



Agenda

Finance and Democracy Committee

Date:	Monday, 21 November 2022 at 6:30 pm
Venue:	Town Hall, St Annes, FY8 1LW
Committee members:	<p>Councillor Karen Buckley (Chairman) Councillor Vince Settle (Vice-Chairman)</p> <p>Councillors Peter Anthony, Peter Collins, Ellie Gaunt, Linda Nulty, Liz Oades, David O'Rourke, Richard Redcliffe, Elaine Silverwood, John Singleton JP, Michael Withers.</p>

Public Platform

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

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

	PROCEDURAL ITEMS:	PAGE
1	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 meeting held on 28 September 2022 as a correct record.	1
3	Substitute Members: Details of any substitute members notified in accordance with council procedure rule 23(c).	1
	DECISION ITEMS:	
4	Medium Term Financial Strategy - Financial Forecast Update (Including Revenue, Capital & Treasury Management) 2022/23 to 2026/27	3-28
5	Council Tax Reduction Scheme 2023/24	To Follow
6	New Homes Bonus: Provision of Grants to Town and Parish Councils 2023/24 and Future Years	30-40
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Contact: democracy@fylde.gov.uk

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

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DECISION ITEM

REPORT OF	MEETING	DATE	ITEM NO
CHIEF FINANCIAL OFFICER	FINANCE AND DEMOCRACY COMMITTEE	21 st NOVEMBER 2022	4
MEDIUM TERM FINANCIAL STRATEGY - FINANCIAL FORECAST UPDATE (INCLUDING REVENUE, CAPITAL & TREASURY MANAGEMENT) 2022/23 TO 2026/27			

PUBLIC ITEM

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

SUMMARY

The report provides Members with an update of the Council's Medium Term Financial Strategy and financial forecast for the five years 2022/23 to 2026/27. It includes changes arising since the Budget was set by Council in March 2022.

RECOMMENDATIONS

The Committee is recommended: to note the implications of this updated financial forecast, and to also note that this report will be presented to the Council meeting on 5th December 2022.

SUMMARY OF PREVIOUS DECISIONS

The Council set its budget for 2022/23 at its meeting of 3rd March 2022. This report provides Members with an update of the financial position of the Council, including changes since that date.

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

REPORT

1. PURPOSE OF THE FINANCIAL FORECAST UPDATE

- 1.1 This report is the mid-year and preliminary forecast of the Council's financial position and takes account of latest reserve balances, revenue and capital spending forecasts and treasury management issues. It also identifies and updates the financial risks and challenges facing the Council. The assumptions set out in this forecast are the latest best estimates and will be updated as and when further information becomes available.
- 1.2 This latest financial forecast update is designed to:
- Present an updated five-year financial forecast for revenue and capital spending based upon the best information available at the time;
 - 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.

2. BACKGROUND TO THE FORECAST

- 2.1 In order to 'scene set', the current financial position of the Council is summarised for Members as follows:

(i) Original Budget 2022/23

At the Council meeting on the 3rd March 2022 the budget for 2022/23 and the medium term financial forecast were agreed. The resolution included a 1.99% increase in the average Council Tax amounts and a total net budget requirement of £11.429m for 2022/23. The General Fund balance at that time was forecast at the end of 2025/26 to be £1.651m. In agreeing the Original Budget for 2022/23 a number of key high level financial risks and assumptions were highlighted in the MTFS budget report.

(ii) General Fund Revenue Outturn Position 2021/22

The revenue outturn position for 2021/22 was reported to Members in July 2022. The impact of the outturn position, including slippage items in the total sum of £0.485m, has been reflected in this updated forecast.

The favourable outturn position for revenue allowed for a total contribution of £1.715m to be made into the Capital Investment Reserve.

(iii) Covid-19 Impact

In the weeks following the setting of the budget for 2020/21 the impact of the Covid-19 outbreak became increasingly apparent and resulted in a series of both national and local lockdowns which were unprecedented and had a substantial impact on both the national and the local economy. Consequently, 2020/21, and to a lesser extent 2021/12 were dominated by the impacts of the pandemic. In response the Council played a significant role in delivering a range of support measures to the community which since the start of the pandemic have included: the provision of a substantial package of support grants to businesses; support for clinically extremely vulnerable

residents; support for Council Tax-payers (including the processing of payments to those required to self-isolate); the inspection of premises to ensure compliance with covid restriction measure; support to the Community Hub (including the provision and delivery of food parcels to residents forced to self-isolate or 'shield'); supporting the programme of track and trace; and support in the delivery of the vaccination programme. The majority of this work has been delivered by existing Council employees who have necessarily been diverted from the "day job" to prioritise the response to the pandemic, and as a result there has been consequential impacts on some of the planned work which would otherwise have been carried out.

In acknowledgement of the significant impacts the pandemic has had on the local government sector, central government introduced a range of national funding measures that assist in off-setting some of those negative financial effects to support councils in continuing to deliver services and support the national response. Fylde Council was allocated general covid support grant funding for 2020/21 totalling £1.151m and £0.392m for 2021/22, and a range of further grant allocations for specific purposes. In addition, a scheme to compensate councils for reduced sales, fees and charges income was introduced for the whole of 2020/21 and was subsequently extended into 2021/22.

The financial impact of the pandemic, in terms of reduced levels of income and the cost of providing services, together with the financial support provided by the government continues to be carefully monitored and reflected in the updated financial forecast included within Appendix E of this report.

(iv) Budget Right-sizing Exercise

During the autumn each year officers undertake a budget right-sizing exercise to identify any in-year budget variances and any future budget adjustments that might be appropriate. The exercise includes an analysis of underspends which have occurred over the last 3 financial years in order to identify structural variances and trends in income and expenditure levels. This has become part of the annual budget process. As a result, a number of budget adjustments are included within Appendix Ci of this report under the heading 'Budget Rightsizing'. The efficiencies and savings captured by the right-sizing exercise are a combination of one-year-only and recurring savings. It is anticipated that in future years the level of efficiencies and savings that are achievable through the right-sizing exercise will be more limited.

(v) Capital Outturn Position 2021/22

The latest approved expenditure budget in the capital programme for 2021/22 was £8.729m. After adjusting for slippage of £3.544m, the overall outturn position for 2021/22 was an in-year favourable variance of £0.021m against the latest updated estimate. The capital programme has been updated to reflect scheme re-phasing approved as part of the outturn report.

(vi) General Fund Revenue Quarterly Budget Monitoring 2022/23

Revenue budget monitoring reports for the period to 30th September 2022 have been presented to each of the Programme Committees during the November cycle of meetings and are included later on the agenda for this meeting as information items. These reports identified a number of budget areas for further consideration. As a result, a number of changes have already been included in this latest forecast update report. These include revised fee income estimates and the latest estimate of employee costs.

3. THE GENERAL FUND REVENUE FORECAST

- 3.1 Appendix A of this report sets out the original revenue budget forecast as agreed at the Budget Council meeting on 3rd March 2022.
- 3.2 Appendix B shows the general assumptions underpinning the base forecast, whilst Appendix Ci shows the financial impact of changes to general assumptions and the impact of other significant changes that have been identified since the budget was approved, including the impact of outturn 2021/22 and the budget right-sizing exercise. Appendix D sets out the narrative which explain the significant changes made to the forecast.

The impact of these changes is summarised in Appendix E which summarises the latest updated financial forecast for the council. The forecast needs to be considered carefully in the light of the identified risks which cannot be fully quantified at this time but may have an impact on the forecast at some future point.

The following items have been considered as part of this update:

- 3.3 Business Rates: Membership of the Lancashire Business Rates Pool 2023/24 and Future Year Income Estimates

Fylde Council has been part of the Lancashire Business Rate Pool since 2017/18. This is an arrangement whereby participant authorities are able to retain locally a larger share of business rate growth above a pre-determined 'baseline' rather than pay 50% of the growth to central government as a 'levy'.

In 2018 the government announced plans to introduce '75% Business Rate Retention' for all authorities with effect from 2020/21 (as opposed to the existing '50% Business Rate retention' arrangements). As part of the development of these revised arrangements the government invited bids from existing Business Rate Pools to act as 'pilots' for the proposed scheme. An analysis of the impact of the 'pilot' scheme arrangements for the Lancashire Business Rates Pool indicated that a significant net beneficial impact would result across Lancashire authorities. Consequently, the Lancashire pool applied for inclusion in the pilot scheme and was subsequently accepted as a participant for 2019/20.

The implementation of the '75% Business Rate Retention' scheme is closely linked to the Fair Funding Review which has been delayed since first proposed in 2019/20. Section 4 below provides further details.

As a result of the delay to the review, there has been a reversion to the arrangements that were in place prior to the 'pilot' scheme i.e. that the Lancashire Business Rate Pool continued to operate but without the benefit of the '75% pilot' arrangements.

Although there remains a degree of uncertainty at this stage, it is currently anticipated that the business rate regime that operates for 2023/24 will be a continuation of the arrangements for the current year. Consequently, each of the existing Lancashire pool members have indicated their support for a continuation of the pool for 2023/24.

However, as the nature of the Business Rate regime for 2023/24 is uncertain, it may be that following the announcement of the provisional Local Government Finance Settlement, due to be announced in late 2022, a pool member may find themselves disadvantaged by the proposed 2023/24 Business Rate arrangements. It is open to each pool member to decide to withdraw from the pool within 28 days of the provisional Settlement. If any Lancashire pool member were to decide to withdraw from the pool for 2023/24 the pool would effectively be dissolved, and pooling would not be possible for Lancashire for 2023/24.

Based upon the assumption that the business rate regime that operates for 2023/24 will be a continuation of the arrangements for the current year, the latest in-year monitoring and

future years modelling suggests that continued participation in a Lancashire Business Rate Pool for 2023/24 would be financially beneficial to Fylde Council, and as such we have indicated our intention to remain in the pool alongside all other pool members. The Financial Forecast has therefore been updated to reflect the estimated pooling benefit for 2023/24, albeit that this is subject to change depending on the outcome of the Local Government Finance settlement.

3.4 Pay and Price Increase Pressures

There are a number of cost pressures which impact on the cost base of the council, including:

Pay award: The employee pay award for the current year has recently been agreed at a £1,925 flat rate increase on each spinal column point on the pay scale, which equates to approximately 6.5% on the pay bill, including oncosts. This is significantly in excess of the budget provision for 2.75% for the current year. The forecast has been updated to reflect the agreed settlement. Budget provision for 2.75% pay award is included for each future year throughout the forecast.

Health and Social Care NI contribution: Following the government's announcement in September regarding the cancellation of the additional health and social care NI contributions of 1.25% from November 2022, the forecast has been updated to reflect the anticipated saving from this reduction in employer contributions.

Price Inflation: Provision for inflation has been included within the forecast where it is considered to be a contractual obligation and where known inflationary pressures exist, for example utility costs. Wherever possible inflationary pressures are sought to be contained within existing budget provision. Further details on inflation are included in section 5.

3.5 Estimated Transfers to Earmarked Reserves

The MTFS report presented at the Budget Council meeting of 3rd March 2022 estimated transfers into the Capital Investment Reserve in 2021/22 and 2022/23 equivalent to the balance of the revenue surplus for those years (after allowing for all approved transfers to other reserves), estimated at that time to be £1.486m for 2021/22 and £0.428m for 2022/23.

Following a favourable outturn position for 2021/22 and a review of the budget position for 2022/23 as part of the preparation of this financial forecast update, including the identification of additional income and expenditure for the year and the outcome of the budget right-sizing exercise, the revised forecast revenue surplus for 2022/23, currently stands at £0.568m as detailed at Appendix E. The budgeted transfer into the Capital Investment Reserve has been amended to reflect this latest position.

4. **CENTRAL GOVERNMENT FUNDING, THE NATIONAL ECONOMIC POSITION AND THE LOCAL GOVERNMENT SPENDING REVIEW**

4.1 **Autumn Budget and Spending Review**

On 27th October 2021 the then Chancellor, Rishi Sunak, delivered the Autumn Budget and Spending Review which outlined the Government's spending plans for the three years period 2022/23 to 2024/25 by setting budgets for each central government department. [The full set of documents is available on the Treasury website here.](#)

Included in the announcement was the headline that the government was providing councils with £1.6 billion of new grant funding in each of the 3 years from 2022/23 to 2024/25 for social care and other services. This funding ensures that “Core Spending Power” for local authorities is estimated to increase by an average of 3% in real terms each year over the 3 year Spending Review period. It should be noted that the “Core Spending Power” measure assumes that councils maximise council tax increases to take the full benefit of the increased spending power.

Whilst the headlines from the Spending Review were encouraging for the overall level of funding for the local government sector as a whole, it is possible that the detailed Local Government Finance Settlements for each of the 3 years, which are usually announced in December each year, include a re-assessment of relative need and the re-distribution of funding between upper-tier and lower-tier authorities within the local government family, or that key funding streams mechanisms are reformed in a way that adversely affects individual authorities.

Since the 3 year Spending Review was announced in Autumn last year there has been significant turbulence and uncertainty in the national financial and economic outlook, and significant turbulence in the national political landscape.

The mini budget and its impact

As Chancellor, Kwasi Kwarteng, presented a mini budget on 23 September 2022. He announced significant tax cuts that would reduce Treasury revenues by around £45 billion in 2026/27. He also launched the Growth Plan 2022. The mini budget didn’t set out a wider plan for the public finances, nor were economic forecasts from the OBR requested for it. A medium-term fiscal plan was promised in “due course”.

Financial markets reacted negatively to the mini budget and have been turbulent since. The rate at which investors will lend to the Government is higher than it was before the mini budget. Kwasi Kwarteng was replaced as Chancellor by Jeremy Hunt on 14th October. By the 17th October, most of the mini budget’s tax cuts had been reversed by the new Chancellor to “provide confidence in the government’s commitment to fiscal discipline”.

The medium-term fiscal plan

Subsequently, a date of 17th November was announced for an updated “Medium-term Fiscal Plan”. It is likely that the medium-term fiscal plan may change some of the existing targets for the public finances, which were formally set in January 2022 following last year’s autumn statement. The economic situation has worsened since the OBR last produced a forecast – largely due to Russia’s invasion of Ukraine and soaring inflation. Some of the tax cuts from the mini budget also remain.

The Chancellor has said recently that the medium-term fiscal plan will require decisions of “eye-watering difficulty”, both on spending and taxes. Government departments are drawing up ways to cut spending. The Chancellor says that he is “not taking anything off the table, whether that means tax increases or spending reductions”.

Economic Situation

To try and bring inflation down to its 2% target, the Bank of England has raised interest rates from 0.1% in December 2021 to the current level of 3%. Further increases are likely. In reaction to the mini budget, financial markets lifted their expectations for the peak in

interest rates to rise above 6% at one stage, before easing recently to around 5%. Economists generally expect official rates to reach at least 4%.

The squeeze on household incomes from high inflation and rising interest rates has led to steep falls in consumer confidence. Prospects for consumer spending, a key driver of economic growth, are therefore weak.

The medium-term fiscal plan seems likely to lead to lower public spending and/or tax rises in order to reduce the national budget deficit. Unusually, this tightening of fiscal policy will occur at the same time as rising interest rates. The combined effect will act as a drag on economic growth over the short term.

Local Government Finance Settlement

In previous years detailed funding allocations for local government have only been published the week before Christmas and there has been no indication that the timescale will be different this year.

Integral to the settlement are the following key income streams which provide a significant element of Fylde Council's core funding:

4.2 Retained Business Rates

The government had previously announced a reform to the Business Rates system due to be implemented for all authorities in 2020/21 as part of a Fair Funding Review into overall funding arrangements for Local Government. This was delayed from 2019/20 due to Brexit, and again from 2020/21 due to the Covid-19 pandemic. It is currently uncertain when this review and the reform to the Business Rates system will take place. A fundamental element of the proposed reforms is a "reset" of the business rate "baseline" for each local authority against which any growth and business rate retention can be measured. Fylde council has benefitted significantly from retained growth against the existing baseline, and there is a risk that the amount of Business Rate income retained by Fylde Council in future years will be at a lower level.

As detailed in paragraph 3.3 above, the financial forecast has been updated for 2023/24 to reflect an expected benefit from the continuation of pooling into 2023/24, followed by an estimated reduced level of business rate income from 2024/25 onwards at a level that is closer to the existing baseline level in anticipation of a potential reduction. This will be reviewed as part of the next Financial Forecast update and future estimates of business rate income will be updated when more information is known.

4.3 New Homes Bonus (NHB)

During 2021/22 the [government consulted on the future of the national New Homes Bonus scheme](#) with the consultation indicating the possibility of changes to the existing arrangements. The outcome of the consultation is yet to be published. It is conceivable that NHB funding for 2023/24 will be restricted to the legacy payments in respect of previous years; or that there will be no NHB funding whatsoever to local authorities in 2023/24; or that there will be a further single-year allocation for 2023/24.

The Financial Forecast summary at Appendix E assumes a reduced level of New Homes Bonus for 2023/24 onwards based upon the confirmed allocation for the current year and a 5% reduction per annum in future years.

Once the outcome of the consultation and an updated scheme design is announced the estimated grant receipts from the scheme will be updated in the financial forecast.

No allocation of New Homes Bonus grant to town and parish councils for 2023/24 has been assumed in this update. Following consideration of this issue by the Finance and Democracy Committee at the November meeting of the committee, any changes necessary to the forecast will be reflected in future updates.

- 4.4 Once full details of council-by-council funding allocations are announced as part of the Local Government Finance Settlement an updated financial forecast will be prepared and presented to Members.

5. KEY AREAS OF FINANCIAL RISK TO THE GENERAL FUND REVENUE BUDGET FORECAST.

- 5.1 In considering this forecast Members should note that there are a number of significant risks. In assessing each risk, the following broad principles have been considered:

High Level Financial Impact Risk

- Potentially a significant sum, with the potential for impact over a number of years
- Relatively little mitigation available to spread or defer the impact
- The possibility of a significant financial impact on the council if the risk materialises
- Probable need for change to the forecast if it materialises

Medium Level Financial Impact Risk

- Potentially a large sum, with the potential for impact over a number of years
- Some mitigation may be possible to spread or defer the impact
- The possibility of a sizeable financial impact on the council if the risk materialises
- Possible need for change to the forecast if it materialises

Low Level Financial Impact Risk

- Potentially a less significant sum
- Some mitigation may be possible to spread or defer the impact
- Impact should be capable of being absorbed without major forecast changes

5.2 High Level Financial Impact Risks – Revenue Budget

(i) Future Central Government Funding

As detailed in Section 4 of this report there is a clear risk that the actual levels of central government funding beyond the current year may differ from the amounts for those years that are reflected within the updated financial forecast contained in this report.

Given that both retained Business Rates and New Homes Bonus are major sources of funding for the Council and that both are subject to ongoing review represents a significant risk to the overall level of future central government funding.

Currently we await the funding settlement for 2023/24, which is expected to be announced in December 2022. It remains unclear whether the settlement will again be for a single year (i.e. for 2023/24 only) or whether it will be for multiple years

Any amendments to the levels of central government funding levels within the Financial Forecast will be made as and when any revised allocations are provided and will be reflected in future updates to the Financial Forecast.

(ii) Announcement of a 'Fair Funding Review'

Intrinsically linked to the risks as described above relating to future Central Government funding levels, the long awaited Fair Funding Review has been further delayed with implementation of a revised funding mechanism being postponed until at least 2023/24 (delayed initially from the intended review during 2019/20 and again from the planned review in 2020/21 due to the Covid-19 outbreak).

The Government has previously issued a consultation document which focussed specifically on potential approaches that have been identified to measure the relative needs of local authorities. In particular, it:

- presents the idea of using a simple foundation formula to measure the relative needs of local authorities, based on a small number of common cost-drivers;
- considers a number of service areas where in addition, a more sophisticated approach to measuring relative needs may potentially be required; and
- outlines the statistical techniques that could be used to construct relative needs.

The consultation did not cover the relative resources adjustment, transition or other technical matters but noted that these will be the subject of a later series of discussion papers.

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 this review will be reported within future updates to the financial Forecast when they are known.

(iii) Retained Business Rates – Business Rates Pooling

The decision to continue membership of the Lancashire Business Rates Pool for 2023/24, should that prove to be a viable option for that year following the announcement of the provisional Finance Settlement for 2023/24, would provide for additional retained Business Rate income for 2023/24 as compared to the financial forecast approved by Budget Council in March this year.

Currently the Financial Forecast has been updated to reflect the potential beneficial impact of pooling in 2023/24, followed by estimated reductions of 5% per annum thereafter in line with the possibility of government spending reductions being announced as part of the Chancellor's Medium-Term Fiscal Plan statement. There remains a risk that the business rate regime is changed as part of the financial settlement and the pooling benefit is diminished.

Any amendments to the levels of forecast Business Rate income to be retained will be reflected in future updates to the Financial Forecast.

5.3 Medium Level Financial Impact Risks – Revenue Budget

i) Price Inflation

UK CPI was 0.7% in March 2021 but thereafter began to steadily increase. Initially driven by energy price effects and by inflation in sectors such as retail and hospitality which were re-opening after the pandemic lockdowns, inflation then was believed to be temporary. Thereafter price rises slowly became more widespread, as a combination of rising global costs and strong demand was exacerbated by supply shortages and transport dislocations, exacerbated by the ongoing conflict in Ukraine. The surge in wholesale gas and electricity prices led to elevated inflation expectations. CPI for September 2022 registered 10.1% year on year, up from 9.9% in August 2022.

Provision made within the budget is limited to areas where the council has no choice but to pay increased prices, e.g. due to contractual terms. Price increases represent a significant cost pressure to the council and increase the risk that existing budget provision is insufficient to cover the cost of service delivery. The position will be kept under continuous review by Management Team.

(ii) Employee Costs - Pay Award

Whilst the updated forecast includes the impact of the agreed pay award for the current year as detailed in section 3.5 above, future years budget provision is included at 2.75% per annum thereafter. It is possible that pay awards may be agreed in excess of 2.75%, which will incur additional costs beyond those currently budgeted for. Each additional 1% increase in pay equates to an estimated £100k additional cost on the pay bill of the council per annum.

(iii) Borrowing Cost Assumptions

In light of the current level of reserves and balances held by the Council, the forecast currently assumes that no external borrowing will be required during the life of the Financial Forecast, that internal cash balances will be utilised to fund capital expenditure, and that the council remains debt-free. This means that the base forecast contains no provision for any external borrowing costs.

There is a risk therefore that if circumstances change over the forecast period and it is necessary to take out external borrowing to fund existing capital commitments, there is no budget cover for such an eventuality. It is not currently envisaged that such circumstances will occur during the life of the forecast, and the position will be monitored carefully on an ongoing basis.

