to assist members of the community who are unable to meet the financial burden of local taxation
- Helping residents in receipt of Council Tax Reduction who are unable to increase their income
- Alleviating poverty
- Helping those who are trying to help themselves
- Supporting people who are starting work
- Supporting the most vulnerable in the local community
- Helping customers through difficult personal events
- Assisting customers in accordance with the Council's Child Poverty Strategy
- To ensure that no claimant or charge payer suffers any undue short-term disadvantage resulting from circumstances beyond their control

2. Policy Objectives and Action Plan

Objective 1: To ensure that assistance is available and accessible to members of the community most in need

- Ensure staff are aware of the policy and qualifying criteria
- Regular refresher training for assessment staff to promote proactive identification of potential cases
- Provide effective overview training on the policy and qualifying criteria on request to promote take-up and awareness in appropriate circumstances.
- Promote access to the scheme through continued development of the Fylde Council website to ensure that up to date information is provided and that relevant forms and information can be downloaded.
- Ensure advice providers are aware of the policy and qualifying criteria.
- Promoting awareness to Members
- Promote the scheme to target groups, which may include:
 - Social and Private Sector Housing Tenants with significant arrears who may apply for a Discretionary Housing Payment (DHP).
 - Council Tax payers who have been issued with a summons.
 - People requiring assistance from the Emergency Planning response team.
 - Customers who are seeking Council assistance with debts
- Providing a facility to visit customers to assist them in making an application and provide supporting documents.
- Working closely with existing and new service partners and stakeholders to promote awareness of the policy.

Objective 2: To ensure discretionary discounts are only considered when no other means of assistance is available.

- Ensure assessments of applications for local Council Tax Reduction incorporate a benefits maximization check.
- Ensure the applicant does not have income or capital which should be used to meet the liability.
- Signpost customers who do not meet the criteria to appropriate alternative advice services
- Conduct a regular review of the policy to ensure it is fit for purpose.
- Ensure a robust review procedure is in place to ensure decisions are independent, fair and consistent.
- Ensure publicity is available to encourage customers to claim other benefits they are entitled to and where to access debt advice and money management tools.
- Ensure other sums owed to the Council (e.g. sundry debts, Housing Benefit overpayments) are reviewed and reduced repayments agreed where appropriate
- Ensure a Discretionary Housing Payment for Housing Benefit is awarded if appropriate
- Ensure recovery action is delayed where appropriate
- Awards will be tailored to match need. The period and amount of an award will be determined based upon the circumstances in each case.
- Awards will only be made for a period relating to the financial year in which the application is made.

- Awards may be reviewed at any time and may be revised, reduced or withdrawn if it is found that the circumstances of the applicant have changed and the award is no longer appropriate.

Objective 3: To monitor and evaluate the administration of the policy to ensure that the service reflects the needs of the community

- Monitor of fund spending by monthly recording and reporting of expenditure provided to Senior Management.
- Conduct a regular review of income and expenditure forms used.
- Conduct a regular review of the policy.
- Review the outcome of requests for reconsideration to improve guidance and methodology.
- Respond to feedback on processes and procedures from partners and stakeholders.

3. Discretionary Discount - Customers in receipt of local Council Tax Reduction (Hardship Fund)

Fylde Borough Council adopted a local Council Tax Reduction Scheme which is effective from 1st April 2013. During the development of the scheme the Councils' Equality Analysis identified that certain groups affected by the reduction in support would be unlikely to be able to increase their income.

For an award of this type of discretionary discount to be considered, the applicant must be:

- In receipt of Council Tax Reduction; and
- Have a shortfall between the level of Council Tax Reduction and their council tax liability; and
- In the opinion of the Council, be in need of further assistance with Council Tax in accordance with the qualifying criteria.

Requests for further reductions in Council Tax liability will be required in writing from the customer, their advocate / appointee or a recognised third party acting on their behalf.

Each case will be considered on 'its merits' however all of the following criteria should be met:

- There must be evidence of hardship or personal circumstance that justifies a further reduction in Council Tax liability.
- The Council must be satisfied that the customer has taken reasonable steps to resolve their situation prior to application.
- The customer does not have access to other assets that could be realised and used to pay the Council Tax.
- All other eligible discounts/reliefs have been awarded to the customer.

Responsible officer

The responsibility for making discretionary discount decisions will rest with the Chief Financial Officer, who will discharge this responsibility by the following process:

Decision making process

Stage 1: The initial request will be dealt with by a decision maker (Senior Benefits Assistant, Senior Benefit Specialist or Team Manager) who will consider the application against the criteria set out in this policy, based upon the information provided by the applicant and known to the Council.

Stage 2: A Senior Benefits Manager will authorise the decision.

Notification of decision

The Council will notify the applicant of its decision within 28 days of receiving sufficient information to make a decision.

Review of decision/re-determination requests

The Council will accept an applicant's written request for a redetermination of its decision. The process will be as follows:

Stage 1: The original decision and any additional information provided will be reviewed by a different decision maker who will recommend either confirming or amending the original decision.

Stage 2: The Head of Benefits and Customer Services will consider the application for review and the recommendation and determine whether to award a discretionary discount.

Notification of review/re-determination decision

The Council will notify an applicant of its decision within 28 days of receiving a request for a re-determination.

A discretionary reduction made under section 13A (1)(a) or (c) of the Local Government Finance Act (LGFA) 1992 can be the subject of an appeal to the Valuation Tribunal under section 16 of the LGFA 1992.

4. Discretionary Discounts – Customers not in receipt of local Council Tax Reduction

Requests for reductions in Council tax liability will be required in writing from the customer, their advocate / appointee or a recognised third party acting on their behalf

Each case will be considered on 'its merits' however all of the following criteria should be met:

- There must be evidence of hardship or personal circumstance that justifies a reduction in Council Tax Liability.
- The Council must be satisfied that the customer has taken reasonable steps to resolve their situation prior to application.
- The customer does not have access to other assets that could be realised and used to pay the Council Tax.
- The customer is not entitled to an award under the local Council Tax Reduction Scheme.
- All other eligible discounts/reliefs have been awarded to the customer.

Responsible officer

The responsibility for making discretionary decisions will rest with the Chief Financial Officer, who will discharge this responsibility by the following process:

A Revenues Manager will liaise with the applicant in each case to request sufficient information in order that a decision can be made

Decision making process

Stage 1: The initial request will be dealt with by a Revenues Manager who will consider the application against the criteria set out in this policy, based upon the information provided by the applicant and known to the Council.

Stage 2: A different Revenues Manager will authorise the decision.

Notification of decision

The Council will notify the applicant of its decision within 28 days of receiving sufficient information to make a decision.

Review of decision/re-determination requests

Council will accept an applicant's written request for a redetermination of its decision.

Stage 1: The original decision and any additional information provided will be reviewed by a different decision maker who will recommend either confirming or amending the original decision.

Stage 2: Head of Revenues, Benefits and Customer Services, will consider the application for review and the recommendation and determine whether to award a discretionary discount.

Notification of review/re-determination decision

The Council will notify an applicant of its decision within 28 days of receiving a request for a re-determination.

A discretionary reduction made under section 13A (1) (a) or (c) of the Local Government Finance Act (LGFA) 1992 can be the subject of an appeal to the Valuation Tribunal under section 16 of the LGFA 1992.

5. Discretionary Discounts – Rate Relief Policy relating to organisations established for Charitable, Sporting and Community Purposes.

Each case will be considered on its merits however all of the following criteria should be met:

- Requests for reductions in Business Rates will be required in writing from the ratepayer or a recognised third party acting on their behalf.
- It must be in the interest of Council Tax payers for the local authority to grant a reduction.
- All other eligible discounts/reliefs have been awarded to the ratepayer.

In addition to the above, the Council has determined the following guidelines for the granting of discretionary rate relief.

- a) The organisation is small in stature in that it occupies a hereditament with a Rateable Value of less than £13,000 in the National Non-Domestic Rating List effective from 1 April 2017. *(the premise is that larger organizations are generally well established and can, to a certain extent, exist without any external aid at all), and*
- b) The organisation is not part of a charging or precepting authority, **and**
- c) The organisation has been specifically set up for the benefit of the young, the aged, the disabled or for ethnic minorities. *(sports organisations that allow or promote junior or senior citizen membership would not necessarily fall under the jurisdiction of this rule. The organisation must have been created or is in being for the sole or main purpose of aiding any one of these sections of the community), or*
- d) The property is for the general use of the local community without any membership and/or subscription requirements and has no specific use except for the general benefit of the community, **or**
- e) The property is used for the housing of vehicles used only for offshore emergency purpose, **or**
- f) The aims of the organisation are to educate volunteers in emergency training for the benefit of the local community.

Discretionary Relief of the remaining balance (taking into account 80% mandatory relief granted to all charitable bodies) may be granted to any non-profit making organisations that meet the above criteria.

The above is intended only as a guide when considering applications for discretionary rate relief. All applications will be considered on their merits and it might be found that it is only right and proper to approve applications which do not conform exactly to the above.

- g) The Council will continue with its current policy regarding granting discretionary rate relief, each application be considered on its merits and favourable consideration be given to applications from qualifying organisations in instances when the non-granting of relief could seriously jeopardize the financial viability of the organisation.
- h) One factor to be taken into account in determining discretionary rate relief shall be the training or coaching provided by sports clubs for the youth of the Borough.

In addition, organisations with charitable status and not being Limited Companies, and set up for recreational purposes:

- Whose membership is open to all sections of the community.
- Do not restrict membership on the grounds of ability or the availability of their facilities,
- Whose membership levels are not set at such a rate to preclude membership by all sections

- of the community,
- Who provide outside sporting activities,
- Who actively encourage participation by young people,
- Make their facilities available to people other than members e.g. to schools or casual public sessions,
- Whose main aim is sporting rather than social,
- Whose members are mainly from Fylde Borough.

May be given discretionary relief of 100% based on the Rateable Value of the outside playing area and changing areas only.

- Retail premises operated by a registered charity which have been granted mandatory rate relief may, in exceptional circumstances, receive a further discretionary award. The Council will consider the merits of each case but such an award is likely to be the exception rather than the rule.

Responsible officer

The responsibility for making discretionary decisions will rest with the Chief Financial Officer, who will discharge this responsibility by the following process:

Decision making process

Stage 1: The decision making process will involve the Principal Revenues Manager making a recommendation to the Head of Revenues, Benefits and Customer Services, considering the application against the criteria set out in this policy, based upon the information provided by the applicant and known to the Council.

Stage 2: The Chief Financial Officer will consider the application and the recommendation of the Head of Revenues, Benefits and Customer Services and determine whether to award a discretionary discount.

Notification of decision

The Council will notify the applicant of its decision within 28 days of receiving sufficient information to make a decision.

Review of decision/re-determination requests

The Council will accept an applicant's written request for a redetermination of its decision. The process will be as follows:

Stage 1: The original decision and any additional information provided will be reviewed and a recommendation made to either confirm or amend the original decision.

Stage 2: The Chief Financial Officer will consider the application for review and the recommendation and determine whether to award a discretionary discount.

Notification of review/re-determination decision

The Council will notify an applicant of its decision within 28 days of receiving a request for a re-

determination.

Following the redetermination of a request for discretionary discount, there is no further right of appeal.

6. Other Discretionary Discounts

The Council may award Business Rates relief on any cases where it has been asked to do so, and where the award would be clearly in the interest of the local Council Tax payer.

The relief is available pursuant to s.47 of the Local Government Finance Act 1988, as amended by s.69 of the Localism Act 2011, and decisions are to be made on a case by case basis and dependent on the individual facts. This is often referred to as 'Localism Relief'.

Under the arrangements by which Business Rates income is shared by a number of public sector bodies, any award of a discount or relief will be funded in part by: Fylde Council, Central Government, Lancashire County Council and the Lancashire Fire Authority.

Each case will be considered on its merits however all of the following criteria should be met:

- it must be in the interest of the Council and community for the local authority to grant a reduction, **and**
- all other eligible discounts/reliefs have been awarded to the ratepayer.

Responsible officer

The responsibility for making discretionary decisions will rest with the Chief Financial Officer, who will discharge this responsibility by the following process:

Decision making process

Stage 1: The decision making process will involve the Principal Revenues Manager making a recommendation to the Head of Revenues, Benefits and Customer Services, considering the application against the criteria set out in this policy, based upon the information provided by the applicant and known to the Council.

Stage 2: The Chief Financial Officer will consider the application and the recommendation of the Head of Revenues, Benefits and Customer Services and determine whether to award a discretionary discount.

Notification of decision

The Council will notify the applicant of its decision within 28 days of receiving sufficient information to make a decision.

Review of decision/re-determination requests

The Council will accept an applicant's written request for a redetermination of its decision. The process will be as follows:

Stage 1: The original decision and any additional information provided will be reviewed and a recommendation made to confirm or amend the original decision.

Stage 2: The Chief Financial Officer will consider the application for review and the recommendation and determine whether to award a discretionary discount.

Notification of review/re-determination decision

The Council will notify an applicant of its decision within 28 days of receiving a request for a re-determination.

Following the redetermination of a request for discretionary discount, there is no further right of appeal.

7. Hardship Relief

In exceptional circumstances the Council may award relief where it is satisfied payment of the bill will cause a business severe financial hardship.

This will only be considered where it is evident that doing so would be in the interests of the wider community. This can be because failure to grant the relief would result in the loss of a unique and regularly required service, and/or because the failure to grant relief would directly result in a significant loss of jobs in the local community.

Hardship Relief is available pursuant to s.49 of the Local Government Finance Act 1988. The relief is designed for a local authority to provide discretionary assistance in exceptional and/or unexpected circumstance, but not to prop up a fundamentally failing business. Decisions are to be made on a case by case basis and dependent on the individual facts.

The Council may award hardship relief as a percentage of the total amount due, or as a single monetary value.

There are no time limits to the award of hardship relief, but the relief is considered to be a 'one-time' award. There is no requirement for the Council to award this relief periodically.

In order to consider an award the applicants shall provide the following:

- Details of the unique and regularly required service provided.
- Details of how much is outstanding.
- Details of their current financial circumstance, including details of any assets or security held, and including details of debts owed to other creditors.
- Copies of their latest audited accounts, or if the business has not yet submitted accounts then an up to date income statement and/or balance sheet will be required.
- Details of the company, such as the product sold, the customer base, numbers in the workforce.
- The reason why they cannot pay their bill.
- How much relief they require.
- An assumption of what would happen if no assistance was provided by the Council.

Responsible officer

The responsibility for making discretionary decisions will rest with the Chief Financial Officer, who will discharge this responsibility by the following process:

Decision making process

Stage 1: The decision making process will involve the Principal Revenues Manager making a recommendation to the Head of Revenues, Benefits and Customer Services, considering the application against the criteria set out in this policy, based upon the information provided by the applicant and known to the Council.

Stage 2: The Chief Financial Officer will consider the application and the recommendation of the Head of Revenues, Benefits and Customer Services and determine whether to award a discretionary discount.

Notification of decision

The Council will notify the applicant of its decision within 28 days of receiving sufficient information to make a decision.

Review of decision/re-determination requests

The Council will accept an applicant's written request for a redetermination of its decision. The process will be as follows:

Stage 1: The original decision and any additional information provided will be reviewed and a recommendation made to either confirm or amend the original decision.

Stage 2: The Chief Financial Officer will consider the application for review and the recommendation and determine whether to award a discretionary discount.

Notification of review/re-determination decision

The Council will notify an applicant of its decision within 28 days of receiving a request for a re-determination.

Following the redetermination of a request for discretionary discount, there is no further right of appeal.

8. Rural Rate Relief

Relief of up to 100% can be granted to the occupier of a general store, post office, pub or petrol station if it is the only such business in the authority's rural settlement list. Each case will be dealt with on its own set of circumstances and ratable value limits will apply.

Responsible officer

The responsibility for making discretionary decisions will rest with the Chief Financial Officer, who will discharge this responsibility by the following process:

Decision making process

Stage 1: The decision making process will involve the Principal Revenues Manager making a recommendation to the Head of Revenues, Benefits and Customer Services, considering the application against the criteria set out in this policy, based upon the information provided by the applicant and known to the Council.

Stage 2: The Chief Financial Officer will consider the application and the recommendation of the Head of Revenues, Benefits and Customer Services and determine whether to award a discretionary discount.

Notification of decision

The Council will notify the applicant of its decision within 28 days of receiving sufficient information to make a decision.

Review of decision/re-determination requests

The Council will accept an applicant's written request for a redetermination of its decision. The process will be as follows:

Stage 1: The original decision and any additional information provided will be reviewed and a recommendation made to either confirm or amend the original decision.

Stage 2: The Chief Financial Officer will consider the application for review and the recommendation and determine whether to award a discretionary discount.

Notification of review/re-determination decision

The Council will notify an applicant of its decision within 28 days of receiving a request for a re-determination.

Following the redetermination of a request for discretionary discount, there is no further right of appeal.

9. Temporary Part Occupation Relief

The Ratepayer is liable for the full non-domestic rate whether a property is wholly occupied or only partly occupied. Under s44A of the Local Government Finance Act 1988, where a property is partly occupied for a short time the Council has discretion to request that the Valuation Office apportion the rateable value of a property between the occupied and unoccupied parts and apply an unoccupied property exemption on the unoccupied part; thereby reducing the amount payable.

Applications must be made in writing and supported by:

- a completed application form, **and**
- detailed scaled plans which outline the whole property and indicate the partly occupied/unoccupied parts, **and**
- details of the planned period of time for the part occupation, **and**
- details of future intentions, **and**
- details of the cause for the part occupation.

A site visit will be required. Where necessary the ratepayer may be required to provide additional information to support their application.

Responsible officer

The responsibility for making discretionary relief decisions will rest with the Chief Financial Officer, who will discharge this responsibility by the following process:

Decision making process

Stage 1: The decision making process will involve the Principal Revenues Manager making a recommendation to the Head of Revenues, Benefits and Customer Services, considering the application against the criteria set out in this policy, based upon the information provided by the applicant and known to the Council.

Stage 2: The Chief Financial Officer will consider the application and the recommendation of the Head of Revenues, Benefits and Customer Services and determine whether to award a discretionary discount.

Notification of decision

The Council will notify the applicant of its decision within 28 days of receiving sufficient information to make a decision.

Review of decision/re-determination requests

The Council will accept an applicant's written request for a redetermination of its decision. The process will be as follows:

Stage 1: The original decision and any additional information provided will be reviewed and a recommendation made to either confirm or amend the original decision.

Stage 2: The Chief Financial Officer will consider the application for review and the recommendation and determine whether to award a discretionary discount.

Notification of review/re-determination decision

The Council will notify an applicant of its decision within 28 days of receiving a request for a re-determination.

Following the redetermination of a request for discretionary discount, there is no further right of appeal.

10. Retail Discount (includes 2020/21 Expanded Retail Discount)

The Government announced in the 2018 Budget that it will provide a Business Rates Retail Discount scheme for occupied retail properties in each of the years 2019-20 and 2020-21. The value of discount was one third of the bill in 2019/20 and, at the time of sending the annual bills for 2020/21 this was half of the bill. However, during the COVID19 pandemic the scheme changed significantly.

For 2020/21 and following the COVID19 pandemic the retail discount was re-labelled as the 'expanded retail discount' and the amount of relief increased to a full award, irrespective of rateable value and the normal rules of state aid were to be disregarded. The new expanded scheme included the leisure and hospitality sectors.

The discount is to be applied once mandatory reliefs and other discretionary reliefs have been applied.

Which properties will benefit from relief?

Properties that will benefit from the relief will be occupied hereditaments that are wholly or mainly being used:

- as shops, restaurants, cafes, drinking establishments, cinemas and live music venues,
- for assembly and leisure; or
- as hotels, guest & boarding premises and self-catering accommodation.

We consider shops, restaurants, cafes, drinking establishments, cinemas and live music venues to mean:

Hereditaments that are being used for the sale of goods to visiting members of the public:

- Shops (such as: florists, bakers, butchers, grocers, greengrocers, jewellers, stationers, off licences, chemists, newsagents, hardware stores, supermarkets, etc)
- Charity shops
- Opticians
- Post offices
- Furnishing shops/ display rooms (such as: carpet shops, double glazing, garage doors)
- Car/caravan show rooms
- Second-hand car lots
- Markets
- Petrol stations
- Garden centres
- Art galleries (where art is for sale/hire)

Hereditaments that are being used for the provision of the following services to visiting members of the public:

- Hair and beauty services (such as: hairdressers, nail bars, beauty salons, tanning shops, etc)
- Shoe repairs/key cutting
- Travel agents
- Ticket offices e.g. for theatre
- Dry cleaners

- Launderettes
- PC/TV/domestic appliance repair
- Funeral directors
- Photo processing
- Tool hire
- Car hire
- Employment agencies
- Estate agents and letting agents
- Betting shops

Hereditaments that are being used for the sale of food and/or drink to visiting members of the public:

- Restaurants
- Takeaways
- Sandwich shops
- Coffee shops
- Pubs
- Bars

Hereditaments which are being used as cinemas

Hereditaments that are being used as live music venues:

- Live music venues are hereditaments wholly or mainly used for the performance of live music for the purpose of entertaining an audience. Hereditaments cannot be considered a live music venue for the purpose of business rates relief where a venue is wholly or mainly used as a nightclub or a theatre, for the purposes of the Town and Country Planning (Use Classes) Order 1987 (as amended).
- Hereditaments can be a live music venue even if used for other activities, but only if those other activities (i) are merely ancillary or incidental to the performance of live music (e.g. the sale/supply of alcohol to audience members) or (ii) do not affect the fact that the primary activity for the premises is the performance of live music (e.g. because those other activities are insufficiently regular or frequent, such as a polling station or a fortnightly community event).
- There may be circumstances in which it is difficult to tell whether an activity is a performance of live music or, instead, the playing of recorded music. Although we would expect this would be clear in most circumstances, guidance on this may be found in Chapter 16 of the statutory guidance issued in April 2018 under section 182 of the Licensing Act 2003.

We consider assembly and leisure to mean:

Hereditaments that are being used for the provision of sport, leisure and facilities to visiting members of the public (including for the viewing of such activities).

- Sports grounds and clubs
- Museums and art galleries
- Nightclubs
- Sport and leisure facilities
- Stately homes and historic houses
- Theatres
- Tourist attractions

- Gyms
- Wellness centres, spas, massage parlours
- Casinos, gambling clubs and bingo halls

Hereditaments that are being used for the assembly of visiting members of the public.

- Public halls
- Clubhouses, clubs and institutions

We consider hotels, guest and boarding premises and self-catering accommodation to mean:

Hereditaments where the non-domestic part is being used for the provision of living accommodation as a business:

- Hotels, Guest and Boarding Houses
- Holiday homes
- Caravan parks and sites

This is a test on use rather than occupation, therefore hereditaments which are occupied but not wholly or mainly used for the qualifying purpose will not qualify for the relief.

What does not constitute retail, leisure or hospitality usage

The list below sets out the types of uses which we **do not** consider as being eligible for the purpose of this discount, and will therefore not qualify under this scheme.

Hereditaments that are being used for the provision of the following services to visiting members of the public

- Financial services (e.g. banks, building societies, cash points, bureaux de change, short-term loan providers)
- Medical services (e.g. vets, dentists, doctors, osteopaths, chiropractors)
- Professional services (e.g. solicitors, accountants, insurance agents/financial advisers)
- Post office sorting offices

Hereditaments which are not reasonably accessible to visiting members of the public

- Premises where membership is required to gain entry (e.g. affiliated social clubs)
- Premises where payment is required to gain entry

The total amount of government-funded relief available for each property under this scheme for 2019-20 is one third of the bill, and for 2020-21 is the full bill, after mandatory reliefs and other discretionary reliefs funded by section 31 grants have been applied. There is no relief available under this scheme for unoccupied properties.

A new hereditament created as a result of a split or merger during the financial year, or where there is a change of use, should be considered afresh for the relief on that day.

Responsible officer

Decision making process

The expanded retail discount was introduced as a financial package to assist those ratepayers who were expected to be adversely affected by the COVID19 pandemic, meaning awards were to be swift

and without the normal requirement to complete forms and submit supplementary information in support of their application. With this in mind it was decided that:

- Where the property is occupied and the ratepayer clearly meets at least one of the above criteria for retail, hospitality and leisure sectors then the relief will be paid automatically.
- Where the ratepayer does not clearly meet at least one of the above criteria for retail, hospitality and leisure, or where the property is believed to be unoccupied, then the details will be passed to a Revenues Manager to determine whether the ratepayer is eligible for this relief.

Responsible officer

The responsibility for making discretionary relief decisions will rest with the Chief Financial Officer, who will discharge this responsibility by the following process:

Notification of decision

The Council will notify the applicant of its decision within 28 days of receiving sufficient information to make a decision.

Review of decision/re-determination requests

The Council will accept an applicant's written request for a redetermination of its decision. The process will be as follows:

Stage 1: The original decision and any additional information provided will be reviewed and a recommendation made to either confirm or amend the original decision.

Stage 2: The Chief Financial Officer will consider the application for review and the recommendation and determine whether to award a discretionary discount.

Notification of review/re-determination decision

The Council will notify an applicant of its decision within 28 days of receiving a request for a re-determination.

Following the redetermination of a request for discretionary discount, there is no further right of appeal.

11. Nursery Discount

As an extraordinary response to the coronavirus, the Government announced a business rates Nursery Discount on 18 March 2020.

This relief will apply to hereditaments occupied by providers on Ofsted's Early Years Register and wholly or mainly used for the provision of the Early Years Foundation Stage and which are subject to business rates in the year 2020/21.

The discount will be 100% and there will be no rateable value limit.

Responsible officer

The responsibility for making discretionary decisions will rest with the Director of Resources.

Decision making process

The nursery discount scheme was introduced as a financial package to assist those ratepayers who were expected to be adversely affected by the COVID19 pandemic, meaning awards were to be swift and without the normal requirement to complete forms and submit supplementary information in support of their application. With this in mind it was decided that:

- Where the property is occupied and the ratepayer clearly meets the above criteria then the relief will be paid automatically.
- Where the ratepayer does not clearly meet the criteria then the details will be passed to a Revenues Manager to determine whether the ratepayer is eligible for this relief.

Notification of decision

The Council will notify the applicant of its decision within 28 days of receiving sufficient information to make a decision.

Review of decision/re-determination requests

The Council will accept an applicant's written request for a redetermination of its decision where there is new information available on which to reconsider the original decision.

Notification of review/re-determination decision

The Council will notify an applicant of its decision within 28 days of receiving a request for a re-determination. Following the re-determination of a request for a discretionary award there is no further right of appeal.

12. Local Newspaper Relief

The Government introduced a £1,500 Business Rate discount for office space occupied by local newspapers in England, up to a maximum of one discount per local newspaper title and per hereditament, and up to state aid limits, for 2 years from 1 April 2017. This was extended in 2018 and 2020 and will now apply until 31st March 2025.

