



Agenda

Council

Date:	Monday, 10 February 2020 19:00.
Venue:	Town Hall, St Annes, FY8 1LW
	<p>Mayor: Councillor Angela Jacques Deputy Mayor: Councillor Richard Redcliffe</p> <p>Leader: Councillor Sue Fazackerley <small>MBE</small> Deputy Leader: Councillor Karen Buckley</p> <p>Councillors Ben Aitken, Frank Andrews, Peter Anthony, Tim Armit, Mark Bamforth, Brenda Blackshaw, Paula Brearley, Julie Brickles, Alan Clayton, Delma Collins, Peter Collins, Chris Dixon, Trevor Fiddler, Ellie Gaunt, Brian Gill, Shirley Green, Noreen Griffiths, Peter Hardy, Will Harris, Gavin Harrison, Paul Hayhurst, Karen Henshaw JP, Paul Hodgson, John Kirkham, Matthew Lee, Cheryl Little, Roger Lloyd, Michelle Morris, Kiran Mulholland, Ed Nash, Sally Nash-Walker, Jayne Nixon, Linda Nulty, Liz Oades, David O'Rourke, Bobby Rigby, Michael Sayward, Vince Settle, Elaine Silverwood, John Singleton JP, Roger Small, Heather Speak, Ray Thomas, Tommy Threlfall, Stan Trudgill, Viv Willder, Michael Withers.</p>

	PROCEDURAL ITEMS:	PAGE
1	Declarations of Interest: Declarations of interest, and the responsibility for declaring the same, are matters for elected members. Members are able to obtain advice, in writing, in advance of meetings. This should only be sought via the Council's Monitoring Officer. However, it should be noted that no advice on interests sought less than one working day prior to any meeting will be provided.	1
2	Confirmation of Minutes: To confirm the minutes, as previously circulated, of the meetings held on 14 October 2019 as a correct record.	1
	ANNOUNCEMENTS:	
3	Mayor's Announcements	1
4	Chief Executive's Communications	1
	REPRESENTATIONS:	
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10	The Annual Pay Policy Statement 2020	13-20
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12	Council Tax Premium 2020/21 and 2021/22	32-35
13	Financial Forecast Update 2019/20 to 2023/24 (Position as at January 2020)	36-52
14	Mid Year Prudential Indicators and Treasury Management Monitoring Report 2019/20	53-64
15	Highways and Transportation Liaison Group	65-66
16	The Corporate Plan 2020-2024	67-69

Contact: Katharine McDonnell - Telephone: (01253) 658423 – Email: democracy@fylde.gov.uk

The code of conduct for members can be found in the council's constitution at

<http://fylde.cmis.uk.com/fylde/DocumentsandInformation/PublicDocumentsandInformation.aspx>

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REPRESENTATIONS

REPORT OF	MEETING	DATE	ITEM NO
RESOURCES DIRECTORATE	COUNCIL	10 FEBRUARY 2020	5
QUESTIONS FROM MEMBERS OF THE COUNCIL			

PUBLIC ITEM

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

SUMMARY

Two questions have been received from Members of the Council before the requisite deadline, as outlined in Procedural Standing Orders for Council and Committees of Part 4 of the Council's Constitution, and before the statutory deadline for publication of the agenda.

The questions are reproduced below.

If any further questions are received before the constitutional deadline, as outlined above, they will be circulated prior to the meeting for members' information, under separate cover.

Any questions will be heard during the Council meeting on 10 February 2020 and a response will be given by the Leader of the Council or any other member nominated by her.

Question (1) received from Councillor Brian Gill (12 November 2019)

"I'm not sure if council are aware, but over recent years the development and upkeep of Lytham has seen some worrying trends. As a lay man it would appear that the planning committee has a policy of developing industrial looking and overbearing buildings in Lytham. I cite three examples to my knowledge, on Ballam Road, next to the old coach house on Church Drive as well as Islay road.

This is happening whilst heritage buildings like Lytham Institute are not being maintained. Council officers have even had to instruct a private company to conduct a structural survey on the building due to its lack of care.

Can the council reassure the Lytham community that the trend of building these type of buildings is not a policy, that it supports the continuing upkeep of the way Lytham is seen which is as an example of Victorian splendour and explain why some of the four hundred thousand pounds of the Lytham regeneration fund is not allocated in bringing the Institute back to its former glory, overcoming the distinct lack of investment by the council over recent years."

Question (2) received from Councillor Roger Lloyd (27 January 2020)

"Lytham Institute has recently been registered as a charity, with Fylde Borough Council as the sole trustee.

There was widespread community concern in Lytham at the closure of the Library including as we all know a great deal of public mistrust at the apparent lack of openness and transparency at the time. We as councillors can help change that public perception.

This transparency is what local people expect and need. It would be helpful if we as councillors ensure that future decisions on the Institute will only be considered at council or committee level, similar I believe as to how the planning committee operates today.

So I ask the council in the spirit of this transparency that councillors should urgently consider introducing a process to temporarily suspend the delegation of decision making over the Institute to officers, at least until the process to conclude a new governance document is completed.

This would not prevent officers from preparing reports and giving advice to members. The temporary suspension would demonstrate the councils intention to deal openly with the Institute. It is this very openness and transparency that is needed to gain the support of the community again in Lytham.

Therefore I would ask that a separate meeting of the full council be held to determine how the council should proceed with the Institute in its new charitable role. Its role should include.

a) Gathering of the evidence needed to inform the Councils future debates regarding the Institute.

b) Considering and identifying the circumstances that make it necessary to alter the present purposes of the Institute

c) Ensuring that the council meet the criteria for making a scheme

d) Considering what similar purposes that the charity and property should have in the future.”

REPRESENTATIONS

REPORT OF	MEETING	DATE	ITEM NO
RESOURCES DIRECTORATE	COUNCIL	10 FEBRUARY 2020	6
QUESTIONS FROM MEMBERS OF THE PUBLIC			

PUBLIC ITEM

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

SUMMARY

As outlined in Article 15 – Public Speaking at meetings of the Council and its Committees any resident of the Councils district may, subject to various provisions of the article, ask a question at an ordinary meeting of the council.

No questions have been received from members of the public before the requisite deadline, as outlined in Article 15, before the statutory deadline for publication of the agenda.

If any questions are received before the constitutional deadline, which is, for the purpose of this meeting, 4.30pm on Tuesday 4 February, they will be circulated prior to the meeting for members' information, under separate cover.

Any question(s) will be heard during the Council meeting on 10 February 2020 and a response will be given by the Leader of the Council or any other member nominated by her.

DECISION ITEM

REPORT OF	MEETING	DATE	ITEM NO
RESOURCES DIRECTORATE	COUNCIL	20 JANUARY 2020	7
NOTICE OF MOTION – ANTI-SEMITISM DEFINITION			

PUBLIC ITEM

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

SUMMARY

Notice of motion is a procedure that allows members of the council to ask the council to discuss any matter for which the Council has a responsibility or which affects the Fylde area. Any member of the council can give written notice to the Director of Resources of a motion that they wish to move. The Director will publish the motion on the council's website and arrange for it to be placed on the agenda of the next available ordinary council meeting. The motion will be debated at council subject to it being moved and seconded.

RECOMMENDATION

To consider the Notice of Motion received on 20th January 2020.

SUMMARY OF PREVIOUS DECISIONS

There have been no previous decisions on this item.

CORPORATE PRIORITIES

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

The Motion

1. The following Notice of Motion has been received:

“that Fylde Council adopts the International Holocaust Remembrance Alliance Working Definition of Anti-Semitism which is that ‘Antisemitism is a certain perception of Jews, which may be expressed as hatred toward Jews. Rhetorical and physical manifestations of anti-semitism are directed toward Jewish or non-Jewish individuals and/or their property, toward Jewish community institutions and religious facilities.’”

The Notice of Motion was given by Councillor Susan Fazakerley.

Standing Orders

2. Part 4 (Rules of Procedure), Standing Order 11 (Motions) of the council Constitution details the procedural requirements of handling a Notice of Motion.

IMPLICATIONS	
Finance	None arising directly from this report.
Legal	None arising directly from this report.
Community Safety	None arising directly from this report.
Human Rights and Equalities	None arising directly from this report.
Sustainability and Environmental Impact	None arising directly from this report.
Health & Safety and Risk Management	None arising directly from this report.

LEAD AUTHOR	CONTACT DETAILS	DATE
Tracy Manning	tracy.manning@fylde.gov.uk Tel 01253 658521	20/1/2020

BACKGROUND PAPERS		
Name of document	Date	Where available for inspection
Notification from Councillor Fazackerley	20/1/2020	https://fylde.cmis.uk.com/fylde/DocumentsandInformation.aspx
Council Constitution		https://fylde.cmis.uk.com/fylde/DocumentsandInformation.aspx

DECISION ITEM

REPORT OF	MEETING	DATE	ITEM NO
RESOURCES DIRECTORATE	COUNCIL	10 FEBRUARY 2020	8
INVITATION TO ACCEPT APPOINTMENT AS DEPUTY MAYOR 2020/21			

PUBLIC ITEM

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

SUMMARY

To invite a member of the Council to accept appointment as Deputy Mayor of the Borough of Fylde for the ensuing municipal year.

RECOMMENDATION

That the Council invites Councillor Roger Small to accept appointment at the 2020 Annual Meeting as Deputy Mayor of the Borough of Fylde for the municipal year 2020/21.

SUMMARY OF PREVIOUS DECISIONS

The Council is invited to appoint a Mayor and Deputy Mayor of the Borough of Fylde annually.

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

REPORT

- Members are invited to receive nominations for the position of Deputy Mayor for the municipal year 2020/21.
- It is understood that Councillor Roger Small will be nominated.

IMPLICATIONS	
Finance	An allowance is paid to the Deputy Mayor which is budgeted for within the council budget for the Mayoralty.
Legal	None arising directly from the report.
Community Safety	None arising directly from the report.
Human Rights and Equalities	None arising directly from the report.
Sustainability and Environmental Impact	None arising directly from the report.
Health & Safety and Risk Management	None arising directly from the report.

LEAD AUTHOR	CONTACT DETAILS	DATE
Tracy Manning	01253 658521	10 January 2020

BACKGROUND PAPERS		
Name of document	Date	Where available for inspection
None		

DECISION ITEM

REPORT OF	MEETING	DATE	ITEM NO
RESOURCES DIRECTORATE	COUNCIL	10 FEBRUARY 2020	9
SCHEDULE OF MEETINGS 2020-2021			

PUBLIC ITEM

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

SUMMARY

The attached Schedule of Meetings document highlights the proposed committees meeting dates for the forthcoming municipal year 2020/21.

RECOMMENDATION

To approve the Schedule of Meetings for 2020/21 subject to any necessary amendments.

SUMMARY OF PREVIOUS DECISIONS

The Schedule of Meetings is approved at full Council each municipal year.

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

REPORT

- Appendix 1 highlights the proposed committee meeting dates for the forthcoming municipal year. Members are invited to endorse these proposals.
- The proposed schedule is based on the level of service for 2020/21 for which there is support from within existing budgetary provision.

IMPLICATIONS	
Finance	Provision is contained within the council budget for scheduled meetings.
Legal	None arising from the report.
Community Safety	None arising from the report.
Human Rights and Equalities	None arising from the report.
Sustainability and Environmental Impact	None arising from the report.
Health & Safety and Risk Management	None arising from the report.

LEAD AUTHOR	CONTACT DETAILS	DATE
Tracy Manning	Tel 01253 658521	10 January 2020

BACKGROUND PAPERS		
Name of document	Date	Where available for inspection
None		

Attached documents

Appendix 1 – Schedule of Meetings 2020/21

Fylde Council Schedule of Meetings

2020/2021

For Information Only

		CYCLE 1			CYCLE 2		CYCLE 3		CYCLE 4		CYCLE 5			
20/21	May	June	July	August	September	October	November	December	January 2021-	February	March	April	May	2020/21
Mo		1								1	1			Mo
Tu		2 Environment, H&H			1 Environment, H&H			1		2	2			Tu
We		3 Planning (Eve)	1		2 Planning			2		3 Planning	3 Planning			We
Th		4 Tourism and Leisure	2		3 Tourism & Leisure	1		3		4	4 Budget Council	1		Th
Fr	1	5	3		4	2		4	1 New Years Day	5	5	2 Good Friday		Fr
Sa	2	6	4	1	5	3		5	2	6	6	3	1	Sa
Su	3	7	5	2	6	4	1	6	3	7	7	4 Easter Sunday	2	Su
Mo	4	8	6	3	7	5	2	7 Council	4	8	8	5 Easter Monday	3 May Day Bank Holiday	Mo
Tu	5	9 Operational MGMT	7	4	8 Operational MGMT	6	3 Environment H&H	8	5 Environment, H&H	9	9 Environment, H&Housing	6	4	Tu
We	6	10	8 Public Protection 10am	5	9	7 Planning	4 Planning	9 Planning	6 Planning	10	10 Planning (EVE)	7	5	We
Th	7 PCC Election	11	9	6	10	8	5 Tourism and Leisure	10	7 Tourism and Leisure	11	11 Tourism and Leisure	8	6 County Council Elections	Th
Fr	8 Bank Holiday	12	10	7	11	9	6	11	8	12	12	9	7	Fr
Sa	9	13	11	8	12	10	7	12	9	13	13	10	8	Sa
Su	10	14	12	9	13	11	8	13	10	14	14	11	9	Su
Mo	11	15	13	10	14	12	9	14	11	15 Council	15	12	10	Mo
Tu	12	16	14	11	15	13	10 Operational MGMT	15	12 Operational MGMT	16 Special Finance & Democracy - Budget	16 Operational MGMT	13	11	Tu
We	13 AGM Council	17	15	12	16 Planning(EVE)	14	11 Planning (EVE)	16	13	17	17	14	12 Council AGM (14:00) 2020/21	We
Th	14	18	16	13	17	15	12 Audit & Standards	17	14 Audit & Standards	18	18 Audit & Standards	15	13	Th
Fr	15	19	17	14	18	16	13	18	15	19	19	16	14	Fr
Sa	16	20	18	15	19	17	14	19	16	20	20	17	15	Sa
Su	17	21	19	16	20	18	15	20	17	21	21	18	16	Su
Mo	18	22 Finance & Democracy	20 Council	17	21	19 Council	16	21	18	22	22	19 Council	17	Mo
Tu	19	23	21	18	22	20	17	22	19	23	23	20	18	Tu
We	20 Planning	24 Planning	22	19	23	21	18 Public Protection 10am	23	20 Planning (EVE)	24	24 Public Protection 10am	21	19	We
Th	21 Audit & Standards	25	23 Audit & Standards	20	24 Audit & Standards	22	19	24	21	25	25	22	20	Th
Fr	22	26	24	21	25	23	20	25 Christmas Day	22	26	26	23	21	Fr
Sa	23	27	25	22	26	24	21	26	23	27	27	24	22	Sa
Su	24	28	26	23	27	25	22	27	24	28	28	25	23	Su
Mo	25 Spring Bank Hol	29	27	24 Summer Bank Hol	28 Finance & Democracy	26	23 Finance & Democracy	28	25 Finance & Democracy		29 Finance & Democracy	26	24	Mo
Tu	26	30	28	25	29	27	24	29	26		30	27	25	Tu
Wed	27		29 Planning	26	30	28	25	30	27		31 Planning	28 Planning	26	Wed
Th	28		30	27		29	26	31	28			29	27	Th
Fr	29		31	28		30	27		29			30	28	Fr
Sa	30			29		31	28		30				29	Sa
Su	31			30			29		31				30	Su
Mo				31			30						31 Spring Bank Hol	Mo
Tu														Tu

KEY 2020/21 MEETINGS:		
Council	7	Mondays
Finance & Democracy	6	Mondays
Operational Management	5	Tuesdays
Environment, Health & Housing	5	Tuesdays
Planning, 10am	11	Wednesdays
Planning 6:30pm	5	Wednesdays
Tourism & Leisure	5	Thursdays
Audit and Standards	7	Thursdays
Public Protection	3	Wednesday am
MDSG	5	Fridays
TOTAL 2020/21 =	59	MEETINGS
Bank Holiday		

DECISION ITEM

REPORT OF	MEETING	DATE	ITEM NO
OFFICE OF THE CHIEF EXECUTIVE	COUNCIL	10 FEBRUARY 2019	10
THE ANNUAL PAY POLICY STATEMENT 2020			

PUBLIC ITEM

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

SUMMARY

The report provides details of the Pay Policy Statement for Fylde Council, it has been a requirement for all local authorities to have a Pay Policy Statement since April 1st 2012 as part of the Localism Act. The objective of the Statement is to ensure and confirm openness, transparency and fairness in the pay policy arrangements at Fylde. It is also a requirement to conduct an annual review of the Pay Policy Statement, this report includes any implications of the annual review for the 2020 Pay Policy Statement.

