

Agenda



FINANCE AND DEMOCRACY COMMITTEE

| | |
|--------------------|---|
| Date: | Monday, 20 February 2017 at 6:30 pm |
| Venue: | Town Hall, St Annes, FY8 1LW |
| Committee members: | Councillor Karen Buckley (Chairman) Councillor Roger Small (Vice-Chairman) Councillors David Donaldson, Tony Ford JP, Angela Jacques, Kiran Mulholland, Linda Nulty, Liz Oades, Richard Redcliffe, Vince Settle, Elaine Silverwood, Richard Taylor. |

Public Platform

To hear representations from members of the public in accordance with council procedure rule 11.

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

| | PROCEDURAL ITEMS: | PAGE |
|---|--|---------|
| 1 | Declarations of Interest: Declarations of interest, and the responsibility for declaring the same, are matters for elected members. Members are able to obtain advice, in writing, in advance of meetings. This should only be sought via the Council's Monitoring Officer. However, it should be noted that no advice on interests sought less than one working day prior to any meeting will be provided. | 1 |
| 2 | Confirmation of Minutes: To confirm the minutes, as previously circulated, of the meeting held on 23 January 2017 as a correct record. | 1 |
| 3 | Substitute Members: Details of any substitute members notified in accordance with council procedure rule 24(c). | 1 |
| | DECISION ITEMS | |
| 4 | Medium Term Financial Strategy Update, Including General Fund, Capital Programme and Treasury Management for 2016/17 to 2020/21 | 1 - 113 |

Contact: Katharine McDonnell - Telephone: (01253) 658423 – Email: democracy@fylde.gov.uk

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

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DECISION ITEM



| REPORT OF | MEETING | DATE | ITEM NO |
|--|---------------------------------|------------------|---------|
| MANAGEMENT TEAM | FINANCE AND DEMOCRACY COMMITTEE | 20 FEBRUARY 2017 | 4 |
| MEDIUM TERM FINANCIAL STRATEGY UPDATE, INCLUDING GENERAL FUND, CAPITAL PROGRAMME AND TREASURY MANAGEMENT FOR 2016/17 TO 2020/21 | | | |

PUBLIC ITEM

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

SUMMARY

- 1.1 Attached is the Council's Medium Term Financial Strategy (MTFS) for the five years 2016/17 to 2020/21. The MTFS is designed to provide a strategic link between available financial resources and the Council's corporate policy priorities, and to ensure that the Council sets a budget which is robust and sustainable in order that it can deliver its strategic objectives.
- 1.2 The report details the estimated financial resources available to the Council and identifies how they will be utilised to support the achievement of the Council's priorities. The report also identifies the key financial risks facing the Council over the life of the forecast. The Council's Revenue Budget expenditure and Forecast, Capital Programme, Treasury Management Strategy and Useable Reserves and Balances Policy are also set out in the report.
- 1.3 The forecast includes the impact of the 2016 Local Government Finance Settlement, provisional details of which were announced on 15th December 2016. For Fylde Council the key factor in the settlement is the change in the calculation methodology in respect of New Homes Bonus and the consequential reductions in the level of New Homes Bonus income in future years under the revised arrangements, commencing with effect from 2017/18. Although a certain degree of reduced future funding had previously been anticipated and had already been reflected in the financial forecast that was approved by the Budget Council in March 2016, the scale of the funding reduction is greater than was expected and represents a renewed challenge to Fylde Council in the coming years.
- 1.4 Also of note is the confirmation by central government of the multi-year settlement offer following the acceptance of the Efficiency Plan that was submitted in the summer of 2016.
- 1.5 The MTFS may be updated as a result of the decisions made by this Committee and will be considered by the Budget Council meeting of 2nd March 2017.
- 1.6 Feedback from the Budget Consultation process will also be considered as part of the budget setting meeting.

RECOMMENDATIONS

The Committee is recommended to:

1. Request Council to approve and adopt:
 - (a) The revised estimates for 2016/17 and the revenue budget for 2017/18 as set out in Appendix E, which includes recommended transfers to the Capital Investment Reserve in 2017/18 and 2018/19 equivalent to the balance of the revenue surplus for those years after allowing for all approved transfers to other reserves, currently estimated at £441k in 2017/18 and £286k in 2018/19;
 - (b) The budget proposals and changes to Reserves and Balances as set out in Appendices F & H;
 - (c) The updated Five Year Capital Programme as set out in Appendix G;
 - (d) The updated Useable Reserves & Balances Policy as detailed in Appendix H;
 - (e) An average Band D Council Tax of £195.76 for 2017/18 (excluding Town and Parish precepts), which is a 2.62% increase from the 2016/17 average Band D charge;
 - (f) The Special Expenses policy as set out in Appendix I; which includes that:
 - for the purposes of charging special expenses, both the special expense costs and the tax bases relating to the areas of Lytham and St Annes will each be aggregated and the Council Tax charge per property at each band level will be the same across the whole area; and
 - the annual special expense charge per property will be set for 2017/18 at the 2016/17 level plus 2.76%, that being £71.77 per band D property; and
 - the annual borough wide charge per property will be set for 2017/18 at the 2016/17 level plus 2.76%, that being £152.98 per band D property; and
 - the budget resource to be allocated to delivering concurrent services and chargeable as special expenses for 2017/18 will be set at a sum equivalent to the annual special expense charge per property (band D equivalent) multiplied by the tax base for the special expense area;
 - (g) The schedule of fees and charges for 2017/18 as detailed in Appendix J;
 - (h) The Treasury Management Policy set out in Appendix K;
 - (i) The Treasury Management Strategy set out in Appendix L, which incorporates the Minimum Revenue Provision Statement, the Council's Borrowing Strategy, Investment Strategy, and Treasury Prudential Indicators and Limits.

SUMMARY OF PREVIOUS DECISIONS

This report forms part of the Budget and Council Tax setting process considered annually by Members.

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

REPORT

1. In March 2016 the Council agreed a five year financial strategy from 2015/16 to 2019/20. The Council acknowledges the need to continuously reduce costs and to seek efficiencies in order to meet the challenge of reduced public sector funding. The Council has successfully delivered this programme in year, and has delivered significant savings from its budget rightsizing programme across all years of the forecast. This leaves the Council well placed to address further pressures on funding and income.
2. The attached Medium Term Financial Strategy (MTFS) identifies the key financial risks for the Council moving forward. These are detailed in Section 11 (Revenue) and Section 14 (Capital) of the report.
3. On 15th December 2016 the Government published the Provisional Local Government Finance Settlement. Full details are contained within the attached MTFS.
4. The Council's MTFS and a summary of the budget proposals therein will be made available for consultation via the Council's website and will be provided directly to a range of stakeholders during February 2017.
5. Feedback from this consultation process will be considered as part of the budget setting meeting, as will any views expressed by the Finance and Democracy Committee.

| IMPLICATIONS | |
|---|---|
| Finance | Detailed financial implications are contained in the body of the attached Medium Term Financial Strategy. Specific advice from the Council's Chief Financial Officer is contained within the overall conclusions to the report in Section 19. |
| Legal | None arising directly from the report. |
| Community Safety | None arising directly from the report. |
| Human Rights and Equalities | None arising directly from the report. |
| Sustainability and Environmental Impact | None arising directly from the report. |
| Health & Safety and Risk Management | None arising directly from the report. |

| REPORT AUTHOR | TEL | DATE | DOC ID |
|--|-----------------|---------------|--------|
| Paul O'Donoghue Chief Financial Officer | 01253 658566 | February 2017 | |

| LIST OF 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 2015/16 – 2017/20 | Budget Council meeting 2 nd March 2016 | www.fylde.gov.uk |
| MTFS – Outturn Position For 2015/16 (Including General Fund, Capital Programme & Treasury Management) | Finance and Democracy Committee meeting 20 th June 2016 | www.fylde.gov.uk |
| Revenue Budget Monitoring Report & Capital Programme Monitoring Report 2016/17 – to 31 st July 2016 | Finance and Democracy Committee meeting 26 th September 2016 | www.fylde.gov.uk |
| Medium Term Financial Strategy (MTFS) Update, Including General Fund, Capital Programme and Treasury Management for 2016/17 – 2020/21 | Finance and Democracy Committee meeting 21 st November 2016 and Council meeting 5 th December 2016 | www.fylde.gov.uk |
| Revenue Budget Monitoring Report & Capital Programme Monitoring Report – to Period 8 (31 st November 2016) | Finance and Democracy Committee meeting 23 rd January 2017 | www.fylde.gov.uk |
| Financial Forecast Update (Position as at January 2017) | Finance and Democracy Committee meeting 23 rd January 2017 and Council meeting 6 th February 2017 | www.fylde.gov.uk |

Attached documents

1. Medium Term Financial Strategy 2016/17 to 2020/21

MEDIUM TERM FINANCIAL STRATEGY: 2016/17 – 2020/21



Section 1: FOREWORD

- 1.1 Much work has been done in recent years to ensure that the Council's finances, as detailed in the Medium Term Financial Strategy (MTFS), remain robust. This current version of the MTFS shows an in-year revenue surplus for 2016/17 which reduces in scale in 2017/18 and further again in 2018/19, followed by modest budget deficits for 2019/20 onwards. This is a much improved position from earlier updates to the Financial Forecast which took account of the disadvantageous effects on the Council's finances of the 2015 Local Government Finance Settlement and the significant funding reductions contained therein. The improved current position has only been possible to achieve due to the decisions taken by the Council in the intervening period which are described within this report.
- 1.2 This MTFS includes the impact of the 2016 Local Government Finance Settlement, details of which were announced on 15th December 2016. For Fylde Council the key factor in the settlement is the change in the calculation methodology in respect of New Homes Bonus and the consequential reductions in the level of New Homes Bonus income in future years under the revised arrangements, commencing with effect from 2017/18. Although a certain degree of reduced future funding had previously been anticipated and had already been reflected in the MTFS that was approved by the Budget Council in March 2016, the scale of the funding reduction is greater than was expected and represents a renewed challenge to Fylde Council in the coming years.
- 1.3 Also of note is the confirmation by DCLG of the multi-year settlement offer following the acceptance of the Efficiency Plan that was submitted in the summer of 2016. As a result the central government funding sums that were shown within the illustrative four-year settlement as proposed in January 2016 (other than for New Homes Bonus) have now been confirmed.
- 1.4 In light of the additional challenges that are presented by the recent Finance Settlement and as detailed within this report, the Council needs to continue with the approach to delivering savings and efficiencies which have helped deliver balanced budgets and contribute to reserves over recent years. Through continued focus on the importance of financial stability the Council has delivered a significant savings programme since 2007 and has continued to reduce senior management costs and other overheads. Ongoing modernisation work and business improvement will continue to make Council services more efficient, save money and maintain frontline services to customers. This work has yielded ongoing savings to help improve the Council's overall financial position over that period. 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 those continuing challenges.
- 1.5 Throughout 2016/17 much has already been done to address that objective. During the year Fylde Council has taken a number of decisions which have had a significant and positive effect on the financial forecast for future years, demonstrating a responsiveness to the current financial challenges that is vital if the Council is to continue to benefit from a robust financial position. These actions have resulted in a considerable reduction in the funding gap, particularly in the final years of the forecast, from that which the 2016/17 Finance Settlement initially created. Details of these actions are provided within section 8 of this MTFS and the effect of these changes are shown within Appendices C and D to this report. Further work will be

necessary to address the remainder of the funding gap over the course of the coming years although the scale of the funding gap is now much reduced and the objective therefore more easily attainable.

- 1.6 As part of that continued approach the Council's priorities for improvement remain and the Council needs to continue with this overall strategy, making any changes it feels are relevant whilst recognising the future uncertainties that exist.
- 1.7 The assumptions that are contained within this MTFS are the latest best estimates and will be updated as and when further information is available. External pressures outside the Council's control are being experienced by many local authorities, and instructions remain in place that budget-holders should remain prudent and not commit to any unnecessary expenditure. This approach saves money and may result in an under-spend again for this financial year.

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| Appendix K | Treasury Management Policy |
| Appendix L | Treasury Management Strategy |

Section 3: THE PURPOSE OF THE MEDIUM TERM FINANCIAL STRATEGY

3.1 The purpose of the Medium Term Financial Strategy (MTFS) is to:

- (i) Provide the framework for the development of a budget which is robust and sustainable;
- (ii) Assist the Council in the delivery of the aspirations within its strategic plans;
- (iii) Ensure the Council delivers essential services by the efficient and effective use of its financial resources; and,
- (iv) Demonstrate commitment to transparency in its financial affairs by setting out what the Council is trying to achieve in an understandable format.

3.2 The MTFS is one of the Council's key enabling strategies. It sets out how the Council intends to manage its finances to help achieve the agreed objectives and priorities. The MTFS looks at the current year and ahead over the next four years to identify the resources likely to be required by the Council to finance service priorities and to meet spending pressures. It aims to:

- Ensure the sustainability of the Council's budget;
- Facilitate pro-active strategic management of the budget to ensure service investments and dis-investments flow from the Council's corporate and service planning frameworks;
- Be responsive to a changing and uncertain financial climate in which existing funding streams cease and new opportunities arise; and,
- Demonstrate clearly to stakeholders, both internal and external, what the Council's plans are for the use of its resources.

The need for a longer term view of the Council's financial position has always been important but as central government funding continues to reduce to a significant degree in the coming years this is increasingly so.

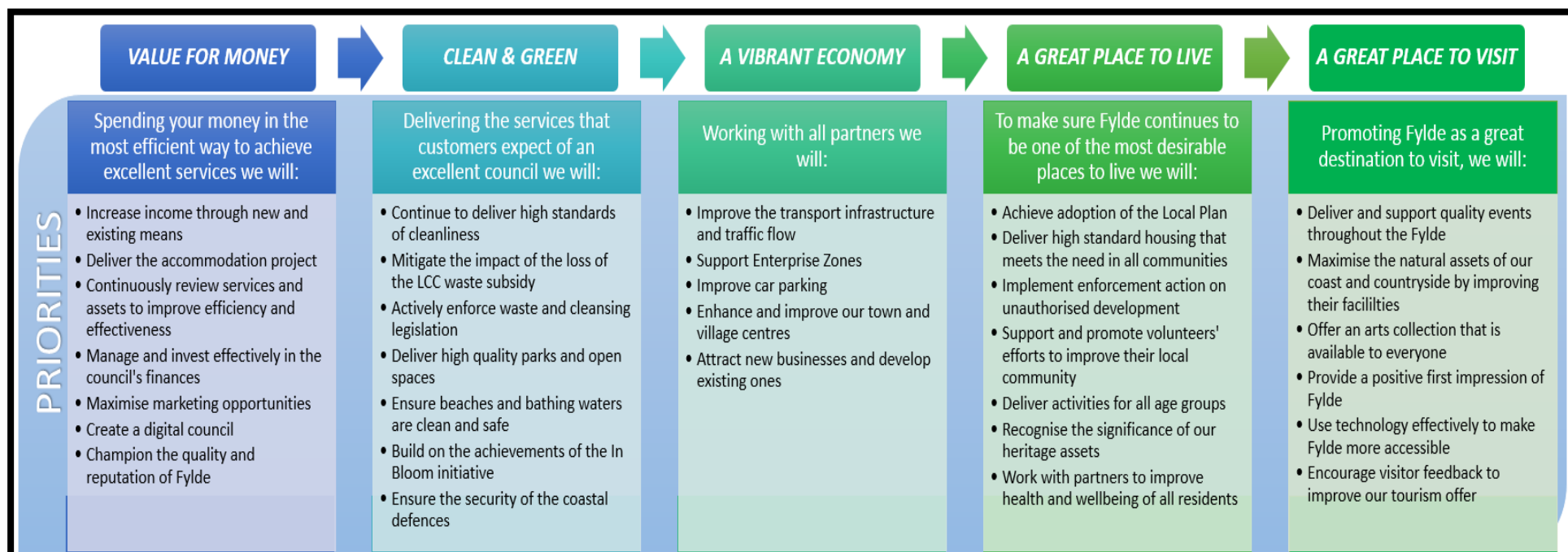
3.3 The Council has adopted a pro-active approach to financial management and a commitment to sound corporate governance, safeguarding public monies and ensuring accountability. Over recent years the Council has been recognised by its external auditors as making good progress with ongoing achievements and successes in priority service areas. It is recognised that whilst there continue to be challenges ahead, arrangements have been put in place to ensure that the priorities as set out in the Council's Corporate Plan are supported by a robust financial framework. In 2016 the Council's external auditors KPMG audited the Council and again gave an "unqualified opinion", which demonstrates satisfaction with the Council's financial and governance arrangements.

3.4 In formulating this strategy the Council has ensured that, within the resources available, it has taken account of:-

- National priorities for public service investment and delivery;
- Government efficiency targets and the priority given to deficit reduction;
- Corporate priorities that reflect local circumstances and are in tune with the priorities of partner organisations, including Health, Police, local businesses, voluntary and community organisations; and,
- Public consultation and feedback which has taken place.

Section 4: VISION FOR THE BOROUGH

- 4.1 The Council produces a Corporate Plan which outlines the key actions, targets and outcomes for the Authority and the wider community. The Corporate Plan is developed through consultation and feedback with stakeholders based on the key strategic responsibilities of the Council.
- 4.2 The Corporate Plan takes into consideration emerging legislation, policy and changes in resources and responsibilities informed the Local Government Association, the Department for Communities and Local Government, the Department for Work and Pensions and the various professional associations which provide support on policy, finance, governance, waste, planning, parks, public health and environmental health. The intention is to forecast the resources required to address the strategic issues the Council will need to deliver against over the next four years.
- 4.3 The current iteration of the Corporate Plan was updated during 2016, and was approved by Full Council at its meeting held on 8th February 2016. The new Corporate Plan covers the period 2016 to 2020 and contains the Council's vision, priorities, and specific actions over the period based on a realistic projection of the financial resources available to the Council. The Council's vision, as contained in the Corporate Plan, is "Let Fylde Prosper".
- 4.4 The Corporate Plan 2016-2020 is divided into five priorities listed below:



Section 5: STRATEGIC PLANNING

- 5.1 The Council has in place a corporate planning and performance management framework that includes an annual review of the Corporate Plan. The plan is reviewed in consultation with staff and councillors, partners in other public services, the community and voluntary sector, the local business community and local residents.
- 5.2 The Council regularly reviews progress against longer term plans and Members receive regular updates of the MTFS. It is recognised that despite robust action during recent financial years to produce a stable and sustainable financial position, the continuing reduction in the resources available to the public sector means that the Council needs to strive to continue to achieve a sustainable and robust budget.

Links to other Enabling Strategies

- 5.3 The Medium Term Financial Strategy is one of the Council's enabling strategies aimed at improving transparency and accountability in the way the Council delivers services and functions. Each enabling strategy is reviewed annually as part of the planning cycle and taken together drive innovation and efficiency to achieve continuous improvement. The other enabling strategies are:
- ICT Strategy;
 - Procurement Strategy;
 - Asset Management Plan & Capital Strategy;
 - Communication Strategy, and
 - People and Workforce Development Strategy.
- 5.4 The MTFS takes account of the resources the Council requires to deliver the strategies. Where resources are limited the Council's overall objectives will be the same but the pace of achievement may be adjusted. This factor may become more significant as reductions in public sector funding are further revised and take greater effect.

External funding

- 5.5 The borough has been successful in the past in securing funding from a number of investment streams from external funds including Heritage Lottery Fund Grants, The Local Strategic Partnership (LSP), the Environment Agency, section 106 planning monies, Lancashire County Developments Ltd and the North West Development Agency.
- 5.6 Progress against some corporate priorities is reliant on the continuing availability of external funding. However, the abolition of Regional Development Agencies, the cessation of funding for the LSP, and the future restrictions on capital funding may compromise the ability to deliver some community infrastructure improvements and will require more collaborative working with partners through bodies such as the Lancashire Enterprise Partnership. The inability to access external funding in the future could restrict the Council's scope to deliver capital development and growth schemes.

Section 6: DEVELOPING THE MEDIUM TERM FINANCIAL STRATEGY

- 6.1 The MTFS sets out the Council's revenue budget allocations, the programme for capital investment, efficiency targets and forecasts for the period covered by the Strategy. The key influences on this strategy include:
- The reductions in central government funding announced in recent Local Government Finance Settlements;
 - The consequent spending reductions as a result of reduced resources in the medium term;
 - Ensuring a robust and sustainable budget through the prudent use of reserves and balances and ensuring externally funded projects are facilitated;
 - Developing new ways of delivering services using modernisation techniques to achieve higher levels of customer satisfaction, efficiency, value for money, strategic partnerships, service commissioning, and enterprise;
 - The need to continuously review and maintain existing assets to a quality standard.
- 6.2 The MTFS looks at the current year and ahead over the next four years to identify the resources likely to be required by the Council to finance service priorities and to meet spending pressures. It aims to:
- Ensure the sustainability of the Council's budget;
 - Facilitate pro-active strategic management of the budget to ensure service investments and dis-investments flow from the Council's corporate and service planning frameworks;
 - Be responsive to a changing and uncertain financial climate in which existing funding streams cease and new opportunities arise; and,
 - Demonstrate clearly to stakeholders, both internal and external, what the Council's plans are for the use of its resources.
- 6.3 The MTFS and forecast are supported by a number of monitoring procedures. These are as follows:
- General Fund Revenue Budget Monitoring;
 - Capital Programme Monitoring;
 - Treasury Management Monitoring and Mid-Year Strategy Review, together with specialist external advice; and,
 - Annual Outturn reports on Capital, General Fund and Treasury Management.
- 6.4 Additional future spending reductions will require a further review of priorities and service delivery arrangements. Members will be engaged in this process as part of the service planning framework and through the revised committee arrangements that were implemented during 2015 as a consequence of the changes to the Council's system of governance.
- 6.5 One aspect of the revised governance arrangements was the formation of the Budget Working Group. The role of the Budget Working Group is defined as:

'To co-ordinate and oversee the budget setting process and to provide a strategic steer to programme committees on key elements of the budget setting process such as the level of growth or savings required in light of the overall financial position of the Council, capital bid expectations, fees and charges levels etc.'

In addition, all budget growth proposals, draft revenue budgets for 2017/18 and all proposed fees and charges for 2017/18 have been considered by each of the Council's programme committees with respect to proposals that fall within the remit of each committee and have provided comments and recommendations as appropriate.

The Budget Working Group has met a number of times to fulfil its role in the budget-setting process for 2017/18 and has carefully considered all budget proposals and the comments that each of the programme committees has made during their consideration of these matters in respect of services within their remit. The final decision with regard to the 2017/18 budget will be taken at the Budget Council meeting of 2nd March 2017.

- 6.6 In December 2016 the Council received details of the provisional 2017/18 financial settlement along with details of a revised New Homes Bonus scheme with reduced funding allocations from 2017/18 onwards. Further details of the impact of the financial settlement are provided within section 10 of this strategy document.
- 6.7 Given the further reductions in central government funding as recently announced, the Budget Working Group are proposing only a limited number of growth proposals to ensure that the Council continues to achieve a robust budget over the life of the forecast. In formulating the budget proposals, Members have been cognisant of the national economic context and the financial risks and uncertainties facing the Council. The budget proposals for 2017/18 onwards are detailed in Appendices E and F of this report.
- 6.8 The 2016 Local Government Finance Settlement offered a four-year settlement proposal, conditional upon the publication of an 'Efficiency Plan'. Fylde Council published its Efficiency Plan in the summer of 2016 and it has been confirmed by DCLG that the plan has been accepted and consequently the Council is eligible to receive the illustrative funding levels for the years 2017/18 to 2019/20 that were contained within the multi-year settlement offer.
The Fylde Council Efficiency Plan is accessible at the following link: <http://www.fylde.gov.uk/council/finance/efficiency-plan-2016/>
- 6.9 The Council's service planning and performance management framework is designed to ensure the continuous drive for improvement and ensure that Value for Money continues to be achieved.

Balancing the MTFS

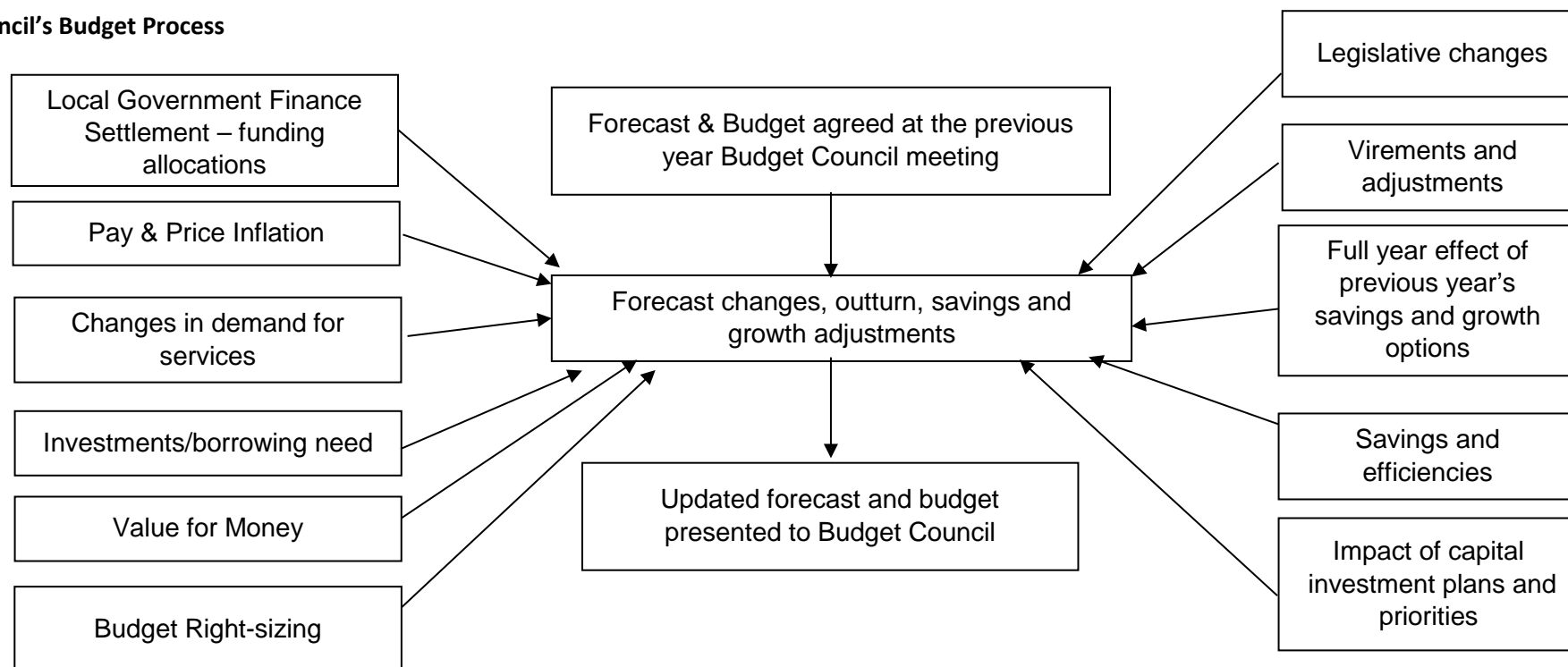
- 6.10 The Council is primarily a service provider and employee costs are one of its largest areas of expenditure. The pay award that was agreed in respect of 2016/17 is for an increase of 1%. Provision has been made for pay increases in future years of 1% per annum.

- 6.11 Each year officers review the outturn position, with particular reference to budget underspend across services, to identify areas where budget adjustments might be possible with the intention of reducing the overall cost-base of the Council. This exercise has also been carried out several times during 2016/17 following in-year budget monitoring reviews, resulting in significant levels of favourable adjustments, the latest of which have been reflected in this revised forecast.

