



# Agenda

## Finance and Democracy Committee

Date:	Tuesday, 28 July 2020 at 6:30pm
Venue:	Remote meeting via Zoom
Committee members:	<p>Councillor Karen Buckley (Chairman) Councillor Vince Settle (Vice-Chairman)</p> <p>Councillors Peter Anthony, Peter Collins, Ellie Gaunt, Linda Nulty, Liz Oades, David O'Rourke, Richard Redcliffe, Elaine Silverwood, John Singleton JP, Michael Withers.</p>

**Please Note:** This meeting is being held remotely via Zoom. To access the meeting please click on the link below.

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Meeting ID: 810 3619 6152

Password: 362886

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

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

	PROCEDURAL ITEMS:	PAGE
1	<b>Declarations of Interest:</b> Declarations of interest, and the responsibility for declaring the same, are matters for elected members. Members are able to obtain advice, in writing, in advance of meetings. This should only be sought via the Council's Monitoring Officer. However, it should be noted that no advice on interests sought less than one working day prior to any meeting will be provided.	1
2	<b>Confirmation of Minutes:</b> To confirm the minutes, as previously circulated, of the meeting held on <a href="#">22 June 2020</a> as a correct record.	1
3	<b>Substitute Members:</b> Details of any substitute members notified in accordance with council procedure rule 23(c).	1
	DECISION ITEMS:	
4	<b>Medium Term Financial Strategy (MTFS) – General Fund Revenue, Capital Programme &amp; Treasury Management Outturn Position for 2019/20</b>	3 - 27
	INFORMATION ITEMS:	
5	<b>Public Offices Site</b>	28 - 29

Contact: Sharon Wadsworth - Telephone: (01253) 658546 – Email: [democracy@fylde.gov.uk](mailto:democracy@fylde.gov.uk)

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## DECISION ITEM

REPORT OF	MEETING	DATE	ITEM NO
RESOURCES DIRECTORATE	FINANCE AND DEMOCRACY COMMITTEE	28 JULY 2020	4
<b>MEDIUM TERM FINANCIAL STRATEGY (MTFS) – GENERAL FUND REVENUE, CAPITAL PROGRAMME &amp; TREASURY MANAGEMENT OUTTURN POSITION FOR 2019/20</b>			

### PUBLIC ITEM

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

### SUMMARY

On 4<sup>th</sup> March 2020 the Council set its budget for 2020/21, also approving a revised budget for 2019/20. This report sets out for Members: the expected General Fund Revenue, Capital, and Treasury Management Outturn position for the financial year 2019/20; the major variations between the latest approved budget and the actual outturn expenditure; a summary of the impact on the Council's reserves; and includes a summary of the Council's Treasury Management operations for the financial year.

### RECOMMENDATIONS

**The Finance and Democracy Committee is recommended to:**

1. approve the General Fund Revenue Outturn position as summarised in table 1 of the report;
2. approve the revenue slippage items and the transfer to general fund balances as set out in paragraph 2.6 and Appendix C of the report;
3. approve the transfers to earmarked reserves as set out in paragraphs 2.7 to 2.9 and as summarised in table 1 of the report;
4. approve the Capital Outturn position, including financing, as set out in sections 6 to 9 of the report;
5. approve the capital slippage items as set out in Appendix E of the report; and
6. approve the Treasury Management Annual Report as set out in sections 10 to 12 and the actual Prudential Indicators set out in Appendix F of the report.

### SUMMARY OF PREVIOUS DECISIONS

The outturn position for the prior financial year is considered by members annually. There are no previous decisions in respect of the 2019/20 financial outturn.

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

## REPORT

### 1. Introduction

1.1 The Revenue Budget Forecast Update was reported to the Finance and Democracy Committee in both November 2019 and January 2020 and to Council in February 2020, with the Medium Term Financial Strategy (MTFS) and budget decisions presented to full Council for approval in March 2020. This report sets out the outturn position at the end of the financial year to 31st March 2020.

1.2 In the weeks following the setting of the budget for 2020/21, and the revised budget for 2019/20, the impact of the Covid-19 outbreak became increasingly apparent. The national 'lock-down' that was implemented in late March is expected to have a major impact on the Council's financial position for 2020/21, although a range of national funding measures have also been introduced that will assist in off-setting some of those negative financial effects. Due to the timing of the commencement of the lock-down (24<sup>th</sup> March 2020) the effects of that situation for the 2019/20 financial year have been limited.

The financial impact of the lockdown measures, in terms of reduced levels of income and the cost of providing financial assistance to specific local businesses, is being carefully monitored and will be reported within the updated Financial Forecast during 2020/21 as appropriate.

### 2. General Fund Revenue Outturn Position (including Collection Fund)

2.1 On the 4th March 2020, Council approved a revised Revenue Budget net requirement of £10.472m for 2019/20. The outturn position for 2019/20 is a net requirement of £9.748m resulting in a favourable variance (before financing and slippage) of £0.724m. In addition, a £0.600m favourable variance against the budgeted total of financing received during the year has resulted in a Revenue Budget favourable outturn variance, before slippage requests, of £1.324m.

2.2 The outturn position is summarised in Table 1 below:

**Table 1 – Estimated General Fund Revenue Outturn Position:**

	<u>Budget</u> <u>£m</u>	<u>Actual</u> <u>£m</u>	<u>Variance</u> <u>£m</u>	
Net expenditure for the year	10.472	9.748	(0.724)	(Fav)
Financing for the year	(11.612)	(12.212)	(0.600)	(Fav)
<b>Surplus of resources for the year</b>	<b>(1.140)</b>	<b>(2.464)</b>	<b>(1.324)</b>	<b>(Fav)</b>
Less:				
Budgeted transfer to Capital investment Reserve	(0.832)	(0.832)	-	-
Budgeted transfer to M55 Link Road Reserve	(0.308)	(0.308)	-	-
<b>Balance – underlying outturn variance</b>	<b>-</b>	<b>(1.324)</b>	<b>(1.324)</b>	<b>(Fav)</b>
<b>Analysis of further recommended transfers to reserves:</b>				
- Required transfer to GF balances re slippage transfer	-	(0.345)	(0.345)	(Fav)
- Further transfer to Capital Investment Reserve	-	(0.924)	(0.924)	(Fav)
- Transfer to Funding Volatility Reserve	-	(0.020)	(0.020)	(Fav)
- Transfer to EU Exit Reserve	-	(0.035)	(0.035)	(Fav)
<b>Recommended further transfers to reserves</b>	<b>-</b>	<b>(1.324)</b>	<b>(1.324)</b>	<b>(Fav)</b>

2.3 Subsequent to the revised Revenue Budget for 2019/20 being approved, the Council meeting of 18<sup>th</sup> March 2020 approved the transfer into the M55 Link Road Reserve of current and future Business Rate growth receipts arising from the Blackpool Airport Enterprise Zone to a maximum sum of £1m. To date the Business Rate growth receipts relating to the Enterprise Zone total £0.308m. In accordance with the Council decision this sum is to be transferred to the M55 Link Road Reserve, as shown above.

- 2.4 A more detailed analysis of the General Fund Revenue Account comparing actual expenditure against the revised approved estimate, analysed by service, is set out in **Appendix A**. A detailed list of the significant variances within services which contribute to the outturn position is set out in **Appendix B**.
- 2.5 The analysis of the 2019/20 financing at **Appendix A** includes a favourable variance of £0.600m in relation to government grants and council tax and business rate income. The majority of this relates to additional business rate income received during the year, including the consequence of the timing differences in the required accounting transactions between the Council's General Fund and the Collection Fund, and the beneficial impact of a decision made by Lancashire Leaders in March 2020 when lockdown measures were introduced to retain locally all business rate income accruing to each authority rather than to contribute a 25% top-slice to a Lancashire wide Strategic Economic Growth and Financial Sustainability Fund.
- 2.6 There are a number of budget variances arising from slippage which are recommended for operational effectiveness. These items total £0.345m and are listed in **Appendix C**. **It is recommended that this sum is transferred to general fund balances at year end such that this expenditure can be met in 2020/21**
- 2.7 The remaining favourable variance after accounting for this transfer for slippage is £0.979m. In September 2019 the Finance and Democracy Committee approved a contribution from Fylde Council to the funding for the Greater Lancashire Plan in the sum of £0.020m, to be met initially from the Funding Volatility Reserve, and ultimately from increased Business Rates income. **It is recommended that the sum of £0.020m is transferred to the Funding Volatility Reserve to provide the necessary resources for this contribution.**
- 2.8 During the year the Government announced further funding intended to meet any local financial consequences arising from the UK departure from the European Union, the allocation for Fylde Council being in the sum of £0.035m. **It is proposed that the funding in the sum of £0.035m is transferred to the EU Exit Funding Reserve to provide funding for any such financial impacts of 'Brexit' as and when they arise.**
- 2.9 Following the transfers detailed above, the available balance of the favourable outturn variance is £0.924m. **It is recommended that the sum of £0.924m is transferred to the Capital Investment Reserve to provide additional financing resources for future capital projects.** This would result in a current forecast balance of the reserve in the sum of £6.455m including the currently budgeted transfer into the reserve of £1.288m in respect of 2020/21. Of this £3.522m is already committed to deliver existing approved capital schemes in the years 2020/21 to 2021/22, leaving a forecast unallocated balance on the reserve of £2.933m.
- 2.10 Work continues to be undertaken to interrogate and verify the nature of any budget variances in order to continue the budget rightsizing work carried out during the last financial year. The outcome of this work will be reflected in future updates of the MTFS.

