



# Agenda

## Finance and Democracy Committee

Date:	Monday, 22 November 2021 at 6:30 pm
Venue:	Town Hall, St Annes, FY8 1LW
Committee members:	<p>Councillor Karen Buckley (Chairman) Councillor Vince Settle (Vice-Chairman)</p> <p>Councillors Peter Anthony, Peter Collins, Ellie Gaunt, Linda Nulty, Liz Oades, David O'Rourke, Richard Redcliffe, Elaine Silverwood, John Singleton JP, Michael Withers.</p>

### Public Platform

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

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

	PROCEDURAL ITEMS:	PAGE
1	<b>Declarations of Interest:</b> Declarations of interest, and the responsibility for declaring the same, are matters for elected members. Members are able to obtain advice, in writing, in advance of meetings. This should only be sought via the Council's Monitoring Officer. However, it should be noted that no advice on interests sought less than one working day prior to any meeting will be provided.	1
2	<b>Confirmation of Minutes:</b> To confirm the minutes, as previously circulated, of the meeting held on <a href="#">7 October 2021</a> as a correct record.	1
3	<b>Substitute Members:</b> Details of any substitute members notified in accordance with council procedure rule 23(c).	1
	<b>DECISION ITEMS:</b>	
4	<b>Medium Term Financial Strategy - Financial Forecast Update (Including Revenue, Capital &amp; Treasury Management) 2021/22 to 2025/26</b>	3 – 25
5	<b>Council Tax and Business Rates Discretionary Discount Policy - 2021/22 and 2022/23</b>	26 - 57
6	<b>Council Tax Reduction Scheme 2022/23</b>	58 – 69
7	<b>Local Council Tax Support 2021/22</b>	70 – 72
8	<b>New Homes Bonus: Provision of Grants to Town and Parish Councils 2022/23</b>	73 – 83

9	Fully Funded Revenue Budget Increase - Accommodation Project for Ex-Offenders and Rough Sleepers	84 – 86
10	Fully Funded Revenue Budget Increase - Business Health Matters Funding	87 – 89
	INFORMATION ITEMS:	
11	General Fund Revenue Budget Monitoring Report 2021/22 - Position as at 30 <sup>th</sup> September 2021	90 – 97
12	Capital Programme Monitoring Report 2021/22 - Position as at 30 <sup>th</sup> September 2021	98 - 107

Contact: Lyndsey Lacey-Simone - Telephone: (01253) 658504 – Email: [democracy@fylde.gov.uk](mailto:democracy@fylde.gov.uk)

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## DECISION ITEM

REPORT OF	MEETING	DATE	ITEM NO
FINANCE	FINANCE AND DEMOCRACY COMMITTEE	22 NOVEMBER 2021	4
<b>MEDIUM TERM FINANCIAL STRATEGY - FINANCIAL FORECAST UPDATE (INCLUDING REVENUE, CAPITAL &amp; TREASURY MANAGEMENT) 2021/22 TO 2025/26</b>			

### 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 2021/22 to 2025/26. It includes changes arising since the Budget was set by Council in March 2021.

#### RECOMMENDATIONS

**The Committee is recommended:** to note the implications of this updated financial forecast, and to also note that this report will be presented to the Council meeting on 6<sup>th</sup> December 2021.

#### SUMMARY OF PREVIOUS DECISIONS

The Council set its budget for 2021/22 at its meeting of 4<sup>th</sup> March 2021. 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 2021/22

At the Council meeting on the 4<sup>th</sup> March 2021 the budget for 2021/22 and the medium term financial forecast were agreed. The resolution included a 1.99% increase in the average Council Tax amounts and a total net budget requirement of £10.934m for 2021/22. The General Fund balance at that time was forecast at the end of 2024/25 to be £2.123m. In agreeing the Original Budget for 2021/22 a number of key high level financial risks and assumptions were highlighted.

(ii) General Fund Revenue Outturn Position 2020/21

The revenue outturn position for 2020/21 was reported to Members in July 2021. The impact of the outturn position, including slippage items in the total sum of £0.299m, has been reflected in this updated forecast.

The favourable outturn position for revenue allowed for a contribution to be made into the Funding Volatility Reserve for that year in the sum of £1.148m after a budgeted transfer into the Capital Investment Reserve of £1.813m and a required transfer of £5.577m into the Collection Fund Deficit Reserve. Appendix E includes the latest estimate in this regard.

(iii) Covid-19 Impact

In the weeks following the setting of the budget for 2020/21 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 was dominated by the impacts of the ongoing pandemic. In response the Council continues to play 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 to the first quarter of 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 2020/21

The latest approved expenditure budget in the capital programme for 2020/21 was £6.505m. After adjusting for slippage of £1.546m, the overall outturn position for 2020/21 was an in-year favourable variance of £0.066m 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 2021/22

Revenue budget monitoring reports for the period to 30<sup>th</sup> September 2021 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 4<sup>th</sup> March 2021.
- 3.2 Appendix B shows the general assumptions underpinning the base forecast, whilst Appendices 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 2020/21 and the budget right-sizing exercise. Appendix D sets out the narrative which explain the significant changes made to the forecast.
- 3.3 Business Rates: Membership of the Lancashire Business Rates Pool 2022/23 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 now been delayed from 2019/20 first to 2020/21 and now to 2022/23 at the earliest as a consequence of the covid-19 outbreak (see section 4 below).

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 2022/23 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 2022/23.

However, as the nature of the Business Rate regime for 2022/23 is uncertain, it may be that following the announcement of the provisional Local Government Finance Settlement, due to be announced in late 2021, a pool member may find themselves disadvantaged by the proposed 2022/23 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 2022/23 the pool would effectively be dissolved, and pooling would not be possible for Lancashire for 2022/23.

Based upon the assumption that the business rate regime that operates for 2022/23 will be a continuation of the arrangements for the current year, the latest in-year monitoring and future modelling suggests that continued participation in a Lancashire Business Rate Pool for 2022/23 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 2022/23, albeit that this is subject to change depending on the outcome of the Local Government Finance settlement.

- 3.4 The impact of these changes is summarised in Appendix E which details 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.

3.5 Pay and Price Increase Pressures

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

**Pay award:** The employee pay award for the current year is yet to be agreed, with recent negotiations leading to both sides reaffirming their respective positions: the employer's offer is full and final; the unions will be conducting ballots for strike action. Budget provision for 2.75% pay award is included each year throughout the forecast based upon last year's agreed pay award.

**Health and Social Care NI contribution:** Following the government's announcement in September regarding an additional health and social care NI contributions of 1.25% from April 2022, indications are that this increase in costs will be funded for the public sector, and as such this has not been built into the forecast at this stage as we await further information which is anticipated as part of the local government finance settlement.

**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.

3.6 Estimated Transfers to Earmarked Reserves

The MTFS report presented at the Budget Council meeting of 4th March 2021 estimated transfers to the Capital Investment Reserve in 2020/21 and 2021/22 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 £1.813m for 2020/21 and £1.706m for 2021/22.

Following a favourable outturn position for 2020/21 and a review of the budget position for 2021/22 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 2021/22, currently stands at £1.090m and the revised forecast revenue surplus for 2022/23 is currently forecast at £0.516m 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 AND THE LOCAL GOVERNMENT SPENDING REVIEW

### 4.1 Autumn Budget and Spending Review

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

Included in the announcement was the headline that the government is 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 are encouraging for the overall level of funding for the local government sector as a whole, it is possible that the detailed Local Government Finance Settlement, which is due to be announced in December 2021, includes 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. 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 as a consequence of uncertainties surrounding the departure of the United Kingdom from the European Union, and again from 2020/21 due to the Covid-19 pandemic. 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 2022/23 to reflect an expected benefit from the continuation of pooling into 2022/23, followed by an assumed reduced level of business rate income from 2023/24 onwards at a level that is closer to the existing baseline level in anticipation of such a reset. This will be reviewed as part of the next Financial Forecast update and future estimates of business rate income will be updated when more information is known as necessary.

#### 4.3 New Homes Bonus (NHB)

Earlier this year 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 2022/23 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 2022/23; or that there will be a further single-year allocation for 2022/23.

The Financial Forecast summary at Appendix E assumes a reduced level of New Homes Bonus for 2021/22 onwards based upon the confirmed allocation for the current year and continuation at a similar level 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 2022/23 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 above 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 2022/23, which is expected to be announced in December 2021. It is likely that this will again be a single year settlement for 2022/23 and we may not have any certainty regarding funding for future years until next year.

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

(ii) Announcement of a 'Fair Funding Review'

Intrinsically linked to the risks as described above relating to future Central Government funding levels, the long awaited Fair Funding Review has been further delayed with implementation of a revised funding mechanism being postponed until at least 2022/23 (delayed initially from the intended review during 2019/20 and again from the planned review in 2020/21 due to the Covid-19 outbreak).

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

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

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

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

(iii) Retained Business Rates – Business Rates Pooling

The decision to continue membership of the Lancashire Business Rates Pool for 2022/23, should that prove to be a viable option for that year following the announcement of the provisional Finance Settlement for 2022/23, would provide for additional retained Business Rate income for 2022/23 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 2022/23 but there is 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) 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.

(ii) Reduction in Housing Benefit Administration Grant

The Council receives an annual grant to support the cost of the administration of Housing Benefit and Council Tax. The grant that the Council receives for these purposes has reduced in recent years, particularly in respect of the Housing Benefit element, as the government moves away from a system of Housing Benefit payments and towards a Universal Credit Scheme. This financial forecast reflects the latest estimates of reduced grant levels for 2021/22 and for subsequent years.

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

(iii) Universal Credit

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

(iv) Grounds Maintenance – External Contracts

Throughout the future life of the forecast a number of grounds maintenance contracts with external parties will come to an end or will be due for renewal/re-tender. At the same time other opportunities will arise for additional contract work and these will be actively pursued as appropriate. Income from contracts supports the work of the Parks and Leisure Service teams by way of a contribution to management costs and corporate overheads. Officers will endeavour to seek extensions to contracts as they become due for renewal/expiry and will continue to seek suitable alternative new work. Should this not be possible there may be an adverse impact on the forecast.

**5.4 Low Level Financial Impact Risks – 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.

(ii) Community Infrastructure Levy (CIL)

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

Fylde Council commenced work on the introduction of a CIL but as CIL needs to have regard to the economic viability of an up to date local plan, this was placed on hold pending the adoption of the local plan, the publication of the updated CIL Regulations and ultimately the adoption of the Partial Review of the Fylde Local Plan to 2032.

As it has been some time since the Council resolved to introduce CIL, it is proposed to present a further report to the Planning Committee to allow further consideration of the merits of introducing CIL having regard to the changes in legislation and policy that have occurred since that decision. This will follow on from the adoption of the Partial Review of the Fylde Local Plan.

Until a CIL is adopted, the financial implications of which remain uncertain, Fylde will continue to utilise section 106 agreements as part of the planning process in order to secure essential infrastructure.

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

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

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

6.2 The Council's General Fund Reserve Balance as at 31st March 2021 was £4.571m.

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 2021/22 and 2022/23, followed by budgeted deficits in the following years as central funding arrangements remain unclear. The improved financial forecast position for 2022/23 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.

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 National Non-Domestic Rates (NNDR) Billing Authority, the Council is required by legislation to maintain a separate fund for the collection and distribution of amounts due in respect of Council Tax and NNDR, and to calculate the surplus or deficit for each financial year on the Collection Fund by comparing estimated collection levels with actual levels on a rolling basis. Prior to 2013/14 the requirement was to maintain this for Council Tax only, however, as part of the Local Government Finance Act 2012 the Government implemented a Business Rates Retention Scheme from April 2013, whereby the collection and distribution of NNDR is also collected and distributed via the Collection Fund (the distribution of NNDR had previously been managed nationally).
- 8.2 **For Council Tax only**, there was a deficit on the fund as at 31st March 2021 of £119k. This will be shared between Fylde Council, the County Council, the Police Authority and the Fire & Rescue Authority in 2021/22 to 2023/24. Fylde Council's share of the deficit is £15k, the impact of which has been reflected in the Council Tax income forecast within Appendix E.
- 8.3 **For Non-Domestic Rates only**, there was a deficit on the fund as at 31st March 2021 of £11.156m. A large proportion of this arises from the decision from Government due to the impact of Covid-19 to increase business rate reliefs during 2020/21 to support businesses during the pandemic which as a consequence means a reduction in the amount of NNDR collectable by the council. The deficit will be shared between Central Government, Fylde Council, the County Council, and the Fire & Rescue Authority in 2021/22 to 2023/24. Fylde Council's share of the deficit is £3.907m, the negative impact of which will be funded in 2021/22 from the specific government grant allocated for this purpose and set aside into the Collection Fund Deficit Reserve during 2020/21. The remaining balance on the Collection Fund Deficit Reserve will be required to offset similar collection fund deficits in 2021/22 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 2021/22 in order to offset the Fylde Council share of the deficit, which will impact the Council in 2022/23. 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 agreed changes and reported to Members during the financial year on a periodic basis. The latest position on monitoring of the current year's programme on a scheme by scheme basis is set out in an information item report which has been before each of the programme committees during the current cycle of meetings and is included on the agenda of this meeting.
- 9.2 The latest updated Capital Programme Summary for the years 2021/22 to 2025/26 is set out in Table 1 below. The Programme has been updated for changes to the end of September 2021. 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 2021/22 £000	Estimate 2022/23 £000	Estimate 2023/24 £000	Estimate 2024/25 £000	Estimate 2025/26 £000
<b>Committee:</b>					
Finance & Democracy Committee	6	0	0	0	0
Tourism & Leisure Committee	2,375	380	40	40	40
Operational Management Committee	2,151	2,236	8,481	2,691	1,281
Environment, Health & Housing Committee	1,728	1,130	1,130	1,130	1,130
Planning Committee	7,756	4,085	1,305	0	0
<b>Total Capital Payments</b>	<b>14,016</b>	<b>7,831</b>	<b>10,956</b>	<b>3,861</b>	<b>2,451</b>
<b>Financing:</b>					
Availability of Resources	<b>14,016</b>	<b>7,831</b>	<b>10,956</b>	<b>3,861</b>	<b>2,451</b>
<b>Total surplus (-) / shortfall in year</b>	0	0	0	0	0
<b>Cumulative surplus (-) / shortfall</b>	0	0	0	0	0
9.3 Capital schemes are directly linked with the Council's priorities. Major items of enhancement or renewal are identified via the Council's Asset Management Plan and work is underway to review and update this. The planned spend over the life of the programme is continuously reviewed. If any scheme profiling amendments are required these will be reflected in future periodic update reports.					
9.4 Financing the Capital Programme					
The Council finances the Capital Programme from a variety of sources. These include:					
(i) Specific Capital Grant Allocations;					
(ii) Disabled Facilities Grant;					
(iii) Capital Receipts;					
(iv) External Funding (such as Heritage Lottery Funding and the Environment Agency);					
(v) Prudential Borrowing/Leasing;					
(vi) Revenue Funding; and					
(vii) Capital Investment and Funding Volatility Reserves					
9.5 Members are asked to note the current balanced position on the Capital Programme.					
<b>10. VEHICLE PURCHASES</b>					
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.					
<b>11. KEY AREAS OF FINANCIAL RISK TO THE CAPITAL PROGRAMME</b>					
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 select 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.

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 5<sup>th</sup> July 2021. A report will be presented to Planning Committee to seek approval of various property acquisitions as part of the project.

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 (EA) 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. Initial estimates were that the scheme would 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 5<sup>th</sup> July 2021. The EA have subsequently 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. These updated costs have now been reflected within the updated capital programme. Following the planning phase it is proposed to start the construction phase early in 2023.

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) 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 throughout 2020/21 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 restoration works are due to be completed during 2021. Fairhaven Café re-opened in October 2021.

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 recently been commissioned.



ii) Lytham Regeneration Schemes

In respect of the large capital scheme for Lytham town centre, a number of suggestions have been made by the Lytham Business Group and other parties, some of which require careful consideration along with agencies such as Lancashire County Council. Options are being considered involving local members and a draft plan is being drawn together. This will have a phased programme of works to be considered in due course by the Planning Committee. It is envisaged that the first phase of work, the improvements to lighting on East, Central and West Beaches will be completed during the current financial year in line with the scheme agreed by Planning Committee in March 2021. The Lytham Beach Lighting Scheme is programmed for delivery during the current financial year and the proposed improvements to Clifton Street are now timetabled for Q2 2022/23 in line with the Corporate Plan. Plans have been prepared and will be presented to the Town Centre Working Group at the earliest opportunity. This will enable detailed schemes to be prepared and consulted upon.

iii) Vehicle Replacement Programme

The estimated vehicle replacement profile, to replace existing fleet at the end of its useful economic life from 2021/22 to 2025/26 within the Capital Programme totals £3.8m.