Developing the Budget Forecast

- 6.12 Fylde Council has a structured approach to financial management and corporate governance, safeguarding public monies and ensuring accountability. The starting point for developing the forecast for the forthcoming year is the forecast agreed by Full Council at the last Budget setting meeting. The forecast is reviewed in the light of the previous year's outturn information. Changes and risks based on the latest available information such as the statutory annual Council Tax Base calculations and the most recent Local Government Finance Settlement are incorporated. Original assumptions are reviewed; new spending pressures are assessed and evaluated with any in year budget decisions being taken into account. The need for spending and savings is assessed in the light of available resources. The process is summarised in the following diagram:

The Council's Budget Process



Throughout the process, all risks are analysed, assessed and reported as necessary and appropriate.

Section 7: BACKGROUND TO THE FORECAST

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

(i) Original Budget 2016/17

At the Council meeting on the 2nd March 2016 the budget for 2016/17 and the medium term financial forecast were agreed. The resolution included a 2.68% increase in the average Council Tax amounts and a total net budget requirement of £9.371m for 2016/17. The General Fund balance at that time was forecast at the end of 2019/20 to be £1.967m. In agreeing the Original Budget for 2016/17 a number of key high level financial risks and assumptions were highlighted.

(ii) General Fund Revenue Outturn Position 2015/16

The revenue outturn position for 2015/16 was reported to Members in June last year. The impact of the outturn position, including transfers to earmarked reserves and slippage items has been reflected in this updated forecast.

(iii) Budget Right-sizing Exercise

Throughout each year officers undertake a series of budget right-sizing exercises to identify any in-year budget variances and any future budget adjustments that might be made. 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 C 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.

(iv) Capital Outturn Position 2015/16

The capital outturn position for 2015/16 was reported to Members in June last year. The impact of the outturn position, including slippage items has been reflected in this updated forecast.

(v) General Fund Revenue Quarterly Budget Monitoring 2016/17

Periodic revenue budget monitoring reports have been presented to each of the programme committees during the year. These reports identified a number of budget areas for further consideration. As a result a number of changes have already been included in this latest forecast. These include revised fee income estimates, updated employee cost assumptions, and the latest estimate of borrowing costs.

Section 8: THE GENERAL FUND REVENUE FORECAST & NEW FORECAST CHANGES

- 8.1 **Appendix A sets out the Original Base Budget forecast, agreed at Budget Council in March 2016. In rolling forward the forecast general assumptions included in the Base Budget are set out in Appendix B, with detailed changes since the last approved budget was set detailed in Appendix C. Explanations in support of these budget changes are set out in Appendix D. A summary of the impact of these latest changes, including the proposals of the Budget Working Group, and the updated summary forecast position for the Council, is set out in Appendix E.**

8.2 Business Rate Pooling

At the meeting of 28th October 2016 the Finance Committee considered a report detailing a number of revisions to the business rates income expectations. The report also proposed that as a consequence of the revised position in this regard that Fylde Council become a member of the Lancashire Business Rate Pool for 2017/18.

The report noted that the dismissal by the Valuation Office Tribunal of one of the highest value business rate appeals, together with a reassessment by the Councils external rating consultants of the required level of provision for other large appeals, has meant that a significant sum can be released from the total appeals provision.

A further benefit arising from the settlement of long-outstanding appeals is that it has the effect of making the underlying in-year Business Rates position clearer in terms of real growth as compared to earlier years. A number of known upward revaluations of existing businesses for Business Rates and a number of additions as a result of new developments in the borough have also been reflected on the rating list.

These changes resulted in a thorough review of in-year monitoring and the underlying assumptions and options in respect of pooling. This analysis showed that the potential one-off windfall from release of cumulative appeals provisions amounts to an estimated £1m (which is forecast to be realised in 2017/18), with an estimated additional recurring underlying growth of approximately £900k per annum from 2017/18 onwards.

Based upon this revised assessment the Finance and Democracy Committee approved membership of the Lancashire Business Rate Pool for 2017/18 in order to maximise the Councils share of this additional income. The Committee also approved that the initial gains from membership of the pool (in terms of business rate income retained over and above the baseline level) are utilised to create a “local safety net” to provide replacement funding in the event that actual income received fails to meet the baseline level. This is to be achieved through an additional contribution to the Funding Volatility Reserve in 2017/18.

The effect of the above changes to Business Rates income expectations for 2017/18 and beyond (including the ‘one-off’ further benefit for 2017/18) and the contribution to the Funding Volatility Reserve in 2017/18 have been reflected in a revised General Fund Budget Forecast at Appendix E to this report.

8.3 Other Significant Forecast Changes

Alongside the adjustments to the financial forecast that have been made as a consequence of the decision to participate in a Business Rate Pool for 2017/18, as outlined above, and the reduced levels of New Homes Bonus funding (as set out in section 10 of this report) the Council meeting of 5th

December 2016 approved a number of proposals that are also of significant financial importance and which have also been reflected in this updated financial forecast update. Additionally a further review of budgets and actual income and expenditure levels has been carried out based upon in-year budget monitoring and a number of budget adjustments for both the current and for future years have resulted from this analysis. Explanations of the most significant adjustments are summarised below, with further information being provided at Appendix D to this report.

i) The introduction of a year-round green waste subscription service

The introduction of a chargeable green waste collection service was approved in principle by the Council meeting in December 2016, and the details of how the scheme will be implemented were finalised at the Operational Management Committee at the meeting of 17th January 2017. The projected income levels that are included within this updated forecast are predicated upon the implementation details as agreed by that committee, the key details being:

- The implementation date of a subscription service of 1st June 2017;
- An annual subscription of £25 per bin in year 1 (reduced year service to March 31st 2018); and
- An increased subscription level to £30 from year 2 (full year service April 1st to March 31st).

Income levels arising from the scheme are calculated by reference to assumed participation rates of 50% in year 1, 60% in year 2 and 70% thereafter as detailed in the December report to Council. Actual take-up and the consequential income that this will generate is difficult to estimate ahead of implementation of the scheme. As the scheme commences and progresses it may be necessary to make changes to the estimated income levels within later updates to the financial forecast.

It is proposed that the upfront one-off costs associated with implementing the scheme will be met from existing revenue budgets wherever possible. However if this is not achievable any shortfall will be met from the income that is generated in year 1 of the scheme which may affect the income assumptions used at this stage.

ii) Car park tariffs

The Council meeting of 5th December 2016 approved an increase in car park tariffs by an average 5% with effect from 1 April 2017. It is estimated that this will generate additional income from charges of £26k per annum which has been reflected in this updated forecast.

iii) Grants to town and parish councils

The Council meeting of 5th December 2016 approved a reduction in the total value of grants to town and parish councils in relation to the Council Tax Reduction Scheme (CTRS) effective from 2017/18. The total grant amount that is distributed to town and parish councils will reduce from £66k per annum, as assumed within the December financial forecast, to £27k for 2017/18, £4k for 2018/19 and nil thereafter. The effect of this decision has also been reflected in this updated forecast. A possible alternative mechanism for the allocation of further funding to town and parish councils will be explored during 2017/18.

iv) Other budget adjustments

A number of further budget adjustments, mostly favourable variances arising from additional income that has been received, have been made to this updated financial forecast update. These are included within the variance analysis at Appendix C to this report and an explanation of each is provided at Appendix D. Council Tax income projections have also been updated from the December financial forecast to include the actual Council Tax base information for 2017/18 which was finalised in December 2016.

8.4 Community Housing Fund

In January 2017 the Council was notified of an allocation of funding in the sum of £440,381 for 2016/17 in relation to the Community Housing Fund, intended to address the impact of second homes within communities and the distortion of the housing market that may result from high numbers of such. The stated aim of the fund is to:

“Support communities to deliver affordable housing units of mixed tenure in response to the challenges created by a large number of second homes, thereby contributing to the overall national effort to boost housing supply over the next four years. In addition to this, the fund will help build collaboration, skills and supply chains at local level to promote sustainability and longer-term delivery. The fund will also provide capital investment, technical support and revenue to make more schemes viable and significantly increase community-led housing including through Community Land Trusts.”

This allocation of funding was not anticipated and currently officers are exploring how the money may best be utilised to deliver the objectives of the fund and a report will be presented to Members in due course.

Section 9: SAVINGS & GROWTH PROPOSALS

9.1 In order to prepare for the funding uncertainties of future years only a limited number of revenue growth proposals have been identified and the Council continues to look for further efficiencies. In identifying the growth items now proposed (detailed in Appendix F) and exploring opportunities for future savings, the following criteria has been considered:-

- The impact on the Council's corporate priorities;
- The impact on front line service provision to residents;
- The sustainability of proposed savings;
- Value for Money and efficiency implications; and,
- The potential for further cost reductions both in back-office and service delivery costs, in particular, to be achieved via a mix of more shared services and partnering arrangements.

There are no new capital schemes proposed for 2017/18.

9.2 Although there are no proposed budget reductions as part of this MTFS, the impact of any such future proposed budget reductions would be assessed by way of an equality impact assessment. Any reduction in Council expenditure that leads to a reduction in services will inevitably have an impact on the wider community served. However, in carrying out a high level equality impact assessment on savings options it is necessary to look at two specific issues:

- The effect on persons who share a protected characteristic in relation to the wider community; and,
- If and how one group is disproportionately disadvantaged by the cuts in relation to other groups.

9.3 The Council is consulting with a wide range of stakeholders, including the general public, local business groups, Town and Parish Councils, business rate payers, partners, and other local authorities on the proposed budget for 2017/18.

9.4 In putting together the budget proposals due consideration is given to the consultation and feedback which is collated on an ongoing basis through the various service providers as well as bespoke research aimed at specific initiatives. This includes customer satisfaction surveys, suggested service delivery improvements obtained through feedback and an analysis of the complaint and service failure data collated by the Council each month.

Section 10: THE LOCAL GOVERNMENT FINANCE SETTLEMENT 2017/18

The main document detailing the Local Government Finance Settlement is entitled 'Provisional local government finance settlement: England, 2017 to 2018'. Full details of the settlement can be found at the following link: <https://www.gov.uk/government/collections/provisional-local-government-finance-settlement-england-2017-to-2018>

10.1 Background: The December 2015 Settlement and New Homes Bonus Consultation

The December 2015 Local Government Financial Settlement proposed a four-year settlement for local authority funding covering the years 2015/16 to 2019/20. Giving councils the option of longer-term funding settlements was a significant development compared to previous one and two year allocations. The "offer" (of a four year settlement) was conditional upon councils publishing an efficiency plan which Fylde Council did in the summer of 2016. Consequently Fylde's efficiency plan was accepted and it has been confirmed that the Council is eligible for the four-year funding offer. The budget for 2016/17 that was approved by Council on 2nd March 2016 assumed that central government funding for future years would be in line with that shown in the four-year funding proposal.

Alongside the December 2015 funding settlement the government also published a consultation document relating to New Homes Bonus, including a preferred option to achieve savings of £800m by 2020 which would reduce the funding that is receivable by councils through the scheme.

Key options discussed within the consultation included:

- A reduction in the overall costs of the scheme by moving from 6 years of payments to 4 years of payments;
- A proposal from 2017/18 to reduce payments from 6 to 4 years, or to go further and to reduce payments to 3 or 2 years;
- A possible transition period to pay 5 years in 2017/18 then 4 years from 2018/19.

To further reform the scheme in order to better reflect authority's performance on housing growth, additional options that were proposed included:

- Withholding the bonus in areas where no local plan has been produced;
- Reducing payments for homes built on appeal; and
- Only making payments for delivery above a baseline representing deadweight.

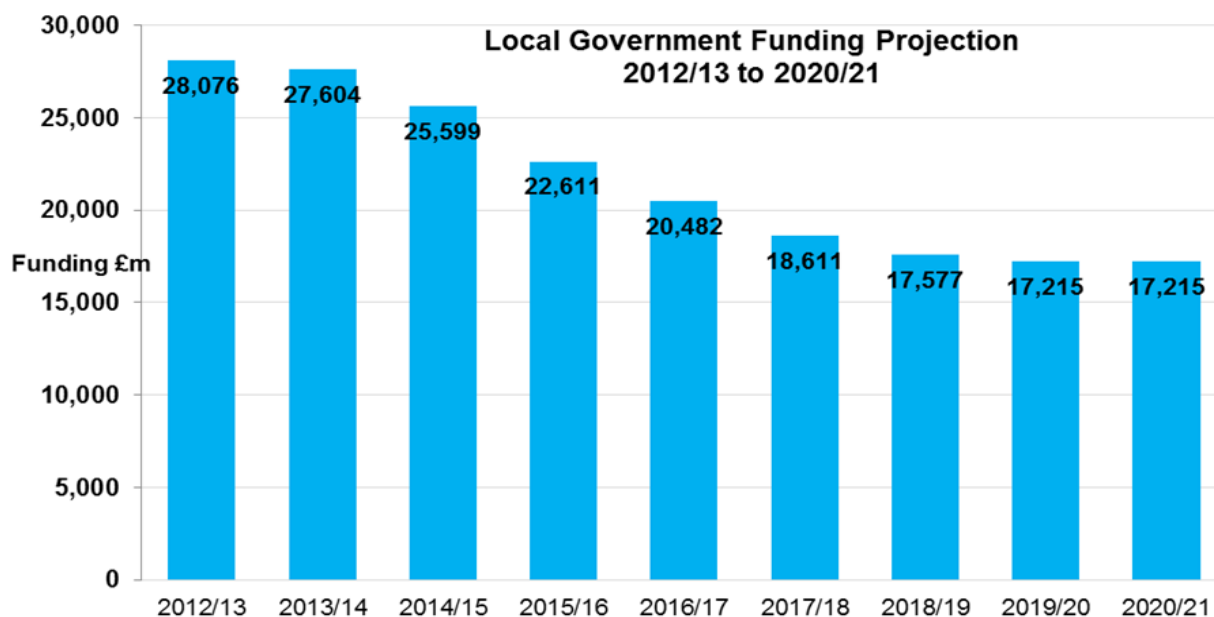
The impact of these proposed changes to the scheme, whichever options were adopted, would result in a much-reduced income projection for Fylde Council, as compared to earlier forecasts.

An estimate of the likely impact, as far as they could be predicted given the range of proposals contained within the consultation, were included within the 2016/17 budget that was approved in March 2016.

10.2 The December 2016 Settlement and New Homes Bonus Consultation Response

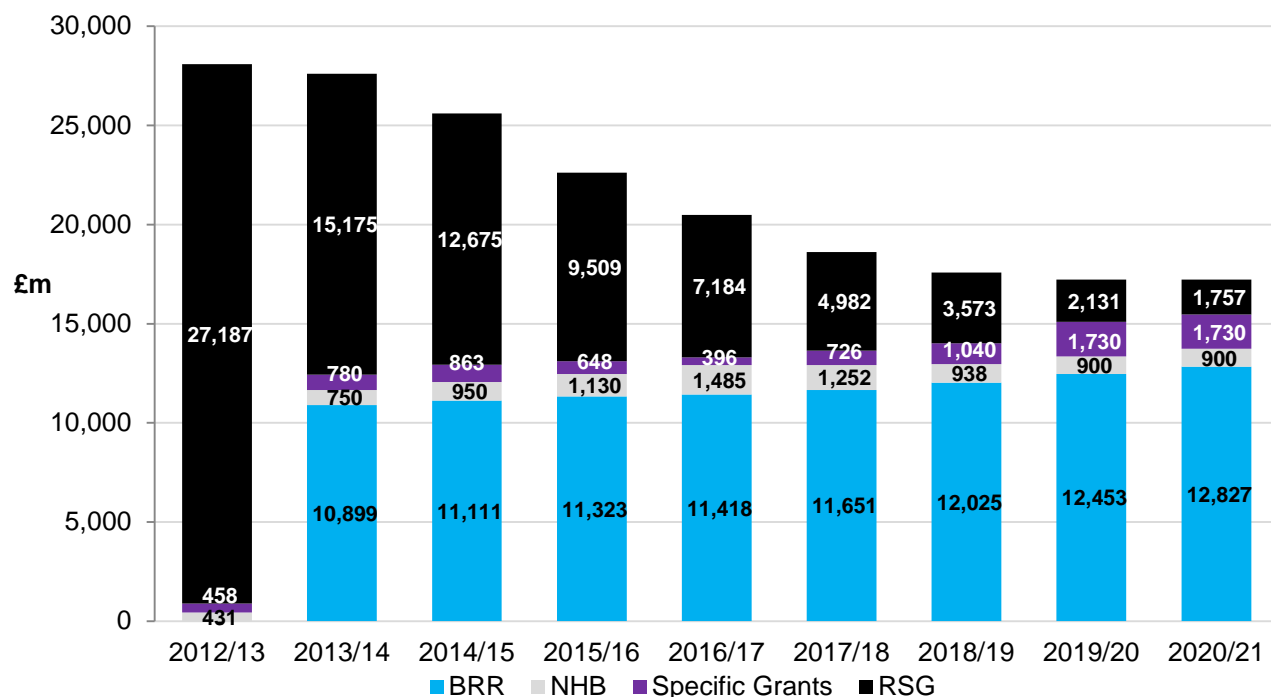
In respect of Revenue Support Grant and Retained Business Rates, the December 2016 financial settlement broadly confirmed the funding totals for the four year period ending 2019/20 that had been provided earlier and which had been reflected in the 2016/17 budget that was approved by Council in March 2016.

The scale of the overall reduction in central government funding to local authorities and the change in the composition of that funding is demonstrated in the following charts. The first chart shows the reduction in **total** local government funding levels over the period from 2012/13 to 2020/21.



The next chart illustrates the change in composition of **total** local government funding over the same period. It shows the move from 2012/13 when funding was largely based upon central government allocations of Revenue Support Grant (RSG) to the current position where RSG is being phased out and being replaced by Business Rate Retention (BRR), New Homes Bonus (NHB) and other Specific Grants.

Composition of Total Local Government Funding 2012/13 to 2020/21:



For New Homes Bonus a response to the consultation was announced alongside the 2017/18 finance settlement on 15th December 2016.

The response takes the form of a revised scheme, effective from 2017/18, which incorporates some of the proposals as contained within the consultation, namely:

- a. A move to a scheme incorporating 5 years allocations for 2017/18 and 4 years from 2018/19 onwards (funding was previously based upon 6 year allocations);
- b. Not to remove New Homes Bonus payments for those homes granted following a planning appeal or to those authorities who had not yet agreed a Local Plan (though this will be kept under review);
- c. No change to the 80:20 allocation between District and County Councils; and
- d. The implementation of a baseline level of expected housing growth for each council area, equivalent to 0.4% of current housing stock, with New Homes Bonus being receivable only in respect of housing growth above that baseline level. For Fylde Council the baseline is around 146 houses at Council Tax Band D equivalent property level for 2017/18. **Therefore no New Homes Bonus will be 'earned' for**

the first 146 (Band D equivalent) properties that are completed in Fylde Council area in 2017/18. Only after that number has been reached will New Homes Bonus be receivable for each additional property that is completed.

Nationally these changes amount to a £75 million reduction of NHB allocations for district councils in 2017/18 alone (when compared to last year forecasts), £45 million of which will be due to the new deadweight baseline.

The impact of these changes for Fylde Council is greater than was anticipated and is shown in the table below.

Table 1: Forecast New Homes Bonus - Funding Settlement impact

| | 2016/17 £000 | 2017/18 £000 | 2018/19 £000 | 2019/20 £000 | 2020/21 £000 |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|
| December Financial Forecast Update – Estimated NHB Amount | 1,863 | 2,153 | 1,351 | 1,296 | 1,296 |
| Estimated NHB receivable per Funding Settlement Dec 2016 | 1,863 | 1,661 | 1,176 | 994 | 996 |
| Reduction in estimated New Homes Bonus funding receivable | 0 | 492 | 175 | 302 | 300 |

The cumulative adverse impact on the forecast is therefore £1.269m over the next four years. The forecast has been updated to reflect the latest estimates above based upon the consultation response announcement in December 2016. Actual income receivable by the Council is subject to fluctuation based upon actual house completions in the borough each year, and as a consequence these figures are subject to change.

10.3 Council Tax

For shire district councils (including Fylde Council) the referendum principles for 2017/18 retain an upper limit of either 2 per cent or £5 (on a Band D council tax bill).

In addition, social care authorities (which do not include Fylde Council but do include Lancashire County Council) will be able to increase their council tax by an additional 3% in 2017-18 or 2018-19, but still cannot exceed 6% in total over the 3 year period 2016-17 to 2018-19.

Referendum principles will not be extended to town and parish councils for 2017/18, but could be applied to these councils in the future.

Section 11: KEY AREAS OF FINANCIAL RISK (REVENUE)

- 11.1 In considering this forecast Members should note that there are a number of significant risks. In the context of the Council's financial forecast a risk can be defined as a change with an unknown or uncertain impact on the financial position of the Council that can be favourable or adverse. In assessing each risk the following has been taken into account:-

High Level Financial Impact Risk

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

Medium Level Financial Impact Risk

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

Low Level Financial Impact Risk

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

11.2 High Level Financial Impact Risks

i) Future Central Government Funding

The central government funding figures currently shown within the General Fund Forecast at Appendix E comprise the funding allocations as contained within the 2017/18 Local Government Finance Settlement. It is expected that funding levels for later years will only be confirmed prior to the commencement of each year. Consequently these sums must be regarded as indicative at this point in time and subject to possible change.

There is also uncertainty about the level and makeup of central government funding beyond 2019/20. The government have announced the introduction of a revised business rate retention scheme from 2020/21 which, although referred to as a '100% Business Rate Retention Scheme', will undoubtedly retain a balancing mechanism between authorities (similar to the present 'tariff and top-up' adjustments) which will not in fact result in Fylde Council retaining 100% of its proportionate share of all business rates that are collected.

The reformed New Homes Bonus scheme that comes into effect from April 2017 (as described in detail in section 10) included significantly reduced funding allocations to Fylde Council as compared to the scheme as previously constructed. The government has chosen at this point not to introduce further restrictions or changes to the New Homes Bonus scheme that were part of the 2016 consultation, namely:

- To exclude New Homes Bonus payments for those homes granted following a planning appeal or to those authorities who had not yet agreed a Local Plan; and
- To amend the 80:20 allocation between District and County Councils.

However the DCLG has confirmed that each of the above further changes to the operation of the scheme will be kept under review. Consequently it is possible that future reform of the New Homes Bonus could further reduce the income to the Council in future years to a significant extent. Consequently this represents a major financial risk to the Council.

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.

11.3 **Medium Level Financial Impact Risks**

i) Retained Business Rates - Pooling

One of the impacts of the decision to join a Business Rate pool for 2017/18 as detailed in Section 8.2 of this report is the loss of the protection of a 'Safety Net' payment in the event of a significant reduction in Business Rate income below a defined level.

As part of the decision to join a Business Rate pool it was also determined that this risk would be mitigated by the setting-aside (within the Funding Volatility Reserve) of the initial gains from membership of the pool in terms of business rate income retained over and above the baseline level. This would effectively create a 'local safety net' to provide replacement funding in the event that actual income received fails to meet the baseline level.

Due to the importance of retained Business Rates income to Fylde Council and the uncertainty surrounding future arrangements this remains a financial risk.

ii) Borrowing Cost Assumptions

In light of the current level of reserves and balances held by the Council, the forecast has been updated during the year to reflect an expectation that additional external borrowing will not be required during the life of the Financial Forecast and that internal cash balances will be utilised to fund capital expenditure. This means that the base forecast no longer contains any budget cover for external borrowing beyond the level currently held by the Council, on the assumption that the Council's underlying need to borrow will be funded through the life of the current forecast from internal borrowing.

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

iii) 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 2016/17 and for subsequent years. As updated grant notifications are received in respect of future years it may be necessary to update the forecast accordingly.

iv) 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.

(v) 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.

11.4 Low Level Financial Impact Risks

i) The Living Wage

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

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

ii) Community Infrastructure Levy (CIL)

The Community Infrastructure Levy (CIL) which came into operation nationally in April 2011 is intended to assume the role of the traditional Section 106 Agreement. However Section 106 Agreements will continue to have a role to play on site specific development proposals. For the CIL to become operational within the borough the Local Plan will need to be in place. Officers will be exploring infrastructure requirements as part of the work on the Local Plan with the aim of producing, for public consultation, an Infrastructure Delivery Plan which will help inform a CIL charging schedule. At this moment in time the financial implications are unknown.

Section 12: CAPITAL STRATEGY AND ASSET MANAGEMENT PLAN

- 12.1 The Council owns a number of operational properties and assets and has developed a Capital Strategy and Asset Management Plan. Operational properties include office accommodation, depots, yards and venues such as the Town Hall and other offices, the crematorium, open space facilities, and various car parks. The Council has a five-year rolling programme of maintenance for its assets which is factored into the Medium Term Financial Strategy.
- 12.2 A small investment property portfolio is managed to generate income to support the revenue budget and maximise any opportunities for regeneration. This position is reviewed regularly by the Asset Management Group in order that income can be maximised and timely decisions made on the disposal of poorly performing or surplus assets.
- 12.3 The Asset Management Plan includes a stock condition survey to establish the rolling programme of repair and maintenance, which takes account of the need for efficiency and environmental impact.
- 12.4 The increasing pressure on the revenue budget impacts on the capacity of the Council to borrow. Asset holdings are therefore reviewed as part of the annual planning cycle to ensure the capital programme is matched with the funds available. This could lead to the disposal of some assets to maintain the remaining estate to the desired standard.
- 12.5 A key factor in recent years has been the Council's Accommodation Project. Funding is now in place to allow for the remaining works to be undertaken and the project is due to be completed during 2017. The project has spanned a number of years and will, when complete, provide modern fit-for-purpose office accommodation along with a new Council chamber.
- 12.6 Furthermore a review of all heritage assets including furniture and art-work, last undertaken in 2012, will be commissioned during 2017 as required by the Councils adopted accounting policy in order to ensure that valuations remain current.

Section 13: THE CAPITAL PROGRAMME

- 13.1 Capital Expenditure is defined as expenditure on the acquisition of a fixed asset and/or expenditure which adds value to (not merely maintains) the value of an existing fixed asset. Examples of fixed assets are; land, building, plant and vehicles. Capital expenditure also includes the making of an advance, grant or other financial assistance towards expenditure which would, if incurred by the Council, be classed as capital expenditure.
- 13.2 The Capital Programme is updated continually for agreed changes and reported in periodic monitoring reports to each Programme Committee.
- 13.3 **The latest updated Capital Programme is shown at Appendix G.** This has been updated to reflect the latest position. A prudent approach is taken in preparing the programme to ensure that financing resources are only recognised when there is relative certainty that they will be received. Cost efficiencies achieved in respect of vehicle fleet modernisation, waste collection service development and lease rationalisation have been incorporated.
- 13.4 Capital schemes are directly linked with the Council's priorities and delivered through a series of key programmes through detailed Service Delivery Plans. Major items of enhancement or renewal are identified through the Council's Asset Management Plan.
- 13.5 **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 / Better Care Fund (from central government);
 - (iii) Capital Receipts;
 - (iv) External Funding (such as Heritage Lottery / Environment Agency Funding);
 - (v) Prudential Borrowing / Leasing;
 - (vi) Revenue Funding; and
 - (vii) Earmarked reserves such as the Capital Investment Reserve and Accommodation Project Reserve.
- 13.6 The Revenue Budget includes provision for total borrowing repayments based on the current level of borrowing only, as shown in the updated Capital Programme.
- 13.7 In updating the Capital Programme a number of schemes have been re-phased into later years to reflect the latest estimated delivery timescales.
- 13.8 Given the significant financial resources directed towards delivery of the Capital Programme, and the consequential revenue implications of some of the financing options, it is necessary for the Council to carefully consider the most appropriate mechanism for ensuring that the programme is delivered in the most cost effective manner.