(iv) Reduction in Housing Benefit Administration Grant

The Council receives an annual grant to support the cost of the administration of Housing Benefit and Council Tax. The grant that the Council receives for these purposes has reduced in recent years, particularly in respect of the Housing Benefit element, as the government moves away from a system of Housing Benefit payments and towards a Universal Credit Scheme. This financial forecast reflects the latest estimates of reduced grant levels for 2022/23 and for subsequent years.

As updated grant notifications are received in respect of future years it may be necessary to update the forecast accordingly.

(v) Universal Credit

The Government has commenced the consolidation of a number of welfare benefit allowances into a revised Universal Credit Scheme. One of these is Housing Benefit which is

currently administered by the Council through the shared service with Blackpool Council. The intention is that the new Universal Credit Scheme will be provided on-line and will be administered by Department of Work and Pensions. The roll-out of the new arrangements are gradual and began in Fylde in respect of a small number of the less-complex cases in November 2014. The timing and financial implications of future developments of the scheme remain uncertain.

(vi) Grounds Maintenance – External Contracts

Throughout the future life of the forecast a number of grounds maintenance contracts with external parties will come to an end or will be due for renewal/re-tender. At the same time other opportunities will arise for additional contract work and these will be actively pursued as appropriate. Income from contracts supports the work of the Parks and Leisure Service teams by way of a contribution to management costs and corporate overheads. Officers will endeavour to seek extensions to contracts as they become due for renewal/expiry and will continue to seek suitable alternative new work. Should this not be possible there may be an adverse impact on the forecast.

5.4 Low Level Financial Impact Risks – Revenue Budget

(i) The Living Wage

In March 2015 the Council agreed a policy to adopt the Living Wage Foundation pay rates for all employees, excluding apprentices, with effect from 2015/16, such that the Council became a 'Living Wage Employer' from that point forward. Additionally, in the autumn of 2015, the government announced the introduction of a statutory National Living Wage to apply from April 2016 for all employees over the age of 25.

The revenue estimates include annual amounts for the estimated impact of the annual increases in the hourly rates for the Foundation Living Wage and the National Living Wage. In the event that actual future year increases are higher than the estimated levels such that the increases cannot be contained within the approved budgets future adjustments to the Financial Forecast may be necessary.

6. GENERAL FUND RESERVE AND OTHER EARMARKED RESERVES & PROVISIONS

6.1 The Council carries a General Fund Reserve (often referred to as General Reserves) and a number of other earmarked reserves and provisions. These are held for various purposes:

- As a working balance to help cushion the impact of uneven cash flows and avoid the need for temporary borrowing;
- As monies specifically set aside for future events or liabilities (known as earmarked reserves and provisions); and
- As a contingency to cushion the impact of unexpected events or emergencies.

6.2 The Council's General Fund Reserve Balance as at 1st April 2022 was £4.571m after taking account of revenue slippage items totalling £0.485m.

6.3 The Council has a Useable Reserves and Balances Policy in place, which is reviewed and approved annually as part of the budget setting process. If any reserves can be released, proposals will be presented in a future financial forecast update.

7. CONCLUSIONS – GENERAL FUND REVENUE FORECAST

- 7.1 The overall position on the Council's financial forecast, as summarised in Appendix E of this report, shows a forecast surplus of resources for 2022/23 and 2023/24, followed by budgeted deficits in the following years as central funding arrangements remain unclear. The improved financial forecast position for 2023/24 is due largely to the estimated increase in business rate income based upon the assumptions around continuation of the Lancashire Business Rate pooling arrangements as set out in paragraph 3.3 of this report, together with the net favourable impact of the forecast changes itemised in Appendix Ci.
- 7.2 Further commentary on the overall financial position of the council is provided within the conclusions of this report at section 16.

8. COLLECTION FUND

- 8.1 As a Council Tax and Non-Domestic Rates (NDR) Billing Authority, Fylde Council is required by legislation to collect council tax and business rates within the borough on behalf of central government, Town and Parish Councils and major preceptors (being Lancashire County Council, and the Fire and Police Authorities), and to account for that income through a 'Collection Fund'. Under the Collection Fund accounting arrangements any surplus or deficit on the fund each year, which occur as a result of actual income being higher or lower than that budgeted for, is split between the Government and the other precepting bodies in proportion to their shares.
- 8.2 In July 2020 the Government announced that local authorities would be allowed to spread the estimated deficit on the 2020/21 Collection Fund over three years – from 2021/22 to 2023/24. The normal process of sharing surpluses and deficits is that they are spread over two years. As a result of Covid-19 and the extra reliefs business rate awarded to businesses during 2021/22, there is a larger than normal deficit on the 2021/22 Collection Fund.
- 8.3 **For Council Tax only**, there was a surplus on the fund as at 31st March 2022 of £125k. This will be shared between Fylde Council, the County Council, the Police Authority and the Fire & Rescue Authority in 2022/23 to 2023/24. Fylde Council's share of the surplus is £16k, the impact of which has been reflected in the Council Tax income forecast within Appendix E.
- For Non-Domestic Rates only**, there was a deficit on the fund as at 31st March 2022 of £11.309m. A large proportion of this arises from the decision from Government due to the impact of Covid-19 to continue to increase business rate reliefs during 2021/22 to support businesses during the pandemic. This has the impact of reducing business rates collectable by the council, thus creating a shortfall in income. The deficit will be shared between Central Government, Fylde Council, the County Council, and the Fire & Rescue Authority in 2022/23 to 2023/24. Fylde Council's share of the deficit is £4.524m, the negative impact of which will be funded in 2022/23 from the specific government grant allocated for this purpose (i.e. to offset collection fund deficits caused by the additional reliefs awarded to businesses) which has been set aside into the Collection Fund Deficit Reserve in 2020/21 and 2021/22. The remaining balance on the Collection Fund Deficit Reserve is likely to be required to offset collection fund deficits in 2022/23 and later years as business rate reliefs are extended and compensatory government grants are awarded. It will again be necessary to set aside this specific grant during 2022/23 in order to offset the Fylde Council share of the deficit, which will impact the Council in 2023/24. The net impact of these movements is reflected within the business rate income forecasts within Appendix E.

9. THE CAPITAL PROGRAMME

- 9.1 The Capital Programme is updated continually for approved changes and reported to Members during the financial year on a periodic basis. The latest position on monitoring of the current year's programme on a scheme by scheme basis is set out in an information item report which has been before each of the programme committees during the current cycle of meetings and is included on the agenda of this meeting.
- 9.2 The latest updated Capital Programme Summary for the years 2022/23 to 2026/27 is set out in Table 1 below. The Programme has been updated for changes to the end of September 2022. A prudent approach is taken in preparing the programme to ensure that financing resources are only recognised when there is reasonable certainty that they will be received:

TABLE 1 - SUMMARY CAPITAL PROGRAMME

	Estimate 2022/23 £000	Estimate 2023/24 £000	Estimate 2024/25 £000	Estimate 2025/26 £000	Estimate 2026/27 £000
Committee:					
Finance & Democracy Committee	71	0	0	0	0
Tourism & Leisure Committee	1,819	40	40	40	40
Operational Management Committee	3,957	8,588	2,691	1,281	389
Environment, Health & Housing Committee	2,018	1,317	1,317	1,317	1,317
Planning Committee	10,605	1,630	0	0	0
Total Capital Payments	18,470	11,575	4,048	2,638	1,746
Financing:					
Availability of Resources	18,470	11,575	4,048	2,638	1,746
Total surplus (-) / shortfall in year	0	0	0	0	0
Cumulative surplus (-) / shortfall	0	0	0	0	0

- 9.3 Capital schemes are directly linked with the Council's priorities as set out in the Corporate Plan. Major items of enhancement or renewal are identified via the Council's Asset Management Plan and work is underway to review and update this. The planned spend over the life of the programme is continuously reviewed. If any scheme profiling amendments are required these will be reflected in future periodic update reports.
- 9.4 **Financing the Capital Programme**
- The Council finances the Capital Programme from a variety of sources. These include:
- (i) Specific Capital Grant Allocations;
 - (ii) Disabled Facilities Grant;
 - (iii) Capital Receipts;
 - (iv) External Funding (such as Heritage Lottery Funding and the Environment Agency);
 - (v) Prudential Borrowing/Leasing;
 - (vi) Revenue Funding; and
 - (vii) Capital Investment and Funding Volatility Reserves
- 9.5 Members are asked to note the current balanced position on the Capital Programme.

10. VEHICLE PURCHASES

- 10.1 The Council has adopted a Service Modernisation Strategy for Operational Services which includes a rolling programme of vehicle replacement that assumes the replacement of vehicles on a like-for-like basis at the end of their useful economic life. The approved capital programme includes significant capital expenditure for scheduled operational vehicle replacements during the life of the forecast. This expenditure has been reviewed and re-phased to reflect the currently expected profile of vehicle replacements.

11. KEY AREAS OF FINANCIAL RISK TO THE CAPITAL PROGRAMME

There are a number of risks within the Capital Programme for Members to be aware of: these include the risk that the council does not deliver any specific scheme within the specified deadlines where external funding is provided, and as a result the scheme is not delivered as expected, and the risk that the costs of any specific scheme exceed the available funding and the council is required to pick up additional un-budgeted costs as a result.

11.1 High Level Financial Impact Risks – Capital Programme

i) Town Centre Regeneration Kirkham

Following the Government's Future High Street funding initiative (FHSF), the Planning Committee resolved, in the autumn of 2019, to choose Kirkham Town Centre as its choice to pursue any bids for funding under the scheme. The first opportunity, being part of the broader FHSF, named the High Street Heritage Action Zone initiative (HS HAZ) was launched. This was a competitive process and seeks to enhance the historic environment of high streets that have conservation area status. Following the expansion of the funding for the scheme, due to unprecedented bids from a national perspective, the Kirkham bid proved to be successful, following a recommendation to Government from Historic England (HE). HE is the body responsible for administering the scheme. The grant award is £1.8m and will be match funded from a number of sources including Fylde Council, Kirkham Town Council and Section 106 payments for public realm improvements attributed to residential planning permissions. The scheme will run over 4 years, commencing in April 2020, and includes a wide range of projects. Delays have resulted from the pandemic and officers have been working with Historic England to agree a reprofiling of the spend to minimise any loss of grant. Historic England have confirmed that £224k has been removed from the scheme funding and the programme has been adjusted for this reduction in grant and the related expenditure.

In line with many other authorities, due to COVID 19, the implementation of the scheme has been delayed and a revised project plan, which sets out the projects to be delivered and the associated funding, has been agreed with Historic England.

A further bid for £9.1m was also submitted under the main body of the Future High Street Fund during 2020 and proposed to deliver a number of schemes across the whole of the town centre including the re-purposing of buildings, traffic management measures, building reuse and enhancement and public realm projects. This was once again a competitive process. The bid was well founded, and the economic case was very strong. In April 2021 an award of £6.29m for the Kirkham scheme was announced from the Ministry of Housing, Communities and Local Government (MHCLG) which was approved at Council on the 5th July 2021. A report was approved by Planning Committee and Council in December 2021 to authorise various property acquisitions as part of the project. During 2021/22 the Council

has purchased 2 properties within Kirkham Town Centre for restoration alongside the Kirkham Heritage Action Zone scheme

The Kirkham Futures Regeneration Programme, which encompasses the funding streams identified above is a complex multi-stranded programme with strict delivery timeframes. As such the Programme has been added to the Council's Strategic Risk Register in order that the identified risks can be managed.

Due to the complexities of the scheme, its high value, the strict delivery timescales, and the potential for additional costs beyond those in the approved budget, the scheme is classified as a high level risk.

ii) St Annes Sea Wall

St Annes Seawall is 660m long and was constructed in 1935. It reduces the risk of coastal erosion and flooding to over 400 properties. The seawall surrounds The Island, which is one of three strategic headlands which are critical to maintaining healthy beaches, dunes and reducing the risk of coastal erosion along Fylde Council's frontage. St Annes Seawall is at the end of its design life and is in poor condition; it is cracking and crumbling and is subject to ongoing repairs and maintenance. Voids have previously been identified resulting in settlement of the promenade. The crest level is low and overtopping during storms results in damage to the promenade and flooding of the car park, swimming pool and fitness centre plant room, and flooding up to the thresholds of the cinema, casino, amusement, and restaurant complex.

In 2020 the council were awarded £300k Pipeline acceleration funding to develop the St Annes Seawall Outline Business Case. Following this a bid has now been submitted to the Environment Agency formally for their appraisal and consideration and if EA funding is approved the planning phase will commence consisting of technical surveys including topographical, geotechnical, detailed design, ecological and bird surveys and an environmental impact assessment. It will include securing all the necessary licenses, consents and approvals including: Marine License, Planning Permission and Environment Agency Flood Risk Activity Permit (FRAP) licence. The scheme will be in the sum of £11.8m funded by Environment Agency grant of £9.5m and the council's contribution of £2.3m towards the total project cost which was approved at Council on the 5th July 2021. EA have now approved the scheme and the final award is a total scheme cost of £12.1m funded by EA Grant of £9.7m and the council's contribution of £2.4m. This has now been reflected within the capital programme. Following the planning phase it is proposed to start the construction in 2 phases. Phase 1 is anticipated to commence in Autumn 2023 and complete in late Spring 2024. Phase 2 will commence in Autumn 2024 and complete late Spring 2025 to minimise business disruption.

Due to the complexities of the scheme with multiple businesses and other stakeholders affected in the locality during delivery, and its high value, the scheme is classified as a high level risk.

11.2 Medium Level Financial Impact Risks – Capital Programme

i) Price Inflation

As explained in section 5.3 of this report, UK CPI currently stands at 10.1% year on year to September. This is exerting significant upward pressure on prices for utilities and on supplies and services across all sectors of the economy, which in turn increases the base costs for both revenue and capital budget items. The situation is particularly acute in the construction sector where supply chain issues and price increases are combining to put increased risks on the delivery of capital programme schemes. This is likely to be a continuing issue for the council during 2022/23 and this has resulted in current scheme delays and reviews on scheme costings. The position will be kept under continuous review by Management Team.

ii) Vehicle Replacement Programme

The estimated vehicle purchase profile to replace existing fleet at the end of its useful economic life from 2022/23 to 2026/27 within the Capital Programme totals £4.0m.

It is important to note that there is currently significant upward pressure on purchase prices for replacement vehicles and technological/legislative changes are likely to increase prices further. As a result it is necessary to reality check the costs associated with new vehicles on an annual basis and make any necessary adjustments to the capital programme to ensure that ongoing fleet replacement is accurately budgeted for in future years.

Due to the significant value of the vehicle replacement programme and the potential for changes in vehicle costs, specifications and emissions regulations this scheme has been highlighted as a potential future financial risk.

iii) Fairhaven Lake and Gardens Heritage Lottery Scheme

In December 2018, the council was notified that it had been successful in securing the second round capital grant from the Heritage Lottery Fund in the sum of £1.4m for the restoration of Fairhaven Lake & Gardens, with further match funding provided by Fylde Council and other external financial contributions. Works have progressed albeit at a reduced pace as a result of the pandemic and the Adventure Golf is now complete and open to the public and the remaining works are due to be completed during 2022.

Until the scheme is fully delivered there remains the possibility of additional contract costs beyond those in the approved budget this scheme is considered a medium level risk.

11.3 Low Level Financial Impact Risks – Capital Programme

i) St Annes Regeneration Schemes

The next section of works has been agreed along St. Annes Road West between The Pier and The Square (known as the Square-Pier Link). A scheme designed to the available budget was presented and approved by Planning Committee, but the Regeneration Manager was asked to look at extending the scheme, potentially widening pavements to provide an enhanced pedestrian ambience and increased paving space capacity to absorb high levels of footfall that is encountered at peak times. As matters stand, the potential for achieving these enhancements to the scheme is being discussed with Lancashire County Council as any further amendments would have to be agreed, since there would be changes to the highway configuration. It is now proposed to pursue the scheme as part of a wider programme of

works in the town centre following the preparation of a masterplan which has been commissioned.

ii) Lytham Regeneration Schemes

Work has commenced on the redesign and re-planning of the public realm of Lytham Centre. The Corporate Plan currently programmes the commencement of the Clifton Street Works (£750k) during 2022/23. Additional funding has been applied for as part of the UK Shared Prosperity Fund (UKSPF) submission, the outcome of which is expected in October/November. The UK SPF funding award will be phased and so delivery of the project will need to be reviewed accordingly. The Lytham Beach Lighting Scheme (£50k) is programmed for delivery during the current financial year.

iii) Project Slippage

It is important that the Council monitors capital scheme slippage to ensure that no loss of external grant is imposed due to conditions associated within specified timescales.

iv) Other Capital Receipts

The approved programme for 2022/23 assumes "Right to Buy" receipts of £25k per annum and "General Asset Sales" of £75k per annum based on actual receipts received to date. From 2023/24 onwards the forecast assumes "Right to Buy" receipts of £25k per annum and "General Asset Sales" of £45k per annum. Future receipts are dependent on prevailing market conditions and values cannot be predicted with certainty. This will be monitored and reviewed during the year and adjusted accordingly in future quarterly monitoring reports, along with the impact this may have on the financing of the programme.

v) Better Care Fund (Formerly Disabled Facilities Grants)

As the local housing authority, the Council has a statutory duty to provide disabled adaptations within the Borough. In order to fund these works the Council receives grant support which previously was provided by the Department for Communities and Local Government (DCLG). From 2015/16 the Government established the 'Better Care Fund', and under these new arrangements the funding for Disabled Facilities Grants transferred to the Department of Health, with funding being distributed to all Councils via the upper-tier authority for that area. As such, in Lancashire the fund is administered by Lancashire County Council. Each upper-tier authority then allocates the funding to their respective housing authorities (i.e. district councils within their area) to enable them to continue to meet this statutory responsibility.

The level of government funding has increased significantly under the 'Better Care Fund' arrangements and the budget for 2022/23 (including slippage) totals £1.503m which provides for the delivery of disabled adaptations. It is anticipated that for 2022/23 all identified need for disabled adaptations can be met from the existing resource.

vi) M55 Link Road (Inc. S106 monies for design work)

The accelerated delivery of the £27m M55 Heyhouses Link Road is subject to a funding package made up from a number of sources. This funding is now in place and work has started on site with the earthworks being the first phase. The road will then be constructed by Lancashire County Council's in-house team and is due for completion in early 2024. It is expected that LCC will require the funding to be transferred to them during the latter stages of the project and so is likely to be spent during 2022/23.

11.4 St Annes Masterplan – Levelling Up Fund Capital Bid Submission Round 2 - £14.6m

A Levelling Up Fund capital bid was submitted on the 27th July 2022 for £14.6m and the outcome is expected in Autumn 2022. Consultants were appointed to prepare a comprehensive masterplan to shape the future development of St Annes Town centre and the Island site on the Promenade and to help the council to access external funding. The views of the public and key stakeholders have been sought during a consultation exercise and these views had helped to shape the development of the masterplan. A bid was prepared and submitted to the second round of the governments Levelling Up fund. The round had three investment themes being transport; regeneration and town centre investment, and cultural investment. There was an opportunity to secure funding to help deliver different phases of the masterplan, in particular the public realm improvement to the area around the train station, dedicated pedestrian and cycle links, an events space in the Square and improving the connection to the town centre and the sea front. If successful it is expected that the bid will deliver a transformation of the town centre with 4 hectares of new public realm and 460 metres of active travel links, encouraging increased walking and cycling and an enhanced events programme to increase both day and overnight visitors to Fylde.

If the bid for funding is successful, then a further detailed report will be brought before planning committee and full council to provide full details and add the project to the capital programme.

12. **CONCLUSIONS – CAPITAL PROGRAMME**

- 12.1 The current Capital Programme as updated is showing a balanced position for 2022/23 onwards.
- 12.2 The programme and its associated financing will be subject to discussion with members during the coming months as part of the annual budget setting process for 2023/24.
- 12.3 Increasing inflation is exerting significant upward pressure on prices for utilities and on supplies and services across all sectors of the economy, which in turn increases the base costs for both revenue and capital budget items, as explained in section 5 of this report. The situation is particularly acute in the construction sector where supply chain issues and price increases are combining to put increased risks on the delivery of capital programme schemes. This is likely to be a continuing issue for the council during 2022/23 and this has resulted in current scheme delays and reviews on scheme costings.
- 12.4 Any additional expenditure which is not fully funded by external finance would normally require the generation of capital receipts or further borrowing (the latter placing further pressure on the Revenue Budget from the consequent repayment costs). However, Budget Council on 4th March 2013 approved the creation of a Capital Investment Reserve to finance future capital expenditure. The balance of this reserve at 31st March 2022 was £6.094m. Of this £2.765m is already committed to deliver existing approved capital schemes leaving an uncommitted balance of £3.329m. The latest revenue financial forecast contained at Appendix E of this report estimates further contributions into the reserve of £0.568m in 2022/23 and £0.176m in 2023/24 which would result in an unallocated balance on the reserve at 31st March 2024 of £4.073m. The estimated transfers into the reserve are subject to change as costs and income will undoubtedly fluctuate over the next 2 financial years.

To Note: Council in July 2022 approved the underwriting to the sum of £0.943m for 2022/2023 financial year from the capital investment reserve in the event that approval is

not ultimately confirmed from the Future High Street Fund team at DLUHC for the Kirkham Futures programme for Public Realm phase 1 works (this underwriting being required in order for the contract to be awarded for delivery of the public realm works) so the potential Capital Investment Reserve balance would reduce from £4.073m to £3.130m if this was required.

An updated position in respect of the Capital Investment Reserve will be included within future updates of the financial forecast presented to the Finance and Democracy Committee and to Council. Additional future projects will be subject to further consideration as part of the budget setting process for 2023/24. Whilst it remains the case that this reserve is the preferred source of finance for any further additions to the Capital Programme, continuing contributions to the reserve are required in order to maintain a sustainable funding source for future years.

13. TREASURY MANAGEMENT

- 13.1 The Treasury Management Strategy and Prudential Indicators for the current financial year were approved by Council on 3rd March 2022.
- 13.2 The regulatory framework for treasury management requires Councils to receive a mid-year Treasury Review report. Such a report, which includes details of the economic background and outlook, interest rate forecast, and details of investment activity was presented to the Audit and Standards Committee for scrutiny on 10th November 2022 and will subsequently be presented to Council on 5th December 2022.

14. KEY AREAS OF FINANCIAL RISKS FOR TREASURY MANAGEMENT

- 14.1 There are a number of potential areas of risk associated with Treasury Management activities, the most significant of which are:
 - (i) Differences between the actual interest rate and interest rates used in the forecast;
 - (ii) Unexpected movements in cash flow; and
 - (iii) The security of monies invested with counterparties.

