



MINUTES

Finance and Democracy Committee

Date:	Monday, 23 November 2020
Venue:	Via remote access
Committee Members Present:	Councillor Karen Buckley (Chairman) Councillor Vince Settle (Vice-Chairman) Councillors Peter Anthony, Peter Collins, Ellie Gaunt, Linda Nulty, Liz Oades, David O'Rourke, Richard Redcliffe, Elaine Silverwood, John Singleton JP, Michael Withers.
Officers Present:	Allan Oldfield, Tracy Manning, Paul O'Donoghue, Mark Evans, Ian Curtis, Louise Jones, Katharine McDonnell.
Other Attendees:	Councillor Little was also present

Public Platform

There were no speakers on this occasion.

1. Declarations of Interest

Members were reminded that any disclosable pecuniary interests should be declared as required by the Localism Act 2011 and any personal or prejudicial interests should be declared as required by the Council's Code of Conduct for Members. There were no declarations on this occasion.

Councillors Collins, Silverwood and Withers declared a prejudicial interest in agenda item 6, Council Tax and Business Rates Discretionary Discount Policy. The nature of the interest being they were business owners. The councillors left the meeting for the duration of the item.

2. Confirmation of Minutes

RESOLVED: To approve the minutes of the Finance and Democracy Committee meeting held on 28 September 2020 as a correct record for signature by the Chairman.

3. Substitute Members

There were no substitutions on this occasion.

Decision Items

4. Financial Forecast Update (Including Revenue, Capital and Treasury Management) 2020/21 to 2024/25

Paul O'Donoghue, Chief Financial Officer, provided the mid-year update to the financial forecast. He advised that the update comprised three elements, namely the capital programme, summary position on treasury management and revenue budget.

He advised that the report tracked all changes since the budget was set in March. He reported a year of significant volatility as a result of the Covid-19 pandemic which had impacted the delivery of the capital programme and the council's revenue streams. Also reflected in the update were the compensatory grants from central government,

including one to ease income loss, and an un-ringfenced COVID grant of £1.151m. Additionally changes as a result of committee decisions since March were also reflected in the report.

Mr O'Donoghue advised it was anticipated the council would receive a single year financial settlement, from the Government, for next year. The Fair Funding review into the future funding arrangements for local government had been delayed last year due to Brexit and delayed again in 2020 due to the pandemic. He reported a high degree of uncertainty regarding the business rates and New Homes Bonus funding streams in future years due to the delay on the review. Mr O'Donoghue also drew Members attention to the risks set out in the report.

The Chairman thanked the Finance team for all their work in producing the report and their work throughout a difficult year. She commented that the degree of volatility was quite striking.

In response to questions Mr O'Donoghue advised that in regards to Business Rates Retention, it was anticipated the Fair Funding Review would include a 'reset' which was likely to amend the baseline, and the amount of growth to be retained by local authorities. He further advised of uncertainty regarding the future of business rate pooling, from which Fylde had benefited over the past few years.

Questions were asked regarding further funding for the M55 link road and an update on progress was sought. The Chairman advised that matters were progressing, with tenders out for earthworks, and it was hoped initial work could commence in 2021 pending the conclusion of a number of legal matters.

Councillor Oades echoed the Chairman's thanks to the Finance team for both the report and all the additional Covid related work they had undertaken. She went on to thank all officers across the council for all the additional work they have taken on over the period of the pandemic.

It was unanimously RESOLVED

1. To note the implications of this updated financial forecast, and to also note that this report will be presented to the Council meeting on 7th December 2020; and
2. To recommend to Council that the sum of £0.692m be transferred from the Funding Volatility Reserve into the M55 Link Road Reserve, ahead of the accumulation of further Business Rate growth receipts arising from the Blackpool Airport Enterprise Zone, in order to confirm the availability of the full £2m contribution from Fylde Council to the scheme at this point, with an equivalent sum arising from business rates growth at the Enterprise Zone in future years being transferred into the Funding Volatility Reserve as and when such are growth is realised.

5. COVID 19 Council Tax Hardship Fund Update

Paul O'Donoghue, Chief Financial Officer together with Louise Jones, Head of Shared Service presented an update regarding the COVID 19 Council Tax Hardship Fund. They advised that it was one of the support measures introduced by central government. The government announced in the Budget on 11 March that it would provide local authorities in England with £500 million of new grant funding to support economically vulnerable people and households in their local area. Fylde Council's allocation was £568k

The report provides an update on the current position for the discretionary award of £150 for any Working Age residents on the Council Tax Reduction Scheme (CTR).

