



Agenda

Council

Date:	Monday, 5 December 2022 at 7:00 pm
Venue:	Town Hall, St Annes, FY8 1LW
	<p>Mayor: Councillor Ben Aitken Deputy Mayor: Councillor Alan Clayton</p> <p>Leader: Councillor Karen Buckley Deputy Leader: Councillor Roger Small</p> <p>Councillors Frank Andrews, Peter Anthony, Tim Armit, Mark Bamforth, Brenda Blackshaw, Paula Brearley, Julie Brickles, Delma Collins, Peter Collins, Chris Dixon, Sue Fazackerley MBE, Trevor Fiddler, Ellie Gaunt, Brian Gill, Shirley Green, Noreen Griffiths, Peter Hardy, Will Harris, Gavin Harrison, Paul Hayhurst, Karen Henshaw JP, Paul Hodgson, Angela Jacques, John Kirkham, Matthew Lee, Cheryl Little, Roger Lloyd, Michelle Morris, Kiran Mulholland, Ed Nash, Sally Nash-Walker, Jayne Nixon, Linda Nulty, Liz Oades, David O'Rourke, Richard Redcliffe, Bobby Rigby, Michael Sayward, Vince Settle, Elaine Silverwood, John Singleton JP, Heather Speak, Ray Thomas, Tommy Threlfall, Stan Trudgill, Viv Willder, Michael Withers.</p>

PLEASE NOTE:

This meeting is being live streamed. For public access to observe the meeting please use the link below.

<https://youtu.be/3vXpVo0jl0U>

	PROCEDURAL ITEMS:	PAGE
1	<p>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.</p>	1
2	<p>Confirmation of Minutes: To confirm the minutes, as previously circulated, of the meeting held on 12 October 2022 as a correct record.</p>	1
	ANNOUNCEMENTS:	
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	REPRESENTATIONS:	
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7	Proposed Schedule of Meetings 2023/24	5-7
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12	Fully Funded Revenue Budget Increase - Homes for Ukraine Scheme	65-67
13	The Annual Pay Policy Statement 2023	68-75
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Contact: Email: democracy@fylde.gov.uk

The code of conduct for members can be found in the council's constitution at

<http://fylde.cmis.uk.com/fylde/DocumentsandInformation/PublicDocumentsandInformation.aspx>

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REPRESENTATIONS

REPORT OF	MEETING	DATE	ITEM NO
DEPUTY CHIEF EXECUTIVE	COUNCIL	5 DECEMBER 2022	5
QUESTIONS FROM MEMBERS OF THE PUBLIC			

PUBLIC ITEM

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

SUMMARY

As outlined in Article 15 - Public Speaking at meetings of the Council and its Committees any resident of the Councils district may, subject to various provisions of the article, ask a question at an ordinary meeting of the council.

No questions have been received from members of the public before the requisite deadline, as outlined in Article 15, before the statutory deadline for publication of the agenda.

If any further questions are received before the constitutional deadline, which is, for the purpose of this meeting, 4.30pm on Tuesday, 29 November 2022, they will be circulated prior to the meeting for members' information, under separate cover.

Any question(s) will be heard during the Council meeting on 5 December 2022 and a response will be given by the Leader of the Council or any other member nominated by her.

REPRESENTATIONS

REPORT OF	MEETING	DATE	ITEM NO
DEPUTY CHIEF EXECUTIVE	COUNCIL	5 DECEMBER 2022	6
QUESTIONS FROM MEMBERS OF THE COUNCIL			

PUBLIC ITEM

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

SUMMARY

One question has been received from a Member of the Council before the requisite deadline, as outlined in Procedural Standing Orders for Council and Committees of Part 4 of the Council's Constitution, and before the statutory deadline for publication of the agenda.

If any further questions are received before the constitutional deadline, as outlined above, they will be circulated prior to the meeting for members' information, under separate cover.

Any questions will be heard during the Council meeting on 5 December 2022 and a response will be given by the Leader of the Council or any other member nominated by her.

Question 1 - Received from Councillor Brian Gill - Received 22 November 2022

"As we understand from the previous Council meeting, and explained so eloquently by Cllr Redcliffe, Section 106 Monies are secured from developers to provide contributions to social infrastructure which are required due to their large-scale developments.

Therefore, can the leader please explain why Fylde Borough Council (FBC) is to give back 147 thousand pounds to the developer Morris Homes? This money has been identified as required to provide school places, something FBC have queried even though it is not their statutory responsibility ie it is the responsibility of Lancashire County Council (LCC). The large development surrounding the Water's Edge pub has been promoted by Morris Homes as a family estate and contains many young and growing families. The closest school is Clifton Primary School, the recipient of these agreed monies.

I have been informed that FBC are handing the monies back as LCC did not provide the requirement in time for the paperwork to be completed (quoting 10 days). LCC did inform FBC on the 21st of October 2021, with the deadline to allocate the 106 Monies being May 2022. Apparently, Officers were diverted away from this task due to other priorities.

Over 6 months was available for a task that had been given 10 days to complete and this was, apparently, an insufficient amount of time. How much time was needed? Surely, with the amount of money involved (147 thousand pounds) and the imperative need for this money at one of our local schools, a priority should have been given to the completion of this paperwork? If the school cannot now provide support for the extra children moving into the immediate area, those children will have to travel further to school, increasing the costs to their families.

We look forward to your explanation"

DECISION ITEM

REPORT OF	MEETING	DATE	ITEM NO
DEPUTY CHIEF EXECUTIVE	COUNCIL	5 DECEMBER 2022	7
PROPOSED SCHEDULE OF MEETINGS 2023/24			

PUBLIC ITEM

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

SUMMARY

The attached Schedule of Meetings document details the proposed committee meetings (reflecting the new committee structure) for the 2023/24 municipal year.

RECOMMENDATION

To approve the Schedule of Meetings for 2023/2024 subject to any necessary amendments.

SUMMARY OF PREVIOUS DECISIONS

The Schedule of Meetings is approved at full Council each municipal 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

- Appendix 1 of the report details the proposed committee meeting dates for the 2023/24 municipal year. Members are invited to endorse these proposals.
- The proposed schedule is based on the level of service for 2023/2024 for which there is support from within existing budgetary provision.
- Post 2023 local elections, a new committee structure will be implemented, and this is reflected in the 2023/24 Schedule of Meetings.

IMPLICATIONS	
Finance	Provision is contained within the Council budget for scheduled meetings.

Legal	None arising directly from the report.
Community Safety	None arising directly from the report.
Human Rights and Equalities	None arising directly from the report.
Sustainability and Environmental Impact	None arising directly from the report.
Health & Safety and Risk Management	None arising directly from the report.

LEAD AUTHOR	CONTACT DETAILS	DATE
Tracy Manning	01253 658521 or tracy.manning@fylde.gov.uk	November 2022

BACKGROUND PAPERS		
Name of document	Date	Where available for inspection
None		

Attached documents

Appendix 1 – Schedule of Meetings 2023/24

Fylde Council Schedule of Meetings
2023/2024

Version 3.4 - 24/11/2022

23/24	May '23	June	July	August	September	October	November	December	January '24	February	March	April	May	2023/ 24
Mo	1 Holiday								1 Holiday			1 Easter Mon		Mo
Tu	2			1					2			2		Tu
We	3			2 Planning			1		3			3	1	We
Th	4 Elections	1		3			2		4	1 Audit		4	2	Th
Fr	5	2		4	1		3	1	5	2	1	5	3	Fr
Sa	6	3	1	5	2		4	2	6	3	2	6	4	Sa
Su	7	4	2	6	3	1	5	3	7	4	3	7	5	Su
Mo	8 Holiday	5	3	7	4	2 Council	6 Council	4	8	5	4 £ Council £	8	6 Holiday	Mo
Tu	9	6	4 Policy	8	5 SC - Int	3	7	5 Policy	9	6	5 Policy	9 SC - Int	7	Tu
We	10	7 Planning	5 Planning	9	6 Planning	4 Planning	8 Planning	6	10	7	6	10	8 AGM	We
Th	11	8	6	10	7	5	9	7	11	8	7	11	9	Th
Fr	12	9	7	11	8	6	10	8	12	9	8	12	10	Fr
Sa	13	10	8	12	9	7	11	9	13	10	9	13	11	Sa
Su	14	11	9	13	10	8	12	10	14	11	10	14	12	Su
Mo	15	12	10	14	11	9	13	11	15	12 Council	11	15	13	Mo
Tu	16	13	11	15	12	10	14	12	16	13	12	16	14	Tu
We	17	14	12 PP	16	13	11	15	13	17	14	13 PP	17 Planning	15 Planning	We
Th	18	15	13	17	14	12 SC - Com	16 PP	14	18 SC - Com	15	14 SC - Com	18 Audit	16	Th
Fr	19	16	14	18	15	13	17	15	19	16	15	19	17	Fr
Sa	20	17	15	19	16	14	18	16	20	17	16	20	18	Sa
Su	21	18	16	20	17	15	19	17	21	18	17	21	19	Su
Mo	22	19	17 Council	21	18	16	20	18 Council	22	19 £ Policy £	18 Council	22	20	Mo
Tu	23	20 SC - Int	18	22	19 Policy	17	21 SC - Int	19	23	20 SC - Int	19	23 Policy	21	Tu
We	24 AGM	21	19	23	20	18	22	20 Planning	24 Planning	21 Planning	20 Planning	24	22	We
Th	25 Policy	22 SC - Com	20 Audit	24	21 Standards	19	7	21	25	22	21 Standards	25	23	Th
Fr	26	23	21	25	22	20	24	22	26	23	22	26	24	Fr
Sa	27	24	22	26	23	21	25	23	27	24	23	27	25	Sa
Su	28	25	23	27	24	22	26	24	28	25	24	28	26	Su
Mo	29 Holiday	26	24	28 Holiday	25	23	27	25 Xmas Day	29	26	25	29	27 Holiday	Mo
Tu	30	27	25	29	26	24 Policy	28	26 Boxing Day	30 Policy	27	26	30	28	Tu
Wed	31	28		30	27	25	29 Planning	27	31	28	27		29	Wed
Th		29	27	31	28 Audit	26	30 Audit	28			28		30	Th
Fr		30	28		29	27		29			29 Good Fri		31 Policy	Fr
Sa			29		30	28		30			30			Sa
Su			30			29		31			31			Su
Mo			31			30								Mo
Tu						31								Tu

Key:

PP = Public Protection

SC - Comm = Community Scrutiny

SC - Int = Internal Scrutiny

£ indicates budget meeting



DECISION ITEM

REPORT OF	MEETING	DATE	ITEM NO
CHIEF FINANCIAL OFFICER	COUNCIL	5 DECEMBER 2022	8
MEDIUM TERM FINANCIAL STRATEGY - FINANCIAL FORECAST UPDATE (INCLUDING REVENUE, CAPITAL & TREASURY MANAGEMENT) 2022/23 TO 2026/27			

PUBLIC ITEM

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

SUMMARY

The report provides Members with an update of the Council's Medium Term Financial Strategy and financial forecast for the five years 2022/23 to 2026/27. It includes changes arising since the Budget was set by Council in March 2022. This report was also considered by Finance and Democracy Committee at its meeting of 21st November 2022.

RECOMMENDATION

Council is recommended: to note and approve the implications of this updated financial forecast.

SUMMARY OF PREVIOUS DECISIONS

The Council set its budget for 2022/23 at its meeting of 3rd March 2022. 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 2022/23

At the Council meeting on the 3rd March 2022 the budget for 2022/23 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 £11.429m for 2022/23. The General Fund balance at that time was forecast at the end of 2025/26 to be £1.651m. In agreeing the Original Budget for 2022/23 a number of key high level financial risks and assumptions were highlighted in the MTFS budget report.

(ii) General Fund Revenue Outturn Position 2021/22

The revenue outturn position for 2021/22 was reported to Members in July 2022. The impact of the outturn position, including slippage items in the total sum of £0.485m, has been reflected in this updated forecast.

The favourable outturn position for revenue allowed for a total contribution of £1.715m to be made into the Capital Investment Reserve.

(iii) Covid-19 Impact

In the weeks following the setting of the budget for 2020/21 the impact of the Covid-19 outbreak became increasingly apparent and resulted in a series of both national and local lockdowns which were unprecedented and had a substantial impact on both the national and the local economy. Consequently, 2020/21, and to a lesser extent 2021/22 were dominated by the impacts of the pandemic. In response the Council played a significant role in delivering a range of support measures to the community which since the start of the pandemic have included: the provision of a substantial package of support grants to businesses; support for clinically extremely vulnerable

residents; support for Council Tax-payers (including the processing of payments to those required to self-isolate); the inspection of premises to ensure compliance with covid restriction measure; support to the Community Hub (including the provision and delivery of food parcels to residents forced to self-isolate or 'shield'); supporting the programme of track and trace; and support in the delivery of the vaccination programme. The majority of this work has been delivered by existing Council employees who have necessarily been diverted from the "day job" to prioritise the response to the pandemic, and as a result there has been consequential impacts on some of the planned work which would otherwise have been carried out.

In acknowledgement of the significant impacts the pandemic has had on the local government sector, central government introduced a range of national funding measures that assist in off-setting some of those negative financial effects to support councils in continuing to deliver services and support the national response. Fylde Council was allocated general covid support grant funding for 2020/21 totalling £1.151m and £0.392m for 2021/22, and a range of further grant allocations for specific purposes. In addition, a scheme to compensate councils for reduced sales, fees and charges income was introduced for the whole of 2020/21 and was subsequently extended into 2021/22.

The financial impact of the pandemic, in terms of reduced levels of income and the cost of providing services, together with the financial support provided by the government continues to be carefully monitored and reflected in the updated financial forecast included within Appendix E of this report.

(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 2021/22

The latest approved expenditure budget in the capital programme for 2021/22 was £8.729m. After adjusting for slippage of £3.544m, the overall outturn position for 2021/22 was an in-year favourable variance of £0.021m against the latest updated estimate. The capital programme has been updated to reflect scheme re-phasing approved as part of the outturn report.

(vi) General Fund Revenue Quarterly Budget Monitoring 2022/23

Revenue budget monitoring reports for the period to 30th September 2022 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 update report. These include revised fee income estimates 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 3rd March 2022.
- 3.2 Appendix B shows the general assumptions underpinning the base forecast, whilst Appendix Ci shows 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 2021/22 and the budget right-sizing exercise. Appendix D sets out the narrative which explain the significant changes made to the forecast.

The impact of these changes is summarised in Appendix E which summarises the latest updated financial forecast for the council. 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 items have been considered as part of this update:

- 3.3 Business Rates: Membership of the Lancashire Business Rates Pool 2023/24 and Future Year Income Estimates

Fylde Council has been part of the Lancashire Business Rate Pool since 2017/18. This is an arrangement whereby participant authorities are able to retain locally a larger share of business rate growth above a pre-determined 'baseline' rather than pay 50% of the growth to central government as a 'levy'.

In 2018 the government announced plans to introduce '75% Business Rate Retention' for all authorities with effect from 2020/21 (as opposed to the existing '50% Business Rate retention' arrangements). 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 been delayed since first proposed in 2019/20. Section 4 below provides further details.

As a result of the delay to the review, 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 currently anticipated that the business rate regime that operates for 2023/24 will be a continuation of the arrangements for the current year. Consequently, each of the existing Lancashire pool members have indicated their support for a continuation of the pool for 2023/24.

However, as the nature of the Business Rate regime for 2023/24 is uncertain, it may be that following the announcement of the provisional Local Government Finance Settlement, due to be announced in late 2022, a pool member may find themselves disadvantaged by the proposed 2023/24 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 2023/24 the pool would effectively be dissolved, and pooling would not be possible for Lancashire for 2023/24.

Based upon the assumption that the business rate regime that operates for 2023/24 will be a continuation of the arrangements for the current year, the latest in-year monitoring and

future years modelling suggests that continued participation in a Lancashire Business Rate Pool for 2023/24 would be financially beneficial to Fylde Council, and as such we have indicated our intention to remain in the pool alongside all other pool members. The Financial Forecast has therefore been updated to reflect the estimated pooling benefit for 2023/24, albeit that this is subject to change depending on the outcome of the Local Government Finance settlement.

3.4 Pay and Price Increase Pressures

There are a number of cost pressures which impact on the cost base of the council, including:

Pay award: The employee pay award for the current year has recently been agreed at a £1,925 flat rate increase on each spinal column point on the pay scale, which equates to approximately 6.5% on the pay bill, including oncosts. This is significantly in excess of the budget provision for 2.75% for the current year. The forecast has been updated to reflect the agreed settlement. Budget provision for 2.75% pay award is included for each future year throughout the forecast.

Health and Social Care NI contribution: Following the government's announcement in September regarding the cancellation of the additional health and social care NI contributions of 1.25% from November 2022, the forecast has been updated to reflect the anticipated saving from this reduction in employer contributions.

Price Inflation: Provision for inflation has been included within the forecast where it is considered to be a contractual obligation and where known inflationary pressures exist, for example utility costs. Wherever possible inflationary pressures are sought to be contained within existing budget provision. Further details on inflation are included in section 5.

3.5 Estimated Transfers to Earmarked Reserves

The MTFS report presented at the Budget Council meeting of 3rd March 2022 estimated transfers into the Capital Investment Reserve in 2021/22 and 2022/23 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 £1.486m for 2021/22 and £0.428m for 2022/23.

Following a favourable outturn position for 2021/22 and a review of the budget position for 2022/23 as part of the preparation of this financial forecast update, including the identification of additional income and expenditure for the year and the outcome of the budget right-sizing exercise, the revised forecast revenue surplus for 2022/23, currently stands at £0.568m as detailed at Appendix E. The budgeted transfer into the Capital Investment Reserve has been amended to reflect this latest position.

4. **CENTRAL GOVERNMENT FUNDING, THE NATIONAL ECONOMIC POSITION AND THE LOCAL GOVERNMENT SPENDING REVIEW**

4.1 **Autumn Budget and Spending Review**

On 27th October 2021 the then Chancellor, Rishi Sunak, delivered the Autumn Budget and Spending Review which outlined the Government's spending plans for the three years period 2022/23 to 2024/25 by setting budgets for each central government department. [The full set of documents is available on the Treasury website here.](#)

Included in the announcement was the headline that the government was providing councils with £1.6 billion of new grant funding in each of the 3 years from 2022/23 to 2024/25 for social care and other services. This funding ensures that “Core Spending Power” for local authorities is estimated to increase by an average of 3% in real terms each year over the 3 year Spending Review period. It should be noted that the “Core Spending Power” measure assumes that councils maximise council tax increases to take the full benefit of the increased spending power.

Whilst the headlines from the Spending Review were encouraging for the overall level of funding for the local government sector as a whole, it is possible that the detailed Local Government Finance Settlements for each of the 3 years, which are usually announced in December each year, include a re-assessment of relative need and the re-distribution of funding between upper-tier and lower-tier authorities within the local government family, or that key funding streams mechanisms are reformed in a way that adversely affects individual authorities.

Since the 3 year Spending Review was announced in Autumn last year there has been significant turbulence and uncertainty in the national financial and economic outlook, and significant turbulence in the national political landscape.

