



# Agenda

## Finance and Democracy Committee

Date:	Monday, 22 January 2018 at 6:30 pm
Venue:	Town Hall, St Annes, FY8 1LW
Committee members:	<p>Councillor Karen Buckley (Chairman) Councillor Roger Small (Vice-Chairman)</p> <p>Councillors David Donaldson, Tony Ford JP, Neil Harvey, Angela Jacques, Kiran Mulholland, Linda Nulty, Liz Oades, Richard Redcliffe, Vince Settle, Elaine Silverwood.</p>

### Public Platform

To hear representations from members of the public in accordance with council procedure rule 11.

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

	PROCEDURAL ITEMS:	PAGE
<b>1</b>	<b>Declarations of Interest:</b> 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.	<b>1</b>
<b>2</b>	<b>Confirmation of Minutes:</b> To confirm the minutes, as previously circulated, of the meeting held on <a href="#">20 November 2017</a> as a correct record.	<b>1</b>
<b>3</b>	<b>Substitute Members:</b> Details of any substitute members notified in accordance with council procedure rule 24(c).	<b>1</b>
	<b>DECISION ITEMS:</b>	
<b>4</b>	<b>Financial Forecast Update 2017/18 to 2021/22 (Position as at January 2018)</b>	<b>3 - 14</b>
<b>5</b>	<b>Fully Funded Addition to the Capital Programme in 2017/18 - Disabled Facility Grant Additional Allocation 2017-18</b>	<b>15 - 16</b>
<b>6</b>	<b>Budget Setting – Consideration of Revenue Bid Community Projects Fund</b>	<b>17 - 20</b>
<b>7</b>	<b>Budget Setting – Fees and Charges 2018/19</b>	<b>21 - 28</b>
	<b>INFORMATION ITEMS:</b>	
<b>8</b>	<b>Budget Setting – Revenue Budget 2018/19 - First Draft</b>	<b>29</b>

9	Revenue Budget Monitoring Report 2017/18 - Position as at 30 <sup>th</sup> November 2017	30 - 34
10	Capital Programme Monitoring Report 2017/18 - Position as at 30 <sup>th</sup> November 2017	35 - 42
11	Mid-Year Performance 2017/18	43 - 46

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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
RESOURCES DIRECTORATE	FINANCE AND DEMOCRACY COMMITTEE	22 JANUARY 2018	4
<b>FINANCIAL FORECAST UPDATE 2017/18 TO 2021/22 (POSITION AS AT JANUARY 2018)</b>			

### PUBLIC ITEM

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

#### SUMMARY

This report provides Members with an update of the financial forecast for the five years 2017/18 to 2021/22.

It now includes the impact of the 2018/19 Local Government Finance Settlement, details of which were announced on 19th December 2017. For Fylde Council the settlement largely confirmed the draft settlement figures provided earlier in the year.

The operation of the Lancashire Business Rate pooling arrangements for 2018/19, which is currently reflected in the latest Financial Forecast, was confirmed as part of the settlement announcement.

The proposed change in the calculation methodology for New Homes Bonus (and the consequential reductions in the level of New Homes Bonus income in future years under the proposed revised arrangements) on which the government consulted during 2017, has not been implemented for 2018/19. Whilst this is welcomed for 2018/19 the government may at some point amend the way in which the scheme operates for future years.

Additionally the settlement contained some modest changes in retained Business Rate income for 2018/19 arising partly from changes to the regime of reliefs and discounts introduced during 2017.

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

#### RECOMMENDATION

The Committee is recommended :

1. To note the implications of this updated financial forecast, and to also note that this update report will be presented to the Council meeting on 5<sup>th</sup> February 2018.

#### SUMMARY OF PREVIOUS DECISIONS

The Council set its budget for 2017/18 at the meeting of 2<sup>nd</sup> March 2017. This report provides Members with a further update to the financial forecast following the position that was considered by this Committee in November 2017 & Council in December 2017.

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

## REPORT

### 1. PURPOSE OF THE FINANCIAL FORECAST UPDATE

- 1.1 This report updates the financial forecast which was considered by this Committee in November 2017 & by Council in December 2017. Attached at Appendix A is the financial forecast position reported to Members at that time. Appendix B shows the general assumptions underpinning the base forecast, whilst Appendix C sets out the latest changes and Appendix D sets out the supporting narrative to the latest changes. **Appendix E details the latest updated forecast position.**
- 1.2 The forecast has been updated to reflect the impact of the 2018/19 Local Government Finance Settlement, announced on 19<sup>th</sup> December 2017, and the decisions of Council at its meeting of 4th December 2017, including the introduction of a new system of New Homes Bonus distribution to town and parish councils to reflect growth in property numbers.
- 1.3 This latest financial forecast update is designed to:
  - Present an updated five-year financial forecast for revenue and capital spending following the announcement of the Local Government Finance Settlement in December 2017;
  - 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. THE CAPITAL PROGRAMME

- 2.1 The latest in-year position on the Capital Programme, along with the associated financial risks, is contained within a separate report for consideration at this meeting and has also been reported to each of the Programme Committees as part of the January cycle of meetings.
- 2.2 Any future capital financing issues facing the Council will be addressed as part of the Council's Budget proposals for 2018/19 which will be published in mid-February 2018.

### 3. KEY CHANGES TO THE GENERAL FUND REVENUE BUDGET FORECAST

- 3.1 Many of the financial risks as set out in the Financial Forecast update considered by this Committee in November 2017 and by Council in December 2017 still remain. The changes to the General Fund Revenue Forecast are those arising from the Local Government Finance

Settlement, together with some further in-year revenue budget changes. These are detailed below:

i) **The 2018/19 Local Government Finance Settlement**

The main document detailing the Local Government Finance Settlement is entitled 'Provisional local government finance settlement: England, 2018 to 2019'. Full details of the settlement can be found at the following link: <https://www.gov.uk/government/collections/provisional-local-government-finance-settlement-england-2018-to-2019>

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

**a) Confirmation of the continuation of the Lancashire Business Rate Pool for 2018/19**

The uncertainty surrounding the continuation of the Lancashire Business Rate Pool for 2018/19 was detailed within the December 2017 Financial Forecast update. Previously the Financial Forecast assumed that the pool would operate for 2018/19 but no pooling benefit had been assumed beyond 2018/19. **The continuation of the pool for 2018/19 was confirmed as part of the 2018/19 Local Government Finance Settlement.**

The viability of local business rate pools beyond 2018/19 remains uncertain and consequently it is prudent to retain the assumption that there will be no pooling benefit beyond 2018/19. The matter will be kept under close review and any change in this expectation will be detailed within future updates to the Financial Forecast.

**b) Increase to the General Council Tax Referendum Principle**

As part of the 2018/19 Finance Settlement the government has increased the general council tax referendum principle (the upper limit on the year-on-year increase that can be applied without the requirement for prior approval through a local referendum) from 1.99% to 2.99% for 2018/19 and 2019/20. For shire district councils such as Fylde Council, the council tax referendum principle that applies is therefore the higher of 2.99% or £5 for a Band D property in 2018/19 and 2019/20. An increase of 2.99% for 2018/19 for Fylde equates to £5.85 for a Band D property.

The Financial Forecast currently assumes a £5 increase (at average band D) which equates to an annual increase of approximately 2.5%. This will be kept under review and any amendment to this assumption will form part of a future update to this Financial Forecast.

Referendum principles will not be extended to town and parish councils for 2018/19 nor for the subsequent two year period, but could be applied to these councils from 2021/22.

**c) No Change to the New Homes Bonus arrangements**

The Government has refrained from introducing further reform to the calculation methodology in respect of New Homes Bonus. The proposal to introduce further reform, including a change to the 0.4% baseline level and an option to withhold New Homes Bonus in respect of properties built following an appeal to the Planning Inspectorate, formed part of a wider consultation on the draft 2018/19 Finance Settlement, as detailed within the December Financial Forecast update report.

If introduced as proposed the changes would have reduced the total New Homes Bonus that Fylde Council would receive and consequently the continuation of the current arrangements is welcomed.

The future forecast of New Homes Bonus income has been reviewed in the light of the latest available information on property numbers and updated forecast amounts are contained within the revised summary Financial Forecast at Appendix E to this report.

**d) Future arrangements for Local Retention of Business Rates**

The Government has previously stated its intention to introduce a revised scheme of '100% Business Rate Retention' with effect from 2019/20 and a number of local authorities have been serving as pilot authorities for such an arrangement.

As part of the Local Government Finance Settlement the government announced that it plans to introduce '75% Business Rate Retention' for all authorities with effect from 2020/21.

Clearly some of the earlier proposals have been amended and the timescale has moved back by a year. However the detailed proposals have not yet been announced and the impact on the financial position of Fylde Council is as yet unquantifiable.

The development of this proposal will be kept under review and any financial consequences will be reflected within future updates to the Financial Forecast as they become apparent.

**e) Announcement of a 'Fair Funding Review'.**

Alongside the local government finance settlement, the Government confirmed that it is looking to implement the Fair Funding Review in April 2020 and published the consultation:

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/669440/Fair\\_funding\\_review\\_consultation.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/669440/Fair_funding_review_consultation.pdf)

This consultation focuses 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 does not cover the relative resources adjustment, transition or other technical matters but 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.

ii) **Other Revenue Budget Adjustments**

**a) New Homes Bonus Distribution to Town and Parish Councils**

The Council meeting of 4th December 2017 approved a new scheme for the distribution of a portion of the New Homes Bonus Grant income to town and parish Councils. The financial consequence of this decision is contained within the summary Financial Forecast at Appendix E to this report.

**b) Assumptions regarding future years Pay Awards.**

The Financial Forecast update presented at the December Council meeting contained an updated estimate in respect of pay awards for 2018/19 and future years of 1.5% per annum. Subsequently an offer has been made by the employer negotiating body of a general

increase of 2% for 2018/19 and 2019/20, along with further increases at lower pay-grade levels. Consequently the Financial Forecast has been updated to now include an anticipated pay award of 2% per annum in each year from 2018/19.

### **c) Updated Business Rate Income Forecast**

The forecast business rate income has been updated to reflect additional payments to local authorities from 2017/18 onwards. These payments are to reimburse councils for reduced levels of business rates income that will be collected as a consequence of the changes to small business rate relief that were introduced as part of the March 2017 budget announcement.

