



DECISION ITEM

REPORT OF	MEETING	DATE	ITEM NO
CHIEF FINANCIAL OFFICER	FINANCE AND DEMOCRACY COMMITTEE	23 JUNE 2022	4
MEDIUM TERM FINANCIAL STRATEGY (MTFS) – GENERAL FUND REVENUE, CAPITAL PROGRAMME & TREASURY MANAGEMENT OUTTURN POSITION FOR 2021/22			

PUBLIC ITEM

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

SUMMARY

On 3rd March 2022 the Council set its budget for 2022/23, also approving a revised budget for 2021/22. This report sets out for Members: the expected General Fund Revenue, Capital, and Treasury Management Outturn position for the financial year 2021/22; 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 2.5 and Appendix C of the report;
3. approve the transfers to earmarked reserves as set out in section 2 and as summarised in table 1 of the report;
4. approve the transfers out of the Covid-19 Unringfenced Grant Reserve and the Contain Outbreak Management Fund Reserve as detailed in paragraphs 1.4 and 1.5 of the report;
5. approve the Capital Outturn position, including financing, as set out in sections 7 to 9 of the report;
6. approve the capital slippage items as set out in Appendix E of the report; and
7. 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 2021/22 financial outturn.

CORPORATE PRIORITIES

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

REPORT

1. Introduction and Background

- 1.1 The Revenue Budget Forecast Update was reported to the Finance and Democracy Committee in both November 2021 and January 2022 and to Council in February 2022, with the Medium Term Financial Strategy (MTFS) and budget decisions presented to full Council for approval in March 2022.
- 1.2 As a consequence of the uncertainty concerning the impact of the Covid-19 pandemic on the national public finances, the Government implemented a one-year Spending Review for 2021/22 and the Council, as with all Local Authorities, received a single year funding settlement for the year. This was the second year running that the funding settlement was for one-year only. The MTFS report presented to Council in March 2022 set out the full context of the financial landscape of the council and the wider local government sector as a whole, and can be found at this link: [MTFS Report March 2022](#)
- 1.3 This update report sets out the outturn position for the financial year 2021/22, a year which was again dominated by the impacts of the Covid-19 pandemic. In response the Council played a significant role in delivering a range of support to the community during the year including the provision of a substantial package of grants to businesses on behalf of the government, support for clinically extremely vulnerable residents, support for Council Tax-payers (including the processing of payments to those required to self-isolate), the inspection of premises to ensure compliance with covid restriction measure, support to the Community Hub (including the provision and delivery of food parcels to residents forced to self-isolate or 'shield'), supporting the programme of track and trace and latterly support in the delivery of the vaccination programme. The majority of this work has been delivered by existing Council employees who have necessarily been diverted from the "day job" to prioritise the response to the pandemic, and as a result there has been consequential impacts on some of the planned work which would otherwise have been carried out. This is reflected in increased budget slippage requests in particular for capital budget items this year as detailed in the report.
- 1.4 The financial impact of the covid restriction measures on a number of service areas, and consequently on the Council's financial position for 2021/22, has been significant, and as a consequence a range of national funding measures have been introduced that assist in off-setting some of those negative financial effects. Fylde Council was allocated general covid support grant funding for 2021/22 totalling £392k. As at 31st March 2022, £256k of this funding remained unspent and following advice from the council's external auditors regarding the year end carry-over of this funding, this sum was transferred into a new Covid-19 Unringfenced Grant Reserve at the balance sheet date. **It is now recommended that this sum be transferred out of the reserve to be available to spend in 2022/23.**
- 1.5 In addition to the above, the government introduced the Contain Outbreak Management Fund (COMF) to mitigate the impacts of the pandemic. Update reports outlining the amount of grant received, the projected spend and associated projects have been presented to the Environment, Health and Housing Committee, with the most recent report available [at this link](#). As at 31st March 2022, £189k of this funding remained unspent and following advice from the council's external auditors regarding the year end carry-over of this funding, this sum was transferred into a new Contain Outbreak Management Fund Reserve at the balance sheet date. **It is now recommended that this sum be transferred out of the reserve to be available to spend in 2022/23.**
- 1.6 Each of the covid related funding streams referred to above have been reflected in the relevant revised budgets for 2021/22 against which the financial outturn for the year is compared within the remainder of this report.

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

- 2.1 On the 3rd March 2022, Budget Council approved a revised Forecast Revenue Budget net requirement of £11.153m for 2021/22. The outturn position for 2021/22 is a net requirement of £10.440m resulting in a favourable variance (before financing and slippage) of £0.713m. In addition, Budget Council approved Forecast Financing totalling £12.639m for the year, and the outturn position was also £12.639m which was in line with the sum budgeted. The financing figure of £12.639m includes the net effect of transfers into and out of the Collection Fund Deficit Reserve which have been required as a result of additional

grant funding received from the government during 2021/22 to offset lost business rate income as a result of extended business rate reliefs (including to the retail, hospitality and leisure sectors and to small businesses) offered to businesses to support them during the pandemic. As a result of these reliefs, the business rate collection fund (administered by Fylde to collect business rates and then allocate the monies to central government and the major preceptors) is forecast to make a significant deficit in respect of 2021/22 when compared against the level of income expected before the year began. Because of timing differences between the flow of funds into and out of the collection fund it will be necessary to transfer this grant funding into the Collection Fund Deficit Reserve because this set aside will be required in 2022/23 and 2023/24 for release to offset the collection fund deficit which is spread across these years.

2.2 The underlying outturn position after taking account of the transfers into and out of the Collection Fund Deficit Reserve, into both the Covid-19 Unringfenced Grant Reserve and the Contain Outbreak Management Fund Reserve, and the budgeted transfer into the Capital Investment Reserve (as set out in the MTFS report to Budget Council in March 2022) is therefore a favourable variance of £0.713m.

2.3 The revenue budget outturn position is summarised in Table 1 below:

Table 1 – Summary Revenue Outturn Position 2021/22

	<u>Budget</u> <u>£m</u>	<u>Actual</u> <u>£m</u>	<u>Variance</u> <u>£m</u>	
Net expenditure for the year	11.153	10.440	(0.713)	(Fav)
Financing for the year	(12.639)	(12.639)	(0.000)	-
Surplus of resources for the year	(1.486)	(2.199)	(0.713)	(Fav)
LESS:				
Budgeted transfer to Capital Investment Reserve	1.486	1.486	0.000	-
Balance – underlying outturn variance	0.000	(0.713)	(0.713)	(Fav)
<u>Recommended additional transfers to reserves</u>				
- Required transfer to GF balances re slippage	0.000	(0.485)	(0.485)	(Fav)
- Further transfer to Capital Investment Reserve	0.000	(0.228)	(0.228)	(Fav)
Recommended further transfers to reserves	0.000	(0.713)	(0.713)	(Fav)

2.4 A more detailed analysis of the General Fund Revenue Account comparing actual expenditure against the revised approved estimate, analysed by committee, 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 There are a number of budget variances arising from slippage which are recommended for operational effectiveness. These items total £0.485m 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 2022/23.**

2.6 The remaining favourable variance after accounting for this transfer for slippage is £0.228m. **It is therefore recommended that the sum of £0.228m is transferred to the Capital Investment Reserve to fund future capital expenditure.** This transfer would result in a current forecast balance on the reserve as at 31st March 2022 in the sum of £6.094m. Of this £2.540m is already committed to deliver existing approved schemes in the years 2022/23 onwards with a further budgeted transfer top up of £0.428m in 2022/23, leaving a forecast unallocated balance on the reserve of £3.982m.

2.7 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 In July 2020 the Government announced that local authorities would be allowed to spread the estimated deficit on the 2020/21 Collection Fund over three years – from 2021/22 to 2023/24. The normal process of sharing surpluses and deficits is that they are spread over two years. As a result of Covid-19 and the extra reliefs awarded during 2021/22, there is a larger than normal deficit on the 2021/22 Collection Fund.
- 3.3 **For Council Tax only**, there was a surplus on the fund as at 31st March 2022 of £125k. This will be shared between Fylde Council, the County Council, the Police Authority and the Fire & Rescue Authority in 2022/23 to 2023/24. Fylde Council's share of the surplus is £16k, the impact of which will be reflected in future updates of the Council's financial forecast.
- 3.4 **For Non-Domestic Rates only**, there was a deficit on the fund as at 31st March 2022 of £11.309m. A large proportion of this arises from the decision from Government due to the impact of Covid-19 to continue to increase business rate reliefs during 2021/22 to support businesses during the pandemic. This has the impact of reducing business rates collectable by the council, thus creating a shortfall in income. The deficit will be shared between Central Government, Fylde Council, the County Council, and the Fire & Rescue Authority in 2022/23 to 2023/24. Fylde Council's share of the deficit is £4.524m, the negative impact of which will be funded in 2022/23 from the specific government grant allocated for this purpose (i.e. to offset collection fund deficits caused by the additional reliefs awarded to businesses) which has been set aside into the Collection Fund Deficit Reserve in 2020/21 and 2021/22. The remaining balance on the Collection Fund Deficit Reserve is likely to be required to offset collection fund deficits in 2022/23 and later years.
- 3.5 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 2022/23 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 31st March 2022:

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 01/04/2021	4.571	4.571	-	
In-year surplus transferred to reserves re slippage	-	0.485	0.485	(Fav)
Closing Balance 31/03/2022	4.272	5.056	0.485	(Fav)

- 4.2 The first call on revenue balances in 2022/23 is the recommended slippage of £0.485m as set out in **Appendix C** leaving general fund balances after allowing for these items at £4.571m.