### **3. Council Tax and Business Rates Income – The Collection Fund**

- 3.1 As a Council Tax and Non-Domestic Rates (NDR) Billing Authority, Fylde Council is required by legislation to collect council tax and business rates within the borough on behalf of central government, Town and Parish Councils and major preceptors (being Lancashire County Council, and the Fire and Police Authorities), and to account for that income through a 'Collection Fund'. Under the Collection Fund accounting arrangements any surplus or deficit on the fund each year, which occur as a result of actual income being higher or lower than that budgeted for, is split between the Government and the other precepting bodies in proportion to their shares.
- 3.2 **For Council Tax only**, there was a surplus on the fund as at 31st March 2020 of £861k. This will be shared between Fylde Council, the County Council, the Police Authority and the Fire & Rescue Authority in 2020/21 & 2021/22. Fylde Council's share of the surplus is £111k, the beneficial impact of which will be reflected in future updates of the Council's financial forecast.
- 3.3 **For Non-Domestic Rates only**, there was a surplus on the fund as at 31st March 2020 of £3.869m. A large proportion of this arises from the release in 2019/20 of a provision for business rate appeals on behalf of NHS Trusts for mandatory charitable rate relief which has been defended successfully at a national level.

The surplus will be shared between Central Government, Fylde Council, the County Council and the Fire & Rescue Authority in 2020/21 & 2021/22. Fylde Council's share of the surplus is £2.120m, the beneficial impact of which will be reflected in future updates of the Council's financial forecast.

- 3.4 The Collection Fund accounting processes mean that there are significant timing differences between when a deficit or surplus on the collection fund occurs and when the relevant payments or receipts are made to or from the relevant parties to the collection fund. The Council's Financial Forecast will be updated during 2020/21 to reflect the anticipated timing of cash flows to and from the collection fund.

#### 4. Statement of General Fund Revenue Balances

- 4.1 Table 2 details the Council's General Fund Balances position, as a result of the estimated Outturn at 31<sup>st</sup> March 2020:

**Table 2 – Statement of General Fund Revenue Balances**

	<u>Budget</u>	<u>Actual</u>	<u>Variation</u>	
	<u>£m</u>	<u>£m</u>	<u>£m</u>	
Opening Balance 01/04/2019	3.927	3.927	-	
In-year surplus transferred to reserves re slippage	-	0.345	0.345	(Fav)
<b>Closing Balance 31/03/2020</b>	<b>3.927</b>	<b>4.272</b>	<b>0.345</b>	<b>(Fav)</b>

- 4.2 The first call on revenue balances in 2020/21 is the proposed slippage of £0.345m as set out in **Appendix C** leaving general fund balances after allowing for these items at £3.927m.

#### 5. General Fund Revenue Outturn Conclusions

- 5.1 The favourable outturn position for revenue allows for a contribution to be made to the Funding Volatility Reserve in respect of the Fylde Council share of the funding for the Greater Lancashire Plan in the sum of £0.020m, an additional transfer to the EU Exit Funding Reserve in the sum of £0.035m, and a further contribution to the Capital Investment Reserve in the sum of £0.924m to provide additional financing resources for future capital projects.
- 5.2 This favourable revenue outturn represents an improvement to the overall financial position of the Council. Future updates to the Financial Forecast during 2020/21 will reflect this improvement. In light of the impact of the Covid-19 lock-down situation on the financial position of the Council (in terms of reduced income and additional expenditure) though partially offset by central government funding, together with the potential for future general reductions in central government funding from 2022/23 onwards, the Council needs to continue with the approach to delivering savings and efficiencies which have helped deliver balanced budgets and provided contributions to reserves over recent years.
- 5.3 Through continued focus on the importance of financial stability the Council has delivered a significant savings programme in recent years and has continued to reduce senior management costs and other overheads. Ongoing modernisation work and business improvement will continue to make Council services more efficient, save money and maintain high quality frontline services to customers. This work has yielded ongoing savings to help improve the Council's financial position over that period and to continue to provide high quality services to residents. For Fylde Council to continue to successfully meet the new challenges that it faces it is vital that this approach continues and that all reasonable opportunities for further cost-reduction measures and for the generation of additional income are seriously considered. Prudent financial management in previous years has provided a level of reserves which allows the necessary time to determine how this council can best respond to the increased challenges.

## 6. Capital Outturn 2019/20

- 6.1 The summary outturn position for capital is set out in table 3 below. The latest approved expenditure budget in the capital programme for 2019/20 was £14.274m, and outturn expenditure was £12.093m leaving a net underspend of £2.181m for the year.

After adjusting for slippage of £2.129m the overall outturn position for 2019/20 is an in-year £2k favourable variance against the latest updated estimate (as shown in table 3). Capital programme expenditure for 2019/20 and details of variances for all capital schemes are shown in Appendix D.

**Table 3 - Latest Estimate Compared with Outturn 2019/20**

	Notes	£m
MTFS 04/03/20:		
<b><i>Approved Capital Programme: Latest Estimate</i></b>		<b>14.299</b>
Less Outturn Expenditure		(12.168)
<b><i>Net Underspend for Year</i></b>		<b>2.131</b> (Fav)
Less Slippage (as per Note 1 below)	1	(2.129)
<b>Underlying Variance at Outturn</b>		<b>0.002</b> (Fav)

**Note 1: Capital Schemes Slippage Requests to 2020/21** (Full explanations are contained in **Appendix E**)

	£'000
Purchase of Land Adjacent to Squires Gate Station	5
Fairhaven Lake & Promenade Gardens Restoration	16
Fairhaven Adventure Golf ( <i>Re-phasing of expenditure</i> )	-14
Fylde Sand Dunes Improvement Scheme	46
Replacement Vehicles	251
Public Transport Improvements	60
Fairhaven and Church Scar Coast Protection Scheme	461
Fairhaven and Church Scar Coast Public Realm Works	280
Stanner Bank car park - barrier scheme	50
Toilet facilities and perimeter fencing at the Splash Park facility	185
CCTV Replacement Schemes	27
Cemetery and Crematorium - Infrastructure Works	102
St Annes Regeneration Schemes	117
Lytham Regeneration Schemes	400
Kirkham Public Realm Improvements	5
M55 Link Road	83
Ansdell / Fairhaven - Public Realm Scheme	10
Kirkham and Wesham Station	15
Future High Street Fund: Kirkham	25
St Annes Pier - Coastal Revival Fund	5
<b>Total Slippage requested</b>	<b>2,129</b>

- 6.2 The next update of the Five Year Capital Programme for 2020/21 will be amended to reflect the outturn results and any other changes approved to date.

## 7. Usable Capital Receipts 2019/20

- 7.1 Capital Receipts form part of the Council's capital financing strategy. Details of usable receipts are set out in table 4:

**Table 4 - Useable Capital Receipts 2019/20:**

	Latest Estimate	Outturn	Variance +/-	
	£'000	£'000	£'000	
Opening Balance at 01/04/2019	0	0	0	
Capital Receipts received in year	0	163	163	Fav
<b>Sub Total</b>	<b>0</b>	<b>163</b>	<b>163</b>	Fav
Capital Receipts applied in year		(163)		
<b>Closing Balance at 31/03/2020</b>		<b>0</b>		

- 7.2 The favourable variance of £163k arises mainly from 'Right to Buy' receipts and vehicle sales.

## 8. Capital Financing 2019/20

- 8.1 The proposed financing of capital expenditure is set out in table 5 below. The financing proposals represent the most cost-effective financing to the Council and leaves it with the greatest flexibility in respect of future years.

**Table 5 - Capital Financing 2019/20:**

<b>EXPENDITURE:</b>	<b>£'000</b>
	<b>12,168</b>
<b>FINANCING:</b>	
Grants & Contributions	10,895
Internal Borrowing	54
Capital Receipts	163
Revenue Contribution	82
Capital Investment Reserve	974
<b>Total Capital Financing</b>	<b>12,168</b>

- 8.2 The grants and contributions shown above includes Environment agency funding to deliver the sea defence schemes. Should any minor changes be identified in capital expenditure as a result of final closure work, capital financing will be adjusted as appropriate.