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

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

iv) Project Slippage

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

v) Other Capital Receipts

The approved programme for 2022/23 onwards assumes "Right to Buy" receipts of £25k per annum and "General Asset Sales" of £45k per annum. Future receipts are dependent on prevailing market conditions and values cannot be predicted with certainty. This will be monitored and reviewed during the year and adjusted accordingly in future quarterly monitoring reports, along with the impact this may have on the financing of the programme.

vi) Better Care Fund (Formerly Disabled Facilities Grants)

As the local housing authority, the Council has a statutory duty to provide disabled adaptations within the Borough. In order to fund these works the Council receives grant support which previously was provided by the Department for Communities and Local Government (DCLG). From 2015/16 the Government established the 'Better Care Fund', and under these new arrangements the funding for Disabled Facilities Grants transferred to the Department of Health, with funding being distributed to all Councils via the upper-tier authority for that area. As such, in Lancashire the fund is administered by Lancashire County Council. Each upper-tier authority then allocates the funding to their respective housing authorities (i.e. district councils within their area) to enable them to continue to meet this statutory responsibility. The level of government funding has increased significantly under the 'Better Care Fund' arrangements and the budget for 2021/22 of £1.236m provides for the delivery of disabled adaptations to similar levels as 2020/21. It is anticipated that for 2021/22 all identified need for disabled adaptations can be met from the existing resource.

## **12. CONCLUSIONS – CAPITAL PROGRAMME**

- 12.1 The current Capital Programme as updated is showing a balanced position for 2021/22 onwards.
- 12.2 The capital programme and the associated financing will be subject to discussion with Members during the coming months as part of the annual budget setting process for 2022/23.
- 12.3 Any additional expenditure which is not fully funded by external finance would normally require the generation of capital receipts or further borrowing (the latter placing further pressure on the Revenue Budget from the consequent repayment costs). However, Budget Council on 4th March 2013 approved the creation of a Capital Investment Reserve to finance future capital expenditure. The balance of this reserve at 31<sup>st</sup> March 2021 was £5.224m. Of this £2.441m is already committed to deliver existing approved capital schemes in the capital programme, the estimated budgeted transfer into the reserve for 2021/22 is £1.090m and 2022/23 is £0.516m leaving an estimated forecast unallocated balance on the reserve at 31<sup>st</sup> March 2023 of £4.389m. The estimated transfers in are of course subject to change as costs and income will undoubtedly fluctuate over the next 2 financial years.

## **13. TREASURY MANAGEMENT**

- 13.1 The Treasury Management Strategy and Prudential Indicators for the current financial year were approved by Council on 4<sup>th</sup> March 2021.
- 13.2 The regulatory framework for treasury management requires Councils to receive a mid-year Treasury Review report. This report was presented to the Audit and Standards Committee for scrutiny on 11<sup>th</sup> November 2021 and subsequently will be presented to Council on 6<sup>th</sup> December 2021.

## **14. KEY AREAS OF FINANCIAL RISKS FOR TREASURY MANAGEMENT**

- 14.1 There are a number of potential areas of significant risk associated with Treasury Management activities, the most significant of which are:
- (i) 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. CONCLUSIONS – TREASURY MANAGEMENT**

- 15.1 The Covid-19 pandemic has caused a downturn in both the domestic and global economy, the long-term effects of which are yet to be fully understood. For the UK this is exacerbated by the consequences of Brexit on the 31<sup>st</sup> December 2020, the outcome of which remains uncertain.

Fylde Council's Treasury Management Strategy prioritises the security of any investment over the return achieved. Investment yields remain low and some financial institutions are offering only negative interest rates to investors, which results in a reduced rate of return on investments. The Council has complied with all aspects of the 2021/22 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 2021/22 and 2022/23, followed by budgeted deficits in the following years as central government funding arrangements remain unclear. The improved financial forecast position for 2022/23 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. The Council continues to approve and finance capital investment in a measured way, the approved capital programme is fully financed, and the council remains debt-free.
- 16.2 As a result of the 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 programme over the last decade and has continued to reduce senior management costs and other overheads. Ongoing modernisation work and business improvement will continue to make Council services more efficient, save money and maintain high quality frontline services to customers. This work has yielded ongoing savings to help improve the Council's overall financial position over that period. For Fylde Council to continue to successfully meet the new challenges that it faces it is vital that this approach is re-doubled and that all reasonable opportunities for further cost-reduction measures and for the generation of additional income are seriously considered. Prudent financial management in previous years has provided a level of reserves which allows the necessary time to determine how this council can best respond to future challenges.
- 16.3 Although challenges may be encountered in the future the reserves and balances are at healthy levels as compared to earlier periods. The outcome of the long-awaited Fair Funding Review into Local Government Financing is eagerly awaited and may provide a degree of greater clarity regarding the future financial landscape. Furthermore, Fylde Council has a past record of taking actions in order to meet and overcome any financial challenges; the recent introduction of a chargeable green waste collection service being a prime example of such action, as was the decision to join the Lancashire Business Rates pool from 2017/18. Fylde Council will continue to seek other such opportunities to maintain a robust financial position in the face of a challenging and changing financial environment. This approach will ensure that the Council continues to achieve and sustain a balanced budget position on an ongoing basis and is able to deliver the priorities set out in the Corporate Plan.
- 16.4 The assumptions set out in this forecast are the latest best estimates and will be updated as and when further information becomes available. External pressures outside the Council's control are being experienced by all local authorities, and instructions remain in place that officers should not commit to any unnecessary expenditure.
- 16.5 Budget planning work for 2022/23 is well underway and further updates of the financial forecast will be brought before Members in due course.
- 16.6 **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 2021

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 2020/21 – 2024/25	Budget Council meeting 4 <sup>th</sup> March 2021	<a href="http://www.fylde.gov.uk">www.fylde.gov.uk</a>
MTFS – Outturn Position For 2020/21 (Including General Fund, Capital Programme & Treasury Management)	Finance and Democracy Committee meeting 29 <sup>th</sup> July 2021	<a href="http://www.fylde.gov.uk">www.fylde.gov.uk</a>
Revenue Budget Monitoring Report 2021/22 – to 30 <sup>th</sup> September 2021	Finance and Democracy Committee meeting 22 <sup>nd</sup> November 2021	<a href="http://www.fylde.gov.uk">www.fylde.gov.uk</a>
Capital Programme Monitoring Report 2021/22 – to 30 <sup>th</sup> September 2021	Finance and Democracy Committee meeting 22 <sup>nd</sup> November 2021	<a href="http://www.fylde.gov.uk">www.fylde.gov.uk</a>

#### Appendices:

1. Appendix A – Forecast approved at Council on 4<sup>th</sup> March 2021
2. Appendix B – Schedule of general assumptions underpinning the forecast
3. Appendices Ci – Schedule of changes to the forecast
4. Appendix D – Explanation of changes to the forecast
5. Appendix E – Updated latest forecast position

**General Fund Budget Forecast 2020/21 to 2024/25 - Approved at Budget Council March 2021**

	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	Adverse / Favourable
<b>Forecast approved at Council on 4th March 2020</b>	10,450	10,652	10,869	11,394	11,394	
Forecast Changes - as itemised in March 21 MTFS report - General	186	554	226	374	513	Adverse
Forecast Changes - as itemised in March 21 MTFS report - Covid Related	63	- 31	2	2	2	Adverse
Revenue Budget Growth Items - as itemised in March 21 MTFS report		42				Adverse
Use of Reserves - Funding Volatility Reserve - as itemised in March 21 MTFS report	- 250	- 283	- 97	- 73		Favourable
<b>Forecast Budget Requirement</b>	<b>10,449</b>	<b>10,934</b>	<b>11,000</b>	<b>11,697</b>	<b>11,909</b>	
<b>Financed by:</b>						
<b>Council Tax Funding:</b>						
Council Tax - Precept	6,456	6,657	6,866	7,081	7,302	
Council Tax - Share of Previous Years Surplus/(Deficit)	109					
<b>Sub Total - Council Tax Income</b>	<b>6,565</b>	<b>6,657</b>	<b>6,866</b>	<b>7,081</b>	<b>7,302</b>	
<b>Business Rates Funding:</b>						
Retained Rates (including pooling benefit & pilot impact 2019/20)	3,951	4,501	2,600	2,600	2,600	
<b>Sub Total - Business Rates Income</b>	<b>3,951</b>	<b>4,501</b>	<b>2,600</b>	<b>2,600</b>	<b>2,600</b>	
<b>Other Funding:</b>						
Lower Tier Services Grant		379				
New Homes Bonus (NHB)	1,822	1,161	1,136	1,136	1,136	
Less - NHB distribution to Town & Parish Councils	- 76	- 58				
	1,746	1,482	1,136	1,136	1,136	
<b>Forecast Financing</b>	<b>12,262</b>	<b>12,640</b>	<b>10,602</b>	<b>10,817</b>	<b>11,038</b>	
<b>Forecast surplus(-)/deficit for year</b>	<b>- 1,813</b>	<b>- 1,706</b>	<b>398</b>	<b>880</b>	<b>871</b>	
<b>Reserves</b>						
<b>Forecast surplus/deficit (-) for year from above:</b>	1,813	1,706	- 398	- 880	- 871	
Less: Proposed Transfer to Capital Investment Reserve	- 1,813	- 1,706				
<b>Balance of surplus/deficit(-) remaining:</b>			- 398	- 880	- 871	
<b>Balance of General Fund Reserves b/f</b>	4,272	4,272	4,272	3,874	2,994	
Less transfer to/from(-) General Fund Reserves in year			- 398	- 880	- 871	
<b>Forecast Reserves at Year End</b>	<b>4,272</b>	<b>4,272</b>	<b>3,874</b>	<b>2,994</b>	<b>2,123</b>	
<b>Band D Council Tax (Excl Parish Precepts)</b>	<b>£210.71</b>	<b>£214.91</b>	<b>£219.19</b>	<b>£223.56</b>	<b>£228.01</b>	
<b>Band D Average Council Tax Increase</b>	<b>£4.11</b>	<b>£4.20</b>	<b>£4.28</b>	<b>£4.37</b>	<b>£4.45</b>	
<b>Band D Average Council Tax Increase</b>	<b>1.99%</b>	<b>1.99%</b>	<b>1.99%</b>	<b>1.99%</b>	<b>1.99%</b>	

**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 2020/21 agreed by the Finance and Democracy Committee in July 2021 have been slipped into 2021/22;
- Pay award - assumed to be 2.75% per annum for 2021/22 and each year thereafter;
- Employers Pension Contributions – the Council's contribution to the Lancashire pension fund scheme is set in accordance with the outcome of the 2019 Triennial Pension Review at 17.8% plus deficit recovery lump sum payment for the period to 2022/23; with future years estimates provided on a continuation basis;
- 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 2022/23 onwards assumes a reduced level of New Homes Bonus based broadly upon the current year's allocation. No allocation of New Homes Bonus grant to town and parish councils has been assumed beyond the current year at this point pending the outcome of the recent consultation exercise;
- Fees and Charges – The forecast takes account of the revised fee levels as approved by Budget Council in March 2021. 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 2022 following consideration by the appropriate programme committee;
- Vacancy Savings – the forecast assumes vacancy savings of £300k per annum from 2021/22 onwards; and
- Localisation of Council Tax Benefit Scheme – the forecast assumes a fully funded scheme with no additional cost to the Council from 2021/22 onwards.

## General forecast changes since Budget Council March 2021

	2021/22	2022/23	2023/24	2024/25	2025/26	
	£000	£000	£000	£000	£000	<u>ADVERSE /</u> <u>FAVOURABLE /</u> <u>NEUTRAL</u>
<b>1 CHANGES AS A RESULT OF MEMBER APPROVALS:</b>						
F&D Committee - 29/03/21 - Public Offices Site - Revenue (Exempt Item)	0	0	-30	-30	-30	FAVOURABLE
F&D Committee - 29/07/21 - Slippage from 2020/21 as part of Financial Outturn Report	299	0	0	0	0	ADVERSE
O.M. Committee 16/06/21 - Changes to Overnight Motorhome Parking	17	15	15	15	15	ADVERSE
F&D Committee - 28/06/21 - Fee for the Fit and Proper Person Test Application	-4	-4	-4	-4	-4	FAVOURABLE
F&D Committee - 28/06/21 - Welcome Back Fund Grant	-243	0	0	0	0	FAVOURABLE
F&D Committee - 28/06/21 - Welcome Back Fund Expenditure	243	0	0	0	0	ADVERSE
F&D Committee - 28/06/21 - Rough Sleeper Initiative Funding MHCLG 2021-22	-52	0	0	0	0	FAVOURABLE
F&D Committee - 28/06/21 - Rough Sleeper Initiative External Support 2021-22	27	0	0	0	0	ADVERSE
F&D Committee - 28/06/21 - Next Steps Funding Programme	25	0	0	0	0	ADVERSE
F&D Committee - 28/06/21 - Holiday, Activity and Food Programme Grant	-123	0	0	0	0	FAVOURABLE
F&D Committee - 28/06/21 - Holiday, Activity and Food Programme Expenditure	123	0	0	0	0	ADVERSE
F&D Committee - 28/06/21 - Contain Outbreak Management Fund Grant	-101	0	0	0	0	FAVOURABLE
F&D Committee - 28/06/21 - Contain Outbreak Management Fund Expenditure	101	0	0	0	0	ADVERSE
F&D Committee - 28/06/21 - Sand Extraction St Annes Foreshore - additional costs	76	0	0	0	0	ADVERSE
F&D Committee - 28/06/21 - Sand Extraction St Annes Foreshore - funding from Funding Volatility Reserve	-76	0	0	0	0	FAVOURABLE
F&D Committee - 29/07/21 - ARG grant income - Fully Funded Budget Increase	-583	0	0	0	0	FAVOURABLE
F&D Committee - 29/07/21 - ARG expenditure budgets - Fully Funded Budget Increase	583	0	0	0	0	ADVERSE
F&D Committee - 29/07/21 - The Island Regeneration - Fully Funded Budget Increase - Expenditure	120	0	0	0	0	ADVERSE
F&D Committee - 29/07/21 - The Island Regeneration - Fully Funded Budget Increase - Grant	-108	0	0	0	0	FAVOURABLE
F&D Committee - 29/07/21 - The Island Regeneration - Fully Funded Budget Increase - FBC Contribution	-12	0	0	0	0	FAVOURABLE
F&D Committee - 07/10/21 - Fully Funded Budget Increase - PRS HMO Inspection Programme - Expenditure	28	79	0	0	0	ADVERSE
F&D Committee - 07/10/21 - Fully Funded Budget Increase - PRS HMO Inspection Programme - Grant	-28	-79	0	0	0	FAVOURABLE
F&D Committee - 07/10/21 - Fully Funded Budget Increase - Domestic Abuse Act 2021 - Expenditure	16	17	0	0	0	ADVERSE
F&D Committee - 07/10/21 - Fully Funded Budget Increase - Domestic Abuse Act 2021 - Grant	-16	-17	0	0	0	FAVOURABLE
Council - 05/07/21 - Deputy Mayors Allowance	1	1	1	1	1	ADVERSE
Council - 05/07/21 - Unfunded Revenue Budget Increase - Economic Development Team Resourcing	16	32	33	34	34	ADVERSE
Council - 05/07/21 - Education Contribution Section 106 Contribution	-393	0	0	0	0	FAVOURABLE
Council - 05/07/21 - Education Contribution Section 106 Expenditure	393	0	0	0	0	ADVERSE
Council - 18/10/21 - Unfunded Revenue Budget Increase - Communication Resources	33	69	69	69	69	ADVERSE
<b>2 BUDGET RIGHTSIZING EXERCISE:</b>						
Revenue impact of budget right-sizing across all budget areas of the Council	-3	-8	-10	-8	-11	FAVOURABLE
<b>3 STAFFING COSTS:</b>						
Estimated 2.75% pay award for 2025/26	0	0	0	0	275	ADVERSE
<b>4 UPDATED ESTIMATES OF INCOME BUDGETS:</b>						
Green waste subscription service - updated income estimates from additional subscriptions	-47	-50	-50	-50	-50	FAVOURABLE
Council Tax Court Costs Recovered - loss of income due to court closure	50	0	0	0	0	ADVERSE
Government Compensatory Grant for Sales, Fees and Charges Income - Council Tax Court Costs Recovered	-36	0	0	0	0	FAVOURABLE
Lytham Festival Income - loss of income due to cancellation of event	64	0	0	0	0	ADVERSE
Kite Festival - loss of net income due to scaled down event	4	0	0	0	0	ADVERSE
Cemetery & Crematorium - updated income estimates based upon most recent income levels	67	70	70	70	70	ADVERSE
Updated estimates of investment interest receipts	22	18	18	18	18	ADVERSE
Pre-Planning Application advice fee income	-15	-15	-15	-15	-15	FAVOURABLE
<b>5 OTHER FORECAST CHANGES</b>						
1940's Lytham Wartime Festival - Reduced Net Expenditure due to cancellation of event	-17	0	0	0	0	FAVOURABLE
Publishing of press notices in the local paper required by statute	5	5	5	5	5	ADVERSE
Ashton Gardens Café - Floor Replacement	14	0	0	0	0	ADVERSE
Increase in car parking cash collection and enforcement costs from LCC	15	15	15	15	15	ADVERSE
Housing benefits - updated estimate of cost net of housing benefit subsidy	10	34	58	58	58	ADVERSE
Contribution from Coast Protection Revenue Budget to St Annes Sea Wall capital scheme	0	-50	-50	-20	0	FAVOURABLE
Direct Revenue Financing - St Annes Sea Wall	120	0	0	0	0	ADVERSE
<b>TOTAL</b>	<b>615</b>	<b>132</b>	<b>125</b>	<b>158</b>	<b>450</b>	

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

**Ci - General forecast changes since Budget Council March 2021**

(1) Changes as a Result of Member Approvals

The forecast that was approved at the Council meeting in March 2021 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 2.75% per annum pay award for 2021/22 has been assumed in each future year of the forecast. The final year of the forecast, 2025/26 is included for the first time as part of this November 2021 update.