15. SUMMARY POSITION – TREASURY MANAGEMENT

- 15.1 The economic backdrop during the April to September period continued to be characterised by high oil, gas and commodity prices, ongoing high inflation and its impact on consumer's cost of living and no imminent end in sight to the conflict in Ukraine. Consequently, the economic outlook for UK and world growth remains weak.

The Bank of England has incrementally increased the official Bank Base Rate from 0.75% to its current level 3.00% over the period. As a result, the council has benefited from increased investment yields which are reflected in the updated financial forecast within this report. That said, the council's Treasury Management Strategy prioritises the security of any investment over the return achieved. The council has complied with all aspects of the 2022/23 Treasury Management Strategy and Prudential Indicators as approved by Council in March and will continue to conduct all treasury management activities prudently and in line with those approvals.

16. OVERALL CONCLUSIONS ON THE LATEST FINANCIAL FIVE YEAR FORECAST UPDATE

- 16.1 The overall position on the Council's financial forecast, as summarised in Appendix E of this report, shows an estimated surplus of resources for 2022/23 and 2023/24, followed by budgeted deficits in the following years as central government funding arrangements remain unclear. The improved financial forecast position for 2023/24 is due largely to the estimated increase in business rate income based upon the assumptions around continuation of the Lancashire Business Rate pooling arrangements as set out in paragraph 3.3 of this report, together with the net favourable impact of the forecast changes itemised in Appendix Ci. The Council continues to approve and fund capital investment in a measured way, the approved capital programme is fully financed, and the council remains debt-free.
- 16.2 Since the council set its budget in March 2022 there has been significant turbulence and uncertainty in the national financial and economic outlook, as described in section 4 of this report. As a result, the possibility of funding reductions for local government in future years appears more likely than was previously the case.
- 16.3 As a result of this future funding uncertainty the Council needs to continue with the approach to delivering savings and efficiencies which have helped deliver balanced budgets and contributed to reserves over recent years which has enabled continuing delivery of the priorities set out in the council's Corporate Plan. Through continued focus on the importance of financial stability the Council has delivered a significant savings and efficiencies programme over the last decade and has continued to reduce overheads. Ongoing modernisation work and business improvement will continue to make Council services more efficient, save money and maintain high quality frontline services to customers. This work has yielded ongoing savings to help improve the Council's overall financial position over that period. For Fylde Council to continue to successfully meet the new challenges that it faces it is vital that this approach is re-doubled and that all reasonable opportunities for further cost-reduction measures and for the generation of additional income are seriously considered. Prudent financial management in previous years has provided a level of reserves which allows the necessary time to determine how this council can best respond to future challenges.
- 16.4 Although challenges may be encountered in the future the reserves and balances of the council are at healthy levels as compared to earlier periods. The outcome of the long-awaited Fair Funding Review into Local Government Financing is eagerly awaited and may provide a degree of greater clarity regarding the future financial landscape. Furthermore, Fylde Council has a past record of taking actions in order to meet and overcome financial challenges. The Council will continue to take pro-active measures to maintain a robust financial position in the face of a challenging and 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.
- 16.5 The assumptions set out in this forecast are the latest best estimates and will be updated as and when further information becomes available. External pressures outside the Council's control are being experienced by all local authorities, and instructions remain in place that officers should not commit to any unnecessary expenditure. Budget planning work for 2023/24 is well underway and further updates of the financial forecast will be brought before members in due course.
- 16.7 **The financial position of the Council as set out in this report remains robust. Members should, however, continue to be cognisant of the risks that are detailed within the report in order to maintain a sustainable financial position for the Council.**

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	November 2022

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 2021/22 – 2025/26	Budget Council meeting 3 rd March 2022	www.fylde.gov.uk
MTFS – Outturn Position For 2021/22 (Including General Fund, Capital Programme & Treasury Management)	Finance and Democracy Committee meeting 23 rd June 2022	www.fylde.gov.uk
Revenue Budget Monitoring Report 2022/23 – to 30 th September 2022	Finance and Democracy Committee meeting 21 st November 2022	www.fylde.gov.uk
Capital Programme Monitoring Report 2022/23 – to 30 th September 2022	Finance and Democracy Committee meeting 21 st November 2022	www.fylde.gov.uk

Appendices:

1. Appendix A – Forecast approved at Council on 3rd March 2022
2. Appendix B – Schedule of general assumptions underpinning the forecast
3. Appendix Ci – Schedule of changes to the forecast
4. Appendix D – Explanation of changes to the forecast
5. Appendix E – Updated latest financial forecast position

General Fund Budget Forecast 2021/22 to 2025/26 - Approved at Budget Council March 2022

	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	Adverse / Favourable
Forecast approved at Council on 4th March 2021	10,934	11,000	11,697	11,909	11,909	
Forecast Changes - per Appendix C of March 2022 MTFS report to Budget Council	219	308	172	218	525	
Revenue Budget Growth Items - Appendix F of March 2022 MTFS report		121	82	85	88	
Forecast Budget Requirement	11,153	11,429	11,951	12,212	12,522	Adverse
Financed by:						Adverse
Council Tax Funding:						Adverse
Council Tax - Precept	6,656	6,881	7,096	7,317	7,544	
Sub Total - Council Tax Income	6,656	6,881	7,096	7,317	7,544	
Business Rates Funding:						
Retained Rates (including pooling benefit & pilot impact 2019/20)	4,501	3,580	2,800	2,800	2,800	
Sub Total - Business Rates Income	4,501	3,580	2,800	2,800	2,800	
Other Funding:						
Lower Tier Services Grant	379	89				
2022/23 Services Grant		133				
New Homes Bonus (NHB)	1,161	1,236	1,136	1,136	1,136	
Less - NHB distribution to Town & Parish Councils	- 58	- 62				
	1,482	1,396	1,136	1,136	1,136	
Forecast Financing	12,639	11,857	11,032	11,253	11,480	
Forecast surplus(-)/deficit for year	- 1,486	- 428	919	959	1,042	
Reserves						
Forecast surplus/deficit (-) for year from above:	1,486	428	- 919	- 959	- 1,042	
Less: Proposed Transfer to Capital Investment Reserve	- 1,486	- 428				
Balance of surplus/deficit(-) remaining:			- 919	- 959	- 1,042	
Balance of General Fund Reserves b/f	4,571	4,571	4,571	3,652	2,693	
Less transfer to/from(-) General Fund Reserves in year			- 919	- 959	- 1,042	
Forecast Reserves at Year End	4,571	4,571	3,652	2,693	1,651	
Band D Council Tax (Excl Parish Precepts)	£214.91	£219.19	£223.56	£228.01	£232.55	
Band D Average Council Tax Increase	£4.20	£4.28	£4.37	£4.45	£4.54	
Band D Average Council Tax Increase	1.99%	1.99%	1.99%	1.99%	1.99%	

General Base Budget 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 payroll budgets and where contractual commitments require increases;
- Slippage – approved underspend items from 2021/22 agreed by the Finance and Democracy Committee in June 2022 have been slipped into 2022/23;
- Pay award – the impact of the agreed 2022/23 pay award of £1,925pa for each pay point has been reflected in the updated forecast, with future pay awards estimated to be 2.75% per annum for 2023/24 and each year thereafter;
- Employers Pension Contributions – the Council's contributions to the Lancashire pension fund scheme are set in accordance with the indicative outcome of the 2022 Triennial Pension Review which is currently being carried out by the scheme actuaries, Mercer. The draft figures provided by the pension fund indicate contributions at 19.2% per annum, reduced by scheme surplus payments of 4% per annum for the period from 2023/24 to 2025/26; with future years estimates provided on a continuation basis. The forecast has been updated accordingly;
- 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 at 1.99% increase per annum from 2022/23 onwards;
- New Homes Bonus Grant – the forecast for 2023/24 onwards assumes a reduced level of New Homes Bonus based broadly upon the current year's allocation reducing by an estimated 5% per annum. No allocation of New Homes Bonus grant to town and parish councils has been assumed beyond the current year at this point – these will be updated annually as and when national allocations to local authorities are announced each year under the national scheme;
- Fees and Charges – The forecast takes account of the revised fee levels as approved by Budget Council in March 2022. 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 2023 following consideration by the appropriate programme committee;
- Vacancy Savings – the forecast assumes vacancy savings of £300k per annum from 2022/23 onwards; and
- Localisation of Council Tax Benefit Scheme – the forecast assumes a fully funded scheme with no additional cost to the Council from 2022/23 onwards.

General forecast changes since Budget Council March 2022

	2022/23	2023/24	2024/25	2025/26	2026/27	
	£000	£000	£000	£000	£000	<u>ADVERSE /</u> <u>FAVOURABLE /</u> <u>NEUTRAL</u>
1 CHANGES AS A RESULT OF MEMBER APPROVALS:						
Lowther Trust - Renewal of Service Level Agreements inc New Subsidy Request - (<i>Council 25/04/22</i>)	12	12	12	0	0	ADVERSE
North Beach Toilets - (<i>OM 15/06/22</i>)	0	1	1	14	14	ADVERSE
MTFS Financial Outturn Report - Slippage from 2021/22 - (<i>F&D 23/06/22</i>)	485	0	0	0	0	ADVERSE
MTFS Financial Outturn Report - Use of monies transferred into GF reserves to fund slippage - (<i>F&D 23/06/22</i>)	-485	0	0	0	0	FAVOURABLE
Holiday Activity and Food Programme (HAF) Update - FBI - Expenditure - (<i>F&D 23/06/22</i>)	160	0	0	0	0	ADVERSE
Holiday Activity and Food Programme (HAF) Update - FBI - Income - (<i>F&D 23/06/22</i>)	-160	0	0	0	0	FAVOURABLE
Energy Rebate - Discretionary Scheme - FBI - Expenditure - (<i>F&D 23/06/22</i>)	181	0	0	0	0	ADVERSE
Energy Rebate - Discretionary Scheme - FBI - Income - (<i>F&D 23/06/22</i>)	-181	0	0	0	0	FAVOURABLE
Household Support Fund - FBI - Expenditure - (<i>Council 04/07/22</i>)	270	0	0	0	0	ADVERSE
Household Support Fund - FBI - Income - (<i>Council 04/07/22</i>)	-270	0	0	0	0	FAVOURABLE
Replacement Waste Containers Fee Increase - (<i>OM 06/09/22</i>)	-5	-12	-12	-12	-12	FAVOURABLE
2 BUDGET RIGHTSIZING EXERCISE:						
Revenue impact of budget right-sizing across all budget areas of the Council	-179	-167	-162	-83	-2	FAVOURABLE
3 STAFFING COSTS:						
Net impact of current year pay award and changes to employers NI contributions	248	209	207	204	202	ADVERSE
Estimated 2.75% pay award for 2026/27	0	0	0	0	275	ADVERSE
Estimated savings arising from 2022 triennial pension fund review	0	-364	-420	-437	-192	FAVOURABLE
4 UPDATED ESTIMATES OF INCOME BUDGETS:						
Windsports Centre - income from new lease	0	-11	-21	-21	-21	FAVOURABLE
Green waste subscription service - updated income estimates based on current subscription level	20	20	20	20	20	ADVERSE
Public Conveniences - additional income due to price increase and staycations	-25	-25	-25	-25	-25	FAVOURABLE
Trade Waste - additional income from increased useage of the service	-25	-25	-25	-25	-25	FAVOURABLE
Housing Standards - additional income from enforcement notices	-10	-10	-10	-10	-10	FAVOURABLE
Cemetery & Crematorium - updated income estimates based upon most recent income levels	20	20	20	20	20	ADVERSE
Updated estimates of investment interest receipts	-479	-344	-239	-159	-129	FAVOURABLE
Planning application fee income - updated income estimates based upon most recent income levels	25	25	25	25	25	ADVERSE
Building control Fee Income - updated income estimates based upon most recent income levels	-7	-7	-7	-7	-7	FAVOURABLE
5 OTHER FORECAST CHANGES						
Additional Running Costs for Public Offices - reflecting latest estimated date of disposal	30	0	0	0	0	ADVERSE
Removal of Planning Appeals Budget	-50	-45	-45	-45	-45	FAVOURABLE
External Audit Fees - 150% cost increase as advised by PSAA - procurement for audit services for opted-in bodies	38	89	87	89	87	ADVERSE
Kirkham Property Acquisitions - 52-64 Poulton Street Kirkham (Former TSB) - estimated annual running costs	10	10	0	0	0	ADVERSE
Kirkham Property Acquisitions - 48 Preston Street (Hillside) - estimated annual running costs	10	10	0	0	0	ADVERSE
Fleet - updated estimate of fuel costs	48	48	48	48	48	ADVERSE
Utilities including water - budget increases to reflect estimated increased costs	154	264	283	302	323	ADVERSE
Replacement Waste Containers - additional cost of purchase	25	25	25	25	25	ADVERSE
TOTAL	-140	-277	-238	-77	571	

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

Ci - General forecast changes since Budget Council March 2022**(1) Changes as a Result of Member Approvals**

The forecast that was approved at the Council meeting in March 2022 has been updated to reflect the financial impact of Member decisions made since then. The significant decisions in terms of their financial effect are detailed within the body of the report.

(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 underspends across all budget areas and these have been updated and reflected through the forecast.

(3) Staffing Costs

The agreed pay award for 2022/23 has been reflected in this update and increases of 2.75% per annum have been assumed in each future year of the forecast, as detailed in the report. The final year of the forecast, 2026/27 is included for the first time as part of this November 2022 update. The forecast has also been updated to reflect the indicative outcome of the 2022 Triennial Pension Review which is currently being carried out by the scheme actuaries, Mercer.

(4) Updated Estimate of Income Budgets, including:

- Green waste subscription service income, public conveniences income, trade waste services income and planning application fee income estimates have all been updated to reflect the latest estimated levels throughout the life of the forecast.
- Revised Estimate of investment interest receipts:

The forecast has been updated to reflect the positive impact of increased interest yields receivable on the council's treasury management investments as the bank base rate has increased from 0.10% to its current level of 3%.

(5) Other Forecast Changes:

A number of other changes have been made to the forecast as itemised in the appendix, including increased estimates of utility costs across the council's asset base, increased estimates of external audit fees as advised by PSAA following the procurement for audit services for opted-in bodies, and increased estimates of fuel costs for the council's operational fleet vehicles.

Latest General Fund Budget Forecast 2022/23 to 2026/27 - as at November 2022

	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	Adverse / Favourable
Forecast approved at Council on 3rd March 2022	11,429	11,951	12,212	12,522	12,522	Favourable
Forecast Changes - Appendix Ci (November 22)	- 140	- 277	- 238	- 77	571	
Forecast Budget Requirement: TOTAL	11,289	11,674	11,974	12,445	13,093	
Financed by:						
Council Tax Funding:						
Council Tax - Precept	6,881	7,096	7,317	7,544	7,778	
Sub Total - Council Tax Income	6,881	7,096	7,317	7,544	7,778	
Business Rates Funding:						
Retained Business Rates	3,580	3,580	3,401	3,231	3,069	
Sub Total - Business Rates Income	3,580	3,580	3,401	3,231	3,069	
Other Funding:						Favourable
Lower Tier Services Grant	89					
2022/23 Services Grant	133					
New Homes Bonus (NHB)	1,236	1,174	1,115	1,060	1,007	
Less - NHB distribution to Town & Parish Councils	- 62					
Sub Total - Other Income	1,396	1,174	1,115	1,060	1,007	
Forecast Financing: TOTAL	11,857	11,850	11,833	11,835	11,854	
Forecast surplus (-) / deficit for year	- 568	- 176	141	610	1,239	
Reserves						
Forecast surplus/deficit (-) for year from above:	568	176	- 141	- 610	- 1,239	
Less: Proposed Transfer to Capital Investment Reserve	- 568	- 176				
Balance of surplus/deficit(-) remaining:			- 141	- 610	- 1,239	
Balance of General Fund Reserves b/f	5,056	4,571	4,571	4,430	3,820	Favourable
Less in year transfer to fund slippage from 2021/22	- 485					
Less estimated transfer to/from(-) General Fund Reserves in year			- 141	- 610	- 1,239	
Forecast Reserves at Year End	4,571	4,571	4,430	3,820	2,581	
Band D Council Tax (Excl Parish Precepts)	£219.19	£223.56	£228.01	£232.55	£237.18	
Band D Average Council Tax Increase	£4.28	£4.37	£4.45	£4.54	£4.63	
Band D Average Council Tax Increase	1.99%	1.99%	1.99%	1.99%	1.99%	

DECISION ITEM

REPORT OF	MEETING	DATE	ITEM NO
CHIEF FINANCIAL OFFICER	FINANCE AND DEMOCRACY COMMITTEE	21 NOVEMBER 2022	5
COUNCIL TAX REDUCTION SCHEME 2023/24			

PUBLIC ITEM

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

Please note that the Council Tax Reduction Scheme 2023/24 report is TO FOLLOW.

DECISION ITEM

REPORT OF	MEETING	DATE	ITEM NO
CHIEF FINANCIAL OFFICER	FINANCE AND DEMOCRACY COMMITTEE	21 NOVEMBER 2022	6
NEW HOMES BONUS: PROVISION OF GRANTS TO TOWN AND PARISH COUNCILS 2023/24 AND FUTURE YEARS			

PUBLIC ITEM

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

SUMMARY

The New Homes Bonus policy provides the framework for a system of grant support to town and parish areas which have experienced above average growth in housing numbers, funded from a portion of the New Homes Bonus that is received by Fylde Council.

This report proposes the arrangements in respect of 2023/24 and future years which are consistent with the approach taken last year due to the ongoing uncertainty surrounding the future of the national scheme of New Homes Bonus grants.

RECOMMENDATIONS

The Committee is requested to:

1. Note the current situation in respect of the national scheme of New Homes Bonus grants; and
2. Approve that with effect from 2023/24, and for all financial years thereafter, in the event that Fylde Council receives confirmation of an allocation of New Homes Bonus grant for each year, 5% of that grant will be distributed to town and parish councils that have experienced above average housing growth in the previous year using the distribution methodology adopted for previous years as set out in the report.

SUMMARY OF PREVIOUS DECISIONS

The policy on the provision of grants to town and parish councils, to be funded from a portion of the New Homes Bonus, was first approved by Council in December 2017 in respect of the 2018/19 financial year and has been approved in each subsequent year in respect of the forthcoming financial year.

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

REPORT

1. Background

- 1.1 For the financial year 2018/19 Fylde Council introduced a new initiative by which a proportion of total New Homes Bonus (NHB) funding that the council receives is allocated to town and parish councils to help alleviate the impacts of housing growth on local communities. For each year the total grant funding distributed has been a figure equivalent to 5% of the latest estimate of the total New Homes Bonus income receivable by Fylde council for that year. Grants are calculated by reference to housing growth above a 0.4% growth baseline level in each town or parish area.

Previous total allocations to town and parish councils under the scheme have been:

2018/19	£65,500
2019/20	£68,950
2020/21	£75,500
2021/22	£58,049
2022/23	£61,807

2. Update to the scheme of provision of NHB-funded grants to town and parish councils for 2023/24 onwards.

- 2.1 In the years 2018/19 to 2021/22 the sums to be distributed have been approved at the November/December cycle of council meetings in order that amounts to be provided to each qualifying town and parish council can be notified prior to completion of the budget-setting process by each town or parish council. Previously it was possible to estimate the amount of NHB for the coming year with a degree of certainty as the scheme had been embedded for a number of years, albeit with some changes to the scheme during the period.
- 2.2 However, at present there is uncertainty around the future of the national scheme beyond the current year, especially in the light of current national funding pressures and the ongoing potential for reductions in funding for local government. During 2021 the [government consulted on the future of the national New Homes Bonus scheme](#) with the consultation indicating the possibility of changes to the existing arrangements. The outcome of the consultation is yet to be published. It is conceivable that NHB funding for 2023/24 will be restricted to the legacy payments in respect of previous years; or that there will be no NHB funding whatsoever to local authorities in 2023/24; or that there will be a further single-year allocation for 2023/24.
- 2.3 It is unlikely that there will be any clarity about the future of the NHB scheme until the local government finance settlement is announced in mid-December 2022. It will not be possible, therefore, for NHB grant distribution to town and parish councils to be considered in timescales adopted in previous years.
- 2.4 It is proposed that if, in due course, Fylde Council does receive confirmation of an allocation of New Homes Bonus grant for 2023/24, then a proportion of that grant will again be distributed to town and parish councils that have experienced above average housing growth in the previous year, equivalent to a total of 5% of the latest estimate of the total New Homes Bonus income receivable by Fylde Council.
- 2.5 It is further proposed that the approach adopted for 2023/24 will be applicable to all future years for which there is a national New Homes Bonus scheme in operation.

Distribution Methodology

- 2.6 It is proposed that the distribution methodology adopted for previous years will again be used to calculate the grant allocations for 2023/24 and future years. Grants will only be available to town and parish areas that have experienced property growth for the past year above a baseline of 0.4% (of the prior year total property numbers). This is to match the government threshold of 'expected annual growth' as represented in the revised New Homes Bonus 'baseline' that applies to Fylde Council and all other recipients of New Homes Bonus funding.
- 2.7 The total sum to be distributed to town and parish areas that have experienced growth above the 0.4% baseline level will be divided amongst those qualifying areas by reference to the absolute numbers of additional property numbers in excess of the 'baseline' level for each area in the preceding year.

- 2.8 Not all town and parish areas will experience growth in property numbers in every year. Some that do experience growth in property numbers may not exceed the 0.4% baseline threshold. As a consequence of the methodology for calculating entitlement to grants as set out above, not all town and parish councils will be eligible to receive a grant under this initiative in every year.
- 2.9 An updated Policy on the Provision of New Homes Bonus Grants is attached at Appendix A.
- 2.10 It is acknowledged that the timing of events may require that amounts to be provided to each qualifying town and parish council cannot be notified prior to completion of the budget-setting process by each town or parish council.
- 2.11 If the recommendations are approved, town and parish councils will be advised to agree their revenue and capital spending plans for 2023/24 and future years, including the setting of the town or parish council tax precepts for the year, on the basis that any allocations of NHB funding for 2023/24 and future years will only be confirmed once Fylde Council has received confirmation of its own allocation for the relevant year.
- 2.12 Any subsequent allocations of NHB funding to town and parish councils for 2023/24 and future years will be made as soon as practicable following notification of the NHB funding amount receivable by Fylde Council as part of the Local Government Finance Settlement.