Section 14: KEY AREAS OF FINANCIAL RISK (CAPITAL)

14.1 Members should be aware that the following financial risk areas remain relevant on the Capital Programme:

14.2 Medium Level Financial Impact Risks

(i) Coast Protection Scheme

The Strategic Appraisal Report for the Fylde Shoreline Strategy was approved by the Environment Agency's Large Project Review Group (LRPG) in January 2014 and included the replacement of sea defences at Fairhaven and Church Scar. Following this approval further funding was released by DEFRA and Cabinet approved spend for a Coastal Headland Study Project Appraisal Report (PAR) in the sum of £175k with a further £95k awarded in August 2016, fully funded from DEFRA resources. The PAR report was submitted for approval by the Environment Agency's LRPG on the 6th August 2015. Following a number of queries and points of clarification the Project Appraisal report has been approved.

The next stage is the preliminary detailed, customer led design of the new sea walls and involves gaining the necessary approval for the work to progress, planning permission, Marine Management Organisation licence, environmental impact assessment and appropriate assessment with regards to the potential to disturb overwintering birds during construction. Once these approval are obtained it will unlock funding for both Fairhaven Lake and Church Scar sea defence construction schemes.

Following an annual review of the Environment Agency's Medium Term Plan (MTP) the project funding has been reviewed and re-phased as follows 2017/18 £14.4m, 2018/19 £5.825m. The total project cost is now calculated as £20.225m, including the contribution from Fylde Council of £400k funded from the Capital Investment Reserve. We have now received confirmation of these revised scheme costings and consequently this has now been reflected in this MTFS. Further re-phasing of the expenditure profile between the years is likely to be required as the scheme progresses and the capital programme will be updated accordingly and reported to members.

Due to the scale and value of this scheme, the project is regarded as a medium level financial risk.

(ii) Vehicle Replacement

The estimated vehicle replacement budget to replace existing fleet at the end of its useful economic life from 2016/17 to 2020/21 within the Capital Programme totals £3.954m. Within the forecast it is assumed that the majority of this future cost will be financed from borrowing.

It is important to note that purchase prices will fluctuate with new models and technological/legislative changes and it is therefore necessary to review the costs associated with new vehicles on an annual basis and make any necessary adjustments to the capital program to ensure that ongoing fleet replacement is accurately budgeted for in future years. The introduction of the Euro VII engine requirements in future years is in line with stringent environmental regulations. There is no current timeline for this at present however it may fall within the next 5 years. This may have significant financial consequences for future fleet procurement the extent of which is currently unknown as was the case for the introduction of the

Euro VI engine with reduced emissions for light passenger and commercial vehicles in 2014 which has resulted in higher purchase prices and resultant increased costs which have been reflected in the additional fleet replacement costs within this financial forecast.

The scheme remains a risk due to the potential volatility in the cost of vehicles in future years.

14.3 Low Level Financial Impact Risks

(i) Project Slippage

Any areas of slippage in the Capital Programme must be addressed in future years to ensure that there is no loss of external grant arising due to conditions associated with specific grant awards within specified timescales.

(ii) Other Capital Receipts

The approved programme for 2016/17 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 monitoring reports, along with the impact this may have on the financing of the programme.

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

As 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 under the Better Care Fund. For 2016/17 the Council received a grant allocation of £849k, a significant increase on the level of grant in earlier years (in 2015/16 the allocation was £468k). This increased funding level has allowed the council to clear all of the backlog of schemes which were waiting to be completed and there is now no waiting list for disabled adaptations.

The level of the grant allocation for 2017/18 has not yet been announced. There is a risk that if future funding is reduced to the pre 2016/17 levels that over time a waiting list may once again develop as the demand for disabled adaptations exceeds the amount of funding available. The position will be kept under review and is reported annually to the Environment, Health and Housing Committee in the form of an annual report.

(iv) Capital Investment in St. Annes Pool

As part of the arrangement with the YMCA for the operation of the pool, the Council undertook to provide Capital support in the event of major works, repair or breakdown and a provision of £153k was included in the programme for this eventuality. There is now a remaining capital resource of £93k which has been re-phased in the programme into 2017/18. There is a risk that this remaining resource is insufficient to meet future capital expenditure needs for the facility.

Section 15: RESERVES AND BALANCES PROVISION

- 15.1 The Council carries a number of reserves, balances and other provisions which are held for three main purposes:
- To maintain a working balance to help cushion the impact of uneven cash flows and avoid unnecessary temporary borrowing. This forms part of what is commonly referred to as ‘general fund balances’;
 - A contingency to cushion the impact of unexpected events or emergencies; and
 - A means of building up funds to meet known or predicted liabilities - commonly referred to as “earmarked reserves”.
- 15.2 The Council’s General Fund Reserve Balance at 31st March 2016 was £3.48m.
- 15.3 Within the existing statutory and regulatory framework, it is the responsibility of the Chief Financial Officer to advise local authorities about the level of reserves that they should hold and to ensure clear protocols for their establishment and use. Accordingly an updated Useable Reserves and Balances Policy is appended at Appendix H and approval of this updated policy is sought as part of this report. In line with the policy the current level of useable reserves and balances has been reviewed.
- 15.4 In October 2016 the Council approved the transfer into the Accommodation Project Reserve of the sum of £151k, this to be funded from favourable in-year revenue budget variances in 2015/16 to provide the required funding for the delivery of the Accommodation Project up to phase 5. Subsequently in December 2016 the Council approved a further transfer into the Accommodation Project Reserve of the sum of £320k to be funded from favourable in-year revenue budget variances in 2016/17. This provided the necessary funding for completion of the remaining phases of the Accommodation Project, final completion now expected to be around the middle of 2017.
- 15.5 In December 2016 the Council approved transfers into the M55 Link Road Reserve totalling £804k split between 2016/17 and 2017/18, to be funded from forecast favourable in-year revenue budget variances in the respective years, such that the balance on the reserve would then total £1m in line with Council’s previous recommendation as an “in-principle” contribution to the Link Road project.
- 15.6 Having reviewed the current useable reserves and balances position, the budget proposals include the following in respect of reserves:
- To approve transfers to the Capital Investment Reserve in 2017/18 and 2018/19 equivalent to the balance of the revenue surplus for those years, after allowing for all approved transfers to other reserves, currently estimated at £513k in 2017/18 and £274k in 2018/19, in order to set aside sufficient funds to provide for the delivery of additional capital schemes from 2018/19 onwards, no new capital schemes having been proposed within this MTFS Update for delivery in 2017/18.
- 15.7 To maintain a future stable financial environment for the Council and in light of the current economic climate and risks, a minimum level of General Fund reserves of £750k remains the recommendation of the Chief Financial Officer.

Section 16: THE COLLECTION FUND

- 16.1 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. 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).
- 16.2 For Council Tax only, there was a cumulative surplus on the Collection Fund as at 31st March 2016 of £513k. This was shared between the Borough Council, the County Council, the Police Authority and the Fire & Rescue Authority with the Borough Council's share being £70k. An estimate of the current years Council Tax Collection Fund position has been undertaken and this will form part of the 2017/18 Council Tax Calculation. The Council's share of the estimated surplus is £50k, and both figures are shown in Appendix E of this Report.
- 16.3 For Non-Domestic Rates only, there was a deficit on the fund as at 31st March 2016 of £5.286m. This will be shared between Central Government, the Borough Council, the County Council and the Fire & Rescue Authority in 2016/17 & 2017/18. The Borough Council's share of the deficit is £2.114m, and the Council has previously set aside an equivalent sum in the Collection Fund Deficit Reserve to cover this deficit when it becomes due. An estimate of the current years Non-Domestic Rates Collection Fund position has been undertaken and has been included within the Business Rates Funding section of Appendix E of this Report.

Section 17: TREASURY MANAGEMENT STRATEGY

- 17.1 Treasury Management is defined as the management of cash flow, banking monies, money market and capital market transactions and the control of the risks associated with these activities. Prudential Indicators provide the framework within which these transactions should be monitored.
- 17.2 The objective of the Prudential Code for Capital Finance in Local Authorities (the Code) is to provide a framework to ensure that the Council's Capital and Revenue Budget Plans are affordable, prudent and sustainable. **The Council's Treasury Management Policy is set out at Appendix K.**
- 17.3 The Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Treasury Management requires the Council to review and approve a Treasury Management Strategy. The Strategy covers the operation of the treasury function, its expected activities for the forthcoming year and also includes a number of Prudential Indicators. **The Treasury Management Strategy is included at Appendix L.**
- 17.4 The Prudential Code requires the Council to approve, revise and monitor a number of mandatory Prudential Indicators covering the forthcoming three years. These are included in the Treasury Management Strategy at Appendix L.

Section 18: TREASURY MANAGEMENT RISKS

18.1 There are a number of potential areas of significant risk associated with Treasury Management activities.

The main risks to the Medium Term Financial Strategy as a result of Treasury Management activity are:

- (i) Unexpected movement in cash flow;
- (ii) Difference between actual interest rates and rates used in the forecast; and
- (iii) The security of monies invested with counterparties.

Section 19: SUMMARY AND CONCLUSIONS

The General Fund Revenue Forecast

- 19.1 The overall position on the Council's financial forecast, as summarised in Appendix E of this report, is an improvement since Budget Council in March 2016. The current position is a forecast surplus in the current year and in 2017/18 and 2018/19, with deficits in 2019/20 and beyond, albeit at a reduced level since the budget was set. The improved financial forecast position reflects the net impact of a number of significant changes during the year, with the negative impact of reduced New Homes Bonus allocations being offset by the forecast increase in funding receivable from the Business Rate Retention Scheme, including the impact of joining the Lancashire Business Rate Pool, and additional income receivable as a result of implementing charges for green waste.
- 19.2 In light of the potential for future reductions in central government funding and uncertainties around 100% business rate retention from 2020/21 onwards, the Council needs to continue with the approach to delivering savings and efficiencies which have helped deliver balanced budgets and contribute to reserves over recent years. Through continued focus on the importance of financial stability the Council has delivered a significant savings programme since 2007 and has continued to significantly reduce senior management costs and other overheads. Ongoing modernisation work and business improvement will continue to make Council services more efficient, save money and maintain high quality frontline services to customers. This work has yielded ongoing savings to help improve the Council's overall financial position over that period. For Fylde Council to continue to successfully meet the new challenges that it faces it is vital that this approach is re-doubled and that all reasonable opportunities for further cost-reduction measures and for the generation of additional income are seriously considered. Prudent financial management in previous years has provided a level of reserves which allows the necessary time to determine how this council can best respond to the increased challenges.
- 19.3 Throughout 2016/17 much has already been done to address the financial challenges. As detailed within this report (see section 8) a number of important decisions have already been made with regard to income generation and expenditure reduction that will have a significant and positive effect on the financial forecast for future years, demonstrating a responsiveness to the current financial challenges which is essential for the Council to continue to benefit from a robust financial position.

These decisions have had the effect of going some way towards reducing the funding gap, particularly in the final years of the forecast, from that which previously existed. The effect of these changes are shown within in Appendices C and D to this report. Additional actions will be necessary to further address the remainder of the funding gap over the course of the coming years.

- 19.4 The assumptions that are contained within the Forecast Update are the latest best estimates and will be updated as and when further information is available. External pressures outside the Council's control are being experienced by many local authorities, and instructions remain in place that budget-holders should remain prudent and not commit to any unnecessary expenditure. This approach saves money and may result in an under-spend for the 2016/17 financial year.

The Capital Programme

- 19.5 The current Capital Programme as updated is showing a balanced position.
- 19.6 There are a number of priority areas beginning to emerge across the Council's property asset portfolio that may require further investment in the medium term.
- 19.7 Any additional expenditure which is not fully funded by either external finance, revenue contributions, or from existing earmarked reserves would require the generation of capital receipts or further borrowing. The latter would place additional pressure on the Revenue Budget from the consequent financing costs.
- 19.8 Due to the ongoing risks faced by the Council, the Programme will continue to be closely monitored and reviewed on a regular basis throughout each year.

Overall Conclusions

- 19.9 The forecast financial position of the Council has improved since the budget was set in March 2016, and the finances of the Council remain robust. Whilst challenges remain, and will no doubt continue to be present given the reduction in central government funding for future years, prudent financial management has provided a relatively stable financial environment which allows the necessary time to determine how this Council can best respond to the challenges it faces.
- 19.10 The Council has set out its response to the financial challenges within its published Efficiency Plan. The actions that are contained within the Efficiency Plan will remain at the forefront of future service planning. The key elements of the Efficiency Plan are:
1. To redouble the challenges to existing expenditure budgets through the regular budget right-sizing exercises which have produced significant levels of savings in recent years in order to seek to further reduce total expenditure;
 2. To seek to maximise existing income streams and explore new sources of income generation and to review existing services for opportunities to generate new forms of income or increased levels of income;
 3. To ensure that the Councils staffing structure is appropriate to the needs of the services that are delivered and to take advantage of opportunities to review establishment structures;
 4. To transfer a significant sum from General Fund balances to the Funding Volatility Reserve in 2015/16 to set-aside resources that can be used to support the revenue budget in future years, as and when that becomes necessary.
- 19.11 At a strategic level, activity and resources are focussed on the delivery of the key objectives of the Council as set out within the Councils approved Corporate Plan. Given the level of reserves that has been generated in recent years the budget deficits in the final years of the forecast appear to be at manageable levels. However in an uncertain financial environment the position can change in unexpected ways. It is important that the Council continues to operate in a sound and prudent manner in order to maintain a stable financial position and to explore further means by which the financial position can be further strengthened, whilst continuing to provide high quality services to residents and to deliver the priorities set out in the Corporate Plan.

19.12 Under section 151 of the Local Government Act 2003, the Council's Chief Financial Officer is required to comment on the robustness of the Council's financial position.

Having considered the major items of expenditure and income and their sensitivity to change, together with the savings and growth proposals and their impact on the Council's future forecasts and level of reserves, it is the Chief Financial Officer's opinion:

- **that the estimates have been prepared and reviewed utilising the most up to date and accurate information available;**
- **that the recommendations contained in this report provide the Council with a robust financial position at least for a number of years on the basis of the assumptions set out in this report, and is of the view that:**
 - **the Council has the processes and procedures in place to continue to develop further savings and income generation proposals as necessary to ensure that the minimum revenue balances are maintained over the medium term in light of the financial uncertainty regarding the future impact of the reforms to Local Government Finance in future years; and,**
 - **the Council has the processes and procedures in place to monitor the strategy and its risks in order to take effective remedial action should the need arise.**

In forming this view on the Council's financial position the Chief Financial Officer would remind Members of the risks outlined in sections 16 and 19 of the report and, in particular, the current uncertainties surrounding the assumptions upon which the forecast is based. These will be monitored closely and advice provided to Members accordingly over the coming months.

In making any final recommendations both the Finance and Democracy Committee and Council must carefully consider and monitor the risks set out in sections 11 and 14 of this report and note that action will be necessary to find means of further reducing the gap between in-year income and expenditure in later years of the forecast as shown in Appendix E of this report. The level of reserves that has been generated in recent years provide an important 'window of opportunity' during which the Council can consider how it can best address the budgeted gap from 2018/19 onwards in a controlled and measured way.

General Fund Budget Forecast 2015/16 to 2019/20 - Approved at Budget Council March 2016

| | 2015/16 £000 | 2016/17 £000 | 2017/18 £000 | 2018/19 £000 | 2019/20 £000 | Adverse / Favourable |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-------------------------|
| Forecast approved at Council on 3rd March 2015 | 9,991 | 9,979 | 10,007 | 11,029 | 11,029 | |
| Forecast changes - per Appendix C of March 2016 report | - 1,318 | - 638 | - 648 | - 689 | - 251 | Favourable |
| Budget Proposals - per Appendix F of March 2016 report | | 30 | 38 | 47 | 47 | Adverse |
| Forecast Budget Requirement | 8,673 | 9,371 | 9,397 | 10,387 | 10,825 | |
| Financed by: | | | | | | |
| Revenue Support Grant | 1,443 | 861 | 354 | 47 | | |
| Business Rates Funding - BASELINE | 1,625 | 1,771 | 1,806 | 1,859 | 1,623 | |
| Transition Grant | | 56 | 56 | | | |
| Council Tax Freeze Grant relating to 2015/16 freeze | 59 | | | | | |
| Less - Parish Element of Council Tax Support Funding | - 69 | - 66 | - 66 | - 66 | - 66 | |
| Sub Total | 3,058 | 2,622 | 2,150 | 1,840 | 1,557 | |
| Council Tax (including Collection Fund Surplus/Deficit) | 5,248 | 5,484 | 5,667 | 5,851 | 6,038 | |
| Other grants | | | | | | |
| New Homes Bonus | 1,660 | 1,859 | 1,873 | 1,177 | 1,129 | |
| Forecast Financing | 9,966 | 9,965 | 9,690 | 8,868 | 8,724 | |
| Forecast surplus(-)/deficit for year | - 1,293 | - 594 | - 293 | 1,519 | 2,101 | |
| Reserves | | | | | | |
| Forecast surplus/deficit(-) for year from above: | 1,293 | 594 | 293 | - 1,519 | - 2,101 | |
| Less: Contribution to Accommodation Project Reserve | - 504 | | | | | |
| Less: Contribution to Capital Investment Reserve | - 32 | | | | | |
| Balance of surplus/deficit(-) remaining: | 757 | 594 | 293 | - 1,519 | - 2,101 | |
| Balance of General Fund Reserves b/f | 5,443 | 3,200 | 3,794 | 4,087 | 2,568 | |
| Less: Contribution to/from Funding Volatility Reserve | - 3,000 | | | | 1,500 | |
| Less transfer to/from(-) General Fund Reserves in year | 757 | 594 | 293 | - 1,519 | - 2,101 | |
| Forecast Reserves at Year End | 3,200 | 3,794 | 4,087 | 2,568 | 1,967 | |
| Band D Council Tax (Excl Parish Precepts) | £185.79 | £190.77 | £195.76 | £200.75 | £205.74 | |
| Band D Average Council Tax Increase | | £4.98 | £4.99 | £4.99 | £4.99 | |
| Band D Average Council Tax Increase | 0.00% | 2.68% | 2.62% | 2.55% | 2.49% | |

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 pay, fuel & utility budgets;
- Slippage - underspend items from 2015/16 agreed by the Finance and Democracy Committee in June 2016 have been slipped into 2016/17;
- Pay award - assumed to be 1% per annum from 2016/17 onwards throughout the forecast;
- Employers Pension Contributions – the Council's contribution to the Lancashire pension fund scheme is set in accordance with the estimated outcome of the 2016 Triennial Pension Review at 15.2% plus 9% deficit recovery lump sum payment for the period to 2019/20; any amendments resulting from the final review will be reflected in later updates to the Financial Forecast;
- Employer's National Insurance contributions – the forecast reflects the statutory contribution rates currently in place, including a reduced contribution rate as a result of the Council being part of the pension scheme. This reduced rate increased due to the introduction of a Single Tier Flat Rate State Pension from April 2016, and the impact of this has been reflected in the forecast;
- Council tax increases – £4.99 increase per annum from 2017/18 onwards in line with latest government announcement on the threshold for referendums;
- Government Grant Support – the forecast assumes central government funding is as notified in the illustrative four-year funding settlement announced in January 2016, amended for known changes in respect of retained Business Rates and New Homes Bonus for 2016/17 onwards;
- Fees and Charges – The forecast takes account of the 5% increase in car parking fees from April 2017 and of the planned increases in cemetery and crematorium fees. In respect of other services budget-holders have reviewed fee levels as appropriate and any proposed changes to fees & charges will be considered at the Budget Council in March 2017 following consideration by the appropriate programme committee;
- Vacancy Savings – the forecast assumes £310k savings target for 2016/17, and £200k per annum from 2017/18 onwards;
- Localisation of Council Tax Benefit Scheme – the forecast assumes a fully funded scheme with no cost to the Council from 2016/17 onwards following a decision on the 2017/18 scheme that was agreed at the Council meeting in December 2016.

Appendix C

Forecast changes since Budget Council March 2016

| | 16/17 £000 | 17/18 £000 | 18/19 £000 | 19/20 £000 | 20/21 £000 | ADVERSE / FAVOURABLE / NEUTRAL |
|---|---------------|---------------|---------------|---------------|---------------|--------------------------------------|
| 1 CHANGES AS A RESULT OF MEMBER APPROVALS: | | | | | | |
| F&D Committee - 20/06/16 - Slippage | 282 | 0 | 0 | 0 | 0 | ADVERSE |
| F&D Committee - 20/06/16 - Weed Treatment - Mechanical Removal | -9 | 2 | 2 | 3 | 2 | NEUTRAL |
| Disposal of Kirkham Car Parks - approved by Operational Management Committee in November 2016 | 0 | -12 | -12 | -12 | -12 | FAVOURABLE |
| Income/savings from introduction of green waste charges - approved by Council 5th December 2016 | 0 | -300 | -440 | -500 | -500 | FAVOURABLE |
| Increase in car parking income - 5% increase - approved by Council 5th December 2016 | 0 | -26 | -26 | -26 | -26 | FAVOURABLE |
| 2 BUDGET RIGHTSIZING EXERCISE: | | | | | | |
| Revenue impact of budget right-sizing across all budget areas of the Council | -96 | -68 | -78 | -71 | -16 | FAVOURABLE |
| 3 UPDATED ESTIMATES OF INCOME BUDGETS: | | | | | | |
| Increase in Crematorium Income forecasts | -50 | -25 | -32 | -40 | 60 | FAVOURABLE |
| Increase in Cemetery Income forecasts | 0 | -4 | -9 | -16 | -22 | FAVOURABLE |
| Parks Contracts - Contribution to Overheads | -28 | -21 | -21 | 0 | 0 | FAVOURABLE |
| CAMEO Income - Lytham Crematorium | -15 | 0 | 0 | 0 | 0 | FAVOURABLE |
| Council Tax - Additional income from court costs | -40 | 0 | 0 | 0 | 0 | FAVOURABLE |
| Increase in car parking income forecasts - based on useage over the last two years | -65 | -30 | -30 | -30 | -30 | FAVOURABLE |
| 4 STAFFING COSTS: | | | | | | |
| Updated estimate for future years pay award and on-costs | 0 | 0 | 0 | 0 | 94 | ADVERSE |
| Additional in-year vacancy savings target | -110 | 0 | 0 | 0 | 0 | FAVOURABLE |
| Apprenticeship Levy - introduced April 2017 | 0 | 18 | 18 | 18 | 19 | ADVERSE |
| 5 OTHER FORECAST CHANGES | | | | | | |
| Removal of Borough Elections budget included in base for 2019/20 | 0 | 0 | 0 | 0 | -80 | FAVOURABLE |
| Reduction in Planning Appeals budget provision | -52 | 0 | 0 | 0 | 0 | FAVOURABLE |
| Reduction in Enforcement costs - Travellers | -40 | 0 | 0 | 0 | 0 | FAVOURABLE |
| Photocopier contract savings (one-off, future years still to be identified) | -18 | 0 | 0 | 0 | 0 | FAVOURABLE |
| Rephase of car park closures (Coastal defence works) | -20 | 0 | 20 | 0 | 0 | NEUTRAL |
| Art Collection valuation costs | 0 | 6 | 0 | 0 | 0 | ADVERSE |
| Rephasing of budgets for Neighbourhood Plan Referenda - St Annes / Warton | -36 | 36 | 0 | 0 | 0 | NEUTRAL |
| 6 Revised borrowing assumptions: | | | | | | |
| Interest Charges - Receivable | -12 | 83 | 63 | 43 | 43 | ADVERSE |
| Interest Charges - Payable | -13 | -133 | -168 | -149 | -133 | FAVOURABLE |
| TOTAL | -322 | -474 | -713 | -780 | -601 | FAVOURABLE |

The following notes relate to specific adjustments made to the Forecast set out in Appendix C

(1) Changes as a Result of Member Approvals

The forecast that was approved at the Council meeting in March 2016 has been updated to reflect the financial impact of Member decisions made since then. The significant decisions in financial terms of their effect are detailed within the body of the report.

(2) Recurring savings from 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. This exercise has, as always, yielded in a significant level of favourable adjustments which have been reflected in the revised forecast.

(3) Revised Crematorium and Crematorium income forecasts

The forecast has been updated to reflect additional income generated in-year at the Cemetery and Crematorium. The budgets for the years to 2019/20 have also been revised upwards. For 2020/21 there are planned re-lining works to the cremators which are expected to require a certain closure period which will impact on income levels at the crematorium. The timing and length of the expected closure period will be kept under review and any necessary amendments will be reflected in future updates to the Financial Forecast.

(4) Extension of Parks Contracts – contribution to overheads

A number of Parks contracts with external parties have been renewed. The additional profit on the contract works, which contributes towards the central overhead costs, has now been reflected in the budgets for the appropriate years.

(5) Cameo Income – Lytham Crematorium

The Environment Agency national Cameo scheme for redistributing income to those authorities that have undergone crematoria replacement under the mercury abatement regulations (including Fylde Council) has not operated as intended and income to the council under the scheme is erratic and largely unpredictable. In December 2016 the Council was notified of a payment under the scheme in the current year which was unbudgeted and has resulted in this favourable variance.

(6) Council Tax – Additional income from Court Costs

Income for the year is in excess of the budget due to additional court summonses being issued in the first part of the year in respect of Council Tax debts. In 2015/16 there was a reduction in the number of such cases whilst a legal challenge (to Haringey Council specifically but by extension to all councils in this matter) was resolved.

(7) Car Parking – Additional Income

Income levels across most car parks are in excess of the budget for 2016/17 and are also higher than in previous years, as a result of mostly favourable weather during key periods of the season. A favourable outturn variance is anticipated and the budgets in respect of the current and future years have been adjusted to reflect increased income expectations.

(8) Extension of Parks Contracts – contribution to overheads

A number of Parks contracts with external parties have been renewed. The additional profit on the contract works, which contributes towards the central overhead costs, has now been reflected in the budgets for the appropriate years.

(9) Staffing Costs

The forecast assumes an estimated 1% pay award per annum from 2016/17 onwards. Salary estimates are based upon a revised assessment of the base level of salary costs to reflect any staffing changes that have occurred since the last point of calculation. The effect of adding the year 2020/21 within this Financial Forecast necessitates an additional sum being reflected in this update for the pay award for that year.

The forecast that was approved by Council in March 2016 has an assumed level of 'turnover savings' (delays in the recruitment to vacant posts) of £200,000 per annum from 2016/17 onwards. Actual savings to date are already in excess of this target. Accordingly, the turnover savings targets for the current year has been updated to reflect a revised estimate of the level of savings.

(10) Removal of Borough Election Costs 2020/21

Fylde Borough is next due to hold a Council election in 2019/20 and the estimated costs are already included within the base budget for that year. The forecast has been updated to remove the costs of the election from the base budget in the year 2020/21.

(11) Reductions in budget requirements: Planning Appeals and Planning Enforcement

The budgets for both Planning Appeals and Planning Enforcement costs in 2016/17 have been revised to reflect the latest estimates of the required resource for the year.

(12) Reductions in Photocopier budget requirement

The budget for the costs of the photocopier contract in 2016/17 has been revised to reflect the achievement of savings on the contract price.

(13) Re-phasing of car park closure (loss of income)

The car park closures that are required due to the impact of the Coastal Defence Works are now expected to occur in 2018/19 and not in 2016/17 as previously anticipated. The consequential loss of income has therefore now been reflected in the appropriate year.

(14) Art Collection – Valuation Costs

The Councils accounting policy in respect of asset valuations requires that the art collection is professionally valued at intervals of not more than five years. The previous valuation was carried out during 2012/13 and therefore the next valuation will be necessary during 2017/18.

(15) Re-phasing of Neighbourhood Plan Referenda

The referenda that are required as part of the approval of the Neighbourhood Plans in respect of Warton and St Annes are now not expected to be held in 2016/17 and consequently the anticipated cost has been re-phased into 2017/18.