RECOMMENDATIONS

1. That Council approve the Pay Policy Statement 2020 included as Appendix 1 to this report, with the required statement on Gender Pay Gap information

SUMMARY OF PREVIOUS DECISIONS

The Pay Policy Statement was first approved by Full Council in 2012 and has been reviewed and approved at Full Council every year since.

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

REPORT

- 1) The Council is required as part of the Localism Act 2011 to produce a Pay Policy Statement and to review and formally approve the statement on an annual basis. The statement sets out the Council policy on:
 - a. Chief Officer Remuneration (recruitment, salary, bonus, performance related pay, charges, fees, allowances, benefits in kind, enhancement to pension at termination)
 - b. The arrangements in place to determine the Remuneration of all employees
 - c. Remuneration of its lowest paid employees (covering the same elements as above) the definition used for this group and the reason for adopting that definition
 - d. The relationship between Chief Officer Remuneration and that of other staff

- 2) Guidance from the DCLG of what is expected in the Pay Policy Statement includes:
 - a. The opportunity for full council to vote on senior remuneration packages with a value over £100,000 prior to an offer of appointment being made
 - b. The relationship between Chief Officer remuneration and that of other staff and the ratio between the highest paid and median salary that the authority aims to achieve and maintain
 - c. Any decision that the authority takes in relation to the award of severance to an individual Chief Officer
 - d. An explicit statement on whether or not to permit an individual to be in receipt of a pension in addition to receiving a salary
 - e. Policies to deal with those who may have returned to the authority under a contract of service of any type having already received a severance or redundancy payment

The Pay Policy Statement included as Appendix 1 to this report includes all the above.

- 3) Recommended best practice on data transparency states that Council's should disclose publically:
 - a. Senior employee salaries at £50,000 and above including disclosing the names, job descriptions, budgets and numbers of staff
 - b. An organisational chart
 - c. The pay multiple which is the ratio between the highest paid salary and the median average salary of the whole authority's workforce

This information is published on the Fylde website alongside all other data transparency requirements.

- 4) Fylde Council implemented a pay review process in 2007 and as part of that review a robust pay and grading job evaluation scheme was agreed between management and the trade unions to ensure fairness and equity in terms of pay is in place. This scheme has operated successfully since 2007.
- 5) Fylde Council complies with the recommended best practice for local authorities on data transparency and publishes data on <https://new.fylde.gov.uk/council/transparency> that is required to be made publicly available.
- 6) The Council's Pay Policy Statement is included as Appendix 1 to this report. Central to the statement is the acknowledgement that each job has a value in terms of scope, specialist skills and knowledge, size and impact that has been subject to the agreed pay and grading evaluation scheme to determine an appropriate pay scale. All pay increments, pay scale points and pay bands are set in accordance with the NJC terms and conditions, the revised pay scale points and pay bands agreed as part of the 2018 to 2020 national pay award will be implemented from April 1st 2019.
- 7) The Council's employee benefits policies are universally applied wherever possible and the financial arrangements for all employees leaving the organisation for whatever reason are based on the same principles regardless of grade.

8) The Pay Policy Statement has been subject to the required annual review process and includes the legislative change passed in respect of [Gender Pay Gap Information](#), the statement confirms that the council will publish the required gender pay gap information online and it will be available from April 1st 2018 alongside the other data required as part of the Pay Policy Statement.

9) The ratios between salary levels will change to reflect any nationally agreed pay increases and all the required information in relation to the Pay Policy Statement is published online and updated after the financial year end on March 31st.

IMPLICATIONS	
Finance	None arising directly from this report
Legal	The legal responsibilities in respect of the Pay Policy Statement have been included in the body of the report
Community Safety	None arising directly from this report
Human Rights and Equalities	The pay and grading scheme implemented at Fylde has been subject to equality impact assessment. There are no direct human rights and implications arising from the report.
Sustainability and Environmental Impact	None arising directly from this report
Health & Safety and Risk Management	None arising directly from this report

LEAD AUTHOR	CONTACT DETAILS	DATE
Chief Executive	allan.oldfield@fylde.gov.uk 01253 658500	January 2020

BACKGROUND PAPERS		
Name of document	Date	Where available for inspection
Full Council Agenda 2012 – 2020	First meeting of the calendar year	https://fylde.cmis.uk.com/fylde/MeetingsCalendar.aspx
Gender Pay Gap Reporting	January 2020	https://new.fylde.gov.uk/council/open-data/1551-2/ https://www.gov.uk/government/news/gender-pay-gap-reporting
Online Pay Policy Data	Updated annually in April	https://new.fylde.gov.uk/council/open-data/1551-2/#1523268470909-b27c789b-960b https://new.fylde.gov.uk/council/open-data/salary-ratios/ https://new.fylde.gov.uk/council/open-data/pay-scales/ https://new.fylde.gov.uk/council/transparency/organisational-charts/

Attached documents

Appendix 1 – Pay Policy Statement



Pay Policy Statement

Summary Statement

Fylde Council is committed to paying all employees appropriately and fairly through the implementation of recognised and approved job evaluation schemes that have been tested to ensure they are free of any bias. The pay scales for employees at all levels are in the public domain and the Council complies with the requirement to publish data on senior salaries and its entire pay scale in the interests of transparency.

In determining the pay and remuneration of all employees, the Council complies with all relevant employment legislation including; the Equality Act 2010; Part Time Employment (Prevention of Less Favourable Treatment) Regulations 2000; and where relevant, the Transfer of Undertakings (Protection of Earnings) Regulations.

All Council policies that relate to employment benefits are universally applied unless there is a specific contractual or business reason why they should be limited to a certain group of employees.

Basic Pay

All employee basic pay is based on pay and grading evaluation schemes with the GLPC scheme for posts up to Chief Officer and the Hay scheme for Chief Officer posts. Both schemes have been tested to ensure that they are free from gender bias and the use of these schemes has been agreed with the relevant recognised trade unions.

Pay and grading evaluation panels consist of trained employee representatives to evaluate the job description and person specification for each post which produces a score that equates to a pay grade. Equality is ensured by evaluating the post and not the person.

The Council has adopted a policy to pay the Real Living Wage. The Real Living Wage supplement is applied for Council employees whose total hourly rate is currently less than £9.00 (£9.30 from 1st April 2020).

The Council adheres to the National Joint Committee (NJC) pay bargaining arrangements and implements a pay grade scale determined through agreed annual pay increases negotiated on a national basis with joint trade unions.

All other pay related allowances are the subject of either nationally or locally negotiated rates, having been determined from time to time in accordance with collective bargaining process.

Market Supplements

Market force supplements are only paid to employees and Chief Officers in exceptional circumstances in accordance with the strict controls in the Council's Market Supplements Policy. Any such payments are reviewed at least every six months to ensure they remain valid and at present there are no Market Supplements paid by the Council.

Incremental Progression

Progression through the grade for permanent and temporary employees, including Chief Officers, is only possible upon completion of satisfactory service and in line with the NJC terms and conditions, as described in the Green Book.

New Appointments

Appointment to new posts are usually made at the start of the incremental grade scale, unless there are exceptional circumstances where the most suitable candidate can evidence that such an offer would not reasonably be acceptable and the Council is satisfied that market conditions require the appointment to take place at a higher point, within the pay scale grade, than the start.

Any Chief Officer appointment is dealt with by the Chief Officer Employment Committee, using the normal recruitment procedures and options with appointments made to a post with a remuneration package of more than £100,000 being ratified by Full Council.

Overtime and Additional Hours Payments and Premium Payments

Contractual overtime and additional hours are paid in accordance with the NJC Terms and Conditions, as described in the Green Book.

Non contractual, voluntary overtime, additional hours payments are paid in accordance with the Council's pay review terms and agreed policy on overtime.

To meet specific operational requirements it may be necessary for an individual to temporarily take on additional duties, the Council's arrangements for authorising any additional remuneration, e.g. honoraria, ex gratia, 'acting up' relating to temporary additional duties are set out in the Council's personnel code. Any additional payment is subject to formal approval by the Senior Management Team which consists of the Chief Executive and the two Directors.

Chief Officers are not permitted to be paid overtime, additional hours payments or premium payments.

Bonus Payments and Earn Back Schemes

No employees including Chief Officers in the Council are in receipt of bonus payments or subject to earn back schemes where employees give up some salary to earn it back upon completion of agreed targets.

Performance Related Pay

The Council does not operate performance related pay schemes for any employees and has no plans to introduce policy to support performance related pay schemes.

Honorarium Payments

Honorarium payments are only made in exceptional circumstances and are subject to a business case being approved in advance by the Senior Management Team with any payment only made after it has been demonstrated that the agreed outcome has been delivered / achieved.

Relationship between the Highest and the Lowest Paid

The Council is committed to paying employees based on the recognised job evaluation schemes detailed above. It is the application of these schemes that creates the salary differentials. Pay rates for each grade are published on the Council's website and updated at the start of each financial year in April.

Relationship between the Highest Paid Employee and the Median Salary

The relationship between the highest paid employee and the median salary will be calculated on an annual basis and published on the Council's website alongside the information provided regarding senior manager salaries. The information is updated at the start of each financial year in April.

As part of its overall and ongoing monitoring of alignment with external pay markets, both within and outside the sector, the Council will use available benchmark information as appropriate. In addition, upon the annual review of this statement, the Council will also monitor any changes in the relevant 'pay multiples' and benchmark against other comparable local authorities.

Gender Pay Gap Information

In accordance with regulations introduced in 2017 the Council will publish gender pay gap information alongside all other pay policy related data on the website and update this on an annual basis.

Charges, Fees and Allowances

The Travelling, Subsistence and Related Expenses Policy is applicable to all employees including Chief Officers.

The reimbursement of professional fees for certain occupational groups is covered by the Personnel Code and applies to all relevant employees regardless of grade.

Any other allowances paid to employees regardless of grade are detailed in the appropriate policy and procedures approved by the Council and paid only when necessary to the service activity.

Chief Officers do not receive additional allowance payments.

Electoral Fees

The Resources Director is the Council's appointed Returning Officer and is personally (not corporately) liable for the management of elections and referendums. The fee payable to the Returning Officer for a European, UK Parliamentary and any other election or referendum organised nationally is set and paid for from Central Government. The fee payable to the Returning Officer for local and local by-elections is set at £155.33 per ward, for the parish and parish by-elections the fee is set at £80.34 per ward. The scale of fees is based on a payment for the first 3000 electors per ward, then for each 500 electors or part thereof over 3000 an additional fee is incurred. Although there is provision to pay an

additional fee, no additional payment is made. Any changes to these fees will be considered as part of the annual review of the Pay Policy.

A panel is in place at Fylde that periodically reviews the payments made to any officers involved in election work.

Pension

Where employees have exercised their statutory right to become members of the Local Government Pension Scheme, the Council is required to make a contribution to the scheme representing a percentage of the pensionable remuneration due under the contract of employment of that employee. The rate of contribution is set by Actuaries advising the Lancashire Pension Fund and reviewed on a triennial basis in order to ensure the scheme is appropriately funded. The employer contribution rates are set by statute and are available from the Payroll Team.

Under the terms of the Flexible Retirement Policy it is permitted for an employee to be in receipt of a pension and to be paid a salary at the same time. The policy requires a minimum reduction in hours worked of 50% and only employees aged 55 years and older are eligible to apply. Flexible retirement will only be granted in exceptional circumstances when there is a financial benefit to the Authority or extenuating personal circumstances without any cost to the Authority. Flexible retirement is part of the Council's approach to succession planning and is primarily aimed at applying a phased approach to full retirement.

Redundancy Payments, Severance Payments and Retirement

All employees including Chief Officers are entitled to redundancy payments and pension release in accordance with the Council's Redundancy and Retirement Procedure. Where the proposed severance package is more than £100,000, the decision will be ratified by full Council.

Re-employment/Re-engagement of Former Employees

The Council has an obligation to ensure that it is managing public monies responsibly.

It will not normally re-engage (into the same or a very similar role) ex-employees who have left their prime employment with the Council on the grounds of voluntary or compulsory redundancy, efficiency release or employer consent retirement (where there is a cost to the Council) for a period of 12 months with effect from the date of leaving. This policy does not cover those employees who access their pension via the Council's Flexible Retirement Scheme.

Any proposal to re-engage an employee will require the approval of the Corporate Leadership Team.

Access to Information on Remuneration (Chief Officers and all staff)

The Council will identify and publish all remuneration information and job descriptions relating to any Officers paid in excess of £50,000 per annum. This includes the details of any employee that is employed on reduced hours but pro rata would earn in excess of £50,000 per annum.

Post titles and salary scale band will be published for all employees in the Council in the format of an organisational structure chart.

The Council will publish the policy on employee expenses and a table of all the salary pay scale points applicable at Fylde. The schedule of election fees paid to the Returning Officer will be published.

