

Agenda

Council

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

	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 6 December 2021 as a correct record.	1
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The code of conduct for members can be found in the council's constitution at
<http://fylde.cmis.uk.com/fylde/DocumentsandInformation/PublicDocumentsandInformation.aspx>

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REPRESENTATIONS

REPORT OF	MEETING	DATE	ITEM NO
RESOURCES DIRECTORATE	COUNCIL	7 FEBRUARY 2022	5
QUESTIONS FROM MEMBERS OF THE COUNCIL			

PUBLIC ITEM

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

SUMMARY

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

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

Any questions will be heard during the Council meeting on 7 February 2022 and a response will be given by the Leader of the Council or any other member nominated by her.

Question 1 - From Councillor Gill - received 27 January 2022

"Fylde Borough Council are about to embark on spending in excess of £2m on new sea defences at St Annes. These have been designed to enhance the social amenity of the beach which includes better access and a stepped arrangement to allow residents and visitors to sit and enjoy the view.

Unfortunately, at the rate of progress of the spartina grass encroaching the beach it will be only a matter of time before we all enjoy the grassy and mud flats of St Annes. The council failed to act to save Lytham's sandy beaches, which disappeared due to the silt and grass. Attempts have been made to reintroduce sand to Granny's Bay, all to no avail.

Can the Leader please explain what steps are being taken to eradicate this threat to the future prosperity of St Annes."

REPRESENTATIONS

REPORT OF	MEETING	DATE	ITEM NO
RESOURCES DIRECTORATE	COUNCIL	7 FEBRUARY 2022	6
QUESTIONS FROM MEMBERS OF THE PUBLIC			

PUBLIC ITEM

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

SUMMARY

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

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

If any further questions are received before the constitutional deadline, which is, for the purpose of this meeting, 4.30pm on Tuesday 1st February 2022, they will be circulated prior to the meeting for members' information, under separate cover.

Any question(s) will be heard during the Council meeting on 7 February 2022 and a response will be given by the Leader of the Council or any other member nominated by her.

DECISION ITEM

REPORT OF	MEETING	DATE	ITEM NO
OFFICE OF THE CHIEF EXECUTIVE	COUNCIL	7 FEBRUARY 2022	7
OUR NEW DEAL FOR A GREATER LANCASHIRE			

PUBLIC ITEM

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

SUMMARY

To provide Full Council with an update on work undertaken towards development of strengthened joint working, a long-term strategic plan and a County Deal for the Lancashire area and seek agreement to progress this work.

RECOMMENDATIONS

1. Support the outline "Our New Deal for a Greater Lancashire" at Appendix 1 as the initial draft basis for further discussion and development of a possible County Deal for the Lancashire area.
2. Agree the principles of governance as set out in Appendix 2 for any future deal.
3. Agree that the Leader of the Council continues to work with Lancashire Leaders in line with the principles agreed in recommendations 1 & 2 above and note that any formal proposals will require approval by Full Council at the appropriate time.

SUMMARY OF PREVIOUS DECISIONS

The attached report is being considered by the Full Council of each of the fifteen local authorities in Lancashire, that is, the county council, two unitary authorities and each of the 12 district councils.

The intention is that this report sets out the general principles and high level priorities of a long term strategic plan and County Deal. As progress is made, more details about specific asks will be developed, and there will be opportunities for all of the partner authorities to contribute to and influence that, including identifying specific schemes and activities.

Full Council is asked to consider the report and the recommendations set out above

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

REPORT

Introduction

Lancashire has a rich heritage, it is a diverse county which has opportunities for all and is home to globally leading firms and nationally significant assets. Its thriving £34bn economy was growing rapidly prior to the pandemic with the 4th largest aerospace cluster in the world helping achieve significant productivity gains. With a population of 1.5m people, Lancashire's 54,000 businesses generate 749,000 jobs across a range of important and emerging sectors from manufacturing and hospitality to cyber, digital and low carbon. A place of amazing beauty, its natural assets support the economy and workforce as well as providing a thriving tourism destination for visitors and an opportunity to support net zero and cleaner energy ambitions.

Local government arrangements in Lancashire are complex with a county council, two unitary authorities and 12 district councils. However, over the last two years, the context of a global emergency response has created a platform to empower Leaders of all the 15 local authorities in Lancashire to strengthen relationships and partnerships with wider stakeholders. Whilst the pandemic has generated significant, bespoke impacts in Lancashire that have exacerbated longer-term underlying structural issues and inequalities, Leaders are using this foundation as a basis for recovery and to drive forward economic growth.

With a robust evidence base and utilising the strong local knowledge of elected representatives, Leaders are developing a vision and ambition for the future of Lancashire looking ahead to 2050 to recover, grow and decarbonise the economy, improving the place and the life opportunities of its people. Their plans to achieve this will not only realise opportunities for Lancashire and UK plc but in doing so, help address many of the structural deficits and level up across the county.

With the government's much-anticipated levelling up White Paper on the horizon, the time is right for Lancashire to move forward together with a collective voice to make the case for more powers and investment for all of Lancashire.

Leaders have identified that the work is now at a stage where it is important to secure the engagement and support of all members. This report is therefore being presented to all fifteen local authorities.

This report covers:

1. **Lancashire 2050**, which sets out the headline themes which could be included in a long term strategic plan and ambition for Greater Lancashire.
2. **Our New Deal for a Greater Lancashire**, which sets out an initial scope and is a first phase of work that could begin to frame a set of devolution asks as part of a County Deal.
3. **Governance**, which sets out information about the governance options to oversee the long-term plan and deliver the deal, and the principles agreed by Leaders for any governance arrangements.

It is important to note that the government's anticipated Levelling Up White Paper will influence to a large extent the shape and substance of a County Deal that Lancashire authorities will be able to pursue. The information, advice and proposals in this paper may therefore, need to change to reflect the white paper. This report and recommendations seek to position Lancashire so it is better placed to commence early County Deal discussions with Government.

Developing a Lancashire Plan

Significant work has taken place across Lancashire to gather evidence that will shape an overarching vision, strategy and plan for the whole of 'Greater Lancashire'. This work has helped inform the scale of ambition and the development of robust key priorities within the scope of what Our New Deal for a Greater Lancashire could look like, together with the governance principles described in this report.

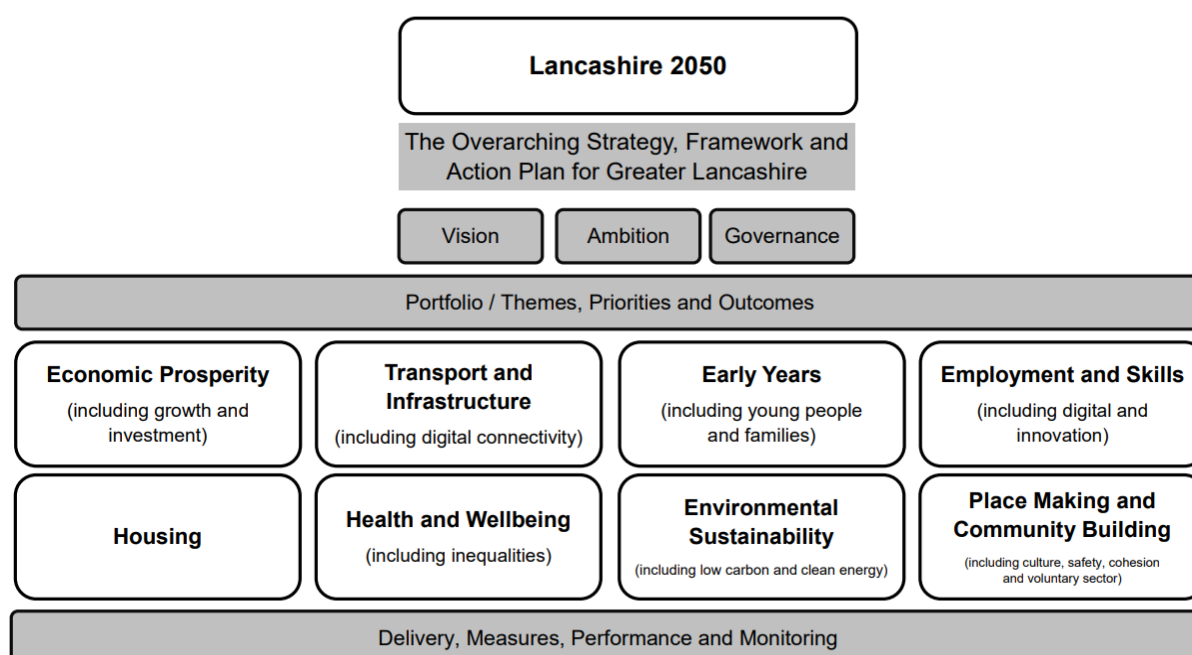
Once fully developed and adopted, in tandem with a devolution deal, Lancashire's overarching strategic plan will be forward looking and take a long term view, setting the vision and ambition over a 20-30 year period. Approaching this strategic framework in this way will ensure that the scope of Lancashire's devolution proposals addresses both the immediate priorities and longer term ambitions.

Hence, an overarching strategic plan that looks to Lancashire in 2050, would need to describe a broader ambition beyond the immediate priorities framed by the four themes set out within the scope for Our New Deal for a

Greater Lancashire [at Appendix 1]. Developing the strategy and priorities this way also ensures that policy areas overlap to tackle cross cutting opportunities such as skills, health and the environment, avoiding any unintentional policy silos. For example, tackling priorities that are currently included in the devolution scope around early years, housing quality, employment and skills, will also address some of the wider determinants of poor health as part of a longer term ambition for Lancashire, even though health priorities are yet to be agreed and fully set out working with our partners in the NHS through the Lancashire and South Cumbria integrated health and care system.

As a result, in addition to the four themes identified within Our New Deal for a Greater Lancashire, additional policy areas within the Lancashire 2050 strategic plan could include themes such as health (including inequalities, improvement and wellbeing) and community building (including crime and public safety), see Diagram 1 below. Work to shape and consult on Lancashire 2050 will continue in tandem with work on Our New Deal for a Greater Lancashire over the coming months and report through to Leaders and Councils and ultimately through any new governance arrangements adopted.

Diagram 1 Lancashire Plan Scope Illustration

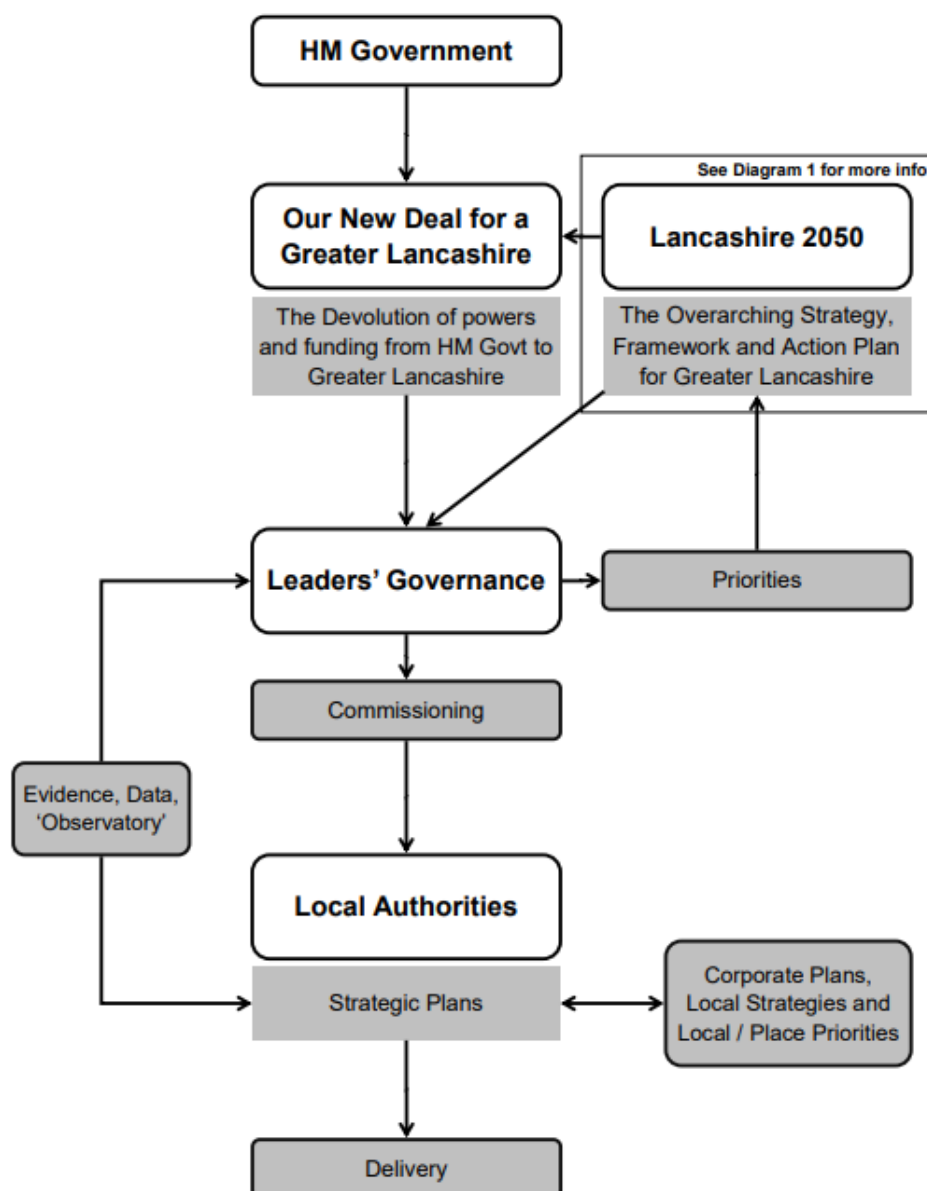


Our New Deal for a Greater Lancashire (Appendix 1)

With a long term strategic plan in place, our ask of government through a county deal, would be for the devolved powers, flexibilities and funding to accelerate the delivery of the immediate priorities set out in the plan, see Diagram 2 below. Based on the experience of other areas which have secured devolution deals, our ask could be in the order of say £5bn investment into the wider Lancashire area to address local needs and priorities as determined by and in Lancashire over the next 5-10 years. This would be across four core themes of:

- Economic growth and investment
- Transport, connectivity and infrastructure
- Early years, education, adult skills and employment
- Environment, climate change and housing quality

Diagram 2 Our New Deal for a Greater Lancashire Illustration



Next Steps

In order for Lancashire to move forward with a strong collective voice, the engagement and support of all councils will be extremely important. This will give Leaders a mandate to collectively move forward on the issues set out in this report, and to engage with government to develop and deliver a great deal for Lancashire, for presentation back to each Full Council in Lancashire to consider and decide.