5. Covid Business Support Grants

- 5.1 The Council received a range of grants from central government in 2021/22 to support the overall response to the COVID-19 pandemic. The financial impact of these grants is included within the outturn position and the council's Statement of Accounts. Included within the support provided was a range of business support grant funding which were administered by the Council in line within the guidance received from the Department for Business, Energy & Industrial Strategy (BEIS). Following the receipt of a grant the Council had to determine whether in administering the grant it was acting as an "agent" for

the government or as “principal”. Where the Council was **acting as agent** the following conditions applied: 1) It was acting as an intermediary between the recipient and the Government Department; and 2) It did not have “control” of the grant conditions and there was no flexibility in determining the level of grant payable.

Where the Council was able to use its own discretion when allocating the amount of grant payable, it was **acting as principal**. For each grant scheme the government provided funding based upon its own estimates of local need, and a reconciliation process is in place for each of the grant schemes, with any remaining funds repaid to BEIS.

- 5.2 A separate report on this agenda sets out full details of all BEIS-led grant schemes administered by the council since inception of the covid business support grant regime.

6. General Fund Revenue Outturn Conclusions

- 6.1 The favourable outturn position for revenue allows for a further contribution to be made to the Capital Investment Reserve in the sum of £0.228m. This favourable revenue outturn represents an improvement to the overall financial position of the Council which will be reflected in future updates to the Financial Forecast during 2022/23.
- 6.2 In light of the potential for future general reductions in central government funding from 2023/24 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.
- 6.3 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 overheads wherever possible. Ongoing modernisation work and business improvement will continue to make Council services more efficient, save money and maintain high quality frontline services to customers. 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 challenges ahead.

7. Capital Outturn 2021/22

- 7.1 The summary outturn position for capital is set out in table 3 below. The latest expenditure budget in the capital programme for 2021/22 was £8.729m, and outturn expenditure was £5.164m leaving a net underspend of £3.565 for the year.

After adjusting for slippage of £3.544m the overall outturn position for 2021/22 is an in-year £21k favourable variance against the latest updated estimate. Capital programme expenditure for 2021/22 and details of variances for all capital schemes are shown in **Appendix D**.

Table 3 - Latest Estimate Compared with Outturn 2021/22

	Notes	£m	
Per MTFS report Budget Council 04/03/2022:			
<i>Approved Capital Programme:</i>		8.672	
<i>Changes since 04/03/2022</i>		57	
<i>Latest Budget</i>		8.729	
Less Outturn Expenditure		(5.164)	
<i>Net Underspend for Year</i>		3.565	(Fav)
Less Slippage (as per Note 1 below)	1	(3.544)	
Underlying Variance at Outturn		0.021	(Fav)

Note 1 : The following list sets out a summary of capital scheme slippage requests (Full slippage explanations are contained in **Appendix E**)

	£'000
Purchase of Land Adjacent to Squires Gate Station	6
Fairhaven Lake & Promenade Gardens Restoration	250
Staining Playing Fields Development Scheme	43
Coastal Signage Improvements	61
Fylde Sand Dunes Improvement Scheme	11
Blackpool Road North Playing Fields Drainage	26
Play Area Improvements	43
Fairhaven Kiosk / Ice Cream Bar Project (accelerated spend)	5
Boating Pool Safety Improvements	51
North Beach Windsports Centre	200
Replacement Vehicles	322
Car Park Improvements	30
Public Transport Improvements	120
Fairhaven and Church Scar Coast Protection	10
St Annes Sea Wall	29
Charging Infrastructure for Electric Taxis	27
Cemetery and Crematorium - Infrastructure Works	35
Outdoor Digital Signage	20
Disabled Facilities Grants (DFG) Programme	186
Housing Needs Grant	55
CCTV Replacement Schemes	1
Hydration Points	60
Fylde Affordable Housing Delivery Programme	41
Affordable Housing Scheme, Lytham Road, Warton	260
St Annes Regeneration Schemes	123
Kirkham Public Realm Improvements	2
M55 Link Road	121
St Annes Pier - Coastal Revival Fund	5
Future High Street Fund: Kirkham	551
Elswick Village Green	115
Kirkham Heritage Action Zone	716
Tree Planting Scheme	<u>19</u>
Total Slippage requested	<u>3,544</u>

- 7.2 The next periodic update of the Five Year Capital Programme for 2022/23 will be amended to reflect the outturn results and any other changes approved to date.
- 7.3 Capital Receipts are a component of the Council's capital financing strategy. Details of usable receipts received during 2021/22 are set out in table 4 below:

Table 4 - Useable Capital Receipts 2021/22

	Latest Estimate	Outturn	Variance +/-	
	£'000	£'000	£'000	
Opening Balance at 01/04/2021	0	161	161	
Capital Receipts received in year	185	133	(52)	
Sub Total	185	294	109	Fav
Capital Receipts applied in year		(196)		
Closing Balance at 31/03/2022		98		

- 7.4 The favourable variance of £109k arises mainly from 'Right to Buy' receipts. The balance of £98k of capital receipts held at 31st March 2022 will be applied against capital expenditure in 2022/23.

8. Capital Financing 2021/22

- 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 2021/22

	£'000
EXPENDITURE:	5,164
FINANCING:	
Grants & Contributions	3,942
Internal Borrowing	-
Capital Receipts	196
Revenue Contribution	142
Performance Reward Grant Reserve	26
Funding Volatility Reserve	15
Capital Investment Reserve	843
Total Capital Financing	5,164

- 8.2 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 £21k compared to the latest forecast reported to Members.
- 9.2 The outturn position will be reflected in future capital programme updates.

10. Treasury Management Annual Report

10.1 Summary

The Chartered Institute of Public Finance and Accountancy's (CIPFA) Treasury Management Code requires authorities to report on the performance of the treasury management function at year end.

The Council is exposed to financial risks such as the loss of invested funds and the effect of changing interest rates. This report covers treasury activity and the associated monitoring and control of treasury risks.

Background

This section of the report covers Treasury Management operations for the financial year to 31st March 2022.

The Prudential Indicators and Treasury Management Strategy for 2021/22 were originally approved in the Medium Term Financial Strategy 2021/22 Report to Council on 4th March 2021. The Prudential Indicators are updated as required and changes have been approved by Council in the Mid-Year Prudential Indicators & Treasury Management Monitoring Report to Council on 6th December 2021 and the Medium Term Financial Strategy Report to Council on 3rd March 2022. The Prudential Indicators and the outturn position for 2021/22 are shown at **Appendix F**.

11. Implications

11.1 Economic Background

The continuing economic recovery from the coronavirus pandemic, together with the war in Ukraine, higher inflation, and higher interest rates were major issues at various stages during the 2021/22 financial year.

The bank base rate was 0.1% at the beginning of the year. April and May saw the economy gathering momentum as the pandemic restrictions were eased. Despite the improving outlook, market expectations were that the Bank of England would delay rate rises until 2022. Rising, persistent inflation changed that, and the base rate was increased to 0.25% in December 2021, 0.5% in February 2022 and increased again to 0.75% in March 2022.

UK CPI was 0.7% in March 2021 but thereafter began to steadily increase. Initially driven by energy price effects and by inflation in sectors such as retail and hospitality which were re-opening after the pandemic lockdowns, inflation then was believed to be temporary. Thereafter price rises slowly became more widespread, as a combination of rising global costs and strong demand was exacerbated by supply shortages and transport dislocations. The surge in wholesale gas and electricity prices led to elevated inflation expectations. CPI for April 2022 registered 9.0% year on year, up from 7.0% in March 2022.

11.2 Borrowing

In line with advice from treasury advisors the 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 borrowing has been taken during the year, **and the Council remains debt-free.**

Table 6 – Analysis of Borrowing

Type of Loan	Balance 31/03/22 £m
Public Works Loan Board (PWLB)	Nil
Gross Borrowing	Nil
Operational Boundary	Nil

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 4th March 2021 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 £35.8m 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.

Ultra-low short-dated interest rates, which began in March 2020 when the bank rate was cut to 0.1% prevailed for much of the year which resulted in the return on sterling low volatility investments being close to zero. Higher returns followed the increases in the bank base rate in December 2021, and February and March 2022.

The overall performance was a gross return of 0.12%, compared with a benchmark return of 0.14%. Interest earned was £41.8k compared to a revised budget of £28.1k. The level of interest from investments was higher than the revised budget due to higher in-house cash balances during the year and reduced capital expenditure, combined with increases in the bank base rate during the final quarter of the year.