This information will be available on the Council website www.fylde.gov.uk and on request from the Council, it is updated at the start of the financial year in April. <https://new.fylde.gov.uk/council/open-data/1551-2/#1523269533820-f8f70d3d-43b8>

Scope

This Pay Policy Statement applies to all Council employees, excluding those who are subject to the TUPE Regulations (Transfer of Undertakings Protection of Employment).

Review

The Pay Policy Statement will be kept under review and developments considered in the light of external best practice and legislation. The Council will ensure the Pay Policy Statement is updated on an annual basis in line with the requirement of the Localism Act 2011. The annual Pay Policy Statement will be submitted to full Council by 31st March of each year.

DECISION ITEM

REPORT OF	MEETING	DATE	ITEM NO
FINANCE	COUNCIL	10 FEBRUARY 2020	11
COUNCIL TAX REDUCTION SCHEME 2020/21			

PUBLIC ITEM

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

SUMMARY

From April 2013 the local Council Tax Reduction Scheme (CTRS) replaced the previous national scheme of Council Tax Benefit. The scheme that operates within Fylde borough for 2019/20 was approved by this Council in December 2018 for 2019/20 only.

This report sets out the proposals in respect of the scheme for 2020/21. This matter was considered by the Finance and Democracy Committee at the meeting of 25th November 2019.

RECOMMENDATIONS

The Finance and Democracy Committee considered this matter at the meeting of 25th November 2019

In accordance with those deliberations, and having due regard to the Equality Analysis as detailed in section 5 of this report and the consultation responses, it is recommended that the Council:

1. Approve the continuation of the existing CTRS scheme for 2020/21 as set out in section 3 of this report;
2. Approve the continuation of Discretionary Hardship Relief for 2020/21 to provide additional support for claimants in exceptional circumstances;
3. Approve that the financial implications are reflected in the Council's Revenue Budget and Financial forecast for 2020/21 onwards.

SUMMARY OF PREVIOUS DECISIONS

The 2020/21 Council Tax Reduction Scheme matter was considered by the Finance and Democracy Committee at the meeting of 25th November 2019. The Committee recommended that the Council approve the continuation of the existing CTRS scheme and the continuation of Discretionary Hardship Relief for 2020/21.

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

REPORT

1. Background to the CTRS Introduction and the adopted schemes for 2013/14 to 2019/20

- 1.1 As part of the 2012 Welfare Reform Act the national Council Tax Benefit (CTB) scheme was abolished and individual local authorities were instead required to introduce a local Council Tax Reduction Scheme (CTRS) with effect from 1st April 2013. The Council introduced such a scheme from that date and has updated the scheme annually since that date.
- 1.2 In December 2018 the Council approved a scheme for 2019/20. For working-age claimants (i.e. those not protected by the national scheme for pension-age claimants) there would be a means-tested assessment to establish entitlement and a maximum percentage reduction in the level of support at the end of that assessment of 22.7%. This is the same maximum percentage reduction in the level of support has operated since the commencement of the scheme in 2014/15.

2. Key points arising from implementation of the local CTRS to date

- 2.1 No evidence has emerged to suggest that the scheme is in need of fundamental revision. The scheme has embedded well with no formal legal challenge to the principle of the scheme.
- 2.2 Experience to date indicates that 22.7% maximum reduction in the level of support is the correct level at which the scheme becomes self-funding.
- 2.3 For 2019/20 as at 30th September 2019 a total of 5 hardship awards have been made in a total sum of £323.

3. Proposed CTRS for 2020/21

- 3.1 It is proposed that the 22.7% maximum reduction in the level of support is retained for the 2020/21 CTRS.
- 3.2 It is further proposed that the scheme for 2020/21 will continue to provide for an additional discretionary award which may also be granted in accordance with S13A (1) (a) or S13A (1) (c) of the Local Government Finance Act 2012.

The full details of the proposed scheme for 2020/21 is available on the Fylde Borough Council website at:

<https://new.fylde.gov.uk/council-tax-reduction-scheme/>

- 3.3 A consultation paper was distributed to the Major Preceptors - Lancashire County Council, Lancashire Fire and Rescue Service and the Lancashire Police and Crime Commissioner in October 2019 seeking their views on the proposed scheme for 2020/21. The consultation and a summary of the responses of each are set out in the appendices to this report. In summary, all of the major preceptors are supportive of the proposals for the 2020/21 CTRS set out in this report.
- 3.4 Although there are no changes to the scheme proposed for 2020/21, the Equality Analysis that has been carried out in previous years for the CTRS scheme has been reviewed. This aims to mitigate the impact on protected groups. **As part of their consideration of the CTRS scheme for 2020/21 Members must read the Equality Analysis which is available on the Fylde Council website at:**

<https://new.fylde.gov.uk/council-tax-reduction-scheme/>

4. Hardship Relief

- 4.1 The provision of Discretionary Hardship Relief to provide support for claimants in exceptional circumstances, and who are unable to increase their income from other means, is a key element of the operation of the scheme. Section 76 of the Local Government Act 2003 in respect of Council Tax (as amended by section 13A of the Local Government Finance Act 2012) empowers a billing authority to reduce the amount of Council Tax as it thinks fit. Funding for such reductions must be provided by the Council and major preceptors as necessary.
- 4.2 In order to mitigate part of the impact of the CTRS on the most vulnerable households, the Council has adopted a Discretionary Discount Policy under the above powers. Strict criteria are used to determine if any additional relief is appropriate and the level of any such award. Awards are made only in exceptional

circumstances to those unable to increase their income. The Council's Discretionary Discount Policy is available on the Fylde Borough Council website at:

[Fylde-CT-and-BR-Discretionary-Discount-2019-20-v1.9.pdf](#)

- 4.3 It is proposed that for 2020/21 the Council Tax Reduction Scheme will continue to provide for additional discretionary awards which may also be granted in accordance with S13A (1) (a) or S13A (1) (c) of the Local Government Finance Act 2012.

5. Equality Analysis

- 5.1 The Council has carried out a detailed and robust Equality Analysis which is available on the Council's website as described in paragraph 3.4. The impact of CTRS has been considered on people based on the following characteristics:

- Age
- Disability
- Sex and sexual orientation
- Gender reassignment
- Pregnancy and maternity
- Race
- Religion or belief

The analysis also contains a detailed action plan showing how the issues identified will be addressed and the monitoring arrangements that have been put in place.

6. Conclusion

- 6.1 The Council is required to adopt a local Council Tax Reduction Scheme for 2020/21 which (as is the case for the scheme currently in operation) will incorporate a reduction in awards to working-age claimants
- 6.2 Schedule 6 of the Council Tax Reduction Scheme will detail the percentage reduction in support to working age claimants once the scheme design has been determined by Council and following any final minor adjustments to the calculation of costs for 2020/21. That Schedule forms part of the adopted scheme.
- 6.3 For 2020/21 it is proposed that the percentage reduction made at the end of the assessment for working age claimants shall remain as for previous years at 22.7%.
- 6.4 A review of the Scheme (including the percentage reduction in support detailed within Schedule 6 of the Scheme) is carried out annually to ensure it remains fit for purpose taking account of ongoing changes in legislation, caseload and financial requirements. Therefore any decision with regard to changes to the CTRS will be in respect of 2020/21 only.

IMPLICATIONS	
Finance	The financial implications are contained within the body of the report.
Legal	As part of the 2012 Welfare Reform Act the national Council Tax Benefit (CTB) scheme was abolished after 2012/13, with individual local authorities instead being required to introduce a local Council Tax Reduction Scheme (CTRS) with effect from 2013/14 and subsequent years.
Community Safety	None
Human Rights and Equalities	An Equality Analysis has been carried out and is available on the Council's website as detailed in the report.
Sustainability and Environmental Impact	None

Health & Safety and Risk Management	The elements of the working age scheme will need to be reviewed annually to avoid increased financial risk to the Council.
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LEAD AUTHOR	CONTACT DETAILS	DATE
Paul O'Donoghue, Chief Financial Officer	01253 658566	January 2020

BACKGROUND PAPERS		
Name of document	Date	Where available for inspection
n/a	n/a	n/a

Attached documents

Appendix A - Consultation and responses from major preceptors

Preceptor Consultation Letter – sent to LCC, Police and Fire Authorities – October 2019

Fylde Borough Council - Council Tax Reduction Scheme 2020/21 – Consultation with major preceptors on the design of the local scheme.

Summary:

This paper sets out the proposed Council Tax Reduction Scheme (CTRS) that will operate in Fylde borough for the year 2020/21.

Introduction:

The scheme that currently operates within Fylde borough was approved by this Council in December 2018.

That Scheme, in summary, is one which:

- maintains most of the previous council tax benefit rules but reduces the award by a standard percentage at the end of the calculation for working age claimants such that the CTRS is self-funding ie. That the scheme does not result in the loss of Council Tax income to Fylde Council or the major preceptors. The claimant has to pay this amount to the Council as their contribution to Council Tax.
- in 2019/20 the maximum percentage reduction in support in respect of working-age claimants is 22.7%.
- includes the national scheme which protects claimants of pensionable age from any reductions.
- provides a Discretionary Hardship Fund to support claimants in exceptional circumstances who are unable to increase their income from other means.

The full Scheme is available on the Fylde Borough Council website at

<https://new.fylde.gov.uk/council-tax-reduction-scheme/>

The proposed 2020/21 Scheme:

It is proposed that for 2020/21 the scheme be one which maintains most of the previous council tax benefit rules but reduces the level of the award by a standard percentage at the end of the calculation for working age claimants. Each of the adopted local schemes since 2013/14 have been in accordance with this principle. It is not intended to change this element of the design in respect of 2020/21.

Council Members will be asked to agree a scheme of Council Tax Support in December 2019. The principles for the 2020/21 scheme will remain that it needs to:

- be affordable in terms of grant received, revenue loss and costs to operate
- be as fair as possible and a detailed 'map' of those affected is required; a detailed Equality Analysis is required
- be transparent, understandable to customers and practical to operate
- be feasible to implement within the constraints of the timescales and available software
- be simple in design avoiding unnecessary complexity

- avoid the costs and risks associated with collecting additional data

Changes to the Scheme for 2020/21

It is proposed that the 2020/21 scheme will have the same design principles as that currently in operation and no changes are proposed.

It is proposed that the scheme for 2020/21 will:

- Maintain the current council tax support rules and reduce the level of support by a specified percentage level at the end of the calculation (bottom slice) such that the CTRS is self-funding. It is estimated that for working-age recipients the maximum reduction in the level of support will be between 20% - 25%.
- Provide for an additional discretionary award which may also be granted in accordance with S13A (1) (a) or S13A (1) (c) of the Local Government Finance Act 2012.
- Include the national scheme for pension age claimants for whom there is no reduction in the level of support.

Hardship Fund

The existence of a Discretionary Hardship Fund to provide support for claimants in exceptional circumstances who are unable to increase their income from other means is a key element of the operation of the scheme.

It is proposed that for 2020/21 the Council Tax Reduction Scheme will provide for an additional discretionary award which may also be granted in accordance with S13A (1) (a) or S13A (1) (c) of the Local Government Finance Act 2012.

Consultation Questions

1. Do you agree or disagree that the 2020/21 Fylde Council Tax Reduction Scheme should be based on the existing rules with the final award made to a working age claimant being reduced so that the maximum reduction in the level of support is between 20% - 25%? (note: the maximum reduction in the level of support under the scheme for 2019/20 is 22.7%).
2. Do you agree or disagree that the 2020/21 Fylde Council Tax Reduction Scheme should remain the same as the scheme in operation for 2019/20?
3. Do you have any suggested changes to the 2020/21 Fylde Council Tax Reduction Scheme?
4. Hardship Fund – Please provide your views on the proposal to continued operation of a Hardship Fund alongside the CTRS scheme to provide support in exceptional circumstances to the most vulnerable claimants.
5. Hardship Fund – Please provide your views on the inclusion of a hardship fund as an additional discretionary award which may also be granted in accordance with S13A (1) (a) or S13A (1) (c) of the Local Government Finance Act 2012.
6. Do you have any other comments to make about the proposed 2020/21 Fylde Council Tax Reduction Scheme?

The Council appreciates the potential impact of the final scheme on its own finances and those of other preceptors. However, at the same time it needs to balance this against the impact it will have in respect of low income Council Tax payers of the Borough. The Council recognises that other preceptors may have

strong opinions in respect of the final scheme that is adopted. It is important therefore that the opinion of all interested parties is reported and forms part of the consideration by the elected members in making a final decision.

Responses

Please provide your responses by e-mail / hard copy at the contact points shown above by **31st October 2019**.

Summary of Responses from Major Preceptors

A. Neil Kissock, Director of Financial Services, Lancashire County Council

Mr P O'Donoghue
Chief Financial Officer
Fylde Borough Council
Town Hall
LYTHAM ST ANNES
Lancashire

Phone: (01772) 536154
Email: neil.kissock@lancashire.gov.uk

Your ref
Our ref NK/JR
Date: 22nd October, 2019

Dear Paul

COUNCIL TAX REDUCTION SCHEME CONSULTATION 2020/21

Thank you for your letter of 11th October 2019 consulting Lancashire County Council on the approach that Fylde Borough Council intends to adopt in continuing its scheme for Council Tax Support. We very much welcome the opportunity to provide our views on the proposals.

It remains the strong view of Lancashire County Council that the proposed scheme for Council Tax Support must:

- Be affordable in terms of grant received, revenue loss and costs to operate;
- Be as fair as possible
- Be transparent, understandable to customers and practical to operate;
- Be feasible to implement within the constraints of the timescales and available software;
- Be simple in design, avoiding unnecessary complexity;
- Avoid the costs and risks associated with collecting additional data.

In response to your questions I would submit the following:

1. Do you agree or disagree that the 2020/21 Fylde Council Tax Reduction Scheme should be based on the existing rules with the final award made to a working age claimant being reduced so that the maximum reduction in the level of support is between 20% - 25%? (Note: the maximum reduction in the level of support under the scheme for 2019/20 is 22.7%).

We agree that the existing rules should continue and that the maximum reduction in support should remain between 20%-25%.

2. Do you agree or disagree that the 2020/21 Fylde Council Tax Reduction Scheme should remain the same as the scheme in operation for 2019/20?

We agree that the 2020/21 scheme should remain the same as the current 2019/20 scheme.

3. Do you have any other suggested changes to the 2020/21 Fylde Council Tax Reduction Scheme?

None

4. Hardship Fund – Please provide your views on the proposal to continued operation of a Hardship Fund alongside the CTRS scheme to provide support in exceptional circumstances to the most vulnerable claimants.

We agree with the continued operation of the Hardship Fund to provide support in exceptional circumstances.

