



MINUTES

Finance and Democracy Committee

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| Date: | Monday, 24 September 2018 |
| Venue: | Town Hall, St Annes. |
| Committee Members Present: | Councillor Karen Buckley (Chairman) Councillor Neil Harvey (Vice-Chairman) Councillors Alan Clayton, David Donaldson, Tony Ford JP, Angela Jacques, Linda Nulty, Richard Redcliffe, Vince Settle, Elaine Silverwood, Roger Small. |
| Other Councillors Present: | Councillor Fazackerley MBE |
| Officers Present: | Allan Oldfield, Paul O'Donoghue, Darren Bell, Jon Rutter, Tara Walsh. |
| Other Attendees: | One member of the public was present. |

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.

Councillor Silverwood declared a pecuniary interest in agenda item 4, Business Rates Retention and Business Rates Pooling. The nature of the interest being that she was a business owner. Councillor Silverwood indicated that she would be leaving the room for the duration of the item.

2. Confirmation of Minutes

RESOLVED: To approve the minutes of the Finance and Democracy Committee meeting held on 25 June 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 Alan Clayton for Councillor Liz Oades.

Decision Items

4. Business Rates Retention and Business Rates Pooling

(Having earlier declared an interest, Councillor Silverwood left the room).

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Paul O'Donoghue (Chief Financial Officer) introduced the report regarding the Business Rates Pooling arrangements and the options going forward for Business Rates Retention. In doing so, Mr O'Donoghue reminded members that the current system for Business Rates Retention allows Local Authorities (LA) to retain 50% of business rates growth (above a pre-determined baseline) in their area while the remaining 50% of the growth is paid to the Government by way of a levy.

Mr O'Donoghue explained that Fylde is a current member in the Lancashire Business Rate Pool which allows for the retention of more than 50% of growth. He advised that Fylde had been able to retain £598k of business rate growth in 2017/18 which would otherwise have been paid as a levy as a result of being part of this group. Furthermore, the latest in year monitoring report suggested continuing growth for 2018/19. It was therefore beneficial to the council to remain in the pool for the 2019/20.

Members were informed the position for 2019/20 had been complicated by the option for Local Authorities to group together and submit a bid to become a pilot for the Government's intended new 75% Business Rate Retention Scheme, which is due to come into effect from 2020/21.

Mr O'Donoghue explained that following discussions between Lancashire authorities a sub-group of section 151 officers representing each tier within Lancashire had been established to discuss the potential rewards and the associated risks from submitting a pilot bid. The latest position from the sub-group and the proposed terms for the bid had been circulated to members of the committee by way of an information note prior to the meeting. In summary, the sub-group had proposed that authorities retain the existing 95% growth in line with the existing Lancashire pool and that any extra growth gained from being in the pilot scheme, if the bid was successful, should be distributed as follows;

- 70% be retained by the authority;
- 25% be contributed to a Lancashire wide fund to target strategic economic growth and improve financial sustainability and allocated based on unanimous decisions of the Lancashire Leaders Business rates Pilot Group; and
- 5% be contributed into a risk/resilience reserve

Mr O'Donoghue went on to advise that to date, all Lancashire Authorities had indicated agreement to the proposal with the exception of Lancaster, who had specific risks relating to business rates payable on the Heysham power station.

Members were informed that submitting such a bid would come with various risks however, it was noted that the Government have indicated it would be highly unlikely that they would dissolve the existing pool should the bid be unsuccessful. With this in mind, the committee were recommend to approve Fylde's participation in the pilot bid along with the other LA in line with the terms agreed by the s151 officers set out in the note.

Mr O'Donoghue invited questions from members of the committee on this matter. In summary, these related to the impact on Fylde in relation to those schools applying for Academy Status, other LA motivations for participating in the Lancashire Business Rate Pool, the position of the application ahead of the 25 September deadline date, when Government is likely to respond to the bids and also the likelihood of 100% retention. These were addressed in turn by Mr O'Donoghue.

Following on from the above, the Chairman suggested that an additional recommendation (2B) be considered which would stress that should the bid be unsuccessful, then the current pool should not be jeopardised.

Following a full discussion, it was AGREED:

- 1 To approve the continuation of Fylde Council participation in the current Lancashire Business Rates Pool for 2019/20 on the assumption that the pool remains in existence;

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- 2A To approve the participation of Fylde Council in the submission of a bid by Lancashire authorities to form part of the '75% Business Rate Retention Pilot Scheme' arrangements for 2019/20 providing that a revised pooling arrangement, acceptable to all authorities, can be established;
- 2B That the current Lancashire Business Rates Pool should not be jeopardised in the event that the above bid is unsuccessful;
- 3. To note that the next update to the Financial Forecast of the Council will be amended to reflect the latest information and expectations in respect of future levels of business rate income to the Council; and
- 4. That participation in the Lancashire Business Rate Pool for future years beyond 2019/20 should be kept under review and should be the subject of a report to the committee for consideration during next financial year.