12. Prudential Indicators

- 12.1 The Council complied with all of its Prudential Indicator limits for 2021/22, details of which can be found in **Appendix F.**

13. Overall Outturn Conclusions 2021/22

- 13.1 The favourable outturn position for revenue allows for an additional contribution to be made to the Capital Investment Reserve in the sum of £0.228m. This further contribution is beneficial to the overall position of the Council and is thus to be welcomed. As a result, the financial position of the Council has improved since the revised 2021/22 budget was set in March 2022, the Council remains debt-free, and the financial position remains robust.
- 13.2 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 As a consequence of the uncertainty about the impact of the pandemic on national public finances, the Government implemented a one-year Spending Review for 2021/22 and the Council, as with all Local Authorities, received a one-year funding settlement for the year. This was the second year running that the funding settlement was for one-year only. The MTFS report presented to Council in March 2022 sets out the full context of the financial landscape of the council, including an assessment of the key financial risks which primarily relate to uncertainties around reviews of the future funding regime for local government. The report can be found at this link: [MTFS Report March 2022](#).
- 13.4 The impact of the pandemic on the financial position of the Council for 2020/21 and beyond, together with the potential for future general reductions in central government funding from 2022/23 onwards, requires that the Council continues the approach to continually seek opportunities to achieve savings and efficiencies and to generate additional income to enable a balanced budget position to continue into the future and to provide on-going contributions to reserves.
- 13.5 Increasing inflation is exerting significant upward pressure on prices for utilities and on supplies and services across all sectors of the economy, which in turn increases the base costs for both revenue and capital budget items. The situation is particularly acute in the construction sector where supply chain issues and price increases are combining to put increased risks on the delivery of capital programme schemes. This is likely to be a continuing issue for the council during 2022/23.
- 13.6 At a strategic level, activity and resources are focussed on the delivery of the key objectives of the Council as set out within the approved Corporate Plan. Given the level of reserves that has been generated in recent years, the budget deficits currently projected in the final years of the most recent financial 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	Financial implications are included within the body of the report.
Legal	For 2021/22 there is a statutory requirement for the Chief Financial Officer to sign off a completed draft Annual Statement of Accounts for the Council by 31 st July 2022. This work remains on track. Following this the Council's external auditors Deloitte will carry out an annual audit of the financial statements. The annual audit for the previous year ended 31 st March 2021 has yet to be concluded as a result of resourcing challenges being experienced by Deloitte. Regular updates are provided to the Audit and Standards Committee.
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	paul.odonoghue@fylde.gov.uk	June 2022

BACKGROUND PAPERS		
Name of document	Date	Where available for inspection
Medium Term Financial Strategy 2021/22 to 2025/26	3 rd March 2022	Report to Budget Council March 2022

Attached documents:

Appendix A – General Fund Summary Revenue Expenditure & Income Account

Appendix B – General Fund Outturn 2021/22 – Variations from Revised Estimates

Appendix C – Revenue Budget Slippage Items requested

Appendix D – Capital Outturn 2021/22

Appendix E – Capital Outturn Slippage Items requested

Appendix F – Prudential Indicators

GENERAL FUND OUTTURN 2021/22**Summary Revenue Account**

	Outturn 2021/22			
	Latest Estimate	Outturn	Variance + Over / (Under)	Favourable / Adverse
Net Service Expenditure	£'000	£'000	£'000	
Tourism and Leisure Committee	2,975	3,175	200	Adv
Operational Management Committee	3,815	4,230	415	Adv
Environment, Health and Housing Committee	1,386	1,030	(356)	Fav
Planning Committee	2,174	1,366	(808)	Fav
Finance and Democracy Committee	3,476	3,386	(90)	Fav
Contingency	(300)	(131)	169	Adv
Net Cost of Services	13,526	13,056	(470)	Fav
Net use of Earmarked Reserves	(2,842)	(903)	1,939	Adv
Capital Accounting Adjustments	(280)	(1,102)	(822)	Fav
Interest payable and similar charges	0	0	0	-
Interest and investment income	(28)	(42)	(14)	Fav
Minimum Revenue Provision	777	777	0	-
Pension accounting adjustment	0	(1,335)	(1,335)	Fav
Accumulated Absences Adjustment	0	(11)	(11)	Fav
Sub-Total of Appropriations	(2,373)	(2,616)	(243)	Fav
Total Net Requirement (See App B for variance details)	11,153	10,440	(713)	Fav
Financing				
General Government Grants:				
- New Homes Bonus	(1,103)	(1,103)	0	-
- Lower Tier Services Grant	(379)	(379)	0	-
- Other Government Grants	0	0	0	-
Council Tax Outturn (incl previous years surplus/deficit)	(6,656)	(6,656)	0	-
Business Rates Outturn (incl previous years surplus/deficit)	(4,501)	(4,501)	0	-
Total Net Requirement	(12,639)	(12,639)	0	-
Surplus of resources for the year	(1,486)	(2,199)	(713)	Fav
Analysis of recommended Transfers to Reserves:				
- original budgeted transfer to Capital Investment Reserve	(1,486)	(1,486)	0	-
- transfer to Capital Investment Reserve	0	(228)	(228)	Fav
- transfer to general fund revenue balances re slippage	0	(485)	(485)	Fav
Recommended transfers to reserves	(1,486)	(2,199)	(713)	Fav
Statement of General Fund Revenue Balances				
General Fund Revenue Balances b/f	(4,571)	(4,571)	0	-
Recommended transfer to general fund revenue balances	0	(485)	(485)	Fav
General Fund Revenue Balances c/f	(4,571)	(5,056)	(485)	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.

2021/22 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	10,016	10,006	-10	FAV	There has been a favourable outturn variance against the latest budget for employee costs across the organisation (including the impact of 'turnover savings' i.e. natural delays in the recruitment to vacant posts).
Authority Wide	Employee car mileage allowances	40	19	-21	FAV	There has been a saving during the year as a result of reduced staff car mileage claims which is linked to increased remote working as a result of the pandemic.
Authority Wide	Printing, stationery and office expenditure	131	103	-28	FAV	The continuing drive for efficiencies and new ways of working linked to the impact of the pandemic has led to reduced expenditure on paper, stationery and general office supplies which has resulted in this favourable outturn variance.
Authority Wide	Utility Costs and Business Rates	477	545	68	ADV	Additional costs associated with price rises and finalising utility accounts as part of procuring new suppliers, plus additional sites added to the account at Fairhaven have together resulted in this adverse variance at year end.
Authority Wide	Buildings repairs, maintenance and security costs	292	257	-35	FAV	The authority-wide budget for the ongoing repair, maintenance and security of council owned assets was underspent during 2021/22, including as a result of some delays caused by the pandemic.
Authority Wide	Rental income from council owned assets / café's etc	-226	-341	-115	FAV	This favourable outturn variance has arisen because of the billing and recovery of outstanding rents from various council owned assets, the island site and café's during 2021/22, some of which was delayed during the pandemic.
Covid Support Funding	Government Grant Funding	392	136	-256	FAV	Throughout 2021/22 the government provided various tranches of funding to support councils in responding to the impacts of the pandemic. As these funding streams were announced and confirmed for Fylde, funded budget increases were approved in order to deliver the requirements of the funding. The favourable variance relates to £256k of unringfenced Covid support grant funding from the government which remained unspent at year end, and the adverse variance represents the transfer of the unspent sum into the Covid-19 Unringfenced Grant Reserve at year end.
	Remaining Grant Funding - transfer to reserve	0	256	256	ADV	
Sub total		11,122	10,981	-141	Favourable	

TOURISM AND LEISURE COMMITTEE

Service Area	Detailed Description	Latest Full Year Budget £'000	Actual Outturn £'000	Variance £'000	Adverse/ Favourable	Reason for Variance
Fairhaven Lake and Gardens	Adventure Golf	-185	-198	-13	FAV	Adventure Golf has performed better than anticipated this financial year for a host of reasons. Mainly we have made the commitment to opening every day regardless of weather – this over the course of the winter has brought in more income. Part of the year was also still affected by COVID with people looking for safe and preferably outdoor activities. The golf is still fairly new and we continue to benefit from the novelty of the course.
Coast and Countryside	Consultants fees	238	192	-46	FAV	There has been some delayed spend against the budget which was profiled over 2020/21 and 2021/22 for consultants fees in relation to sand extraction development studies on St Annes foreshore, which has resulted in this adverse variance. A slippage request has been submitted to carry the unspent budget forward into 2022/23.
Coast and Countryside	Sandwinning fee income	0	-12	-12	FAV	This favourable variance is as a result of under-charged sand extraction income charges from 2019 which was billed during 2021/22.
Parks Development - Lytham & St Annes	Community projects and initiatives	21	12	-9	FAV	The underspend relates to a planned play area improvement scheme where the contractor has been unable to carry out works before year end, therefore a slippage request has been submitted.
Parks External Contracts	Net contribution	-31	-12	19	ADV	The net contribution on parks external contracts has been lower than budgeted for and lower than previous years, largely as a result of increased agency labour costs and upward pressure on prices for supplies and services.
Sub total		43	-18	-61	Favourable	