5. Hardship Fund – Please provide your views on the inclusion of a hardship fund as an additional discretionary award which may also be granted in accordance with S13A (1) (a) or S13A (1) (c) of the Local Government Finance Act 2012.

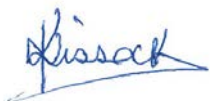
We do not object to the additional discretionary award. However we feel that it is fair and appropriate that Fylde Borough Council should maintain a cost neutral scheme. At a time when resources are extremely limited, it is vital that the operation of the scheme does not pass on additional costs to precepting authorities.

6. Do you have any other comments to make about the proposed 2020/21 Fylde Council Tax Reduction Scheme?

We have no further comments to make about the proposed scheme.

We thank you for the opportunity to take part in the consultation and are happy to discuss our response with you further should you wish.

Yours sincerely



Neil Kissock
Director of Finance

B. Steve Freeman, Chief Finance Officer, Police and Crime Commissioner for Lancashire



Paul O'Donoghue

Phone: 01772 535259

Fax:

Email: Steve.freeman@lancashire-pcc.gov.uk

BY EMAIL

Your ref: P O'Donoghue

Our ref: SF

Date: 25 October 2019

Dear Paul

Fylde Borough Council - Council Tax Reduction Scheme 2020/21 – Consultation with major preceptors on the design of the local scheme.

Thank you for your letter consulting the Police and Crime Commissioner for Lancashire on the approach that Fylde Borough Council intends to adopt in continuing its scheme for Council Tax Support from April next year. We very much welcome the opportunity to provide our views on the proposals.

It remains the strong view of the Commissioner that the proposed scheme for council tax support must:

- Be affordable in terms of grant received, revenue loss and costs to operate;
- Be as fair as possible
- Be transparent, understandable to customers and practical to operate;
- Be feasible to administer within the constraints of the timescales and available software;
- Be simple in design, avoiding unnecessary complexity;
- Avoid the costs and risks associated with collecting additional data.

In respect of your scheme for 2020/21 the Commissioner agrees that the proposed approach is appropriate as it offers protection to the most vulnerable individuals as identified within the existing Council Tax system and offers no additional costs to the Billing and Precepting authorities.

At a time when resources are extremely limited and will continue to reduce in future years it is vital that the operation of the scheme does not pass on additional costs to precepting authorities.

In response to your specific consultation questions please see the following:

1. Do you agree or disagree that the 2020/21 Fylde Council Tax Reduction Scheme should be based on the existing rules with the final award made to a working age claimant being reduced so that the maximum reduction in the level of support is between 20% - 25%? (note: the maximum reduction in the level of support under the scheme for 2019/20 is 22.7%).

Agree

2. Do you agree or disagree that the 2020/21 Fylde Council Tax Reduction Scheme should remain the same as the scheme in operation for 2019/20?

Agree

3. Do you have any other suggested changes to the 2020/21 Fylde Council Tax Reduction Scheme?

None

4. Hardship Fund – Please provide your views on the proposal to continued operation of a Hardship Fund alongside the CTRS scheme to provide support in exceptional circumstances to the most vulnerable claimants.

We agree this arrangement should remain in place

5. Hardship Fund – Please provide your views on the inclusion of a hardship fund as an additional discretionary award which may also be granted in accordance with S13A (1) (a) or S13A (1) (c) of the Local Government Finance Act 2012.

We agree this should be in place provided decision making on such awards is the responsibility of elected members

6. Do you have any other comments to make about the proposed 2020/21 Fylde Council Tax Reduction Scheme?

None

We thank you for the opportunity to take part in the consultation and are happy to discuss any of the responses we have provided with you further.

Yours sincerely

Steve Freeman
Chief Finance Officer
The Office of the Police and Crime Commissioner for Lancashire

**C. Keith Mattinson, Director of Corporate Services, Lancashire Fire & Rescue Service
(by e-mail)**

1. Yes
2. Yes
3. No
4. We support this, subject to no significant increase in costs
5. We support this, subject to no significant increase in costs
6. No

DECISION ITEM

REPORT OF	MEETING	DATE	ITEM NO
REVENUES AND BENEFITS SERVICE	COUNCIL	10 FEBRUARY 2020	12
COUNCIL TAX PREMIUM 2020/21 & 2021/22			

PUBLIC ITEM

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

SUMMARY

In 2013 the Government introduced legislation allowing local authorities the discretion to charge an additional 50% premium to the owners of properties left empty for over two years. The Council introduced this additional charge with effect from 1st April 2014.

In November 2018, government introduced further legislation allowing local authorities the discretion to increase the premium to 100% for properties left empty for over two years with effect from 1st April 2019.

That legislation also provided for further discretionary premium levels of:

- 200% in respect of properties left empty for over five years, effective from April 2020; and
- 300% in respect of properties left empty for over ten years, effective from April 2021.

At the meeting of 11th February 2019 the Council approved the introduction of a new Council Tax Premium level of 100% payable in respect of properties left empty for over two years, to be effective from 1st April 2019.

This report addresses the further discretionary premium levels available from 2020 and 2021.

This report was considered by the Environment, Health and Housing Committee at the meeting of 7th January 2020.

RECOMMENDATIONS

The Environment, Health and Housing Committee considered this matter at the meeting of 7th January 2020. In accordance with those deliberations it is recommended that the Council approve:

1. That with effect from 1st April 2020 a premium of 200% would be charged against properties that have remained empty for more than five years; and
2. That with effect from 1st April 2021 a premium of 300% would be charged against properties that have remained empty for more than ten years.

SUMMARY OF PREVIOUS DECISIONS

On 27th January 2014 the Council approved the introduction of a new Council Tax Premium level of 50% payable in respect of properties that have remained empty for more than two years, effective from 1st April 2014.

At the meeting of 11th February 2019 the Council approved the introduction of an increased Council Tax Premium level of 100% payable in respect of such properties, to be effective from 1st April 2019.

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

REPORT

1.0 Background

- 1.1 Section 12 of the Local Government Finance Act (LGFA) 2012 (which amended s.11A of the LGFA 1992) allows billing authorities to have discretionary powers for a premium to be charged in cases where an owner has left a property unoccupied and unfurnished for over two years.
- 1.2 The Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Act 2018 provided for further discretionary premium amounts in respect of properties left empty for over five and ten years, effective from April 2020 and 2021 respectively.

2.0 Empty Homes Premium on Properties Remaining Empty

Properties Remaining Empty for in Excess of 2 years

With effect from 1st April 2019 dwellings which have remained empty and unfurnished for over 2 years are charged a premium of 100% - i.e. the property owners is charged 200% of (double) the normal Council Tax charge.

Further Options Available from April 2020 and April 2021:

1. Properties Remaining Empty for in Excess of 5 years

With effect from 1st April 2020 dwellings which have remained empty and unfurnished for over 5 years may be charged a premium of 200% - i.e. the property owners would be charged 300% of (3 times) the normal Council Tax charge.

The latest available data indicates that there are around 50 properties within the borough that have remained unoccupied for over 5 years.

2. Properties Remaining Empty for in Excess of 10 years

With effect from 1st April 2021 dwellings which have remained empty and unfurnished for over 10 years may be charged a premium of 300% - i.e. the property owners would be charged 400% of (4 times) the normal Council Tax charge.

The latest available data indicates that there are around 20 properties within the borough that have remained unoccupied for over 10 years.

The empty property premiums provide a strong incentive to owners to bring the property back into use and an increase in the premium to 200%, 300% or 400% of the normal Council Tax charge may encourage those owners that have not already done so to take action to ensure their property is brought back into use.

Since the introduction of the premium, the number of long-term empty properties has reduced from 710 in October 2013 (the point when the annual tax base is established) to 512 at October 2019 – a reduction of 198 properties (28%). For Council Tax purposes a property is classed as being a 'long-term empty' when it has been vacant for a period of over 6 months.

There remains a few national exemptions in respect of unoccupied and unfurnished properties and the premium does not apply in these cases. Full details are set out in section 3.0 of this report.

The Private Sector Enforcement Policy adopted in June 2019, makes a commitment, subject to available resources, to work with owners of empty homes to bring them back into use. Over the past 12 months the Housing Service have not received any complaints in relation to empty homes in the borough.

A further consideration in support of continuing to apply the highest available premium charge links to Fylde Council Local Plan to 2032 which comments (paragraph 9.59) that the Council will identify and bring back into use empty housing and building in line with local housing and empty homes strategies and, where appropriate, acquire properties under compulsory purchase powers. After two years of remaining empty, properties may start to deteriorate and impact negatively on neighbourhoods. After five and ten years of non-occupation this is likely to have further worsened.

Property owners are provided with advance notification that their property is approaching the dates when the premium charge will commence or will increase – some three to four months prior to that date. This provides an opportunity for property owners to take appropriate action to avoid the premium charge where such a course of action is available to them e.g. the letting of a vacant property.

The current premium charge would appear to be having the intended effect and it could be reasonably implied that any increase to the premium that is charged would incentivise owners even further to bring their property back into use.

3.0 Continuing Exemptions

- 3.1 For certain types of properties there are exemptions under current legislation which apply nationally and which therefore exclude properties from the impact of locally determined premiums. Examples of such exemptions include properties owned and last used by a charity, probate is in the process of being granted and the property is to be occupied by a minister of religion. These national exemptions would exclude them from the changes to the premium charge that is currently under consideration. The exemption in respect of properties in probate runs for a 6 month period following probate, and all other exemptions run for an indefinite period whilst the exemption applies.

4.0 Conclusions

- 4.1 Members are requested to approve the changes to the level of the premium as described within this report to be applicable from 1st April 2020 in respect of properties that have been left empty for five years; and from 1st April 2021 in respect of properties that have been left empty for ten years.

IMPLICATIONS	
Finance	If approved, the introduction of an additional Council Tax premium on properties left empty for over five and ten years would generate additional income to Fylde Council of approximately £10,000 per annum (at current council tax Band D charge levels) if all of the properties that have remained empty for over 5 years were at Band D and remained vacant, thus incurring the full additional premium charge for such properties; and a further £4,000 per annum assuming that all of the properties that have remained empty for over 10 years were at Band D and remained vacant, thus incurring the full additional premium charge for those properties.
Legal	Section 12 of the Local Government Finance Act (LGFA) 2012 (which amended s.11A of the LGFA 1992) allows billing authorities to have discretionary powers for a premium to be charged in cases where an owner has left a property unoccupied and unfurnished for over two years. The Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Act 2018 brought in further powers with effect from the 2019-20 financial year onwards to levy premiums of 200%, 300% and 400% in respect of properties remaining empty for 2,5 and 10 years respectively, and with effective dates from 2019, 2020 and 2021.
Community Safety	None
Human Rights and Equalities	None
Sustainability and Environmental Impact	None
Health & Safety and Risk Management	None

LEAD AUTHOR	CONTACT DETAILS	DATE
Andrew Turpin	01253 478850	January 2020

BACKGROUND PAPERS		
Name of document	Date	Where available for inspection
n/a	n/a	n/a

DECISION ITEM

REPORT OF	MEETING	DATE	ITEM NO
RESOURCES DIRECTORATE	COUNCIL	10 FEBRUARY 2020	13
FINANCIAL FORECAST UPDATE 2019/20 TO 2023/24 (POSITION AS AT JANUARY 2020)			

PUBLIC ITEM

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

SUMMARY

This report provides Members with an update of the financial forecast for the five years 2019/20 to 2023/24.

The main purpose of this update to the Financial Forecast is to reflect the impact of the provisional 2020/21 Local Government Finance Settlement, details of which were announced on 20th December 2019.

The government has confirmed that it is looking to undertake the delayed Fair Funding Review during 2020 with implementation scheduled to be from April 2021. Consequently the finance settlement for 2020/21 is a single-year only settlement.

The continuation of a Lancashire-wide Business Rates Pool was confirmed for 2020/21 (though with amended membership arrangements). However none of the '75% Business Rate Retention Pilot' schemes that are in operation for 2019/20 (including the Lancashire scheme) will continue into 2020/21. Despite this, the latest in-year monitoring and future modelling strongly suggest that continued participation in a Lancashire Business Rate Pool for 2020/21, albeit not the 75% retention scheme, would still be of significant financial benefit to Fylde Council.

The provisional settlement confirms that a review of the New Homes Bonus scheme will be undertaken during the next financial year and that the 2020/21 grant allocation is for one year only and not an annual allocation for a four year period as was the case for 2018/19 and 2019/20.

Given that New homes Bonus is a major source of funding for the Council this represents a significant risk to the overall level of future central government funding.

The assumptions set out in this forecast are the latest best estimates and will be updated as and when further information is made available.

RECOMMENDATION

The Finance and Democracy Committee has considered updates to the Financial Forecast at the meetings of 25th November 2019 and 27th January 2020.

In accordance with those deliberations it is recommended:

1. That the Council approves this updated financial forecast.

SUMMARY OF PREVIOUS DECISIONS

The Council set its budget for 2019/20 at the meeting of 5th March 2019. This report provides Members with an update to the financial forecast.

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

REPORT

1. PURPOSE OF THE FINANCIAL FORECAST UPDATE

- 1.1 This report updates the financial forecast which was considered by this Committee in November 2019. Attached at Appendix A is the financial forecast position reported to Members at that time. Appendix B shows the general assumptions underpinning the base forecast, whilst Appendix C sets out the latest changes and Appendix D sets out the supporting narrative to the latest changes. **Appendix E details the latest updated forecast position.**
- 1.2 The forecast has been updated to reflect the impact of the 2020/21 Local Government Finance Settlement, announced on 20th December 2019.
- 1.3 This latest financial forecast update is designed to:
 - Present an updated five-year financial forecast for revenue and capital spending following the announcement of the Local Government Finance Settlement in December 2019;
 - Review and update the currently identified risks and opportunities;
 - Alert Members to any new specific risks and opportunities;
 - Inform Members of any changes required to budgets due to external factors outside the Council's control; and,
 - Provide a basis on which Members can begin to make future spending decisions.

1. THE CAPITAL PROGRAMME

- 2.1 The latest in-year position on the Capital Programme, along with the associated financial risks, is contained within a separate report for consideration at this meeting and has also been reported to each of the Programme Committees as part of the January cycle of meetings.
- 2.2 Any future capital financing issues facing the Council will be addressed as part of the Council's budget proposals for 2020/21 which will be published in mid-February 2020.