The mini budget and its impact

As Chancellor, Kwasi Kwarteng, presented a mini budget on 23 September 2022. He announced significant tax cuts that would reduce Treasury revenues by around £45 billion in 2026/27. He also launched the Growth Plan 2022. The mini budget didn’t set out a wider plan for the public finances, nor were economic forecasts from the OBR requested for it. A medium-term fiscal plan was promised in “due course”.

Financial markets reacted negatively to the mini budget and have been turbulent since. The rate at which investors will lend to the Government is higher than it was before the mini budget. Kwasi Kwarteng was replaced as Chancellor by Jeremy Hunt on 14th October. By the 17th October, most of the mini budget’s tax cuts had been reversed by the new Chancellor to “provide confidence in the government’s commitment to fiscal discipline”.

The medium-term fiscal plan

Subsequently, a date of 17th November was announced for an updated “Medium-term Fiscal Plan”. It is likely that the medium-term fiscal plan may change some of the existing targets for the public finances, which were formally set in January 2022 following last year’s autumn statement. The economic situation has worsened since the OBR last produced a forecast – largely due to Russia’s invasion of Ukraine and soaring inflation. Some of the tax cuts from the mini budget also remain.

The Chancellor has said recently that the medium-term fiscal plan will require decisions of “eye-watering difficulty”, both on spending and taxes. Government departments are drawing up ways to cut spending. The Chancellor says that he is “not taking anything off the table, whether that means tax increases or spending reductions”.

Economic Situation

To try and bring inflation down to its 2% target, the Bank of England has raised interest rates from 0.1% in December 2021 to the current level of 3%. Further increases are likely. In reaction to the mini budget, financial markets lifted their expectations for the peak in

interest rates to rise above 6% at one stage, before easing recently to around 5%. Economists generally expect official rates to reach at least 4%.

The squeeze on household incomes from high inflation and rising interest rates has led to steep falls in consumer confidence. Prospects for consumer spending, a key driver of economic growth, are therefore weak.

The medium-term fiscal plan seems likely to lead to lower public spending and/or tax rises in order to reduce the national budget deficit. Unusually, this tightening of fiscal policy will occur at the same time as rising interest rates. The combined effect will act as a drag on economic growth over the short term.

Local Government Finance Settlement

In previous years detailed funding allocations for local government have only been published the week before Christmas and there has been no indication that the timescale will be different this year.

Integral to the settlement are the following key income streams which provide a significant element of Fylde Council's core funding:

4.2 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 due to Brexit, and again from 2020/21 due to the Covid-19 pandemic. It is currently uncertain when this review and the reform to the Business Rates system will take place. 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.

As detailed in paragraph 3.3 above, the financial forecast has been updated for 2023/24 to reflect an expected benefit from the continuation of pooling into 2023/24, followed by an estimated reduced level of business rate income from 2024/25 onwards at a level that is closer to the existing baseline level in anticipation of a potential reduction. 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.

4.3 New Homes Bonus (NHB)

During 2021/22 the [government consulted on the future of the national New Homes Bonus scheme](#) with the consultation indicating the possibility of changes to the existing arrangements. The outcome of the consultation is yet to be published. It is conceivable that NHB funding for 2023/24 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 2023/24; or that there will be a further single-year allocation for 2023/24.

The Financial Forecast summary at Appendix E assumes a reduced level of New Homes Bonus for 2023/24 onwards based upon the confirmed allocation for the current year and a 5% reduction per annum in future years.

Once the outcome of the consultation and an updated scheme design is announced the estimated grant receipts from the scheme will be updated in the financial forecast.

No allocation of New Homes Bonus grant to town and parish councils for 2023/24 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.

- 4.4 Once full details of council-by-council funding allocations are announced as part of the Local Government Finance Settlement an updated financial forecast will be prepared and presented to Members.

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 broad principles have been considered:

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 – Revenue Budget

(i) Future Central Government Funding

As detailed in Section 4 of this report there is a clear risk that the actual levels of central government funding beyond the current year may differ from the amounts for those years that are reflected within the updated financial forecast contained in this report.

Given that both retained Business Rates and New Homes Bonus are major sources of funding for the Council and that both are subject to ongoing review represents a significant risk to the overall level of future central government funding.

Currently we await the funding settlement for 2023/24, which is expected to be announced in December 2022. It remains unclear whether the settlement will again be for a single year (i.e. for 2023/24 only) or whether it will be for multiple years

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 long awaited Fair Funding Review has been further delayed with implementation of a revised funding mechanism being postponed until at least 2023/24 (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 2023/24, should that prove to be a viable option for that year following the announcement of the provisional Finance Settlement for 2023/24, would provide for additional retained Business Rate income for 2023/24 as compared to the financial forecast approved by Budget Council in March this year.

Currently the Financial Forecast has been updated to reflect the potential beneficial impact of pooling in 2023/24, followed by estimated reductions of 5% per annum thereafter in line with the possibility of government spending reductions being announced as part of the Chancellor's Medium-Term Fiscal Plan statement. There remains a risk that the business rate regime is changed as part of the financial settlement and the pooling benefit is diminished.

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 – Revenue Budget

i) Price Inflation

UK CPI was 0.7% in March 2021 but thereafter began to steadily increase. Initially driven by energy price effects and by inflation in sectors such as retail and hospitality which were re-opening after the pandemic lockdowns, inflation then was believed to be temporary. Thereafter price rises slowly became more widespread, as a combination of rising global costs and strong demand was exacerbated by supply shortages and transport dislocations, exacerbated by the ongoing conflict in Ukraine. The surge in wholesale gas and electricity prices led to elevated inflation expectations. CPI for September 2022 registered 10.1% year on year, up from 9.9% in August 2022.

Provision made within the budget is limited to areas where the council has no choice but to pay increased prices, e.g. due to contractual terms. Price increases represent a significant cost pressure to the council and increase the risk that existing budget provision is insufficient to cover the cost of service delivery. The position will be kept under continuous review by Management Team.

(ii) Employee Costs - Pay Award

Whilst the updated forecast includes the impact of the agreed pay award for the current year as detailed in section 3.5 above, future years budget provision is included at 2.75% per annum thereafter. It is possible that pay awards may be agreed in excess of 2.75%, which will incur additional costs beyond those currently budgeted for. Each additional 1% increase in pay equates to an estimated £100k additional cost on the pay bill of the council per annum.

(iii) 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, that internal cash balances will be utilised to fund capital expenditure, and that the council remains debt-free. 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 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.

(iv) 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 2022/23 and for subsequent years.

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

(v) 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.

(vi) 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 – Revenue Budget

(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.

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 various 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 as at 1st April 2022 was £4.571m after taking account of revenue slippage items totalling £0.485m.

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, shows a forecast surplus of resources for 2022/23 and 2023/24, followed by budgeted deficits in the following years as central funding arrangements remain unclear. The improved financial forecast position for 2023/24 is due largely to the estimated increase in business rate income based upon the assumptions around continuation of the Lancashire Business Rate pooling arrangements as set out in paragraph 3.3 of this report, together with the net favourable impact of the forecast changes itemised in Appendix Ci.
- 7.2 Further commentary on the overall financial position of the council is provided within the conclusions of this report at section 16.

8. COLLECTION FUND

- 8.1 As a Council Tax and Non-Domestic Rates (NDR) Billing Authority, Fylde Council is required by legislation to collect council tax and business rates within the borough on behalf of central government, Town and Parish Councils and major preceptors (being Lancashire County Council, and the Fire and Police Authorities), and to account for that income through a 'Collection Fund'. Under the Collection Fund accounting arrangements any surplus or deficit on the fund each year, which occur as a result of actual income being higher or lower than that budgeted for, is split between the Government and the other precepting bodies in proportion to their shares.
- 8.2 In July 2020 the Government announced that local authorities would be allowed to spread the estimated deficit on the 2020/21 Collection Fund over three years – from 2021/22 to 2023/24. The normal process of sharing surpluses and deficits is that they are spread over two years. As a result of Covid-19 and the extra reliefs business rate awarded to businesses during 2021/22, there is a larger than normal deficit on the 2021/22 Collection Fund.
- 8.3 **For Council Tax only**, there was a surplus on the fund as at 31st March 2022 of £125k. This will be shared between Fylde Council, the County Council, the Police Authority and the Fire & Rescue Authority in 2022/23 to 2023/24. Fylde Council's share of the surplus is £16k, the impact of which has been reflected in the Council Tax income forecast within Appendix E.
- For Non-Domestic Rates only**, there was a deficit on the fund as at 31st March 2022 of £11.309m. A large proportion of this arises from the decision from Government due to the impact of Covid-19 to continue to increase business rate reliefs during 2021/22 to support businesses during the pandemic. This has the impact of reducing business rates collectable by the council, thus creating a shortfall in income. The deficit will be shared between Central Government, Fylde Council, the County Council, and the Fire & Rescue Authority in 2022/23 to 2023/24. Fylde Council's share of the deficit is £4.524m, the negative impact of which will be funded in 2022/23 from the specific government grant allocated for this purpose (i.e. to offset collection fund deficits caused by the additional reliefs awarded to businesses) which has been set aside into the Collection Fund Deficit Reserve in 2020/21 and 2021/22. The remaining balance on the Collection Fund Deficit Reserve is likely to be required to offset collection fund deficits in 2022/23 and later years as business rate reliefs are extended and compensatory government grants are awarded. It will again be necessary to set aside this specific grant during 2022/23 in order to offset the Fylde Council share of the deficit, which will impact the Council in 2023/24. The net impact of these movements is reflected within the business rate income forecasts within Appendix E.

9. THE CAPITAL PROGRAMME

- 9.1 The Capital Programme is updated continually for approved 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 2022/23 to 2026/27 is set out in Table 1 below. The Programme has been updated for changes to the end of September 2022. 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 2022/23 £000	Estimate 2023/24 £000	Estimate 2024/25 £000	Estimate 2025/26 £000	Estimate 2026/27 £000
Committee:					
Finance & Democracy Committee	71	0	0	0	0
Tourism & Leisure Committee	1,819	40	40	40	40
Operational Management Committee	3,957	8,588	2,691	1,281	389
Environment, Health & Housing Committee	2,018	1,317	1,317	1,317	1,317
Planning Committee	10,605	1,630	0	0	0
Total Capital Payments	18,470	11,575	4,048	2,638	1,746
Financing:					
Availability of Resources	18,470	11,575	4,048	2,638	1,746
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 as set out in the Corporate Plan. 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 and Funding Volatility Reserves
- 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 risks within the Capital Programme for Members to be aware of: these include the risk that the council does not deliver any specific scheme within the specified deadlines where external funding is provided, and as a result the scheme is not delivered as expected, and the risk that the costs of any specific scheme exceed the available funding and the council is required to pick up additional un-budgeted costs as a result.

11.1 High Level Financial Impact Risks – Capital Programme

i) 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 Section 106 payments for public realm improvements attributed to residential planning permissions. The scheme will run over 4 years, commencing in April 2020, and includes a wide range of projects. Delays have resulted from the pandemic and officers have been working with Historic England to agree a reprofiling of the spend to minimise any loss of grant. Historic England have confirmed that £224k has been removed from the scheme funding and the programme has been adjusted for this reduction in grant and the related expenditure.

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, has been agreed with Historic England.

A further bid for £9.1m was also submitted under the main body of the Future High Street Fund during 2020 and proposed to deliver a number of schemes across the whole of the town centre including the re-purposing of buildings, traffic management measures, building reuse and enhancement and public realm projects. This was once again a competitive process. The bid was well founded, and the economic case was very strong. In April 2021 an award of £6.29m for the Kirkham scheme was announced from the Ministry of Housing, Communities and Local Government (MHCLG) which was approved at Council on the 5th July 2021. A report was approved by Planning Committee and Council in December 2021 to authorise various property acquisitions as part of the project. During 2021/22 the Council

has purchased 2 properties within Kirkham Town Centre for restoration alongside the Kirkham Heritage Action Zone scheme

The Kirkham Futures Regeneration Programme, which encompasses the funding streams identified above is a complex multi-stranded programme with strict delivery timeframes. As such the Programme has been added to the Council's Strategic Risk Register in order that the identified risks can be managed.

Due to the complexities of the scheme, its high value, the strict delivery timescales, and the potential for additional costs beyond those in the approved budget, the scheme is classified as a high level risk.

ii) St Annes Sea Wall

St Annes Seawall is 660m long and was constructed in 1935. It reduces the risk of coastal erosion and flooding to over 400 properties. The seawall surrounds The Island, which is one of three strategic headlands which are critical to maintaining healthy beaches, dunes and reducing the risk of coastal erosion along Fylde Council's frontage. St Annes Seawall is at the end of its design life and is in poor condition; it is cracking and crumbling and is subject to ongoing repairs and maintenance. Voids have previously been identified resulting in settlement of the promenade. The crest level is low and overtopping during storms results in damage to the promenade and flooding of the car park, swimming pool and fitness centre plant room, and flooding up to the thresholds of the cinema, casino, amusement, and restaurant complex.

In 2020 the council were awarded £300k Pipeline acceleration funding to develop the St Annes Seawall Outline Business Case. Following this a bid has now been submitted to the Environment Agency formally for their appraisal and consideration and if EA funding is approved the planning phase will commence consisting of technical surveys including topographical, geotechnical, detailed design, ecological and bird surveys and an environmental impact assessment. It will include securing all the necessary licenses, consents and approvals including: Marine License, Planning Permission and Environment Agency Flood Risk Activity Permit (FRAP) licence. The scheme will be in the sum of £11.8m funded by Environment Agency grant of £9.5m and the council's contribution of £2.3m towards the total project cost which was approved at Council on the 5th July 2021. EA have now approved the scheme and the final award is a total scheme cost of £12.1m funded by EA Grant of £9.7m and the council's contribution of £2.4m. This has now been reflected within the capital programme. Following the planning phase it is proposed to start the construction in 2 phases. Phase 1 is anticipated to commence in Autumn 2023 and complete in late Spring 2024. Phase 2 will commence in Autumn 2024 and complete late Spring 2025 to minimise business disruption.

Due to the complexities of the scheme with multiple businesses and other stakeholders affected in the locality during delivery, and its high value, the scheme is classified as a high level risk.

11.2 Medium Level Financial Impact Risks – Capital Programme

i) Price Inflation

As explained in section 5.3 of this report, UK CPI currently stands at 10.1% year on year to September. This is exerting significant upward pressure on prices for utilities and on supplies and services across all sectors of the economy, which in turn increases the base costs for both revenue and capital budget items. The situation is particularly acute in the construction sector where supply chain issues and price increases are combining to put increased risks on the delivery of capital programme schemes. This is likely to be a continuing issue for the council during 2022/23 and this has resulted in current scheme delays and reviews on scheme costings. The position will be kept under continuous review by Management Team.

ii) Vehicle Replacement Programme

The estimated vehicle purchase profile to replace existing fleet at the end of its useful economic life from 2022/23 to 2026/27 within the Capital Programme totals £4.0m.

It is important to note that there is currently significant upward pressure on purchase prices for replacement vehicles and technological/legislative changes are likely to increase prices further. As a result it is 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 costs, specifications and emissions regulations this scheme has been highlighted as a potential future financial risk.

iii) Fairhaven Lake and Gardens Heritage Lottery Scheme

In December 2018, the council was notified that it had been successful in securing the second round capital grant from the Heritage Lottery Fund in the sum of £1.4m for the restoration of Fairhaven Lake & Gardens, with further match funding provided by Fylde Council and other external financial contributions. Works have progressed albeit at a reduced pace as a result of the pandemic and the Adventure Golf is now complete and open to the public and the remaining works are due to be completed during 2022.

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

11.3 Low Level Financial Impact Risks – Capital Programme

i) St Annes Regeneration Schemes

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 now proposed to pursue the scheme as part of a wider programme of

works in the town centre following the preparation of a masterplan which has been commissioned.

ii) Lytham Regeneration Schemes

Work has commenced on the redesign and re-planning of the public realm of Lytham Centre. The Corporate Plan currently programmes the commencement of the Clifton Street Works (£750k) during 2022/23. Additional funding has been applied for as part of the UK Shared Prosperity Fund (UKSPF) submission, the outcome of which is expected in October/November. The UK SPF funding award will be phased and so delivery of the project will need to be reviewed accordingly. The Lytham Beach Lighting Scheme (£50k) is programmed for delivery during the current financial year.

iii) 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.

iv) Other Capital Receipts

The approved programme for 2022/23 assumes "Right to Buy" receipts of £25k per annum and "General Asset Sales" of £75k per annum based on actual receipts received to date. From 2023/24 onwards the forecast 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.

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 the budget for 2022/23 (including slippage) totals £1.503m which provides for the delivery of disabled adaptations. It is anticipated that for 2022/23 all identified need for disabled adaptations can be met from the existing resource.

vi) M55 Link Road (Inc. S106 monies for design work)

The accelerated delivery of the £27m M55 Heyhouses Link Road is subject to a funding package made up from a number of sources. This funding is now in place and work has started on site with the earthworks being the first phase. The road will then be constructed by Lancashire County Council's in-house team and is due for completion in early 2024. It is expected that LCC will require the funding to be transferred to them during the latter stages of the project and so is likely to be spent during 2022/23.

11.4 St Annes Masterplan – Levelling Up Fund Capital Bid Submission Round 2 - £14.6m

A Levelling Up Fund capital bid was submitted on the 27th July 2022 for £14.6m and the outcome is expected in Autumn 2022. Consultants were appointed to prepare a comprehensive masterplan to shape the future development of St Annes Town centre and the Island site on the Promenade and to help the council to access external funding. The views of the public and key stakeholders have been sought during a consultation exercise and these views had helped to shape the development of the masterplan. A bid was prepared and submitted to the second round of the governments Levelling Up fund. The round had three investment themes being transport; regeneration and town centre investment, and cultural investment. There was an opportunity to secure funding to help deliver different phases of the masterplan, in particular the public realm improvement to the area around the train station, dedicated pedestrian and cycle links, an events space in the Square and improving the connection to the town centre and the sea front. If successful it is expected that the bid will deliver a transformation of the town centre with 4 hectares of new public realm and 460 metres of active travel links, encouraging increased walking and cycling and an enhanced events programme to increase both day and overnight visitors to Fylde.

If the bid for funding is successful, then a further detailed report will be brought before planning committee and full council to provide full details and add the project to the capital programme.

12. **CONCLUSIONS – CAPITAL PROGRAMME**

- 12.1 The current Capital Programme as updated is showing a balanced position for 2022/23 onwards.
- 12.2 The programme and its associated financing will be subject to discussion with members during the coming months as part of the annual budget setting process for 2023/24.
- 12.3 Increasing inflation is exerting significant upward pressure on prices for utilities and on supplies and services across all sectors of the economy, which in turn increases the base costs for both revenue and capital budget items, as explained in section 5 of this report. The situation is particularly acute in the construction sector where supply chain issues and price increases are combining to put increased risks on the delivery of capital programme schemes. This is likely to be a continuing issue for the council during 2022/23 and this has resulted in current scheme delays and reviews on scheme costings.
- 12.4 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 2022 was £6.094m. Of this £2.765m is already committed to deliver existing approved capital schemes leaving an uncommitted balance of £3.329m. The latest revenue financial forecast contained at Appendix E of this report estimates further contributions into the reserve of £0.568m in 2022/23 and £0.176m in 2023/24 which would result in an unallocated balance on the reserve at 31st March 2024 of £4.073m. The estimated transfers into the reserve are subject to change as costs and income will undoubtedly fluctuate over the next 2 financial years.