## **9. Capital Outturn – Conclusions**

- 9.1 After allowing for slippage the outturn position has produced an underlying programme favourable variance of £2k compared to the latest forecast reported to Members.
- 9.2 The outturn position will be reflected in future capital programme updates.
- 9.3 Full analysis of the capital outturn position on a scheme-by-scheme basis is shown at Appendix D to this report.

## **10. Treasury Management Annual Report**

### **10.1 Background**

This section of the report covers Treasury Management operations for the financial year to 31<sup>st</sup> March 2020. The Local Government Act 2003 requires the Council to adopt the CIPFA (the Chartered Institute of Public Finance and Accountancy) Prudential Code and produce Prudential Indicators.

The Council's treasury activities are regulated by statutory requirements and a professional code of practice (the CIPFA Code of Practice on Treasury Management). The Code of Practice requires authorities to report on the performance of the treasury management function.

The Prudential Indicators and Treasury Management Strategy for 2019/20 were originally approved in the Medium-Term Financial Strategy 2019/20 Report to Council on 5<sup>th</sup> March 2019. The Prudential Indicators are updated as required and changes have been approved by Council in the Mid-Year Prudential Indicators & Treasury Management Monitoring Report in February 2020 and the Medium-Term Financial Strategy Report to Council on 4<sup>th</sup> March 2020. The Prudential Indicators and the outturn position for 2019/20 are shown at **Appendix F**.

## **11. Treasury Management & Economic Summary**

### **11.1 Economic Background**

The UK's progress negotiating its exit from the European Union, together with its future trading arrangements, dominated much of the economic stage during 2019/20 and is expected to continue to be a major influence on the economy in the near future.

Towards the end of 2019/20 the Covid-19 crisis has caused a major downturn in both the domestic and global economy, the long-term effects of which are yet to be fully understood. For the UK this is exacerbated by the consequences of Brexit and internationally by the pre-existing downturn in global activity.

Inflation was running below target at 1.5% in March 2020 but fell to 0.8% in April due to reduced retail and economic activity as a consequence of the Covid-19 'lock-down' situation. Slower global growth should reduce the prospect of externally driven inflation pressures.

During a special meeting of its Monetary Policy Committee on 10<sup>th</sup> March 2020, the Bank of England decided to cut the bank base rate from 0.75% to 0.25% to counter the "economic shock" resulting from the emerging coronavirus outbreak.

The subsequent global outbreak of coronavirus then forced the UK Government to take drastic steps to stem the economic impact by further reducing the base rate for the second time in a single month from 0.25% to 0.1% warning that the pandemic will result in a "sharp and large" economic shock.

Investment yields remain low due to the UK and global economic outlooks.

### **11.2 Borrowing**

In line with advice from treasury advisors, the Council's borrowing strategy is to postpone new borrowing and to utilise in-house cash balances instead (also known as internal borrowing). This is the most prudent

strategy, particularly in periods when investment returns are low and counter-party risk is high. Such a strategy minimises treasury risk by reducing both external debt and in-house investments. Therefore, no new long-term borrowing has been taken during the year.

Prior to 2019/20 long-term borrowing has only been undertaken for a capital purpose and the statutory borrowing limit for the year (the Authorised Limit) of £6.0m was not breached.

The Council's only borrowing at 31<sup>st</sup> March 2019 was repaid during 2019/20. The Council now has no external borrowing as shown in Table 6, below.

**Table 6 – Analysis of Borrowing:**

<b>Type of Loan</b>	<b>Balance 31.03.20 £m</b>
Public Works Loan Board (PWLb)	Nil
<b>Gross Borrowing</b>	<b>Nil</b>
<b>Operational Boundary</b>	<b>Nil</b>

### **11.3 Investments**

The security of investments is the Council's main investment objective. This is achieved by adhering to the Treasury Management Strategy approved by Council on 4<sup>th</sup> March 2019 by investing with organisations with high credit quality. The investment activity during the year conformed to the approved strategy, and the Council had no liquidity difficulties.

### **11.4 Internally Managed Funds**

During the year the Council held an average cash balance of £26.8m of internally managed funds, which were invested with approved banks, money market funds, Lancashire County Council and a number of other Local Authorities in line with the approved Treasury Management Strategy.

The overall performance was a gross return of 0.78%, compared with a benchmark return of 0.53%. Interest earned was £207k compared to a revised budget of £182k. The level of interest from investments was in excess of the revised budget as the actual level of external investments was higher than anticipated due to the Council benefitting from a more favourable cash-flow position than was forecast.

## **12. Prudential Indicators**

- 12.1 The Council complied with all of the Prudential Indicator limits for 2019/20. Details can be found in Appendix F.

## **13. Overall Outturn Conclusions 2019/20**

- 13.1 The favourable outturn position for revenue allows for a contribution to be made to the Funding Volatility Reserve in respect of the Fylde Council share of the funding for the Greater Lancashire Plan in the sum of £0.020m; an additional transfer to the EU Exit Funding Reserve to provide funding for any financial impacts of 'Brexit' in the sum of £0.035m; and a further contribution to the Capital Investment Reserve in the sum of £0.924m to provide additional financing resources for future capital projects. These additional contributions are beneficial to the overall financial position of the Council and thus are to be welcomed.
- 13.2 The forecast financial position of the Council has improved since the 2019/20 budget was set in March 2019 and the finances of the Council remain robust. Whilst challenges remain, and will no doubt continue to be present, prudent financial management has provided a relatively stable financial environment which allows the necessary time for the Council to assess and respond to the challenges it faces.

- 13.3 The impact of the Covid-19 lock-down situation on the financial position of the Council for 2020/21, and possibly beyond 2020/21, together with the potential for future general reductions in central government funding from 2022/23 onwards, requires that the Council continue the approach to continually seek opportunities to achieve savings and efficiencies to enable a balanced budget position to continue into the future and to provide on-going contributions to reserves.
- 13.4 At a strategic level, activity and resources are focussed on the delivery of the key objectives of the Council as set out within the Council's approved Corporate Plan. Given the level of reserves that has been generated in recent years the currently projected budget deficits in the final years of the forecast appear to be at manageable levels. However, in an uncertain financial environment the position can change in unexpected ways. It is important that the Council continues to operate in a sound and prudent manner in order to maintain a stable financial position and to explore all opportunities by which the financial position can be further strengthened, whilst continuing to provide high quality services to residents and to deliver the priorities set out in the Corporate Plan.

IMPLICATIONS	
Finance	Detailed financial implications are included within the body of the report
Legal	For 2019/20 there is a statutory requirement for the Chief Financial Officer to sign off a completed Annual Statement of Accounts for the Council by 31 <sup>st</sup> August 2020, in preparation for the Council's external auditors Deloitte to carry out an annual audit. This work remains on track.
Community Safety	Not applicable
Human Rights and Equalities	Not applicable
Sustainability and Environmental Impact	Not applicable
Health & Safety and Risk Management	Not applicable

LEAD AUTHOR	CONTACT DETAILS	DATE
Paul O'Donoghue, Chief Financial Officer	01253 658566	July 2020

BACKGROUND PAPERS		
Name of document	Date	Where available for inspection
Medium Term Financial Strategy 2018/19 to 2022/23	4 <sup>th</sup> March 2020	<a href="https://fylde.cmis.uk.com/fylde/MeetingsCalendar.aspx">https://fylde.cmis.uk.com/fylde/MeetingsCalendar.aspx</a>

#### Attached documents

- Appendix A** – General Fund Summary Revenue Expenditure & Income Account  
**Appendix B** – General Fund Outturn 2019/20 – Variations from Revised Estimates  
**Appendix C** – Revenue Budget Slippage Items requested  
**Appendix D** – Capital Outturn 2019/20  
**Appendix E** – Capital Outturn Slippage Items requested  
**Appendix F** – Prudential Indicators