(4) Updated Estimate of Income Budgets, including:

- Green Waste Subscription service:

Income on green waste has increased during 2021/22 and these increased levels have been updated throughout the life of the forecast.

- Revised Estimate of investment interest receipts:

In response to the global outbreak of coronavirus the UK Government reduced the base rate 0.10% from 0.25%. Consequently, investment yields have remained low during 2021/22, with some financial institutions offering only negative interest rates to investors. This has had the effect of reducing the level of investment interest income for the year, and a reduced level of investment income is also assumed for future years.

(5) Other Forecast Changes:

A number of other changes have been made to the forecast as itemised in the appendix, including the re-phasing of the coast defence revenue budget to support the estimated increase in the council's contribution to the St Annes Sea Wall capital scheme from existing resources.



**Latest General Fund Budget Forecast 2021/22 to 2025/26 - as at November 2021**

	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	Adverse / Favourable
<b>Forecast approved at Council on 4th March 2021</b>	10,934	11,000	11,697	11,909	11,909	<b>Adverse</b>
Forecast Changes - per Appendix C i	615	132	125	158	450	
<b>Forecast Budget Requirement: TOTAL</b>	<b>11,549</b>	<b>11,132</b>	<b>11,822</b>	<b>12,067</b>	<b>12,359</b>	
<b>Financed by:</b>						
<b><i>Council Tax Funding:</i></b>						
Council Tax - Precept	6,656	6,932	7,148	7,370	7,599	
<b>Sub Total - Council Tax Income</b>	<b>6,656</b>	<b>6,932</b>	<b>7,148</b>	<b>7,370</b>	<b>7,599</b>	
<b><i>Business Rates Funding:</i></b>						
Retained Business Rates	4,501	3,580	2,600	2,600	2,600	
<b>Sub Total - Business Rates Income</b>	<b>4,501</b>	<b>3,580</b>	<b>2,600</b>	<b>2,600</b>	<b>2,600</b>	
<b><i>Other Funding:</i></b>						<b>Adverse</b>
Lower Tier Services Grant	379					
New Homes Bonus (NHB)	1,161	1,136	1,136	1,136	1,136	
Less - NHB distribution to Town & Parish Councils	- 58					
<b>Sub Total - Other Income</b>	<b>1,482</b>	<b>1,136</b>	<b>1,136</b>	<b>1,136</b>	<b>1,136</b>	
<b>Forecast Financing: TOTAL</b>	<b>12,639</b>	<b>11,648</b>	<b>10,884</b>	<b>11,106</b>	<b>11,335</b>	
<b>Forecast surplus (-) / deficit for year</b>	<b>- 1,090</b>	<b>- 516</b>	<b>938</b>	<b>961</b>	<b>1,024</b>	
<b><u>Reserves</u></b>						
Forecast surplus/deficit (-) for year from above:	1,090	516	- 938	- 961	- 1,024	
Less: Proposed Transfer to Capital Investment Reserve	- 1,090	- 516				
<b>Balance of surplus/deficit(-) remaining:</b>			- 938	- 961	- 1,024	
<b>Balance of General Fund Reserves b/f</b>	<b>4,571</b>	<b>4,571</b>	<b>4,571</b>	<b>3,633</b>	<b>2,672</b>	<b>Adverse</b>
Less estimated transfer to/from(-) General Fund Reserves in year			- 938	- 961	- 1,024	
<b>Forecast Reserves at Year End</b>	<b>4,571</b>	<b>4,571</b>	<b>3,633</b>	<b>2,672</b>	<b>1,648</b>	
<b>Band D Council Tax (Excl Parish Precepts)</b>	<b>£214.91</b>	<b>£219.19</b>	<b>£223.56</b>	<b>£228.01</b>	<b>£232.55</b>	<b>Adverse</b>
<b>Band D Average Council Tax Increase</b>	<b>£4.20</b>	<b>£4.28</b>	<b>£4.37</b>	<b>£4.45</b>	<b>£4.54</b>	
<b>Band D Average Council Tax Increase</b>	<b>1.99%</b>	<b>1.99%</b>	<b>1.99%</b>	<b>1.99%</b>	<b>1.99%</b>	

## DECISION ITEM

REPORT OF	MEETING	DATE	ITEM NO
RESOURCES DIRECTORATE	FINANCE AND DEMOCRACY COMMITTEE	22 NOVEMBER 2021	5
<b>COUNCIL TAX AND BUSINESS RATES DISCRETIONARY DISCOUNT POLICY – 2021/22 and 2022/23</b>			

### PUBLIC ITEM

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

### SUMMARY

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

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

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

### RECOMMENDATION

The Committee is recommended to:

1. Approve and adopt the Council Tax and Business Rates Discretionary Discount Policy (2021/22 and 2022/23 update).

### SUMMARY OF PREVIOUS DECISIONS

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

Finance and Democracy Committee 23rd November 2020 - Resolved to approve and adopt the Council Tax and Business Rates Discretionary Discount Policy (2020/21 update).

Finance and Democracy Committee 29<sup>th</sup> March 2021 - Resolved to approve and adopt the Council Tax and Business Rates Discretionary Discount Policy (2021/22 update).

### CORPORATE PRIORITIES

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

## **REPORT**

### **BACKGROUND**

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

### **CHANGES REFLECTED IN THE PROPOSED UPDATE OF THE POLICY**

7. This update includes the annual review of the policy and it has been updated to account for measures to support businesses announced in the budget statement on 27<sup>th</sup> October 2021 as a result of the continued response to the COVID-19 pandemic. These relate to the award of a 50% discount for the period 1<sup>st</sup> April 2022 to 31<sup>st</sup> March 2023 for retail, hospitality and leisure businesses, falling under the Expanded Retail Discount category of the policy. These awards are made under section 47 of the Local Government Finance Act 1988 and are subject to cash caps on the amount an eligible business can receive.

The proposed Discretionary Discount Policy for 2021/22 and 2022/23 is attached at Appendix A.

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

LEAD AUTHOR	CONTACT DETAILS	DATE
Louise Jones Head of Revenues and Benefits (Shared Service)	Louise.jones@blackpool.gov.uk	9 <sup>th</sup> November 2021

BACKGROUND PAPERS		
Name of document	Date	Where available for inspection
None		

#### Attached documents

Appendix A - Council Tax and Business Rates Discretionary Discount Policy 2021/22 and 2022/23



## **Council Tax and Business Rates**

### **Discretionary Discount Policy 2021/22 and 2022/23**

## Contents

Document Control: .....	4
Record of Amendments: .....	4
Approved By: .....	5
1. Introduction .....	6
Aims of the Discretionary Discount Policy .....	6
2. Policy Objectives and Action Plan .....	7
Objective 1: To ensure that assistance is available and accessible to members of the community most in need .....	7
Objective 2: To ensure discretionary discounts are only considered when no other means of assistance is available. ....	7
Objective 3: To monitor and evaluate the administration of the policy to ensure that the service reflects the needs of the community .....	8
3. Discretionary Discount - Customers in receipt of local Council Tax Reduction (Hardship Fund) .....	9
Responsible officer .....	9
Decision making process .....	9
Notification of decision .....	9
Review of decision/re-determination requests .....	9
Notification of review/re-determination decision .....	10
4. Discretionary Discounts – Customers not in receipt of local Council Tax Reduction .....	11
Responsible officer .....	11
Decision making process .....	11
Notification of decision .....	11
Review of decision/re-determination requests .....	11
Notification of review/re-determination decision .....	12
5. Discretionary Discounts – Rate Relief Policy relating to organisations established for Charitable, Sporting and Community Purposes. ....	13
Responsible officer .....	14
Decision making process .....	14
Notification of decision .....	14
Review of decision/re-determination requests .....	14
Notification of review/re-determination decision .....	14
6. Other Discretionary Discounts .....	16
Responsible officer .....	16
Decision making process .....	16
Notification of decision .....	16
Review of decision/re-determination requests .....	16
Notification of review/re-determination decision .....	17
7. Hardship Relief .....	18

Responsible officer.....	18
Decision making process.....	18
Notification of decision .....	19
Review of decision/re-determination requests .....	19
Notification of review/re-determination decision.....	19
8. Rural Rate Relief.....	20
Responsible officer.....	20
Decision making process.....	20
Notification of decision .....	20
Review of decision/re-determination requests .....	20
Notification of review/re-determination decision.....	20
9. Temporary Part Occupation Relief.....	21
Responsible officer.....	21
Decision making process.....	21
Notification of decision .....	21
Review of decision/re-determination requests .....	21
Notification of review/re-determination decision.....	22
10. Expanded Retail Discount .....	23
Which properties will benefit from relief? .....	23
Decision making process.....	26
Responsible officer.....	26
Notification of decision .....	26
Review of decision/re-determination requests .....	26
Notification of review/re-determination decision.....	26
11. Local Newspaper Relief.....	27
Responsible officer.....	27
Decision making process.....	27
Notification of decision .....	27
Review of decision/re-determination requests .....	27
Notification of review/re-determination decision.....	27
12. Fraud .....	28

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## Record of Amendments:

Date	Version	Amended by	Description of changes
10/03/2014	1.1	Graeme Ruse	Business Rates Reliefs – added Retail Relief pages 19 – 22. New Build Relief page 23-24, Temporary Re-Occupation Relief page 25-26
01/10/2014	1.2	Andrew Turpin	Rural Rate Relief pages 27-28
19/12/2014	1.3	Andrew Turpin	Retail Relief page 19
02/11/2015	1.4	Graeme Ruse	Temporary Part Occupation Relief
21/10/2016	1.5	Graeme Ruse	Removal of New Build and Re-Occupation Relief
10/10/2017	1.6	Louise Jones	No changes – review only
05/03/2018	1.7	Andrew Turpin	Inclusion of Revaluation Relief and Public House Relief
03/09/2018	1.8	Andrew Turpin / Louise Jones	Review of policy
14/12/2018	1.9	David Holmes	Inserted Retail Discount, Local Newspaper Relief, Hardship Relief and noted EZ Relief. Removed the Public House relief.
03/03/2020	1.10	Graeme Ruse	Amended Retail Discount and reinstated Public House relief.
08/09/2020	1.11	David Holmes	Changes to policy following a re-structure and an update to introduce COVID-19 measures, including the Expanded Retail Discount and the OFSTED Registered Nursery Discount scheme.
18/03/2021	1.12	David Holmes	Updated content for the Expanded Retail Discount and Nursery Discount following changes from the 2021 Spring Budget.



09/11/2021	1.13	David Holmes	The removal of the OFSTED Registered Nursery Discount scheme and the removal of the Enterprise Zone Relief, as these have now ceased. Further updates to the Expanded Retail Discount scheme.
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### Approved By:

Name	Title	Signature	Date
Louise Jones	Head of Revenues, Benefits and Customer Services		9 November 2021

## **1. Introduction**

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

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

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

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

### **Aims of the Discretionary Discount Policy**

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

## **2. Policy Objectives and Action Plan**

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

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

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

- Ensure assessments of applications for local Council Tax Reduction incorporate a benefits maximization check.
- Ensure the applicant does not have income or capital which should be used to meet the liability.
- Signpost customers who do not meet the criteria to appropriate alternative advice services
- Conduct a regular review of the policy to ensure it is fit for purpose.
- Ensure a robust review procedure is in place to ensure decisions are independent, fair and consistent.
- Ensure publicity is available to encourage customers to claim other benefits they are entitled to and where to access debt advice and money management tools.
- Ensure other sums owed to the Council (e.g. sundry debts, Housing Benefit overpayments) are reviewed and reduced repayments agreed where appropriate
- Ensure a Discretionary Housing Payment for Housing Benefit is awarded if appropriate
- Ensure recovery action is delayed where appropriate
- Awards will be tailored to match need. The period and amount of an award will be determined based upon the circumstances in each case.
- Awards will only be made for a period relating to the financial year in which the application is made.
- Awards may be reviewed at any time and may be revised, reduced or withdrawn if it is found that the circumstances of the applicant have changed and the award is no longer appropriate.

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

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

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

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

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

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

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

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

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

#### **Responsible officer**

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

#### **Decision making process**

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

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

#### **Notification of decision**

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

#### **Review of decision/re-determination requests**

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

**Stage 1:** The original decision and any additional information provided will be reviewed by a different

decision maker who will recommend either confirming or amending the original decision.

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

### **Notification of review/re-determination decision**

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

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

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

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

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

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

### **Responsible officer**

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

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

### **Decision making process**

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

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

### **Notification of decision**

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

### **Review of decision/re-determination requests**

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

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

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

### **Notification of review/re-determination decision**

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

### **Responsible officer**

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

### **Decision making process**

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

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

### **Notification of decision**

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

### **Review of decision/re-determination requests**

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

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

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

### **Notification of review/re-determination decision**

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

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

## **6. Other Discretionary Discounts**

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

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

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

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

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

### **Responsible officer**

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

### **Decision making process**

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

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

### **Notification of decision**

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

### **Review of decision/re-determination requests**

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

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

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

### **Notification of review/re-determination decision**

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

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

## **7. Hardship Relief**

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

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

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

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

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

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

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

### **Responsible officer**

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

### **Decision making process**

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

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

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

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

### **Notification of review/re-determination decision**

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

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

## **8. Rural Rate Relief**

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

### **Responsible officer**

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

### **Decision making process**

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

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

### **Notification of decision**

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

### **Review of decision/re-determination requests**

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

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

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

### **Notification of review/re-determination decision**

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

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



## **9. Temporary Part Occupation Relief**

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

Applications must be made in writing and supported by:

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

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

### **Responsible officer**

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

### **Decision making process**

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

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

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

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

### **Notification of review/re-determination decision**

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

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

## **10. Expanded Retail Discount**

The Government announced in the 2018 Budget that it will provide a Business Rates Retail Discount scheme for occupied retail properties in 2019/20 and this remains today, albeit the discount was re-branded as the 'expanded retail discount' during the COVID19 pandemic and extended to additionally include businesses in the leisure and hospitality sectors.

Since this discount was created the rules and amounts have varied, from an initial 33% discount in 2019/20 to a full discount during the COVID19 pandemic, irrespective of rateable value and with no award cap. During 2021/22 a "cash cap" was introduced to limit the level of relief paid to £105,000 across all of the applicants businesses. During 2021/22 there was a split award of 100% for 3 months (April to June) and then a 66% rate for the remainder of the financial year.

From 1 April 2022 until 31 March 2023 the expanded retail discount will 50% for all occupied premises within the retail, hospitality and leisure sectors, subject to a "cash cap" of £110,000 per business.