To Note: Council in July 2022 approved the underwriting to the sum of £0.943m for 2022/2023 financial year from the capital investment reserve in the event that approval is

not ultimately confirmed from the Future High Street Fund team at DLUHC for the Kirkham Futures programme for Public Realm phase 1 works (this underwriting being required in order for the contract to be awarded for delivery of the public realm works) so the potential Capital Investment Reserve balance would reduce from £4.073m to £3.130m if this was required.

An updated position in respect of the Capital Investment Reserve will be included within future updates of the financial forecast presented to the Finance and Democracy Committee and to Council. Additional future projects will be subject to further consideration as part of the budget setting process for 2023/24. 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.

13. TREASURY MANAGEMENT

- 13.1 The Treasury Management Strategy and Prudential Indicators for the current financial year were approved by Council on 3rd March 2022.
- 13.2 The regulatory framework for treasury management requires Councils to receive a mid-year Treasury Review report. Such a report, which includes details of the economic background and outlook, interest rate forecast, and details of investment activity was presented to the Audit and Standards Committee for scrutiny on 10th November 2022 and will subsequently be presented to Council on 5th December 2022.

14. KEY AREAS OF FINANCIAL RISKS FOR TREASURY MANAGEMENT

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

15. SUMMARY POSITION – TREASURY MANAGEMENT

- 15.1 The economic backdrop during the April to September period continued to be characterised by high oil, gas and commodity prices, ongoing high inflation and its impact on consumer's cost of living and no imminent end in sight to the conflict in Ukraine. Consequently, the economic outlook for UK and world growth remains weak.

The Bank of England has incrementally increased the official Bank Base Rate from 0.75% to its current level 3.00% over the period. As a result, the council has benefited from increased investment yields which are reflected in the updated financial forecast within this report. That said, the council's Treasury Management Strategy prioritises the security of any investment over the return achieved. The council has complied with all aspects of the 2022/23 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, shows an estimated surplus of resources for 2022/23 and 2023/24, followed by budgeted deficits in the following years as central government funding arrangements remain unclear. The improved financial forecast position for 2023/24 is due largely to the estimated increase in business rate income based upon the assumptions around continuation of the Lancashire Business Rate pooling arrangements as set out in paragraph 3.3 of this report, together with the net favourable impact of the forecast changes itemised in Appendix Ci. The Council continues to approve and fund capital investment in a measured way, the approved capital programme is fully financed, and the council remains debt-free.
- 16.2 Since the council set its budget in March 2022 there has been significant turbulence and uncertainty in the national financial and economic outlook, as described in section 4 of this report. As a result, the possibility of funding reductions for local government in future years appears more likely than was previously the case.
- 16.3 As a result of this future funding uncertainty the Council needs to continue with the approach to delivering savings and efficiencies which have helped deliver balanced budgets and contributed to reserves over recent years which has enabled continuing delivery of the priorities set out in the council's Corporate Plan. Through continued focus on the importance of financial stability the Council has delivered a significant savings and efficiencies programme over the last decade and has continued to reduce 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 future challenges.
- 16.4 Although challenges may be encountered in the future the reserves and balances of the council 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 financial challenges. The Council will continue to take pro-active measures 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. Budget planning work for 2023/24 is well underway and further updates of the financial forecast will be brought before members in due course.
- 16.7 **The financial position of the Council as set out in this report remains robust. Members should, however, continue to be cognisant of the risks that are detailed within the 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 2022

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 2021/22 – 2025/26	Budget Council meeting 3 rd March 2022	www.fylde.gov.uk
Medium Term Financial Strategy (MTFS) Update, Including General Fund, Capital Programme and Treasury Management for 2022/23 – 2026/27	Finance and Democracy Committee meeting 21 st November 2022	www.fylde.gov.uk
MTFS – Outturn Position For 2021/22 (Including General Fund, Capital Programme & Treasury Management)	Finance and Democracy Committee meeting 23 rd June 2022	www.fylde.gov.uk
Revenue Budget Monitoring Report 2022/23 – to 30 th September 2022	Finance and Democracy Committee meeting 21 st November 2022	www.fylde.gov.uk
Capital Programme Monitoring Report 2022/23 – to 30 th September 2022	Finance and Democracy Committee meeting 21 st November 2022	www.fylde.gov.uk

Appendices:

1. Appendix A – Forecast approved at Council on 3rd March 2022
2. Appendix B – Schedule of general assumptions underpinning the forecast
3. Appendix Ci – Schedule of changes to the forecast
4. Appendix D – Explanation of changes to the forecast
5. Appendix E – Updated latest financial forecast position

General Fund Budget Forecast 2021/22 to 2025/26 - Approved at Budget Council March 2022

	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	Adverse / Favourable
Forecast approved at Council on 4th March 2021	10,934	11,000	11,697	11,909	11,909	
Forecast Changes - per Appendix C of March 2022 MTFS report to Budget Council	219	308	172	218	525	
Revenue Budget Growth Items - Appendix F of March 2022 MTFS report		121	82	85	88	
Forecast Budget Requirement	11,153	11,429	11,951	12,212	12,522	Adverse
Financed by:						Adverse
Council Tax Funding:						
Council Tax - Precept	6,656	6,881	7,096	7,317	7,544	
Sub Total - Council Tax Income	6,656	6,881	7,096	7,317	7,544	
Business Rates Funding:						
Retained Rates (including pooling benefit & pilot impact 2019/20)	4,501	3,580	2,800	2,800	2,800	
Sub Total - Business Rates Income	4,501	3,580	2,800	2,800	2,800	
Other Funding:						
Lower Tier Services Grant	379	89				
2022/23 Services Grant		133				
New Homes Bonus (NHB)	1,161	1,236	1,136	1,136	1,136	
Less - NHB distribution to Town & Parish Councils	- 58	- 62				
	1,482	1,396	1,136	1,136	1,136	
Forecast Financing	12,639	11,857	11,032	11,253	11,480	
Forecast surplus(-)/deficit for year	- 1,486	- 428	919	959	1,042	
Reserves						
Forecast surplus/deficit (-) for year from above:	1,486	428	- 919	- 959	- 1,042	
Less: Proposed Transfer to Capital Investment Reserve	- 1,486	- 428				
Balance of surplus/deficit(-) remaining:			- 919	- 959	- 1,042	
Balance of General Fund Reserves b/f	4,571	4,571	4,571	3,652	2,693	
Less transfer to/from(-) General Fund Reserves in year			- 919	- 959	- 1,042	
Forecast Reserves at Year End	4,571	4,571	3,652	2,693	1,651	
Band D Council Tax (Excl Parish Precepts)	£214.91	£219.19	£223.56	£228.01	£232.55	
Band D Average Council Tax Increase	£4.20	£4.28	£4.37	£4.45	£4.54	
Band D Average Council Tax Increase	1.99%	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 and where contractual commitments require increases;
- Slippage – approved underspend items from 2021/22 agreed by the Finance and Democracy Committee in June 2022 have been slipped into 2022/23;
- Pay award – the impact of the agreed 2022/23 pay award of £1,925pa for each pay point has been reflected in the updated forecast, with future pay awards estimated to be 2.75% per annum for 2023/24 and each year thereafter;
- Employers Pension Contributions – the Council's contributions to the Lancashire pension fund scheme are set in accordance with the indicative outcome of the 2022 Triennial Pension Review which is currently being carried out by the scheme actuaries, Mercer. The draft figures provided by the pension fund indicate contributions at 19.2% per annum, reduced by scheme surplus payments of 4% per annum for the period from 2023/24 to 2025/26; with future years estimates provided on a continuation basis. The forecast has been updated accordingly;
- 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 2022/23 onwards;
- New Homes Bonus Grant – the forecast for 2023/24 onwards assumes a reduced level of New Homes Bonus based broadly upon the current year's allocation reducing by an estimated 5% per annum. No allocation of New Homes Bonus grant to town and parish councils has been assumed beyond the current year at this point – these will be updated annually as and when national allocations to local authorities are announced each year under the national scheme;
- Fees and Charges – The forecast takes account of the revised fee levels as approved by Budget Council in March 2022. 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 2023 following consideration by the appropriate programme committee;
- Vacancy Savings – the forecast assumes vacancy savings of £300k per annum from 2022/23 onwards; and
- Localisation of Council Tax Benefit Scheme – the forecast assumes a fully funded scheme with no additional cost to the Council from 2022/23 onwards.

General forecast changes since Budget Council March 2022

	2022/23	2023/24	2024/25	2025/26	2026/27	
	£000	£000	£000	£000	£000	<u>ADVERSE /</u> <u>FAVOURABLE /</u> <u>NEUTRAL</u>
1 CHANGES AS A RESULT OF MEMBER APPROVALS:						
Lowther Trust - Renewal of Service Level Agreements inc New Subsidy Request - (<i>Council 25/04/22</i>)	12	12	12	0	0	ADVERSE
North Beach Toilets - (<i>OM 15/06/22</i>)	0	1	1	14	14	ADVERSE
MTFS Financial Outturn Report - Slippage from 2021/22 - (<i>F&D 23/06/22</i>)	485	0	0	0	0	ADVERSE
MTFS Financial Outturn Report - Use of monies transferred into GF reserves to fund slippage - (<i>F&D 23/06/22</i>)	-485	0	0	0	0	FAVOURABLE
Holiday Activity and Food Programme (HAF) Update - FBI - Expenditure - (<i>F&D 23/06/22</i>)	160	0	0	0	0	ADVERSE
Holiday Activity and Food Programme (HAF) Update - FBI - Income - (<i>F&D 23/06/22</i>)	-160	0	0	0	0	FAVOURABLE
Energy Rebate - Discretionary Scheme - FBI - Expenditure - (<i>F&D 23/06/22</i>)	181	0	0	0	0	ADVERSE
Energy Rebate - Discretionary Scheme - FBI - Income - (<i>F&D 23/06/22</i>)	-181	0	0	0	0	FAVOURABLE
Household Support Fund - FBI - Expenditure - (<i>Council 04/07/22</i>)	270	0	0	0	0	ADVERSE
Household Support Fund - FBI - Income - (<i>Council 04/07/22</i>)	-270	0	0	0	0	FAVOURABLE
Replacement Waste Containers Fee Increase - (<i>OM 06/09/22</i>)	-5	-12	-12	-12	-12	FAVOURABLE
2 BUDGET RIGHTSIZING EXERCISE:						
Revenue impact of budget right-sizing across all budget areas of the Council	-179	-167	-162	-83	-2	FAVOURABLE
3 STAFFING COSTS:						
Net impact of current year pay award and changes to employers NI contributions	248	209	207	204	202	ADVERSE
Estimated 2.75% pay award for 2026/27	0	0	0	0	275	ADVERSE
Estimated savings arising from 2022 triennial pension fund review	0	-364	-420	-437	-192	FAVOURABLE
4 UPDATED ESTIMATES OF INCOME BUDGETS:						
Windsports Centre - income from new lease	0	-11	-21	-21	-21	FAVOURABLE
Green waste subscription service - updated income estimates based on current subscription level	20	20	20	20	20	ADVERSE
Public Conveniences - additional income due to price increase and staycations	-25	-25	-25	-25	-25	FAVOURABLE
Trade Waste - additional income from increased useage of the service	-25	-25	-25	-25	-25	FAVOURABLE
Housing Standards - additional income from enforcement notices	-10	-10	-10	-10	-10	FAVOURABLE
Cemetery & Crematorium - updated income estimates based upon most recent income levels	20	20	20	20	20	ADVERSE
Updated estimates of investment interest receipts	-479	-344	-239	-159	-129	FAVOURABLE
Planning application fee income - updated income estimates based upon most recent income levels	25	25	25	25	25	ADVERSE
Building control Fee Income - updated income estimates based upon most recent income levels	-7	-7	-7	-7	-7	FAVOURABLE
5 OTHER FORECAST CHANGES						
Additional Running Costs for Public Offices - reflecting latest estimated date of disposal	30	0	0	0	0	ADVERSE
Removal of Planning Appeals Budget	-50	-45	-45	-45	-45	FAVOURABLE
External Audit Fees - 150% cost increase as advised by PSAA - procurement for audit services for opted-in bodies	38	89	87	89	87	ADVERSE
Kirkham Property Acquisitions - 52-64 Poulton Street Kirkham (Former TSB) - estimated annual running costs	10	10	0	0	0	ADVERSE
Kirkham Property Acquisitions - 48 Preston Street (Hillside) - estimated annual running costs	10	10	0	0	0	ADVERSE
Fleet - updated estimate of fuel costs	48	48	48	48	48	ADVERSE
Utilities including water - budget increases to reflect estimated increased costs	154	264	283	302	323	ADVERSE
Replacement Waste Containers - additional cost of purchase	25	25	25	25	25	ADVERSE
TOTAL	-140	-277	-238	-77	571	

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

Ci - General forecast changes since Budget Council March 2022**(1) Changes as a Result of Member Approvals**

The forecast that was approved at the Council meeting in March 2022 has been updated to reflect the financial impact of Member decisions made since then. The significant decisions in terms of their financial 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 and these have been updated and reflected through the forecast.

(3) Staffing Costs

The agreed pay award for 2022/23 has been reflected in this update and increases of 2.75% per annum have been assumed in each future year of the forecast, as detailed in the report. The final year of the forecast, 2026/27 is included for the first time as part of this November 2022 update. The forecast has also been updated to reflect the indicative outcome of the 2022 Triennial Pension Review which is currently being carried out by the scheme actuaries, Mercer.

(4) Updated Estimate of Income Budgets, including:

- Green waste subscription service income, public conveniences income, trade waste services income and planning application fee income estimates have all been updated to reflect the latest estimated levels throughout the life of the forecast.
- Revised Estimate of investment interest receipts:

The forecast has been updated to reflect the positive impact of increased interest yields receivable on the council's treasury management investments as the bank base rate has increased from 0.10% to its current level of 3%.

(5) Other Forecast Changes:

A number of other changes have been made to the forecast as itemised in the appendix, including increased estimates of utility costs across the council's asset base, increased estimates of external audit fees as advised by PSAA following the procurement for audit services for opted-in bodies, and increased estimates of fuel costs for the council's operational fleet vehicles.

Latest General Fund Budget Forecast 2022/23 to 2026/27 - as at November 2022

	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	Adverse / Favourable
Forecast approved at Council on 3rd March 2022	11,429	11,951	12,212	12,522	12,522	Favourable
Forecast Changes - Appendix Ci (November 22)	- 140	- 277	- 238	- 77	571	
Forecast Budget Requirement: TOTAL	11,289	11,674	11,974	12,445	13,093	
Financed by:						
Council Tax Funding:						
Council Tax - Precept	6,881	7,096	7,317	7,544	7,778	
Sub Total - Council Tax Income	6,881	7,096	7,317	7,544	7,778	
Business Rates Funding:						
Retained Business Rates	3,580	3,580	3,401	3,231	3,069	
Sub Total - Business Rates Income	3,580	3,580	3,401	3,231	3,069	
Other Funding:						Favourable
Lower Tier Services Grant	89					
2022/23 Services Grant	133					
New Homes Bonus (NHB)	1,236	1,174	1,115	1,060	1,007	
Less - NHB distribution to Town & Parish Councils	- 62					
Sub Total - Other Income	1,396	1,174	1,115	1,060	1,007	
Forecast Financing: TOTAL	11,857	11,850	11,833	11,835	11,854	
Forecast surplus (-) / deficit for year	- 568	- 176	141	610	1,239	
Reserves						
Forecast surplus/deficit (-) for year from above:	568	176	- 141	- 610	- 1,239	
Less: Proposed Transfer to Capital Investment Reserve	- 568	- 176				
Balance of surplus/deficit(-) remaining:			- 141	- 610	- 1,239	
Balance of General Fund Reserves b/f	5,056	4,571	4,571	4,430	3,820	Favourable
Less in year transfer to fund slippage from 2021/22	- 485					
Less estimated transfer to/from(-) General Fund Reserves in year			- 141	- 610	- 1,239	
Forecast Reserves at Year End	4,571	4,571	4,430	3,820	2,581	
Band D Council Tax (Excl Parish Precepts)	£219.19	£223.56	£228.01	£232.55	£237.18	
Band D Average Council Tax Increase	£4.28	£4.37	£4.45	£4.54	£4.63	
Band D Average Council Tax Increase	1.99%	1.99%	1.99%	1.99%	1.99%	

DECISION ITEM

REPORT OF	MEETING	DATE	ITEM NO
CHIEF FINANCIAL OFFICER	COUNCIL	5 DECEMBER 2022	9
MID YEAR PRUDENTIAL INDICATORS AND TREASURY MANAGEMENT MONITORING REPORT 2022/23			

PUBLIC ITEM

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

SUMMARY

This report is a mid-year Prudential Indicators and Treasury Management monitoring report which has been prepared in line with the recommendations of CIPFA's (Chartered Institute of Public Finance Accountants) Code of Practice on Treasury Management. The report has also been considered at the Audit and Standards Committee meeting of 10th November 2022.

RECOMMENDATIONS

The Audit and Standards Committee considered the Mid-Year Prudential Indicators and Treasury Management monitoring report at its meeting on the 10th November 2022, and recommends to Council:

1. That the Prudential Indicators and the Investment Limits as shown at Appendix B of this report be approved.

SUMMARY OF PREVIOUS DECISIONS

Council approved the 2022/23 to 2025/26 Capital Strategy, which incorporated the Prudential Indicators, at its meeting on 3rd March 2022.

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	✓

MID YEAR PRUDENTIAL INDICATORS AND TREASURY MANAGEMENT MONITORING

REPORT 2022/23 – POSITION AS AT 30th SEPTEMBER 2022

Report

The Code of Practice on Treasury Management requires the Council to receive a Mid-Year Treasury Review report in addition to the forward-looking Annual Capital Strategy and the backward-looking Annual Treasury Report. The Code of Practice also requires Members to scrutinise the Treasury Management function.

CIPFA published its revised Treasury Management Code of Practice [the TM Code] and Prudential Code for Capital Finance in December 2021. The key changes in the two codes are around permitted reasons to borrow, knowledge and skills, and the management of non-treasury investments. The principles within the two Codes took immediate effect although local authorities could defer introducing the revised reporting requirements within the revised Codes until the 2023/24 financial year if they wish, which the Authority has elected to do.

Treasury risk management at the Authority is conducted within the framework of the TM Code. This Code now also includes extensive additional requirements for service and commercial investments, far beyond those in the 2017 version.

Background

The Code of Practice on Treasury Management requires the Council to receive a Mid-Year Treasury Review Report, in addition to the forward looking Annual Treasury Strategy, Capital Strategy and Annual Treasury Report.

The Mid-Year Treasury Review report has been prepared in compliance with the Code of Practice. In order to assist with the terminology and explanations that are included within this report Appendix A sets out a Glossary of Treasury Terms and a number of Treasury Management and Prudential Indicators Frequently Asked Questions. Appendix B sets out the latest Treasury Management position compared to the forecast Prudential Indicators.