Additionally the in-year monitoring of income has identified a degree of local business rate growth and a continuing reduction in the value of the provision for losses on appeal, which is reflected in the revised Financial Forecast at Appendix E for 2018/19 only (the Collection Fund accounting mechanism through which business rate income is processed results in a timing delay in the period in which in-year income received is reflected within the General Fund).

Business rate income will continue to be closely monitored and any changes to income expectations will be detailed within future updates to the Financial Forecast.

### **d) Other budget adjustments**

A number of further budget adjustments have been made to this updated financial forecast update. These are included within the variance analysis at Appendix C to this report and an explanation of each is provided at Appendix D. Council Tax income projections have also been updated from the December financial forecast to include the actual Council Tax base information for 2018/19 which was finalised in December 2017.

## **3.2 Other Continuing Financial Risks**

Many of the other financial risks that were detailed within the previous Financial Forecast Update that was presented to the Council in December 2017 still remain. These are:

- **Future Central Government Funding Reductions**
- **Borrowing Costs Assumptions**
- **Reduction in Housing Benefit Administration Grant**
- **Universal Credit**
- **Grounds Maintenance (External Contracts)**
- **The Living Wage**
- **Community Infrastructure Levy (CIL)**

Full details of each of these can be found within the December 2017 Financial Forecast report via the following link: [www.fylde.gov.uk/](http://www.fylde.gov.uk/)

## **4. CONCLUSIONS**

4.1 The 2018/19 Local Government Financial Settlement has not fundamentally changed the general financial standing of Fylde Council. There remains (as reported in the December 2017 Financial Forecast update) a projected surplus for the current year and 2018/19, with deficits being projected for 2019/20 and beyond.

4.2 The confirmation of the Lancashire Business Rate Pool for 2018/19 is welcomed, as it the decision not to further amend the calculation methodology in respect of New Homes Bonus.

Developments with regard to the more distant proposals (in respect of further reform to the Business Rate Retention scheme and the implementation of a 'Fair Funding Review', encompassing a possible re-assessment of relative need within local government generally) will be followed closely and any implications reported within future Financial Forecast updates when known.

- 4.3 In light of the budget challenges that will need to be addressed in the later years of the forecast, the Council needs to continue with the approach to delivering savings and efficiencies and maximising income which have helped deliver balanced budgets and contribute to reserves over recent years. Through continued focus on the importance of financial stability the Council has delivered a significant savings programme since 2007 and has continued to reduce senior management costs and other overheads. Ongoing modernisation work and business improvement will continue to make Council services more efficient, save money and maintain frontline services to customers. This work has yielded ongoing savings to help improve the Council's overall financial position over that period.
- 4.4 Although it is clear that further challenges lie ahead in the later years of the financial forecast, **the finances of the Council remain robust and the reserves and balances are at healthy levels as compared to earlier periods.** Furthermore Fylde Council has a past record of taking actions in order to meet and overcome financial challenges as they arise. The Council will continue to seek opportunities to maintain a robust financial position in the face of a changing financial environment. This approach will ensure that the Council continues to achieve and sustain a balanced budget position on an ongoing basis and is able to deliver the priorities set out in the Corporate Plan.
- 4.5 The assumptions set out in this forecast are the latest best estimates and will be updated as and when further information becomes available.



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

LEAD AUTHOR	CONTACT DETAILS	DATE
Paul O'Donoghue Chief Financial Officer	01253 658566	January 2018

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 2016/17 – 2020/210	Budget Council meeting 2nd March 2017	<a href="http://www.fylde.gov.uk">www.fylde.gov.uk</a>
MTFS – Outturn Position For 2016/17 (Including General Fund, Capital Programme & Treasury Management)	Finance and Democracy Committee meeting 19th June 2017	<a href="http://www.fylde.gov.uk">www.fylde.gov.uk</a>
Revenue Budget Monitoring Report 2017/18 – to 31 <sup>st</sup> July 2017	Finance and Democracy Committee meeting 25 <sup>th</sup> September 2017	<a href="http://www.fylde.gov.uk">www.fylde.gov.uk</a>
Capital Programme Monitoring Report 2017/18 – to 31 <sup>st</sup> July 2017	Finance and Democracy Committee meeting 25 <sup>th</sup> September 2017	<a href="http://www.fylde.gov.uk">www.fylde.gov.uk</a>
Medium Term Financial Strategy (MTFS) Update, Including General Fund, Capital Programme and Treasury Management for 2017/18 – 2021/22	Council meeting 4 <sup>th</sup> December 2017	<a href="http://www.fylde.gov.uk">www.fylde.gov.uk</a>

#### Attached documents

1. Appendix A – Forecast approved at Council on 4th December 2017
2. Appendix B – Schedule of general assumptions underpinning the forecast
3. Appendix C – Schedule of changes to the forecast
4. Appendix D – Explanation of changes to the forecast
5. Appendix E – Updated latest forecast position

**General Fund Budget Forecast 2017/18 to 2021/22 - 4th December 2017**

	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000	Adverse / Favourable
<b>Forecast approved at Council on 2nd March 2017</b>	<b>8,980</b>	<b>9,706</b>	<b>10,077</b>	<b>10,256</b>	<b>10,256</b>	
Forecast Changes - per Appendix C of December 2017 MTFS report	- 99	- 69	- 23	28	137	Favourable
<b>Forecast Budget Requirement</b>	<b>8,881</b>	<b>9,637</b>	<b>10,054</b>	<b>10,284</b>	<b>10,393</b>	
<b>Financed by:</b>						
<b>Council Tax Funding:</b>						
Council Tax - Precept	5,733	5,969	6,200	6,434	6,673	
Council Tax - Share of Previous Years Surplus/(Deficit)	40					
<b>Sub Total - Council Tax Funding</b>	<b>5,773</b>	<b>5,969</b>	<b>6,200</b>	<b>6,434</b>	<b>6,673</b>	
<b>Business Rates Funding:</b>						
Retained Rates (including pooling benefit & contbtn from CF deficit reserve)	3,880	2,816	2,195	2,195	2,195	
Approved Contribution to Funding Volatility Reserve	- 2,000					
<b>Sub Total - Business Rates net of reserve transfers</b>	<b>1,880</b>	<b>2,816</b>	<b>2,195</b>	<b>2,195</b>	<b>2,195</b>	
<b>Other Funding:</b>						
New Homes Bonus	1,665	1,310	1,145	1,240	1,026	
Less - NHB distribution to Town & Parish Councils		- 66				
Revenue Support Grant	354	47				
Transition Grant	56					
Less - Parish Element of Council Tax Support Funding	- 27	- 4				
<b>Sub Total - Other Funding</b>	<b>2,048</b>	<b>1,287</b>	<b>1,145</b>	<b>1,240</b>	<b>1,026</b>	
<b>Forecast Financing</b>	<b>9,701</b>	<b>10,072</b>	<b>9,540</b>	<b>9,869</b>	<b>9,894</b>	
<b>Forecast surplus(-)/deficit for year</b>	<b>- 820</b>	<b>- 435</b>	<b>514</b>	<b>415</b>	<b>499</b>	
<b>Reserves</b>						
<b>Forecast surplus/deficit(-) for year from above:</b>	<b>820</b>	<b>435</b>	<b>- 514</b>	<b>- 415</b>	<b>- 499</b>	
Less: Approved Contribution to M55 Link Road Reserve	- 41					
Less: Proposed Transfer to Capital Investment Reserve	- 779	- 435				
<b>Balance of surplus/deficit(-) remaining:</b>	<b>0</b>	<b>0</b>	<b>- 514</b>	<b>- 415</b>	<b>- 499</b>	
<b>Balance of General Fund Reserves b/f</b>	<b>3,548</b>	<b>3,548</b>	<b>3,548</b>	<b>3,034</b>	<b>2,619</b>	
Less transfer to/from(-) General Fund Reserves in year			- 514	- 415	- 499	
<b>Forecast Reserves at Year End</b>	<b>3,548</b>	<b>3,548</b>	<b>3,034</b>	<b>2,619</b>	<b>2,120</b>	
<b>Band D Council Tax (Excl Parish Precepts)</b>	<b>£195.76</b>	<b>£200.75</b>	<b>£205.74</b>	<b>£210.73</b>	<b>£215.72</b>	
<b>Band D Average Council Tax Increase</b>	<b>£4.99</b>	<b>£4.99</b>	<b>£4.99</b>	<b>£4.99</b>	<b>£4.99</b>	
<b>Band D Average Council Tax Increase</b>	<b>2.62%</b>	<b>2.55%</b>	<b>2.49%</b>	<b>2.43%</b>	<b>2.37%</b>	

### General Assumptions

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

- General Prices Inflation – a freeze or cash-limiting of all general revenue expenditure budgets with the exception of pay, fuel & utility budgets;
- Slippage - underspend items from 2016/17 agreed by the Finance and Democracy Committee in June 2017 have been slipped into 2017/18;
- Pay award - assumed to be 1% per annum for 2017/18 and thereafter 2% per annum;
- Employers Pension Contributions – the Council's contribution to the Lancashire pension fund scheme is set in accordance with the estimated outcome of the 2016 Triennial Pension Review at 15.2% plus 9% deficit recovery lump sum payment for the period to 2019/20; any amendments resulting from the final review will be reflected in later updates to the Financial Forecast;
- Employer's National Insurance contributions – the forecast reflects the statutory contribution rates currently in place, including a reduced contribution rate as a result of the Council being part of the pension scheme;
- Council tax increases – an assumed increase of £4.99 per annum from 2017/18 onwards, which is the maximum increase allowable without triggering the need for a referendum;
- Government Grant Support – the forecast assumes central government funding is as notified in the illustrative four-year funding settlement announced in January 2017, amended for known changes in respect of retained Business Rates and New Homes Bonus for 2017/18 onwards;
- Fees and Charges – The forecast takes account of the 5% increase in car parking fees from April 2017 and of the planned increases in cemetery and crematorium fees. In respect of other services budget-holders have reviewed fee levels as appropriate and any proposed changes to fees & charges will be considered at the Budget Council in March 2018 following consideration by the appropriate programme committee;
- Vacancy Savings – the forecast assumes vacancy savings of £200k per annum from 2017/18 onwards;
- Localisation of Council Tax Benefit Scheme – the forecast assumes a fully funded scheme with no cost to the Council from 2017/18 onwards following a decision on the 2018/19 scheme that was agreed at the Council meeting in December 2017.