IMPLICATIONS	
Finance	No financial implications arising directly from this report. Consideration may need to be given in due course by councils to potentially support and resource options to manage and deliver any agreed plan and Deal, including consideration of a fair way for each partner authority to contribute. It is also the intention to seek capacity funding from Government as part of the negotiation process for a new Deal.
Legal	No implications arising directly from this report.
Community Safety	No implications arising directly from this report.

Human Rights and Equalities	No implications arising directly from this report.
Sustainability and Environmental Impact	No implications arising directly from this report.
Health & Safety and Risk Management	No implications arising directly from this report.

LEAD AUTHOR	CONTACT DETAILS	DATE
Chief Executive	allan.oldfield@fylde.gov.uk 01253 658500	January 2022

BACKGROUND PAPERS		
Name of document	Date	Where available for inspection
N/A		

Attached documents

Appendix 1 – Initial Scope of Our New Deal for a Greater Lancashire

Appendix 2 - Governance

Appendix 3 - County Deal Opportunities



Initial Scope of Our New Deal for a Greater Lancashire

Purpose

This document sets out an initial scope and is a first phase of work that could begin to frame a set of devolution asks as part of Our New Deal for a Greater Lancashire – through which potential powers and responsibilities would be devolved to Lancashire from Government – in order to support delivery of Lancashire's overarching strategic plan (Lancashire 2050). The initial scope of the deal is focused on the key priorities agreed by Leaders, having considered the available evidence, on four key themes which require devolution from Government:

- economic growth and investment
- transport, connectivity, and infrastructure
- early years, education, adult skills, and employment; and
- environment, climate change and housing quality.

Within each theme, initial funding asks have been identified varying from single figures to suggested multi-year settlements over a range of time periods. **The total indicative value of the request of Government for these initial proposals is in the order of £5.6billion over a seven year period.**

Theme 1 - Economic Growth and Investment Overview

The scale and importance of the Lancashire economy cannot be overstated, being the second largest in the North West behind only Greater Manchester. A thriving Lancashire remains one of the pre-requisites to a successful economy in the North of England. It is a location which can continue to build on existing clusters of excellence, whilst embracing the opportunity offered by new and emerging technologies and challenges such as cyber, low carbon and clean energy.

The focus of our work will be to ensure that proposals are aligned to supporting fast and sustainable economic recovery and onwards to long-term growth. It will focus on protecting existing employment and economic activity, whilst also driving up productivity, accelerating the commercialisation of low carbon technologies and seeking out new opportunities through stimulating innovation and developing collaborative partnerships. Climate action and mitigation will be key in relation to reducing energy emissions from housing and driving up technological skills. The future role of our towns will also be key and the part they play as places to live, work, study and innovate, consume, and visit. In doing so, this will help to reverse the major impacts of the pandemic on the Lancashire economy, its employers, its workforce and address the wider determinants of health across the communities in which they live.

Strategic objective:

To strengthen, grow and diversify our economy to extend the existing pockets of UK leading productivity across Lancashire as a whole and maximise the value of our people, land, and business assets. We will deliver growth through investment and manufacturing/innovation accelerators in town centres and local economies, unlocking strategic sites and focusing on jobs, skills, low carbon, health innovations,

clean energy, and renewables, maximising our assets and strengths in manufacturing, cyber, digital, and the visitor economy.

The total annual indicative value of the request of Government for the Economic Development and Investment theme is in the order of £200million per annum.

Theme 2 - Transport, Connectivity and Infrastructure Overview

Lancashire's economic geography is complex and spatially polycentric. Connectivity - both physical and digital - is unequally distributed and under-provided. This is holding back Lancashire's full potential and that of the North as a whole. There are compelling reasons to want to improve both East-West and digital connectivity in Lancashire to tackle some of the worst climate, health and socioeconomic outcomes; provide employers with a larger pool of workers to draw from, enabling the development of more highly specialised sectors, increasing productivity through agglomeration; and integrating Lancashire's divided economy into one.

Strategically positioned between the rural areas of Cumbria and Pennines and the major cities of Leeds, Manchester, and Liverpool, Lancashire's best transport connectivity runs North-South, but most people live East-West in a central corridor stretching from Pendle and the Yorkshire borders to Blackpool and the coastal economies. Improving links East-West across the county allows residents to access the major North-South connections more easily maximising opportunities such as high speed rail (HS2). The focus for these links will include bus, renewables-powered electric heavy and light rail, and active travel (walking and cycling).

Lancashire is 80% rural and does not have one major settlement which everywhere looks towards. Rather it has groupings of small cities, large towns and freestanding medium-sized towns within urban areas. Those urban areas are better served by digital connectivity. Improved digital connectivity will support the people, businesses, rural and coastal economies and associated natural environment to achieve their significant economic potential, help level up health and wider inequalities and achieve demanding environmental ambitions.

Furthermore, aligning investment in transport and digital infrastructure and utilities with investment in major development and strategic priorities will unlock the economic potential of Lancashire. The high-speed digital cable into Blackpool; the Pennine Industrial District connected by the M65 Manufacturing Corridor; and strategic road and rail connections including cross borders to the major cities of Leeds, Manchester, and Liverpool, will maximise potential across Lancashire and the north as a whole.

Strategic objective:

To level up transport infrastructure along the east-west growth corridor and connect people, business, jobs, education, and investment through improved transport supported by active travel, bus, cycling and walking and full fibre broadband unlocking major development and employment investment

The total annual indicative value of the request of Government for the Transport, Connectivity and Infrastructure theme is in the order of £150million per annum.

Theme 3 - Early Years, Education, Adult Skills and Employment Workstream Overview

Skills investment is arguably one of the most important priorities for the country (and county) to level up – creating places attractive to higher productivity businesses and increasing

social mobility and improving life chances, health outcomes and opportunity for all Lancashire's 1.5million residents.

Through skilling up the population, Lancashire aims to build a talent pipeline aligned with the needs of the economy, enhancing productivity, tackling climate change and, by connecting the workforce to good quality jobs, open up opportunities for career progression, higher wages and improved standards of living. This theme will cover an increased focus on preparing children in the early years of life (0-5) for school readiness as well as focusing on upskilling and improving outcomes for young people and adults (post 16) and those in their working years. This will include working with businesses to improve skills utilisation, job quality, wages, and recruitment.

Most places in Lancashire have a very low skills base with 23% of residents with either no qualifications or NVQ1 qualifications and there is a major skills deficit at NVQ Level 4 when compared with the North West and UK averages.

Strategic objective:

To increase focus on preparing children in the early years of life (0-5) for school readiness and to 'level up' the skills of the working age population, by ensuring that Lancashire residents are able to effectively access high quality skills provision and compete for employment opportunities which enables them to secure a higher quality of life and maximise the existing and emerging strengths in Lancashire's economy including climate change, clean energy, cyber, digital and data.

The total annual indicative value of the request of Government for the Early Years, Education, Adult Skills and Employment theme is in the order of £260million per annum.

Theme 4 – Environment, Climate Change, and Housing Quality Overview

Tackling climate change and reducing our greenhouse gas emissions is one of the biggest challenges facing our society and significant action is needed across Lancashire to achieve government targets set to reach net zero by 2050. Working together will improve the resilience of Lancashire to the impacts of climate change, such as flooding, on communities, businesses and the wider economy. There is a need for locally led, place-based approach to energy solutions such as decarbonising heating systems, improving energy efficiency and local renewable electricity generation to meet current and future growth needs. Much of Lancashire's housing stock falls severely below standards and is energy inefficient – domestic gas is the second biggest contributor to emissions in Lancashire, after transport. Beyond the environmental and health benefits of reducing emissions, there are significant economic opportunities locally and nationally in the transition to low carbon energy technologies with growth in new high-value industries and more productive, higher paid jobs.

Very poor housing quality is a prominent feature of many of Lancashire's urban centres with some areas having significant volumes of stock over 120 years old and others having very low volumes of houses built to more modern quality standards over the last 20 years. Poor quality and condition including cold, damp and energy inefficient housing, contributes to high CO2 emissions and fuel poverty. This poor-quality housing – typically older, private sector rented stock – plays a crucial role in driving some of the worst health outcomes in England and plays a key role in constraining efforts to regenerate the county's most deprived places. Existing powers are not effective in delivering strategic change and reversing cycles of decline. Intervention in these areas of chronic housing failure will create a platform for better social outcomes, supporting regeneration and economic growth. Benefits include the

creation of new jobs, skills and training in construction as well as tackling climate change through installation of cooling and heating systems and mitigating future risks from increased flooding. Improving the quality of housing stock will help to provide residents with attractive, spacious, appropriately heated homes with affordable bills, which are better adapted for life long living. In turn, this will contribute to the strength of the workforce and health of the population as a whole. Devolution presents an opportunity to bring forward new powers and resource that can tackle the challenges and create more balanced, better-quality housing that can stabilise and transform lives in the areas of greatest opportunity in Lancashire.

Strategic Objective:

To level up green action and investment in Lancashire to achieve our pathway to net zero carbon emissions, protecting our natural environment and neighbourhoods, investing in carbon reduction measures and transforming housing quality. This will include a specific focus on developing a skilled workforce and business supply chain, delivering large programmes to drive improvements in the energy efficiency and quality of homes.

The total annual indicative value of the request of Government for the Environment, Climate Change, and Housing theme is in the order of £200million per annum.

Governance

The governance structures for delivering the strategic plan priorities and accelerating that delivery through a County Deal would need be designed with two aims in mind:

- to create the best arrangements to deliver the priorities within the strategic plan and the Deal itself
- to ensure decisions are made democratically and with all partners having an equal voice.

To this end, Leaders have agreed a set of core principles which should be applied in the establishment of any governance arrangements for joint working and delivering a County Deal. The principles set out below will form the basis of a negotiation with Government including the implications of any white paper:

- Lancashire authorities do not collectively support a Mayoral Combined Authority or local government reform
- Each authority would be represented on the decision making body by their Leader
- Each authority's current services, including statutory functions and discretionary services would not be included in any county deal arrangement without the express agreement of that authority
- The voting principle is one council, one vote, with a two thirds majority required for any proposal
- Each council will have a veto if any proposal is in their area, if their money is required or if they can reasonably demonstrate that it is reasonably likely to have a material impact on their area unless there are special circumstances to proceed (e.g. policy, legal, public safety reasons).
- Individual councils will have the right to leave the Deal and the decision making body arrangements
- It would initially be chaired by Lancashire County Council which will also act as the accountable body (under some governance models an Accountable Body may not be necessary)

Initial discussions with Leaders have started to consider a range of possible options for more formal joint working and to govern the delivery of a devolution framework and a county deal. A number of options are being explored, including joint committees, statutory boards, non-statutory boards, a local authority owned company and other informal working arrangements. This may also be largely dependent on the contents of the White Paper and any specifications it makes for the governance of County Deals.

Whatever the arrangements identified as best suited to the Lancashire area, each individual Local Authority's Full Council would need to give approval to its participation

As the governance arrangements are developed further, a number of important issues will need to be addressed, such as managing possible conflicts of interest, providing indemnities to members against liabilities, borrowing and funding arrangements and the detail of meeting processes. Each governance model option may require different solutions to these kinds of issues. A representative working group of officers including several Monitoring Officers has already begun work on these issues.

Resources

As progress is made, consideration will need to be given by Leaders and councils to support and resource options to manage and deliver any agreed plan and Deal. Local Authorities will

need consider a fair way for each partner authority to contribute. It is also the intention to seek capacity funding from Government as part of the negotiation process for a new Deal.

County Deal Opportunities for Fylde

Lancashire has been working for some time to establish a formal platform to engage with central government on a Lancashire wide footprint. Whilst Lancashire leaders have always met on a regular basis to address opportunities where wider regional working or shared resources are required, the 'Lancashire Leaders' as a decision-making entity has no constitutional or legal foundation on which to act. Over recent years there has been the emergence of Combined Authorities and other constituted arrangements in response to regional engagement with central government to secure freedoms, flexibilities, and grant funding opportunities under the devolution agenda. Without a formal legally constituted regional body it has not been possible for Lancashire to benefit from the devolution of central government powers, and it will remain unable to access additional regional support initiatives around infrastructure, health, economy, skills as long as there is no accountable body in place.

It is important that Lancashire establishes a framework to access the benefit from the devolution of powers on a regional footprint, gaining support for initiatives that impact all of Lancashire and which have been agreed in the Greater Lancashire Plan. Without this Lancashire is missing opportunities through devolution and in turn Fylde is missing out on opportunities; what helps Lancashire in terms of infrastructure, health, skills, and the economy also helps Fylde.