The relief is to be specifically for local newspapers and by that we mean what would be considered to be a “traditional local newspaper.” The relief will not be available to magazines.

Responsible officer

The responsibility for making discretionary relief decisions will rest with the Chief Financial Officer, who will discharge this responsibility by the following process:

Decision making process

In accordance with Government Guidance for the administration of the scheme, and to assist local businesses, the s151 Officer has agreed that the Council may make a number of assumptions with regard to eligibility to ensure relief is awarded to qualifying businesses as soon as possible.

Businesses awarded relief will be advised to inform the Council if they do not qualify for relief as a result of exceeding State Aid limits. Should a ratepayer believe they are entitled to the relief and it has not been awarded, an application form will be provided and relevant enquiries undertaken to determine eligibility.

Where an application form is sent and a response is received, a Revenues Manager will confirm eligibility and seek a decision from the Chief Financial Officer.

Notification of decision

The Council will notify the applicant of its decision within 28 days of receiving sufficient information to make a decision.

Review of decision/re-determination requests

The Council will accept an applicant’s written request for a redetermination of its decision. The process will be as follows:

Stage 1: The original decision and any additional information provided will be reviewed and a recommendation made to either confirm or amend the original decision.

Stage 2: The Chief Financial Officer will consider the application for review and the recommendation and determine whether to award a discretionary discount.

Notification of review/re-determination decision

The Council will notify an applicant of its decision within 28 days of receiving a request for a re-determination.

Following the redetermination of a request for discretionary discount, there is no further right of appeal.

13. Enterprise Zone Relief

The Council's Executive approved the joint Enterprise Zone Business Rates Relief Policy on Monday 20th June 2016. The policy allows for relief to be applied (up to state aid limits) where business moves into the designated Enterprise Zone before 2022, subject to qualifying criteria. The policy is published on our website at www.fylde.gov.uk.

This is a joint policy between Blackpool Council, Fylde Borough Council and Wyre Borough Council.

14. Revaluation Relief

Central Government is keen that in certain cases, assistance should be provided to businesses which have had increases in their rate liability due to the revaluation of premises in April 2017. In these cases, and where the Council meets Central Government guidelines, grants are available under section 31 of the Local Government Act 2003.

The following sections cover all aspects of the Discretionary Business Rates Relief scheme “Revaluation Relief” which is available from 1st April 2017. Where businesses apply for relief they will be granted (or not granted) relief in line with the following policy.

Legislative Background

To be considered for the following discretionary relief schemes ratepayers are obliged to make a written application to the Council. The Council will expect all businesses to make applications in such a format as is required (which may vary from time to time) and for the business to provide such information, evidence, certificates etc. as required in order to determine whether relief should be awarded.

The Council will consider carefully every application on its merits. There is no statutory appeal process or Tribunal against any decision made by the Council. The authority will however, upon request, review decisions made. Details of the internal review process are given within this policy.

This policy document covers the granting of awards under the Revaluation Relief which covers a period of 12 months from 1st April 2019. The decision to grant or not to grant discretionary relief is a matter purely for the Council.

The Council’s approach to granting Government led Discretionary Relief schemes

Over the past few years, a number of schemes have been led by Central Government but without specific legislative changes. These are administered under s47 of the Local Government Finance Act 1988 and guidance is often provided. The Council is keen to support such initiatives especially where they are designed to help local businesses and will look to maximise both the reliefs given as well as maximising any grants receivable. However, the Council reserves the right to vary its approach where thought appropriate.

In the case of Revaluation Relief, Central Government is keen that individual Councils develop their own scheme to meet local needs. Government has allocated funds to the Council using a particular methodology, but it has been keen to point out that this should have no bearing on the actual scheme adopted by the Council.

Effect on the Council’s Finances

In March 2017, Central Government announced that it would make available a discretionary fund of £300 million over four years from 2017-18 to support those businesses that face the steepest increases in their business rates bills as a result of the revaluation, known as Revaluation Relief. Government determined that Councils would be best placed to determine how this fund should be targeted and administered to support those businesses and locations within their area that are in the greatest need.

Every authority within England is to be provided with a share of the fund to support their local businesses. This is to be administered through billing authorities' discretionary relief powers under s47 of the Local Government Act 1988. The full effects of the financial allocation are shown below.

The allocation of monies to authorities and the methodology of the funding award is completely separate to the scheme itself and Government believes that local authorities are best placed to judge the particular circumstances of local ratepayers and direct the funding where it is most needed to support local economies.

Councils will be compensated for any relief granted under section 31 of the Local Government Act 2003. The Government has decided that any underspend cannot be transferred from one year to the next.

A key criteria of reimbursement will be that the Council will consult with its major precepting authority when formulating its scheme.

The level of funding allocations in respect of the Discretionary Business Rates Relief Scheme are shown in the following table:

Amount of discretionary fund awarded (£000s) – Fylde Council

2017-18	2018-19	2019-20	2020-21
126	61	25	4

Discretionary Relief – EU State Aid requirements

European Union competition rules generally prohibit Government subsidies to businesses. Relief from taxes, including non-domestic rates, can constitute state aid. The Council must bear this in mind when granting discretionary rate relief.

Rate relief for charities and non-profit making bodies is not generally considered to be state aid, because the recipients are not in market competition with other businesses. However, where other bodies receive relief and are engaged in commercial activities or if they are displacing an economic operator or if they have a commercial partner, rate relief could constitute state aid.

Relief will be State Aid compliant where it is provided in accordance with the De Minimis Regulations (1407/2013)¹. The De Minimis Regulations allow an undertaking to receive up to €200,000 of De Minimis aid in a three-year period (consisting of the current financial year and the two previous financial years).

Where the relief to any one business is greater than the De Minimis level, then permission will need to be obtained from the European Commission. In such cases the matter will be referred to the Department for Communities and Local Government (DCLG) for advice and then referred back to the Council for consideration. It will be for the ratepayer to provide confirmation as to whether the State Aid provisions apply to them.

In all cases, where discretionary relief is to be granted or where liability is to be reduced, when

¹ <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:352:0001:0008:EN:PDF>

making an application, ratepayers will be required to provide the Council with sufficient information to determine whether these provisions are applicable in their case.

European Union competition rules regarding state aid requirements may change when the United Kingdom exits the European Union.

Administration of Discretionary Relief – General approach

Applicants may be required to provide a completed application form plus any such evidence, documents, accounts, financial statements etc. necessary to allow the Council to make a decision. Where insufficient information is provided, then no relief will be granted. In some cases, it may be necessary for officers to visit premises and we would expect organisations claiming relief to facilitate this where necessary.

The Council will provide this service and guidance free of charge. Ratepayers are encouraged to approach the Council direct and **NOT** pay for such services through third parties.

Where an application is successful, then the following will be notified to them in writing:

- The amount of relief granted and the date from which it has been granted;
- If relief has been granted for a specified period, the date on which it will end;
- The new chargeable amount.

Where relief is not granted then a notification of the decision will be provided, in writing.

Revaluation Relief is to be granted from the beginning of the financial year in which the decision is made. Decisions can be made up to 6 months after the end of the financial year for which the application was made, but if an application is made after this time it will not be considered.

A fresh application for discretionary relief will be necessary for each financial year or at such time-period as the Council determines.

Variations in any decision will be notified to ratepayers as soon as practicable and will take effect as follows:

- Where the amount is to be increased due to a change in rate charge or a change in the Council's decision which increases the award – this will apply from the date of the increase in rate charge or the date determined by the Council as appropriate;
- Where the amount is to be reduced due to a reduction in the rate charge or liability including any reduction in rateable value, awarding of another relief or exemption this will apply from the date of the decrease in rate charge; **and**
- Where the amount is to be reduced for any other reason, it will take effect at the expiry of a financial year

A decision may be revoked at any time.

Consultation

The Council has consulted with its preceptors in relation to its Revaluation Relief scheme and has taken their comments into account when determining the eligibility criteria.

The grant determination for Revaluation Relief states that a condition of the fund is that consultation is undertaken with 'relevant authorities'. Relevant authorities for the purpose of this

scheme means any major precepting authority.

In the case of Fylde Borough Council the precepting authorities has been consulted, namely the Lancashire County Council and the Lancashire Combined Fire and Rescue Service.

Revaluation Relief

The Council has decided that reliefs under the Revaluation Relief scheme will be awarded using the following criteria:

- a) The scheme is designed to assist ratepayers who have suffered significant increases in rate liability due to the revaluation and the subsequent increase to their Rateable Value;
- b) Relief will not be granted where a hereditament has a rateable value of £500,000 or more at 1st April 2017 and where the increase calculated in section (d) is less than 10%;
- c) Relief will not be awarded where mandatory relief or Supporting Small Businesses Relief are granted or the hereditament is within the Business Rates Relief qualifying area of a designated Enterprise Zone;
- d) In assessing any potential entitlement to an award under this scheme, the Council will compare the following:
 - The rate liability of the ratepayer at 31st March 2017 after any reliefs and reductions; **and**
 - The rate liability of the ratepayer at 1st April 2017 taking into account any transitional relief or discretionary relief within this policy;
- e) Relief will only be given to premises which are liable for occupied rates. No relief within this scheme will be granted for unoccupied premises;
- f) Relief will only be granted to ratepayers who were in occupation at 31st March 2017 and in occupation on 1st April 2017 and for each day subsequently.
- g) Ratepayers taking up occupation after the 1st April 2017 will not be eligible for relief on the basis that new ratepayers would not have suffered from increases due to a revaluation;
- h) Relief may be awarded for more than one premises as long as all other criteria are met;

Relief will **not** be awarded where:

- the ratepayer has been awarded a reduction under s44a of the Local Government Finance Act 1988; **or**
- the hereditament occupied by a Billing or Precepting Authority (known as excepted hereditaments).
- the hereditament has a subsequent increase in Rateable Value after the 1st April 2017 which takes it out of the scope of this scheme; **or**
- the hereditament is used for any of the following purposes:
 - a) hospitals, health centre's or doctors/GP surgeries;
 - b) banks and building societies, including separately rated cash machines and ATM's; **or**
 - c) telecommunications network facilities

The Council will look to simplify the application process wherever possible, but it will expect any ratepayers to provide such information as is required by the Council to support their application.

A standard percentage reduction in the value of the rates payable will be applied to all eligible applicants, that rate to be determined by the level of available funding during the year.

The amount of relief awarded under these schemes will be recalculated in the event of a change of

circumstances. In effect relief is calculated on a daily basis in line with the ratepayer's liability on that day. This will include, for example, a backdated change to the rateable value of the hereditament. This change of circumstances could arise during the year in question or during a later year. Where any award is to be reduced, the Council will look to recover the amount from the date the change of circumstances occurred.

The Non-Domestic Rating (Discretionary Relief) Regulations 1989 (S.I. 1989/1059) requires the Council to provide ratepayers with at least one year's notice in writing before any decision to revoke or vary a decision so as to increase the amount the ratepayer has to pay takes effect. Such a revocation or variation of a decision can only take effect at the end of a financial year. But within these regulations, the Council may still make decisions which are conditional upon eligibility criteria or rules for calculating relief which allow the amount of relief to be amended within the year to reflect changing circumstances.

Where any award is granted to a ratepayer, the Council will require any changes in circumstances which may affect the relief to be reported as soon as possible and in any event not more than 21 days from the happening of the event. This will be important where the change would result in the amount of the award being reduced or cancelled e.g. where the premises comes unoccupied or is used for a purpose other than that determined by the Council as eligible for relief.

Decisions by the Council under this scheme

Any application will be considered against the criteria listed in this document, and it must be in the interest of the Council and community for the local authority to grant a reduction.

The responsibility for making discretionary decisions will rest with the Chief Financial Officer.

Additional information may be required by the Council in order that a decision can be made.

Decision making process:

Stage 1: The Principal Revenues Manager or Head of Revenues, Benefits and Customer Services will make a recommendation to the Chief Financial Officer, considering the application against the criteria set out in this policy, based upon the information provided by the applicant and known to the Council.

Stage 2: The Chief Financial Officer will consider the application and the recommendation to determine whether to award a discretionary discount.

The Council will notify the applicant of its decision within 28 days of receiving sufficient information to make a decision.

The Council will accept an applicant's written request for a redetermination of its decision if there is new information available on which to reconsider the original decision.

The Council will notify an applicant of its decision within 28 days of receiving a request for a redetermination.

15. Fraud

Where a ratepayer falsely applies for any relief or where the ratepayer provides false information, makes false representation, or deliberately withholds information in order to gain relief, prosecutions will be considered under the Fraud Act 2006.



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DECISION ITEM

REPORT OF	MEETING	DATE	ITEM NO
FINANCE	FINANCE AND DEMOCRACY COMMITTEE	23 NOVEMBER 2020	7
COUNCIL TAX REDUCTION SCHEME 2021/22			

PUBLIC ITEM

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

SUMMARY

From April 2013 the local Council Tax Reduction Scheme (CTRS) replaced the previous national scheme of Council Tax Benefit. The scheme that operates within Fylde borough for 2020/21 was approved by this Council in February 2020 for 2020/21 only.

This report sets out the proposals in respect of the scheme for 2021/22. At the December Council meeting Members will be requested to agree the details of a CTRS for 2021/22.

RECOMMENDATIONS

Having due regard to the Equality Analysis as detailed in section 5 of this report the Committee is requested to:

1. Recommend to Council the continuation of the existing CTRS scheme for 2021/22 as set out in section 3 of this report;
2. Recommend to Council the continuation of Discretionary Hardship Relief for 2021/22 to provide additional support for claimants in exceptional circumstances;
3. Recommend that Council approve, as necessary, that the financial implications are reflected in the Council's Revenue Budget and Financial forecast for 2021/22 onwards; and
4. Authorise the Director of Resources to make any necessary final amendments to the scheme arising from changes in the Ministry of Housing, Communities and Local Government's guidance or elsewhere and to bring any such changes to the next full Council meeting for approval.

SUMMARY OF PREVIOUS DECISIONS

The Council Tax Reduction Scheme in operation for 2020/21 was approved at the Council meeting of 10th February 2020. The full scheme is available on the Fylde Borough Council website at:

<https://new.fylde.gov.uk/council-tax-reduction-scheme/>

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. Background to the CTRS Introduction and the adopted schemes for 2013/14 to 2020/21

- 1.1 As part of the 2012 Welfare Reform Act the national Council Tax Benefit (CTB) scheme was abolished and individual local authorities were instead required to introduce a local Council Tax Reduction Scheme (CTRS) with effect from 1st April 2013. The Council introduced such a scheme from that date and has updated the scheme annually since that date.
- 1.2 In February 2020 the Council approved a scheme for 2020/21. For working-age claimants (i.e. those not protected by the national scheme for pension-age claimants) there would be a means-tested assessment to establish entitlement and a maximum percentage reduction in the level of support at the end of that assessment of 22.7%. This is the same maximum percentage reduction in the level of support has operated since the commencement of the scheme in 2014/15.
- 1.3 As part of the Government's response to the covid pandemic, local authorities were allocated specific grants to reduce the council tax liability of working age CTRS claimants by up to £150 by way of the Council Tax COVID-19 Hardship Fund. Fylde Council was allocated a sum of £568,269 and has to date applied the maximum £150 reduction for over 3,900 CTRS claimants. There is a separate report on this matter elsewhere on the agenda for this meeting.

2. Key points arising from implementation of the local CTRS to date

- 2.1 No evidence has emerged to suggest that the scheme is in need of fundamental revision. The scheme has embedded well with no formal legal challenge to the principle of the scheme.
- 2.2 Experience of operating the scheme indicates that a 22.7% maximum reduction in the level of support is the correct level at which the scheme is self-funding, based on the initial level of funding provided for the scheme by way of specific grant from central government. However, support for the scheme is now part of the general central government funding and is not separately identifiable.
- 2.3 As at the end of October 2020, the number of claimants eligible for council tax support was 5,635 compared to 5,099 at the end of October 2019, an increase of 536, equivalent to a 10.5% increase year-on-year.

The latest estimate of the cost of the CTRS for 2020/21 is £5,235,730 which is split between this Council and the major preceptors, with Fylde Council's share being £593,208.

For 2019/20 the total scheme cost was £4,603,593, with the Fylde Council share being £521,587, the increase in cost being attributable to the increase in Council Tax levels (1.99% for 2020/21) and to an increase in the number of CTRS applicants largely owing to the impact of Covid-19.

In 2013/14 when the scheme was first introduced funding was provided by way of specific government grant. Subsequently, funding was provided via Revenue Support Grant and is now subsumed within general central government funding calculations.

Additionally, the Council receives a specific grant for administering the CTRS which for 2020/21 is in the sum of £81,756.

- 2.4 For 2020/21, as at 30th September 2020, a total of 3 hardship awards have been made under the existing discretionary hardship scheme in a total sum of £708.

3. Proposed CTRS for 2021/22

- 3.1 It is proposed that the 22.7% maximum reduction in the level of support is retained for the 2021/22 CTRS.
- 3.2 It is further proposed that the scheme for 2021/22 will continue to provide for an additional discretionary award which may also be granted in accordance with S13A (1) (a) or S13A (1) (c) of the Local Government Finance Act 2012.

The full details of the proposed scheme for 2020/21 is available on the Fylde Borough Council website at:

<https://new.fylde.gov.uk/council-tax-reduction-scheme/>

- 3.3 A consultation paper was distributed to the Major Preceptors - Lancashire County Council, Lancashire Fire and Rescue Service and the Lancashire Police and Crime Commissioner in October 2020 seeking their views on the proposed scheme for 2021/22. The consultation and a summary of the responses of each are set out in the appendices to this report. In summary, all of the major preceptors are supportive of the proposals for the 2021/22 CTRS set out in this report.
- 3.4 Although there are no changes to the scheme proposed for 2021/22, the Equality Analysis that has been carried out in previous years for the CTRS scheme has been reviewed. This aims to mitigate the impact on protected groups. **As part of their consideration of the CTRS scheme for 2021/22 Members must read the Equality Analysis which is available on the Fylde Council website at:**

<https://new.fylde.gov.uk/council-tax-reduction-scheme/>

4. Hardship Relief

- 4.1 The provision of Discretionary Hardship Relief to provide support for claimants in exceptional circumstances, and who are unable to increase their income from other means, is a key element of the operation of the scheme. Section 76 of the Local Government Act 2003 in respect of Council Tax (as amended by section 13A of the Local Government Finance Act 2012) empowers a billing authority to reduce the amount of Council Tax as it thinks fit. Funding for such reductions must be provided by the Council and major preceptors as necessary.
- 4.2 In order to mitigate part of the impact of the CTRS on the most vulnerable households, the Council has adopted a Discretionary Discount Policy under the above powers. Strict criteria are used to determine if any additional relief is appropriate and the level of any such award. Awards are made only in exceptional circumstances to those unable to increase their income. The Council's Discretionary Discount Policy is available on the Fylde Borough Council website at:

[Fylde-CT-and-BR-Discretionary-Discount-2019-20-v1.9.pdf](#)

The proposed Discretionary Discount Policy for 2020/21 is a separate item for consideration on this agenda and will be accessible on the website as and when approved.

- 4.3 It is proposed that for 2021/22 the Council Tax Reduction Scheme will continue to provide for additional discretionary awards which may also be granted in accordance with S13A (1) (a) or S13A (1) (c) of the Local Government Finance Act 2012.

5. Equality Analysis

- 5.1 The Council has carried out a detailed and robust Equality Analysis which is available on the Council's website as described in paragraph 3.4. The impact of CTRS has been considered on people based on the following characteristics:

- Age
- Disability
- Sex and sexual orientation
- Gender reassignment
- Pregnancy and maternity
- Race
- Religion or belief

The analysis also contains a detailed action plan showing how the issues identified will be addressed and the monitoring arrangements that have been put in place.

6. Conclusion

- 6.1 At the December Council meeting Members will be requested to agree a local Council Tax Reduction Scheme for 2021/22 which (as is the case for the scheme currently in operation) will incorporate a reduction in awards to working age claimants at the same level as has been in operation for previous years.
- 6.2 The Council will be presented with the proposals for the 2021/22 scheme as described in this report, subject to any required changes in the intervening period as a consequence of new government regulations or other announcements. For 2021/22 it is proposed that the percentage reduction made at the end of the assessment for working age claimants shall remain as for previous years at 22.7%.
- 6.3 Schedule 6 of the Council Tax Reduction Scheme will detail the percentage reduction in support to working age claimants once the scheme design has been determined by Council and following any final minor adjustments to the calculation of costs for 2021/22. That Schedule forms part of the adopted scheme.
- 6.4 A review of the Scheme (including the percentage reduction in support detailed within Schedule 6 of the Scheme) is carried out annually to ensure it remains fit for purpose taking account of ongoing changes in legislation, caseload and financial requirements. Therefore any decision with regard to changes to the CTRS will be in respect of 2021/22 only.

IMPLICATIONS	
Finance	The Councils Financial Forecast includes estimates of future Council Tax income at levels which take account of the effects of the CTRS scheme, that being to reduce the total amounts of Council Tax collected through the award of reliefs for eligible claimants.
Legal	As part of the 2012 Welfare Reform Act the national Council Tax Benefit (CTB) scheme was abolished after 2012/13, with individual local authorities instead being required to introduce a local Council Tax Reduction Scheme (CTRS) with effect from 2013/14 and subsequent years.
Community Safety	None
Human Rights and Equalities	An Equality Analysis has been carried out and is available on the Council's website as detailed in the report.
Sustainability and Environmental Impact	None
Health & Safety and Risk Management	The elements of the working age scheme will need to be reviewed annually to avoid increased financial risk to the Council.

LEAD AUTHOR	CONTACT DETAILS	DATE
Paul O'Donoghue, Chief Financial Officer	01253 658566	November 2020

BACKGROUND PAPERS		
Name of document	Date	Where available for inspection
n/a	n/a	n/a

Attached documents

Appendix A - Consultation and responses from major preceptors

Preceptor Consultation Letter – sent to LCC, Police and Fire Authorities – October 2020

Fylde Borough Council - Council Tax Reduction Scheme 2021/22 – Consultation with major preceptors on the design of the local scheme.

Summary:

This paper sets out the proposed Council Tax Reduction Scheme (CTRS) that will operate in Fylde borough for the year 2021/22.

Introduction:

The scheme that currently operates within Fylde borough was approved by this Council in February 2020.

That Scheme, in summary, is one which:

- maintains most of the previous council tax benefit rules but reduces the award by a standard percentage at the end of the calculation for working age claimants such that the CTRS is self-funding ie. That the scheme does not result in the loss of Council Tax income to Fylde Council or the major preceptors. The claimant has to pay this amount to the Council as their contribution to Council Tax.
- in 2020/21 the maximum percentage reduction in support in respect of working-age claimants is 22.7%.
- includes the national scheme which protects claimants of pensionable age from any reductions.
- provides a Discretionary Hardship Fund to support claimants in exceptional circumstances who are unable to increase their income from other means.

The full Scheme is available on the Fylde Borough Council website at

<https://new.fylde.gov.uk/council-tax-reduction-scheme/>

The proposed 2021/22 Scheme:

It is proposed that for 2021/22 the scheme be one which maintains most of the previous council tax benefit rules but reduces the level of the award by a standard percentage at the end of the calculation for working age claimants. Each of the adopted local schemes since 2013/14 have been in accordance with this principle. It is not intended to change this element of the design in respect of 2021/22.

Council Members will be asked to agree a scheme of Council Tax Support in December 2020. The principles for the 2021/22 scheme will remain that it needs to:

- be affordable in terms of grant received, revenue loss and costs to operate
- be as fair as possible and a detailed ‘map’ of those affected is required; a detailed Equality Analysis is required
- be transparent, understandable to customers and practical to operate
- be feasible to implement within the constraints of the timescales and available software

- be simple in design avoiding unnecessary complexity
- avoid the costs and risks associated with collecting additional data

Changes to the Scheme for 2021/22

It is proposed that the 2021/22 scheme will have the same design principles as that currently in operation and no changes are proposed.

It is proposed that the scheme for 2021/22 will:

- Maintain the current council tax support rules and reduce the level of support by a specified percentage level at the end of the calculation (bottom slice) such that the CTRS is self-funding. It is estimated that for working-age recipients the maximum reduction in the level of support will be between 20% - 25%.
- Provide for an additional discretionary award which may also be granted in accordance with S13A (1) (a) or S13A (1) (c) of the Local Government Finance Act 2012.
- Include the national scheme for pension age claimants for whom there is no reduction in the level of support.

Hardship Fund

The existence of a Discretionary Hardship Fund to provide support for claimants in exceptional circumstances who are unable to increase their income from other means is a key element of the operation of the scheme.

It is proposed that for 2021/22 the Council Tax Reduction Scheme will provide for an additional discretionary award which may also be granted in accordance with S13A (1) (a) or S13A (1) (c) of the Local Government Finance Act 2012.

Consultation Questions

1. Do you agree or disagree that the 2021/22 Fylde Council Tax Reduction Scheme should be based on the existing rules with the final award made to a working age claimant being reduced so that the maximum reduction in the level of support is between 20% - 25%? (note: the maximum reduction in the level of support under the scheme for 2020/21 is 22.7%).
2. Do you agree or disagree that the 2021/22 Fylde Council Tax Reduction Scheme should remain the same as the scheme in operation for 2020/21?
3. Do you have any suggested changes to the 2020/21 Fylde Council Tax Reduction Scheme?
4. Hardship Fund – Please provide your views on the proposal to continued operation of a Hardship Fund alongside the CTRS scheme to provide support in exceptional circumstances to the most vulnerable claimants.
5. Hardship Fund – Please provide your views on the inclusion of a hardship fund as an additional discretionary award which may also be granted in accordance with S13A (1) (a) or S13A (1) (c) of the Local Government Finance Act 2012.
6. Do you have any other comments to make about the proposed 2021/22 Fylde Council Tax Reduction Scheme?

The Council appreciates the potential impact of the final scheme on its own finances and those of other preceptors. However, at the same time it needs to balance this against the impact it will have in respect of

low income Council Tax payers of the Borough. The Council recognises that other preceptors may have strong opinions in respect of the final scheme that is adopted. It is important therefore that the opinion of all interested parties is reported and forms part of the consideration by the elected members in making a final decision.

Responses

Please provide your responses by e-mail / hard copy at the contact points shown above by **31st October 2020**.