1. Economic Update

1.1 Economic Background

- 1.1.1 The ongoing conflict in Ukraine has continued to put pressure on global inflation and the economic outlook for UK and world growth remains weak. The UK political situation towards the end of the period following the 'fiscal event' increased uncertainty further.
- 1.1.2 The economic backdrop during the April to September period continued to be characterised by high oil, gas and commodity prices, ongoing high inflation and its impact on consumers' cost of living, no imminent end in sight to the Russia-Ukraine hostilities and its associated impact on the supply chain, and China's zero-Covid policy.
- 1.1.3 The Bank of England increased the official Bank Rate to 2.25% over the period. From 0.75% in March, the Monetary Policy Committee (MPC) pushed through rises of 0.25% in each of the following two MPC meetings, before hiking by 0.50% in August and again in September. August's rise was voted by a majority of 8-1, with one MPC member preferring a more modest rise of 0.25%. the September vote was 5-4, with five votes for an 0.5% increase, three for an 0.75% increase and one for an 0.25% increase. The Committee noted that domestic inflationary pressures are expected to remain strong and so given ongoing strong rhetoric around tackling inflation further Bank Rate rises should be expected.
- 1.1.4 On 23rd September the UK government, following a change of leadership, announced a raft of measures in a 'mini budget', loosening fiscal policy with a view to boosting the UK's trend growth rate to 2.5%. With little detail on how government borrowing would be returned to a sustainable path, financial markets reacted negatively. Gilt yields rose dramatically by between 0.7% - 1% for all maturities with the rise most pronounced for shorter dated gilts. The swift rise in gilt yields left pension funds vulnerable, as it led to margin calls on their interest rate swaps and risked triggering large scale redemptions of assets across their portfolios to meet these demands. It became necessary for the Bank of England to intervene to preserve

market stability through the purchase of long-dated gilts, albeit as a temporary measure, which has had the desired effect with 50-year gilt yields falling over 100bps in a single day.

1.2 Economic Outlook

- 1.2.1 Uncertainty on the path of interest rates has increased dramatically due to the possible risk from unknowns which could include for instance another general election or further tax changes including implementing windfall taxes.
- 1.2.2 UK government policy has mitigated some of the expected rise in energy inflation for households and businesses flattening the peak for CPI, whilst extending the duration of elevated CPI. Continued currency weakness could add inflationary pressure.
- 1.2.3 The UK economy already appears to be in recession, with business activity and household spending falling. The short to medium term outlook for the UK economy is relatively bleak.
- 1.2.4 The housing market impact of increases in the Base Rate could act as a “circuit breaker” which stops rates rising much beyond 5%, but this remains an uncertainty.

1.3 Interest Rate Forecast

- 1.3.1 The latest forecast for interest rates from the Council’s Treasury Advisors, Arlingclose, is shown in Table 1 below. Arlingclose currently expects Bank Rate to rise further during 2022/23 to reach 5% by the end of the year.
- 1.3.12 Investors have priced in multiple rises in Bank Rate to 6.0% by the quarter to September 2023. While Arlingclose believes Bank Rate will rise it is by a lesser extent than expected by the markets.

Table 1: Interest Rate Forecast from Arlingclose

Quarter Ending	Bank Rate %	Investment Rates %		Borrowing Rates %		
		3 month	5 year	5 year	20 year	50 year
Current	2.25	2.25	4.53	6.33	6.12	5.75
Dec 2022	4.25	4.25	4.50	6.30	6.05	5.70
Mar 2023	5.00	5.25	4.60	6.40	6.05	5.70
Jun 2023	5.00	5.25	4.50	6.30	5.95	5.60
Sep 2023	5.00	5.25	4.50	6.30	5.90	5.60
Dec 2023	5.00	5.25	4.40	6.20	5.80	5.60
Mar 2024	5.00	5.25	4.30	6.10	5.70	5.40
Jun 2024	5.00	5.25	4.20	6.00	5.70	5.40
Sep 2024	5.00	5.25	4.10	5.90	5.60	5.30
Dec 2024	4.75	4.75	4.00	5.80	5.60	5.30
Mar 2025	4.25	4.25	3.90	5.70	5.60	5.30
Jun 2025	3.75	3.75	3.80	5.60	5.60	5.30
Sep 2025	3.25	3.25	3.70	5.50	5.60	5.30

2. **Debt Management**

- 2.1 The Council currently holds no external debt, and the authority remains debt free.

- 2.2 The Council's underlying need to borrow is measured by the Capital Financing Requirement (CFR). This increases with new debt-financed capital expenditure and reduces with MRP and capital receipts. For 2022/23 the Council has a £4.1m Capital Financing Requirement (CFR) based on prudential borrowing for past and current capital expenditure that has been approved as part of the Capital Programme (See Appendix B Table 2). Currently this is being funded by the Council's cash flow, i.e. internal borrowing, and it is expected that internal borrowing will continue to be used for the rest of the financial year in line with advice from the Council's Treasury Advisors.
- 2.3 The use of internal resources in lieu of borrowing, i.e. internal borrowing, has continued to be the most cost-effective means of funding capital expenditure. Using internal borrowing lowers the overall treasury risk by reducing both external debt and temporary investments. However, this position may not be sustainable over the longer term. Consequently, external borrowing options and the timing of such borrowing will continue to be assessed in consultation with the Council's Treasury Advisors.
- 2.4 PWLB loans are no longer available to local authorities who plan to buy investments primarily for yield. Borrowing is permitted for cashflow management, interest rate risk management, to refinance current borrowing and to adjust levels of internal borrowing. Acceptable use of PWLB borrowing includes service delivery, housing, regeneration, and preventative action. The Council does not intend to borrow to invest primarily for commercial return

3. Investments

3.1 Treasury Investment Activity

- 3.1.1 CIPFA revised TM Code defines treasury management investments as those which arise from the Authority's cash flows or treasury risk management activity that ultimately represents balances which need to be invested until the cash is required for use in the course of business.
- 3.1.2 The Council holds significant invested funds, representing income received in advance of expenditure, monies held on behalf of the Council Tax and Business Rates Collection Fund (Lancashire County Council, the Police and Crime Commissioner for Lancashire and Lancashire Combined Fire Authority) plus balances and reserves held.
- 3.1.3 The Council's cash flow has continued to remain high with £38.7m of cash and investments being held as at 30th September 2022. This balance of funds is likely to reduce during the remainder of the financial year. The balance of the Council's own bank account will ideally be kept below £2m to ensure sufficient liquidity for all the financial transactions undertaken by the Council. Due to cash flow fluctuations this limit may be exceeded on occasion and if the limit is exceeded for more than three working days the Section 151 Officer or Deputy Section 151 Officer will review the position.
- 3.1.4 Both the CIPFA Code and government guidance require the Authority to invest its funds prudently, and to have regard to the security and liquidity of its treasury investments before seeking the optimum rate of return, or yield. The Authority's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income.
- 3.1.5 Given the risk from short-term unsecured bank investments, the Authority has continued to invest in Local Authority loans with a maximum duration of 365 days.
- 3.1.6 The security of capital has remained the Council's main investment objective. This has been maintained by following the Council's counterparty policy as set out in the Investment Strategy for 2022/23 approved by Council on 3rd March 2022.
- 3.1.7 The Council defines "high credit quality" organisations as:
- those having a credit rating of A- or higher and that are domiciled in the UK for deposits of up to one year,

- those domiciled in a foreign country those with a sovereign rating of AA+ or higher for deposits of up to one year.

These criteria are specified within table 4 (Approved Investment Counterparties and limits) of the Treasury Management Strategy as approved by the Council on 3rd March 2022.

3.1.8 Internally managed funds of £36.2m (average for the period to 30th September 2022) have been invested in deposit accounts, call accounts, Local Authorities, Money Market Funds and the Debt Management Office during the first half of the year.

3.1.9 Deposits have been made at an average rate of 1.59%, which is above the benchmark return (based on the SONIA – Sterling Overnight Interbank Average Rate) of 1.24%. This has been achieved due to the increase in the Bank base rate on short term deposits and as fixed term investments matured and were replaced with investments at the higher rate.

The Council's original estimate for investment income for 2022/23 was £31.4k. Income from investments is higher than the forecast amount due to upward returns driven by the increase in Bank base rate combined with higher than anticipated levels of funds available for investment. Consequently, this income budget has been reviewed and will be increased to £510.7k to reflect the latest estimated level of income, representing an increase in forecast interest earnings for the current year of £479.3k. This change will be updated in the financial forecast included within the council's Medium term Financial Strategy report, together with updated estimates for future years.

3.1.10 The Council has adhered to the security, liquidity and yield indicators that were presented as part of the Treasury Management Strategy for 2022/23.

4. Revisions to the Treasury Management Code of Practice and Prudential Code

4.1 In December 2021 CIPFA published its revised Treasury Management Code of Practice and Prudential Code for Capital Finance. The key changes in the two codes are around permitted reasons to borrow, knowledge and skills, and the management of non-treasury investments. The principles within the two Codes took immediate effect although local authorities could defer introducing the revised reporting requirements until the 2023/24 financial year which the Council has elected to do.

5. Compliance

5.1 The Chief Financial Officer reports that all treasury management activities undertaken during the half year complied fully with the CIPFA Code of Practice and the Authority's approved Treasury Management Strategy.

5.2 Details of the Prudential Indicators can be found in Appendix B. As changes arise during the year some of the Prudential Indicators and Limits need to be revised.

6. Risk Assessment

6.1 Scrutiny of the revised Prudential Indicators and Limits and the subsequent recommendation of approval to the revisions by Audit and Standards Committee to Council helps to protect the Council from the risk of not having adequate liquidity or funding for the Council's capital plans.

6.2 Additionally, if this scrutiny process was absent the Council would not be compliant with the Council's approved Treasury Management Practices (as detailed in the Council Constitution) or CIPFA's Code of Practice on Treasury Management.

7. Conclusion

7.1 In compliance with the requirements of the CIPFA Code of Practice this report provides members with a summary report of the treasury management activity during the first half of 2022/23. As indicated in this

report, none of the treasury limits have been breached and a prudent approach has been taken in relation to investment activity with priority being given to security and liquidity over yield.

IMPLICATIONS	
Finance	Financial implications are contained within the body of the report.
Legal	This report secures the continued compliance with the Council's approved Treasury Management Practices (as detailed in the Council Constitution) and CIPFA's Code of Practice on Treasury Management.
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 2022

BACKGROUND PAPERS		
Name of document	Date	Where available for inspection
Medium Term Financial Strategy Update Including General Fund, Capital Programme & Treasury 2021/22 – 2025/26	Council meeting 3rd March 2022	www.fylde.gov.uk

Attached documents

1. Appendix A – Glossary of Treasury Terms and Treasury Management and Prudential Indicators Frequently Asked Questions
2. Appendix B – Prudential Indicators
3. Appendix C – Existing Investment and Debt Portfolio Summary

Glossary of Treasury Terms

Term	Description
Counterparty	Another party to an agreement.
Credit rating	A measure of the credit worthiness of an institution, corporation, or a country. Credit ratings are calculated from financial history and current assets and liabilities. Typically, a credit rating tells a lender or investor the probability of the counterparty being able to pay back a loan.
Liquidity	As assessment of how readily available an investment is. It is safer to invest in liquid assets because it is easier for an investor to get their money out of the investment.
Minimum Revenue Provision (MRP)	The minimum amount that the Council must charge to the revenue accounts each year in order to reflect the notional costs of financing capital expenditure.
Security	As assessment of the creditworthiness of a counterparty.
Treasury adviser	External consultancy firms that provide information to local authorities, including information regarding counterparty creditworthiness.
Prudential Borrowing	Borrowing that is not funded via the Revenue Support Grant or other grant aid system but rather from the Council's own resources, this is conditional that prudence is demonstrated.

Treasury Management and Prudential Indicators Frequently Asked Questions

1. What is the difference between capital expenditure and capital financing requirement?

Capital Expenditure is defined as expenditure on the acquisition, creation or enhancement of tangible fixed assets, subject to a de minimis level of £10,000. It includes expenditure on land, buildings and vehicles.

The Capital Financing Requirement (CFR) is the level of total funding that is required to fund the capital programme. The actual level of external borrowing may be lower than the CFR as a consequence of the use of internal borrowing. Internal Borrowing occurs when the Council temporarily uses its own cash resources to finance capital expenditure rather than arranging new external borrowing. This is a prudent approach when investment returns are low and counterparty risk is high.

2. What does the term ‘financing’ mean?

The term ‘financing’ does not refer to the payment of cash but the resources that will be applied to ensure that the capital payment amount is dealt with over the longer term. A number of financing options are available to Councils:-

- capital receipts (e.g. sale of land or buildings)
- contribution from revenue expenditure
- capital grant
- contribution from a third party
- borrowing
- contribution from earmarked reserves

3. Does the Council link long term loans to particular capital assets/projects?

The Council does not directly associate loans with particular capital assets/projects, as this is not best practice. The Council will, at any point in time, have a number of cash flows both positive and negative and will be managing its position in terms of its borrowings and investments in accordance with its treasury management strategy and practices. This is best practice in line with the CIPFA Prudential Code.

4. What does the term ‘net borrowing should not exceed the total of the CFR’ mean?

Net borrowing will remain below the CFR to ensure that the Council is only borrowing for a capital purpose. The Council is permitted to borrow in advance for a capital purpose over the medium term. The term ‘total of the CFR’ is the CFR of the current year plus increases in the CFR of the previous financial year and next two financial years. In other words, the total of the Council’s existing assets, plus additions to assets resulting from forecast Capital Programme expenditure, e.g. vehicles. This gives the Council some headroom to borrow early for a capital purpose in order to secure low interest rates.

5. Is the cash that is being managed in-house revenue or capital?

The short term surplus cash that is managed during the year in house may be revenue or capital, e.g. the Council may receive a capital receipt in April but capital expenditure is incurred throughout the year which gives rise to increased cash balances in the early part of the financial year which is invested short term by the in house treasury team. The Council receives Council Tax which is classed as revenue income. Council Tax income is typically received in the months of April to January as the majority of Council Tax payers make 10 instalments. Therefore, the Council has less cash in the months of February and March and may need to borrow cash short-term in line with the cash flow forecast.

6. What does the Council invest in?

The Council is restricted in where it can invest its surplus funds. The restrictions are prescribed by statute (Local Government Act 2003 section 12(1) (b)). Councils are also required to have regard to supplementary investment guidance provided by the Communities and Local Government.

The Council's investments are typically short term, i.e. less than a year, and are made in sterling with institutions with high credit ratings. This is in accordance with the Treasury Management Strategy approved on the 3rd March 2022.

7. What is the role of internal and external auditors in respect of treasury management?

The focus of external auditors work is a Council's annual accounts and the financial management systems and processes that underpin them. The external audit will enquire as to whether the Treasury Management Code has been adopted and whether its principles and recommendations have been implemented and adhered to.

Through a process of review, the role of Internal Audit is to provide an opinion of the adequacy, application and reliability of the key internal controls put in place by management to ensure that the identified risks are sufficiently mitigated. This will assist Treasury Management in meeting its desired objectives and help to ensure that the risk of fraud and/or error is minimised. Internal Audit will also look to identify other areas of potential risk which could usefully be included as well as any inefficiencies in existing processes and procedures where improvements can be made. Treasury Management is one of the core financial systems and as such is audited on a cyclical basis.

8. What are the qualifications of Council staff involved in treasury management practices?

Staff are either working towards or have achieved professional accountancy qualifications from CIPFA (Chartered Institute of Public Finance Accountants), ACCA (Association of Chartered Certified Accountants) or CIMA (Chartered Institute of Management Accountants). Staff work closely with the Council's Treasury Management Advisors and attend regular treasury training and updates (provided by the Treasury Management Advisors).

Prudential Indicators

1.1 Capital Expenditure

Table 1 shows the revised forecast capital expenditure as reported in the latest Capital Programme Monitoring Report as at 30th September 2022 as compared to the capital expenditure originally approved by Council.

Table 1: Forecast Capital Expenditure

Forecast Capital Expenditure	2022/23 Original Indicator £M	2022/23 Latest Estimate £M
Total	14.0	18.5

The above table shows the forecast capital expenditure for 2022/23. The large increase in the latest estimate of capital spend for the year is a consequence of slippage and re-phasing of a number of capital schemes from 2021/22 into 2022/23.

1.2 Capital Financing Requirement (CFR)

Table 2 shows the CFR which is the total of all of the Council's capital assets (existing and planned) less all of the Council's capital reserves. This is the amount of capital expenditure that the Council has still to finance. The CFR is normally funded by external borrowing but currently is being funded by the Council's cash flow, i.e. internal borrowing, and it is expected that internal borrowing will continue to be used for the rest of the financial year in line with advice from the Council's Treasury Advisors. The Council has no existing borrowing therefore there is a requirement to finance £4.1m from internal cash resources as described in section 3 of the report.

Table 2: Capital Financing Requirement (CFR)

	2022/23 Original Indicator £M	2022/23 Latest Estimate £M
Total CFR	4.1	4.1

The latest estimate of the CFR is in line with the original approved indicator.

1.3 Gross Debt and Capital Finance Requirement

The Council needs to ensure that its total capital borrowing does not, except in the short term, exceed the total of the CFR. Table 3 below shows that the Council will be able to comply with this requirement.

There are no difficulties anticipated in keeping the long term capital borrowing below the CFR.

Table 3: Gross Debt and Capital Finance Requirement

As at 31/03/2021	2022/23 Original Indicator £M	2022/23 Latest Estimate £M
Estimated Long Term Borrowing	0	0
Capital Financing Requirement	4.1	4.1

The Council is forecast to be able to fund the capital borrowing requirement with internal borrowing and does not expect to require new external borrowing during 2022/23, in line with advice from Treasury Advisors.

1.4 Authorised Limit and Operational Boundary for External Debt

Affordable Borrowing Limit: The Council is legally obliged to set an affordable borrowing limit (also termed 'Authorised Limit' for external debt) each year. In line with statutory guidance, a lower 'Operational Boundary' is also required to be set as a warning level should debt approach the limit. This is detailed in table 4.

The Operational Boundary is based on the maximum external debt during the course of the year. It is not a limit and therefore may be exceeded on occasion.

The Authorised Limit for external debt represents the limit beyond which borrowing is prohibited, and is set and revised by Council. It reflects the level of borrowing which, in extreme circumstances, could be afforded in the short term. This is a statutory limit which should not be breached.

There were no breaches to the Authorised Limit and the Operational Boundary to 30th September 2022.

Table 4: Authorised Limit and Operational Boundary for External Debt

	2022/23 Original Indicator £M	2022/23 Latest Estimate £M
Authorised Limit – total external debt	8.0	6.0
Operational boundary	2.0	0

Note

1. The Authorised Limit and Operational Boundary have reduced as a consequence of there being no requirement to borrow in the short-term for day to day cash flow. The Council is able to fund the capital borrowing requirement with internal borrowing and does not expect to require new external borrowing during 2022/23.

2. The Authorised Limit includes £6.0m for 'contingency' which is an amount that has been estimated to provide scope to undertake short-term borrowing in the event of a service delivery failure or emergency, e.g. a failure to collect council tax income.

1.5 Forecast Treasury Position

Table 5 shows the expected balances for investments and debt at 31st March 2023.

