

Agenda

COUNCIL



Date:	Monday, 14 December 2015 at 7:00 pm
Venue:	AKS Lytham Independent School, Clifton Drive South, FY8 1DT
	<p>Mayor : Councillor Peter Hardy Deputy Mayor : Councillor Heather Speak</p> <p>Leader : Councillor Susan Fazackerley Deputy Leader : Councillor Karen Buckley</p> <p>Councillors Ben Aiken, Christine Akeroyd, Frank Andrews, Tim Ashton, Mark Bamforth, Jan Barker, Keith Beckett ISO, Brenda Blackshaw, Julie Brickles, Maxine Chew, Alan Clayton, Delma Collins, Peter Collins, Michael Cornah, David Donaldson, David Eaves, Trevor Fiddler, Tony Ford JP, Richard Fradley, Gail Goodman JP, Shirley Green, Neil Harvey, Paul Hayhurst, Karen Henshaw JP, Paul Hodgson, Angela Jacques, Cheryl Little, Roger Lloyd, Kiran Mulholland, Barbara Nash, Edward Nash, Graeme Neale, Linda Nulty, Liz Oades, Sandra Pitman, Albert Pounder, Richard Redcliffe, Louis Rigby, Vince Settle, Elaine Silverwood, John Singleton JP, Roger Small, Richard Taylor, Raymond Thomas, Thomas Threlfall, Viv Willder.</p>

	PROCEDURAL ITEMS:	PAGE
1	Declarations of Interest: Declarations of interest, and the responsibility for declaring the same, are matters for elected members. Members are able to obtain advice, in writing, in advance of meetings. This should only be sought via the Council's Monitoring Officer. However, it should be noted that no advice on interests sought less than one working day prior to any meeting will be provided.	1
2	Confirmation of Minutes: To confirm the minutes, as previously circulated, of the meeting held on 12 October 2015 as a correct record.	1
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Contact: Katharine McDonnell - Telephone: (01253) 658423 – Email: democracy@fylde.gov.uk

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

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

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REPRESENTATIONS



REPORT OF	MEETING	DATE	ITEM NO
RESOURCES DIRECTORATE	COUNCIL	14 DECEMBER 2015	5

QUESTIONS FROM MEMBERS OF THE COUNCIL

PUBLIC ITEM

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

SUMMARY

No questions have been received from Members of the Council before the requisite deadline, as outlined in Procedural Standing Orders for Council and Committees of Part 4 of the Council's Constitution, and before the statutory deadline for publication of the agenda.

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

Any question(s) will be read out during the Council meeting on 14 December 2015 and a response will be given by the Leader of the Council.

REPRESENTATIONS



REPORT OF	MEETING	DATE	ITEM NO
RESOURCES DIRECTORATE	COUNCIL	14 DECEMBER 2015	6

QUESTIONS FROM MEMBERS OF THE PUBLIC

PUBLIC ITEM

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

SUMMARY

No questions have been received from the public before the deadline, as outlined in the Procedural Standing Orders for Council and Committees in Part 4 of the Council's Constitution, and before the statutory deadline for publication of the agenda.

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

Any question(s) will be read out during the Council meeting on 14 December 2015 and a response will be given by the Leader of the Council.

DECISION ITEM



REPORT OF	MEETING	DATE	ITEM NO
RESOURCES DIRECTORATE	COUNCIL	14 DECEMBER 2015	7

NOTICE OF MOTION – WATER CONTAMINATION

PUBLIC ITEM

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

SUMMARY

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

RECOMMENDATION

To consider the Notice of Motion received on 25 August 2015, as amended at Council on 12 October 2015.

CORPORATE PRIORITIES

To Promote the Enhancement of The Natural & Built Environment (Place)		To Encourage Cohesive Communities (People)	
To Promote a Thriving Economy (Prosperity)		To Meet Expectations of our Customers (Performance)	√

SUMMARY OF PREVIOUS DECISIONS

Council – 12 October 2015 - It was agreed to defer the amended notice of motion for further consideration.

The Motion

1. The following Notice of Motion was received:

“That this Council is concerned by the recent *Cryptosporidium* contamination to our water supply and the measures taken to deal with it.”

The Notice of Motion was duly proposed by Councillor Elizabeth Oades.

It was amended by Councillor Linda Nulty with the addition of the following words;

“We would therefore request that Fylde Borough Council instructs the Chief Executive write to the Prime Minister, the Secretary of State for the Environment, Food and Rural Affairs and the Minister for Energy and Climate Change, drawing their attention to the inadequacy of regulation in major industries, particularly in the light of the fourteenth round of onshore oil and gas licence awards covering much of England. We also request that central government puts in place rigorous, independent, regulatory and inspection regimes for all industries which affect public health above all improved purification of domestic water supplies and the treatment and disposal of contaminated waste water.”

2. At the Council meeting held on 12 October 2015 it was agreed to defer the consideration of the amended motion to the next Council meeting on 14 December 2015, and therefore the amended motion, set out in full below, is referred to this meeting for full debate.

*“That this Council is concerned by the recent *Cryptosporidium* contamination to our water supply and the measures taken to deal with it. We would therefore request that Fylde Borough Council instructs the Chief Executive write to the Prime Minister, the Secretary of State for the Environment, Food and Rural Affairs and the Minister for Energy and Climate Change, drawing their attention to the inadequacy of regulation in major industries, particularly in the light of the fourteenth round of onshore oil and gas licence awards covering much of England. We also request that central government puts in place rigorous, independent, regulatory and inspection regimes for all industries which affect public health above all improved purification of domestic water supplies and the treatment and disposal of contaminated waste water.”*

Standing Orders

3. Part 4 (Rules of Procedure), Standing Order 12 (Motions) of the council Constitution details the procedural requirements of handling a Notice of Motion.

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

LEAD AUTHOR	TEL	DATE	DOC ID
Tracy Morrison	01253 658521	2/12/15	

LIST OF BACKGROUND PAPERS		
Name of document	Date	Where available for inspection
Notification from Councillor Oades	25 August 2015	Public Documents - Notice of Motion
Council Constitution		Public Documents - Constitution

DECISION ITEM



REPORT OF	MEETING	DATE	ITEM NO
RESOURCES DIRECTORATE	COUNCIL	14 DECEMBER 2015	8

NOTICE OF MOTION – DEVELOPMENT MANAGEMENT SUBSTITUTIONS

PUBLIC ITEM

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

SUMMARY

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

RECOMMENDATION

To consider the Notice of Motion received on 1 December 2015.

CORPORATE PRIORITIES

To Promote the Enhancement of The Natural & Built Environment (Place)		To Encourage Cohesive Communities (People)	
To Promote a Thriving Economy (Prosperity)		To Meet Expectations of our Customers (Performance)	√

SUMMARY OF PREVIOUS DECISIONS

Council 30 March 2015 – Adoption of a new constitution - Development Management Committee members (in line with substitutes for all other committees) were limited to act as a substitute no more than three times in a municipal year.

The Motion

1. The following Notice of Motion has been received:

The council agrees to amend the substitution rules, with immediate effect, for Development Management Committee as set out in the constitution in Part 4, paragraph 25 b), which shall now read:

“No member may act as substitute for a member of the committee if he has previously acted as substitute at five meetings of the committee during the municipal year.”

The Notice of Motion has been duly proposed by Councillor Trevor Fiddler.

Standing Orders

2. Part 4 (Rules of Procedure), Standing Order 12 (Motions) of the council Constitution details the procedural requirements of handling a Notice of Motion.

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

LEAD AUTHOR	TEL	DATE	DOC ID
Tracy Morrison	01253 658521	2/12/15	

LIST OF BACKGROUND PAPERS		
Name of document	Date	Where available for inspection
Notification from Councillor Trevor Fiddler	1 December 2015	http://fylde.cmis.uk.com/fylde/DocumentsandInformation.aspx
Council Constitution		http://fylde.cmis.uk.com/fylde/DocumentsandInformation.aspx

DECISION ITEM



REPORT OF	MEETING	DATE	ITEM NO
LEADER OF THE COUNCIL	COUNCIL	14 DECEMBER 2015	9

A COMBINED AUTHORITY FOR LANCASHIRE

PUBLIC ITEM

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

SUMMARY

The purpose of this report is to outline the findings of the Governance Review undertaken for Lancashire and set out the next steps and recommendations.

RECOMMENDATION

1. The contents of this report be noted
2. The contents of the Lancashire Governance Review and recommendation therein be noted
3. The contents of the draft Scheme for a Combined Authority be noted
4. Fylde Council agree to take part in the public consultation in January/February which will seek views on the formation of a Combined Authority for Lancashire
5. Fylde Council agree to consider the feedback from the public consultation and note that following this, those authorities who wish to form a Lancashire Combined Authority will submit a proposal to the Secretary of State for consideration.
6. Fylde Council agree in principle to becoming a constituent member of the combined authority for Lancashire
7. The council's meeting on April 11th 2016 give final consideration to becoming a constituent member of a Lancashire Combined Authority

CORPORATE PRIORITIES (delete ✓ which are not relevant)

To Promote the Enhancement of The Natural & Built Environment (Place)	✓	To Encourage Cohesive Communities (People)	✓
To Promote a Thriving Economy (Prosperity)	✓	To Meet Expectations of our Customers (Performance)	✓

SUMMARY OF PREVIOUS DECISIONS

There have been no previous decisions on this initiative.

REPORT

Rationale/Background

A Combined Authority is a formal legal arrangement which supports and enables collaboration and co-ordination between two or more local government areas on transport, regeneration and economic growth as well as skills, housing and employment. The Cities and Local Government Devolution Bill currently going through parliament provides legislation to broaden the scope of functions and powers that it is possible to confer on a Combined Authority. It supports increased democratic accountability and transparency complementary to that provided by the LEPs (Local Enterprise Partnership) to a major area of local government policy making. Each of the councils who are members of a combined authority remain separate authorities; the combined authority is a mechanism to work more effectively and formally in partnership.

Five Combined Authorities across England have been established, all of which cover the five key cities across the Northern Powerhouse (Liverpool, Manchester, Leeds, Sheffield, Hull). A number of devolution proposals and deals are starting to emerge across the country. The Government have been clear that they will devolve powers and flexibilities to areas with robust governance structures in place.

Members will be aware that in October 2014 Council Leaders indicated their wish to develop closer collaborative working across Lancashire on economic related matters and to explore the options in this regard.

A Combined Authority provides an opportunity for Fylde Council to extend its influence on matters that are of importance to its Citizens. Examples are Transport which is a County Council responsibility and on how funds allocated to the Local Enterprise Partnership (LEP) are allocated.

If Lancashire is to pursue devolution from Central Government it will be necessary to have a Combined Authority in place. Devolution is about as much self-determination for Lancashire that Lancashire Councils and Government are comfortable with.

In order to determine whether the existing arrangements are effective or would benefit from change the Leaders asked that a Governance Review be undertaken.

Governance Review

The Governance Review attached is the culmination of considerable collective work by the Lancashire Councils to understand the best way forward for joint working. The review explores three questions: Where are we now? Where do we want to be? How will we get there?

As part of this review Leaders developed ambitions for Lancashire, as set out in the document. These are:

- Prosperous Lancashire – a Lancashire that is recognised as a destination of choice, to invest in, do business in, live or visit;
- Connected Lancashire – digital and transport connectivity to promote inclusive growth;
- Skilled Lancashire – a skilled workforce to meet the demands of employers and future business growth;
- Better Homes for Lancashire – better living standards for residents with good quality homes and a wide housing offer;
- Public services working together for Lancashire – integrated public services at the heart of local communities given everyone the opportunity for a healthier life.

In addition with a population of 1.5 million, Lancashire should be a key contributor to the Northern Powerhouse and UK plc.

An options appraisal was undertaken and consideration was given to arrangements including – enhanced status quo, Joint Committee, Economic Prosperity Board, Integrated Transport Authority, Combined Authority.

Some of the ambitions set out above can be achieved through existing partnerships and better joint working. However, in order to attract and maintain economic growth and achieve a prosperous Lancashire we need to create the right conditions for growth and provide reassurance to investors, partners and government departments that we have strong, robust governance arrangements in place that are working for Lancashire.

A Combined Authority offers the strongest governance model to attract freedoms and flexibilities from the Government and will enable a cohesive approach across Lancashire to a range of issues including developing better and broader skills provision, including entry level skills; more co-ordinated infrastructure planning with improved use of resources; more co-ordinated approach to housing provision; more co-ordinated approach to business growth. Given Lancashire’s diversity, it’s recognised that a ‘one size fits all’ approach is unsuitable and it’s recognised that some issues are best tackled on a sub-level footprint or themes relevant to a cluster of authorities across Lancashire.

Having considered the economic evidence, the ambitions for Lancashire and the current decision making arrangements, the Governance Review concludes that a Combined Authority provides the best opportunity for Lancashire to achieve its potential.

The Lancashire Leaders, at their meeting on 1st September 2015 accepted, in principle, the recommendations of the Governance Review to form a Combined Authority.

Draft Scheme

In order to establish a Combined Authority a scheme must be prepared which sets out the membership, decision making arrangements, scrutiny arrangements etc. The draft scheme is appended to this report.

In summary the arrangements suggested are as follows:

Membership	Those Lancashire authorities who form a combined authority,
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	represented by the Leader. Chair and vice-Chair to be appointed annually. LEP Chair will be invited but with no voting rights.
Voting arrangements	One vote per local authority (excl transport)
Decision making	<p>Unanimous agreement on strategic plans, investment strategy, annual budget, borrowing limits, adoption of freedoms and flexibilities, any change to combined authority arrangements.</p> <p>All other decision by two thirds majority.</p> <p>Transport planning and investment would be subject to unanimous agreement by the three existing Transport Authorities (Blackburn with Darwen, Blackpool, Lancashire County Council).</p>
Overview and Scrutiny	A Scrutiny Committee with representation from authorities would be established.
Finance	No member allowances will be payable. Individual Council's will meet a share of the core costs (which will be kept to a minimum).
Potential powers and functions	Include setting economic strategy and investment strategy for Lancashire, powers relating to transport, regeneration, economic development, General Power of Competence

Devolution Deal

Some of the existing Combined Authorities have also negotiated further devolution deals with government to gain additional and greater powers and devolved funding for their area. While there is a close link between combined authorities and greater transfer of powers, functions and funding, it is important to note that they are separate issues and subject to negotiation. The Government will not impose arrangements in any form.