Summary of Responses from Major Preceptors

A. Keith Mattinson, Director of Corporate Services, Lancashire Fire & Rescue Service (by e-mail)

1. Do you agree or disagree that the 2021/22 Fylde Council Tax Reduction Scheme should be based on the existing rules with the final award made to a working age claimant being reduced so that the maximum reduction in the level of support is between 20% - 25%? (note: the maximum reduction in the level of support under the scheme for 2020/21 is 22.7%). - **Yes**
2. Do you agree or disagree that the 2021/22 Fylde Council Tax Reduction Scheme should remain the same as the scheme in operation for 2020/21? - **Yes**
3. Do you have any suggested changes to the 2021/22 Fylde Council Tax Reduction Scheme - **No**
4. Hardship Fund – Please provide your views on the proposal to continued operation of a Hardship Fund alongside the CTRS scheme to provide support in exceptional circumstances to the most vulnerable claimants. - **We support this view providing it is strictly controlled as in previous years**
5. Hardship Fund – Please provide your views on the inclusion of a hardship fund as an additional discretionary award which may also be granted in accordance with S13A (1) (a) or S13A (1) (c) of the Local Government Finance Act 2012. - **We support this view providing it is strictly controlled as in previous years**
6. Do you have any other comments to make about the proposed 2021/22 Fylde Council Tax Reduction Scheme? - **No**

B. Steve Freeman, Chief Finance Officer, Police and Crime Commissioner for Lancashire



Paul Swindells

Phone: 01772 535259

Fax:

Email: Steve.freeman@lancashire-pcc.gov.uk

BY EMAIL

Your ref: P O'Donoghue

Our ref: SF

Date: 2 November 2020

Dear Paul

Fylde Borough Council - Council Tax Reduction Scheme 2021/22 – Consultation with major preceptors on the design of the local scheme.

Thank you for your letter consulting the Police and Crime Commissioner for Lancashire on the approach that Fylde Borough Council intends to adopt in continuing its scheme for Council Tax Support from April next year. We very much welcome the opportunity to provide our views on the proposals.

It remains the strong view of the Commissioner that the proposed scheme for council tax support must:

- Be affordable in terms of grant received, revenue loss and costs to operate;
- Be as fair as possible
- Be transparent, understandable to customers and practical to operate;
- Be feasible to administer within the constraints of the timescales and available software;
- Be simple in design, avoiding unnecessary complexity;
- Avoid the costs and risks associated with collecting additional data.

In respect of your scheme for 2021/22 the Commissioner agrees that the proposed approach is appropriate as it offers protection to the most vulnerable individuals as identified within the existing Council Tax system and offers no additional costs to the Billing and Precepting authorities.

At a time when resources are extremely limited and will continue to reduce in future years it is vital that the operation of the scheme does not pass on additional costs to precepting authorities.

In response to your specific consultation questions please see the following:

1. Do you agree or disagree that the 2021/22 Fylde Council Tax Reduction Scheme should be based on the existing rules with the final award made to a working age claimant being reduced so that the maximum reduction in the level of support is between 20% - 25%? (note: the maximum reduction in the level of support under the scheme for 2018/19 is 22.7%).

Agree

2. Do you agree or disagree that the 2021/22 Fylde Council Tax Reduction Scheme should remain the same as the scheme in operation for 2020/21?

Agree

3. Do you have any other suggested changes to the 2021/22 Fylde Council Tax Reduction Scheme?

None

4. Hardship Fund – Please provide your views on the proposal to continued operation of a Hardship Fund alongside the CTRS scheme to provide support in exceptional circumstances to the most vulnerable claimants.

We agree this arrangement should remain in place

5. Hardship Fund – Please provide your views on the inclusion of a hardship fund as an additional discretionary award which may also be granted in accordance with S13A (1) (a) or S13A (1) (c) of the Local Government Finance Act 2012.

We agree this should be in place provided decision making on such awards is the responsibility of elected members

6. Do you have any other comments to make about the proposed 2021/22 Fylde Council Tax Reduction Scheme?

None

We thank you for the opportunity to take part in the consultation and are happy to discuss any of the responses we have provided with you further.

Yours sincerely

Steve Freeman
Chief Finance Officer
The Office of the Police and Crime Commissioner for Lancashire

C. Neil Kissock, Director of Finance, Lancashire County Council

Mr P O'Donoghue
Chief Financial Officer
Fylde Borough Council
Town Hall
LYTHAM ST ANNES
Lancashire

Phone: (01772) 536154
Email: neil.kissock@lancashire.gov.uk

Your ref
Our ref NK/JR
Date: 19th October 2020

Dear Paul

COUNCIL TAX REDUCTION SCHEME CONSULTATION 2021/22

Thank you for your letter of 15th October 2020 consulting Lancashire County Council on the approach that Fylde Borough Council intends to adopt in continuing its scheme for Council Tax Support. We very much welcome the opportunity to provide our views on the proposals.

It remains the strong view of Lancashire County Council that the proposed scheme for Council Tax Support must:

- Be affordable in terms of grant received, revenue loss and costs to operate;
- Be as fair as possible
- Be transparent, understandable to customers and practical to operate;
- Be feasible to implement within the constraints of the timescales and available software;
- Be simple in design, avoiding unnecessary complexity;
- Avoid the costs and risks associated with collecting additional data.

In response to your questions I would submit the following:

1. Do you agree or disagree that the 2020/21 Fylde Council Tax Reduction Scheme should be based on the existing rules with the final award made to a working age claimant being reduced so that the maximum reduction in the level of support is between 20% - 25%? (Note: the maximum reduction in the level of support under the scheme for 2019/20 is 22.7%).

We agree that the existing rules should continue and that the maximum reduction in support should remain between 20%-25%.

2. Do you agree or disagree that the 2020/21 Fylde Council Tax Reduction Scheme should remain the same as the scheme in operation for 2019/20?

We agree that the 2020/21 scheme should remain the same as the current 2019/20 scheme.

- 3 Do you have any other suggested changes to the 2020/21 Fylde Council Tax Reduction Scheme?

None

4. Hardship Fund – Please provide your views on the proposal to continued operation of a Hardship Fund alongside the CTRS scheme to provide support in exceptional circumstances to the most vulnerable claimants.

We agree with the continued operation of the Hardship Fund to provide support in exceptional circumstances.

5. Hardship Fund – Please provide your views on the inclusion of a hardship fund as an additional discretionary award which may also be granted in accordance with S13A (1) (a) or S13A (1) (c) of the Local Government Finance Act 2012.

We do not object to the additional discretionary award. However we feel that it is fair and appropriate that Fylde Borough Council should maintain a cost neutral scheme. At a time when resources are extremely limited, it is vital that the operation of the scheme does not pass on additional costs to precepting authorities.

6. Do you have any other comments to make about the proposed 2020/21 Fylde Council Tax Reduction Scheme?

We have no further comments to make about the proposed scheme.

We thank you for the opportunity to take part in the consultation and are happy to discuss our response with you further should you wish.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Kissock', with a horizontal line underneath.

Neil Kissock
Director of Finance

DECISION ITEM

REPORT OF	MEETING	DATE	ITEM NO
FINANCE	FINANCE AND DEMOCRACY COMMITTEE	23 NOVEMBER 2020	8
NEW HOMES BONUS: PROVISION OF GRANTS TO TOWN AND PARISH COUNCILS 2021/22			

PUBLIC ITEM

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

SUMMARY

The New Homes Bonus policy provides the framework for a system of grant support to town and parish areas which have experienced above average growth in housing numbers, funded from a portion of the New Homes Bonus that is received by Fylde Council.

This report proposes the arrangements in respect of 2021/22 which differs from that approved for previous years due to the current uncertainty surrounding the future of the national scheme of New Homes Bonus grants.

RECOMMENDATIONS

The Committee is requested to:

1. Note the current situation in respect of the national scheme of New Homes Bonus grants;
2. Approve that there will be no allocations of funding to town and parish councils from New Homes Bonus grant until confirmation has been received of the amount of New Homes Bonus receivable by Fylde Council for 2021/22; and
3. Approve that in the event that Fylde Council does receive confirmation of an allocation of New Homes Bonus grant for 2021/22, a proportion of that grant will be distributed to town and parish councils that have experienced above average housing growth in the previous year, equivalent to a total of 5% of the latest estimate of the total New Homes Bonus income receivable by Fylde Council, using the distribution methodology adopted for previous years.

SUMMARY OF PREVIOUS DECISIONS

The policy on the provision of grants to town and parish councils, to be funded from a portion of the New Homes Bonus, was first approved by Council in December 2017 in respect of the 2018/19 financial year and has been approved in each subsequent year in respect of the forthcoming financial 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

1. Background

- 1.1 For the financial year 2018/19 Fylde Council introduced a new initiative by which a proportion of total New Homes Bonus (NHB) funding that the council receives is allocated to town and parish councils to help alleviate the impacts of housing growth on local communities. For each year the total grant funding distributed has been a figure equivalent to 5% of the latest estimate of the total New Homes Bonus income receivable by Fylde council for that year. Grants are calculated by reference to housing growth above a 0.4% growth baseline level in each town or parish area.

Previous total allocations to town and parish councils under the scheme have been:

2018/19	£65,500
2019/20	£68,950
2020/21	£75,500

2. Update to the scheme of provision of NHB-funded grants to town and parish councils for 2021/22.

- 2.1 In previous years the sums to be distributed for the following financial year have been approved at the November/December cycle of council meetings in order that amounts to be provided to each qualifying town and parish council can be notified prior to completion of the budget-setting process by each town or parish council. Previously it was possible to estimate the amount of NHB for the coming year with a degree of certainty as the scheme had been embedded for a number of years, albeit with some changes along the way.
- 2.2 However, at present there is much uncertainty around the future of the national scheme beyond the current year, especially in the light of current national funding pressures created by the various covid support schemes to businesses and individuals. It is conceivable that NHB funding for 2021/22 will be restricted to the legacy payments in respect of previous years; or that there will be no NHB funding whatsoever to local authorities in 2021/22; or that there will be a further single-year allocation for 2021/22.
- 2.3 It is unlikely that there will be any clarity about the future of the NHB scheme until the local government finance settlement is announced in mid-December 2020. It will not be possible, therefore, for NHB grant distribution to town and parish councils to be considered in the usual timescales.
- 2.4 Consequently it is proposed that there will be no approval of NHB grant allocations to town and parish councils until confirmation has been received of the amount of New Homes Bonus receivable by Fylde Council for 2021/22.
- 2.5 If, in due course, Fylde Council does receive confirmation of an allocation of New Homes Bonus grant for 2021/22, it is proposed that a proportion of that grant will again be distributed to town and parish councils that have experienced above average housing growth in the previous year, equivalent to a total of 5% of the latest estimate of the total New Homes Bonus income receivable by Fylde Council. An updated Policy on the Provision of New Homes Bonus Grants is attached at Appendix A should there be such a scheme for 2021/22.
- 2.6 If grants are to be distributed to town and parish councils under the scheme for 2021/22 it is proposed that the distribution methodology adopted for previous years will be used to calculate the grant allocations for 2021/22.
- 2.7 Representations have been made to the Council via the District Parish Liaison forum proposing that the proportion of funding to be allocated under the scheme should be 10% rather than 5%. If the proportion to be allocated to town and parish councils is approved at a figure other than 5% the updated Policy on the Provision of New Homes Bonus Grants to Town and Parish Councils 2021/22 will be amended accordingly.

- 2.8 It is acknowledged that the timing of events may require that amounts to be provided to each qualifying town and parish council cannot be notified prior to completion of the budget-setting process by each town or parish council.
- 2.9 If the recommendations are approved, town and parish councils will be advised to agree their revenue and capital spending plans for 2021/22, including the setting of the town or parish council tax precept for the year, on the basis that there may be no allocations of NHB funding for 2021/22.
- 2.10 Any subsequent allocations of NHB funding to town and parish councils for 2021/22 will be made as soon as practicable following notification of the NHB funding amount.

IMPLICATIONS	
Finance	Financial implications are contained within the body of the report.
Legal	None arising from this report
Community Safety	None
Human Rights and Equalities	None arising from this report
Sustainability and Environmental Impact	None
Health & Safety and Risk Management	None

LEAD AUTHOR	CONTACT DETAILS	DATE
Paul O'Donoghue, Chief Financial Officer	01253 658566	November 2020

BACKGROUND PAPERS		
Name of document	Date	Where available for inspection
n/a	n/a	n/a

Attached documents

Appendix A - Updated Policy on the Provision of New Homes Bonus Grants to Town and Parish Councils 2021/22.



**NEW HOMES BONUS:
POLICY ON THE PROVISION OF GRANTS
TO TOWN AND PARISH COUNCILS
2021/22**

1. What is the New Homes Bonus?

- 1.1 The New Homes Bonus (NHB) is a national initiative, introduced in 2011/12, which provides funding to principal councils (i.e. Unitary, County and District councils) in proportion to the increase in the number of homes in their area year on year. These may be newly built, conversions or empty homes being returned to use.
- 1.2 For every new home that is created in the Fylde borough the government gives the council a level of grant based on the national average Council Tax charge each year (originally grant allocations were for six years but this was reduced to five and then four years with effect from 2018/19, and for 2020/21 the allocation was for a single year only).
- 1.3 Under the current national scheme the grant in Fylde's area is shared between the district council (Fylde Council) and the upper-tier authority (Lancashire County Council), with Fylde Council receiving 80% of the grant and the County Council 20%.
- 1.4 Local councils decide how to spend NHB. The grant is a non-ring-fenced revenue grant, which means it can be used for a variety of different projects or to support general expenditure.
- 1.5 New Homes Bonus is not new money. The government has reduced other funding (particularly the Revenue Support Grant) to local councils in order to create the necessary funding for the NHB scheme. Consequently it has been necessary for Fylde Council and many others to direct income from New Homes Bonus to compensate for and to balance out other cuts in government funding for Council services.

2. Purpose of this policy

- 2.1 In 2018/19 Fylde Council introduced a new initiative in which funding is allocated to town and parish councils to help alleviate the impacts of housing growth on local communities.
- 2.2 The initiative is to be funded from a portion of the New Homes Bonus income that is received by Fylde Council.
- 2.3 The purpose of this new policy document is to provide the framework for the system of grant support to town and parish areas which have experienced above-average growth in housing numbers.
- 2.4 For 2021/22 there is much uncertainty around the future of the national scheme, especially in the light of current national funding pressures created by the various covid support schemes to businesses and individuals. It is conceivable that NHB funding for 2021/22 will be restricted to the legacy payments in respect of previous years; or that there will be no NHB funding whatsoever to local authorities in 2021/22; or that there will be a further single-year allocation for 2021/22.
- 2.5 It is unlikely that there will be any clarity about the future of the NHB scheme, and allocations for 2021/22, until the local government finance settlement is announced in mid-December 2020.
- 2.6 This Policy will only be applicable in the event that Fylde Council receive an allocation of New Homes Bonus grant for 2021/22.

3. Commencement of the scheme and funding levels

- 3.1 The scheme commenced in the 2018/19 financial year and has remained in place in the following years. It is proposed that it continues for 2021/22, subject to Fylde Council receiving an allocation of New Homes Bonus grant for 2021/22.
- 3.2 The operation of the scheme for subsequent years will be determined by a review of the effectiveness of the arrangements in delivering the intended outcomes. That review will be undertaken during 2021/22 in the event that Fylde Council receives an allocation of New Homes Bonus grant for 2021/22 and is able to distribute an element of that to town and parish councils.
- 3.3 For 2021/22 the total grant funding to be distributed will be a figure equivalent to 5% of the latest estimate of the total New Homes Bonus income receivable by Fylde council for that year, should there be such an allocation.

4. The aims and objectives of this initiative

4.1 The scheme is intended to support new projects where there is a demonstrable need to assist in the provision of community amenities that are necessary because of growth in property numbers, and consequently an increase in the demand for local services, and that have tangible benefits for the community.

4.2 The broad objective of the policy can be summarised as:

“to provide grant support to town and parish areas which have experienced above-average growth in housing numbers.”

4.3 Specifically projects to be funded under this initiative should meet one of the following criteria:

- Schemes that develop community facilities;
- Schemes that address particular issues associated with housing growth;
- Parks and green space development schemes;
- Schemes to improve travel, public transport or car parks.

5. How grant amounts will be calculated

- 5.1 The grant distribution methodology will reflect relative growth in total property numbers in each town and parish area.
- 5.2 For the purpose of this initiative, the Valuation Office property data that is provided as at September each year for the purposes of calculating the New Homes Bonus amount for the following year, shall be the basis of defining property numbers, and thereby also property growth for the past year, for each area.
- 5.3 Grants will only be available to town and parish areas that have experienced property growth for the past year above a baseline of 0.4% (of the prior year total property numbers). This is to match the government threshold of 'expected annual growth' as represented in the revised New Homes Bonus 'baseline' that applies to Fylde Council and all other recipients of New Homes Bonus funding.
- 5.4 The total sum to be distributed to town and parish areas that have experienced growth above the 0.4% baseline level will be divided amongst those qualifying areas by reference to the absolute numbers of additional property numbers in excess of the 'baseline' level for each area in the preceding year.
- 5.5 Not all town and parish areas will experience growth in property numbers in every year. Some that do experience growth in property numbers may not exceed the 0.4% baseline threshold. As a consequence of the methodology for calculating entitlement to grants as set out above, not all town and parish councils will be eligible to receive a grant under this initiative in every year.

6. Grant notification and reporting

- 6.1 The sums to be distributed to town and parish areas for the next financial year will be scheduled for consideration and approval at a meeting of the Council at the earliest opportunity once allocations to each local authority have been announced.
- 6.2 In the case of individual grant awards in excess of £1,000, grant recipients are required to confirm how the grant is to be used in the form of a written statement in compliance with the approved scheme requirements (as set out in paragraph 4.3) prior to the release of funding.
- 6.3 Additionally in respect of grants in excess of £1,000, grant recipients are required to complete a mid-year statement to confirm how the grant has been (or will be) used. This information must be submitted by 30th September 2021 and must be in the form prescribed for this purpose. This will require completion of a 'Grant Mid-Year Review' pro forma that will be provided for this purpose. This information will be used to assess the success of the scheme relative to the stated intentions of the initiative and will be used to inform the decision as to whether the scheme will continue for the following year.
- 6.4 For Town and parish councils that may receive modest annual grant allocations as part of this initiative the annual allocations may be accumulated over a period of no more than 3 years in order to provide sufficient funding for a larger scheme to be undertaken than would be achievable using a single year funding allocation.
- 6.5 Grant funding from this initiative may be used as match-funding for other grant applications.

7. Governance and decision-making

- 7.1 Continuation of the scheme for the distribution of grants to town and parish councils to reflect housing growth for future years shall be considered at a meeting of the full council.
- 7.2 A review of the operation of the scheme and the appropriate funding resource to be allocated to the scheme will be undertaken during 2021/22 by the Finance and Democracy Committee, subject to Fylde Council receiving an allocation of New Homes Bonus grant for 2021/22.

DECISION ITEM

REPORT OF	MEETING	DATE	ITEM NO
RESOURCES DIRECTORATE	FINANCE AND DEMOCRACY COMMITTEE	23 NOVEMBER 2020	9
DATA ASSURANCE POLICY			

PUBLIC ITEM

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

SUMMARY

The council's Data Assurance Policy sets out how it complies with its obligations under the data protection legislation, how it ensures data quality and how it classifies data. The existing policy has been reviewed and the report recommends the adoption of an updated policy containing changes to consider the coming into force of GDPR and the Data Protection Act 2018

RECOMMENDATION

To adopt the updated Data Assurance Policy as set out in the draft attached to the report.

SUMMARY OF PREVIOUS DECISIONS

Cabinet 16 November 2011: Adopt the new Data Assurance Policy

Cabinet 26 November 2014: Revise and update policy

Finance and Democracy Committee 19 June 2017: Revise and update policy

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. The Data Protection Act 2018 imposes duties on controllers of data, as defined in the act, and retains in force the General Data Protection Regulation ("GDPR") following the exit of the United Kingdom from the European Union and the end of the transition period. "Personal data" includes information held on manual records as well as computer systems. A "controller" is anyone who directs the means and purposes of processing personal data. The council is a controller and is therefore subject to several duties concerning the way in which it processes personal data, as well as many regulatory and accountability requirements concerning its systems and procedures for ensuring compliance. The 2018 act and GDPR replace the Data Protection Act 1998.
2. In 2011, the council adopted a Data Assurance Policy to replace its previous data protection policy and data quality policy. The policy is intended to assist persons working in the organisation to know how they are expected to deal with personal data, to help provide assurance to external bodies that the council takes its obligations seriously and is complying with them and to ensure that the council uses and keeps only high quality, reliable and up-to date information. Decisions underpinned by such data are likely to be better decisions than those where the information base is of poor quality, unreliable or outdated.
3. The policy also contains a methodology for classifying data depending on the level of its sensitivity. It encourages a person producing or handling data to consider the level of its sensitivity when it is produced or handled and promote consistency across the organisation.
4. The Data Assurance Policy was reviewed and refreshed in 2014 and 2017 is now due for further review, particularly to align it with GDPR and the 2018 act. The updated policy is attached for members to consider. The changes are set out as tracked changes in the text.

IMPLICATIONS	
Finance	There are no financial implications arising from this report
Legal	Contained in the report
Community Safety	None
Human Rights and Equalities	The Data Protection Act and GDPR are an important element in the protection of personal privacy.
Sustainability and Environmental Impact	None
Health & Safety and Risk Management	The policy will help the council to comply with its obligations and prove that it complies with them.

LEAD AUTHOR	CONTACT DETAILS	DATE
Ian Curtis	01253 658506	16 October 2020

BACKGROUND PAPERS		
Name of document	Date	Where available for inspection
Data Assurance Policy	May 2017	Town Hall, Lytham St Annes
Data Assurance policy (draft update)		Town Hall, Lytham St Annes

Attached documents

1. Data Assurance policy (draft update)

Title:	Data Assurance Policy
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Section 1: Introduction

- 1.1 Good quality information supports good quality decision-making. So good quality information is essential to Fylde Council. This policy sets out (in [section 3](#)) how the council ensures the quality of the information that it uses.
- 1.2 The council does not have a free hand in deciding what it does with the information that it keeps and uses. Under the Freedom of Information Act 2000, there is a presumption that all of the information held by the council should be available to the public on request. The council can only refuse a request for information in certain circumstances set out in the act. Conversely, under the Data Protection Act ~~2018~~1998, the council can only process personal data in accordance with that act.
- 1.3 This policy therefore also describes (in [section 4](#)) how the council complies with its obligations under the Data Protection Act to properly protect the information that it holds and (in [section 5](#)) the steps it has taken to make it easier to know how particular items of information should be dealt with.
- 1.4 This policy applies to all staff. As a matter of good practice, agencies and individuals working with the Council, and who either provide ~~or have access to~~ information held by the council ~~or have access to personal information held by the council~~, will be expected to have read this policy and comply with those parts that apply to them. ~~External entities can only be given access to personal information held by the council if the Data Protection Act allows it. Usually this will mean that there needs to be a written contract term or data sharing agreement.~~ ~~Directorates who deal with such external partners should ensure that they agree to do so.~~

Section 2: Definitions

Personal Data

Any information relating to a living individual who can be identified from that information or from that data and other information in possession of the data controller. This includes expression of opinion about the individual, and of the intentions of the data controller in respect of that individual.

~~Sensitive Personal~~Special Category Data

Personal data that relates to racial or ethnic origin, political opinions, religious ~~or philosophical~~ beliefs, trade union membership, ~~genetic data~~, health, sex life, ~~sexual~~

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orientation or criminal convictions¹. ~~Sensitive personal~~ Special category data is subject to much stricter conditions of processing.

Data Controller

Any person (or organisation) who makes decisions with regard to particular personal data, including decisions regarding the purposes for which personal data is processed and the way in which it is processed. The Council is the data controller for the purposes of this policy

Data Subject

A person who is the subject of personal data.

Processing

Virtually anything that can be done to data, including accessing, altering and destroying it.

Processor

A person or organisation which processes personal data on behalf of a controller

Third Party

Any individual/organisation other than the data subject, the data controller (the Council) or its agents.

Section 3: Data Quality

- 3.1 Every employee has a responsibility for information quality whenever they record, use or publish information. Directors have an overall responsibility for making sure that their directorate has appropriate practices and procedures for ensuring the quality of information recorded, used or published by their directorate. Recording information includes making a record of it on paper, electronically or by any other media. Using information includes making decisions based on it, or presenting it (for example, as part of a report) to somebody else. Publishing it means making it available to the public or a section of the public.
- 3.2 Good quality information is **accurate, available** and **useful**.

Accurate:

- 3.3 If the information is factual, it should be true insofar as the person recording it and the person using it can reasonably ascertain. If the information is opinion, it should represent the true and reasonable view of the person providing it and should be identifiable as opinion in the context it is used.
- 3.4 There should be enough information for the purpose, but not too much. Incomplete information can sometimes be misleading. But presenting too much information can lead to confusion.

Available:

¹ Information about criminal convictions is protected separately from special category data by legislation but is considered alongside it for the purposes of this policy.

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- 3.5 If information is not available, it ~~might as well~~ should not be kept. Information is only available if it is both physically accessible and searchable.
- 3.6 Information is searchable if there is some system for finding it and (where appropriate) finding out what is in it. This need not be electronic, and could include manual catalogues or indexes. But it should not be left to the memory of individuals, as individuals can forget or leave the council.
- 3.7 Information is only available if someone has not taken it away. So there should be appropriate processes to ensure the security of information. These will vary depending on the information involved. However, there are specific legal requirements about security of personal data. These are dealt with in more detail under section 4 (data protection).

Useful:

- 3.8 Information is only useful if it is up-to-date for the purposes for which it is to be used and can be understood.
- 3.9 Modern technology makes it easier to access up-to date information and less necessary to keep a local copy of it. For example, it will almost never be necessary to keep a paper copy of a document that is available online. Information should always be checked for accuracy before it is published or used.
- 3.10 Information that cannot be understood by its audience is not useful. Highly technical information should be summarised or accompanied by an explanation if it is intended for a lay audience.