Table 5: Forecast Treasury Position

	2022/23 Estimate £M	2022/23 Revised £M
Debt (Long-Term External Borrowing)	0	0
Investments	17.2	25.2

The Council has not undertaken any new external long-term borrowing as it is funding capital expenditure with internal borrowing (see Section 3 of the report).

The forecast investments position has been updated to reflect the latest changes to the movements in reserves, provisions and capital expenditure. The increase in the level of investments at the 31st March 2022 from £17.2m to £25.2m is a consequence of the forecast timing of daily cash flows.

1.6 Proportion of Financing Costs to Net Revenue Stream

This indicator identifies the trend in the financing costs (Minimum Revenue Provision (MRP) plus interest payable less interest receivable) as a percentage of the net revenue stream as shown in Table 6.

Table 6: Ratio of Financing Costs to Net Revenue Stream

	2022/23 Estimate £M	2022/23 Revised £M
Financing costs (£m)	0.745	0.234
Proportion of net revenue stream	6.3%	2.0%

The latest estimate of net financing costs is lower than the original estimate due to the increase of interest receivable on investments, predominantly with other local authorities and money market funds. This is a result of the Monetary Policy Committee (MPC) raising the Bank base rate to tackle domestic inflationary pressures.

1.7 Investments over 365 days

This limit is set to ensure adequate liquidity and is the maximum amount of funds the Council will invest longer term.

Table 7: Investments over 365 days

	2022/23 Estimate £M	2022/23 Revised £M
Limit for investments over 365 days	5.0	0

1.8 Credit Risk, Liquidity & Investment Benchmarking

The Council manages its exposures to counterparty credit risks by aiming for an average credit rating of A- for the investment portfolio. Credit scores are calculated as AAA = 1, AA+ =2, etc.

The Council's treasury advisors Arlingclose have analysed the Council's credit, liquidity, market risk and yield score compared to Arlingclose Authority clients of a similar type and Arlingclose Authority clients as a whole and the results are shown in Table 8.

Table 8: Credit Risk, Liquidity & Investment Benchmarking

Credit Risk at 30 th September 2022	Fylde Council	44 English Non-Met District Councils Average	121 Local Authorities Average
Security - Average Credit Score (time-weighted)	4.94	4.23	4.23
Security - Average Credit Rating (time-weighted)	A+	AA-	AA-
Liquidity – Proportion Available Within 100 Days	74%	62%	71%

Market Risks – Strategic Fund Volatility	0	4.5%	6.2%
Yield - Internal Investment Return	1.59%	1.70%	1.72%
Longer Term Cash Plus Funds – Income Return	0	0.66%	0.63%
Longer Term Strategic Funds – Income Return	0	3.87%	3.97%

Existing Investment & Debt Portfolio Position at 30.09.22

	30.09.22 Actual Portfolio £m	30.09.22 Average Rate %
External Borrowing:		
Public Works Loan Board	0	-
Total External Borrowing	0	
Treasury investments:		
<u>Short Term</u>		
Banks – unsecured	(2.7)	2.15
Debt Management Office (DMO)	(3.0)	1.85
Local Authority Loans	(16.0)	0.99
LCC Call Account Facility	(3.5)	2.00
Money Market Funds	(13.5)	2.06
Total Treasury Investments	(38.7)	
Net Borrowing / (Lending)	(38.7)	

DECISION ITEM

REPORT OF	MEETING	DATE	ITEM NO
HEAD OF REVENUES AND BENEFITS - SHARED SERVICE	COUNCIL	5 DECEMBER 2022	10
COUNCIL TAX REDUCTION SCHEME 2023/24			

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 2022/23 was approved by this Council in December 2021 for 2022/23 only.

This report sets out the proposals in respect of the scheme for 2023/24. The report was considered by the Finance and Democracy Committee at its meeting of 21st November and contains the recommendations of the committee for agreeing the details of a CTRS for 2023/24.

RECOMMENDATIONS

The Finance and Democracy Committee considered the Council Tax Reduction Scheme 2023/24 report at the meeting of 21st November 2022.

In accordance with those deliberations, and having due regard to the Equality Analysis as detailed in section 5 of this report, the Council is recommended:

1. To approve the continuation of the existing CTRS scheme for 2023/24 as set out in section 3 of this report;
2. To approve the continuation of Discretionary Hardship Relief for 2023/24 to provide additional support for claimants in exceptional circumstances; and
3. To approve, as necessary, that the financial implications are reflected in the Council's Revenue Budget and Financial forecast for 2023/24 onwards.

SUMMARY OF PREVIOUS DECISIONS

The Council Tax Reduction Scheme in operation for 2022/23 was approved at the Council meeting of 6th December 2021. 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 2022/23

- 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. Accordingly, the Council introduced such a scheme and has updated the scheme annually since that date.
- 1.2 In December 2021 the Council approved a scheme for 2022/23. 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 which has operated since the commencement of the scheme in 2014/15.

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 principles 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 September 2022, the number of claimants eligible for council tax support was 5,098 compared to 5,557 at the end of September 2021, a decrease of 459, which is more reflective of the pre-pandemic caseload.

By definition, the CTRS scheme results in less income being receiveable by the council and the the other major preceptors, namely Lancashire County Council, Lancashire Fire and Rescue Service and the Lancashire Police and Crime Commissioner.

The latest estimate of the cost (i.e. reduced council tax income collectable) of the CTRS for 2022/23 is £5,166,754 which is split between this Council and the major preceptors, with Fylde Council's share being £543,542.

For 2021/22 the total scheme cost was £5,245,176, with the Fylde Council share being £562,283. The reduction in estimated cost in the current year is largely attributable to the reduction in the number of CTRS applicants when compared to claimants levels during 2021/22, largely owing to the impact of Covid-19 during 2021/22.

In 2013/14 when the scheme was first introduced funding was provided by way of specific government grant to meet the estimated costs of the scheme. 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 as a contribution towards the cost of administering the CTRS which for 2022/23 is in the sum of £94,404.

- 2.4 For 2022/23, as at 30th September 2022, a total of £415.20 hardship awards have been made under the existing discretionary hardship scheme.

3. Proposed CTRS for 2023/24

- 3.1 It is proposed that the 22.7% maximum reduction in the level of support is retained for the 2023/24 CTRS.
- 3.2 It is further proposed that the scheme for 2023/24 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 2023/24 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 2022 seeking their views on the proposed scheme for 2023/24. 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 2023/24 CTRS set out in this report
- 3.4 Although there are no changes to the scheme proposed for 2023/24, 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 2023/24 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 202223 v1.14.pdf](#)

The proposed Discretionary Discount Policy for 2023/24 will be accessible on the website as and when approved.

- 4.3 It is proposed that for 2023/24 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 The Council is required to adopt a local Council Tax Reduction Scheme for 2023/24 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 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 2023/24. That Schedule forms part of the adopted scheme.
- 6.3 For 2023/24 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%.
- 6.4 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 2023/24 only.

IMPLICATIONS	
Finance	The Councils financial forecast within the Medium Term Financial Strategy 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
Louise Jones, Head of Revenues and Benefits - Shared Service	01253 478885	November 2022

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 2022

Fylde Borough Council - Council Tax Reduction Scheme 2023/24 – 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 2023/24.

Introduction:

The scheme that currently operates within Fylde borough was approved by this Council in December 2021.

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 2022/23 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 2023/24 Scheme:

It is proposed that for 2022/24 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 2023/24.

Council Members will be asked to agree a scheme of Council Tax Support in December 2022. The principles for the 2023/24 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 2023/24

It is proposed that the 2023/24 scheme will have the same design principles as that currently in operation and no changes are proposed.

It is proposed that the scheme for 2023/24 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 2023/24 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 2023/24 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 2022/23 is 22.7%).
2. Do you agree or disagree that the 2023/24 Fylde Council Tax Reduction Scheme should remain the same as the scheme in operation for 2022/23?
3. Do you have any suggested changes to the 2023/24 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 2023/24 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 2022**.

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 2023/24 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 2022/23 is 22.7%). **Yes**
2. Do you agree or disagree that the 2023/24 Fylde Council Tax Reduction Scheme should remain the same as the scheme in operation for 2022/23? **Yes**
3. Do you have any suggested changes to the 2023/24 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 2023/24 Fylde Council Tax Reduction Scheme? **No**



Paul Harrison

Phone: 01772 535259

Fax:

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

BY EMAIL

Your ref: P O'Donoghue

Our ref: SF

Date: 2 November 2022

Dear Paul

Fylde Borough Council - Council Tax Reduction Scheme 2023/24 – 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 2023/24 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.

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

1. Do you agree or disagree that the 2022/23 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 2022/3 is 22.7%).

Agree

2. Do you agree or disagree that the 2023/24 Fylde Council Tax Reduction Scheme should remain the same as the scheme in operation for 2022/23?

Agree



3. Do you have any other suggested changes to the 2023/24 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 2023/24 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: P O'Donoghue
Our ref: NK
Date: 11 November 2022

Dear Paul

COUNCIL TAX REDUCTION SCHEME CONSULTATION 2023/24

Thank you for your letter of 25th October 2022 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 2023/24 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 2022/23 is 22.7%).

Contd

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 2023/24 Fylde Council Tax Reduction Scheme should remain the same as the scheme in operation for 2022/23?

We agree that the 2023/24 scheme should remain the same as the current 2022/23 scheme.

3. Do you have any suggested changes to the 2023/24 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.

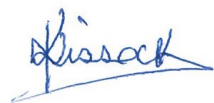
We do not object to the additional discretionary award. However, we feel that it is fair and appropriate that Fylde Borough Council should maintain a cost neutral scheme. At a time when resources are extremely limited, it is vital that the operation of the scheme does not pass on additional costs to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

6. Do you have any other comments to make about the proposed 2023/24 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



Neil Kisson
Director of Finance

DECISION ITEM

REPORT OF	MEETING	DATE	ITEM NO
DEPUTY CHIEF EXECUTIVE	COUNCIL	5 DECEMBER 2022	11
FULLY FUNDED REVENUE BUDGET INCREASE - HOUSEHOLD SUPPORT FUND			

PUBLIC ITEM

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

SUMMARY

The report details the imminent receipt of further from the government grant funding stream for Household Support.

This is now the third amount of Household Support Funding provided by the government which is intended to support vulnerable houses across the country to help them with essentials. The latest funding round has seen a further £421 million pounds allocated to upper tier authorities to cover the period up to 31 March 2023.

As a result Fylde Council has been notified by Lancashire County Council (LCC) that it will receive a further £270,000 to support low-income families. It is anticipated that this amount will have been received by the 5th of December council meeting.

RECOMMENDATION

The Council is requested to approve a further fully funded revenue budget increase of up to £270,000 in 2022/23, fully funded from the government grant funding stream for Household Support Fund running to the period 31st March 2023.

SUMMARY OF PREVIOUS DECISIONS

Council – 4th July

Approval of fully funded budget increase in the sum of £270,000.

Environment, Health and Housing Committee - 4th January 2022

It was RESOLVED:

1. To note the position with respect to the allocation and spend to date of the Household Support Grant which has been allocated under the Chief Executive's delegations pursuant to Section 101 of the Local Government Act 1972;
2. To approve the projected spending against projects identified within this report; and
3. To recommend to Finance and Democracy Committee a revenue budget increase of up to £150,000 in 2021/22 fully funded from the government grant funding stream for Household Support Grant.

Finance and Democracy Committee - 24 January 2022

Following a number of members speaking in support of the grant, it was RESOLVED to approve a revenue budget increase of up to £150,000 in 2021/22, fully funded from the government grant funding stream for Household Support Grant.

Environment, Health and Housing Committee - 14 June 2022

It was RESOLVED to:

1. Note the position; and
2. Request that Council approve a fully funded budget increase in the sum of £270,000 for household support funding.

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

HOUSEHOLD SUPPORT FUNDING

1. In September 2021, the government announced that vulnerable households across the country would be able to access a new £500 million support fund to help them with essentials over the winter period. This funding was provided to LCC who, in turn, passed £150k to Fylde Council. The grant was to directly help those who needed it most and was distributed through small payments to support vulnerable households meet daily costs such as food, clothing and utilities. The funding was directed at individuals and families irrespective of age. The Environmental, Health and Housing Committee has received updated information on the programme.
2. In Summer 2022, Fylde Council was notified that it is to receive a further £270,000 of funding from LCC which was to be used largely to support the elderly.
3. A further third round of Household Funding Support has been announced by the government with £421 million provided to upper tier authorities to cover the period up to 31 March 2023.
4. Fylde Council has been notified by Lancashire County Council that it will receive a further £270,000 to provide support to vulnerable households for the period running to 31st March 2023. At the time of writing this report the funding had yet to be received but it hoped that it will have been received by the council meeting. Funds should be spent or committed by 31st March 2023 and should not be carried forward for future use.
5. Authorities are encouraged to use the following principles to identify and support those most in need. The funding should be used to meet the immediate needs and help those who are struggling to afford energy and water bills, food and related essentials. Authorities can also use the funding to support households who are struggling to afford wider essentials. In exceptional cases of emergency the funding can additionally be used to meet housing costs.
6. Authorities are encouraged to work in partnership with third party organisations. As a result an indicative programme of support is envisaged as outlined in the attached appendix.
7. An update report will be provided to the Environment Health and Housing Committee at its 7th March meeting.

IMPLICATIONS	
Finance	The report recommends to Council that they approve a further fully funded revenue budget increase of up to £270,000 in 2022/23, fully funded from the government grant funding stream for Household Support Fund, as detailed in the report.
Legal	The council needs to put in place accountable and transparent decision-making powers.
Community Safety	There are no implications.
Human Rights and Equalities	There are no implications.
Sustainability and Environmental Impact	There are no implications.
Health & Safety and Risk Management	There are no implications.

LEAD AUTHOR	CONTACT DETAILS	DATE
Tracy Manning	tracy.manning@fylde.gov.uk & 01253 658506	17 th November 2022

BACKGROUND PAPERS		
Name of document	Date	Where available for inspection
Household Support: final guidance for county councils and unitary authorities in England	24 th October 2022	www.gov.uk

Appendix 1

Indicative Allocation of Funding – Household Support Fund Round 3 (running to 31st March 2023)

- **CAB**, energy bills support via applications **£160k**
- **Foodbanks**, community support via vouchers and food parcels **£20K**
- **Homestart**, white goods purchases via signposting from professionals and partners **£5k**
- Targeted support to disability groups and the elderly would be via sign posting from **One Fylde, Disability first, Empowerment, Age UK**, schools and our volunteer sector. These groups could signpost directly to CAB, Foodbanks and Homestart start for help.
- **The Housing Service**, multiple schemes as set out below **£85k**

£2,500 – Aldi vouchers

The fund has been used previously for providing Aldi Vouchers. Payments of £10 or £20 for a single person and £50 for a family have made a significant difference to assist clients buy food when the food bank is not open. This payment has had the biggest impact where households are in B&B prior to going into temporary self-contained accommodation in St Annes, the vouchers have assisted with the extra costs of providing food.

£2,500 – Argos Vouchers

Previously the fund has been used to provide household support packs which included cutlery, bedding, toasters, kettles etc. The provision of such items has been essential when clients move into new accommodation, however not all items in the packs were needed. The use of vouchers to provide items households need will assist clients in setting up in move on accommodation.

£10,000 – white goods and carpets

The ability to assist clients with up to £400 towards cooker/fridge/carpets made a significant difference to households moving into accommodation.

£20,000 – Top up Rent in Advance and Bond/RIA for households in employment

The Housing service currently has unprecedented levels of households in temporary accommodation whose options for social housing and affected by the lack of turnover of housing stock and private rental levels are unaffordable in their present circumstances. Households in receipt of HB can apply for rent bond or rent in advance from DHP and Vickers Relief. Many are sourcing accommodation slightly above LHA rates, concerns around affordability after 6 months results in applications to DHP and Fylde Council help 2 Rent scheme being refused. The additional funding would be used to commit to the top up from HB levels for 6 months' rent in advance to get the person moved on into independent accommodation and out of temporary accommodation. Households in employment the options for rent bond or RIA are limited to Vicars Relief Charity as they are not eligible for DHP funding. The additional funding would be used to assist these households into independent accommodation and based on affordability would cover the rent bond and rent in advance.

£50,000 – Affordable Warmth Top up

A report went to EHH in November 2022 advising of allocation of £59,856 by Lancashire County Council to Fylde Borough Council for the delivery of an Affordable Warmth Scheme during 2022/23. The scheme is to provide capital measures for home energy improvements to vulnerable residents where an affordability issue has also been identified. The funding is aimed at the most vulnerable to harm from cold or damp homes. This could

include a wide range of individuals who either are, or are at serious risk of, experiencing poor health and wellbeing due to a cold home.

Households are eligible for funding if they meet at least one of the detailed vulnerabilities and have a low income. Low income is someone being in receipt of means tested benefit or have a total household income not in excess of £31,000, or there is a 'declaration' by the Local Authority or health / social care professional that affordability issues are present.

£50,000 of match funding will be used to provide home energy improvements to homeowners who do not qualify for the Eco 4, Eco Flex or the affordable warmth vulnerabilities or low-income criteria (£31,000) and would be available to those on low to middle income up to a maximum household's income of £45,000. The funding will provide a grant of up to £2,000 per households. This funding will allow the local authority to extend energy measures to ease the burden on fuel poor households that fall short of the current schemes.

The ECO4 is a government energy efficiency scheme to tackle fuel poverty and help reduce carbon emissions. The scheme supports low income and vulnerable households who receive a means tested benefit. The scheme will improve the least energy efficient homes helping to meet the Government's fuel poverty and net zero commitments. The ECO Flex Grants Scheme helps those householders who are not in receipt of one of the qualifying benefits but who are living on a low income and are vulnerable to the effects of living in a cold home.

The housing service will target households who have been eligible for a Disabled Facilities Grant to encourage them to consider energy efficiency measures to their homes using either of the funding streams available:

- Eco 4
- Eco Flex
- Affordable Warmth
- Affordable Warmth Top up

DECISION ITEM

REPORT OF	MEETING	DATE	ITEM NO
OFFICE OF THE CHIEF EXECUTIVE	COUNCIL	5 DECEMBER 2022	12
FULLY FUNDED REVENUE BUDGET INCREASE – HOMES FOR UKRAINE SCHEME			

PUBLIC ITEM

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

SUMMARY

The report details a request from the Environment, Health and Housing Committee held on 15 November 2022, for approval of a fully funded revenue budget increase of £320,000 to be met in full from Homes for Ukraine funding as detailed in the body of the report.

The Homes for Ukraine scheme was launched on 14 March 2022 by the Secretary of State for Levelling Up, Housing and Communities (DLUHC)

In two-tier areas, both districts and counties have access to funds for their relevant duties under the scheme, and Lancashire County Council has granted £155,000 to Fylde Council for support to Ukrainian guests who have arrived in the Borough during the period March to July 2022 with and are passporting a further £356,300 (this amount being higher than that reported to the Environment, Health and Housing Committee at £320,000) for the continued delivery support of the scheme in the next round of funding for additional the further guests who have arrived in Fylde.