**GENERAL FUND OUTTURN 2019/20**

Summary Revenue Account				
	Outturn 2019/20			
	Latest Estimate	Outturn	Variance + Over / (Under)	Favourable / Adverse
<b>Net Service Expenditure</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	
Tourism and Leisure Committee	2,365	2,737	372	Adv
Operational Management Committee	3,449	3,395	(54)	Fav
Environment, Health and Housing Committee	591	522	(69)	Fav
Planning Committee	1,517	1,042	(475)	Fav
Finance and Democracy Committee	3,580	3,831	251	Adv
Contingency	(350)	0	350	Adv
<b>Net Cost of Services</b>	<b>11,152</b>	<b>11,527</b>	<b>375</b>	Adv
Use of Earmarked Reserves	(1,856)	(974)	882	Adv
Capital Accounting Adjustments	502	(446)	(948)	Fav
Interest payable and similar charges	28	28	0	-
Interest and investment income	(183)	(207)	(24)	Fav
Minimum Revenue Provision	829	829	0	-
Pension accounting adjustment	0	(1,003)	(1,003)	Fav
Accumulated Absences Adjustment	0	(6)	(6)	Fav
<b>Sub-Total of Appropriations</b>	<b>(680)</b>	<b>(1,779)</b>	<b>(1,099)</b>	Fav
<b>Total Net Requirement (See App B, part 1 for variance details)</b>	<b>10,472</b>	<b>9,748</b>	<b>(724)</b>	Fav
<b>Financing</b>				
General Government Grants:				
- New Homes Bonus	(1,343)	(1,343)	0	-
- Other Government Grants	0	(63)	(63)	Fav
Council Tax Outturn (incl previous years surplus/deficit)	(6,204)	(6,204)	0	-
Business Rates Outturn (incl previous years surplus/deficit)	(3,757)	(4,294)	(537)	Fav
Business Rates - EZ growth	(308)	(308)	0	-
<b>Total Net Requirement</b>	<b>(11,612)</b>	<b>(12,212)</b>	<b>(600)</b>	Fav
<b>Surplus of resources for the year</b>	<b>(1,140)</b>	<b>(2,464)</b>	<b>(1,324)</b>	Fav
<b>Analysis of recommended Transfers to Reserves:</b>				
- original budgeted transfer to Capital Investment Reserve	(832)	(832)	0	-
- additional transfer to Capital Investment Reserve	0	(924)	(924)	Fav
- transfer of EZ Business Rate Growth to M55 Link Road Reserve	(308)	(308)	0	-
- transfer to general fund revenue balances re slippage	0	(345)	(345)	Fav
- transfer of grant income to EU Exit Reserve	0	(35)	(35)	Fav
- transfer to Funding Volatility Reserve	0	(20)	(20)	Fav
<b>Recommended transfers to reserves</b>	<b>(1,140)</b>	<b>(2,464)</b>	<b>(1,324)</b>	Fav
<b>Statement of General Fund Revenue Balances</b>				
<b>General Fund Revenue Balances b/f</b>	<b>(3,927)</b>	<b>(3,927)</b>	<b>0</b>	-
Recommended transfer to general fund revenue balances	0	(345)	(345)	Fav
<b>General Fund Revenue Balances c/f</b>	<b>(3,927)</b>	<b>(4,272)</b>	<b>(345)</b>	Fav

**Note** - this table has been provided to assist Members in understanding the outturn position. The Statutory Statement of Accounts will be in a different format to comply with the latest Code of Practice on Local Authority Accounting.

## 2019/20 Revenue Outturn Variances

## Appendix B

Note: Shaded areas relate to items for which a slippage request has been made

STAFFING COSTS AND AUTHORITY WIDE BUDGETS						
Service Area	Detailed Description	Latest Full Year Budget £'000	Actual Outturn £'000	Variance £'000	Adverse/ Favourable	Reason for Variance
Authority Wide	Employee costs including basic pay, pension, NI, and overtime, plus agency costs	9,173	9,133	-40	FAV	The budget that was approved by Council in March 2019 assumed reduced payroll costs (including those as a result of 'turnover savings' i.e. natural delays in the recruitment to vacant posts) of £300k per annum. This was reviewed during 2019/20 and the estimated cost savings increased to £350k for 2019/20 only. The actual level of savings achieved in relation to direct employee costs for 2019/20 were in excess of the revised estimate by £40k.
Authority Wide	ICT Infrastructure	418	205	-213	FAV	A number of planned improvements have been delayed due to the Covid-19 situation. The increased requirement for remote working by staff and for enhanced communications services has created an opportunity for a review of planned ICT developments and a range of additional improvements are now scheduled for 2020/21, including: the build and implementation of an additional two new infrastructure hosts providing the capacity and resource required to support the changing work environment and future proof our virtual desktop and server estate; the development and implementation of a secure hub for members to access internal services such as the intranet, Envoy (for expenses) and other resources; unification and continual improvement work of network security resources including firewall and remote authentication; and the replacement and migration of major line of business ICT systems. A slippage request from the computer equipment purchase costs budget is now being made to allow this work to be delivered in 2020/21.
Sub total		9,591	9,338	-253	Favourable	

### TOURISM AND LEISURE COMMITTEE

Service Area	Detailed Description	Latest Full Year Budget £'000	Actual Outturn £'000	Variance £'000	Adverse/ Favourable	Reason for Variance
Grounds Maintenance External Contracts	Contribution to Overheads - External Contracts	-4	-59	-55	FAV	This favourable outturn variance has arisen as a result of increased income that has been generated from additional grounds maintenance work in relation to external contracts.
Sub total		-4	-59	-55	Favourable	

## FINANCE &amp; DEMOCRACY COMMITTEE

## Appendix B (cont'd)

Service Area	Detailed Description	Latest Full Year Budget £'000	Actual Outturn £'000	Variance £'000	Adverse/ Favourable	Reason for Variance
Interest and Investment Income	Investment & Bank Interest Received	-182	-207	-25	FAV	It has been possible to generate additional investment interest income from Treasury Management activities during 2019/20 due to the favourable cash-flow position during the year.
Housing Benefits	Rent Allowances (net), including subsidy from govt, Discretionary Housing Payments and Overpayment recovery	205	165	-40	FAV	Although Housing Benefit expenditure during the year was in excess of the forecast amount, the government funding to support this via Housing Benefit Subsidy was higher than the budgeted level to a greater extent. Overpayment recoveries were also higher than forecast leading to this favourable outturn variance.
Legal Services Team	Other Fees	12	0	-12	FAV	The implementation of the legal case management system has been delayed. A slippage request is now being made to allow this work to be delivered in 2020/21.
	Legal Fees and Court Costs	50	106	56	ADV	This adverse variance is due to the legal costs incurred in seeking - ultimately unsuccessfully - to resist a claim for the repayment of business rates by the occupant of business premises in the borough.
Miscellaneous Properties (incl. Pleasure Island)	Additional income from revised rent agreements	-188	-199	-11	FAV	A review of rent and licence agreements by the Estates Team has resulted in a number of increased rentals and licence fees which has resulted in this favourable outturn variance. The budgets will be reviewed as part of the budget right-sizing exercise during 2020/21 and increased levels of rental income may be assumed in future years as appropriate.
Sub total		-103	-135	-32	Favourable	

## OPERATIONAL MANAGEMENT COMMITTEE

Service Area	Detailed Description	Latest Full Year Budget £'000	Actual Outturn £'000	Variance £'000	Adverse/ Favourable	Reason for Variance
Car Parks	Car Parking Fees	-683	-650	33	ADV	The full year budget had been significantly increased in Autumn 2019 to equal the previous year's record figure. With poor weather in late Autumn and throughout the Winter the actual income was lower than anticipated, whilst the further impact of Covid-19 lockdown and travel restrictions resulted in virtually no parking income for the second half of March, those factors together resulting in this adverse variance.
Fylde Waste Schemes	LCC - Landfill Levy/Tipping Charges & Additional Sale of Bins	170	92	-78	FAV	During 2019/20 the Council incurred reduced levels of tipping charges due to a general decrease in the overall tonnage of trade waste that was collected and thus the required transfers to landfill sites, resulting in this favourable outturn variance. Additionally there has been additional income generated due to bin orders for new build properties being received.
Waste Schemes	Fleet Costs	547	437	-110	FAV	There are several favourable variances in respect of vehicle costs. Some are due to the fact that a number of vehicles have been acquired in the past few years, replacing older and more expensive to maintain vehicles. Additionally fuel costs have been lower than anticipated resulting in this favourable outturn variance.
Sub total		34	-121	-155	Favourable	

## ENVIRONMENT, HEALTH &amp; HOUSING COMMITTEE

## Appendix B (cont'd)

Service Area	Detailed Description	Latest Full Year Budget £'000	Actual Outturn £'000	Variance £'000	Adverse/ Favourable	Reason for Variance
Cemetery and Crematorium	Cremations / Other Fee exp income	-1,138	-1,184	-46	FAV	Income from cremations has been in excess of the estimated amount, including a noticeable increase in activity towards the latter part of the year. Additionally savings have been made in the procurement costs relating to the Cemetery & Crematorium administration system due to certain modules not being required, resulting in this favourable outturn variance.
	Drives and Paths	20	1	-19	FAV	It was not possible to undertake the planned maintenance work on footways in 2019/20 due to Covid-19 measures. A slippage request is now being made to allow this work to be delivered in 2020/21 to complement the scheme in the capital programme.
Community Safety - Delivery Costs	Fylde CCTV Costs	44	29	-15	FAV	The CCTV monitoring contract with Wyre Council has ended and a new contract is being prepared, resulting in in-year savings for the service during the year.
Sub total		-1,074	-1,154	-80	Favourable	