## Appendix C

### Forecast changes since Council December 2017

	<u>17/18</u>	<u>18/19</u>	<u>19/20</u>	<u>20/21</u>	<u>21/22</u>	<u>ADVERSE /</u> <u>FAVOURABLE /</u> <u>NEUTRAL</u>
	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	
<b>1 BUDGET RIGHTSIZING EXERCISE:</b>						
Revenue impact of budget right-sizing across all budget areas of the Council	-53	-24	-14	-8	-2	FAVOURABLE
<b>2 UPDATED ESTIMATES OF INCOME BUDGETS:</b>						
Updated estimate of income from CAMEO Scheme	-7	0	0	0	0	FAVOURABLE
Updated estimate of income from interments - reduced number of funerals	6	0	0	0	0	ADVERSE
Updated estimate of income from cremations - reduced number of cremations	37	0	0	0	0	ADVERSE
Miscellaneous Properties - additional rental income due to rent reviews	-15	-15	-15	-15	-15	FAVOURABLE
<b>3 STAFFING COSTS:</b>						
Estimated additional in-year savings from staff vacancies	-38	0	0	0	0	FAVOURABLE
Pay Award - Increase from assumed 1.5% to 2% per annum plus lower SCP increases	0	66	133	168	155	ADVERSE
<b>4 OTHER FORECAST CHANGES</b>						
External audit fees - saving from re-tendering exercise	0	-11	-11	-11	-11	FAVOURABLE
<b>TOTAL</b>	<b>-70</b>	<b>16</b>	<b>93</b>	<b>134</b>	<b>127</b>	<b>ADVERSE</b>

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

(1) Savings arising from a further review of all budget areas of the Council

A further review of budgets in recent months has highlighted some additional budget variances across a number of budget areas.

(2) Cameo Income – Lytham Crematorium

The Environment Agency national Cameo scheme for redistributing income to those authorities that have undergone crematoria replacement under the mercury abatement regulations (including Fylde Council) has not operated as intended and income to the council under the scheme is erratic and largely unpredictable. In December 2017 the Council was notified of a payment under the scheme in the current year which was unbudgeted and has resulted in this favourable variance.

(3) Reduced income - Lytham Cemetery and Crematorium

Both the number of cremations and of funerals held this year have been below expectations. The income budget has been raised year-on-year as previous income expectations have been exceeded and it is probable that the target has been set at too high a level for 2017/18. The budget for 2017/18 has therefore been reviewed and adjusted accordingly. The budget in respect of future years will be reviewed during 2018/19.

(4) Miscellaneous Properties - additional rental income

The rentals in respect of a number of Council-owned properties have been reviewed and total income has increased as a result of this review.

(5) Staffing Costs – Pay Awards

As a result of growing pressure from Trades Union and others for an end to the public sector pay cap (not least as a result of Consumer Price Inflation (CPI) running at around 3%) and a number of recent public sector pay awards in excess of the 1% level, the forecast has been amended to include pay awards for 2018/19 and future years of 2% per annum. This will be kept under review and future updates to the forecast will be amended to reflect the latest information on future pay award expectations.

(6) External Audit Fees

The recent national re-tendering exercise carried out by Public Sector Auditor Appointments Limited (PSAA) has resulted in costs savings in the fee levels payable to the external auditors of the Council, effective from 2018/19.

**Latest General Fund Budget Forecast 2017/18 to 2021/22**

	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000	Adverse / Favourable
<b>Forecast approved at Council on 4th December 2017</b>	8,881	9,637	10,054	10,284	10,393	
Forecast Changes - per Appendix C	- 70	16	93	134	127	
<b>Forecast Budget Requirement</b>	<b>8,811</b>	<b>9,653</b>	<b>10,147</b>	<b>10,418</b>	<b>10,520</b>	<b>Adverse</b>
<b>Financed by:</b>						
<b>Council Tax Funding:</b>						
Council Tax - Precept	5,733	5,973	6,203	6,438	6,677	
Council Tax - Share of Previous Years Surplus/(Deficit)	40	- 35				
<b>Sub Total - Council Tax Funding</b>	<b>5,773</b>	<b>5,938</b>	<b>6,203</b>	<b>6,438</b>	<b>6,677</b>	
<b>Business Rates Funding:</b>						
Retained Rates (including pooling benefit & contbtn to/from CF deficit reserve)	4,095	3,231	2,410	2,410	2,410	
Approved Contribution to Funding Volatility Reserve	- 2,000					
<b>Sub Total - Business Rates net of reserve transfers</b>	<b>2,095</b>	<b>3,231</b>	<b>2,410</b>	<b>2,410</b>	<b>2,410</b>	
<b>Other Funding:</b>						
New Homes Bonus	1,665	1,349	1,221	1,280	1,165	
Less - NHB distribution to Town & Parish Councils		- 67				
Revenue Support Grant	354	47				
Transition Grant	56					
Less - Parish Element of Council Tax Support Funding	- 27	- 4				
<b>Sub Total - Other Funding</b>	<b>2,048</b>	<b>1,325</b>	<b>1,221</b>	<b>1,280</b>	<b>1,165</b>	
<b>Forecast Financing</b>	<b>9,916</b>	<b>10,494</b>	<b>9,834</b>	<b>10,128</b>	<b>10,252</b>	
<b>Forecast surplus(-)/deficit for year</b>	<b>- 1,105</b>	<b>- 841</b>	<b>313</b>	<b>290</b>	<b>268</b>	
<b>Reserves</b>						
<b>Forecast surplus/deficit (-) for year from above:</b>	1,105	841	- 313	- 290	- 268	
Less: Approved Contribution to M55 Link Road Reserve	- 41					
Less: Proposed Transfer to Capital Investment Reserve	- 1,064	- 841				
<b>Balance of surplus/deficit(-) remaining:</b>	<b>0</b>	<b>0</b>	<b>- 313</b>	<b>- 290</b>	<b>- 268</b>	
<b>Balance of General Fund Reserves b/f</b>	<b>3,548</b>	<b>3,548</b>	<b>3,548</b>	<b>3,235</b>	<b>2,945</b>	
Less transfer to/from(-) General Fund Reserves in year			- 313	- 290	- 268	
<b>Forecast Reserves at Year End</b>	<b>3,548</b>	<b>3,548</b>	<b>3,235</b>	<b>2,945</b>	<b>2,677</b>	
<b>Band D Council Tax (Excl Parish Precepts)</b>	<b>£195.76</b>	<b>£200.75</b>	<b>£205.74</b>	<b>£210.73</b>	<b>£215.72</b>	
<b>Band D Average Council Tax Increase</b>	<b>£4.99</b>	<b>£4.99</b>	<b>£4.99</b>	<b>£4.99</b>	<b>£4.99</b>	
<b>Band D Average Council Tax Increase</b>	<b>2.6%</b>	<b>2.5%</b>	<b>2.5%</b>	<b>2.4%</b>	<b>2.4%</b>	

## DECISION ITEM

REPORT OF	MEETING	DATE	ITEM NO
DEVELOPMENT SERVICES DIRECTORATE	FINANCE AND DEMOCRACY COMMITTEE	22 JANUARY 2018	5
<b>FULLY FUNDED ADDITION TO THE CAPITAL PROGRAMME IN 2017/18 - DISABLED FACILITY GRANT ADDITIONAL ALLOCATION 2017-18</b>			

### PUBLIC ITEM

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

### SUMMARY

The Environment, Health and Housing Committee, at its meeting on 9 January 2017 heard of the allocation of an additional £42 million of capital funding for the Disabled Facilities Grant (DFG) in 2017/18 for local authorities in England by the Chancellor of the Exchequer in his Autumn Statement. On the 1st December Fylde BC were allocated additional funding of £91,882.85. The amount may increase as it is understood a number of local authorities will not be taking up the allocation and there is a strong likelihood that the initial allocation will increase.

Approval from the Finance and Democracy Committee is required to approve a fully-funded addition to the Capital Programme in 2017/18.

### RECOMMENDATIONS

#### The Committee is requested:

1. To approve a fully-funded increase in the cost of the DFG scheme within the approved Capital Programme for 2017/18 in the sum of the initial grant allocation of £91,882, (and any additional monies that may be allocated if the grant is not taken by all local authorities in England), fully-funded by the Better Care Fund/DFG grant.

### SUMMARY OF PREVIOUS DECISIONS

Environment, Health and Housing Committee, held on 9 January 2018

It was resolved to

1. Recommend to the Finance and Democracy Committee approval of a fully-funded increase in the cost of the DFG scheme within the approved Capital Programme for 2017/18 in the sum of the initial grant allocation of £91,882, (and any additional monies that may be allocated if the grant is not taken by all local authorities in England), fully-funded by the Better Care Fund/DFG grant;
2. Note the contents of the report, the on-going work to appraise available options and current guidance available on how the funding may be used; and
3. To formally thank the Housing Team for their work and success with the processing of the Disabled Facilities Grants.

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

## REPORT

1. In the Autumn Budget, the Chancellor announced an additional £42 million of capital funding for the Disabled Facilities Grant (DFG) in 2017-18 for local authorities in England. Unlike the current 2017-18 DFG Grant Determination, in two tier areas the additional funding will be issued directly to the lower tier authorities. On the 1st December Fylde BC were allocated additional funding of £91,882.85. This amount may increase as we understand a number of local authorities will not be taking up their allocation.
2. This additional funding will not be subject to the usual [Better Care Fund \(BCF\) requirements](#) such as the need for local authorities and clinical commissioning groups to jointly agree how to spend the funding as part of the local BCF plan.
3. This allocation allows for spend to be extended to “wider social care capital projects” and as such initial discussions have taken place with other partner organisations
4. Guidance available as at the writing of the report is limited to the information provided in Appendix 1 – Autumn Budget announcement: Additional £42 million for DFG in 2017-18. An additional grant determination letter is due which will include a declaration of the additional grant usage to ensure that it has been spent in accordance with the conditions attached to the original grant.