RECOMMENDATION

1. That Council approves a fully funded revenue budget increase of £356,300 over the three financial years 2022/23 to 2024/25, delivering the Homes for Ukraine Scheme as detailed within the report, with the funding provided via Lancashire County Council for this purpose.

SUMMARY OF PREVIOUS DECISIONS

Environment, Health and Housing Committee - 15 November 2022

Recommend to Council approval of a fully funded revenue budget increase of £320,000 over the three financial years 2022/23 to 2024/25, delivering the Homes for Ukraine Scheme as detailed within the report, with the funding provided via Lancashire County Council for this purpose

Finance & Democracy Committee - 28 September 2022

Following consideration of this matter, it was RESOLVED:

1. To approve a fully funded revenue budget increase of £155,000 in 2022/23 to deliver the Homes for Ukraine Scheme as detailed within the report.
2. That further update on expenditure to date be reported to the Environment, Health and Housing Committee.

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 report details a request from the Environment, Health and Housing Committee held on 15 November 2022, for approval of a fully funded revenue budget increase of £320,000 to be met in full from Homes for Ukraine funding as detailed in the body of the report. Since the time which has elapsed since the Environment, Health and Housing Committee this amount has increased to £356,300.
2. The Homes for Ukraine scheme was launched on 14 March 2022 by the Secretary of State for Levelling Up, Housing and Communities (DLUHC)
3. This scheme is open to Ukrainian nationals who were residents in Ukraine prior to 1 January 2022 and to their immediate family members (for example spouse/partner and children under 18) who may be of other nationalities, to be sponsored to come to the UK. Applicants can apply from Ukraine or any other third country. The scheme allows individual members of the public (sponsors) to sponsor named people from Ukraine (guests) who meet the eligibility criteria of this scheme. The number of people who can access this scheme is uncapped and is dependent on the capacity of the sponsors who come forward.
4. Guests will be able to live and work in the UK for up to 3 years and access benefits, healthcare, employment, and other support. Those arriving need to meet standard security checks prior to being issued a visa. Sponsors and all adults in sponsors' households will also be subject to initial Police National Computer (PNC), criminal records and Warnings Index checks by the Home Office.
5. In two-tier areas, both districts and counties have access to funds for their relevant duties under the scheme, and Lancashire County Council has granted £155,000 to Fylde Council for support to Ukrainian guests who have arrived in the Borough during the period March to July 2022 with and are passporting a further £320,000 for the continued delivery support of the scheme in the next round of funding for additional the further guests who have arrived in Fylde.
6. The funding is based on a per Ukrainian guest and is broken down to £1000 per guest to support the integration of the Ukrainians into the community and £2500 per guest to support the Ukrainians in the event of homelessness and is discretionary. The priority is to ensure as many relationships as possible are sustainable supporting guests for six months or longer, however, in a number of cases, this will not be possible.
7. Full details about the delivery of the scheme was set out in the report to the Environment, Health and Housing Committee [here](#)

IMPLICATIONS	
Finance	The report recommends to Council approval of a fully funded revenue budgeted increase of £356,300 to be met in full from Homes for Ukraine funding as detailed in the body of the report.
Legal	No legal implications arising as a result of this report.
Community Safety	There are no direct community safety implications as a result of this report.

Human Rights and Equalities	There are no direct human rights or equalities implications as a result of this report.
Sustainability and Environmental Impact	There are no direct sustainability or environmental implications as a result of this report.
Health & Safety and Risk Management	There are no direct health & safety or risk management implications as a result of this report.

LEAD AUTHOR	CONTACT DETAILS	DATE
Edyta Paxton	edyta.paxton@fylde.gov.uk	November 2022

BACKGROUND PAPERS		
Name of document	Date	Where available for inspection
Finance & Democracy Committee	28/9/22	Committee papers



DECISION ITEM

REPORT OF	MEETING	DATE	ITEM NO
OFFICE OF THE CHIEF EXECUTIVE	COUNCIL	5 DECEMBER 2022	13
THE ANNUAL PAY POLICY STATEMENT 2023			

PUBLIC ITEM

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

SUMMARY

The report details a request from the Finance and Democracy Committee held on 21 November 2022 for Council to consider approving the Pay Policy Statement for 2023.

The report includes details of the Pay Policy Statement for Fylde Council. It has been a requirement for all local authorities to have a Pay Policy Statement since 1st April 2012 as part of the Localism Act. The objective of the Statement is to ensure and confirm openness, transparency, and fairness in the pay policy arrangements at Fylde. It is a requirement to conduct an annual review of the Pay Policy Statement; this report includes any implications of the annual review of the Pay Policy Statement.

RECOMMENDATION

1. That Council approves the Pay Policy Statement included as Appendix 1 to this report.

SUMMARY OF PREVIOUS DECISIONS

The Pay Policy Statement was first approved by Full Council in 2012 and has been reviewed and approved by Full Council every year since.

Finance and Democracy Committee - 21 November 2022

It was RESOLVED: that subject to the amendments outlined in the report, to approve the Pay Policy Statement as set out in the report.

CORPORATE PRIORITIES

Economy – To create a vibrant and healthy economy	✓
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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 report details a request from the Finance and Democracy Committee held on 21 November 2022 for Council to consider approving the Pay Policy Statement for 2023.
2. The Council is required as a part of the Localism Act 2011 to produce a Pay Policy Statement and to review and formally approve the statement on an annual basis. The statement sets out the Council Policy on:
 - a. Chief Officer Remuneration (recruitment, salary, bonus, performance-related pay, charges, fees, allowances, benefits in kind, enhancement to pension at termination)
 - b. The arrangements in place to determine the Remuneration of all employees
 - c. Remuneration of its lowest-paid employees (covering the same elements as above) the definition used for this group and the reason for adopting that definition
 - d. The relationship between Chief Officer Remuneration and that of other staff
3. The Committee are invited to review the Pay Policy report in Appendix 1, with a view to it being presented to the council for approval.
4. The Gender pay gap and Workforce Equality reports containing statistical data will be refreshed and updated in January 2023, details will be provided in a forward report at a future committee meeting.

IMPLICATIONS	
Finance	None arising directly from this report.
Legal	The legal responsibilities in respect of the Pay Policy Statement have been included in the body of the report.
Community Safety	None arising directly from this report.
Human Rights and Equalities	The pay and grading scheme implemented at Fylde has been subject to equality and impact assessment. There are no direct human rights implications arising from the 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
Alex Scrivens	Alex.scrivens@fylde.gov.uk	November 2022
BACKGROUND PAPERS		
Name of document	Date	Where available for inspection
Pay Policy Statement Summary Statement	January 2021	https://new.fylde.gov.uk/council/open-data/1551-2/
Gender Pay Gap Reporting	January 2021	https://new.fylde.gov.uk/council/open-data/1551-2/#1523269533820-f8f70d3d-43b8 https://www.gov.uk/government/news/gender-paygap-reporting
Employees who earn over £50,000 per annum	January 2022	https://new.fylde.gov.uk/council/management-team/
Online Pay Policy Data	Updated annually in April	https://new.fylde.gov.uk/council/open-data/1551-2/#1523268470909-b27c789b-960b https://new.fylde.gov.uk/council/open-data/salaryratios/ https://new.fylde.gov.uk/council/open-data/payscales/

Attached documents

Appendix 1 - Pay Policy Statement



PAY POLICY STATEMENT 2022-23

Summary Statement

Fylde Council is committed to paying all employees appropriately and fairly through the implementation of recognised and approved job evaluation schemes that have been tested to ensure they are free of any bias. The pay scales for employees at all levels are in the public domain and the Council complies with the requirement to publish data on senior salaries and its entire pay scale in the interests of transparency.

In determining the pay and remuneration of all employees, the Council complies with all relevant employment legislation including the Equality Act 2010; Part Time Employment (Prevention of Less Favourable Treatment) Regulations 2000; and where relevant, the Transfer of Undertakings (Protection of Earnings) Regulations.

All Council policies that relate to employment benefits are universally applied unless there is a specific contractual or business reason why they should be limited to a certain group of employees.

Basic Pay

All employee basic pay is determined through pay and grading evaluation schemes with the GLPC scheme for posts up to Chief Officer and the Hays scheme for Chief Officer posts. Both schemes have been tested to ensure that they are free from gender bias and the use of these schemes has been formally agreed with the relevant recognised trade unions.

Pay and grading evaluation panels consist of trained employee representatives to evaluate the job description and person specification for each post which produces a score that equates to a pay grade. Equality is ensured by evaluating the post and not the person.

The Council has adopted a policy to pay the Real Living Wage. The Real Living Wage supplement is applied for Council employees whose total hourly rate is currently less than the National Real Living Wage.

The Council adheres to the National Joint Committee (NJC) pay bargaining arrangements and implements a pay grade scale determined through agreed annual collective agreements negotiated under a national collective bargaining process with trade unions.

All other pay related allowances are the subject of either nationally or locally negotiated rates, having been determined from time to time in accordance with collective bargaining process.

Market Supplements

Market force supplements are only paid to employees and Chief Officers in exceptional circumstances in accordance with the strict controls in the Council's Market Supplements Policy. Any such payments are reviewed at least every six months to ensure they remain valid; the Council has not applied market supplements to any post since the introduction of the pay policy.

Incremental Progression

Progression through the grade for permanent and temporary employees, including Chief Officers, is only possible upon completion of satisfactory service and in line with the NJC terms and conditions, as described in the Green Book.

New Appointments

Appointments to new posts are made at the start of the incremental grade scale, unless there are exceptional circumstances where the most suitable candidate can evidence that such an offer would not reasonably be acceptable and the Council is satisfied that market conditions require the appointment to take place at a higher point, within the pay scale grade, than the start.

Chief Officer and Chief Executive appointment is dealt with by the Chief Officer Employment Committee, using the agreed recruitment procedures and options to select. Any appointments made to a post with a remuneration package of more than £100,000 require ratification by Full Council.

Overtime and Additional Hours Payments and Premium Payments

Contractual overtime and additional hours are paid in accordance with the NJC Terms and Conditions, as described in the Green Book.

Non contractual, voluntary overtime, additional hours payments are paid in accordance with the Council's pay review terms and agreed policy on overtime.

To meet specific operational requirements, it may be necessary for an individual to temporarily take on additional duties, the Council's arrangements for authorising any additional remuneration, e.g. honoraria, ex gratia, 'acting up' relating to temporary additional duties are set out in the Council's personnel code. Any additional payment is subject to formal approval by the statutory Chief Officer panel which include the Head of Paid Services, the Monitoring Officer, and the Section 151 Officer.

Chief Officers are not permitted to be paid overtime, additional hours payments or premium payments.

Bonus Payments and Earn Back Schemes

No employees including Chief Officers in the Council are in receipt of bonus payments or subject to earn back schemes where employees give up some salary to earn it back upon completion of agreed targets. Consideration of any bonus or earn back payments would be subject to a business case and approval by the statutory Chief Officer posts.

Performance Related Pay

The Council does not operate performance related pay schemes for any employees and has no plans to introduce policy to support performance related pay schemes.

Honorarium Payments

Honorarium payments are only made in exceptional circumstances and are subject to a business case being approved in advance by the statutory Chief Officer panel which include the Head of Paid Services, the Monitoring Officer, and the Section 151 Officer, with any payment only made after it has been demonstrated that the agreed outcome has been delivered / achieved.

Relationship between the Highest and the Lowest Paid

The Council is committed to paying employees based on the recognised job evaluation schemes detailed above, the application of the evaluation schemes determines salary differentials. Pay rates for each grade are published on the Council's website and updated at the start of each financial year in April.

Relationship between the Highest Paid Employee and the Median Salary

The relationship between the highest paid employee and the median salary will be calculated on an annual basis and published on the Council's website alongside the information provided regarding senior manager salaries over £50,000 per annum. The information is updated at the start of each financial year in April.

As part of its overall and ongoing monitoring of alignment with external pay markets, both within and outside the public sector, the Council will use available benchmark information as appropriate. In addition, upon the annual review of this statement, the Council will also monitor any changes in the relevant 'pay multiples' and benchmark against other comparable local authorities.

Gender Pay Gap Information

In accordance with regulations introduced in 2017 the Council will publish gender pay gap information alongside all other pay policy related data on the website and update this on an annual basis.

Charges, Fees and Allowances

The Travelling, Subsistence and Related Expenses Policy is applicable to all employees including Chief Officers and is set in accordance with the national collective bargaining agreement.

The reimbursement of required professional fees for certain occupational groups is covered by the Personnel Code and applies to all relevant employees regardless of grade.

Any other allowances paid to employees regardless of grade are detailed in the appropriate policy and procedures approved by the Council and paid only when necessary for continued delivery of the service activity. Chief Officers do not receive additional allowance payments.

Electoral Fees

The Deputy Chief Executive is the Council's appointed Returning Officer and is personally (not corporately) liable for the management of elections and referenda. The fee payable to the Returning Officer for an UK Parliamentary and any other election or referendum organised nationally is set and paid for from Central Government. The fee payable to the Returning Officer for local elections, local by-elections, for parish and parish by-elections is set by the council.

The Returning Officer's fee for scheduled borough council elections is fixed for the present at £3619.14, which is a figure that represents the fee that was paid for the 2019 borough council elections, adjusted for inflation. After the next general election, the Returning Officer fee for a scheduled borough council election will be varied to match the fee paid to the Returning Officer in respect of the most recent general election and will be subsequently adjusted in line with the fees for general elections.

Pension

Where employees have exercised their statutory right to become members of the Local Government Pension Scheme, the Council is required to contribute to the scheme representing a percentage of the pensionable remuneration due under the contract of employment of that employee. The rate of contribution is set by Actuaries advising the Pension Fund and reviewed on a triennial basis to ensure the scheme is appropriately funded. The employer contribution rates are set by statute and are available from the Payroll Team.

Under the terms of the Flexible Retirement Policy, it is permitted for an employee to be in receipt of a pension and to be paid a salary at the same time. The policy requires a minimum reduction in hours worked of 50% and only employees aged 55 years and older are eligible to apply. Flexible retirement will only be granted in exceptional circumstances when there is a financial benefit to the Authority or extenuating personal circumstances without any cost to the Authority. Flexible retirement is part of the Council's approach to succession planning and is primarily aimed at applying a phased approach to full retirement, employees applying for flexible retirement will be expected to provide a full retirement date.

Redundancy Payments, Severance Payments and Retirement

All employees including Chief Officers are entitled to redundancy payments and pension release in accordance with the Council's Redundancy and Retirement Procedure. Where the proposed severance package is more than £100,000, the decision will be ratified by Full Council.

Re-employment/Re-engagement of Former Employees

The Council has an obligation to ensure that it is managing public monies responsibly and will not normally re-engage (into the same or a very similar role or consultant capacity) ex-employees who have left their prime employment with the Council on the grounds of voluntary or compulsory redundancy, efficiency release or employer consent retirement (where there is a cost to the Council) for a period of 12 months with effect from the date of leaving. This policy does not cover those employees who access their pension via the Council's Flexible Retirement Scheme.

Any proposal to re-engage a former employee that left the Council on the grounds of voluntary or compulsory redundancy, efficiency release or employer consent retirement, within 12 months of the leaving date will require the approval of the statutory Chief Officer panel which include the Head of Paid Services, the Monitoring Officer, and the Section 151 Officer.

Access to Information on Remuneration (Chief Officers and all staff)

The Council will identify and publish all remuneration information and job descriptions relating to any officers paid more than £50,000 per annum. This includes the details of any employee that is employed on reduced hours, but pro rata would earn more than £50,000 per annum.

Post titles and salary scale band will be published for all employees in the Council in the format of an organisational structure chart.

The Council will publish the policy on employee expenses and a table of all the salary pay scale points applicable at Fylde. The schedule of election fees paid to the Returning Officer will be published.

This information will be available on the Council's website www.fylde.gov.uk and on request from the Council, it is updated at the start of the financial year in April.

www.fylde.gov.uk/council/opendata/pay-scales

Scope

This Pay Policy Statement applies to all Council employees, excluding those who are subject to the TUPE Regulations (Transfer of Undertakings Protection of Employment).

Review

The Pay Policy Statement will be kept under review and developments considered in the light of external best practice and legislation. The Council will ensure the Pay Policy Statement is updated on an annual basis in line with the requirement of the Localism Act 2011. The annual Pay Policy Statement will be submitted to full Council by 31st March of each year.

DECISION ITEM

REPORT OF	MEETING	DATE	ITEM NO
HEAD OF GOVERNANCE	COUNCIL	5 DECEMBER 2022	14
REMOTE PARTICIPATION IN MEETINGS			

PUBLIC ITEM

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

SUMMARY

Council is asked to consider and accept the recommendation of the Audit and Standards Committee as set out below.

RECOMMENDATION

1. Adopt the revised Council procedure rules set out in the report in place of the existing Council procedure rule 2 in part 4 of the Constitution.

SUMMARY OF PREVIOUS DECISIONS

Audit and Standards Committee, November 15 2022: As detailed in 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

1. At its meeting on November 15, the Audit and Standards Committee considered a report from the Head of Governance advising of a recommendation of the Constitution Working Group proposing changes to the arrangements for Councillors to participate in Council and Committee meetings remotely. The report advised of the current procedure rules which permitted a Councillor to apply to participate remotely in a Council or Committee meeting, to the extent that the law permitted, if one week's prior notice was provided, and the

Councillor was of the reasonable opinion that attendance in person would affect their wellbeing. The report further advised that the Working Group had proposed changes of the relevant rule which would:

- Extend the rule so that it applied to all Committees, not just meetings of Committees that the Councillor who wished to attend remotely was a member of; and
- Shorten the notice period; and
- Replace the 'wellbeing' criterion with one relating to disability.

The report considered by the committee is appended to this report.

2. The committee resolved as follows:

"Recommend that Council adopt the revised Council procedure rules set out in the report in place of the existing Council procedure rule 2 in part 4 of the Constitution."

3. For convenience, the revised rule as set out in the report are reproduced below. Wording removed is struck through, and new wording is underlined and shown in square brackets:

2.1. Arrangements for remote attendance

(a) ~~Subject to 2.3 and 2.4, [T]~~he chairman may make arrangements to allow (as far as the law permits) a member ('M') to participate in a meeting of the council including any committee ~~(s) of which that Councillor is a member~~, if the following circumstances apply

- (i) M has notified the Deputy Chief Executive in writing no later than ~~one week~~ [the third working day] before the meeting of their wish to participate remotely; and
- (ii) M ~~[has notified the Deputy Chief Executive in writing that M has a disability which may prevent M from]~~reasonably ~~believes that it would be detrimental to their physical or mental wellbeing~~ [being able] to attend the meeting in person.

(b) Any arrangements must ensure so far as possible that any person attending the meeting is able to hear M's contributions as easily as those of members attending in person.

[(c) M has a disability for the purposes of this rule if M has a disability for the purposes of the Equality Act 2010.]

[(d) For the avoidance of doubt, at a meeting that M is attending remotely M may not move or second motions or amendments and may not vote or do any other thing that the law only allows to be done by a councillor who is physically present.]

2.2 Substitutes

M may be represented by a substitute under rule 22 or 23 [at a meeting of a committee of which M is a member]but not by remote access means.[The substitute for M would be entitled to participate in the meeting in the same way as members of the committee physically present.]