(16) Net savings from revised borrowing assumptions and interest rate forecasts

The forecast has been updated to reflect both:

- the latest estimated cost of borrowing required in order to fund expenditure approved within the capital programme. The savings reflect an expectation that external borrowing will not be required during the life of the Financial Forecast and that internal cash balances will be utilised to fund capital expenditure; and
- the latest estimate of investment interest estimated to be received on cash balances and reserves which the Council invests as part of daily treasury management activities. Interest earnings are significantly reduced due to the continuing expectation of a low bank base rate in the coming years and the negative effect this has on investment returns.

Latest General Fund Budget Forecast 2016/17 to 2020/21

| | 2016/17 £000 | 2017/18 £000 | 2018/19 £000 | 2019/20 £000 | 2020/21 £000 | Adverse / Favourable |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|-------------------------|
| Forecast approved at Council on 2nd March 2016 | 9,371 | 9,397 | 10,387 | 10,825 | 10,825 | |
| Forecast Changes - per Appendix C | - 322 | - 474 | - 713 | - 780 | - 601 | Favourable |
| Budget Proposals - per Appendix F | 0 | 57 | 32 | 32 | 32 | Adverse |
| Forecast Budget Requirement | 9,049 | 8,980 | 9,706 | 10,077 | 10,256 | |
| Financed by: | | | | | | |
| <i>Council Tax Funding:</i> | | | | | | |
| Council Tax - Precept | 5,484 | 5,733 | 5,954 | 6,181 | 6,413 | |
| Council Tax - Share of Previous Years Surplus/(Deficit) | 70 | 50 | | | | |
| <i>Sub Total - Council Tax Funding</i> | 5,554 | 5,783 | 5,954 | 6,181 | 6,413 | |
| <i>Business Rates Funding:</i> | | | | | | |
| Retained Rates (including pooling benefit & contbtn from CF deficit reserve) | 1,771 | 3,879 | 2,819 | 2,611 | 2,633 | |
| Approved Contribution to Funding Volatility Reserve | | - 2,000 | | | | |
| <i>Sub Total - Business Rates net of reserve transfers</i> | 1,771 | 1,879 | 2,819 | 2,611 | 2,633 | |
| <i>Other Funding:</i> | | | | | | |
| New Homes Bonus | 1,863 | 1,661 | 1,176 | 994 | 996 | |
| Revenue Support Grant | 861 | 354 | 47 | | | |
| Transition Grant | 56 | 56 | | | | |
| Less - Parish Element of Council Tax Support Funding | - 66 | - 27 | - 4 | | | |
| <i>Sub Total - Other Funding</i> | 2,714 | 2,044 | 1,219 | 994 | 996 | |
| Forecast Financing | 10,039 | 9,706 | 9,992 | 9,786 | 10,042 | |
| Forecast surplus(-)/deficit for year | - 990 | - 726 | - 286 | 291 | 214 | |
| <u>Reserves</u> | | | | | | |
| Forecast surplus/deficit(-) for year from above: | 990 | 726 | 286 | - 291 | - 214 | |
| Less: Approved Contribution to Accommodation Project Reserve | - 151 | | | | | |
| Less: Approved Contribution to Accommodation Project Reserve | - 320 | | | | | |
| Less: Approved Contribution to M55 Link Road Reserve | - 519 | - 285 | | | | |
| Less: Proposed Transfer to Capital Investment Reserve | | - 441 | - 286 | | | |
| Balance of surplus/deficit(-) remaining: | 0 | 0 | 0 | - 291 | - 214 | |
| Balance of General Fund Reserves b/f | 3,481 | 3,481 | 3,481 | 3,481 | 3,190 | |
| Less transfer to/from(-) General Fund Reserves in year | | | | - 291 | - 214 | |
| Forecast Reserves at Year End | 3,481 | 3,481 | 3,481 | 3,190 | 2,976 | |
| Band D Council Tax (Excl Parish Precepts) | £190.77 | £195.76 | £200.75 | £205.74 | £210.73 | |
| Band D Average Council Tax Increase | £4.98 | £4.99 | £4.99 | £4.99 | £4.99 | |
| Band D Average Council Tax Increase | 2.68% | 2.62% | 2.55% | 2.49% | 2.43% | |

REVENUE BUDGET GROWTH ITEMS 2016/17 ONWARDS:**Appendix F****BUDGET PROPOALS - REVENUE ITEMS**

| | 2016/17 £000 | 2017/18 £000 | 2018/19 £000 | 2019/20 £000 | 2020/21 £000 | Description |
|-------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|---|
| Lowther Trust - Grant Support | 0 | 32 | 32 | 32 | 32 | Revenue budget increase of £31,667 to provide a continuing annual subsidy to Lowther Gardens Trust in the years 2017/18, 2018/19, 2019/20, 2020/21 and 2021/22, and continuation of the Service Level Agreement regarding the provision of services at Lowther Pavilion, as recommended by Tourism & Leisure Committee on 3rd November 2016. |
| Community Projects Funding | 0 | 25 | 0 | 0 | 0 | £25,000 revenue funding allocation to the Community Projects fund in 2017/18, as recommended by Finance and Democracy Committee on 21st November 2016. It is proposed that three bidding rounds are held throughout the financial year with £20,000 allocated to the larger Community Project Fund and the remaining £5,000 allocated to the smaller Discretionary Fund with a ceiling of £300 set for this fund, as opposed to the previous £500, to allow the smaller fund to be dispersed amongst a wider number of community groups. Any funds available at the conclusion of the financial year, will be made available through slippage into the next financial year. In addition, an evaluation of the effectiveness of the fund will take place at the conclusion of 2017/18. |
| TOTAL OF GROWTH | 0 | 57 | 32 | 32 | 32 | |

UPDATED 5 YEAR CAPITAL PROGRAMME 2016/17 TO 2020/21 - SUMMARY

| | Estimate 2016/17 £000 | Estimate 2017/18 £000 | Estimate 2018/19 £000 | Estimate 2019/20 £000 | Estimate 2020/21 £000 |
|---|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| Committee: | | | | | |
| Finance & Democracy Committee | 1,641 | 0 | 0 | 0 | 0 |
| Tourism & Leisure Committee | 414 | 486 | 40 | 40 | 40 |
| Operational Management Committee | 762 | 15,697 | 7,117 | 501 | 577 |
| Environment, Health & Housing Committee | 1,564 | 2,738 | 468 | 468 | 468 |
| Development Management Committee | 571 | 407 | 0 | 0 | 0 |
| Total Expenditure | 4,952 | 19,328 | 7,625 | 1,009 | 1,085 |
| Financing: | | | | | |
| Capital Receipts - General Asset Sales | 45 | 45 | 45 | 45 | 45 |
| Capital Receipts - Right to Buy Receipts | 25 | 25 | 25 | 25 | 25 |
| Capital Receipts - (Accommodation Project) | 299 | 63 | 0 | 0 | 0 |
| Better Care Fund / Disabled Facilities Grant | 895 | 468 | 468 | 468 | 468 |
| Section 106 Monies - St Annes | 37 | 237 | 0 | 0 | 0 |
| Section 106 Monies - Lytham | 0 | 130 | 0 | 0 | 0 |
| Section 106 Monies - Staining | 0 | 40 | 0 | 0 | 0 |
| Section 106 Monies - Kirkham | 90 | | | | |
| Section 106 Monies - Freckleton Memorial Garden | 15 | 0 | 0 | 0 | 0 |
| Section 106 Monies - Play Area - Derby Road, Wesham | 24 | | | | |
| Section 106 Monies - 93 St Albans Road CPO | 105 | 0 | 0 | 0 | 0 |
| Section 106 Monies - Affordable Housing, Sunnybank Mill | 460 | 460 | | | |
| Section 106 Monies - M55 Link-Road | 425 | | | | |
| Capital Grant - Repayments | 3 | 0 | 0 | 0 | 0 |
| Capital Investment Reserve | 764 | 1,053 | 78 | 182 | 0 |
| Accommodation Project Reserve | 1,342 | 0 | 0 | 0 | 0 |
| Other External Finance (see analysis below) | 353 | 14,156 | 5,825 | 0 | 0 |
| Direct Revenue Finance | 50 | 6 | 0 | 0 | 0 |
| Prudential Borrowing | 0 | 1,255 | 1,184 | 289 | 547 |
| Total Financing | 4,952 | 19,328 | 7,625 | 1,009 | 1,085 |
| Total surplus (-) / shortfall in year | 0 | 0 | 0 | 0 | 0 |
| Cumulative surplus (-) / shortfall | 0 | 0 | 0 | 0 | 0 |

Appendix G (continued)

UPDATED 5 YEAR CAPITAL PROGRAMME 2016/17 TO 2020/21 - BY SCHEME

| | Estimate 2016/17 £000 | Estimate 2017/18 £000 | Estimate 2018/19 £000 | Estimate 2019/2020 £000 | Estimate 2020/2021 £000 |
|--|-----------------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| FINANCE & DEMOCRACY COMMITTEE | | | | | |
| Accommodation Project - Phase 4 - Chaseley Link Bridge | 501 | | | | |
| Accommodation Project - Phase 5 - One Stop Shop | 302 | | | | |
| Accommodation Project - Phase 6 - Council Chamber | 363 | | | | |
| Accommodation Project - Phase 7 - Internal Refurb / Services | 475 | | | | |
| Accommodation Project - Phase 8 - Car Park & External Works | 0 | | | | |
| Sub total | 1,641 | 0 | 0 | 0 | 0 |
| TOURISM & LEISURE COMMITTEE | | | | | |
| Ashton Gardens Depot | 0 | 63 | | | |
| St Annes Pool | 0 | 93 | | | |
| St Annes Pool - External Works | 0 | 120 | | | |
| Fairhaven Lake & Promenade Gardens - First Round | 0 | 20 | | | |
| Promenade Gardens Water Play Facility | 0 | 100 | | | |
| Promenade Footways | 47 | 40 | 40 | 40 | 40 |
| Hope Street Footways | 24 | | | | |
| Lowther Pavilion Roof | 118 | | | | |
| Sand Dunes re-modelling at North Beach Car Park / Summerfields | 17 | | | | |
| Freckleton Memorial Park | 172 | | | | |
| Bryning-with-Warton Parish Council Play Area | 0 | 50 | | | |
| Improvements to Children's Play Area - Derby Road, Wesham | 24 | | | | |
| Implementation of a Health Walk on Blackpool Road North Playing Fields, St Annes | 12 | | | | |
| Sub total | 414 | 486 | 40 | 40 | 40 |
| OPERATIONAL MANAGEMENT COMMITTEE | | | | | |
| Replacement Vehicles | 407 | 1,267 | 1,262 | 471 | 547 |
| Vehicle Wash-down Facility - Snowdon Rd Depot | 25 | | | | |
| North Promenade Toilets Refurbishment | 84 | | | | |
| Bus Shelter Replacement Programme | 50 | | | | |
| Car Park Improvements | 30 | 30 | 30 | 30 | 30 |
| Fylde Headlands Preliminary Work | 133 | | | | |
| Fairhaven and Church Scar Coast Protection Scheme | 0 | 14,400 | 5,825 | | |
| Repair & Renewal - Flood Defences | 33 | | | | |
| Sub total | 762 | 15,697 | 7,117 | 501 | 577 |
| ENVIRONMENT, HEALTH & HOUSING COMMITTEE | | | | | |
| Disabled Facilities Programme | 938 | 468 | 468 | 468 | 468 |
| 93 St Albans Road - Compulsory Purchase Order | 105 | | | | |
| Affordable Housing Scheme - Sunnybank Mill, Kirkham | 460 | 460 | | | |
| Affordable Housing Scheme - Keenan Mill | | 840 | | | |
| Church Road Methodist Church, St Annes | | 550 | | | |
| Affordable Warmth Scheme | 28 | 28 | | | |
| Rapid Deployment CCTV Replacement Projects | 0 | 38 | | | |
| Cemetery and Crematorium - Infrastructure Works | 0 | 294 | | | |
| Lytham Park Cemetery - Windbreak Canopy | 0 | 60 | | | |
| New memorial garden - Lytham Park Cemetery | 33 | | | | |
| Sub total | 1,564 | 2,738 | 468 | 468 | 468 |
| DEVELOPMENT MANAGEMENT COMMITTEE | | | | | |
| Woodlands Road Regeneration Scheme - Town Centre Phase 3 | 19 | | | | |
| St Annes Regeneration Schemes | 37 | 237 | | | |
| Lytham Regeneration Schemes | 0 | 130 | | | |
| Staining Regeneration Schemes | 0 | 40 | | | |
| Kirkham Public Realm Improvements | 90 | | | | |
| M55 Link Road - S106 monies for design work | 425 | | | | |
| Sub total | 571 | 407 | 0 | 0 | 0 |
| Total Expenditure | 4,952 | 19,328 | 7,625 | 1,009 | 1,085 |

Appendix G (continued)

UPDATED 5 YEAR CAPITAL PROGRAMME 2016/17 TO 2020/21 - FINANCING

| | Estimate 2016/17 £000 | Estimate 2017/18 £000 | Estimate 2018/19 £000 | Estimate 2019/2020 £000 | Estimate 2020/2021 £000 |
|---|-----------------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| FINANCING: | | | | | |
| Capital Receipts - General Asset Sales | 45 | 45 | 45 | 45 | 45 |
| Capital Receipts - Right to Buy Receipts | 25 | 25 | 25 | 25 | 25 |
| Capital Receipts - (Accommodation Project) | 299 | 63 | | | |
| Better Care Fund / Disabled Facilities Grant | 895 | 468 | 468 | 468 | 468 |
| Section 106 Monies - St Annes | 37 | 237 | | | |
| Section 106 Monies - Lytham | 0 | 130 | | | |
| Section 106 Monies - Staining | 0 | 40 | | | |
| Section 106 Monies - Kirkham | 90 | | | | |
| Section 106 Monies - Freckleton Memorial Garden | 15 | | | | |
| Section 106 Monies - Play Area - Derby Road, Wesham | 24 | | | | |
| Section 106 Monies - 93 St Albans Road CPO | 105 | | | | |
| Section 106 Monies - Affordable Housing, Sunnybank Mill | 460 | 460 | | | |
| Section 106 Monies - Church Road Methodist Church, St Annes | | 550 | | | |
| Section 106 Monies - M55 Link-Road | 425 | | | | |
| Section 106 Monies - Bus Shelters | 20 | | | | |
| Section 106 Monies - Affordable Housing, Keenans Mill | | 840 | | | |
| Capital Grant - Repayments | 3 | | | | |
| Capital Investment Reserve | 764 | 1,053 | 78 | 182 | |
| Accommodation Project Reserve | 1,342 | | | | |
| Other External Finance (see analysis below) | 353 | 14,156 | 5,825 | | |
| Direct Revenue Finance | 50 | 6 | | | |
| Prudential Borrowing | 0 | 1,255 | 1,184 | 289 | 547 |
| Total Financing | 4,952 | 19,328 | 7,625 | 1,009 | 1,085 |

| | | | | | |
|--|---|---|---|---|---|
| Total surplus (-) / shortfall in year | 0 | 0 | 0 | 0 | 0 |
|--|---|---|---|---|---|

| | | | | | |
|---|---|---|---|---|---|
| Cumulative surplus (-) / shortfall | 0 | 0 | 0 | 0 | 0 |
|---|---|---|---|---|---|

See note below for external funding available to finance the above schemes:

Other External Finance: Analysis

| | | | | | |
|--|-----|--------|-------|---|---|
| LSP Performance Reward Grant | 0 | 38 | | | |
| Environment Agency - Fylde Coastal Preliminaries | 95 | 14,000 | 5,825 | | |
| Environment Agency - Flood Defence | 71 | | | | |
| Arts Council - St Annes Pool | 0 | 90 | | | |
| Freckleton Parish Council | 20 | | | | |
| British Aerospace | 10 | | | | |
| Friends of Freckleton Memorial Garden | 9 | | | | |
| Lancashire County Council | 6 | | | | |
| Lancashire County Council - Affordable Warmth Scheme | 28 | 28 | | | |
| Lancashire Environment Fund | 30 | | | | |
| Veolia | 32 | | | | |
| Tesco Capital Grant | 12 | | | | |
| New Fylde Housing - DFG Contribution | 40 | | | | |
| | 353 | 14,156 | 5,825 | 0 | 0 |

Fylde Borough Council

Useable Reserves and Balances Policy

Policy on Useable Reserves and Balances

1 The Useable Reserves and Balances Policy

- 1.1 Setting the level of useable reserves and balances is just one of several related decisions in the formulation of the Council's Medium Term Financial Strategy.
- 1.2 In establishing and approving the Medium Term Financial Strategy, "the Council will ensure that it maintains a prudent level of reserves in line with best practice and relevant guidelines".
- 1.3 Any surplus balances will be considered in the light of the budget forecast and the risks associated with that forecast. Any changes to this Policy will require approval by Members.

2 Integrated Financial Planning

- 2.1 Under section 114 of the Local Government Finance Act 1988 the Chief Financial Officer is required to report to all Councillors if there is or is likely to be unlawful expenditure or an unbalanced budget. This would include situations where reserves have become seriously depleted and it is forecast that the authority will not have the resources to meet its expenditure in a particular financial year.
- 2.2 There are no statutory minimum levels of general reserves but in line with best practice and CIPFA advice it is suggested that 5% of the total net budget requirement is set as the minimum for the reserve balances. For Fylde this equates to approximately £500k based on a net budget requirement for 2017/18 of around £10m.

However, during 2008/09, due to the downturn in the economy, the Council had to take urgent in year action to make further service cuts in order to maintain minimum balances at that time. In order to remain financially robust over the medium term, Budget Council in February 2009, based on the advice of the Chief Financial Officer, agreed to increase the minimum level of balances to £750k. This recommendation remains in place in order for the Council to maintain a future stable financial environment for the Council in light of the current economic climate and risks.

In making a recommendation as to the level of balances which should be maintained, the Chief Financial Officer will pay particular attention to:-

- The overall financial standing of the authority (level of borrowing, debt outstanding, council tax collection rates, etc.)
 - The authority's track record in budget and financial management including the robustness of the Council's Medium Term Financial Strategy
 - The authority's capacity to manage in-year budget pressures
 - The strength of the financial information and reporting arrangements
 - The authority's virement and end of year procedures in relation to revised budget and cash limit under/over spends at authority and departmental level
 - The adequacy of the authority's insurance arrangements to cover major unforeseen risks.
- 2.3 The level of earmarked reserves will be reviewed in the preparation of each update to the Medium Term Financial Strategy and annually as part of the closure of accounts process. The creation of any new Earmarked Reserves will be subject to Member approval.
 - 2.4 The Council's General Fund balances at 31st March 2016 was £3.48m.

3 Reporting Framework

- 3.1 Any recommended changes to the level of useable reserves held will be reported within the Medium Term Financial Strategy or in the consideration of the Annual Accounts and will take account of the strategic, operational and financial risks facing the authority at that time.
- 3.2 In making any recommendation the Chief Financial Officer will provide Members, (in line with the requirements of the Local Government Act 2003) with an opinion on the robustness of the budget estimates and on the adequacy of the Council's useable reserves.

4 Earmarked General Fund Reserves

- 4.1 Earmarked general fund reserves are a means of voluntarily and prudently building up funds to meet known future or predicted liabilities. When establishing reserves the Council must adhere to the International Financial Reporting Standards (IFRS) and in particular the need to distinguish between reserves (set aside for future liabilities) and provisions (mandatory set asides for actual liabilities existing).

In approving any new earmarked reserves the Council needs to identify the purpose of the reserve, the protocol for its use and the procedures for its management and control. The earmarked reserves as at 31st March 2016 and expected as at 31st March 2017 are set out in a note at the end of this Appendix. The note identifies any earmarked reserves that can be released to revenue if required.

5 Presentation of the Reserves & Balances

- 5.1 These have been presented in a way which is hopefully in an easy to follow and useful summary format. These Reserves & Balances are also fully detailed in the Annual Statement of Accounts, but are presented in a more technical format to ensure that the Council comply with the new International Financial Reporting Standards (IFRS).

6 Earmarked Reserves – Proposals for 2017/18

- 6.1 Having reviewed the current useable reserves and balances it is now proposed for 2017/18:

i. In order to minimise the need for additional borrowing in the future, a transfer be made to the Capital Investment Reserve in 2017/18 and 2018/19 equivalent to the balance of the revenue surplus for those years, after allowing for all approved transfers to other reserves, currently estimated at £441k in 2017/18 and £286k in 2018/19 to provide sufficient resource for any capital projects that may arise.

- 6.2 The capital schemes that remain to be funded from the Capital Investment Reserve and the forecast balance at the end of each year throughout the forecast are set out in the table below.

Capital Investment Reserve position

Capital Investment Reserve - Analysis of forecast balances, contributions and expenditure

| | 2013/14 £000 | 2014/15 £000 | 2015/16 £000 | 2016/17 £000 | 2017/18 £000 | 2018/19 £000 | 2019/20 £000 |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Opening balance at start of year | 521 | 1,652 | 2,775 | 2,274 | 1,313 | 701 | 909 |
| Transferred in at financial outturn 2012/13 | 319 | | | | | | |
| sub -total | 840 | | | | | | |
| <u>Schemes approved at Budget Council 4th March 2013</u> | | | | | | | |
| Fairhaven lake and prom gardens - HLF bid | | | | | - 20 | | |
| Contribution to Kirkham Public Realm Scheme | - 35 | - 35 | | | | | |
| Cemetery and Crematorium Infrastructure Works | - 80 | | | | | | |
| <u>Schemes approved at Budget Council 3rd March 2014</u> | | | | | | | |
| Hope Street Pavilion Refurbishment | | | - 20 | | | | |
| St Annes Pool External Works | | | | | - 30 | | |
| Snowdon Road Depot Improvements | | | - 320 | | | | |
| Lytham Park Cemetery Infrastructure | | | - 6 | | - 294 | | |
| Coastal Protection Schemes | | | | | - 400 | | |
| Budgeted transfer in at financial outturn 2013/14 | 455 | | | | | | |
| PLUS additional transfer in at year end 13/14 from underspend | 472 | | | | | | |
| Budgeted transfer in at financial outturn 2014/15 | | 850 | | | | | |
| Budgeted transfer in from additional sandwinning and crem fee income | | 61 | | | | | |
| Additional transfer in at financial outturn 2014/15 | | 247 | | | | | |
| Fairhaven boat replacement - approved at Council 1st December 2014 | | | - 55 | | | | |
| <u>Schemes approved at Budget Council 3rd March 2015</u> | | | | | | | |
| Fleet replacement schedule - updated estimate of replacement costs | | | | - 23 | - 99 | - 78 | - 182 |
| Vehicle Fleet - switching from hire to direct purchase | | | - 122 | - 334 | | | |
| Fairhaven footway improvements | | | - 8 | - 7 | | | |
| Sand dunes re-modelling at North Beach car park / Summerfields | | | - 3 | - 17 | | | |
| New Memorial Garden Lytham Park Cemetery | | | - 8 | - 33 | | | |
| Fairhaven Toddlers Play Area | | | - 67 | | | | |
| Lowther Pavilion Roof | | | - 4 | - 119 | | | |
| Kirkham Regeneration Scheme - Town Centre Phase 4 | | | - 50 | | | | |
| Woodland Road Regeneration Scheme - Town Centre Phase 3 | | | - 66 | - 19 | | | |
| Freckleton Memorial Park | | | | - 50 | | | |
| <u>Proposed transfer at Budget Council 2nd March 2016</u> | | | 32 | | | | |
| <u>Schemes approved at Budget Council 2nd March 2016</u> | | | | | | | |
| Promenade Gardens Water Play Facility | | | | | - 100 | | |
| Hope Street Footways | | | | - 24 | | | |
| Vehicle Wash-down Facility - Snowdon Rd Depot | | | | - 25 | | | |
| North Promenade Toilets Refurbishment | | | | - 84 | | | |
| Bus Shelter Replacement Programme | | | | - 30 | | | |
| Lytham Park Cemetery - Windbreak Canopy | | | | | - 60 | | |
| Bryning-with-Warton Parish Council Play Area | | | | | - 50 | | |
| Additional transfer in at financial outturn 2015/16 | | | 196 | | | | |
| Transfer to M55 Link-road Reserve | | | | - 196 | | | |
| Proposed transfer in - Budget Council March 2017 | | | | | 441 | 286 | |
| Forecast balance at end of year | 1,652 | 2,775 | 2,274 | 1,313 | 701 | 909 | 727 |

Useable Reserves and Balances position

1. Earmarked Reserves

| Reserve | Purpose | How and When Used | Actual Balance 31/03/16 £000 | Estimated Transfers in in 2016/17 £000 | Estimated Use/ Transfers out 2016/17 £000 | Estimated Balance 31/03/17 £000 | Comments |
|---------------------------------------|---|---|------------------------------------|--|---|---------------------------------------|--|
| Land Charges - New Burdens Reserve | Created in 2010/11, this is a voluntary set-aside of grant received in 2010/11 towards potential third party claims in relation to historic Land Charge enquiries. Topped up at outturn 11/12. | Reserve to be maintained until the ongoing legal cases are resolved. | 46 | 0 | -46 | 0 | Balance of £28k transferred to Accommodation Project Reserve during 2016/17 |
| Vehicle Maintenance Reserve | Voluntary set aside created in 2008/09 to contribute towards the cost of vehicle maintenance repairs. Topped up at outturn 11/12. | To support any additional vehicle maintenance repairs. | 127 | 0 | -127 | 0 | Balance of £127k transferred to Accommodation Project Reserve during 2016/17 |
| ICT Investment Reserve | Voluntary set aside for the funding of new IT initiatives and development of IT systems - this fund was established from savings in revenue ICT expenditure. | To be used to fully fund ICT developments and investment in moving this important support function forward. | 90 | 0 | -29 | 61 | Not available for release - balance to be retained for future IT development requirements including needs following refurbishment of the Town Hall. |
| Performance Reward Grant Reserve | Created in 2009/10, this is a voluntary set aside of performance reward grant (PRG). Although Fylde Borough Council is the Accountable Body for the Fylde PRG, The Fylde Local Strategic Partnership (LSP) are the appointed decision making body in relation to the allocation of the PRG. | Used to set aside Performance Reward Grant funding in order to support LSP approved project bids. | 38 | 0 | 0 | 38 | Not available for release - The LSP approved some legacy funding for projects prior to its wind-up in March 2013. The remaining scheme relates to CCTV replacement. It is anticipated that the CCTV replacement will be delivered in 2017/18 and subsequent years. |
| Capital Investment Reserve | Created in 2012/13, this is a voluntary revenue set aside established to fund capital expenditure and thus minimise the future need to borrow. | As required to meet the cost of capital expenditure. | 2,275 | 0 | -961 | 1,314 | After taking account of the previously-approved schemes to be funded from this reserve the un-committed balance stands at nil. There is therefore no available balance for release. |
| Accommodation Project Reserve | Created in 2015/16, this is a voluntary set-aside of funds to provide for the continued delivery of the accommodation project. | To be used to fund the accommodation project works. | 504 | 838 | -1,342 | 0 | Expected to be required in 2016/17 to fund remaining elements of phase 7 to complete the scheme. |
| Vehicle Replacement Financing Reserve | Created in 2010/11. This is a voluntary set aside established to meet the cost of future debt repayments in respect of the replacement & purchase of vehicles. | Used to meet the cost of future debt repayments in respect of the replacement & purchase of vehicles | 212 | 0 | -212 | 0 | Balance of £212k transferred to Accommodation Project Reserve during 2016/17. |
| MMI Insurance Reserve | Created in 2011/12, this is a set aside to cover the likely liability in respect of the MMI scheme of arrangement. | Used to meet the cost of future scheme run off. | 81 | 0 | 0 | 81 | Not available for release as to be fully utilised to fund the scheme run-off. |

Earmarked Reserves (cont'd)

| | | | | | | | |
|--|---|--|-------|-------|--------|-------|---|
| Community Right to Bid/Challenge Reserve | Created in 2012/13, this is a set aside of grant awarded to fund costs involved in potential future community right to bid. | Used to meet any potential costs arising from the community right to bid/challenge initiatives. | 46 | 0 | 0 | 46 | Not available for release as the monies are ear-marked for meeting community right to bid/challenge costs. |
| Collection Fund Deficit Reserve | Created in 2013/14, this is a voluntary set-aside of funds to meet the Council's share of the collection fund deficit, which was created as a result of the doubling of Small Business Rate Relief. | Used to meet the current deficit on the collection fund. | 2,115 | 0 | -2,115 | 0 | Not available for release as the reserve is ear-marked for offsetting the current collection fund deficit. |
| Funding Volatility Reserve | Created in 2013/14 from additional Business Rates received under the Business Rate Retention Scheme, this is a voluntary set-aside established to provide a degree of protection to the Council's finances against future volatility in central government funding allocations and to fund investment in activity to stimulate Economic Development in the Borough. | Used to cushion the impact of future funding reductions and to fund investment in activity to stimulate Economic Development in the Borough. | 3,221 | 0 | 0 | 3,221 | For release to support the revenue budget as and when necessary to cushion the impact of future funding reductions and to fund investment in activity to stimulate Economic Development in the Borough, with the first call on this reserve being as match funding for the Fairhaven lottery bid should this be successful in the maximum sum of £400k. |
| M55 Link Road Reserve | Established at Council in July 2016 to fund a contribution of up to £1m towards the accelerated delivery of the link road. | To be used by 2019 in line with ongoing negotiations with delivery partners for the road. | 0 | 715 | 0 | 715 | Not available for release as the reserve is ear-marked for a contribution to the link road scheme. |
| Total Earmarked Reserves | | | 8,755 | 1,553 | -4,832 | 5,476 | |

2. General Fund Reserve

| | | | | | | | |
|-----------------------------|--|--|-------|---|---|-------|---|
| General Fund | An unallocated general working balance reserve fund to help cushion the impact of uneven costs of running council's day to day services or the impact of unexpected events or emergencies. | In line with the annual budget and medium term forecast as approved by Council, taking in to account strategic, operational and financial risks facing the council over the medium term. | 3,481 | 0 | 0 | 3,481 | This is the position in line with the Council's current financial forecast. |
| Total General Fund Reserves | | | 3,481 | 0 | 0 | 3,481 | |

Total

| | | | |
|--------|-------|--------|-------|
| 12,236 | 1,553 | -4,832 | 8,957 |
|--------|-------|--------|-------|

SPECIAL EXPENSES POLICY

At its meeting of 3rd March 2008, the Council implemented a differential taxation policy by introducing special expense charges as set out in the following recommendations:

- i) *That the resolutions of the former Policy and Resources Committee of 15 January 2001, relating to special expenses (minute 13), be rescinded in relation to categories (a) and (b) as set out in the minute, so that items falling within those categories (parks, gardens, open spaces and games sites) or within this resolution but outside those categories (Christmas lights/trees) will become the council's special expenses under section 35(2)(d) of the Local Government Finance Act 1992 and that the items of Special Expenses as listed in paragraph 9.4 be approved.*
- ii) *That the principle of differential taxation be agreed and the impact is set out in Table A of Appendix E.*

For clarification purposes the special expense charge relates to costs incurred in respect of the provision of recreational resources on parks, playing fields, open spaces and gardens located within Lytham and St Annes, together with the costs of Christmas lights and/or trees in those same locations.