IMPLICATIONS	
Finance	Financial implications are contained within the body of the report. The next update of the council's Medium Term Financial Strategy report will be updated to reflect the level of New Homes Bonus receivable by Fylde Council for 2023/24 once it is confirmed, the estimated level for future years, and the estimated 5% allocation to be distributed to Town and Parish Councils in each year.
Legal	None arising from this report
Community Safety	None
Human Rights and Equalities	None arising from this report
Sustainability and Environmental Impact	None
Health & Safety and Risk Management	None

LEAD AUTHOR	CONTACT DETAILS	DATE
Paul O'Donoghue, Chief Financial Officer	01253 658566	November 2022

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

Attached documents

Appendix A - Updated Policy on the Provision of New Homes Bonus Grants to Town and Parish Councils 2023/24 and future years.



**NEW HOMES BONUS:
POLICY ON THE PROVISION OF GRANTS
TO TOWN AND PARISH COUNCILS
2023/24 AND FUTURE YEARS**

1. What is the New Homes Bonus?

- 1.1 The New Homes Bonus (NHB) is a national initiative, introduced in 2011/12, which provides funding to principal councils (i.e. Unitary, County and District councils) in proportion to the increase in the number of homes in their area year on year. These may be newly built, conversions or empty homes being returned to use.
- 1.2 For every new home that is created in the Fylde borough the government gives the council a level of grant based on the national average Council Tax charge each year (originally grant allocations were for six years but this was reduced to five and then four years with effect from 2018/19, and from 2020/21 the allocation was for a single year only).
- 1.3 Under the current national scheme the grant in Fylde's area is shared between the district council (Fylde Council) and the upper-tier authority (Lancashire County Council), with Fylde Council receiving 80% of the grant and the County Council 20%.
- 1.4 Local councils decide how to spend NHB. The grant is a non-ring-fenced revenue grant, which means it can be used for a variety of different projects or to support general expenditure.
- 1.5 New Homes Bonus is not new money. The government has reduced other funding (particularly the Revenue Support Grant) to local councils in order to create the necessary funding for the NHB scheme. Consequently, it has been necessary for Fylde Council and many others to direct income from New Homes Bonus to compensate for and to balance out other cuts in government funding for Council services.

2. Purpose of this policy

- 2.1 In 2018/19 Fylde Council introduced a new initiative in which funding is allocated to town and parish councils to help alleviate the impacts of housing growth on local communities.
- 2.2 The initiative is to be funded from a portion of the New Homes Bonus income that is received by Fylde Council.
- 2.3 The purpose of this policy document is to provide the framework for the system of grant support to town and parish areas which have experienced above-average growth in housing numbers.
- 2.4 At present there is uncertainty around the future of the national scheme beyond the current year, especially in the light of current national funding pressures created by the various covid support schemes to businesses and individuals. In early 2021 the [government consulted on the future of the national New Homes Bonus scheme](#) with the consultation indicating the possibility of changes to the existing arrangements. The outcome of the consultation is yet to be published. It is conceivable that NHB funding for 2023/24 will be restricted to the legacy payments in respect of previous years; or that there will be no NHB funding whatsoever to local authorities in 2023/24; or that there will be a further single-year allocation for 2023/24.
- 2.5 It is unlikely that there will be any clarity about the future of the NHB scheme, and allocations for 2023/24, until the local government finance settlement is announced in mid-December 2022.
- 2.6 This Policy will be applicable with effect from financial year 2023/24 and for all subsequent years in the event that Fylde Council receives an allocation of New Homes Bonus grant for the relevant year.

3. Commencement of the scheme and funding levels

- 3.1 This local scheme commenced in the 2018/19 financial year and has remained in place in the following years. It is proposed that it continues for 2023/24 and future years, subject to Fylde Council receiving an allocation of New Homes Bonus grant for the relevant year.
- 3.2 With effect from 2023/24 onwards, the total grant funding to be distributed will be a figure equivalent to 5% of the latest estimate of the total New Homes Bonus income receivable by Fylde council for that year, should there be such an allocation.

4. The aims and objectives of this initiative

4.1 The scheme is intended to support new projects where there is a demonstrable need to assist in the provision of community amenities that are necessary because of growth in property numbers, and consequently an increase in the demand for local services, and that have tangible benefits for the community.

4.2 The broad objective of the policy can be summarised as:

“to provide grant support to town and parish areas which have experienced above-average growth in housing numbers.”

4.3 Specifically projects to be funded under this initiative should meet one of the following criteria:

- Schemes that develop community facilities;
- Schemes that address particular issues associated with housing growth;
- Parks and green space development schemes;
- Schemes to improve travel, public transport or car parks.

5. How grant amounts will be calculated

- 5.1 The grant distribution methodology will reflect relative growth in total property numbers in each town and parish area.
- 5.2 For the purpose of this initiative, the Valuation Office property data that is provided as at September each year for the purposes of calculating the New Homes Bonus amount for the following year, shall be the basis of defining property numbers, and thereby also property growth for the past year, for each area.
- 5.3 Grants will only be available to town and parish areas that have experienced property growth for the past year above a baseline of 0.4% (of the prior year total property numbers). This is to match the government threshold of 'expected annual growth' as represented in the revised New Homes Bonus 'baseline' that applies to Fylde Council and all other recipients of New Homes Bonus funding.
- 5.4 The total sum to be distributed to town and parish areas that have experienced growth above the 0.4% baseline level will be divided amongst those qualifying areas by reference to the absolute numbers of additional property numbers in excess of the 'baseline' level for each area in the preceding year.
- 5.5 Not all town and parish areas will experience growth in property numbers in every year. Some that do experience growth in property numbers may not exceed the 0.4% baseline threshold. As a consequence of the methodology for calculating entitlement to grants as set out above, not all town and parish councils will be eligible to receive a grant under this initiative in every year.

6. Grant notification and reporting

- 6.1 Town and parish councils will be notified of their allocations as soon as possible once the allocation to Fylde Council has been announced.
- 6.2 In the case of individual grant awards in excess of £1,000, grant recipients are required to confirm how the grant is to be used in the form of a written statement in compliance with the approved scheme requirements (as set out in paragraph 4.3) prior to the release of funding.
- 6.3 Additionally in respect of grants in excess of £1,000, grant recipients are required to complete a mid-year statement to confirm how the grant has been (or will be) used. This information must be submitted by 30th September and must be in the form prescribed for this purpose. This will require completion of a 'Grant Mid-Year Review' pro forma that will be provided for this purpose. This information will be used to assess the success of the scheme relative to the stated intentions of the initiative and will be used to inform the decision as to whether the scheme will continue for the following year.
- 6.4 For Town and parish councils that may receive modest annual grant allocations as part of this initiative the annual allocations may be accumulated over a period of no more than 3 years in order to provide sufficient funding for a larger scheme to be undertaken than would be achievable using a single year funding allocation.
- 6.5 Grant funding from this initiative may be used as match-funding for other grant applications.

7. Governance and decision-making

- 7.1 Any changes to the scheme for the distribution of grants to town and parish councils to reflect housing growth shall be considered at a meeting of the Finance and Democracy Committee.

DECISION ITEM

REPORT OF	MEETING	DATE	ITEM NO
TOURISM AND CULTURAL SERVICES MANAGER	FINANCE AND DEMOCRACY COMMITTEE	21 NOVEMBER 2022	7
FULLY FUNDED ADDITION TO THE CAPITAL PROGRAMME - FAIRHAVEN LAKE PATHWAY IMPROVEMENTS			

PUBLIC ITEM

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

SUMMARY

The report details a request from the Tourism and Leisure Committee held on 3 November 2022 for approval of a fully funded capital scheme addition of £70,000 in 2022/23 to be funded from the Capital Investment Reserve to undertake repairs and improvements to the pathways at Fairhaven Lake

The scheme includes works to several sections of pathway and the construction of a new path from the car park to the main circular lake path. The Committee is requested to approve a fully funded capital scheme addition in 2022/23 of £70,000 to be funded from the Capital Investment Reserve.

RECOMMENDATION

The Committee is requested to consider approving a fully funded capital scheme addition in 2022/23 of £70,000 to be funded from the Capital Investment Reserve to carry out the works detailed within the report.

SUMMARY OF PREVIOUS DECISIONS

Tourism & Leisure Committee - 3 November 2022

Recommended to the Finance and Democracy Committee approval of a fully funded capital scheme addition in 2022/23 of £70,000 to be funded from the Capital Investment Reserve to carry out the works detailed within the report.

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

REPORT

1. The report details a request from the Tourism and Leisure Committee held on 3 November 2022, for approval of a fully funded capital scheme addition of £70,000 in 2022/23 to be funded from the Capital Investment Reserve to undertake repairs and improvements to the pathways at Fairhaven Lake
2. Fairhaven Lake and Gardens is a Fylde Council asset that has seen a range of improvements to infrastructure, parkland and activity programme supported by funding from the National Lottery Heritage Fund (NLHF). This major project has included some improvements to the pathways, including some new paths introduced and some existing pathways resurfaced.
3. The NLHF project is now almost complete but there are areas within the parkland where the paths have not been resurfaced as part of the project that are clearly deteriorating and require improvement works to prevent health and safety issues emerging and closure of some paths. Improvements carried out under the NLHF project as well as the Fairhaven Sea defence has led to an increase in footfall, making pathway safety a priority.
4. The proposed works include the resurfacing of several sections of pathway and the construction of a new path from the car park to the main circular lake path as detailed in Appendix 1.
5. The Fairhaven Lake Duty Manager will lead the procurement process and will invite three contractors to provide a quote to undertake the required works, to ensure best value for money, with the appointed contractor being required to undertake the necessary works in line with the specification.
6. The 'request for quotation' procedure will be used in accordance with the Council's Contract Procedure Rules using the CHEST portal.
7. Drawdown of the budget will be undertaken in accordance with clause 6.7 of the financial procedure rules.
8. The deadline for the completion of the works will be March 2023.

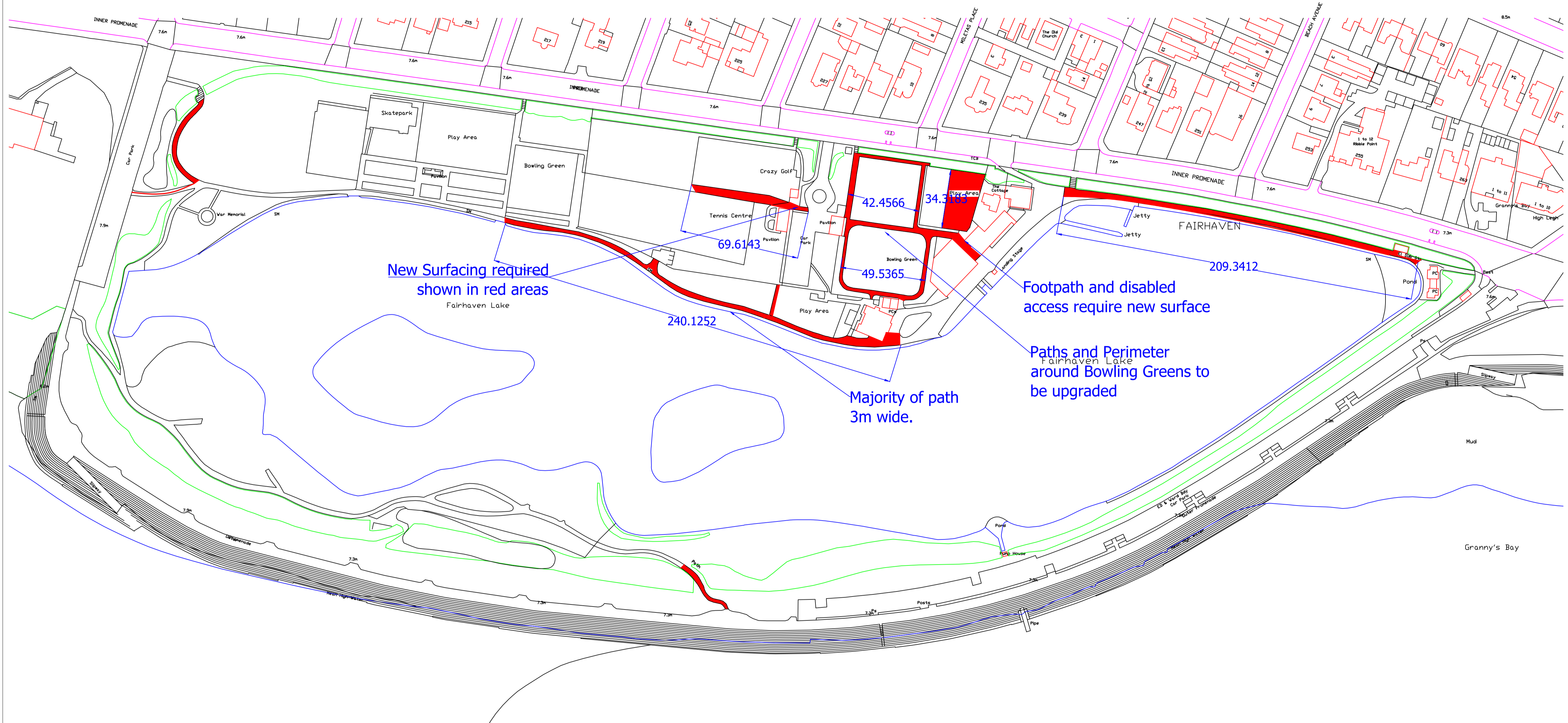
IMPLICATIONS	
Finance	The report recommends the approval of a fully funded capital scheme addition of £70,000 in 2022/23 to be funded from the Capital Investment Reserve in line with the recommendations of the Tourism and Leisure Committee.
Legal	None arising from this report.
Community Safety	The scheme will improve the surfacing and health and safety of users within the park.
Human Rights and Equalities	The scheme will improve facility accessibility.
Sustainability and Environmental Impact	The scheme will improve facility accessibility.
Health & Safety and Risk Management	The specification will stipulate health and safety requirements in the design and construction of the scheme.

LEAD AUTHOR	CONTACT DETAILS	DATE
Tim Dixon	tim.dixon@fylde.gov.uk	October 2022

BACKGROUND PAPERS		
Name of document	Date	Where available for inspection
N/A		

Attached documents

Appendix 1 – Map of proposed works



New Surfacing required
shown in red areas
Fairhaven Lake

Footpath and disabled
access require new surface

Paths and Perimeter
around Bowling Greens to
be upgraded

Majority of path
3m wide.

Date	Revision



Fylde Council

Technical Services
Development Services
The Town Hall
Lytham St Annes
Lancashire
FY8 1LW
Tel: 01253 658658 E-mail: webmaster@fylde.gov.uk

Drawn By: IW	Date: Oct 2022
Checked By: NS	Scale: NTS
Project: Fairhaven Lake Footpath Repairs	
Title: Areas for Upgrade	
Drawing Number: N/A	

DECISION ITEM

REPORT OF	MEETING	DATE	ITEM NO
HEAD OF ENVIRONMENTAL HEALTH AND HOUSING	FINANCE AND DEMOCRACY COMMITTEE	21 NOVEMBER 2022	8
FULLY FUNDED ADDITION TO THE CAPITAL PROGRAMME - AFFORDABLE WARMTH GRANT			

PUBLIC ITEM

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

SUMMARY

The report details a request from the Environment, Health and Housing Committee held on 15 November 2022 for approval of a fully funded addition to the Capital Programme of £59,856 for the delivery of the 'Affordable Warmth Grant 22/23' to be spent in 2022/23 to be met from grant funding received from Lancashire County Council for Affordable Warmth Initiatives.

The scheme is to provide capital measures for home energy improvements to vulnerable residents where an affordability issue has also been identified.

RECOMMENDATION

The Committee is requested to consider approving a fully funded addition to the Capital Programme, 'Affordable Warmth Grant 22/23' for £59,856 to be spent in 2022/23 to be met from grant funding received from Lancashire County Council for Affordable Warmth Initiatives.

SUMMARY OF PREVIOUS DECISIONS

Report provided to Environment, Health and Housing committee on the 10/1/2017

[CMIS > Meetings Calendar](#)

Environment, Health & Housing Committee - 15 November 2022

Recommend to Finance and Democracy Committee approval of a fully funded addition to the Capital Programme, 'Affordable Warmth Grant 22/23' for £59,856 to be spent in 2022/23 to be met from grant funding received from Lancashire County Council for Affordable Warmth Initiatives.

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

REPORT

1. The report details a request from the Environment, Health and Housing Committee held on 15 November 2022 for approval of a fully funded addition to the Capital Programme, 'Affordable Warmth Grant 22/23' for £59,856 to be spent in 2022/23 to be met from grant funding received from Lancashire County Council for Affordable Warmth Initiatives.
2. The scheme is to provide capital measures for home energy improvements to vulnerable residents where an affordability issue has also been identified.
3. On the 14th of July 2022 Lancashire County Council (LCC) gave approval for the allocation of £1,000,000 to local authorities over 2022/23 to help residents across Lancashire to live in warmer homes, as part of its efforts to support residents impacted by the cost-of-living crisis. The funding is to assist residents on low incomes and those who are vulnerable to the effects of living in a cold home
4. The full report considered by Environment, Health and Housing Committee held on 15 November 2022 is available [here](#)

IMPLICATIONS		
Finance	<p>This report summarises the Lancashire County Council Affordable warmth scheme and requests that the Finance and Democracy committee approve a new fully funded capital scheme in the sum of £59,856 in 2022/23 fully funded by a grant from Lancashire County Council in the same sum and to authorise the scheme expenditure as detailed in the report.</p> <p>Fylde Council would be required to administer the scheme from existing resources within the housing services section.</p>	
Legal	Enabling and facilitating the improvement of the energy efficiency of dwellings in the council area is a requirement of The Home Energy Conservation Act 1995	
Community Safety	None arising directly from this report	
Human Rights and Equalities	None arising directly from this report	
Sustainability and Environmental Impact	Improving the energy efficiency of dwellings will contribute to sustainable communities and improve the environment	
Health & Safety and Risk Management	None arising directly from this report	
LEAD AUTHOR	CONTACT DETAILS	DATE
Cheryl Bennett	Email Cheryl.bennett@fylde.gov.uk & Tel 01253 658591	November 2022
BACKGROUND PAPERS		
Name of document	Date	Where available for inspection
ECO4 Guidance: Local Authority Administration	June 2022	: https://www.ofgem.gov.uk/publications/eco4-guidance-local-authority-administration
Energy Company Obligation (ECO4) Guidance: Delivery	October 2022	Energy Company Obligation (ECO4) Guidance: Delivery Ofgem

DECISION ITEM

REPORT OF	MEETING	DATE	ITEM NO
RESOURCES	FINANCE AND DEMOCRACY COMMITTEE	21 NOVEMBER 2022	9
THE ANNUAL PAY POLICY STATEMENT 2023 – RETURNING OFFICER FEE			

PUBLIC ITEM

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

SUMMARY

The committee papers in front of members elsewhere on the agenda provide details of the Annual Pay Policy Statement for Fylde Council, it has been a requirement for all local authorities to have a Pay Policy Statement since 1st April 2012 as part of the Localism Act. The objective of the Pay Policy Statement is to ensure openness, transparency, and fairness in the pay arrangements at Fylde.

The Pay Policy Statement covers the payment of election fees for local elections because the electoral arrangements for the elections are changing in 2023 because of the Local Government Boundary Commission review, this element of the Pay Policy must be reviewed.

RECOMMENDATIONS

1. That Committee approves the methodology in paragraph 2 below for the 2023 local elections, with the formula as outlined in paragraph 3 being used thereafter and that these changes be incorporated within the draft Annual Pay Policy replacing paragraph titled 'electoral fees'.

SUMMARY OF PREVIOUS DECISIONS

The Pay Policy Statement adopted and approved every year since 2012.

CORPORATE PRIORITIES

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

REPORT

1. The Deputy Chief Executive and Monitoring Officer is the Council's appointed Returning Officer by the Council and is personally (not corporately) liable for the management of elections and referenda.
2. The Returning Officer fee for scheduled borough council elections has traditionally been calculated using a formula based on the number of wards, and the number of electors in each ward. With the reduction in the number of wards following the Boundary Commission review, the fee would have reduced significantly, but without any corresponding reduction in the Returning Officer's responsibilities or workload. The recommendation is therefore that, subject to below, the Returning Officer's fee for scheduled borough council elections be fixed for the present at £3619.14, which is a figure that represents the fee that was paid for the 2019 borough council elections, adjusted for inflation.
3. Going forward it is considered more appropriate that Returning Officer fees for scheduled borough council elections should be set by reference to an independently fixed amount. It is therefore recommended that, after the next general election, the Returning Officer fee for a scheduled borough council election is varied to match the fee paid to the Returning Officer in respect of the most recent general election and is subsequently adjusted in line with the fees for general elections.
4. The fees payable to the RO would therefore be as follows:
 - UK Parliamentary and any other election or referenda organised nationally: The fee is set and paid for from Central Government.
 - Borough Council scheduled election: The fee is set locally by the council. The fee has been set at £3619.14 and will be adjusted to match the fee set for the most recent parliamentary election following the 2023 local election.
 - Borough Council by-election: The fee is set locally by the council and depends on the size of the ward. The fee is £172.34 for the first 3000 electors in the ward, then £172.34 for each 500 electors or part thereof over 3000 (fees are subject to inflation).
 - Parish Council by-election or contested scheduled elections: The fee is set locally by the council and depends on the size of the parish or parish ward. The fee is £89.13 for the first 3000 electors in the parish or parish ward, then £89.13 for each 500 electors or part thereof over 3000 (fees are subject to inflation).
 - Lancashire County Council election fees are set by the County Council.

IMPLICATIONS		
Finance	None arising directly from this report.	
Legal	The fulfilment of the role of appointed Returned Officer, and associated remuneration, forms a part of the contract of employment of the Deputy Chief Executive.	
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 and impact assessment. There are no direct human rights 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
Allan Oldfield	Allan.oldfield@fylde.gov.uk	November 2022
BACKGROUND PAPERS		
Name of document	Date	Where available for inspection
Full Council	2012-date	Annual Pay Policy reports to Council

DECISION ITEM

REPORT OF	MEETING	DATE	ITEM NO
RESOURCES	FINANCE AND DEMOCRACY COMMITTEE	21 NOVEMBER 2022	10
THE ANNUAL PAY POLICY STATEMENT 2023			

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 1st April 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 a requirement to conduct an annual review of the Pay Policy Statement; this report includes any implications of the annual review for the Pay Policy Statement.

RECOMMENDATIONS

1. That Council approves the Pay Policy Statement included as Appendix 1 to this report.

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. The Terms of Reference of the Finance and Democracy Committee gives responsibility to this committee for reviewing the Pay Policy annually and making recommendations to council on the same, hence its placement on the agenda of this meeting.

