



MINUTES

Finance and Democracy Committee

Date:	Monday, 19 February 2018
Venue:	Town Hall, St Annes.
Committee Members Present:	Councillor Karen Buckley (Chairman) Councillor Roger Small (Vice-Chairman) Councillors Peter Collins, David Donaldson, Neil Harvey, Angela Jacques, Liz Oades, Richard Redcliffe, Vince Settle and Elaine Silverwood.
Other Councillors Present:	Councillor Sue Fazackerley
Officers Present:	Allan Oldfield, Tracy Morrison, Paul O'Donoghue, Katharine McDonnell
Other Attendees:	Two members of the public

Public Platform

Under the Public Platform arrangements, Mr Moor addressed the committee on matters associated with the green waste subscriptions and the accounting of such. Where possible, the matters raised were addressed during the course of the presentation by Mr O'Donoghue.

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 22 January 2018 as a correct record for signature by the Chairman.

3. Substitute Members

The following substitutions were reported under Council procedure rule 22(c):

Councillor Peter Collins for Councillor Linda Nulty.

Decision Items

4. Medium Term Financial Strategy Update, Including General Fund, Capital Programme and Treasury Management for 2017/18 to 2021/22

Paul O'Donoghue, Chief Financial Officer, presented the Council's Medium Term Financial Strategy (MTFS) for the five years 2017/18 to 2021/22. He explained that the report represented the penultimate stage of the 2018/19 budget setting process, with the recommendation from committee going forward to Council on 5 March. In presenting the report, Mr O'Donoghue spoke in detail regarding each of the recommendations.

In relation to recommendation 1(a) he explained that Appendix E provided the revised estimates for 2017/18 and the revenue budget for 2018/19 and the recommended transfers to reserves of £1.081m for 2017/18 and £0.844m in 2018/19. Recommendation 1(b) was to adopt the budget proposals and changes to reserves, set out in appendices F and H including five capital schemes including town centre improvements, playing field development and the arts store, and one revenue budget increase in regards to the Community Project Fund. Appendix H contained the revised estimates of reserves and appendix G had been updated to include the capital bids and the approved reserves and balances policy.

Mr O'Donoghue explained that recommendation 1(e) proposed an average Band D Council Tax of £201.61 which was a 2.99% increase. This was the maximum allowed increase. Recommendation 1(f) detailed the special expenses policy and the charging of such. Whilst recommendation 1(j) outlined the schedule of fees and charges, which Mr O'Donoghue advised each committee had received a draft schedule for consideration.

In conclusion Mr O'Donoghue, as Chief Financial Officer, offered his opinion that the council's finances were robust, taking into account the key risks. He advised that members should be cognisant of the risks when making their recommendations to Council.

In response to questions and matters raised under the public platform, Mr O'Donoghue advised that green waste subscriptions being taken for 2018/19 would be credited to 2018/19 accounts, he confirmed that subscribers could no longer subscribe for the current financial year. He advised that the figures shown in appendix C regarded the tracking of estimated income for green waste, as the uptake in year 1 was higher than expected the 'step up' between year 1 and year 2 was higher than in subsequent years.

Mr O'Donoghue advised that his opinion on the robustness of the council's finances was for the life of the forecast taking the known risks into consideration.

Questions were asked in regards to capital programme, specifically around the proposed £50k investment in an arts store. Concern was expressed that the council had many pressures on its budget and the arts collection needed to be self-funding. It was advised that adequate storage for the arts collection was a prerequisite for attracting external funding for the arts collection.

It was therefore RESOLVED to

1. Request Council to approve and adopt:
 - (a) The revised estimates for 2017/18 and the revenue budget for 2018/19 as set out in Appendix E, which includes recommended transfers to the Capital Investment Reserve in 2017/18 and 2018/19 equivalent to the balance of the revenue surplus for those years after allowing for all approved transfers to other reserves, currently estimated at £1.081m in 2017/18 and £0.844m in 2018/19;
 - (b) The budget proposals and changes to Reserves and Balances as set out in Appendices F & H;
 - (c) The updated Five Year Capital Programme as set out in Appendix G;
 - (d) The updated Useable Reserves & Balances Policy as detailed in Appendix H;
 - (e) An average Band D Council Tax of £201.61 for 2018/19 (excluding Town and Parish precepts), which is a 2.99% increase from the 2017/18 average Band D charge;
 - (f) The Special Expenses policy as set out in Appendix I; which includes that:
 - for the purposes of charging special expenses, both the special expense costs and the tax bases relating to the areas of Lytham and St Annes will each be aggregated and the Council Tax charge per property at each band level will be the same across the whole area; and
 - the annual special expense charge per property will be set for 2018/19 at the 2017/18 level plus 3.06%, that being £73.97 per band D property; and

Minutes – Finance and Democracy Committee – 19 February 2018

- the annual borough wide charge per property will be set for 2018/19 at the 2017/18 level plus 3.06%, that being £157.66 per band D property; and
 - the budget resource to be allocated to delivering concurrent services and chargeable as special expenses for 2018/19 will be set at a sum equivalent to the annual special expense charge per property (band D equivalent) multiplied by the tax base for the special expense area;
- (g) The schedule of fees and charges for 2018/19 as detailed in Appendix J;
- (h) The Treasury Management Policy set out in Appendix K;
- (i) The Treasury Management Strategy set out in Appendix L, which incorporates the Minimum Revenue Provision Statement, the Council's Borrowing Strategy, Investment Strategy, and Treasury Prudential Indicators and Limits.

5. Audit and Corporate Fraud

Tracy Morrison, Director of Resources, presented a report proposing the continuance of the Shared Corporate Fraud Service with Preston and Lancaster City Councils, and to bring the work of the Corporate Fraud Team under the management of a Shared Head of Internal Audit with Preston City Council.

Ms Morrison explained that the fraud team had a very close working relationship with internal audit. At the present time both Preston City Council and Fylde Council had vacant posts for the Head of Internal Audit position. In conducting talks regarding the shared fraud service, an opportunity for the councils to share a Head of Internal Audit post was explored.

It was also proposed that the Shared Head of Internal Audit would manage the Corporate Fraud Team, providing synergies in that area across both councils and enhancing the attractiveness of the post to potential candidates.

Both Preston City Council and Fylde Council would retain their own in-house audit teams working beneath the Shared Head of Internal Audit. Although there may be opportunities for joint working opportunities across the two teams, for example, training initiatives; the proposed framework would also allow each council autonomy in conducting its internal audit activities.

It was RESOLVED

1. To agree to the continuation of a shared Corporate Fraud Service, managed by a Shared Head of Internal Audit, with Preston City Council;
2. To note that Fylde Council will be the employing authority for the shared Head of Internal Audit post, and that following recruitment of a suitably qualified and experienced member of staff, the Audit and Standards Committee will be invited to confirm the appointment in accordance with the Internal Auditing Standards; and
3. To approve a further three year Service Level Agreement with Preston City Council for it to be the employing authority for a corporate fraud team, covering Fylde, Lancaster and Preston Councils

Fylde Borough Council copyright [2018]

You may re-use this document/publication (not including logos) free of charge in any format or medium. You must re-use it accurately and not in a misleading context.

The material must be acknowledged as Fylde Borough Council copyright and you must give the title of the source document/publication.

Where we have identified any third party copyright material you will need to obtain permission from the copyright holders concerned.

This document/publication was also available on our website at www.fylde.gov.uk

Any enquiries regarding this document/publication should be sent to the Town Hall, St Annes Road West, St Annes FY8 1LW, or to listening@fylde.gov.uk.