Section 4: Data Protection

- 4.1 The Council is committed to protecting the rights and privacy of individuals (including customers, staff and others) in accordance with the Data Protection Act. The Council needs to process certain information about its staff, customers and other individuals it has dealings with for administrative purposes (e.g. to recruit and pay staff, to carry out its functions, and to comply with legal obligations). To comply with the law, information about individuals must be collected and used fairly, stored safely and securely and not disclosed ~~to any third party~~ unlawfully.
- 4.2 This part of the policy sets out what you need to do to help the council comply with its legal obligations. It does not repeat the whole of the law about data protection. You can get advice that is more detailed from the Head of Governance, who is the Council's ~~lead officer for~~ statutory data protection officer.
- 4.3 The Council ~~has to~~ is registered with the Information Commissioner as a body that holds personal data. The Head of Governance keeps the Council's registration up to date. Details of the Council's registration are published on the [Information Commissioner's website](#). ~~The entry lists all of the purposes for which the council processes data. If you intend to process data for purposes not included in the Council's registration, you should seek advice from the Head of Governance.~~

Field Code Changed

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Data Protection Principles

4.4 You must only process personal data in accordance with the eight data protection principles. These are contained in the Data Protection Act and summarised here:

1. ~~Personal data shall be processed fairly and lawfully~~**Lawfulness, fairness and transparency.**
 You must have a lawful basis for processing the data and ensure that you do not do anything with it that is in breach of any other laws. You must not process the data in a way that is unduly detrimental, unexpected or misleading to the individuals concerned and you must be clear, open and honest about how you will use the data. (see further the section on privacy notices). Those responsible for processing personal data must make reasonable efforts to ensure that data subjects are informed of the identity of the data controller, the purpose(s) of the processing, any disclosures to third parties that are envisaged and an indication of the period for which the data will be kept.
2. ~~Personal data shall be obtained for specific and lawful purposes and not processed in a manner incompatible with those purposes~~**Purpose limitation.**
 You must be clear about what your purposes for processing are, record them and specify them in your privacy information for individuals. Data obtained for specified purposes must not be used for a purpose that differs from those.
3. ~~Personal data shall be adequate, relevant and not excessive in relation to the purpose for which it is held~~**Data minimisation.**
 You must ensure the data is adequate, relevant and limited to what is necessary for your purpose. Information which is not strictly necessary for the purpose for which it is obtained should not be collected. If data is given or obtained which is excessive for the purpose, it should be immediately deleted or destroyed.
4. ~~Personal data shall be accurate and, where necessary, kept up to date~~**Accuracy.**
 You should take all reasonable steps to ensure the data is factually correct, and you should keep it updated where appropriate. You should promptly correct any inaccurate or misleading data and consider any challenge about its accuracy. Data which is kept for a long time must be reviewed and updated as necessary. No data should be kept unless it is reasonable to assume that they are accurate.
5. ~~Personal data shall be kept only for as long as necessary~~**Storage limitation.** (see the section on [Retention and Disposal of Data](#))
6. **Personal data shall be processed in accordance with the rights of data subjects under the Data Protection Act.** (see the section on [Data Subjects' Rights](#))
7. ~~Appropriate technical and organisational measures shall be taken against unauthorised or unlawful processing of personal data and against accidental loss or destruction of data~~**Integrity and confidentiality.** (see the section on [Security of Data](#))
8. ~~Personal data shall not be transferred to a country or a territory outside the European Economic Area unless that country or territory ensures an adequate level of protection for the rights and freedoms of data subjects in relation to the processing of personal~~

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data Accountability.

~~You to take responsibility for what you do with personal data and how you comply with the other principles. You must have appropriate measures and records in place to be able to demonstrate your compliance. You should be particularly aware of this when publishing information on the Internet and when using data processing services or cloud-based storage whose servers may be outside the EEA.~~

~~The European Economic Area (EEA) is the EU Member States together with Iceland, Liechtenstein and Norway.~~

~~The European Commission has formally decided that the EU-US Privacy Shield provides an adequate level of protection for the rights and freedoms of data subjects in relation to the processing of personal data. This means the council can transfer data to an organisation in the United States if the organisation receiving the data is certified under the EU-US Privacy Shield.~~

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Privacy notices

- 4.5 When you collect personal data from someone, you must give them information including: the council's purposes for processing their personal data, how long we will keep it, and who it will be shared with.
- 4.6 When you obtain the data from somebody else, you must give the data subject the privacy information no later than one month after obtaining it.
- 4.7 There are a few circumstances when you do not need to provide people with privacy information, such as if an individual already has the information or if it would involve a disproportionate effort to provide it to them.
- 4.8 The information you provide to people must be concise, transparent, intelligible, easily accessible, and it must use clear and plain language.
- 4.9 There are examples of privacy notices you can adapt on the intranet.

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Data Subject Rights

4.54.10 Data Subjects have the following rights concerning personal data about them:

- To be informed about the collection and use of their data.
- To make subject access requests regarding the nature of information held and to whom it has been disclosed access their data.
- To have inaccurate data rectified, or completed if it is incomplete prevent processing likely to cause damage or distress.
- To prevent processing for purposes of direct marketing In certain circumstances, the have the data erased.
- To be informed about mechanics of automated decision taking process that will significantly affect them In certain circumstances, to restrict or suppress their data.

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- to obtain and reuse data they have provided for their own purposes across different services ~~Not to have significant decisions that will affect them taken solely by automated process.~~
- In certain circumstances, to object to the processing of their data.
- ~~To sue for compensation if they suffer damage by any contravention of the Act.~~
- ~~To take action to rectify, block, erase or destroy inaccurate data~~ obtain information about automatic decision-making using their data and to request human intervention in the process.
- ~~To request the Commissioner to assess whether any provision of the Act has been contravened.~~

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Processing Personal Data Lawful basis for processing personal data

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4.64.11 The Council can generally only collect use or disclose data if one of the conditions summarised in this section applies:

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- The data subject has given their genuine consent
- It is necessary in connection with a contract with the data subject
- ~~It is necessary so that the Council can~~ comply with a legal obligation (except a contract)
- It is necessary to protect the vital interests of the data subject: that is, a medical emergency
- It is necessary so that the Council can carry out a function or perform a specific task in the public interest that is set out in law
- ~~It is necessary for the administration of justice~~
- ~~It is necessary to perform a statutory function~~
- ~~It is necessary to perform a public function on the public interest~~
- ~~It is necessary for the legitimate interests of the council or a third party to whom the data is disclosed – but this must be balanced against the legitimate interests of the data subject~~
- ~~The data subject has given their active consent~~

4.74.12 If you are in any doubt about whether data can be processed in a particular way, get advice from your manager or the ~~Head of Governance~~ Data Protection Officer.

Security of Data

4.84.13 You must make sure that any personal data which you deal with is kept securely and is not disclosed to any unauthorised third party (see the section on [Disclosure of Data](#) for more detail).

4.94.14 All personal data should be accessible only to those who need to use it. You should form a judgement based upon the nature of the information in question, but always consider keeping **hard copy** personal data:

- in a lockable room with controlled access, or
- in a locked drawer or filing cabinet, ~~or~~

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Don't keep if computerised, password protected, or

4.15 personal data on a local hard drive, a laptop or removable media. Only keep it on the council's network drives, or within a third party application that can be accessed from the network drives. Don't keep personal data in any shared folders, unless they are password protected.

• on removable media which are themselves kept securely.

4.104.16 Take care that PCs and laptops are not visible except to authorised staff and that computer passwords are kept confidential. Do not leave PC screens unattended without password protected screen-savers. Don't leave manual records where they can be seen by unauthorised personnel.

4.114.17 Put appropriate security measures in place for deleting or disposing of personal data. Shred manual records or dispose of them as "confidential waste". Wipe clean or destroy hard drives of redundant PCs before disposal.

4.124.18 This policy also applies to processing of personal data "off-site". Off-site processing presents a potentially greater risk of loss, theft or damage to personal data. Take particular care when processing personal data at home or in other locations outside the Council's offices. Personal data should never only be taken off site on a device or storage medium that is not encrypted loaded to removable media after discussion with the Data Protection Officer.

4.134.19 Do not store personal data belonging to the council in a cloud-based storage facility without the specific consent of your Head of Service, who should consult with the council's IT section.

Rights of Access to Data

4.144.20 Data subjects can request access any personal data about which the Council holds about them. If you receive a request, you should ask for it to be put in writing and either:

- refer the request to the Head of Governance Data Protection Officer, or
- if the request is specific to information that you control, disclose it (but only after making sure that the person requesting it is the data subject)

4.21 The Council reserves the right to charge a fee for data subject access requests (currently £10). Any such request must be complied with within 40 days a month of receipt of the written request and, where appropriate, the fee. There are some exemptions to the right to access personal data. If you feel that an exemption may apply, contact the Head of Governance Data Protection Officer.

4.22 You must also give the following information to anyone who makes a request to access their data:

- the purposes of processing;
- the categories of data concerned;
- the recipients or categories of recipient the council disclose the data to;
- the retention period for storing the data, or how we will determine how long you will store it;

Directorate	Resources	Section	Governance	Ref. Number	
Authorised By	Finance & Democracy Committee	Job title		Issue Date	July-September 2020
Author	Ian Curtis	Job title	Head of Governance	Revision No	3
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- the existence of the ~~to~~ request rectification, erasure or restriction or to object to processing;
- the right to lodge a complaint with the Information Commissioner;
- where we got the data, if it was not obtained directly from the individual;
- the existence of automated decision-making (including profiling); and
- the safeguards the council provides if it transfers personal data to a third country or international organisation.

4.15

4.164.23

The right to request access applies to any personal data held about a person. However, if the data is not kept or ordered by reference to individuals, the data subject would normally have to say what data they wish to see. The Council could refuse the request if complying with it exceeds a cost limit set by government.

Disclosure of Data

4.174.24

The Council must ensure that personal data is not disclosed to unauthorised third parties, which include family members, friends, government bodies, and in certain circumstances, the Police. You should exercise caution when asked to disclose personal data held on another individual to a third party. For instance, it would usually be appropriate to disclose a colleague's work contact details in response to an enquiry regarding a particular function for which they are responsible. However, it would not usually be appropriate to disclose a colleague's work details to someone who wished to contact them regarding a non-work related matter. Nor would it be appropriate to give home contact information. The important thing to bear in mind is whether or not disclosure of the information is relevant to, and necessary for, the conduct of Council business. Best practice, however, would be to take the contact details of the person making the enquiry and pass them onto the member of staff concerned.

4.184.25

As well as the conditions listed in 4.6, there are some other specific instances where disclosure to a third party is allowed. These concern national security, crime and taxation and regulatory activity. If any issue arises about these, or if in doubt, ask for advice from your ~~executive~~ manager or the ~~Head of Governance~~ Data Protection Officer.

4.194.26

There are some other exemptions not listed here which would be unlikely ever to arise.

Retention and Disposal of Data

4.204.27

The council has a separate policy on data retention, based upon guidance and classifications provided by the Information and Records Management Society.

Section 5: Data classification

5.1

The council has adopted a simple classification system to make it easier to identify how information that it holds should be treated. The system is intended to reflect the statutory position under the Data Protection Act ~~2018~~1998 and the Freedom of Information Act 1990. The council considers that any advantages of introducing a more

Directorate	Resources	Section	Governance	Ref. Number	
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complex system of classification would be outweighed by the burden of implementing such a system.

5.2 The classifications are:

- **Personal Information:** This is information that is personal data or ~~sensitive personal~~ **special category** data as defined under the Data Protection Act ~~2018~~ **1998**. In other words, it is information that the council cannot (except with the consent of the data subject or in certain other limited circumstances) disclose
- **Excluded Information:** This is information that, on an application for disclosure under the Freedom of Information Act 2000, would be likely to be withheld from disclosure under any of the exemptions other than the exemption applicable to personal data. In other words, it is information that the council may, but need not, disclose.
- **Unrestricted Information:** This is information that, on an application under the Freedom of Information Act 2000, the council would be obliged to disclose.

5.3 From the implementation of this policy, employees will be encouraged to discreetly mark Personal and Excluded Information so that users of that information will be alerted to its status. Unrestricted Information may also be marked as such. Marking an item of information as Personal, Excluded or Unrestricted will not be conclusive of its status. An employee using any information must always consider the principles set out in this policy, as well as the requirements of the Data Protection Act ~~2011~~ **1998**.

5.4 Where an item is marked as Excluded Information, it must not normally be published or disclosed without first giving full consideration to how the council's interests (or the interests of any other person who might be affected by the publication or disclosure) might be affected if it was published or disclosed.

5.5 Where an item is marked as Personal Information, it must not be published or disclosed (except to the data subject) without the approval of the relevant head of service.

Section 6: Monitoring and Review

6.1 The council's Management Team will monitor and keep this policy under review. They will judge its success by the following criteria:

- The quality of information available to decision-makers
- Compliance with the council's obligations as data controller under the Data Protection Act ~~2018~~ **1998**
- The balance between the advantages secured by the policy and the burdens imposed by it.

Directorate	Resources	Section	Governance	Ref. Number	
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DECISION ITEM

REPORT OF	MEETING	DATE	ITEM NO
RESOURCES DIRECTORATE	FINANCE AND DEMOCRACY COMMITTEE	23 NOVEMBER 2020	10
BOUNDARY COMMISSION REVIEW			

PUBLIC ITEM

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

Please note that the BOUNDARY COMMISSION REVIEW report is TO FOLLOW

DECISION ITEM

REPORT OF	MEETING	DATE	ITEM NO
DEVELOPMENT SERVICES DIRECTORATE	FINANCE AND DEMOCRACY COMMITTEE	23 NOVEMBER 2020	11
ADULT WEIGHT MANAGEMENT FUNDING			

PUBLIC ITEM

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

SUMMARY

At its meeting on 3 November 2020 the Environment, Health and Housing Committee considered the allocation of funding from Lancashire County Council to take part in the delivery of a pan-Lancashire Health and Weight Management programme. Fylde's allocation of the funding would be used to recruit a fully funded Adult Weight Management Officer to deliver this initiative and provide a comprehensive community focussed health and weight management programme.

The funding allocated to Fylde Council by Lancashire County Council to deliver this initiative is £69,000 over 3 years. Fylde plan to recruit an officer for a three-year period to deliver a Tier 2 Weight Management Service.

Environment, Health and Housing Committee recommended to Finance and Democracy the approval of the funding for this purpose.

RECOMMENDATIONS

Committee is requested to

1. Approve a fully-funded revenue budget increase in the sum of £69,000 (split between the years 2021/22 £25,106, 2022/23 £27,271 & 2023/24 £16,623) to be met in full from the Lancashire County Council funding relating to this post.

SUMMARY OF PREVIOUS DECISIONS

3 November 2020 – Environment, Health and Housing Committee – To recommend to Finance and Democracy Committee the approval of a fully-funded revenue budget increase in the sum of £69,000 (split between the years 2021/22 £25,106, 2022/23 £27,271 & 2023/24 £16,623) to be met in full from the Lancashire County Council funding relating to this post.

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

Adult Weight Management Officer

1. Fylde Council has been provided with external funding of £69,000 to provide a three-year Weight Management Programme. The additional resource will enable a full time equivalent with further resource to facilitate the programme.
2. A job description and person specification have been prepared which have been job evaluated by the job evaluation panel. The post will be full time, working flexible hours and will report to the Health and Sports Development Officer in the Cultural Services Team and will be responsible for delivering the following key outputs:
 - To provide a lifestyle multi-component weight management service that supports obese adults to lose weight and increase knowledge and skills to maintain a healthier weight.
 - To provide one to one weight management sessions followed by group weight management sessions, plus signposting to physical activity opportunities.
 - To implement an accessible tier 2 lifestyle adult weight management service for obese adults aged 18 and over within the district, which forms an integral part of the weight management care pathway. Tier 2 services are delivered by local community weight management service, that provides community-based diet, nutrition, lifestyle and behaviour change advice, normally in a group setting environment. (For information, Tier 1 generally covers universal services (such as health promotion or primary care); tier 2 covers lifestyle interventions; tier 3 covers specialist weight management services; and tier 4 covers bariatric surgery).
 - To target access to the service in line with existing prevalence levels in the district.
 - To comply with all appropriate industry standards, including the relevant aspects of National Institute for Health and Care Excellence (2014) Clinical Guideline 189: Obesity: identification, assessment and management.
 - To comply with local and national safeguarding requirements and statutory requirements.

IMPLICATIONS

Finance	The report recommends that Finance and Democracy Committee approve a fully-funded revenue budget increase in the sum of £69,000 (split between the years 2021/22 £25,106, 2022/23 £27,271 & 2023/24 £16,623) in order to fund a weight management post.
Legal	None arising directly from this report
Community Safety	None arising directly from this report
Human Rights and Equalities	None arising directly from this report
Sustainability and Environmental Impact	None arising directly from this report
Health & Safety and Risk Management	Improvement in community health through the outputs from this initiative.

LEAD AUTHOR

CONTACT DETAILS

DATE

Tim Dixon	Tim.dixon@fylde.gov.uk & Tel 01253 658436	10/10/2020
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BACKGROUND PAPERS

Name of document	Date	Where available for inspection
None		

DECISION ITEM

REPORT OF	MEETING	DATE	ITEM NO
DEVELOPMENT SERVICES DIRECTORATE	FINANCE AND DEMOCRACY COMMITTEE	23 NOVEMBER 2020	12
REQUEST FOR DRAWDOWN OF SECTION 106 FUNDING FOR BUY BACKS FROM PROGRESS HOUSING ASSOCIATION OF STOCK SOLD UNDER THE RIGHT TO BUY			

PUBLIC ITEM

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

SUMMARY

At its meeting on 3 November 2020, the Environment, Health and Housing Committee considered a request from Progress Housing to buy back stock utilising S106 funding set aside for this purpose.

The proposals for both units would give Progress Housing Association greater control in the management of the housing stock in each area. Property 1 (P1), 1 Preesall Close in St Annes agreed purchase price is £85,000. Property 2 (P2), 5 Everest Court in Wesham agreed purchase price is £82,200. These purchases are from private sellers who have contacted Progress Housing Association direct.

The purpose of this report is to present the full application for section 106 funding from Progress Housing and request approval for 36% of the purchase cost of P1 and 33% P2 (totalling £57,500) and inclusion to the Capital Programme in 2020/21 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.

The Environment, Health and Housing Committee recommended Finance and Democracy Committee approve the allocation of funds for this purpose.

RECOMMENDATIONS

Committee is requested to:

1. Approve a fully funded addition to the Capital Programme for 2020/21 in the sum of £57,500 in respect of the 'Progress Housing Buy Backs' scheme as set out in this report, to be met from a portion of S106 developer contributions for affordable housing currently held by the Council for this purpose (schemes: P1, 1 Preesall Close, St Annes, £30,500 to be met from Agreement ref: 03/157, St Marys School, St Annes and P2, 5 Everest Court, Wesham, £27,000 to be met from Agreement ref: 13/0386 Land South of Cartford Lane, Little Eccleston); and
2. Subject to approval of 1, above, to authorise the required expenditure for the capital grant payment in 2020/21 to Progress Housing Association, totalling £57,500 after regard and consideration of the compliance with the financial regulations covered within the body of the report.

SUMMARY OF PREVIOUS DECISIONS

Cabinet 26th November 2014

It was RESOLVED:

1. To approve the use of S106 monies to facilitate the appointment of the temporary project officer/consultant on the terms outlined in the report;
2. To approve the appointment of a temporary project officer/consultant for a maximum period of 6 months to produce a deliverable S106 funded Affordable Housing Programme for the Borough; and
3. To approve a fully- funded revenue budget increase for the total sum of £25,000 (£16,000 in 2014/15 and £9,000 in 2015/16) to fund the costs of the temporary project officer/consultant for a maximum period of 6 months to be met from the S106 Affordable Housing receipts in respect of the agreements as identified at Appendix 2 of the report.

Environment, Health and Housing Committee 7th June 2016

Information Item - Outcome From Section 106 Affordable Housing Project

The purpose of the information report was to update members on progress regarding the use of existing and future Affordable Housing commuted sum reserves. Attached as an appendix to the report was the outcomes from the Section 106 Affordable Housing Project which had been delivered by way of a 6 month temporary appointment of an external housing consultant with a particular background in the development and delivery of Affordable Housing. The objectives of the contract were set out in the report together with details of the background to the project, the changing national situation and the positive outcomes of the S106 project.

Environment, Health and Housing Committee, 11th June 2019

Decision Item - It was RESOLVED

1. To note the contents of the report; and
2. To approve the adoption of a strategic approach to the allocation of future S106 funds by requesting Registered Providers of Affordable Housing submit Expressions of Interest prior to full funding submissions being made.

Environment, Health and Housing Committee, 17th March 2020

It was RESOLVED;

1. Approve the Expression of interest by Progress Housing for the use of Section 106 funds for the two units available as buy backs into social housing stock in Fylde; and
2. To invite Progress Housing Association to submit a full application for S106 funding, to include a financial appraisal with purchase price and the property inspection report.

Environment, Health and Housing Committee, 3 November 2020

1. To recommend to Finance and Democracy Committee approval of a fully funded addition to the Capital Programme for 2020/21 in the sum of £57,500 in respect of the 'Progress Housing Buy Backs' scheme as set out in this report, to be met from a portion of S106 developer contributions for affordable housing currently held by the Council for this purpose (schemes: P1, 1 Preesall Close, St Annes, £30,500 to be met from Agreement ref: 03/157, St Marys School, St Annes and P2, 5 Everest Court, Wesham, £27,000 to be met from Agreement ref: 13/0386 Land South of Cartford Lane, Little Eccleston); and
2. Subject to approval of 1, above, to authorise the required expenditure for the capital grant payment in 2020/21 to Progress Housing Association, totalling £57,500 after regard and consideration of the compliance with the financial regulations covered within the body of the report.

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

Request for Section 106 funding for buy backs of existing stock sold under the Right to Buy from Progress Housing

1. In June 2019 Fylde Council developed a strategic approach to the targeting on S106 funding from developer contributions towards affordable housing delivery within Fylde. Future S106 funds are be targeted on marginal brown-field sites that will provide local regeneration, whilst at the same time providing much needed affordable homes, on a small scale, in areas of priority need. Registered Providers are required to submit an Expressions of Interest (EOI) for consideration for S106 funding, prior to submitting a full detailed funding application that could be unsuccessful.
2. In March 2020 this Committee resolved to approve the EOI and to invite Progress Housing Association to submit a full application for S106 funding, to include a financial appraisal with purchase price and the property inspection report.
3. Fylde Council have not previously used S106 funds for the buy-back of properties sold under the Right to Buy or Right to Acquire. However, the funds can be used for facilitating affordable housing provision which can include purchasing the buy-back of such units.
4. The proposals for both units would give PHA greater control in the management of the housing stock in each area. Property 1, 1 Preesall Close in St Annes, would give Progress Housing Association control of a block of 4 cottage flats where other 3 are in PHA ownership, therefore the acquisition would allow them control of the block. The proposal for Property 2, 5 Everest Court in Wesham is in a block of terraced houses where the majority of which are owned by PHA.
5. The purchases of both properties are from private sellers who have contacted Progress Housing Association direct.
6. The EOI was approved by this Committee in March 2020 for Section 106 funding towards 36% of the purchase price for P1 and 33% for P2. The remaining funding is to be met from internal funding and Progress would have all management and repairing responsibilities going forward.
7. The properties will be subject to the Right to Acquire. This is where the property has been built or bought by a housing association after 31st March 1997 or transferred from a local council to a housing association after 31st March 1997. This is a government scheme introduced in 1997 that allows housing association tenants who meet the qualifying criteria to buy the home if they have been renting with a public sector landlord for 3 years. Discounts available range from between £9,000 and £16,000 on the price of the property.
8. Progress Housing Association will be required to enter into a funding agreement with Fylde Council where funding can be applied for when contracts for the purchase of the properties have been exchanged.
9. **PROPERTY 1**
Preesall Close, St Annes.
This unit is a two-bedroom flat, ex local authority owned stock on the Heyhouses estate a substantial amount of which is owners and managed by PHA since the transfer from New Fylde Housing. The unit is

in a block of 4 cottage flats and the other 3 are in PHA ownership, therefore the acquisition would allow them control of the block and so increase their presence in the area. The Housing Management team have confirmed there is high demand for units of this type in the area. A financial appraisal has been completed, the property has been inspected and the current owners has accepted a conditional offer.

Property 1: Site location	1 Preesall Close, St Annes FY8 3PN
Brownfield Site	Yes
Local regeneration outcomes – environmental, economic and social wellbeing that will lead to community sustainability	Bringing this unit back into PHA's ownership will allow us to have control of the block which makes it easier for improvement works to be carried out if necessary.
Number of units and size of units	1 x 2 bedroom flat 83m2
Tenure of units	Affordable Rent
Purchase price	£85,000
S106 Funds required	£30,500 (36%)
Internal funding	£54,500
Homes England funding	£0

10. PROPERTY 2

Everest Court, Wesham. This unit is a 3 bedroom house, ex local authority stock and a substantial amount of properties in the area are still owned and managed by PHA since the transfer from New Fylde Housing. PHA's Housing Management team have confirmed there is high demand for units of this type in the area. The unit is in a block of terraced houses, the majority of which are owned by PHA so this acquisition would allow us control of the block and to further increase our presence in the area. A financial appraisal has been completed, the property has been inspected and the current owners has accepted a conditional offer.

Property 2: Site location	5 Everest Court, Wesham PR4 3BD
Brownfield Site	Yes
Local regeneration outcomes – environmental, economic and social wellbeing that will lead to community sustainability	Bringing this unit back into PHA's ownership will allow us to have control of the entirety of Everest Court which makes it easier for improvement works to be carried out if necessary.
Number of units and size of units	1 x 3 bedroom terraced house 79m2
Tenure of units	Affordable Rent
Purchase Price	£82,200
S106 Funds required	£27,000 (33%)
Internal funding	£55,200
Homes England funding	£0

The method and cost of financing the scheme

11. The request is for Fylde BC to contribute section 106 funds for the purchase of two units of properties as buy backs. The request is for Section 106 funding towards 36% of the purchase price for P1 and 33% for P2, totalling £57,500.
12. Progress Housing Association have arranged internal funding totalling £109,700. Total purchase price for the two units is £167,200.

The future revenue budget impact

13. There are no additional revenue or capital implications to this proposal as the two units will be owned and managed by Progress Housing Association. A funding agreement will be in place where funding can be applied for when contracts for the purchase of the properties have been exchanged.

Relevant value for money issues

14. Off-site S106 funding for affordable housing are usually in the region of £50,000 per unit, and this amount is then re-cycled into affordable housing projects at a capital contribution rate of up to £50,000 per unit or 50% of the total scheme costs. The total request from Section 106 funding for the two units is £57,500, from a purchase price of £167,200 (£85,000 and £82,200). The request for Section 106 funding equates to 34% of the total purchase costs, therefore the proposal does provide value for money.

Risk Assessment

15. Grant funding will be paid when contracts have been exchanged on both units. The risks associated with letting and managing the properties will be Progress Housing Association responsibility.
16. An agreement for the payment of grant will be entered into to protect Fylde BC investment and ensure the properties remain as affordable housing within Fylde, in perpetuity.
17. All properties will be allocated via MyHomeChoice Fylde Coast, the Choice Based Lettings Scheme for the Fylde Coast with priority for occupants with a local connection to Fylde.

Viable alternatives

18. In respect of both P1 and P2 that Progress are requesting section 106 funds towards, the purchase would result in the association owning the whole block or terrace of properties. This will give them full management control of the block or terrace and increase our presence in the area. There are no other viable alternatives that would enable this scenario to happen.

Objectives, outputs and outcomes

19. This proposal would provide two additional units of affordable rented accommodation, one unit in St Annes, the other unit within Wesham.

Conclusion

20. The Environment, Health and Housing Committee having considered the matter recommend that the Finance and Democracy Committee approve:
 - a. A fully funded addition to the Capital Programme – ‘Progress Housing Buy Backs’ in the financial year 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 from P1, 1 Preesall Close, St Annes, £30,500 to be met from Agreement ref: 03/157, St Marys School, St Annes and P2, 5 Everest Court, Wesham, £27,000 to be met from Agreement ref: 13/0386 Land South of Cartford Lane, Little Eccleston;
 - b. Authorise the required expenditure for the capital grant programme in 20/21 to Progress Housing Group for the total amount of £57,500.