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

### **Which properties will benefit from relief?**

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

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

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

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

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

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

- Hair and beauty services (such as: hairdressers, nail bars, beauty salons, tanning shops, etc)
- Shoe repairs/key cutting
- Travel agents

- Ticket offices e.g. for theatre
- Dry cleaners
- Launderettes
- PC/TV/domestic appliance repair
- Funeral directors
- Photo processing
- Tool hire
- Car hire
- Employment agencies
- Estate agents and letting agents
- Betting shops

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

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

**Hereditaments which are being used as cinemas**

**Hereditaments that are being used as live music venues:**

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

**We consider assembly and leisure to mean:**

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

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

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

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

- Public halls
- Clubhouses, clubs and institutions

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

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

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

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

**What does not constitute retail, leisure or hospitality usage**

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

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

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

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

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

The total amount of government-funded relief available for each property under this scheme for 2019-20 was one third of the bill, and for 2020-21 was the full bill. For 2021-22 the amount was a 100% discount for 3 months from 1<sup>st</sup> April 2021 until 30<sup>th</sup> June 2021, and a 66% discount thereafter until 31<sup>st</sup> March 2022. For the 2022/23 financial year the applicable discount is 50%. This is however subject to a “cash cap”. This relief is applied after mandatory reliefs and other discretionary reliefs funded by section 31 grants had been applied. There is no relief available under this scheme for unoccupied properties.

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

### **Decision making process**

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

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

### **Responsible officer**

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

### **Notification of decision**

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

### **Review of decision/re-determination requests**

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

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

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

### **Notification of review/re-determination decision**

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

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

## **11. Local Newspaper Relief**

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

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

### **Responsible officer**

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

### **Decision making process**

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

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

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

### **Notification of decision**

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

### **Review of decision/re-determination requests**

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

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

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

### **Notification of review/re-determination decision**

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

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

## **12. Fraud**

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





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## DECISION ITEM

REPORT OF	MEETING	DATE	ITEM NO
HEAD OF REVENUES AND BENEFITS - SHARED SERVICE	FINANCE AND DEMOCRACY COMMITTEE	22 NOVEMBER 2021	6
<b>COUNCIL TAX REDUCTION SCHEME 2022/23</b>			

### 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 2021/22 was approved by this Council in December 2020 for 2021/22 only.

This report sets out the proposals in respect of the scheme for 2022/23. At the December Council meeting Members will be requested to agree the details of a CTRS for 2022/23.

### RECOMMENDATIONS

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

1. Recommend to Council the continuation of the existing CTRS scheme for 2022/23 as set out in section 3 of this report;
2. Recommend to Council the continuation of Discretionary Hardship Relief for 2022/23 to provide additional support for claimants in exceptional circumstances;
3. Recommend that Council approve, as necessary, that the financial implications are reflected in the Council's Revenue Budget and Financial forecast for 2022/23 onwards; and
4. Authorise the Director of Resources to make any necessary final amendments to the scheme arising from changes in the Department for Levelling Up, Housing and Communities guidance or elsewhere and to bring any such changes to the next full Council meeting for approval.

### SUMMARY OF PREVIOUS DECISIONS

The Council Tax Reduction Scheme in operation for 2021/22 was approved at the Council meeting of 7th December 2020. The full scheme is available on the Fylde Borough Council website at:

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

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

## **REPORT**

### **1. Background to the CTRS Introduction and the adopted schemes for 2013/14 to 2021/22**

- 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 1<sup>st</sup> April 2013. Accordingly, the Council introduced such a scheme and has updated the scheme annually since that date.
- 1.2 In December 2020 the Council approved a scheme for 2021/22. 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.
- 1.3 In 2020/21 as part of the Government's response to the covid pandemic, local authorities were allocated specific grants to reduce the council tax liability of working age CTRS claimants by up to £150 by way of the Council Tax COVID-19 Hardship Fund. Fylde Council was allocated a sum of £568,269 and applied the reduction (up to a maximum of £150) for over 4,400 CTRS claimants. During the year the Council funded a top-up of £50,000 to the government grant provided in order that the scheme could continue throughout 2020/21.

### **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 2021, the number of claimants eligible for council tax support was 5,557 compared to 5,640 at the end of September 2020, an decrease of 83, equivalent to a 1.5% decrease year-on-year.

The latest estimate of the cost of the CTRS for 2021/22 is £5,322,649 which is split between this Council and the major preceptors, with Fylde Council's share being £570,588.

For 2020/21 the total scheme cost was £5,279,428, with the Fylde Council share being £587,072, the increase in cost being attributable to the increase in Council Tax levels (1.99% for 2021/22) and to the increase in the number of CTRS applicants largely owing to the impact of Covid-19 during 2020/21.

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 2021/22 is in the sum of £98,215.

- 2.4 For 2021/22, as at 30<sup>th</sup> September 2021, a total net credit of £53.12 has been recovered from overpaid hardship awards under the existing discretionary hardship scheme.

### **3. Proposed CTRS for 2022/23**

- 3.1 It is proposed that the 22.7% maximum reduction in the level of support is retained for the 2022/23 CTRS.
- 3.2 It is further proposed that the scheme for 2022/23 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 2022/23 is available on the Fylde Borough Council website at:

- 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 2021 seeking their views on the proposed scheme for 2022/23. 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 2022/23 CTRS set out in this report.
- 3.4 Although there are no changes to the scheme proposed for 2022/23, 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 2022/23 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-Policy-2020-21.pdf](#)

The proposed Discretionary Discount Policy for 2021/22 and 2022/23 is a separate item for consideration on this agenda and will be accessible on the website as and when approved.

- 4.3 It is proposed that for 2022/23 the Council Tax Reduction Scheme will continue to provide for additional discretionary awards which may also be granted in accordance with S13A (1) (a) or S13A (1) (c) of the Local Government Finance Act 2012.

#### 5. Equality Analysis

- 5.1 The Council has carried out a detailed and robust Equality Analysis which is available on the Council's website as described in paragraph 3.4. The impact of CTRS has been considered on people based on the following characteristics:
- Age
  - Disability
  - Sex and sexual orientation
  - Gender reassignment
  - Pregnancy and maternity
  - Race
  - Religion or belief

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



## 6. Conclusion

- 6.1 At the December Council meeting Members will be requested to agree a local Council Tax Reduction Scheme for 2022/23 which (as is the case for the scheme currently in operation) will incorporate a reduction in awards to working age claimants at the same level as has been in operation for previous years.
- 6.2 The Council will be presented with the proposals for the 2022/23 scheme as described in this report, subject to any required changes in the intervening period as a consequence of new government regulations or other announcements. For 2022/23 it is proposed that the percentage reduction made at the end of the assessment for working age claimants shall remain as for previous years at 22.7%.
- 6.3 Schedule 6 of the Council Tax Reduction Scheme will detail the percentage reduction in support to working age claimants once the scheme design has been determined by Council and following any final minor adjustments to the calculation of costs for 2022/23. That Schedule forms part of the adopted scheme.
- 6.4 A review of the Scheme (including the percentage reduction in support detailed within Schedule 6 of the Scheme) is carried out annually to ensure it remains fit for purpose taking account of ongoing changes in legislation, caseload and financial requirements. Therefore, any decision with regard to changes to the CTRS will be in respect of 2022/23 only.

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

LEAD AUTHOR	CONTACT DETAILS	DATE
Louise Jones, Head of Revenues and Benefits - Shared Service	01253 478885	October 2021

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 2021**

**Fylde Borough Council - Council Tax Reduction Scheme 2022/23 – 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 2022/23.

**Introduction:**

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

That Scheme, in summary, is one which:

- maintains most of the previous council tax benefit rules but reduces the award by a standard percentage at the end of the calculation for working age claimants such that the CTRS is self-funding ie. That the scheme does not result in the loss of Council Tax income to Fylde Council or the major preceptors. The claimant has to pay this amount to the Council as their contribution to Council Tax.
- in 2021/22 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 2022/23 Scheme:**

It is proposed that for 2022/23 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 2022/23.

Council Members will be asked to agree a scheme of Council Tax Support in December 2021. The principles for the 2022/23 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 2022/23**

It is proposed that the 2022/23 scheme will have the same design principles as that currently in operation and no changes are proposed.

### **It is proposed that the scheme for 2022/23 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 2022/23 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 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 2021/22 is 22.7%).
2. Do you agree or disagree that the 2022/23 Fylde Council Tax Reduction Scheme should remain the same as the scheme in operation for 2021/22?
3. Do you have any suggested changes to the 2022/23 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 2022/23 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 **31<sup>st</sup> October 2021**.



### 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 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 2021/22 is 22.7%). **Yes**
2. Do you agree or disagree that the 2022/23 Fylde Council Tax Reduction Scheme should remain the same as the scheme in operation for 2021/22? **Yes**
3. Do you have any suggested changes to the 2022/23 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 2022/23 Fylde Council Tax Reduction Scheme? **No**



Paul Harrison

Phone: 01772 535259

Fax:

BY EMAIL

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

Your ref: P O'Donoghue

Our ref: SF

Date: 2 November 2021

Dear Paul

**Fylde Borough Council - Council Tax Reduction Scheme 2022/23 – Consultation with major preceptors on the design of the local scheme.**

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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 2022/23 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 2021/22 is 22.7%).

**Agree**

2. Do you agree or disagree that the 2022/23 Fylde Council Tax Reduction Scheme should remain the same as the scheme in operation for 2021/22?

**Agree**

3. Do you have any other suggested changes to the 2022/23 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 2022/23 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

Paul O'Donoghue  
Chief Financial Officer  
Fylde Borough Council  
Sent by Email  
[paul.harrison@fylde.gov.uk](mailto:paul.harrison@fylde.gov.uk)

Phone: (01772) 536154  
Email: [neil.kisson@lancashire.gov.uk](mailto:neil.kisson@lancashire.gov.uk)  
Your ref:  
Our ref: NK/JA  
Date: 04-November-21

Dear Paul

### **COUNCIL TAX REDUCTION SCHEME CONSULTATION 2022/23**

Thank you for your letter of 4 October 2021 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 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 2021/22 is 22.7%).

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

2. Do you agree or disagree that the 2022/23 Fylde Council Tax Reduction Scheme should remain the same as the scheme in operation for 2021/22?

*We agree that the 2022/23 scheme should remain the same as the current 2021/22 scheme.*

3. Do you have any suggested changes to the 2022/23 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 2022/23 Fylde Council Tax Reduction Scheme?

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

Yours sincerely

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

Neil Kisson  
Director of Finance

## DECISION ITEM

REPORT OF	MEETING	DATE	ITEM NO
RESOURCES DIRECTORATE	FINANCE AND DEMOCRACY COMMITTEE	22 NOVEMBER 2021	7
<b>LOCAL COUNCIL TAX SUPPORT 2021/22</b>			

### PUBLIC ITEM

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

### SUMMARY

On the 18<sup>th</sup> December 2020, MCHLG announced additional government funding of 670m for 2021/22 for Local Council Tax Support and it is for Local Authorities to determine how best to utilise these funds during 2021/22. Fylde's allocation is £130,548 and the report sets out a number of options for utilising the funding.

### RECOMMENDATIONS

1. That members determine how they wish to allocate the £130,548 funding based on the options in the main body of the report.

### SUMMARY OF PREVIOUS DECISIONS

None

### CORPORATE PRIORITIES

Spending your money in the most efficient way to achieve excellent services ( <b>Value for Money</b> )	√
Delivering the services that customers expect of an excellent council ( <b>Clean and Green</b> )	
Working with all partners ( <b>Vibrant Economy</b> )	
To make sure Fylde continues to be one of the most desirable places to live ( <b>A Great Place to Live</b> )	√
Promoting Fylde as a great destination to visit ( <b>A Great Place to Visit</b> )	

### REPORT

1. The Chancellor announced £670m of funding for 2021/22 at the Spending Review 2020 for Local Council Tax Support. From correspondence issued by the Ministry of Housing, Communities and Local Government (MCHLG) following the Spending Review, it was known that:
  - It was an unringfenced grant "aimed directly at supporting councils to meet the anticipated additional costs of providing Local Council Tax support in 2021-22, resulting from increased unemployment".

- It is not funding to be passported to council tax payers in the same way as the £500m Hardship Fund from 2020/21 when each Working Age household in receipt of Council Tax Reduction received £150 grant from their Council Tax bill.
- MHCLG expect that the funding will benefit economically vulnerable households by enabling councils to continue reducing bills for those least able to pay.
- The Government intends to pay allocations as section 31 grants directly into the general funds of billing and major precepting authorities.

No further information has been provided in terms of how Local Authorities should use the funds so the following options have been developed using current data.

#### Option 1

When the Council Tax Reduction (CTR) scheme was introduced in 2013, a Discretionary Hardship Relief fund of £10,000 was allocated to provide additional assistance to Council Tax Reduction claimants based on their individual circumstances. There is now £4,000 remaining in this fund but it would be useful to “top up” this allocation back to £10,000 to ensure that funding is available in the future so we can provide additional assistance to economically vulnerable households, both working age and pensioners.

If option 1 were accepted, there would be approximately £124,000 remaining to be allocated.

#### Option 2

The table below shows the number of Council Tax Reduction Scheme recipients since March 2020. The number of Working Age claimants has yet to fall back to pre-pandemic levels.

	<b>Working Age</b>	<b>Elderly</b>	<b>Total</b>
Mar 2020	3,096	2,343	<b>5,439</b>
Jun 2020	3,305	2,335	<b>5,640</b>
Sep 2020	3,327	2,313	<b>5,640</b>
Mar 2021	3,522	2,304	<b>5,826</b>
Jun 2021	3,301	2,301	<b>5,602</b>
Sep 2021	3,268	2,289	<b>5,557</b>
Nov 2021	3,189	2,270	<b>5,459</b>

Whilst the new grant is not specifically intended to replicate the COVID-19 hardship fund for 2020/21, it could be used to make a similar award of lower value, providing support to Working Age recipients; this would fit with the Government’s intention of assisting the most economically vulnerable households.

The table below shows the options available but it should be noted that only option A can be applied to accounts automatically, all other options would need manual intervention on each account.

<b>Options:</b>	<b>Number of Working Age CTR claimants</b>	<b>Potential Allocation per Household (based on available funds of approximately £124K)</b>
<b>A) Current CTR position</b>	3,189	£38.88
<b>B) On CTR - over 12 months</b>	2,574	£48.17
<b>C) On CTR - over 24 months</b>	1,789	£69.31
<b>D) On CTR - over 36 months</b>	1,268	£97.79

## **RECOMMENDATIONS**

- Agree to option 1 to “top up” the Council Tax Reduction Scheme Discretionary Hardship Relief fund to £10,000 to ensure that funding is available to provide additional support for Council Tax Reduction recipients in future years.
- Choose a preferred allocation from Option 2 (A, B, C or D) to assist Working Age Council Tax Reduction recipients with a one-off grant towards their 2021-22 Council Tax.

<b>IMPLICATIONS</b>	
Finance	Fylde Council has been allocated 130K additional funding for Council Tax Hardship support from the national £670m Local Council Tax Support Funding, as detailed in 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

<b>LEAD AUTHOR</b>	<b>CONTACT DETAILS</b>	<b>DATE</b>
Louise Jones Head of Revenues and Benefits (Shared Service)	Louise.jones@blackpool.gov.uk	November 2021

<b>BACKGROUND PAPERS</b>		
Name of document	Date	Where available for inspection
Coronavirus (COVID-19): emergency funding for local government in 2020 to 2021 and additional support in 2021 to 2022		<a href="https://www.gov.uk/government/publications/covid-19-emergency-funding-for-local-government">https://www.gov.uk/government/publications/covid-19-emergency-funding-for-local-government</a>



## DECISION ITEM

REPORT OF	MEETING	DATE	ITEM NO
FINANCE	FINANCE AND DEMOCRACY COMMITTEE	22 NOVEMBER 2021	8
<b>NEW HOMES BONUS: PROVISION OF GRANTS TO TOWN AND PARISH COUNCILS 2022/23</b>			

### PUBLIC ITEM

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

### SUMMARY

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

This report proposes the arrangements in respect of 2022/23 which are consistent with the approach taken last year due to the ongoing uncertainty surrounding the future of the national scheme of New Homes Bonus grants.

### RECOMMENDATIONS

The Committee is requested to:

1. Note the current situation in respect of the national scheme of New Homes Bonus grants;
2. Approve that there will be no allocations of funding to town and parish councils from New Homes Bonus grant until confirmation has been received of the amount of New Homes Bonus receivable by Fylde Council for 2022/23; and
3. Approve that in the event that Fylde Council does receive confirmation of an allocation of New Homes Bonus grant for 2022/23, a proportion of that grant will be distributed to town and parish councils that have experienced above average housing growth in the previous year, equivalent to a total of 5% of the latest estimate of the total New Homes Bonus income receivable by Fylde Council, using the distribution methodology adopted for previous years.