A devolution deal, and any freedoms or associated responsibilities would need the agreement of the constituent members of the combined authority.

Next Steps

The Governance Review and this report seek to agree the establishment of a Combined Authority, which would bring benefits to Lancashire as outlined in the Review by strengthening the partnership working across the county. A similar report is going to other councils throughout November and December.

Lancashire Leaders will meet again in January to consider any adjustments which may need to be made to the scheme.

A six week public consultation will be undertaken in January/February 2016 with stakeholders, residents, businesses, community groups, neighbouring areas etc. invited to put forward their views on the proposals.

Having given consideration to the outcome of the public consultation, those authorities who wish to form a Combined Authority will submit a proposal to the Secretary of State for consideration which may include devolution proposals for freedoms, flexibilities and powers to help the Combined Authority drive

forward Lancashire's ambitions alongside demonstrating the robust governance structures to be put in place outlined in the draft scheme.

IMPLICATIONS	
Finance	The decision in this report to continue working with Lancashire authorities to establish a Combined Authority and develop a Devolution Deal has no financial implications at this stage. The proposed report to Council on 11 th April 2016 will include details of financial implications to FBC of being a constituent member of the combined authority for Lancashire.
Legal	There are no legal implications as a result of this report
Community Safety	There are no community safety implications as a result of this report
Human Rights and Equalities	There are no human rights or equalities implications as a result of this report
Sustainability and Environmental Impact	There is no requirement for a sustainability or environmental impact to accompany this report
Health & Safety and Risk Management	There are no health and safety or risk management implications as a result of this report

LEAD AUTHOR	TEL	DATE	DOC ID
Allan Oldfield	01253 658500	November 2015	

LIST OF BACKGROUND PAPERS		
Name of document	Date	Where available for inspection
Combined Authorities – LGA Guidance	September 2015	http://www.local.gov.uk/devolution/combined-authorities

Attached Documents:

Appendix 1 - Proposed Scheme for a Lancashire Combined Authority

Appendix 2 - Lancashire Regional Governance Review

**A SCHEME FOR THE ESTABLISHMENT OF A
COMBINED AUTHORITY FOR
LANCASHIRE**

1. Establishment of the Combined Authority

A Combined Authority shall be established pursuant to Section 103 of the Local Democracy, Economic Development & Construction Act 2009 (LDEDCA).

2. Name of the Combined Authority

The name of the Authority shall be The Lancashire Combined Authority (LCA).

3. Area of the Combined Authority

The whole geographical County of Lancashire incorporating the areas covered by County Council; Blackburn with Darwen and Blackpool Borough Council; and all the District Councils of Lancashire.

4. Constitution

4.1 Membership of the Combined Authority

Membership of the LCA will be drawn from the constituent Councils listed below:

- Blackburn with Darwen Borough Council
- Blackpool Borough Council
- Burnley Borough Council
- Chorley Borough Council
- Fylde Borough Council
- Hyndburn Borough Council
- Lancashire County Council
- Lancaster City Council
- Preston City Council
- Pendle Borough Council
- Ribble Valley Borough Council
- Rossendale Borough Council
- South Ribble Borough Council
- West Lancashire Borough Council
- Wyre Borough Council

In addition, non-constituent membership will be drawn from the Lancashire Local Enterprise Partnership (LEP).

4.1.1 Each constituent council shall appoint its Leader to be a member of the Combined Authority, and in addition shall appoint a substitute.

4.1.2 The LEP shall nominate its Chair to be a non-constituent Member of the Combined Authority, and shall be entitled to nominate a member and a substitute.

4.1.3 All members of the CA must act in accordance with this Scheme of Governance and observe the Code of Conduct for members of the CA.

4.1.4 A Member ceases to be a Member or substitute Member of the Combined Authority if they

cease to be a member of the constituent council or the LEP that nominated them.

- 4.1.5 To resign, the Member or substitute Member has to give written notice to the Proper Officer of the constituent council or the Company Secretary of the LEP.
- 4.1.6 Constituent councils may terminate and replace a Member or substitute Member at any time but must give written notice to the Combined Authority within 28 days.
- 4.1.7 The LEP may terminate and replace a Member or substitute Member nominated by it to the Combined Authority at any time but must give written notice to the Combined Authority within 28 days.
- 4.1.8 Where a Member or substitute Member appointment ends for whatever reason the constituent council or LEP shall give notice of the appointment of another of its elected members or member having due regard to paragraph 4.1.2 above as soon as possible to the Chair. Such appointments will be effective immediately.

4.2 Chairman and Vice Chairman

- 4.2.1 There will be an annual election of the Chair and Vice Chair. Incumbents will be eligible for re-election. Only council Leaders will be eligible for election as Chair and Vice Chair.
- 4.2.2 Appointment to be the first business at the Annual Meeting and to be made from amongst the Combined Authority's members.
- 4.2.3 A person ceases to be Chair or Vice Chair if they cease to be a member of the Combined Authority.
- 4.2.4 Any vacancy must be filled at the next ordinary meeting of the Combined Authority unless such meeting is within 14 days, when it will be the meeting following.

4.3 Proceedings

- 4.3.1 In the full spirit of partnership working every endeavor will be made on all matters to reach decisions by consensus such that the need for formal voting becomes academic.
- 4.3.2 However, if formal voting is required the following will apply:

The following decisions require a unanimous vote in favour by all constituent council members or substitutes present and quorate: -

- Adoption of and any amendment to, withdrawal of any Strategy or Plan and associated schemes/programmes for which the Combined Authority has functions, powers or duties to produce
- Approval of the Combined Authority's annual budget including decisions on any levies, precepts or other demands for financial contribution from constituent authorities
- Approval of borrowing limits, Treasury Management Strategy including reserves, Investment Strategy and Capital Budget of the Combined Authority
- Approval of the Combined Authority's Constitution and any changes thereto
- Adoption of any freedoms or flexibilities offered by Government
- Future expansion of the Combined Authority's functions included but not limited to the transfer of functions by the councils to the Combined Authority and/or the devolving of powers from Government.

All other decisions to be by a 2/3rds majority of those constituent council members present and quorate.

- 4.3.3 Quorum is 10 voting Members or nominated substitute members.*
- 4.3.4 Each Member to have one vote.
- 4.3.5 There is no casting vote.
- 4.3.6 If a vote is tied it is deemed not to have been carried.
- 4.3.7 Proceedings are not invalidated by any vacancy amongst its Members or by any defect in the appointment or qualification of any Member.

4.4 **Transitional Arrangements**

- 4.4.1 Transport for Lancashire (TFL) will transfer from the LEP to become part of the Lancashire Combined Authority.

- 4.4.2 The three TFL authorities being –

Lancashire County Council
Blackburn with Darwen Council and
Blackpool Borough Council

The Combined Authority will reserve voting between those three constituent Members on –

- (i) The adoption and amendment of any Local Transport Plan under S108(3) Transport Act 2000
- (ii) Allocation of any Local Transport Plan funding to individual constituent councils.

- 4.4.3 Debate about items (i) and (ii) above will take place at a meeting of the full Combined Authority and all constituent and non-constituent members may take part in debate. Every effort will be made to reach consensus. If formal voting is required, decisions will be by a unanimous vote of the three TFL constituent councils.

- 4.4.4 The TFL constituent councils will use their best endeavors to: -

- (i) Reach unanimous agreement with all the constituent and non-constituent members of the Combined Authority on any matters for decision, and
- (ii) Work toward a system of inclusive voting for all constituent councils.

4.5 **Executive Arrangements**

- 4.5.1 Executive arrangements (within the meaning of the Local Government Act 2000) shall not apply to the Combined Authority. However, the discharge of the functions of the Combined Authority will be subject to the scrutiny arrangements set out in this scheme.

4.6 **Overview and Scrutiny**

- 4.6.1 The 15 Local Authorities of Lancashire will establish a joint Overview & Scrutiny Committee to exercise scrutiny over the Lancashire Combined Authority including its sub committees.
- 4.6.2 The Overview and Scrutiny Committee of the Combined Authority will also agree with the LEP an approach to monitor and review the mandate and performance of the LEP.

4.7 **Records, Standing Orders and Remuneration**

- 4.7.1 Proceedings and the names of members present at meetings must be recorded.
- 4.7.2 Minutes must be kept and signed as a correct record at the next suitable meeting by the Chair of the meeting.
- 4.7.3 Any such signed minute shall be received in evidence without further proof.
- 4.7.4 Until the contrary is proved, a meeting of the Combined Authority evidenced by the signed minutes of proceedings, are deemed to have been duly convened and held.
- 4.7.5 The Combined Authority may make Standing Orders which shall apply to proceedings of the full Authority and its committees.
- 4.7.6 No remuneration is payable to members of the Combined Authority.
- 4.7.7 Any allowances or expenses which may be made to Councillor Members arising out of Combined Authority membership shall be determined and borne by the appointing council for each Combined Authority Member individually.

4.8 **The Function of the Lancashire Combined Authority**

- 4.8.1 The purpose of the Lancashire Combined Authority is to improve the exercise of statutory functions in relation to economic development, growth, skills and transport across the whole geographical county of Lancashire leading to an enhancement of the economic conditions and performance of Lancashire. It will seek to further public sector reform including health and social care integration.
- 4.8.2 The Lancashire Combined Authority intends to pursue an Economic Growth Strategy through a balanced approach, with economic, social and environmental sustainability at its core. This will reflect the location of the area.
- 4.8.3 The Lancashire Combined Authority will seek to promote managed and sustainable economic growth as a policy to deliver jobs and prosperity to communities and households to secure good quality of life of all the people of the area.
- 4.8.4 The Lancashire Combined Authority intends to provide leadership and a unified strong advocacy for Lancashire on key strategic issues. It will work on ensuring closer co-ordination and delivery of transport, planning and skills. It will provide an integrated approach to achieving priorities.

4.9 **The Functions, Powers and Duties of the Lancashire Combined Authority**

- 4.9.1 The Lancashire Combined Authority will have powers in relation to strategic economic development, planning, transport, skills, training, housing and public sector reform including health and social care integration. These powers will be exercised by the Lancashire Combined Authority on a concurrent basis with the constituent Member Authorities. In other words, no powers have been “ceded” to the Lancashire Combined Authority by its constituent members.
- 4.9.2 Subject to Government agreement, functions will include: -
 - The public sector decision making body for strategic economic development and transport for the Lancashire Combined Authority area;
 - setting the Economic Strategy for the Lancashire Combined Authority area;
 - setting the Investment Strategy for the Lancashire Combined Authority area;
 - implementing the Investment Strategy for the Lancashire Combined Authority area;

- making decision in relation to the uplift on business rates received from the Enterprise Zones;
- Co-ordinated inward investment activity;
- Functions as currently exercised through BIS, DfE and their executive agencies in respect of further education provision, co-ordination and funding;
- Functions in respect of the funding and provision of housing in the area of the Combined Authority e.g. from the Homes and Communities Agency;
- Functions in respect of control and co-ordination of surplus public land in Lancashire to create sites for residential and commercial growth. Examples of vacant land holding would include that owned by constituent members of the Combined Authority, Network Rail, the NHS, Government Departments or private sector developers;
- Functions in respect of provision, co-ordination and funding of initiatives for increasing employment and improving skills as currently exercised through the Department for Business Innovation and Skills and its executive agencies;
- Functions in respect of the provision of support and funding for local business initiatives in the area of the Combined Authority as currently exercised through the Department for Business Innovation and Skills and its executive agencies;
- The duty under Section 8 (i) of the Housing Act 1985 (duty of local housing authorities to consider housing conditions in their district and the needs of the district with respect to the provision of further housing accommodation);
- The functions of a local transport authority under the Transport Act 2000 and any other enabling legislation (and including, by order, the functions of a Passenger Transport Executive under section 88 of the Transport Act 1985);
- The functions of local authorities under the Transport Act 1985;
- To develop, and subsequently monitor, investment plans utilising Government and European funds for the Lancashire Combined Authority area;
- To develop a Growth Deal for the Combined Authority area;
- Functions currently exercised through the Department of Work and Pensions in respect of job seeking and employment;

4.9.3 Subject to Government negotiation the Lancashire Combined Authority seeks the following powers:

- The General Power of Competence to provide for maximum flexibility in being able to deal with economic development, stimulating growth and invigorating communities;
- Power to encourage visitors and to provide conference and other facilities;
- Duties and powers related to the provision of education and training for persons under and over compulsory school age;
- Duty to prepare an assessment of economic conditions in the area;
- Power to arrange for the publication within their areas of information relating to the functions of the authority;
- Power to prosecute and defend legal proceedings;
- Research and collection of information;
- Powers under the Apprenticeship, Skills, Children and Learning Act 2009;
- Powers related to the establishment of a Land Commission for Lancashire including the HCA's Housing and Regeneration Act 2008 and for Compulsory Purchase Orders

4.9.4 The Lancashire Combined Authority shall exercise any function of the Secretary of State delegated to the Combined Authority by the order of the Secretary of State, pursuant to Section 86 LTA 2008 and Section 104(1)(b) LDEDLA. Such functions shall be exercised subject to any condition imposed by the order.

4.10 **Funding**

4.10.1 The constituent councils to meet all costs reasonably attributable to the exercise of its functions on an equitable basis. Equitable basis also means where possible the constituent

councils will meet these costs in kind.