2. KEY CHANGES TO THE GENERAL FUND REVENUE BUDGET FORECAST

- 3.1 Many of the financial risks as set out in the Financial Forecast update considered by this Committee in November 2019 still remain. The changes to the General Fund Revenue Forecast are those arising from the Local Government Finance Settlement, together with some further in-year revenue budget changes. These are detailed below:

i) The 2020/21 Local Government Finance Settlement

The main document detailing the Local Government Finance Settlement is entitled 'Provisional local government finance settlement: England, 2019 to 2020'. Full details of the settlement can be found at the following link: [Finance-settlement-2020-to-2021](#)

The key points arising from the Finance Settlement for Fylde Council are:

a) Confirmation of acceptance of the bid by Lancashire authorities to continue to operate a re-constituted Business Rate Pooling arrangement for 2020/21

The continuation of a Lancashire-wide Business Rates Pool was confirmed for 2020/21 (though with amended membership arrangements). However none of the '75% Business Rate Retention Pilot' schemes that are in operation for 2019/20 (including the Lancashire scheme) will continue into 2020/21. Despite this, the latest in-year monitoring and future modelling strongly suggest that continued participation in a Lancashire Business Rate Pool for 2020/21, albeit not the 75% retention scheme, would still be of significant financial benefit to Fylde Council.

During 2020/21 the government will announce the reforms due to be implemented in 2021/22, following the completion of the 'Fair Funding' review. At this stage the forecast assumes a reduced level of business rate income closer to the current baseline level until details of the outcome of this review are known.

b) Confirmation of the 2020/21 General Council Tax Referendum Principles

As part of the 2020/21 Finance Settlement the government announced the general council tax referendum principle (the upper limit on the year-on-year increase that can be applied without the requirement for prior approval through a local referendum) as the higher of a 1.99% increase or an increase of £5.00 (the upper limit was 2.99% for 2018/19 and 2019/20). (An increase of £5.00 for a Band D property in Fylde for 2020/21 would equate to a percentage increase of around 2.5%).

Referendum principles will not be extended to town and parish councils for 2020/21, but could be applied to these councils in future years.

c) Confirmation of a 2020/21 review of the New Homes Bonus scheme

The provisional settlement confirms that a review of the New Homes Bonus scheme will be undertaken during the next financial year and that the 2020/21 grant allocation is for one year only and not an annual allocation for a four year period as was the case for 2018/19 and 2019/20.

Given that New homes Bonus is a major source of funding for the Council this represents a significant risk to the overall level of future central government funding.

The future forecast of New Homes Bonus income has been reviewed in the light of the latest available information on property numbers and an updated forecast amount for 2020/21 is shown within the revised summary Financial Forecast at Appendix E to this report. In respect of all other years, due to the uncertainty surrounding future funding levels the estimated amounts for 2021/22 onwards are in line with the forecast as approved by Council in March 2019.

d) Confirmation of the 2020/21 'Fair Funding Review'.

The government has confirmed that it is looking to undertake the delayed Fair Funding Review during the next financial year with implementation scheduled to be from April 2021.

This review consultation states the aims of the exercise as being designed to:

- propose to simplify the assessment of local authorities' relative needs;
- consider the type of adjustment that will be made to an authority's relative needs assessment to take account of the relative resources available to them to fund local services; and
- propose a set of principles that will be used to design potential transitional arrangements and examines how the baseline for the purposes of transition should be established.

Although no details are known at this stage it is possible that, given the financial pressures on upper-tier and unitary councils with responsibility for services with escalating costs such as adult social care, that the review could result in shire district councils being regarded as requiring a reduced share of national resources. Any implications arising from the Fair Funding Review will be reported within future updates to the financial forecast once they are known.

ii) **Other Revenue Budget Adjustments**

a) New Homes Bonus Distribution to Town and Parish Councils

The Finance and Democracy Committee meeting of 25th November 2019 approved the continuation of the scheme for the distribution of a portion of the New Homes Bonus Grant income to town and parish Councils. The financial consequence of this decision is contained within the summary Financial Forecast at Appendix E to this report.

b) Other budget adjustments

A limited number of further budget adjustments have been made to this updated financial forecast update following a further budget-rightsizing review undertaken in recent months. These are included within the variance analysis at Appendix C to this report and an explanation of each is provided at Appendix D. Council Tax income projections have also been updated from the November financial forecast to reflect the actual Council Tax base information for 2020/21 which was finalised in December 2019.

3.2 Other Continuing Financial Risks

Many of the other financial risks that were detailed within the previous Financial Forecast Update that was presented to the Finance and Democracy Committee meeting of 25th November 2019 still remain. These are:

- **Future Central Government Funding Reductions**
- **Announcement of a 'Fair Funding Review'**
- **Retained Business Rates**
- **Borrowing Costs Assumptions**
- **Reduction in Housing Benefit Administration Grant**
- **Universal Credit**
- **Grounds Maintenance (External Contracts)**
- **The Living Wage**
- **Community Infrastructure Levy (CIL)**

Full details of each of these can be found within the November 2019 Financial Forecast report via the following link: www.fylde.gov.uk/

4. **CONCLUSIONS**

- 4.1 The 2020/21 Local Government Financial Settlement has not fundamentally changed the general financial standing of Fylde Council. There remains (as reported in the November 2019 Financial Forecast update) a projected surplus for 2019/20 and 2020/21 followed by a period of uncertainty as the national framework for the financing of local government will be subject to review.
- 4.2 The confirmation of the continuation of a Business Rates Pool amongst Lancashire authorities is welcomed, albeit without the additional benefit of the '75% Retention Pilot Scheme' that is in place for 2019/20. Developments with regard to future proposals (the implementation of a 'Fair Funding Review', encompassing a possible re-assessment of relative need within local government generally) will be followed closely and any implications reported within future Financial Forecast updates when known.
- 4.3 In order to maintain the current financial position, the Council needs to continue with the approach to delivering savings and efficiencies and maximising income which have helped deliver balanced budgets and contribute to reserves over recent years. Through continued focus on the importance of financial stability the Council has delivered a significant savings programme in recent years and has continued to reduce senior management costs and other overheads. Ongoing modernisation work and business improvement will continue to make Council services more efficient, save money and maintain frontline services to customers. This work has yielded ongoing savings to help improve the Council's overall financial position over that period.
- 4.4 Although it is clear that further uncertainty lies ahead, **the finances of the Council remain robust and the reserves and balances are at healthy levels as compared to earlier periods.** Furthermore Fylde Council has a past record of taking actions in order to meet and overcome financial challenges as they arise. The Council will continue to seek opportunities to maintain a robust financial position in the face of a changing financial environment. This approach will ensure that the Council continues to achieve and sustain a balanced budget

position on an ongoing basis and is able to deliver the priorities set out in the Corporate Plan.

- 4.5 The assumptions set out in this forecast are the latest best estimates and will be updated as and when further information becomes available.

IMPLICATIONS	
Finance	The financial implications are contained within the body of the report.
Legal	None arising from this report
Community Safety	None arising from this report
Human Rights and Equalities	None arising from this report
Sustainability and Environmental Impact	None arising from this report
Health & Safety and Risk Management	None arising from this report

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

BACKGROUND PAPERS		
Name of document	Date	Where available for inspection
Medium Term Financial Strategy (MTFS) Update, Including General Fund, Capital Programme and Treasury Management for 2018/19 – 2022/2023	Budget Council meeting 5 th March 2019	www.fylde.gov.uk
MTFS – Outturn Position For 2018/19 (Including General Fund, Capital Programme & Treasury Management)	Finance and Democracy Committee meeting 24 th June 2019	www.fylde.gov.uk
Revenue Budget Monitoring Report 2019/20 – to 30 th November 2019	Finance and Democracy Committee meeting 27 th January 2020	www.fylde.gov.uk
Capital Programme Monitoring Report 2019/20 – to 30 th November 2019	Finance and Democracy Committee meeting 27 th January 2020	www.fylde.gov.uk
Medium Term Financial Strategy (MTFS) Update, Including General Fund, Capital Programme and Treasury Management for 2019/20 – 2023/24	Finance and Democracy Committee meeting 27 th January 2020	www.fylde.gov.uk

Attached documents

1. Appendix A – Forecast approved at Council on 5th March 2019
2. Appendix B – Schedule of general assumptions underpinning the forecast
3. Appendix Ci and Cii – Schedules of changes to the forecast

4. Appendix Di and Dii – Explanation of changes to the forecast
5. Appendix E – Updated latest forecast position

General Fund Budget Forecast 2018/19 to 2022/23 - Approved at Budget Council March 2019

	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	Adverse / Favourable
Forecast approved at Council on 5th March 2018	9,675	10,149	10,420	10,547	10,547	
Forecast Changes - per Appendix C of March 2019 MTFS report	- 193	26	- 320	- 180	45	Favourable
Budget Proposals - per Appendix F of March 2019 MTFS report		66	66	66	66	Adverse
Forecast Budget Requirement	9,482	10,241	10,166	10,433	10,658	
Financed by:						
Council Tax Funding:						
Council Tax - Precept	5,998	6,212	6,472	6,742	7,023	
Council Tax - Share of Previous Years Surplus/(Deficit)	- 35					
Sub Total - Council Tax Income	5,963	6,212	6,472	6,742	7,023	
Business Rates Funding:						
Retained Rates (including pooling benefit 2018/19 & pilot impact 2019/20)	3,591	3,641	2,200	2,200	2,200	
Other Funding:						
New Homes Bonus	1,349	1,412	1,508	1,431	1,380	
Less - NHB distribution to Town & Parish Councils	- 65	- 69				
Revenue Support Grant	47					
Less - Parish Element of Council Tax Support Funding	- 4					
Sub Total - Other Income	1,327	1,343	1,508	1,431	1,380	
Forecast Financing	10,881	11,196	10,180	10,373	10,603	
Forecast surplus/deficit (-) for year from above:	1,399	955	14	- 60	- 55	
Forecast surplus/deficit (-) for year from above:	1,399	955	14	- 60	- 55	
Less: Proposed Transfer to Capital Investment Reserve	- 1,399	- 955				
Balance of surplus/deficit(-) remaining:	0	0	14	- 60	- 55	
Balance of General Fund Reserves b/f	3,685	3,685	3,685	3,699	3,639	
Less transfer to/from(-) General Fund Reserves in year			14	- 60	- 55	
Forecast Reserves at Year End	3,685	3,685	3,699	3,639	3,584	
Band D Council Tax (Excl Parish Precepts)	£201.61	£206.60	£212.77	£219.13	£225.68	
Band D Average Council Tax Increase	£5.85	£4.99	£6.17	£6.36	£6.55	
Band D Average Council Tax Increase	2.99%	2.48%	2.99%	2.99%	2.99%	

General Assumptions

The forecast has been prepared on the basis of the following assumptions:

- General Prices Inflation – a freeze or cash-limiting of all general revenue expenditure budgets with the exception of pay budgets;
- Slippage - underspend items from 2018/19 agreed by the Finance and Democracy Committee in June 2019 have been slipped into 2019/20;
- Pay award - assumed to be 2% per annum for 2019/20 onwards;
- Employers Pension Contributions – the Council's contribution to the Lancashire pension fund scheme is set in accordance with the estimated outcome of the 2019 Triennial Pension Review at 17.9%, plus deficit recovery lump sum payments for the period to 2022/23; any amendments resulting from the final review will be reflected in later updates to the Financial Forecast;
- Employer's National Insurance contributions – the forecast reflects the statutory contribution rates currently in place, including a reduced contribution rate as a result of the Council being part of the pension scheme;
- Council tax increases – assumed to be at 1.99% per annum from 2020/21;
- Government Grant Support – the forecast for 2020/21 assumes central government funding is as notified in the provisional 2020/21 funding settlement announced in December 2019;
- Fees and Charges – The forecast takes account of the revised fee levels as approved by Budget Council in March 2019. For future years budget-holders have reviewed fee levels as appropriate and any proposed changes to fees & charges will be considered at the Budget Council in March 2020 following consideration by the appropriate programme committee;
- Vacancy Savings – the forecast assumes vacancy savings of £300k per annum from 2019/20 onwards;
- Localisation of Council Tax Benefit Scheme – the forecast assumes a fully funded scheme with no cost to the Council from 2019/20 onwards.

Forecast changes - November 2019

	2019/20	2020/21	2021/22	2022/23	2023/24	
	£000	£000	£000	£000	£000	<u>ADVERSE / FAVOURABLE</u> <u>/ NEUTRAL</u>
1 CHANGES AS A RESULT OF MEMBER APPROVALS:						
Council - 25/03/19 - BBQ PSPO's	38	38	38	38	38	ADVERSE
F&D Committee - 24/06/19 - Slippage from 2018/19	242	0	0	0	0	ADVERSE
Council - 14/10/2019 - Increase in Members Allowances	0	16	16	16	16	ADVERSE
2 BUDGET RIGHTSIZING EXERCISE:						
Revenue impact of budget right-sizing across all budget areas of the Council	-35	-101	-165	-183	-117	FAVOURABLE
3 UPDATED ESTIMATES OF INCOME BUDGETS:						
Reduction in budgeted income from sandwinning	200	375	350	350	350	ADVERSE
Reduction in planning application revenue fee income	25	75	75	75	75	ADVERSE
Revised investment interest income	-91	-25	-17	-13	-11	FAVOURABLE
Reduction in Game Site Fee Income at Fairhaven - Coast protection Works	11	0	0	0	0	ADVERSE
Additional Income - green waste subscription service	-9	-10	-10	-10	-10	FAVOURABLE
Additional Income - Fylde Waste	-5	-5	-5	-5	-5	FAVOURABLE
Additional Income - Trade Waste service	-20	-20	-20	-20	-20	FAVOURABLE
Additional Income - Assets & Leases	-51	-53	-54	-54	-54	FAVOURABLE
Additional Income - Car Parking	-50	-50	-50	-50	-50	FAVOURABLE
Additional Income - Public Offices Car Park	-5	0	0	0	0	FAVOURABLE
4 STAFFING COSTS:						
Estimated 2% pay award for 2023/24	0	0	0	0	200	ADVERSE
5 OTHER FORECAST CHANGES						
Elections costs - Borough Council Election costs 2023/24	0	0	0	0	114	ADVERSE
Members Technology Allowance 2023/24	0	0	0	0	14	ADVERSE
Business Rates - FBC Sites	8	8	8	8	8	ADVERSE
Increase in insurance premiums	20	20	20	20	20	ADVERSE
Reduction in Housing Benefit and Council Tax Admin grants	0	4	8	12	31	ADVERSE
Additional Legal Fees budget requirement	40	0	0	0	0	ADVERSE
Additional Costs for Public Offices - delay in disposal	32	0	0	0	0	ADVERSE
Removal of contribution from Lancashire County Council for Lytham Institute	0	20	20	20	20	ADVERSE
Parks External Contracts - Cypress Point Contract Removal - 20/21 onwards	0	5	5	5	5	ADVERSE
TOTAL	350	297	219	209	624	

Appendix Cii

Forecast changes - January 2020

	2019/20	2020/21	2021/22	2022/23	2023/24	
	£000	£000	£000	£000	£000	<u>ADVERSE / FAVOURABLE</u> <u>/ NEUTRAL</u>
1 CHANGES AS A RESULT OF MEMBER APPROVALS:						
Finance & Democracy Cttee - 17/12/2019 - Fairhaven and Church Scar Public Realm Works - use of revenue budgets	50	-50	0	0	0	NEUTRAL
2 BUDGET RIGHTSIZING EXERCISE:						
Revenue impact of budget right-sizing across all budget areas of the Council	-4	9	-16	-13	-16	FAVOURABLE
3 UPDATED ESTIMATES OF INCOME BUDGETS:						
Sandwinning - remaining debtor invoices finalised and raised	-24	0	0	0	0	FAVOURABLE
Reduction in estimated Planning Fee Income	50	50	50	50	50	ADVERSE
Fylde Waste - increased income from bin sales	-25	0	0	0	0	FAVOURABLE
4 STAFFING COSTS:						
Employee costs: in-year additional savings and review of future years salary costs	-50	0	0	0	12	FAVOURABLE
Employee cost savings: impact of latest triennial review of pension costs	0	-99	-95	-100	0	FAVOURABLE
5 OTHER FORECAST CHANGES						
Public Offices - 6 months budgets 2020/21	0	29	0	0	0	ADVERSE
Lowther - saving on subsidy budget following settlement of legal dispute	-100	0	0	0	0	FAVOURABLE
Slippage of St Annes Neighbourhood Plan Referendum budget	-26	26	0	0	0	NEUTRAL
Fleet Cost Savings	-50	0	0	0	0	FAVOURABLE
TOTAL	-179	-35	-61	-63	46	

The following notes relate to specific adjustments made to the Forecast set out in Appendix Ci

(1) Changes as a Result of Member Approvals

The forecast that was approved at the Council meeting in March 2019 has been updated to reflect the financial impact of Member decisions made since then.