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

REPORT

1. The Council is required as a 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. The Committee are invited to review the Pay Policy report in Appendix 1, with a view to it being presented to the council for approval.
3. The Gender pay gap and Workforce Equality reports containing statistical data will be refreshed and updated in January 2023, details will be provided in a forward report at a future committee meeting.

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 and impact assessment. There are no direct human rights 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
Alex Scrivens	Alex.scrivens@fylde.gov.uk		November 2022
BACKGROUND PAPERS			
Name of document	Date	Where available for inspection	
Pay Policy Statement Summary Statement	January 2021	https://new.fylde.gov.uk/council/open-data/1551-2/	
Gender Pay Gap Reporting	January 2021	https://new.fylde.gov.uk/council/open-data/1551-2/#1523269533820-f8f70d3d-43b8 https://www.gov.uk/government/news/gender-paygap-reporting	
Employees who earn over £50,000 per annum	January 2022	https://new.fylde.gov.uk/council/management-team/	

Online Pay Policy Data	Updated annually in April	https://new.fylde.gov.uk/council/open-data/15512/#1523268470909-b27c789b-960b https://new.fylde.gov.uk/council/open-data/salaryratios/ https://new.fylde.gov.uk/council/open-data/payscales/
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Attached documents

Appendix 1 - Pay Policy Statement



PAY POLICY STATEMENT 2022-23

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 determined through pay and grading evaluation schemes with the GLPC scheme for posts up to Chief Officer and the Hays 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 formally 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 the National Real Living Wage.

The Council adheres to the National Joint Committee (NJC) pay bargaining arrangements and implements a pay grade scale determined through agreed annual collective agreements negotiated under a national collective bargaining process with 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; the Council has not applied market supplements to any post since the introduction of the pay policy.

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

Appointments to new posts are 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.

Chief Officer and Chief Executive appointment is dealt with by the Chief Officer Employment Committee, using the agreed recruitment procedures and options to select. Any appointments made to a post with a remuneration package of more than £100,000 require ratification 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 statutory Chief Officer panel which include the Head of Paid Services, the Monitoring Officer, and the Section 151 Officer.

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. Consideration of any bonus or earn back payments would be subject to a business case and approval by the statutory Chief Officer posts.

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 statutory Chief Officer panel which include the Head of Paid Services, the Monitoring Officer, and the Section 151 Officer, 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, the application of the evaluation schemes determines 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 over £50,000 per annum. 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 public 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 and is set in accordance with the national collective bargaining agreement.

The reimbursement of required 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 for continued delivery of the service activity. Chief Officers do not receive additional allowance payments.

Electoral Fees

The Deputy Chief Executive is the Council's appointed Returning Officer and is personally (not corporately) liable for the management of elections and referenda. The fee payable to the Returning Officer for an 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 elections, local by-elections, for parish and parish by-elections is set 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 the 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 contribute 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 Pension Fund and reviewed on a triennial basis 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, employees applying for flexible retirement will be expected to provide a full retirement date.

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 and will not normally re-engage (into the same or a very similar role or consultant capacity) 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 a former employee that left the Council on the grounds of voluntary or compulsory redundancy, efficiency release or employer consent retirement, within 12 months of the leaving date will require the approval of the statutory Chief Officer panel which include the Head of Paid Services, the Monitoring Officer, and the Section 151 Officer.

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 more than £50,000 per annum. This includes the details of any employee that is employed on reduced hours, but pro rata would earn more than £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's website www.fylde.gov.uk and on request from the Council, it is updated at the start of the financial year in April.

www.fylde.gov.uk/council/opendata/pay-scales

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.



INFORMATION ITEM

REPORT OF	MEETING	DATE	ITEM NO
OFFICE OF THE CHIEF EXECUTIVE	FINANCE AND DEMOCRACY COMMITTEE	21st NOVEMBER 2022	11
LANCASHIRE 2050			

PUBLIC ITEM

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

SUMMARY OF INFORMATION

The attached report is being considered by each of the fifteen local authorities in Lancashire, that is, the county council, two unitary authorities and the 12 district councils.

This report presents the progress made by the 15 Lancashire Local authorities since the last update in January and February 2022. It sets out the general principles and high-level priorities of a long-term strategic framework for Lancashire, known as "Lancashire 2050". This report also represents the commitment to ensure that there continue to be opportunities for all the partner authorities to contribute to and influence regional plans, including identifying specific schemes and activities.

SOURCE OF INFORMATION

Lancashire Leaders Group

WHY IS THIS INFORMATION BEING GIVEN TO THE COMMITTEE?

To review the outline of the Lancashire 2050 strategic framework within the appendices, as the strategic framework that will guide further development of detailed priorities and actions.

FURTHER INFORMATION

Contact: Allan Oldfield, allan.oldfield@fylde.gov.uk

Introduction

With a robust evidence base and utilising the strong local knowledge of elected representatives, Leaders have been considering collective priorities and developing a shared vision and ambition for the future of Lancashire, looking ahead to 2050 to recover, grow and decarbonise the economy, improving the place and the life opportunities of its people. The plans to achieve this will not only realise opportunities for Lancashire and UK plc but in doing so, help address many of the structural deficits and level up across the county.

Working collaboratively Lancashire Leaders agree the time is right for Lancashire to move forward together with a collective voice to make the case for more powers and investment for the whole of Lancashire. Lancashire 2050 will therefore enable any engagement with central government to be placed within a strategic context.

Leaders have identified that the work is now at a stage where it is important to secure the engagement and support of all members. This report is therefore being presented to all fifteen local authorities.

This report covers:

- (i) **Lancashire 2050**, which sets out the headline themes to be included in a long-term strategic framework and ambition for Lancashire.
- (ii) **Oversight, performance management and monitoring**, which sets out information about the proposed approach to overseeing the long-term plan.

By setting out shared priorities and ambitions, Lancashire 2050 will help Lancashire authorities prepare for and respond to opportunities that will help them achieve their shared ambitions and goals.

Developing a Lancashire 2050 Strategic Framework

Significant work has taken place across Lancashire to gather evidence that will shape an overarching vision, ambition, and strategic framework for the whole of 'Lancashire'. This work has helped inform the scale of ambition and the development of robust key priorities, together with the governance principles described in this report.

Over the past several months all Lancashire Leaders across 15 councils, have been considering and refining the approach, with a singular vision to make Lancashire *“a place where every single person can live their best life.”*

Once adopted, Lancashire's overarching strategic plan will be forward-looking and take a long-term view, setting the vision and ambition over a 20–30-year period. To do this requires collective efforts and must be shaped by our residents, communities, and partners.

Lancashire 2050 is the strategic framework that sets out our shared vision, ambition and strategic priority areas to ensure:

- Lancashire competes better for its share of national resources and investment
- Lancashire's public, private and voluntary sectors collaborate better to maximise the best use of our resources
- Lancashire has a strong and clear voice than can respond innovatively to new opportunities and challenges
- Lancashire has rich, meaningful, and strategic dialogue with central government about the future of our County.

The strategic framework for achieving our vision is organised around 8 priority areas. While focussed, this framework allows flexibility to adapt to changing local and global trends, policy mandates and place needs.

Our priorities have been created in such a way that they are accessible and easy to understand. The priorities are presented visually in a way that allows them to stand alone. The priorities aim to give clarity and structure for staff to understand how their roles and responsibilities contribute to key priorities and ambitions and provide a focus for teams to develop service plans and work programmes that support them.

They also enable key partners, stakeholders, business, and industry associates to be clear about the collective ambitions, which will aid the alignment of aims and facilitate collaborative work to deliver high quality, best value services that meet the needs of Lancashire's residents.

Developing the strategic framework and priorities this way also ensures more integrated policy development to tackle cross cutting opportunities such as skills, health, and the environment.

Oversight, performance management and monitoring

In January and February 2022, Councils agreed governance structures for delivering the strategic plan priorities, designed with two aims in mind:

- to create the best arrangements to deliver the priorities within the strategic plan
- to ensure decisions are made democratically and with all partners having an equal voice.

Additionally, Councils endorsed a set of core principles to guide the progression of Lancashire 2050, which have been put in practice through the Lancashire Leaders Forum. It is proposed that the future strategic and delivery oversight of Lancashire 2050 continues to be taken forward through this group.

In addition, to ensure maximum transparency and participation of partners, it's proposed that twice yearly the Lancashire Leaders Forum meets with wider partners from across the county to:

- Agree and update shared strategic priorities
- Consider an annual shared "State of Lancashire" evidence base developed and presented by an independent Data Observatory
- Review delivery performance against Lancashire 2050 aims and priorities
- Agree collaborative actions / contributions required to achieve shared priorities.

Thematic priority areas will be overseen by Portfolio Leads (nominations to be agreed annual basis), and where necessary, additional sub-group arrangements will be established to support action planning and delivery.

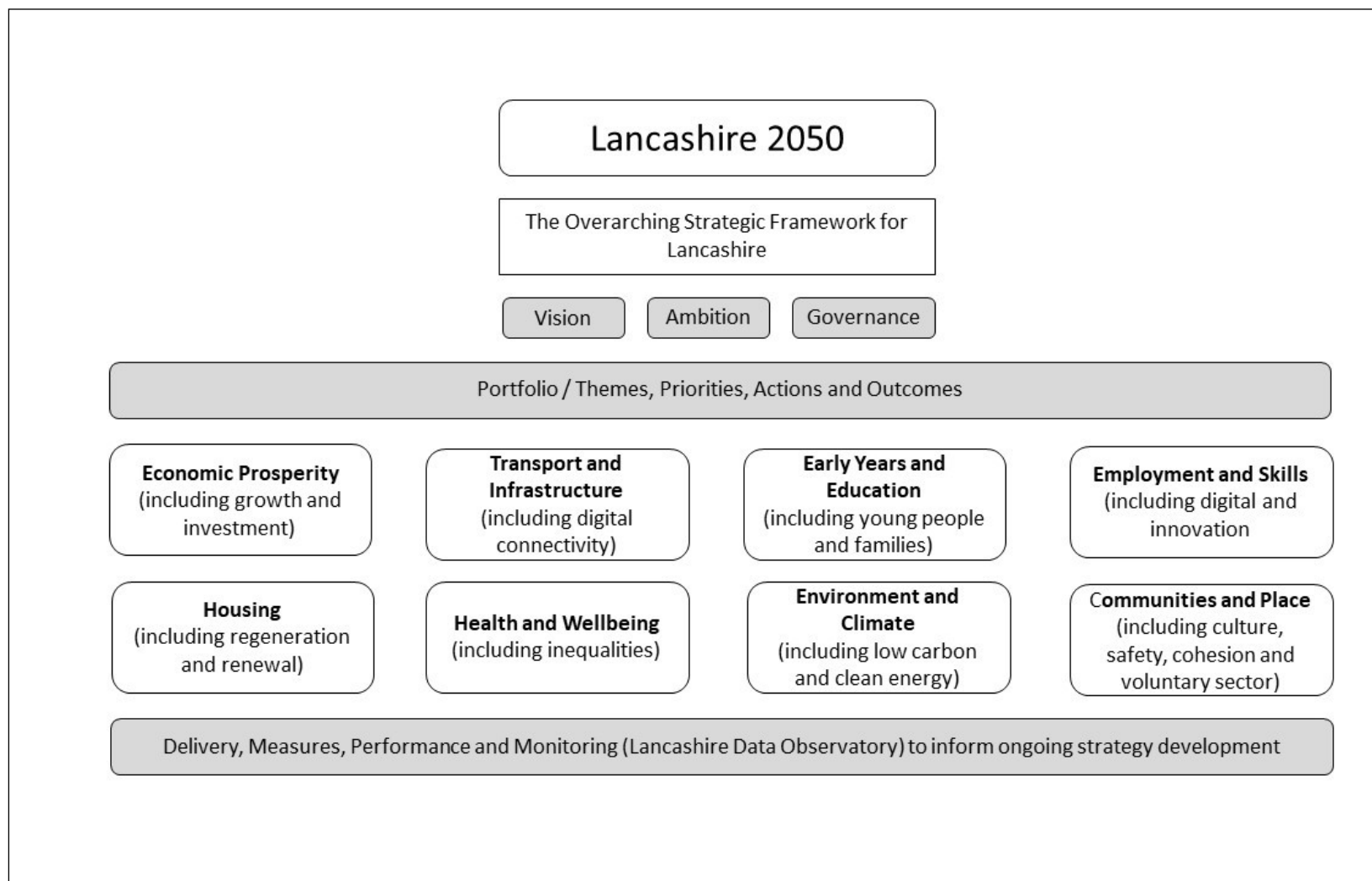
The group will continue to be chaired by Lancashire County Council, with any decisions made on a consensual basis.

Attached documents

Appendix 1 - Scope Diagram

Appendix 2 - Lancashire 2050 Strategic Framework

Appendix 1: Scope Diagram



Lancashire 2050

A strategic framework for Lancashire

Lancashire: a place where every single person can live their best life





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Introduction

Lancashire 2050 is about bringing people together with a shared vision, shared ambition, shared goals and shared priorities.

It's about the future of our county and its people. Initiated by Lancashire's 15 councils, but involving everyone with a stake in our county's success, it sets out the areas where we can work together to help our county thrive.

It is both bold and strategic, creating a framework so that:

- Lancashire competes better for its share of national resources and investment.
- Lancashire's public, private and voluntary sectors collaborate better to maximise the best use of our resources.
- Lancashire has a strong and clear voice that responds innovatively to new opportunities and challenges.
- Lancashire has rich, meaningful and strategic dialogue with central government about the future of our county.



This is Lancashire

We're proud of Lancashire. It's a place of amazing beauty, brilliant people, and world-leading businesses.

We're proud of our history, but always looking to the future.

We're proud of what we have to offer for living, learning, investing and succeeding.

With a population of 1.5m people, our 54,000 businesses generate 637,000 jobs across a range of important and future-facing sectors from manufacturing and tourism to cyber, digital and low carbon. This thriving £34bn economy is home to globally leading firms and the 4th largest aerospace cluster in the world.

We're proud of where we've come from, where we are, and where we're heading.

We're proud to say: we are Lancashire.

A thriving Lancashire remains one of the pre-requisites to a successful economy in the North of England.



Our Vision

Lancashire: a
place where
every single
person can live
their best life

Our Ambition

Our ambition is for Lancashire to be seen across the world as the best place to make a home, raise a family, develop a career, do business and grow old.

A place made up of communities everyone is proud of, that celebrates our sense of place, heritage and natural environment.

A place where we always look to the future.

Our Plan

Our plan for achieving our vision is organised around eight priority areas. We have created a framework for action that will help us focus on the things that are most important, as well as respond to changing local and global trends, policy mandates and place needs. It will mean Lancashire can speak with one voice when championing our needs in government

Lancashire 2050

Our Strategic Framework

Our priorities will help Lancashire:

Economic prosperity

Succeed as a globally-recognised, competitive and sustainable economy, distinguished by its quality of life, connectivity and access to opportunities

Transport and infrastructure

Become better-connected and accessible, with infrastructure that links opportunities to need, and travel choices that are safe, inclusive, affordable and low carbon.

Environment and climate

Meet our low carbon ambitions, promote clean energy and enhance our rich natural environment

Housing

Deliver decent and affordable housing for every community. The choice of housing will attract and retain the talented people required to drive the economy over the long term.

Early years and education

Support all our children so they are ready to learn, achieve, and can access opportunity

Employment and skills

Support people to develop their skills throughout their lives and attract business to the county because of our high skilled workforce,

Health and wellbeing

Improve health, life chances and independence, so residents can live healthy lives and access quality care when they need it.

Communities and place

Build pride, belonging, and resilience in all our communities and ensure people have a voice and stake in Lancashire's future.

Partners commit to:

Working collaboratively

We will work collaboratively on our collective priorities, sharing ideas, assets, skills and knowledge.

Cross cutting key themes

We will ensure our commitments to inclusion, reducing inequalities, children and families, climate, and improving quality of life are addressed in each of our priority themes

Listening to residents

We will be active listeners in building our plans for Lancashire. Everyone will be able to contribute in shaping our shared future.

Being open and transparent

We will ensure decisions are made democratically and transparently, so residents can easily understand progress against our priorities,



Economic prosperity

We will be a globally-recognised, competitive and sustainable economy distinguished by its quality of life, connectivity and access to opportunities.

Theme priorities

To realise the growth potential in our existing and emerging key sectors, and to attract increased investment.

To ensure Lancashire has an outward-looking and connected economy that works for all.

To build a pipeline of strategic development sites and infrastructure opportunities.

To maximise the economic benefits of Lancashire's tourism offer and promote a diverse place with urban, coastal and rural economies .

To encourage business as good employers.

What this will mean for our residents

A thriving economy will enable Lancashire people to access more and better jobs, drive employment growth, and increase wealth and independence.

In turn, this will help improve the wider determinants of health, encourage social mobility and drive the get-up-and-go aspirations amongst our young people, giving each generation more control over their own futures.



Transport and infrastructure

We will be better-connected and accessible, with infrastructure that links opportunities to need, and travel choices that are safe, inclusive, affordable and low carbon.

Theme priorities

To connect the economic clusters of Lancashire and tackle isolation.

To take a place-focused approach to transport and infrastructure, which ensures that provision is designed to allow places to flourish.

To reduce the need to travel by providing fast reliable access to digital technology.

To expedite transition to a zero-carbon economy.

What this will mean for our residents

Our communities will be better connected to opportunities and experiences, including employment, leisure and services.

There will be less reliance on carbon-based modes of transport, with significant reductions in carbon and other vehicle emissions.

Infrastructure and employment sites will support a low-carbon and a modern and forward-looking economy.



Environment and climate

We will meet our low carbon ambitions, promote clean energy, and enhance our natural environment.

Theme priorities

To substantially reduce carbon emissions and energy demand, with our approach to housing and transport helping secure that transition.

To increase energy generation from low carbon sources, including renewables.

To improve the resilience of infrastructure, assets and services to climate change.

To significantly grow the low carbon and environment sectors of Lancashire's economy.

To retain our rich biodiversity and natural environment.

What this will mean for our residents

We will have enhanced our natural environment, which will be enjoyed by more Lancashire residents.

We will be a net zero county protecting our environment for future generations.

Lancashire will be recognised as a place where low carbon businesses can invest and thrive.



Housing

We will deliver decent and affordable housing for every community. The choice of housing will attract and retain the talented people required to drive the economy over the long term.

Theme priorities

To improve and increase the availability of good quality housing – both on new sites and through existing stock.

To link housing regeneration to economic and transport plans.

To secure urban renewal by demolishing and replacing housing stock in some areas.

To improve the attractiveness of the built environment of our communities.

What this will mean for our residents

We will have higher quality homes and neighbourhoods across the county, that are more energy efficient, and better connected to opportunities through our transport infrastructure.

We will help tackle concentrated deprivation and provide the housing choices to attract and retain workers in the economy. These actions will help relieve pressures on housing in more attractive locations.



Early years and education

We will support all our children so they are ready to learn, achieve, and can access opportunity

Theme priorities

To improve attainment for all children across the region, particularly in literacy and numeracy.

To ensure vulnerable families get the help they need for their children to progress and achieve.

To support vulnerable young people and families by removing barriers to learning and helping them access opportunity.

To improve multi-agency working to make sure all our children have the best possible start in life.

What this will mean for our residents

All our children and young people will be able to thrive in education throughout their childhood, and develop the life skills they need to be happy and productive adults.

Families will have access to appropriate support to ensure children are healthy, happy and developing well from birth.



Employment and skills

We will support people to develop their skills throughout their lives and attract business to the county because of our highly skilled workforce.

Theme priorities

To help young people make informed choices about their pathway into employment.

To retain a higher percentage of local graduates and place them into graduate level jobs.

To build a strong pipeline of skilled people entering the labour market to meet the needs of Lancashire businesses.

To increase the proportion of adults in Lancashire achieving a Level 4 qualification or higher and improve access to tailored adult skills provision.

To increase the employment rate to at least equal to any other region of the UK outside London and improve economic activity rates.

What this will mean for our residents

People will have the opportunity to access good jobs and progress in their chosen career, without being held back by their skills or background.

Lancashire will have amongst the highest skilled in the country, ready to take advantage of a strong and growing regional economy.

We will have a skills base that will support inward investment opportunities and create more good jobs.



Health and wellbeing

We will improve health, life chances and independence, so residents can live healthy lives and access quality care when they need it.

Theme priorities

To give our children the best start in life and support better choices.

To improve quality of life and reduce health inequalities.

To provide better opportunities to stay healthier for longer.

To make sure public bodies properly join up their services to focus on Lancashire people's needs.

What this will mean for our residents

Everyone in Lancashire can look forward to living longer, healthier lives.

Residents will be able to make an active contribution to our communities and our economy.

People's backgrounds or where they live will no longer so strongly influence how healthy they are or how long they can expect to live.



Communities and place

We will build pride, belonging and resilience in all our communities and ensure everyone has a voice and stake in their future.

Theme priorities

To foster a sense of pride and belonging in all our communities.

To better join up public services so they deliver what people and places need.

To work with residents, businesses and the voluntary, community, faith and social enterprise sector, to build the vision for our communities.

To foster safer and more resilient neighbourhoods.

To work together across the public, private and voluntary sectors to help tackle the long-term causes and short-term impacts of poverty.

What does this mean for our residents?

Residents will feel pride in their place and will see the contribution their community makes to achieving the whole county's aspirations.

Lancashire will be a place where public services, businesses, residents and community groups all work together to improve their communities.

Our communities will thrive, and their distinctiveness celebrated.