4.10.2 The Combined Authority will agree an annual budget for the purpose of its expenditure.

4.11 **Statutory Officers**

4.11.1 The Combined Authority has a duty to appoint to the three statutory positions being:

- Head of Paid Service
- S151 Officer
- Monitoring Officer

4.11.2 These positions will be undertaken by officers already serving in one or more constituent councils.

4.12 **The Lancashire Enterprise Partnership**

4.12.1 It is envisaged that the Combined Authority for Lancashire would include local authorities and the LEP within its governance structure. The Combined Authority would provide strategic leadership, direction and prioritisation of the resources for the functions within its remit and as directed by Government.

4.12.2 The Combined Authority is responsible for establishing an overarching Lancashire Plan, including a Growth Strategy, developed by the Lancashire Enterprise Partnership (LEP) in conjunction with the Combined Authority. The LEP is an independent business-led body which operates within an Assurance Framework agreed with the Combined Authority.

4.12.3 The LEP, as part of its mandate from the Combined Authority, will be responsible for directing and managing current and future growth programmes and relevant funding streams, in accordance with the Growth Strategy agreed with the Authority.

4.12.4 The LEP's Employment and Skills Board will operate in a joint arrangement of the LEP and Combined Authority.

4.12.5 The Chair of the LEP is drawn from the private sector. The constituent members of the Combined Authority will appoint five members to the LEP Board. As detailed earlier at 4.1.2 the LEP Chair will be a non-constituent member of the Combined Authority.

4.12.6 The Overview and Scrutiny Committee of the Combined Authority will also agree with the LEP an approach to monitor and review the mandate and performance of the LEP.

4.13 **Other Arrangements**

4.13.1 The Combined Authority may establish sub-committees, and delegate powers and functions as appropriate.

REPORT OF THE LANCASHIRE AUTHORITIES' STATUTORY GOVERNANCE REVIEW

August 2015

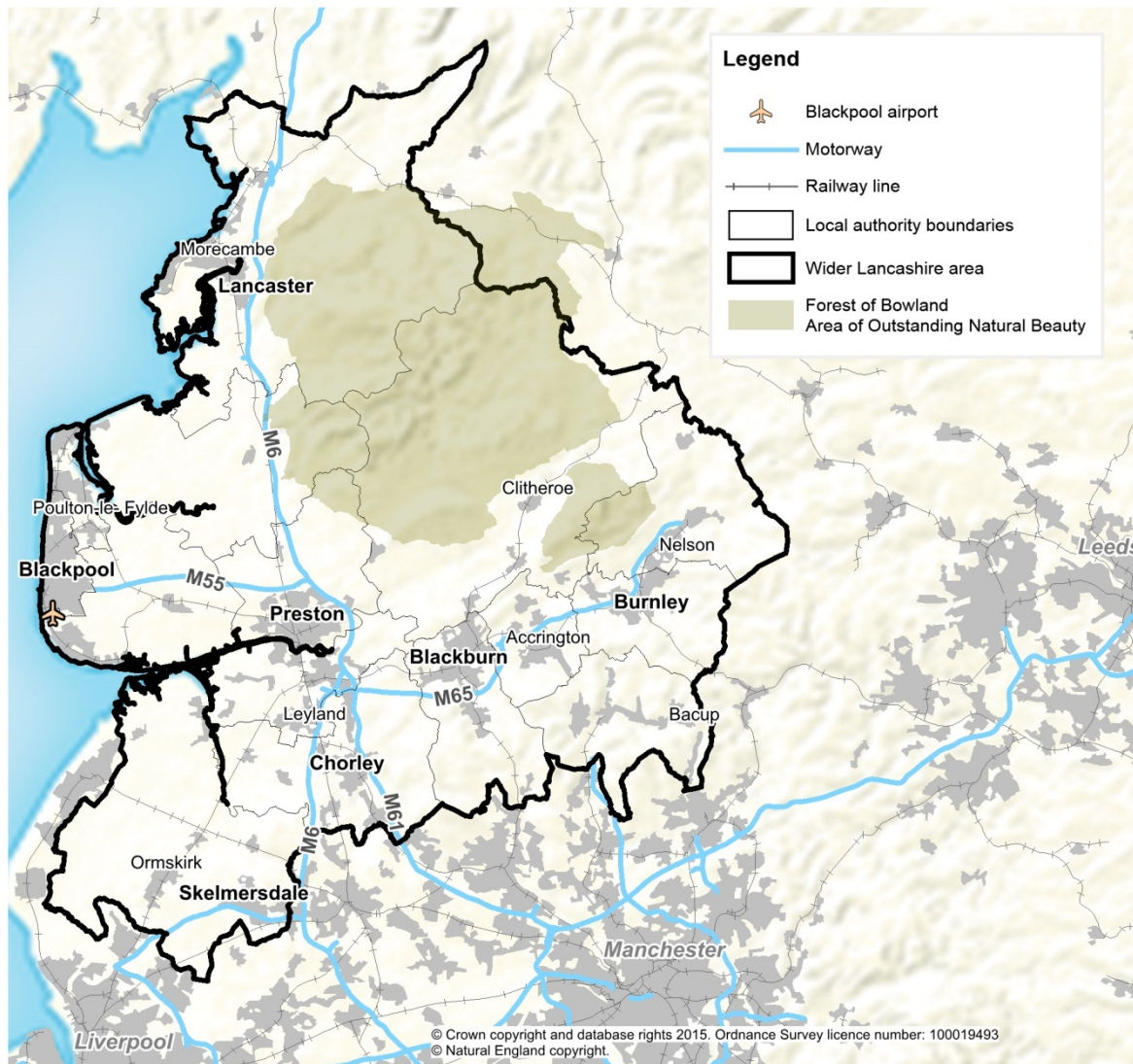
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ABOUT THIS REPORT

This report has been prepared and agreed by the Lancashire Authorities:

Blackburn with Darwen
 Blackpool
 Burnley
 Chorley
 Fylde
 Hyndburn
 Lancashire County Council
 Lancaster City Council
 Pendle
 Preston
 Ribble Valley
 Rossendale
 South Ribble
 West Lancashire
 Wyre



EXECUTIVE SUMMARY

Background

In October 2014 Council Leaders started to explore options for closer collaborative working across Lancashire. Some governance arrangements are already in place including the Lancashire LEP, a range of shared services, County wide member and officer meetings, sub-level working arrangements including a City Deal Executive and Pennine Lancashire partnership as well as representation on Northern and North West bodies.

Lancashire is a diverse area with pockets of benefit dependent communities alongside thriving and affluent areas. It has one of the largest local economies in the North of England generating over £25 billion GVA with over 45,000 businesses, supporting 700,000 jobs. In addition to major international companies including BAe Systems and Rolls Royce, it has significant groups of dynamic and innovative SMEs. Lancashire's economy is predicted to grow by 27% over the next ten years, however this is slightly lower than the UK average. There are geographical differences however with areas such as Chorley, West Lancashire and Lancaster predicted to outperform national growth trends.

Ambition

There is a long term vision for Lancashire which sees the County as a thriving and more balanced economy that can contribute to increasing national productivity thereby having positive health and wellbeing benefits locally.

We want to achieve

- 'Prosperous Lancashire' that's recognised as a destination of choice, to do business in, live or visit
- 'Connected Lancashire' with digital and transport connectivity across the county and to neighbouring city regions
- 'Skilled Lancashire' which can meet the demands of employers and future business growth
- 'Better Homes for Lancashire' where residents have better living standards with good quality homes and a wide housing offer
- 'Public Services Working Together for Lancashire' with integrated public services at the heart of local communities giving everyone the opportunity for a healthier life

Opportunities

Lancashire already has a range of initiatives and opportunities to build on which support economic growth including:

- one of the largest Growth Deal allocations to the Lancashire LEP totalling £250 million and a notional allocation of £232 million of European Structural and Investment funds
- strong links to neighbouring city regions and opportunity to benefit from Liverpool's Super port plans and the significant jobs growth in Manchester
- £130 million investment in Superfast Broadband
- £340 million investment and delivery programme for the Preston, South Ribble and Lancashire City Deal
- Investment in digital health, recognised as an important growth area for the UK economy
- Lancashire Business Growth Hub delivering £40 million programmes of support to high growth companies and start ups
- Key role in the Northern Powerhouse as one of the largest economies in the North of England

Recommendation

Lancashire has different challenges and opportunities across the county and as part of this review Leaders have recognised that there cannot be a 'one size fits all' approach to realising potential and ambitions. The mechanisms for delivering economic growth across the area will differ and it's recognised that achieving a prosperous Lancashire may be done on a county footprint, a sub-level footprint or on a 'theme' footprint where a cluster of authorities may need to work together to tackle specific issues.

The strategic opportunities that could deliver step change for Lancashire have been identified as devolved funding; greater influence and flexibility of national, regional and local programmes; longer term and more co-ordinated infrastructure planning; spatial planning; public sector integration; inward investment and an improved profile for Lancashire.

Lancashire has some excellent partnership arrangements in place across the county engaging with partners in both the public and private sector.

However, the current arrangements do not provide sufficient governance or decision making arrangements to fulfil the ambition for Lancashire.

This Governance Review therefore recommends that a Combined Authority provides the best opportunity for Lancashire to achieve its potential.

INTRODUCTION

In October 2014 Council Leaders in Lancashire indicated their wish to develop closer collaborative working across Lancashire, on economic related matters and to explore the options in this regard.

In order to determine whether the existing governance arrangements for economic development, regeneration and transport in Lancashire are effective, or would benefit from change, specifically a Combined Authority, a governance review needs to be carried out. This review explores three questions: Where are we now? Where do we want to be? How will we get there?

In order to do this we need to understand in more detail the economic base for Lancashire, the current working arrangements, the aspirations and the most suitable governance model for these aspirations to be realised.

This draft governance review is the culmination of considerable work by the Lancashire Councils to understand the best way forward for joint working and the opportunities a Combined Authority would present for Lancashire.

Legal Context

The Local Democracy, Economic Development and Construction Act 2009 enables the creation of economic prosperity boards (EPB) or combined authorities (CA). These structures have separate legal personality to the Local Authorities who come together to create them. The new bodies are available to support the effective delivery of sustainable economic development and regeneration and, in the case of combined authorities, transport.

The process for creating an EPB or CA involves three main steps:

- a review of existing governance arrangements and consideration that there is a case for changing these arrangements to bring real improvements
- draw up a scheme for the new body. All councils who wish to be part of the EPB or CA are required to approve the scheme for submission to the Secretary of State for Communities and Local Government
- the Secretary of State will consider the scheme and undertake formal consultation. If the Secretary of State is satisfied that improvements are likely if the scheme is adopted then a draft order will be laid before Parliament for adoption

This report will be used to inform a consultation exercise with the area's residents, businesses and other stakeholders.

SECTION ONE - WHERE ARE WE NOW?

CURRENT GOVERNANCE ARRANGEMENTS

Lancashire has two unitary authorities, 12 district councils and a County Council. The County and District Council area contains 207 Parish and Town Councils.

Within these councils, decision making processes differ from Leader and Cabinet to committee models and from overall majority to 'no overall control' councils.

There are a number of shared service arrangements working across local authorities. Whilst not an exhaustive list these include building control, museums, revenues and benefits, financial and assurances services, central Lancashire LDF Joint Committee, as well as joint procurement frameworks.

There are a number of cross authority officer groups operating in Lancashire, such as Chief Finance Officers, Chief Leisure Officers, however these have no formal or legal status.

Lancashire authorities are committed to working together and with other partners across the public sector. The Lancashire Leaders and Chief Executives have invited the Police service and Fire and Rescue service to join their county wide meetings. Partnership arrangements with Health are already in place with three Health and Wellbeing Boards, a Healthier Lancashire group and pilot initiatives aimed at health and social care integration such as Fylde Coast's trailblazer for new Models of Healthcare and North Lancashire's Vanguard site.

The private sector led Lancashire Enterprise Partnership (LEP) operates across the county geography with political representation from the three upper tier authorities and two district authorities. Board Directors include representation from the FE/HE institutes - University of Central Lancashire (UCLAN) and Lancaster University and both national and local private sector representation from employers such as Booths, BAE, Euravia, Maple Grove, Nuclear AMRC, BT and local Chambers of Commerce.

The LEP has a number of sub-groups including Transport for Lancashire and Lancashire Skills Board. Further details are provided on page 10.

The City Deal Executive is a sub-group of the Lancashire LEP bringing together the Leaders of Lancashire County Council, Preston City and South Ribble to deliver the City Deal. Further details are outlined later in this review.

The European Structural and Investment Funds (ESIF) Partnership oversees the delivery of the Lancashire's ESIF programme and is directly accountable to the National Growth Board. The Growth Deal Management Board reports directly to the LEP to manage delivery of the Growth Deal programme.

There are also a number of sub-level arrangements including PLACE which is a partnership between the Leaders and Chief Executives of Blackburn with Darwen, Burnley, Hyndburn, Lancashire, Pendle and Rossendale councils. Regenerate, the Chamber of Commerce and health partners also contribute to the partnership working together to boost economic performance and enhance the offer and opportunities available in Pennine Lancashire. They also commit to supporting growth across the area irrespective of borough boundaries.

Regenerate Pennine Lancashire is a private sector led economic development company wholly owned by the PLACE authorities which delivers business support and growth programmes, such as Lancashire BOOST (business growth hub) both within Pennine Lancashire and the wider county area.

Lancashire County Developments Limited (LCDL) is the County's wholly owned economic development company operating across the County Council area.

The County manages three LEADER Rural Development partnerships operating across the LEP area and in the north of Greater Manchester. The partnerships deliver rural development funding and comprise a range of public, third and private sector partners.

West Lancashire is also part of the Liverpool City Region Combined Authority and both Blackburn with Darwen and Blackpool unitary authorities are associate members of AGMA.

Lancashire is also represented on the North West Regional Leaders Board by the Leaders of Lancashire County Council, Blackburn with Darwen and Rossendale.

The Leader of Lancashire County Council also represents Lancashire, Blackpool, Blackburn with Darwen and Cumbria on the Transport for the North Partnership Board.

Lancashire has some excellent partnership arrangements in place across the county engaging with partners in both the public and private sector, however this is not a consistent approach across the county area and the current arrangements do not provide sufficient governance or decision making arrangements to fulfil the ambition for Lancashire.