Service Area	Detailed Description	Latest Full Year Budget £'000	Actual Outturn £'000	Variance £'000	Adverse/ Favourable	Reason for Variance
ICT	Purchase of Computer Equipment / Improvements to ICT resilience and recovery arrangements.	692	402	-290	FAV	A number of planned improvements have been delayed as the authority continued to respond and adapt to the effects of the pandemic during 2021/22. These include: Projects around new and better ways of working and its associated ICT strategy; changes to the structure from the Management Review Phase 1 and a consideration on wider strategic technology commitments; the continual threat of cyber risk and the need to constantly adapt and improve our security posture in that space; and the development of new internal and customer-facing digital services that will be the primary focus of ICT Services in 2022/23, alongside the decommissioning and migrating of legacy platforms, infrastructure (including core resiliency infrastructure) and systems to enable modern and efficient ways of working. Slippage requests totalling £290k in respect of ICT budgets have been made to allow this work to be delivered in 2022/23.
Human Resources	Training	15	2	-13	FAV	Budget underspent due to COVID and service needs. The intention is to use it for some corporate sessions on One Drive, Share Point and a post-pandemic work environment. Slippage requested for part of this budget.
External Audit Fees	KPMG Fees for Housing Benefit Subsidy audit	21	34	13	ADV	The fee chargeable by KPMG for the Housing Benefit Subsidy audit has increased by c£6.5k per annum for the last two years following a procurement exercise, but the budget has not been increased resulting in this adverse variance.
External Audit Fees	Additional grant income following Redmond Review, and fee rebate from PSAA.	0	-26	-26	FAV	The council was in receipt of £7k from PSAA during the year as part of it's commitment to distribute surplus funds, together with a Local Audit Fees grant of £19k from DLUCH following the outcome of the Redmond Review into the future of local audit, both of which were un-budgeted for.
Miscellaneous	Grant income	0	-8	-8	FAV	The council was in receipt of un-budgeted new burdens grant income of £8k from DLUCH during the year in respect of compliance with the Transparency Code, which led to this favourable outturn variance.
Treasury Management	Interest and Investment Income Receivable	-28	-42	-14	FAV	Interest income from treasury management investments were higher than budgeted for as a result of interest rate rises during the latter part of the financial year.
Council Tax Reduction Scheme (CTRS)	Hardship Fund	9	0	-9	FAV	This fund was topped up during the year and a slippage request has been submitted to carry the unspent funds forward into 2022/23.
Council Tax	Recovery of court costs, and miscellaneous grant income.	-150	-184	-34	FAV	Income from the recovery of court costs was £15k lower than the budgeted due to limitations on court availability during the year as a result of the pandemic, but this was offset by a one off refund of £49k received from the Ministry of Justice for historical over-charged fees, the net effect of which resulted in this favourable outturn variance.
Housing Benefits	Rent Allowances (net), including subsidy from govt, Discretionary Housing Payments, overpayment recovery, and administration costs and grant	278	419	141	ADV	Demand-led Housing Benefit expenditure (which was £13.3m for the year), is offset by government funding via Housing Benefit Subsidy, and the net position, also reflecting Housing Benefit Admin Grant, was higher than the budgeted level, and overpayment recoveries were less than forecast during the year reflecting the impact of the pandemic, leading to this adverse outturn variance.
Sub total		837	597	-240	Favourable	

OPERATIONAL MANAGEMENT COMMITTEE
Appendix B (cont'd)

Service Area	Detailed Description	Latest Full Year Budget £'000	Actual Outturn £'000	Variance £'000	Adverse/ Favourable	Reason for Variance
Public Conveniences	Income	-50	-60	-10	FAV	Additional income due to increased usage of the public conveniences due to higher than expected levels of visitors and local holiday makers during the pandemic.
Car Parking	Income, net of enforcement and ticketing costs	-743	-769	-26	FAV	Additional income due to increased usage of the car parks due to higher than expected levels of visitors and local holiday makers during the pandemic.
Trade Waste Service	Income, net of tipping charges	-220	-267	-47	FAV	This favourable variance is as a result of additional income generated from services and savings from tipping charges during the year.
Cemetery and Crematorium	Income from interments, cremations and memorials, net of the direct cost of memorials	-1,195	-1,251	-56	FAV	Income estimates have been adjusted during the year to reflect anticipated income levels, which at outturn have been slightly above those estimated, resulting in this favourable variance.
Cemetery and Crematorium	Drives and pathway improvements	20	10	-10	FAV	Part of this work was suspended during the pandemic, and a slippage request has been submitted to allow the works to be completed in 2022/23.
Cemetery and Crematorium	Filtration system repair and maintenance	10	0	-10	FAV	The installation of a new component to the filtration system at the crematorium was delayed, and a slippage request has been submitted to allow the works to be completed in 2022/23.
Waste Management	Replacement Waste Containers	75	94	19	ADV	This adverse variance is as a result of additional expenditure due to high demand for full sets of containers at new build properties and increases in purchase price of bins from suppliers during the year.
Waste Management	Operational Costs	25	19	-6	FAV	This favourable variance is as a result of underspends on printing and licensing cost budgets during the year.
Waste Management	Operational Income	-50	-63	-13	FAV	This favourable variance is as a result of additional income generated from sales and special collections during the year.
Waste Management	Fleet Costs	407	393	-14	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 and are covered under warranty, replacing older and more expensive to maintain vehicles. These underspends are partially offset by increasing fuel which have reduced the underspend resulting in the small favourable outturn variance.
Sub total		-1,721	-1,894	-173	Favourable	

ENVIRONMENT, HEALTH & HOUSING COMMITTEE

Service Area	Detailed Description	Latest Full Year Budget £'000	Actual Outturn £'000	Variance £'000	Adverse/ Favourable	Reason for Variance
Covid-19 Contain Outbreak Management Fund (COMF)	Government Grant Funding	780	591	-189	FAV	MHCLG have given permission to carry the COMF funding forward into 2022/23. Schemes are currently being drawn up for approval to utilise the funding in 2022/23. The favourable variance relates to the £189k of funding which remained unspent at year end, and the adverse variance represents the transfer of the unspent sum into the Contain Outbreak Management Fund Reserve at year end.
	Remaining Grant Funding - transfer to reserve	0	189	189	ADV	
Housing, Homelessness and Housing Advice	CAB - Debt Advice Service	22	3	-19	FAV	Debt advice referrals are made for clients approaching the homeless service to receive support. The project was initially set up with CAB and included staffing costs. After 12 months they were unable to deliver the service so it was transferred to Blackpool Debt Advice Service. Charges are per client accessing support. A slippage request has been submitted to allow this work continue in 2022/23.
Sub total		802	783	-19	Favourable	

PLANNING COMMITTEE
Appendix B (cont'd)

Service Area	Detailed Description	Latest Full Year Budget £'000	Actual Outturn £'000	Variance £'000	Adverse/ Favourable	Reason for Variance
Development Management	Planning application fee income, including pre-planning advice	-700	-641	59	ADV	Planning fee income is closely monitored through the MTFS. The reduction in the number of major planning applications and associated fees during the year compared to the budget resulted in this adverse variance.
Planning Appeals	Planning Appeal Hearing Costs	20	0	-20	FAV	There have been no significant planning appeals submitted during the year and so it has not been necessary to employ consultants or advocates or to hire suitable venues. This is likely to have been as a result of fewer major planning applications having been submitted during the pandemic and as a result of having a recently adopted local plan. Accordingly a slippage request has been submitted for consideration.
Planning Enforcement	Enforcement Costs	35	0	-35	FAV	Enforcement action in regard to the sites this funding is specifically reserved to address has been deferred in line with Central Government Covid guidance. The work is now expected to take place during 2022/23. Accordingly a slippage request has been submitted for consideration.
The Island Site	Consultants Fees	120	0	-120	FAV	Work on the St Annes Town Centre and Island Masterplan is ongoing and expected to be completed by July 2022. A slippage request has been submitted to allow this work to be concluded.
The Island Site	LCC - Lancashire Economic Recovery Grant	-108	0	108	ADV	LCC have agreed to fund a masterplan to steer the future development of the Island site on the promenade in St Annes. This work is being progressed as part of the St Annes Town Centre and Island Masterplan is ongoing and expected to be completed by July 2022.
Economic Regeneration	Consultants Fees	15	0	-15	FAV	This funding has been identified to pay the membership fee for Growth Lancashire for 2022/23 and is the subject of a slippage request.
Sub total		-618	-641	-23	Favourable	

Other minor variances	-56	Favourable
Total Variances - Net Budget Requirement	-713	Favourable

Revenue Slippage 2021/22
Appendix C
Requests to transfer 2021/22 budget to 2022/23

Service Area	Detail	Slippage Requested £000	Explanation of Slippage	Effect on service delivery if not approved
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AUTHORITY-WIDE BUDGETS

Organisational Improvement	Organisational Improvement Costs	5	Events and activities not possible due to COVID regs to be delivered in 2022/23	No significant risk the activities are civic / mayoral / staff recognition & reward / Leaders events.
Sub-total		5		