How we will make it happen – our shared commitment to residents:

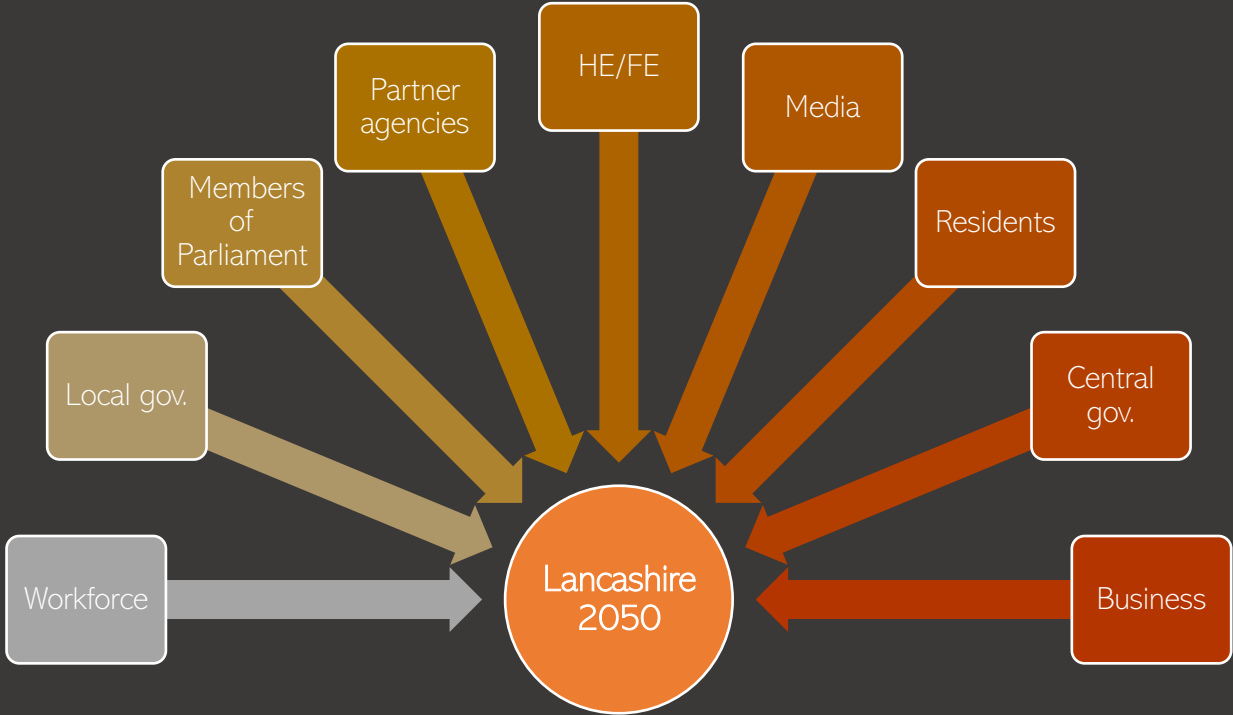
As Local Authorities, this strategic framework represents our shared vision, priorities and intent. It will be endorsed through all our councils individually and will align with our own organisational plans.

But for this plan to work, every business, resident, community and public service has to have a stake in its success. That is why we commit to bringing together key partners to consider our plans, and we welcome the formal endorsement of this approach from many of them.

We will continue to work closely with a wide range of partners and engage closely with you as we develop the detail of our action plans.

With these priorities, we will make better decisions locally, we will make a more powerful case for extra tools powers and resources , and we will deliver on our shared ambitions.

Together we are stronger and Lancashire will be a place where every single person can live their best life.



INFORMATION ITEM

REPORT OF	MEETING	DATE	ITEM NO
MANAGEMENT TEAM	FINANCE AND DEMOCRACY COMMITTEE	21st NOVEMBER 2022	12
GENERAL FUND REVENUE BUDGET MONITORING REPORT 2022/23 - POSITION AS AT 30th SEPTEMBER 2022			

PUBLIC ITEM

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

SUMMARY OF INFORMATION

The purpose of this report is to provide an update on the General Fund Revenue Budget of the Council as at 30th September 2022 and specifically for those areas under the remit of the Committee.

SOURCE OF INFORMATION

The report is based upon information extracted from the financial ledger system of the Council for the period to 30th September 2022 and feedback and commentary received from budget holders.

LINK TO INFORMATION

General Fund Revenue Budget monitoring Report to 30th September 2022:

<http://www.fylde.gov.uk/council/finance/budget-monitoring/>

WHY IS THIS INFORMATION BEING GIVEN TO THE COMMITTEE?

This information is provided to enable the committee to consider and scrutinise periodic revenue budget monitoring reports for those areas under the remit of the Committee.

FURTHER INFORMATION

Contact: Paul O'Donoghue, Chief Financial Officer.

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GENERAL FUND REVENUE BUDGET MONITORING REPORT 2022/23

POSITION AS AT 30TH SEPTEMBER 2022

Summary

The purpose of this report is to provide an update on the General Fund Revenue Budget of the Council as at 30th September 2022. The report includes a narrative description of the most significant variances from the profiled latest budget and details any actions required to address these. Appendix A to this report shows the value of the most significant variances for all of the Council services by Committee and provides a brief explanation for each variance.

1. Background

- 1.1 The Council operates a system of Revenue Budget Monitoring which revolves around the production of detailed monthly monitoring reports for budget holders. Significant variances from the expected budget position at the point of monitoring, both for expenditure and income, are summarised in monitoring reports which are periodically reported to each Programme Committee for information purposes. This report therefore details the findings and issues emerging from budget monitoring carried out to 30th September 2022.
- 1.2 It should be noted that work continues on improving budget profiling across the Council in order that budget profiles more accurately reflect the spending pattern of individual budgets across the financial year. This serves to enhance budget monitoring and focus attention on true variances rather than budget profiling issues. This is a continuous process with budget holders so that the improved profiling continues to refine the budget monitoring system.
- 1.3 Council approved the 2022/23 budget at its meeting on 3rd March 2022. Subsequently on 23rd June 2022 the Finance and Democracy Committee approved the financial outturn position for 2021/22. The impact of those approvals, including savings and growth items approved at the Council budget meeting, along with slippage from 2021/22 as approved by the Finance and Democracy Committee, are now reflected in the financial ledger. Therefore, this report monitors expenditure and income against the updated approved budgets for 2022/23.

2. Budget Rightsizing Exercise

For a number of years the Council has carried out an annual budget rightsizing exercise to analyse underspends which have occurred over the last 3 financial years and to adjust current and future year budgets to better reflect the level of resource requirement in the context of current financial constraints. This process is currently being repeated during 2022/23 and the resulting changes will be reflected in the latest budgets and updates to the Councils Financial Forecast.

3. Conclusions

The Council has seen particular volatility in expenditure and income levels since the commencement of the pandemic which has required that the Council continues the approach to continually seek opportunities to achieve savings and efficiencies to enable a balanced budget position and financial stability to be maintained.

As a consequence of the uncertainty about the impact of the pandemic on national public finances, the Government implemented a one-year Spending Review for 2022/23 and the Council, as with all Local Authorities, received a one-year funding settlement for the year. This was the second year running that the funding settlement was for one-year only. The MTFs report presented to Council in March 2022 sets out the full context of the financial landscape of the council, including an assessment of the key financial risks which primarily relate

to uncertainties around reviews of the future funding regime for local government. The report can be found at this link: [MTFS Report March 2022](#).

UK CPI was 0.7% in March 2021 but thereafter began to steadily increase. Initially driven by energy price effects and by inflation in sectors such as retail and hospitality which were re-opening after the pandemic lockdowns, inflation then was believed to be temporary. Thereafter price rises slowly became more widespread, as a combination of rising global costs and strong demand was exacerbated by supply shortages and transport dislocations. The surge in wholesale gas and electricity prices led to elevated inflation expectations. CPI for September 2022 registered 10.1% year on year, up from 9.9% in August 2022. Increasing inflation is exerting significant upward pressure on prices for utilities and on supplies and services across all sectors of the economy, which in turn increases the base costs for both revenue and capital budget items. The situation is particularly acute in the construction sector where supply chain issues and price increases are combining to put increased risks on the delivery of capital programme schemes. This is likely to be a continuing issue for the council during 2022/23 and this has resulted in current scheme delays and reviews on scheme costings.

Regular budget monitoring reports are an integral part of the Council's financial monitoring framework and these reports will be available on the Council's website.

External pressures outside the Council's control are impacting on all local authorities. Instructions remain in place that officers should not commit to any unnecessary expenditure and should seek to maximise efficiencies wherever possible.

Finance staff work continuously with budget holders across the Council and are heavily reliant upon budget-holders to be able to understand and quantify the potential impact of in-year hotspot variances within their areas of responsibility.

In light of the potential for future general reductions in central government funding from 2023/24 onwards, the Council needs to continue with the approach to delivering savings and efficiencies which have helped deliver balanced budgets and provided contributions to reserves over recent years.

Through continued focus on the importance of financial stability the Council has delivered a significant savings programme in recent years and has continued to reduce overheads wherever possible. Ongoing modernisation work and business improvement will continue to make Council services more efficient, save money and maintain high quality frontline services to customers. For Fylde Council to continue to successfully meet the new challenges that it faces it is vital that this approach continues and that all reasonable opportunities for further cost-reduction measures and for the generation of additional income are seriously considered. Prudent financial management in previous years has provided a level of reserves which allows the necessary time to determine how this council can best respond to the challenges ahead.

We are now at the mid-point of the 2022/23 financial year and much uncertainty exists with respect to the remainder of the year. Therefore, it is not possible to draw any firm conclusions on the in-year financial position. The financial risks facing the Council, as set out to Council in March 2022 and updated to Finance & Democracy Committee in June 2022 remain alongside the significant additional risks presented by the pandemic. Instructions issued by Management Team that budget holders remain prudent are still in place, and the overall financial position of the council will be captured in the next update of the financial forecast in the Medium Term Financial Strategy which will be presented to members in the forthcoming committee cycle.

REVENUE MONITORING 2022/23 - Period 6 to 30th September 2022 (Variances in excess of £5K)

Appendix A

NB: Some budget variances occurring as a result of budget profiling issues where no variance is expected to remain by year-end, or variances to be resolved by virements, are excluded from the list below.

Key

BLUE
GREEN
AMBER
RED

Variance currently showing but expected to be on target at year end
Favourable variance against latest budget
Adverse variance against latest budget
Projected adverse outturn variance

FINANCE & DEMOCRACY COMMITTEE / CORPORATE CROSS CUTTING BUDGETS

Service Area	Detailed Description	Full Year Budget £	Budget as at Period 6 £	Actual & Commitments as at Period 6 £	Variance as at Period 6 £	FAV / ADV	Alert	Budget Holder	Budget Holder Comments
All Council services	Employee costs including basic pay, pension, NI, and overtime, plus agency costs	10,412,612	5,389,764	5,486,404	96,640	ADVERSE	RED	All Budget Holders	The budget forecast which was approved by Council in March 2022 assumed employee cost savings (including vacancy savings arising from delays in the recruitment to vacant posts) of £300,000 per annum from 2022/23 onwards. The actual spend to date includes an estimated pay award of £1,925 per pay point (pro-rata'd for the year to date) based on the latest offer, which is yet to be formally agreed and equates to c6.75% on the pay-bill, whilst the budget for pay award assumed a 2.75% increase. Together these changes equate to the adverse variance shown. This budget will be kept under review during the remainder of the financial year and will be adjusted as part of future budget right-sizing exercises and confirmation of the agreed pay award.
Utilities	Electricity	92,878	46,461	25,709	-20,752	FAVOURABLE	RED	Andrew Loynd	Underspend as a result of some credits plus August and September bills not yet being processed. Overall it is expected that, with the increase in electricity costs, across the year the budget will be significantly overspent. The budgets will be kept under review and adjusted as necessary as part of the budget right-sizing exercise to reflect this.
	Gas	44,800	22,410	29,364	6,954	ADVERSE	RED	Andrew Loynd	Costs have significantly increased. Although expenditure should decrease over summer months this will rise over winter. The budgets will be kept under review and adjusted as necessary as part of the budget right-sizing exercise to reflect this.
	Sewerage & Environmental Services	11,611	5,826	-4,998	-10,824	FAVOURABLE	RED	Andrew Loynd	With change in provider, credits received for previous financial year. Expect this to be claimed by new provider and this years budget to be invoiced in full. The budgets will be kept under review and adjusted as necessary as part of the budget right-sizing exercise to reflect this.
Human Resources	Training Exps - qualifications	25,000	12,502	553	-11,949	FAVOURABLE	BLUE	Alex Scrivens	The deadline for Personal Development Appraisals has just passed 30/09/22, therefore the plan is to utilise the budget in Q3/Q4.
Computer services	Purchase of Computer Equipment	186,975	93,522	122,840	29,318	ADVERSE	BLUE	Ross McKelvie	The budgets shown include a healthy slippage which will be used to develop the device, virtual infrastructure and enhancement of cyber going forward, with an exploration of solutions currently underway which should see normalisation through both budgets shown after implementation.
	Computer - Development Costs	275,427	137,768	48,865	-88,903	FAVOURABLE	BLUE	Ross McKelvie	
St Annes Public Offices	Consultants Fees	0	0	6,000	6,000	ADVERSE	RED	Phil Howarth	Agents fees incurred regarding the disposal and re-development of the site.
	Legal Fees and Court Costs	0	0	6,000	6,000	ADVERSE	RED	Phil Howarth	Additional funding agreed to cover costs associated with sale/lease of site.

TOURISM AND LEISURE COMMITTEE

Service Area	Detailed Description	Full Year Budget £	Budget as at Period 6 £	Actual & Commitments as at Period 6 £	Variance as at Period 6 £	FAV / ADV	Alert	Budget Holder	Budget Holder Comments
Sports Development	Weight Management Activities	41,863	20,938	3,574	-17,364	FAVOURABLE	BLUE	Ian Brookes	Phasing of expenditure - anticipated to be spent to budget at year end.
	Business Health Matters Initiatives	17,400	8,700	0	-8,700	FAVOURABLE	BLUE		Phasing of expenditure - anticipated to be spent to budget at year end. There are more engagement days planned for the remainder of the year
	PCC - Safe Communities Project	26,750	13,378	720	-12,658	FAVOURABLE	BLUE		Phasing of expenditure - anticipated to be spent to budget at year end. Delivery of the project has been moved to after the summer holiday period
St. Annes-Leisure (Strategic)	Crown Green Bowling	0	0	-5,200	-5,200	FAVOURABLE	GREEN		Additional unbudgeted income. The budget will be kept under review during the remainder of the financial year and adjusted as necessary as part of the budget right-sizing exercise.
Lytham-Parks (Non-Strategic)	General Maintenance of Grounds	4,106	2,054	7,715	5,661	ADVERSE	RED	Lisa Foden	Essential maintenance costs incurred during 2022/23. The budget will be kept under review during the remainder of the financial year and adjusted as necessary as part of the budget right-sizing exercise.
Fairhaven Lake and Gardens	Boats Maintenance Etc	10,000	5,004	13,498	8,494	ADVERSE	RED	Nick Skiba	Fuel charges for boats increased, plus purchase of treatments to keep the Lake weed free to allow for continuation of the boat service through the season. Will be kept under review during the remainder of the financial year and adjusted as necessary as part of the budget right-sizing exercise.
	Crown Green Bowling	0	0	-6,314	-6,314	FAVOURABLE	GREEN		The income target within a wider games Site Income code (including other sites). This will be re profiled as part of Budget Right Sizing
	Adventure Golf	-165,000	-82,530	-113,858	-31,328	FAVOURABLE	BLUE		Extra visitors due to promotional activities and boat / golf combi ticket
	Watersport Activities	-45,000	-22,506	-12,392	10,115	ADVERSE	RED		New offer at Fairhaven and marketing campaigns have taken place. Will be kept under review during the remainder of the financial year and adjusted as necessary as part of the budget right-sizing exercise.
	Boat Service	-72,500	-36,264	-80,184	-43,920	FAVOURABLE	GREEN		Higher than expected revenue due to warm weather during the summer
	Combined Tickets/Other Fees	-7,500	-3,750	-10,920	-7,170	FAVOURABLE	GREEN		Higher than expected revenue due to warm weather during the summer and marketing campaigns
Fylde Tourism	Income - Kite Festival	-20,000	-20,000	-8,121	11,879	ADVERSE	RED	Tim Dixon	Reduced income from expected revenues from event car park and trade stalls. Budget will be reviewed and opportunities to look for a sponsor from 2023 event onwards
Coast and Countryside	Consultants Fees	45,716	22,866	46,017	23,151	ADVERSE	BLUE	Phil Howarth	Profiling of the Sand winning Environmental studies - anticipated to be spent to budget at year end.

OPERATIONAL MANAGEMENT COMMITTEE									
Service Area	Detailed Description	Full Year Budget £	Budget as at Period 6 £	Actual & Commitment s as at Period 6	Variance as at Period 6 £	FAV / ADV	Alert	Budget Holder	Budget Holder Comments
Fylde Waste Schemes	Other Sales	-50,000	-25,010	-37,100	-12,090	FAVOURABLE	GREEN	Clare Blyth / Mark Wilde	Additional income due to customer demand and an increase in service provision from 3 to 4 days per week
	Green Waste Subscription Charge	-693,800	-693,800	-672,280	21,520	ADVERSE	RED	Clare Blyth / Mark Wilde	Subscriptions to the scheme are less than budgeted for - the scheme is still open until end of November and is being actively promoted.
Trade Waste Service	Bulk Bin Collection Charges	-160,000	-160,000	-166,687	-6,687	FAVOURABLE	GREEN		Increase in number of customers for trade waste services.
	Bulk Bin Disposal Charges	-160,000	-160,000	-168,275	-8,275	FAVOURABLE	GREEN		Increase in number of customers for trade waste services.
Highways Cleansing	Parish Council Amenity Cleansing Grant	32,656	32,656	24,198	-8,458	FAVOURABLE	GREEN		Reduction in grant payable to town and parish councils - Newton and Clifton Parish Council no longer receiving the grant and cleansing responsibility back under FBC remit. Budget to be updated as part of the budget rightsizing exercise.
Fleet & Plant	FMS Materials Cost	140,670	70,439	84,888	14,449	ADVERSE	RED		There are a number of adverse and favourable variances in respect of vehicle costs. These budgets will be kept under review during the remainder of the financial year and adjusted as necessary as part of the budget right-sizing exercise.
	Fuel Costs	280,595	140,393	184,058	43,665	ADVERSE	RED		
	Tyres - Renewal	34,636	17,430	11,982	-5,448	FAVOURABLE	BLUE		
	Bartec-In Cab Technology	19,970	10,062	17,381	7,319	ADVERSE	RED		
	Agrippa Signage	11,005	5,545	0	-5,545	FAVOURABLE	GREEN		
St Annes Square (Maintenance)	Reps & Mtce of Capital Schemes	45,000	22,506	212	-22,294	FAVOURABLE	BLUE	Phil Howarth	This was for a rolling programme of maintenance to be managed by the Town Centre Manager. A programme of works is currently being developed.
Property Management Team	Surveys / Valuation Fees	15,000	7,500	-40	-7,540	FAVOURABLE	BLUE	Phil Howarth	The valuations for the current year are in progress and this budget will be fully spent by year end.
	Miscellaneous Income	0	0	-5,525	-5,525	FAVOURABLE	GREEN	Phil Howarth	Additional unbudgeted income - Estates legal fees contribution. This will be kept under review during the remainder of the financial year and adjusted as necessary as part of the budget right-sizing exercise.
Car Parking Fees	Car Parking Fees	-685,000	-342,639	-466,384	-123,745	FAVOURABLE	GREEN	Andrew Loynd	Due to the good weather and increased visitors it is anticipated that the annual income will be greater than expected. The budgets will be kept under review and adjusted as necessary as part of the budget right-sizing exercise to reflect this.
Car Parks General	Other General Repairs and Mtce	20,600	10,304	555	-9,749	FAVOURABLE	GREEN		Profiling. Budget held back due to expected significant costs of updating all p&d machine modems to 4g due to 2/3g turn off during 2023. Further costs anticipated to be incurred.
Stanner Bank Car Park	Ticket Issuing Machines	0	0	9,495	9,495	ADVERSE	RED		These are costs associated with operating and maintaining the barrier system out of hours. The budget will be kept under review during the remainder of the financial year.
Off-Street Parking Enforcement	Decrim - Off-Street Pkng Fees	-40,000	-20,008	-33,867	-13,859	FAVOURABLE	GREEN		With an increase in visitors as per above the increase in parking contraventions has occurred resulting in a higher number of Penalty Charge Notices being issued. The budget will be kept under review during the remainder of the financial year and adjusted as necessary as part of the budget right-sizing exercise.
Cemetery and Crematorium	Crematorium Furnace Repairs	2,500	1,252	37,205	35,953	ADVERSE	RED	Rebecca Riley	Essential replacement of major cremator components scheduled for November 2022 in order to keep the facilities operational. Virements are being explored to fund these works.
	Interments	-200,000	-100,040	-133,945	-33,905	FAVOURABLE	BLUE		There is increased demand for plots post pandemic. These budgets will be kept under review during the remainder of the financial year and adjusted as necessary as part of the budget right-sizing exercise.

OPERATIONAL MANAGEMENT COMMITTEE									
Service Area	Detailed Description	Full Year Budget £	Budget as at Period 6 £	Actual & Commitment s as at Period 6	Variance as at Period 6 £	FAV / ADV	Alert	Budget Holder	Budget Holder Comments
Cemetery and Crematorium	Cremations	-1,070,000	-535,214	-491,785	43,429	ADVERSE	RED	Rebecca Riley	There has been a reduced demand for services from residents outside of the borough. These budgets will be kept under review during the remainder of the financial year and adjusted as necessary as part of the budget right-sizing exercise.
	Memorial Income	-40,000	-20,008	-13,542	6,466	ADVERSE	BLUE		There has been a reduced demand for services from residents outside of the borough. These budgets will be kept under review during the remainder of the financial year and adjusted as necessary as part of the budget right-sizing exercise.
ENVIRONMENT HEALTH & HOUSING COMMITTEE									
Service Area	Detailed Description	Full Year Budget £	Budget as at Period 6 £	Actual & Commitment s as at Period 6 £	Variance as at Period 6 £	FAV / ADV	Alert	Budget Holder	Budget Holder Comments
Homelessness	Storage and Removal Costs	5,000	2,504	9,878	7,374	ADVERSE	BLUE	Kirstine Riding	The homeless service continues to see high demand for temporary accommodation with limited move on opportunities. This has a direct impact on storage costs as there is a legal requirement to store clients belongings to whom we have a statutory housing duty.
	Computer - Program Licence Chgs	0	0	10,495	10,495	ADVERSE	BLUE		Jigsaw license for homelessness and housing advice service 22/23 is awaiting a decision on the Homeless Prevention Grant 22/23 being placed in housing team based budget on the 12th Oct 2022.
	CAB - Debt Advice Service	18,772	9,388	575	-8,813	FAVOURABLE	BLUE		Service is operated by Blackpool Debt Advice Service and costs are per client referred in from 21/22. Originally service was set up with CAB and included staffing costs which is no longer the case. There is an expected under spend at the end of every financial year.
	Ex-Offender Initiatives	34,172	17,090	6,000	-11,090	FAVOURABLE	BLUE		Project is progressing as expected. Funding merged with Rapid Rehousing programme and taken out for procurement as Ex offenders and Rough Sleeping Programme.
	B&B	71,750	35,888	88,070	52,182	ADVERSE	AMBER		The homeless service continues to see unprecedented levels of demand for temporary accommodation coupled with limited move on opportunities. The budget is partially offset by Housing benefit income which stands at £31k.The expected outturn position will be above the full year budget of £71k.
	Rapid Re-housing Programme	29,000	14,506	6,089	-8,417	FAVOURABLE	BLUE		Project is progressing as expected. Funding merged with Ex-offenders programme and taken out for procurement as Ex offenders and Rough Sleeping Programme.
	Housing Benefit/Universal Credit Repayment	-45,000	-22,506	-31,632	-9,126	FAVOURABLE	BLUE		The homelessness and housing advice service is seeing unprecedented demand for temporary accommodation coupled with lack of move on options. Increase in HB claims towards the housing costs for B&B placements.
	CLG Homelessness Grant	-146,630	-73,343	-354,487	-281,144	FAVOURABLE	BLUE		Full Council decision on use of uncommitted Homeless Prevention grant spend for 22/23 approved on 12th October 2022 to commit this funding into the Housing base budget to cover costs of delivering the homeless service. As such this favourable variance will offset some of the adverse variance currently showing against homelessness budgets.
Housing Standards	Contribution to Wyre - Care & Repair	30,000	15,006	0	-15,006	FAVOURABLE	GREEN		Handyperson and Sanctuary Service now delivered by Preston Care and Repair. Outturn position expected to be below budget as demand for service is still being gauged.
	Disabled Facilities Grant Fees	-160,000	-80,032	-61,017	19,015	ADVERSE	AMBER		Delivery of grant is being delivered as expected with the full budget expected to be committed by the end of the financial year.