IMPLICATIONS	
Finance	<p>This reports recommends approval of a fully funded addition to the Capital Programme for 2020/21 in the sum of £57,500 in respect of the 'Progress Housing Buy Backs', to be met from a portion of S106 developer contributions for affordable housing currently held by the Council for this purpose; and</p> <p>Subject to approval of 1, above, to authorise the required expenditure for the capital grant payment in 2020/21 to Progress Housing Association, totalling £57,500 after regard and consideration of the compliance with the financial regulations covered within the body of the report.</p>
Legal	Financial Agreement for the payment of grant.
Community Safety	None arising directly from this report
Human Rights and Equalities	None arising directly from this report
Sustainability and Environmental Impact	None arising directly from this report
Health & Safety and Risk Management	None arising directly from this report

LEAD AUTHOR	CONTACT DETAILS	DATE
Kirstine Riding	Kirstine.riding@fylde.gov.uk & Tel 01253 658569	14/08/2020

BACKGROUND PAPERS		
Name of document	Date	Where available for inspection
MyHomeChoice Fylde Coast Consistent Assessment Policy	2021	MyHomeChoice Fylde Coast

DECISION ITEM

REPORT OF	MEETING	DATE	ITEM NO
DEVELOPMENT SERVICES DIRECTORATE	FINANCE AND DEMOCRACY COMMITTEE	23 NOVEMBER 2020	13
BEACH SAFETY SIGN IMPROVEMENTS			

PUBLIC ITEM

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

SUMMARY

The report details a request from the Tourism and Leisure Committee to approve a fully-funded budget increase for the Beach Safety Sign Improvements Scheme, within the existing approved Capital Programme for 2020/21, in the sum of £37,000, to be met in full from the Capital Investment Reserve.

The report outlines the progress to date of the Beach Safety signage project. The report recommends the approval of a fully funded budget increase of £37,000 to enable effective, consistent beach safety signs to be positioned along the beach frontage from Starr Gate, to Jubilee House, Lytham.

RECOMMENDATIONS

1. Approve a fully funded budget Increase in respect of the Beach Safety Sign Improvements Scheme within the existing approved Capital Programme for 2020/21 in the sum of £37,000 to be met in full from the Capital Investment Reserve.

SUMMARY OF PREVIOUS DECISIONS

Tourism and Leisure Committee 5th November 2020

RESOLVED - To recommend to the Finance and Democracy Committee approval of a fully funded capital budget increase of £37,000 to complete the Coastal Signage Improvements project within the Council's 2020/21 capital programme, to be met in full, from the Capital Investment Reserve;

To approve the draw-down of £37,000, in addition to the £15,000 already approved, subject to the approval of the fully funded budget increase by the Finance and Democracy Committee, for the Coastal Signage Improvements project.

To note the procurement route as detailed in the procurement section of this report and delegate the award of tender to the Director of Development Services in consultation with the Chairmen of Tourism & Leisure and Operational Management Committees.

Tourism and Leisure Committee 12th March 2020

RESOLVED – Adoption of the Coastal Signage Strategy comprising 5 distinct phases at a total cost of £60,000, the Beach Safety signage project being Phase 3, at a cost of £15,000.

Tourism and Leisure Committee 8th November 2018

Resolved – To support the capital bid for the Coastal Signage Improvements.

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 Royal National Lifeboat Institution (RNLI) recognise the importance of effective, consistent signs and safety flags on UK beaches. This is becoming increasingly relevant in the current climate where the demands on UK beach operators are increasing every year with growing recreational activities and visitor numbers, making the need for effective beach management an even greater priority. Beach operators have a duty of care to see that visitors to their beaches are reasonably safe, which entails providing adequate safety measures.
2. From April 2020 all the Council's beaches have been categorised and joint risk assessments carried out with beach managers, for each categorised beach.
3. The beach risk assessments led to the number, type and nature of beach safety signs required, in accordance with RNLI Guide to Beach Safety Signs, Flags and Symbols being defined. In addition, it was proposed that the signs should incorporate information on public space protection orders covering dog exclusion zones, dog fouling, dogs on leads, barbeques and outdoor cooking, litter and other public information such as a lost children procedure.
4. The project objective was to not only improve beach safety, enabling the public with the means to make clear decisions on safety whilst on the beach, but to reduce dog fouling and nuisance, barbeques and litter, and to improve knowledge and access to local amenities and services.

SCHEME DETAIL

5. Twenty-two new beach safety signs are proposed along the Fylde frontage to compliment the twenty-seven signs recently erected as part of the Fairhaven to Church Scar Coastal Defence Scheme.
6. They comprise 13 primary signs, 5 secondary signs and 4 reminder signs. Generally primary signs are placed at main entrances to the beach, secondary signs placed at entrances which are not main entrances to the beach, and reminder signs placed at intervals along the beach, facing the beach, so they can be read by beach users.
7. The number of signs and their locations have been determined by a beach risk assessment, and where the risk is deemed to be low, no signs have been provided. It is a case of balancing the risk without over signing the promenade and beach. This scheme demonstrates a good balance of this. However, there is enough flexibility in the budget to add one or two signs if considered necessary.
8. The proposed primary signs comprise two linked curved topped sign boards, supported on one centre and two end posts, with the information displayed on their front sides only. The proposed secondary signs comprise a single rectangular sign board supported on two end posts. The reminder signs are identical to the secondary signs, and it is proposed to mount them back to back with the secondary signs, on the same posts, but facing the beach.
9. The draft signs, signage schedule, and sign locations have been considered by the Chairmen of Operational Management and Tourism & Leisure Committees.
10. It is proposed to tender the design, manufacture, supply and installation of the signs in November, in a "one stop shop" process. This is thought to be the most efficient use of funds. Appointment of the successful supplier is programmed for late November, subject to committee approvals.

11. The artist will start work on improving the basic sign designs in December 2020, with further checks, amendments and reviews programmed for January 2021.
12. Once the sign proofs have been agreed, manufacture, supply and installation are programmed to take place during February and March 2021.

PROGRAMME

BEACH SAFETY SIGN IMPROVMENTS PROGRAMME																					
					2020							2021									
					Oct	Nov			Dec			Jan			Feb			March			
	Deliverables	Start Date	End Date	Duration Weeks																	
1	PROJECT MANAGEMENT																				
1.1	MILESTONES																				
1.1.1	Tender Period	9.11	23.11	2																	
1.1.2	Appoint Supplier	23.11	30.11	1																	
1.1.3	Artist - Artwork Design	30.11	11.01	4																	
1.1.4	Proof checking/consultation	11.01	25.01	2																	
1.1.5	Final changes	25.01	1.02	1																	
1.1.6	Maufacture, supply, deliver, install	1.02	26.03	8																	
	RISK - PCSO AMENDMENT- REVISED END DATE 16.08.21	10.11	16.08	35																	

13. The programme is based on having all the signs in place before Easter 2021. The beach safety signs have been designed to incorporate and effectively communicate the PSPO's. The biggest risk to the programme is a delay in agreement of any amendments to the Public Space Protection Orders (PSPO's) by the Operational Management Committee on 10 November 2020.

FUTURE PHASES

14. The budget for the coastal signage improvements, which is in the approved capital programme for 2020/21, is included in Table 1 below, with details the number of phases, a cost allocation to each, and an update on progress. This includes, under phase 3, the beach safety signs (shaded yellow). The original estimate for beach safety signs was based on basic signs provided but, as set out above, following a detailed risk assessment which identified the number of signs required and the level of detail needed on each sign, the estimated cost of providing these signs has increased.

Table 1 - Capital Budget Allocation

Description	Original budget	Status	Funding Source
Phase 1 Consolidation/ rationalisation of information and enforcement signage	£4,149	Communications team put on hold due to other work priorities as a result of Covid -19	Capital Coastal Signage improvement budget
Phase 2 Digital Beach Signs	£25,000	Installation programmed for February 2021; within budget	Capital Coastal Signage improvement budget
Phase 3 Beach Safety Signage	£15,000	Funded budget increase of £37,000 requested (£52,000 in total). Programmed completion March 2021.	Capital Coastal Signage improvement budget
Phase 4 Waymarking/ Directional signs	£5,000	Coastal Ranger Service and the Regeneration team producing tender documents later this year	Capital Coastal Signage improvement budget
Phase 5 Heritage and interpretation	£10,851	To be worked up	Capital Coastal Signage improvement budget
Total	£60,000		

15. The signage elements which weren't part of the original capital bid or have been funded from other sources are identified below in Table 2. Additionally, there are a number of projects, for example the Borough Entrance Signs and Town Centre Digital signs, which may be the subject of future capital bids.

Table 2 - Additional signage projects

Description	Cost Estimate	Status	Funding Source
Fylde Sand dune project	£21,561	Coastal Ranger Service producing tender documents, to go out to tender later this year with Phase 4	£27,000 Lancashire Environment Fund and £25,000 Section 106 funding for overall project
Car Parking	Detail currently being worked up by Technical Services	Parking Services replaced tariff boards in three car parks, full new signage on two car parks, process ongoing	Car Park Revenue Budget
Borough Entrance Signs	Cost estimate to be developed	This element being reviewed by Budget Working Group considering other priorities. Currently pending.	Capital
Town Centre Digital Signs	£30,000	Capital bid approved March 2020. Delays due to other priorities, now being taken forward as part of town centre project activities	Capital
English Coastal Path	N/A	Natural England are implementing this wider project. Delayed due to under estimation of scale of task	Natural England

PROCUREMENT

16. This contract will be procured as a mid-range contract under the Councils contract procedure rules where the value is between £10,000 and £100,000 where three quotations are required. This will be operated through The Chest where tenders will be requested to design, manufacture and install the signs.

FINANCE

17. There is a budget for Phase 3 of the coastal signage improvements in the approved capital programme for 2020/21 of £15,000. This was based on an estimate for a limited number of basic signs. Following a detailed risk assessment which identified the number of signs required to provide adequate signage cover plus the level of detail on each sign, the estimated cost of designing, manufacturing and installing the signs has increased. The total estimated costs are £51,260. As such a budget increase of £37,000 is requested to complete this project. The signage required includes:

Elements	Cost per unit installed	Total
13 no. Primary signs	£2,750	£35,750
5 no. Secondary signs	£1,250	£6,250
4 no. Reminder signs	£1,150	£4,600
Subtotal		£46,600
10% Contingency		£4,660
Total		£51,260

CONCLUSION

18. The report requests a fully funded budget increase to enable beach safety signs to be erected along the Fylde frontage in order to protect and inform the public.
19. It also requests the authority to award the contract to the lowest tenderer.

IMPLICATIONS	
Finance	The report recommends to the Finance and Democracy Committee approval of a fully funded capital budget increase of £37,000 to complete the Coastal Signage Improvements project within the Council's 2020/21 capital programme, to be met in full, from the Capital Investment Reserve.
Legal	The proposals should ensure that the council's legal responsibilities are met.
Community Safety	The proposals should ensure safe use of the beach by users.
Human Rights and Equalities	No implications arising from this report.
Sustainability and Environmental Impact	No implications arising from this report.
Health & Safety and Risk Management	The proposals should ensure that the council's health & safety and risk management responsibilities are met.

LEAD AUTHOR	CONTACT DETAILS	DATE
Stephen Ball	Stephen.ball@fylde.gov.uk 01253 658493	23 October 2020

BACKGROUND PAPERS		
Name of document	Date	Where available for inspection
Coastal Signage Improvements	12 March 2020	Appended to Report
Report to T&L committee	5 Nov 2020	Report & appendices

DECISION ITEM

REPORT OF	MEETING	DATE	ITEM NO
DEVELOPMENT SERVICES DIRECTORATE	FINANCE AND DEMOCRACY COMMITTEE	23 NOVEMBER 2020	14
ALLOCATION OF ADDITIONAL RESOURCES TO SUPPORT TOWN CENTRES AND THE BLACKPOOL AIRPORT ENTERPRISE ZONE			

PUBLIC ITEM

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

SUMMARY

The Corporate Plan 2020/24 sets out a number of ambitions and actions aimed at promoting the economic prosperity of the borough with the economy being one of the four themes that run through the plan.

One of the key actions in the Corporate Plan seeks to develop the Enterprise Zone through the Fylde Coast partnership attracting employment and new industry. To facilitate the delivery of the Blackpool Airport Enterprise Zone, it is intended to establish a project management role that will bring forward development, deliver key projects and encourage new investment in the area.

The Town Centres Working Group has been considering a number of initiatives aimed at supporting the borough's three town centres. A summary of this work was presented to the Planning Committee in September when members requested officers to work up several of the proposals including the appointment of additional staff to help deliver these projects and proposals. Following further discussion with the Budget Working Group and the Town Centres Working Group, the report proposes the establishment of a Town Centres Manager post and an Economic Development Officer post.

The report also proposes to top up the existing town centre maintenance budget to help improve the quality of the public spaces in the town centre.

Together the proposed investments outlined in this report will be crucial to the successful delivery of large parts of the council's corporate plan.

RECOMMENDATIONS

The Finance and Democracy Committee are requested to:

1. Approve a revenue funded budget increase (to be split between the years 2020/21, 2021/22, 2022/23, 2023/24 and 2024/25) in the total sum of £45,000, to be funded from the Funding Volatility Reserve, in order to provide the required level of resource for the appointment of an Enterprise Zone Project Manager;
2. Approve a revenue funded budget increase (to be split between the years 2020/21, 2021/22, 2022/23 and 2023/24) in the total sum of £246,000, to be funded from the Funding Volatility Reserve, in order to provide the required resource for the appointment of a Town Centres Manager and an Economic Development Officer;
3. Approve a revenue funded budget increase of £5,000 for 2020/21 and £25,000 for 2021/22, to be funded from the Funding Volatility Reserve, in order to provide an enhanced financial resource in respect of the existing St Annes town centre maintenance budget;

4. Authorise the proposed expenditure to fund the recruitment of an Enterprise Zone Project Manager for a temporary period of 3 years;
5. Authorise the proposed expenditure to fund the recruitment of a Town Centres Manager and Economic Development Officer, each for a temporary period of 3 years; and
6. Authorise the proposed expenditure in respect of the enhanced St Annes town centre repairs and maintenance budget in the total additional sum of £30,000.

SUMMARY OF PREVIOUS DECISIONS

On 4 December 2017, Council resolved:

2. ...to establish the Blackpool, Fylde and Wyre Economic Prosperity Board (EPB) in the form of a Joint Committee.

Amongst other things, the EPD takes responsibility for programme managing delivery of the Enterprise Zones.

On 11 March 2020, Planning Committee resolved:

1. That a "Town Centres Working Group" (comprising a core group of 7 councillors namely: Councillors Richard Redcliffe, Liz Oades, David O'Rourke, Stan Trudgill, Michael Sayward, Roger Small and Michael Withers with Councillors Cheryl Little and Viv Willder being co-opted as and when appropriate to consider matters relating to St Annes Town Centre) be formally constituted as a working group of the Planning Committee and that they be asked to examine all opportunities to secure funding to assist in the future development of St Annes, including, but not limited to any future rounds of the Future High Street Fund.
2. That the outcomes from the St Annes Town Centre workshop be reported to the Planning Committee via Town Centre Working Group for their consideration and appropriate action.
3. In the event of a working group member not being able to attend a meeting, with the agreement of the Chairman, a substitute member be nominated.

On 16 September 2020, Planning Committee resolved:

1. To note the work of the Town Centres Working Group in response to the Coronavirus pandemic.
2. To note the submission of the bid for Future High Street Funding for Kirkham Town Centre in line with the details presented to Planning Committee on 3 June 2020.
3. To authorise officers to work with the Town Centres Working Group, in consultation with ward members and other key stakeholders, to develop proposals for Lytham Town Centre identified as part of the council's capital programme.
4. To recommend that the Finance & Democracy Committee approve a revenue funded budget increase for 2020/21 in the sum of £150,000, to be funded from the Funding Volatility Reserve, to provide for the commissioning of a vision/strategy for St Annes Town Centre, such vision to include a town centre health check and be informed by the survey results and working group proposals for St Annes.
5. To consider the projects for St Annes that have been identified by the Town Centres Working Group and prioritise those schemes that they wish officers to develop for further consideration and approval by committee.

On 11 November 2020, Planning Committee resolved:

1. That the Finance & Democracy Committee be requested to approve a revenue funded budget increase (to be split between the years 2020/21, 2021/22, 2022/23, 2023/24 and 2024/25) in the total sum of £45,000, to be funded from the Funding Volatility Reserve, in order to provide the required level of resource for the appointment of an Enterprise Zone Project Manager;
2. That the Finance & Democracy Committee be requested to approve a revenue funded budget increase (to be split between the years 2020/21, 2021/22, 2022/23 and 2023/24) in the total sum of £246,000, to

be funded from the Funding Volatility Reserve, in order to provide the required resource for the appointment of a Town Centres Manager and an Economic Development Officer;

3. That the Finance & Democracy Committee be requested to approve a revenue funded budget increase of £5,000 for 2020/21 and £25,000 for 2021/22, to be funded from the Funding Volatility Reserve, in order to provide an enhanced financial resource in respect of the existing St Annes town centre maintenance budget
4. To authorise the proposed expenditure to fund the recruitment of an Enterprise Zone Project Manager for a temporary period of 3 years;
5. To authorise the proposed expenditure to fund the recruitment of a Town Centres Manager and Economic Development Officer, each for a temporary period of 3 years; and
6. To authorise the proposed expenditure in respect of the enhanced St Annes town centre repairs and maintenance budget in the total additional sum of £30,000.
7. That the Town Centres Working Group be requested to review of the maintenance provisions and budgets for Lytham and Kirkham Town Centres.

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

INTRODUCTION

1. The Corporate Plan 2020/24 includes 'Economy' as a key theme within which a number of ambitions and actions are set out to support the wider economy and promote the prosperity of the borough's three town centres. The "Development of the [Blackpool Airport] Enterprise Zone through the Fylde Coast partnership, attracting employment and new industry" is set out as a key action in the Corporate Plan. The delivery of the Enterprise Zone is also a key element of the Fylde Local Plan to 2032, with its success key to the economic strand of the local plan's development strategy.
2. As part of the economic programme, a Town Centres Working Group (TCWG) was established by the Planning Committee in March 2020 with the objective of improving the prosperity and enhancing the wellbeing of Kirkham, Lytham and St Annes town centres. With the onset of the Coronavirus Pandemic work initially focussed on the Council's response to assisting the high street to reopen safely, but during the summer it was possible to move on to concentrate on the longer-term projects originally envisaged. A summary of the work of the group to date was presented to the Planning Committee on 16 September 2020 when Members requested officers to prioritise and develop several the proposals that had been put forward by the working group.

ADDITIONAL STAFF RESOURCES

3. The improvement of the prosperity and wellbeing of the borough's town centres is an economic development project that falls to the council's Regeneration Team to deliver. Despite being a small multi-disciplinary team, the Regeneration Team have, over the years, delivered numerous projects that have helped to transform the fortunes of each of the borough's three town centres.
4. However, in order to deliver the Council's aspirations and rising expectations set out in the Corporate Plan 2020-24, additional staffing resources will be required to deliver this programme of work. Accordingly, the

TCWG has identified a requirement for two additional posts to be added to the existing Team: A Town Centres Manager and an Economic Development Officer.

ENTERPRISE ZONE PROJECT MANAGER

5. Through the Economic Prosperity Board, Fylde Council has committed to supporting the delivery of the Blackpool Airport Enterprise Zone (BAEZ). To date this has been achieved primarily through the secondment of an officer to support the establishment of the zone and the drafting of a masterplan aimed at attracting and guiding new investment. The BAEZ is now at a stage where the nature of the support has changed and an experienced project manager is required to assist in the delivery of the project. The revised position has been considered under the council's Job Evaluation Scheme and the salary has been established at SCP 36-40 (£39,880 - £43,857). The position would be established for a period of 3 years and will require additional funding to that which has already been committed as follows

2020/21 - £5,000

2021/22 - £15,000

2022/23 - £15,000

2023/24 - £10,000

6. The purpose of the job would be:
- To act as a Project Manager supporting delivery of new infrastructure and direct development of commercial property and providing development advice for Blackpool Airport EZ and Blackpool Airport.
 - To work on existing and a planned future property portfolio to seek new development opportunities in accordance with legislation, providing professional advice and delivery of complex property-oriented projects and development schemes, including construction contract management.
 - To provide advice in connection with property development, acquisitions and disposals and management, undertaking option appraisals feasibility studies and delivery of infrastructure and construction projects.

TOWN CENTRES MANAGER

7. A town centres manager would take a pro-active role in the development and revival of the borough's town centres to ensure they are attractive visitor destinations offering a range of shops and services. This would be achieved through working in partnership with local businesses and other key stakeholders with an interest in the prosperity of the town centres, including the Kirkham and St Annes on the Sea Town Councils and the local business groups that represent each centre.
8. It is envisaged that the post will have a wide range of responsibilities from taking responsibility for developing new ideas and initiatives to ensuring the town centres are maintained as attractive welcoming environments.
9. The key tasks identified for the role include:
- To work with the council's Town Centres Working Group to take forward a coordinated one-council approach to maintaining a high quality town centre experience.
 - To coordinate and facilitate the implementation of the town centre management plans in order to deliver a range of improvements that meet the council's vision for diverse and thriving town centres.
 - To identify and respond to key local town centre issues that impact upon their success.
 - To develop strong relationships with local business and communities
 - To be the council's town centre champion in collaboration with businesses and residents their promotion, marketing and new project development.

10. It is intended that the post would be established on a temporary basis, initially for a period of 3 years, following which the contribution that the role has made to the prosperity of the town centres could be reviewed and the contract extended if it is considered appropriate and funding is available to do so.
11. The salary attached to the post would be established through the Job Evaluation process, but an examination of similar roles indicates that the salary for the post is likely to fall within Spinal Column Points 18-25 (£24,982 to £29,577).
12. Appendix 1 indicates how the post would be integrated into the Regeneration Team.

ECONOMIC DEVELOPMENT OFFICER

13. There is an existing Principal Economic and Regeneration Development Officer Post (ERDO) within the Regeneration Team that takes responsibility for the economic development projects developed and delivered by the team and leads the council's engagement in regional and sub-regional economic initiatives. This existing role also assists with the supervision of the wider Regeneration Team and so has a higher level of responsibility attached. It is considered that the team would benefit from an additional Economic Development Officer that would be available to support the work of the Principal ERDO allowing them to dedicate a greater proportion of their time to developing and delivering strategic projects.
14. The key tasks identified for the proposed role include:
 - To support the delivery and development of projects and initiatives aimed at improving the economic prosperity of Fylde.
 - To assist with the delivery of the Council's Economic Development Strategy and the Covid-19 recovery strategy.
 - To actively engage with stakeholders to encourage the economic sustainability of the district.
 - To assist the Principal Economic Development Officer and Regeneration Team in the formulation and review of strategy, policy and practice relating to the Council's Economic Development Strategy and wider work programme.
 - To assist in the delivery of projects to secure healthy and vibrant town centres providing a range of services to residents and visitors.
 - To provide professional advice to the public and Service Areas on matters which contribute to the delivery of the Council's economic development function.
 - To help develop the capacity of key employment sectors and their contribution to the sustainable regeneration and economic prosperity of the borough.
 - To work constructively and actively with other officers and a range of partner organisations to increase employment and wealth generation within the borough.
 - To promote job creation, sustainable self-employment, business growth and workforce skills.
15. As with the Town Centre Manager role, it is intended that the post would be established on a temporary basis, initially for a period of 3 years, following which the contribution that the role has made to the prosperity of the town centres and the wider borough will be able to be reviewed and the contract extended if it is considered appropriate and funding is available to do so.
16. Again, the salary attached to the post would be established through the Job Evaluation process, but an examination of similar roles indicates that the salary for the post is likely fall within Spinal Column Points 18-25 (£24,982 to 29,577).
17. Appendix 1 indicates how the post would be integrated into the Regeneration Team.

FINANCE PROFILE

18. If an appointment is made to these posts during the current financial year, it is expected that the funding for the two posts, including on costs, would be split as follows:

2020/21 - £20,000

2021/22 - £81,000

2022/23 - £82,000

2023/24 - £63,000

ENHANCED MAINTENANCE BUDGET

19. The budget available for the maintenance of St Annes Town Centre has been reduced over the years as a consequence of savings that have had to be made across all council budgets. Unfortunately, the impact of the reduced maintenance schedule is becoming apparent with adverse comments having been received from residents, visitors and elected members. Restoring the budget to previous levels will allow the quality of public spaces to be maintained, which is particularly important given the exposure to the elements in this coastal location.
20. It is considered that topping up the maintenance budget by £5,000 in the current financial year and £25,000 in 2021/22 will allow a comprehensive rolling programme of maintenance to be carried out. Responsibility for the upkeep of the public spaces in the town centre rests with a number of services within the council as well as external bodies and private companies and individuals. Co-ordination of effective management of public spaces does not currently fall to a single individual and so it is considered that this programme could be overseen as part of the Town Centres Manager if that appointment is approved.

CONCLUSIONS

21. The establishment of the new posts set out in the report above will assist in the delivery of a number of key ambitions and actions set out in the Corporate Plan 2020/24, as will investing in the maintenance of the open spaces within the town centres. In particular, the proposals will make a significant contribution to the delivery of the following ambitions:

Economy

- Develop & deliver Master Plans for the town centres
- Support and promote appropriate development
- Maximise the use of all council owned assets
- Work with partners to attract new employment and create vibrant economic communities

Environment

- Provide high quality parks and open spaces
- Reduce anti-social behaviour, disorder and crime

Efficiency

- Actively seek feedback to improve service delivery
- Continuously review every service to meet changing customer expectation
- Champion and enhance the reputation of the council
- Keep customers informed through open and transparent communication

Tourism

- Deliver and support a diverse programme of events across the Fylde coast and countryside
- Develop and promote unique destination points across the coast and countryside
- Support and facilitate heritage and arts

22. On 11 November 2020, the Planning Committee agreed the raft of proposals set out above and requested that the Finance and Democracy Committee be asked to approve budget increases which total £366,000 (split across 3 years) to be met from the funding volatility reserve in order to fund the proposed posts and top up the town centre maintenance budget.