The Greater Lancashire Plan incorporates all the strategic regional issues that every local authority in Lancashire will benefit from addressing. The plan identifies the Lancashire specific issues in health, economy, environment, and skills. The thematic areas that Lancashire Leaders have always come together to work collaboratively on, which are articulated at present in a Greater Lancashire Plan, will serve as the primary evidence base from which Lancashire will draw the 'asks' under devolved government through the County Deal. The goal is a bespoke County Deal for Lancashire which will secure the devolution of real powers from Whitehall.

The option of a Combined Authority for Lancashire has been explored in detail but was not deemed to be appropriate for Lancashire, another option for a county with districts and unitary authorities is a County Deal. Lancashire (and Fylde) needs a bold and ambitious deal that will give Lancashire new powers to make significant decisions about the future in major regional strategic initiatives.

The papers presented in the report to this appendix outline the content and process of a County Deal. Included below are some of the opportunities that could be realised for both Fylde and Lancashire through a County Deal:

- Unify a single, influential voice for Lancashire as a regional body
- Enable collective decisions on matters affecting the whole of Lancashire
- Increase the powers, resource and capacity to deliver on Lancashire's goals
- Regional decisions are made closer to the Lancashire people affected and would be shaped by sub-regional priorities rather than at central government level
- Work together to encourage investment, business and job creation in the Lancashire economy, driving up earnings and outcomes for residents & businesses

- Strengthen transport links between and within Lancashire communities, connecting local economies
- Tackle inequalities to realise Lancashire's people and place potential
- Member councils can be more ambitious in their joint working through a locally driven structure based on collaboration that considers the interests of all authorities on key issues
- Take advantage of powers and resources devolved to them from national government such as to tackle inequalities, challenges and deliver the ambition and opportunities captured in the emerging Greater Lancashire Plan
- Create the full-time capacity to focus on delivering those sub-regional priorities

The Potential Opportunities for Fylde

Whilst it is recognised that Fylde will benefit from the generic devolution 'asks' through a County Deal there are several Fylde specific opportunities that will benefit from regional working and the resources possible through a County Deal.

Transport, connectivity, and infrastructure:

East / West connectivity is important for the Fylde on a regional footprint (Junction 2 M55 and A585 plans) as well as North / South connectivity on the Fylde coast (Link Road, quality of highway infrastructure, and passing loop in the South Fylde line).

The coastal infrastructure for cycling needs to be improved. The coastal locations are important for the wider hinterland of Lancashire and the North West and need to be easily accessible destinations for health, leisure, and wellbeing.

The only two runways in Lancashire are on the Fylde coast offering regional benefit, both linked to Enterprise Zones aimed at skilled employment. Within Lancashire this is a Fylde coast unique selling point to attract support for development and growth.

The consistency of broadband in terms of speed, access and reliability is a challenge across the region. Fylde has particular issues with the quality of broadband offer in the rural hinterland as well as poor service in some coastal and urban spots. Through a regional county wide strategic approach it will be possible to access the necessary skill, resource and technology through major national providers that can deliver broadband infrastructure that is high quality and consistent across Fylde. This is a major infrastructure initiative that requires economies of scale a County Deal approach can offer to remove the current inequality of provision that removes opportunity from many residents because of poor or no superfast broadband provision.

Economic growth and investment:

The Clean Energy Technology Park is an important regional asset, the nuclear licence regime gives it national and international advantage; the benefits this could bring are potentially immense for the whole of Lancashire.

Activity at sea and on the coast (energy, leisure, minerals, tourism etc.) by Preston, Fylde, Blackpool, Wyre, and Lancaster is an important Lancashire-wide health, wellbeing, and economic factor. The coast and ocean are a Lancashire asset with scope for a co-ordinated approach to achieving benefit whilst protecting the coastal / sea environment.

Town Centre regeneration is a priority for Fylde the resources required to deliver large scale project for both economic and public realm schemes are significant. Additional funding opportunities will be available through regional bids including transport infrastructure essential to town centre regeneration. A County Deal will present greater opportunity to access skill, knowledge and resource that can support town centre regeneration and link town centre economies across Fylde and Lancashire.

Early years, education, adult skills and employment:

Fylde has a specific need for Post 16 provision that would require wider regional and sub-regional co-operation to address.

Employment sites (Westinghouse, ES1, Wyndyke, Warton EZ) in Fylde must be fully exploited to maximise the positive economic and social impact on wider Fylde and Lancashire. Better collaboration and joined-up decision making between agencies / services reporting to a single body for a single site (i.e. transport/broadband/waste water/health/leisure/education/highways) makes for more efficient and effective decision making and speeds up progress.

Environment, climate change and housing quality:

Surface water management requires wider co-operation to understand the regional factors that impact on flooding, water doesn't recognise local authority boundaries, and solutions need to be joined-up across a range of stakeholders led through a County Deal framework.

Collaboration over waste collection and disposal split between authorities would achieve a consistent approach to more streamlined efficient service and joint solution to future waste management issues and costs.

Carbon neutral initiative on fleet provision and the necessary infrastructure for electric and / or hydrogen vehicles, the cost and resource requirement to deliver the outcomes effectively and within a reasonable timeframe require regional co-operation.

Climate goals are not achievable in silo and collaboration with our neighbouring authorities is needed to deliver on the practical infrastructure (public-access electric vehicle charging points, energy efficiencies in homes and commercial properties, etc.) required to meet our objectives.

DECISION ITEM

REPORT OF	MEETING	DATE	ITEM NO
CHIEF FINANCIAL OFFICER	COUNCIL	7 FEBRUARY 2022	8
FINANCIAL FORECAST UPDATE 2021/22 TO 2025/26 (POSITION AS AT JANUARY 2022)			

PUBLIC ITEM

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

SUMMARY

This report provides Members with an update of the financial forecast for the council for the five years 2021/22 to 2025/26. The main purpose of this iteration of the forecast is to reflect the impact of the provisional 2022/23 Local Government Finance Settlement, details of which were announced on 16th December 2021. The assumptions set out in this forecast are the latest best estimates and will be updated as and when further information is made available.

RECOMMENDATIONS

The Finance and Democracy Committee considered this update to the Financial Forecast at the meeting of 24th January 2022.

In accordance with those deliberations, it is recommended:

1. That the Council approves this updated financial forecast; and
2. That the Council notes that following the confirmation of the amount of New Homes Bonus grant to be received for 2022/23, allocations of a proportion of this grant to town and parish councils have been calculated in the total sum of £61,807 in accordance with the decision of the Finance and Democracy Committee on this matter at the meeting of 22nd November 2021.

SUMMARY OF PREVIOUS DECISIONS

The Council set its budget for 2021/22 at the meeting of 4th March 2021. This report provides Members with a further update to the Council's financial forecast following the position that was considered by Council in December 2021.

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

REPORT

1. PURPOSE OF THE FINANCIAL FORECAST UPDATE

- 1.1 This report updates the financial forecast which was considered by this Committee in November 2021. Attached at Appendix A is the financial forecast position reported to Members at that time. Appendix B shows the general assumptions underpinning the base forecast, whilst Appendix C sets out the latest changes and Appendix D sets out the supporting narrative to the latest changes. **Appendix E details the latest updated forecast position.**
- 1.2 The forecast has been updated to reflect the impact of the 2022/23 Local Government Finance Settlement, announced on 16th December 2021.
- 1.3 This latest financial forecast update is designed to:
- Present an updated five-year financial forecast for revenue and capital spending following the announcement of the Local Government Finance Settlement in December 2021;
 - Review and update the currently identified risks and opportunities;
 - Alert Members to any new specific risks and opportunities;
 - Inform Members of any changes required to budgets due to external factors outside the Council's control; and,
 - Provide a basis on which Members can begin to make future spending decisions.

2. THE CAPITAL PROGRAMME

- 2.1 The in-year position on the Capital Programme, along with the associated financial risks, was reported at the November cycle of programme committee meetings.
- 2.2 Any future capital financing issues facing the Council will be addressed as part of the Council's budget proposals for 2022/23 which will be published in mid-February 2022.

3. KEY CHANGES TO THE GENERAL FUND REVENUE BUDGET FORECAST

- 3.1 All of the financial risks as set out in the Financial Forecast update considered by this Committee in November 2021 and Council in December 2021 remain. The changes to the General Fund Revenue Forecast are those arising from the Local Government Finance Settlement, together with some further in-year revenue budget changes. These are detailed below:

The 2022/23 Local Government Finance Settlement

On 16 December 2021, the Secretary of State for the Department for Levelling Up, Housing and Communities (DLUHC), Rt. Hon. Michael Gove MP, released a written statement to Parliament on the provisional local government finance settlement 2022/23. The papers can be viewed by [clicking here](#).

The 2022/23 local government finance settlement is again for a single year only and is based on the Spending Review 2021 funding levels.

The key points arising from the Finance Settlement for Fylde Council are:

a) Delays to the Fair Funding Review and the Reform of the Business Rates System

No papers were published relating to the Fair Funding Review or the Business Rates Reset. It would appear the government intend to make further announcements in 2022, before then consulting on any potential changes.

Consequently, the finance settlement for 2022/23 is a single-year only settlement.

b) Confirmation of acceptance of the bid by Lancashire authorities to continue to operate a Business Rate Pooling arrangement for 2022/23

The continuation of a Lancashire-wide Business Rates Pool was confirmed for 2022/23, subject to no single member of the pool exercising their right to withdraw from the pool within 28 days of the Finance Settlement announcement (as per the terms of the pooling arrangement) which would cause the pool to end. It is not expected that any member of the Lancashire Business Rates pool will exercise this option for 2022/23. The latest in-year monitoring and future modelling suggest that continued participation in a Lancashire Business Rate Pool for 2022/23 will be of financial benefit to Fylde Council, as it has been since participation in the pool commenced.

c) Confirmation of a single year New Homes Bonus allocation in 2022/23 and an ongoing review of the scheme

The provisional settlement confirms that a review of the New Homes Bonus scheme is ongoing and that the 2022/23 grant allocation is for one year only (as it was for 2020/21 and 2021/22) and not an annual allocation for a four year period as was the case for earlier years.

Given that New homes Bonus is a major source of funding for the Council this represents a significant risk to the overall level of future central government funding.

The forecast of New Homes Bonus income for 2022/23 has been updated in line with the provisional allocation announced in the settlement. In respect of all other years, due to the uncertainty surrounding future funding levels the estimated amounts for 2023/24 onwards are in line with the forecast as approved by Council in March 2021.

d) Confirmation of further Government Grants for 2022/23

Additional grants were also announced in respect of 2022/23 as part of the provisional settlement which for Fylde Council were as follows:

- Lower Tier Services Grant – an allocation of un-ringfenced grant of £88,813; and
- 2022/23 Services Grant - an allocation of a new “one-off” un-ringfenced grant of £133,416

Both of these additional grant allocations have been reflected in the summary at Appendix E to this report.

It is understood that these grants are allocated in order to ensure there is no reduction in an authority's 'Core Spending Power' which is the measure used by the government of the total financial resources available to local authorities to fund service delivery. The purpose of these grant allocations is to ensure that a local authority does not suffer a reduction in resources for 2022/23, as compared to 2021/22, on the assumption that Council Tax is increased to the maximum level for 2022/23 without the requirement for a local referendum, details of which are set out in the following paragraph.

e) Confirmation of the 2022/23 General Council Tax Referendum Principles

As part of the 2022/23 provisional settlement the government announced the general council tax referendum principles (the upper limit on the year-on-year increase that can be applied without the requirement for prior approval through a local referendum) as the higher of a 1.99% increase or an increase of £5.00 (as was the case for 2021/22).

(An increase of £5.00 for a Band D property in Fylde for 2022/23 would equate to a percentage increase of around 2.3%).

Referendum principles will not be extended to town and parish councils for 2022/23 but could be applied to these councils in future years.

f) Employee Costs

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

Health and Social Care NI contribution: Following the government's announcement in September 2021 regarding an additional health and social care NI contributions of 1.25% from April 2022, the estimated cost of this increase has now been built into this forecast update.

Other Revenue Budget Adjustments

g) New Homes Bonus Distribution to Town and Parish Councils

The Finance and Democracy Committee meeting of 22nd November 2021 approved the provisional continuation of the scheme for the distribution of a portion of the New Homes Bonus Grant income to town and parish Councils, dependent upon confirmation of the level of New Homes Bonus grant to be received by Fylde Council for 2022/23. Following the confirmation of the amount of New Homes Bonus grant as part of the 2022/23 financial Settlement, allocations of a proportion of this grant to town and parish councils have been calculated in the total sum of £61,807 in line with the recommendation from the committee. The financial consequence of this decision is contained within the summary Financial Forecast at **Appendix E** to this report and individual allocations to Town and Parish Councils are shown at **Appendix F**.

h) Other budget adjustments

A number of further budget adjustments have been made to this updated financial forecast in light of the most recent budget monitoring reported to programme committees and a further budget-rightsizing review undertaken since the forecast was last updated. 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 November financial forecast to reflect the actual Council Tax base information for 2022/23 which was finalised in December 2021.