## PLANNING COMMITTEE

Service Area	Detailed Description	Latest Full Year Budget £'000	Actual Outturn £'000	Variance £'000	Adverse/ Favourable	Reason for Variance
Development Management	Consultants Fees	37	15	-22	FAV	Due to the nature of applications received during the year, the requirement to appoint external consultants to provide specialist advice to assist in the determination of planning applications was lower than expected during 2019/20, resulting in this favourable outturn variance.
Planning Enforcement	Enforcement Costs	25	0	-25	FAV	This funding is intended to assist in the enforcement issues arising from a particular site within the borough. Negotiations have been ongoing in order to seek resolution of the breaches of planning control, but have not yet been successful. Accordingly a slippage request has been made to meet the anticipated costs of this activity in the coming year.
Planning Appeals	Planning Appeal Hearing Costs	50	1	-49	FAV	The number of appeals that were considered at planning inquiries was lower than previous years and so the costs associated with defending those appeals has been lower. This has been as a result of the local plan being recently adopted and the council being able to demonstrate a 5 year housing supply through an Annual Position Statement. As time passes and now that the Local Plan falls outside the definition of a recently adopted plan, it is expected that the number of appeals will begin to increase. The exercise to review the Local Plan is underway and was initially expected to be completed from existing budgets. However, additional work to update the Local Plan evidence base has now been identified that was not originally envisaged. It is requested that the unused funds from 2019/20 be slipped to 2020/21 to cover these additional costs.
Planning Policy	Local Development Framework Costs	15	0	-15	FAV	General costs relating to the review of the Local Plan during 2019/20 have been kept to a minimum as it was possible to undertake much of the review work in-house, resulting in this favourable outturn variance.
Sub total		127	16	-111	Favourable	

Other minor variances	-38	Favourable
Total Variances - Net Budget Requirement	-724	Favourable

## Requests to transfer 2019/20 budget to 2020/21

Service Area	Detail	Slippage Requested £000	Explanation of Slippage	Effect on service delivery if not approved
<b>AUTHORITY-WIDE BUDGETS</b>				
Computer Services	Purchase of Computer Equipment / Improvements to ICT resilience and recovery arrangements.	213	A number of planned improvements have been delayed due to the Covid-19 situation. The increased requirement for remote working by staff and for enhanced communications services has created an opportunity for a review of planned ICT developments and a range of additional improvements are now scheduled for 2020/21, including: the build and implementation of an additional two new infrastructure hosts providing the capacity and resource required to support the changing work environment and future proof our virtual desktop and server estate; the development and implementation of a secure hub for members to access internal services such as the intranet, Envoy (for expenses) and other resources; unification and continual improvement work of network security resources including firewall and remote authentication; and the replacement and migration of major line of business ICT systems. A slippage request from the computer equipment purchase costs budget is now being made to allow this work to be delivered in 2020/21.	Without the requested slippage costs the planned ICT improvements would not be deliverable.
<b>Sub-total</b>		<b>213</b>		
<b>FINANCE &amp; DEMOCRACY COMMITTEE</b>				
Revenues and Benefits Service - Central Costs	Council Tax Reduction Scheme (CTRS) - Hardship Fund	5	This represents the balance of the original £10k allocation of funding for this purpose which is carried forward to next financial year to provide some budget provision for potential claimants during the new year - as per the management of the CTRS scheme as approved and adopted.	The Council has a legal obligation to provide a Hardship Fund for CTRS recipients - the requested slippage is to provide the resource to meet that obligation.
Legal Service Team	Case Management System	12	The implementation of the legal case management system has been delayed until 2020/21.	Without the requested slippage costs would be incurred for which there is no budget provision.
<b>Sub-total</b>		<b>17</b>		
<b>OPERATIONAL MANAGEMENT COMMITTEE</b>				
St Annes Square (Maintenance)	Repairs & Maintenance Costs	7	It was not possible to undertake the planned maintenance works to the electrical infrastructure in St Annes Square in 2019/20 due to Covid-19 measures.	Without the requested slippage the maintenance programme for St Annes Square would be set back by a year.
<b>Sub-total</b>		<b>7</b>		






Service Area	Detail	Slippage Requested £000	Explanation of Slippage	Effect on service delivery if not approved
<b>ENVIRONMENT, HEALTH &amp; HOUSING COMMITTEE</b>				
Cemetery & Crematorium	Drives & Paths Maintenance	19	It was not possible to undertake the planned maintenance work on footways in 2019/20 due to Covid-19 measures.	Without the requested slippage the maintenance programme for footpaths around the cemetery would be set back by a year.
Community Safety	Community Safety Initiatives	13	Community Safety funding is now significantly diminished due to the fact that external grants are no longer being received, other than for smaller amounts of funding, for example, from the Police and Crime Commissioner. The intention is to manage the limited resources prudently and when such usage is most effective. As a result during 2019/20 a relatively small amount of funding has been granted to support a number of partnership projects and consequently a slippage request has been made to transfer the remaining resource into 2020/21. It is possible that not all of this will be used in 2020/21 and a future request to transfer funding beyond 2020/21 may be made. The Grant monies are specifically for Community Safety Initiatives as stipulated by the LSP until such time as the money is fully spent.	If the slippage were not to be approved this would have a detrimental effect on the funding local community safety initiatives. The initiatives are aimed at addressing particular crime or anti-social behaviour issues within Fylde and the monies would have to be repaid to Lancashire County Council.
		-13		At the cessation of the LSP an undertaking was given to utilise the funding for the agreed purposes. It is unclear what would be the consequence if that undertaking were not honoured.
Housing, Homelessness and Housing Advice	Mortgage Repossessions - Grants & Loans	20	In 2009/10 DCLG allocated £23.5k to Fylde Council to assist in preventing homelessness as a result of mortgage repossession or landlord repossession and in 2012 provided a further £30k for the same purpose. A policy is in place such that the unspent balance of funding is carried forward to be used the following year, subject to general budget pressures permitting.	If the slippage were not to be approved the mortgage repossession prevention work could not continue. As this is grant funding that can only be used for mortgage repossession prevention work the funding would need to be returned to central government if not used for the intended purpose.
		-20	Funding for project as described above.	
Housing, Homelessness and Housing Advice	Community Housing Fund	24	This scheme relates to the second phase of a project with Lindsay Court Residents Group to consider regeneration options for the estate. Phase 2 includes a building survey of all the blocks and engagement with the community to enable them to fully participate in this process. Elements of the project have been delayed by Covid-19 measures, namely the building survey and community engagement work. Additionally, the Lindsay Court community have decided to not progress elements of the project with a housing association.	Without the requested slippage the commitments made under Phase 2 to undertake building survey and community engagement work would not progress.
		-24	Funding for project as described above.	
Housing, Homelessness and Housing Advice	Homeless Reduction Act Initiatives	33	Prior year funding was still available from the Homeless Trailblazer project initiatives, such as No Second Night Out commitment, resulting in an underspend for 2019/20. There have also been significant savings with transferring the debt advice service to Blackpool Council.	Without the requested slippage initiatives to support vulnerable households as a result of the Homeless Reduction Act would not be able to be taken forward.
		-33	Funding for project as described above.	
Housing, Homelessness and Housing Advice	16 / 17 Year old homelessness Grant	7	The grant has been used to deliver an E-learning course developed by YMCA to be to run for 3 years from 01/04/2019. The 2019/20 funding established a mobile application and annual license fee commitment for next 3 years.	This grant funding can only be used for projects associated with preventing homelessness for 16/17 year olds. Without the requested slippage the full 3 year initiative could not be delivered.
		-7	Funding for project as described above.	
Housing, Homelessness and Housing Advice	Landlord Incentive Scheme	4	Private sector partners were unable to identify initiatives to commit funding to in 2019/20 and the delivery of the scheme was further affected by the low number of private sector tenancies delivered under the Rent Bond Scheme.	Without the requested slippage opportunities to deliver initiatives to support collaborative working with private landlords would be lost.
<b>Sub-total</b>		<b>23</b>		

## Appendix C (cont'd)

Appendix C (cont.)