IMPLICATIONS	
Finance	This report recommends that the Finance & Democracy Committee approve a number of revenue funded budget increases in respect of the staff resource for the Council's economic development function, to support the Blackpool Airport Enterprise Zone and to provide an enhanced budget for St Annes town centre maintenance, as set out in the report, each to be met from the Funding Volatility Reserve.
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	November 2020

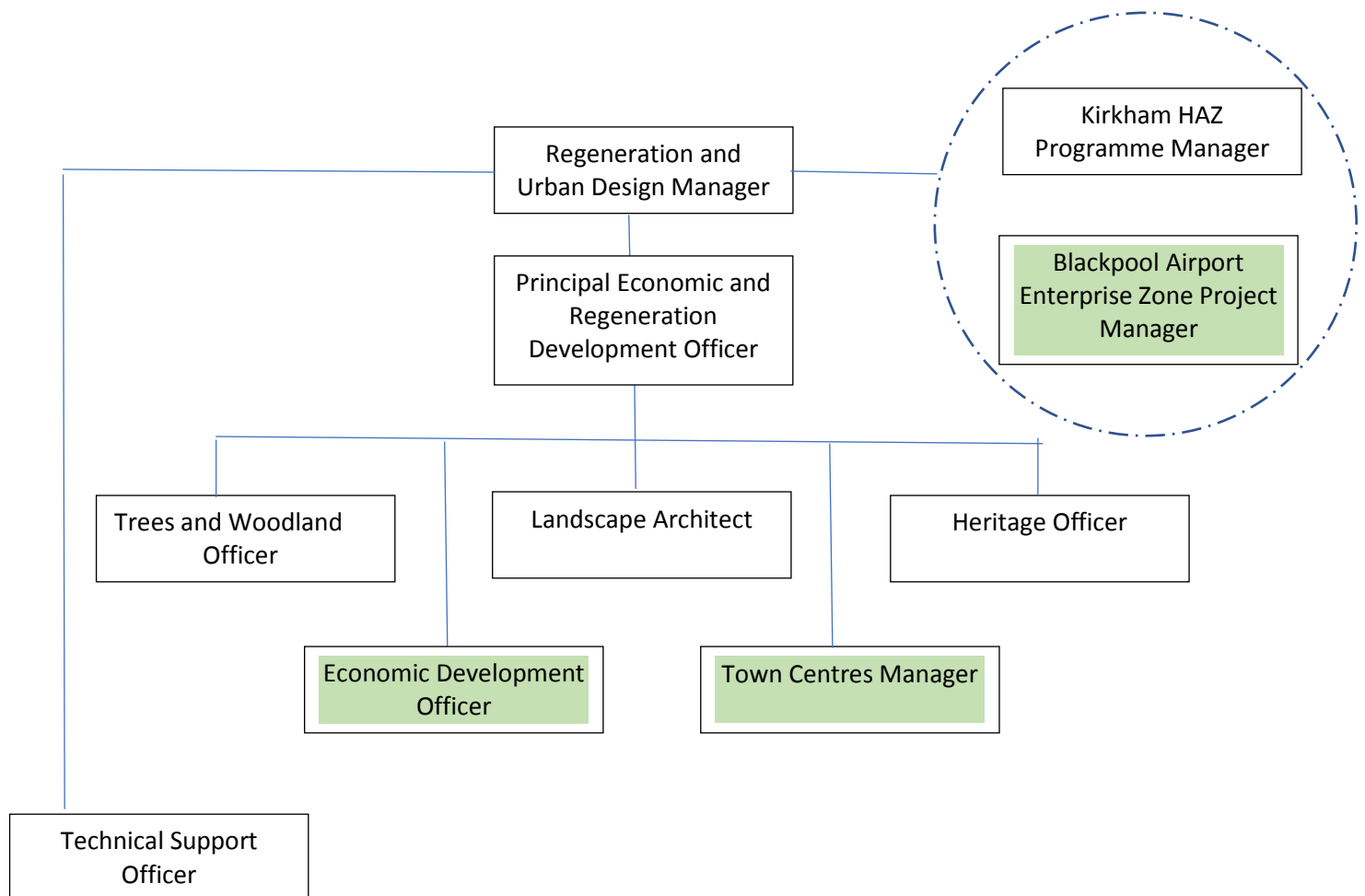
BACKGROUND PAPERS		
Name of document	Date	Where available for inspection
None		

Attached documents

Appendix 1 - Proposed Regeneration Team Structure

Appendix 1

Proposed Regeneration Team Structure (new/revised posts indicated in green)



DECISION ITEM

REPORT OF	MEETING	DATE	ITEM NO
DEVELOPMENT SERVICES DIRECTORATE	FINANCE AND DEMOCRACY COMMITTEE	23 NOVEMBER 2020	15
SAND EXTRACTION - ST ANNES FORESHORE			

PUBLIC ITEM

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

SUMMARY

The report details a request from the Operational Management Committee to approve a fully-funded addition to the revenue budget in respect of the St Anne's foreshore sand extraction development studies, in the sum of £232,000, (£70,000 in 2020/21 and £162,000 in 2021/22) to be met in full, from the Funding Volatility Reserve.

The report presents the background to sand extraction from the St Annes foreshore and informs members as to the latest regulatory position following enforcement by the Marine Management Organisation. The report also presents details of the work necessary to be undertaken including costs in order to apply for permissions to resume operations.

RECOMMENDATIONS

1. To approve a fully funded budget addition to the revenue budget in respect of 'St Anne's foreshore sand extraction development studies and regulatory applications' in the sum of £232,000, (£70,000 in 2020/21 and £162,000 in 2021/22) to be met in full, from the Funding Volatility Reserve.

SUMMARY OF PREVIOUS DECISIONS

Council 13 March 1989

The recommendations of the Planning & Development Committee, ref 5/88/1035, was adopted

Planning & Development Committee 22 Feb 1989

The Planning & Development Committee recommended to Council to grant planning permission for application ref 5/88/1035.

Reports to Committee/Council – 1975 to 1989

A number of temporary planning consents and licence concessions for sand extraction on St Annes foreshore granted by Fylde Borough Council.

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 Council owns the beach and foreshore at St Annes and until September 2019 was party to a contract with a commercial operator to extract sand. The contract with, Thomas Armstrong Limited (who had acquired William Rainford & Sons Ltd., the original licensee) permitted the excavation up to 150,000 cubic metres of sand from the beach each year subject to payment by the operator to the Council for each tonne removed.
2. The excavation, sometimes referred to as “sand winning”, falls under two main regulatory regimes. These are town and country planning and marine licensing.
3. Attached at appendix 1 is a diagram which shows the geographical extent of the two regulatory regimes. It shows the extent of the marine licensing controls up to mean high water springs (in purple). It also shows the Local Planning Authority controls down to mean low water (in green).

PLANNING PERMISSION

4. Planning permission for these operations, ref 5/88/1035, was issued in 1989. This permission followed a series of temporary planning consents that had existed since the late 1970s. Notwithstanding Lancashire County Council being the minerals planning authority, these planning permissions were issued by Fylde Borough Council.
5. Lancashire County Council as mineral planning authority has, under the Habitats Regulations 1994 and the Environment Act 1995, an obligation to review the conditions attached to such consents. An application for the initial review of planning permission 5/88/1035 was submitted by Fylde in 2004. However, this application was never finally determined as the Environmental Statement was considered by the county council to be inadequate to allow the full environmental impacts to be determined.
6. In April 2019 Lancashire County Council consulted on their draft Minerals and Waste Local Plan. In assessing the adequacy of supplies it noted that there were 5.9 million tonnes of sand and gravel reserves with planning permission across 7 quarries in Lancashire. It stated that the St Annes Foreshore site had permission up to 2049, which is 60 years after the granting of 5/88/1035 in 1989.
7. In July 2019 Lancashire County Council served notice under paragraph 12 of schedule 14 of the Environment Act 1995, that an application for a second review of the permission should be submitted to LCC by Fylde not later than 16 July 2020. If no application was made by that date, planning permission 5/88/1035 would cease to have effect. An application for postponement of the review date, in line with the legislation, was made by Fylde officers on the basis that the undertaking and consideration of the required studies would take much longer than 12 months and a revised date of October 2022 was proposed. Under Schedule 14 of The Environment Act 1995, the minerals authority has 3 months within which to respond to such a request. As LCC did not respond to this, then the application for extending the review of planning conditions is deemed to have been approved.

MARINE MANAGEMENT

8. In 2009, the Marine and Coastal Access Act introduced marine licensing and established the Marine Management Organisation¹ (“MMO”) to regulate and oversee this. Dredging carried out below mean high

¹ [The Marine Management Organisation](#) is an executive non-departmental public body, sponsored by the Department for Environment, Food & Rural Affairs that licenses, regulates and plans marine activities in the seas around England.

water springs, such as the sand extraction operations carried on at St Annes beach, became a licensable marine activity under section 66 of the act. Carrying on a licensable marine activity, or causing or permitting any person to carry out such an activity, without a licence, became an offence. The council does not hold a licence.

9. While the council had since a broad awareness of the new marine licensing arrangements, it was not appreciated at the time that the sand extraction was a licensable activity. As a result, no licence had been applied for.
10. In August 2019 the council received a visit from an officer of the MMO enquiring about the sand extraction. The conclusion of the MMO officer was that as the activity took place on or below Mean High Water Springs, it was a licensable marine activity, which required a marine licence. As sand extraction had pre-dated the introduction of marine licensing by many years, officers engaged with the MMO to ascertain whether any grandfather/acquired rights existed which might override the need for a licence. Counsel's opinion was also sought to clarify the position.
11. In September 2019 the MMO confirmed that they knew of no grandfather/acquired rights which could apply and confirmed that they had begun a formal investigation into the issue of lack of licence.
12. Following legal advice, a decision was taken on 18 September to suspend sand extraction and the operator was instructed to cease, although over the next few days allowed to remove the existing stockpiles of sand which were already piled in the storage area.

COUNSEL'S OPINION

13. Because of the importance of sand extraction to the council's finances, the council sought advice from Sarah Clover of counsel on the need for a marine licence. Ms Clover was also asked to advise on the anomalous situation whereby the planning permission for sand extraction had been granted by an authority other than the minerals planning authority, and any consequences for the renewal of the planning permission.

On marine licensing, Ms Clover concluded that although *"there is significant mitigation in the fact that these mining operations began so long ago, and, ostensibly under an authorisation which pre-dated the implementation of the marine licensing regime [and there was] is no deliberate flouting of regulations, and this is a complicated situation where a number of regulatory regimes coincide, covering the remit of a number of different regulatory authorities"*, a marine licence was required, and that the council may have committed the offence of causing or permitting the operator to carry out a licensable marine activity without a marine licence.

14. On the planning permission, Ms Clover advised that the planning permission was null and void, having been issued by a body (Fylde Borough Council) which had no power to issue it. Consequently, any review of the permission would also be null and void, because there was nothing to review.
15. On the basis of Counsel's advice, the council would need to have in place a marine licence issued by the MMO and a fresh planning permission, issued by Lancashire County Council, to allow sand extraction to resume.

OUTCOME OF MARINE MANAGEMENT ORGANISATION INVESTIGATIONS

16. In June 2020 the MMO contacted Fylde Council to advise that their investigations had been concluded. In this instance the MMO decided not to prosecute the council for the offences and instead, issued an Official Written Warning for the offence. The MMO noted that Fylde Borough Council cooperated with their investigation throughout and voluntarily ceased the sand extraction activity upon being informed of the investigation. However, the MMO also noted the Council's culpability was high in relation to the offending, having had dealings with the MMO previously and having applied for, and been granted, marine licences for other local works.

FINANCIAL IMPLICATIONS

17. The council has received payment from the operator on the basis on the amount of sand extracted. In 2018/19, the last full year before extraction was ceased the council received £459,959. In 2019/20, £224,150 was received with the cessation of extraction in September 2019, with a few weeks of sand from the stockpile of excavated sand adjacent to the site compound. The council's medium-term financial strategy has been updated to reflect the loss of this income.

RESUMING SAND EXTRACTION

18. If the council wishes to resume sand extraction it will need to obtain planning permission for the operation from Lancashire County Council as the minerals and waste planning authority and a Marine Management Organisation licence from the MMO. Both applications will need to be supported by an Environmental Statement based on a Scoping Opinion agreed with both regulators. Most of the information in support will be common as Natural England and the Environment Agency are key consultees for both LCC and MMO on such applications.
19. The environmental information required to assess these applications is significant given the different environmental designations which exist on and adjacent to St Annes foreshore. The beach and dunes sit within important areas of ecological importance and consequently, and both applications will be required to demonstrate to the satisfaction of both Natural England and the Environment Agency, that future operations will be conducted to mitigate the impact on these areas, if and where required.
20. Officers have researched specialist minerals' planning and environmental consultants that could assist in this and appointed Heaton Planning (Heatons) in conjunction with Golder Associates to undertake an initial assessment of the issues and likelihood of extraction resuming. A project team involving council officers and the consultancy team has been formed to look at the feasibility of achieving a positive determination.
21. The attached briefing note at appendix 2 summarises the position reached to date and concludes that *given that the site has operated successfully for several decades without any obvious ecological or other impact, together with the regional importance of the site for providing a long term secure supply of sand in the north-west, Heatons and Golder are of the current view that the grant of planning permission and the securing of a marine extraction licence is more likely to succeed than not.*
22. Heatons have provided an estimate of the cost of proceeding with the environmental surveys, completion of environmental statement and planning and MMO applications which is shown in detail in appendix 3 and a summary in table 1 below. The estimate including contingencies is £232,000. This work would be undertaken from now leading to applications submitted to LCC and MMO in August 2021 with a likely determination around Spring 2022.

Overall summary of cost estimate	£
Planning application/environmental statement (estimate)	123,783
Statutory/regulatory fees (estimate)	87,000
Contingencies @ 10%	21,078
Overall total inc statutory fees & assessment work (estimate)	231,861

Table 1 – Overall summary of cost estimate for studies/surveys, preparation of environmental statement, submission of planning application/MMO licence application.

23. If indications are that the likely outcome is positive it is proposed that a procurement exercise is undertaken to select a suitable operator to extract sand from 2022 onwards.
24. It is recommended the Committee approve a fully funded budget addition to the revenue budget in respect of 'St Anne's foreshore sand extraction development studies and regulatory applications' in the sum of £232,000, (£70,000 in 2020/21 and £162,000 in 2021/22) to be met in full, from the Funding Volatility Reserve to allow for the undertaking of the necessary studies, preparation of an environmental statement and submission of planning and MMO applications in order to seek authority to extract sand from St Annes foreshore.

PROCUREMENT

25. The value of the contract to undertake the surveys/studies, prepare the applications and oversee their progress (excluding regulatory fees) is circa £124,000 which is deemed to be a large contract in the council's contract procurement rules. If the council was to seek competitive quotations from other consultants, it is doubtful that given the specialist nature of the work that there will be suitable competition to make the

inevitable time delay worthwhile. Furthermore, if a new consultant was selected there would be potential delays and complications in the transfer of information and knowledge from the current consultancy team.

26. The Contract Procedure Rules apply to the engagement of consultants, with the proviso that in circumstances requiring flexibility or where there are specialised needs, the relevant director may agree alternative arrangements with the Chief Executive. In this case it has been agreed by the Chief Executive that the best interests of the council would be served by awarding the contract to Heaton's with the support of Golder Associates, providing members support the request for a funded revenue budget increase to cover the cost of the commission.

IMPLICATIONS	
Finance	The report recommends approval of an addition to the revenue budget in respect of 'St Anne's foreshore sand extraction development studies and regulatory applications' for 2020/21 and 2021/22 in the sum of £232,000, to be met in full, from the Funding Volatility Reserve (£70,000 in 2020/21 and £162,000 in 2021/22).
Legal	The council cannot recommence sand extraction until it has the required marine licence and planning permission.
Community Safety	There are no implications
Human Rights and Equalities	There are no implications
Sustainability and Environmental Impact	The preparation of the Environmental Statement will ensure that the environmental impacts of sand extraction are identified and assessed as part of the regulatory process to seek permission to recommence operations.
Health & Safety and Risk Management	There are no implications

LEAD AUTHOR	CONTACT DETAILS	DATE
Paul Walker	Paul.walker@fylde.gov.uk Tel 01253 658431	12 November 2020

BACKGROUND PAPERS		
Name of document	Date	Where available for inspection
Document name		Council office or web address

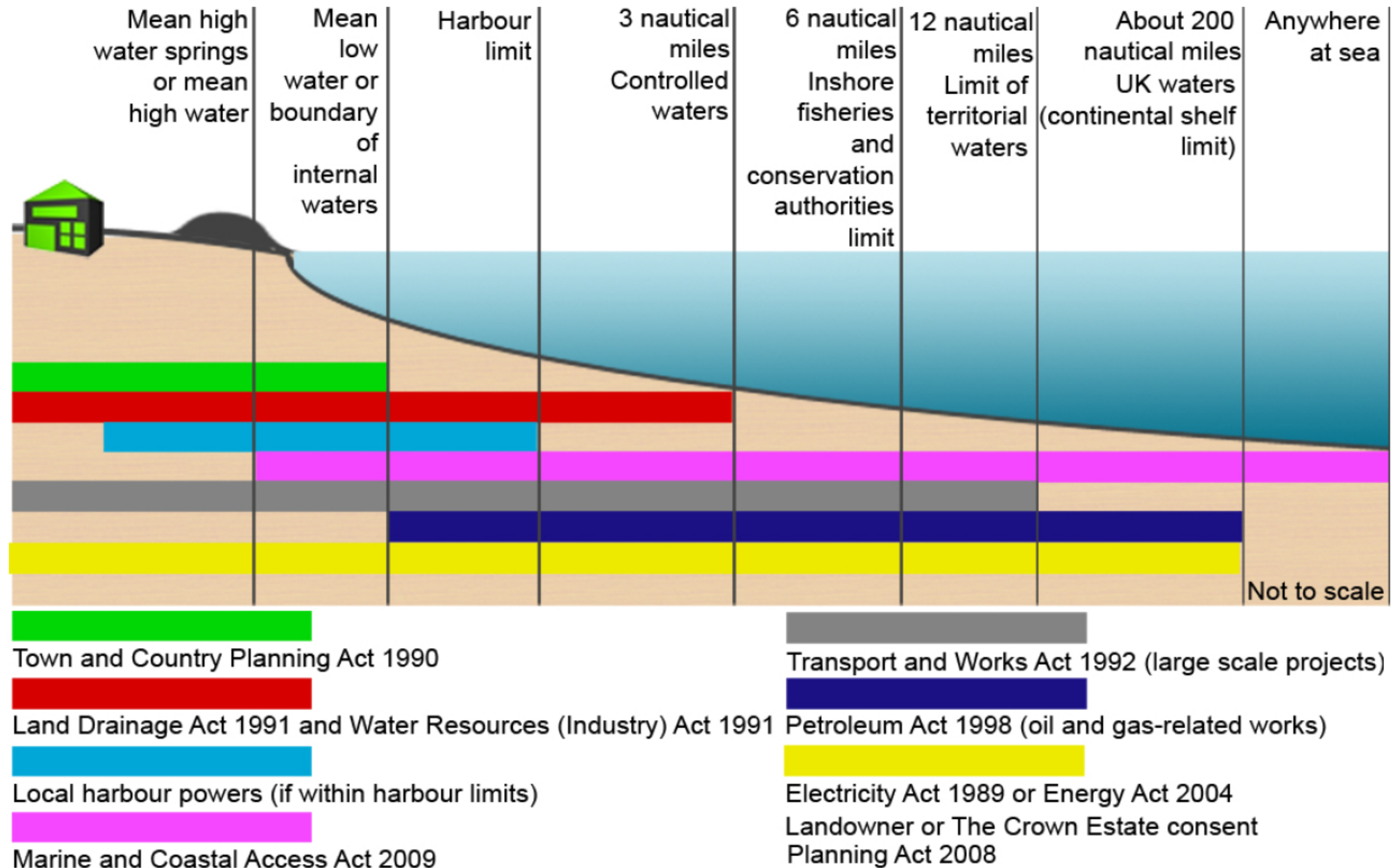
Attached documents:

Appendix 1 - Geographical extent of principal marine works controls: England & Wales

Appendix 2 - Briefing note re sand extraction studies

Appendix 3 - Cost breakdown of fees/disbursements

Geographical extent of principal marine works controls: England and Wales



BRIEFING UPDATE NOTE

SANDWINNING AT ST ANNES FORESHORE

Introduction

Heatons are a minerals focused planning consultancy acting for both independent and blue-chip minerals operators in the UK with offices in Nottinghamshire, Shropshire and Lancashire. Heatons are supported on this project by Golder Associates who are an environmental consultancy.

Background

The St Annes Foreshore sandwinning site has been in operation since the 1970s and is an important supplier of sand into the region.

In order to restart the sandwinning operation on the foreshore, it will be necessary to obtain planning permission from Lancashire CC (LCC) and a Marine Extraction Licence from the Marine Management Organisation (MMO).

Progress during 2020

Following an initial meeting between Fylde BC (FBC) officers and LCC in January this year to explain the background to the scheme and seek feedback from LCC officers, an Environmental Impact Assessment (EIA) Scoping report has been drafted which sets out the proposed scope of works for the above submissions. This is due to be submitted to LCC and the MMO this month (October). Upon receipt of the report, LCC and the MMO will consult with various organisations to determine whether the proposed scope is acceptable or whether there are areas that require additional assessment. LCC and MMO will then produce Scoping Opinions to confirm their position and the precise scope of EIA that will be required to be undertaken and presented to them in the form of an Environmental Statement.

The planning and MMO licence applications will need to be supported with Environmental Impact Assessments. A schedule of proposed costs has been provided for undertaking this work.

A meeting was held with the Team Leader of LCC Minerals in September 2020 to update LCC on progress with EIA Scoping, outline the next steps and to discuss any queries they had. Feedback was generally positive from LCC whilst recognising that there will be planning policies that have to be addressed and the need for a particular focus on any potential ecological effects on the European Designated sites. LCC also confirmed that the site made an important contribution to sand provision (and housebuilding) within the north-west.

Given that the extraction site lies within an area of European ecological designations, it will be necessary to demonstrate that no significant effects would result from the operations on the European sites.

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Heatons is the trading name for Heaton Planning Ltd.

Registered office – 12 Bridgford Road, West Bridgford, Nottingham, NG2 6AB. Registered No. 4786259

Natural England (NE) will be the lead consultee for LCC and MMO in terms of assessing effects on biodiversity. Baseline ecological surveys of the site have been undertaken by Golder this summer to ensure that the information was recorded during the appropriate seasonal window.

A follow up meeting with NE was attended in September 2020 by consultants and FBC officers, to update NE on progress and to seek feedback on the site survey undertaken in the summer and to confirm their thoughts on the sufficiency of bird survey datasets proposed to be used in the assessment.

Whilst the consultants are confident that no significant gaps are present in the ecological data they have or could acquire, following feedback from the MMO and NE at recent meetings, it is considered that undertaking a survey of wintering birds over the next few months (Oct 2020 to Mar 2021) would ensure that the data being used to inform the assessments is as robust as possible, minimising the risk of NE or other organisations raising questions at a later stage.

A meeting with the MMO and LCC was also convened in September 2020 to establish responsibilities going forward. A concordat exists whereby the MMO may defer certain decisions to LCC but, in this case, applications will need to be submitted to both LCC and the MMO although there are likely to be several consultees in common and there will be regular liaison between the MMO and LCC.

Next Steps

The preparation of the planning application, licence application and Environmental Statement will take around 6 months. Following submission, it would be usual for the determination of the applications to then take a further 4-6 months minimum.

A schedule of costs has been provided to outline the costs of undertaking the various assessments and preparing the application documents. The schedule of costs and scope may require amending following receipt of EIA Scoping Opinions from LCC and MMO. However, from experience, Heatons and Golder consider that the proposed scope of work is reasonable.

In order to aim for a determination of the planning application and MMO licence by first quarter of 2022, it would be necessary to commence preparation work during January 2021 at the latest. Over-wintering bird survey data could be collected during the intervening period of October 2020 to March 2021, allowing the applications to be finalised for submission during summer 2021.

Outcome

In terms of outcome, meetings with LCC, MMO and NE to date have been positive. However, it should be recognised that this is not a straightforward proposal, in particular given the fact that the operations would take place within areas of European ecological designation. However, given that the site has operated successfully for several decades without any obvious ecological or other impact, together with the regional importance of the site for providing a long term secure supply of sand in the north-west, Heatons and Golder are of the current view that the grant of planning permission and the securing of a marine extraction licence is more likely to succeed than not. As preparation of the EIA progresses, regular updates will be provided to advise FBC Officers and Members further.

Dated: 7 October 2020

APPENDIX 3 – COST BREAKDOWN OF FEES/DISBURSEMENTS

PLANNING APPLICATION / ENVIRONMENTAL STATEMENT	£
Planning Application (Heatons)	
Planning Application, Forms and Site Visits	7,700
Environmental Statement (Heatons / Golder)	
Heatons	
Project Management, EIA Review, Core ES Chapters, Landscape & Visual Impact, Drawings, Non-Technical Summary and Coordination	34,750
Golder Associates	
Air Quality, Coastal Geomorphology, Water Environment, Flood Risk Assessment, Ecology & Biodiversity, Wintering Bird Surveys (inc costs), Habitats Regulations Assessment, Water Framework Directive Assessment and Technical Review (Golder ES Chapters)	57,583
Other Consultants	
Noise, Transport	6,750
Transport	
TOTAL FEE (EIA / PLANNING APP)	106,783
Disbursements (Estimate)	
OS Mapping, 3rd Party Data	8,000
Allow for Meetings & Liaison (Estimate)	
Heatons (allow 3 hrs/month)	5,130
Golder (allow 2 hrs/month)	3,870
TOTAL	9,000
SUB TOTAL ENVIRONMENTAL STATEMENT + PLANNING APPLICATION (Estimate)	123,783

STATUTORY/REGULATORY FEES	£
Lancashire CC (Statutory)	
Planning Application Fee	78,000
Marine Management Organisation (Estimate)	
Licence Application (£122/hr)	9,000
SUB TOTAL STATUTORY/REGULATORY FEES (Estimate)	87,000

INFORMATION ITEM

REPORT OF	MEETING	DATE	ITEM NO
MANAGEMENT TEAM	FINANCE AND DEMOCRACY COMMITTEE	23 NOVEMBER 2020	16
GENERAL FUND REVENUE BUDGET MONITORING REPORT 2020/21 - POSITION AS AT 30th SEPTEMBER 2020			

PUBLIC ITEM

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

SUMMARY OF INFORMATION

The purpose of this report is to provide an update on the General Fund Revenue Budget of the Council as at 30th September 2020 and specifically for those areas under the remit of the Committee.

SOURCE OF INFORMATION

Chief Financial Officer – the report is based upon information extracted from the financial ledger system of the Council for the period to 30th September 2020.

LINK TO INFORMATION

General Fund Revenue Budget monitoring Report to 30th September 2020:

<http://www.fylde.gov.uk/council/finance/budget-monitoring/>

WHY IS THIS INFORMATION BEING GIVEN TO THE COMMITTEE?

This information is provided to enable the committee to consider and scrutinise periodic revenue budget monitoring reports for those areas under the remit of the Committee.

FURTHER INFORMATION

Contact: Paul O'Donoghue, Chief Financial Officer.

Tel 01253 658566 e-mail: paul.o'donoghue@fylde.gov.uk

GENERAL FUND REVENUE BUDGET MONITORING REPORT 2020/21

POSITION AS AT 30TH SEPTEMBER 2020

Summary

The purpose of this report is to provide an update on the General Fund Revenue Budget of the Council as at 30th September 2020. The report includes a narrative description of the most significant variances from the profiled latest budget and details any actions required to address these. Appendix A to this report shows the value of the most significant variances for all of the Council services by Committee and provides a brief explanation for each variance.