### SUMMARY OF PREVIOUS DECISIONS

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

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

## REPORT

### 1. Background

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

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

2018/19	£65,500
2019/20	£68,950
2020/21	£75,500
2021/22	£58,049

### 2. Update to the scheme of provision of NHB-funded grants to town and parish councils for 2022/23.

- 2.1 In the years 2018/19 to 2020/21 the sums to be distributed have been approved at the November/December cycle of council meetings in order that amounts to be provided to each qualifying town and parish council can be notified prior to completion of the budget-setting process by each town or parish council. Previously it was possible to estimate the amount of NHB for the coming year with a degree of certainty as the scheme had been embedded for a number of years, albeit with some changes to the scheme during the period.
- 2.2 However, at present there is uncertainty around the future of the national scheme beyond the current year, especially in the light of current national funding pressures created by the various covid support schemes to businesses and individuals. Earlier this year 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 2022/23 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 2022/23; or that there will be a further single-year allocation for 2022/23.
- 2.3 It is unlikely that there will be any clarity about the future of the NHB scheme until the local government finance settlement is announced in mid-December 2021. It will not be possible, therefore, for NHB grant distribution to town and parish councils to be considered in the usual timescales.
- 2.4 Consequently it is proposed that there will be no approval of NHB grant allocations to town and parish councils until confirmation has been received of the amount of New Homes Bonus receivable by Fylde Council for 2022/23.
- 2.5. If, in due course, Fylde Council does receive confirmation of an allocation of New Homes Bonus grant for 2022/23, it is proposed that a proportion of that grant will again be distributed to town and parish councils that have experienced above average housing growth in the previous year, equivalent to a total of 5% of the latest estimate of the total New Homes Bonus income receivable by Fylde Council. An updated Policy on the Provision of New Homes Bonus Grants is attached at Appendix A should there be such a scheme for 2022/23.
- 2.6 If grants are to be distributed to town and parish councils under the scheme for 2022/23 it is proposed that the distribution methodology adopted for previous years will be used to calculate the grant allocations for 2022/23.
- 2.7 It is acknowledged that the timing of events may require that amounts to be provided to each qualifying town and parish council cannot be notified prior to completion of the budget-setting process by each town or parish council.

- 2.8 If the recommendations are approved, town and parish councils will be advised to agree their revenue and capital spending plans for 2022/23, including the setting of the town or parish council tax precept for the year, on the basis that there may be no allocations of NHB funding for 2022/23.
- 2.9 Any subsequent allocations of NHB funding to town and parish councils for 2022/23 will be made as soon as practicable following notification of the NHB funding amount receivable by Fylde Council as part of the Local Government Finance Settlement.

IMPLICATIONS	
Finance	Financial implications are contained within the body of the report. The next update of the council's Medium Term Financial Strategy report will be updated to reflect the level of New Homes Bonus receivable by Fylde Council for 2022/23 (if and when it is announced) and the amount passed on to Town and Parish Councils.
Legal	None arising from this report
Community Safety	None
Human Rights and Equalities	None arising from this report
Sustainability and Environmental Impact	None
Health & Safety and Risk Management	None

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

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

Attached documents

Appendix A - Updated Policy on the Provision of New Homes Bonus Grants to Town and Parish Councils 2022/23.



**NEW HOMES BONUS:  
POLICY ON THE PROVISION OF GRANTS  
TO TOWN AND PARISH COUNCILS  
2022/23**

## **1. What is the New Homes Bonus?**

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



## 2. Purpose of this policy

- 2.1 In 2018/19 Fylde Council introduced a new initiative in which funding is allocated to town and parish councils to help alleviate the impacts of housing growth on local communities.
- 2.2 The initiative is to be funded from a portion of the New Homes Bonus income that is received by Fylde Council.
- 2.3 The purpose of this policy document is to provide the framework for the system of grant support to town and parish areas which have experienced above-average growth in housing numbers.
- 2.4 At present there is uncertainty around the future of the national scheme beyond the current year, especially in the light of current national funding pressures created by the various covid support schemes to businesses and individuals. In early 2021 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 2022/23 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 2022/23; or that there will be a further single-year allocation for 2022/23.
- 2.5 It is unlikely that there will be any clarity about the future of the NHB scheme, and allocations for 2022/23, until the local government finance settlement is announced in mid-December 2021.
- 2.6 This Policy will only be applicable in the event that Fylde Council receive an allocation of New Homes Bonus grant for 2022/23.

### **3. Commencement of the scheme and funding levels**

- 3.1 This local scheme commenced in the 2018/19 financial year and has remained in place in the following years. It is proposed that it continues for 2022/23, subject to Fylde Council receiving an allocation of New Homes Bonus grant for 2022/23.
- 3.2 The operation of the scheme for subsequent years will be determined by a review of the effectiveness of the arrangements in delivering the intended outcomes. That review will be undertaken during 2022/23 in the event that Fylde Council receives an allocation of New Homes Bonus grant for 2022/23 and is able to distribute an element of that to town and parish councils.
- 3.3 For 2022/23 the total grant funding to be distributed will be a figure equivalent to 5% of the latest estimate of the total New Homes Bonus income receivable by Fylde council for that year, should there be such an allocation.

## 4. The aims and objectives of this initiative

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

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

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

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

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



## **5. How grant amounts will be calculated**

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

## **6. Grant notification and reporting**

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

## **7. Governance and decision-making**

- 7.1 Continuation of the scheme for the distribution of grants to town and parish councils to reflect housing growth for future years shall be considered at a meeting of the Finance and Democracy Committee.
- 7.2 A review of the operation of the scheme and the appropriate funding resource to be allocated to the scheme will be undertaken during 2022/23 by the Finance and Democracy Committee, subject to Fylde Council receiving an allocation of New Homes Bonus grant for 2022/23.

## DECISION ITEM

REPORT OF	MEETING	DATE	ITEM NO
DEVELOPMENT SERVICES	FINANCE AND DEMOCRACY COMMITTEE	22 NOVEMBER 2021	9
<b>FULLY FUNDED REVENUE BUDGET INCREASE - ACCOMODATION PROJECT FOR EX-OFFENDERS AND ROUGH SLEEPERS</b>			

### 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 2 November 2021, for approval to combine funding awarded under the Accommodation for Ex-Offenders scheme announced by MHCLG in 2021 with the Rough Sleeper Initiative funding received in 2021, to tender an external agency to run Fylde Rough Sleeper and Ex-Offenders Accommodation Project.

The Committee sought the approval of the Finance and Democracy Committee for a fully funded revenue budget increase in the sum of £34,172 to be fully funded by MHCLG Ex-Offenders Accommodation grant within the current Rough Sleeper Initiative scheme. The Environment, Health and Housing Committee approved the drawdown of the additional funding.

### RECOMMENDATION

The Committee is requested to approve a fully funded revenue budget increase in 2021/22 for the total sum of £34,172 to be fully funded by the MHCLG Ex-Offenders Accommodation grant within the current Rough Sleeper Initiative scheme.

### SUMMARY OF PREVIOUS DECISIONS

[Final Fylde Council Homelessness and Rough Sleeping Strategy 2020-2025 07/01/2020](#)

[MHCLG Next Steps Funding to support homeless households 19/10/2020](#)

[Update 05/01/2021 Fylde Council Homelessness and Rough Sleeping Strategy 2020-2025](#)

[Rough Sleeper Initiative Funding 2020/21 15/06/2021](#)

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. In April 2021 MHCLG launched a new scheme to provide additional funding to local authorities to support ex-offenders into their own Private Rented Sector (PRS) Tenancies. The scheme aims to build a pathway from prison into the PRS and is supported by the Ministry of Justice (MoJ). The funding is to enable the introduction of new schemes specifically focused at supporting ex-offenders, increasing their access and sustainment of PRS tenancies.
2. Blackpool, Fylde and Wyre have had 378 prison releases from April 2020 to March 2021. Of this cohort approximately 50 were released to the boroughs of Fylde and Wyre, with 60% aged under 35.
3. Fylde Council working with Wyre Council applied via the Ministry of Justice (MoJ) for funding released from MHCLG, to provide additional funding to local authorities to support 50 service users, ex-offenders into their own Private Rented Sector (PRS) tenancies, across both authorities.
4. Funding was approved at a lower level to support 20 service users across both authorities in 21/22 and 22/23 totalling £68,345, split between both authorities. Fylde Council are to receive £34,172.
5. In 20/21 MHCHG announced continuation of the Rough Sleeper Initiative Funding at £27,000. The initial funding in 2019/20 enabled a Rapid Rehousing Officer to be employed to undertake support for clients presenting with multiple complex support needs, at risk of homelessness, or sleeping rough. This post has now been funded from other sources till 2026.
6. This proposal is to combine the 2 funding streams to create a new project to deliver an, "Accommodation project for rough sleepers and ex-offenders".
7. Combining the two funding streams will create a new project to deliver support to those customers who have a history of rough sleeping and offending to a value of £61,172. It is anticipated at the outset that the project will run for a two-year period and will deliver an additional supportive role to complement the statutory role that Fylde Council's Housing Advice and Homelessness Service delivers.
8. Members of the Finance and Democracy Committee are requested to approve a fully-funded revenue budget increase in 2021/22 for the total sum of £34,172 to be fully funded by MHCLG Ex-Offenders Accommodation grant within the current Rough Sleeper Initiative scheme.

IMPLICATIONS	
Finance	To request the Finance and Democracy Committee approval of a fully-funded revenue budget increase in 2021/22 for the total sum of £34,172 to be fully funded by MHCLG Ex-Offenders Accommodation grant within the current Rough Sleeper Initiative scheme and to appoint an external agency to work with Fylde Council Homelessness and Housing Advice service to support rough sleepers and ex-offenders into accommodation.
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
Kirstine Riding	<a href="mailto:kirstine.riding@fylde.gov.uk">kirstine.riding@fylde.gov.uk</a> & Tel 01253 658569	3 November 2021

BACKGROUND PAPERS		
Name of document	Date	Where available for inspection
Accommodation for ex-offenders	April 2021	<a href="#">Scheme giving ex-offenders a stable place to live up and running - GOV.UK (www.gov.uk)</a>
MHCLG Rough Sleepers Initiative Funding	2021-2022	<a href="https://www.gov.uk/government/publications/rough-sleeping-initiative-2021-to-2022-funding-allocations">https://www.gov.uk/government/publications/rough-sleeping-initiative-2021-to-2022-funding-allocations</a>
MHCLG Rough Sleepers Initiative Funding	2020-2021	<a href="#">Rough Sleeping Initiative: 2020 to 2021 funding allocations - GOV.UK (www.gov.uk)</a>

## DECISION ITEM

REPORT OF	MEETING	DATE	ITEM NO
DEVELOPMENT SERVICES	FINANCE AND DEMOCRACY COMMITTEE	22 NOVEMBER 2021	10
<b>FULLY FUNDED REVENUE BUDGET INCREASE - BUSINESS HEALTH MATTERS FUNDING</b>			

### 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 2 November 2021, for approval of funding awarded from the European Social Fund (ESF) to provide support to the Business Health Matters programme which is being rolled out across Lancashire and delivered within each locality district (other than Ribbles Valley). The Business Health Matters programme supports local businesses in improving the physical and mental health of their employees so that staff are happier, healthier and more resilient. Healthier working-aged individuals, who are given opportunities to upskill remain in employment and live longer, happier lives. Businesses benefit from this with increased productivity and sustained workforces, resulting in reduced absence costs and lower staff turnover rates.

The project is led by Active Lancashire and brings together a partnership which includes Leisure Service Providers, Local Authorities and Housing Associations from across Lancashire. In addition to delivering level 2 and 3 qualifications, the project will also deliver basic skills qualifications and look to improve the labour market status of females.

The project runs from April 2021 to December 2023 and the funding allocated to Fylde Council by Active Lancashire to deliver this initiative is £80,251 to 31<sup>st</sup> December 2023. Fylde Council plan to recruit an officer to deliver this service for the duration of the project which will be fully funded from the ESF funding.

### RECOMMENDATION

The Committee is requested to approve of a fully funded revenue budget increase in the sum of £80,251 (split between the years 2021/22 £26,750, 2022/23 £26,750 & 2023/24 £26,751) to be met in full, from the ESF Funding through Active Lancashire relating to this project.

### SUMMARY OF PREVIOUS DECISIONS

[Environment, Health and Housing Committee - 2 November 2021](#)

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. Poor workplace health is of huge detriment to businesses, with physical inactivity costing employers £7.4 billion each year and mental health issues costing businesses over £42 billion per year across the UK. In Lancashire, 22.3% of working-age residents within Lancashire are economically inactive, which is 2.4% higher than the national average, and nearly a third of those people are on long term-sick. This high number of inactive residents is putting a great strain upon our health services and the Lancashire economy. By providing businesses with the tools and support to improve the physical and mental health of their staff, the programme aims to reduce the number of employees out of work due to health conditions and make Lancashire a healthier, happier place to live and work.
2. As part of the Building Blocks / Business Health Matters project 1,210 participants across Lancashire must gain the Level 2 qualification in Introduction for Workplace Health Champions. Out of this total as part of the Building Blocks / Business Health Matters project 1,210 participants must gain the Level 2 qualification in Introduction for Workplace Health Champions. Out of this total Fylde Council is responsible for 24 participants achieving this level of qualification.
3. In addition, the project must also deliver 390 participants across Lancashire which have gained a Level 3 qualification in Skills for Workplace Health Champions. Fylde Council is responsible for 8 participants gaining a level 3 or above qualification.
4. In addition to the above qualification the Building Blocks / Business Health Matters Project is required to support 536 participants across Lancashire to gain a basic skills qualification. Out of this total Fylde Council is responsible for 11 participants achieving this level of qualification.
5. Fylde Council shall provide 'in kind' match funding to a maximum of £66,876 against total project costs of £167,191 for the Building Blocks / Business Health Matter Project in accordance with the following timeframes: 1st January 2021 to 31st December 2023. The match funding from Fylde Council will be provided in officer time, to support the delivery of the project:

ESF Grant to Fylde	£80,251
ESF Grant to Active Lancashire	£20,064
Match Funding Fylde Council (Officer time)	£66,876
<b>Total Project costs</b>	<b>£167,191</b>

6. Members of the Finance and Democracy Committee are requested to approve a fully-funded revenue budget increase in the sum of £80,251 (split between the years 2021/22 £26,750, 2022/23 £26,750 & 2023/24 £26,751) in order to fund a Business Health Matters post.

IMPLICATIONS	
Finance	To request the Finance and Democracy Committee approval of a fully-funded revenue budget increase in the sum of £80,251 (split between the years 2021/22 £26,750, 2022/23 £26,750 & 2023/24 £26,751) in order to fund a Business Health Matters post.
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	Improvement in workplace health and wellbeing through the outputs from this initiative.



LEAD AUTHOR	CONTACT DETAILS	DATE
Tim Dixon	<a href="mailto:tim.dixon@fylde.gov.uk">tim.dixon@fylde.gov.uk</a> & Tel 01253 658436	3 November 2021

BACKGROUND PAPERS		
Name of document	Date	Where available for inspection
None		

## INFORMATION ITEM

REPORT OF	MEETING	DATE	ITEM NO
MANAGEMENT TEAM	FINANCE AND DEMOCRACY COMMITTEE	22 NOVEMBER 2021	11
<b>GENERAL FUND REVENUE BUDGET MONITORING REPORT 2021/22 - POSITION AS AT 30<sup>th</sup> SEPTEMBER 2021</b>			

### PUBLIC ITEM

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

### SUMMARY OF INFORMATION

The purpose of this report is to provide an update on the General Fund Revenue Budget of the Council as at 30<sup>th</sup> September 2021 and specifically for those areas under the remit of the Committee.

### SOURCE OF INFORMATION

Chief Financial Officer – the report is based upon information extracted from the financial ledger system of the Council for the period to 30<sup>th</sup> September 2021 and feedback received from budget holders.

### LINK TO INFORMATION

General Fund Revenue Budget monitoring Report to 30<sup>th</sup> September 2021:

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

### WHY IS THIS INFORMATION BEING GIVEN TO THE COMMITTEE?

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

### FURTHER INFORMATION

Contact: Paul O'Donoghue, Chief Financial Officer.

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

# GENERAL FUND REVENUE BUDGET MONITORING REPORT 2021/22

## POSITION AS AT 30<sup>TH</sup> SEPTEMBER 2021

### Summary

The purpose of this report is to provide an update on the General Fund Revenue Budget of the Council as at 30<sup>th</sup> September 2021. The report includes a narrative description of the most significant variances from the profiled latest budget and details any actions required to address these. Appendix A to this report shows the value of the most significant variances for all of the Council services by Committee and provides a brief explanation for each variance. In addition to the budget areas identified in the supporting Appendix of the report the Council has separately received funding from the Contain Outbreak Management Fund and a progress update report will be presented to the Environment Health & Housing Committee later in the year as delivery against the scheme continues.

