



MINUTES

Finance and Democracy Committee

Date:	Monday, 25 January 2021
Venue:	Via remote access
Committee Members Present:	Councillor Karen Buckley (Chairman) Councillor Vince Settle (Vice-Chairman) Councillors Peter Anthony, Brian Gill, Peter Collins, Ellie Gaunt, Linda Nulty, David O'Rourke, Richard Redcliffe, Elaine Silverwood, John Singleton JP, Michael Withers.
Officers Present:	Allan Oldfield, Tracy Manning, Paul O'Donoghue, Paul Walker, Ian Curtis, Mark Evans, Darren Bell, Katharine McDonnell
Other Attendees:	Councillors Bamforth, Little and Lee

Public Platform

There were no speakers on this occasion.

1. Declarations of Interest

Members were reminded that any disclosable pecuniary interests should be declared as required by the Localism Act 2011 and any personal or prejudicial interests should be declared as required by the Council's Code of Conduct for Members. There were no declarations on this occasion.

2. Confirmation of Minutes

RESOLVED: To approve the minutes of the Finance and Democracy Committee meeting held on 23 November 2020 as a correct record for signature by the Chairman.

3. Substitute Members

The following substitutions were reported under Council procedure rule 23 (c):

Councillor Brian Gill for Councillor Liz Oades

Decision Items

4. Financial Forecast Update 2020/21 to 2024/25 (Position as at January 2021)

Paul O'Donoghue, Chief Financial Officer, provided the latest update to the financial forecast. He advised that since the update was last presented to committee in November the Local Government Finance Settlement had been announced in December 2020, the impact of which had been reflected in the update.

Mr O'Donoghue advised that, as expected, it was a single year roll over settlement for 2021/22. The government had also announced a further delay to the Fair Funding review, which was a review into the future of local government funding. The Fair Funding Review had previously been delayed by Brexit negotiations and was now delayed due to the pandemic.

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Mr O'Donoghue advised that the single year settlement confirmed the continuation of business rate pooling, and that all existing Lancashire pool members, including Fylde, had indicated that they wished to remain in the pool for 2021/22.

A single year settlement for New Homes Bonus (NHB) had also been confirmed, which had permitted Fylde to confirm the 5% allocation to Town & Parish Councils for the coming year, this amounted to £58k.

Additionally, the settlement provided a Lower Tier Services Grant, for borough and district councils, which amounted to £379k for Fylde. Government were awarding this grant to ensure the council's spending power remained at the current assumed level. He advised this was calculated on the assumption that Council Tax was increased to the maximum permitted level (without the need for a referendum), which for Fylde was £5 for a Band D property or 2.5%. This grant, together with an additional covid support grant of £392k was reflected in the update.

Mr O'Donoghue advised that the updated forecast projected a surplus of £1.5m for 2020/21 and a surplus of £2m for 2021/22 before a deficit for 2022/23, and beyond, due to uncertainty surrounding the future of local government funding.

In response to questions Mr O'Donoghue agreed there was significant uncertainty regarding the future of NHB. He advised there was a proposal for a consultation on NHB by MHCLG, with a commitment to undertake the consultation in the coming financial year. The NHB was a substantial funding stream for many district councils and the hope was that NHB remained. If it did not, there was encouragement with the awarding of the Lower Tier Services Grant, that government would replace NHB with a similarly compensatory scheme.

Without further debate, it was RESOLVED to

1. To note the implications of this updated financial forecast, and to also note that this update report will be presented to the Council meeting on 15th February 2021; and
2. To note that following the confirmation of the amount of New Homes Bonus grant to be received for 2021/22, allocations of a proportion of this grant to town and parish councils have been calculated in the total sum of £58,049 in accordance with the decision of the Finance and Democracy Committee on this matter at the meeting of 23rd November 2020.

5. Budget Setting – Fees and Charges 2021/22

Paul O'Donoghue, Chief Financial Officer, introduced the report advising that each year, as part of the budget-setting process, the schedule of fees and charges for the coming year (for each of the services that the Council provides) was reviewed by budget-holders prior to that schedule being considered by the relevant Programme Committee and finally being approved at the March Budget Council meeting.