(Councillor Silverwood returned to the room on conclusion of the item).

5. Timetable for Developing Budget Proposals 2019/20

Paul O'Donoghue (Chief Financial Officer) presented a proposed budget timetable for the period October 2018 to March 2019. He explained that the timetable complied with the budget and policy framework rules, statutory deadlines and facilitated possible early billing for Council Tax. The report also detailed the other preceptors' decision dates.

Mr O'Donoghue noted that there was a misprint in the report which stated that the 5 March Budget Council meeting is proposed to commence at 5pm. He advised that this should instead be 6pm.

It was RESOLVED to adopt the timetable as shown at Appendix A of the report for the budget setting process for 2018/19.

6. Commercial Strategy

The Chairman invited Allan Oldfield (Chief Executive) to present information on the proposed Commercial Strategy, which had been included as appendix 1 to the report. In doing so, Mr Oldfield explained that the strategy incorporates many of practices and activities already carried out as part of the Councils response to austerity. The document will also provide framework on assessing commercial opportunities to ensure that they generate income in excess of returns.

The committee AGREED to approve the proposed Commercial Strategy included as Appendix 1 to this report to be used as a framework to assess commercial investment and income generating opportunities that will be part of the arrangements for a self-sufficient council.

7. New Depot Building Ashton Gardens

Darren Bell (Head of Technical Services) presented a recommendation from the Tourism and Leisure Committee, to approve an increase of £57,000 to the Accommodation Project (Ashton Gardens Depot) Scheme within the approved Capital Programme for 2018/19. The increase would be fully funded through the Capital Investment Reserve.

An overview of the scheme together with details of the procurement exercise undertaken, the associated financial implications, project risk assessment and a drawing of storage building were set out in the report.

The committee AGREED to approve a funded budget increase of £57,000 to the Ashton Gardens depot element of Accommodation Project scheme within the approved capital programme for 2018/19 to be fully funded from the Capital Investment Reserve.

8. Accommodation Project – Phase 8 – Town Hall Car Park & External Works

Darren Bell (Head of Technical Services) presented a report on the final phase of the Accommodation Project which looked to improve the external environment of the Town Hall.

Mr Bell went on to explain that the report had originally been presented to the Operational Management Committee on 11 September 2018 and as a result, the Finance and Democracy Committee is recommended to approve the virement of £60,000 from the Car Park Improvements capital scheme as a contribution to phase 8 of Accommodation Project.

In addition to the above, the report seeks committee to approve an increase of £178,000 to the Accommodation Project Scheme (Phase 8) within the approved Capital Programme for 2018/19. The increase would be fully funded through the Capital Investment Reserve.

To concluded, Mr Bell provided an overview of the third recommendation which sought committee's approval to deliver phase 8 of works and requested approval to the procurement and letting of a contract to undertake the works.

Mr Bell invited questions from members of the committee on this matter. In summary, these related to the current state of the surface outside the Town Hall and the number and use of car parking spaces. These were addressed in turn by Mr Bell.

Following a full discussion, the committee AGREED to:

1. Approve the virement of £60,000 from the Car Park Improvement capital scheme (which is included within the approved Capital Programme in 2018/19) to the Accommodation Project Scheme (Phase 8: Car Park & External Works);
2. Approve a fully-funded increase to the Capital Programme scheme for the Accommodation Project (Phase 8 in the sum of £178,000 for 2018/19 to be met from the Capital Investment Reserve; and
3. Approve the Accommodation Project (Phase 8) scheme as detailed within this report and authorise the procurement and letting of the works in the sum of £238,000, including design and supervision fees.

Information Items

The following information items were received by the committee.

9. Outside Bodies

In accordance with the Protocol for Members on Outside Bodies, reports from members representing the council on the various outside bodies (within the remit of the committee) were circulated with the agenda for information purposes.

10. General Fund Revenue Budget Monitoring Report 2018/19 – Position as at 31st July 2018

The information report provided an update of the Council's General Fund (GF) Revenue Budget as at 31st July 2018 and specifically for those areas under the Committee's remit.

11. Capital Programme Monitoring Report 2018/19 – Position as at 31st July 2018

This information report provided an update of the Council's approved Capital Programme as at 31st July 2018 with specific reference to those schemes under the Committee's remit.

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