1. Background

- 1.1 The Council operates a system of Revenue Budget Monitoring which revolves around the production of detailed monthly monitoring reports for budget holders. Significant variances from the expected budget position at the point of monitoring, both for expenditure and income, are summarised in monitoring reports which are periodically reported to each Programme Committee for information purposes. This report therefore details the findings and issues emerging from budget monitoring carried out to 30th September 2020.
- 1.2 It should be noted that work continues on improving budget profiling across the Council in order that budget profiles more accurately reflect the spending pattern of individual budgets across the financial year. This serves to enhance budget monitoring and focus attention on true variances rather than budget profiling issues. This is a continuous process with budget holders so that the improved profiling continues to refine the budget monitoring system.
- 1.3 Council approved the 2020/21 budget at its meeting on 4th March 2020. Subsequently on 28th July 2020 the Finance and Democracy Committee approved the financial outturn position for 2019/20. The impact of those approvals, including savings and growth items approved at the Council budget meeting, along with slippage from 2019/20 as approved by the Finance and Democracy Committee, are now reflected in the financial ledger. Therefore, this report monitors expenditure and income against the updated approved budgets for 2020/21.

2. Budget Rightsizing Exercise

- 2.1 For a number of years the Council has carried out an annual budget rightsizing exercise to analyse underspends which have occurred over the last 3 financial years and to adjust current and future year budgets to better reflect the level of resource requirement in the context of current financial constraints. This process has been repeated during the second quarter of 2020/21 and the resulting changes to budgets will be reflected in later updates to the Councils Financial Forecast.

3. Covid-19 Impact

- 3.1 In the weeks following the setting of the budget for 2020/21, and the revised budget for 2019/20, the impact of the covid outbreak became increasingly apparent. The national 'lock-down' that was implemented in late March was unprecedented and had a substantial impact on both the national and the local economy. However, due to the timing of the commencement of the lock-down (24th March 2020) the effects of that situation for the 2019/20 financial year were limited.
- 3.2 The 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 much more noticeable, although a range of national funding measures have also been introduced that assist in off-setting some of those negative financial effects.
- 3.3 Under the funding package for councils in respect of reduced sales, fees and charges income announced in July, the government will reimburse a proportion of lost income. Where losses are more than 5% of the

budgeted income from sales, fees and charges, the government will cover them for 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. An initial assessment of the losses for the first four months of 2020/21 has recently been submitted with an anticipated receipt of grant in the sum of £0.426m. Further assessment of losses will be submitted later in 2020/21 and the position will be monitored carefully and reflected in future updates to the Financial Forecast.

- 3.4 The financial impact of the restriction measures for the current year, in terms of reduced levels of income and the cost of providing financial assistance to specific local businesses, continues to be carefully monitored. The pandemic has led to significant volatility in both income and expenditure levels across a number of service areas, and number of budget variations resulting from the impact of the covid restriction measures are included within this revenue budget monitoring report, with details of the most significant variations being included within Appendix A.
- 3.5 In addition to the reimbursement for lost income, the government has announced funding allocations of both a general and specific nature to help local authorities manage the spending pressures caused by the covid restrictions. The specific and general grants notified to date are:

Covid Grant Allocation	£000
Specific funding for the employment costs of covid marshals	36
Specific funding to support vulnerable people (food and essential supplies)	74
Specific funding for the prevention of outbreaks of infectious diseases	109
Specific funding for Council Tax Hardship Relief – awards of £150 per claimant - plus other discretionary relief awards	586
General / non-specific funding for Covid related pressures	963
Total	1,768

These will also be reflected in future updates to the Financial Forecast.

- 3.6 All Local Authorities are required to complete monthly government returns estimating the overall financial impact of the covid situation on their finances. Alongside all of the adverse financial impacts noted within the analysis at Appendix A, the single most significant anticipated consequence that is included within the Fylde Council return is the reduction in the collection of Council Tax and Business Rates for the year. Collection rates for 2020/21 are lower for the year to date than at this point in previous years and are being carefully monitored. It is possible that collection rates may improve through the remainder of the year. Similarly it is not clear at this stage how much of the council tax and business rate debt will prove to be uncollectable and will ultimately be written off at a cost to the council and the other major preceptors.

4. Conclusions

This year has seen particular volatility in expenditure and income levels as the impact of the covid restriction measures on the financial position of the Council for 2020/21, and possibly beyond, together with the potential for future general reductions in central government funding from 2021/22 onwards, requires that the Council continue the approach to continually seek opportunities to achieve savings and efficiencies to enable a balanced budget position and financial stability.

Regular budget monitoring reports are an integral part of the Council's financial monitoring framework and these reports will be available on the Councils website.

External pressures outside the Council's control are impacting on all local authorities. Instructions remain in place that officers should not commit to any unnecessary expenditure and should seek to maximise efficiencies wherever possible.

Finance staff work continuously with budget holders across the Council and are heavily reliant upon budget-holders to be able to understand and quantify the potential impact of in-year hotspot variances within their areas of responsibility.

We are at the mid-point of the 2020/21 financial year and much uncertainty exists with respect to the remainder of the year. Therefore, it is not possible to draw any firm conclusions on the in-year financial position. The financial risks facing the Council, as set out in the MTFS to Council in March 2020 remain alongside the significant addition risks presented by the pandemic. Instructions issued by Management Team that budget holders remain prudent are still in place, and the overall financial position of the council will be captured in the next update of the financial forecast in the Medium Term Financial Strategy which will be presented to members in the forthcoming committee cycle.

REVENUE MONITORING 2020/21 - Period 6 to September 30th 2020 (Variances in excess of £5K)

Appendix A

Key

BLUE	Variance currently showing but expected to be on target at year end
GREEN	Favourable variance against latest budget
AMBER	Adverse variance against latest budget
RED	Projected adverse outturn variance

Service Area	Detailed Description	Full Year Budget	Budget as at Period 6	Actual as at Period 6	Commitments at Period 6	Actual & Commitments as at Period 6	Variance as at Period 6	FAV / ADV	Alert	Budget Holder Comments
		£	£	£	£	£	£			
FINANCE & DEMOCRACY COMMITTEE / CORPORATE CROSS CUTTING BUDGETS										
All Council services	Employee costs including basic pay, pension, NI, and overtime, plus agency costs	9,024,704	4,669,520	4,588,679	24,059	4,612,738	-56,782	FAVOURABLE	GREEN	The budget forecast which was approved by Council in March 2020 assumes Employee Cost Savings (including vacancy savings arising from delays in the recruitment to vacant posts) of £300,000 per annum from 2020/21 onwards. The actual level of savings achieved in relation to direct employee costs for the current year to date shows a level of savings in excess of this. This budget will be kept under review during the remainder of the financial year and may be adjusted as part of the budget right-sizing exercise.
Human Resources	Training Expenses - qualifications	15,000	7,500	0	0	0	-7,500	FAVOURABLE	GREEN	The delivery of this training has been delayed due to covid restrictions. Some slippage of the budget into 2021/22 may be required if delivery of the training is delayed beyond year end as the training is still necessary.
Legal Services Team	Legal Fees and Court Costs	10,000	5,002	13,695	130	13,825	8,823	ADVERSE	RED	Legal costs relating to a business rates case were awarded against the council leading to his adverse variance. This will be addressed as part of the budget right-sizing exercise.
Mayoralty	Mayoral Chauffeur/Assistant	19,485	9,747	102	0	102	-9,645	FAVOURABLE	GREEN	There have been no Mayoral engagements during the year due to covid restrictions and consequently little expenditure has been incurred to date. The budgets will be adjusted as necessary as part of the budget right-sizing exercise.
Council Tax Collection Costs	Council Tax Costs Recovered	-200,000	-100,040	5,594	0	5,594	105,634	ADVERSE	RED	Magistrates Courts have not been sitting due to the covid situation. It is possible that no income in relation to the recovery of court costs will be received for 2020/21. It is expected that the loss of income will be partly offset by specific government covid grant for this purpose and the budgets will be adjusted as necessary as part of the budget right-sizing exercise.
TOURISM AND LEISURE COMMITTEE										
Fairhaven Lake and Gardens	Games Site Fees	-70,000	-35,014	0	0	0	35,014	ADVERSE	RED	The games sites and boat hire at Fairhaven Lake have not been operating due to the covid restrictions and therefore no income has been generated. It is expected that the loss of income will be partly offset by specific government covid grant for this purpose and the budgets will be adjusted as necessary as part of the budget right-sizing exercise.
Management of the Arts	Festival Support/Club Days	10,800	5,400	0	0	0	-5,400	FAVOURABLE	GREEN	The planned festivals, club days and other tourism related events have been cancelled due to covid restrictions and therefore no expenditure has been incurred, nor income generated, in respect of these events. There is a net favourable variance of £23k across all such events. The budgets will be adjusted as necessary as part of the budget right-sizing exercise.
Fylde Tourism	1940`s Lytham Wartime Festival	35,000	17,504	1,250	0	1,250	-16,254	FAVOURABLE		
Fylde Tourism	Kite Festival	30,000	30,000	0	0	0	-30,000	FAVOURABLE		
Fylde Tourism	Income - 1940`s Lytham Wartime Festival	-18,000	-9,004	0	0	0	9,004	ADVERSE	RED	
Fylde Tourism	Income - Kite Festival	-20,000	-20,000	0	0	0	20,000	ADVERSE		
Miscellaneous Properties	Café Rents	-22,000	-11,006	0	0	0	11,006	ADVERSE	RED	Rent reductions in respect of a range of Council-owned sites and concessions, resulting from the lack of trading activity due to the covid restrictions, have been approved by the Tourism and Leisure Committee at the meeting of September 2020. Additionally income from the Council share of ticket receipts in respect of the Lytham Festival have also been lost for 2020/21. It is anticipated that rental income shortfalls may increase further during the remainder of the financial year. It is expected that the loss of income will be partly offset by specific government covid grant for this purpose and the budgets will be adjusted as necessary as part of the budget right-sizing exercise.
		Other Rent and Receipts	-202,420	-101,250	-4,283	0	-4,283	96,967		
Pleasure Island/Salters Wharf	Rent of Stands/Site	-69,263	-34,645	0	0	0	34,645	ADVERSE		
Carr Bridge Wood Caravan Site	Rent of Stands/Site	-28,250	-14,132	0	0	0	14,132	ADVERSE		
5 Moor Street, Kirkham	Rent of Rooms	-11,200	-5,602	0	0	0	5,602	ADVERSE		
St. Annes-Parks (Strategic)	Protective Clothing Purchase/Replacement	1,845	924	5,553	2,512	8,064	7,140	ADVERSE	RED	It has been necessary to purchase additional personal protective equipment (PPE) in order to adhere to covid regulations. The budgets will be adjusted as necessary as part of the budget right-sizing exercise.
Coast and Countryside	Consultants Fees	0	0	6,388	1,789	8,178	8,178	ADVERSE	RED	Consultant fees have been incurred in relation to the possible re-commencement of sand-winning activities. A report will be presented to a future meeting of the Operational Management Committee to provide full details in this regard.

REVENUE MONITORING 2020/21 - Period 6 to September 30th 2020 (Variances in excess of £5K)

Appendix A

Key

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Service Area	Detailed Description	Full Year Budget	Budget as at Period 6	Actual as at Period 6	Commitments at Period 6	Actual & Commitments as at Period 6	Variance as at Period 6	FAV / ADV	Alert	Budget Holder Comments
		£	£	£	£	£	£			
OPERATIONAL MANAGEMENT COMMITTEE										
Fylde Waste Schemes	Protective Clothing Purchase/Replacement	12,000	6,000	9,825	2,645	12,470	6,470	ADVERSE	RED	It has been necessary to purchase additional PPE in order to adhere to covid regulations. The budgets will be adjusted as necessary as part of the budget right-sizing exercise.
	Bulky Waste Collection	35,000	17,508	-459	0	-459	-17,967	FAVOURABLE	GREEN	These services have been suspended due to covid restrictions and the partnership arrangement with the external provider has terminated as a consequence. Therefore no income has been generated nor costs incurred to date. A revised form of these services is currently being considered and the budgets will be adjusted as necessary as part of the budget right-sizing exercise.
	Household Refuse Special Collection	-40,000	-20,006	142	0	142	20,148	ADVERSE	RED	
	Green Waste Subscription Charge	-545,000	-545,000	-572,610	0	-572,610	-27,610	FAVOURABLE	GREEN	There has been an increase in the level of subscriptions for the green waste collection service, believed to be as a result of additional home gardening activity during the period of covid restrictions. The budgets will be adjusted as necessary as part of the budget right-sizing exercise.
Trade Waste Service	LCC-Landfill Levy/Tipping Charges	158,000	79,032	32,440	0	32,440	-46,592	FAVOURABLE	GREEN	The suspension of trade waste collection services during the period of covid restrictions has resulted in a reduced requirement for waste disposal/tipping, but also reduced income receipts. It is expected that the loss of income will be partly offset by specific government covid grant for this purpose and the budgets will be adjusted as necessary as part of the budget right-sizing exercise.
	Bulk Bin Collection Charges	-161,000	-161,000	-134,414	0	-134,414	26,586	ADVERSE	RED	
	Bulk Bin Disposal Charges	-165,000	-165,000	-131,124	0	-131,124	33,876	ADVERSE	RED	
Recycling Project	Purchase of Hessian Sacks	18,500	9,252	0	0	0	-9,252	FAVOURABLE	GREEN	This project has been delayed due to covid restrictions and therefore there has been no income nor expenditure to date. The budgets will be adjusted as necessary as part of the budget right-sizing exercise.
	LCC - Recycling Grant	-20,600	-10,304	0	0	0	10,304	ADVERSE	RED	
Fleet & Plant	FMS Materials	165,670	82,941	48,041	4,675	52,716	-30,225	FAVOURABLE	GREEN	There are a number of favourable variances in respect of vehicle costs. Some are due to the fact that a number of vehicles have been acquired in the past 24 months, replacing older and more expensive to maintain vehicles. Additionally fuel costs for the first part of the year have been lower than anticipated as a result of reduced the demand for, and the cost of fuel, due to covid restrictions. Hired transport has not been used as much as in previous years as a result of Fylde Council being exempted from testing HGV vehicles following recognition of the Council as a good operator for this financial year. These budgets will be kept under review during the remainder of the financial year and adjusted as necessary as part of the budget right-sizing exercise.
	Repairs by Commercial Garages	43,400	21,806	10,892	3,124	14,015	-7,791	FAVOURABLE		
	Fuel	330,595	165,403	121,948	917	122,866	-42,537	FAVOURABLE		
	Hire of Transport	63,357	31,688	13,736	5,569	19,305	-12,383	FAVOURABLE		
The Island Car Park	Car Parking Fees - St Annes Pool	15,000	7,500	0	18,800	18,800	11,300	ADVERSE	RED	As the swimming pool has been closed due to covid restrictions no fee refunds have been required. The budgets will be adjusted as necessary as part of the budget right-sizing exercise.
Car Parking Fees	Car Parking Fees	-679,278	-339,773	-302,527	0	-302,527	37,246	ADVERSE	RED	Car park income is reduced as a result of the covid restrictions on travel. Due to the good weather later in the year and as restrictions were eased, the earlier losses have been recouped to an extent. It is expected that the loss of income will be partly offset by specific government covid grant for this purpose and the budgets will be adjusted as necessary as part of the budget right-sizing exercise.
Land Charges	Land Charges - CON29 Fees	-52,000	-26,008	-15,073	0	-15,073	10,935	ADVERSE	RED	Land Charges fee income is reduced as a result of the covid restrictions which have delayed many planned property transactions. It is expected that the loss of income will be partly offset by specific government covid grant for this purpose and the budgets will be adjusted as necessary as part of the budget right-sizing exercise.
Other Miscellaneous Repairs	Other Miscellaneous Repairs	201,230	100,664	42,915	32,513	75,428	-25,236	FAVOURABLE	BLUE	Some planned maintenance works have been delayed due to covid restrictions. The service is now focussing on bringing the planned works schedule back on course.
Computer Services	Purchase of Computer Equipment / IT Infrastructure maintenance / other IT expenditure	345,170	172,652	67,896	44,884	112,781	-59,872	FAVOURABLE	GREEN	An underspend is currently recorded against the profiled budget, however with an essential infrastructure improvement project identified in response to the challenges of additional required capacity for remote working and to future proof our virtual desktop estate due to commence imminently alongside our commitment to business continuity, data centre upgrade and networking provision at the delayed Snowdon Road Parks Building work then we expect variances to normalise in the next period.

REVENUE MONITORING 2020/21 - Period 6 to September 30th 2020 (Variances in excess of £5K)

Appendix A

Key

BLUE	Variance currently showing but expected to be on target at year end
GREEN	Favourable variance against latest budget
AMBER	Adverse variance against latest budget
RED	Projected adverse outturn variance

Service Area	Detailed Description	Full Year Budget	Budget as at Period 6	Actual as at Period 6	Commitments at Period 6	Actual & Commitments as at Period 6	Variance as at Period 6	FAV / ADV	Alert	Budget Holder Comments
		£	£	£	£	£	£			
ENVIRONMENT, HEALTH & HOUSING COMMITTEE										
Homelessness	Void Loss/Recharge Costs	14,290	7,150	-6,000	0	-6,000	-13,150	FAVOURABLE	GREEN	This budget relates to void loss from the temporary units managed by Progress Housing Association. Due to current levels of demand for temporary accommodation, voids have been kept to a minimum and as soon as properties are returned by Progress Housing and ready to let they have been re-occupied, resulting in this favourable variance. The budgets will be adjusted as necessary as part of the budget right-sizing exercise.
Cemetery and Crematorium	Miscellaneous Materials	1,375	690	7,668	121	7,789	7,099	ADVERSE	RED	It has been necessary to purchase additional personal protective equipment (PPE) in order to adhere to covid regulations. The budgets will be adjusted as necessary as part of the budget right-sizing exercise.
	Interments	-200,000	-100,038	-72,455	0	-72,455	27,583	ADVERSE	RED	There has been a reduced demand for services from residents outside of the borough, thought to be due to the restrictions on the number of mourners at ceremonies. Additionally the demand for memorials has been reduced, again partly as a result on the covid restrictions which have reduced the availability of memorials, at least temporarily. It is expected that the loss of income will be partly offset by specific government covid grant for this purpose and the budgets will be adjusted as necessary as part of the budget right-sizing exercise.
	Cremations	-1,140,000	-570,222	-525,224	0	-525,224	44,998	ADVERSE		
	Memorial Income	-40,000	-20,008	-11,509	0	-11,509	8,499	ADVERSE		
Community Grants	Community Projects Fund	20,000	10,004	3,644	0	3,644	-6,360	FAVOURABLE	GREEN	There has been a reduced level of applications to the fund due to other priorities from would-be applicants due to the covid situation. The availability of the fund continues to be promoted and applications may increase in the latter part of the year.
Taxi Licensing	Private Hire Vehicle Licences	-35,296	-17,654	-11,429	0	-11,429	6,226	ADVERSE	RED	Due to covid restrictions many vehicle proprietors took the decision not to renew licences and some vehicles were taken off the road, reducing the amount of income received for the year. Re-licensing of those vehicles is now slowly taking place. It is expected that the loss of income will be partly offset by specific government covid grant for this purpose and the budgets will be adjusted as necessary as part of the budget right-sizing exercise.

REVENUE MONITORING 2020/21 - Period 6 to September 30th 2020 (Variances in excess of £5K)

Appendix A

Key

BLUE	Variance currently showing but expected to be on target at year end
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Service Area	Detailed Description	Full Year Budget	Budget as at Period 6	Actual as at Period 6	Commitments at Period 6	Actual & Commitments as at Period 6	Variance as at Period 6	FAV / ADV	Alert	Budget Holder Comments
		£	£	£	£	£	£			
PLANNING COMMITTEE										
Development Management	Consultants Fees	25,000	12,504	-3,000	2,250	-750	-13,254	FAVOURABLE	BLUE	The number of major planning applications received during the year to date is lower than normally expected, presumably as a result of developers not taking projects forward due to the economic uncertainties caused by the covid pandemic. Enquiries about major development sites are now beginning to increase and the budget will continue to be closely monitored. It is expected that the loss of income will be partly offset by specific government covid grant for this purpose.
	Planning Application Fees	-675,000	-337,638	-193,088	0	-193,088	144,550	ADVERSE	RED	The number of major planning applications received during the year to date is lower than normally expected, presumably as a result of developers not taking projects forward due to the economic uncertainties caused by the covid pandemic. Initial indications of economic recovery suggest that the development industry appears to be returning strongly and that some of the reduction in income may be recovered in the second half of the year. The budget will continue to be closely monitored. It is expected that the loss of income will be partly offset by specific government covid grant for this purpose.
	Pre-Planning Advice Fees	0	0	-6,208	0	-6,208	-6,208	FAVOURABLE	GREEN	Charges for pre-application advice have only recently expanded and so it has not been possible to establish the level of fee income that should be expected. Budgets will be amended to reflect expected income as part of the budget right-sizing exercise.
Planning Appeals	Planning Appeal Hearing Costs	75,390	37,695	0	0	0	-37,695	FAVOURABLE	GREEN	The covid pandemic has resulted in all planning appeals being placed on hold. Consequently no expenditure has been incurred in relation to appeals to date. The budget will continue to be monitored over the remainder of the year, but the reduction in major applications during the first part of the year may present an opportunity to deliver a favourable variance at year end.
Planning Enforcement	Enforcement Costs	30,000	15,004	0	0	0	-15,004	FAVOURABLE	GREEN	Court action regarding a specific case has been suspended due to the covid pandemic. As the courts reopen for business this funding will be required in due course, although expenditure may be delayed as the courts recover from their backlog of cases. The budget will continue to be monitored over the remainder of the year.
Planning Policy	Local Development Framework Costs	15,000	7,504	0	0	0	-7,504	FAVOURABLE	BLUE	The review of the local plan has been delayed due to not being able to carry out public consultation exercises during the period of covid restrictions. The local plan submission is to be considered by the Planning Committee in October 2020 with submission by the end of October 2020. The budget will be required during the second half of the year with potential slippage into 2021/22 depending on the progress of the local plan examination.
Building Control	Fee Income	-175,000	-87,534	-69,875	0	-69,875	17,659	ADVERSE	RED	Building Control fee income is reduced as a result of the covid restrictions which have delayed many planned building and development projects. It is expected that the loss of income will be partly offset by specific government covid grant for this purpose and the budgets will be adjusted as necessary as part of the budget right-sizing exercise.

INFORMATION ITEM

REPORT OF	MEETING	DATE	ITEM NO
MANAGEMENT TEAM	FINANCE AND DEMOCRACY COMMITTEE	23 NOVEMBER 2020	17
CAPITAL PROGRAMME MONITORING REPORT 2020/21 – POSITION AS AT 30 th SEPTEMBER 2020			

PUBLIC ITEM

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

SUMMARY OF INFORMATION

The purpose of this report is to provide an update on the approved Capital Programme of the Council as at 30th September 2020 and specifically for those schemes under the remit of the Committee.

SOURCE OF INFORMATION

Chief Financial Officer – the report is based upon information extracted from the financial ledger system of the Council for the period to 30th September 2020.

LINK TO INFORMATION

Capital Programme monitoring Report to 30th September 2020:

<http://www.fylde.gov.uk/council/finance/budget-monitoring/>

WHY IS THIS INFORMATION BEING GIVEN TO THE COMMITTEE?

This information is provided to enable the committee to consider and scrutinise the Capital Programme monitoring reports for those schemes under the remit of the Committee.

FURTHER INFORMATION

Contact: Paul O'Donoghue, Chief Financial Officer.

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CAPITAL PROGRAMME MONITORING REPORT 2020/21 –

POSITION AS AT 30TH SEPTEMBER 2020

Summary

The purpose of this report is to provide an in-year progress update in respect of those schemes within the Capital Programme that have been approved for delivery in 2020/21, together with an update on the overall Five-Year Capital Programme of the Council. This report includes a narrative description of some of the more significant schemes within the Capital Programme and details any risks and the actions required to address these. Appendix A to this report provides an update by Committee on schemes scheduled for commencement or delivery in 2020/21. Appendix B provides a summary of the latest position for the 5 year Capital Programme and Appendix C provides details of the financing of the programme.

1. Background

The Council approved the Capital Programme on 4th March 2020. That update showed a balanced capital programme position from 2020/21 onwards. This report includes year to date expenditure and sets out the latest phasing of the programme and any additions or changes since the capital programme was presented to Council in March 2020. The Programme has also been rolled forward to include the year 2024/25.

2. Notes on Specific Schemes

There are a number of schemes for which further information is provided below:

(i) Coast Protection Scheme

The Fairhaven and Church Scar Coast Protection Scheme budget is £22.1m, being funded by Flood Defence Grant-in-Aid (which is an Environment Agency eligible cost reimbursable grant) of up to £21.4m; alongside a contribution from Fylde Council of £670k.

Work started on site in December 2017 and was completed in July 2020, a completion some 5 months ahead of the original schedule, and with an underspend currently estimated at around £0.375m. There is a 12 months defects liability on the contract and the Council will have to keep a project manager on the project to administer any defects during this period. A final grant claim will be submitted to the Environment Agency and the retentions will be released in August 2021. Any unspent grant will be returned to the Environment Agency.

In addition to the core sea defence works the re-modelled car park entrance public realm enhancement at Stanner Bank has been added to the contract. Whilst the scheme is nearing completion on site, there remains the possibility of additional contract costs beyond those in the approved budget until such time that the scheme is finally completed.

(ii) Fairhaven Lake and Gardens Heritage Lottery Scheme

The Council meeting of 16th July 2018 approved the underwriting of external grant funding bids in respect of the Fairhaven Lake and Gardens Heritage Lottery Scheme in the maximum sum of £343k in the event that not all of the funding bids would be successful, this to be met from the Capital Investment Reserve. The underwriting by the Council allowed the Heritage Lottery Fund bid to progress, that bid subsequently being successful. In addition, the Council has approved funding for the scheme in the sum of £400k to be met from the Funding Volatility Reserve.

The outcome of the external bids is now known, and the value of successful funding bids is £130k. Consequently, the value of unsuccessful funding bids that the Council will be required to meet is £213k.

Additionally, delays in the procurement process has caused the commencement of the works to be delayed as the initial bids for the works that were received exceeded the available funding to a significant degree. Work is now expected to commence on site late in 2020 following a re-tendering exercise. These delays have caused an additional cost to the overall scheme in the sum of £38k which the Council is required to meet.

Contracts for the building and landscape works have now been let within budget and are scheduled to be completed by May 2021. The lake works project will be undertaken in financial year 2021/22.