3.2 Other Continuing Financial Risks

All of the financial risks that were detailed within the previous Financial Forecast Update that was presented to the last Finance and Democracy Committee meeting in November and Council in December 2021 remain. These are:

- **Future Central Government Funding Reductions**
- **Announcement of a 'Fair Funding Review'**
- **Retained Business Rates**
- **Borrowing Costs Assumptions**
- **Reduction in Housing Benefit Administration Grant**
- **Universal Credit**
- **Grounds Maintenance (External Contracts)**
- **The Living Wage**
- **Community Infrastructure Levy (CIL)**

Full details of each of these can be found within the November 2021 Financial Forecast report via the following link: www.fylde.gov.uk/

4. CONCLUSIONS

- 4.1 The 2022/23 Local Government Financial Settlement has not fundamentally changed the general financial standing of Fylde Council. The additional grants detailed in paragraph 3.1 (d) are to be welcomed as they improve the financial position of the Council in the short term. There remains (as reported in the November 2021 Financial Forecast update to this committee) a projected surplus for 2021/22 and 2022/23 followed by a period of uncertainty as the national framework for the financing of local government will be subject to review.
- 4.2 The confirmation of the continuation of a Business Rates Pool amongst Lancashire authorities is welcomed. Developments with regard to future proposals (the implementation of a 'Fair Funding Review' encompassing a possible re-assessment of relative need within local government generally) will be followed closely and any implications reported within future Financial Forecast updates when known.
- 4.3 Estimations of central government funding beyond 2022/23 are extremely difficult to make until the outcome of the funding reviews are known. The Financial Forecast will be updated for 2023/24 onwards as and when there is greater clarity regarding the central government funding regime.
- 4.4 In order to maintain the current financial position and be able to deliver the Corporate Plan priorities the Council needs to continue with the approach to delivering savings and efficiencies and maximising income which have helped deliver balanced budgets over recent years. 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.
- 4.5 Although it is clear that further uncertainty lies ahead, **the finances of the Council remain robust, and the reserves and balances are at healthy levels as compared to earlier periods.** Furthermore, the Council has a past record of taking actions in order to meet and overcome financial challenges as they arise. The Council will continue to seek opportunities to maintain a robust financial position in the face of a changing financial environment. This approach will ensure that the Council continues to achieve and sustain a balanced budget position on an ongoing basis and is able to deliver the priorities set out in the Corporate Plan.
- 4.6 The assumptions set out in this forecast are the latest best estimates and will be updated as and when further information becomes available.

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

LEAD AUTHOR	CONTACT DETAILS	DATE
Paul O'Donoghue Chief Financial Officer	01253 658566	January 2022

BACKGROUND PAPERS		
Name of document	Date	Where available for inspection
Medium Term Financial Strategy (MTFS) Update, Including General Fund, Capital Programme and Treasury Management for 2020/21 – 2024/25	Budget Council meeting 4 th March 2021	www.fylde.gov.uk
MTFS – Outturn Position For 2020/21 (Including General Fund, Capital Programme & Treasury Management)	Finance and Democracy Committee meeting 29 th July 2021	www.fylde.gov.uk
Revenue Budget Monitoring Report 2021/22 – to 30 th September 2021	Finance and Democracy Committee meeting 22 nd November 2021	www.fylde.gov.uk
Capital Programme Monitoring Report 2021/22 – to 30 th September 2021	Finance and Democracy Committee meeting 22 nd November 2021	www.fylde.gov.uk
Medium Term Financial Strategy (MTFS) Update, Including General Fund, Capital Programme and Treasury Management for 2021/22 – 2025/26	Finance and Democracy Committee meeting 22 nd November 2021	www.fylde.gov.uk

Attached documents

Appendix A - Forecast approved at Council on 4th March 2021

Appendix B - Schedule of general assumptions underpinning the financial forecast

Appendix C - Schedule of changes to the forecast

Appendix D - Explanation of changes to the forecast

Appendix E - Updated latest forecast position

Appendix F - New Homes Bonus Grant Allocations to Town & Parish Councils 2022/2

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

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

General Base Budget Assumptions

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

- General Prices Inflation – a freeze or cash-limiting of all general revenue expenditure budgets with the exception of payroll budgets and where contractual commitments require increases;
- Slippage – approved underspend items from 2020/21 agreed by the Finance and Democracy Committee in July 2021 have been slipped into 2021/22;
- Pay award - assumed to be 2.75% per annum for 2021/22 and each year thereafter;
- Employers Pension Contributions – the Council's contribution to the Lancashire pension fund scheme is set in accordance with the outcome of the 2019 Triennial Pension Review at 17.9% plus deficit recovery lump sum payment for the period to 2022/23; with future years estimates provided on a continuation basis;
- Employer's National Insurance contributions – the forecast reflects the statutory contribution rates currently in place;
- Council tax increases – assumed at 1.99% increase per annum from 2022/23 onwards;
- New Homes Bonus Grant – the forecast for 2023/24 onwards assumes a reduced level of New Homes Bonus based broadly upon the current year's allocation. No allocation of New Homes Bonus grant to town and parish councils has been assumed beyond next year at this point pending the outcome of the recent consultation exercise;
- Fees and Charges – The forecast takes account of the revised fee levels as approved by Budget Council in March 2021. For future years budget-holders have reviewed fee levels as appropriate and any proposed changes to fees & charges will be considered at the Budget Council in March 2022 following consideration by the appropriate programme committee;
- Vacancy Savings – the forecast assumes vacancy savings of £300k per annum from 2021/22 onwards; and
- Localisation of Council Tax Benefit Scheme – the forecast assumes a fully funded scheme with no additional cost to the Council from 2021/22 onwards.

Appendix C

General forecast changes since Council December 2021

	2021/22	2022/23	2023/24	2024/25	2025/26	
	£000	£000	£000	£000	£000	<u>ADVERSE /</u> <u>FAVOURABLE /</u> <u>NEUTRAL</u>
1 CHANGES AS A RESULT OF MEMBER APPROVALS:						
F&D Committee - 22/11/21 - FBI - Accommodation Project for Ex-Offenders and Rough Sleepers - Expenditure	34	0	0	0	0	ADVERSE
F&D Committee - 22/11/21 - FBI - Accommodation Project for Ex-Offenders and Rough Sleepers - Grant	-34	0	0	0	0	FAVOURABLE
F&D Committee - 22/11/21 - FBI - Business Health Matters - Expenditure	27	27	27	0	0	ADVERSE
F&D Committee - 22/11/21 - FBI - Business Health Matters - Grant	-27	-27	-27	0	0	FAVOURABLE
Council - 06/12/21 - Unfunded Revenue Budget Increase - Bulky Waste Collection Service	0	27	27	27	27	ADVERSE
2 BUDGET RIGHTSIZING EXERCISE:						
Revenue impact of budget right-sizing across all budget areas of the Council	-53	0	0	0	0	FAVOURABLE
3 STAFFING COSTS:						
Estimated additional N.I costs - 1.25% Increase 2022/23 onwards	0	64	66	68	71	ADVERSE
4 UPDATED ESTIMATES OF INCOME BUDGETS:						
Land Charges - additional fee income	-10	0	0	0	0	FAVOURABLE
Building Control - additional fee income	-19	0	0	0	0	FAVOURABLE
Planning Applications - additional fee income	-25	0	0	0	0	FAVOURABLE
Cemetery & Crematorium - reduction in fee income (interment & cremations)	100	0	0	0	0	ADVERSE
Car Parking - additional fee income	-79	0	0	0	0	FAVOURABLE
Public Conveniences - additional fee income	-20	0	0	0	0	FAVOURABLE
Property Management - ad hoc fees generated through management of asset portfolio	-9	0	0	0	0	FAVOURABLE
5 OTHER FORECAST CHANGES						
Mayoralty - reduced expenditure due to cancellation of events	-7	0	0	0	0	FAVOURABLE
Elections - Neighbourhood Plan Referenda	-26	0	0	0	0	FAVOURABLE
Members Training Expenses - Seminars	-4	0	0	0	0	FAVOURABLE
Fleet Savings - Materials - £30k / Fuel - £70k	-100	0	0	0	0	FAVOURABLE
Festival Support/Club Days - Reduced expenditure due to cancellation of events re-phased to help support Jubilee Cost:	-6	6	0	0	0	NEUTRAL
Re-phasing of St Annes Square Maintenance - 2021/22 expenditure funded from Welcome Back Fund	-25	25	0	0	0	NEUTRAL
Re-phasing of I.T. expenditure budgets from 2021/22 into 2022/23	-100	100	0	0	0	NEUTRAL
TOTAL	-383	222	93	95	98	

Explanations of Forecast Changes set out in Appendix C

Appendix D

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 2021 has been updated to reflect the financial impact of Member decisions made since then. The significant decisions in terms of their financial effect are detailed within the body of the report.

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

Each year officers carry-out a budget right-sizing exercise focussing on a review of underspends across all budget areas and these have been updated and reflected through the forecast.

(3) Staffing Costs

The agreed 2.75% per annum pay award for 2021/22 has been assumed in each future year of the forecast and the additional 1.25% for National Insurance from 2022/23 onwards.

(4) Updated Estimates of Income Budgets have been reflected in the forecast, including:

- Land Charges fee income;
- Building Control fee income;
- Planning Application fee income;
- Cemetery & Crematorium fee income;
- Car Parking fee income;
- Public Conveniences fee income.

(5) Other Forecast Changes:

A number of other changes have been made to the forecast as itemised in the appendix, including the re-phasing of revenue expenditure and in year savings from fleet.

Latest General Fund Budget Forecast 2021/22 to 2025/26 - as at January 2022

	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	Adverse / Favourable
Forecast approved at Council on 4th March 2021	10,934	11,000	11,697	11,909	11,909	
Forecast Changes approved at Council December 2021	615	132	125	158	450	Adverse
Forecast Changes - January 2022 - Appendix C	- 383	222	93	95	98	Adverse
Forecast Budget Requirement: TOTAL	11,166	11,354	11,915	12,162	12,457	
Financed by:						
Council Tax Funding:						
Council Tax - Precept	6,656	6,881	7,096	7,317	7,544	
Sub Total - Council Tax Income	6,656	6,881	7,096	7,317	7,544	
Business Rates Funding:						
Retained Business Rates	4,501	3,580	2,800	2,800	2,800	
Sub Total - Business Rates Income	4,501	3,580	2,800	2,800	2,800	
Other Funding:						
Lower Tier Services Grant	379	87				
2022/23 Services Grant		133				
New Homes Bonus (NHB)	1,161	1,236	1,136	1,136	1,136	
Less - NHB distribution to Town & Parish Councils	- 58	- 62				
Sub Total - Other Income	1,482	1,394	1,136	1,136	1,136	
Forecast Financing: TOTAL	12,639	11,855	11,032	11,253	11,480	
Forecast surplus (-) / deficit for year	- 1,473	- 501	883	909	977	
Reserves						
Forecast surplus/deficit (-) for year from above:	1,473	501	- 883	- 909	- 977	
Less: Proposed Transfer to Capital Investment Reserve	- 1,473	- 501				
Balance of surplus/deficit(-) remaining:			- 883	- 909	- 977	
Balance of General Fund Reserves b/f	4,571	4,571	4,571	3,688	2,779	
Less estimated transfer to/from(-) General Fund Reserves in year			- 883	- 909	- 977	
Forecast Reserves at Year End	4,571	4,571	3,688	2,779	1,802	
Band D Council Tax (Excl Parish Precepts)	£214.91	£219.19	£223.56	£228.01	£232.55	
Band D Average Council Tax Increase	£4.20	£4.28	£4.37	£4.45	£4.54	
Band D Average Council Tax Increase	1.99%	1.99%	1.99%	1.99%	1.99%	

New Homes Bonus - allocations to Town & Parish Councils 2022.23

	NHB Allocation 2022.23 - £
Bryning-with-Warton	19,655
Newton-with-Clifton	13,025
St.Annes	11,130
Westby-with-Plumpton	7,578
Kirkham	4,736
Little Eccleston-with-Larbreck	2,605
Medlar-with-Wesham	2,368
Treales, Roseacre & Wharles	710
Total Allocation 2022.23	61,807
Elswick	Nil growth in excess of baseline
Ribby-with Wrea	Nil growth in excess of baseline
Freckleton	Nil growth in excess of baseline
Weeton-with-Preese	Nil growth in excess of baseline
Singleton	Nil growth in excess of baseline
Greenhalgh-with-Thistleton	Nil growth in excess of baseline
Staining	Nil growth in excess of baseline

DECISION ITEM

REPORT OF	MEETING	DATE	ITEM NO
OFFICE OF THE CHIEF EXECUTIVE	COUNCIL	7 FEBRUARY 2022	9
THE ANNUAL PAY POLICY STATEMENT 2022			

PUBLIC ITEM

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

SUMMARY

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

RECOMMENDATIONS

1. That Council approve the Pay Policy Statement included as Appendix 1 to this report, with the required statement on Gender Pay Gap information.

SUMMARY OF PREVIOUS DECISIONS

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

CORPORATE PRIORITIES

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

REPORT

1. The Council is required as a part of the Localism Act 2011 to produce a Pay Policy Statement and to review and formally approve the statement on an annual basis. The statement sets out the Council Policy on:
 - a. Chief Officer Remuneration (recruitment, salary, bonus, performance related pay, charges, fees, allowances, benefits in kind, enhancement to pension at termination)
 - b. The arrangements in place to determine the Remuneration of all employees

- c. Remuneration of its lowest paid employees (covering the same elements as above) the definition used for this group and the reason for adopting that definition
 - d. The relationship between Chief Officer Remuneration and that of other staff
2. Guidance from the Department for Levelling Up, Housing & Communities (DLUHC) of what is expected in the Pay Policy Statement includes:
- a. The opportunity for full council to vote on senior remuneration packages with a value over £100,000 prior to an offer of appointment being made
 - b. The relationship between Chief Officer remuneration and that of other staff and the ratio between the highest paid and median salary that the authority aims to achieve and maintain
 - c. Any decision that the authority takes in relation to the award of severance to an individual Chief Officer
 - d. An explicit statement on whether to permit an individual to be in receipt of a pension in addition to receiving a salary
 - e. Policies to deal with those who may have returned to the authority under a contract of service of any type having already received a severance or redundancy payment

The Pay Policy Statement as Appendix 1 to this report includes all the above.

3. Recommended best practice on data transparency states that Council's should disclose publicly:
- a. Senior employee salaries at £50,000 and above including disclosing the names, job descriptions, budgets, and numbers of staff
 - b. An organisational chart
 - c. The pay multiple which the ratio between the highest paid salary and the median average salary of the whole authority's workforce

This information is published on the Fylde website alongside all other data transparency requirements.