### 1. Background

- 1.1 The Council operates a system of Revenue Budget Monitoring which revolves around the production of detailed monthly monitoring reports for budget holders. Significant variances from the expected budget position at the point of monitoring, both for expenditure and income, are summarised in monitoring reports which are periodically reported to each Programme Committee for information purposes. This report therefore details the findings and issues emerging from budget monitoring carried out to 30<sup>th</sup> September 2021.
- 1.2 It should be noted that work continues on improving budget profiling across the Council in order that budget profiles more accurately reflect the spending pattern of individual budgets across the financial year. This serves to enhance budget monitoring and focus attention on true variances rather than budget profiling issues. This is a continuous process with budget holders so that the improved profiling continues to refine the budget monitoring system.
- 1.3 Council approved the 2021/22 budget at its meeting on 4<sup>th</sup> March 2021. Subsequently on 29<sup>th</sup> July 2021 the Finance and Democracy Committee approved the financial outturn position for 2020/21. The impact of those approvals, including savings and growth items approved at the Council budget meeting, along with slippage from 2020/21 as approved by the Finance and Democracy Committee, are now reflected in the financial ledger. Therefore, this report monitors expenditure and income against the updated approved budgets for 2021/22.

### 2. Budget Rightsizing Exercise

- 2.1 For a number of years the Council has carried out an annual budget rightsizing exercise to analyse underspends which have occurred over the last 3 financial years and to adjust current and future year budgets to better reflect the level of resource requirement in the context of current financial constraints. This process will be repeated during 2021/22 and the resulting changes to budgets will be reflected in later updates to the Councils Financial Forecast.

### 3. Conclusions

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

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

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

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

We are at the mid-point of the 2021/22 financial year and much uncertainty exists with respect to the remainder of the year. Therefore, it is not possible to draw any firm conclusions on the in-year financial position. The financial risks facing the Council, as set out in the MTFS to Council in March 2021 remain alongside the significant additional risks presented by the pandemic. Instructions issued by Management Team that budget holders remain prudent are still in place, and the overall financial position of the council will be captured in the next update of the financial forecast in the Medium Term Financial Strategy which will be presented to members in the forthcoming committee cycle.

**REVENUE MONITORING 2021/22 - Period 6 to September 30th 2021 (Variances in excess of £5K)**

Appendix A

Key

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

**FINANCE & DEMOCRACY COMMITTEE / CORPORATE CROSS CUTTING BUDGETS**

Service Area	Detailed Description	Full Year Budget £	Budget as at Period 6 £	Actual & Commitments as at Period 6 £	Variance as at Period 6 £	FAV / ADV	Alert	Budget Holder Comments
All Council services	Employee costs including basic pay, pension, NI, and overtime, plus agency costs	9,929,509	5,014,755	4,913,569	-101,186	FAVOURABLE	BLUE	The budget forecast which was approved by Council in March 2021 assumes Employee Cost Savings (including vacancy savings arising from delays in the recruitment to vacant posts) of £300,000 per annum from 2021/22 onwards. The actual level of savings achieved in relation to direct employee costs for the current year to date shows a level of savings in excess of this. However, the figures shown here do not include the in-year employee pay award which is yet to be agreed which will reduce the favourable variance currently indicated. This budget will be kept under review during the remainder of the financial year and may be adjusted as part of the budget right-sizing exercise.
Human Resources	Training Exps - qualifications	15,000	7,500	0	-7,500	FAVOURABLE	GREEN	On site and travel-to training has been reduced / not available due to COVID restrictions March to August, courses and events will be increased with outcomes from appraisals which are also six month behind. It is likely that not all the budget will be required but too early to estimate an underspend figure at this stage.
Mayoralty	Mayoral Chauffeur/Assistant	19,485	9,747	3,915	-5,832	FAVOURABLE	GREEN	There have been reduced Mayoral engagements during the year due to covid restrictions and consequently lower expenditure has been incurred to date, but this is now starting to return to normal. The budgets will be adjusted as necessary as part of the budget right-sizing exercise.
Council Tax Collection Costs	Council Tax Costs Recovered	-200,000	-100,000	7,369	107,369	ADVERSE	RED	Court action has ceased during the pandemic but has commenced again in October. It is expected that part of the loss of income will be offset by specific government covid grant for this purpose and the budgets will be adjusted as necessary as part of the budget right-sizing exercise.
Bank Charges	HSBC Bank - Card Processing	62,500	31,250	36,863	5,613	ADVERSE	RED	Anticipated overspend due to an increased number of customers being encouraged to pay by card due to Covid. This budget will be kept under review during the remainder of the financial year and may be adjusted as part of the budget right-sizing exercise.
Lytham Institute	Covid-19 Business Support Grant	0	0	-12,000	-12,000	FAVOURABLE	GREEN	Additional one-off unbudgeted Restart Grant in 2021/22 which will contribute to the in year running costs.
Computer Services	Purchase of Computer Equipment	280,138	140,069	62,979	-77,090	FAVOURABLE	BLUE	An underspend is currently recorded against the profiled budget, however with a core infrastructure and network transformation project and associated license costs in response to the challenges of end of life platforms and enablement of hybrid working underway we expect variances to normalise in the next period. A parallel and essential modernisation project to telephony ahead of the decommission of the PSTN lines is being scoped and due to commence before the end of the calendar year which will enable full internet dialling and direct routing of calls through video and voice platforms. These commitments also pick up business continuity, ongoing network hardening and security works, Town Hall WIFI replacement and meeting room improvements enabling a modern, secure and fit for purpose network in line with the ICT Strategy.
	Computer - Telephone Charges	20,000	10,000	4,033	-5,967	FAVOURABLE	BLUE	
	Computer - Program Licence Chgs	144,000	72,000	47,778	-24,222	FAVOURABLE	BLUE	
	Computer - Development Costs	174,456	87,228	16,271	-70,957	FAVOURABLE	BLUE	

**REVENUE MONITORING 2021/22 - Period 6 to September 30th 2021 (Variances in excess of £5K)**

Appendix A

Key

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<b>RED</b>	Projected adverse outturn variance

**TOURISM AND LEISURE COMMITTEE**

Service Area	Detailed Description	Full Year Budget £	Budget as at Period 6 £	Actual & Commitments as at Period 6 £	Variance as at Period 6 £	FAV / ADV	Alert	Budget Holder Comments
Fairhaven Cafe	Café Rent	-16,750	-8,375	0	0	ADVERSE	RED	The Café has been closed during the first half of the financial year as works was completed as part of the Fairhaven Restoration Project. The rent concession will be adjusted as part of the budget right-sizing exercise.
Fairhaven Lake and Gardens	Adventure Golf	-160,000	-120,000	-164,778	-44,778	FAVOURABLE	GREEN	Extra income due to good weather and competitor product not available in Spring due to covid restrictions. New business, so forecasting not based on historical data.
	Watersport Activities	-41,222	-30,916	-2,313	28,603	ADVERSE	RED	Water sports centre not open until September due to timescales of HLF project
	Combined Tickets/Other Fees	0	0	-6,265	-6,265	FAVOURABLE	GREEN	New golf / boat ticket introduced in May 2021 to split out combi ticket from golf only ticket to provide additional data.
Management of the Arts & Heritage Assets	Support to Arts	14,000	7,000	0	-7,000	FAVOURABLE	BLUE	Normal annual budget £4K. An additional one off £10K virement has been put against this code for match funding should a Coastal Explorers project application to Arts Council England (ACE) be successful, which will be communicated mid December 2021. Previous bid to the Big Lottery Fund for Coastal Explorers was unsuccessful.
Lytham Festival	Lytham Festival Income	-64,000	-64,000	0	64,000	ADVERSE	RED	The cancellation of the Lytham Festival (outdoor music event) due to restrictions on public gatherings has caused the loss of income from ticket sales. The budgets will be adjusted as necessary as part of the budget right-sizing exercise.
Fylde Tourism	1940's Lytham Wartime Festival	35,000	35,000	250	-34,750	FAVOURABLE	GREEN	The 1940's Lytham Wartime Festival was cancelled due to covid restrictions and therefore no expenditure has been incurred, nor income generated, in respect of this event. There is a net favourable variance of £16k. The budgets will be adjusted as necessary as part of the budget right-sizing exercise.
	Income - 1940's Lytham Wartime Festival	-18,000	-18,000	0	18,000	ADVERSE	RED	The 1940's Lytham Wartime Festival was cancelled due to covid restrictions and therefore no expenditure has been incurred, nor income generated, in respect of this event. There is a net favourable variance of £16k. The budgets will be adjusted as necessary as part of the budget right-sizing exercise.
	Kite Festival	30,000	30,000	26,494	-3,506	FAVOURABLE	GREEN	Reduced festival expenditure due to covid. There is a net adverse variance of £7k overall with the kite festival with the reduction of income below. The budgets will be adjusted as necessary as part of the budget right-sizing exercise.
	Income - Kite Festival	-20,000	-20,000	-9,340	10,660	ADVERSE	RED	Reduced income opportunities due to covid - reduced number of stalls / smaller fairground and limited sponsorship opportunities. There is a net adverse variance of £7k. The budgets will be adjusted as necessary as part of the budget right-sizing exercise.

**REVENUE MONITORING 2021/22 - Period 6 to September 30th 2021 (Variances in excess of £5K)**
**Appendix A**
**Key**

<b>BLUE</b>	Variance currently showing but expected to be on target at year end
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<b>RED</b>	Projected adverse outturn variance

**OPERATIONAL MANAGEMENT COMMITTEE**

Service Area	Detailed Description	Full Year Budget £	Budget as at Period 6 £	Actual & Commitments as at Period 6 £	Variance as at Period 6 £	FAV / ADV	Alert	Budget Holder Comments
Fleet & Plant	Repairs by Commercial Garages	43,400	21,700	15,520	-6,180	FAVOURABLE	GREEN	There are a number of favourable variances in respect of vehicle costs. These budgets will be kept under review during the remainder of the financial year and adjusted as necessary as part of the budget right-sizing exercise.
	Fuel	330,595	165,298	138,223	-27,074			
	Hire of Transport	63,357	31,679	20,724	-10,955			
Car Parking Fees	Car Parking Fees	685,000	445,000	481,232	36,232	FAVOURABLE	GREEN	Due to the good weather and increased staycations over the summer months due to Covid it is anticipated that the annual income will be greater than expected. The budgets will be kept under review and adjusted as necessary as part of the budget right-sizing exercise to reflect this.
Stanner Bank Car Park	Ticket Issuing Machines	0	0	12,491	12,491	ADVERSE	RED	Increased costs associated with maintenance and repair of the barrier system. Further costs likely to be incurred through the rest of the year, especially if there are further instances of vandalism and/or addition of a new CCTV system to cover the barrier.
Fylde Waste Schemes	Bulky Waste Collection	35,000	17,500	0	-17,500	FAVOURABLE	GREEN	No in year expenditure due to there being no current service in operation. These budgets will be kept under review during the remainder of the financial year and adjusted as necessary as part of the budget right-sizing exercise.
	Household Refuse Special Colln	-40,000	-20,000	0	20,000	ADVERSE	RED	No in year income due to there being no current service in operation. These budgets will be kept under review during the remainder of the financial year and adjusted as necessary as part of the budget right-sizing exercise.
	Green Waste Subscription Charge	-545,000	-545,000	-590,760	-45,760	FAVOURABLE	GREEN	Additional customers signed up for 21/22 contributing to additional unbudgeted income. These budgets will be kept under review during the remainder of the financial year and adjusted as necessary as part of the budget right-sizing exercise.
Public Conveniences	Miscellaneous Receipts	-25,000	-15,000	-20,673	-5,673	FAVOURABLE	GREEN	Additional unbudgeted income due to increased number of visitors following lockdown/staycations. These budgets will be kept under review during the remainder of the financial year and adjusted as necessary as part of the budget right-sizing exercise.
Land Charges	Fee Income	-65,000	-32,500	-43,050	-10,550	FAVOURABLE	GREEN	Increased land charge fee income received in year. These budgets will be kept under review during the remainder of the financial year and adjusted as necessary as part of the budget right-sizing exercise.

**REVENUE MONITORING 2021/22 - Period 6 to September 30th 2021 (Variances in excess of £5K)**

Appendix A

Key

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<b>RED</b>	Projected adverse outturn variance

**ENVIRONMENT, HEALTH & HOUSING COMMITTEE**

Service Area	Detailed Description	Full Year Budget £	Budget as at Period 6 £	Actual & Commitments as at Period 6 £	Variance as at Period 6 £	FAV / ADV	Alert	Budget Holder Comments
Covid-19 Support	Unringfenced Covid Grant Support	294,000	147,000	633	-146,367	FAVOURABLE	BLUE	The Government provided un-ringfenced Covid support grant to all local authorities in 2021/22, with Fylde receiving £392k for the year. Of this £33k was allocated to Town and Parish areas to support covid recovery, and to date £50k has been vired to support agency labour costs within Operational Services to ensure continuing service delivery and £15k has been vired to the Cemetery & Crematorium to ensure covid compliance. This budget will be kept under review as part of the ongoing response to the Covid pandemic throughout the remainder of the current financial year.
	Practical Support for Self-isolation/expenditure	0	0	5,750	5,750	ADVERSE	AMBER	Lancashire County Council are providing funding for practical support for self isolation. Officers are continuing to explore options to deliver the requirements of the funding.
	LCC Funding / Practical Support for Self-Isolation	0	0	-73,612	-73,612	FAVOURABLE	BLUE	
Covid-19 Welcome Back Fund	Welcome Back fund - expenditure	243,516	121,758	0	-121,758	FAVOURABLE	BLUE	This budget is specifically held to assist in the economic recovery following the Covid pandemic. Funds are required to be spent before April 2022, with all spending agreed by the Department for Levelling Up, Housing and Communities. It is expected that the budget will be used in full before the end of the financial year.
	Covid-19 Welcome Back Grant	-243,516	-121,758	0	121,758	ADVERSE	AMBER	This grant funding is specifically held to assist in the economic recovery following the Covid pandemic. Funds are required to be spent before April 2022, with all spending agreed by Department for Levelling Up, Housing and Communities. It is expected that the budget will be used in full before the end of the financial year and the grant is claimed in arrears.
Cemetery and Crematorium	Cremations	-1,140,000	-570,000	-472,261	97,739	ADVERSE	RED	There has been a reduced demand for services from residents outside of the borough. These budgets will be kept under review during the remainder of the financial year and adjusted as necessary as part of the budget right-sizing exercise.



**REVENUE MONITORING 2021/22 - Period 6 to September 30th 2021 (Variances in excess of £5K)**

Appendix A

Key

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**PLANNING COMMITTEE**

Service Area	Detailed Description	Full Year Budget £	Budget as at Period 6 £	Actual & Commitments as at Period 6 £	Variance as at Period 6 £	FAV / ADV	Alert	Budget Holder Comments
Building Control	Inspection Fee - Dwellings	-143,000	-71,500	-124,732	-53,232	FAVOURABLE	GREEN	Increased Building Control fee income received in year due to an increased demand. These budgets will be kept under review during the remainder of the financial year and adjusted as necessary as part of the budget right-sizing exercise.
Development Management	Consultants Fees	25,000	12,500	6,215	-6,285	FAVOURABLE	BLUE	This budget is held to allow for the appointment of specialist consultants to assist in the determination of planning applications. Spend depends on the needs of the service based on the nature and type of applications received. These budgets will be kept under review during the remainder of the financial year and adjusted as necessary as part of the budget right-sizing exercise.
	Advertising	12,000	6,000	11,333	5,333	ADVERSE	RED	This budget is for the publishing of press notices in the local paper required by statute. Spend is related to the nature of applications received and so is largely outside the control of the council. The number of applications received during the year to date is higher than in previous years and this is also reflected in increased application fee income. These budgets will be kept under review during the remainder of the financial year and adjusted as necessary as part of the budget right-sizing exercise.
	Planning Application Fees	-675,000	-337,500	-433,328	-95,828	FAVOURABLE	GREEN	The number of planning application fees received during the year to date is significantly higher than previous years. There will be additional spend against other budgets as a direct consequence and these budgets will be kept under review during the remainder of the financial year and adjusted as necessary as part of the budget right-sizing exercise.
	Pre-Planning Advice Fees	0	0	-9,123	-9,123	FAVOURABLE	GREEN	The number of pre-application submissions made to the council is difficult to predict. All fee income will be indicated as a surplus. These budgets will be kept under review during the remainder of the financial year and adjusted as necessary as part of the budget right-sizing exercise.
Planning Appeals	Planning Appeal Hearing Costs	45,000	22,500	0	-22,500	FAVOURABLE	BLUE	The number of planning appeals held during the year to date has been limited and no awards of costs have been made against the council. A decision on one application for costs is outstanding and will be reported in the next monitoring period. This budget will be kept under review during the remainder of the financial year and adjusted as necessary as part of the budget right-sizing exercise.
Planning Enforcement	Enforcement Costs	35,000	17,500	0	-17,500	FAVOURABLE	BLUE	This budget is held to cover legal action against a particular site. Further action has been placed on hold due to Coronavirus restrictions and having regard to government advice. This budget will be kept under review during the remainder of the financial year and adjusted as necessary as part of the budget right-sizing exercise.
Development Management Team	Consultants Fees	20,000	10,000	0	-10,000	FAVOURABLE	BLUE	This budget is held to address capacity issues in the planning service and will be utilised by the end of the financial year.
Planning Policy	Local Development Framework Costs	30,000	15,000	0	-15,000	FAVOURABLE	BLUE	The costs associated with the examination of the local plan have not yet been received. It is currently anticipated that this budget will be utilised in full by the end of the financial year.
Economic Regeneration	Consultants Fees	150,000	75,000	0	-75,000	FAVOURABLE	BLUE	This budget is to deliver the St Annes Town Centre Masterplan. Consultants have been appointed and are expected to complete the work by April 2022.
St Annes/Pleasure Island/Salters Wharf	LCC - Lancashire Economic Recovery Grant	-108,000	-54,000	0	54,000	ADVERSE	AMBER	The grant has not been received as yet. This funding is held to deliver the Island Masterplan.
	Consultants Fees	120,000	60,000	0	-60,000	FAVOURABLE	BLUE	This budget is held to deliver the Island Masterplan. Consultants have been appointed and are expected to complete the work by April 2022.