OPERATIONAL MANAGEMENT COMMITTEE

Cemetery & Crematorium	Drives & Paths	10	Unable to spend through the year due to other work priorities	Footpaths are not fully maintained resulting in degradation and potential of trip hazards occurring.
	Other Fees	10	Installation of a component in the filtration system couldn't be replaced in financial year.	No budget to complete this essential task or other planned improvements.
Sub-total		20		

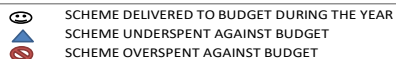
FINANCE & DEMOCRACY COMMITTEE

Revenues and Benefits Service - Central Costs	Council Tax Reduction Scheme (CTRS) - Hardship Fund	9	This represents the £4K balance of the original £10k allocation of funding for this purpose and a £5K top up agreed at the Finance and Democracy Committee 22/11/2021, 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.
Human Resources	Training Expenses - Qualifications	10	Budget underspent due to COVID and service needs. The intention is to use it for some corporate sessions on One Drive, Share Point and a post-pandemic work environment.	Limited training could affect service delivery and post COVID recovery initiatives.
ICT	Purchase of Computer Equipment / Improvements to ICT resilience and recovery arrangements.	235	A number of planned improvements have been delayed due to the pandemic. The increased requirement for remote working by staff and for enhanced communications services has led to an ongoing review of planned ICT developments and a range of additional improvements are now scheduled for 2022/23, including: unification and continual improvement work of network security resources including firewall, offline/ cloud backups, and virtual desktop infrastructure capacity to mitigate against ongoing cyber threats and meet increased demand; the replacement and migration of major line of business ICT systems and legacy server infrastructure to support dynamic working and additional remote connectivity. A slippage request from the computer equipment purchase costs budget is now being made to allow this work to be delivered in 2022/23.	Without the requested slippage the planned ICT improvements would not be deliverable.
ICT - Finance Admin Team	Computer - Program Licence Charge	31	Civica Hosted Distribution - Provides a fully hosted cloud based cash receipting and bank reconciliation system.	Delivers greater efficiencies, reduces reliance on complex and error prone spreadsheet reconciliations and creates a stronger foundation for new technologies and innovation.
		24	Chip and PIN devices set up and deployed and CivicaPay system upgrade during April 2022	Without the new chip and PIN devices we would be unable to process face to face card payments from 1 May 2022
Sub-total		309		

Service Area	Detail	Slippage Requested £000	Explanation of Slippage	Effect on service delivery if not approved
ENVIRONMENT, HEALTH & HOUSING COMMITTEE				
Community Safety	Community Safety Initiatives	25	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 of Covid, there has been a delay in the delivery of activities and consequently a slippage request has been made to transfer the remaining resource into 2022/23. It is possible that not all of this will be used in 2022/23 and a future request to transfer funding beyond 2022/23 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 of local community safety initiatives. It is becoming apparent there are numerous negative side effects to the lockdown and slippage would enable partners to provide additional support in areas such as mental health, youth diversionary activities within Fylde and the monies would have to be repaid to Lancashire County Council.
		-25		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.
Partnership Support	LCC - PASTA Initiative	8	This budget is needed for the delivery of the Play And Skills at Teatime Activities (PASTA) programme 2022	The healthy eating programme for school children would stop & funding will need to be returned to LCC
		-8	Funding for above project	
Housing, Homelessness and Housing Advice	CAB - Debt Advice Service	19	Debt advice referrals are made for clients approaching homeless service to receive support. Project was initially set up with CAB and included staffing costs. After 12 months they were unable to deliver service so transferred to Blackpool Debt Advice Service. Charges are per client accessing support.	Without slippage service would be unable to offer debt advice to clients approaching the homeless service to resolve primary debt issues impacting on their sourcing move on accommodation.
Housing, Homelessness and Housing Advice	Homeless Reduction Act Initiatives	11	Funding specifically for HRA initiatives to support LA housing services. Latest report to F&D Committee 25/01/21 Committed spend up to 2025/26 for Rapid Rehousing Officer post continuation. Remaining funding to go into HRA initiatives.	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.
	Repossession Prevention	15	DCLG funding to assist clients with rent arrears as a result of Covid 19 in order to sustain tenancies and prevent homelessness.	
	PRS HMO Inspection	14	Proactive inspection programme of private sector accommodation within HMOs in Fylde main service centres.	
	MHCLG - HRA/Flexible Homelessness & HPG Funding	-40	Funding for projects as described above.	
Housing, Homelessness and Housing Advice	16 / 17 Year old homelessness Grant	2	This grant funding can only be used for projects associated with preventing homelessness for 16/17 year olds. The 2 years funding developed the course. On going costs are for the IT package alone.	Without the requested slippage the continuation of a tenancy training course aimed at 16-25 year olds and prevention of homelessness cannot continue.
		-2	Funding for project as described above.	
Housing, Homelessness and Housing Advice	Domestic Abuse Act Initiatives	7	Local Authorities Statutory Housing function under Part IV of the Domestic Abuse Act 2021. Housing Outreach Worker post established in December 2021. Post jointly held between Fylde and Wyre Councils and employed by Fylde Coast Womens Aid.	Without slippage unable to commit to project for 12 months which was initially agreed. DCLG funding provided to local authorities to take forward the Part IV Housing Duties.
	MHCLG - Domestic Abuse Support to Victims Funding	-7	Funding for project as detailed above.	
Housing, Homelessness and Housing Advice	Rough Sleeper Initiatives	27	Ex offenders and Rough Sleeper Accommodation Project merges two funding streams - Rough Sleeper Initiative remaining funding and Ex-Offenders funding.	Project procurement exercise undertaken and Empowerment appointed to take project forward for a two year period from January 2022. Without slippage project would not be able to progress.
	Ex-Offender Initiatives	34	Ex offenders and Rough Sleeper Accommodation Project merges two funding streams - Rough Sleeper Initiative remaining funding and Ex-Offenders funding.	
	MHCLG Rough Sleeper Funding	-61	Funding for project as detailed above.	
Housing, Homelessness and Housing Advice	Changing Futures Project	6	The Changing Futures programme was announced by MHCLG in December 2020 and is focussed on improving outcomes for people facing multiple disadvantages.	Fylde Council received funding to enhance the homelessness and housing advice offer for clients facing multiple disadvantage support needs. Funding is for a two year Changing Futures Housing Services Officer post from 01/04/2022. Without slippage the engagement in the Lancashire wide project will not continue and the funding would need to be returned.
	MHCLG Changing Futures Funding	-6	Funding for project as detailed above.	
Sub-total		19		

Service Area	Detail	Slippage Requested £000	Explanation of Slippage	Effect on service delivery if not approved
PLANNING COMMITTEE				
Planning Enforcement	Enforcement Costs	35	The proposed enforcement action has been deferred in line with Central Government Covid Guidance	Failure to take enforcement action would result in a continued breach of planning control in regard to a development that is contrary to the policies in the development plan and subject to an extant planning enforcement notice.
Planning Appeals	Planning Appeals Hearing Costs	20	The number of major planning appeals that have been received during the year has been lower than usual, which is attributed to a knock on effect of fewer major planning applications having been submitted during the previous year.	From the nature of several major planning applications currently under consideration, it is highly likely that there will be several appeals next year that will incur costs to defend. Without an adequate budget to defend the council's position, planning permission may be that are contrary to the provisions of the development plan.
Pleasure Island	Consultants Fees	120	This money is held for the Town Centre and Island Masterplans, which are currently being prepared by consultants and will be invoiced when work is complete	The contract with the consultants would not be able to be completed and the evidence base to support a bid for the Levelling Up Fund for St Annes Town Centre and the 'Island' site would not be able to proceed.
Pleasure Island	LCC - Lancashire Economic Recovery Grant	-108	This grant money is held for the Town Centre and Island Masterplans, which are currently being prepared by consultants and will be invoiced when work is complete	The contract with the consultants would not be able to be completed and the evidence base to support a bid for the Levelling Up Fund for St Annes Town Centre and the 'Island' site would not be able to proceed.
Pleasure Island	Funding Volatility Reserve Contribution	-12	This contribution from the funding volatility reserve is held for the Town Centre and Island Masterplans, which are currently being prepared by consultants and will be invoiced when work is complete	The contract with the consultants would not be able to be completed and the evidence base to support a bid for the Levelling Up Fund for St Annes Town Centre and the 'Island' site would not be able to proceed.
Regeneration Team	Consultants Fees	15	This money is held for the Growth Lancashire Mid Year Review of 'Kirkham Futures'	The contract with the consultants would not be able to be completed and the 'Kirkham Futures' review would not be able to proceed.
Sub-total		70		