Until the scheme is fully delivered there remains the possibility of additional contract costs beyond those in the approved budget.

iii) St Annes Regeneration Schemes

Following the completion of the upgrading scheme for St. Andrews Road South, Planning Committee agreed that the next phase for regeneration activity should be Wood Street – Phase 3. Unfortunately, difficulties arose in negotiating the design proposals for the easterly side due to one owner being reluctant to participate in the scheme, primarily because the property was up for sale. It is understood that the new owner would wish to participate should the opportunity arise in the future. The scheme commenced in February but was placed on hold due to the Covid 19 Pandemic. Work resumed in June and is now complete (apart from the placing of the 5 trees) with the car park reopening. The trees will be planted shortly. The scheme has been completed to budget, absorbing extra costs due to delays whilst the work was suspended.

The next section of works has been agreed along St. Andrews Road West between The Pier and The Square (known as the Square-Pier Link). A scheme designed to the available budget was presented and approved by Planning Committee, but the Regeneration Manager was asked to look at extending the scheme, potentially widening pavements to provide an enhanced pedestrian ambience and increased paving space capacity to absorb high levels of footfall that is encountered at peak times. As matters stand, the potential for achieving these enhancements to the scheme is being discussed with Lancashire County Council as any further amendments would have to be agreed, since there would be changes to the highway configuration. It is hoped that a revised scheme, in principle, can be produced over the next few weeks with a detailed plan prepared and costed for presentation to the appropriate committees of the Council. Work could commence in the early part of Spring 2021 subject to agreement as regards additional funding being made available for the scheme. This would mean that the scheme would be delivered across the financial years 2020/21 and 2021/22.

iv) Lytham Regeneration Schemes

In respect of the large capital scheme for Lytham town centre, a number of suggestions have been made by the Lytham Business Group and other parties, some of which require careful consideration along with agencies such as Lancashire County Council. Options are being considered involving local members and a draft plan is being drawn together. This will have a phased programme of works to be considered in due course by the Planning Committee. It is envisaged that the first phase will be commenced in 2021/22. Plans have been prepared and will be presented to the Town Centre Working Group at the earliest opportunity. This will enable detailed schemes to be prepared. The proposed lighting replacement scheme for West/East Beach is at an advanced stage of planning and has been supported by the Working Group. It is hoped that subject to approval by Planning Committee, the scheme could be completed by the end of 2020/21. The lighting scheme is estimated to cost around £75k although contributions are being sought from Lancashire County Council.

(v) Better Care Fund (Formerly Disabled Facilities Grants)

As the local housing authority, the Council has a statutory duty to provide disabled adaptations within the Borough. In order to fund these works the Council receives grant support which previously was provided by the Department for Communities and Local Government (DCLG). From 2015/16 the Government established the 'Better Care Fund', and under these new arrangements the funding for Disabled Facilities Grants transferred to the Department of Health, with funding being distributed to all Councils via the upper-tier authority for that area. As such, in Lancashire the fund is administered by Lancashire County Council. Each upper-tier authority then allocates the funding to their respective housing authorities (i.e. district councils within their area) to enable them to continue to meet this statutory responsibility.

The level of government funding has increased significantly under the 'Better Care Fund' arrangements and budget for 2020/21 of £1.130m provides for the delivery of disabled adaptations to similar levels as 2019/20. It is anticipated that for 2020/21 all identified need for disabled adaptations can be met from the existing resource.

(vi) Town Centre Regeneration Kirkham

Following the Government's Future High Street funding initiative (FHSF), the Planning Committee resolved, in the autumn of 2019, to choose Kirkham Town Centre as its choice to pursue any bids for funding under the scheme. The first opportunity, being part of the broader FHSF, named the High Street Heritage Action Zone initiative (HS HAZ) was launched. This was a competitive process and seeks to enhance the historic environment of high streets that have conservation area status. Following the expansion of the funding for the scheme, due to unprecedented bids from a national perspective, the Kirkham bid proved to be successful, following a recommendation to Government from Historic England (HE). HE is the body responsible for administering the scheme. The grant award is £1.8m and will be match funded from a number of sources including Fylde Council, Kirkham Town Council and commuted Section 106 payments associated with public realm contributions attributed to residential planning permissions. The scheme will run over 4 years, commencing in April 2020, and includes a wide range of projects.

In line with many other authorities, due to COVID 19, the implementation of the scheme has been delayed and a revised project plan, which sets out the projects to be delivered and the associated funding, is in the process of being agreed with Historic England (as at early October 2020). Some revenue spending will commence this year with the larger capital programmes from April 2021. A Project Board is in the process of being brought together, this being essential given the large portfolio of schemes and the number of external partners engaged in the projects.

A bid has also been submitted under the main body of the Future High Street Fund totalling £8.6m and proposes to deliver a number of schemes across the whole of the town centre including the repurposing of buildings, traffic management measures, building reuse and enhancement and public realm projects. This is once again a competitive process and the outcome will not be known until later in the year, but the bid is well founded and the economic case very strong. The governments measures for assessing economic benefits and value of money (known as the Cost Benefit Ratio) have been exceeded. It is known that the fund may well be oversubscribed and so it is not known how allocations will be made i.e. whether the most imaginative and value for money projects may prove to be more successful, requests made for authorities to prioritise schemes thereby reducing their 'ask', or some scheme not being successful at all. The outcome of this assessment is awaited.

It is now known that a second round of the Future High Street Fund will be launched in 2021.

3 Conclusions

- 3.1 Actual expenditure to 30th September 2020 is £1.88m against a full year budget of £10.829m. This equates to 17% of the latest budget. Progress on the delivery of a number of schemes has been delayed due to covid restrictions. This is noted as appropriate in the analysis at Appendix A. Consequently, the phasing of some schemes may require to be adjusted or re-phased into 2021/22 as part of future Financial Forecast updates during the year.
- 3.2 The current Capital Programme as updated is showing a balanced position for 2020/21 onward. The Capital Programme and the associated financing will be subject to discussion with members during the months in the lead up to the annual budget setting process for 2021/22.
- 3.3 Any additional expenditure which is not fully funded by external finance would normally require the generation of capital receipts or further borrowing (the latter placing further pressure on the Revenue Budget from the consequent repayment costs). However, Budget Council on 4th March 2013 approved the creation of a Capital Investment Reserve to finance future capital expenditure. The balance of this

reserve at 31st March 2020 was £6.455m including the budgeted transfer into the reserve of £1.288m in respect of 2020/21. Of this £3.522m is already committed to deliver existing approved capital schemes in the years 2020/21 to 2021/22, leaving a forecast unallocated balance on the reserve at 31st March 2020 of £2.933m. The estimated transfers in are of course subject to change as costs and income undoubtedly fluctuate over the next 2 financial years.

An updated position in respect of the Capital Investment Reserve will be included within the Financial Forecast Update to be presented to the Finance and Democracy Committee in November this year and to Council the following month. Additional future projects will be subject to further consideration as part of the budget setting process for 2021/22. Whilst it remains the case that this reserve is the preferred source of finance for any further additions to the Capital Programme, continuing contributions to the reserve are required in order to maintain a sustainable funding source for future years.

CAPITAL PROGRAMME - 2020/21 IN-YEAR SCHEME MONITORING REPORT - AS AT 30/09/20

Appendix A

APPROVED SCHEMES	Head of Service / Budget Holder	Financing Source	Approved Budget 2020/21 £000	Slippage B/F from 2019/20 £000	Adjustments from 05/03/20 £000	Updated Budget 2020/21 £000	Expenditure to 30/09/20 £000	Variance £000	Comments
<u>FINANCE & DEMOCRACY COMMITTEE</u>									
Purchase of Land Adjacent to Squires Gate Station	Darren Bell	Capital Investment Reserve	0	5		5		5	This project is ongoing and we are currently awaiting the registration of the land with the current land owner and the Land Registry before further progress can be made.
Lytham Hall Driveway	Paul Walker	Capital Investment Reserve			52	52	52	0	The scheme has been completed within budget.
Sub total			0	5	52	57	52	5	
<u>TOURISM & LEISURE COMMITTEE</u>									
Fairhaven Lake & Promenade Gardens Restoration	Mark Wilde	Capital Investment Reserve	2,083	16		2,099	92	2,007	The expenditure profile for this scheme has been rephased following the procurement of the new consultant team which has led to a minor slippage request into 2020/21. Contracts for Building works and Landscape works have now been let within budget. Building and Landscaping works are scheduled to be completed by May 2021. The lake works project will be undertaken next financial year 2021/22 and will be rephased in future updates of the financial forecast.
Fairhaven Adventure Golf	Mark Wilde	Capital Investment Reserve	505	-14		491	422	69	There had been an accelerated spend on Fairhaven Adventure Golf in 2019/20 for the preliminary works. The budget for 2020/21 has been reduced by £14k to offset the additional spend in 2019/20. Capital works are now complete and scheme is operational. Some additional landscaping works will be undertaken in Winter 2020 to improve accessibility to the facility.
Promenade Footways	Darren Bell	No external finance - funded by borrowing / general asset disposal receipts	75			75		75	For 2020/21 this funding is intended to be used to improve the footway surface around St Annes Promenade bandstand and boating pool. The scheme is linked with the Pier linkage scheme with the intention that works will run concurrently by the same contractor. It is expected that a draw-down report for the funding will be presented to the committee in January 2021.
Staining Playing Fields Development Scheme	Mark Wilde	S106 Developer Contributions / Capital Investment Reserve	94			94		94	The drainage contract has now been completed and the final account is expected by mid Oct 2020, leaving an estimated remaining budget of around £55k. Plans for landscaping works are currently being developed with project completion anticipated by Spring 2021.
Coastal Signage Improvements	Darren Bell	Capital Investment Reserve	60			60		60	Phases 1 and 2 (Consolidation / Rationalisation and Digital Beach Signs) are currently in progress. A further tendering exercise will take place early November. Once a supplier has been commissioned there is estimated 12 week lead time. Internal construction works for the selected locations are being prepared. Phases 3-5 (Beach Safety, Waymarking & Directional and Heritage and Interpretation) are currently being modelled.
Open Space access control measures	Mark Wilde	Capital Investment Reserve	15			15	4	11	This scheme was completed within budget in September 2020 for the Blackpool Road North Paying Fields and Ramsgate Road, St Annes sites.
Coastal Explorers	Mark Wilde	Capital Investment Reserve	20			20		20	The Big Lottery 'Reaching Communities' Fund and all other funding applications have been paused due to covid restrictions. The development of a bid for the second phase of the project entitled 'Sightlines & Shorelines' (formerly Coastal Explorers) is continuing with capital expenditure forecast to require re-phasing into 2021/22 in order to align with the reopening of the fund, expected to be in winter 2020.
Fylde Sand Dunes Improvement Scheme	Mark Wilde	S106 Developer Contributions / Specific Grants	0	46		46		46	The first phase of the scheme to regrade the dunes opposite the Persimmon Homes development has now been completed. The second and third phases of the scheme will be completed during winter 2020/21.
Improvements to Children's Play Areas	Mark Wilde	Capital Investment Reserve	50			50		50	The scheme has now commenced and will be completed by March 2021. Preparations for a November/ December 2020 tendering exercise have begun and officers are currently developing a contract specification. Works are expected to start in January 2021, subject to contractor availability.
Blackpool Road North Playing Fields Drainage	Darren Bell	Capital Investment Reserve	105			105		105	The project is to be re-tendered in November 2020 and a draw-down report will be presented to committee in January 2021. Works are expected to start in either March or after the football season finishes, subject to negotiation with the local football club. This may result in part or all of the funding needing to be re-phased into 2021/22.
Sub total			3,007	48	0	3,055	518	2,537	

Appendix A (Cont'd)

APPROVED SCHEMES		Financing Source	Approved Budget 2020/21 £000	Slippage B/F from 2019/20 £000	Adjustments from 05/03/20 £000	Updated Budget 2020/21 £000	Expenditure to 30/09/20 £000	Variance £000	Comments
OPERATIONAL MANAGEMENT COMMITTEE									
Replacement Vehicles	Kathy Winstanley	Borrowing	562	251		813	458	355	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 end of 19/20. Slippage has been approved of £251k in this regard and the vehicles have now been received. The covid restrictions have caused delays with vehicles due to the closure of vehicle and body builders and staff being on furlough at these companies. The build times are increased for current and future vehicles/plant and any re-profiling will be reflected in future updates of the financial forecast.
Car Park Improvements	Darren Bell	No external finance - funded by borrowing / general asset disposal receipts	60			60		60	A scheme for the improvement of the interface between Stanner Bank car park and Inner Promenade is being developed with the intention to commence the works in early 2021.
Public Transport Improvements	Darren Bell	S106 Developer Contributions	48	60		108		108	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 of £60k has been approved 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 Scheme	Darren Bell	Specific Government Grant (Environment Agency) / Capital Investment Reserve		461		461		461	The whole £22.1m Scheme has been completed and opened up to the public 5 months early and under budget (Completion certified on 19/06/20 against contract Completion Date of 17/12/20). The vast majority of user feedback has been very positive.
Fairhaven and Church Scar Coast Public Realm Works	Darren Bell	Capital Investment Reserve		280		280	212	68	The Church Scar public realm works were completed on the 31st March 2020 and were opened to the public on May 14th 2020. The Fairhaven public realm works and the remodelling of the entrance to Stanner Bank Car Park have been delayed due to covid restrictions. The site works are scheduled to be completed by Nov 2020.
Accommodation/ facilities at Snowdon Road Depot - Welfare Improvements	Darren Bell	Capital Investment Reserve	343			343	1	342	Project details are being finalised and the scheme will be put out to tender shortly. It is expected that a draw-down report will be presented to committee in late 2020 with the works scheduled to start 2021.
Toilet facilities and perimeter fencing at the Splash Park facility	Darren Bell	Capital Investment Reserve		185		185	93	92	Due to covid restrictions the construction of the base and connection to utilities had to be delayed ,as was the erection of the perimeter fencing. The public toilets are now complete and the fencing is due to be installed Autmun 2020.
Stanner Bank car park - barrier scheme	Darren Bell	Capital Investment Reserve		50		50		50	The barrier has been installed within the budget and has been operational since September 2020.
Charging Infrastructure for Electric Taxis	Darren Bell	Specific Government Grant	150			150		150	Contractors are currently liaising with Electricity Northwest regarding technical issues for each site. Timescales have been delayed by covid restrictions but the current revised timescale anticipates full project completion by January 2021.
Pleasant Street Car Park Toilet Refurbishment	Darren Bell	Capital Investment Reserve	82			82		82	This project was delayed due to covid restrictions then, by the time the contractor was ready to start on site, the closure of the public toilets would have occurred over the summer period. The Council have requested the contractor to delay the start of these works until September 2020.
Outdoor Digital Signage	Mark Evans	Capital Investment Reserve	32			32		32	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 this financial year.
Sub total			1,277	1,287	0	2,564	764	1,800	

Appendix A (Cont'd)

APPROVED SCHEMES		Financing Source	Approved Budget 2020/21 £000	Slippage B/F from 2019/20 £000	Adjustments from 05/03/20 £000	Updated Budget 2020/21 £000	Expenditure to 30/09/20 £000	Variance £000	Comments
ENVIRONMENT, HEALTH & HOUSING COMMITTEE									
Disabled Facilities Grants (DFG) Programme	Mark Evans	Specific Grant (Better Care Fund) / External Contributions / Grant repayments	1,130			1,130	371	759	Following earlier delays in activity due to covid restrictions the grant programme is now progressing as normal and all of the available funding is expected to be fully committed by the end of the financial year.
Housing Needs Grant	Mark Evans	DFG Grant Repayments			6	6		6	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 in 2020/21. Funding used in previous years for community information events such as 'heat and eat', however due to current covid restrictions unlikely such events can be arranged at present.
CCTV Replacement Schemes	Kathy Winstanley	Specific Grant (LSP Performance Reward Grant)		27		27		27	Discussions have taken place with St Anne's Town Council, regarding upgrading the analogue cameras in the town centre to IP cameras. Currently, as the cameras in St Anne's are still in good working order, this is not a priority in 2020/21 and therefore the monies on the capital programme will need to be rolled over to 2021/22. The upgrade of the cameras in Kirkham town centre, would also be considered at the same time.
Cemetery and Crematorium - Infrastructure Phase 3a	Darren Bell	Capital Investment Reserve		102		102		102	This project is now is now 90% complete with some cross over works from phase 3b. Both phases have the same expected completion date of October 2020.
Cemetery and Crematorium - Infrastructure Phase 3b	Darren Bell	Capital Investment Reserve	194			194	110	84	This project is now is now 90% complete with cross over works from phase 3a. Both phases have the same completion date of October 2020. Additional landscaping, surfacing and drainage works, funded through project savings, may push completion into November 2020.
Hydration Points	Darren Bell	Capital Investment Reserve	30			30		30	As the hydration points could not be installed before summer 2020 due to covid restrictions the project has been delayed so that a draw-down report will be presented to the committee in November 2020. Installation will now be carried out March 2021 so that the units are in place for summer 2021.
Fylde Affordable Housing Delivery Programme	Mark Evans	S106 Developer Contributions			60	60		60	This funding had been allocated to deliver an affordable housing survey which requires community engagement that cannot be carried out within the current social distancing restrictions that must be observed. As a result the project has been delayed. It is currently anticipated that the survey will be able to take place in Spring 2021, but this will be dependant upon Covid 19 guidance in place at that time.
Sub total			1,354	129	66	1,549	481	1,068	

Appendix A (Cont'd)

APPROVED SCHEMES		Financing Source	Approved Budget 2020/21 £000	Slippage B/F from 2019/20 £000	Adjustments from 05/03/20 £000	Updated Budget 2020/21 £000	Expenditure to 30/09/20 £000	Variance £000	Comments
PLANNING COMMITTEE									
St Annes Regeneration Schemes	Mark Evans	S106 Developer Contributions / Capital Investment Reserve	80	117		197		197	The funding is specifically aimed at delivering the Wood Street (Phase 3) Scheme. Works commenced but were suspended due to the covid situation. At the appropriate time work will re-commence with completion scheduled during 2020/21. Slippage in the sum of £117k has been approved to provide for those works in 2020/21. Any residual amounts unspent will be directed towards the implementation of the next phase of the regeneration scheme.
St Annes Road West – Square to Pier link and Gateway	Mark Evans	Capital Investment Reserve	110			110		110	This project was referred back to the Planning Committee by the Finance and Democracy Committee. Accordingly the scheme is being redesigned and so will not be delivered in line with the originally anticipated time frames. It is still expected that the scheme will be completed by Easter 2021, but this will depend on a number of external factors.
Lytham Regeneration Schemes	Mark Evans	S106 Developer Contributions / Capital Investment Reserve	300	400		700		700	Work has commenced on the redesign and re-planning of the public realm of Lytham Centre. The capital works are expected to commence in 2020/21.
Kirkham Public Realm Improvements	Mark Evans	S106 Developer Contributions / Capital Investment Reserve		5		5		5	This is a residual amount from the last phase of regeneration works allocated for signage which will now be delivered in 2020/21.
M55 Link Road	Mark Evans	S106 Developer Contributions / M55 Link Road Reserve	1,000	83		1,083		1,083	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 has not been possible to progress the road project to date. Negotiations are continuing in order to secure funding and allow the project to move forward.
Ansdell / Fairhaven - Public Realm Scheme	Mark Evans	Capital Investment Reserve		10		10		10	The Woodlands Road scheme has been phased over several years. The latest phase is not yet complete including the completion of the street lighting. An amount outstanding will be due to Lancashire County Council which is acting as the main contractor.
St Annes Pier - Coastal Revival Fund	Mark Evans	Specific Grant		5		5		5	This scheme is funded by a specific grant from MHCLG for which Fylde Council is acting as the accountable body.
Kirkham and Wesham Station	Mark Evans	S106 Developer Contributions		15		15		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.
Future High Street Fund: Kirkham	Mark Evans	Specific Grant	75	25		100	65	35	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.
Wesham Community Centre	Mark Evans	Capital Investment Reserve / S106 Developer Contributions / Specific Grant	119			119		119	This scheme was programmed to commence in early October 2020, Whilst preliminary ground works have commenced a national shortage of building materials means that there is now a 6 - 8 week lead in for delivery of some of the required materials. Work is expected to recommence in the New Year and the project should be completed during the current year.
Elswick Village Green	Mark Evans	Capital Investment Reserve / S106 Developer Contributions / Specific Grant	115			115		115	Elswick PC are leading this proposal and have faced a number of challenges in delivering the project in line with the originally agreed programme. To avoid carrying out significant groundworks over the winter period, works are now intended to commence in Spring 2021. Progress of the project will continue to be monitored.
Kirkham Heritage Action Zone	Mark Evans	Capital Investment Reserve / S106 Developer Contributions / Specific Grant	1,145			1,145		1,145	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 Historical Engalnd to agree a reprofiling of the spend Once agreed this will be reported to members.
Sub total			2,944	660	0	3,604	65	3,539	
Total Expenditure			8,582	2,129	118	10,829	1,880	8,949	

UPDATED 5 YEAR CAPITAL PROGRAMME 2020/21 TO 2024/25 - BY SCHEME

	Estimate 2020/21 £000	Estimate 2021/22 £000	Estimate 2022/23 £000	Estimate 2023/24 £000	Estimate 2024/25 £000
FINANCE & DEMOCRACY COMMITTEE					
Purchase of Land Adjacent to Squires Gate Station	5				
Lytham Hall Driveway	52				
Sub total	57	0	0	0	0
TOURISM & LEISURE COMMITTEE					
Fairhaven Lake & Promenade Gardens Restoration	2,099	125			
Fairhaven Adventure Golf	491				
Promenade Footways	75	40	40	40	40
Staining Playing Fields Development Scheme	94				
Coastal Signage Improvements	60				
Open Space access control measures	15				
Coastal Explorers	20				
Fylde Sand Dunes Improvement Scheme	46				
Improvements to Children's Play Areas	50				
Blackpool Road North Playing Fields drainage	105				
Sub total	3,055	165	40	40	40
OPERATIONAL MANAGEMENT COMMITTEE					
Replacement Vehicles	813	119	306	971	791
Car Park Improvements	60	30	30	30	30
Public Transport Improvements	108	48	30		
Fairhaven and Church Scar Coast Protection Scheme	461				
Fairhaven and Church Scar Coast Public Realm Works	280				
Accommodation/ facilities at Snowdon Rd Depot - Welfare Improvements	343				
North Beach Car Park: Development of Toilet Facilities	185				
Stanner Bank car park - barrier scheme	50				
Charging Infrastructure for Electric Taxis	150				
Pleasant Street Car Park Toilet Refurbishment	82				
Outdoor Digital Signage	32				
Sub total	2,564	197	366	1,001	821
ENVIRONMENT, HEALTH & HOUSING COMMITTEE					
Disabled Facilities Programme	1,130	1,130	1,130	1,130	1,130
Housing Needs Grant	6				
Rapid Deployment CCTV Replacement Projects	27				
Cemetery and Crematorium - Infrastructure Works Phase 3a	102				
Cemetery and Crematorium - Infrastructure Phase 3b	194				
Hydration points	30	30			
Fylde Affordable Housing Delivery Programme	60				
Sub total	1,549	1,160	1,130	1,130	1,130
PLANNING COMMITTEE					
St Annes Regeneration Schemes	197				
St Annes Road West – Square to Pier link and Gateway	110				
Lytham Regeneration Schemes	700	100			
Kirkham Public Realm Improvements	5				
M55 Link Road - S106 monies for design work	1,083				
Ansdell / Fairhaven - Public Realm scheme	10				
St Annes Pier - Coastal Revival Fund	5				
Kirkham and Wesham Station	15				
Future High Street Fund: Kirkham	100				
Wesham Community Centre	119				
Elswick Village Green	115				
Kirkham Heritage Action Zone	1,145	1,530	0	115	
Sub total	3,604	1,630	0	115	0
Total Expenditure	10,829	3,152	1,536	2,286	1,991

UPDATED 5 YEAR CAPITAL PROGRAMME 2020/21 TO 2024/25 - FINANCING

	Estimate 2020/21 £000	Estimate 2021/22 £000	Estimate 2022/23 £000	Estimate 2023/24 £000	Estimate 2024/25 £000
FINANCING:					
Capital Receipts - General Asset Sales	90	45	45	45	45
Capital Receipts - Right to Buy Receipts	50	25	25	25	25
Better Care Fund / Disabled Facilities Grant	1,090	1,090	1,090	1,090	1,090
Disabled Facilities Grant Repayments - 'Housing Needs Grants'	6				
Section 106 Monies - St Annes	147				
Section 106 Monies - Lytham	130				
Section 106 Monies - M55 Link-Road	83				
Section 106 Monies - Public Transport Improvements	108	48	30		
Section 106 Monies - Kirkham and Wesham Station	15				
Section 106 Monies - Fylde Sand Dunes Improvement Scheme	19				
Section 106 Monies - Wesham Community Centre	45				
Section 106 Monies - Elswick Village Green	35				
Section 106 Monies - Kirkham Heritage Action Zone	260	85	0	115	
Section 106 Monies - Fylde Affordable Housing Delivery Programme	60				
Capital Investment Reserve	2,344	100			
Capital Investment Reserve - Budget Council March 2020	799	80			
Capital Investment Reserve - Underwriting max £343k - Fairhaven	251				
M55 Link-Road Reserve	1,000				
Funding Volatility Reserve - Fairhaven Restoration Project	400				
Other External Finance (see analysis below)	3,090	1,560	40	40	40
Direct Revenue Finance					
Prudential Borrowing	807	119	306	971	791
Total Financing	10,829	3,152	1,536	2,286	1,991

Total surplus (-) / shortfall in year	0	0	0	0	0
Cumulative surplus (-) / shortfall	0	0	0	0	0

See note below for external funding available to finance the above schemes:

Other External Finance: Analysis					
LSP Performance Reward Grant	27				
Environment Agency - Fairhaven and Church Scar	494				
Coastal Revival Fund - St Annes Pier	5				
Central Government Grant - Future High Street Fund: Kirkham	100				
Staining Parish Council	13				
John Lees Charitable Trust	30				
New Fylde Housing - DFG Contribution	40	40	40	40	40
Lancashire Environmental Fund - Fylde Sand Dunes Imp't Scheme	27				
Heritage Lottery Fund - Fairhaven Restoration Project	1,100	125			
Sport England - Fairhaven Restoration Project - confirmed	100				
United Utilities - Fairhaven Restoration Project	60				
Lytham Schools Foundation - Fairhaven Restoration Project	15				
Café Tenant Contribution	15				
RSPB - Fairhaven Restoration Project	8				
Lancashire Environmental Fund - Fairhaven Restoration Project	30				
Central Government - Charging Infrastructure for Electric Taxis	150				
Wesham Town Council	24				
Elswick Parich Council	10				
Kirkham Town Council	150				
External Grants - Lancs Env Fund	30				
External Grants - Pocket Parks	15				
External Grants - Historic England	279	1,395			
External Grants - Parks Improvements	12				
Private Sector / Other	356				
	3,090	1,560	40	40	40