Mr O'Donoghue advised that over 3,900 claimants had been awarded and together with the discretionary scheme approved by the committee earlier in the year, Fylde's allocation of £568k had been totally allocated. Representations had been made to MHCLG to seek additional support for residents, but to date no indication of any further funding had been received. The Chairman advised she had also written to the MP to request further funding.

It was therefore proposed to utilise £50k from the general COVID fund to allow for further allocations for the remainder of the current financial year. It was considered to be the right thing to do in light of no funding being

forthcoming from the Government. The amount proposed was an estimate of what was required to meet the needs of residents based upon recent claimant caseload.

It was unanimously RESOLVED to

1. Note the current position with regard to Working Age claims for Council Tax Reduction and the increase in the caseload since the start of the financial year; and
2. In the absence of further specific government funding for the scheme, to approve a fully funded revenue budget increase for 2020/21 to a maximum sum of £50,000 to permit the further award of grants of £150 for each Working Age Council Tax Reduction claim during 2020/21, to be met from the general central government Covid Support Grant, noting that Fylde Council allocations of the general grant to date are in the total sum of £1.151m.

6. Council Tax and Business Rates Discretionary Discount Policy – 2020/21 Update

Paul O'Donoghue, Chief Financial Officer, advised that the council's Council Tax and Business Rates Discretionary Discount policy was reviewed and updated regularly to incorporate any changes or new discounts from government.

The report before committee took into account the extended retail discount and nursery discount which were fully funded by government.

It was RESOLVED to approve and adopt the Council Tax and Business Rates Discretionary Discount Policy (2020/21 update).

(councillors Silverwood, Collins and Withers left the meeting for the duration of this item)

7. Council Tax Reduction Scheme 2021/22

Paul O'Donoghue, Chief Financial Officer, introduced the Council Tax Reduction Scheme for 2021/22. He advised the report set out the proposals in respect of the scheme for 2021/22.

The committee were asked to consider the scheme and recommend to Council that the Discretionary Scheme continue for 2021/22.

In response to questions, Louise Jones, Head of Shared Service, advised that the level of Hardship Awards was very low due to a holistic approach to a customer's finances which often meant that through restructuring or realising full benefits from elsewhere, there was no need to call on the Discretionary Hardship Award.

Having due regard to the Equality Analysis as detailed in section 5 of the report the Committee RESOLVED to:

1. Recommend to Council the continuation of the existing CTRS scheme for 2021/22 as set out in section 3 of this report;
2. Recommend to Council the continuation of Discretionary Hardship Relief for 2021/22 to provide additional support for claimants in exceptional circumstances;
3. Recommend that Council approve, as necessary, that the financial implications are reflected in the Council's Revenue Budget and Financial forecast for 2021/22 onwards; and
4. Authorise the Director of Resources to make any necessary final amendments to the scheme arising from changes in the Ministry of Housing, Communities and Local Government's guidance or elsewhere and to bring any such changes to the next full Council meeting for approval.

8. New Homes Bonus: Provision of Grants to Town and Parish Councils 2021/22

Paul O'Donoghue, Chief Financial Officer, advised that the New Homes Bonus policy provided the framework for a system of grant support to town and parish areas which had experienced above average growth in housing numbers, funded from a portion of the New Homes Bonus that is received by Fylde Council.

However due to the current uncertainty surrounding the future of the national scheme of New Homes Bonus grants, the report before committee, proposed arrangements in respect of 2021/22 which differed from that approved for previous years due.

It was proposed not to recommend any allocation to Town and Parish Councils until confirmation of the allocation to Fylde Council was received from MHCLG. It was acknowledged this would impact Town and Parish Councils in setting their precepts. However, if an allocation was confirmed for Fylde, it would be recommended to provide 5% to those Town and Parish Councils who had experienced above average levels of development.

It was also acknowledged that a request had been received from Town and Parish Councils to increase the allocation, but with so much uncertainty the request could not be actioned.

Following a discussion acknowledging the uncertainty of the funding and the differing ways the Towns and Parish Councils utilised the funding, it was unanimously RESOLVED to

1. Note the current situation in respect of the national scheme of New Homes Bonus grants;
2. Approve that there will be no allocations of funding to town and parish councils from New Homes Bonus grant until confirmation has been received of the amount of New Homes Bonus receivable by Fylde Council for 2021/22; and
3. Approve that if Fylde Council does receive confirmation of an allocation of New Homes Bonus grant for 2021/22, a proportion of that grant will be distributed to town and parish councils that have experienced above average housing growth in the previous year, equivalent to a total of 5% of the latest estimate of the total New Homes Bonus income receivable by Fylde Council, using the distribution methodology adopted for previous years.