The illustration overleaf provides an overview of some of the key partnership arrangements.

SHARED SERVICE

Blackburn with Darwen and Burnley Building Control Joint Committee
 Blackpool and Fylde Revenue and benefits
 Chorley and South Ribble shared financial and assurance service
 Pennine Lancashire Museum Consortium
 Preston and Lancaster Revenue and benefits

HEALTH

Blackburn with Darwen Health and Wellbeing Board
 Blackpool Health and Wellbeing Board
 Lancashire County Council Health and Wellbeing Board
 Pennine Lancashire Health Partnership
 Healthier Lancashire

LANCASHIRE GOVERNANCE

Lancashire Leaders (extended to include Police and Fire)
 Lancashire Chief Executives (extended to include Police and Fire)

LANCASHIRE ENTERPRISE PARTNERSHIP (LEP)

Transport for Lancashire
 Lancashire Skills Board
 Enterprise Zone Governance Committee
 Performance Committee
 Executive Committee
 Preston, South Ribble and Lancashire City Deal Executive and City Deal Stewardship Board

ECONOMIC DEVELOPMENT AND GROWTH

Lancashire Enterprise Partnership
 Regenerate Pennine Lancashire
 Blackpool, Fylde and Wyre EDC
 PLACE - Pennine Lancashire Leaders
 Preston, South Ribble and Lancashire City Deal
 Lancashire County Developments Limited (LCDL)

RELATIONSHIP WITH NEIGHBOURS

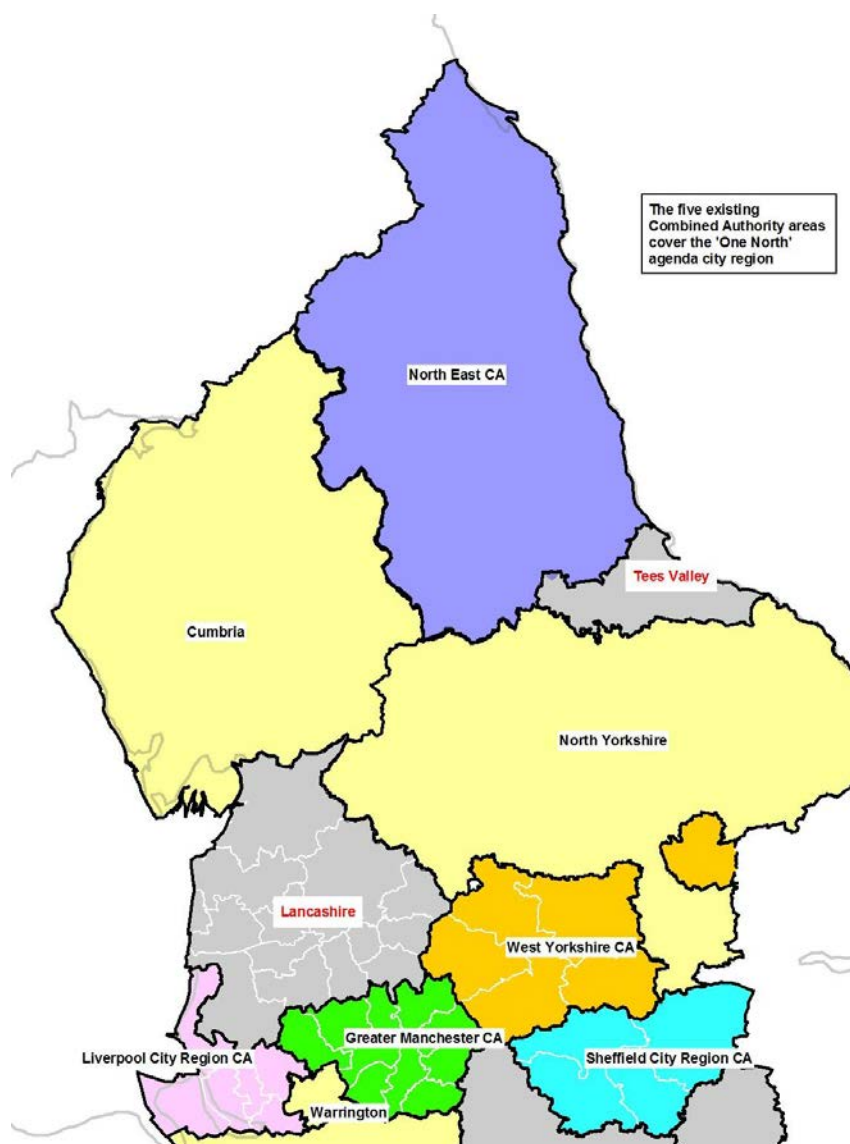
In order to understand the changing governance landscape surrounding Lancashire, Leaders considered their relationship with neighbouring areas and also with other existing Combined Authorities. The map below shows Lancashire's geographical position in relation to the existing Combined Authorities. There are five existing Combined Authorities in England, all of which are in the North.

Lancashire is comparable in population size (1.4m) to Liverpool City Region Combined Authority (1.5m) and Sheffield City Region Combined Authority (1.7m). Greater Manchester is the largest Combined Authority at 2.7m population.

Many of our district areas border the major city regions – Rossendale, Chorley and Blackburn with Darwen border Greater Manchester City Region, and West Lancashire borders both the Greater Manchester City Region and the Liverpool City Region, they are an associate member of the Liverpool City Region Combined Authority.

Lancashire is represented on the North West Regional Leaders Board and Transport for the North (also representing Cumbria).

Lancaster shares a border with Cumbria offering the gateway to the Lake District



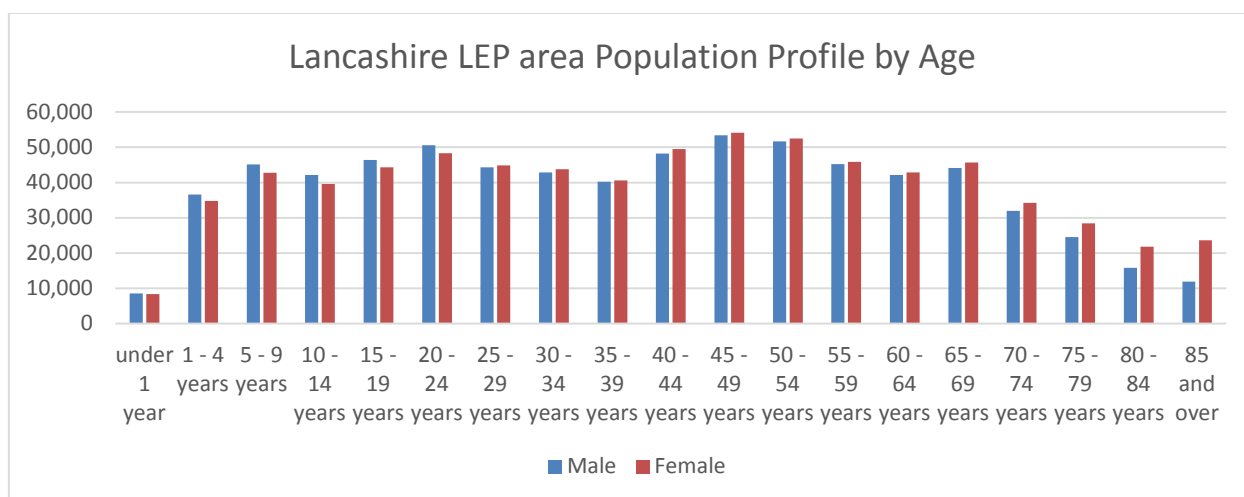
SOCIO ECONOMIC PROFILE

Lancashire has been at the forefront of economic change since the first Industrial Revolution. Today a strong combination of high-growth companies and innovation in growth sectors, improving national and global connectivity, as well as the county's renowned quality and variety of life, provide a platform for Lancashire to build upon this economic strength through the twenty-first century.

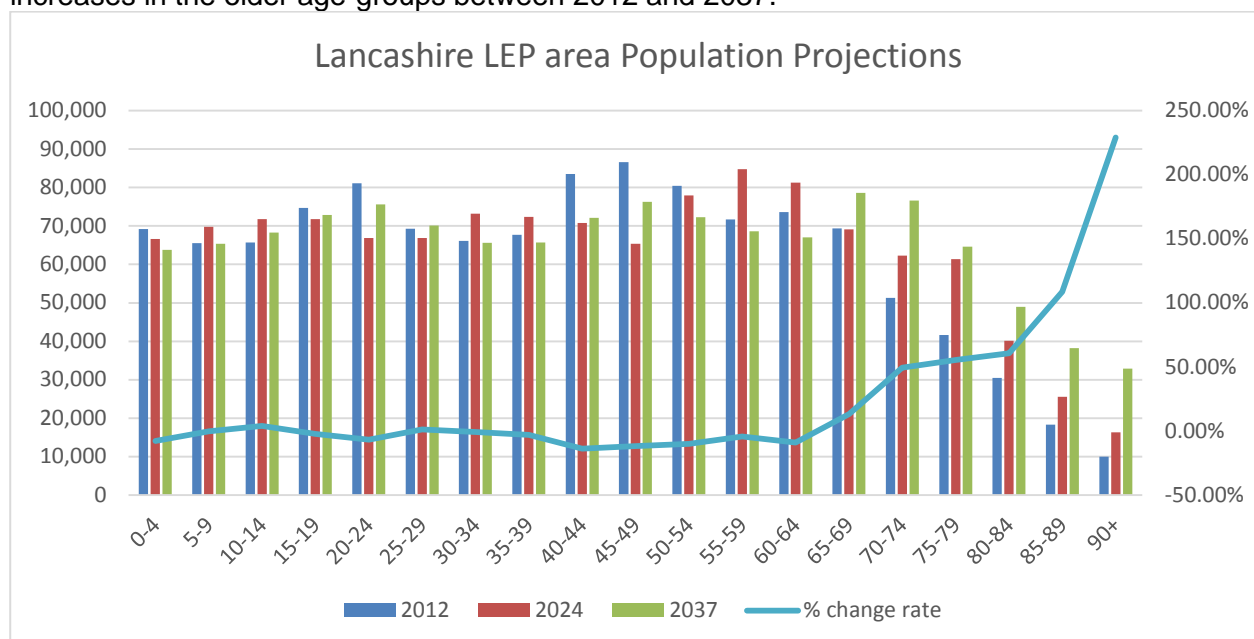
Lancashire is one of the largest local economies in the North of England. It is an area with significant economic strengths and challenges; it has the potential to accelerate sustainable economic growth and generate employment.

1. Population Profile

The 2014 mid-year population estimates that there were 1,471,979 people resident in Lancashire. The 2014 figures by gender, and by five-year age-groups are shown in table 1 below.



Overall, in Lancashire the population is expected to grow by around 5.8%, well below the national growth rate of 16.2%. There are projected increases for those aged 65 years and over, whilst there are reductions for those aged 15-24 years. Table 2 emphasises the substantial projected increases in the older age-groups between 2012 and 2037.



The increasing number of more elderly dependents is an issue that is reflected across the UK and amplified in Lancashire by the number of coastal areas attracting the older generation looking for a good quality of life. An ageing population brings a range of considerations for health and social care services as well as housing provision and a higher proportion of economically inactive households.

Mid-year population estimates for 2014 show the areas with the greatest numbers of young people aged 0-25 are Blackburn with Darwen, Preston and Lancaster. These areas also have the highest number of young people as a proportion of the area's total population with Hyndburn, Burnley and Pendle the next highest districts. In terms of population projections only two areas are set to see increases in the 0-25 age range between 2012 and 2037; Rossendale and Chorley.

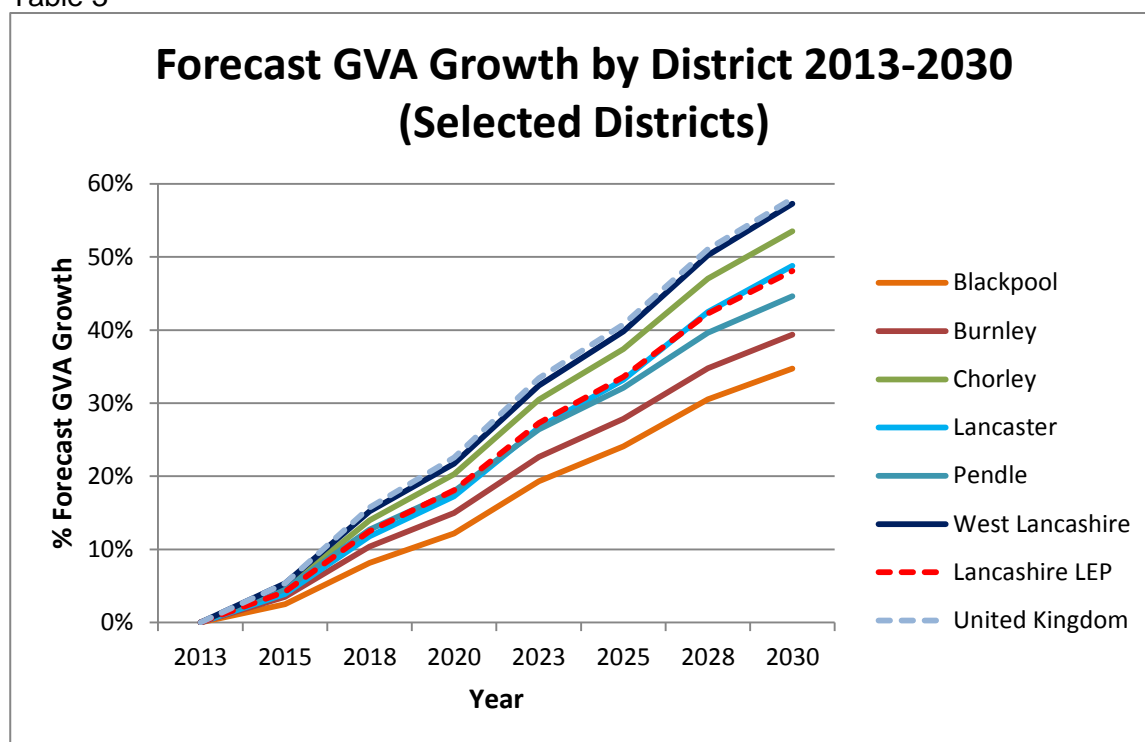
2. Economic Performance

Lancashire's economy currently generates over £25 billion in Gross Value Added (GVA), with over 45,000 businesses (the vast majority of which are SMEs), supporting 700,000 jobs. In addition to major international companies; including BAe Systems, Rolls Royce, Toshiba-Westinghouse and Safran Aircelle, it has significant grouping of dynamic and innovative SMEs. These businesses support a range of supply chain activity and contribute substantially to Lancashire and UK productivity.