~~2.3 Exempt and confidential items~~

~~M may not participate remotely in any part of a meeting in which the public have been excluded under section 100A of the Local Government Act 1972.~~

~~2.4 Maximum number of members participating remotely~~

~~The maximum number of members who may participate remotely in a council meeting is 2.~~

[2.3 Interests

- (b) For the purposes of any provision in a code of conduct relating to the declaration of interests, M will be deemed to be present at a meeting in which M is participating remotely.
- (c) M may not participate remotely in any part of a meeting where the business being discussed is business in which M has or should have made a declaration of a disclosable pecuniary interest or a prejudicial interest.]

IMPLICATIONS	
Finance	None
Legal	See below under 'Human Rights and Equalities'
Community Safety	None
Human Rights and Equalities	The changes proposed are intended to better address the council's obligations under equalities legislation, and in particular the public sector equality duty.
Sustainability and Environmental Impact	None
Health & Safety and Risk Management	None

LEAD AUTHOR	CONTACT DETAILS	DATE
Ian Curtis	ian.curtis@fylde.gov.uk & Tel 01253 658506	15 November 2022

BACKGROUND PAPERS		
Name of document	Date	Where available for inspection
Lead author's notes from Constitution Review Working Group		Town Hall, Lytham St Annes

Attached documents
Report to Audit and Standards Committee

DECISION ITEM

REPORT OF	MEETING	DATE	ITEM NO
HEAD OF GOVERNANCE	AUDIT AND STANDARDS COMMITTEE	10 NOVEMBER 2022	4
REMOTE PARTICIPATION IN MEETINGS			

PUBLIC ITEM

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

SUMMARY

The council's procedure rules presently allow a councillor to apply to participate remotely in a council or committee meeting, to the extent that the law allows, if they give a week's prior notice and if they reasonably believe that attending in person would affect their wellbeing. The Constitution Review Working Group has put forward changes to the relevant rule which would:

Extend the rule so that it applies to all committees, not just ones that the councillor wanting to attend remotely is a member of;

Shorten the notice period; and

Replaces the 'wellbeing' criterion with one relating to disability.

RECOMMENDATION

Recommend that the council adopt the revised council procedure rule set out in the report in place of the existing council procedure rule 2 in part 4 of the constitution.

SUMMARY OF PREVIOUS DECISIONS

None relevant

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 Constitution Review Working Group has been considering changes to the council's constitution which will need to be in place for the next municipal year, when the council size will reduce to 37 councillors and it is expected that a new committee structure, including overview and scrutiny committees, will be introduced. The full recommendations of the working group will be reported to the committee early in the New Year, in readiness for adoption by the council and eventual implementation in May 2023.
2. This report concerns one specific recommendation, which does not arise directly from the change in council size or the change in committee structures and which the working group consider can and should be implemented as soon as practicable. The change is to the arrangements for councillors to participate in council and committee meetings remotely.
3. In England, the law does not allow¹ a councillor who is not physically present at a meeting to be counted as being at the meeting. This means that a member accessing the meeting remotely (for example by Zoom) may not (among other things) move or second a motion, raise a point of order or vote. This can't be altered by the council's rules or constitution. However, the council's procedure rules can and do allow councillors to participate in council and committee meetings in certain circumstances to the extent allowed by the law, for example by speaking in meetings. The proposed changes would broaden the circumstances in which the rules allow a councillor to remotely participate in that way in a meeting.
4. Council procedure rule 2 presently allows a councillor to participate remotely (to the extent the law allows) in a meeting of the council or of a committee of which the councillor is a member if they reasonably believe that attending in person would be detrimental to their wellbeing, provided that the councillor has given a weeks' prior notification of wanting to attend the meeting and the chairman consents.
5. The proposed changes would reduce the notice period from a week to three working days and would change the criterion to one based on disability, rather than on detriment to wellbeing. The changes would also mean that a councillor could attend remotely under the rule at a meeting of a committee of which they are not a member (as councillors can do in person), and would extend the ability to attend remotely to exempt items. Finally, the limit of two members attending remotely at any meeting would be retired.
6. The revised rule also clarifies the position about substitutes and interests.
7. The present rule is set out below, with the proposed changes shown. Wording removed is struck through, and new wording is underlined and shown in square brackets.:

2.1. Arrangements for remote attendance

(a) ~~Subject to 2.3 and 2.4, the~~ chairman may make arrangements to allow (as far as the law permits) a member ('M') to participate in a meeting of the council including any committee ~~(s) of which that Councillor is a member~~, if the following circumstances apply

- (i) M has notified the Deputy Chief Executive in writing no later than ~~one week~~ the third working day before the meeting of their wish to participate remotely; and
- (ii) M [has notified the Deputy Chief Executive in writing that M has a disability which may prevent M from] ~~reasonably believes that it would be detrimental to their physical or mental wellbeing~~ [being able] to attend the meeting in person.

(b) Any arrangements must ensure so far as possible that any person attending the meeting is able to hear M's contributions as easily as those of members attending in person.

[(c) M has a disability for the purposes of this rule if M has a disability for the purposes of the Equality Act 2010.]

[(d) For the avoidance of doubt, at a meeting that M is attending remotely M may not move or second motions or amendments and may not vote or do any other thing that the law only allows to be done by a councillor who is physically present.]

¹ Temporary legislation introduced during the coronavirus pandemic did allow meetings to be held wholly or partly remotely, but that legislation has lapsed.

2.2 Substitutes

M may be represented by a substitute under rule 22 or 23 [at a meeting of a committee of which M is a member] but not by remote access means. [The substitute for M would be entitled to participate in the meeting in the same way as members of the committee physically present.]

~~2.3 Exempt and confidential items~~

~~M may not participate remotely in any part of a meeting in which the public have been excluded under section 100A of the Local Government Act 1972.~~

~~2.4 Maximum number of members participating remotely~~

~~The maximum number of members who may participate remotely in a council meeting is 2.~~

[2.3 Interests

- (a) For the purposes of any provision in a code of conduct relating to the declaration of interests, M will be deemed to be present at a meeting in which M is participating remotely.
- (b) M may not participate remotely in any part of a meeting where the business being discussed is business in which M has or should have made a declaration of a disclosable pecuniary interest or a prejudicial interest.]

IMPLICATIONS	
Finance	None
Legal	See below under 'Human Rights and Equalities'
Community Safety	None
Human Rights and Equalities	The changes proposed are intended to better address the council's obligations under equalities legislation, and in particular the public sector equality duty.
Sustainability and Environmental Impact	None
Health & Safety and Risk Management	None

LEAD AUTHOR	CONTACT DETAILS	DATE
Ian Curtis	ian.curtis@fylde.gov.uk & Tel 01253 658506	28 October 2022

BACKGROUND PAPERS		
Name of document	Date	Where available for inspection
Lead author's notes from Constitution Review Working Group		Town Hall, Lytham St Annes

DECISION ITEM

REPORT OF	MEETING	DATE	ITEM NO
OFFICE OF THE CHIEF EXECUTIVE	COUNCIL	5 DECEMBER 2022	15
CORPORATE PLAN 2020-2024 - REVIEW SEPTEMBER 2022			

PUBLIC ITEM

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

SUMMARY

The report provides an update on progress against the actions in the Corporate Plan up to September 30th, 2022, with commentary on progress and performance status. The Corporate Plan forms part of the strategic planning framework which influences resource allocation across the council.

Members are asked to note that the COVID pandemic led to significant changes in resource allocation, responsibilities, and priorities for at least two years of the Corporate Plan period 2020 to 2024.

RECOMMENDATIONS

1. That the Council approves the progress made against the Corporate Plan actions outlined in Appendix 2 of the report for the period up to the end of September 2022.

SUMMARY OF PREVIOUS DECISIONS

The Corporate Plan 2020-2024 draft was approved by [Full Council on February 10th 2020](#)

The Corporate Plan 2020-2024 refresh was approved by [Full Council on 19th October 2020](#)

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 produces a four-year Corporate Plan that outlines the priority objectives and outcomes the authority will deliver on behalf of the Fylde community, the current 2020 to 2024 Corporate Plan was approved at [Full Council on 19th October 2020](#) and included as Appendix 1 and included consideration of COVID-19 impact.

2. Appendix 2 includes the progress and delivery status against the actions agreed up to September 2021. The actions in the Corporate Plan 2020-24 have a target deliver date that they are measured against. The actions and the target delivery dates were agreed prior to the pandemic and have been reviewed and revised considering the impact the pandemic had on resources and priorities.
3. The Corporate Plan is reviewed on a regular basis through the committee meetings taking account of any changes that may need to be made in response to policy, regulation, or legislative change, priority and completion dates have been reviewed in response to the impact of the pandemic. Appropriate commentary is included against every action along with the status of the action. It has been noted that some actions agreed do not necessarily have a defined start and end, the implementation of an activity becomes an ongoing function, this will be taken into consideration when the next iteration of the four-year plan is developed under the new council to be elected in May 2023.
4. Corporate Plan actions have been aligned to each committee providing them with a framework that links the business of the committee to the agreed corporate strategic objectives ensuring that the outcomes from the Corporate Plan within the remit of the committee are delivered. The update against the 81 agreed actions, of which 69 had a target date of September 30th, shows that 81% (56 of the 69) have been completed, 15% (12) have yet to reach the target date set and 13 actions are in progress. A revised target completion date has been set for these actions, in many cases the delay has been because resources needed to be diverted to unforeseen priorities and workload during the pandemic and the pandemic recovery period. Other reasons included revised time frame for necessary works or decisions from external partners also impacted by the organisational and workplace changes because of the pandemic.
5. The Corporate Plan forms part of the Council's budget and policy framework and must be approved by Full Council, members are asked to approve the progress made against the Corporate Plan outlined in Appendix 2 of the report for the period up to the end of September 2022.
6. Performance against the plan is captured and monitored through the performance management framework and can be viewed online at <http://fyldeperformance.inphase.com> at any time by any stakeholder, the council is transparent and open about performance.

IMPLICATIONS	
Finance	There are no direct financial implications as a result of this report.
Legal	There are no direct legal implications as a result of this report, implications are considered part of the service planning process.
Community Safety	There are no direct community safety implications as a result of this report, implications are considered part of the service planning process.
Human Rights and Equalities	There are no direct human rights or equalities implications as a result of this report, implications are considered part of the service planning process.
Sustainability and Environmental Impact	There are no direct sustainability or environmental implications as a result of this report, implications are considered part of the service planning process.
Health & Safety and Risk Management	There are no direct health & safety or risk management implications as a result of this report, implications are considered part of the service planning process.

LEAD AUTHOR	CONTACT DETAILS	DATE
Allan Oldfield	Allan.oldfield@fylde.gov.uk 01253 658658	04/11/2022
Alex Scrivens	Alex.scrivens@fylde.gov.uk 01253 658543	

BACKGROUND PAPERS		
Name of document	Date	Where available for inspection
Corporate Plan 2020-24	04/11/2022	Plan on page version - available online Booklet Version - available online
Performance Information	04/11/2022	http://fyldeperformance.inphase.com

ATTACHED DOCUMENTS:

APPENDIX 1: [The Corporate Plan 2020-2024](#)

APPENDIX 2: Corporate Plan 2020-24: Progress to September 2022

Fylde Council Corporate Plan 2020/24

Economy

Environment

Efficiency

Tourism

AMBITIONS

To create a vibrant and healthy economy we will:

- Develop & deliver Master Plans for the town centres
- Support and promote appropriate development
- Facilitate improved transport infrastructure and connectivity
- Maximise the use of all council owned assets
- Work with partners to attract new employment and create vibrant economic communities
- Retain and enhance the identity of our local communities

To deliver services customers expect we will:

- Reduce the use of plastics & increase recycling
- Enhance the natural environment
- Improve coast and countryside accessibility
- Create clean, safe and healthy communities
- Provide high quality parks and open spaces
- Provide safe, clean and accessible coast and countryside facilities
- Provide coastal defences and drainage infrastructure to protect against flooding
- Implement energy efficient initiatives
- Reduce anti-social behaviour, disorder and crime

By spending money in the most efficient way we will:

- Keep council tax as low as possible whilst delivering first class services
- Adopt a 'Customer First Attitude'
- Actively seek feedback to improve service delivery
- Apply technology to deliver services in the most efficient way possible
- 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

To create a great place to live and visit we will:

- Provide high quality leisure, tourism, arts, sports and recreation facilities
- 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
- Maintain public swimming provision
- Provide parking solutions that meet the needs of residents, workers and visitors
- Support and facilitate heritage and arts

ACTIONS

- Develop policy to protect the character of communities i.e. heritage assets, listed features, town centres
- Implement means of influencing legislation for leasehold arrangements on residential dwellings
- Work in collaboration with partners to deliver:
 - M55 Link Road scheme
 - Improved transport infrastructure e.g. rural bus routes, cycling lanes
 - A passing loop on the South Fylde railway line
- Deliver enough houses of appropriate type, tenure, design, density and mix to meet local need
- Work with partners in town centres to:
 - increase shopping footfall and the retail offer
 - encourage activity after 6pm
 - implement a zero-tolerance litter policy
 - provide car parking to attract customers
- Consult with stakeholders to secure the future use of Lytham Institute in accordance with the purpose of the Trust
- Develop the Enterprise Zone through the Fylde Coast partnership attracting employment and new industry
- Support the regeneration of our towns and villages
- Deliver next phase of St Anne's regeneration
- Deliver Kirkham High Street regeneration project
- Progress Lytham regeneration programme
- Apply the Commercial Strategy to council assets and future investment to secure best value
- Work with local business and partners to improve town centre shopping experiences and markets
- Explore opportunities for income generation from use of natural assets i.e. location filming, event hire
- Channel business rates funding opportunities to economic development.
- Review leases and Service Level Agreements
- Develop an Economic Recovery Plan post Covid-19

- Implement carbon reduction policies including; plastics reduction, tree planting, energy efficiency and recycling
- Design education and awareness programmes to support carbon reduction policies and actions
- Work with partners to deliver the carbon reduction policy actions i.e. reduce, re-use, recycle, tree planting
- Identify priority locations for tree planting to include numbers and types of trees
- Develop coast & countryside walks and pathways, improving signage and incorporating ranger events
- Educate and enforce to prevent littering, fly tipping, illegal signage, dog fouling and anti-social activity
- Develop the cemetery & crematorium project to address parking, green energy efficiency and long-term expansion
- Work with partners on flood prevention measures and drainage infrastructure to protect properties
- Engage with partners on health & wellbeing issues in the community and assist residents with accessing support
- Further reduce the number of empty homes and encourage the development of quality energy efficient affordable homes to rent or buy
- Create and maintain high quality parks and open spaces working with volunteer groups to achieve Green Flags
- Maintain our seaside award and work toward Blue Flag status
- Explore opportunities to introduce electric car charging points
- Proactively enforce against illegal encampments
- Deliver a regeneration programme for St Anne's coastal strip including sea defences
- Deliver public realm and drainage infrastructure to enhance rural areas
- Take action on partnership priorities such as anti-social behaviour, nuisance and environmental disorder.

- Implement measures to seek grant funding, sponsorship, advertising and partnership working
- Explore income generating opportunities and maximise return from assets in line with the commercial policy
- Develop innovative ways of using signage, including advertising, use of digital screens to communicate with customers
- Promote the resident's car parking permit and simplify the offer
- Provide access to council services through all possible means with particular focus on the most vulnerable
- Enable customers to provide feedback on service at the point of delivery and use it to improve the service
- Review all emergency plans and incorporate measures for responding to incidents
- Use bin stickers and vehicles to promote council services
- Review the Public Space Protection Orders as means of enforcement
- Implement a code of conduct scheme for professional / multiple dog walkers
- Implement the signage strategy to create greater awareness of what is available, how we perform and enhance our reputation
- Support the Boundary Commission with the review of Fylde for 2023
- Review bus shelter provision and maintenance including income generating opportunities
- Implement new toilet provision at locations based on demand and investigate income opportunities
- In collaboration support the development of the Greater Lancashire Plan
- Explore Combined Authority options for Lancashire along with local government re-organisation

- Deliver an events programme that covers the coast and countryside including:
 - Strengthening our existing events
 - Investigating new opportunities
 - Marketing and promoting events
 - Supporting galas, club days and carnivals
- Represent the council on Lowther Trust ensuring the purpose of the Trust is achieved and the council's interests are protected
- Deliver the Fairhaven Lake project to include:
 - Completing the National Lottery Heritage Fund (NLHF) project, including Improved facilities i.e. café, car parking, kiosk etc.
 - Introduce Adventure Golf and other activities
- Promote the Parks Development approach to partnerships across the Borough on parks and open space
- Work in partnership with Lytham Hall to enhance and preserve the Grade 1 listed asset
- Pursue museum accreditation of LSA art collection with Arts Council England and explore options available for display with partners
- Work with LCC to develop car parking options for the coastal promenades and manage overnight parking provision
- Develop leisure offer along the coast to cater for residents and visitors all year round eg, pier, Island, Fairhaven
- Review motor home parking provision

Corporate Plan 2020-24: ACTIONS & UPDATES

Overall Corporate Plan Actions Status	
Number of Actions Completed	56
Number of Actions in progress	13
Number of Actions in not yet due	12
Percentage of all Actions Achieved by target date	81%

Actions	Due Date	Commentary to date	STATUS?
Finance and Democracy - Cllr K Buckley			
Consult with stakeholders to secure the future use of Lytham Institute in accordance with the purpose of the Trust	HIGH Q1 2022/23	The council and the Charity Commission have both carried out formal consultations on the objects.	Completed
Develop the Enterprise Zone through the Fylde Coast partnership attracting employment and new industry (Outcome: Annual report against the EZ performance in terms of tenants and jobs)	MED Q4 2021/22	The annual report was presented to the F&D Committee in September. The report confirmed the contribution and support made by Fylde Council and outlined the progress being made at the Enterprise Zone in terms of attracting new business and employment.	Completed
Apply the Commercial Strategy to council assets and future investment to secure the best value (Outcome: Annual asset management plan reported to a committee)	MED Q2 2023/24	The Asset Management Plan has been delayed because of resource availability, capacity and skill set requirements. The completion target has been revised to September 30 th , 2023 at 'medium' priority.	In progress
Channel business rates funding opportunities to economic development (Outcome: Approved policy statement)	HIGH Q2 2021/22	Business rates funding from the EZ diverted to support economic development opportunities has been happening with financial support to the M55 Link Road. A policy statement has been included in the revised Commercial Strategy.	Completed
Develop an Economic Recovery Plan post-Covid-19 (Outcome: recovery plan approved and reported on)	HIGH Q4 2020/21	A COVID Road Map Recovery Plan was agreed and implemented which identified the actions and resources required to manage the recovery process in Fylde.	Completed
Explore income-generating opportunities and maximise the return from assets in line with the commercial	MED Q2 2021/22	The Commercial Strategy has been revised and presented before the committee for approval. The strategy includes the approach to income generation.	Completed