- 4. Fylde Council implemented a pay review process in 2007 and as part of that review a robust pay and grading job evaluation scheme was agreed between management and the trade unions to ensure fairness and equity in terms of pay is in place. The scheme has been in operation since 2007.
- 5. Fylde Council complies with the recommended best practice for local authorities on data transparency and publishes data on <https://new.fylde.gov.uk/council/transparency> that is required to be made publicly available.
- 6. Honorarium payments are only made in exceptional circumstances and are subject to a business case being approved in advance by the Senior Management Team with any payment only made after it has been demonstrated that the agreed outcome has been delivered / achieved.
- 7. The Council's Pay Policy Statement is included as Appendix 1 to this report. Central to the statement is the acknowledgement that each job has a value in terms of scope, specialist skills and knowledge, size and impact that has been subject to the agreed pay and grading evaluation scheme to determine an appropriate pay scale. All pay increments, pay scale points, and pay bands are set in accordance with the NJC terms and conditions, the revised pay scale points and pay bands agreed as part of national pay negotiations are implemented from the formal agreement date.
- 8. The Council's employee benefits policies Are universally applied wherever possible and the financial arrangements for all employees leaving the organisation for whatever reason are based on the same principles, regardless of grade.
- 9. The Pay Policy Statement has been subject to the required annual review process and includes the legislative change passed in respect of [Gender Pay Gap Information](#), the statement confirms that the council will publish the required gender pay gap information online and it will be updated from 1st April each year, alongside the other date required as part of the Pay Policy Statement.

10. The ratios between salary levels will change to reflect any nationally agreed pay increase and all the required information in relation to the Pay Policy Statement is published online and updated after the financial year end on 31st March.
11. All employees, including Chief Officers, are entitled to redundancy payments and pension release in accordance with the Council's Redundancy and Retirement Procedure. Where the proposed severance package is more than 100,000, the decision will be ratified by Full Council.

IMPLICATIONS	
Finance	None arising directly from this report.
Legal	The legal responsibilities in respect of the Pay Policy Statement have been included in the body of the report.
Community Safety	None arising directly from this report.
Human Rights and Equalities	The pay and grading scheme implemented at Fylde has been subject to equality and impact assessment. There are no direct human rights implications arising from the report.
Sustainability and Environmental Impact	None arising directly from this report.
Health & Safety and Risk Management	None arising directly from this report.

LEAD AUTHOR	CONTACT DETAILS	DATE
Chief Executive	allan.oldfield@fylde.gov.uk 01253 658500	January 2022

BACKGROUND PAPERS		
Name of document	Date	Where available for inspection
Full Council Agenda 2012-2021	First meeting of the calendar year	https://fylde.cmis.uk.com/fylde/MeetingsCalendar.aspx
Gender Pay Gap Reporting	January 2022	https://new.fylde.gov.uk/council/open-data/1551-2/#1523269533820-f8f70d3d-43b8 https://www.gov.uk/government/news/gender-pay-gap-reporting
Employees who earn over £50,000 per annum	January 2022	https://new.fylde.gov.uk/council/management-team/
Online Pay Policy Data	Updated annually in April	https://new.fylde.gov.uk/council/open-data/15512/#1523268470909-b27c789b-960b https://new.fylde.gov.uk/council/open-data/salary-ratios/ https://new.fylde.gov.uk/council/open-data/pay-scales/

Attached documents
Appendix 1 - Pay Policy Statement



PAY POLICY STATEMENT 2022

Summary Statement

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

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

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

Basic Pay

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

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

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

The Council adheres to the National Joint Committee (NJC) pay bargaining arrangements and implements a pay grade scale determined through agreed annual pay increases negotiated on a national basis with joint trade unions.

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

Market Supplements

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

Incremental Progression

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

New Appointments

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

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

Overtime and Additional Hours Payments and Premium Payments

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

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

To meet specific operational requirements, it may be necessary for an individual to temporarily take on additional duties, the Council's arrangements for authorising any additional remuneration, e.g. honoraria, ex gratia, 'acting up' relating to temporary additional duties are set out in the Council's personnel code. Any additional payment is subject to formal approval by the Senior Management Team which consists of the Chief Executive and the two Directors.

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

Bonus Payments and Earn Back Schemes

No employees including Chief Officers in the Council are in receipt of bonus payments or subject to earn back schemes where employees give up some salary to earn it back upon completion of agreed targets.

Performance Related Pay

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

Honorarium Payments

Honorarium payments are only made in exceptional circumstances and are subject to a business case being approved in advance by the Senior Management Team with any payment only made after it has been demonstrated that the agreed outcome has been delivered / achieved.

Relationship between the Highest and the Lowest Paid

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

Relationship between the Highest Paid Employee and the Median Salary

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

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

Gender Pay Gap Information

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

Charges, Fees and Allowances

The Travelling, Subsistence and Related Expenses Policy is applicable to all employees including Chief Officers.

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

Any other allowances paid to employees regardless of grade are detailed in the appropriate policy and procedures approved by the Council and paid only when necessary to the service activity.

Chief Officers do not receive additional allowance payments.

Electoral Fees

The Resources Director (Assistant Chief Executive designate) is the Council's appointed Returning Officer and is personally (not corporately) liable for the management of elections and referendums. The fee payable to the Returning Officer for an UK Parliamentary and any other election or referendum organised nationally is set and paid for from Central Government. The fee payable to the Returning Officer for local elections, local by-elections, for parish and parish by-elections is set per ward. The scale of fees is based on a payment for the first 3000 electors per ward, then for each 500 electors or part thereof over 3000 an additional fee is incurred. Although there is provision to pay an additional fee, no additional payment is made. Any changes to the fees will be considered as part of the annual review of the Pay Policy.

A panel is in place at Fylde that periodically reviews the payments made to any officers involved in election work.

Pension

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

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

Redundancy Payments, Severance Payments and Retirement

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

Re-employment/Re-engagement of Former Employees

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

Any proposal to re-engage a former employee that left the Council on the grounds of voluntary or compulsory redundancy, efficiency release or employer consent retirement, within 12 months of the leaving date will require the approval of the Senior Management Team.

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

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

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

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

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

Scope

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

Review

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

DECISION ITEM

REPORT OF	MEETING	DATE	ITEM NO
RESOURCES DIRECTORATE	COUNCIL	7 FEBRUARY 2022	10
PURCHASE OF LAND ADJACENT TO SQUIRES GATE STATION - CPO			

PUBLIC ITEM

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

SUMMARY

At the Finance and Democracy Committee on the 28th June 2021, a report was presented to the Committee regarding the next stages of acquiring land adjacent to Squires Gate Station. Consideration was given to the Council pursuing a Compulsory Purchase Order to acquire land to allow an accessible route to Squires Gate Station platform.

The Committee recommended that Full Council approval be given to allow the compulsory purchase order to proceed.

RECOMMENDATIONS

Council is recommended:

To approve the making of a compulsory purchase order for land adjacent to Squires Gate Station to enable an accessible route to the station platform to be created and to authorise expenditure of up to £6,000 in 2021/22 fully funded from the 2021/22 approved Capital Budget

SUMMARY OF PREVIOUS DECISIONS

Finance and Democracy Committee - 28th June 2021:

It was RESOLVED to:

1. Approve, in principle, to the making of a Compulsory Purchase Order for land adjacent to Squires Gate Station to enable an accessible route to the station platform to be created; and
2. Note that a report was presented to Finance and Democracy Committee (28 June 2021) to request Delegation of authority to the Director of Development Services to acquire the land by purchase outside any compulsory purchase process provided that the purchase price and other terms are, in his opinion, broadly consistent with the aspirations and expectations of the Council; and
3. Note that a report was presented to Finance and Democracy Committee (28 June 2021) to request a funded capital budget increase of £1,000 in 2021/22 from the Capital Investment Reserve for additional legal and surveying fees associated with the CPO process subject to Council approval of the Compulsory Purchase Order.

Finance and Democracy Committee – 24th June 2019:

It was RESOLVED:

1. That officers approach Network Rail with a request that the Network Rail Fund, or contribute to funding of, the purchase of the land and the associated legal fees in the first instance;
2. If 1. Above is unsuccessful, to approve the purchase of approximately 35.6 square metres of land adjacent to Squires Gate Station for the sum of £3,000 plus payment of the vendors legal costs up to £2,400 i.e. to a total cost of no more than £5,400 in the absence of recouping any of those costs;
3. To approve an addition to the Council's Capital Programme for 2019/20 in the sum of £5,400 to be met from the Capital Investment Reserve for the purchase of the land adjacent to Squires Gate Station as described above;
4. To approve expenditure in the maximum sum of £5,400 for the purchase of the land adjacent to Squires Gate Station as described above; and
5. To approve the granting of a long ground lease of this land, once purchased, to Network Rail to include the transference of responsibility for management and maintenance of the land.

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

REPORT

BACKGROUND

1. Since 2018 the Council and the South Fylde Line Community Rail Partnership have been working together to try and achieve the delivery of a step-free accessible route to Squires Gate Station Platform.
2. The station platform can currently only be reached via a flight of 30 steps. This means wheelchair users and others cannot access the station platform unless they are able to use the steps.
3. To provide the step-free accessible route a small parcel of land approximately 35.6m² is required to be purchased. The land sits between land owned by Persimmon Homes and the station platform. The land is shown in Appendix 1.
4. The land is unregistered and enquires have been made since 2018 to identify the owner of the land. A full background of the enquires made can be shown in the Finance and Democracy report dated 28th June 2021.
5. As a result of enquires and title checks, no freehold or leasehold interests have been able to confirm ownership of the land and as a result ownership remains unknown.¹
6. The use of Compulsory Purchase Powers is now required as there is no realistic prospect of the Council acquiring the land by any other means and delivering the step-free accessible route.

PROPOSED ACTION

7. The Council resolved on the 5th July 2021 that it would approve in principle the making of a Compulsory Purchase Order ('CPO').
8. The power to obtain the land under compulsory purchase powers is in Section 226(1)(b) of the Town and Country Planning Act 1990 which gives a Local Authority, (subject to the approval of the Secretary of State) power to compulsorily acquire land for "a purpose which it is necessary to achieve in the interests of the proper planning of an area in which the land is situate".
9. The CPO can only be made after several preparatory steps, including making all practicable enquires to identify the owner of interests in the land and the preparation of a CPO scheme, which is the formal document intended to justify the acquisition and use of compulsory powers.

¹ We had engaged with solicitors for someone who claimed to own the land, but they ultimately didn't prove their title to it

10. Officers have now prepared the compulsory purchase documentation in detail, which includes the draft order as shown in Appendix 3.
11. Officers seek a resolution to formally make the CPO. The CPO would then be made as soon as practicable after the resolution.

FINANCIAL IMPLICATIONS

12. Within the Capital programme, £3,000 has been allocated for purchase of the land and £2,000 plus VAT for legal fees. A capital budget increase of £1,000 in 2021/22 from the Capital Investment Reserve for additional legal and surveying fees associated with the CPO process will be allocated, subject to Council approval of the CPO.

COMPENSATION

13. Under the CPO powers if a local authority is acquiring land then compensation is to be paid to the owners of the interests in the land; either by agreement or, if no value is agreed, by a tribunal. The compensation is based on the open market value of the land taken and considers any loss caused for damage to any retained land of the affected party or any loss caused by losing possession of the land.
14. It is not possible to be certain of the compensation that would be awarded at a tribunal. Professional valuation evidence would provide a strong indication of the likely range by assessing the value of the land. It is expected that the amount will be within the £3,000 already allocated for the purchase.

IMPLICATIONS	
Finance	Full Council is requested to authorise expenditure of up to £6,000 for the compulsory purchase order for land adjacent to Squires Gate Station fully funded from the 2021/22 approved Capital Budget
Legal	Full Council is requested to give approval for making of a Compulsory Purchase Order for land adjacent to Squires Gate Station.
Community Safety	None
Human Rights and Equalities	To create an accessible access to enable those with restricted mobility to use Squires Gate Station.
Sustainability and Environmental Impact	None
Health & Safety and Risk Management	None

LEAD AUTHOR	CONTACT DETAILS	DATE
Carly Smith	Carly.smith@fylde.gov.uk – 01253 658509	24 th January 2022

BACKGROUND PAPERS		
Name of document	Date	Where available for inspection
Finance and Democracy Committee Report	28 th June 2021	Committee Report
Finance and Democracy Committee report	24 th June 2019	Committee Report

Attached documents

Appendix 1 – Plan of land adjacent to Squires Gate Station

Appendix 2 – Draft CPO Order/Statement of Reasons.



FYLDE BOROUGH COUNCIL
(LAND ADJACENT TO SQUIRES GATE STATION)
COMPULSORY PURCHASE ORDER 2022

Town and Country Planning Act 1990
And the Acquisition of Land Act 1981

FYLDE BOROUGH COUNCIL (in this order called “the acquiring authority”) makes the following order:-

1. Subject to the provisions of this order, the acquiring authority is under section 226(1)(b) Town and Country Planning Act 1990 hereby authorised to purchase compulsorily the land described in paragraph 2 for the purpose of the allowing access to the station for all persons under the Equality Act.
2. The land authorised to be purchased compulsorily under this order is the land described in the Schedule and delineated and shown edged red on the map prepared in duplicate, sealed with the Common seal of the acquiring authority and marked “Map referred to in the Fylde Borough Council (Land adjacent to Squires Gate Station) Compulsory Purchase Order 2022”

SCHEDULE

All interests in the unregistered Land Adjacent to Squires Gate Station as per the attached plan.