Although Lancashire had experienced sustained economic growth over the last decade, with readily identifiable 'hotspots' such as Preston and Lancaster, the area's average economic performance still consistently lags behind that of UK and neighbouring areas. Lancashire's GVA gap with the UK as a whole is projected to increase as, although Lancashire's economy is predicted to grow by 27% over the next ten years, it will not be as strong as that for the UK as a whole, where the average growth is expected to be in the region of 30%. This will exacerbate the existing long term trends and deepen productivity and income gaps.

Table 3 sets out the growth position, and selected constituent authorities, compared to the UK average.

Table 3



Source: Lancashire Economic Forecasts, Oxford Economics, 2013

Clearly within Lancashire there are geographic differences, with some areas, such as West Lancashire, Chorley and Lancaster predicted to outperform Lancashire and track national growth trends, whilst others, such as Blackpool, Burnley and Pendle, are predicted to underperform significantly.

Based upon GVA growth predictions, Preston is forecast to continue to be the largest contributor to Lancashire's GVA in the longer term, with the Lancashire Enterprise Zone Districts (Fylde, South Ribble and Ribble Valley) forecast to contribute over 36% of Lancashire's GVA up to 2030. The City Deal districts (Preston and South Ribble) are predicted to contribute 27% and the unitary authorities of Blackpool and Blackburn contributing 7% and 9%, respectively.

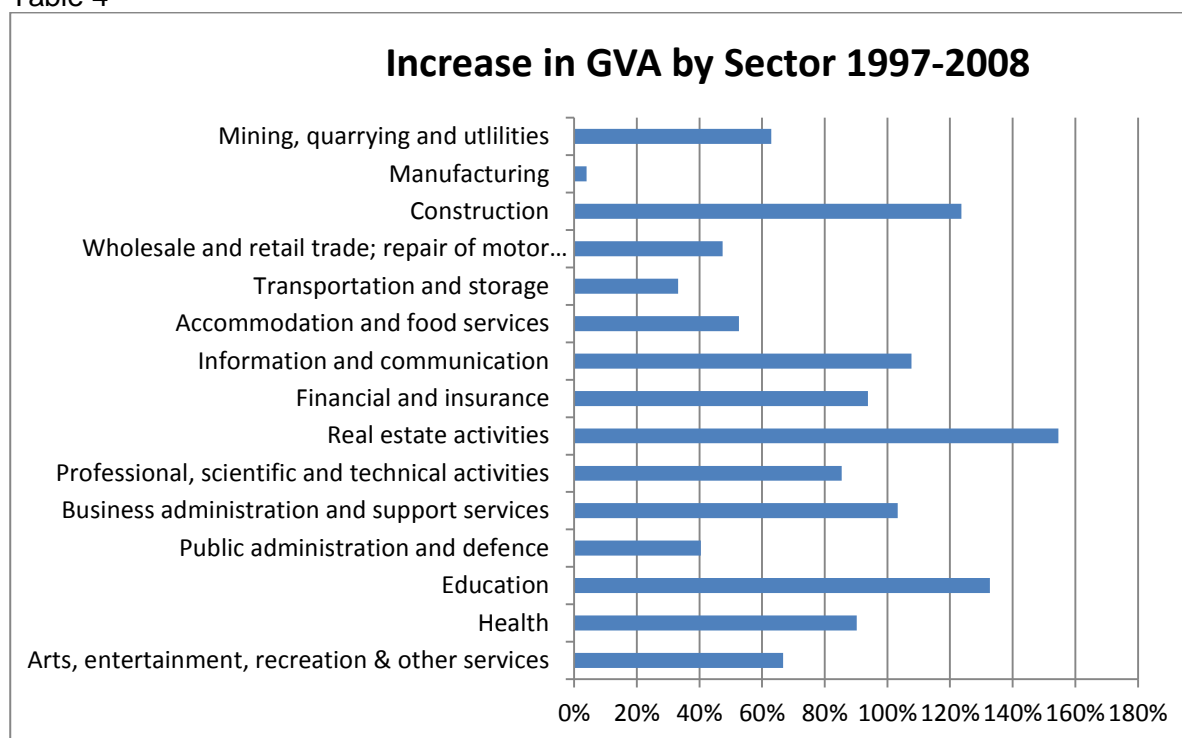
3. Growth Sectors

With an international reputation, and key competitive advantages in Advanced Engineering and Manufacturing and a nationally significant role to play in energy generation, Lancashire can match and outperform competitor locations by enhancing the environment for business growth.

Although a growing economy from 1997 to 2007, Lancashire's growth was generally based upon service industries, although with a lower presence than other parts of the UK, as well as the expansion of the public sector. For example, manufacturing, the main contributor to the economy, accounted for 31.2% of the Lancashire economy in 1997, only grew by 3% between 1997 and 2007 and decreased to just 15.8% by 2012, almost halving in importance. By comparison, service sectors such as real estate, which accounted for just 4.2% of the Lancashire economy in 1997, showed growth in GVA of 162.5% between 1997 and 2007 and 7.1% of the Lancashire economy by 2007 (and 8.7% by 2012).

Table 4 sets out the growth performance of different sectors in the period prior to the 2008 contraction in the UK economy.

Table 4



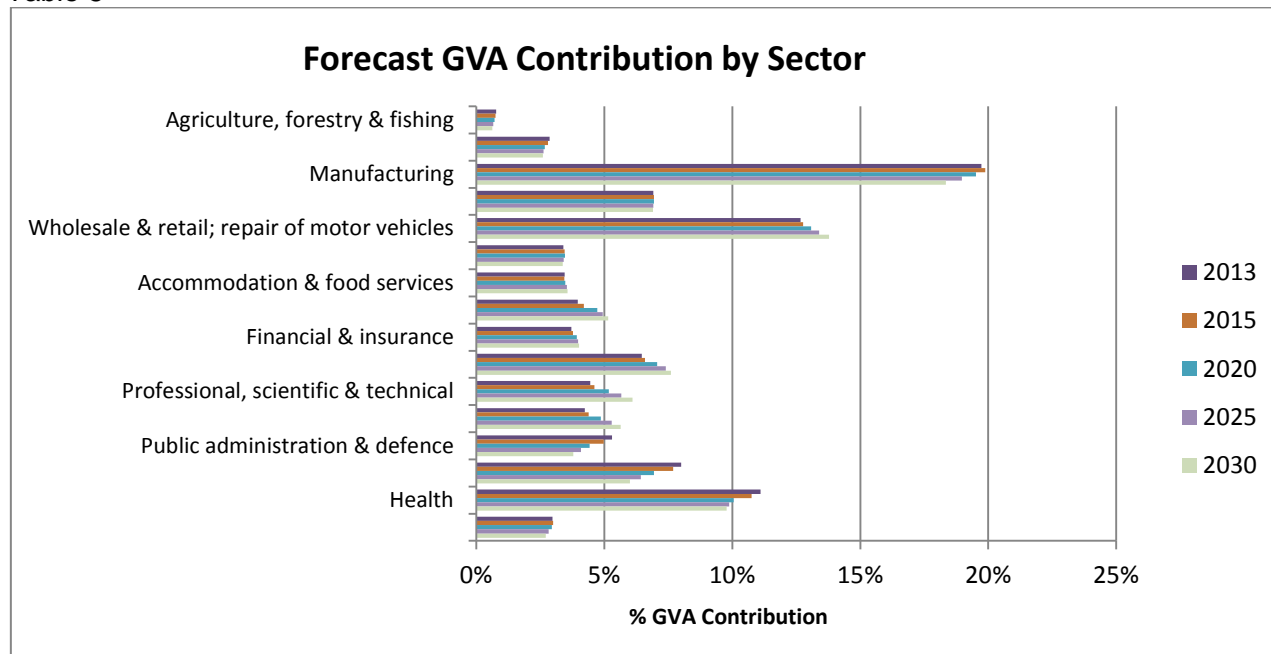
Source: ONS Business Register and Employment Survey, 2012

Within the public sector, education, which accounted for 4.8% of the Lancashire economy in 1997, grew by 124.2% between 1997 and 2007 and 8.5% of the Lancashire economy by 2012. The health and social work sector, which accounted for 7.5% of the Lancashire economy in 1997, grew by 103.1% between 1997 and 2007 and accounted for 10.1% of the Lancashire economy by 2012.

Lancashire has key competitive advantages that can be developed to become drivers of sustainable growth and the area's key sectors – Advanced Engineering and Manufacturing (Aerospace & Automotive) and Energy – are expected to exceed national trends. These sectors, amongst others, are central to Lancashire's and the UK's economic success.

Table 5 sets out predictions by industrial sector for GVA to 2030.

Table 5



Source: Lancashire Economic Forecasts

Advanced Engineering and Manufacturing (Aerospace and Automotive)

This is the key sector for Lancashire with over 3,600 manufacturing businesses, the majority of which are SMEs, operating in Lancashire, with a deep and broad manufacturing base employing over 80,000 people.

The UK's Aerospace industry has one of the largest concentrations in Lancashire, directly employing 12,400 people in 120 companies, and is part of a wider world class cluster accounting for more than a quarter of national production. Lancashire has a diverse automotive industry which employs over 4,100 people, ranging from the manufacturing of vehicles to the design and manufacture of parts and components for the industry, including research and development. The sector is supported by an extensive local supply chain offering advanced engineering and specialist automotive capabilities.

A third of all advanced manufacturing employment is located in the east Lancashire districts of Blackburn with Darwen, Burnley, Pendle and Rossendale, reflecting a strong manufacturing supply chain in these areas as well as major aerospace employers.

Energy, Renewables and Low Carbon

These industries represent a key growth sector for both the UK and Lancashire, where it employs over 36,000 people. The growing oil and gas sectors will provide Lancashire with additional opportunities to develop nationally and internationally important expertise and capacity. This is in addition to the Government decision to build a new nuclear power station in Lancashire. The completion of the M6 Link Road to Heysham will open up a range of development and employment opportunities. The Chemicals industry has a strong history in Lancashire and remains a large sector, employing 4,300 people with twice the employment density than the UK average.

Food and Drink

Food and Drink production is a major manufacturing sector (13,500 people) in Lancashire representing over 15% of all manufacturing employment in Lancashire and presents a specific opportunities for business and employment growth in rural areas

Service Sector

Almost 80% of employment is in service related activities, and Lancashire is forecast to see substantial growth in employment in key higher value service sectors such as information and communication, professional, scientific and technical activities, with an increase of nearly 29% in employment by 2023. However, to support the transition through to higher growth Lancashire needs to become home to more high-growth services business.

Visitor Economy

Lancashire's Visitor Economy attracts 62m visitors a year, contributing £3.4 billion to the economy and supporting over 57,000 jobs (nearly 10% of total employment). Visitor numbers have increased by 4.5% since 2010 demonstrating Lancashire's continuing attractiveness as a visitor destination. Lancashire has 137 miles of coastline seaside heritage such as Blackpool and Morecambe and beautiful countryside such as Forest of Bowland AONB, Pendle Hill.

The quality and variety of the natural and built environment, landscape and heritage in Lancashire and its close proximity and accessibility to the urban areas of Lancashire and city regions of Manchester, Liverpool and Leeds presents a huge opportunity.

Creative and Digital

Creative and Digital technologies and businesses are central to Lancashire's future success as a place to live, trade and invest employing over 23,000 people. The roll out of superfast broadband across Lancashire, development of ultra-fast broadband connectivity and proximity to Media City, will help to increase productivity, stimulate activity and attract inward investment from UK-based and international companies.

Enterprise and Self Employment

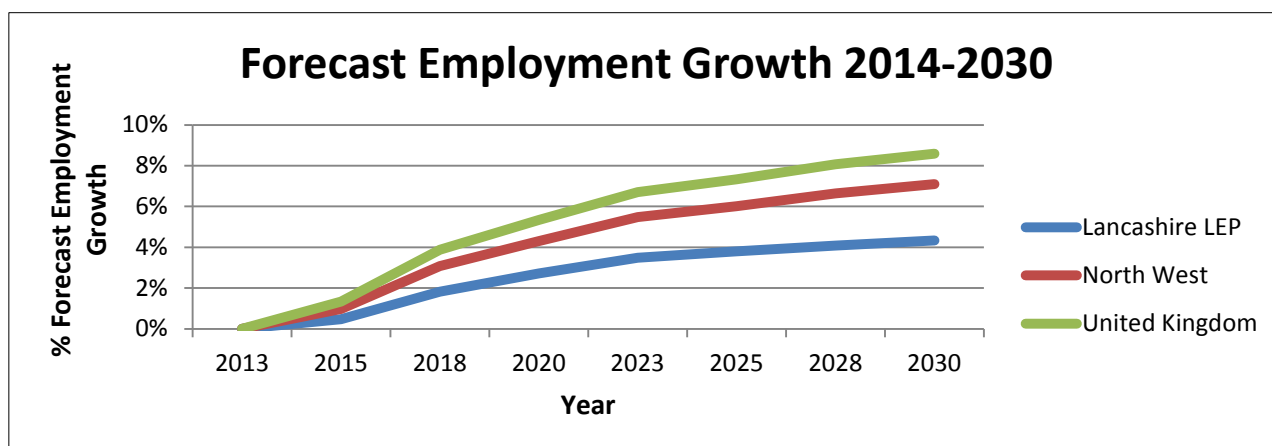
Enterprising people and communities will help drive Lancashire's economic future, and in particular encouraging local business creation and growth. Lancashire is underperforming compared with the rest of the UK in terms of entrepreneurial activity, with business formation rates, business death rates, long term business survival rates and business densities all performing below the UK average; business birth rates are 1% below the national average but death rates are 1.3% below indicating an on-going divergence with national trends.