(2) Impact of budget-right-sizing exercise across all budget areas of the Council

Each year officers carry out a budget right-sizing exercise focussing on a review of budget variations across all budget areas. This exercise has yielded a level of favourable adjustments which have been reflected in the revised forecast.

(3) Updated income forecasts

The forecast has been updated to reflect revised income expectations arising from a number of budget areas as detailed in Appendix C following a review of income budgets in consultation with budget-holders. The main change is the loss of income from sand-winning which is detailed within the body of the report. Additionally, planning fee income levels are expected to reduce following a decline in the number of planning applications being received during the first part of the year.

(4) Staffing Costs – Pay Awards

The assumed 2% per annum pay award has been reflected in the final year of the forecast, 2023/24, in line with other years. This year is shown within the forecast for the first time as part of this November 2019 update.

(5) Other Forecast Changes:

Election Costs / Members Technology Allowance

The costs of holding the planned borough-wide Council elections in May 2023, along with the accompanying payment of technology allowances to Members, have been brought into the final year of the forecast (the financial year 2023/24 forms part of the financial forecast for the first time at the November update).

Business Rates

The Valuation Office Agency issued a revised rating list in 2017 that amended the rates payable for most properties, including a number of properties that are owned by the Council. This adjustment is necessary to ensure that there is sufficient budget resource for the revised level of rates payable across the Council's property holdings.

Insurance Premium Increase

A key determinant of the cost of the Council's numerous insurance policies is the annual payroll cost, which increases each year due to the annual pay award. This factor, together with a general increase in the cost of insurance across the industry, has led to a need to review and increase the insurance budget to ensure that the Council can continue to secure adequate levels of insurance cover.

Housing Benefit Administration Grant reduction

The level of grant that the Council receives from Central Government to administer the Housing Benefit system has been reducing year-on-year on the assumption that the phased introduction of Universal Credit will reduce caseload and consequently a lower level of reimbursement is required. Although only limited actual reduction in workload has yet been experienced within the Benefits Shared Service the level of government grant received for this purpose remains on a downward trajectory.

Additional Legal Fees

Additional legal costs have been incurred in meeting counsel's fees to defend the council's position in a claim for reimbursement of a significant amount of business rates monies previously paid to Fylde Council. A further element relates to counsel's fees in the 'Neighbourhood Plan Challenge case', which the Council has won at all stages so far, but which may yet be taken to the Supreme Court. It has been necessary to increase the budget for legal fees to address this additional financial requirement.

Former Public Offices building – Additional Costs

Accordingly It was previously anticipated that the disposal of the former public offices building would have occurred during the 2019/20 financial year. only a proportion of the annual maintenance costs for the empty building (business rates, security, insurance, etc.) were provided for in the original budget for 2019/20. Disposal is not now anticipated until towards the end of the financial year and it has been necessary, therefore, to increase the budget to provide for these costs.

Removal of Lancashire County Council (LCC) contribution – Lytham Institute

Under the previous user rights agreement with Lancashire County Council (LCC) for the use of part of the building as a public library, LCC were required to reimburse Fylde Council for a proportion of the costs for the running of the building. LCC have now terminated the agreement and as such will no longer be required to meet a proportion of the running costs of the building.

Cypress Pont Grounds Maintenance contract removal

After the current financial year the Council will no longer be delivering the Grounds Maintenance contract for the Cypress Point development. Consequently the contribution to overheads that previously arose from the contract have been removed from the budget from that point onwards.

Explanations of Forecast Changes set out in Appendix Cii

Appendix Dii

The following notes relate to specific adjustments made to the Forecast set out in Appendix Cii

(1) Changes as a Result of Member Approvals

The forecast that was approved at the Council meeting in March 2019 has been updated to reflect the financial impact of Member decisions made since then.

(2) Impact of budget-right-sizing exercise across all budget areas of the Council

Each year officers carry out a series of budget right-sizing exercises focussing on a review of budget variations across all budget areas. This latest exercise has yielded a level of favourable adjustments which have been reflected in the revised forecast.

(3) Updated income forecasts

The forecast has been updated to reflect revised income expectations arising from a number of budget areas following a review of income budgets in consultation with budget-holders. The main changes are: further income from additional billing for sand-winning; and additional income from the sale of waste bins to developers in respect of new properties. Additionally, forecast levels of planning fee income for future years have been amended on the assumption of a continuation of the reduced level of planning applications that have been received during the current year.

(4) Employee Cost Savings

The budget forecast which was approved by Council in March 2019 assumes Employee Cost Savings (including vacancy savings arising from delays in the recruitment to vacant posts) of £300,000 per annum from 2019/20 onwards. The actual level of savings achieved in relation to direct employee costs for the current year to date shows a level of savings in excess of this, which has been reflected in this current update to the Financial Forecast. A review of future years estimated salary costs has required an adjustment to the salary cost estimate for the final year of the forecast.

Additionally, the latest triennial review of pension costs has provided a reduced employers pension contribution requirement from the Council for the years 2020/21 to 2022/23, which has also been reflected within this latest update to the Financial Forecast.

(5) Other Forecast Changes:

Former Public Offices building – Additional Costs

It was previously anticipated that the disposal of the former public offices building could have been concluded during the 2019/20 financial year. Disposal is not now anticipated until 2020/21 and it has been necessary, therefore, to include a part-year budget provision in 2020/21 to provide for these costs.

The costs of holding the planned borough-wide Council elections in May 2023, along with the accompanying payment of technology allowances to Members, have been brought into the final year of the forecast (the financial year 2023/24 forms part of the financial forecast for the first time at the November update).

Lowther Trust – Reduction in Subsidy Costs for 2019/20

Following the conclusion of the legal dispute in respect of the Lowther Trust it is possible to reduce the estimate of the level of required subsidy that the Council will provide to the Lowther Trust for 2019/20.

St Annes Neighbourhood Plan

The Council is currently waiting to see if permission to appeal to the Supreme Court is granted against an earlier Court of Appeal decision which challenged the St Annes Neighbourhood Plan. However, it is now extremely unlikely that a consequential Neighbourhood Planning referendum will be required to be held in 2019/20 and therefore this funding has now been re-phased into 2020/21.

Fleet Cost Savings

During 2019/20 there have been a number of favourable variances in respect of vehicle costs. Some are due to the fact that a number of vehicles have been acquired in the past 18 months, replacing older and more expensive to maintain vehicles. Additionally, fuel costs during 2019/20 have, to date, been lower than anticipated. It is therefore appropriate to reflect these cost-reductions within this latest update to the Financial Forecast.

Latest General Fund Budget Forecast 2019/20 to 2023/24

	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	Adverse / Favourable
Forecast approved at Council on 5th March 2019	10,241	10,166	10,433	10,658	10,658	Adverse Favourable
Forecast Changes November 2019 - per Appendix Ci	350	297	219	209	624	
Forecast Changes January 2020 - per Appendix Cii	-179	-35	-61	-63	46	
Forecast Budget Requirement	10,412	10,428	10,591	10,804	11,328	
Financed by:						
Council Tax Funding:						
Council Tax - Precept	6,212	6,456	6,660	6,869	7,084	
Sub Total - Council Tax Income	6,212	6,456	6,660	6,869	7,084	
Business Rates Funding:						
Retained Rates (including pooling benefit & pilot impact 2019/20)	3,757	3,427	2,200	2,244	2,289	
Sub Total - Business Rates Income	3,757	3,427	2,200	2,244	2,289	
New Homes Bonus	1,412	1,822	1,431	1,380	1,380	Adverse Favourable
Less - NHB distribution to Town & Parish Councils	- 69	- 76				
Sub Total - Other Income	1,343	1,746	1,431	1,380	1,380	
Forecast Financing	11,312	11,629	10,291	10,493	10,753	
Forecast surplus(-)/deficit for year	- 900	- 1,201	300	311	575	
Reserves						
Forecast surplus/deficit (-) for year from above:	900	1,201	- 300	- 311	- 575	
Less: Proposed Transfer to Capital Investment Reserve	- 900	- 1,201				
Balance of surplus/deficit(-) remaining:	0	0	- 300	- 311	- 575	
Balance of General Fund Reserves b/f	3,927	3,927	3,927	3,627	3,316	
Less transfer to/from(-) General Fund Reserves in year			- 300	- 311	- 575	
Forecast Reserves at Year End	3,927	3,927	3,627	3,316	2,741	
Band D Council Tax (Excl Parish Precepts)	£206.60	£210.71	£214.91	£219.19	£223.56	Adverse Favourable
Band D Average Council Tax Increase	£4.99	£4.11	£4.20	£4.28	£4.37	
Band D Average Council Tax Increase	2.48%	1.99%	1.99%	1.99%	1.99%	

DECISION ITEM

REPORT OF	MEETING	DATE	ITEM NO
FINANCE	COUNCIL	10 FEBRUARY 2020	14
MID YEAR PRUDENTIAL INDICATORS AND TREASURY MANAGEMENT MONITORING REPORT 2019/20			

PUBLIC ITEM

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

SUMMARY

This report is a mid-year Prudential Indicators and Treasury Management monitoring report which has been prepared in line with the recommendations of CIPFA's (Chartered Institute of Public Finance Accountants) Code of Practice on Treasury Management. This report was considered and scrutinised by the Audit and Standards Committee at the meeting of the 28th October 2019.

RECOMMENDATIONS

The Audit and Standards Committee considered the Mid-Year Prudential Indicators and Treasury Management monitoring report at its meeting on the 28th October 2019, and recommends to Council:

1. That the Prudential Indicators and the Investment Limits as detailed in Appendix B of the report be approved.

SUMMARY OF PREVIOUS DECISIONS

Council approved the 2018/19 to 2022/23 Capital Strategy, which incorporated the Prudential Indicators, at its meeting on 5th March 2019.

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

MID YEAR PRUDENTIAL INDICATORS AND TREASURY MANAGEMENT MONITORING REPORT 2019/20 – POSITION AS AT 30th SEPTEMBER 2019

Report

The Code of Practice on Treasury Management requires the Council to receive a Mid-Year Treasury Review report in addition to the forward-looking Annual Capital Strategy and the backward-looking Annual Treasury Report. The Code of Practice also requires Members to scrutinise the Treasury Management function.

Background

The Mid-Year Treasury Review report has been prepared in compliance with the Code of Practice. In order to assist with the terminology and explanations that are included within this report Appendix A sets out a Glossary of Treasury Terms and a number of Treasury Management and Prudential Indicators Frequently Asked Questions. Appendix B sets out the latest Treasury Management position compared to the forecast Prudential Indicators.

1. Economic Update

1.1 Economic Background

The year to date has been dominated by uncertainty regarding the planned exit of the United Kingdom from the European Union, which remains a source of considerable concern within the financial markets.

Economic growth slowed at the end of 2018 but was expected to recover at the start of 2019 though remain sluggish throughout the year, with a revised forecast of 1.2% growth for 2019 by the Office for Budget Responsibility (OBR). In reality the UK's Gross Domestic Product (GDP) fell by 0.2% in the second quarter of 2019 compared to the previous quarter, raising concern that the UK economy was heading for recession. However, in October 2019 the Office for National Statistics reported that GDP had risen by 0.3% in the three months to August 2019 which economists have interpreted as indicating that although economic growth remains weak Britain was on track to avoid sliding into the first recession since the financial crisis of 2008.

The Bank of England base rate was increased in August 2018 by 0.25% to 0.75% and has remained at this level during 2019/20.

The July unemployment rate of 3.8% is the lowest level of unemployment since 1975.

1.2 Economic Outlook

The continuing trade tensions between the US and China, combined with tighter monetary policy may be contributing to a slowdown in global economic activity.

For the UK the nature of its relationship with the European Union is regarded as being key to the short-term prospects for the UK economy. This will only become clear once that issue has been resolved. The OBR has forecast GDP growth of 1.4% for 2020 and 1.6% for each year thereafter.

1.3 Interest Rate Forecast

The latest forecast for interest rates from the Council's Treasury Advisors, Arlingclose, is shown in table 1 below. Arlingclose consider that the UK economy still faces a challenging outlook as the country looks to separate itself from the rest of the EU. The weaker external environment severely limits potential upside movement in Bank Rate, while the slowing UK economy will place pressure on the MPC to loosen monetary policy.

Table 1: Interest Rate Forecast from Arlingclose

Quarter Ending	Bank Rate %	Investment Rates %		Borrowing Rates %		
		3 month	1 year	5 year	20 year	50 year
Dec 2019	0.75	0.75	0.85	1.15	1.90	1.95
Mar 2020	0.75	0.75	0.85	1.20	2.00	2.00
Jun 2020	0.75	0.75	0.85	1.25	2.05	2.10
Sep 2020	0.75	0.75	0.85	1.30	2.10	2.10
Dec 2020	0.75	0.75	0.85	1.35	2.10	2.10
Mar 2021	0.75	0.75	0.85	1.35	2.10	2.10
Jun 2021	0.75	0.75	0.85	1.35	2.15	2.15
Sep 2021	0.75	0.75	0.85	1.35	2.20	2.15
Dec 2021	0.75	0.75	0.85	1.35	2.20	2.20
Mar 2022	0.75	0.75	0.85	1.40	2.20	2.20
Jun 2022	0.75	0.75	0.85	1.40	2.20	2.20
Sep 2022	0.75	0.75	0.85	1.40	2.20	2.20
Dec 2022	0.75	0.75	0.85	1.40	2.20	2.20

2. Regulatory Updates

The 2017 Prudential Code includes a requirement for local authorities to produce a Capital Strategy, a summary document approved by full Council covering capital expenditure and financing, treasury management and non-treasury investments. The Authority's Capital Strategy complying with the CIPFA's requirement, was approved by full Council on the 5th March 2019.