# INFORMATION ITEM

REPORT OF	MEETING	DATE	ITEM NO
MANAGEMENT TEAM	FINANCE AND DEMOCRACY COMMITTEE	22 NOVEMBER 2021	12
<b>CAPITAL PROGRAMME MONITORING REPORT 2021/22 – POSITION AS AT 30<sup>th</sup> SEPTEMBER 2021</b>			

## PUBLIC ITEM

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

## SUMMARY OF INFORMATION

The purpose of this report is to provide an update on the approved Capital Programme of the Council as at 30<sup>th</sup> September 2021 and specifically for those schemes under the remit of the Committee.

## SOURCE OF INFORMATION

Chief Financial Officer – the report is based upon information extracted from the financial ledger system of the Council for the period to 30<sup>th</sup> September 2021 and feedback received from budget holders.

## LINK TO INFORMATION

Capital Programme Monitoring Report to 30<sup>th</sup> September 2021:

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

## WHY IS THIS INFORMATION BEING GIVEN TO THE COMMITTEE?

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

## FURTHER INFORMATION

Contact: Paul O'Donoghue, Chief Financial Officer.

Tel 01253 658566

e-mail: [paul.o'donoghue@fylde.gov.uk](mailto:paul.o'donoghue@fylde.gov.uk)

## **Summary**

The purpose of this report is to provide an in-year progress update in respect of those schemes within the Capital Programme that have been approved for delivery in 2021/22, together with an update on the overall Five-Year Capital Programme of the Council. This report includes a narrative description of some of the more significant schemes within the Capital Programme and details any risks and the actions required to address these. Appendix A to this report provides an update by Committee on schemes scheduled for commencement or delivery in 2021/22. Appendix B provides a summary of the latest position for the 5 year Capital Programme and Appendix C provides details of the financing of the programme.

### **1. Background**

The Council approved the Capital Programme on 4<sup>th</sup> March 2021. That update showed a balanced capital programme position from 2020/21 onwards. This report includes year to date expenditure and sets out the latest phasing of the programme and any additions or changes since the capital programme was presented to Council in March 2021. The Programme has also been rolled forward to include the year 2025/26.

### **2. Notes on Specific Schemes**

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

#### **(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.

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 5<sup>th</sup> July 2021. A report will be presented to Planning Committee to seek approval of various property acquisitions as part of the project.

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.

#### **(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 5<sup>th</sup> 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 this capital programme update and will also be updated in the next MTFS forecast to be presented in November. Following the planning phase it is proposed to start the construction phase early 2023.

### **(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 throughout 2020/21 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 restoration works are due to be completed during 2021. Fairhaven Café re-opened in October 2021.

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

### **(iv) 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 recently been commissioned.

### **(v) Lytham Regeneration Schemes**

In respect of the large capital scheme for Lytham town centre, a number of suggestions have been made by the Lytham Business Group and other parties, some of which require careful consideration along with agencies such as Lancashire County Council. Options are being considered involving local members and a draft plan is being drawn together. This will have a phased programme of works to be considered in due course by the Planning Committee. It is envisaged that the first phase of work, the improvements to lighting on East, Central and West Beaches will be completed during the current financial year in line with the scheme agreed by Planning Committee in March 2021. The Lytham Beach Lighting Scheme is programmed for delivery during the current financial year and the proposed improvements to Clifton Street are now timetabled for Q2 2022/23 in line with the Corporate Plan. Plans have been prepared and will be presented to the Town Centre Working Group at the earliest opportunity. This will enable detailed schemes to be prepared and consulted upon.

#### **(vi) Better Care Fund (Formerly Disabled Facilities Grants)**

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

The level of government funding has increased significantly under the 'Better Care Fund' arrangements and the budget for 2021/22 of £1.236m provides for the delivery of disabled adaptations to similar levels as 2020/21. It is anticipated that for 2021/22 all identified need for disabled adaptations can be met from the existing resource.

#### **(vii) 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.

### **3 Conclusions**

- 3.1 Actual expenditure to 30<sup>th</sup> September 2021 is £2.052m against a full year budget of £14.016m. This equates to 14.6% of the latest budget. Progress on the delivery of a number of schemes has been delayed due to covid restrictions. This is noted as appropriate in the analysis at Appendix A. Consequently, the phasing of some schemes have been adjusted or re-phased into 2022/23 as part of this update and will be reflected in future Financial Forecast updates during the year.
- 3.2 Capital Receipts total £161,575 against a total in year budgeted figure of £185,000 made up of Right to Buy Receipts and General Asset Sales. Any changes to this will be reflected in future Financial Forecast updates during the year.
- 3.3 The current Capital Programme as updated is showing a balanced position for 2021/22 onward. The Capital Programme and the associated financing will be subject to discussion with members during the months in the lead up to the annual budget setting process for 2022/23.
- 3.4 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 4<sup>th</sup> March 2013 approved the creation of a Capital Investment Reserve to finance future capital expenditure. The balance of this reserve at 31<sup>st</sup> March 2021 was £5.223m including the budgeted transfer into the reserve of £1.813m in respect of 2020/21. Of this £2.441m is already committed to deliver existing approved capital schemes in the year 2021/22 and a further budgeted contribution into the reserve of £1.706m in 2021/22 is estimated, leaving a forecast unallocated balance on the reserve at 31<sup>st</sup> March 2022 of £4.488m. The estimated transfer in is subject to change as costs and income undoubtedly fluctuate over the next 2 financial years.

An updated position in respect of the Capital Investment Reserve will be included within 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 2022/23. Whilst it remains the case that this reserve is the preferred source of finance for any further additions to the Capital Programme, continuing contributions to the reserve are required in order to maintain a sustainable funding source for future years.

**CAPITAL PROGRAMME - 2021/22 IN-YEAR SCHEME MONITORING REPORT - AS AT 30/09/21**

**Appendix A**

CODE	APPROVED SCHEMES	Head of Service / Budget Holder	Financing Source	Approved Budget 2021/22 £000	Slippage B/F from 2020/21 £000	Adjustments from 04/03/21 £000	Updated Budget 2021/22 £000	Expenditure to 30/09/21 £000	Variance £000	Budget Holder Comments
	<b>FINANCE &amp; DEMOCRACY COMMITTEE</b>									
<b>Z188</b>	Purchase of Land Adjacent to Squires Gate Station	Darren Bell	Capital Investment Reserve	0	5	1	6		6	This project is ongoing. As agreed at Full Council, the compulsory purchase of the land will now be initiated which could take 12 months to complete.
	<b>Sub total</b>			<b>0</b>	<b>5</b>	<b>1</b>	<b>6</b>	<b>0</b>	<b>6</b>	
	<b>TOURISM &amp; LEISURE COMMITTEE</b>									
<b>Z112</b>	Fairhaven Lake & Promenade Gardens Restoration	Mark Wilde	Capital Investment Reserve	1,025	408		1,433	922	511	Building and Landscaping works are scheduled to be completed during 2021. The lake works project will be undertaken during 2021/22.
<b>Z097</b>	Promenade Footways	Darren Bell	No external finance - funded by borrowing / general asset disposal receipts	115			115		115	This funding has been identified to improve the footway surface around St Annes Promenade bandstand and boating pool. The scheme is linked with the Square to Pier Link and Gateway scheme to be delivered through the Planning Committee with the intention that works will run concurrently by the same contractor. These works are currently delayed with a likely start date during 2021/22. When the Pier scheme is progressed this scheme will be finalised and a draw-down report for funding presented to the committee.
<b>Z176</b>	Staining Playing Fields Development Scheme	Mark Wilde	S106 Developer Contributions / Capital Investment Reserve	0	43		43		43	Plans for landscaping works are currently being developed with project completion anticipated during 2021.
<b>Z179</b>	Coastal Signage Improvements	Darren Bell	Capital Investment Reserve	0	68		68	2	66	Phases 2 and 3 (Digital Beach Signs and Beach Safety Signs) have been completed. Phases 1, 3 and 5 (Consolidation / Rationalisation, Waymarking & Directional and Heritage & Interpretation) are currently being modelled.
<b>Z181</b>	Coastal Explorers	Mark Wilde	Capital Investment Reserve	20		-20	0		0	Following the unsuccessful bid with the Big Lottery further options had been explored with the Arts Council for additional funding but this was also unsuccessful. As this money was originally intended to form the basis of match funding as part of a wider scheme the contribution from FBC is now not required. An update report will be presented to a future committee on this basis.
<b>Z192</b>	Fylde Sand Dunes Improvement Scheme	Mark Wilde	S106 Developer Contributions / Specific Grants	0	46		46	15	31	The first phase of the scheme to regrade the dunes opposite the Persimmon Homes development has now been successfully completed. A tendering exercise has been completed for the second and third phases of the scheme - which include new dune entrance ways and signage. Draft artwork has been produced by a graphic designer for the signs and is ready for completion by December 2021. A contractor has been selected for the entranceway installation and this will be completed by December 2021.
<b>Z197</b>	Blackpool Road North Playing Fields Drainage	Darren Bell	Capital Investment Reserve	50	55	40	145	116	29	Works are substantially complete. Additional works on the maintenance of football pitches are to be completed Spring 2022.
<b>Z210</b>	Additional Parks Access Control Measures	Mark Wilde	Capital Investment Reserve	16			16	16	0	Following a tender exercise, a contractor was commissioned to deliver the access control scheme, which is now nearing completion. Waddington, Lima and Beauclerk Gardens Open Spaces are now complete.
<b>Z211</b>	Ashton Gardens Lighting Improvement Scheme	Darren Bell	Capital Investment Reserve	25			25		25	This scheme has been delivered and completed to budget. Awaiting final invoice.
<b>Z212</b>	Park View Drainage Improvement Scheme	Darren Bell	Capital Investment Reserve	40			40	1	39	Anticipated scheme completion to budget during 2021/22.
<b>Z213</b>	Fairhaven Boathouse - Remodelling and Refurbishment Scheme	Mark Wilde	Capital Investment Reserve	224			224	7	217	Anticipated to be completed during the winter period of 2021/22.
<b>Z214</b>	Play Area Improvements	Mark Wilde	Capital Investment Reserve	100			100		100	The scheme is currently at consultation and design stage. The following step is to prepare the tender documentation including contract and specification, by September 2021. Ground works are expected to commence from January 2022.
<b>Z215</b>	Friends of Newton Community Park Improvement Scheme - Fylde Council Contribution	Mark Wilde	Capital Investment Reserve	50		50	100	30	70	Scheme approved at Finance & Democracy Committee 29th March 2021. Anticipated scheme completion to budget during 2021/22.
<b>Z219</b>	Fairhaven Kiosk / Ice Cream Bar Project	Darren Bell	Funding Volatility Reserve	0		20	20		20	Scheme approved at Council 5th July 2021. Scheme details currently being developed. A draw-down report is expected to be submitted to committee March 2022.
	<b>Sub total</b>			<b>1,665</b>	<b>620</b>	<b>90</b>	<b>2,375</b>	<b>1,109</b>	<b>1,266</b>	

## Appendix A (Cont'd)

CODE	APPROVED SCHEMES		Financing Source	Approved Budget 2021/22 £000	Slippage B/F from 2020/21 £000	Adjustments from 04/03/21 £000	Updated Budget 2021/22 £000	Expenditure to 30/09/21 £000	Variance £000	Budget Holder Comments
	<u>OPERATIONAL MANAGEMENT COMMITTEE</u>									
<b>Z038</b>	Replacement Vehicles	Kathy Winstanley	Borrowing	447	39		486		486	It is anticipated that part of the replacement vehicle purchases for this financial year will be required to be re-phased in future updates of the financial forecast due to expected longer lead times from the tenders. This will be reviewed later in the year.
<b>Z049</b>	Car Park Improvements	Darren Bell	No external finance - funded by borrowing / general asset disposal receipts	70			70		70	The improvement of the interface between Stanner Bank car park and Inner Promenade is currently ongoing, expected completion end October 2021. The remaining budget will be rephased to future years within a future forecast update of the medium term financial strategy to contribute to the resurfacing of Fairhaven Rd and/or Swimming Pool Car Parks.
<b>Z165</b>	Public Transport Improvements	Darren Bell	S106 Developer Contributions	48	90		138		138	This scheme relates to developer contributions (s106) funding that is paid to Lancashire County Council (LCC). The funding will contribute to the delivery of improved public transport services where an enhanced public transport requirement is identified as a result of increased housing development. These payments may be made over a period of several years and in this instance the s106 agreement allows for payments to be made up until 2028.
<b>Z130</b>	Fairhaven and Church Scar Coast Protection Scheme	Darren Bell	Specific Government Grant (Environment Agency) / Capital Investment Reserve		10		10	2	8	This is the residual Sand Dune improvement works on the Dunes North of Fairhaven Lake. This was an outstanding condition of the Fairhaven Coastal Defence scheme which Environment Agency Grant in Aid can be claimed.
<b>Z207</b>	St Anne's Sea Wall	Darren Bell	Specific Government Grant (Environment Agency)			891	891		891	In 2020 the council were awarded £300k Pipeline acceleration funding to develop the St Anne's 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 bid was to 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 this capital programme update and will also be updated in the next MTF5 forecast to be presented in November. Following the planning phase it is proposed to start the construction phase early 2023.
<b>Z182</b>	Accommodation/ facilities at Snowdon Road Depot - Welfare Improvements	Darren Bell	Capital Investment Reserve	350	-144		206	132	74	Scheme completed - awaiting final invoices.
<b>Z190</b>	Charging Infrastructure for Electric Taxis	Darren Bell	Specific Government Grant		150		150		150	Contracts and leases are being finalised. Work has already started in other districts with contractors expected to start install in the coming months.
<b>Z195</b>	Cemetery and Crematorium - Infrastructure Phase 3b	Darren Bell	Capital Investment Reserve		35		35		35	Further infrastructure works are anticipated to be completed during 2021/2022.
<b>Z199</b>	Outdoor Digital Signage	Mark Evans	Capital Investment Reserve		30		30	10	20	The outdoor digital signage proposal has been referred to the Town Centres Working Group in order to consider alternative siting proposals that will be more suitable in the conservation area location in which they are proposed. Various options are currently being examined and it is expected that the projects will be delivered within this financial year.
<b>Z216</b>	Staining Drainage Improvement Scheme	Darren Bell	Capital Investment Reserve	65			65		65	Scheme to be completed during 2021/22.
<b>Z217</b>	South Fylde Line Study	Darren Bell	Specific Grant / Capital Investment Reserve	0		70	70	7	63	The capacity study by Network Rail started June 2021, due for completion by October 2021. Stantec were appointed as contractors to carry out the study and prepare SOBC documents at end June 2021, scheme to be completed by end November 2021.
	<b>Sub total</b>			<b>980</b>	<b>210</b>	<b>961</b>	<b>2,151</b>	<b>151</b>	<b>2,000</b>	