At a local level the highest number of new businesses in 2012, were in Preston (540), Blackburn with Darwen (490), West Lancashire (425) and Blackpool (410) however the highest number of business deaths were in the same areas with 200 more deaths than births in Blackpool. Wyre has the highest business survival rate with 95.8% of new businesses surviving the first year.

4. Employment

Since early 2011, employment has fallen within Lancashire by -31,400 (-4.6%) people. However, the number of jobs in the Lancashire economy is predicted to increase from 2014 onwards with over 23,000 jobs (employees and self-employment) to be added by 2023 but this level of increase, only 3.5%, will be below the 7% increase predicted for the UK. Table 6 outlines the forecast employment growth to 2030.

Table 6



As with GVA growth there are spatial differences in Lancashire, with those areas with greater proportions of higher skilled residents and high GVA industries, predicted to grow. Essentially those areas with lower skilled populations and more reliant on traditional lower value sectors (including low GVA manufacturing) are likely to see job growth at a lower level than elsewhere or even net job reductions.

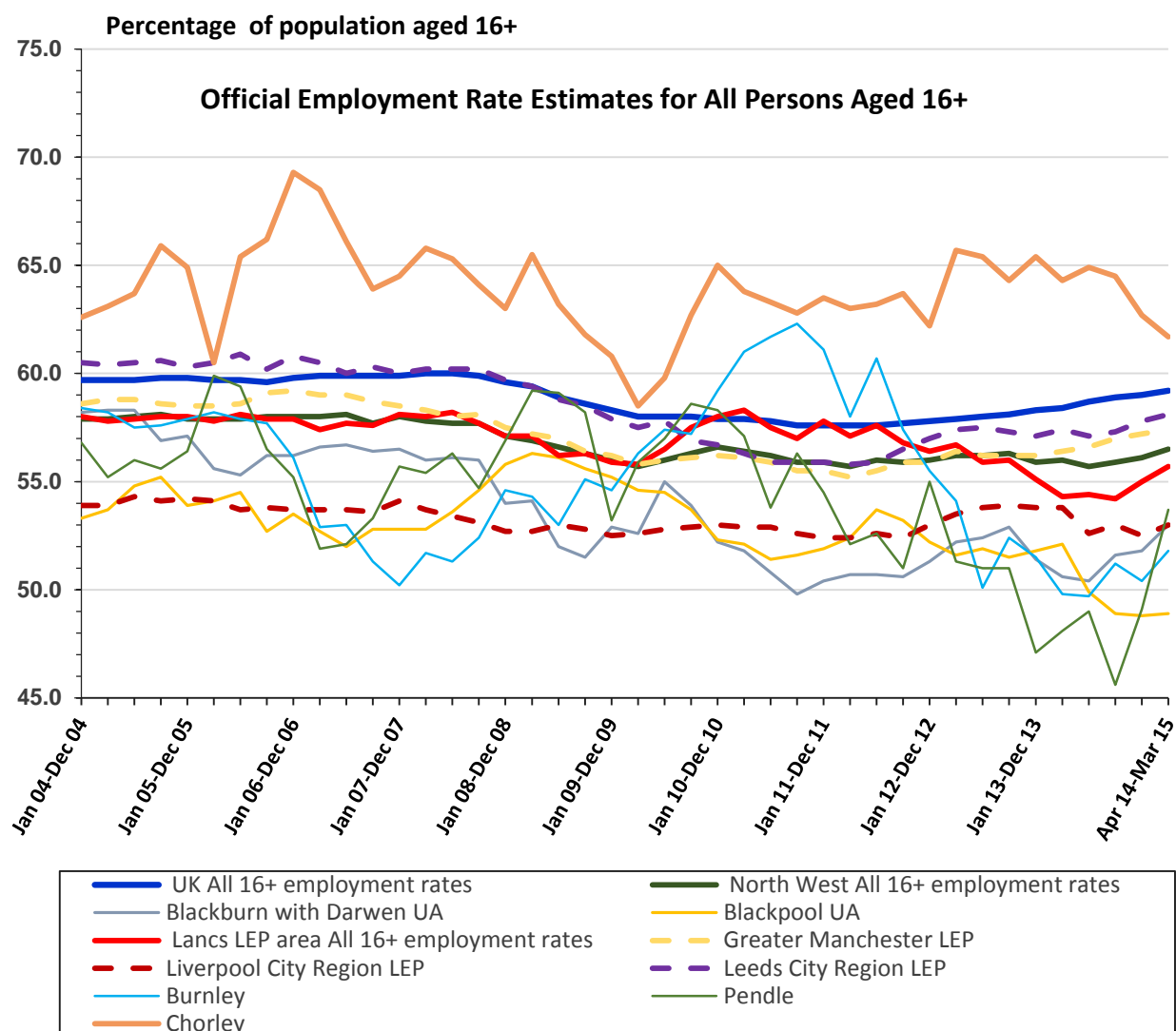
Lancashire's economic activity rates have fallen since 2011/12 and are now below the UK average, especially within east Lancashire. There are spatial variations that are closely associated with deprivation levels and low economic activity rates for Blackpool, Pendle and Blackburn with Darwen are reflected in recent data.

A number of Lancashire's Local Authorities have economic activity rates that either are on par with or are higher than the national average e.g. Ribble Valley and West Lancashire. However, Blackpool, Pendle and Blackburn with Darwen have economic **inactivity** rates above the national average with Blackpool's rate exceeding 45%. This correlates with areas of lower economic growth and skills, the result being areas of severe social and economic deprivation contrasting with areas of prosperity and growth.

Analysis of employment numbers and employment rates shows that these have fallen in all of the Lancashire LEP authorities from previous peaks/highs. Numbers and rates have fallen by particularly large percentages/magnitudes in Ribble Valley, Hyndburn, Burnley, Rossendale, South Ribble and West Lancashire.

By contrast, employment numbers have risen and are at their highest totals at the UK level, within the North West region and for the Greater Manchester LEP and the Leeds City Region LEP. Employment rates have not yet caught up with previous peaks (as the 16+ population denominators have increased at a faster pace than the recovery in employment numbers). Table 7 outlines employment rate estimates for people aged 16 and over.

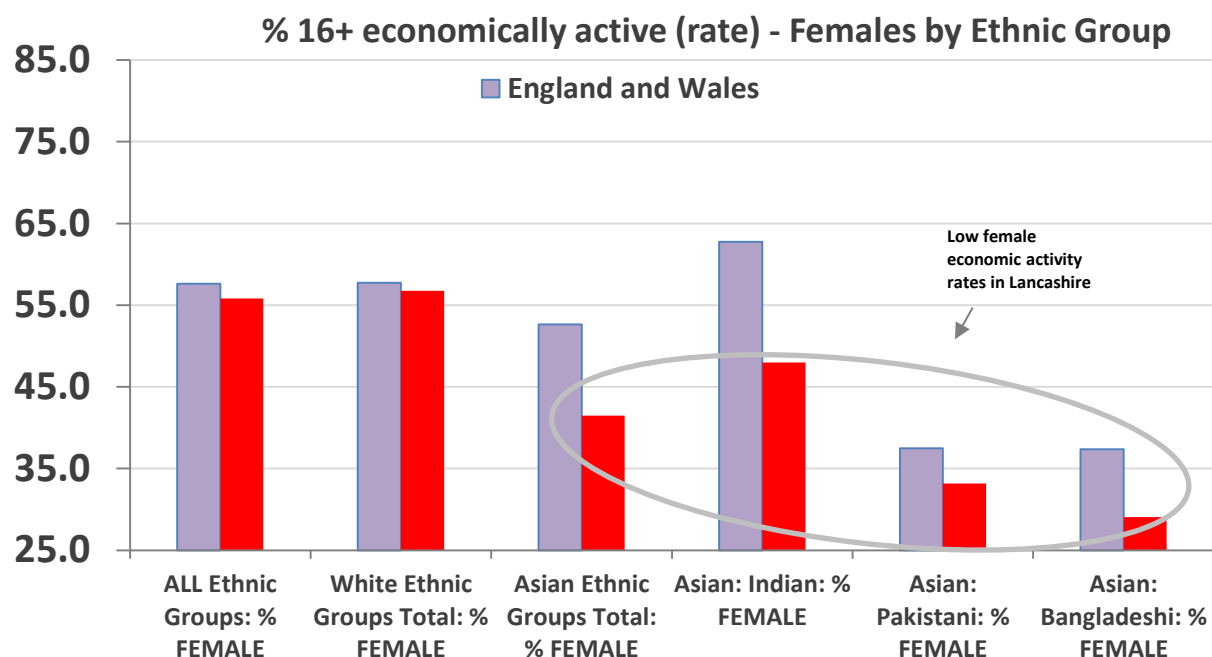
Table 7



Employment by Ethnic Groups

In addition to these geographic differences there are a number of groups that are underrepresented in employment. For example, BME individuals have lower employment rates than the Lancashire average (54% to 68%). For those in employment the largest employing sectors are Retail, Distribution, etc. and Public Administration; either lower skilled or reducing. The female rates by ethnicity show the particularly low Asian female rates in Lancashire compared to England and Wales. Table 8 and table 9 provide further analysis on economic activity by ethnic group and gender.

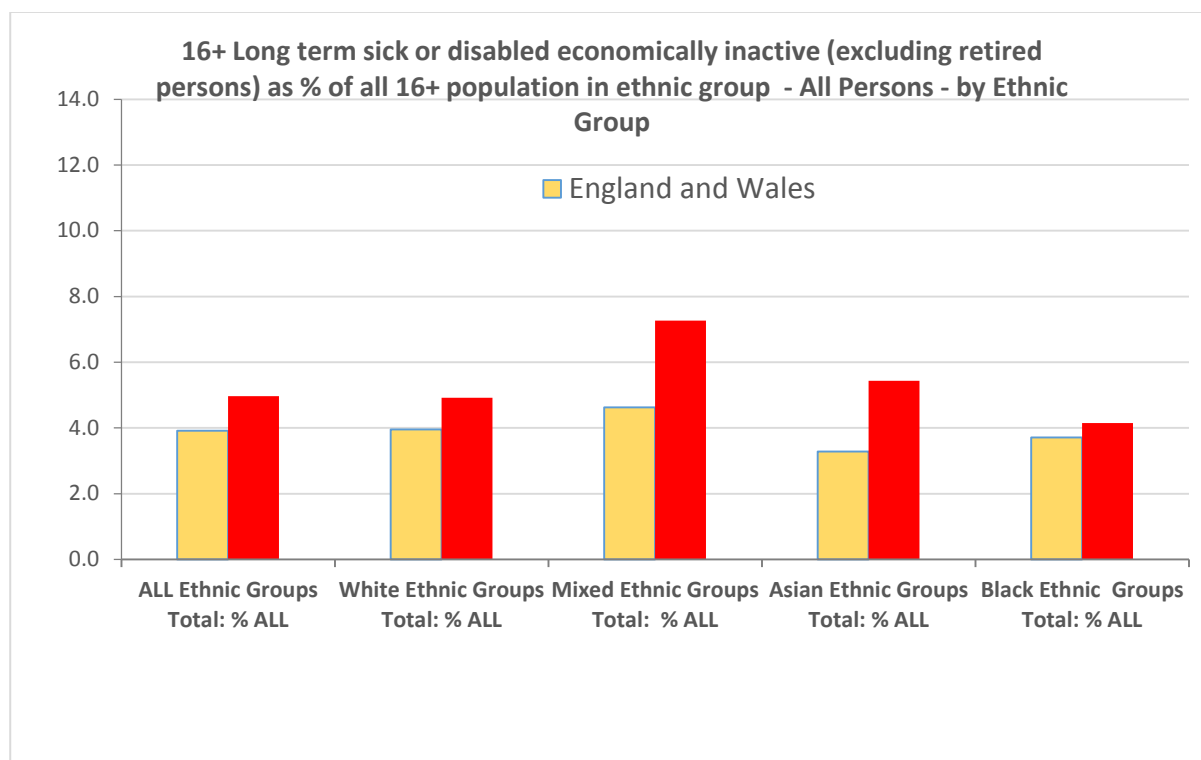
Table 8



Source: 2011 Census: Table DC6201EW – Economic Activity by Ethnic Group and Gender.

The majority of ethnic groups in Lancashire (both white and non-white) appear to have greater percentages who are classified as economically inactive long term sick or disabled (excluding retired persons).

Table 9



Source: 2011 Census: Table DC6201EW – Economic Activity by Ethnic Group and Gender.