Service Area	Detail	Slippage Requested £000	Explanation of Slippage	Effect on service delivery if not approved
PLANNING COMMITTEE				
Planning Enforcement	Enforcement Costs	25	This funding was specifically identified to cover the costs associated with the potential enforcement action relating to unauthorised development of a particular site. Breach of Condition notices have been prepared, but any action to secure compliance with these notices would now fall in 2020/21.	The carrying out of the effective enforcement action has been identified in the Corporate Plan. Failure to secure compliance with the notices will render them ineffective and the continued harm to the environment may continue unabated. The requested slippage would provide the resource to ensure that this is avoided.
Planning Appeals	Planning Appeal Hearing Costs	49	The number of appeals that were considered at planning inquiries was lower than previous years and so the costs associated with defending those appeals has been lower. This has been as a result of the local plan being recently adopted and the council being able to demonstrate a 5 year housing supply through an Annual Position Statement. As time passes and now that the Local Plan falls outside the definition of a recently adopted plan, it is expected that the number of appeals will begin to increase. The exercise to review the Local Plan is underway and was initially expected to be completed from existing budgets. However, additional work to update the Local Plan evidence base has now been identified that was not originally envisaged. It is requested that the unused funds from 2019/20 be slipped to 2020/21 to cover these additional costs.	The exercise to review the Local Plan is underway and was initially expected to be completed from existing budgets. However, additional work to update the Local Plan evidence base has now been identified that was not originally envisaged. It is requested that the unused funds from 2019/20 be slipped to 2020/21 to cover these additional costs.
Economic Regeneration	Conservation Survey Fees	5	A number of trees have been planted towards the end of the 2019/20 financial year. As a result of this timing their aftercare period runs into the 2020/21 financial year.	A number of trees have been planted in fulfillment of a key element of the Corporate Plan at a cost of £25,000. If these trees are not properly cared for they will die and further capital outlay will be required to replace them. The reputation of the Council would also be damaged if the lack of aftercare leads to the loss of these trees.
	Arboricultural Survey Fees	2		
	Urban Design	4		
	Sub-total	85		
TOURISM AND LEISURE COMMITTEE				
Coast and Countryside	Environmental Projects - Persimmon Project	5	Due to Covid-19 measures delays have been experienced on this project. The first element of the scheme to re-grade the dunes has been completed. The signage and access elements are yet to be completed once manufacturers are fully operational and are to provide the necessary services to provide the signage and materials. Slippage is requested in respect of the balance of funding to ensure the successful continuation and completion of the project.	It is necessary to slip the revenue budget to ensure the successful continuation and completion of the project.
		-5	S106 contributions approved to fund the project.	
	Sub-total	0		
Total Revenue Slippage		345		

**CAPITAL OUTTURN 2019/20**

<b>KEY:</b>		SCHEME DELIVERED TO BUDGET DURING THE YEAR
		SCHEME UNDERSPENT AGAINST BUDGET
		SCHEME OVERSPENT AGAINST BUDGET

APPROVED SCHEMES	Financing Source	Latest Budget 2019/20 £000	Actual Outturn 2019/20 £000	Variance £000	Variance	See key	Slippage £000	Comments
<b><u>FINANCE &amp; DEMOCRACY COMMITTEE</u></b>								
Accommodation Project - Phase 8 - Town Hall Car Park	General asset disposal receipts	33	30	3	Underspent	▲	0	The scheme has been completed within the approved budget during the year.
Purchase of Land Adjacent to Squires Gate Station	Capital Investment Reserve	5	0	5	Underspent	▲	-5	This project is ongoing and we are currently awaiting the registration of the land with the current land owner and the Land Registry before further progress can be made.
<b>Sub total</b>		<b>38</b>	<b>30</b>	<b>8</b>			<b>-5</b>	
<b><u>TOURISM &amp; LEISURE COMMITTEE</u></b>								
Fairhaven Lake & Promenade Gardens Restoration	Capital Investment Reserve	268	252	16	Underspent	▲	-16	The expenditure profile for this scheme has been rephased following the procurement of the new consultant team which has led to a minor slippage request into 2020/21.
Fairhaven Adventure Golf	Capital Investment Reserve	0	14	-14	Overspent	⊘	14	There has been an accelerated spend on Fairhaven Adventure Golf in 2019/20 for the preliminary works. The budget for 2020/21 will be reduced by £14k to offset the additional spend for 2019/20.
Staining Playing Fields Development Scheme	S106 Developer Contributions / Capital Investment Reserve	186	186	0	On target	😊	0	The scheme has been completed within the approved budget during the year.
Ashton Gardens Play Area	Capital Investment Reserve	20	18	2	Underspent	▲	0	The scheme has been completed within the approved budget during the year.
Ashton Gardens Nursery Improvements	Capital Investment Reserve	30	30	0	On target	😊	0	The scheme has been completed within the approved budget during the year.
Weeton Village Hall	S106 Developer Contributions	7	7	0	On target	😊	0	The scheme has been completed within the approved budget during the year.
Fylde Sand Dunes Improvement Scheme	S106 Developer Contributions / Specific Grants	52	6	46	Underspent	▲	-46	The first phase of the scheme to re-grade the dunes opposite the Persimmon Homes development has now been completed. The second and third phases of the scheme will be completed during 2020/21. Slippage of £46k is requested to provide for the remainder of the works.
<b>Sub total</b>		<b>563</b>	<b>513</b>	<b>50</b>			<b>-48</b>	

								Appendix D (Cont'd)
APPROVED SCHEMES	Financing Source	Latest Budget 2019/20 £000	Actual Outturn 2019/20 £000	Variance  £000			Slippage  £000	Comments
OPERATIONAL MANAGEMENT COMMITTEE								
Replacement Vehicles	Capital Investment Reserve / Borrowing	619	368	251	Underspent	▲	-251	A number of operational vehicles of a bespoke specification and with long build times have been commissioned but were not delivered to the Council by the year-end. Slippage is requested in this regard and the vehicles are now expected to be received in the early part of the financial year 2020/21.
Public Transport Improvements	S106 Developer Contributions	91	31	60	Underspent	▲	-60	This scheme relates to developer contributions (s106) funding that is paid to Lancashire County Council (LCC). The funding will contribute to the delivery of improved public transport services where an enhanced public transport requirement is identified as a result of increased housing development. These payments may be made over a period of several years and in this instance the s106 agreement allows for payments to be made up until 2028. Slippage of the unspent amount of £60k is requested in order that the full amount may be paid to LCC in later years at the appropriate point in time.
Fairhaven and Church Scar Coast Protection Scheme	Specific Government Grant (Environment Agency) / Capital Investment Reserve	9,573	9,112	461	Underspent	▲	-461	The Scheme remains ahead of schedule, the original completion date being Decmber 2020. Slippage is requested in order to be able to meet the remaining obligations for delivering the project. The full scheme will be completed during 2020/21.
Fairhaven and Church Scar Coast Public Realm Works	Capital Investment Reserve	475	195	280	Underspent	▲	-280	The Church Scar public realm works were completed on the 31st March 2020 and were opened to the public on May 14th 2020. The Fairhaven public realm works and the remodelling of the entrance to Stanner Bank Car Park have been delayed due to Covid 19. The site works are scheduled to be fully completed by the end of July 2020.
Toilet facilities and perimeter fencing at the Splash Park facility	Capital Investment Reserve	185	0	185	Underspent	▲	-185	Due to Covid19 the construction of the base and connection to utilities had to be delayed, along with the erection of the perimeter fencing. The public toilets are now complete, and the full scheme is scheduled for completion during 2020/21.
Stanner Bank car park - barrier scheme	Capital Investment Reserve	50	0	50	Underspent	▲	-50	The barrier installation at Stanner Bank Car Park has been delayed due to Covid 19 measures. The barrier is now installed and is undergoing testing. The works are part of the main Coast Protection project which will be completed by the end of July 2020.
Sub total		10,993	9,706	1,287			-1,287	

**Appendix D (Cont'd)**

APPROVED SCHEMES	Financing Source	Latest Budget 2019/20 £000	Actual Outturn 2019/20 £000	Variance £000			Slippage £000	Comments
<b><u>ENVIRONMENT, HEALTH &amp; HOUSING COMMITTEE</u></b>								
Disabled Facilities Grants (DFG) Programme	Specific Grant (Better Care Fund) / External Contributions / Grant repayments	1,207	1,207	0	On target	'	0	The scheme has been completed within the approved budget during the year.
Housing Needs Grant	DFG Grant Repayments	2	2	0	On target	'	0	The scheme has been completed within the approved budget during the year.
Church Road Methodist Church, St Annes	S106 Developer Contributions	275	275	0	On target	'	0	The scheme has been completed within the approved budget during the year.
Affordable Warmth Scheme	Specific Grant (Lancashire County Council)	8	8	0	On target	'	0	The scheme has been completed within the approved budget during the year.
CCTV Replacement Schemes	Specific Grant (LSP Performance Reward Grant)	27	0	27	Underspent	'	-27	This funding provides the necessary resource to replace CCTV cameras in the future in line with the agreed policy that cameras are only replaced as and when necessary. Consequently slippage of the balance of funding in the sum of £27k is requested.
Cemetery and Crematorium - Infrastructure Works	Capital Investment Reserve	294	192	102	Underspent	'	-102	Due to Covid19 measures the scheme was delayed. The project is now progressing well and is scheduled for completion by September 2020.
<b>Sub total</b>		<b>1,813</b>	<b>1,684</b>	<b>129</b>			<b>-129</b>	

Appendix D (Cont'd)