Each Programme Committee was required to recommend to the Council for approval a schedule of fees and charges for those activities within the remit of the Committee.

The report requested that Members consider the proposed schedule of fees and charges for those services within the remit of the committee as detailed at Appendix A to the report and provide a recommendation to Council in this regard.

The Vice Chairman advised he had sought clarification regarding the increased charges for new leases for the charities and community groups. He advised that the existing charge did not fully cover the cost of preparing the leases, but to reduce the impact on the council, the charge had been raised by £50. He further advised that for both charity and community group lease renewals the charge had been reduced to more accurately reflect the estimated costs incurred in these transactions.

Without further comment, it was RESOLVED

1. To recommend to Council a proposed schedule of fees and charges applicable for 2021/22; and
2. To note that the final fees and charges for 2021/22 will be approved by the Budget Council in March 2021.

6. Boundary Commission Review – Cross Party Working Group

Tracy Manning, Director of Resources, introduced a report proposing the continuation of the cross-party Boundary Commission Working Group. She advised that the group had initially been appointed by the committee to produce a council size submission. The work was successfully completed, and subsequently endorsed by the Council, and submitted during December to the Local Government Boundary Commission (LGBC).

The LGBC had recently advised that they had agreed with the council's submission and the proposal for a reduction in the number of councillors to 37 from 2023 with streamlined committee arrangements.

The next stage of the Boundary Commission review regarded the warding arrangements. Although the work involved a wider consultation than the initial council size stage of work, which the Boundary Commission would lead, the council was encouraged to submit its own proposals in response to warding arrangements.

It is therefore suggested that the work could be furthered by the cross-party Working Group with advice and support from officers. There may be a final piece of work to complete in the summer months to consider the draft recommendations of the Commission. The following members served on the Working Group: Councillor Buckley (Chairman) and Councillors Green, Nulty, Oades, Singleton and Small.

Councillor Buckley reported that it appeared that the Boundary Commission had brought forward its warding arrangements consultation slightly and Tracy Manning undertook to get an updated timetable from the LGBC to share with the Working Group members.

A number of councillors offered thanks to the working group, and officers supporting the group, for their work thus far.

It was RESOLVED

1. That the cross-party Working Group comprising Councillor Buckley (Chairman) and Councillors Green, Nulty, Oades, Singleton and Small be re-convened in order to develop a proposal for Warding arrangements
2. That the deliberations of the Working Party be reported back to the Finance and Democracy Committee, prior to being presented to the Council for its approval (29th March and 19th April meetings); and
3. That the Working Party be re-convened, as necessary, in order to consider the draft recommendations of the Commission and provide feedback if required during the summer months.

7. Lytham Institute – Charity Reporting & Consultation

The Chairman reminded members that in taking any decisions relating to the Lytham Institute, the committee was acting on behalf of the council in its capacity as trustee of the charitable trust, rather than for the purposes of the council.

Paul O'Donoghue, Chief Financial Officer, introduced the report outlining the information the corporate trustee (the Council) was required to submit to the Charity Commission regarding Lytham Institute as part of an annual return that all charities were required to make.

The report also provided an update on the consultation process on the charitable objective that was suspended in response to the COVID 19 lockdown in March 2020.

Mr O'Donoghue provided a detailed explanation regarding each of the recommendations. He advised that it was proposed that the consultation on the proposed objective of the Lytham Institute Trust would reopen once the current national lockdown had ended. Further, a promotion of the reopening consultation would commence at least seven days prior to the consultation being relaunched.

Additionally, the consultation period would be extended from the previously agreed 21 days to 28 days.

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In regard to the accounts, Mr O'Donoghue advised that a firm of accountants specialising in the production of charity accounts, and familiar with the requirements of the Charity Commission, were commissioned to produce the accounts. Mr O'Donoghue advised he was satisfied that the firm, Rushtons, had completed due diligence in producing the accounts. He further advised that they had had regard to the valuation and invoices for the Trust.