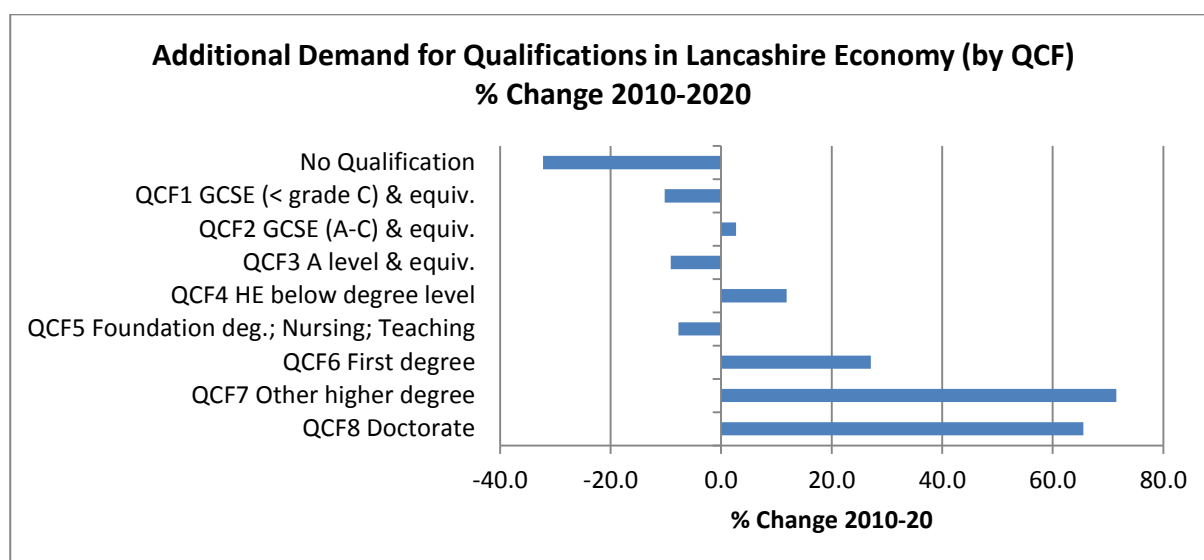
5. Skills and Educational Attainment

Lancashire is also a place of rising qualification levels, the proportion of residents qualified to NVQ4+ having increased from 24.5% in 2007 to 28.3% in 2014. However, Lancashire's skills profile is representative of the huge differences that show themselves across the county. Within the county some area's skills levels are as high as anywhere in the country; in others skills levels are especially low.

Evidence from within some of Lancashire's target sectors suggest that there is a shortage of skilled employees especially within the smaller enterprises that feed into larger supply chains and significant improvement is required to support identified growth sectors. For example, only 30% of employed people aged 16-74 in Lancashire are qualified to NVQ Level 4 or above which is below the national average of 35%.

Changes within the Lancashire economy will increase the demand for higher level skills as Lancashire's growth sectors develop and businesses increasingly become more knowledge based. This clearly demonstrates the need to develop resident and employee skills up to and beyond NVQ3.

Table 10



Source: *Working Futures 2010-2020 UKCES*

As at March 2015, the majority of 16-17 year olds (27,270 in total) are in full-time education and training (80.2), 6.7% in apprenticeships, 1.5% in work based learning and the remainder undertaking other forms of learning. This 90.4% participation rate is on a par with the 90.6% national rate. Local authority NEET data is published annually and the 2014 position showed that there were an estimated 2,040 NEET young people in Lancashire, 5% of 16 to 18 year olds in the area. By age group, 270 are 16 years old, 660 are aged 17 and 1,140 are 18 years old. Overall Lancashire has a higher than average number of NEETS, with 15% of 16-24 year olds only qualified to NVQ Level 1 and 9% with no qualifications. Educational attainment outcomes for children and young people in Lancashire are generally good but performance varies across the county with the more deprived districts reporting much lower levels of educational attainment.

Lancashire is home to ten local further education colleges and four universities – Edge Hill University, Lancaster University, University of Central Lancashire (UCLan) and Cumbria University who have a campus in Lancaster. In addition, Burnley is home to the specialist University and College of Football Business with two campuses, Burnley and Wembley.

These institutions are a crucial component of Lancashire, and the UK's knowledge base and, as such, contribute to innovation and enhanced productivity through knowledge exchange and skills

provision. There are existing strong relationships and partnerships between academic institutions, local authorities, the LEP and wider partners committed to growing the local economy.

Our focus is on strengthening the growth linkages between our world class clusters of industry, technology and research excellence by aligning these with national/Lancashire priorities and growth-oriented sectors. Our universities engage with business in a number of ways to drive innovation, and have strong track records in creating graduate business start-ups and in the commercialisation of intellectual property.

Both Lancaster University and UCLan are developing programmes to support higher level skills development as are our Lancashire's FE Colleges. A package of activity, including that delivered by Lancashire's colleges, universities and training providers, will continue to foster and strengthen innovation and enterprise.

Low educational achievement in the deprived areas will impact on the future labour force and the ability to recruit people with the right skills in the local area Lancashire's opportunities can only be fully exploited if there is a keen focus on ensuring that there is the right supply and mix of skills to meet business needs. Lancashire still needs to increase the number of residents with, or on the pathway to, higher level and more business orientated skills linked to growth sectors. Without an enhanced supply of relevant skills, Lancashire's economy will be put at risk of becoming less competitive.

6. Health

Good health is fundamental to a good quality of life. A range of indicators reveal a number of problems concerning the health of people in Lancashire. The most important, life expectancy, continues to improve across all parts of Lancashire but in some of the Lancashire local authorities, male and female life expectancy at birth rates are amongst the worst in England and Wales. Health profiles are closely aligned to deprivation levels, with, in some cases, people from Lancashire's most deprived communities having a life expectancy of 6 years less than the most affluent.

The greatest health problems are in circulatory diseases such as heart disease and stroke and cancers. Poor health, including poor mental health, is a particular barrier to employment for many people within Lancashire leading to economic inactivity and benefit dependency which puts greater pressures on public sector resources.

7. Commuting and Earnings

In general terms, Lancashire benefits from commuter flows and nine of the 14 authorities in the Lancashire LEP area recorded higher residence-based figures (those that live in the area) but differences between the workplace (those that travel in) and residence-based figures reveal the effect of cross-border commuting.

The Lancashire weekly residence-based figure for all employees was £7.00 per week higher than the workplace figure. By making use of various transport networks a number of the county's residents, especially full-time employees, are able to travel to higher value work locations within and outside the county. The proximity of Manchester and Liverpool enable a number of the county's residents to take advantage of higher value work opportunities in these large conurbations.

At a local authority level; West Lancashire, Wyre, Chorley, Ribble Valley and Rossendale are the five authorities that appear to gain significant benefits from commuter outflows. In particular, South Ribble (36.7%), Chorley (39.1%) and Rossendale (40.3%) have low percentages of people who live and work in the same district.

For Fylde and Preston workplace earning figures are significantly higher meaning that for a number of people, these are their places of work but not where they live. Preston has the highest number of commutes from within the Lancashire LEP area (68,810 individuals) followed by Blackpool (51,079), Blackburn with Darwen (50,302) and Lancaster (43,546).

In terms of outflows from Lancashire, Rossendale has the highest percentage of individuals (33.1%) who work in Greater Manchester, followed by Chorley (16.2%).

Blackpool (95.9%), Wyre (94.2%) and Fylde (93.9%) have high percentages of people who live and work in the Lancashire LEP area (Blackpool, Wyre and Fylde has a Travel To Work Area of its own (Blackpool TTWA, reflecting a high percentage of self-containment). As does East Lancashire where 81% of residents live and work in the area.

Fylde (£533.70) had the highest workplace-based median earnings figures in the broader Lancashire LEP area for all employees. The authority contains a major BAe Systems site, and also has the nuclear fuels site at Springfields. These locations are sources of high value jobs. Fylde and Ribble Valley were the only Lancashire LEP authorities to record median workplace weekly averages that were above the national rate.

For the residence-based figures at the district level, four Lancashire authorities: Ribble Valley, Fylde, West Lancashire and South Ribble had median figures that were £400 per week or above. In contrast, Blackpool recorded the lowest residence base median weekly figure of just £304.40. This was the second lowest in Great Britain. The low figures for Preston and Rossendale of £342.0 and £342.3 placed them nationally in 21st and 22nd lowest positions. The relatively low earnings potential for some Lancashire residents has obvious consequences with regard to levels of disposable income, mortgage/house purchasing capacity, savings, investment and wealth generation.

8. Workplace Skills

Analysis of workplace population skill levels, as opposed to resident skill levels, show the majority of local authorities within the Lancashire LEP area fare well in relation to the middle levels of qualifications, (Level 2 and Level 3) and also in terms of apprenticeship qualifications. However, the results show lower percentages of workplace populations with Level 4 qualifications (degree or above) and higher percentages of workplace populations with low qualifications (no qualifications or Level 1 qualifications). When viewed in relation to commuter flow it is evident that residents with higher skill levels are more likely to travel outside of their area to higher skilled jobs elsewhere

Twelve of the local authorities within the Lancashire LEP area had percentages of their respective workplace populations with Level 4 qualifications that were below the England and Wales average (34.9%). Eight of these had percentages lower than 30%, in, or near, the bottom third of the rankings within England and Wales. Only Fylde district (37%) and Preston (35.1%) had percentages of their workplace populations with Level 4 qualifications that were above the England and Wales average (34.9%). The Manchester City Council area (44.6%) had the greatest percentage in the North West.

Conversely just over a quarter of the workplace population in the Lancashire LEP area (26%) had low qualifications as their highest qualification (no qualifications or Level 1 qualifications). This is slightly greater than the England and Wales average (24.5%). Percentages with low qualifications (no qualifications or Level 1 qualifications combined) ranged between highs of 29.7% in Blackpool and 29.2% in Pendle to a low of 20.7% in Fylde. Wyre (28.7%), Rossendale (28.8%), Hyndburn (28.8%) and West Lancashire (28.3%) were also ranked in the top third. Only Preston (23.0%), Lancaster (22.4%), Ribble Valley (21.6%) and Fylde (20.7%) had percentages that were lower than the England and Wales average (24.5%). Fylde (20.7%) had the 2nd lowest percentage in the region (38th lowest in England and Wales). The Manchester City Council area (19.9%) was the lowest in the North West.

9. Housing

To support economic growth there is a need to build more good quality housing to encourage people to locate to or remain in the area. As with the national housing market, Lancashire's house building has been severely impacted upon by the economic downturn. Completions are less than half what they were in 2000. Some areas of large scale housing have been developed recently, especially those that are well-served by the motorway network to allow for commuting within Lancashire and beyond. In other areas, with more fragile housing markets, viability is still an issue particularly on brownfield sites.

These low demand areas usually have a range of other housing problems such as an overabundance of pre-1919 terraced housing, poor stock condition, poor management of the private rented sector and high levels of empty properties. Poor housing conditions can affect the health of the occupants and contribute towards neighbourhood decline. The need to expand the housing supply is very important, but the county also has to deal with the issue of an imbalance in its housing stock that contains many inexpensive older terraced properties that struggle to satisfy modern-day aspirations.

10. Place Shaping & Driving Prosperity

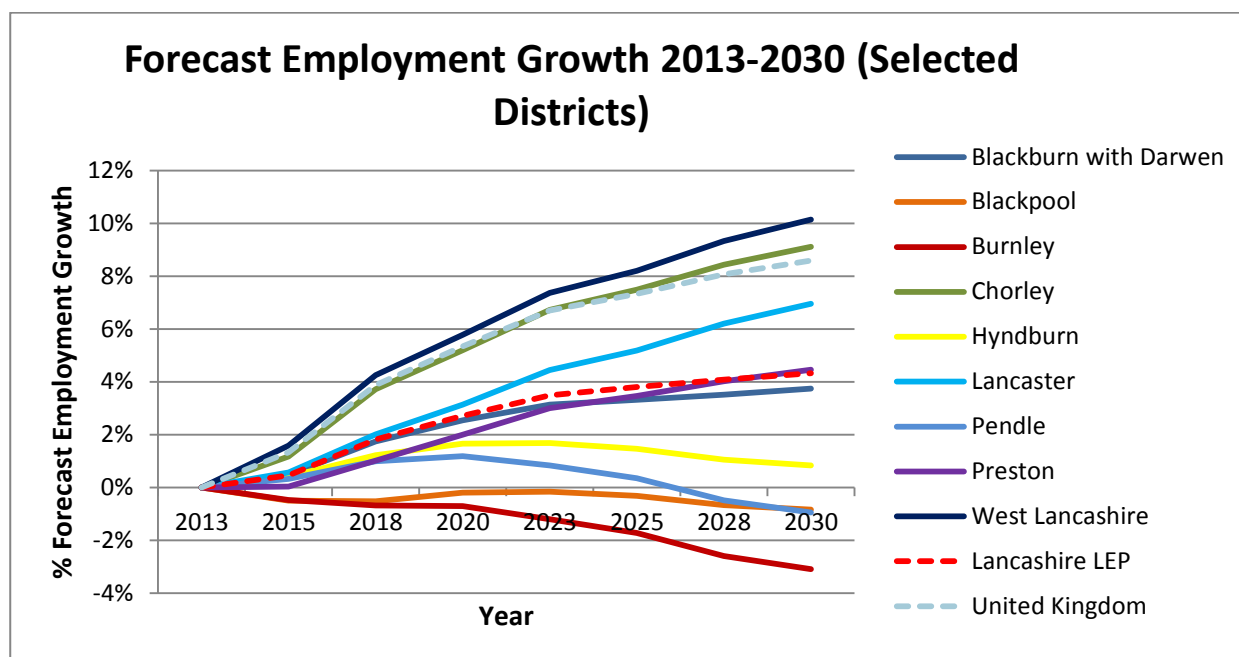
Lancashire is a diverse place both geographically, and economically where people and business choose to live, work, invest and do business. Everywhere in Lancashire has its own role to play in achieving greater prosperity for the county and its residents, albeit different roles dependent on their assets, opportunities and challenges.

However, Lancashire contains significant pockets of deprivation and without targeted incentives, there is a real danger that excluded individuals and communities living in some of the most deprived areas in England will be left behind as the economy develops. As indicated above a number of areas have particular concentrations of issues which interact to create multiple barriers to skills and employment growth

An analysis of the Indices of Multiple Deprivation (2010) shows extremes in Lancashire, from the relatively affluent areas of the Ribble Valley and Wyre, to several areas that contain large areas of severe ingrained deprivation. These areas are associated with lower skill levels and economic activity rates. Six Lancashire authorities are ranked in the 50 most deprived in the country, with three of these, Blackpool, Burnley and Blackburn with Darwen, falling into the 10% most deprived. A closer examination of Lower Super Output Areas (LSOAs) highlights the extent of the problem with 17.4% of Lancashire LSOAs falling into the most deprived 10% in the country, compared to 15.5% in 2007. In contrast the percentage of LSOAs in Lancashire that are within the most affluent 10% in the country has increased from 4% to 5.4%. This illustrates that deprivation is becoming more embedded and the gap is widening between the most and least deprived areas. This will be exacerbated by reducing employment opportunities in certain areas.