APPROVED SCHEMES	Financing Source	Latest Budget 2019/20 £000	Actual Outturn 2019/20 £000	Variance £000			Slippage £000	Comments
<b>PLANNING COMMITTEE</b>								
St Annes Regeneration Schemes	S106 Developer Contributions / Capital Investment Reserve	235	118	117	Underspent	▲	-117	The funding is specifically aimed at delivering the Wood Street (Phase 3) Scheme in St Annes. Works commenced but were suspended due to the Covid19 situation. At the appropriate time work will re-commence with completion scheduled during 2020/21. Slippage in the sum of £117k is requested to provide for those works in 2020/21. Any residual amounts unspent will be directed towards the implementation of the next phase of the regeneration scheme.
Lytham Regeneration Schemes	S106 Developer Contributions / Capital Investment Reserve	400	0	400	Underspent	▲	-400	Work has commenced on the re-design and re-planning of the public realm of Lytham town centre. The capital works will now commence in 2020/21. Slippage in the sum of £400k is requested to provide for those works in 2020/21.
Kirkham Public Realm Improvements	S106 Developer Contributions / Capital Investment Reserve	5	0	5	Underspent	▲	-5	This is a residual amount from the last phase of regeneration works allocated for signage which will now be delivered in 2020/21. Slippage in the sum of £5k is requested to provide for those works in 2020/21.
M55 Link Road - s106 funding for design work	S106 Developer Contributions / M55 Link Road Reserve	103	20	83	Underspent	▲	-83	The accelerated delivery of the M55 Link Road is subject to a funding package made up from a number of sources. Whilst negotiations are continuing to secure the funding for the delivery of the scheme, the necessary prior design works are being undertaken. The funding for the design works is being met from s106 developer contributions. Slippage of the balance of the unspent 2019/20 capital programme funding for those works, in the sum of £83k, is requested to allow for the on-going completion of the design works.
Ansdell / Fairhaven - Public Realm Scheme	Capital Investment Reserve	10	0	10	Underspent	▲	-10	The Woodlands Road scheme has been phased over several years. The latest phase is not yet complete including the completion of the street lighting. An amount outstanding will be due to Lancashire County Council which is acting as the main contractor, and slippage of the unspent sum is requested.
St Annes Pier - Coastal Revival Fund	Specific Grant	24	19	5	Underspent	▲	-5	This scheme is funded by a specific grant from MHCLG for which Fylde Council is acting as the accountable body. Slippage in the sum of £5k is requested to complete the scheme in 2020/21.
Tree Planting	Capital Investment Reserve	25	27	-2	Overspent	⊘	0	This scheme has been completed with a minor overspend.
Kirkham and Wesham Station	S106 Developer Contributions	15	0	15	Underspent	▲	-15	This funding was identified to allow a feasibility study to be carried out which would examine the alternative proposals available to deliver off street parking at Kirkham and Wesham railway station. This has been delayed as a result of changes to the rail franchise operating on the Preston to Blackpool line, but the project is now progressing, and slippage is requested to deliver the scheme in 2020/21.
Future High Street Fund: Kirkham	Specific Grant	75	51	24	Underspent	▲	-25	This is a government-funded scheme with delivery phased over a number of years. Funding is being utilised on a staged basis in connection with consultant requirements to deliver the detailed business case. Slippage of £25k is requested to provide for the continuing delivery of the scheme.
<b>Sub total</b>		<b>892</b>	<b>235</b>	<b>657</b>			<b>-660</b>	
<b>Total Expenditure</b>		<b>14,299</b>	<b>12,168</b>	<b>2,131</b>			<b>-2,129</b>	

**Capital Slippage 2019/20****Appendix E****Requests to transfer 2019/20 Budget to 2020/21**

Scheme	Detail	Slippage Requested £000	Explanation of Slippage	Effect on service delivery if Slippage is not approved
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**FINANCE & DEMOCRACY COMMITTEE**

Purchase of Land Adjacent to Squires Gate Station	Purchase of Land	5	This project is ongoing and we are currently awaiting the registration of the land with the current land owner and the Land Registry before further progress can be made.	If the slippage were not to be approved there would be insufficient approved funding in 2020/21 to complete the land purchase.
	<b>Sub-total</b>	<b>5</b>		

**TOURISM & LEISURE COMMITTEE**

Fairhaven Lake & Promenade Gardens Restoration	Building Works and Improvements	16	The expenditure profile for this scheme has been rephased following the procurement of the new consultant team which has led to a minor slippage request into 2020/21.	If the slippage were not to be approved there would be insufficient approved funding in 2020/21 to deliver the scheme.
Fairhaven Adventure Golf	Building Works and Improvements	-14	There has been an accelerated spend on Fairhaven Adventure Golf in 2019/20 for the preliminary works. The budget for 2020/21 will be reduced by £14k to offset the additional spend for 2019/20.	Approval to the accelerated spend in 2019/20 will effectively reduce the budget in 2020/21 to bring the programme back into balance.
Fylde Sand Dunes Improvement Scheme	Building Works and Improvements	46	The first phase of the scheme to regrade the dunes opposite the Persimmon Homes development has now been completed. The second and third phases of the scheme will be completed this financial year 2020/21.	The first phase of the scheme to regrade the dunes opposite the Persimmon Homes development has now been completed and slippage of £46k is requested to provide for the second and third phases of the scheme to be undertaken during 2020/21. Without the approved slippage it would not be possible to complete the full scheme.
	<b>Sub-total</b>	<b>48</b>		

**Appendix E (Cont.)**

Scheme	Detail	Slippage Requested £000	Explanation of Slippage	Effect on service delivery if Slippage is not approved
<b>OPERATIONAL MANAGEMENT COMMITTEE</b>				
Replacement Vehicles	Purchase of Vehicles	251	A number of operational vehicles of a bespoke specification and with long build times have been commissioned but were not delivered to the Council by the year-end. Slippage is requested in this regard and the vehicles are now expected to be received in the early part of the financial year 2020/21.	If the slippage were not to be approved the vehicles would have to be funded from the 2020/21 budget for vehicle replacements which would impact on the delivery of future years of the vehicle replacement schedule.
Public Transport Improvements	Payment of S106 Developer Contributions to Lancashire County Council for enhanced public transport provision	60	This scheme relates to developer contributions (s106) funding that is paid to Lancashire County Council (LCC). The funding will contribute to the delivery of improved public transport services where an enhanced public transport requirement is identified as a result of increased housing development. These payments may be made over a period of several years and in this instance the s106 agreement allows for payments to be made up until 2028. Slippage of the unspent amount of £60k is requested in order that the full amount may be paid to LCC in later years at the appropriate point in time.	If the slippage were not to be approved the payments to LCC under the agreement would have to be funded from other resources.
Fairhaven and Church Scar Coast Protection Scheme	Building Works and Improvements	461	The Scheme remains ahead of schedule, the initial completion date being 17th December 2020. The full scheme will be completed during 2020/21.	The Environment Agency grant to deliver the Coast Protection Scheme is restricted in it's permitted application to the approved scheme. If the slippage were not to be approved the required funding would have to be sought from elsewhere.
Fairhaven and Church Scar Coast Public Realm Works	Building Works and Improvements	280	The Church Scar public realm works were completed on the 31st March 2020 and were opened to the public on May 14th 2020. The Fairhaven public realm works and the remodelling of the entrance to Stanner Bank Car Park have been delayed due to Covid 19 measures. The site works are scheduled to be fully completed by the middle of July 2020.	If the slippage were not to be approved there would be insufficient funding in 2020/2021 to deliver the full scheme as specified.
Toilet facilities and perimeter fencing at the Splash Park facility	Building Works and Improvements	185	Due to Covid19 measures the construction of the base and connection to utilities had to be delayed, along with the erection of the perimeter fencing. The public toilets are now complete. The full scheme is scheduled for completion during 2020/21.	If the slippage were not to be approved there would be insufficient funding in 2020/21 to deliver the full scheme as specified.
Stanner Bank car park - barrier scheme	Building Works and Improvements	50	The barrier installation at Stanner Bank Car Park has been delayed due to Covid 19 measures. The barrier is now installed and is undergoing testing. The works are part of the main Coast Protection project which will be completed by the middle of July 2020.	If the slippage were not to be approved there would be insufficient funding in 2020/21 to deliver the full scheme as specified.
<b>Sub-total</b>		<b>1,287</b>		



**Appendix E (Cont.)**

<b>Scheme</b>	<b>Detail</b>	<b>Slippage Requested £000</b>	<b>Explanation of Slippage</b>	<b>Effect on service delivery if Slippage is not approved</b>
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**ENVIRONMENT, HEALTH & HOUSING COMMITTEE**

CCTV Replacement Schemes	Replacement of equipment	27	This funding provides the necessary resource to replace CCTV cameras in the future in line with the agreed policy that cameras are only replaced as and when necessary. Consequently slippage of the balance of funding in the sum of £27k is requested.	If the slippage were not to be approved there would be no approved resource to provide for future CCTV camera replacement and consequently the system would ultimately cease to function effectively.
Cemetery and Crematorium - Infrastructure Works	Building Works and Improvements	102	Due to Covid19 measures the scheme was delayed. The project is now progressing well and is scheduled to be completed by September 2020.	If the slippage were not to be approved there would be insufficient funding in 2020/21 to deliver the full scheme as specified.
<b>Sub-total</b>		<b>129</b>		