IMPLICATIONS	
Finance	The Committee are requested to approve a fully-funded increase in the cost of the DFG scheme within the approved Capital Programme for 2017/18 in the sum of the initial grant allocation of £91,882, (and any additional monies that may be allocated if the grant is not taken by all local authorities in England). The increase would be fully-funded by the Better Care Fund/DFG grant.
Legal	None directly from this report
Community Safety	None directly from this report
Human Rights and Equalities	None directly from this report
Sustainability and Environmental Impact	None directly from this report
Health & Safety and Risk Management	None directly from this report

LEAD AUTHOR	CONTACT DETAILS	DATE
Katharine McDonnell	<a href="mailto:democracy@fylde.gov.uk">democracy@fylde.gov.uk</a>	10/01/2018

BACKGROUND PAPERS		
Name of document	Date	Where available for inspection
Report to the Environment Health and Housing Committee	9/1/18	<a href="#">Disabled Facilities Grant Additional Funding</a>



## DECISION ITEM

REPORT OF	MEETING	DATE	ITEM NO
MANAGEMENT TEAM	FINANCE AND DEMOCRACY COMMITTEE	22 JANUARY 2018	6
<b>BUDGET SETTING – CONSIDERATION OF REVENUE BID COMMUNITY PROJECTS FUND</b>			

### PUBLIC ITEM

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

### SUMMARY

At the March 2018 Budget Council meeting Members will be requested to approve a revenue budget for 2018/19. That budget must include sufficient resources both for existing activities and for any new areas of expenditure that have been recommended by the Finance and Democracy Committee, following earlier consideration by the appropriate programme committee i.e. items of revenue growth.

The consideration of revenue growth items is a key component of the budget-setting process and contributes to the longer-term management of the Council's resources in an efficient and effective manner. This report requests that Members provide that consideration in respect of the revenue bids for 2018/19 which fall within the terms of reference of this Committee.

### RECOMMENDATION

#### The Committee is requested:

To consider and provide any feedback or comments on the revenue growth bid relevant to this Committee's terms of reference.

### SUMMARY OF PREVIOUS DECISIONS

The revenue growth bids that are relevant to the terms of reference of each Programme Committee are considered each year by that Committee as part of the annual budget-setting process.

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

## REPORT

The role of the Council's Programme Committees in the consideration of revenue growth bids is described within the Timetable for Developing Budget Proposals 2018/19 report which was previously approved by the Finance and Democracy Committee at the meeting of 25th September 2017. This provides the members of the programme committee with the opportunity to discuss all revenue growth bids and to indicate their support or otherwise for each bid.

Once revenue growth bids have been considered by the appropriate programme committee, the Budget Working Group will review the outcome of the deliberations of programme committees and will make recommendations back to the Finance and Democracy Committee via an updated Medium Term Financial Strategy (MTFS) report on a proposed budget package which will include any revenue budget proposals.

IMPLICATIONS	
Finance	The consideration of revenue growth bids for inclusion or otherwise within the Council's approved Revenue Budget is a key component of the budget-setting process. This report requests that Members provide that consideration in respect of the revenue growth bids for 2018/19 which fall within the remit of this Committee.
Legal	None arising directly from this report
Community Safety	None arising directly from this report
Human Rights and Equalities	None arising directly from this report
Sustainability and Environmental Impact	None arising directly from this report
Health & Safety and Risk Management	None arising directly from this report

LEAD AUTHOR	CONTACT DETAILS	DATE
Tracy Morrison Director of Resources	<a href="mailto:tracy.morrison@fylde.gov.uk">tracy.morrison@fylde.gov.uk</a> 01253 658521	December 2017

BACKGROUND PAPERS		
Name of document	Date	Where available for inspection
Finance and Democracy Committee - Timetable for Developing Budget Proposals 2018/19	25th September 2017	<a href="http://www.fylde.gov.uk">www.fylde.gov.uk</a>

### Attached documents

Appendix A – Revenue Growth Bids for Consideration:

1. Community Projects Fund



## FBC – Revenue Growth Bid 2018/19

Prepared by/Bid Originator – Tracy Morrison

### Scheme Title: Community Projects Fund

#### Description of Scheme: Background

In March 2013, the former Local Strategic Partnership wound up. In doing so, it allocated an amount totalling £98,000 to allow the Community Projects Fund, and associated Discretionary Fund, to continue into the future. This funding ran its course and in 2017/18, the Council mainstreamed this grant into its revenue budget allocating an amount of £25,000.

£20,000 was allocated for the larger Community Projects Fund, which awards grants of between £500 and £2,000. A further £5,000 was allocated for the smaller discretionary bids of up to £300. Projects can only be supported for local groups based in Fylde who are of a voluntary or community based nature. There are some exclusions of those permitted to apply for the funding, for example, Town and Parish Councils have historically been excluded from being awarded funds from the larger fund as they are considered to be a statutory body with the ability of raising funds locally. The fund is principally aimed at supporting community and voluntary groups.

The project must support one of the following objectives:

- To Promote the Enhancement of the Natural and Built Environment
- To Encourage Cohesive Communities
- To Promote a Thriving Economy

The larger Community Projects Fund which supports bids up to £2,000 and invites applications through bidding rounds, three times per annum. Applications for the smaller fund can be made at any time throughout the year.

Applications for larger fund are considered by a Panel comprising the Mayor of Fylde, the Chairman of the Community Safety Partnership, a voluntary sector representative, Fylde Police Inspector, a public health representative together with the Council's Director of Resources. A flavour of some of the schemes which have recently been supported is set out below. This is by no means an exhaustive list; and a third bidding round for the larger fund commences in February with smaller bids being received on an on-going basis.

- Lytham St Cuthbert's Community Fridge - purchase of community fridge
- Friends of Lytham Railway Station - self-watering barrels, baskets and planters
- Just Good Friends - purchase of office equipment
- Park View 4 U - grounds and environmental improvements – purchase of materials
- Fylde Coast Theatre Company - funding for Community Christmas Pantomime
- Friends of Promenade Gardens - water play scheme contribution
- Singleton Bowling Club - purchase of outdoor seating
- YMCA Rounders Lessons - purchase of rounders equipment
- LATA - purchase of sound/mixing deck

- Seaton Crescent Residents - provision of four composters (wood frames) and treated wood and stakes to provide tiered flower beds
- Fylde Fairtrade - Fairtrade flower beds to celebrate 10 years of Fairtrade
- Little Eccleston Parish Council - contribution towards village improvement plan
- Kilnhouse Community - equipment for Community Celebration
- Friends of St Annes Stations - materials to create two new wooden planters

**Proposal**

It is recommended that £20,000 revenue funding is allocated to the Community Projects fund in 2018/19. It is proposed that three bidding rounds are held throughout the financial year, as in previous years, with £15,000 allocated to the larger fund and the remaining £5,000 allocated to the smaller fund with a ceiling of £300 per application. An overview of the 2017/18 Community Projects Fund and its allocations will be provided to the Finance and Democracy Committee following the conclusion of the financial year.

## DECISION ITEM

REPORT OF	MEETING	DATE	ITEM NO
MANAGEMENT TEAM	FINANCE AND DEMOCRACY COMMITTEE	22 JANUARY 2018	7
<b>BUDGET SETTING – FEES AND CHARGES 2018/19</b>			

### PUBLIC ITEM

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

### SUMMARY

Each year, as part of the budget-setting process, the schedule of fees and charges for the coming year (for each of the services that the Council provides) is reviewed by budget-holders prior to that schedule being considered by the relevant Programme Committee and finally being approved at the March Budget Council meeting.

Each Programme Committee is required to recommend to the Council for approval a schedule of fees and charges for those activities within the remit of the Committee.

This report requests that Members consider the proposed schedule of fees and charges for those services within the remit of this committee as detailed at Appendix A to this report and provide a recommendation to Council in this regard.

Note: A full schedule of proposed fees and charges for all Council services for 2018/19 is accessible at the link below:

<http://www.fylde.gov.uk/council/finance/fees-charges/>

### RECOMMENDATIONS

**The Committee is requested to consider the schedule of fees and charges for those activities within the remit of this committee as detailed in Appendix A to this report and:**

1. To recommend to Council a proposed schedule of fees and charges applicable for 2018/19; and
2. To note that the final fees and charges for 2018/19 will be approved by the Budget Council in March 2018.

### SUMMARY OF PREVIOUS DECISIONS

The proposed fees and charges for services that are within the terms of reference of each programme committee are recommended to Council for approval as part of the annual budget-setting process. There have been no previous decisions in respect of these fees and charges for 2018/19.

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

## REPORT

1. Each year, as part of the budget-setting process for the coming financial year, budget-holders are required to review the fees and charges that the Council applies to the range of services which it delivers.
2. There are different considerations for assessing changes to the level of fees and charges depending upon the nature of the service. This is explained below:
  - For certain activities, for example some environmental health-related activities, fee levels are set by statute at a prescribed level. In respect of these types of activity the review of fees and charges is restricted to ensuring that the correct amount is approved by Council and is correctly applied for the forthcoming year;
  - For other types of charges in respect of services for which the Council has statutory responsibilities (for example in relation to licensing matters) fee levels must be set at an appropriate level such that only eligible costs are recovered. In respect of these types of activity the review of fees and charges comprises a review of costs and the adjustment of fees where necessary to avoid the under or over-recovery of costs. Where only minor discrepancies are found between costs and fee levels the charges may be left unchanged until the next review to avoid the costs associated with more regular leaflet re-printing etc.; and
  - For other activities which are not set by statute and for which the Council is not acting under statutory powers (e.g. games site fees) fee levels may be set at levels that are determined by the Council itself. In respect of these types of activity the review of fees and charges comprises a review of costs, a review of the fee levels of competitor providers and after a consideration of the likely effect on demand for the services and the total income that would be received at different fee levels.
3. Fee levels for all services have been reviewed according to the differing criteria as described above and the Programme Committee is invited to consider and provide comments as appropriate.
4. The role of the Council's Programme Committees in providing a recommendation to Council of a schedule of fees and charges for services within the remit of that committee is a key part of the budget-setting process for the coming year. The final schedule of fees and charges for all Council services will be considered by the Budget Council in March.