Appendix 2

policy (Outcome: A revised commercial strategy that includes a process for income-generating proposals and asset use)			
Provide access to council services through all possible means with a particular focus on the most vulnerable (Outcome: Publication of post-pandemic engagement channels)	MED Q3 2021/22	All-access channels are operating and promoted with DDA and protected characteristics considered in developing all stakeholder engagement.	Completed
Enable customers to provide feedback on service at the point of delivery and use it to improve the service (Outcome: Review 24/7 feedback process and re-publish)	MED Q3 2021/22	The resident survey is available at any time and customer-facing service areas are operating a 'how did we do?' survey has been developed and piloted for front facing services.	Completed
Support the Boundary Commission with the review of Fylde for 2023 (Outcome: Review signed off at council)	HIGH Q3 2021/22	The work on the Boundary Review is complete, the council and community stakeholders were fully engaged, and the final proposals have been published.	Completed
In collaboration support the development of the Greater Lancashire Plan (Outcome: Approval of the plan with a clear benefit for Fylde included)	MED Q1 2022/23	Members and officers have been directly engaged with the development of the Lancashire 2050 initiative that has superseded the Greater Lancashire Plan, representing Fylde interests.	Completed
Explore Combined Authority options for Lancashire along with local government re-organisation (Outcome: Fylde position agreed at the full council)	MED Q2 2023/24	A Combined Authority for Lancashire has been replaced by a County Deal in July 2021. Lancashire authorities are discussing possible governance structures for a County Deal and clarification from central government on the role of districts – target has been revised.	In Progress
Planning Committee - Cllr T Fiddler			
Develop a policy to protect the character of communities i.e. heritage assets, listed features, and town centres (Action split as below)			
- Outcome: Adopt Built Heritage Strategy	MED Q4 2022/23	A Heritage Strategy with an action plan has been produced. Following the completion of the local listings project, which is available on the heritage pages of the council's website at: https://new.fylde.gov.uk/resident/planning/listed-buildings/ completion of the local list of registered parks and gardens is being progressed – target revised.	In progress
- Outcome: Complete Local Listings Project	MED Q4 2022/23	Work to review buildings for inclusion in the local list has been completed for most of the borough. Work needs to be completed on rural areas and is expected to be reported to the Planning Committee for consideration at the January 2023 meeting – target revised.	In progress
- Outcome: Develop a Local list of Registered Parks and Gardens	MED Q4 2021/22	Target date not passed	Not due
- Outcome: Complete Conservation Area Appraisal Review	MED Q4 2022/23	Target date not passed	Not due
Implement means of influencing legislation for leasehold arrangements on residential dwellings	HIGH Q4 2020-21	This matter was addressed at a national level with the Leasehold Reform (Ground Rent) Act 2022 came into force on 30 June 2022. The Act put an end to ground rents for most new long residential leasehold properties in England and Wales.	Completed

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Work in collaboration with partners to deliver: the M55 Link Road scheme	HIGH Q3 2023/24	Construction of the road is underway and scheduled for completion in 2023	In progress
Deliver enough houses of the appropriate type, tenure, design, density and mix to meet the local need (Action split as below)			
- Outcome: Local Plan Partial Review - policy H2 addresses a mix of new market housing schemes	MED Q2 2021/22	Policy H2 was amended with the adoption of the Fylde Local Plan (incorporating partial review) on 7 December 2021	Completed
- Outcome: Local Plan Partial Review - policy H4 addresses Affordable Housing in general terms	MED Q2 2021/22	Policy H4 was amended with the adoption of the Fylde Local Plan (incorporating partial review) on 7 December 2021	Completed
- Outcome: Complete and adopt Affordable Housing SPD	MED Q3 2021/22	The Affordable Housing SPD was formally adopted on 29 September 2021.	Completed
Work with partners in town centres to Increase shopping footfall and the retail offer (Outcome: develop events programme including specialist markets)	HIGH Q3 2021/22	STEP & St Annes Town Council have events scheduled, markets in St Annes & Kirkham, work is in place and ongoing with all partners	Completed
- Outcome: Appoint Town Centres Manager	HIGH Q4 2020/21	The dedicated appointment was made, and the role is now integrated into the economic development function permanently.	Completed
- Outcome: Complete St Anne's Town Centre Strategy	HIGH Q2 2021/22	Master Plan completed and approved by the committee	Completed
Work with partners in town centres to encourage activity after 6 pm (Outcome: Encourage residential uses in town centres e.g. living over the shop)	HIGH Q3 2023/24	Additional work on policy and Master Plan outcomes/activity required a revised target date set	In Progress
Support the regeneration of our towns and villages (Action split as below)			
- Outcome: deliver 106 public realm schemes - Wesham Community Centre	HIGH Q4 2020/21	The Section 106 and capital funding from Fylde Council have been transferred to the Parish Council responsible for delivering the project. Work has commenced to deliver new Village Green.	Completed
- Outcome: deliver 106 public realm schemes - Elswick village green	MED Q4 2021/22	The project was completed and opened summer of 2022	Completed
- Outcome: deliver 106 public realm schemes - Wrea Green village centre	MED Q2 2022/23	Works completed and signed off	Completed
Deliver the next phase of St Anne's regeneration (Action split as below)			
- Outcome: Complete Pier Link	HIGH Q3 2023/24	The scheme is now part of Levelling Up bid fund – the target date revised	In Progress
- Outcome: Complete projects emerging from St Anne's Town Strategy	HIGH Q3 2023/24	Target date not passed	Not due
Deliver Kirkham High Street regeneration project (Action split as below)			
- Outcome: Deliver Future High Street Fund Programme	HIGH Q3 2023/24	Target date not passed	Not due

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- Outcome: Deliver Heritage Action Zone Programme	HIGH Q3 2023/24	Target date not passed	Not due
Progress Lytham regeneration programme (Action split as below)			
- Outcome: Central Beach Lighting Scheme	MED Q3 2023/24	Funding delays and resources directed to higher priority projects – revised target date set	In Progress
- Outcome: Clifton Street Refurbishment	MED Q3 2023/24	Funding delays and resources directed to higher priority projects – revised target date set	In Progress
Further, reduce the number of empty homes and encourage the development of affordable homes (Outcome: Develop empty homes strategy)	HIGH Q2 2022/23	Delayed due to staff vacancy. The Affordable Housing Officer position has now been filled, work will be delivered through this new role.	In progress
Tourism and Leisure - Cllr M Sayward			
Explore opportunities for income generation from the use of natural assets i.e. location filming, event hire (Outcome: production and agreement of a filming directory which is available to promote location filming in Fylde)	MED Q2 2021/22	Policy and process in place and operational bringing in income for the council.	Completed
Develop coast & countryside walks and pathways, improving signage and incorporating ranger events (Action split as below)			
· Outcome: Investigation of the cost and logistics to produce information on digital walks and trails in Fylde	MED Q1 2021/22	Rural Fylde and Wyre walks are available as a downloadable PDF of the Discover Fylde website.	Completed
· Outcome: Production of a programme of walks led by the Rangers	MED Q2 2021/22	A programme of walks is published and delivered each year.	Completed
· Outcome: Completion of agreed signage improvements.	HIGH Q4 2021/22	Signage on the walks and pathways has been upgraded, improved, and replaced, the maintenance and regular review of the pathways, walks and signage is the party of ongoing service delivery.	Completed
Create and maintain high-quality parks and open spaces working with volunteer groups to achieve Green Flags (Outcome: Submission of annual Gren Flag Park Awards applications were considered achievable)	HIGH Q1 2022/23 and annually	Working with community and volunteer groups is established and in place, and Green Flags have been awarded and retained.	Completed
Maintain our seaside award and work toward Blue Flag status (Outcome: Submission of annual Seaside Award application. Consideration of submission of Blue Flag Beach Award application if applicable).	HIGH Q1 2021/22	The seaside award has been achieved and re-awarded. The need to have 'Excellent' bathing water quality for Blue Flag status means that the award cannot be achieved at present but the necessary works to meet the other essential criteria have been delivered e.g. accessibility and toilet provision.	Completed
Implement the signage strategy to create greater awareness of what is available and enhance our reputation (Outcome: delivery of the agreed programme of signage improvements)	HIGH Q4 2021/22	A signage strategy has been agreed upon that covers assets and activities across the council not just T&L-related. The actions in the strategy will be delivered through the communications and technical services teams as part of the operational service plans.	Completed

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Deliver an events programme that covers the coast and countryside including (Action split as below)			
· Strengthening our existing events (Outcome: Review existing support provided).	MED Q4 2021/22	A post-event review is carried out after every event with 'lessons learnt' shared and implemented.	Completed
· Investigating new opportunities (Outcome: Investigate possible new opportunities for events).	HIGH Q4 2021/22	New events are considered and have been implemented with varying success / lessons learnt.	Completed
· Marketing and promoting events (Outcome: Production of an annual programme of events and publication on Discover Fylde).	HIGH Q2 2021/22	All known events are published on Discover Fylde and promoted on all media channels.	Completed
· Supporting galas, club days and carnivals (Outcome: Provide support and assistance towards galas/club days/carnivals).	HIGH Q2 2021/22	Support arrangements are in place including physical resources (bunting, chairs, staging, signage), event management advice, training, marketing, promotion, waste management etc.	Completed
Represent the council on Lowther Trust ensuring the purpose of the Trust and the council's interests are protected (Outcome: Attend regular monthly meetings).	MED Q1 2021/22	The council has Member and officer representation on the Trust Board with regular reports/updates shared and published.	Completed
Completing Fairhaven Lake National Lottery Heritage Fund (NLHF) project, including i.e. café, car parking, kiosk etc. (Outcome: Completion of physical project improvements).	HIGH Q4 2021/22	The majority of the commitments in the lottery bid have been implemented and are operational / in use.	Completed
Introduce Adventure Golf and other activities (Outcome: Completion of Adventure Golf project and introduction of a full events diary for the Lake).	HIGH Q1 2022/23	The facility is completed and operational, generating income for the council.	Completed
Promote the Parks Development approach to partnerships across the Borough on parks and open space (Outcome: Present and promote the parks development approach to parish and town councils).	MED Q3 2021/22	The Parks Development approach has been shared, widely used and essential when seeking to secure any capital funding from the council.	Completed
Work in partnership with Lytham Hall to enhance and preserve the Grade 1 listed asset (Outcome: Continue ongoing liaison and support to Lytham Hall).	MED Q1 2021/22	Effective and productive working partnerships are in place with Heritage North West (the tenant), the Lytham Hall Foundation Trust (a local charity) and Lytham Town Trust (the landlord).	Completed
Pursue museum accreditation of LSA art collection with Arts Council England and options for display with partners (Action split as below)			
· Outcome: Apply for museum accreditation	HIGH Q3 2022/23	Work is ongoing to put together all the necessary documents and procedures to deliver before the revised target date set.	In Progress
· Outcome: Investigate options for exhibition venues	HIGH Q3 2021/22	Lytham Hall has been approved as a dedicated exhibition venue.	Completed
Develop leisure offer along the coast to cater for residents and visitors all year round e.g., pier, Island,	HIGH Q1 2022/23	Implemented through the events, concessions, leisure developments/offers with improvements outlined in the St Annes Master Plan.	Completed

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Fairhaven (Outcome: Devise a programme for complimentary leisure offer along the coast)			
Operational Management - Cllr R Small			
Improved transport infrastructure e.g. rural bus routes, and cycling lanes (Outcome: evidence of process /structures in place to engage with partners that deliver bus routes and cycle lanes)	LOW Q1 2021/22	Close partnerships with the upper tier have led to the cycle path and highway improvements through direct works and Section 106 arrangements.	Completed
A passing loop on the South Fylde railway line - (Outcome: complete GRIP 3 Strategic Outline Business Case)	HIGH Q3 2021/22	The GRIP 3 Strategic Outline Business Case has been completed with sign-off from all stakeholders	Completed
Implement a zero-tolerance litter policy (Outcome - measures in place to issue FPNs if warnings are unheeded)	MED Q2 2021/22	Policy statement approved – anyone caught littering or evidenced fly-tipping will be issued PCN.	Completed
Provide car parking to attract customers (Outcome: clean, well signed, clearly marked, easy to use/pay car parks)	HIGH Q1 2021/22	Clean, well signed, clearly marked, easy to use/pay car parks – with new machines and upgraded signage implemented and operational realising income for the council. Regular surveys provide details on the next phase of improvements each year.	Completed
Review leases and Service Level Agreements (Outcome: evidence/policy/process of lease review in place given the practice of reviewing leases would be ongoing)	LOW Q4 2021/22	Every lease and service level agreement includes the requirement for a review in the agreement or lease that must deliver the best value for money with ongoing improvements.	Completed
Educate and enforce to prevent littering, fly-tipping, illegal signage, dog fouling and anti-social activity (Outcome: measures in place to advise and educate on litter management and enforce as / when required)	MED Q3 2021/22	The council has invested significant funding in communication, cleansing, environmental health, and corporate teams to educate and enforce anti-social behaviours covered under PSPO legislation. An established dedicated environmental enforcement team is supported by rangers, communication officers and other enforcement roles in the council.	Completed
Develop the cemetery & crematorium project to address parking, green energy efficiency long-term expansion (Outcome: a project plan is in place with time frames for delivery of the development of the facility and surrounding location)	LOW Q3 2021/22	A cross-party working group has agreed on capital projects including the purchase of additional land, infrastructure improvements and green efficiency improvements. Individual projects will be brought to the committee for recommendation as appropriate.	Completed
Explore opportunities to introduce electric car charging points (Outcome: policy/process in place to engage with providers and include in future schemes on council-owned assets where necessary/appropriate)	LOW Q4 2021/22	Delivery of electric vehicle charging points is part of the zero-carbon commitment adopted by the council. Rapid charging points have been installed in four car parks. The Council will tender for fast-charging points to be installed on long-stay council car parks. The council aims to work with LCC to plan and implement on-street electric charging points.	Completed
Deliver a regeneration programme for St Anne's coastal strip including sea defences (Outcome: the report from the initial work outlining the requirements and costing for the sea defence work including business displacement cost and any added public realm)	HIGH Q2 2021/22	Master plan and Island Sea Defence projects are in place and approved or waiting for planning.	Completed

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Implement measures to seek grant funding, sponsorship, advertising, and partnership working (Outcome: policy/process in place to explore sponsorship and advertising opportunities across all service activities)	MED Q1 2022/23	Policy drafted and in place.	Completed
Develop innovative ways of using signage, including advertising, and digital screens to communicate with customers (Outcome: new coastal signage in place, digital screens in use and borough entrance / welcome schemes in place)	LOW Q1 2022/23	New and additional coastal signage are in place both digital and traditional, and reviews and upgrades are implemented each year.	Completed
Promote the resident's car parking permit and simplify the offer (Outcome: evidence of a campaign to support resident parking and review of the scheme carried out)	LOW Q1 2021/22	The scheme is regularly promoted on social media and in the Council's weekly newsletters. Car park tickets will advertise the scheme on the back. Amendments to the scheme have been proposed to encourage the use of the town centre car parks outside of peak hours – part of a continuous review to improve the offer.	Completed
Review all emergency plans and incorporate measures for responding to incidents (Outcome: One-Stop Shop for Emergency Plans and out-of-hours operations/support in place under designated officer)	MED Q4 2022/23	Target date not passed	Not due
Use bin stickers and vehicles to promote council services (Outcome: to extend advertising and sponsorship, also include key corporate messages)	LOW Q4 2022/23	Target date not passed	Not due
Review the Public Space Protection Orders as means of enforcement (Outcome: this is part of the earlier objective about littering enforcement would be better to wrap enforcement into one objective with the same deadline and direction on the appetite of tolerance)	LOW Q2 2023/24	Target date not passed	Not due
Implement a code of conduct scheme for professional/multiple dog walkers (Outcome: scheme in place and offer for dog walkers to sign up)	LOW Q4 2022/23	The code of conduct developed by the Kennel Club will be adopted and proposed to all local professional dog walkers to receive council accreditation.	In Progress
Review bus shelter provision and maintenance including income-generating opportunities (Outcome: review completed, and advertising options are in place)	LOW Q3 2023/24	Resource shortage – the revised target set	In Progress
Implement new toilet provision at locations based on demand and investigate income opportunities (Outcome: a report that outlines the history and issues of toilet provision in Fylde so that any assessment of need/demand has a framework within which to work and understanding the longer-term implications)	MED Q4 2021/22	New facilities delivered across the Borough	Completed

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Work with LCC to develop car parking options for the coastal promenades and manage overnight parking provision (Outcome: Agreed proposals for any provision of overnight parking/motor homes i.e., locations, facilities etc. and measure with LCC to prevent overnight parking on residential streets)	HIGH Q1 2021/22	Agreed proposals for the provision of overnight parking/motor homes i.e. locations, facilities, & measure with LCC to prevent overnight parking on residential streets.	Not Delivered
Review motor home parking provision (Outcome: as above a clear plan on whether motor homes are properly accommodated or not)	HIGH Q1 2021/22	Motorhome parking provision by Fylde has been reviewed with spaces allocated for motor homes included in all coastal car parks.	Completed
Environmental, Health and Housing - Cllr T Threlfall			
Implement carbon reduction policies including plastics reduction, tree planting, energy efficiency and recycling (Outcome: A Carbon Reduction Strategy with actions and targets)	MED Q4 2023/2024	Target date not passed	Not due
Design education and awareness programmes to support carbon reduction policies and actions (Outcome: As above)	MED Q4 2023/2024	Target date not passed	Not due
Work with partners to deliver the carbon reduction policy actions i.e., reduce, re-use, recycle, tree planting (Outcome: As above)	MED Q4 2023/2024	Target date not passed	Not due
Identify priority locations for tree planting to include numbers and types of trees (Outcome: to work with the Working Group established by the Planning Committee to influence this)	MED Q3 2021/2022	The Carbon Neutral Working Group have taken the lead and identified suitable locations for trees to be planted i.e. 15 trees in 15 parishes project. The working group will seek to identify additional planting opportunities across the borough.	Completed
Work with partners on flood prevention measures and drainage infrastructure to protect properties (Outcome: Flooding Working Group to complete its work and bring recommendations forward for consideration)	HIGH Q1 2022/2023	A flood working group is in place and recommendations are made to appropriate partners led by a dedicated post employed by Fylde Council.	Completed
Engage with partners on health & well-being issues in the community and assist residents with accessing support (Outcome: To build on the partnership working established as part of the pandemic response and to continue to work with partners on developing initiatives to support the good health of the community)	HIGH Q1 2022/2023	Pandemic response actions delivered and enhanced long-term community partnerships in place with a dedicated resource to facilitate.	Completed
Proactively enforce against illegal encampments (Outcome: Planning enforce infringements on private land. Legal Team, in consultation with Env Health officers will respond to infringements on council land)	HIGH Q3 2021/2022	Illegal encampments on council land are successfully addressed through the established process. The planning enforcement team implement an approved process to administer regulations and policy to address illegal encampments on land owned/rented by the occupants.	Completed

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Deliver public realm and drainage infrastructure to enhance rural areas (Outcome: to deliver capital projects on drainage initiatives)	HIGH Q4 2023/2024	Target date not passed	Not due
Action on partnership priorities such as anti-social behaviour, nuisance, and environmental disorder (Outcome: to establish a team to respond to anti-social behaviour through education, with enforcement as a final deterrent, and to evaluate the success of the team in the autumn of 2021)	LOW Q1 2022/2023	New EA posts are in place and permanent resources agreed upon, community protection warnings and notices are issued for anti-social behaviour.	Completed