ENVIRONMENT HEALTH & HOUSING COMMITTEE									
Service Area	Detailed Description	Full Year Budget £	Budget as at Period 6 £	Actual & Commitment s as at Period 6 £	Variance as at Period 6 £	FAV / ADV	Alert	Budget Holder	Budget Holder Comments
Housing Standards	Enforcement Notices	0	0	-6,737	-6,737	FAVOURABLE	GREEN	Kirstine Riding	HMO inspection programme actively underway. Number of enforcement notices served as part of the programme. Currently no budget set for this income. Outturn position expected to be £10k. This will be reflected as part of the budget rightsizing exercise.
Community Safety Initiatives	Community Safety Initiatives	25,041	12,525	431	-12,094	FAVOURABLE	GREEN	Ian Williamson	The delivery of Community Safety Initiatives is currently under review and there may be some slippage of this budget at outturn.
Pollution Control	Works Completed in Default of Notice	0	0	5,326	5,326	ADVERSE	AMBER		An increase in statutory enforcement notices served and residents not complying meaning the LA has to undertake work in default. We send invoices (plus officer time etc) but these often don't get paid. A charge gets placed on the property after a length of time.
Covid-19 Support	Unringfenced Covid Grant Support	178,320	89,198	0	-89,198	FAVOURABLE	GREEN	Tracy Manning	The Government provided un-ringfenced Covid support grant to all local authorities in 2021/22, with Fylde receiving £392k for the year and this is the remaining balance. This budget will be kept under review as part of the ongoing response to the Covid pandemic throughout the remainder of the current financial year.
	LCC - Practical Support for Self-Isolation	0	0	-137,155	-137,155	FAVOURABLE	BLUE		It is anticipating that LCC will seek a return of this funding which has not been spent.
Covid-19 Contain Management Outbreak (COMF)	COMF Expenditure	188,516	94,258	61,699	-32,559	FAVOURABLE	BLUE		This budget will be kept under review as part of the ongoing response to the Covid pandemic throughout the remainder of the current financial year.
PLANNING COMMITTEE									
Service Area	Detailed Description	Full Year Budget £	Budget as at Period 6 £	Actual & Commitment s as at Period 6 £	Variance as at Period 6 £	FAV / ADV	Alert	Budget Holder	Budget Holder Comments
Development Management	Consultants Fees	50,047	25,027	11,339	-13,689	FAVOURABLE	GREEN	Mark Evans	The requirement to engage external consultants is dependant on the nature of the planning applications submitted. The nature of applications received to date has only required a limited element of specialist input.
	Planning Application Fees	-675,000	-337,632	-311,645	25,987	ADVERSE	RED		Income from application fees is dependant upon the number and nature of planning applications submitted by third parties and so is outside the direct control of the council. The situation will continue to be monitored through the MTFS.
Planning Appeals	Planning Appeal Hearing Costs	50,000	25,010	0	-25,010	FAVOURABLE	GREEN		There have been no major planning appeals submitted during the year to date and so there has been no call on this budget at the time of reporting.
Planning Enforcement	Enforcement Costs	40,000	20,006	0	-20,006	FAVOURABLE	GREEN		Court action regarding the case this funding was set aside for was suspended due to the Coronavirus pandemic in line with Government guidance. Processing of the enforcement case has recommenced, although expenditure may be delayed as the courts recover from their backlog of cases.
Development Management Team	Consultants Fees	30,000	15,006	0	-15,006	FAVOURABLE	GREEN		This funding is ring fenced following the increased income from planning application fees in 2018. It is proposed to utilise this budget to address current capacity issues within the planning team and to help implement any recommendations emerging from the Planning Peer Challenge.
Planning Policy	Local Development Framework Costs	15,000	7,500	0	-7,500	FAVOURABLE	BLUE		The council is in the process of preparing two Supplementary Planning Documents which will require funding from this budget later in the financial year.

PLANNING COMMITTEE

Service Area	Detailed Description	Full Year Budget £	Budget as at Period 6 £	Actual & Commitment s as at Period 6 £	Variance as at Period 6 £	FAV / ADV	Alert	Budget Holder	Budget Holder Comments
Regeneration Team	UKSPF Investment Plan Support Fees	0	0	9,000	9,000	ADVERSE	AMBER	Charlie Richards	The government have committed an allowance of £20,000 to each local authority to support the preparation and submission of their UKSPF investment plan. The Council appointed Reay Associates to support the preparation of the UKSPF investment plan, of which the final commission totalled £9,000. The allowance will be made available for each local authority to make a claim against once the funding allocations are confirmed, which is expected in Autumn 2022.
Pleasure Island/Salters Wharf	Consultants Fees	120,000	60,024	75,242	15,218	ADVERSE	BLUE		This spend is directly associated with the St Annes Masterplan commission. The commission is now complete and the budget is expected to be fully spent by year end.
	LCC - Lancashire Economic Recovery Grant	-108,000	-54,022	0	54,022	ADVERSE	BLUE		The grant claim process with LCC to fund the expenditure above is currently being finalised and payment is expected before the end of 2022.

INFORMATION ITEM

REPORT OF	MEETING	DATE	ITEM NO
MANAGEMENT TEAM	FINANCE AND DEMOCRACY COMMITTEE	21 st NOVEMBER 2022	13
CAPITAL PROGRAMME MONITORING REPORT 2022/23 – POSITION AS AT 30 th SEPTEMBER 2022			

PUBLIC ITEM

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

SUMMARY OF INFORMATION

The purpose of this report is to provide an update on the approved Capital Programme of the Council as at 30th September 2022 and specifically for those schemes under the remit of the Committee.

SOURCE OF INFORMATION

The report is based upon information extracted from the financial ledger system of the Council for the period to 30th September 2022 and updates provided by budget holders.

LINK TO INFORMATION

Capital Programme Monitoring Report to 30th September 2022:

<http://www.fylde.gov.uk/council/finance/budget-monitoring/>

WHY IS THIS INFORMATION BEING GIVEN TO THE COMMITTEE?

This information is provided to enable the committee to consider and scrutinise the Capital Programme monitoring reports for those schemes under the remit of the Committee.

FURTHER INFORMATION

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Summary

The purpose of this report is to provide an in-year progress update in respect of those schemes within the Capital Programme that have been approved for delivery in 2022/23, together with an update on the overall Five-Year Capital Programme of the Council. This report includes a narrative description of some of the more significant schemes within the Capital Programme and details any risks and the actions required to address these. Appendix A to this report provides an update by Committee on schemes scheduled for commencement or delivery in 2022/23. Appendix B provides a summary of the latest position for the 5 year Capital Programme and Appendix C provides details of the financing of the programme.

1. Background

The Council approved the Capital Programme on 3rd March 2022. That update showed a balanced capital programme position from 2021/22 onwards. This report includes year to date expenditure and sets out the latest phasing of the programme and any additions or changes since the capital programme was presented to Council in March 2022. The Programme has also been rolled forward to include the year 2026/27.

2. Notes on Specific Schemes

There are a number of schemes for which further information is provided below:

(i) Town Centre Regeneration Kirkham

Following the Government's Future High Street funding initiative (FHSF), the Planning Committee resolved, in the autumn of 2019, to choose Kirkham Town Centre as its choice to pursue any bids for funding under the scheme. The first opportunity, being part of the broader FHSF, named the High Street Heritage Action Zone initiative (HS HAZ) was launched. This was a competitive process and seeks to enhance the historic environment of high streets that have conservation area status. Following the expansion of the funding for the scheme, due to unprecedented bids from a national perspective, the Kirkham bid proved to be successful, following a recommendation to Government from Historic England (HE). HE is the body responsible for administering the scheme. The grant award is £1.8m and will be match funded from a number of sources including Fylde Council, Kirkham Town Council and Section 106 payments for public realm improvements attributed to residential planning permissions. The scheme will run over 4 years, commencing in April 2020, and includes a wide range of projects.

In line with many other authorities, due to COVID 19, the implementation of the scheme has been delayed and a revised project plan, which sets out the projects to be delivered and the associated funding, has been agreed with Historic England.

A further bid for £9.1m was also submitted under the main body of the Future High Street Fund during 2020 and proposed to deliver a number of schemes across the whole of the town centre including the re-purposing of buildings, traffic management measures, building reuse and enhancement and public realm projects. This was once again a competitive process. The bid was well founded, and the economic case was very strong. In April 2021 an award of £6.29m for the Kirkham scheme was announced from the Ministry of Housing, Communities and Local Government (MHCLG) which was approved at Council on the 5th July 2021. A report was approved by Planning Committee and Council in December 2021 to authorise various property acquisitions as part of the project.

The Kirkham Futures Regeneration Programme, which encompasses the funding streams identified above is a complex multi-stranded programme with strict delivery timeframes. As such the Programme has been added to the Council's Strategic Risk Register in order that the identified risks can be managed.

(ii) St Annes Sea Wall

St Annes Seawall is 660m long and was constructed in 1935. It reduces the risk of coastal erosion and flooding to over 400 properties. The seawall surrounds The Island, which is one of three strategic headlands which are critical to maintaining healthy beaches, dunes and reducing the risk of coastal erosion along Fylde Council's frontage. St Annes Seawall is at the end of its design life and is in poor condition; it is cracking and crumbling and is subject to

ongoing repairs and maintenance. Voids have previously been identified resulting in settlement of the promenade. The crest level is low and overtopping during storms results in damage to the promenade and flooding of the car park, swimming pool and fitness centre plant room, and flooding up to the thresholds of the cinema, casino, amusement, and restaurant complex.

In 2020 the council were awarded £300k Pipeline acceleration funding to develop the St Annes Seawall Outline Business Case. Following this a bid has now been submitted to the Environment Agency formally for their appraisal and consideration and if EA funding is approved the planning phase will commence consisting of technical surveys including topographical, geotechnical, detailed design, ecological and bird surveys and an environmental impact assessment. It will include securing all the necessary licenses, consents and approvals including: Marine License, Planning Permission and Environment Agency Flood Risk Activity Permit (FRAP) licence. The scheme will be in the sum of £11.8m funded by Environment Agency grant of £9.5m and the council's contribution of £2.3m towards the total project cost which was approved at Council on the 5th July 2021. EA have now approved the scheme and the final award is a total scheme cost of £12.1m funded by EA Grant of £9.7m and the council's contribution of £2.4m. This has now been reflected within the capital programme. Following the planning phase it is proposed to start the construction in 2 phases. Phase 1 is anticipated to commence in Autumn 2023 and complete in late Spring 2024. Phase 2 will commence in Autumn 2024 and complete late Spring 2025 to minimise business disruption.

(iii) Fairhaven Lake and Gardens Heritage Lottery Scheme

In December 2018, the council was notified that it had been successful in securing the second round capital grant from the Heritage Lottery Fund in the sum of £1.4m for the restoration of Fairhaven Lake & Gardens, with further match funding provided by Fylde Council and other external financial contributions. Works have progressed albeit at a reduced pace as a result of the pandemic and the Adventure Golf is now complete and open to the public and the remaining works are due to be completed during 2022.

Until the scheme is fully delivered there remains the possibility of additional contract costs beyond those in the approved budget.

(iv) St Annes Regeneration Schemes

The next section of works has been agreed along St. Annes Road West between The Pier and The Square (known as the Square-Pier Link). A scheme designed to the available budget was presented and approved by Planning Committee, but the Regeneration Manager was asked to look at extending the scheme, potentially widening pavements to provide an enhanced pedestrian ambience and increased paving space capacity to absorb high levels of footfall that is encountered at peak times. As matters stand, the potential for achieving these enhancements to the scheme is being discussed with Lancashire County Council as any further amendments would have to be agreed, since there would be changes to the highway configuration. It is now proposed to pursue the scheme as part of a wider programme of works in the town centre following the preparation of a masterplan which has been commissioned.

(v) Lytham Regeneration Schemes

Work has commenced on the redesign and re-planning of the public realm of Lytham Centre. The Corporate Plan currently programmes the commencement of the Clifton Street Works (£750k) during 2022/23. Additional funding has been applied for as part of the UK Shared Prosperity Fund (UKSPF) submission, the outcome of which is expected in October/November. The UK SPF funding award will be phased and so delivery of the project will need to be reviewed accordingly. The Lytham Beach Lighting Scheme (£50k) is programmed for delivery during the current financial year.

(vi) Better Care Fund (Formerly Disabled Facilities Grants)

As the local housing authority, the Council has a statutory duty to provide disabled adaptations within the Borough. In order to fund these works the Council receives grant support which previously was provided by the Department for Communities and Local Government (DCLG). From 2015/16 the Government established the 'Better Care Fund', and under these new arrangements the funding for Disabled Facilities Grants transferred to

the Department of Health, with funding being distributed to all Councils via the upper-tier authority for that area. As such, in Lancashire the fund is administered by Lancashire County Council. Each upper-tier authority then allocates the funding to their respective housing authorities (i.e. district councils within their area) to enable them to continue to meet this statutory responsibility.

The level of government funding has increased significantly under the 'Better Care Fund' arrangements and the budget for 2022/23 (including slippage) totals £1.503m which provides for the delivery of disabled adaptations. It is anticipated that for 2022/23 all identified need for disabled adaptations can be met from the existing resource.

(vii) M55 Link Road (Inc. S106 monies for design work)

The accelerated delivery of the £27m M55 Heyhouses Link Road is subject to a funding package made up from a number of sources. This funding is now in place and work has started on site with the earthworks being the first phase. The road will then be constructed by Lancashire County Council's in-house team and is due for completion in early 2024. It is expected that LCC will require the funding to be transferred to them during the latter stages of the project and so is likely to be spent during 2022/23.

(viii) St Annes Masterplan – Levelling Up Fund Capital Bid Submission Round 2 - £14.6m

A Levelling Up Fund capital bid was submitted on the 27th July 2022 for £14.6m and the outcome is expected in Autumn 2022. Consultants were appointed to prepare a comprehensive masterplan to shape the future development of St Annes Town centre and the Island site on the Promenade and to help the council to access external funding. The views of the public and key stakeholders have been sought during a consultation exercise and these views had helped to shape the development of the masterplan. A bid was prepared and submitted to the second round of the governments Levelling Up fund. The round had three investment themes being transport; regeneration and town centre investment, and cultural investment. There was an opportunity to secure funding to help deliver different phases of the masterplan, in particular the public realm improvement to the area around the train station, dedicated pedestrian and cycle links, an events space in the Square and improving the connection to the town centre and the sea front. If successful it is expected that the bid will deliver a transformation of the town centre with 4 hectares of new public realm and 460 metres of active travel links, encouraging increased walking and cycling and an enhanced events programme to increase both day and overnight visitors to Fylde.

3 Conclusions

- 3.1 Actual expenditure to 30th September 2022 is £1.786m against a full year budget of £18.470m. This equates to 9.7% of the latest budget. Progress on the delivery of a number of schemes has been delayed due to the continuing economic recovery from the coronavirus pandemic, together with supply chain challenges and higher inflation leading to a review on the original costings of capital schemes. This is noted as appropriate in the analysis at Appendix A. Consequently, the phasing of some schemes may have to be adjusted or re-phased into 2023/24 as part of the information that is provided from budget holders on a scheme by scheme basis and this will be reflected in future Financial Forecast updates during the year.
- 3.2 UK CPI was 0.7% in March 2021 but thereafter began to steadily increase. Initially driven by energy price effects and by inflation in sectors such as retail and hospitality which were re-opening after the pandemic lockdowns, inflation then was believed to be temporary. Thereafter price rises slowly became more widespread, as a combination of rising global costs and strong demand was exacerbated by supply shortages and transport dislocations. The surge in wholesale gas and electricity prices led to elevated inflation expectations. CPI for September 2022 registered 10.1% year on year, up from 9.9% in August 2022.

Increasing inflation is exerting significant upward pressure on prices for utilities and on supplies and services across all sectors of the economy, which in turn increases the base costs for both revenue and capital budget items. The situation is particularly acute in the construction sector where supply chain issues and price increases are combining to put increased risks on the delivery of capital programme schemes. This is likely to

be a continuing issue for the council during 2022/23 and this has resulted in current scheme delays and reviews on scheme costings.

- 3.3 Capital Receipts to date total £99,321 against a total in year budgeted figure of £100,000 made up of Right to Buy Receipts and General Asset Sales. Any changes to this will be reflected in future Financial Forecast updates during the year.
- 3.4 The current Capital Programme as updated is showing a balanced position for 2022/23 onwards. The Capital Programme and the associated financing will be subject to discussion with members during the months in the lead up to the annual budget setting process for 2023/24.
- 3.5 Any additional expenditure which is not fully funded by external finance would normally require the generation of capital receipts or further borrowing (the latter placing further pressure on the Revenue Budget from the consequent repayment costs). However, Budget Council on 4th March 2013 approved the creation of a Capital Investment Reserve to finance future capital expenditure. The balance of this reserve at 31st March 2022 was £6.094m. Of this £2.765m is already committed to deliver existing approved capital schemes leaving an uncommitted balance of £3.329m. A further budgeted contribution into the reserve of £0.428m in 2022/23 was reported in the latest Medium Term Financial Strategy (MTFS) forecast presented to full Council in March 2022, which would result in an unallocated balance on the reserve at 31st March 2024 of £3.757m. The estimated transfer in are subject to change as costs and income will undoubtedly fluctuate over the next 2 financial years.

To Note: Council in July 2022 approved the underwriting to the sum of £942,589 for 2022/2023 financial year from the Capital Investment Reserve in the event that approval is not ultimately confirmed from the Future High Street Fund team at DLUHC for the Kirkham Futures programme for Public Realm phase 1 works (this underwriting being required in order for the contract to be awarded for delivery of the public realm works) so the potential Capital Investment Reserve balance would be £2.814m if approval from DLUHC was not ultimately received.

An updated position in respect of the Capital Investment Reserve will be included within future updates of the Financial Forecast presented to the Finance and Democracy Committee and to Council. Additional future projects will be subject to further consideration as part of the budget setting process for 2023/24. Whilst it remains the case that this reserve is the preferred source of finance for any further additions to the Capital Programme, continuing contributions to the reserve are required in order to maintain a sustainable funding source for future years.