IMPLICATIONS	
Finance	The recommendation to Council of a schedule of proposed fees and charges for services within the remit of each Programme Committee is a key part of the budget-setting process for the coming year. This report requests that Members consider the schedule of fees and charges as detailed at Appendix A and provide a recommendation to Council as appropriate. Any financial implications from proposed changes to fees and charges will be quantified and reflected in the financial forecast contained in the final Medium Term Financial Strategy report to be considered by Budget Council in March 2018.
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
Management Team	paul.o'donoghue@fylde.gov.uk	20 December 2017

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

#### Attached documents

Appendix A – Fees and Charges Schedule – Finance and Democracy Committee

FINANCE AND DEMOCRACY COMMITTEE	VAT Code	Unit Of Charge	Variable Charge Discretionary (D) Prescribed (P)	Approved 2017/18 Fees & Charges £	DRAFT 2018/19 Fees & Charges £
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<b><u>Revenues &amp; Benefits Service</u></b>					
<b>Council Tax Administration</b>					
Recovery of admin costs in issuing summonses & liability orders	d	Each	D	<b>75.00</b>	<b>75.00</b>
<b>Business Rates (NNDR) Administration</b>					
Recovery of admin costs in issuing summonses & liability orders	d	Each	D	<b>75.00</b>	<b>75.00</b>
<b><u>Electoral Services</u></b>					
<b>Register of Electors</b>					
Sale of copies :- (a) Data Format	d	Each	P	20.00 plus £1.50 per 1000 names (or part)	20.00 plus £1.50 per 1000 names (or part)
- (b) Printed Format	d	Each	P	10.00 plus £5.00 per 1000 names (or part)	10.00 plus £5.00 per 1000 names (or part)
Price of a copy of return or declaration of election expenses (or accompanying document)	d	Each side	P	<b>0.20</b>	<b>0.20</b>
Sale of marked copies of Register / Absent Voters List					
- (a) Printed Format	d	Each	P	10.00 plus £2.00 per 1000 names (or part)	10.00 plus £2.00 per 1000 names (or part)
- (b) Data Format	d	Each	P	10.00 plus £1.00 per 1000 names (or part)	10.00 plus £1.00 per 1000 names (or part)

**VAT Codes:**

a = Standard Rate   c = Exempt   d = Outside Scope   e = Zero Rated



FINANCE AND DEMOCRACY COMMITTEE	VAT Code	Unit Of Charge	Variable Charge Discretionary (D) Prescribed (P)	Approved 2017/18 Fees & Charges £	DRAFT 2018/19 Fees & Charges £
<b><u>Estates</u></b>					
<b>Legal fees for Disposal of Freehold (including lease premiums / reverse premiums)</b>					
<b>Commercial:</b>					
Up to £5,000	c	Per transaction	D	-	<b>500.00</b>
£5,000 - £10,000	c	Per transaction	D	-	<b>825.00</b>
£10,000 - £25,000	c	Per transaction	D	-	<b>1,000.00</b>
£25,000 - £50,000	c	Per transaction	D	-	<b>1,250.00</b>
Over £50,000	c	Per transaction	D	-	<b>3% of transaction</b>
<b>Charities and Community Groups</b>					
Up to £5,000	c	Per transaction	D	-	<b>100.00</b>
£5,000 - £10,000	c	Per transaction	D	-	<b>150.00</b>
£10,000 - £25,000	c	Per transaction	D	-	<b>250.00</b>
£25,000 - £50,000	c	Per transaction	D	-	<b>350.00</b>
Over £50,000	c	Per transaction	D	-	<b>1% of transaction</b>
<b>Legal fees for Disposal of Leaseholds</b>					
<b>Commercial:</b>					
New Lease Rent up to £7,500 pa	c	Per transaction	D	-	<b>750.00</b>
New Lease Rent over £7,500 pa	c	Per transaction	D	-	<b>950.00</b>
Lease Renewal	c	Per transaction	D	-	<b>550.00</b>

**VAT Codes:**

a = Standard Rate   c = Exempt   d = Outside Scope   e = Zero Rated

FINANCE AND DEMOCRACY COMMITTEE	VAT Code	Unit Of Charge	Variable Charge Discretionary (D) Prescribed (P)	<u>Approved</u> 2017/18 Fees & Charges £	DRAFT 2018/19 Fees & Charges £
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<b>Legal fees for Disposal of Leaseholds continued</b>					
<b>Charities and Community Groups:</b>					
New Lease Rent up to £7,500 pa	c	Per transaction	D	-	250.00
New Lease Rent over £7,500 pa	c	Per transaction	D	-	350.00
Lease Renewal	c	Per transaction	D	-	150.00
<b>Legal fees for Easements, Licences and Agreements</b>					
<b>Commercial:</b>					
Garden Licences	c	Per transaction	D	-	250.00
Less than 1 year	c	Per transaction	D	-	350.00
Over 1 year	c	Per transaction	D	-	500.00
<b>Charities and Community Groups:</b>					
Garden Licences	c	Per transaction	D	-	50.00
Less than 1 year	c	Per transaction	D	-	50.00
Over 1 year	c	Per transaction	D	-	150.00
<b>Legal fees for Assignment, Alterations and User Clause</b>					
<b>Commercial:</b>					
Assignment without Guarantor / Rent Deposit	c	Per transaction	D	-	650.00
Assignment with Guarantor / Rent Deposit	c	Per transaction	D	-	950.00
Licence to Alter	c	Per transaction	D	-	950.00

**VAT Codes:**

a = Standard Rate   c = Exempt   d = Outside Scope   e = Zero Rated

FINANCE AND DEMOCRACY COMMITTEE	VAT Code	Unit Of Charge	Variable Charge Discretionary (D) Prescribed (P)	<u>Approved</u> 2017/18 Fees & Charges £	DRAFT 2018/19 Fees & Charges £
<b>Legal fees for Assignment, Alterations and User Cause continued</b>					
<b>Commercial:</b>					
Change of User Clause	c	Per transaction	D	-	750.00
<b>Charities and Community Groups:</b>					
Assignment without Guarantor / Rent Deposit	c	Per transaction	D	-	150.00
Assignment with Guarantor / Rent Deposit	c	Per transaction	D	-	250.00
Licence to Alter	c	Per transaction	D	-	350.00
Change of User Clause	c	Per transaction	D	-	150.00
<b>Legal fees for Surrender /Re-Gear of Leasehold Interest</b>					
<b>Commercial:</b>					
Surrender	c	Per transaction	D	-	750.00*
Re-Gear of Leasehold	c	Per transaction	D	-	1,250.00*
* represents a minimum – premium fees apply					
<b>Legal fees for Statutory Management / Covenant Breach</b>					
<b>Commercial:</b>					
S146 Notice	c	Per transaction	D	-	750.00
Other Covenant Breaches	c	Per transaction	D	-	650.00
<b>Charities and Community Groups:</b>					
S146 Notice	c	Per transaction	D	-	250.00
Other Covenant Breaches	c	Per transaction	D	-	150.00
<b>Legal Fees</b>					
All transactions (most cases will be within the set price scale but more complex cases charges may exceed this)	c	Per transaction	D	-	500.00 - 1,250.00

**VAT Codes:**

a = Standard Rate   c = Exempt   d = Outside Scope   e = Zero Rated

FINANCE AND DEMOCRACY COMMITTEE	VAT Code	Unit Of Charge	Variable Charge Discretionary (D) Prescribed (P)	<u>Approved</u> 2017/18 Fees & Charges £	<b>DRAFT 2018/19 Fees &amp; Charges £</b>
<b><u>Civic Room Hire</u></b>					
<b>Civil Ceremonies</b>					
Friday	c	Per Ceremony	D	-	<b>350.00</b>
Saturday	c	Per Ceremony	D	-	<b>650.00</b>
<b><u>Miscellaneous</u></b>					
Filming on Fylde Borough Land	c	Per Application	D	Negotiable	<b>Negotiable</b>

**VAT Codes:**

**a** = Standard Rate    **c** = Exempt    **d** = Outside Scope    **e** = Zero Rated

## INFORMATION ITEM

REPORT OF	MEETING	DATE	ITEM NO
MANAGEMENT TEAM	FINANCE AND DEMOCRACY COMMITTEE	22 JANUARY 2018	8
<b>BUDGET SETTING – REVENUE BUDGET 2018/19 - FIRST DRAFT</b>			

### PUBLIC ITEM

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

### SUMMARY OF INFORMATION

The first draft of the revenue budget for 2018/19 has been prepared and is available via the link below. As in previous years, the budget has been prepared on a continuation basis and has been updated to reflect all Committee and Council decisions made to date, the outcome of the budget-rightsizing exercise and all virements.

### SOURCE OF INFORMATION

Revenue Budget Book 2018/19 – First Draft

### LINK TO INFORMATION

<http://www.fylde.gov.uk/council/finance/first-draft-budget-book-2018-19>

### WHY IS THIS INFORMATION BEING GIVEN TO THE COMMITTEE?

The provision of a first draft of the 2018/19 Revenue Budget to the Council's Programme Committees is referenced within the Timetable for Developing Budget Proposals 2018/19 report which was approved by the Finance and Democracy Committee at the meeting of 25th September 2017.

This allows members of each Programme Committee to review the draft revenue budget for the services within the Committee's terms of reference and to provide any comments or feedback as appropriate to the committee lead officer, service Director or budget holders.

This first draft does not reflect any changes to fees and charges for 2018/19 as these will be considered by Programme Committees during the January cycle of meetings. Nor does it reflect any revenue growth items or the revenue implications of capital bids. At this stage the draft budget for 2018/19 does not include recharges in respect of support services and service management costs as these elements remain to be finalised. A further budget-rightsizing exercise will be carried out early in 2018 and this first draft will be updated to reflect any changes arising from that piece of work.

The final revenue budget for 2018/19 will include any subsequent decisions made and will be presented to Members for approval at the Council meeting on 5th March 2018.

### FURTHER INFORMATION

Contact: Paul O'Donoghue, Chief Financial Officer.

Tel 01253 658566

e-mail: [paul.o'donoghue@fylde.gov.uk](mailto:paul.o'donoghue@fylde.gov.uk)

## INFORMATION ITEM

REPORT OF	MEETING	DATE	ITEM NO
MANAGEMENT TEAM	FINANCE AND DEMOCRACY COMMITTEE	22 JANUARY 2018	9
<b>REVENUE BUDGET MONITORING REPORT 2017/18 - POSITION AS AT 30<sup>th</sup> NOVEMBER 2017</b>			

### 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 of the Council's General Fund (GF) Revenue Budget as at 30<sup>th</sup> November 2017 and specifically for those services under the Committee's remit.

### SOURCE OF INFORMATION

Chief Financial Officer – the report is based upon information extracted from the financial ledger system of the Council for the period to 30th November 2017.

### LINK TO INFORMATION

General Fund Revenue Budget Monitoring Report 2017/18 as at 30<sup>th</sup> November 2017:

<http://www.fylde.gov.uk/council/finance/budget-monitoring/2017-18/>

### 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 services under the committee's remit.

### FURTHER INFORMATION

Contact: Paul O'Donoghue, Chief Financial Officer.