Service Area	Detail	Slippage Requested £000	Explanation of Slippage	Effect on service delivery if not approved
TOURISM AND LEISURE COMMITTEE				
Coast and Countryside	DEFRA Funding - Bathing Water Signage	1	Delays in procurement of signage due to national shortages	Unable to fulfill DEFRA's recommendation of providing adequate signage along the coastline and the funding would need returning to DEFRA.
		-1	Funding for signage detailed above	
Coast and Countryside	Consultants Fees	46	Sandwinning consultancy work not completed by year end	Budget not available to pay for the work that's ongoing.
Management of the Arts	Support to Arts	3	This money is required for the next stage of the Green Loop project delivery in 2023	A reduced service delivery output in 2023 will result unless funding is sought from additional sources. The Funding would need returning to the Arts Council
Sports Development	PCC - Safe Communities Project	9	No delivery on community projects due to Covid restrictions	Funding was provided by the Police and Crime Commissioner to deliver diversionary activities across Fylde. If the slippage request is refused, then this project can't be continued for 2022/23 will not meet the aims and objectives set out in the application. The funding would have to be given back to the Police and Crime Commissioner.
	PCC - Safe Communities Grant Funding	-9	Grant funding from the Police & Crime Commissioner for projects within the community	Funding was provided by Lancashire County Council to deliver adult weight management activities across the Fylde. If the slippage request is refused, then these activities can't be continued for 2022/23 and the Council will not meet the aims and objectives set out in the application. The funding would have to be given back to Lancashire County Council.
	Weight Management Activities	15	Covid restrictions impacting delivery	
	LCC - Weight Management Funding	-15	Grant funding from Lancashire County Council to deliver the adult weight management activities across Fylde	Funding was provided by Active Lancashire to deliver business health matters across the Fylde to SME's. If the slippage request is refused, then this project can't be continued for 2022/23 and the Council will not meet the aims and objectives set out in the application. The funding would have to be given back to Active Lancashire.
	Business Health Matters	27	Delays in recruitment	
	ESF - Business Health Matters	-27	Grant Funding from Active Lancashire to deliver the Business Health Matters initiative	
Persimmon Conservation Project	Environmental Projects	5	Covid restrictions impacting delivery	Due to Covid-19, delays have been experienced in the completion of this committee approved project. The first scheme element to regrade the dunes has been completed. The signage and access elements are currently being completed. It is necessary to slip the revenue amount to ensure the successful completion of the project.
	\$106 Contribution	-5	\$106 funding for the above project	
Parks Development - Lytham & St. Annes	Community Projects & Initiatives	9	Contractor unable to carry out works before year end date	Inability to complete play area improvement project which would result in not hitting the action on the corporate plan.
	Hard Landscape Schemes	4	Unable to secure contractors to carry out project works due to staff and resource issues	Inability to complete service projects that will impact on the standards of the parks and open spaces.
Sub-total		62		
Total Revenue Slippage		485		

CAPITAL OUTTURN 2021/22

APPROVED SCHEMES	Head of Service / Budget Holder	Latest Budget 2021/22 £000	Actual Outturn £000	Variance £000	Variance	See key	Slippage required into 2022/23 £000	Budget Holder Comments
FINANCE & DEMOCRACY COMMITTEE								
Purchase of Land Adjacent to Squires Gate Station	Darren Bell	6	0	6	Underspent	▲	6	This project is ongoing. As agreed at Full Council, the compulsory purchase of the land will now be initiated which could take 12 months to complete.
Sub total		6	0	6			6	
TOURISM & LEISURE COMMITTEE								
Fairhaven Lake & Promenade Gardens Restoration	Mark Wilde	1,433	1,183	250	Underspent	▲	250	Building and Landscaping works are scheduled to be completed during 2022/23.
Staining Playing Fields Development Scheme	Mark Wilde	43	0	43	Underspent	▲	43	Plans for landscaping works are currently being developed with project completion anticipated to be during 2022/23.
Coastal Signage Improvements	Darren Bell	68	7	61	Underspent	▲	61	Phases 1, 2 and 3 (Consolidation / Rationalisation, Digital Beach Signs and Beach Safety Signs) have been completed. Phases 3 and 5 (Waymarking & Directional and Heritage & Interpretation) are currently being modelled. Remaining scheme delivery completion is anticipated to be during 2022/23.
Fylde Sand Dunes Improvement Scheme	Mark Wilde	46	35	11	Underspent	▲	11	The first phase of the scheme to regrade the dunes opposite the Persimmon Homes development has now been successfully completed. A tendering exercise has been completed for the second and third phases of the scheme - which include new dune entrance ways and signage. Draft artwork has been produced by a graphic designer for the signs and is ready for completion. A contractor has been selected for the entranceway installation and the project will be completed by the end of May 2022.
Blackpool Road North Playing Fields Drainage	Darren Bell	145	119	26	Underspent	▲	26	Works are substantially complete. Additional works on the maintenance of football pitches are to be completed during 2022.
Additional Parks Access Control Measures	Mark Wilde	16	16	0	On target	😊		This scheme has been delivered and completed within budget.
Ashton Gardens Lighting Improvement Scheme	Darren Bell	25	21	4	Underspent	▲		This scheme has been delivered and completed £4k under budget.
Park View Drainage Improvement Scheme	Darren Bell	1	1	0	On target	😊		A drawdown report was presented to Committee in March 2022 and work is anticipated to start in Spring/Summer 2022.
Fairhaven Boathouse - Remodelling and Refurbishment Scheme	Darren Bell	7	7	0	On target	😊		The majority of the scheme has been re-phased for delivery into 2022/23.
Play Area Improvements	Mark Wilde	100	57	43	Underspent	▲	43	Following a tender process, a drawdown report was presented and approved at the January 2022 Tourism & Leisure Committee. A contract has been issued to the successful tenderer and works are due to be completed by the end of May 2022.
Friends of Newton Community Park Improvement Scheme - Fylde Council Contribution	Mark Wilde	100	100	0	On target	😊		This scheme has been delivered and completed within budget.
Fairhaven Kiosk / Ice Cream Bar Project	Darren Bell	20	15	5	Underspent	▲	5	The project works are scheduled to be completed during 2022/23.
Boating Pool Safety Improvements	Mark Wilde	60	9	51	Underspent	▲	51	The project works are scheduled to be completed by the end of May 2022.
North Beach Windsports Centre	Darren Bell	200	0	200	Underspent	▲	200	The project works are scheduled to be completed during 2022/23.
Sub total		2,264	1,570	694			690	

Appendix D (Cont'd)

APPROVED SCHEMES		Latest Budget 2021/22 £000	Actual Outturn £000	Variance £000	Variance	See key	Slippage required into 2022/23 £000	Budget Holder Comments
OPERATIONAL MANAGEMENT COMMITTEE								
Replacement Vehicles	Kathy Winstanley	486	164	322	Underspent	▲	322	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 during 2022/23.
Car Park Improvements	Darren Bell	70	40	30	Underspent	▲	30	The improvement of the interface between Stanner Bank car park and Inner Promenade was completed. The remaining budget will be used in 2022/23 to contribute to the resurfacing of Fairhaven Road and/or Swimming Pool Car Parks.
Public Transport Improvements	Darren Bell	138	18	120	Underspent	▲	120	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 £120k 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	Darren Bell	10	0	10	Underspent	▲	10	This is the residual Sand Dune improvement works on the Dunes North of Fairhaven Lake. This was an outstanding condition of the Fairhaven Coastal Defence scheme which Environment Agency Grant in Aid can be claimed.
St Annes Sea Wall	Darren Bell	190	161	29	Underspent	▲	29	In 2020 the council were awarded £300k Pipeline acceleration funding to develop the St Annes Seawall Outline Business Case. This has now been completed. Following this a bid was submitted to the Environment Agency which was approved at a total cost of £12.1m. The planning phase has now commenced. Following the planning phase it is proposed to start the construction phase Autumn 2023.
Accommodation/ facilities at Snowdon Road Depot - Welfare Improvements	Darren Bell	206	206	0	On target	😊		This scheme has been delivered and completed within budget.
Charging Infrastructure for Electric Taxis	Darren Bell	105	78	27	Underspent	▲	27	Charging units now installed and an invoice for the majority of the costs has been paid. Remainder to be paid once the units are commissioned by end April 2022. Scheme to be completed during 2022/23.
Cemetery and Crematorium - Infrastructure Phase 3b	Darren Bell	35	0	35	Underspent	▲	35	The main project is now complete. Additional landscaping, surfacing and drainage works will be completed during 2022/23.
Outdoor Digital Signage	Mark Evans	52	32	20	Underspent	▲	20	The outdoor digital signage proposal has been referred to the Town Centres Working Group in order to consider alternative siting proposals that will be more suitable in the conservation area location in which they are proposed. Various options are currently being examined and it is expected that the projects will be delivered during 2022/23.
South Fylde Line Study	Darren Bell	70	60	10	Underspent	▲		The study was completed within timescale and £10k under budget.
Sub total		1,362	759	603			593	

Appendix D (Cont'd)