Mr O'Donoghue further advised that a firm of surveyors, Jacobs, had been commissioned to conduct an independent building conditions survey, and separately an asset valuation report. Mr Walker, Director of Development Services, in response to questions, advised that the survey provided an estimated value of works required for refurbishment, and that the valuation report included a nominal value of the building for the accounts. The valuation reflected the status of the trust, the restrictions of the trust and the current state of the building.

In response to questions, Mr Curtis, Head of Governance, confirmed that individual members of the committee were not trustees in their own right, but that the committee was required to act in pursuance of the purposes of the trust. Mr O'Donoghue advised that the issue of the potential for backdating charitable rate relief would be further explored, but any future decision would not be reflected in the accounts for the period to 31 March 2020.

It was RESOLVED

1. To approve the re-opening of the consultation on the proposed objects of the Lytham Institute Trust after the current national Covid-19 lockdown that was announced from 5th January 2021.
2. To approve that the re-opened consultation on the charitable objects will be for a period of 28 days with publication and promotion of the commencement date at least 7 days before the consultation is to re-open.
3. To approve the Trustees Annual Report and Annual Accounts for the period to 31st March 2020 as shown at the appendices to this report for submission to the Charity Commission and circulate the same to members of the committee after the following issues have been attended to, for which delegated authority is given to the Chief Financial Officer, Paul O'Donoghue:
 - a) The notes on the estimated value of works required to the building be expanded to reflect further details of the various estimates produced in the independent building conditions survey carried out by Jacobs;
 - b) The note on staff costs be expanded to explain the relationship between council staff and Lytham Institute; and
 - c) The note on the depreciation methodology under the heading "tangible fixed assets" be updated to include depreciation rates.

8. Update Fylde Council Homelessness and Rough Sleeping Strategy 2020-2025

At its meeting on 5 January 2021 Environmental Health and Housing Committee noted an update on Fylde Council's Homelessness and Rough Sleeping Strategy 2020-2025. The Committee also considered proposals for re-allocation of funding from the Flexible Homelessness Support Grant (FHSG) and Homeless Reduction Act; new burdens funding (HRA) to meet service priorities.

The Environment, Health and Housing Committee having considered the proposals recommended that Finance and Democracy Committee approve the FHSG and HRA funding for 2019/20 be re-allocated and funding for 2020/21 be allocated to; continue the funding of the Rapid Rehousing Officer post from 2022 to 2026 in line with MHCLG Rough Sleeping Strategy to 2027; be used to fund the Customer Services Housing Specialist Role for 12 months from the 1st April 2021; with the remainder to be used to continue to support clients facing homelessness.

Following a number of members speaking in support of the service, it was RESOLVED to

1. Approve fully funded revenue budget increases in the sums of £26,274 in 2022/23, £27,524 in 2023/24, £28,058 in 2024/25 and £28,604 in 2025/26 to continue the Rapid Rehousing Officer project to be met from

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a revision to the FHSG and HRA funding received in 2019/20, (approved by this Committee in February 2020 totalling £70,921) and in addition to this, funding received for 2020/21 of £69,421 under the FHSG and HRA. Totalling £140,343;

2. Approve a fully funded revenue budget increase in the sum of £13,201 in 2021/22 to continue the Customer Services Housing Specialist role within Customer Services for a further 12 months from 1st April 2021 to 31st March 2022 to be met from the remaining FHSG and HRA funding for 2020/21; and

3. Approve a fully funded budget increase for 2021/22 for the housing services team such that the remainder of the funding in the sum of £16,682 from the FHSG and HRA funding may be used to support the work of the housing service to provide continued support for clients facing homelessness in 2021/22.

9. Blackpool Road North Playing Fields Drainage

At its meeting on 7 January 2021, the Tourism and Leisure Committee considered an increase in funding, of £20,000, for the previously approved plan to replace the culverted drain at Blackpool Road North Playing Fields, St Annes. The works would replace the existing culvert along the full length of the sports field which had partially collapsed in areas. These works were a requirement under riparian ownership responsibilities as set out by the Environment Agency (EA). The Tourism and Leisure Committee recommended the increase in funding to the Finance and Democracy Committee for approval.