9. Data Assurance Policy

The Chairman referred members to an updated and revised Data Assurance Policy which set out how the Council complied with its obligations under the data protection legislation, how it ensures data quality and how it classifies data. The existing policy had been reviewed and the report recommended the adoption of an updated policy containing changes to consider the coming into force of GDPR and the Data Protection Act 2018.

It was unanimously RESOLVED to adopt the updated Data Assurance Policy as set out in the draft attached to the report.

10. Boundary Commission Review

The Chairman introduced the recommendations of the cross-party working group who, as part of their deliberations had considered electorate parity, a reduction in the numbers of councillor members and a proposed new committee structure.

It was unanimously RESOLVED to commend the submission to the council for approval at its meeting on 7 December 2020

11. Adult Weight Management Funding

At its meeting on 3 November 2020 the Environment, Health and Housing Committee considered the allocation of funding from Lancashire County Council to take part in the delivery of a pan-Lancashire Health and Weight Management programme. Fylde's allocation of the funding would be used to recruit a fully funded Adult Weight Management Officer to deliver this initiative and provide a comprehensive community focussed health and weight management programme.

The funding allocated to Fylde Council by Lancashire County Council to deliver this initiative is £69,000 over 3 years. Fylde plan to recruit an officer for a three-year period to deliver a Tier 2 Weight Management Service. Environment, Health and Housing Committee recommended to Finance and Democracy the approval of the funding for this purpose.

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Following a debate regarding the how the level of funding had been allocated and if there would be any monitoring of the success of the programme, a second recommendation was proposed, and it was unanimously RESOLVED to;

1. approve a fully-funded revenue budget increase in the sum of £69,000 (split between the years 2021/22 £25,106, 2022/23 £27,271 & 2023/24 £16,623) to be met in full from the Lancashire County Council funding relating to this post; and
2. Recommend that Environment, Health and Housing Committee to monitor the expenditure and benefits of the programme at a future meeting of the committee.

12. Request for Drawdown of Section 106 Funding for Buy Backs from Progress Housing Association of Stock Sold Under the Right to Buy

At its meeting on 3 November 2020, the Environment, Health and Housing Committee considered a request from Progress Housing to buy back stock utilising S106 funding set aside for this purpose.

The proposals for both units would give Progress Housing Association greater control in the management of the housing stock in each area. Property 1 (P1), 1 Preesall Close in St Annes agreed purchase price is £85,000. Property 2 (P2), 5 Everest Court in Wesham agreed purchase price is £82,200. These purchases are from private sellers who have contacted Progress Housing Association direct.

The purpose of this report is to present the full application for section 106 funding from Progress Housing and request approval for 36% of the purchase cost of P1 and 33% P2 (totalling £57,500) and inclusion to the Capital Programme in 2020/21 to be fully funded from a portion of the balance of S106 developer contributions for affordable housing currently held by the Council for this purpose.

The Environment, Health and Housing Committee recommended Finance and Democracy Committee approve the allocation of funds for this purpose.

In response to questions Mr Evans, Head of Planning and Housing, advised that Right to Buy legislation would apply to any future tenants.

It was unanimously RESOLVED to;

1. Approve a fully funded addition to the Capital Programme for 2020/21 in the sum of £57,500 in respect of the 'Progress Housing Buy Backs' scheme as set out in this report, to be met from a portion of S106 developer contributions for affordable housing currently held by the Council for this purpose (schemes: P1, 1 Preesall Close, St Annes, £30,500 to be met from Agreement ref: 03/157, St Marys School, St Annes and P2, 5 Everest Court, Wesham, £27,000 to be met from Agreement ref: 13/0386 Land South of Cartford Lane, Little Eccleston); and
2. Subject to approval of 1, above, to authorise the required expenditure for the capital grant payment in 2020/21 to Progress Housing Association, totalling £57,500 after regard and consideration of the compliance with the financial regulations covered within the body of the report.

13. Beach Safety Sign Improvements

The report detailed a request from the Tourism and Leisure Committee to approve a fully-funded budget increase for the Beach Safety Sign Improvements Scheme, within the existing approved Capital Programme for 2020/21, in the sum of £37,000, to be met in full from the Capital Investment Reserve.