**Appendix E (Cont.)**

Scheme	Detail	Slippage Requested £000	Explanation of Slippage	Effect on service delivery if Slippage is not approved
<b>PLANNING COMMITTEE</b>				
St Annes Regeneration Schemes	Regeneration Scheme	117	The funding is specifically aimed at delivering the Wood Street (Phase 3) Scheme. Works commenced but were suspended due to the Covid19 situation. At the appropriate time work will re-commence with completion scheduled during 2020/21. Slippage in the sum of £117k is requested to provide for those works in 2020/21. Any residual amounts unspent will be redirected towards the implementation of the next phase of the regeneration scheme.	If the slippage were not to be approved there would be insufficient funding in 2020/21 to deliver the full scheme as specified.
Lytham Regeneration Schemes	Regeneration Scheme	400	Work has commenced on the redesign and re-planning of the public realm of Lytham Centre. The capital works will now commence in 2020/21. Slippage in the sum of £400k is requested to provide for those works in 2020/21.	If the slippage were not to be approved there would be insufficient funding in 2020/21 to deliver the full scheme as specified.
Kirkham Public Realm Improvements	Regeneration Scheme	5	This is a residual amount from the last phase of regeneration works allocated for signage which will now be delivered in 2020/21. Slippage in the sum of £5k is requested to provide for those works in 2020/21.	If the slippage were not to be approved there would be insufficient funding in 2020/21 to deliver the full scheme as specified.
M55 Link Road - Design Fees	Design fees	83	The accelerated delivery of the M55 Link Road is subject to a funding package made up from a number of sources. Due to difficulties in securing a commitment to the project from all partners, it has not been possible to progress the road project during 2019/20. Negotiations are continuing in order to secure funding and allow the project to move forward.	If the slippage were not to be approved the delivery of the M55-Heyhouses link road would be further delayed as funding would only be provided based on the original development 'triggers' set out in the planning permission for the residential development at Queensway. Facilitation of the M55 Link Road is a key action within the Council's approved Corporate Plan.
Ansdell / Fairhaven - Public Realm Scheme	Regeneration Scheme	10	The Woodlands Road scheme has been phased over several years. The latest phase is not yet complete, including the completion of the street lighting. An amount outstanding will be due to Lancashire County Council which is acting as the main contractor.	The slippage is required to provide for the final account payment during 2020/21, marking the completion of the scheme and fulfilment of the agreed contract.
St Annes Pier - Coastal Revival Fund	Building Works and Improvements	5	This scheme is funded by a specific grant from MHCLG for which Fylde Council is acting as the accountable body. Slippage in the sum of £5k is requested to complete the scheme in 2020/21.	The Ministry for Housing, Communities and Local Government grant to deliver the St Annes pier improvement works is restricted in its permitted application to the approved scheme. If the slippage were not to be approved the required funding would have to be sought elsewhere or the scheme would not be able to be completed.
Kirkham and Wesham Station	Building Works and Improvements	15	This funding was identified to allow a feasibility study to be carried out which would examine the alternative proposals available to deliver off-street parking at Kirkham and Wesham railway station. This has been delayed as a result of changes to the rail franchise operating on the Preston to Blackpool line, but the project is now progressing.	If the slippage were not to be approved there would be insufficient funding in 2020/21 to deliver the full scheme as specified.
Future High Street Fund: Kirkham	Building Works and Improvements	25	This is a government-funded scheme with delivery phased over a number of years. Funding is being utilised on a staged basis in connection with consultant requirements to deliver the detailed business case. Slippage of £25k is requested to provide for the continuing delivery of the scheme.	If the slippage were not to be approved there would be insufficient funding in 2020/21 to deliver the full scheme as specified.
<b>Sub-total</b>		<b>660</b>		
<b>Total Capital Slippage</b>		<b>2,129</b>		

## Prudential Indicators

Prudential Indicator	Revised Indicator 2019/20 £m	Actual 2019/20 £m	Note
Authorised limit for external debt	6.0	0	1
Operational boundary for external debt	0	0	2
Principal sums invested > 364 days	5.0	0	
Maturity structure of borrowing (Upper limits):-			
Under 12 months	100%	0%	
12 months – 2 years	100%	0%	
2 years – 5 years	100%	0%	
5 years – 10 years	100%	0%	
10 years and above	100%	0%	
External Debt – Gross Borrowing	0	0	2
Investments	18.1	17.0	3
Capital Expenditure	14.3	12.2	
Capital Financing Requirement	5.8	5.4	
Ratio of Financing Costs to Net Revenue Stream	6.0%	5.3%	

Notes

1. The Authorised Limit indicator of £6.0m is set deliberately higher than the actual forecasted borrowing amount as it needs to take into account any unexpected cash movements and becomes the Authority's statutory limit.
2. The Operational Boundary is the expected borrowing position of the Council during the year. It is not a limit and can be breached.
3. This is the actual investments held at 31<sup>st</sup> March 2020.

# INFORMATION ITEM

REPORT OF	MEETING	DATE	ITEM NO
DEVELOPMENT SERVICES DIRECTORATE	FINANCE AND DEMOCRACY COMMITTEE	28 JULY 2020	5
<b>PUBLIC OFFICES SITE</b>			

## PUBLIC ITEM

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

### SUMMARY OF INFORMATION

In 2019, two reports were considered by this Committee which agreed terms for the lease for the Public Offices site and outbuildings to the company as detailed in the report, and the disposal of the Council's leasehold interest in the land and property known as the T&L Building at 288-290, Clifton Drive South, Lytham St Annes to the second developer as set out in the report.

The report provides a progress update on the disposal of the Public Office site.

### SOURCE OF INFORMATION

Director of Development

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

To inform and provide members with progress on the disposal of the Public Offices site.

### FURTHER INFORMATION

Paul Walker, [paul.walker@fylde.gov.uk](mailto:paul.walker@fylde.gov.uk) 01253 658431

## BACKGROUND

1. In February 2019, a report was brought to the Committee setting out terms for the disposal of the two buildings and adjacent land which form part of the Public Offices Site. It was resolved that the former Tourism and Leisure building would be disposed to a residential property developer and a 20-year Lease would be granted for retail use of the Public Office building and adjacent land.
2. Subsequently, the Committee approved revised terms for the lease of the former Public Office building for retail use in July 2019.

## PROGRESS TO DATE

3. To ensure that both site proposals are viable and without detriment to the other part of the Public Offices site, both parties (retailer/developer) have been working together on a joint planning application to relate to the works required to bring the Public Office building into a retail use and to bring forward a residential redevelopment of the site of the Tourism and Leisure building. This approach allows for a collective assessment of matters such as parking, footprint, landscaping and highways. This joint planning

application was submitted on 7<sup>th</sup> May 2020 along with a joint application for Listed Building Consent which is required given the listed status of the Public Office building.

4. The latest position with the planning application is that some key responses from consultees are awaited. (this includes the highways authority). Those responses which have been received have come from the national heritage organisations that have highlighted some deficiencies in the submission over the justification for the demolition of the T&L building and the works to the Public Offices. These matters are with the architects for them to provide further details to address the points made. As these matters are currently with third parties to resolve (i.e. the applicant and the consultees), it is not possible to say with any degree of accuracy how long these matters will take to resolve, but every effort will be made to facilitate the timely resolution of these outstanding matters.
5. Another key issue that any residential development needs to address is the provision of affordable housing. The submitted scheme doesn't propose any on-site affordable housing, which is the policy starting point set out in the Fylde Local Plan for all developments in a highly accessible location such as this. There is reference in the submission to providing a scheme of affordable housing on land elsewhere in St Annes and the suitability of this is something that will need to be considered. Whilst the developer has a proposal for to deliver the offsite provision, this is not yet quite ready for submission to the council for formal consideration as there are some design and scale issues to resolve. If these can be resolved that application will need to be drawn up, submitted, assessed, and then brought to the Planning Committee alongside the Public Offices scheme so that there is a viable scheme for the affordable housing obligation of the scheme for members to consider. The planning officers are in active dialogue with the architects over these matters to ensure progress towards bringing these applications to a committee later this year is achieved. These matters will need to be resolved in order to allow the developer to be sure of the requirements of any planning permission ahead of committing to the purchase of the council's site.
6. The council owns registered long leasehold titles of each of the two sites. The leases under which the land is held each contain restrictive covenants, to the benefit of the freeholder which is the St Annes Land and Building Company (SAL&BCo).
7. The council's agent, Eckersley, have negotiated the premium demanded for change of use on the Public Offices based on estimated development value for the proposed developments on the site as a whole and is in line with the resolution approved by members last year.
8. The drafting of the necessary contracts has taken place and will be finally agreed and exchanged once planning permission is granted.