Tel 01253 658566 e-mail: [paul.o'donoghue@fylde.gov.uk](mailto:paul.o'donoghue@fylde.gov.uk)

# GENERAL FUND REVENUE BUDGET MONITORING REPORT 2017/18

## POSITION AS AT 30<sup>TH</sup> NOVEMBER 2017

### Summary

The purpose of this report is to provide an update on the Council's General Fund Revenue Budget as at 30<sup>th</sup> November 2017. 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 (those in excess of £5k) 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 30<sup>th</sup> November 2017.
- 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 2017/18 budget at its meeting on 2<sup>nd</sup> March 2017. Subsequently on 19<sup>th</sup> June 2017 the Finance and Democracy Committee approved the Council's outturn position for 2016/17. The impact of those approvals, including savings and growth options approved at Council and slippage from 2016/17 approved by the Finance and Democracy Committee, are now reflected in the Council's financial ledger.

### 2. Budget Rightsizing Exercise

- 2.1 Since 2011 an annual budget rightsizing exercise has been undertaken 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 was undertaken during the autumn of 2017 and the resulting changes to budgets were reflected in the revised Financial Forecast that was presented to the Council in December 2017. These amendments have also now been reflected in the Council's financial ledger. Therefore this report monitors expenditure and income against the updated approved budgets.

### 3. Budget Areas to Note

As would be expected, because monitoring is being undertaken as a comparison to recently revised budgets, there are only a small number of variances from that revised position to note. The main variances are described below:

#### i. Employee Costs

The budget forecast which was approved by Budget Council in March 2017 assumed reduced payroll costs as a result of 'turnover savings' (delays in the recruitment to vacant posts) of £200k per annum from 2016/17 onwards. The actual savings achieved in relation to direct employee costs for the current year are significantly in excess of this level and consequently this budget will be kept under review during the remainder of the financial year.

#### ii. Reduction in Cemetery and Crematorium Income

Both the number of cremations and of funerals held this year have been below expectations. The income budget has been raised year-on-year as previous income expectations have been exceeded and it is probable that the target has been set at too high a level for 2017/18. The budget for 2017/18 and future years will be reviewed and may be adjusted accordingly as part of the next financial forecast update.

### **iii. Building Control Fee Income**

Total income has exceeded the budget due to an increase in the volume of work carried out. The budget will be adjusted accordingly as part of the next financial forecast update.

## **4. Conclusions**

- 4.1 The updated financial forecast as presented to the Council in December 2017 shows a forecast surplus in the current year and in 2018/19, with deficits in 2019/20 and beyond. In light of the budget challenges that will need to be addressed in the later years of the forecast, the Council needs to continue with the approach to delivering savings and efficiencies which have helped deliver balanced budgets and contribute to reserves over recent years. Through continued focus on the importance of financial stability the Council has delivered a significant savings programme since 2007 and has continued to reduce senior management costs and other overheads. Ongoing modernisation work and business improvement will continue to make Council services more efficient, save money and maintain frontline services to customers. This work has yielded ongoing savings to help improve the Council's overall financial position over that period.
- 4.2 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.
- 4.3 Regular budget monitoring reports such as this one are an integral part of the Council's financial monitoring framework. These are made available on the Council's website.



**REVENUE MONITORING 2017/18 - Period 8 to November 30th November 2017 (Variances in excess of £5K)**

Key

<b>BLUE</b>	Variance currently showing but expected to be on target at year end
<b>GREEN</b>	Favourable variance against latest budget
<b>AMBER</b>	Adverse variance against latest budget
<b>RED</b>	Projected adverse outturn variance

Service Area	Detailed Description	Full Year Budget £	Budget as at Period 8 £	Actual & Commitments as at Period 8 £	Variance as at Period 8 £	FAV / ADV	Alert	Budget Holder Comments
<b><u>FINANCE &amp; DEMOCRACY COMMITTEE / CORPORATE CROSS CUTTING BUDGETS</u></b>								
All Council services	Employee costs including basic pay, pension, NI, and overtime, plus agency costs	8,399,489	5,696,951	5,658,533	-38,418	FAVOURABLE	<b>GREEN</b>	The budget forecast which was approved by Budget Council in March 2017 assumed reduced payroll costs as a result of 'turnover savings' (delays in the recruitment to vacant posts) of £200k per annum. The actual of savings achieved in relation to direct employee costs for the current year to date is in excess of this level. This budget will be kept under review during the remainder of the financial year. At this stage a favourable outturn variance is anticipated.
Miscellaneous Properties	Other Rent	-130,000	-130,000	-136,513	-6,513	FAVOURABLE	<b>GREEN</b>	Total rental income for the year is expected to exceed the budget. The budget will be reviewed as part of the next financial forecast update.
<b><u>TOURISM &amp; LEISURE COMMITTEE</u></b>								
Fylde Tourism	Income - 1940's Lytham Wartime Festival	-8,000	-5,336	-13,230	-7,894	FAVOURABLE	<b>GREEN</b>	Income from the 1940's Weekend has exceeded the budgeted amount due to higher car park revenue over the weekend than was forecast, largely due to favourable weather conditions and consequently higher visitor numbers. In addition the use of the marquee over two nights (which had not been done previously) brought in additional income. The budget will be reviewed as part of the next financial forecast update.
<b><u>ENVIRONMENT, HEALTH &amp; HOUSING COMMITTEE</u></b>								
Community Safety Initiatives	Community Safety Initiatives	41,688	27,800	20,723	-7,077	FAVOURABLE	<b>BLUE</b>	Community Safety initiatives are identified and responded to by the Community Safety Partnership. The budget represents the balance of funding that was originally bequeathed by the former LSP and there is no time constraint on when the money has to be spent by. It is anticipated that not all of this budget may be spent in 2017/18 and that the slippage of a portion of this budget into 2018/19 may requested in the future.

**REVENUE MONITORING 2017/18 - Period 8 to November 30th November 2017 (Variances in excess of £5K)**

Key

<b>BLUE</b>	Variance currently showing but expected to be on target at year end
<b>GREEN</b>	Favourable variance against latest budget
<b>AMBER</b>	Adverse variance against latest budget
<b>RED</b>	Projected adverse outturn variance

Service Area	Detailed Description	Full Year Budget £	Budget as at Period 8 £	Actual & Commitments as at Period 8 £	Variance as at Period 8 £	FAV / ADV	Alert	Budget Holder Comments
<b>ENVIRONMENT, HEALTH &amp; HOUSING COMMITTEE(cont'd)</b>								
Cemetery & Crematorium	Interments	-194,000	-129,360	-117,027	12,334	ADVERSE	<b>AMBER</b>	Both the number of cremations and of funerals held this year have been below expectations. The income budget has been raised year-on-year as previous income expectations have been exceeded and it is probable that the target has been set at too high a level for 2017/18. The budget for 2017/18 and future years will be reviewed and may be adjusted accordingly as part of the next financial forecast update.
	Cremations	-1,030,000	-686,804	-613,861	72,944	ADVERSE		
	CAMEO Scheme Income	0	0	-8,666	-8,666	FAVOURABLE	<b>GREEN</b>	The Council has received an unbudgeted payment resulting from the CAMEO scheme (related to the replacement of the cremators a number of years ago to reduce emission levels). The budget will be adjusted accordingly as part of the next financial forecast update.
Community Grants	Community Projects Fund	25,000	16,668	5,088	-11,580	FAVOURABLE	<b>BLUE</b>	Although there have been two rounds of grant award so far this year, with a third planned for early 2018, it is anticipated that not all of this budget may be spent in 2017/18 and that the slippage of a portion of this budget into 2018/19 may requested in the future.
<b>PLANNING COMMITTEE</b>								
Development Management	Consultants Fees	38,000	25,340	7,680	-17,660	FAVOURABLE	<b>BLUE</b>	There are a number of major planning applications outstanding that are likely to require professional input from external consultants before the end of the financial year.
Building Control	Inspection Fee - Dwellings	-8,000	-5,336	-22,248	-16,912	FAVOURABLE	<b>GREEN</b>	Total income has exceeded the budget due to an increase in the volume of work carried out. The budget will be adjusted accordingly as part of the next financial forecast update.
	Building Notice Fee - Dom Ext	-64,000	-42,676	-60,296	-17,620	FAVOURABLE	<b>GREEN</b>	

## INFORMATION ITEM

REPORT OF	MEETING	DATE	ITEM NO
MANAGEMENT TEAM	FINANCE AND DEMOCRACY COMMITTEE	22 JANUARY 2018	10
<b>CAPITAL PROGRAMME MONITORING REPORT 2017/18 - POSITION AS AT 30<sup>th</sup> NOVEMBER 2017</b>			

### 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 of the Council's approved Capital Programme as at 30<sup>th</sup> November 2017 and specifically for those schemes under the Committee's remit.

### SOURCE OF INFORMATION

Chief Financial Officer – the report is based upon information extracted from the financial ledger system of the Council for the period to 30th November 2017.

### LINK TO INFORMATION

Capital Programme Monitoring 2017/18 as at 30<sup>th</sup> November 2017:

<http://www.fylde.gov.uk/council/finance/budget-monitoring/2017-18/>

### WHY IS THIS INFORMATION BEING GIVEN TO THE COMMITTEE?

This information is provided to enable the committee to consider and scrutinise the latest position on the Council's approved Capital Programme for those schemes under the committee's remit.

### FURTHER INFORMATION

Contact: Paul O'Donoghue, Chief Financial Officer.

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## **CAPITAL PROGRAMME MONITORING REPORT 2017/18 –**

### **POSITION AS AT 30<sup>TH</sup> NOVEMBER 2017**

#### **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 2017/18, together with an update on the Council's overall Five Year Capital Programme. This report includes a narrative description of the most significant risks to the Capital Programme and details any actions required to address these. Appendix A to this report provides an update by Committee on schemes scheduled for commencement or delivery in 2017/18. 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 2<sup>nd</sup> March 2017. That update showed a balanced capital programme position from 2017/18 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 2017. The Programme has also been rolled forward to include the year 2021/22.

#### **2. Notes on Specific Schemes**

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

##### **(i) Accommodation Project**

This has been a key scheme for the Council and sees the accomplishment of an ambition to refurbish the town hall premises that has existed for a number of years. The works to the first and second floor of the Town Hall are now complete and staff have now located back to all floors within the building with the Public Offices building now closed. The remaining internal element of these phases of the works i.e. those relating to the Council chamber, are currently underway with completion anticipated during early 2018. A scheme for the Town Hall external works (involving the car park and grounds) is being prepared and costed.