Until the Special Expenses Policy applicable to 2013/14 was approved by Council, annual fluctuations in the cost of concurrent services charged as special expenses resulted in corresponding fluctuations in amounts payable by residents. The 2013/14 Special Expenses Policy set the charge for 2013/14 at the same level as for 2012/13. Up until 2015/16 each element of the Council Tax remained at the same level. For 2016/17 a 2% increase was applied to each of the individual elements of the Council Tax charge i.e. the borough-wide charge and the special expense charge, in order that both elements were increased to an equivalent extent.

For 2017/18 an average Band D Council Tax of £195.76 is proposed (an increase of £4.99 as compared to the 2016/17 charge). This equates to a proposed 2.76% increase in respect of each of the individual elements of the Council Tax charge.

Therefore, the special expenses policy for 2016/17 shall be:

- the annual special expense charge per property will be set for 2017/18 at the 2016/17 level plus 2.76%, that being £71.77 per band D property;
- the annual borough wide charge per property will be set for 2017/18 at the 2016/17 level plus 2.76%, that being £152.98 per band D property; and
- the budget resource to be allocated to delivering concurrent services and chargeable as special expenses for 2017/18 will be set at a sum equivalent to the annual special expense charge per property (band D equivalent) multiplied by the tax base for the special expense area.

For the purposes of charging special expenses, both the special expense costs and the tax bases relating to the areas of Lytham and St Annes will each be aggregated and the Council Tax charge per property at each band level will be the same across the whole area.

DRAFT - Fees and Charges 2017/18

| | VAT Code | Unit Of Charge | Variable Charge Discretionary (D) Prescribed (P) | Approved 2016/17 Fees & Charges £ | DRAFT 2017/18 Fees & Charges £ |
|--|----------|--------------------------|--|-----------------------------------|--------------------------------|
| <u>OPERATIONAL MANAGEMENT COMMITTEE</u> | | | | | |
| <u>Waste Operations</u> | | | | | |
| Bulky Household Waste Collections | | | | | |
| - Up to 3 Items | d | Up to 3 Items | D | 19.65 | 19.65 |
| - 4 to 10 Items | d | 4 to 10 Items | D | 39.30 | 39.30 |
| - Over 10 Items (Charge per hour) | d | Over 10 Items (Per hour) | D | 73.60 | 73.60 |
| - Collection of fridge | d | Per fridge | D | 39.30 | 39.30 |
| Commercial Waste: | | | | | |
| - Grey Sacks | d | Per 50 Sacks | D | 71.15 | 74.70 |
| - 660L Bulk Bin (Disposal Charges) | d | Per Empty | D | 3.36 | 3.43 |
| - 660L Bulk Bin (Disposal Charges) | d | Per Empty | D | 6.12 | 6.65 |
| - 1100L Bulk Bin (Collection Charge) | d | Per Empty | D | 5.30 | 5.41 |
| - 1100L Bulk Bin (Disposal Charge) | d | Per Empty | D | 10.21 | 11.08 |
| - Bulk Bin Lease | d | Per Year | D | 125.12 | 125.12 |
| - Bulk Bin Sale | d | Per Bulk Bin | D | 460.00 | 500.00 |
| Commercial Waste Replacement Bin Parts (if purchased bin) | | | | | |
| - Lid | d | Per lid | D | 81.58 | 88.11 |
| - Lock | d | Per lock | D | 45.63 | 49.28 |
| - Wheels X 1 | d | Per 1 x wheel | D | 56.17 | 60.66 |
| - Wheels X 2 | d | Per 2 x wheel | D | 72.34 | 78.13 |
| - Wheels X 3 | d | Per 3 x wheel | D | 88.51 | 95.59 |
| - Wheels X 4 | d | Per 4 x wheel | D | 104.58 | 112.95 |

VAT Codes:

a = Standard Rate c = Exempt d = Outside Scope e = Zero Rated

DRAFT - Fees and Charges 2017/18

| | VAT Code | Unit Of Charge | Variable Charge Discretionary (D) Prescribed (P) | Approved 2016/17 Fees & Charges £ | DRAFT 2017/18 Fees & Charges £ |
|---|----------|----------------|--|-----------------------------------|--------------------------------|
| Schedule 2 Waste | | | | | |
| - Grey Sacks | d | Per 50 Sacks | D | 38.67 | 39.44 |
| - 660L Bulk Bin | d | Per Empty | D | 3.36 | 3.43 |
| - 1100L Bulk Bin | d | Per Empty | D | 5.30 | 5.41 |
| - Bulk Bin Lease | d | Per Year | D | 125.12 | 125.12 |
| - Bulk Bin Sale | d | Per Bulk Bin | D | 460.00 | 500.00 |
| Recycling 4 Business: | | | | | |
| - Blue Sacks –Paper/Card | d | Per 50 Sacks | D | 43.14 | 44.00 |
| Wheeled Bin Rates: | | | | | |
| - Provision of Green Box to household still on original recycling scheme | N/A | | D | Free | Free |
| - Provision of Blue Bag to household still on original recycling scheme | N/A | | D | Free | Free |
| - Provision of one Wheeled bin (grey, green, blue or brown) at new build properties | d | Per Bin | D | 32.50 | 32.50 |
| - Provision of full set of wheeled bins (grey, blue and brown) at a new build property | d | Per Set | D | 100.00 | 100.00 |
| - Provision of full set of three wheeled bins (grey, green, blue and brown) at a new build property | d | Per Set | D | 75.00 | 75.00 |
| - Provision of lost, stolen, damaged or additional (if eligible) wheeled bin including delivery | d | Per Bin | D | 32.50 | 32.50 |
| - Provision of lost, stolen, damaged grey and green wheeled bins lid or wheels (including delivery and fitting) | d | Per Bin | D | 13.00 | 13.00 |
| - Provision of second hand replacement bin (grey, green, blue or brown) where available | d | Per Bin | D | 13.00 | 16:25 |
| - Provision of a bulk bin to multiple-occupancy properties for recycling | d | Per bin | D | 460.00 | 500.00 |
| - Provision of a bulk bin to multiple-occupancy properties for the collection of residual waste | d | Per bin | D | 460.00 | 500.00 |
| - Provision of two black sacks per week to properties unsuitable for wheeled bins for collection of residual waste. | N/A | Per 2 Sacks | D | Free | Free |

VAT Codes:

a = Standard Rate c = Exempt d = Outside Scope e = Zero Rated

DRAFT - Fees and Charges 2017/18

| | VAT Code | Unit Of Charge | Variable Charge Discretionary (D) Prescribed (P) | <u>Approved</u> 2016/17 Fees & Charges £ | DRAFT 2017/18 Fees & Charges £ |
|--|-------------|----------------|--|--|--|
|--|-------------|----------------|--|--|--|

| | | | | | |
|--|-----|--------------|---|--------|---------------|
| Green Waste Subscription Service: | | | | | |
| Annual Subscription Fee | N/A | Per 240L bin | D | N/A | 30.00* |
| *An annual subscription of £30 per bin per annum was agreed by Council on the 5 th December 2016, for implementation in 2017, with the operational detail of the scheme to be agreed by the Operational Management Committee. | | | | | |
| Fleet Management Services: | | | | | |
| - MOT Class 1 – One off customer | d | Per MOT | P | 25.00 | £25.00 |
| - MOT Class 1 - Motor Trade Customers | d | Per MOT | P | £25.00 | £25.00 |
| - MOT Class 1 - FBC Staff, relatives, members | d | Per MOT | P | £25.00 | £25.00 |
| - MOT Class 2 – One off customer | d | Per MOT | P | £25.00 | £25.00 |
| - MOT Class 2 - Motor Trade Customers | d | Per MOT | P | £25.00 | £25.00 |
| - MOT Class 2 - FBC Staff, relatives, members | d | Per MOT | P | £25.00 | £25.00 |
| - MOT Class 3 - One off customer | d | Per MOT | P | £35.00 | £35.00 |
| - MOT Class 3 - Motor Trade Customers | d | Per MOT | P | £35.00 | £35.00 |
| - MOT Class 3 - FBC Staff, relatives, members | d | Per MOT | P | £35.00 | £35.00 |
| - MOT Class 4 – One off Customer | d | Per MOT | p | £40.00 | £40.00 |
| - MOT Class 4 – Motor Trade Customers | d | Per MOT | P | £35.00 | £35.00 |
| - MOT Class 4 – FBC Staff, relatives, members | d | Per MOT | P | £35.00 | £35.00 |
| - MOT Class 4 – Repeat customers (5 or more tests in 12 months) | d | Per MOT | P | £35.00 | £35.00 |
| - MOT Class 4 – Fylde Licenced Taxi-drivers (must be FBC registered) | d | Per MOT | P | £35.00 | £35.00 |
| - MOT Class 5 – One off customer | d | Per MOT | P | £55.00 | £55.00 |

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DRAFT - Fees and Charges 2017/18

| | VAT Code | Unit Of Charge | Variable Charge Discretionary (D) Prescribed (P) | <u>Approved</u> 2016/17 Fees & Charges £ | DRAFT 2017/18 Fees & Charges £ |
|---|----------|--------------------------|--|--|---|
| MOT Class 5 – Motor Trade Customers | d | Per MOT | P | £50.00 | £50.00 |
| MOT Class 5 – FBC Staff, relatives, members | d | Per MOT | P | £50.00 | £50.00 |
| MOT Class 5 – Repeat customers (5 or more tests in 12 months) | d | Per MOT | P | £50.00 | £50.00 |
| MOT Class 7 – One off customer | d | Per MOT | P | £55.00 | £55.00 |
| MOT Class 7 – Motor Trade Customer | d | Per MOT | P | £50.00 | £50.00 |
| MOT Class 7 – FBC Staff, relatives, members | d | Per MOT | P | £50.00 | £50.00 |
| MOT Class 7 – Repeat Customers | d | Per MOT | P | £50.00 | £50.00 |
| Taxi Test – Retest (If applicable) | d | Per MOT | D | £17.50 | £17.50 |
| Minor Repairs – Labour Per 30 Minutes (Plus parts) | a | Per half hour labour | D | £35.00 | £35.00 |
| Use of Diagnostics | a | Per Use | D | £40.00 | £40.00 |
| Dog Control Charges: | | | | | |
| Cost of collection and kennelling – per day | a | Per Day | D | 18.50 | 19.00 |
| Cost to collect stray dog from Kennels | a | Per Collection of Stray | D | 67.50 | 69.00 |
| Cost of return of stray dog by dog warden | a | Per Return of Stray | D | 30.00 | 30.00 |
| Fixed Penalty Notice for Dog Fouling (Statutory Fee) | d | Per Fixed Penalty Notice | P | 50.00 | 50.00/100.00 |
| <u>Land Charges</u> | | | | | |
| Note: Land Charges Fees will be in accordance with the Fylde Borough Council scheme for the Recovery of Land Charges fees 2010 which came into force on the 1st January 2010 http://www.fylde.gov.uk/business/landcharges/ | | | | | |

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|---|-------------|----------------|--|--|---|
| <u>Car Parks</u> | | | | | |
| <u>St Annes</u> | | | | | |
| St. Annes Square: | | | | | |
| 9:00 a.m. to 6:00 p.m. (All Days) | | | | | |
| - Cars etc. – up to 0.5 Hours | a | Per Session | D | 0.80 | 0.80 |
| - Cars etc. – 0.5 to 1 hour | a | Per Session | D | 1.30 | 1.40 |
| - Cars etc. – 1 to 2 hours | a | Per session | D | 2.40 | 2.50 |
| - Car etc. – 2 to 3 hours | a | Per session | D | 3.60 | 3.80 |
| - At other times | N/A | Free | D | Free | Free |
| St. Annes Swimming Pool: | | | | | |
| 9:00 a.m. to 6:00 p.m. | | | | | |
| - Cars etc. - up to 1 hour | a | Per Session | D | 1.20 | 1.20 |
| - Cars etc. - 1 to 2 hours | a | Per Session | D | 2.10 | 2.20 |
| - Cars etc. - 2 to 3 hours | a | Per Session | D | 2.70 | 2.90 |
| - Cars etc. - 3 to 4 hours | a | Per Session | D | 3.20 | 3.40 |
| - Cars etc. - over 4 hours | a | Per Session | D | 4.30 | 4.50 |
| - At Other times for passenger vehicles: | N/A | Free | D | Free | Free |
| - Overnight Motorhome Parking (per vehicle 6 p.m. to 10 a.m. following day) | a | Per Session | D | 5.00 | 5.30 |
| - Motorhome 1 day tariff (up to 10 a.m. following day) | a | Per Session | D | 8.00 | 8.40 |
| - Motorhome 2 day tariff | a | Per Session | D | 15.00 | 15.80 |
| - Motorhome 3 day tariff | a | Per Session | D | 21.00 | 22.00 |
| - YMCA staff permit | a | Annual | D | - | 100.00 |

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|-----------------------------------|----------|----------------|--|--|---|
| Wood Street: | | | | | |
| 9:00 a.m. to 6:00 p.m. (All Days) | | | | | |
| - Cars etc. –up to 0.5 hour | a | Per Session | D | 0.80 | 0.80 |
| - Cars etc. - 0.5 to 1 hour | a | Per Session | D | 1.30 | 1.40 |
| - Cars etc. – 1 to 2 hours | a | Per Session | D | 2.40 | 2.50 |
| - Cars etc. – 2 to 3 hours | a | Per Session | D | 3.60 | 3.80 |
| - At Other times | a | Free | D | Free | Free |
| North Beach: | | | | | |
| 9:00 a.m. to 6 p.m. (All Days) | | | | | |
| - Cars etc. - up to 1 hour | a | Per Session | D | 1.20 | 1.20 |
| - Cars etc. - 1 to 2 hours | a | Per Session | D | 2.10 | 2.20 |
| - Cars etc.- 2 to 3 hours | a | Per Session | D | 2.70 | 2.90 |
| - Cars etc.- 3 to 4 hours | a | Per Session | D | 3.20 | 3.40 |
| - Cars etc.- Over 4 hours | a | Per Session | D | 4.30 | 4.50 |
| - At other times | N/A | Free | D | Free | Free |
| North Promenade: | | | | | |
| 9:00 a.m. to 6:00 p.m. | | | | | |
| - Cars etc. - up to 1 hour | a | Per Session | D | 1.20 | 1.20 |
| - Cars etc. - 1 to 2 hours | a | Per Session | D | 2.10 | 2.20 |
| - Cars etc.- 2 to 3 hours | a | Per Session | D | 2.70 | 2.90 |
| - Cars etc.- 3 to 4 hours | a | Per Session | D | 3.20 | 3.40 |
| - Cars etc.- Over 4 hours | a | Per Session | D | 4.30 | 4.50 |
| - At other times | N/A | Free | D | Free | Free |

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|---|----------|----------------|---|--|---|
| Fairhaven Road: 9:00 a.m. to 6:00 p.m. (All Days) | | | | | |
| - Cars etc. - up to 1 hour | a | Per Session | D | 1.20 | 1.20 |
| - Cars etc. - 1 to 2 hours | a | Per Session | D | 2.10 | 2.20 |
| - Cars etc.- 2 to 3 hours | a | Per Session | D | 2.70 | 2.90 |
| - Cars etc.- 3 to 4 hours | a | Per Session | D | 3.20 | 3.40 |
| - Cars etc.- Over 4 hours | a | Per Session | D | 4.30 | 4.50 |
| - At other times | N/A | Free | D | Free | Free |
| - Coaches | N/A | Free | D | Free | Free |
| St. Albans Road | N/A | Free | D | Free | Free |
| <u>Fairhaven</u> | | | | | |
| St. Pauls Avenue: 9:00 a.m. to 6:00 p.m. (All Days) | | | | | |
| - Cars etc. - up to 1 hour | a | Per Session | D | 1.20 | 1.20 |
| - Cars etc. - 1 to 2 hours | a | Per Session | D | 2.10 | 2.20 |
| - Cars etc.- 2 to 3 hours | a | Per Session | D | 2.70 | 2.90 |
| - Cars etc.- 3 to 4 hours | a | Per Session | D | 3.20 | 3.40 |
| - Cars etc.- Over 4 hours | a | Per Session | D | 4.30 | 4.50 |
| - At other times | N/A | Free | D | Free | Free |
| Fairhaven Lake | N/A | Free | D | Free | Free |

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|---|-------------|----------------|--|--|---|
| Stanner Bank: | | | | | |
| 9:00 a.m. to 6:00 p.m. (All Days) | | | | | |
| - Cars etc. - up to 1 hour | a | Per Session | D | 1.20 | 1.20 |
| - Cars etc. - 1 to 2 hours | a | Per Session | D | 2.10 | 2.20 |
| - Cars etc.- 2 to 3 hours | a | Per Session | D | 2.70 | 2.90 |
| - Cars etc.- 3 to 4 hours | a | Per Session | D | 3.20 | 3.40 |
| - Cars etc.- Over 4 hour | a | Per Session | D | 4.30 | 4.50 |
| - At other times | N/A | Free | D | Free | Free |
| - Business Permit | a | Annual | D | 100.00 | 100.00 |
| <u>Lytham</u> | | | | | |
| Pleasant Street: | | | | | |
| 0:00 a.m. to 6:00 p.m. (All Days) | | | | | |
| - Cars etc. - up to 0.5 hour | a | Per Session | D | 0.80 | 0.80 |
| - Cars etc. - 0.5 to 1 hour | a | Per Session | D | 1.30 | 1.40 |
| - Cars etc. - 1 to 2 hours | a | Per Session | D | 2.40 | 2.50 |
| - Cars etc.- 2 to 3 hours | a | Per Session | D | 3.60 | 3.80 |
| - Cars etc.- 3 to 5 hours | a | Per Session | D | 6.00 | 6.30 |
| - Cars etc.- 5 to 7 hours | a | Per Session | D | 8.00 | 8.40 |
| - Cars etc. – 7-9 hours | a | Per Session | D | 10.00 | 10.50 |
| - At other times | N/A | Free | D | Free | Free |
| - Business Permit | a | Annual | D | 335.00 | 335.00 |
| - Resident Permit | a | Annual | D | 285.00 | 285.00 |
| - North Clifton Street Restricted Residents Permit (1995) | a | Annual | D | 20.00 | 20.00 |

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|--|----------|----------------|--|-----------------------------------|--------------------------------|
| Lytham Station: | | | | | |
| 9:00 a.m. to 6:00 p.m. (All Days) | | | | | |
| - Cars etc. - up to 1 hour | a | Per Session | D | 0.90 | 0.90 |
| - Cars etc. - 1 to 2 hours | a | Per Session | D | 1.40 | 1.50 |
| - Cars etc.- 2 to 4 hours | a | Per Session | D | 2.20 | 2.30 |
| - Cars etc.- Over 4 hours up to 6 p.m. | a | Per Session | D | 2.70 | 2.90 |
| - At other times | N/A | Free | D | Free | Free |
| - Cars etc. – 1 to 2 days | a | Per Session | D | 5.00 | 5.30 |
| - Cars etc. – 2 to 3 days | a | Per Session | D | 7.50 | 7.90 |
| - Cars etc. – 3 to 4 days | a | Per Session | D | 10.00 | 10.50 |
| - Cars etc. – 5 to 7 days | a | Per Session | D | 12.00 | 12.60 |
| - Annual Permits (All) | a | Annual | D | 160.00 | 160.00 |
| Lytham Green (Bath Street & Dicconson Terrace): | | | | | |
| 9:00 a.m. to 6:00 p.m. (All Days) | | | | | |
| - Cars etc. - up to 1 hour | a | Per Session | D | 1.20 | 1.20 |
| - Cars etc. - 1 to 2 hours | a | Per Session | D | 2.10 | 2.20 |
| - Cars etc.- 2 to 3 hours | a | Per Session | D | 2.70 | 2.90 |
| - Cars etc.- 3 to 4 hours | a | Per Session | D | 3.20 | 3.40 |
| - Cars etc.- Over 4 hours | a | Per Session | D | 4.30 | 4.50 |
| - At other times | N/A | Free | D | Free | Free |

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|---|----------|----------------|--|-----------------------------------|--------------------------------|
| <u>Kirkham</u> | | | | | |
| Mill Street | N/A | Free | D | Free | Free |
| <u>Eagles Court</u> | N/A | Free | D | Free | Free |
| Orders Lane | N/A | Free | D | Free | Free |
| <u>Administrative Buildings</u> | | | | | |
| Town Hall, St.Annes: 9:00 a.m. to 6:00 p.m. (Sat – Sun and Bank holidays) | | | | | |
| - Cars etc. – up to 1 hour | a | Per Session | D | 1.20 | 1.20 |
| - Cars etc. – 1 to 2 hours | a | Per Session | D | 2.10 | 2.20 |
| - Cars etc. – 2 to 3 hours | a | Per Session | D | 2.70 | 2.90 |
| - Cars etc. – 3 to 4 hours | a | Per Session | D | 3.20 | 3.40 |
| - Cars etc. – Over 4 hours | a | Per Session | D | 4.30 | 4.50 |
| - At other times | N/A | Free | D | Free | Free |
| Public Offices, St.Annes: 9:00 a.m. to 6:00 p.m. (All days) | | | | | |
| - Cars etc. - up to 1 hour | a | Per Session | D | 1.20 | 1.20 |
| - Cars etc. – 1 to 2 hours | a | Per Session | D | 2.10 | 2.20 |
| - Cars etc. – 2 to 3 hours | a | Per Session | D | 2.70 | 2.90 |
| - Cars etc. – 3 to 4 hours | a | Per Session | D | 3.20 | 3.40 |
| - Cars etc. – Over 4 hours | a | Per Session | D | 4.30 | 4.50 |
| - At other times | N/A | Free | D | Free | Free |
| <u>General</u> | | | | | |
| Fylde Resident's Permit Scheme - Restricted to certain car parks | a | Annual | D | 25.00 | 25.00 |
| Horse Box Permit (North Beach and Fairhaven Road) | a | Annual | D | 15.00 | 15.00 |

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|---|----------|-------------------|--|-------------------------------------|--|
| <u>General Continued:</u> | | | | | |
| Any Permit Replacement | a | As Required | D | 15.00 | 15.00 |
| Parking Dispensation | a | Per Agreed Period | D | As Negotiated Max £16/day | As Negotiated Max £16/day |
| Penalty Charge Notices (PCNs) | | | | | |
| PCNs are issued for a variety of contraventions. Contraventions are divided into less serious (Lower Rate) and more serious (Higher Rate) with amounts set by Central Government. A full list of the various contraventions and whether they are lower or higher rate can be viewed at www.patrol-uk.info/contravention-codes-list . This list is subject to minor periodic variation. Only Off Street Parking (Car Parks) contravention codes apply to Fylde Council. | | | | | |
| - Lower Rate PCN | d | Per Offence | P | 50.00 (14 day discount 25.00) | 50.00 (14 day discount 25.00) |
| - Higher Rate PCN | d | Per Offence | P | 70.00 (14 day discount 35.00) | 70.00 (14 day discount 35.00) |
| Additional Charge to PCN if Charge Certificate Issued | d | Per Offence | P | 50% of PCN | 50% of PCN |
| Additional Charge to PCN if registered with court as debt | d | Per Offence | P | 7.00 | 8.00 |

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|--|-------------|----------------|--|--|--|
|--|-------------|----------------|--|--|--|

| <u>PLANNING COMMITTEE</u> | | | | | |
|--|-----|-----------------|---|-----------|------------------|
| <u>Planning</u> | | | | | |
| Pre-application Advice: | | | | | |
| Large Scale Major Development | a | Per Enquiry | D | 1,000.00 | 1,000.00 |
| Significant Major Development | a | Per Enquiry | D | 750.00 | 750.00 |
| Small Scale Major Development | a | Per Enquiry | D | 500.00 | 500.00 |
| Minor Development (A) | a | Per Enquiry | D | 350.00 | 350.00 |
| Minor Development (B) | a | Per Enquiry | D | 250.00 | 250.00 |
| Householder Meeting | a | Per Enquiry | D | 100.00 | 100.00 |
| Householder Written Only | a | Per Enquiry | D | 50.00 | 50.00 |
| (N.B the above charges relate to a revised scheme of charging introduced for 2016/17. Accordingly there are no comparative charges for 2015/16). | | | | | |
| Printing Charges: | | | | | |
| A4 Documents including Decision Notes, Completion Certificates and Plans: | | | | | |
| Up to 14 Copies | N/A | Up to 14 Copies | D | No Charge | No Charge |
| 15 Copies | a | 15 Copies | D | 2.00 | 2.00 |
| Further copies | a | Per Copy | D | 15p | 15p |
| A3 Documents including Plans: | | | | | |
| Up to 7 Copies | N/A | Up to 7 Copies | D | No Charge | No Charge |
| 8 Copies | a | 8 Copies | D | 2.00 | 2.00 |
| Further Copies | a | Per Copy | D | 25p | 25p |
| A combination of the above shall be treated on the basis of 10p per copy for A4 and 20p per copy for A3. | | | | | |
| When the trigger of £1.50 is reached in any combination charging should commence. | | | | | |