3. Debt Management

The Council currently has long-term debt of £1.0m at a rate of 3.91% which is due to be repaid in December 2019. No additional external borrowing has taken place during the current financial year.

The Council's underlying need to borrow is measured by the Capital Financing Requirement (CFR). This increases with new debt-financed capital expenditure and reduces with MRP and capital receipts. The Council has a £5.9m Capital Financing Requirement (the CFR) based on prudential borrowing for capital expenditure that has been approved as part of the Capital Programme. The CFR of £5.9m (See Appendix B Table 2) includes this prudential borrowing. Currently this is being funded by the Council's cash flow, i.e. internal borrowing, and it is expected that internal borrowing will continue to be used for the rest of the financial year in line with advice from the Council's Treasury Advisors.

The use of internal resources in lieu of borrowing, i.e. internal borrowing, has continued to be the most cost effective means of funding capital expenditure. Internal borrowing of £5.9m is being used to fund the Capital Programme in 2019/20. Using internal borrowing lowers the overall treasury risk by reducing both external debt and temporary investments. However, this position may not be sustainable over the longer term. Consequently, external borrowing options and the timing of such borrowing will continue to be assessed in consultation with the Council's Treasury Advisors.

4. Investments

4.1 Treasury Investment Activity

The Council holds significant invested funds, representing income received in advance of expenditure, monies held on behalf of the Council Tax and Business Rates Collection Fund (Lancashire County Council, the Police and Crime Commissioner for Lancashire and Lancashire Combined Fire Authority) plus balances and reserves held.

The Council held £28.9m of investments as at 30th September 2019. The balance of cash is likely to reduce during the remainder of the financial year.

Both the CIPFA Code and government guidance require the Authority to invest its funds prudently, and to have regard to the security and liquidity of its treasury investments before seeking the optimum rate of return, or yield. The Authority's objective when investing money is to strike an appropriate balance between risk or return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income.

Given the increasing risk and low returns from short-term unsecured bank investments, the Authority has continued to invest in Local Authority loans with a maximum duration of 365 days.

The security of capital has remained the Council's main investment objective. This has been maintained by following the Council's counterparty policy as set out in the Investment Strategy for 2019/20 approved by Council on 5th March 2019.

The Council defines "high credit quality" organisations as:

- those having a credit rating of A- or higher and that are domiciled in the UK for deposits of up to one year,
- those domiciled in a foreign country those with a sovereign rating of AA+ or higher for deposits of up to one year,

These criteria are specified within table 3 (Approved Investment Counterparties and limits) of the Treasury Management Strategy as approved by the Council on 5th March 2019.

Deposits have been made at an average rate of 0.81% which exceeds the benchmark return (based on the 7 day LIBID - The London Interbank Bid rate) of 0.59%. The Council's original estimate for investment income for 2019/20 was £91.5k. Income from investments has been higher than the forecast amount due to higher than anticipated cash balances and the increase in the Local Authority loan rates. Consequently this income budget has been reviewed and will be increased to £182.5k to reflect the current level of income, representing an increase in forecast interest earnings for the current year of £91k.

4.2 Readiness for Brexit

The scheduled leave date for the UK to leave the European Union is 31st October 2019 but there remains little certainty as to whether the deal agreed between the British Government and the EU will be approved by the British parliament and there is the possibility that the exit date is pushed back yet again. As the 31st October approaches the Authority will ensure there are enough accounts open at UK-domiciled banks and Money Market Funds to hold sufficient liquidity required in the near term and that its account with the Debt Management Account Deposit Facility (DMADF) remains available for use in an emergency.

4.3 Non-Treasury Investments

The definition of investments in CIPFA's revised Treasury Management Code now covers all the financial assets of the Authority as well as other non-financial assets (i.e. investment properties) which the Authority holds primarily for financial return. This is replicated in MHCLG's Investment Guidance, in which the definition of investments is further broadened to also include all such assets held partially for financial return.

The Authority held £3.194m of such investments in directly owned property as at 31st March 2019. These investments generated £0.227m of investment income for the Authority for 2018/19 after taking account of direct costs, representing a rate of return of 7.1%.

5. Compliance

The Chief Financial Officer reports that all treasury management activities undertaken during the half year complied fully with the CIPFA Code of Practice and the Authority's approved Treasury Management Strategy.

Details of the Prudential Indicators can be found in Appendix B. As changes arise during the year some of the Prudential Indicators and Limits need to be revised.

6. Risk Assessment

Scrutiny of the revised Prudential Indicators and Limits and the subsequent recommendation of approval to the revisions by Audit and Standards Committee to Council helps to protect the Council from the risk of not having adequate liquidity or funding for the Council's capital plans.

Additionally, if this scrutiny process were absent the Council would not be compliant with the Council's approved Treasury Management Practices (as detailed in the Council Constitution) or CIPFA's Code of Practice on Treasury Management.

7. Conclusion

In compliance with the requirements of the CIPFA Code of Practice this report provides members with a summary report of the treasury management activity during the first half of 2019/20. As indicated in this report, none of the Prudential Indicators have been breached and a prudent approach has been taking in relation to investment activity with priority being given to security and liquidity over yield.

IMPLICATIONS	
Finance	Financial implications are contained within the body of the report.
Legal	This report secures the continued compliance with the Council's approved Treasury Management Practices (as detailed in the Council Constitution) and CIPFA's Code of Practice on Treasury Management.
Community Safety	None
Human Rights and Equalities	None
Sustainability and Environmental Impact	None
Health & Safety and Risk Management	None

LEAD AUTHOR	CONTACT DETAILS	DATE
Paul O'Donoghue Chief Financial Officer	01253 658586	January 2020

BACKGROUND PAPERS		
Name of document	Date	Where available for inspection
Medium Term Financial Strategy Update Including General Fund, Capital Programme & Treasury 2018/19 – 2022/23	Council meeting 5th March 2019	www.fylde.gov.uk

Attached documents

1. Appendix A – Glossary of Treasury Terms and Treasury Management and Prudential Indicators Frequently Asked Questions
2. Appendix B – Prudential Indicators
3. Appendix C – Existing Investment and Debt Portfolio Summary

Glossary of Treasury Terms

Term	Description
Counterparty	Another party to an agreement.
Credit rating	A measure of the credit worthiness of an institution, corporation, or a country. Credit ratings are calculated from financial history and current assets and liabilities. Typically, a credit rating tells a lender or investor the probability of the counterparty being able to pay back a loan.
Liquidity	As assessment of how readily available an investment is. It is safer to invest in liquid assets because it is easier for an investor to get their money out of the investment.
Minimum Revenue Provision (MRP)	The minimum amount that the Council must charge to the accounts each year in order to meet the costs of repaying amounts borrowed.
Public Works Loan Board (PWLB)	PWLB is part of HM Treasury and lends money to local authorities.
Security	As assessment of the creditworthiness of a counterparty.
Treasury adviser	External consultancy firms that provide information to local authorities, including information regarding counterparty creditworthiness.
Bail-in	A bail-in takes place before bankruptcy and under current proposals, certain types of depositors would suffer a reduction in the amount of their deposit that would be returned to them whilst other classes of investor would not.
Prudential Borrowing	Borrowing that is not funded via the Revenue Support Grant or other grant aid system but rather from the Council's own resources, this is conditional that prudence is demonstrated.

Treasury Management and Prudential Indicators Frequently Asked Questions

1. What is the difference between capital expenditure and capital financing requirement?

Capital Expenditure is defined as expenditure on the acquisition, creation or enhancement of tangible fixed assets, subject to a de minimis level of £10,000. It includes expenditure on land, buildings and vehicles.

The Capital Financing Requirement (CFR) is the level of total funding that is required to fund the capital programme. The actual level of external borrowing may be lower than the CFR as a consequence of the use of internal borrowing. Internal Borrowing occurs when the Council temporarily uses its own cash resources to finance capital expenditure rather than arranging new external borrowing. This is a prudent approach when investment returns are low and counterparty risk is high.

2. What does the term 'financing' mean?

The term 'financing' does not refer to the payment of cash but the resources that will be applied to ensure that the capital payment amount is dealt with over the longer term. A number of financing options are available to Councils:-

- capital receipts (e.g. sale of land or buildings)
- contribution from revenue expenditure
- capital grant
- contribution from a third party
- borrowing
- contribution from earmarked reserves

3. Does the Council link long term loans to particular capital assets/projects?

The Council does not directly associate loans with particular capital assets/projects, as it is not best practice. The Council will, at any point in time, have a number of cash flows both positive and negative and will be managing its position in terms of its borrowings and investments in accordance with its treasury management strategy and practices. This is best practice in line with the CIPFA Prudential Code.

4. What does the term 'net borrowing should not exceed the total of the CFR' mean?

Net borrowing will remain below the CFR to ensure that the Council is only borrowing for a capital purpose. The Council is permitted to borrow in advance for a capital purpose over the medium term. The term 'total of the CFR' is the CFR of the current year plus increases in the CFR of the previous financial year and next two financial years. In other words, the total of the Council's existing assets, plus additions to assets resulting from forecast Capital Programme expenditure, e.g. vehicles. This gives the Council some headroom to borrow early for a capital purpose in order to secure low interest rates.

5. Is the cash that is being managed in-house revenue or capital?

The short term surplus cash that is managed during the year in house may be revenue or capital, e.g. the Council may receive a capital receipt in April but capital expenditure is incurred throughout the year which gives rise to increased cash balances in the early part of the financial year which is invested short term by the in house treasury team. The Council receives Council Tax which is classed as revenue income. Council Tax income is typically received in the months of April to January as the majority of Council Tax payers make 10 instalments. Therefore, the Council has less cash in the months of February and March and may need to borrow cash short-term in line with the cash flow forecast.

6. What does the Council invest in?

The Council is restricted in where it can invest its surplus funds. The restrictions are prescribed by statute (Local Government Act 2003 section 12(1) (b)). Councils are also required to have regard to supplementary investment guidance provided by the Communities and Local Government.

The Council's investments are typically short term, i.e. less than a year, and are made in sterling with institutions with high credit ratings. This is in accordance with the Treasury Management Strategy approved on the 5th March 2019.

7. What is the role of internal and external auditors in respect of treasury management?

The focus of external auditors work is a Council's annual accounts and the financial management systems and processes that underpin them. The external audit will enquire as to whether the Treasury Management Code has been adopted and whether its principles and recommendations have been implemented and adhered to.

Through a process of review, the role of Internal Audit is to provide an opinion of the adequacy, application and reliability of the key internal controls put in place by management to ensure that the identified risks are sufficiently mitigated. This will assist Treasury Management in meeting its desired objectives and help to ensure that the risk of fraud and/or error is minimised. Internal Audit will also look to identify other areas of potential risk which could usefully be included as well as any inefficiencies in existing processes and procedures where improvements can be made. Treasury Management is one of the core financial systems and as such is audited on a cyclical basis.

8. What are the qualifications of Council staff involved in treasury management practices?

Staff are either working towards or have achieved professional accountancy qualifications from CIPFA (Chartered Institute of Public Finance Accountants), ACCA (Association of Chartered Certified Accountants) or CIMA (Chartered Institute of Management Accountants). Staff work closely with the Council's Treasury Management Advisors and attend regular treasury training and updates (provided by the Treasury Management Advisors).

Prudential Indicators

1.1 Capital Expenditure

Table 1 shows the revised forecast capital expenditure as reported in the latest Capital Programme Monitoring Report 2019/20 as compared to the capital expenditure originally approved by Council.

Table 1: Forecast Capital Expenditure

Forecast Capital Expenditure	2019/20 Original Indicator £M	2019/20 Latest Estimate £M
Total	12.03	17.5

The above table shows the forecast capital expenditure for 2019/20. The increase in the latest estimate is a consequence of slippage from 2018/19 into 2019/20, re-phasing of a number of schemes (including the Fairhaven Lake and Promenade Gardens Restoration Scheme and M55 Link Road) and new schemes approved since the Budget Council meeting of March 2019.

1.2 Capital Financing Requirement (CFR)

Table 2 shows the CFR which is the total of all of the Council's capital assets (existing and planned) less all of the Council's capital reserves. This is the amount of capital expenditure that the Council has still to finance. The CFR is normally funded by external borrowing but currently is being funded by the Council's cash flow, i.e. internal borrowing, and it is expected that internal borrowing will continue to be used for the rest of the financial year in line with advice from the Council's Treasury Advisors. The Council has existing borrowing of £1.0m which is due to be repaid in December 2019 and therefore there is a requirement to finance £5.9m from internal cash resources.

Table 2: Capital Financing Requirement (CFR)

	2019/20 Original Indicator £M	2019/20 Latest Estimate £M
Total CFR	5.9	5.9

The latest estimate of the CFR is in line with the original approved indicator.

1.3 Gross Debt and Capital Finance Requirement

The Council needs to ensure that its total capital borrowing does not, except in the short term, exceed the total of the CFR. Table 3 below shows that the Council will be able to comply with this requirement.

There are no difficulties anticipated in keeping the long term capital borrowing below the CFR.

Table 3: Gross Debt and Capital Finance Requirement

As at 31/03/2020	2019/20 Original Indicator £M	2019/20 Latest Estimate £M
Estimated Long Term Borrowing	0	0
Capital Financing Requirement	5.9	5.9

The Council is forecast to be able to fund the capital borrowing requirement with internal borrowing and does not expect to require new external borrowing during 2019/20, in line with advice from Treasury Advisors.

1.4 Authorised Limit and Operational Boundary for External Debt

Affordable Borrowing Limit: The Council is legally obliged to set an affordable borrowing limit (also termed 'Authorised Limit' for external debt) each year. In line with statutory guidance, a lower 'Operational Boundary' is also required to be set as a warning level should debt approach the limit. This is detailed in table 4.

The Operational Boundary is based on the maximum external debt during the course of the year. It is not a limit and therefore may be exceeded on occasion.

The Authorised Limit for external debt represents the limit beyond which borrowing is prohibited, and is set and revised by Council. It reflects the level of borrowing which, in extreme circumstances, could be afforded in the short term. This is a statutory limit which should not be breached.

There were no breaches to the Authorised Limit and the Operational Boundary to 30th September 2019.