DATED THIS day of 2022

THE COMMON SEAL of
FYLDE BOROUGH COUNCIL

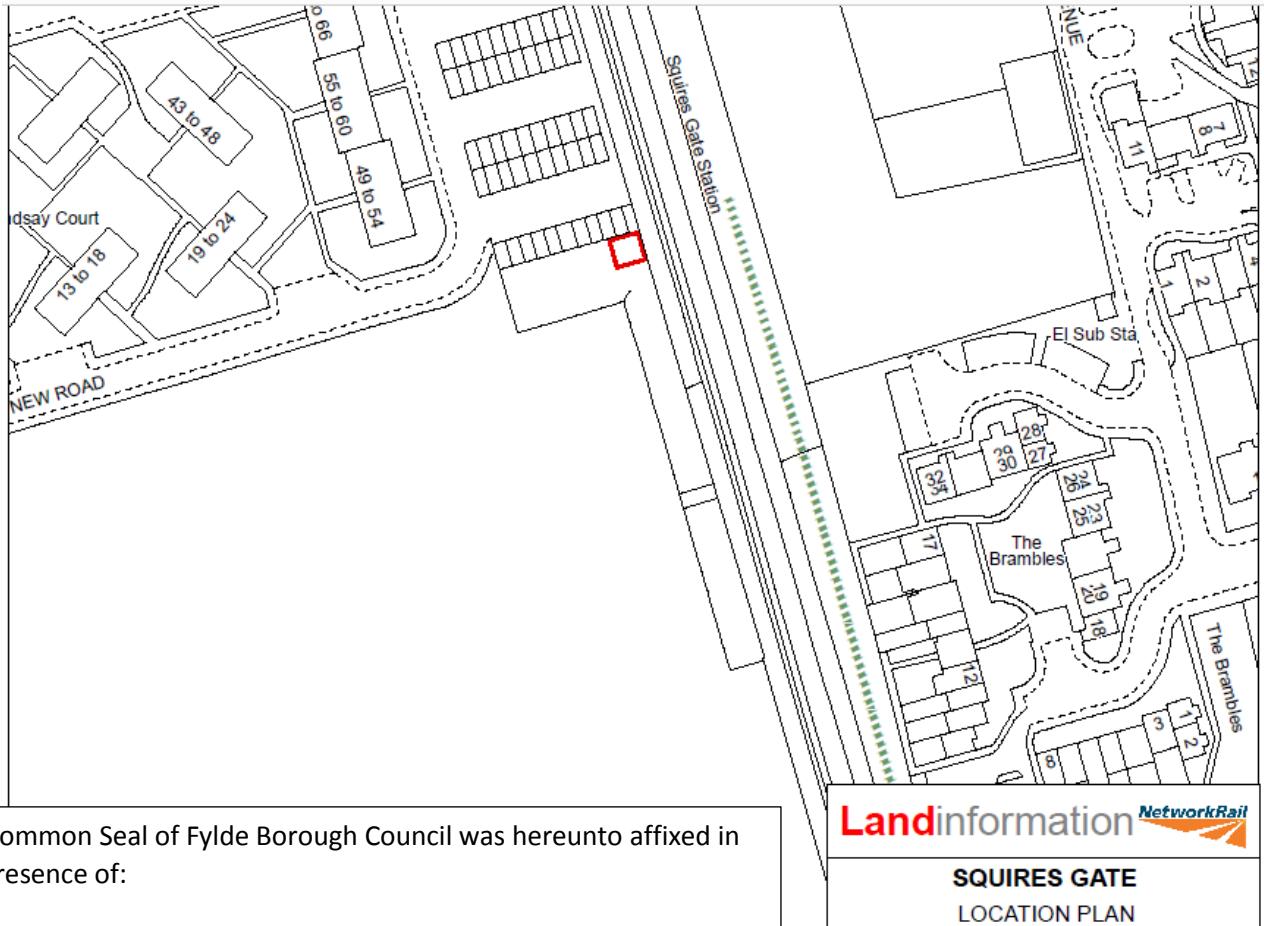
Was hereunto affixed

In the presence of:

.....

Authorised Signatory

Map referred to in the Fylde Borough Council (Land adjacent to Squires Gate Station) Compulsory Purchase Order 2022



The Common Seal of Fylde Borough Council was hereunto affixed in the presence of:

.....
Authorised Signatory

Date:



FYLDE BOROUGH COUNCIL (LAND ADJACENT TO SQUIRES GATE RAILWAY STATION)

COMPULSORY PURCHASE ORDER 2022

Statement of Reasons

1. Property Details

- 1.1 Fylde Borough Council ("the Council") has made the Fylde Borough Council (Land Adjacent to Squires Gate Railway Station) Compulsory Purchase Order 2022 ("the Order") under section 226(1)(b) of the Town and Country Planning Act 1990.¹
- 1.2 If confirmed by the Secretary of State for Levelling Up, Housing and Communities, the Order will enable the Council to acquire compulsorily certain land adjacent to Squires Gate Railway Station (the "Order Land") in order to enable access to the rail network at Squires Gate Railway Station ("the Station") for wheelchair users and others.²
- 1.3 The Order Land is comprised of a small parcel of land adjacent to Squires Gate Railway Station which is approximately 35.6m² in area and shown edged in red on the attached plan.
- 1.4 The Land is currently unregistered at HM Land Registry. As a result of enquires and title checks as per clause 5; no freehold or leasehold interests have been able to be confirmed and the land is therefore in unknown ownership.

2. The Need for the Compulsory Purchase Order

- 2.1 The purpose of the CPO is to facilitate the improvement of the derelict piece of land to construct a disabled access to the Station.

¹ Which is required for a purpose which it is necessary to achieve in the interests of the proper planning of an area in which the land is situated.

² This contributes to the promotion or improvement of the economic and social well-being of the area.

- 2.2 If the Council does not use the compulsory purchase powers, there is no realistic prospect of it acquiring the land and therefore providing the access that is required.

3. Background

- 3.1 The Station can presently only be reached via a flight of 30 steps from Squires Gate Lane. This means that wheelchair users and others who are unable to use the steps are not able to access the Station.

- 3.2 The Council resolved 5 July 2021 as follows:

1. *Approve, in principle, to the making of a Compulsory Purchase Order for land adjacent to Squires Gate Station to enable an accessible route to the station platform to be created; and*
2. *Note that a report was presented to Finance and Democracy Committee (28 June 2021) to request Delegation of authority to the Director of Development Services to acquire the land by purchase outside any compulsory purchase process provided that the purchase price and other terms are, in his opinion, broadly consistent with the aspirations and expectations of the Council; and*
3. *Note that a report was presented to Finance and Democracy Committee (28 June 2021) to request a funded capital budget increase of £1,000 in 2021/22 from the Capital Investment Reserve for additional legal and surveying fees associated with the CPO process subject to Council approval of the Compulsory Purchase Order.. It considered a report setting out the outcome of efforts to acquire the Order Land by agreement and recommending compulsory acquisition, if a final attempt to acquire the property by agreement should prove unsuccessful.*

- 3.3 The Council further resolved on XXXXX as follows:

XXX

4. The Enabling Power

- 4.1 Section 226(1)(b) of the Town and Country Planning Act 1990 gives a Local Authority, with the approval of the Secretary of State, power to compulsorily acquire land which is required for a purpose which it is necessary to achieve in the interests of the proper planning of the area which the land is situated.³

5. Efforts to locate the owner

- 5.1 The land is not registered at HM Land Registry("HMLR").

³ The Act gives the facility to carry out any development, redevelopment, or improvement on or in relation to land.

- 5.2 The Council has made extensive efforts over several years to try and locate the owner or qualifying persons.⁴ Inquiries have been made based upon information gathered through inspection of the Land registry title documents, site inspections and enquires, reviewing historic planning permissions and writing to all the owners of adjacent land. Unfortunately, all attempts to find the owner have been unsuccessful, save as set out in paragraphs 5.4 to 5.6.
- 5.3 In particular, Network Rail have advised they were not the owners and hold no interest over the Order Land and Persimmon Homes, who have constructed a housing development on the adjacent land, have advised the Order Land is not within their curtilage and they do not own the land.
- 5.4 On the 15th April 2019, Norman Blair of Blair Estates claimed he was the owner of the land and advised he would transfer the land to the Council for a sum of money plus legal fees.
- 5.5 The Council agreed to purchase the land and pay the legal costs, provided that the Mr Blair first registered their ownership with HMLR. Mr Blair advised that he was only willing to proceed if the Council guaranteed that costs would be covered even if the registration process failed. The Council were not willing to commit public money to the process with the risk that they did not acquire the land. The Council negotiated a purchase price and legal fees based on the title being registered, and this was accepted by the Mr Blair. Mr Blair advised that he had given his solicitor formal instructions to proceed with this matter and prepare a statutory declaration to enable registration of the Order Land with HMLR.
- 5.6 Subsequently, between 2019 and 2021 the Council communicated with Mr Blair's solicitors regarding the registration of the land.
- 5.7 The Council followed up the process at least monthly during this period. However, on the 2nd March 2021 the Council was advised by the solicitors that they had received no further instructions to progress. As Mr Blair had not registered the Order Land at HMLR and had not produced any evidence that satisfied the Council of his ownership of the Order Land, it was determined to pursue the acquisition of the Order Land by compulsory purchase.
- 5.8 The Acquiring Authority has not identified any land within the Order Land that is owned by another local authority, by the National Trust or which forms part of a common, open space land or field, garden, or allotment.

6. Justification for use of the compulsory purchase powers

- 6.1 The public benefit of this disabled access point is significant and will directly benefit many of the residents of both the adjacent housing development and the wider area.⁵

⁴ This includes an owner, occupier, tenant or person the acquiring authority would be required to give notice to treat (Compulsory Purchase Act 1965, section 5(1)) or a person likely to be entitled to make a claim for compensation under (section 10 of the 1965 Act).

⁵ With due regard to the Equality Act 2010, section 149

- 6.2 Because the area of land is unregistered and no person has been able to produce satisfactory proof of title, the Council have been unable to ascertain the true owner of the Order Land in order to make an offer to purchase the land.
- 6.3 The Council has made sustained efforts over a period of more than 3 years to work with potential owners of the land in order to develop the area and create a accessible route to the Station. The Councils strategy has been to support the development of the Order Land to meet the needs to the local area.
- 6.4 The current state of the land is effectively landlocked and derelict and has a negative effect on the amenities in the surrounding area and specifically for certain groups within society who would benefit from an accessible route to the Station.

7. Proposals for Use or development of the Order Land

- 7.1 The Council will work with Network Rail and Northern Rail to remove the wooden fencing, which is temporarily in place, once the Order has been made the development can progress by removing the fence and vehicular access will be restricted from entering the pedestrian route.
- 7.2 The Council will retain ownership of the Order Land but will grant a long leasehold interest to Network Rail if the Order is made.
- 7.3 The Acquiring Authority will work with all parties who have previously been involved in the project to include:
 - 7.3.1 South Fylde Community Rail Partnership who have discussed the access many times over the years.
 - 7.3.2 Northern's Regional Stakeholder Manager and Northern's Community and Sustainability Manager who have been involved with discussions in the past.
 - 7.3.3 Squires Gate Station Friends Group
 - 7.3.4 Northern Accessibility Improvement Manager.

8. Human rights

- 8.1 The Council has considered whether the powers it seeks to exercise are compatible with the European Convention of Human Rights ("The Convention"). The Convention Rights relevant to compulsory acquisition are as follows:
 - 8.1.1 Article 1 of the first protocol: This protects the rights of everyone to the peaceful enjoyment of possessions. No one can be deprived of possessions except in the public interest and subject to the relevant nation and international laws.
 - 8.1.2 Article 8: This protects private and family life, home, and correspondence. No public authority can interfere with these interests except if it is in accordance with the law and if necessary, in the interests of national security, public safety or the economic wellbeing of the country.

8.1.3 Article 14: This protects the right to enjoy rights and freedoms in the Convention free from discrimination on any ground such as sex, race, colour, language, religion, political or other opinion, or national or social origin.

8.2 The Order would not interfere with any rights protected under articles 8 or 14. The order would engage the rights of the owner of the Order Land under article 1 of the first protocol, in that it would deprive them of possession of the land. However, the acquisition of the Order Land by the Council would be in the public interest because it would enable the provision of an accessible route to the Station, which would otherwise not be accessible to wheelchair users and others with mobility issues, and the compulsory purchase procedure is enshrined in statute and statutory instruments and is therefore in accordance with the law.

9. Public Sector Diversity

9.1 The Council has had due regard to its Equalities Duties as specified under section 149 of the Equality Act 2010 to date and will continue to do so throughout this matter.

9.2 The Council considers the Order to be compatible with the Public Sector Equality Duty and will not have a significant negative impact upon protected groups. Moreover, the purpose of the order is to promote the interests of persons who have a disability relating to mobility by enabling them to access the railway network at the Station.

9.3 The Public Sector Equality Duty has been considered in relation to information known about the Owner and will continue to be applied in future efforts to make contact with the Owner and throughout the compulsory purchase process.

10. Other matters

10.1 The Council is not aware of any special considerations that affect the Order Land.

10.2 Except for the need for the Order to be confirmed, there are no obstacles or prior consents which are necessary to obtain before the Order scheme can be implemented.

10.3 No Government department has expressed views about the proposed development of the Order Land.

10.4 There are no related orders, applications or appeals.

10.5 In the event of there being a public enquiry concerning the Order, the Council would anticipate referring to a plan showing the Order Land and specifications for the proposed works together with the Council's attempts to purchase the Order Land voluntarily.

11. Conclusion

11.1 The Council has made every effort to consult the relevant persons affected by the Order but unfortunately it has not been possible to confirm ownership of the relevant Land. As a result, the Council is of the opinion that the Owner will not satisfactorily bring the Order Land into beneficial use.