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|---|----------|----------------------|--|-----------------------------------|--------------------------------|
| A2 Plans: | | | | | |
| 1 st Copy | a | 1 st Copy | D | 4.30 | 4.30 |
| Additional Copies | a | Per Additional Copy | D | 3.00 | 3.00 |
| A1 Plans: | | | | | |
| 1 st Copy | a | 1 st Copy | D | 8.50 | 8.50 |
| Additional Copies | a | Per Additional Copy | D | 5.75 | 5.75 |
| Publications: | | | | | |
| Fylde Borough Local Plan to 2032 Revised Preferred Option | e | Per document | D | 50.00 | 50.00 |
| Fylde Borough Local Plan As Altered 2005 | e | Per document | D | 46.00 | 46.00 |
| Postage | c | Per document | | 0.50 | 0.50 |
| Housing Land Availability | e | Per document | D | 15.50 | 15.50 |
| Postage | c | Per document | | 1.00 | 1.00 |
| 2002 Housing Needs Survey | e | Per document | D | 51.00 | 51.00 |
| Postage | c | Per document | | 3.00 | 3.00 |
| Interim Housing Policy | e | Per document | D | - | - |
| Postage | c | Per document | | - | - |
| House Extending Your Home | e | Per document | D | 30.00 | 30.00 |
| Postage | c | Per document | | 0.50 | 0.50 |
| Strategic Housing Land Availability Assessment | e | Per document | D | 3.30 | 3.30 |
| Postage | c | Per document | | 0.50 | 0.50 |

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|--|----------|----------------|--|-----------------------------------|--------------------------------|
| Land at Wesham Hospital | e | Per document | D | 2.20 | 2.20 |
| Postage | c | Per document | | 0.50 | 0.50 |
| Land at Queensway | e | Per document | D | 2.20 | 2.20 |
| Postage | c | Per document | | 0.50 | 0.50 |
| Queen Mary School | e | Per document | D | 5.50 | 5.50 |
| Postage | e | Per document | | 0.50 | 0.50 |
| Windows Doors and Architectural Joinery | e | Per document | D | 5.50 | 5.50 |
| Postage | c | Per document | | 0.50 | 0.50 |
| Wimbourne Stables | e | Per document | D | 2.20 | 2.20 |
| Postage | c | Per document | | 0.50 | 0.50 |
| Policy for Shop Front Design Guide | e | Per document | D | 3.30 | 3.30 |
| Postage | c | Per document | | 0.50 | 0.50 |
| 606 Clifton Drive North (Revised Development Brief) | e | Per document | D | 2.20 | 2.20 |
| Postage | c | Per document | | 0.50 | 0.50 |
| Land at Weeton Road, Wesham | e | Per document | D | 2.20 | 2.20 |
| Postage | c | Per document | | 0.50 | 0.50 |
| The Conversion of Fylde's Traditional Farm Buildings | e | Per document | D | 3.30 | 3.30 |
| Postage | c | Per document | | 0.50 | 0.50 |
| Any document not included in the above list will be charged at the relevant charge per page as set out above | | | | | |

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|---|-------------|-----------------|--|--|---|
| <p><u>Planning Fees</u></p> <p>Planning fees are charged at the national rates which are established and set by the Government.</p> <p>http://www.fylde.gov.uk/assets/files/3475/PlanningAppFees.pdf</p> | | | | | |
| <p><u>Building Control</u></p> <p>Standard charge for erection or conversion of dwelling houses up to 300m2 and up to 3 storeys</p> | | | | | |
| 1 dwelling | a | Per application | D | 690.00 | 690.00 |
| 2 dwellings | a | Per application | D | 930.00 | 930.00 |
| 3 dwellings | a | Per application | D | 1,170.00 | 1,170.00 |
| 4 dwellings | a | Per application | D | 1,410.00 | 1,410.00 |
| 5 dwellings | a | Per application | D | 1,650.00 | 1,650.00 |
| Erection or conversion of 6 or more dwellings or flats | a | Per application | D | Negotiated fee | Negotiated fee |
| Erection of dwellings or flats where the total floor area exceeds 300m2 | a | Per application | D | Negotiated fee | Negotiated fee |
| <p>Standard charges for extensions to existing dwellings</p> | | | | | |
| Extension with floor area not exceeding 10m2 | a | Per application | D | 375.00 | 375.00 |
| Extension with floor area exceeding 10m2, but not exceeding 40m2 | a | Per application | D | 475.00 | 475.00 |
| Extension with floor area exceeding 40m2, but not exceeding 80m2 | a | Per application | D | 650.00 | 650.00 |
| Loft conversion up to 40m2 that does not include a dormer window | a | Per application | D | 375.00 | 375.00 |

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|---|----------|-----------------|--|-----------------------------------|--------------------------------|
| Standard charges for extensions to existing dwellings continued: | | | | | |
| Loft conversion up to 40m2 that includes a dormer window | a | Per application | D | 475.00 | 475.00 |
| Erection or extension of a detached or attached domestic garage not exceeding 40m2 | a | Per application | D | 275.00 | 275.00 |
| Erection or extension of a detached or attached domestic garage or carport with floor area exceeding 40m2, but not exceeding 80m2 | a | Per application | D | 375.00 | 375.00 |
| Conversion of domestic garage to habitable room | a | Per application | D | 325.00 | 325.00 |
| Notifiable electrical work carried out by a non-competent person (i.e. not Part P registered) | a | Per application | D | 250.00 | 250.00 |
| Reversion work from an approved inspector | a | Per application | D | Negotiated Fee | Negotiated Fee |
| Building work in relation to more than one building | a | Per application | D | Negotiated Fee | Negotiated Fee |
| Extension to a dwelling where floor area exceeds 80m2 | a | Per application | D | Negotiated Fee | Negotiated Fee |
| Loft conversion (with or without a dormer) to a dwelling where floor area exceeds 40m2 | a | Per application | D | Negotiated Fee | Negotiated Fee |
| Garage or carport where floor area exceeds 60m2 | a | Per application | D | Negotiated Fee | Negotiated Fee |
| Regularisation of any work which would normally be subject to an individual charge/negotiated fee | e | Per application | D | Minimum 120% | Minimum 120% |
| Standard charges to other works to dwellings: | | | | | |
| Renovation of a thermal element of a single dwelling or flat | a | Per application | D | 150.00 | 150.00 |
| Renovation of a thermal element to more than one dwelling or flat | a | Per application | D | Negotiated Fee | Negotiated Fee |
| Replacement windows (multi flat or single dwelling , up to 20 windows) | a | Per application | D | 100.00 | 100.00 |
| Replacement of more than 20 windows | a | Per application | D | Negotiated Fee | Negotiated Fee |
| Internal alterations (Incl. structural) and installation of fittings other than electrical work | a | Per application | D | Negotiated Fee | Negotiated Fee |

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DRAFT - Fees and Charges 2017/18

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|---|-------------|-----------------|--|--|--|
| Standard charges to other works to dwellings continued | | | | | |
| Fixed price based on cost of work: | | | | | |
| Up to £5,000 | a | Per application | D | 200.00 | 200.00 |
| £5,000 to £10,000 | a | Per application | D | 300.00 | 300.00 |
| £10,000 to £20,000 | a | Per application | D | 400.00 | 400.00 |
| £20,000 to £30,000 | a | Per application | D | 500.00 | 500.00 |
| £30,000 to £40,000 | a | Per application | D | 600.00 | 600.00 |
| £41,000 to £100,000 | a | Per application | D | 72.00 per £10k | 72.00 per £10k |
| £101,000 to £1,000,000 | a | Per application | D | 48.00 per £10k | 48.00 per £10k |
| Electrical Work | | | | | |
| Electrical work other than a rewire | a | Per application | D | Negotiated fee | Negotiated fee |
| Rewire of a dwelling including new consumer unit | a | Per application | D | Negotiated fee | Negotiated fee |
| Standard charges for work to non-domestic buildings: | | | | | |
| Extensions and new buildings (commercial) | | | | | |
| Not Exceeding 10m2 (industrial and storage) | a | Per application | D | 300.00 | 300.00 |
| Not exceeding 10m2 (other use classes) | a | Per application | D | 350.00 | 350.00 |
| Between 10m2 and 40m2 (industrial and storage) | a | Per application | D | 400.00 | 400.00 |
| Between 10m2 and 40m2 (other use classes) | a | Per application | D | 500.00 | 500.00 |
| Exceeding 40m2 | a | Per application | D | Negotiated fee | Negotiated fee |

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|---|----------|-----------------|--|--|--|
| Standard charges for work to non-domestic buildings continued | | | | | |
| All other work and alterations to non-domestic buildings | | | | | |
| Window replacement (up to 20 windows) | a | Per application | D | 150.00 | 150.00 |
| Window replacement (over 20 windows) | a | Per application | D | Negotiated fee | Negotiated fee |
| Renovation of a thermal element (cost up to £20,000) | a | Per application | D | 150.00 | 150.00 |
| Renovation of a thermal element (cost over £20,000) | a | Per application | D | Negotiated fee | Negotiated fee |
| Alterations and works not described elsewhere, including structural, shop and office fit-out and installation of controlled fittings. Based on cost of works: | | | | | |
| Up to £5,000 | a | Per application | D | 250.00 | 250.00 |
| £5,000 to £10,000 | a | Per application | D | 300.00 | 300.00 |
| £10,000 to £20,000 | a | Per application | D | 360.00 | 360.00 |
| £20,000 to £30,000 | a | Per application | D | 450.00 | 450.00 |
| £30,000 to £40,000 | a | Per application | D | 600.00 | 600.00 |
| £41,000 to £100,000 | a | Per application | D | 72.00 per £10k | 72.00 per £10k |
| £101,000 to £1,000,000 | a | Per application | D | 48.00 per £10k | 48.00 per £10k |
| Miscellaneous Charges | | | | | |
| Re-open an archive file | a | Per file | D | 60.00 | 60.00 |
| Research and retrieval of manual records (other than for search records) | a | Per file | D | 36.00 | 36.00 |
| Copy Decision Notices and Completion certificates | a | Per Notice | D | 20.00 | 20.00 |

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|---|-------------|----------------|--|--|---|
| <p>NOTES:</p> <p>1) Where a negotiated fee is indicated factors such as design brief, competency, build duration, service level agreement, number of units/dwellings and type of construction are factored in to provide the individual charge.</p> <p>2) Where works are of estimated cost value and are being carried out simultaneously as a standard charge item for extensions to an existing dwelling the fee shall be reduced by 50%.</p> <p>3) Where a person is registered disabled and the proposals are for the benefit of that person the application is exempt from charge.</p> | | | | | |

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|--|-------------|----------------|--|--|---|
|--|-------------|----------------|--|--|---|

| <u>TOURISM AND LEISURE COMMITTEE</u> | | | | | |
|---|---|------------|---|-------|--------------|
| <u>Fairhaven Lake</u> | | | | | |
| Motor Boat Hire: | | | | | |
| - Passengers 1/2 | a | Per 20 min | D | 7.00 | 7.50 |
| Rowing Boat Hire: | | | | | |
| - Passengers 1/2 | a | Per 30 min | D | 5.50 | 5.50 |
| Pedalo Hire: | | | | | |
| - Passengers 1/2 | a | Per 30 min | D | 5.50 | 5.50 |
| Canoe Hire: | | | | | |
| - Passengers 1/2 | a | Per 30 min | D | 5.50 | 5.50 |
| Motor Launch | | | | | |
| - Adult 16+ | a | Per Trip | D | 3.50 | 3.00 |
| - Senior Citizen / Junior | a | Per Trip | D | 1.80 | 1.50 |
| - Child 5-15 | a | Per Trip | D | 1.80 | 1.50 |
| - Under 5 years | a | Per Trip | D | Free | Free |
| Private Use: | | | | | |
| Windsurfing/Dinghy/Canoe: | | | | | |
| - 2 hr. period | a | Per 2 hr. | D | 6.00 | 6.00 |
| - Day | a | Per Day | D | 12.00 | 12.00 |
| - Season | a | Per Season | D | 75.00 | 75.00 |

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|--|----------|----------------|--|-----------------------------------|--------------------------------|
| <u>Game Sites</u> | | | | | |
| Bowling (Crown & Flat): | | | | | |
| - Adult Bowls | a | Per Hour | D | 5.00 | 5.20 |
| - Senior Citizen/Junior Bowls | a | Per Hour | D | 4.00 | 4.20 |
| - Junior Bowls | a | Per Hour | D | 2.00 | 2.20 |
| - Hire of Bowls – deposit | a | | D | 5.00 | 5.00 |
| - Adult Contract | a | Annual | D | 75.00 | 80.00 |
| - Senior Citizen Contract | a | Annual | D | 57.00 | 60.00 |
| - Junior Contract | a | Annual | D | 28.00 | 30.00 |
| - Winter Contract only | a | Winter | D | 13.00 | 15.00 |
| Green Reservation per hour | a | Per Hour | D | 25.00 | 30.00 |
| Tennis: | | | | | |
| - Adult / Family court hire per hour | a | Per Hour | D | 7.20 | 7.50 |
| - Junior / Senior Citizen court hire per hour | a | Per Hour | D | 4.20 | 4.50 |
| - Hire of Rackets – deposit | a | | D | 5.00 | 5.00 |
| Club Reservation April – September | | | | | |
| (1 Court for one 3 hr. session per week) | | | | | |
| - Adult | a | Per Season | D | 110.00 | 115.00 |
| - - Junior | a | Per Season | D | 65.00 | 70.00 |
| Club Reservation October – March | | | | | |
| (1 Court for one 3 hr. session both Sat & Sun) | | | | | |
| | a | Per Season | d | 70.00 | 75.00 |

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| Golf: | | | | | |
| - Adult Mini Golf – 18 holes | a | Per Round | D | 5.00 | 5.00 |
| - Junior / Senior Citizen Mini Golf – 18 holes | a | Per Round | D | 3.00 | 3.00 |
| - Adult Mini Golf – 9 hole | a | Per Half Round | D | 3.00 | - |
| - Junior / Senior Citizen Mini Golf – 9 holes | a | Per Half Round | D | 2.00 | - |
| Family Ticket Mini Golf Only (2 adults, 2 children) – 18 holes | a | Per Round | D | 13.00 | 13.00 |
| Family Ticket Mini Golf Only (2 adults, 2 Children) – 9 holes | a | Per Round | D | 8.00 | - |
| - Lost Ball | a | Per Ball | D | 1.00 | 1.00 |
| - Adult Putting | a | Per Round | D | 3.70 | 4.00 |
| - Junior / Senior Citizen Putting | a | Per Round | D | 2.20 | 2.50 |
| Family Ticket Putting Only (2 adults, 2 children) | a | Per Round | D | 9.60 | 10.00 |
| - Adult Crazy Golf | a | Per Round | D | 3.00 | 3.00 |
| - Junior / Senior Citizen Crazy Golf | a | Per Round | D | 2.00 | 2.00 |
| Family Ticket Crazy Golf only (2 adults, 2 children) | a | Per Round | D | 8.00 | 8.00 |
| <u>Sports Facilities</u> (Park View Rd, Blackpool Rd) | | | | | |
| Football: | | | | | |
| - Occasional Match (approx.. 2 hours) | a | Per 2 hours | D | 50.00 | 55.00 |
| - Additional pitch maintenance schedule (annual single payment) | a | Single Payment | D | - | - |
| Season Booking: | | | | | |
| One match each week of the season | | | | | |
| - Adult | c | Per Season | D | 400.00 | - |
| - Junior | c | Per Season | D | 210.00 | - |

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|--|----------|----------------|--|--|---|
| <u>Sports Facilities</u> (Park View Rd, Blackpool Rd) Football Season Bookings Continued: | | | | | |
| One match every other week per team: | | | | | |
| - Adult | c | Per Season | D | 220.00 | 230.00 |
| - Junior | c | Per Season | D | 120.00 | 125.00 |
| Tournaments | | | | | |
| - Adult | c | Per Season | D | - | 30.00 |
| - Junior | c | Per Season | D | - | 25.00 |
| Use of changing facilities & showers when hired separately from pitch use: | | | | | |
| - Weekly Per Season | | | | | |
| - Adult | c | Per Season | D | - | - |
| Junior | c | Per Season | D | - | - |
| - Fortnightly Per Season | | | | | |
| - Adult | c | Per Season | D | - | - |
| Junior | c | Per Season | D | - | - |
| - Casual | | | | | |
| - Adult | a | Per Season | D | - | - |
| - Junior | a | Per Season | D | - | - |

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|-------------------------------------|-------------|----------------|--|--|---|
| <u>Hewitt Lecture Room:</u> | | | | | |
| Per hour or part there of: | | | | | |
| Monday to Friday | c | Per Hour* | D | 16.00 | 16.00 |
| Saturdays & Bank Holidays | c | Per Hour* | D | 22.00 | 22.00 |
| Commercial Hire | c | Per Hour* | D | 45.00 | 45.00 |
| Share Room (Room 2) | c | Per Hour* | D | 13.00 | 13.00 |
| *Rate per hour in half hour periods | | | | | |
| <u>Allotment Plots:</u> | | | | | |
| - Full plot yearly rent | d | Per Plot | D | 40.00 | 50.00 |
| - Full plot yearly water charge | d | Per Plot | D | 5.00 | - |
| - Half plot yearly rent | d | Per Plot | D | 20.00 | 25.00 |
| - Half plot yearly water charge | d | Per Plot | D | 2.50 | - |

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| <u>ENVIRONMENT, HEALTH AND HOUSING COMMITTEE</u> | | | | | |
| <u>Cemetery & Crematorium</u> | | | | | |
| The fees for a 'resident' apply where the deceased, immediately before their death was an inhabitant of the Borough of Fylde or a parishioner of any Parish comprised therein. | | | | | |
| Interments: | | | | | |
| For the Interment of: | | | | | |
| - The body of a stillborn child, or a child whose age at the time of death did not exceed 17 years. In a child's grave allocated by the Authority | d | Per Interment | D | 0.00 | 0.00 |
| - The body of a non-resident whose age exceeded 17 years at the time of death | d | Per Interment | D | 777.00 | 816.00 |
| - The body of a resident whose age exceeded 17 years at the time of death | d | Per Interment | D | 518.00 | 544.00 |
| - For interment in a vault of a non-resident (exclusive of the charges for brickwork) | d | Per Interment | D | 777.00 | 816.00 |
| - For the interment in a vault of a resident (exclusive of the charges for brickwork) | d | Per Interment | D | 518.00 | 544.00 |
| - Construction of a vault | d | Per Vault | D | Cost + 10% | Cost + 10% |
| - For the interment of cremated remains in a grave for a non-resident | d | Per Interment | D | 198.00 | 207.00 |
| - For the interment of cremated remains in a grave for a resident | d | Per Interment | D | 132.00 | 138.00 |
| For the purchase of exclusive right of burial in: | | | | | |
| - An earth grave, for 100 years for a non-resident | d | Per Grave | D | 1026.00 | 1077.00 |
| - An earth grave, for 100 years for a resident | d | Per Grave | D | 684.00 | 718.00 |
| - An earth grave non-standard size for cremated remains, for 100 years for a non-resident | d | Per Grave | D | 726.00 | 763.00 |
| - An earth grave non-standard size for cremated remains, for 100 years for a resident | d | Per Grave | D | 484.00 | 408.00 |

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| <u>Cemetery & Crematorium Continued:</u> | | | | | |
| Removal & Re-fix of Memorials: | | | | | |
| - For removal and re-fix of memorials | d | Per Memorial | D | Cost + 10% | Cost + 10% |
| Memorials | | | | | |
| For the right to erect: | | | | | |
| - A headstone not exceeding 3ft | c | Per Memorial | D | 74.00 | 79.00 |
| - A headstone on Foundation | c | Per Memorial | D | 134.00 | 141.00 |
| - Kerbings on permitted graves | c | Per Memorial | D | 65.00 | 68.00 |
| - For each extra inscription (Inc. VAT) | a | Per Inscription | D | 32.00 | 34.00 |
| Cremations: | | | | | |
| For the cremation: | | | | | |
| - Of the body of a stillborn child or of a child whose age at the time of death exceeded one month but did not exceed 17 years. | c | Per Cremation | D | 0.00 | 0.00 |
| - Of the body of a person whose age at the time of death exceeded 17 years | c | Per Cremation | D | 625.00 | 656.00 |
| - Early morning & adult simplicity cremations by appointment with the Crematorium Registrar | c | Per Cremation | D | 420.00 | 440.00 |
| - Saturday morning service traditional cremations | c | Per Cremation | D | 937.50 | 984.00 |
| Memorial Wall Plaques: | | | | | |
| - Single wall plaque including inscription to 70 characters. | a | Per Plaque | D | 217.00 | 224.00 |
| - Double wall plaque including 2 inscriptions to 140 characters. | a | Per Plaque | D | 434.00 | 448.00 |
| - Double wall plaque including reserved section to 70 characters. | a | Per Plaque | D | 319.50 | 330.00 |
| - Second inscription on existing plaque | a | Per Plaque | D | 114.50 | 118.00 |

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| <u>Cremations Continued:</u> | | | | | |
| Memorial Niche: | | | | | |
| - For a purchase of a new niche to include interment of first casket. | c | Per Niche | D | 375.00 | 386.00 |
| - For the purchase of a refurbished niche to include first casket. | c | Per Niche | D | 215.00 | 221.50 |
| - For the interment of a second casket in an existing niche. | c | Per Internment | D | 48.00 | 49.50 |
| - Single inscription on niche cover | a | Per Inscription | D | 93.00 | 96.00 |
| Extra Letters on Existing Memorial Stone: | | | | | |
| - Extra Lettering on existing kerbstones | a | Per Inscription | D | 114.50 | 118.00 |
| - For cleaning and re-blackening original inscription (per section) | a | Per Section | D | 47.00 | 48.50 |
| - For other types of memorial works | a | Per Occasion | D | Cost + 50% | Cost + 50% |
| Book of Remembrance: | | | | | |
| - For a two line entry | a | Per entry | D | 44.00 | 45.00 |
| - For an entry up to five lines | a | Per entry | D | 88.00 | 90.00 |
| - For an entry up to eight lines | a | Per entry | D | 132.00 | 135.00 |
| - For an entry up to five lines to include a floral emblem, badge, crest or other design | a | Per entry | D | 155.00 | 160.00 |
| - For an entry up to eight lines to include a floral emblem, badge, crest or other design | a | Per entry | D | 199.00 | 204.00 |
| Copies of Book Entries on Folded Memorial Card: | | | | | |
| - For a two line entry | a | Per Card | D | 28.50 | 29.00 |
| - For an entry up to five lines | a | Per Card | D | 42.00 | 43.00 |
| - For an entry up to eight lines | a | Per Card | D | 68.50 | 70.00 |
| - For an entry up to five lines to include a floral emblem, badge, crest, or other design | a | Per Card | D | 112.00 | 115.00 |
| - For an entry up to eight lines to include a floral emblem, badge, crest, or other design | a | Per Card | D | 139.50 | 144.00 |

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| Resources | | | | | |
| <u>Private Sector Housing</u> | | | | | |
| - Enforcement Notice (Housing Act 204) | d | Per Notice | D | 419.00 | 419.00 |
| - HMO Licence (Housing Act 204) | d | Per Application | D | 919.00 | 919.00 |
| - HMO Licence Renewal (Housing Act 2004) | d | Per Application | D | 303.00 | 303.00 |
| - Immigration housing inspection | d | Per Inspection | D | 130.00 | 130.00 |
| <u>Environmental Health, Rodent & Pest Control Charges</u> | | | | | |
| Domestic Premises: | | | | | |
| - Rodents and insects which present a risk to public health: (Mice, Rats, Cockroaches and bed bugs). (The fee includes up to 2 revisits if needed.) | a | Up to 3 visits | D | 45.00 | 45.00 |
| - Pests (Excluding Wasps) which do not present a risk to public health. (The fee is per treatment although includes a revisit within 1 month if needed.) | a | Per Treatment | D | 70.00 | 70.00 |
| - Pests (Including Wasps) which do not present a risk to public health (The Fee is per treatment although includes a revisit within 1 month if needed.) | a | Per Treatment | D | 65.00 | 65.00 |
| Call out fee – if Officer visits but no treatment required | a | Per Visit | D | 20.00 | 20.00 |
| Non Domestic Premises: | | | | | |
| All Pests | | | | | |
| - Call out and treatment minimum charge | a | Per Visit | D | 90.00 | 90.00 |
| - Subsequent visits | a | Per Visit | D | 45.00 | 45.00 |
| - Advisory visit to customers premises | a | Per Visit | D | 20.00 | 20.00 |
| - Contract Work | | Individual Price Per Contract | | | |
| - Moles – Up to 3 visits (Domestic and non-domestic) | a | Per Treatment | D | 60.00 | 60.00 |
| - Subsequent visits | a | Per Additional Visit | D | 30.00 | 30.00 |

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| Drainage Services | | | | | |
| - Clearance of blocked drain | a | Per Clearance | D | 110.00 | 110.00 |
| - CCTV drain investigation | a | Per investigations | D | 110.00 | 110.00 |
| - Combined clearance and CCTV investigation | a | Per Clearance / Investigation | D | 210.00 | 210.00 |
| Removal of Illegal Traveller Encampments: | | | | | |
| - Work associated with illegal encampments up to removal order stage | a | Per Encampment | D | 350.00 | 350.00 |
| - Should the encampment remain, then work associated with execution of removal order – per hour | a | Per hour | D | 120.00 | 120.00 |
| - Legal costs and removal to be charged in addition to the above | | Per Encampment | D | At Cost | At Cost |
| Air Pollution Control (Environment Protection Act 1990) – Fees are set by Statute | | | | | |
| Application Fees: | | | | | |
| - Standard Process | d | Per Application | P | 1579.00 | 1579.00 |
| - Additional fee for the operating without a permit | d | Per Application | P | 1137.00 | 1137.00 |
| - Reduced fee activities: Service Stations, Vehicle Refinishers, Dry Cleaners and Small Waste Oil Burners under 0.4MW | d | Per Application | P | 148.00 | 148.00 |
| - PVR I & II | d | Per Application | P | 246.00 | 246.00 |
| - Vehicle Refinishers | d | Per Application | P | 346.00 | 346.00 |
| - Reduced Fee activities: Additional Fee for operating without a permit | d | Per Application | P | 68.00 | 68.00 |
| - Mobile Screening & Crushing Plants | d | Per Application | P | 1579.00 | 1579.00 |
| - For 3 rd to 7 th applications | d | Per Application | P | 943.00 | 943.00 |
| - For 8 th and subsequent applications | d | Per Application | P | 477.00 | 477.00 |
| Note: Where the application for any of the above is for combined Part B and waste application add £297 to the amounts above. | | | | | |