CAPITAL PROGRAMME - 2022/23 IN-YEAR SCHEME MONITORING REPORT - AS AT 30/09/22

Appendix A

CODE	APPROVED SCHEMES	Head of Service / Budget Holder	Financing Source	Approved Budget 2022/23 £000	Slippage B/F from 2021/22 £000	Adjustments from 04/03/22 £000	Updated Budget 2022/23 £000	Expenditure to 30/09/22 £000	Variance £000	Budget Holder Comments
	FINANCE & DEMOCRACY COMMITTEE									
Z188	Purchase of Land Adjacent to Squires Gate Station	Darren Bell	Capital Investment Reserve	0	6		6		6	This project is ongoing. As agreed at Full Council, the compulsory purchase of the land was initiated. It is expected that the process will be completed by the end of 2022/23.
Z232	Public Offices Capital Works	Darren Bell	Capital Investment Reserve	0	0	65	65		65	Contractors currently being engaged and programme of works being developed. Works to be complete by March 2023.
	Sub total			0	6	65	71	0	71	
	TOURISM & LEISURE COMMITTEE									
Z112	Fairhaven Lake & Promenade Gardens Restoration	Mark Wilde	Capital Investment Reserve	0	250		250	30	220	Building and landscape capital works are complete. Defect period is the end of September 2022. Final condition surveys will be completed detailing any outstanding works. Lake package to be completed during this financial year. Engagement with consultants regarding further designs has commenced with the lake dredge removal from the original schedule of programmed capital works and subsequently re-scoped within the 5 year management and maintenance plan due to time constraints with obtaining licenses from the marine authority. This will all be contained within existing approved budgets.
Z097	Promenade Footways	Darren Bell	No external finance - funded by borrowing / general asset disposal receipts	155	0		155		155	This funding has been identified to improve the footway surface around St Annes Promenade bandstand and boating pool. The scheme is linked with the Square to Pier Link and Gateway scheme to be delivered through the Planning Committee with the intention that works will run concurrently by the same contractor. These works are currently delayed with an unknown start date. When the Pier scheme is progressed this scheme will be finalised and a draw-down report for funding presented to the committee.
Z176	Staining Playing Fields Development Scheme	Mark Wilde	S106 Developer Contributions / Capital Investment Reserve	0	43		43	30	13	Plans for landscaping works are currently being developed with project completion anticipated to be during 2022/23.
Z179	Coastal Signage Improvements	Darren Bell	Capital Investment Reserve	0	61		61	1	60	Phases 1, 2 and 3 (Consolidation / Rationalisation, Digital Beach Signs and Beach Safety Signs) have been completed. Phases 3 and 5 (Waymarking & Directional and Heritage & Interpretation) are currently being modelled. Remaining scheme delivery completion is anticipated to be during 2022/23.
Z192	Fylde Sand Dunes Improvement Scheme	Mark Wilde	S106 Developer Contributions / Specific Grants	0	11		11		11	All works successfully completed. Awaiting final invoices.
Z197	Blackpool Road North Playing Fields Drainage	Darren Bell	Capital Investment Reserve	0	26		26		26	Works are substantially complete. Remaining funding for additional works on the maintenance of football pitches is to be utilised as match-funding for an external funding bid to further improve the football pitches.
Z212	Park View Drainage Improvement Scheme	Darren Bell	Capital Investment Reserve	39	0	25	64	40	24	Works are substantially complete. Remaining funding for additional works on the maintenance of football pitches is to be utilised as match-funding for an external funding bid to further improve the football pitches.
Z213	Fairhaven Boathouse - Remodelling and Refurbishment Scheme	Darren Bell	Capital Investment Reserve	217	0		217		217	This scheme is currently scheduled for delivery later in 2022/23.
Z214	Play Area Improvements	Mark Wilde	Capital Investment Reserve	0	43		43	43	0	All works successfully completed to budget.
Z219	Fairhaven Kiosk / Ice Cream Bar Project	Darren Bell	Funding Volatility Reserve	340	5		345		345	Scheme approved at Council 5th July 2021. Project currently under review.
Z220	Boating Pool Safety Improvements	Mark Wilde	Capital Investment Reserve	0	51		51	26	25	All major works successfully completed. Sign/safety fencing is outstanding and due to be completed November 2022.
Z221	North Beach Windsports Centre	Darren Bell	Capital Investment Reserve	0	200	50	250	243	7	Project substantially complete. Awaiting final invoices.
Z223	Petanque Court	Mark Wilde	Capital Investment Reserve	13	0		13		13	Design and construction is scheduled for winter 2022/23.
Z224	Play Area - Blackpool Road North Playing Field	Mark Wilde	Capital Investment Reserve	125	0		125		125	Opportunity for the design and build of a new play area was advertised on the 16th March 2022 via the CHEST procurement portal which attracted six submissions. The contract has now been awarded.
Z225	Improvements to Children's Play Areas	Mark Wilde	Capital Investment Reserve	100	0		100		100	Due for design and construction winter 2022/23. Tender now closed. Tender evaluation and contract award is currently being reviewed.
Z231	Lytham St Annes Art Collection Display Options	Mark Wilde	Capital Investment Reserve	0	0	65	65		65	Finance & Democracy Committee (June 22) approved a new scheme of £65k fully funded from the Capital Investment Reserve.
	Sub total			989	690	140	1,819	413	1,406	

Appendix A (Cont'd)

CODE	APPROVED SCHEMES		Financing Source	Approved Budget 2022/23 £000	Slippage B/F from 2021/22 £000	Adjustments from 04/03/22 £000	Updated Budget 2022/23 £000	Expenditure to 30/09/22 £000	Variance £000	Budget Holder Comments
	<u>OPERATIONAL MANAGEMENT COMMITTEE</u>									
Z038	Replacement Vehicles	Mark Wilde	Borrowing	306	322		628	97	531	It is anticipated that part of the replacement vehicle purchases for this financial year will be required to be re-phased in future updates of the financial forecast due to expected longer lead times from the tenders. This will be reviewed later in the year and the forecast will be updated if required.
Z049	Car Park Improvements	Darren Bell	No external finance - funded by borrowing / general asset disposal receipts	30	30		60		60	Capital funding is being built up to enable the resurfacing of Fairhaven Rd and/or Swimming Pool Car Parks once the St Annes hard sea defences have been completed. The forecast will be updated to reflect the latest position.
Z165	Public Transport Improvements	Darren Bell	£106 Developer Contributions	30	120		150		150	This scheme relates to developer contributions (£106) funding that is paid to Lancashire County Council (LCC). The funding will contribute to the delivery of improved public transport services where an enhanced public transport requirement is identified as a result of increased housing development. These payments may be made over a period of several years and in this instance the £106 agreement allows for payments to be made up until 2028.
Z130	Fairhaven and Church Scar Coast Protection Scheme	Darren Bell	Specific Government Grant (Environment Agency) / Capital Investment Reserve	0	10		10		10	This is the residual Sand Dune improvement works on the Dunes North of Fairhaven Lake. This was an outstanding condition of the Fairhaven Coastal Defence scheme which Environment Agency Grant in Aid can be claimed. Dunes project team currently reviewing with the aim to deliver by March 2023.
Z207	St Annes Sea Wall	Charlie Richards	Specific Government Grant (Environment Agency)	2,571	29		2,600	304	2,296	Funding was secured in 2021/22 to initiate the development and delivery phase of this project. The planning phase has now commenced consisting of technical surveys including topographical, geotechnical, detailed design, ecological and bird surveys and an environmental impact assessment. It will include securing all the necessary licenses, consents and approvals including: Marine License, Planning Permission and Environment Agency Flood Risk Activity Permit (FRAP) licence. The EA have now approved the scheme and the final award is a total cost of £12.1m funded by EA Grant of £9.7m and the council's contribution of £2.4m. Following the planning phase it is proposed to start the construction phase Autumn 2023.
Z190	Charging Infrastructure for Electric Taxis	Darren Bell	Specific Government Grant	0	27		27	19	8	Project completed within budget. Awaiting final invoices.
Z195	Cemetery and Crematorium - Infrastructure Phase 3b	Darren Bell	Capital Investment Reserve	0	35		35		35	The main project is now complete. Additional landscaping, surfacing and drainage works will be completed during 2022/23.
Z199	Outdoor Digital Signage	Mark Evans	Capital Investment Reserve	0	20		20		20	The outdoor digital signage proposal has been referred to the Town Centres Working Group in order to consider alternative siting proposals that will be more suitable in the conservation area location in which they are proposed. Various options are currently being examined and it is expected that the projects will be delivered during 2022/23.
Z216	Staining Drainage Improvement Scheme	Darren Bell	Capital Investment Reserve / Staining Parish Council	65	0		65		65	Plans for landscaping works are currently being developed with project completion anticipated to be during 2022/23.
Z226	North Beach Car Park Public Conveniences	Darren Bell	Capital Investment Reserve	150	0		150	1	149	Purchase order for the unit has been issued. Site surveys for construction of concrete base have been completed. Expected completion Autumn 22.
Z227	Stanner Bank Public Conveniences Refurbishment	Darren Bell	Capital Investment Reserve	58	0	20	78	4	74	F&D (June 22) approved an additional £20k fully funded from the Capital Investment Reserve. Works out for tender. Expected delivery within 2022/23.
Z228	Carbon Neutral Vehicles	Mark Wilde	Capital Investment Reserve	34	0		34		34	Budget Council approved a new scheme for Carbon Neutral vehicles and it's recommended that two operational vehicles are replaced with electric vehicles during 2022/23 followed by the replacement of the mayoral car in 2023/24.
Z229	Cleaning Mechanical Sweeper Vehicle	Mark Wilde	Capital Investment Reserve	60	0		60		60	Machine has been ordered following a tendering process and delivery is expected shortly.
Z222	Changing Places	Darren Bell	Capital Investment Reserve / Specific Grant	0	0	40	40	29	11	External funding awarded March 22. Full Council agreed 10% match funding and draw down for Phase 1 (April 2022). Total funding to deliver 3 changing places facilities by March 2024 is £120,000. The first facility at North Beach Windsports Centre is complete. Initial £45k external funding received. Negotiations for Lowther and Kirkham sites have been initiated with potential options being explored.
	Sub total			3,304	593	60	3,957	454	3,503	

Appendix A (Cont'd)

CODE	APPROVED SCHEMES		Financing Source	Approved Budget 2022/23 £000	Slippage B/F from 2021/22 £000	Adjustments from 04/03/22 £000	Updated Budget 2022/23 £000	Expenditure to 30/09/22 £000	Variance £000	Budget Holder Comments
	ENVIRONMENT, HEALTH & HOUSING COMMITTEE									
Z010	Disabled Facilities Grants (DFG) Programme	Ian Williamson	Specific Grant (Better Care Fund) / External Contributions / Grant repayments	1,130	186	187	1,503	566	937	The grant programme is now progressing as normal and all of the funding is expected to be fully committed by the end of the financial year.
Z161	Housing Needs Grant	Ian Williamson	DFG Grant Repayments	0	55		55		55	Housing Needs grant awards are dependent on the repayments received by the sale of properties where DFG grant has previously been provided. The funding to be used where professional services have been provided, such as architectural fees, but the DFG grant has not gone ahead in 2022/23.
Z107	CCTV Replacement Schemes	Ian Curtis	Specific Grant (LSP Performance Reward Grant)	0	1		1		1	Four WCCTV rapid deployable cameras with accessories have been purchased and two have been deployed at Lytham Windmill and Park View. The other two are available for deployment on submission of an application. This is the residual funding.
Z201	Hydration Points	Darren Bell	Capital Investment Reserve	0	60		60	6	54	A drawdown request for a small number of hydration points was approved in March 2022. Four wall mounted units have been installed with signage being designed. Two free-standing units are on order, to be installed late summer/early Autumn 22.
Z205	Fylde Affordable Housing Delivery Programme	Ian Williamson	S106 Developer Contributions	0	41		41		41	Housing Survey now completed. Awaiting final invoice.
Z208	Affordable Housing Scheme, Lytham Road, Warton	Mark Evans	S106 Developer Contributions	0	260		260		260	Council (19/10/20) approved a scheme for affordable housing on Lytham Road Warton, utilising S106 funding. phased equally over two financial years (2020/21 and 2021/22), the sum of £260,000 to be fully funded from a portion of the balance of S106 developer contributions for affordable housing currently held by the Council for this purpose (from Agreement ref: 12/0717 - Moss Farm, Cropper Road, Westby). Negotiations are still underway to approve the Affordable Housing Statement for the site, in line with the conditions for the grant.
Z230	Replacement of Town Centre CCTV Systems	Ian Curtis	Capital Investment Reserve	79	0		79		79	The Council have jointly with Wyre Council appointed a consultant to review the current system, provide a specification for the new system and assist with the procurement process and project management of the contractor. Following the consultant's assessment, we are looking to go out to tender for the supply, installation and maintenance of the new system before Christmas. Currently there is uncertainty about if the project can be delivered by the end of March 2023 but we will have a clearer understanding of timescales once we receive the consultants's report.
Z186	Tree Planting Scheme	Mark Evans	Capital Investment Reserve	0	19		19		19	Take up of trees for the "15 Trees for 15 Parishes" scheme was not as high as envisaged. The Carbon Neutral Working Group asked that the funds be slipped to allow planting during the 2022/23 planting season.
	Sub total			1,209	622	187	2,018	572	1,446	

Appendix A (Cont'd)

CODE	APPROVED SCHEMES		Financing Source	Approved Budget 2022/23 £000	Slippage B/F from 2021/22 £000	Adjustments from 04/03/22 £000	Updated Budget 2022/23 £000	Expenditure to 30/09/22 £000	Variance £000	Budget Holder Comments
	PLANNING COMMITTEE									
Z138	St Annes Regeneration Schemes	Charlie Richards	S106 Developer Contributions / Capital Investment Reserve	0	123		123		123	The funding was specifically aimed at delivering the Wood Street (Phase 3) Scheme. Works commenced but, despite being suspended due to the covid situation, have now been completed on phase 3a (north side). There are some works that have not yet been invoiced, which are currently undergoing a snagging process prior to final sign off. Any residual amounts unspent will be directed towards the implementation of an enhanced Pier Link project in accordance with the decision made by Planning Committee on 22 June 2020. The Pier Link project now forms part of a wider suite of works proposed as part of the St Annes Town Centre Masterplan, which are in turn subject to a bid to the Levelling Up Fund. The scope of the project will be reviewed once the outcome of the bid is known.
Z185	St Annes Road West – Square to Pier link and Gateway	Charlie Richards	Capital Investment Reserve	110	0		110		110	This project was referred back to the Planning Committee by the Finance and Democracy Committee. It has subsequently been resolved to pursue the delivery of the Pier Link as part of a wider programme of investment in St Annes Town Centre that will be guided by a Town Centre Masterplan, which in turn is subject to a bid to the Levelling Up Fund. The scope of the project will be reviewed once the outcome of the bid is known.
Z139	Lytham Regeneration Schemes	Charlie Richards	S106 Developer Contributions / Capital Investment Reserve	800	0		800	55	745	Work has commenced on the redesign and re-planning of the public realm of Lytham Centre. The Corporate Plan currently programmes the commencement of the Clifton Street Works (£750k) during Q2 of 2022/23. Additional funding has been applied for as part of the UK Shared Prosperity Fund (UKSPF) submission, the outcome of which is expected in October/November. The UK SPF funding award will be phased and so delivery of the project will need to be reviewed accordingly. The Lytham Beach Lighting Scheme (£50k) is programmed for delivery during the current financial year.
Z136	Kirkham Public Realm Improvements	Charlie Richards	S106 Developer Contributions / Capital Investment Reserve	0	2		2		2	This is a residual amount from the last phase of regeneration works allocated for signage which will now be delivered as part of the Kirkham Future High Street Fund / Heritage Action Zone programme.
Z158	M55 Link Road (Inc. S106 monies for design work)	Mark Evans	S106 Developer Contributions / M55 Link Road Reserve	2,000	121		2,121		2,121	The accelerated delivery of the £27m M55 Heyhouses Link Road is subject to a funding package made up from a number of sources. This funding is now in place and work has started on site with the earthworks being the first phase. The road will then be constructed by Lancashire County Council's in-house team and is due for completion in early 2024. It is expected that LCC will require the funding to be transferred to them during the latter stages of the project and so is likely to be spent during 2022/23.
Z172	St Annes Pier - Coastal Revival Fund	Mark Evans	Specific Grant	0	5		5		5	This scheme is funded by a specific grant from MHCLG for which Fylde Council is acting as the accountable body. The spend of the remaining funds rests with the owners of the Pier, but is anticipated to be completed during 2022/23.
Z193	Future High Street Fund: Kirkham	Charlie Richards	Specific Grant	4,417	551	520	5,488	8	5,480	In April 2021 an award of £6.29m for the Kirkham scheme was announced from the Ministry of Housing, Communities and Local Government (MHCLG) which was approved at Council on the 5th July 2021. During 2021/22 the Council purchased 2 properties within Kirkham Town Centre for restoration alongside the Kirkham Heritage Action Zone Scheme. Council approved a funded budget increase of £845k (£520k in 2022/23 and £325k in 2023/24) in July 2022 fully funded from Lancashire County Council grant.
Z203	Elswick Village Green	Mark Evans	Capital Investment Reserve / S106 Developer Contributions / Specific Grant	0	115	-55	60	60	0	Planning Committee in April 2022 approved that, subject to the Parish Council entering into a legally binding agreement to return the funding should it not be utilised in accordance with the agreed terms, Committee authorise transfer of £60,000 (£35,000 funded from Sn 106 monies held to improve the public realm in Elswick Village and £25,000 from the approved capital programme) to Elswick Parish Council for use in the formation of a new village green in Elswick village in line with the details approved under planning permission 20/0390. The project is now completed and the funds have been transferred to the Parish Council.
Z204	Kirkham Heritage Action Zone	Charlie Richards	Capital Investment Reserve / S106 Developer Contributions / Specific Grant	1,030	716		1,746	74	1,672	This is a 4 year programme (2020-2024) with spending being spread across the programme period. Delays have resulted from the Coronavirus pandemic and officers have been working with Historic England to agree a reprofiling of the spend to minimise the loss of grant. Historic England have confirmed that £224k has been removed from the scheme funding and the programme has been adjusted for this reduction in grant and the related expenditure.
Z218	25 Victoria Road St Annes Y-Pad Scheme	Ian Williamson	S106 Developer Contributions	150	0		150	150	0	Scheme approved at Finance & Democracy Committee 29th March 2021. It was phased over two financial years (2021/22 and 2022/23) for £200,000 with 25% being paid at the start of being on site and the remaining 75% on project completion upon the units being allocated to Fylde Coast YMCA, after regard and consideration of the compliance with the financial regulations. The project has now been completed and all payments transferred.
	Sub total			8,507	1,633	465	10,605	347	10,258	
	Total Expenditure			14,009	3,544	917	18,470	1,786	16,684	

UPDATED 5 YEAR CAPITAL PROGRAMME 2022/23 TO 2026/27 - BY SCHEME

	Estimate 2022/23 £000	Estimate 2023/24 £000	Estimate 2024/25 £000	Estimate 2025/26 £000	Estimate 2026/27 £000
FINANCE & DEMOCRACY COMMITTEE					
2188 Purchase of Land Adjacent to Squires Gate Station	6				
2232 Public Offices Capital Works	65				
Sub total	71	0	0	0	0
TOURISM & LEISURE COMMITTEE					
2112 Fairhaven Lake & Promenade Gardens Restoration	250				
2097 Promenade Footways	155	40	40	40	40
2176 Staining Playing Fields Development Scheme	43				
2179 Coastal Signage Improvements	61				
2192 Fylde Sand Dunes Improvement Scheme	11				
2197 Blackpool Road North Playing Fields drainage	26				
2212 Park View Drainage Improvement Scheme	64				
2213 Fairhaven Boathouse - Remodelling and Refurbishment Scheme	217				
2214 Play Area Improvements	43				
2219 Fairhaven Kiosk / Ice Cream Bar Project	345				
2220 Boating Pool Safety Improvements	51				
2221 North Beach Windsports Centre	250				
2223 Petanque Court - Budget Council March 2022	13				
2224 Play Area - Blackpool Road North Playing Field - Budget Council March 2022	125				
2225 Improvements to Children's Play Areas - Budget Council March 2022	100				
2231 Lytham St Annes Art Collection Display Options	65				
Sub total	1,819	40	40	40	40
OPERATIONAL MANAGEMENT COMMITTEE					
2038 Replacement Vehicles	628	971	791	1,251	359
2049 Car Park Improvements	60	30	30	30	30
2165 Public Transport Improvements	150				
2130 Fairhaven and Church Scar Coast Protection Scheme	10				
2207 St Annes Sea Wall	2,600	7,480	1,870		
2190 Charging Infrastructure for Electric Taxis	27				
2195 Cemetery and Crematorium - Infrastructure Phase 3b	35				
2199 Outdoor Digital Signage	20				
2216 Staining Drainage Improvement Scheme	65				
2226 North Beach Car Park Public Conveniences	150				
2227 Stanner Bank Public Conveniences Refurbishment	78				
2228 Carbon Neutral Vehicles	34	27			
2229 Cleaning Mechanical Sweeper Vehicle	60				
2222 Changing Places	40	80			
Sub total	3,957	8,588	2,691	1,281	389
ENVIRONMENT, HEALTH & HOUSING COMMITTEE					
2010 Disabled Facilities Programme	1,503	1,317	1,317	1,317	1,317
2161 Housing Needs Grant	55				
2107 Rapid Deployment CCTV Replacement Projects	1				
2201 Hydration points	60				
2205 Fylde Affordable Housing Delivery Programme	41				
2208 Affordable Housing Scheme, Lytham Road, Warton	260				
2230 Replacement of Town Centre CCTV Systems - Budget Council March 2022	79				
2186 Tree Planting Scheme	19				
Sub total	2,018	1,317	1,317	1,317	1,317
PLANNING COMMITTEE					
2138 St Annes Regeneration Schemes	123				
2185 St Annes Road West – Square to Pier link and Gateway	110				
2139 Lytham Regeneration Schemes	800				
2136 Kirkham Public Realm Improvements	2				
2158 M55 Link Road (Inc. S106 monies for design work)	2,121				
2172 St Annes Pier - Coastal Revival Fund	5				
2193 Future High Street Fund: Kirkham	5,488	1,008			
2203 Elswick Village Green	60				
2204 Kirkham Heritage Action Zone	1,746	622			
2218 25 Victoria Road St Annes Y-Pad Scheme	150				
Sub total	10,605	1,630	0	0	0
Total Expenditure	18,470	11,575	4,048	2,638	1,746

UPDATED 5 YEAR CAPITAL PROGRAMME 2022/23 TO 2026/27 - FINANCING

	Estimate 2022/23 £000	Estimate 2023/24 £000	Estimate 2024/25 £000	Estimate 2025/26 £000	Estimate 2026/27 £000
FINANCING:					
Capital Receipts - General Asset Sales	75	45	45	45	45
Capital Receipts - Right to Buy Receipts	25	25	25	25	25
Better Care Fund / Disabled Facilities Grant	1,260	1,237	1,237	1,237	1,237
Disabled Facilities Grant Repayments - 'Housing Needs Grants'	55				
Section 106 Monies - St Annes	73				
Section 106 Monies - Lytham	130				
Section 106 Monies - M55 Link-Road	121				
Section 106 Monies - Public Transport Improvements	150				
Section 106 Monies - Elswick Village Green	35				
Section 106 Monies - Kirkham Heritage Action Zone	263	168			
Section 106 Monies - Fylde Affordable Housing Delivery Programme	41				
Section 106 Monies - Affordable Housing Scheme, Lytham Road, Warton	260				
Section 106 Monies - Progress Housing Buy Backs	0				
Section 106 Monies - 25 Victoria Road St Annes Y-Pad Scheme	150				
Capital Investment Reserve	2,738	27			
M55 Link-Road Reserve	2,000				
Funding Volatility Reserve - Fairhaven Kiosk / Ice Cream Bar Project	345				
Funding Volatility Reserve - St Annes Sea Wall	0	2,300			
Other External Finance (see analysis below)	10,127	6,802	1,950	80	80
Direct Revenue Finance	0				
Prudential Borrowing	622	971	791	1,251	359
Total Financing	18,470	11,575	4,048	2,638	1,746
Total surplus (-) / shortfall in year	0	0	0	0	0
Cumulative surplus (-) / shortfall	0	0	0	0	0

See note below for external funding available to finance the above schemes:

Other External Finance: Analysis					
LSP Performance Reward Grant Reserve	1				
Environment Agency - Fairhaven and Church Scar	10				
Environment Agency - St Anne's Sea Wall	2,600	5,180	1,870		
Coastal Revival Fund - St Annes Pier	5				
Central Government Grant - Future High Street Fund: Kirkham	4,968	683			
Staining Parish Council	10				
New Fylde Housing - DFG Contribution	243	80	80	80	80
Lancashire Environmental Fund - Fylde Sand Dunes Imp't Scheme	11				
Heritage Lottery Fund - Fairhaven Restoration Project (Remainder of £1.476m)	366				
Lytham Schools Foundation - Fairhaven Restoration Project	5				
Central Government - Charging Infrastructure for Electric Taxis	27				
Wesham Town Council	0				
Elswick Parish Council (Elswick Village Green)	0				
Kirkham Town Council (Kirkham Heritage Action Zone)	95				
External Grants - Lancs Env Fund (Elswick Village Green)	0				
External Grants - Pocket Parks (Elswick Village Green)	0				
External Grants - Historic England (Kirkham Heritage Action Zone)	661	272			
External Grants - Historic England - Additional Grant (Kirkham HAZ)	29	10			
Private Sector / Other (Kirkham Heritage Action Zone)	548	172			
Changing Places - Department for LevellingUp, Housing and Communities	28	80			
Lancashire County Council - Kirkham Futures	520	325			
	10,127	6,802	1,950	80	80