Table 4: Authorised Limit and Operational Boundary for External Debt

	2019/20 Original Indicator £M	2019/20 Latest Estimate £M
Authorised Limit – total external debt	9.0	7.0
Operational boundary	3.0	1.0

Note

1. The Authorised Limit and Operational Boundary have reduced as a consequence of there being no requirement to borrow in the short-term for day to day cash flow. The Council is able to fund the capital borrowing requirement with internal borrowing and does not expect to require new external borrowing during 2019/20.

2. The Authorised Limit includes £6.0m for 'contingency' which is an amount that has been estimated to provide scope to undertake short-term borrowing in the event of a service delivery failure or emergency, e.g. a failure to collect council tax income.

1.5 Forecast Treasury Position

Table 5 shows the expected balances for investments and debt at 31st March 2020.

Table 5: Forecast Treasury Position

	2019/20 Estimate £M	2019/20 Revised £M
Debt (Long-Term External Borrowing)	0	0
Investments	11.0	19.2

The Council has not undertaken any new external long-term borrowing as it is funding capital expenditure with internal borrowing (see Section 3 of the report).

The forecast investments position has been updated to reflect the latest changes to the movements in reserves, provisions and capital expenditure. The increase in the level of investments at the 31st March from £11.0m to £19.2m is a consequence of the forecast timing of daily cash flows.

1.6 Proportion of Financing Costs to Net Revenue Stream

This indicator identifies the trend in the financing cost (interest payable less interest receivable) as a percentage of the net revenue stream as shown in Table 6.

Table 6: Ratio of Financing Costs to Net Revenue Stream

	2019/20 Estimate £M	2019/20 Revised £M
Financing costs (£m)	0.788	0.674
Proportion of net revenue stream	7.0%	6.0%

Financing costs are based on the amount of interest payable and receivable as a percentage of the total net revenue stream of the Council. The latest estimate is lower than the original estimate due to an improved return on investment income and reduction in minimum revenue provision (MRP).

1.7 Investments over 365 days

This limit is set to ensure adequate liquidity and is the maximum amount of funds the Council will invest longer term.

Table 7: Investments over 365 days

	2019/20 Estimate £M	2019/20 Revised £M
Limit for investments over 365 days	5.0	0

Existing Investment & Debt Portfolio Position at 30.09.19

	30.09.19 Actual Portfolio £m	30.09.19 Average Rate %
External Borrowing:		
Public Works Loan Board	1.0	3.91
Total External Borrowing	1.0	
Treasury investments:		
<u>Short Term</u>		
Banks - unsecured	(3.9)	0.53
Local Authorities	(19.0)	0.88
Money Market Funds	(6.0)	0.70
Total Treasury Investments	(28.9)	
Net Borrowing / (Lending)	(27.9)	

DECISION ITEM

REPORT OF	MEETING	DATE	ITEM NO
RESOURCES DIRECTORATE	COUNCIL	10 FEBRUARY 2020	15
HIGHWAYS AND TRANSPORTATION LIAISON GROUP			

PUBLIC ITEM

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

SUMMARY

At its meeting on 13 November 2019, the Planning Committee recommended that the newly established Highways and Transportation Liaison Group (to be established with Lancashire County Council) be included on the list of Outside Bodies for Fylde Council, and that Councillors Chris Dixon, Liz Oades and Stan Trudgill be nominated to represent Fylde Council at meetings of the group.

The purpose of the group is to ensure effective communication between Lancashire County Council and Fylde Council on both policy and operational matters relating to highways and transportation.

RECOMMENDATIONS

1. To approve the recommendation of the Planning Committee that the Highways and Transportation Liaison Group be added to the approved list of Outside Bodies for Fylde Council;
2. To approve the nomination of Councillors Chris Dixon, Liz Oades and Stan Trudgill, (as recommended by the by the Planning Committee), to represent the Council on the Highways and Transportation Liaison Group.

SUMMARY OF PREVIOUS DECISIONS

Planning Committee 13 November 2019

Establishment of a Highways and Transportation Liaison Group

Further to the decision of the Planning Committee at its meeting on 12 June 2019, to establish a Highways and Transportation Liaison Group it was RESOLVED:

1. That Councillors Chris Dixon, Liz Oades and Stan Trudgill be nominated to represent Fylde Council, as necessary, at meetings of a Highway and Transportation Liaison Group (to be established with Lancashire County Council) in order to ensure highways and transportation issues are reflected in planning policy and decisions made by Fylde Council.
2. That the Highway and Transportation Liaison Group be classified as an Outside Body with a subsequent report being made to Council to endorse the 3 appointments recommended by the Planning Committee for the municipal year 2019/20.

Planning Committee 12 June 2019

Appointments to Outside Bodies/ Working Groups

Following consideration of this matter it was RESOLVED:

3. To request that a report be presented at a future meeting of the committee on the feasibility of establishing an additional working group (similar to the Planning Education Liaison Group) on highway related matters

CORPORATE PRIORITIES

Spending your money in the most efficient way to achieve excellent services (**Value for Money**)

✓

Delivering the services that customers expect of an excellent council (Clean and Green)	
Working with all partners (Vibrant Economy)	√
To make sure Fylde continues to be one of the most desirable places to live (A Great Place to Live)	√
Promoting Fylde as a great destination to visit (A Great Place to Visit)	√

REPORT

1. The Council makes a number of appointments to outside bodies in each municipal year, usually at the last ordinary meeting of the municipal year.
2. Where appointments change, or new outside bodies arise, outside of the normal cycle, nominations are still sought from the parent committee and ratified by the Full Council.
3. At its meeting on 13 November 2019, the Planning Committee, recommended the inclusion of the Highways and Transportation Liaison Group on the list of Outside Bodies for Fylde Council. The committee also recommended that Councillors Chris Dixon, Liz Oades and Stan Trudgill be nominated as the Council's representatives to the Group.
4. The Group would be attended by relevant officers and members of both Fylde Council and Lancashire County Council in order to discuss policy development and operational matters relating to highways and transportation. It is intended that the group will meet as and when required.
5. The current protocol is that members are required to produce regular reports about the outside bodies on which they serve, usually every six months. It is the intention that this information will be made available to the Planning Committee members.

IMPLICATIONS	
Finance	None arising from this report.
Legal	None arising from this report.
Community Safety	None arising from this report.
Human Rights and Equalities	None arising from this report.
Sustainability and Environmental Impact	None arising from this report.
Health & Safety and Risk Management	None arising from this report.

LEAD AUTHOR	CONTACT DETAILS	DATE
Democracy	democracy@fylde.gov.uk Tel 01253 658546	30/01/20

BACKGROUND PAPERS		
Name of document	Date	Where available for inspection
Planning Committee	13 November 2020 12 June 2019	Council Website

INFORMATION ITEM

REPORT OF	MEETING	DATE	ITEM NO
OFFICE OF THE CHIEF EXECUTIVE	COUNCIL	10 FEBRUARY 2020	15
THE CORPORATE PLAN 2020-2024			

PUBLIC ITEM

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

SUMMARY OF INFORMATION

The draft of the emerging Corporate Plan 2020-2024 can be accessed using the link included in this report. The Corporate Plan outlines the key strategic objectives and aims of the council for the period 2020-2024. The plan is renewed every four years with annual progress reports and reviews, the strategic objectives and aims in the plan inform the operational business plans for each service area.

This is the first draft of the 2020-2024 plan that is currently subject to consultation feedback from all stakeholders. The draft plan is available on the council web site with details on how to provide feedback. The draft plan considers the statutory responsibilities of the council focusing on the strategic initiatives that are pertinent to Fylde which are additional to the day to day operation of the council. The Plan takes into consideration emerging legislation, policy and changes in resources and responsibilities and is informed by partners, elected members and external organisations.

The Corporate Plan is a key strategic document that forms part of the Council's budget and policy framework. The plan is presented as a one page 'poster' that presents the longer-term objectives and the key actions / commitments that will be delivered to achieve the objectives. The plan is part of the performance management framework linking with the Directorate Service Plans developed each year which include more detail on actions required to deliver the strategic objectives.

The current Corporate Plan comes to its conclusion on 1st April 2020. For the new Corporate Plan 2020-24, a consultation period will be held externally from 2nd January 2020 to 17th February 2020 allowing for partnership and public feedback. Members can also submit comments, suggestions or feedback by emailing alex.scrivens@fylde.gov.uk or using the online facility on the website that all stakeholders have access to. The consultation will be promoted via Social Media and a press release produced for the local press. The final draft of the Corporate Plan 2020-2024 will be presented to Full Council on April 20th, 2020.

SOURCE OF INFORMATION

- Current legislation in all service areas
- Local Government Association guidance
- District Council Network advice, initiatives and projects
- Directorate Service Plans
- Partner consultation, research and feedback
- Medium Term Financial Forecast
- Resident Survey and other customer feedback

LINK TO INFORMATION

Appendix 1: Corporate Plan 2020-24 DRAFT 271119

Appendix 2: [Corporate Plan 2020-24 Consultation LINK](#)

WHY IS THIS INFORMATION BEING GIVEN TO THE COMMITTEE?

The information is being included on the agenda of every committee in the January 2020 cycle of meetings to ensure that all elected members are aware of the opportunity to provide comment, suggestion, feedback and ideas as well as seek clarification on the emerging Corporate Plan 2020-2024.

FURTHER INFORMATION

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DRAFT: CORPORATE PLAN 2020/24

Economy

Environment

Efficiency

Tourism

AMBITIONS

To create a vibrant and healthy economy we will:

- Develop & deliver Master Plans for the town centres
- Support and promote appropriate development
- Facilitate improved transport infrastructure and connectivity
- Maximise the use of all council owned assets
- Work with partners to attract new employment and create vibrant economic communities
- Retain and enhance the identity of our local communities

To deliver services customers expect we will:

- Reduce the use of plastics & increase recycling
- Enhance the natural environment
- Improve coast and countryside accessibility
- Address anti-social behaviour
- Create clean, safe and healthy communities
- Provide high quality parks and open spaces
- Provide safe, clean and accessible coast and countryside facilities
- Provide coastal defences and drainage infrastructure to protect against flooding
- Implement energy efficient initiatives

By spending money in the most efficient way we will:

- Keep council tax as low as possible whilst delivering first class services
- Adopt a 'Customer First Attitude'
- Actively seek feedback to improve service delivery
- Apply technology to deliver services in the most efficient way possible
- Continuously review every service to meet changing customer expectation
- Champion and enhance the reputation of the council
- Keep customers informed through open and transparent communication

To create a great place to live and visit we will:

- Provide high quality leisure, tourism, arts, sports and recreation facilities
- Deliver and support a diverse programme of events across the Fylde coast and countryside
- Develop and promote unique destination points across the coast and countryside
- Maintain public swimming provision
- Provide parking solutions that meet the needs of residents, workers and visitors
- Support and facilitate heritage and arts

ACTIONS

- Develop policy to protect the character of communities i.e. heritage assets, listed features, town centre markets
- Implement means of influencing legislation for leasehold arrangements on residential dwellings
- Work with partners to deliver the M55 Link Road and other transport infrastructure i.e. rural bus routes
- Deliver enough housing of appropriate type, tenure, design, density and mix to meet local need
- Work with partners in town centres to:
 - increase shopping footfall and the retail offer
 - encourage activity after 6pm
 - implement a zero-tolerance litter policy
 - provide car parking to attract customers
- Consult with interested parties and agree the future use of Lytham Institute in accordance with the terms of the Trust
- Develop the Enterprise Zone through the Fylde Coast partnership attracting employment and new industry
- Support the regeneration of our towns and villages
- Deliver next phase of St Anne's regeneration
- Deliver Kirkham High Street regeneration project
- Progress Lytham regeneration programme
- Apply the Commercial Strategy to council assets and future investment to secure best value
- Work with local business and partners to improve town centre shopping experiences and markets
- Explore opportunities for income generation from use of natural assets i.e. location filming, event hire
- Channel business rates funding opportunities to economic development.
- Review leases and Service Level Agreements

- Implement carbon reduction policies including: plastics reduction, tree planting, energy efficiency and recycling
- Design education and awareness programmes to support carbon reduction policies and actions
- Work with partners to deliver the carbon reduction policy actions i.e. reduce, re-use, recycle, tree planting
- Identify priority locations for tree planting to include numbers and types of trees
- Develop coast & countryside walks and pathways, improving signage and incorporating ranger events
- Educate and enforce to prevent littering, fly tipping, illegal signage, dog fouling and anti-social activity
- Develop the cemetery & crematorium project to address parking, green energy efficiency and long-term expansion
- Work with partners on flood prevention measures and drainage infrastructure to protect properties
- Engage with partners on health & wellbeing issues in the community and assist residents with accessing support
- Further reduce the number of empty homes and encourage the development of quality energy efficient affordable homes to rent or buy
- Create and maintain high quality parks and open spaces working with volunteer groups to achieve Green Flags
- Maintain our seaside award and work toward Blue Flag status
- Explore opportunities to introduce electric car charging points
- Proactively enforce against illegal encampments
- Deliver a regeneration programme for St Anne's coastal strip including sea defences
- Deliver public realm and drainage infrastructure to enhance rural areas

- Implement measures to seek grant funding, sponsorship, advertising and partnership working
- Explore income generating opportunities and maximise return from assets in line with the commercial policy
- Develop innovative ways of using signage, including advertising, use of digital screens to communicate with customers
- Promote the resident's car parking permit and simplify the offer
- Provide access to council services through all possible means with particular focus on the most vulnerable
- Enable customers to provide feedback on service at the point of delivery and use it to improve the service
- Review all emergency plans and incorporate measures for responding to incidents
- Use bin stickers and vehicles to promote council services
- Review the Public Space Protection Orders as means of enforcement
- Implement a code of conduct scheme for professional / multiple dog walkers
- Implement the signage strategy to create greater awareness of what is available, how we perform and enhance our reputation
- Support the Boundary Commission with the review of Fylde for 2023
- Review bus shelter provision and maintenance including income generating opportunities
- Implement new toilet provision at locations based on demand and investigate income opportunities

- Deliver an events programme that covers the coast and countryside including:
 - Strengthening our existing events
 - Investigating new opportunities
 - Marketing and promoting events
 - Supporting galas, club days and carnivals
- Represent the council on Lowther Trust ensuring the purpose of the Trust is achieved and the council's interests are protected
- Deliver the Fairhaven Lake project to include:
 - Completing the HLF bid
 - Introduce Adventure Golf and other activities
 - Improve facilities i.e. café, car parking, kiosk
- Promote the Parks Development approach to partnerships across the Borough on parks and open space
- Work in partnership with Lytham Hall to enhance and preserve the Grade 1 listed asset
- Pursue registration of LSA art collection and options available for display with partners
- Work with LCC to develop car parking options for the coastal promenades and manage overnight parking provision
- Develop leisure offer along the coast to cater for residents and visitors all year round eg, pier, Island, Fairhaven
- Review motor home parking provision