APPROVED SCHEMES		Latest Budget 2021/22 £000	Actual Outturn £000	Variance £000	Variance	See key	Slippage required into 2022/23 £000	Budget Holder Comments
ENVIRONMENT, HEALTH & HOUSING COMMITTEE								
Disabled Facilities Grants (DFG) Programme	Mark Evans	1,467	1,281	186	Underspent	▲	186	Following earlier delays of reduced activity due to previous Covid restrictions the grant programme is now progressing as normal and £186k is requested to be slipped into 2022/23.
Housing Needs Grant	Mark Evans	55	0	55	Underspent	▲	55	Housing Needs grant awards are dependent on the repayments received by the sale of properties where DFG grant has previously been provided. The funding to be used where professional services have been provided, such as architectural fees, but the DFG grant has not gone ahead in 2021/22. No expenditure has been incurred in 2021/22. Funding has been used in previous years for specific community information events. Planning of a 2022/23 programme of events is underway as part of the HMO Inspection project and slippage is requested.
Progress Housing Buy Backs	Mark Evans	58	58	0	On target	😊		This scheme has been delivered and completed within budget.
CCTV Replacement Schemes	Ian Curtis	27	26	1	Underspent	▲	1	4 WCCTV deployable cameras have been purchased with accessories. £1k residual funding remains.
Hydration Points	Darren Bell	60	0	60	Underspent	▲	60	The project was delayed due to Covid restrictions which would have stopped the points being used. A drawdown request for a small number of hydration points was submitted to committee in March 2022 for installation prior to the summer season of 2022.
Fylde Affordable Housing Delivery Programme	Mark Evans	60	19	41	Underspent	▲	41	This funding had been allocated to deliver an affordable housing survey which requires community engagement that could not be carried out within the previous social distancing restrictions that had to be observed. As a result the project has been delayed. The contract has been awarded and it is anticipated that the survey will be completed during 2022/23.
Affordable Housing Scheme, Lytham Road, Warton	Mark Evans	260	0	260	Underspent	▲	260	Council (19/10/20) approved a scheme for affordable housing on Lytham Road Warton, utilising S106 funding. phased equally over two financial years (2020/21 and 2021/22), the sum of £260,000 to be fully funded from a portion of the balance of S106 developer contributions for affordable housing currently held by the Council for this purpose (from Agreement ref: 12/0717 - Moss Farm, Cropper Road, Westby). Negotiations are still underway to approve the Affordable Housing Statement for the site, in line with the conditions for the grant.
Sub total		1,987	1,384	603			603	

Appendix D (Cont'd)

APPROVED SCHEMES		Latest Budget 2021/22 £000	Actual Outturn £000	Variance £000	Variance	See key	Slippage required into 2022/23 £000	Budget Holder Comments
PLANNING COMMITTEE								
St Annes Regeneration Schemes	Mark Evans	124	1	123	Underspent	▲	123	The funding was specifically aimed at delivering the Wood Street (Phase 3) Scheme. Works commenced but, despite being suspended due to the covid situation, have now been completed on phase 3a (north side). There are some works that have not yet been invoiced, which are currently undergoing a snagging process prior to final sign off. Any residual amounts unspent will be directed towards the implementation of an enhanced Pier Link project in accordance with the decision made by Planning Committee on 22 June 2020.
Kirkham Public Realm Improvements	Mark Evans	3	1	2	Underspent	▲	2	This is a residual amount from the last phase of regeneration works allocated for signage which will now be delivered as part of the Kirkham Future High Street Fund / Heritage Action Zone programme in 2022/23.
M55 Link Road (Inc. \$106 monies for design work)	Mark Evans	122	1	121	Underspent	▲	121	The accelerated delivery of the £27m M55 Heyhouses Link Road is subject to a funding package made up from a number of sources. This funding is now in place and work has started on site with the earthworks being the first phase. The road will then be constructed by Lancashire County Council's in-house team and is due for completion in early 2024. It is expected that LCC will require the funding to be transferred to them during the latter stages of the project and so is likely to be spent during 2022/23.
St Annes Pier - Coastal Revival Fund	Mark Evans	5	0	5	Underspent	▲	5	This scheme is funded by a specific grant from MHCLG for which Fylde Council is acting as the accountable body. The spend of the remaining funds rests with the owners of the Pier, but is anticipated to be completed during 2022/23.
Kirkham and Wesham Station	Mark Evans	15	15	0	On target	😊		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 Station. Following an initial delay as a result of changes to the rail franchise operating on the Preston-Blackpool Line, the feasibility study has now been completed and an invoice is awaited.
Future High Street Fund: Kirkham	Mark Evans	1,207	656	551	Underspent	▲	551	This is a government-funded scheme to deliver a number of schemes across the whole of the town centre including the re-purposing of buildings, traffic management measures, building reuse and enhancement and public realm projects with delivery phased over a number of years. Funding is being utilised on a staged basis. During the year the Council has purchased 2 properties within Kirkham Town Centre for restoration alongside the Kirkham Heritage Action Zone scheme.
Wesham Community Centre	Mark Evans	92	85	7	Underspent	▲		This scheme was programmed to commence in early October 2020, following initial delays due to the Covid pandemic this scheme has been successfully delivered £7k under budget.
Elswick Village Green	Mark Evans	115	0	115	Underspent	▲	115	A report was presented to Planning Committee in April 2022 to authorise transferring the funds to enable the Parish Council to take responsibility for the delivery of the project under a legal agreement to ensure funds are spent in a timely manner and on the agreed project. The Capital Programme will be updated accordingly.
Kirkham Heritage Action Zone	Mark Evans	1,352	636	716	Underspent	▲	716	This is a 4 year programme (2020-2024) with spend being spread across the programme period. Delays have resulted from the Coronavirus pandemic and officers have been working with Historic England to agree a reprofiling of the spend to minimise any loss of grant. Historic England have confirmed that £224k has been removed from the scheme funding and the programme has been adjusted for this reduction in grant and the related expenditure.
Tree Planting Scheme	Mark Evans	25	6	19	Underspent	▲	19	Take up of trees for the "15 Trees for 15 Parishes" scheme was not as high as envisaged. The Carbon Neutral Working Group has asked that the funds be slipped to allow planting during the 2022/23 planting season.
25 Victoria Road St Annes Y-Pad Scheme	Mark Evans	50	50	0	On target	😊		This scheme has been successfully delivered.
Sub total		3,110	1,451	1,659			1,652	
Total Expenditure		8,729	5,164	3,565			3,544	

Capital Slippage 2021/22**Appendix E****Requests to transfer 2021/22 Budget to 2022/23**

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	6	As agreed at Full Council, the compulsory purchase of the land will now be initiated which could take 12 months to complete.	If the slippage were not to be approved there would be insufficient approved funding in 2022/23 to complete the land purchase.
	Sub-total	6		

TOURISM & LEISURE COMMITTEE

Fairhaven Lake & Promenade Gardens Restoration	Building Works and Improvements	250	Building / landscaping works are complete with retention payments due in 22/23 financial year. The lake works package are scheduled to be completed during 2022/23	If the slippage were not to be approved there would be insufficient funding in 2022/23 to deliver the full scheme as specified.
Staining Playing Fields Development Scheme	Building Works and Improvements	43	Plans for landscaping works are currently being developed with project completion anticipated to be during 2022/23.	If the slippage were not to be approved there would be insufficient funding in 2022/23 to deliver the full scheme as specified.
Coastal Signage Improvements	Building Works and Improvements	61	Phases 1, 2 and 3 (Consolidation / Rationalisation, Digital Beach Signs and Beach Safety Signs) have been completed. Phases 3 and 5 (Waymarking & Directional and Heritage & Interpretation) are currently being modelled. Remaining scheme delivery completion is anticipated to be during 2022/23.	If the slippage were not to be approved there would be insufficient funding in 2022/23 to deliver the full scheme as specified.
Fylde Sand Dunes Improvement Scheme	Building Works and Improvements	11	The first phase of the scheme to regrade the dunes opposite the Persimmon Homes development has been successfully completed. A tendering exercise has been completed for the second and third phases of the scheme - which include new dune entrance ways and signage. Draft artwork has been produced by a graphic designer for the signs and is ready for completion. A contractor has been selected for the entranceway installation and the project will be completed by the end of May 2022.	If the slippage were not to be approved there would be insufficient funding in 2022/23 to deliver the full scheme as specified.
Blackpool Road North Playing Fields Drainage	Building Works and Improvements	26	Works are substantially complete. Additional works on the maintenance of football pitches are to be completed Spring 2022.	If the slippage were not to be approved there would be insufficient funding in 2022/23 to deliver the full scheme as specified.
Play Area Improvements	Building Works and Improvements	43	Following a tender process, a drawdown report was presented and approved at the January 2022 Tourism & Leisure Committee. A contract has now been issued to the successful tenderer. Works are due to be completed by the end of May 2022.	If the slippage were not to be approved there would be insufficient funding in 2022/23 to deliver the full scheme as specified.
Fairhaven Kiosk / Ice Cream Bar Project	Building Works and Improvements	5	The project works are scheduled to be completed during 2022/23.	If the slippage were not to be approved there would be insufficient funding in 2022/23 to deliver the full scheme as specified.
Boating Pool Safety Improvements	Building Works and Improvements	51	The project works are scheduled to be completed by the end of May 2022.	If the slippage were not to be approved there would be insufficient funding in 2022/23 to deliver the full scheme as specified.
North Beach Windsports Centre	Building Works and Improvements	200	The project works are scheduled to be completed during 2022/23.	If the slippage were not to be approved there would be insufficient funding in 2022/23 to deliver the full scheme as specified.
	Sub-total	690		

Appendix E (Cont.)