## Appendix A (Cont'd)

CODE	APPROVED SCHEMES		Financing Source	Approved Budget 2021/22 £000	Slippage B/F from 2020/21 £000	Adjustments from 04/03/21 £000	Updated Budget 2021/22 £000	Expenditure to 30/09/21 £000	Variance £000	Budget Holder Comments
	<b>ENVIRONMENT, HEALTH &amp; HOUSING COMMITTEE</b>									
<b>Z010</b>	Disabled Facilities Grants (DFG) Programme	Mark Evans	Specific Grant (Better Care Fund) / External Contributions / Grant repayments	1,130	106		1,236	544	692	Following delays as a result of Covid restrictions, the grant programme is now progressing as normal and all of the original funding is expected to be fully committed by the end of the financial year.
<b>Z161</b>	Housing Needs Grant	Mark Evans	DFG Grant Repayments		27		27		27	Housing Needs grant awards are dependent on the repayments received by the sale of properties where DFG grant has previously been provided. The funding to be used where professional services have been provided, such as architectural fees, but the DFG grant has not gone ahead in 2021/22. Funding has been used in previous years for specific community information events. Planning of a 2022/23 programme of events is underway as part of the HMO Inspection project.
<b>Z209</b>	Progress Housing Buy Backs	Mark Evans	S106 Developer Contributions		58		58		58	Finance & Democracy Committee in November 2020 approved a fully funded addition to the Capital Programme – 'Progress Housing Buy Backs' in 2020/21 for £57,500. Progress Housing have confirmed they now expect completion of the purchases in Autumn of 2021 and will be invoicing for the full amount by the end of the year.
<b>Z107</b>	CCTV Replacement Schemes	Ian Curtis	Specific Grant (LSP Performance Reward Grant)	27			27	25	2	Expenditure of £27k on rapid redeployable cameras has been authorised. Four WCCTV speed dome cameras have been ordered and will be delivered at the end of July. A report will be taken to committee in September on the replacement of the town centre CCTV systems from analogue to IP cameras.
<b>Z201</b>	Hydration Points	Darren Bell	Capital Investment Reserve	60			60		60	The project was delayed due to Covid restrictions which would have stopped the points being used. Following a presentation to Members in September 21, it was decided to focus on a limited number of sites and submit a drawdown report following approval from United Utilities for new connections to the water supply infrastructure. It is proposed to have a number of units installed in February/March 2022.
<b>Z205</b>	Fylde Affordable Housing Delivery Programme	Mark Evans	S106 Developer Contributions	60			60		60	This funding had been allocated to deliver an affordable housing survey which requires community engagement that could not be carried out within the previous social distancing restrictions that had to be observed. As a result the project has been delayed. The contract has been awarded and it is anticipated that the survey will be completed during the current financial year 2021/22.
<b>Z208</b>	Affordable Housing Scheme, Lytham Road, Warton	Mark Evans	S106 Developer Contributions	130	130		260		260	Council (19/10/20) approved a scheme for affordable housing on Lytham Road Warton, utilising S106 funding. phased equally over two financial years (2020/21 and 2021/22), the sum of £260,000 to be fully funded from a portion of the balance of S106 developer contributions for affordable housing currently held by the Council for this purpose (from Agreement ref: 12/0717 - Moss Farm, Cropper Road, Westby). Negotiations are still underway to approve the Affordable Housing Statement for the site, in line with the conditions for the grant.
	<b>Sub total</b>			<b>1,407</b>	<b>321</b>	<b>0</b>	<b>1,728</b>	<b>569</b>	<b>1,159</b>	



## Appendix A (Cont'd)

CODE	APPROVED SCHEMES		Financing Source	Approved Budget 2021/22 £000	Slippage B/F from 2020/21 £000	Adjustments from 04/03/21 £000	Updated Budget 2021/22 £000	Expenditure to 30/09/21 £000	Variance £000	Budget Holder Comments
	<b>PLANNING COMMITTEE</b>									
<b>Z138</b>	St Annes Regeneration Schemes	Mark Evans	S106 Developer Contributions / Capital Investment Reserve	100	24		124	1	123	The funding was specifically aimed at delivering the Wood Street (Phase 3) Scheme. Works commenced but, despite being suspended due to the covid situation, have now been completed on phase 3a (north side). There are some works that have not yet been invoiced, which are currently undergoing a snagging process prior to final sign off. Any residual amounts unspent will be directed towards the implementation of an enhanced Pier Link project in accordance with the decision made by Planning Committee on 22 June 2020.
<b>Z185</b>	St Annes Road West – Square to Pier link and Gateway	Mark Evans	Capital Investment Reserve	110			110		110	This project was referred back to the Planning Committee by the Finance and Democracy Committee. It has subsequently been resolved to pursue the delivery of the Pier Link as part of a wider programme of investment in St Annes Town Centre that will be guided by a Town Centre Masterplan.
<b>Z139</b>	Lytham Regeneration Schemes	Mark Evans	S106 Developer Contributions / Capital Investment Reserve	800		-750	50		50	Work has commenced on the redesign and re-planning of the public realm of Lytham Centre. The Corporate Plan now programmes the delivery of the Clifton Street Works (£750k) during Q2 of 2022/23 and this element has been re-phased into next year as part of this update. The Lytham Beach Lighting Scheme (£50k) is programmed for delivery during the current financial year.
<b>Z136</b>	Kirkham Public Realm Improvements	Mark Evans	S106 Developer Contributions / Capital Investment Reserve		3		3	1	2	This is a residual amount from the last phase of regeneration works allocated for signage which will now be delivered as part of the Kirkham Future High Street Fund / Heritage Action Zone programme.
<b>Z158</b>	M55 Link Road (Inc. S106 monies for design work)	Mark Evans	S106 Developer Contributions / M55 Link Road Reserve	2,000	122		2,122		2,122	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.
<b>Z172</b>	St Annes Pier - Coastal Revival Fund	Mark Evans	Specific Grant	5			5		5	This scheme is funded by a specific grant from MHCLG for which Fylde Council is acting as the accountable body. The spend of the remaining funds rests with the owners of the Pier, but is anticipated to be completed during the current financial year.
<b>Z187</b>	Kirkham and Wesham Station	Mark Evans	S106 Developer Contributions		15		15		15	This funding was identified to allow a feasibility study to be carried out which would examine the alternative proposals available to deliver off street parking at Kirkham and Wesham Station. Following an initial delay as a result of changes to the rail franchise operating on the Preston-Blackpool Line, the feasibility study has now been completed (considered by Planning Committee on 11/11/2020). Awaiting final invoice.
<b>Z193</b>	Future High Street Fund: Kirkham	Mark Evans	Specific Grant		17	3,489	3,506	19	3,487	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 will be presented to Planning Committee to seek approval of various property acquisitions.
<b>Z202</b>	Wesham Community Centre	Mark Evans	Capital Investment Reserve / S106 Developer Contributions / Specific Grant	60	32		92		92	This scheme was programmed to commence in early October 2020, Whilst preliminary ground works commenced, a national shortage of building materials delayed delivery. Work has continued on the project which is nearing completion and should be concluded during the current year.
<b>Z203</b>	Elswick Village Green	Mark Evans	Capital Investment Reserve / S106 Developer Contributions / Specific Grant	115			115		115	Elswick PC are leading this proposal and have faced a number of challenges in delivering the project in line with the originally agreed programme. Progress of the project continues to be monitored and the Parish Council have been offered support to deliver the project.
<b>Z204</b>	Kirkham Heritage Action Zone	Mark Evans	Capital Investment Reserve / S106 Developer Contributions / Specific Grant	1,327	177	35	1,539	202	1,337	This is a 4 year programme with spending being spread across the programme period. Delays of approx 6 months have resulted from the Coronavirus pandemic and officers have agreed a reprofiling of the spend with Historic England. A further grant award of £80k has been successful from Historic England and a report was presented to F&D (29/07/21) for a fully funded capital budget increase approval.
<b>Z186</b>	Tree Planting Scheme	Mark Evans	Capital Investment Reserve	25			25		25	Anticipated scheme completion to budget during 2021/22.
<b>Z218</b>	25 Victoria Road St Annes Y-Pad Scheme	Mark Evans	S106 Developer Contributions	0		50	50		50	Scheme approved at Finance & Democracy Committee 29th March 2021. It is phased over two financial years (2021/22 and 2022/23) for £200,000 with 25% being paid at start on site and the remainder 75% on project completion once the units are allocated to Fylde Coast YMCA, after regard and consideration of the compliance with the financial regulations.
	<b>Sub total</b>			<b>4,542</b>	<b>390</b>	<b>2,824</b>	<b>7,756</b>	<b>223</b>	<b>7,533</b>	
	<b>Total Expenditure</b>			<b>8,594</b>	<b>1,546</b>	<b>3,876</b>	<b>14,016</b>	<b>2,052</b>	<b>11,964</b>	

**UPDATED 5 YEAR CAPITAL PROGRAMME 2021/22 TO 2025/26 - BY SCHEME**

	Estimate 2021/22 £000	Estimate 2022/23 £000	Estimate 2023/24 £000	Estimate 2024/25 £000	Estimate 2025/26 £000
<b>FINANCE &amp; DEMOCRACY COMMITTEE</b>					
2188 Purchase of Land Adjacent to Squires Gate Station	6				
<b>Sub total</b>	6	0	0	0	0
<b>TOURISM &amp; LEISURE COMMITTEE</b>					
2112 Fairhaven Lake & Promenade Gardens Restoration	1,433				
2097 Promenade Footways	115	40	40	40	40
2176 Staining Playing Fields Development Scheme	43				
2179 Coastal Signage Improvements	68				
2181 Coastal Explorers	0				
2192 Fylde Sand Dunes Improvement Scheme	46				
2197 Blackpool Road North Playing Fields drainage	145				
2210 Additional Parks Access Control Measures	16				
2211 Ashton Gardens Lighting Improvement Scheme	25				
2212 Park View Drainage Improvement Scheme	40				
2213 Fairhaven Boathouse - Remodelling and Refurbishment Scheme	224				
2214 Play Area Improvements	100				
2215 Friends of Newton Community Park Improvement Scheme - Fylde Council Contribution	100				
2219 Fairhaven Kiosk / Ice Cream Bar Project	20	340			
<b>Sub total</b>	2,375	380	40	40	40
<b>OPERATIONAL MANAGEMENT COMMITTEE</b>					
2038 Replacement Vehicles	486	306	971	791	1,251
2049 Car Park Improvements	70	30	30	30	30
2165 Public Transport Improvements	138	30			
2130 Fairhaven and Church Scar Coast Protection Scheme	10				
2207 St Anne's Sea Wall	891	1,870	7,480	1,870	
2182 Accommodation/ facilities at Snowdon Rd Depot - Welfare Improvements	206				
2190 Charging Infrastructure for Electric Taxis	150				
2195 Cemetery and Crematorium - Infrastructure Phase 3b	35				
2199 Outdoor Digital Signage	30				
2216 Staining Drainage Improvement Scheme	65				
2217 South Fylde Line Study	70				
<b>Sub total</b>	2,151	2,236	8,481	2,691	1,281
<b>ENVIRONMENT, HEALTH &amp; HOUSING COMMITTEE</b>					
2010 Disabled Facilities Programme	1,236	1,130	1,130	1,130	1,130
2161 Housing Needs Grant	27				
2209 Progress Housing Buy Backs	58				
2107 Rapid Deployment CCTV Replacement Projects	27				
2201 Hydration points	60				
2205 Fylde Affordable Housing Delivery Programme	60				
2208 Affordable Housing Scheme, Lytham Road, Warton	260				
<b>Sub total</b>	1,728	1,130	1,130	1,130	1,130
<b>PLANNING COMMITTEE</b>					
2138 St Annes Regeneration Schemes	124				
2185 St Annes Road West – Square to Pier link and Gateway	110				
2139 Lytham Regeneration Schemes	50	750			
2136 Kirkham Public Realm Improvements	3				
2158 M55 Link Road (Inc. S106 monies for design work)	2,122				
2172 St Annes Pier - Coastal Revival Fund	5				
2187 Kirkham and Wesham Station	15				
2193 Future High Street Fund: Kirkham	3,506	2,118	683		
2202 Wesham Community Centre	92				
2203 Elswick Village Green	115				
2204 Kirkham Heritage Action Zone	1,539	1,067	622		
2186 Tree Planting Scheme	25				
2218 25 Victoria Road St Annes Y-Pad Scheme	50	150			
<b>Sub total</b>	7,756	4,085	1,305	0	0
<b>Total Expenditure</b>	<b>14,016</b>	<b>7,831</b>	<b>10,956</b>	<b>3,861</b>	<b>2,451</b>

**UPDATED 5 YEAR CAPITAL PROGRAMME 2021/22 TO 2025/26 - FINANCING**

	Estimate 2021/22 £000	Estimate 2022/23 £000	Estimate 2023/24 £000	Estimate 2024/25 £000	Estimate 2025/26 £000
<b>FINANCING:</b>					
Capital Receipts - General Asset Sales	160	45	45	45	45
Capital Receipts - Right to Buy Receipts	25	25	25	25	25
Better Care Fund / Disabled Facilities Grant	1,156	1,090	1,090	1,090	1,090
Disabled Facilities Grant Repayments - 'Housing Needs Grants'	27				
Section 106 Monies - St Annes	74				
Section 106 Monies - Lytham	50	80			
Section 106 Monies - M55 Link-Road	122				
Section 106 Monies - Public Transport Improvements	138	30			
Section 106 Monies - Kirkham and Wesham Station	15				
Section 106 Monies - Fylde Sand Dunes Improvement Scheme	19				
Section 106 Monies - Wesham Community Centre	18				
Section 106 Monies - Elswick Village Green	35				
Section 106 Monies - Kirkham Heritage Action Zone	69	223	168		
Section 106 Monies - Fylde Affordable Housing Delivery Programme	60				
Section 106 Monies - Affordable Housing Scheme, Lytham Road, Warton	260				
Section 106 Monies - Progress Housing Buy Backs	58				
Section 106 Monies - 25 Victoria Road St Annes Y-Pad Scheme	50	150			
Capital Investment Reserve	1,520	670			
Capital Investment Reserve - Underwriting max £343k - Fairhaven	251				
M55 Link-Road Reserve	1,308				
Funding Volatility Reserve - Additional Contribution to M55 Link Road	692				
Funding Volatility Reserve - Fairhaven Kiosk / Ice Cream Bar Project	20	340			
Funding Volatility Reserve - St Annes Sea Wall			2,300		
Other External Finance (see analysis below )	7,453	4,872	6,357	1,910	40
Direct Revenue Finance	120				
Prudential Borrowing	316	306	971	791	1,251
<b>Total Financing</b>	<b>14,016</b>	<b>7,831</b>	<b>10,956</b>	<b>3,861</b>	<b>2,451</b>

<b>Total surplus (-) / shortfall in year</b>	0	0	0	0	0
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<b>Cumulative surplus (-) / shortfall</b>	0	0	0	0	0
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See note below for external funding available to finance the above schemes:

<b>Other External Finance: Analysis</b>					
LSP Performance Reward Grant	27				
Environment Agency - Fairhaven and Church Scar	10				
Environment Agency - St Anne's Sea Wall	771	1,870	5,180	1,870	
Coastal Revival Fund - St Annes Pier	5				
Central Government Grant - Future High Street Fund: Kirkham	3,506	2,118	683		
Staining Parish Council	10				
New Fylde Housing - DFG Contribution	80	40	40	40	40
Lancashire Environmental Fund - Fylde Sand Dunes Imp't Scheme	27				
Heritage Lottery Fund - Fairhaven Restoration Project	1,169				
Sport England - Fairhaven Restoration Project - confirmed	100				
United Utilities - Fairhaven Restoration Project	60				
Lytham Schools Foundation - Fairhaven Restoration Project	5				
Café Tenant Contribution	15				
RSPB - Fairhaven Restoration Project	3				
Central Government - Charging Infrastructure for Electric Taxis	150				
Wesham Town Council	24				
Elswick Parish Council (Elswick Village Green)	10				
Kirkham Town Council (Kirkham Heritage Action Zone)	150				
External Grants - Lancs Env Fund (Elswick Village Green)	30				
External Grants - Pocket Parks (Elswick Village Green)	15				
External Grants - Historic England (Kirkham Heritage Action Zone)	778	618	272		
External Grants - Historic England - Additional Grant (Kirkham HAZ))	35	35	10		
Private Sector / Other (Kirkham Heritage Action Zone)	357	191	172		
Department for Transport (South Fylde Line Study)	50				
Project Partners (South Fylde Line Study)	16				
Newton Community Park - Lancashire Environment Fund	30				
Newton Community Park - Newton & Clifton Parish Council	15				
Newton Community Park - Friends of Newton Community Park	5				
	7,453	4,872	6,357	1,910	40