##### **ii) Fairhaven and Church Scar Coast Protection Scheme**

A supplier for the detailed design and construction of the Scheme was procured under the Environment Agency's national Water and Environmental Management Framework. This led to the execution of a deed between the Council and VBA Joint Venture Ltd (VBA) on the 20th October 2017. VBA's obligations are to develop and deliver the Scheme as authorised at the Operational Management committee meeting of the 12th September 2017, at a contract price of £17.6m. This is alongside a risk/contingency budget of £1.7m and a budget for fees of £0.5m, both to be retained initially by the Council, taking the total projected scheme cost to £19.8m, comprising the Central Government funding of £19.4m and the approved contribution from Fylde Council of £0.4m.

In addition to the core sea defence works a range of public realm enhancements to the scheme, funded by Fylde Council from the Capital Investment Reserve, were approved by Council in December 2017 in the sum of £360k. The works relate to the remodelling of the Stanner Bank Car Park entrance, the provision of bespoke seating to compliment the wider landscape and the provision of ducting to allow for future services connection to a potential structure/building on or around the Mawson lookout. These works will be delivered alongside the main scheme.

Expenditure on the scheme has been re-phased to reflect the current expectations regarding the timing of the delivery of the scheme. Further re-phasing of the expenditure profile between the years is likely to be required as the scheme progresses and the capital programme will be updated accordingly and reported to members.

### **(iii) Disabled Facilities Grants (DFGs)**

As 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 updated budget for 2017/18 (including slippage from 2016/17) of £1.159m provides for the delivery of more disabled adaptations than has previously been possible. A report to the Environment, Health and Housing Committee in June 2017 provided an update with regard to this scheme and included a number of variations to the operation of the programme to reflect the significant increase in available funding. It is anticipated that for 2017/18 all identified need for disabled adaptations can be met from the existing resource.

### **(iv) Project Slippage**

Areas of slippage must be addressed in future years to ensure that no loss of external grant is imposed due to conditions associated within specified timescales.

### **(v) Other Capital Receipts**

The approved programme for 2017/18 onwards 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 monitoring reports, along with the impact this may have on the financing of the programme.

### **(vi) Capital Investment in St. Annes Pool**

As part of the arrangement with the YMCA for the operation of the pool, the Council undertook to provide Capital support in the event of major works, repair or breakdown and a provision of £153k was included in the programme for this eventuality. There is now a remaining capital resource of £93k in 2017/18. There is a risk that this remaining resource is insufficient to meet future capital expenditure needs for the facility.

## **3 Conclusions**

- 3.1 Actual expenditure to 30<sup>th</sup> November 2017 is £2.391m against an updated full year budget of £8.569m. This equates to approximately 27.9% of the full year budget. The expenditure on a number of schemes is phased later during the financial year and there is usually a period of time that elapses between the completion of schemes and the final settlement of all invoices.
- 3.2 The current Capital Programme as updated is showing a balanced position for 2017/18 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 2018/19.
- 3.3 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 2017 was £1.320m, of which all of which was already committed to previously-approved capital schemes. Planned transfers into the reserve in 2017/18 and 2018/19 are currently estimated to be a total of £1.595m, whilst the removal of the Council contribution to the capital scheme for external works at St Annes Pool added a further £30k to the reserve. In December 2017 the Council

approved a scheme of public realm works relating to the Coastal Defence works in the sum of £360k and a scheme of public realm works in relation to the Fairhaven Gardens and Lake Restoration scheme in the sum of £120k, which leaves an estimated residual unallocated balance of £1.145m by the end of 2018/19. 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 - 2017/18 IN-YEAR SCHEME MONITORING REPORT - AS AT 30/11/17**

**Appendix A**

APPROVED SCHEMES	Financing Source	Approved Budget 2017/18 £000	Slippage B/F from 2016/17 £000	Adjustments from 02/03/17 £000	Updated Budget 2017/18 £000	Expenditure to 30/11/17 £000	Variance £000	Comments
<b><u>FINANCE &amp; DEMOCRACY COMMITTEE</u></b>								
Accommodation Project - Phase 6 & 7 - Council Chamber & Internal Refurb / Services	Proceeds from the sale of surplus Council Assets, and the Accommodation Project Reserve	0	365	135	500	438	62	The works to the first and second floor of the Town Hall are now complete. The remaining element of these phases of the works i.e. those relating to the Council chamber, are currently underway with completion anticipated during early 2018.
<b>Sub total</b>		<b>0</b>	<b>365</b>	<b>135</b>	<b>500</b>	<b>438</b>	<b>62</b>	
<b><u>TOURISM &amp; LEISURE COMMITTEE</u></b>								
Fairhaven Lake & Promenade Gardens - First round	Capital Investment Reserve	20	0	93	113	32	81	Key officers to deliver the scheme have been recruited and work is progressing. Delivery of this phase of the scheme will be undertaken during 2017/18 and 2018/19. In December 2017 the Council also approved a funded budget increase for 2019/20 in the sum of £120k in respect of the public realm enhancements to the scheme to be met from the Capital Investment Reserve.
Promenade Gardens Water Play Facility	Capital Investment Reserve	100	0	50	150	0	150	This scheme will not be delivered during the current year. A tender process has been undertaken with the council receiving only 2 bids. On evaluation, neither tender proved to be fully compliant, and therefore the scheme will be retendered in the new year. The scheme will be re-phased into 2018/19 as part of the next Financial Forecast update.
Development of Play Area - Bridges Playing Field, Warton	S106 Developer Contributions	0	0	107	107	0	107	It is anticipated that this scheme will be completed to budget in 2017/18.
Fleetwood Road Playing Fields, Wesham	S106 Developer Contributions	0	0	25	25	0	25	It is anticipated that this scheme will be completed to budget in 2017/18.
Mussel Tank Project	Specific Grant (LSA Civic Society)	0	0	130	130	64	66	It is anticipated that this scheme will be completed to budget in 2017/18.
<b>Sub total</b>		<b>486</b>	<b>0</b>	<b>39</b>	<b>525</b>	<b>96</b>	<b>429</b>	

								Appendix A (Cont'd)
APPROVED SCHEMES	Financing Source	Approved Budget 2017/18 £000	Slippage B/F from 2016/17 £000	Adjustments from 02/03/17 £000	Updated Budget 2017/18 £000	Expenditure to 30/11/17 £000	Variance £000	Comments
<b>OPERATIONAL MANAGEMENT COMMITTEE</b>								
Replacement Vehicles	Capital Investment Reserve / Borrowing	1,267	38	11	1,316	79	1,237	It is anticipated that part of this budget will be re-phased into 2018/19 due to the timing of delivery of vehicles and that this will be reflected in the next update to the Financial Forecast early in 2018.
Car Park Improvements	No external finance - funded by borrowing/general asset disposal receipts	30	0	0	30	0	30	It is anticipated that this budget will be re-phased into 2018/19 as this will be part of the Accommodation Car Park works required at the Town Hall and that this will be reflected in the next update to the Financial Forecast early in 2018.
Fylde Headlands Preliminary Work	Specific Government Grant (Environment Agency)	0	8	0	8	7	1	It is anticipated that this scheme will be been completed to budget in 2017/18.
Public Transport Improvements	S106 Developer Contributions	0	0	90	90	0	90	This is funding that is held by Fylde Council but will be transferred to Lancashire County Council to direct towards local bus route improvements and a dial-a-ride scheme. This scheme will be re-phased over future years. This will be reflected in the next update to the Financial Forecast.
Fairhaven and Church Scar Coast Protection Scheme	Specific Government Grant (Environment Agency) / Capital Investment Reserve	14,400	0	-11,575	2,825	532	2,293	A significant proportion of the 2017/18 budget for the scheme has been re-phased into 2018/19 as part of the latest Financial Forecast update. In December 2017 the Council approved additional expenditure in respect of public realm enhancements to the scheme in the sum of £360k to be met from the Capital Investment Reserve.
<b>Sub total</b>		<b>15,697</b>	<b>46</b>	<b>-11,474</b>	<b>4,269</b>	<b>618</b>	<b>3,651</b>	



Appendix A (Cont'd)

APPROVED SCHEMES	Financing Source	Approved Budget 2017/18 £000	Slippage B/F from 2016/17 £000	Adjustments from 02/03/17 £000	Updated Budget 2017/18 £000	Expenditure to 31/07/17 £000	Variance £000	Comments
<b>ENVIRONMENT, HEALTH &amp; HOUSING COMMITTEE</b>								
Disabled Facilities Grants Programme	Specific Grant (Better Care Fund) / External Contributions / Grant repayments	468	230	461	1,159	554	605	A report to the Environment, Health and Housing Committee in June 2017 provided an update with regard to this scheme and included a number of variations to the operation of the programme to reflect the significant increase in central government grant for this purpose. It is anticipated that all identified need for disabled adaptations can be met from the existing resource for 2017/18. Actual expenditure will be determined by the level of identified need.
Housing Needs Grant	DFG Grant Repayments	0	0	6	6	0	6	In July the Council approved the creation of a new scheme within the 2017/18 approved Capital Programme to be termed 'Housing Needs Grant' that will be funded from DFG grant repayments. The budget for this scheme will be updated as and when repayments to the Council are forthcoming.
93 St Albans Road - Compulsory Purchase Order	S106 Developer Contributions	0	99	0	99	87	12	The Compulsory Purchase Order has been completed and the transfer of legal title to the property to the housing association Forviva is anticipated shortly.
Affordable Housing Scheme - 93 St Albans Road Refurbishment	S106 Developer Contributions	0	0	148	148	0	148	This scheme is now expected to be delivered over the two financial years 2017/18 and 2018/19 and consequently the budget will require re-phasing to reflect this. This will be reflected in the next update to the Financial Forecast early in 2018.
Affordable Housing Scheme Sunnybank Mill, Kirkham	S106 Developer Contributions	460	460	-460	460	460	0	Planning permission has now been granted for the delivery of 23 units of affordable rented housing. Housing and Legal Services officers are currently in discussion with the ForViva Housing Association regarding the delivery of the project and the payment has been made.
Affordable Housing Scheme - Keenan Mill	S106 Developer Contributions	840	0	-420	420	0	420	Planning permission has now been granted for the delivery of 26 units of affordable rented housing. Housing and Legal Services officers are currently in discussion with the Progress Housing Association regarding the delivery of the project. It is anticipated that this budget will be re-phased into 2018/19 and this will be reflected in the next update to the Financial Forecast early in 2018.
Church Road Methodist Church, St Annes	S106 Developer Contributions	550	0	-275	275	0	275	A consultation document with regard to the scheme has recently been distributed to interested parties and it is anticipated that planning permission will be sought for the delivery of 10 units of affordable rented housing later in 2017/18 and payment will be made during 2017/18.
Affordable Warmth Scheme	Specific Grant (Lancashire County Council)	28	18	0	46	11	35	It is anticipated that this scheme will be been completed to budget in 2017/18.
Rapid Deployment CCTV Replacement Projects	Specific Grant (LSP Performance Reward Grant)	38	0	0	38	0	38	The working group reported to the Environment, Health and Housing Committee in June 2017 to advise that this money would be utilised for repair costs and replacement costs for the Monitored CCTV Cameras in the Town Centres of St Annes, Lytham and Kirkham when required, after approval by the Committee. It is anticipated that this budget will be re-phased into 2018/19 and this will be reflected in the next update to the Financial Forecast.
<b>Sub total</b>		<b>2,738</b>	<b>807</b>	<b>-894</b>	<b>2,651</b>	<b>1,112</b>	<b>1,539</b>	