Scheme	Detail	Slippage Requested £000	Explanation of Slippage	Effect on service delivery if Slippage is not approved
OPERATIONAL MANAGEMENT COMMITTEE				
Replacement Vehicles	Purchase of Vehicles	322	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 during 2022/23.	If the slippage were not to be approved the vehicles would have to be funded from the 2022/23 budget for vehicle replacements which would impact on the delivery of future years of the vehicle replacement schedule.
Car Park Improvements	Building Works and Improvements	30	The improvement of the interface between Stanner Bank car park and Inner Promenade was completed. The remaining budget will be used in 2022/23 to contribute to the resurfacing of Fairhaven Road and/or Swimming Pool Car Parks.	If the slippage were not to be approved there would be insufficient funding in 2022/23 to deliver the full scheme as specified.
Public Transport Improvements	Payment of S106 Developer Contributions to Lancashire County Council for enhanced public transport provision	120	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 £120k 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	Building Works and Improvements	10	Slippage of £10k relates to some Sand Dune improvement works on the Dunes North of Fairhaven Lake. This was an outstanding condition of the Fairhaven Coastal Defence scheme which Environment Agency Grant in Aid can be claimed.	If the slippage were not to be approved there would be insufficient funding in 2022/23 to deliver the full scheme as specified.
St Annes Sea Wall	Building Works and Improvements	29	In 2020 the council were awarded £300k Pipeline acceleration funding to develop the St Annes Seawall Outline Business Case. This has now been completed. Following this a bid was submitted to the Environment Agency which was approved at a total cost of £12.1m. The planning phase has now commenced. Following the planning phase it is proposed to start the construction phase Autumn 2023.	If the slippage were not to be approved there would be insufficient funding in 2022/23 to deliver the full scheme as specified.
Charging Infrastructure for Electric Taxis	Building Works and Improvements	27	Charging units now installed and an invoice for 80% of costs has been paid. Remainder to be paid once the units are commissioned by end April 2022. Scheme to be completed during 2022/23.	If the slippage were not to be approved there would be insufficient funding in 2022/23 to deliver the full scheme as specified.
Cemetery and Crematorium - Infrastructure Works	Building Works and Improvements	35	The main project is now complete. Additional landscaping, surfacing and drainage works will be completed during 2022/23.	If the slippage were not to be approved there would be insufficient funding in 2022/23 to deliver the full scheme as specified.
Outdoor Digital Signage	Building Works and Improvements	20	The outdoor digital signage proposal has been referred to the Town Centres Working Group in order to consider alternative siting proposals that will be more suitable in the conservation area location in which they are proposed. Various options are currently being examined and it is expected that the projects will be delivered during 2022/23.	If the slippage were not to be approved there would be insufficient funding in 2022/23 to deliver the full scheme as specified.
Sub-total		593		

Scheme	Detail	Slippage Requested £000	Explanation of Slippage	Effect on service delivery if Slippage is not approved
ENVIRONMENT, HEALTH & HOUSING COMMITTEE				
Disabled Facilities Grants (DFG) Programme	Grant Payments	186	Following earlier delays of reduced activity due to previous covid restrictions the grant programme is now progressing as normal and £186k is requested to be slipped into 2022/23.	If the slippage were not to be approved there would be insufficient funding in 2022/23 to deliver the full scheme as specified.
Housing Needs Grant	Grant Payments	55	Housing Needs grant awards are dependent on the repayments received by the sale of properties where DFG grant has previously been provided. The funding to be used where professional services have been provided, such as architectural fees, but the DFG grant has not gone ahead in 2021/22. Funding has been used in previous years for specific community information events. Planning of a 2022/23 programme of events is underway as part of the HMO Inspection project.	If the slippage were not to be approved there would be insufficient funding in 2022/23 to deliver the full scheme as specified.
CCTV Replacement Schemes	Purchase of Equipment	1	Residual funding from CCTV Replacemnt in 2021/22	If the slippage were not to be approved there would be insufficient funding in 2022/23 to deliver the full scheme as specified.
Hydration Points	Building Works and Improvements	60	The project was delayed due to Covid restrictions which would have stopped the points being used. A drawdown request for a small number of hydration points will be submitted to committee in March 2022 for installation prior to the summer season of 2022.	If the slippage were not to be approved there would be insufficient funding in 2022/23 to deliver the full scheme as specified.
Fylde Affordable Housing Delivery Programme	Building Works and Improvements	41	This funding had been allocated to deliver an affordable housing survey which requires community engagement that could not be carried out within the previous social distancing restrictions that had to be observed. As a result the project has been delayed. The contract has been awarded and it is anticipated that the survey will be completed during 2022/23.	If the slippage were not to be approved there would be insufficient funding in 2022/23 to deliver the full scheme as specified.
Affordable Housing Scheme, Lytham Road, Warton	Grant Payment	260	Council (19/10/20) approved a scheme for affordable housing on Lytham Road Warton, utilising S106 funding to the sum of £260,000 to be fully funded from a portion of the balance of S106 developer contributions for affordable housing currently held by the Council for this purpose (from Agreement ref: 12/0717 - Moss Farm, Cropper Road, Westby). Negotiations are still underway to approve the Affordable Housing Statement for the site, in line with the conditions for the grant.	If the slippage were not to be approved there would be insufficient funding in 2022/23 to deliver the full scheme as specified.
Sub-total		603		

Scheme	Detail	Slippage Requested £000	Explanation of Slippage	Effect on service delivery if Slippage is not approved
PLANNING COMMITTEE				
St Annes Regeneration Schemes	Regeneration Scheme	123	The funding was specifically aimed at delivering the Wood Street (Phase 3) Scheme. Any amounts unspent will be directed towards the implementation of an enhanced Pier Link project in accordance with the decision made by Planning Committee on 22 June 2020.	If the slippage were not to be approved there would be insufficient funding in 2022/23 to deliver the full scheme as specified.
Kirkham Public Realm Improvements	Regeneration Scheme	2	This is a residual amount from the last phase of regeneration works allocated for signage which will now be delivered as part of the Kirkham Future High Street Fund / Heritage Action Zone programme in 2022/23.	If the slippage were not to be approved there would be insufficient funding in 2022/23 to deliver the full scheme as specified.
M55 Link Road - Design Fees	Design fees	121	The accelerated delivery of the £27m M55 Heyhouses Link Road is subject to a funding package made up from a number of sources. This funding is now in place and work has started on site with the earthworks being the first phase. The road will then be constructed by Lancashire County Council's in-house team and is due for completion in early 2024. It is expected that LCC will require the funding to be transferred to them during the latter stages of the project and so is likely to be spent during 2022/23.	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.
St Annes Pier - Coastal Revival Fund	Grant Payment	5	This scheme is funded by a specific grant from MHCLG for which Fylde Council is acting as the accountable body. The spend of the remaining funds rests with the owners of the Pier, but is anticipated to be completed during 2022/23.	If the slippage were not to be approved there would be insufficient funding in 2022/23 to deliver the full scheme as specified.
Future High Street Fund: Kirkham	Building Works and Improvements	551	This is a government-funded scheme to deliver a number of schemes across the whole of the town centre including the re-purposing of buildings, traffic management measures, building reuse and enhancement and public realm projects with delivery phased over a number of years. Funding is being utilised on a staged basis. During the year the Council has purchased 2 properties within Kirkham Town Centre for restoration alongside the Kirkham Heritage Action Zone scheme.	If the slippage were not to be approved there would be insufficient funding in 2022/23 to deliver the full scheme as specified.
Elswick Village Green	Building Works and Improvements	115	A report was presented to Planning Committee in April 2022 to authorise transferring the funds to enable the Parish Council to take responsibility for the delivery of the project under a legal agreement to ensure funds are spent in a timely manner and on the agreed project. The Capital Programme will be updated accordingly.	If the slippage were not to be approved there would be insufficient funding in 2022/23 to deliver the full scheme as specified.
Kirkham Heritage Action Zone	Building Works and Improvements	716	This is a 4 year programme (2020-2024) with spend being spread across the programme period. Delays have resulted from the Coronavirus pandemic and officers have been working with Historic England to agree a reprofiling of the spend to minimise any loss of grant. Historic England have confirmed that £224k has been removed from the scheme funding and the programme has been adjusted for this reduction in grant and the related expenditure.	If the slippage were not to be approved there would be insufficient funding in 2022/23 to deliver the full scheme as specified.
Tree Planting Scheme	Building Works and Improvements	19	The scheme is currently being finalised with project completion anticipated to be during 2022/23.	If the slippage were not to be approved there would be insufficient funding in 2022/23 to deliver the full scheme as specified.
Sub-total		1,652		
Total Capital Slippage		3,544		

Prudential Indicators

Prudential Indicator	Revised Indicator 2021/22 £m	Actual 2021/22 £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	24.1	28.0	3
Capital Expenditure	8.7	5.2	
Capital Financing Requirement	4.5	4.3	
Ratio of Financing Costs to Net Revenue Stream	5.9%	5.8%	

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 31st March 2022.