- 11.2 The Council is still keen to enter into negotiations to acquire the land by agreement, if a request to do so is received from the Owner of the Order Land, in accordance with the advice in the online compulsory purchase guidance published in October 2015, and updated February 2018, by MHCLG, and if the owner is able to satisfactorily evidence their title.
- 11.3 All reasonable endeavours to trace the Owner and engage with the person who had claimed ownership, so that the Council may encourage and promote a voluntary way forward for the Land, have been exhausted and as a result there is now a compelling case in the public interest for compulsory purchase of the Order Land. Confirmation of the Order is now therefore submitted.

DECISION ITEM

REPORT OF	MEETING	DATE	ITEM NO
RESOURCES DIRECTORATE	COUNCIL	9 FEBRUARY 2022	11
GREEN WASTE COLLECTION – SUBSCRIPTION SERVICE CHARGE			

PUBLIC ITEM

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

SUMMARY

The report outlines a proposal and the rationale to increase the green waste subscription service charge from the 2022/2023 operational year beginning 1st April 2022 by £5 per bin per annum. The rationale for the proposed subscription service charge increase is included in the report demonstrating that the increase contributes significantly to the cost of delivering the optional service.

RECOMMENDATION

To approve a £5 (per bin) increase to the annual charge for the green waste subscription service to contribute towards the increased cost of delivering the service.

SUMMARY OF PREVIOUS DECISIONS

At a special meeting of the Operational Management Committee in March 2016 it was RESOLVED that a subscription service for green waste be considered as part of future budget proposals and the intervening time is used to research other options for the service, to be reported to a future meeting of the Operational Management committee.

The Operational Management Committee on 13 September 2016 RESOLVED to recommend to full Council: the introduction of a year-round green waste subscription service, at a charge of £30 per waste bin per annum, in order that the service may be ready for implementation from April 2017; and that the income arising from the introduction of the charge, if approved, be reflected within the Councils budget for 2017/18 onwards.

At a meeting of Full Council on 5 December 2016 it was RESOLVED to approve the introduction of a year-round green waste subscription service, at a charge of £30 per waste bin per annum, for implementation in 2017; and that income arising from the introduction of the charge, be reflected within the Council's budget for 2017/18 onwards and that the Operational Management Committee agree the operational detail of the scheme prior to implementation.

At a meeting of the Operational Management Committee on 17 January 2017 it was RESOLVED to approve the following:

- Implementation date of subscription service 1st June 2017
- Annual subscription of £25 per bin in year 1 (reduced year service to March 31st, 2018)
- Collection of additional wheeled bins at annual subscription of £25 per bin in year 1
- Subscription increases to £30 from year 2 (full year service April 1st to March 31st)
- Collection of additional wheeled bins at annual subscription of £30 per bin from year 2
- Fortnightly collections with a Christmas period suspension

- No reduction for part year subscription
- No refunds or transfer of subscription
- No reductions or concessions applied until the scheme has been proven
- Expenditure of £38,500 on communications, finance, and back-office support in Year 1
- To delay deciding on the collection of non-scheme green bins until after the scheme matures

At a meeting of the Operational Management Committee on 11th January 2022, it was RESOLVED to support a recommendation to Full Council to approve a £5 (per bin) increase to the annual charge for the green waste subscription service to contribute towards the increased cost of delivering the service.

CORPORATE PRIORITIES

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

REPORT

1. The green waste subscription service was introduced in 2017 in response to the Lancashire County Council (LCC) decision to end the Cost Sharing Agreement recycling credit payments which contributed significantly to the cost for collecting all domestic property recycling activity in the Borough. The decision to end the cost sharing agreement was made by LCC, who are the disposal authority, in response to the legal requirement for collection authorities to collect and separate recyclable material which removed the need for an incentive to collect recyclables.
2. Local authorities have the option to levy a charge for the collection of green waste which is not one of the recyclable materials authorities are legally required to collect, a charge cannot be made for the collection of recyclable materials that have to be collected under legislation i.e. plastic, cans, glass etc. Charges for a green waste subscription service have been introduced across most of Lancashire (and further afield) to mitigate the cost of introducing a green waste collection service previously funded through the LCC cost sharing agreement. The current charges for green waste collection services at Lancashire authorities are listed below with analysis by total cost, number of collections and per collection charge:

Council	Charge per bin per annum	No of collections	Amount per collection
Blackburn with Darwen	£30	20	£1.50
Blackpool	£40	22	£1.80
Burnley	£35	20	£1.75
Chorley	£30	25	£1.20
Fylde	£30	25	£1.20
Hyndburn	£30	20	£1.50
Lancaster	£40	20	£2.00
Pendle	£35	20	£1.75
Preston	£35	24	£1.46
Rossendale	£40	20	£2.00
South Ribble	£25	22	£1.14
West Lancashire	£30	25	£1.20
Wyre	£35	22	£1.60

3. Fylde currently has the second lowest charge at £30 per bin per annum and the maximum number of collections offered (25 per year) the per collection charge is £1.20. An increase of £5 per bin would result in a

per collection charge of £1.40, offering fair and reasonable value even compared with the current charges across the region.

4. The charge for the green waste service was introduced to mitigate the cost of continuing to provide a service to collect garden waste previously all recycling collections had been funded through the LCC cost sharing agreement. The council was receiving £763,000 per annum from the cost sharing agreement towards funding the collection of recyclables, in 2021 the 19,760 subscriptions to the green waste service generated an income of £592,800 towards the cost of the green waste collection service, the cost of collecting other recyclable materials is funded through the council's general fund.
5. The Council does not account separately for the green waste collection service because it would require the apportionment of all joint costs for staff, vehicles, overheads, supplies, etc. at source because they are shared across the range of waste services provided. Almost all the cost centres include every aspect of the waste collection service, for example vehicles, premises, utilities, supplies, and employees, they are all transferable across grey, green, plastics, paper and glass collections making specific apportionment of the green waste element across every invoice transaction almost impossible and not required under local authority accounting regulations. To strip out and set up dedicated resources for the green waste service only would require significant duplication and waste adding unnecessary cost to the service through inefficiencies.
6. However, it has been possible to prepare a reasonably accurate best estimate based on an analysis of how much each element of the total waste service cost relates to the collection of green waste given the number of collections, the level of subscription and the vehicle use etc. The analysis has been prepared by apportioning the annual costs for the whole service between the constituent elements according to the most appropriate apportionment method available. Where costs are more easily identifiable as relating to a particular element of the service (for example printing costs for the green bin stickers and the purchase of new replacement bins) these costs have been allocated directly to that element of the service. Appendix 1 includes the full estimate for the green waste collection service for the current financial year at £734,774.
7. There has been no increase in the green waste subscription service charge since it was introduced almost five years ago. During that same period inflation has increased at an average of 2.5% per annum ([Bank of England](#)) however, post COVID inflation has climbed to 3.8% (October 2021), diesel prices are at a record high (147.9p at the pump) and the average labour costs 9.4% above the pre-pandemic level with one of the greatest increases amongst HGV drivers. Over the last 18 months there has been a reliance on agency labour because of absences and recruitment issues further increasing the cost of the service. The council has struggled to recruit to key posts required to operate the waste and recycling service including HGV drivers and mechanics at the same time the cost of parts, repairs, replacement, and maintenance of the vehicles, lifting equipment and bins have all increased over the five years since the service was introduced with sharp increases post COVID that show no signs of slowing.
8. The number of subscribers to the service at Fylde has always been significant increasing year on year with many premises having multiple bins with the service well used and very successful based on good customer feedback and satisfaction rates. The high level of subscription has resulted in a significant contribution to the operating cost of the optional green waste service and allowed the council to retain the charge at £30 for the first five years.
9. If the council was to retain the same number of subscribers in 2022 at 19,760 charging £35 per annum for the service there would be a contribution of £691,600 towards the cost of recycling services, this is comparable to the estimated cost of the service at £734,774 demonstrating that the subscriptions largely cover the cost of the service. Based on the latest estimated cost of the subscriptions service the proposed charge of £35 per bin would make a significant contribution towards the costs of running the service for the residents who choose to subscribe.
10. Green waste service collections take place on a fortnightly basis apart from over the Christmas period when the service is suspended, resulting in 25 collections per year equating to £1.40 per collection for a full calendar year (20p per collection increase on the current price) with a charge of £35 per bin per annum. The Environmental Protection Act 45 (3) states "the authority may recover a reasonable charge for the collection of the waste from the person who made the request", the charge is considered reasonable, appropriate, and

fair offering value for money for the service received and consistent with charges levied by neighbouring authorities for a fortnightly green waste subscription service.

11. The charge contributes towards the cost of delivering the collection service, it is less than the payment previously received under the cost sharing agreement, and a proportionate increase based on the rationale outlined in this report.

IMPLICATIONS	
Finance	The proposed increase of £5 per bin will generate an estimated £98,800 additional income per annum towards the cost of delivering the service, based upon the current number of subscriptions. If approved, the financial implications of an increase in the fee for the chargeable green waste scheme will be reflected in the next update of the Council's Financial Forecast.
Legal	The Controlled Waste Regulations 1992 classifies garden waste as a household waste for which a charge for collection may be made. The Environmental Protection Act 45 (3) states "the authority may recover a reasonable charge for the collection of the waste from the person who made the request". In proposing revised arrangements for the collection of garden waste the Council is required to have regard to the provisions of the Equalities Act 2010 and s.17 of the Crime & Disorder Act 1998. Nothing within the proposals to charge for the collection of waste contravenes the provisions of these Acts.
Community Safety	No implications arising from this report.
Human Rights and Equalities	No implications arising from this report.
Sustainability and Environmental Impact	No implications arising from this report.
Health & Safety and Risk Management	No implications arising from this report.

LEAD AUTHOR	CONTACT DETAILS	DATE
Allan Oldfield	Allan.oldfield@fylde.gov.uk , 01253 658658	November 2021

BACKGROUND PAPERS		
Name of document	Date	Where available for inspection
Operational Management Committee Report	31 March 2016	www.fylde.gov.uk
Operational Management Committee Report	13 September 2016	www.fylde.gov.uk
Full Council Report	5 December 2016	www.fylde.gov.uk
Operational Management Committee Report	17 January 2017	www.fylde.gov.uk

Attached documents

Appendix 1 - Estimated Costs - Green Waste Collection Service 2021/22

Appendix 1

Estimated Costs - Green Waste Collection Service 2021/22

	Totals 2021/22 Estimated cost of green bin collection service	
Estimated Labour Costs, including NI and pension costs		
Drivers / Loaders / Supervisors / Agency / Other	£331,601	
Sub-total	£331,601	<i>Direct</i>
Estimated Vehicle Costs		
Twin Bin Refuse Collection Vehicles	£232,220	
Sub-total	£232,220	<i>Direct</i>
Estimated Container Costs		
Cost of replacement Green Bins	£19,186	
Sub-total	£19,186	<i>Direct</i>
Estimated Promotion / Subscription Fee Collection Costs		
Comms / printing / leaflet and sticker costs / bank charges / etc	£33,434	
Sub-total	£33,434	<i>Direct</i>
Total Operational Costs - Direct Costs	£616,441	
Estimated Support Service Costs / Capital Charges		
All Support Service / Service Management Costs / Capital Charges	£118,333	
Total Operational Costs - Indirect Costs	£118,333	<i>Indirect</i>

Total Estimated Operational and Support Costs - Green Waste Service: **£734,774**

2021/22 Income (19,760 subscriptions @ £30 per bin): **-£592,800**

2021/22 Estimated Net Cost of Service after income from subscriptions **£141,974**

DECISION ITEM

REPORT OF	MEETING	DATE	ITEM NO
RESOURCES DIRECTORATE	COUNCIL	7 FEBRUARY 2022	12
PUBLIC CONVENIENCE CONTRACT FOR CLEANSING AND MAINTENANCE			

PUBLIC ITEM

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

SUMMARY

Danfo (UK) Ltd 'Danfo' has carried out the contract for the provision, maintenance, and cleansing of the public convenience units in Fylde for the last 15 years; this arrangement comes to an end in March 2022. The Public Contracts Regulations normally requires contracts to be subject to competition, after advice from legal and procurement officers an open tender procedure under the Public Contracts Regulations 2015 was implemented to award a new contract.

Tender documents were issued on the 25th October 2021, with compliant bids received from two potential suppliers: Danfo UK Ltd and Healthmatic Ltd. Both companies passed compliance checks prior to the evaluation based on a 60:40 quality-price ratio, Danfo was the successful bidder based on the evaluation model. Danfo's overall submission was high quality providing the panel with complete assurance that they will be able to deliver requirements to the high standards expected and which they currently deliver.

Provisional outcome letters have been sent to both bidders on the 10th December, providing a 10-day standstill period for the bidders to seek further clarification on the decision if required. The new contract start date is 1st April 2022 subject to Member ratification and will run for a period of 15 years with an option to extend up to a period of 5 further years, subject to termination clauses contained within the contract terms and conditions.

This decision is being put to Full Council for final approval, following recommendations from Finance and Democracy Committee and Operational Management due to the requirement for an unfunded revenue budget increase of £51,543 on the budgeted contract price. This has been referred to the February council meeting because it is an increase in service delivery price on a required contract, providing sufficient time for Danfo to mobilise ahead of the new contract start date.

RECOMMENDATION

1. Full Council is asked to note the recommendations of the Finance and Democracy Committee and Operational Management Committee included below and to include any appropriate feedback to support full council awarding the retendered Public Convenience contract for cleansing and maintenance to Danfo UK Ltd for a period of 15 years based on the tender submission and evaluation assessment identifying Danfo as the best value for money option.
2. That Full Council approve an unfunded revenue budget increase of £52,543 per annum (plus CPI increases from year 3 onwards) to meet the additional cost of the contract covering the cleansing and maintenance of public conveniences and additional services which include maintenance, inspection of hydration points (£8,300 per annum) as well as programmed improvements and refurbishments (£33,356 per annum).