The report outlined the progress to date of the Beach Safety signage project. The report recommended the approval of a fully funded budget increase of £37,000 to enable effective, consistent beach safety signs to be positioned along the beach frontage from Starr Gate, to Jubilee House, Lytham.

In response to questions, it was advised that the signs had to be manufactured from particular high-end material to ensure longevity in a seaside location. It was further advised that recommendations from a member working

group included additional signage, additional information on the signage and removal of unnecessary signs were included in the proposals.

There were several questions regarding the tendering process. Ian Curtis, Head of Governance, advised that the sequencing of the exercise (in that budget approval was to precede procurement) was in accordance with the financial procedure rules and it was to ensure certainty there would be funding available following a tendering exercise.

It was unanimously RESOLVED to approve a fully funded budget Increase in respect of the Beach Safety Sign Improvements Scheme within the existing approved Capital Programme for 2020/21 in the sum of £37,000 to be met in full from the Capital Investment Reserve.

14. Allocation of Additional Resources to Support Town Centres and the Blackpool Airport Enterprise Zone

The Town Centres Working Group had been considering a number of initiatives aimed at supporting the borough's three town centres. A summary of the work was presented to the Planning Committee in September when members requested officers to work up several of the proposals including the appointment of additional staff to help deliver these projects and proposals. Following further discussion with the Budget Working Group and the Town Centres Working Group, the report proposed the establishment of a Town Centres Manager post and an Economic Development Officer post.

The report also proposed to top up the existing town centre maintenance budget to help improve the quality of the public spaces in St Annes town centre.

Together the proposed investments outlined in the report would be crucial to the successful delivery of large parts of the council's corporate plan.

In response to questions Councillor Redcliffe, Chairman of the Town Centre Working Group, advised that the budgets for maintenance of Lytham and Kirkham town centres would be considered by Town Centre Working Group and Planning committee at a future meeting.

It was RESOLVED to;

1. Approve a revenue funded budget increase (to be split between the years 2020/21, 2021/22, 2022/23, and 2023/24) in the total sum of £45,000, to be funded from the Funding Volatility Reserve, in order to provide the required level of resource for the appointment of an Enterprise Zone Project Manager;
2. Approve a revenue funded budget increase (to be split between the years 2020/21, 2021/22, 2022/23 and 2023/24) in the total sum of £246,000, to be funded from the Funding Volatility Reserve, in order to provide the required resource for the appointment of a Town Centres Manager and an Economic Development Officer;
3. Approve a revenue funded budget increase of £5,000 for 2020/21 and £25,000 for 2021/22, to be funded from the Funding Volatility Reserve, in order to provide an enhanced financial resource in respect of the existing St Annes town centre maintenance budget;
4. Authorise the proposed expenditure to fund the recruitment of an Enterprise Zone Project Manager for a temporary period of 3 years;
5. Authorise the proposed expenditure to fund the recruitment of a Town Centres Manager and Economic Development Officer, each for a temporary period of 3 years; and
6. Authorise the proposed expenditure in respect of the enhanced St Annes town centre repairs and maintenance budget in the total additional sum of £30,000.

15. Sand-winning at St Annes Beach

The report detailed a request from the Operational Management Committee to approve a fully-funded addition to the revenue budget in respect of the St Anne's foreshore sand extraction development studies, in the sum of £232,000, (£70,000 in 2020/21 and £162,000 in 2021/22) to be met in full, from the Funding Volatility Reserve.

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The report presented the background to sand extraction from the St Annes foreshore and informed members as to the latest regulatory position following enforcement by the Marine Management Organisation. The report also presented details of the work necessary to be undertaken including costs in order to apply for permissions to resume operations.

It was RESOLVED to approve a fully funded budget addition to the revenue budget in respect of 'St Anne's foreshore sand extraction development studies and regulatory applications' in the sum of £232,000, (£70,000 in 2020/21 and £162,000 in 2021/22) to be met in full, from the Funding Volatility Reserve.

INFORMATION ITEMS

16. General Fund Revenue Budget Monitoring Report 2020/21 – Position as at 30 September 2020

The Committee received the General Fund Revenue Budget Monitoring report for quarter 2.

17. Capital Programme Monitoring Report 2020/21 – Position as at 30 September 2020

The Committee received Capital Programme Monitoring report for quarter 2.

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