Appendix A (Cont'd)

APPROVED SCHEMES	Financing Source	Approved Budget 2017/18 £000	Slippage B/F from 2016/17 £000	Adjustments from 02/03/17 £000	Updated Budget 2017/18 £000	Expenditure to 30/11/17 £000	Variance £000	Comments
<b>PLANNING COMMITTEE</b>								
Woodlands Road Regeneration Scheme - Town Centre Phase 3	Capital Investment Reserve / S106 Developer Contributions	0	6	0	6	0	6	The scheme was largely completed during 2016/17 with only a small amount of residual funding remaining. It is anticipated that the remaining elements will be completed to budget during 2017/18.
St Annes Regeneration Schemes	S106 Developer Contributions	237	0	-67	170	0	170	This funding is earmarked for the next phase of St Annes Town Centre including St Andrews Road North/South and The Crescent. The scheme has commenced with a proportion of the works now expected to fall into 2018/19. Consequently an element of the scheme has been re-phased into 2018/19 as part of the previous Financial Forecast update.
Staining Regeneration Schemes	S106 Developer Contributions	40	0	0	40	0	40	Following discussions with the Parish Council a scheme has now been developed and agreed. It is anticipated that this scheme will be completed to budget in 2017/18.
Kirkham Public Realm Improvements	S106 Developer Contributions	0	21	0	21	0	21	It is proposed that the balance of funding in respect of this scheme will be re-phased into 2018/19. This will be reflected in the next update to the Financial Forecast . An update report will be presented to the Planning Committee in January 2018 in respect of Kirkham Public Realm scheme delivery.
M55 Link Road	S106 Developer Contributions	0	137	250	387	127	260	Council approved a further funded budget increase in the sum of £250,000 to the M55 Link Road (design works) scheme that is within the current approved Capital Programme for 2017/18, to be met in full from S106 developer contributions. This budget is to facilitate delivery of the M55 Link Road. Design of the new road should be complete by February 2018 with tendering of the work then taking place. If the full funding package can then be confirmed work is planned to commence summer 2018.
<b>Sub total</b>		<b>407</b>	<b>164</b>	<b>53</b>	<b>624</b>	<b>127</b>	<b>497</b>	
<b>Total Expenditure</b>		<b>19,328</b>	<b>1,382</b>	<b>-12,141</b>	<b>8,569</b>	<b>2,391</b>	<b>6,178</b>	

## INFORMATION ITEM

REPORT OF	MEETING	DATE	ITEM NO
RESOURCES DIRECTORATE	FINANCE AND DEMOCRACY COMMITTEE	22 JANUARY 2018	11
<b>MID-YEAR PERFORMANCE 2017/18</b>			

### PUBLIC ITEM

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

### SUMMARY OF INFORMATION

The report provides details of the key performance outcomes for the first half of the financial year 2017/18. Performance is reported against the targets set for the year and commentary is provided by performance exception.

### SOURCE OF INFORMATION

Finance and Democracy team input data into the InPhase corporate online system from service based performance data

### LINK TO INFORMATION

<http://fyldeperformance.inphase.com> - Full Corporate Performance suite for Fylde Council

### WHY IS THIS INFORMATION BEING GIVEN TO THE COMMITTEE?

The performance information is relevant to the committee terms of reference and the responsibility of the committee to monitor performance of the services within its remit.

### FURTHER INFORMATION

Contact: Alex Scrivens, Performance & Improvement Manager (01253 658543 or [alexs@fylde.gov.uk](mailto:alexs@fylde.gov.uk)).

## Mid-Year Commentary by Performance Exception for the Finance and Democracy Committee

### \*\*\*\*\* PERFORMANCE ABOVE TARGET \*\*\*\*\*

*Commentary is provided to explain why progress has exceeded target, with details of how this will be maintained.*

PM67a: Average days processing changes in circumstances for Housing Benefit was 9.71 and last year's comparison figure was 13.45, target is 15.

*It is difficult to predict the number of changes of circumstances that will be received during the course of the year or how complex in nature these will be. The Shared Service is continually looking to improve its processes and procedures to drive service improvement and will look to sustain improvements wherever possible.*

M67b: Average days processing changes in circumstances for Council Tax Reduction was 9.47 and last year's comparison figure was 22.96, target is 15.

*It is difficult to predict the number of changes of circumstances that will be received during the course of the year or how complex in nature these will be. The Shared Service is continually looking to improve its processes and procedures to drive service improvement and will look to sustain improvements wherever possible.*

PM68: Proportion of Council Tax collected was 56.52%, last year's comparison figure was 58.5% and mid-year target is 48.75%.

*Collection rates at Fylde are always amongst the best in the region and the increase in direct debit and pre-payment that is always promoted are reflected in the mid-year collection exceeding the target.*

### \*\*\*\*\* PERFORMANCE BELOW TARGET \*\*\*\*\*

*Commentary is provided to explain why performance is currently not on target, with details of any corrective action.*

PM02: Average number of day's sickness per Full Time Employee was 8.16 days and last year's comparison figure was 5.98 days, target is 6 days.

*Sickness absence is at the highest for the last five years and whilst a long way from the 12 days per employee per annum experienced several years ago, the performance is drifting from an exceptional 5/6 days to 8.16 days per annum. The national average for 172 local authorities that submit data is 8.19 days. Average is not an aspiration for Fylde and is inconsistent with our culture. Senior Management are looking at options to improve measures that will reduce sickness absence in the first place i.e. flu jabs; early support; working conditions; work environment; job satisfaction; morale; flexible work options etc. as well as reviewing back to work support for long term and regular recurring sickness absence. However the sickness absence figure for the 12 months to October 31st 2017 has fallen to 6.92 days from just over 8 days, this is great progress and moving in the right direction. It is unlikely that the target of below 6 days per annum per employee will be achieved by the end of the 2017/18 financial year with the winter period, yet every effort will be made to get as close as possible to the target over the remaining few months This figure was down to 6.92 days per employee per annum at the end of October 2017.*

PM05: Percentage of sickness absence as a result of long-term sickness was 48.3% and last year's comparison figure was 43.9%, target is 30%.

*The main reason the sickness absence per employee per annum is currently 8.16 days is a result of an increase in long term sickness, this measure is used to identify the primary cause of sickness absence and can be influence through the indirect actions aimed at preventing long term absence and supporting employees back to work.*






PM66a: Average days for processing New Claims for Housing Benefit was 32.5 and last year's comparison figure was 20.48, target is 21.

*The Shared Service lost a number of experienced assessment officers who worked on new claims during the course of 2017. New staff have now been recruited and performance against this indicator will improve.*










PM66b: Average days processing New Claims for Council Tax Reduction was 33.46 and last year's comparison figure was 22.69, target is 23.

*The Shared Service lost a number of experienced assessment officers who worked on new claims during the course of 2017. New staff have now been recruited and performance against this indicator will improve.*

## PERFORMANCE KEY ICON STATUS

	<b>Over Performance</b> – the indicator is over performing against target
	<b>On Track</b> – the indicator is performing within tolerance of target.
	<b>Cautionary Under Performance</b> – the indicator is moderately under performing. Whilst the indicator has slipped from target it maybe a minor blip overall or minor action will remedy it.
	<b>Under Performance</b> – the indicator is under performing against target.
	<b>Missing Data</b> – the indicator is missing data, this could be due to lag in data in the way the information is collated, or because its currently unavailable.
<b>N/A</b>	<b>Not Applicable</b> – no comparable data available. This could be due to the methodology being change or being a new measure created.

**APPENDIX 1: Performance Measures mid-year performance (1st April 2017 - 30th September 2017)**

Finance and Democracy						
Local Key Performance Indicators	Frequency	Good Performance Is	APR 2016 SEP 2016	APR 2017 SEP 2017	Mid-year Target	Performance Status
<a href="#">PM02: Average number of days sickness per Full Time Employee</a>	Monthly	Smaller is Better	5.98	<b>8.16</b>	6	
<a href="#">PM05: Percentage of sickness absence as a result of long-term sickness</a>	Quarterly	Smaller is Better	43.9	<b>48.3</b>	30	
<a href="#">PM14: Percentage of invoices paid within 30 days or within agreed payment terms (Corporate)</a>	Quarterly	Bigger is Better	93.6	<b>93.84</b>	95	
<a href="#">PM66a: Average days for processing New Claims for Housing Benefit</a>	Quarterly	Smaller is Better	20.48	<b>32.5</b>	21	
<a href="#">PM66b: Average days processing New Claims for Council Tax Reduction</a>	Quarterly	Smaller is Better	22.69	<b>33.46</b>	23	
<a href="#">PM67a: Average days processing changes in circumstances for Housing Benefit</a>	Quarterly	Smaller is Better	13.45	<b>9.71</b>	15	
<a href="#">PM67b: Average days processing changes in circumstances for Council Tax Reduction</a>	Quarterly	Smaller is Better	22.96	<b>9.47</b>	15	
<a href="#">PM68: Proportion of Council Tax collected</a>	Quarterly	Bigger is Better	58.5	<b>56.52</b>	48.75	
<a href="#">PM69: Percentage of Business Rates, which should have been received, received</a>	Quarterly	Bigger is Better	52.92	<b>53.79</b>	48.75	
<a href="#">PM86: Percentage of FOIs responded to within the statutory deadline of 20 days</a>	Quarterly	Bigger is Better	98.59	<b>99.08</b>	100	