SUMMARY OF PREVIOUS DECISIONS

An information update item was presented at the 9th November Operational Management Committee to inform Members of the latest position with regards to the retendering of the public convenience contract, including the cleansing and maintenance of the existing facilities across the borough.

At a meeting of the Operational Management Committee on the 12th January 2022, it was RESOLVED:

1. To recommend that full council award the retendered the retendered Public Convenience contract for cleansing and maintenance to Danfo UK Ltd for a period of 15 years based on the tender submission and evaluation assessment identifying Danfo as the best value for money option.
2. That Full Council approve an unfunded revenue budget increase of £52,543 per annum (plus CPI increases from year 3 onwards) to meet the additional costs of the contract covering the cleansing and maintenance of public conveniences and additional services which include maintenance, inspection of hydration points (£8,300 per annum) as well as programmed improvements and refurbishments (£33,356 per annum).
3. That on an annual basis, a report is presented to the Operational Management Committee at the first meeting after the end of each financial year to provide details of the improvements and refurbishments delivered across the service in the previous financial year under the agreed contract.
4. That due to the size of the contract and the impact on the revenue budget, the decision is referred to the next meeting of the Finance and Democracy Committee, prior to full council.

At a meeting of the Finance and Democracy Committee on 24th January 2022, it was RESOLVED:

1. The Finance and Democracy Committee is asked to note the recommendations of the Operational Management Committee included below and to include any appropriate feedback to support full council awarding the retendered Public Convenience contract for cleansing and maintenance to Danfo UK Ltd for a period of 15 years based on the tender submission and evaluation assessment identifying Danfo as the best value for money option.
2. That Full Council approve an unfunded revenue budget increase of £52,543 per annum (plus CPI increases from year 3 onwards) to meet the additional cost of the contract covering the cleansing and maintenance of public conveniences and additional services which include maintenance, inspection of hydration points (£8,300 per annum) as well as programmed improvements and refurbishments (£33,356 per annum).

CORPORATE PRIORITIES

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

REPORT

1. Local authorities do not have a statutory obligation to provide public conveniences however, adequate, high quality provision of the service is deemed necessary in Fylde because as a popular tourist destination with many outdoor recreational attractions. For the past 15-years, Danfo (UK) Ltd 'Danfo' has carried out the contract for the provision, maintenance, and cleansing of the public convenience units in Fylde; this arrangement comes to an end in March 2022. To put in place arrangements beyond the contract end date an open tender procedure was required and carried out under the Public Contracts Regulations 2015.
2. Two compliant bids were received from Danfo UK Ltd and Healthmatic Ltd (www.healthmatic.com) both national leading companies for toilet provision, maintenance and cleansing with Danfo UK Ltd having existing contracts in Lancashire and the North West. There are other toilet cleansing companies, but they do not offer

repairs or maintenance on facilities which was a requirement in the tender documents issued on 25th October 2021.

3. The bids were required to pass the initial compliance checks through the completion of a standard selection questionnaire confirming supplier information, any exclusion grounds, financial standing and technical and professional ability; the bids then progressed through to the award stage based on a 60:40 quality-price ratio evaluation assessment, this is a pre-agreed standard model used at Fylde intended to identify the best value bid as opposed to the cheapest service that bidders are made aware of prior to submitting a tender.
4. The pricing schedule was broken down into the categories listed below which contributed up to 40% of the overall contract evaluation score, the bidder was required to identify the proportion of the tender price applicable to each category:
 - Cleaning of the public conveniences to the standards set out in the specification
 - Maintenance of the public conveniences as set out in the specification
 - Cash collection services
 - Cleaning and maintenance of hydration points, and
 - Improvements and refurbishment
5. Healthmatic submitted the lower overall tender price at £189,500 per annum and was awarded full marks (40), Danfo received a score of 33.28 submitting a price of £221,043 per annum. Danfo provided detailed rationale for the increase on the current contract price, citing cost increases in almost all areas of service provision, in particular labour, fleet, energy, and supply chain costs. As the current provider of the service Danfo applied evidence and rationale on increased use of public conveniences in Fylde resulting in the need for additional cleansing and maintenance that included in the tender. It is expected that demand will remain high based on the popularity of the Fylde coast with tourists and regular visitors from the immediate Lancashire and North West hinterland.
6. A high-quality service is an essential part of the tourism and Fylde council offer as such the quality element of the tender evaluation accounts for 60% of the overall score. High levels of customer satisfaction experienced in Fylde cannot be achieved and retained without quality public sector services that offer value for money and are consistent with customer expectation and the council's reputation. The bidders were required to provide a comprehensive response to four detailed questions referred to as 'method statements' that provide the opportunity to outline how the service will be delivered, the quality / value for money actions and the unique aspects of their offer. Each bidder was required to provide detail on how they will deliver against the following:
 - Methodology (30%)
 - Investment and Improvements (10%)
 - Environment (15%)
 - Social Value (5%)
7. The Danfo submission was significantly more detailed and comprehensive, supported by factual data from having operated the contract and evidence of local knowledge about the estate, the Borough and the council, which provided the panel with complete assurance they will deliver requirements to the high standards expected. The bidder had clearly benefitted from the experience, knowledge and relationship acquired from delivering the service for the last 15 years. The panel noted in particular:
 - Comprehensive and more specific detail of the methodology on the delivery of the key requirements in all areas of the service showing a clear understanding of the estate, the seasonal demands, the local area, and the council
 - Improvements to the door locking mechanism to increase coin income / prevent doors being left unlocked for multiple use from a single payment – this would have a positive impact on the coin income that is retained by the council
 - Installation of 'pay to enter' cubicles at the Victorian Monument toilets, further increasing coin income (an invest to save proposal)

- A proposal for a cashless entry system (contactless) that would further increase the income that the council retains
 - Commitment to clean any changing places facility without additional charge throughout the duration of the contract
 - Refurbishment programme commencing from year 1 with an ambitious programme over the period of the contract aimed at ensuring the quality of the facilities and the cleansing remains at a high standard
 - LED lightbulbs, rainwater harvesting and electric vehicle charge points to be included as part of the refurbishment and improvement costs to meet environmental management requirements
 - Donation to the Fylde Sand Dunes project as part of the social value and contribution to a known local environmental scheme that protects some of the estate
 - Local job employment guarantee – something Danfo already deliver operating the Blackpool and Wyre contracts with a much stronger presence in Lancashire and the North West
8. Healthmatic's submission scored fair in their methodology response and weak in the other three areas, the content of the submission was limited and failed to clearly identify tangible deliverables and did not include many of the issues essential to maintaining high quality facilities across the estate. The evaluation panel had reservations that the bidder would be able to deliver to a high standard based on the lack of specific detail, supporting evidence or examples of previous delivery being provided. There was little commitment beyond the cleansing and maintenance of toilets for example, technological innovation, contribution to local projects etc. they chose not to include. It was also evident that some of the service and facility improvements that had been included in the Danfo submission as part of the contract fee would be chargeable additions which was reflected in the much lower allocation of the tender bid on improvements and standards.
9. The procurement method that has been used for this contract is the open procedure. Open procedure was used to allow the whole market to bid for the opportunity and because it is an efficient one stage process. The tender has been subject to the Public Contract Regulations, as the value of the contract exceeds the 'supply and services contracts threshold of £213,477. This places further rules on the Council that must be followed including minimum timescales, limited procedures, publication of additional notices and a mandatory standstill period. The Council must inform bidders at the start of the process what the evaluation criteria is and cannot deviate from this when bids are received. The Council are not permitted to give bidders the opportunity to amend the bid to match a competitor offer, this would constitute a second bid, putting the Council at risk of a successful challenge by discriminating against the highest scoring bidder.
10. Negotiation with bidders on fundamental aspects of contracts, variations in which are likely to distort competition, and on prices, are not permitted for open procedures subject to the regulations. Discussions with bidders may be held but only for the purpose of clarifying or supplementing the content of their tenders or the requirements of the contracting authorities and provided this does not involve discrimination.
11. It is recognised that Danfo had an advantage because they have delivered the service for the last 15 years, developing a good understanding of the quality requirements at Fylde and a strong rapport with officers resulting in a flexible approach to ad hoc requirements and knowledge of the local facilities so they are aware of the future requirements when it comes to refurbishment and improvements. Healthmatic have unfortunately not had the same opportunity that delivering the service offers, the company currently have no contracts, offices or employees in the North West. Whilst these are not a factor in the evaluation score but would explain the difference in the content and knowledge between the methodology statements.
12. Danfo's bid also included additional enhancements the authority may choose to consider, such as the single access points; while these improvements would be subject to additional charges, the inclusion within the bid demonstrated innovation exceeding minimum requirements and provided confidence in the suitability of the approach.
13. The price and quality scores are combined to determine the value for money provider. The panel have recommended that Danfo Ltd would offer the best value service based on price and quality:

Table 1: Tender Scores

Evaluation Summary	Danfo	Healthmatic
Price	33.28	40.00
Quality	48.00	24.00
Total Score	81.28	64.00

14. Provisional outcome letters have been sent to both bidders on the 10th December, providing a 10-day standstill period for questions or to seek further clarification on the decision. The new contract start date is 1st April 2022 and will run for a period of 15 years with an option to extend up to a period of 5 further years, subject to termination clauses contained within the Contract terms and conditions.
15. The recommendation to award the contract to Danfo Ltd will be put before the February Council meeting for approval because there is an increase in the service delivery price that is unfunded in the 22/23 budget proposals. Making the decision at the February council will allow sufficient time for Danfo to mobilise ahead of the new contract start date.

FINANCIAL IMPLICATIONS

16. The Table below sets out the Council's existing base revenue budget provision for the maintenance and cleansing of public conveniences and compares this with the budget required under the new contract:

Table 2: Revenue Budget - Costs

	2022/23 Onwards
Existing base revenue budget p.a. for maintenance and cleansing of public conveniences	168,500
*New contract price p.a. from DANFO	*221,043
Additional unfunded base revenue budget required per annum	52,543

* The contract price figure above is fixed for the first two years of the contract and will then increase by CPI annually from 1st April 2024. Included in the contract price are the following additional elements:

- £8,300 per annum in respect of Hydration Points, the contractor will "clean and complete scheduled water quality testing, such as Legionella, TVC, E-coli, Coliforms and any other drinking water quality tests that may be required to ensure the water from the hydration points is maintained at an approved and safe standard for drinking". Whilst this element of the contract price will only be incurred when the hydration points are installed, it is recommended that budget provision is included so it is in place when required. The hydration points are being installed as part of the approved capital programme with most proposed points either attached to existing toilet blocks or located close by, and
- £33,356 per annum for programmed improvements and refurbishments; Danfo clearly demonstrated a comprehensive understanding of the Fylde estate with detail on implementing improvements and technologies that will have a positive impact on the coin income that is retained by the council and maintaining the quality of the assets over the period of the contract
- The current contract price to service, cleanse and maintain the toilets is £168,500, the additional requirements that will enhance and future proof the service total £41,656, resulting in an increase of £10,887 (6%) on the cleansing and maintenance element of the contract tender.

COIN INCOME

17. Coin income is retained by the council, the Danfo tender bid included several improvements that will increase coin income through a reduction in access without payment which at busy periods can be significant. The commitment includes a 12-month replacement programme of all current turn locks with a new push button locking system that has been proven to achieve a 25% increase in coin income reducing free access to

facilities. Other suggested improvements include the installation of a single-entry access point at some location (i.e. Monument Promenade facility) which prevents loss of income during “peak” periods when doors have been left open for use without payment. There would be upfront costs of approximately £25,000 to achieve the required modifications to allow turnstile entry however the payback period would be relatively short given the guaranteed increase in coin income i.e. a similar installation at a facility in Blackpool doubled the coin income in just over a year (invest to save scheme).

18. The current charge for using public conveniences in Fylde is 20p through a coin activated locking system on each cubicle door. This charge was introduced at the start of the current contract 15 years ago, without any increases over this period during which costs have increased. Neighbouring Local Authorities have been charging a higher rate for some time and there is a proposal to increase the Fylde charge to 40p that will be considered at Budget Council in March 2022, as part of the annual fees and charges review.
19. Any increase in the charge for using the facilities would represent additional income for the council. The table below shows the income received by the council from public conveniences for the last 4 years and the latest estimate for the current year:

Table 3: Income Received from Public Conveniences

	2017/18	2018/19	2019/20	2020/21	2021/22 (latest estimate)
Income received by the council from public conveniences	£27,017	£24,625	£25,606	£35,700	£50,000

20. It is likely that current year income and 2020/21 income has increased as a result of additional staycations during the pandemic. If a fee of 40p is approved at budget council, the council will receive double the income it currently receives (which can fluctuate each year as shown in table 3) assuming there is no adverse impact on usage of the facilities.

IMPLICATIONS	
Finance	This report considers the letting of a 15 year contract to DANFO and recommends that Full Council approve an unfunded revenue budget increase of £52,543 per annum (plus CPI increases from year 3 onwards) to meet the additional cost of the contract covering the cleansing and maintenance of public conveniences and additional services which include maintenance, inspection of hydration points (£8,300 per annum) as well as programmed improvements and refurbishments (£33,356 per annum).
Legal	No implications from this report
Community Safety	No implications from this report
Human Rights and Equalities	No implications from this report
Sustainability and Environmental Impact	No implications from this report
Health & Safety and Risk Management	No implications from this report

LEAD AUTHOR	CONTACT DETAILS	DATE
Kathy Winstanley	Kathy.winstanley@fylde.gov.uk , 01253 658634	20/01/2022

BACKGROUND PAPERS		
Name of document	Date	Where available for inspection
N/A		