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| Annual Subsistence Charge: | | | | | |
| - Standard Process LOW risk | d | Per Process | P | 739 (+99)* | 739 (+99)* |
| - Standard LOW risk (including £36 fee for payment by instalments) | d | Per Process | P | 775 (+99)* | 775 (+99)* |
| - Standard Process MEDIUM risk | d | Per Process | P | 1,111 (+149)* | 1,111 (+149)* |
| - Standard Process MEDIUM risk (including £36 fee for payments by instalments) | d | Per Process | P | 1,147 (+149)* | 1,147 (+149)* |
| - Standard Process HIGH risk | d | Per Process | P | 1,672 (+198)* | 1,672 (+198)* |
| - Standard Process HIGH risk (including £36 fee for payment by instalments) | d | Per Process | P | 1,708 (+198) | 1,708 (+198) |
| *Note: Additional amount in brackets is charge where permit is for combined Part B and waste installation. Where a Part B installation is subject to reporting under the E-PRTR add an extra £99 to the above amounts | | | | | |
| - Reduced fee activities: LOW risk | d | Per Process | P | 76.00 | 76.00 |
| - Reduced fee activities: LOW risk (including £36 fee for payment by instalments) | d | Per Process | P | 112.00 | 112.00 |
| - Reduced fee activities: MEDIUM risk | d | Per Process | P | 151.00 | 151.00 |
| - Reduced fee activities: MEDIUM risk (including £36 fee for payment by instalments) | d | Per Process | P | 187.00 | 187.00 |
| - Reduced fee activities: HIGH risk | d | Per Process | P | 227.00 | 227.00 |
| - Reduced fee activities: HIGH risk (Including £36 fee for payment by instalments) | d | Per Process | P | 450.00 | 450.00 |
| - PVR I & II combined LOW risk | d | Per Process | P | 108.00 | 108.00 |
| - PVR I & II combined LOW risk (including £36 fee for payment by instalments) | d | Per Process | P | 144.00 | 144.00 |
| - PVR I & II combined MEDIUM risk | d | Per Process | P | 216.00 | 216.00 |
| - PVR I & II combined MEDIUM risk (including £36 fee for payment by instalments) | d | Per Process | P | 252.00 | 252.00 |
| - PVR I & II combined HIGH risk | d | Per Process | P | 326.00 | 326.00 |
| - PVR I & II combined HIGH risk (including £36 fee for payment by instalments) | d | Per Process | P | 362.00 | 362.00 |

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DRAFT - Fees and Charges 2017/18

| | VAT Code | Unit Of Charge | Variable Charge Discretionary (D) Prescribed (P) | Approved 2016/17 Fees & Charges £ | DRAFT 2017/18 Fees & Charges £ |
|---|----------|----------------|--|-----------------------------------|--------------------------------|
| - Vehicle Refinishers LOW risk | d | Per Process | P | 218.00 | 218.00 |
| - Vehicle Refinishers LOW risk (including £36 fee for payment by instalments) | d | Per Process | P | 254.00 | 254.00 |
| - Vehicle Refinishers MEDIUM risk | d | Per Process | P | 349.00 | 349.00 |
| - Vehicle Refinishers MEDIUM risk (including £36 fee for payment by instalments) | d | Per Process | P | 385.00 | 385.00 |
| - Vehicle Refinishers HIGH risk | d | Per Process | P | 524.00 | 524.00 |
| - Vehicle Refinishers HIGH risk (including £36 fee for payment by instalments) | d | Per Process | P | 560.00 | 560.00 |
| - Mobile Screen & Crushing Plants LOW risk | d | Per Process | P | 618.00 | 618.00 |
| - Mobile Screen & Crushing Plants LOW risk (including £36 fee for payment by instalments) | d | Per Process | P | 1,025.00 | 1,025.00 |
| - Mobile Screen & Crushing Plants MEDIUM | d | Per Process | P | 654.00 | 654.00 |
| - Mobile Screen & Crushing Plants MEDIUM risk (including £36 fee for payment by instalments) | d | Per Process | P | 1,484.00 | 1,484.00 |
| - Mobile Screen & Crushing Plants HIGH | d | Per Process | P | 989.00 | 989.00 |
| - Mobile Screen & Crushing Plants HIGH risk (including £36 fee for payment by instalments) | d | Per Process | P | 1,520.00 | 1,520.00 |
| For 3rd to 7th Authorisations | | | | | |
| - Mobile Screening & Crushing Plants LOW risk | d | Per Process | P | 368.00 | 368.00 |
| - Mobile Screening & Crushing Plants MEDIUM risk | d | Per Process | P | 590.00 | 590.00 |
| - Mobile Screening & Crushing Plants HIGH risk | d | Per Process | P | 884.00 | 884.00 |
| For 3rd to 7th Authorisations (Including £36 fee for payment by instalments) | | | | | |
| - Mobile Screening & Crushing Plants LOW risk (including £36 fee for payment by instalments) | d | Per Process | P | 404.00 | 404.00 |
| - Mobile Screening & Crushing Plants MEDIUM risk (including £36 fee for payment by instalments) | d | Per Process | P | 626.00 | 626.00 |
| - Mobile Screening & Crushing Plants HIGH risk (including £36 fee for payment by instalments) | d | Per Process | P | 920.00 | 920.00 |

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|--|----------|----------------|--|-----------------------------------|--------------------------------|
| For 8th and subsequent Authorisations | | | | | |
| - Mobile Screening & Crushing Plants LOW risk | d | Per Process | P | 189.00 | 189.00 |
| - Mobile Screening & Crushing Plants MEDIUM risk | d | Per Process | P | 302.00 | 302.00 |
| - Mobile Screening & Crushing Plants HIGH risk | d | Per Process | P | 453.00 | 453.00 |
| For 8th and Subsequent Authorisations (Including £36 fee for payment by instalments) | | | | | |
| - Mobile Screening & Crushing Plants LOW risk (including £36 fee for payment by instalments) | d | Per Process | P | 225.00 | 225.00 |
| - Mobile Screening & Crushing Plants MEDIUM risk (including £36 fee for payment by instalments) | d | Per Process | P | 338.00 | 338.00 |
| - Mobile Screening & Crushing Plants HIGH risk (including £36 fee for payment by instalments) | d | Per Process | P | 489.00 | 489.00 |
| Transfer & Surrender: | | | | | |
| - Standard Process Transfer | d | Per Process | P | 162.00 | 162.00 |
| - Standard Process Partial Transfer | d | Per Process | P | 476.00 | 476.00 |
| - New Operator at Low Risk reduced fee activity | d | Per Process | P | 75.00 | 75.00 |
| - Surrender (all Part B activities) | d | Per Process | P | 0.00 | 0.00 |
| - Reduced fee activities: Transfer | d | Per Process | P | 0.00 | 0.00 |
| - Reduced fee activities: Partial Transfer | d | Per Process | P | 45.00 | 45.00 |
| Temporary Transfer for mobile | | | | | |
| - First Transfer | d | Per Process | P | 51.00 | 51.00 |
| - Repeat Transfer following enforcement or warning | d | Per Process | P | 51.00 | 51.00 |
| Substantial Changes (s10 & s11): | | | | | |
| - Standard Process | d | Per Process | P | 1,005.00 | 1,005.00 |
| - Standard Process where substantial change results in a new PPC activity | d | Per Process | P | 1,579.00 | 1,579.00 |
| - Reduced Fee activities | d | Per Process | P | 98.00 | 98.00 |
| Note: All the prescribed licensing fees above are awaiting DEFRA notification of the new prescribed charges for 2017/18 | | | | | |

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DRAFT - Fees and Charges 2017/18

| | VAT Code | Unit Of Charge | Variable Charge Discretionary (D) Prescribed (P) | Approved 2016/17 Fees & Charges £ | DRAFT 2017/18 Fees & Charges £ |
|---|----------|------------------------------|--|-----------------------------------|--|
| List of Authorised Processes: | | | | | |
| - Commercial Interest | a | Per Property / Site Per Hour | D | 75.00 | 75.00 |
| - Fylde Residents / Students (Academic Research) | d | Per Property / Site Per Hour | D | Free | Free |
| Public Register Entries: | | | | | |
| - Commercial Interest – per hour | a | Per Property / Site Per Hour | D | 110.00 | 110.00 |
| - Fylde Residents / students (Academic Research) | d | Per Property / Site Per Hour | D | Free | Free |
| Contaminated Land Enquiries: | | | | | |
| - Contaminated Land Enquiries: Desk top study – records /search and basic written response where no more than one site identified - per hour | a | Per Property / Site Per Hour | D | 110.00 | 110.00 |
| - Contaminated Land Enquiries: Where in addition to above, basic written response detailed landfill gas or chemical data is requested or the enquiry covers more than one site. | d | Per Property / Site Per Hour | D | Individual Costs to be negotiated | Individual Costs to be negotiated |
| Other Environmental Information: | | | | | |
| - Commercial Interest – Per Hour | a | Per Hour | D | 110.00 | 110.00 |
| - Fylde Residents / Students (Academic Research) | d | Per Session | D | Free | Free |
| Street Trading Consents: | | | | | |
| - Class 1: Commercial – Annual | d | Per Application | D | 440.00 | 440.00 |
| - Class 1: Commercial – Renewal | d | Per Application | D | 410.00 | 410.00 |
| - Class 2 : Charitable Organisations (no more than one day duration) | d | Per Application | D | 0.00 | 0.00 |
| Volunteer Surrender of food: | | | | | |
| - Documentation / Certification (Per Hour – minimum 1 hour) | d | Per Application | D | 105.00 | 105.00 |
| Food Hygiene Rating Scheme: | | | | | |
| - FBO Request for Food Hygiene Rating Revisit | d | Per Revisit | D | - | 120.00 |
| Export Certificates: | | | | | |
| - Export Certificate | d | Per Certificate | D | 60.00 | 60.00 |

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DRAFT - Fees and Charges 2017/18

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|--|-------------|---------------------|--|--|---|
| General Fees & Charges: | | | | | |
| - Work carried out in default of a notice (Initial Costs) | a | Per Investigation | D | 120.00 | 120.00 |
| - Plus cost per premises / Site Visit | a | Per Site / Premises | D | 65.00 | 65.00 |
| Private Water Supplies Regulations 2009 | | | | | |
| - Risk Assessment | a | Per Assessment | P | 500.00 (MAX) | 500.00 (MAX) |
| - Sampling | a | Each Visit | P | 100.00 (MAX) | 100.00 (MAX) |
| - Investigation | a | Each Investigation | P | 100.00 (MAX) | 100.00 (MAX) |
| - Granting an authorisation | a | Each Authorisation | P | 100.00 (MAX) | 100.00 (MAX) |
| - Analysing a sample (reg 10) | a | Each Sample | P | 25.00 (Max) | 25.00 (Max) |
| - Analysing a sample taken during check monitoring | a | Each Sample | P | 100.00 (Max) | 100.00 (Max) |
| - Analysing a sample taken during audit monitoring | a | Each Sample | P | 500.00 (Max) | 500.00 (Max) |

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|--|-------------|----------------|--|--|---|
|--|-------------|----------------|--|--|---|

| | | | | | |
|--|---|-----------------|---|----------|-----------------|
| <u>Licenses</u> | | | | | |
| Site Licensing Fees – The Mobiles Homes Act 2013: | | | | | |
| - New Site Application | d | Per Application | D | 320.00 | 320.00 |
| - Transfer Existing Site Licence | d | Per Application | D | 190.00 | 190.00 |
| - Alteration of Conditions | d | Per Application | D | 375.00 | 375.00 |
| - Depositing Site Rules | d | Per Application | D | 80.00 | 80.00 |
| - Annual Licence Fee – Per Site | d | Per Site | D | 250.00 | 250.00 |
| - Annual Licence Fee - Pitch Fee | d | Per Pitch | D | 5.00 | 5.00 |
| Street Café: | | | | | |
| - Grant | d | Per Application | D | 300.00 | 300.00 |
| - Renewal | d | Per Application | D | 220.00 | 220.00 |
| Sex Shop: | | | | | |
| - Grant | d | Per Application | D | 1,640.00 | 1,640.00 |
| Public/Private Hire: | | | | | |
| - Vehicle | d | Per Application | D | 180.00 | 180.00 |
| - Hackney Carriage Vehicle Licences | d | Per Application | D | 180.00 | 180.00 |
| - Hackney Carriage Drivers Licences | d | Per Application | D | 90.00 | 90.00 |

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|--|----------|-----------------|--|-----------------------------------|--------------------------------|
| Plate Charges | | | | | |
| - Full Set | d | Per Application | D | 18.50 | 18.50 |
| - Rear Plate & Mount | d | Per Application | D | 10.25 | 10.25 |
| - Rear Plate Only | d | Per Application | D | 5.00 | 5.00 |
| - Rear Mount Only | d | Per Application | D | 5.25 | 5.25 |
| - Front Plate & Mount | d | Per Application | D | 5.25 | 5.25 |
| - Front Plate Only | d | Per Application | D | 2.50 | 2.50 |
| - Front Mount Only | d | Per Application | D | 2.75 | 2.75 |
| - Button & Keys | d | Per Application | D | 1.25 | 1.25 |
| - Pouch | d | Per Application | D | 1.25 | 1.25 |
| - Private Hire Door Stickers | d | Per Pair | D | 6.15 | 6.15 |
| Drivers | | | | | |
| - New (annual) | d | Per Application | D | 90.00 | 90.00 |
| - New (3 yearly) | d | Per Application | D | 225.00 | 225.00 |
| - Private Hire Operators 1-5 Vehicles (5 yearly) | d | Per Application | D | 300.00 | 300.00 |
| - Private Hire Operators 6-10 Vehicles (5 yearly) | d | Per Application | D | 320.00 | 320.00 |
| - Private Hire Operators 11 Vehicles (5 yearly) | d | Per Application | D | 345.00 | 345.00 |
| - Replacement Driver Badges | d | Per Application | D | 10.50 | 10.50 |
| - Driver Licence Renewals (Private Hire or Hackney) | d | Per Application | D | 75.00 | 75.00 |
| - Driver Licence Renewals (Private Hire or Hackney 3 yearly) | d | Per Application | D | 175.00 | 175.00 |
| - Drivers Combined New | d | Per Application | D | 125.00 | 125.00 |
| - Drivers Combined New (3 yearly) | d | Per Application | D | 225.00 | 225.00 |

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|---|----------|-----------------|--|--|---|
| - Driver Combined Existing | d | Per Application | D | 80.00 | 80.00 |
| - Driver Combined Existing (3 yearly) | d | Per Application | D | 175.00 | 175.00 |
| - Transfer Licence Fee | d | Per Application | D | 35.25 | 35.25 |
| Notes: We do not issue refunds with respect to Taxi/PHV Licences | | | | | |
| - Fare Cards | d | Per Application | D | 2.60 | 2.60 |
| - Knowledge Test | d | Per Test | D | 18.20 | 18.20 |
| Licensing & Registration: | | | | | |
| - Animal Boarding Establishment | d | Per Application | D | 125.00 | 125.00 |
| - Dog Breeding Establishment Licence | d | Per Application | D | 125.00 | 125.00 |
| - Dangerous Wild animal Licence | d | Per Application | D | 220.00 | 220.00 |
| - Pet Shop Licence | d | Per Application | D | 125.00 | 125.00 |
| - Riding Establishment Licence | d | Per Application | D | 220.00 | 220.00 |
| - Riding Establishment Licence Renewal | d | Per Application | D | 195.00 | 195.00 |
| - Scrap Metal Collectors | d | Per Application | D | 330.00 | 330.00 |
| - Scrap Metal Site | d | Per Application | D | 335.00 | 335.00 |
| - Second Hand Dealer Registration | d | Per Application | D | 120.00 | 120.00 |
| - Skin Piercing Registration – Premises | d | Per Application | D | 160.00 | 160.00 |
| - Skin Piercing Registration - Persons | d | Per Application | D | 160.00 | 160.00 |
| Notes: Skin piercers include acupuncturists, tattooists, ear piercers and electrologists'. Both skin piercers and their premises have to be registered with an Authority. Normally there is one registered proprietor for each premises, although there may be a number of practitioners. Each and every additional practitioner will be required to register. | | | | | |

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|--|----------|-----------------|--|-----------------------------------|--------------------------------|
| <p>General: Alterations or additions to the above licences, registrations and consents, which result in the need to visit premises and issue documentation will be charged at half the standard fee.</p> <ul style="list-style-type: none"> - Many of the Licences are issued from the 1st January each year. Where application is made part way through a year, 1/12 of the standard fee will be charged for each full month remaining plus an administration fee of £54.00 - Where a licence is surrendered part way through a year a 1/12 refund of the standard fee will be charged for each full calendar month remaining, less an administration fee of £54.00 - Licence fee levels for 2016/17 have been assessed to ensure the fee equates to no more than the cost of providing the licence. | | | | | |
| <u>Gambling Act 2005 – Premises Licence Fees</u> | | | | | |
| Casino Premises Licence: | | | | | |
| - Annual Fee | d | Per Application | D to P max | 260.00 | 260.00 |
| - Variation Fee | d | Per Application | D to P max | 185.00 | 185.00 |
| - Transfer Fee | d | Per Application | D to P max | 150.00 | 150.00 |
| - Reinstatement of Licence | d | Per Application | D to P max | 150.00 | 150.00 |
| Bingo Premises Licence: | | | | | |
| - New Application | d | Per Application | D to P max | 190.00 | 190.00 |
| - Annual Fee | d | Per Application | D to P max | 235.00 | 235.00 |
| - Provisional Statement Fee | d | Per Application | D to P max | 150.00 | 150.00 |
| - Premises Licence fee holder of provisional statements | d | Per Application | D to P max | 30.00 | 30.00 |
| - Variation Fee | d | Per Application | D to P max | 180.00 | 180.00 |
| - Transfer Fee | d | Per Application | D to P max | 150.00 | 150.00 |
| - Reinstatement of Licence | d | Per Application | D to P max | 150.00 | 150.00 |

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|---|----------|-----------------|--|-----------------------------------|--------------------------------|
| Bingo Premises (Other) Licence: | | | | | |
| - New Application | d | Per Application | D to P max | 185.00 | 185.00 |
| - Annual Fee | d | Per Application | D to P max | 235.00 | 235.00 |
| - Provisional Statement Fee | d | Per Application | D to P max | 150.00 | 150.00 |
| - Provisional Licence fee for holders of provisional statements | d | Per Application | D to P max | 30.00 | 30.00 |
| - Variation Fee | d | Per Application | D to P max | 185.00 | 185.00 |
| - Transfer Fee | d | Per Application | D to P max | 150.00 | 150.00 |
| - Reinstatement of Licence | d | Per Application | D to P max | 150.00 | 150.00 |
| Adult Gaming Centre Premises Licences: | | | | | |
| - New Application | d | Per Application | D to P max | 190.00 | 190.00 |
| - Annual Fee | d | Per Application | D to P max | 235.00 | 235.00 |
| - Provisional Statement Fee | d | Per Application | D to P max | 150.00 | 150.00 |
| - Premises Licence fee for holders of provisional statements | d | Per Application | D to P max | 30.00 | 30.00 |
| - Variation Fee | d | Per Application | D to P max | 185.00 | 185.00 |
| - Transfer Fee | d | Per Application | D to P max | 150.00 | 150.00 |
| - Reinstatement of Licence | d | Per Application | D to P max | 150.00 | 150.00 |
| Family Entertainment Centre Premises Licence: | | | | | |
| - New Application | d | Per Application | D to P max | 190.00 | 190.00 |
| - Annual Fee | d | Per Application | D to P max | 235.00 | 235.00 |

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|--|-------------|-----------------|--|--|---|
| Family Entertainment Centre Premises Licence Continued: | | | | | |
| - Provisional Statement Fee | d | Per Application | D to P max | 150.00 | 150.00 |
| - Premises Licence fee for holders of provisional Statement | d | Per Application | D to P max | 30.00 | 30.00 |
| - Variation Fee | d | Per Application | D to P max | 185.00 | 185.00 |
| - Transfer Fee | d | Per Application | D to P max | 150.00 | 150.00 |
| - Reinstatement of Licence | d | Per Application | D to P max | 150.00 | 150.00 |
| Tracks: | | | | | |
| - New Application | d | Per Application | D to P max | 190.00 | 190.00 |
| - Annual Fee | d | Per Application | D to P max | 235.00 | 235.00 |
| - Provisional Statement fee | d | Per Application | D to P max | 150.00 | 150.00 |
| - Premises licence fee for holder of provisional Statement | d | Per Application | D to P max | 30.00 | 30.00 |
| - Variation Fee | d | Per Application | D to P max | 185.00 | 185.00 |
| - Transfer Fee | d | Per Application | D to P max | 140.00 | 140.00 |
| - Reinstatement of licence | d | Per Application | D to P max | 150.00 | 150.00 |
| - Fee for notification of change of circumstance | d | Per Application | P | 50.00 | 50.00 |
| - Fee for copy of licence | d | Per Application | P | 25.00 | 25.00 |

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|---|-------------|-----------------|--|--|---|
| Licensing Act Charges | | | | | |
| Licensed Premises Fees: | | | | | |
| Non-Domestic Rateable Value | | | | | |
| Application / Initial Fee | | | | | |
| Band A: 0 - 4300 | d | Per Application | P | 100.00 | 100.00 |
| Band B: 4301 - 3300 | d | Per Application | P | 190.00 | 190.00 |
| Band C: 33001 - 87000 | d | Per Application | P | 315.00 | 315.00 |
| Band D: 87001 - 125000 | d | Per Application | P | 450.00 | 450.00 |
| Band E: 125001 and Over | d | Per Application | P | 635.00 | 635.00 |
| Annual / Renewal Charge | | | | | |
| Band A: 0 - 4300 | d | Per Application | P | 70.00 | 70.00 |
| Band B: 4301 - 3300 | d | Per Application | P | 180.00 | 180.00 |
| Band C: 33001 - 87000 | d | Per Application | P | 295.00 | 295.00 |
| Band D: 87001 - 125000 | d | Per Application | P | 320.00 | 320.00 |
| Band E: 125001 and Over | d | Per Application | P | 350.00 | 350.00 |
| Note: | | | | | |
| Where the premises are in Band D or Band E, and where the primary or exclusive function is to supply alcohol for consumption on the premises the fees will be as follows. | | | | | |
| Annual / Renewal Charge | | | | | |
| Band D: 87001 - 125000 | d | Per Application | P | 640.00 | 640.00 |
| Band E: 125000 and Over | d | Per Application | P | 1,050.00 | 1,050.00 |
| Personal Licence: Renewable after 10 years | d | Per Application | P | 37.00 | 37.00 |

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|---|-------------|-----------------|--|--|---|
| Other Fees & Charges: | | | | | |
| Application for copy of licence or summary on theft, loss etc. of premises licence or summary | d | Per Application | P | 10.50 | 10.50 |
| Notification of Change of name or address (holder of premises licence) | d | Per Application | P | 10.50 | 10.50 |
| Application to vary to specify individual as premises supervisor | d | Per Application | P | 10.50 | 10.50 |
| Application to transfer premises licence | d | Per Application | P | 23.00 | 23.00 |
| Interim authority notice | d | Per Application | P | 23.00 | 23.00 |
| Application for making a provisional licence | d | Per Application | P | 23.00 | 23.00 |
| Application for a copy certificate or summary on theft, loss of certificate or summary | d | Per Application | P | 315.00 | 315.00 |
| Notification of change of name or alteration of club rules | d | Per Application | P | 10.50 | 10.50 |
| Change of relevant registered address of club | d | Per Application | P | 10.50 | 10.50 |
| Temporary event notices | d | Per Application | P | 10.50 | 10.50 |
| Application of copy of notice on theft, loss etc. of temporary event notice | d | Per Application | P | 21.00 | 21.00 |
| Application for copy of licence on theft, loss etc. of personal licence | d | Per Application | P | 10.50 | 10.50 |
| Notification of change of name or address (personal licence) | d | Per Application | P | 10.50 | 10.50 |
| Notice of interest in any premises | d | Per Application | P | 21.00 | 21.00 |
| Note: All the prescribed Licensing Act 2003 fees are currently prescribed in regulations to the act. New legislation is anticipated whereby such fees shall be locally set but the date for this currently unknown. | | | | | |

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|--|-------------|----------------|--|--|---|
|--|-------------|----------------|--|--|---|

| | | | | | |
|--|---|-----------|---|--|--|
| <u>FINANCE AND DEMOCRACY COMMITTEE</u> | | | | | |
| <u>Revenues & Benefits Service</u> | | | | | |
| Council Tax Administration | | | | | |
| Recovery of admin costs in issuing summonses & liability orders | d | Each | D | 75.00 | 75.00 |
| Business Rates (NNDR) Administration | | | | | |
| Recovery of admin costs in issuing summonses & liability orders | d | Each | D | 75.00 | 75.00 |
| <u>Electoral Services</u> | | | | | |
| Register of Electors | | | | | |
| Sale of copies :- (a) Data Format | d | Each | P | 20.00 plus £1.50 per 1000 names (or part) | 20.00 plus £1.50 per 1000 names (or part) |
| - (b) Printed Format | d | Each | P | 10.00 plus £5.00 per 1000 names (or part) | 10.00 plus £5.00 per 1000 names (or part) |
| Price of a copy of return or declaration of election expenses (or accompanying document) | d | Each side | P | 0.20 | 0.20 |
| Sale of marked copies of Register / Absent Voters List | | | | | |
| - (a) Printed Format | d | Each | P | 10.00 plus £2.00 per 1000 names (or part) | 10.00 plus £2.00 per 1000 names (or part) |
| - (b) Data Format | d | Each | P | 10.00 plus £1.00 per 1000 names (or part) | 10.00 plus £1.00 per 1000 names (or part) |

VAT Codes:

a = Standard Rate c = Exempt d = Outside Scope e = Zero Rated

DRAFT - Fees and Charges 2017/18

| | VAT Code | Unit Of Charge | Variable Charge Discretionary (D) Prescribed (P) | <u>Approved</u> 2016/17 Fees & Charges £ | DRAFT 2017/18 Fees & Charges £ |
|--|-------------|----------------|--|--|---|
|--|-------------|----------------|--|--|---|

VAT Codes:

a = Standard Rate **c** = Exempt **d** = Outside Scope **e** = Zero Rated

Treasury Management Policy Statement

Fylde Borough Council defines its treasury management activities as:

The management of the Council's cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities, and the pursuit of optimum performance consistent with those risks.

The Council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the organisation.

The Council acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving best value in treasury management, and to employing suitable performance measurement techniques, within the context of effective risk management.

The Council will create and maintain, as the cornerstones for effective treasury management:

- A treasury management policy statement, stating the policies, objectives and approach to risk management of its treasury management activities;
- Suitable treasury management practices, setting out the manner in which the Council will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities.

Council Members will receive reports on its treasury management policies, practices and activities, including as a minimum, an annual strategy and plan in advance of the year, a mid-year review and an annual report after the close of the financial year.

The Council delegates responsibility for the implementation and monitoring of its treasury management policies and practices and the execution and administration of treasury management decisions to the Chief Financial Officer (who is also the Section 151 Officer), who will act in accordance with the Council's policy statement and treasury management practices and CIPFA's Standard of Professional Practice on Treasury Management.

The Council has nominated the Audit and Standards Committee to be responsible for ensuring effective scrutiny of the treasury management strategy and policies.