A number of members spoke in support of the proposal, it was RESOLVED to approve an increase in the sum of £20,000 to the Blackpool Road North Playing Fields Drainage project within the Council's 2020/21 capital programme, to be met in full from the Capital Investment Reserve.

10. Snowdon Road Depot Welfare Improvements

At its meeting on 12 January 2021, the Operational Management Committee considered a request for a fully funded budget increase, of £71,000, to the previously approved plan for Snowdon Road Depot Welfare Improvements scheme, and recommended the increase to Finance and Democracy Committee for approval.

The proposed fully funded increase in the sum of £71,000 for 2020/21, would be met in full from the Capital Investment Reserve in order to deliver the project. If approved, it would increase the total value of the scheme to £414,000.

In response to questions regarding the increasing costs, Darren Bell, Head of Technical Services, advised that when the capital bid was originally submitted there were no detailed designs or site investigations undertaken. The original proposal was to erect a brick extension to replace a portacabin providing welfare facilities for operational staff with the cost calculated using a unit rate per metre square.

He advised that when the detail design was worked up, there was an opportunity to build a better facility to provide welfare facilities for both the operational and the parks/rangers teams. Following tendering, the increased cost items were for structure that required piling due to ground conditions. Additionally ground conditions would require a concrete that was sulphate resistant and all walls to be block not stud. Additional shower facilities had been added, ICT contingency provision had been increased, both drying rooms had been improved, an external canopy added and a 5% contingency to the project budget. Mr Bell advised that allowances had been made in the budget for any required improvements to utility supply.

It was RESOLVED to approve an increase in the sum of £71,000 to the Snowdon Road Depot Welfare Improvements scheme within the Council's 2020/21 capital programme, to be met in full from the Capital Investment Reserve, which if approved would increase the value of the scheme to £414,000.

11. Use of Section 106 Monies – M55-Heyhouses Link Road

The committee was reminded that the Council currently held £125,000 paid in accordance with a Section 106 agreement relating to land east of Cropper Road, Westby with Plumpton. The money was secured in order to: 'be used towards improving accessibility of the Development'.

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Detailed design work of the M55-Heyhouses link was being carried out by a consultant engineering company and it was proposed to use the contribution currently held by Fylde Council to finance the design and the overseeing of design work by Lancashire County Council by way of a funded budget increase to the scheme for this purpose within the current approved Capital Programme. The Head of Governance had confirmed that the use of the monies in this manner would accord with the provisions of the agreement.

It was RESOLVED

1. To approve a funded budget increase in the sum of £125,000 for 2020/21 to the M55 Link Road (design works) scheme that is within the current approved Capital Programme, to be met in full from S106 developer contributions for delivery of the link road currently held by the Council for this purpose in the same sum; and
2. To note that the developer contribution is intended to provide funding for the design of the link road and consequently to approve that the payment in the total sum of £125,000 may be made to the appointed consultant engineering company and to Lancashire County Council in accordance with their respective costs.

INFORMATION ITEMS

12. Budget Setting – Revenue Budget 2021/22 – First Draft

The Committee were advised the first draft of the Revenue Budget for 2021/22 was available for perusal by members.

13. Covid 19 Local Authority Grants to Town Centres

The Committee received information on how the business groups had spent or had planned to spend the grants.

14. Fibre Optic Co-operative Membership

Mr Walker provided information to the Committee regarding the Fibre Optic Co-operative. He explained it provided the council with valuable access to internet infrastructure providers. The principle of dig it once, where fibre duct could be installed whilst public realm works were underway, and spare capacity in the duct was made available to co-operative members. Whilst the benefits were not as great for lower tier authorities, through collaboration with LCC and the planned regeneration of the town centres, the Council could liaise with the internet infrastructure providers to benefit the development of the fibre optic infrastructure across Fylde.

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