Treasury Management Strategy and Prudential Indicators 2017/18 to 2019/20**1. Introduction**

- 1.1 The Local Government Act 2003 requires the Council to adopt the CIPFA Prudential Code and produce Prudential Indicators. This report updates existing approved indicators and introduces indicators for an additional year to 2019/20.
- 1.2 The Council is required to receive and approve the Treasury Management Strategy including the Investment Strategy before the start of each financial year. The treasury management function includes responsibility to ensure that the Council's cash is managed in accordance with the relevant professional codes and that sufficient cash is available to meet the capital plans. This will involve both management of the cash flow position and, where capital plans require, the arrangement of appropriate borrowing facilities. The Strategy includes the relevant treasury and prudential indicators, the current and projected debt position and the annual borrowing and investment strategy.
- 1.3 The Audit Committee considered the Council's Mid-Year Prudential Indicators and Treasury Management monitoring report for 2016/17 on 17th November 2016. The Council also considered the Mid-Year Prudential Indicators and Treasury Management monitoring report 2016/17 at the meeting of 5th December 2016 and approved the revised Prudential Indicators and Limits as detailed within the report.
- 1.4 The Council's capital expenditure plans are a key driver of treasury management activity and these are summarised in Appendix G.
- 1.5 In the highly unlikely event of it being necessary, due to unprecedented external circumstances occurring during the year, the Council will consider updating the Treasury Management Strategy as appropriate. If these circumstances arise a revised Treasury Management Strategy will be prepared and presented for approval at the next available Council meeting. Otherwise the Strategy will be updated annually for approval at Budget Council.

2. Economic Background

- 2.1 There was a sharp decline in household, business and investor sentiment following the outcome of the referendum on EU membership in June 2016. The value of sterling has fallen by around 20% with the impact on prices expected to follow as the cost of imported goods increases as a consequence. Consumer Price Inflation (CPI) fell to 0.9% in October but rose to 1.2% in November, predominantly driven by clothing, fuel and hotel prices.
- 2.2 The Authority's Treasury Advisor's, Arlingclose, forecast the Bank Rate to remain at 0.25% throughout the forecast (see Table 1).

Table 1: Arlingclose Interest Rate Forecast

| Quarter Ending | Bank Rate % | Investment Rates | | Borrowing Rates | | |
|----------------|-------------|------------------|----------|-----------------|-----------|-----------|
| | | 3 month % | 1 year % | 5 year % | 20 year % | 50 year % |
| Mar 2017 | 0.25 | 0.25 | 0.50 | 1.30 | 2.30 | 2.20 |
| Jun 2017 | 0.25 | 0.25 | 0.50 | 1.25 | 2.25 | 2.15 |
| Sep 2017 | 0.25 | 0.30 | 0.50 | 1.25 | 2.25 | 2.15 |
| Dec 2017 | 0.25 | 0.30 | 0.50 | 1.25 | 2.25 | 2.15 |
| Mar 2018 | 0.25 | 0.30 | 0.50 | 1.30 | 2.30 | 2.20 |
| Jun 2018 | 0.25 | 0.30 | 0.50 | 1.30 | 2.30 | 2.20 |
| Sep 2018 | 0.25 | 0.30 | 0.60 | 1.30 | 2.30 | 2.20 |
| Dec 2018 | 0.25 | 0.30 | 0.70 | 1.35 | 2.35 | 2.25 |
| Mar 2019 | 0.25 | 0.30 | 0.85 | 1.40 | 2.40 | 2.30 |
| Jun 2019 | 0.25 | 0.30 | 0.90 | 1.45 | 2.45 | 2.35 |
| Sep 2019 | 0.25 | 0.30 | 0.90 | 1.50 | 2.50 | 2.40 |
| Dec 2019 | 0.25 | 0.30 | 0.90 | 1.55 | 2.55 | 2.45 |
| Mar 2020 | 0.25 | 0.30 | 0.95 | 1.60 | 2.60 | 2.50 |

3. Treasury Balances Forecast

3.1 At the 31st March 2017, the Authority is forecast to have £1m of borrowing and £15.6m of investments. The forecast changes to these balances are shown in Table 2 below.

Table 2: Treasury Balances Forecast

| | 31.03.17 Forecast £M | 31.03.18 Forecast £M | 31.03.19 Forecast £M | 31.03.20 Forecast £M | 31.03.21 Forecast £M | Notes |
|---|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|-------|
| - Capital Financing Requirement (CFR) | 5.4 | 5.9 | 6.5 | 5.9 | 6.5 | 1 |
| - Less: Long Term Borrowing already taken | (1.0) | (1.0) | (1.0) | - | - | 2 |
| - Cumulative Borrowing Requirement | 4.4 | 4.9 | 5.5 | 5.9 | 6.5 | 3 |
| - Useable Reserves and Provisions at 31 st March | 10.7 | 12.8 | 12.8 | 12.1 | 11.4 | 4 |
| - Working Capital | 5.5 | - | - | - | - | 5 |
| - Less: Internal Borrowing | -0.6 | -0.6 | -0.5 | -0.4 | -1.0 | 6 |
| - Cash available for Investments | 15.6 | 12.2 | 12.3 | 11.7 | 10.4 | 7 |

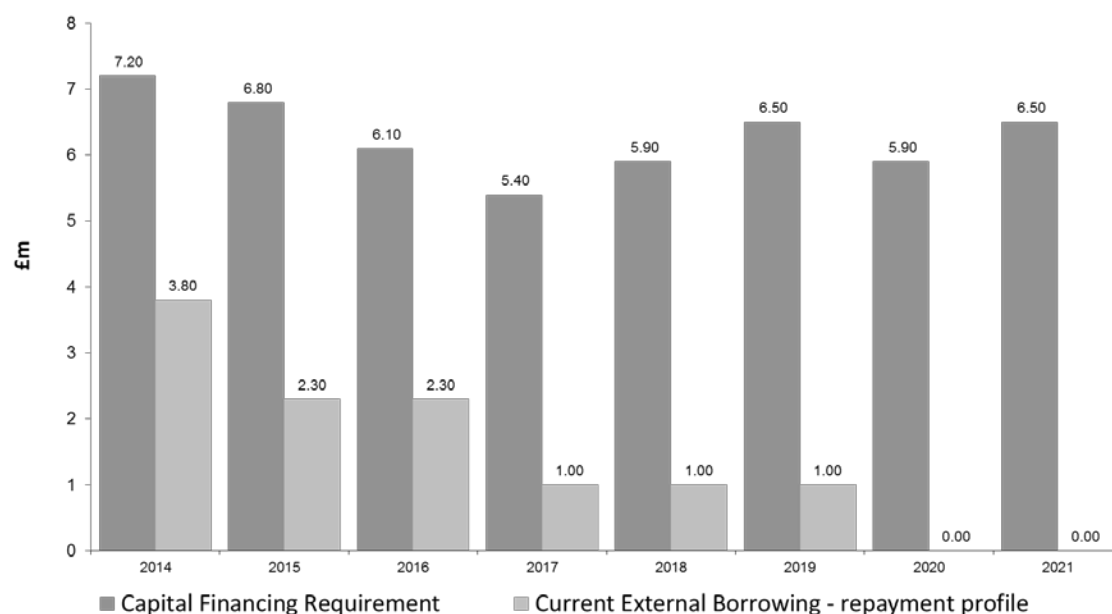
Notes to Table 2

1. The CFR is the amount the Council needs to borrow for a capital purpose. The CFR increases when Prudential Borrowing is used to finance the capital programme.

2. This is the balance of existing debt that the Council is forecast to hold at the end of each year taking account of scheduled repayments throughout the period shown. The Council is due to repay £1m of Public Works Loans Board debt in 2019/20 and thereafter is forecast to become debt free.
3. This is the cumulative amount of new borrowing that is required to finance the Capital Programme. The timing of new borrowing is determined in part by the amount of Internal Borrowing. Internal Borrowing occurs when the Council temporarily uses its own cash resources to finance capital expenditure rather than arranging new external borrowing. This is a prudent approach when investment returns are low and counterparty risk is high.
4. This represents the amount of usable reserves, balances and provisions which are available to the Council. The forecast changes to the amount of usable reserves and provisions are determined by the drawdown of reserves, balances and provisions as estimated in the Medium Term Financial Strategy 2016/17 to 2020/21 and the Capital Programme.
5. Working Capital is a temporary surplus in day to day cash.
6. Internal Borrowing occurs when the Authority temporarily uses its own cash resources to finance capital expenditure rather than new external borrowing. This is a prudent approach when investment returns are low. The amounts shown are cumulative amount of borrowing required for each year. Over the life of the forecast, the total amount of internal borrowing is £6.5m.
7. This is the forecast amount of funds available for investment after allowing for the funding of Internal Borrowing.

3.2 No additional external borrowing was undertaken during the year. The total actual borrowing at the 31st March 2017 is £1m. The chart below shows the Capital Financing Requirement and Actual Borrowing at the 31st March 2014 to 31st March 2021.

Capital Financing Requirement and Actual Borrowing (£M): as at 31st March - Revised Capital Programme



3.3 CIPFA's Prudential Code for Capital Finance in Local Authorities recommends that the Council's total debt should be lower than its highest forecast CFR over the next three years. Table 2 shows that the Council expects to comply with this recommendation.

3.4 The budget for interest receivable on investment income in 2017/18 is £37k. The budget for interest payable on external debt for 2017/18 is £39k, all of which relates to existing debt, based on an average interest rate of 3.91%.

4. Investment Strategy

4.1 Both the CIPFA Code and the Communities and Local Government Guidance require the Council to invest its funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return. Therefore the primary principle governing the Council's investment policy is the security of its investments, although the return on the investment is also a consideration. The Council will also ensure that:

- A counterparty list is maintained in compliance with the counterparty criteria and limits and is set out in Table 3. The Council receives credit rating advice from its Treasury advisors as and when ratings change and the Council's list of counterparties is updated immediately.
- It maintains a policy covering the categories of investment types it will invest in, criteria for choosing investment counterparties with adequate security, and will adopt adequate procedures for the monitoring the security of all investments. This is set out in the Specified and Non-Specified investment sections below and the limits are set out in Tables 3 and 4.
- It has sufficient liquidity in its investments by careful management of the periods for which funds may be prudently committed.

4.2 The Council's level of cash fluctuates throughout the year depending upon the timing of high-value transactions including council tax and non-domestic rates income and payments to preceptors and suppliers. The Council may invest its surplus funds with any of the counterparties in Table 3 below, subject to the cash and time limits shown.

Table 3: Approved Investment Counterparties and Maximum Time Limits

| Investment Type / Minimum Credit Rating (Note 1) | Banks Unsecured (Note 2) | Banks Secured (Note 3) | Government (Note 4) |
|--|--|---------------------------|-------------------------------|
| UK Government (Gilts & Debt Management Office) | n/a | n/a | £ Unlimited for up to 5 years |
| National Governments Rated A- | n/a | n/a | £2m each for 5 years |
| UK Treasury Bills | n/a | n/a | £8m in Total for up to 1 year |
| UK Local Authorities | n/a | n/a | £5m each for up to 5 years |
| Institutions Rated A- (or above) | £2m each for up to 6 months | £3m each for up to 1 year | N/A |
| Institutions Rated BBB+ | £1m for up to 3 months | £2m for up to 6 months | N/A |
| | £8m in Total | | |
| UK Unrated Building Societies (Note 5) | £1m each (maximum of £2m) for up to 3 months | | |
| Money Market Funds (Note 6) | £2m per Fund (£9m in Total) | | |
| Cash Plus Funds (Note 6) | £3m per Fund (£5m in Total) | | |
| Any other organization (Note 7) | £100k each for 5 years | | |

Notes to Table 3

1. Investment decisions will be made by reference to the lowest published long-term credit rating from Fitch, Moody's or Standard & Poor's credit rating agencies.
 2. Banks Unsecured includes accounts, deposits, certificates of deposit and senior unsecured bonds with banks and building societies that have a minimum credit rating of A- or BBB+ as defined in the table above. These investments are subject to the risk of credit loss via a bail-in in the event that the bank fails.
 3. Banks Secured includes covered bonds, reverse repurchase agreements and other collateralised arrangements with banks and building societies with a minimum credit rating of A- or BBB+ as defined in the table above. These investments are secured on the bank's assets which limits the potential losses in the unlikely event of insolvency, and means that they are exempt from bail-in. The highest of the collateral credit rating and the counterparty credit rating will be used to determine the cash and time limits. The combined secured and unsecured investments in any one bank will not exceed the cash limit for secured investments.
 4. Government includes loans and bonds issued or guaranteed by national governments, regional and local authorities and multilateral development banks. These investments are not subject to bail-in, and there is an insignificant risk of insolvency. Investments with the UK Central Government may be made in unlimited amounts for up to 50 years as a contingency in the event of a financial crisis.
 5. The Building Societies regulatory framework and insolvency regime means that in the unlikely event of a Building Society liquidation, the Authority's deposits would be paid out in preference to retail depositors. Most Building Societies do not have a credit rating, therefore, a credit analysis will be undertaken by Treasury Advisor's Arlingclose which will determine a preferred list of Building Societies with whom to invest.
 6. These Funds are shares in diversified investment vehicles which invest in any of the investment types above (Notes 2 to 4), plus equity shares and property. These funds provide wide diversification, together with the services of a professional Fund Manager. The Money Market Funds offer same-day liquidity and very low volatility and are used as an alternative to instant access bank accounts. The Cash Plus Funds may be used for investments for a longer period and the value of these investments may change in line with market prices but offer enhanced returns over the longer term. These funds have no defined maturity date but are available for withdrawal after a notice period.
 7. This is subject to an external credit assessment and specific advice from the Authority's treasury management adviser.
 8. Investments with institutions domiciled in foreign countries rated AA+ or higher will be limited to £2m per foreign country. This limit does not apply to pooled funds (Money Market Funds and Cash Plus Funds) as these funds spread their investments over many countries in order to reduce risk.
- 4.3 To minimise counterparty risk, the Section 151 Officer may implement additional internal treasury instructions from time-to-time, over and above the approved investment strategy cash limits and time limits, as and when economic or market conditions require that a more prudent approach is adopted. At present there are no additional instructions in place.
- 4.4 All investments are authorised by the Section 151 Officer or the Deputy Section 151 Officer.
- 4.5 The placing of residual overnight deposits with the Council's own bank does count against the counterparty limits. If the value of a deposit in the Council's own bank exceeds the counterparty limit

for more than three working days (due to cash flow fluctuations), the decision whether or not to continue to exceed the time limit will be referred to the Section 151 Officer or Deputy Section 151 Officer.

- 4.6 The Council uses long-term credit ratings from the three main rating agencies. The lowest available credit rating is used to determine credit quality. Credit ratings are monitored by the Council's treasury advisers on a daily basis. Where a credit rating agency announces that an organisation is 'on review' for a possible credit rating downgrade (so that it may fall below the approved rating criteria), then only those investments that can be withdrawn on the next working day will be made until the outcome of the review is announced. This policy will not apply to credit rating 'negative outlooks' which indicate a long-term trend rather than an imminent change of credit rating.
- 4.7 Credit ratings are not the only predictors of investment default. Other information is also used to assess the credit quality of counterparties. This information includes credit default swap prices, financial statements, potential government support and reports in the financial press. This information is analysed by the Council's treasury advisors and no investments will be made with an organisation if there are doubts about its credit quality, even though it may meet the credit rating criteria.
- 4.8 The Department of Communities and Local Government Guidance defines two types of investments – specified and non-specified investments. **Specified investments** are:
- denominated in pound sterling,
 - due to be repaid within 12 months of the arrangement,
 - not defined as capital expenditure by legislation, and
 - invested with one of:
 - the UK Government
 - a UK local authority, parish council or community council, or
 - a body or investment scheme of "high credit quality"

The Council defines "high credit quality" organisations and securities as:

- those having a credit rating of A- or higher that are domiciled in the UK for deposits up to one year,
- those domiciled in a foreign country with a sovereign rating of AA+ or higher for deposits of up to one year,
- those having a credit rating of BBB+ or higher for periods of up to 6 months,

For money market funds and other pooled funds "high credit quality" is defined as those having a credit rating of A- or higher.

- 4.9 **Non-Specified Investments** – Any investment not meeting the definition of a specified investment is classed as non-specified. The Council does not intend to make any investments denominated in foreign currencies and will not make any investments with low credit quality bodies, nor any that are defined as capital expenditure by legislation, such as company shares.

Non-specified investments will therefore be limited to long-term investments, i.e. those that are due to mature 12 months or longer from the date of arrangement, and investments with bodies and

schemes not meeting the definition on high credit quality. Limits on non-specified investments are shown in Table 4.

Table 4: Non-Specified Investment Limits

| Counterparty | Cash limit |
|-----------------------------|------------|
| Total Long-term investments | £5.0m |
| Total investments | £5.1m |

5. Treasury Management Indicators

5.1 The Council measures and manages its exposure to treasury management risks using the following criteria:

- **Security** – the minimum long term rating for an investment counterparty is a rating of BBB+. The historic risk of default of counterparties for a BBB+ rated institution is 0.16%.
- **Liquidity** – the Authority will maintain short term liquid deposits of at least £1m available within a week's notice and short term borrowing is available on the Money Market as and when required.
- **Yield** – the benchmark for returns on investments is the 7 day LIBID (London Inter-Bank Bid Rate). Actual investment returns are monitored against budget.

5.2 Limit for Investments over 364 days (Table 5): This limit is set to ensure adequate liquidity of funds and is the maximum amount of funds the Council will invest longer term.

Table 5: Limit for Investments over 364 days

| | 2017/18 Estimate £M | 2018/19 Estimate £M | 2019/20 Estimate £M |
|--------------------------------------|---------------------------|---------------------------|---------------------------|
| Limits for investments over 364 days | 5.0 | 5.0 | 5.0 |

5.4 There are a number of additional items that the Council is obliged to include in the Treasury Management Strategy. These are:

- **Use of financial derivatives** – the Council has no plans to use financial derivatives.
- **Investment training** – the training needs of the treasury management staff are assessed annually as part of the appraisal process. Treasury staff regularly attend training courses and seminars provided by Arlingclose and CIPFA.
- **Investment advisors** – the Council has appointed Arlingclose Limited as treasury management advisers and receives specific advice on investment, debt and capital finance issues.
- **Money borrowed in advance of need** – the Council may borrow in advance of need, where this is expected to provide the best long-term value for money. The total amount borrowed will not exceed the authorised borrowing limit.

6. Prudential Indicators

6.1 A further three prudential indicators (as detailed in Table 6) establish limits on the overall level of borrowing. These prudential indicators are set by the Council itself. These indicators are:

- Gross Borrowing Indicator
- The Authorised Limit for External Debt
- The Operational Boundary for External Debt

Table 6: Operational Boundary and Authorised Limit for External Debt

| | 2016/17 Revised £M | 2017/18 Estimate £M | 2018/19 Estimate £M | 2019/20 Estimate £M | Notes |
|-------------------------------------|--------------------------|---------------------------|---------------------------|---------------------------|-------|
| CFR | 5.4 | 5.9 | 6.5 | 5.9 | |
| (Under-Borrowing)/Over Borrowing | (4.4) | (4.9) | (5.5) | (4.9) | 1 |
| Gross Borrowing Indicator | 1.0 | 1.0 | 1.0 | 1.0 | |
| Operational Boundary | 1.0 | 1.0 | 1.0 | 1.0 | 2 |
| Contingency | 6.0 | 8.0 | 8.0 | 8.0 | 3 |
| Authorised Limit | 7.0 | 9.0 | 9.0 | 9.0 | 4 |

Notes to Table 6

1. The Council is currently maintaining an under-borrowed position of £4.4m This means that the capital borrowing need (the Capital Financing Requirement), has not been fully funded with debt as cash supporting the Council's reserves, balances and cash flow has been used as a temporary measure. This strategy is prudent as investment returns are low and counterparty risk is high. This practice is in line with advice from the Council's treasury advisors Arlingclose.
2. Operational Boundary for External Debt – this is based on the expected maximum external debt during the course of the year. It is not a limit and therefore may be exceeded on occasion.
3. A contingency is required for unexpected cash movements, service delivery failure or debt rescheduling.
4. The Authorised Limit is the affordable borrowing limit determined in the compliance with the Local Government Act 2003. It is the maximum amount of the debt that the Authority can legally owe. The authorised limit provides headroom over and above the operational boundary for unusual cash movements in exceptional circumstances.

6.2 The following indicators are set to manage interest rate risk and reduce the impact of an adverse movement in interest rates. The indicators are:

- **Upper limit on fixed rate debt (Table 7)** – this limit reflects the fact that the Authority may wish to have all its borrowings at fixed rates. Fixed rate borrowings are those where the rate

of interest is fixed for at least 12 months, measured from the start of the financial year. The limit allows sufficient headroom to borrow in advance of need if required (see paragraph 8.4)

- **Upper limit on variable rate debt (Table 7)** – This limit reflects the potential need to take some variable rate debt if interest rates for fixed rate borrowing are not attractive (less than 12 months).
- **Maturity structure of debt (Table 8)** – this limit controls how much of the Authority's debt will mature within a certain time period.

Table 7: Limits on Fixed and Variable Rate Debt

| | 2017/18 Estimate £M | 2018/19 Estimate £M | 2019/20 Estimate £M |
|--|---------------------------|---------------------------|---------------------------|
| Limits on fixed rate debt | 1.0 | 1.0 | 1.0 |
| Limits on variable rate debt (50% of total debt) | 0.5 | 0.5 | 0.5 |

Table 8: Maturity Structure of Debt

| | Lower Limit | Upper Limit |
|----------------------|-------------|-------------|
| Under 12 months | 0% | 40% |
| 12 months to 2 years | 0% | 50% |
| 2 years to 5 years | 0% | 100% |
| 5 years to 10 years | 0% | 100% |
| 10 years and above | 0% | 100% |

No lower limit is set in order to allow flexibility when managing the debt portfolio.

7. Affordability Prudential Indicators

- 7.1 Prudential Indicators are also required to assess the affordability of capital investment plans. These provide an indication of the impact of the capital investment plans on the Authority's finances.
- 7.2 Table 9 sets out the actual and estimates of the Ratio of Financing Costs to the net revenue stream – This identifies the trend in the cost of capital (borrowing costs net of investment income) against the net revenue stream.

Table 9: Ratio of Financing Costs to Net Revenue Stream

| | 2016/17 Revised | 2017/18 Estimate | 2018/19 Estimate | 2019/20 Estimate |
|-------|--------------------|---------------------|---------------------|---------------------|
| Ratio | 6.4% | 6.9% | 6.6% | 8.5% |

- 7.3 The estimates of financing costs include existing commitments and the proposals in this budget report. The ratio is rising due to a diminishing net revenue stream following reductions in the levels of Central Government funding.
- 7.4 Table 10 sets out the estimates of the incremental impact of capital investment decisions on the Council Tax – This identifies the revenue costs (interest and MRP) of approved Prudential Borrowing in the Capital Programme as at Quarter 3 2016/17 (see Appendix G).

Table 10: Incremental Impact of additional Capital Investment borrowing decisions on the Band D Council Tax

| | 2017/18 Estimate £ | 2018/19 Estimate £ | 2019/20 Estimate £ |
|---|--------------------------|--------------------------|--------------------------|
| Estimated Incremental Impact of Capital Investment decisions on the Council Tax (Band D Equivalent) from the 2016/17 base | -0.76 | -0.62 | 5.38 |

7.5 The Council Tax Band D cost of borrowing is reducing for 2017/18 and 2018/19 as a result of the budget forecast now being predicated upon the assumption that no borrowing will be undertaken beyond the current level. The increase in 2019/20 is as a result of increased MRP charges based on the latest capital expenditure profile as set out in the Capital programme (see Appendix G).

8. Borrowing Strategy

8.1 The Council currently holds £1m of loans which has funded previous years' capital expenditure.

8.2 The forecast in Table 2 shows that the Authority does not expect to externally borrow as the current borrowing strategy is to use internal cash resources in lieu of borrowing, i.e. internal borrowing, as this is more cost effective and reduces overall treasury risk. However, this strategy will be reviewed if the outlook for borrowing rates indicates a significant risk of a rise in borrowing rates, with the outcome that external loans may be taken whilst borrowing rates are relatively cheap.

8.3 The borrowing strategy is being closely monitored with regard to the outlook for interest rates. In conjunction with advice from treasury advisors Arlingclose, the Council may act quickly when taking new borrowing in order to secure debt before an expected rise in interest rates. This may mean that borrowing costs are incurred and the impact on revenue budgets will be reported in the next Financial Forecast Update. The borrowing limits in Tables 6 to 8 have been set sufficiently high to allow the Council the flexibility to arrange additional external borrowing to achieve the best long-term value for money if there is a significant risk of an increase in the interest rates on borrowing.

8.4 In addition, the Council may borrow short-term (for up to one month) to meet temporary cash-flow shortfalls. The approved sources of short-term and long-term borrowing are:

- Public Works Loan Board and its successor body;
- UK Local Authorities
- Any institution approved for investments
- Any other bank or building society authorised to operate in the UK
- UK public and private sector pension funds (except Lancashire County Pension Fund as it is the Authority's own pension fund)
- Capital market bond investors
- UK Municipal Bonds Agency plc and other special purpose companies created to enable local authority bond issues.

In addition, capital finance may be raised by the following methods that are not borrowing, but may be classed as debt liabilities:

- Operating and finance leases
- Hire purchase
- Sale and leaseback

8.5 The Council may reschedule debt (i.e. replace existing loans with new loans) or repay loans without replacement where this is expected to lead to an overall saving or reduction in risk.

8.6 Any decision to borrow in advance of need will be within approved Capital Financing Requirement estimates (Table 2), and will be considered carefully to ensure that value for money can be demonstrated and that the Council can ensure the security of such funds. Borrowing in advance will be made within the constraints that:

- it will be limited to no more than 100% of the expected increase in capital borrowing need (CFR) over the three year period to 2019/20.

8.7 All decisions on borrowing will be reported to the appropriate Committee as part of the Council's annual reporting cycle on Treasury Management and Prudential Indicators.

9. Minimum Revenue Provision Policy Statement

9.1 The Authority is required to provide for an element of the accumulated capital expenditure each year through a charge to revenue known as the Minimum Revenue Provision (MRP).

The Department for Communities and Local Government (DCLG) regulations require the Authority to approve an MRP policy in advance of each year. This policy sets out how much the Authority will set aside from revenue each year in order to fund capital expenditure. Council is recommended to approve the following MRP statement:

- i) For capital expenditure incurred before 1 April 2008 – Existing practice which is based on 4% of the adjusted CFR. This option provides for a 4% reduction in the borrowing need (CFR) each year.
- ii) From 1 April 2008 the MRP policy for all unsupported capital expenditure (i.e. Prudential Borrowing) will be the estimated life of the assets in accordance with the Regulations.

Glossary of Treasury Terms

| Term | Description |
|------------------------------------|---|
| Counterparty | Another party to an agreement. |
| Credit rating | A measure of the credit worthiness of an institution, corporation, or a country. Credit ratings are calculated from financial history and current assets and liabilities. Typically, a credit rating tells a lender or investor the probability of the subject being able to pay back a loan. |
| Derivative | A contract whose value is based on the performance of an underlying financial asset, index or other investment. For example, an option is a derivative because its value changes in relation to the performance of an underlying stock. |
| Debt Management Office (DMO) | The Debt Management Office provides a deposit facility which is guaranteed by the British government and has a AAA credit rating. |
| Gilt | Registered British government securities giving the investor an absolute commitment from the government to honour the debt that those securities represent. |
| Government Money Market Fund (MMF) | Money Market Funds that invest solely in government securities. |
| London inter-bank bid rate (LIBID) | The interest rate at which banks will borrow money in the London inter-bank market. |
| Liquidity | As assessment of how readily available an investment is; the length of term. |
| Money Market Fund (MMF) | A well rated, highly diversified pooled investment fund whose assets mainly comprise of short term instruments. |
| Public Works Loan Board (PWLb) | PWLb is part of HM Treasury and lends money to local authorities. |
| Rating agency | Bodies that assess the financial strength of companies and governments, both domestic and foreign, particularly their ability to meet the interest and principal payments on their bonds and other debt. |
| Security | As assessment of the creditworthiness of a counterparty. |
| Treasury adviser | External consultancy firms that provide information to local authorities, including information regarding counterparty creditworthiness. |
| Yield | Interest, or rate of return, on an investment. |