Table 11, employment growth chart highlights the variation across districts and emphasises the areas requiring more regeneration focus.

Table 11



Source: Lancashire Economic Forecasts, Oxford Economics, 2013

This has been exacerbated by many of Lancashire's existing employment sites being poorly situated away from the main road and rail infrastructure and containing outdated premises not suited to modern requirements. There is a need to identify and bring forward more suitably located and serviced sites to develop buildings that meet current business requirements.

This has been one of the reasons for Lancashire not benefiting from the shift towards office based service sector employment, which has been a particular feature of employment growth in many of the major urban areas in the country, where new office developments have been a feature of economic development and regeneration.

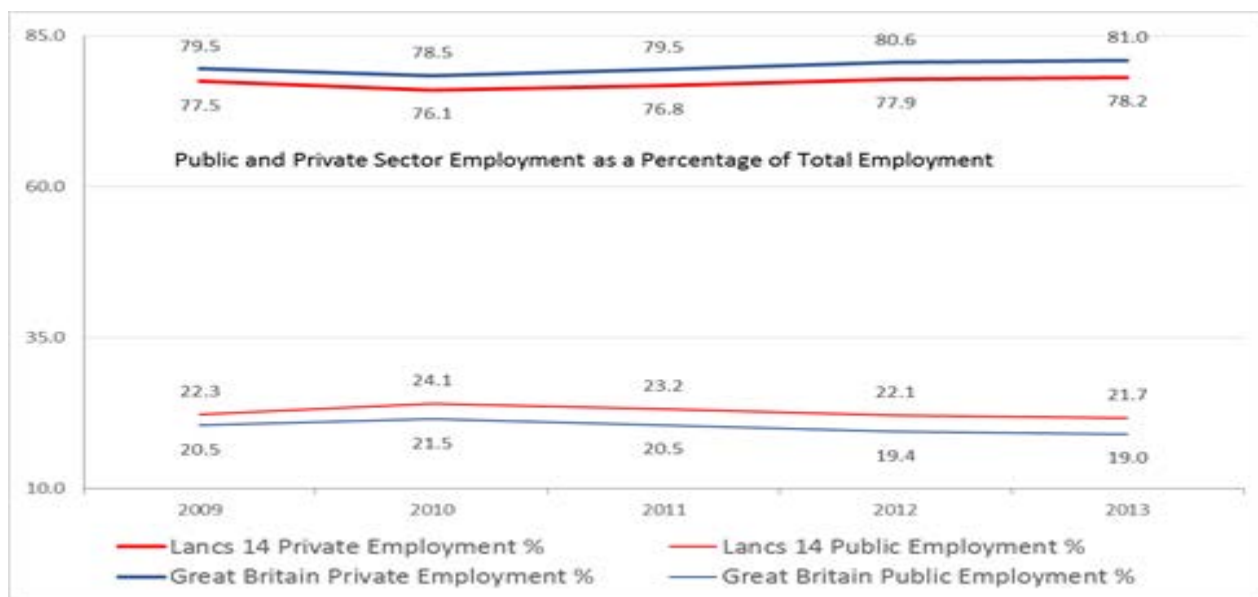
11. Public Sector Reform

Lancashire's economy remains reliant on the public sector, which contributes 24% of Lancashire's Gross Value Added (GVA) and approaching 22% of all employment. Lancashire is focused on restructuring its economic base to promote strong private sector growth, reducing the reliance on the public sector. Employment in the public sector is forecast to decline between 2014 and 2020, in Lancashire the forecast decline is 19%.

Preston and Blackpool are the two Lancashire authorities where high concentrations of local government, civil service and other public sector jobs account for over 30% of local employment. Moving away from a reliance on the public-sector will be a particular challenge for these two areas.

Table 12 shows the Public and Private Sector Employment as a Percentage of Total Employment

Table 12



Source: ONS - business register and employment survey public/private sector data

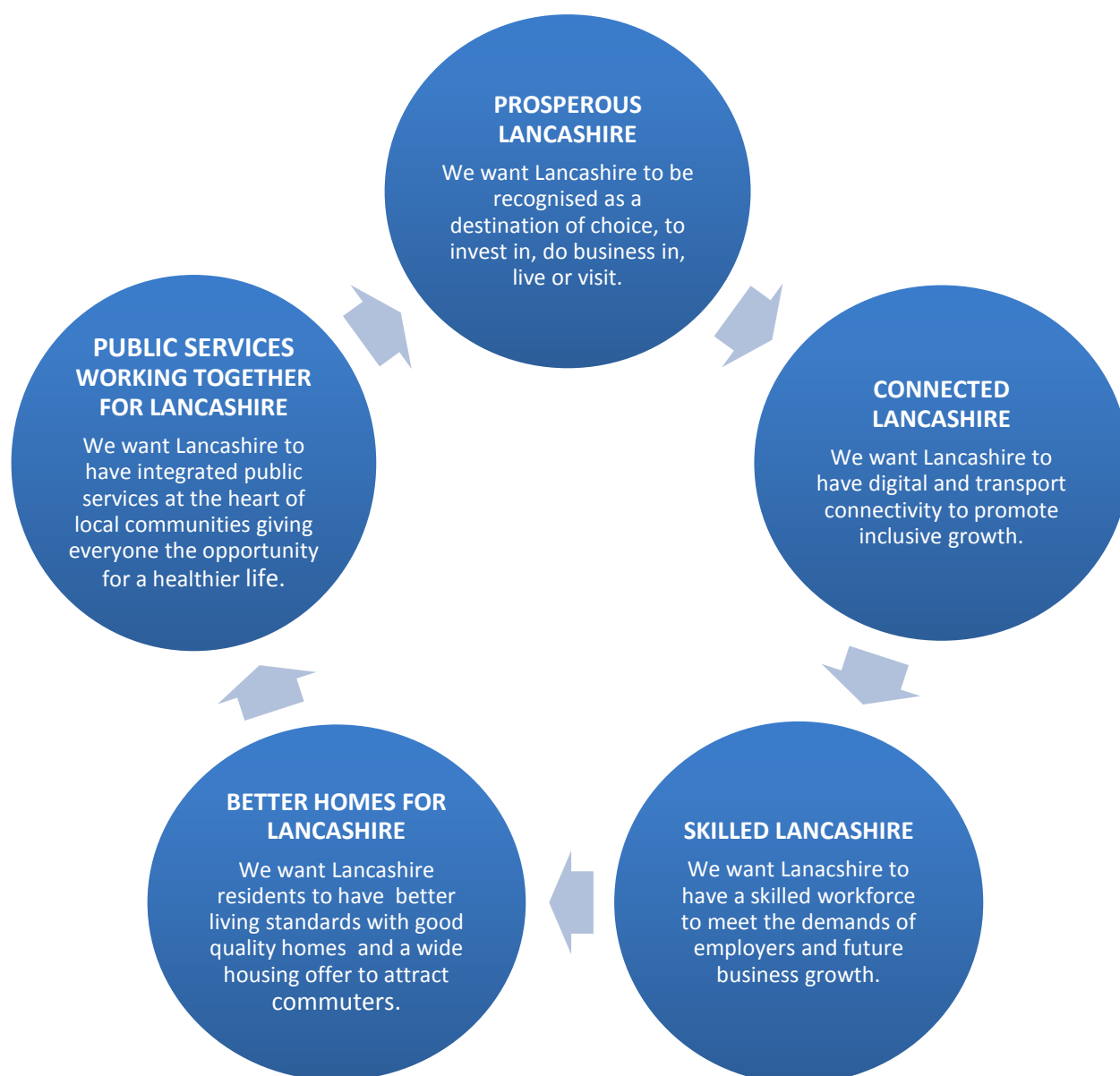
SECTION TWO - WHERE DO WE WANT TO BE?

LANCASHIRE'S AMBITION

We have a long term vision for Lancashire which sees the County as a thriving and more balanced economy that's well connected across the county geography and into neighbouring city regions. A Lancashire which attracts inward investment, driving innovation and contributing to increasing national productivity which will have positive health and wellbeing benefits locally.

Parts of Lancashire are already thriving and we want to deliver a Lancashire where all parts of the county have a share in its' rising prosperity.

Through the preparatory work for this Governance Review, five key themes have emerged which provide the future direction and ambition of Lancashire Leaders now and for future generations.



‘CONNECTED LANCASHIRE’ - We want Lancashire to have digital and transport connectivity to promote inclusive growth.

We need to have the ability and the flexibility to make policy and investment decisions on digital connectivity and transport links which are calibrated to address local connectivity issues in a bespoke way, enabling us to promote inclusive growth which is sensitive to local conditions and opportunities. This will involve:

- channelling all central government funding for transport through a single local pot in response to a commitment to fully integrate transport planning within Lancashire
- improve inter-area public transport so as to enhance economic connectivity and improve travel to work and to service flexibilities, more effectively integrating Lancashire’s economy, businesses and workforce
- co-producing plans for strategic roads with Highways England
- devolving all bus subsidies, including Bus Service Operator Grant to Lancashire councils and giving us the option to franchise services
- achieving greater influence on rail franchising and other transport services, through and beyond the scope offered by Transport for the North and discussions around HS2 and HS3
- adopting a strategy for future digital infrastructure which addresses current bottlenecks and deficits ensuring all residents are able to access the benefits of improved digital connectivity

‘SKILLED LANCASHIRE’ - We want Lancashire to have a skilled workforce to meet the demands of employers and future business growth.

We need a workforce with sufficient skill levels to meet the current and predicted needs of employers and aspirations to achieve higher. To achieve this will involve:

- greater control over the skills budgets to align funds with local needs
- align skills provision to sector needs and demands and geographic issues through a Local Output Agreement covering Lancashire
- providing a co-ordinated and transparent structure of employment and skills collaboration with better engagement between employers and schools, colleges and universities
- working with the LEP Skills Board to ensure accountability across a broad range of skills issues and alignment of skills strategies
- work with DWP on commissioning support for economically inactive and low skilled claimants
- oversight of higher level and growth/sector skills
- more control over apprenticeship funding

‘BETTER HOMES FOR LANCASHIRE’ - We want Lancashire residents to have better living standards with good quality homes and a wide housing offer to attract commuters.

We need homes and housing land supply that meet the needs of market demand and provides developers and buyers with confidence in the housing market. To achieve this we will:

- better understand the housing demand and supply across all tenures to ensure sufficient pipeline of the right types of housing (affordable, private rented, retirement, rural, executive etc)
- co-ordinate housing supply across the area
- link housing growth to economic development opportunities and ambition
- ensure that housing growth and developments are linked to infrastructure and services such as education and local services even when these cross existing administrative boundaries
- seek devolved powers for responsibility of Housing Benefit locally in some areas so that it can be used as a more effective lever to incentivise private landlords to improve housing conditions
- seek to link housing benefit payments to meet required housing standards including the Decent Homes Standard and energy efficiency ratings

‘PUBLIC SERVICES WORKING TOGETHER FOR LANCASHIRE’ - We want Lancashire to have integrated public services at the heart of local communities giving everyone the opportunity for a healthier, happier and longer life.

Public services are facing significant financial challenges, particularly in health and social care and we need these services to work together better for residents, businesses, communities. To ensure all our residents can access similar levels of support we will:

- Seek greater integration between health and social care and create an Accountable Care System where all health and care commissioners and providers would be held accountable with an expectation of working together to address key priorities which are relevant to the whole of Lancashire
- Develop ‘place based’ strategies which are relevant on either county wide, sub-level or neighbourhood level
- Have a greater influence over quality and performance of hospitals
- Work in partnership with Health and Wellbeing Boards to deliver whole system leadership and transformation to deliver the best possible outcomes for residents
- Create a simplified relationship with hospitals and providers to have a positive impact on patient care – prevention, primary care, community support
- Seek to create greater access to health facilities for areas without a hospital
- Co-location of services through multi-agency hubs
- Strengthen relationships with the Police, Youth Offending etc

‘PROSPEROUS LANCASHIRE’ we want Lancashire to be recognised as a destination of choice, to invest in, do business in, live or visit.

Our existing economic plans and priorities already demonstrate a very clear ambition for growth and prosperity and our contribution to the Northern Powerhouse, such as the Lancashire Strategic Transport Prospectus, but in order to strengthen our approach we want to make sure that we can

deliver a Lancashire where residents and businesses alike can benefit from this rising prosperity. This will involve:

- seeking devolved business support budgets and a proportion of UKTI budgets to enable stakeholders to take a more direct and proactive role in supporting business growth
- a more co-ordinated approach to delivering business support and build on existing schemes eg Business Growth Hub
- infrastructure and strategic planning 25+ years
- work together across boundaries, retaining local identity that communities recognise
- working with City Regions to ensure Lancashire is well placed to contribute to the Northern powerhouse
- working with the LEP to market the 'Lancashire brand'
- seek Intermediary Body Status for Lancashire to deliver the ESIF programme utilising local knowledge and reducing duplication of activity
- strengthen links with the HCA and other relevant government agencies
- look to formalise joint working with other public sector bodies on public assets, land and property similar to the Land Commission model in London to identify public sector land for development

The Lancashire LEPs Strategic Economic Plan (SEP) sets out their growth ambitions for the next 10 years - 50,000 new jobs, 40,000 new houses and £3 billion additional economic activity.

To help achieve this Lancashire received one of the largest Growth Deal allocations totalling £250 million and has been notionally allocated £232 million of European Structure and Investment funds (ESI) for the programme period 2014-2020. The funds are being invested as part of the Lancashire Growth Plan with a focus on their use to increase productivity levels for key economic sectors, promote sustainable employment growth and to tackle barriers to employment for Lancashire's most disadvantaged communities.

We want to build on this further and secure long term investment for Lancashire where businesses are confident in their long term future, where wage levels are lifted and residents can gain the skills needed to secure local employment.

The private sector in Lancashire has a key role to play in directing and driving forward growth, understanding the business market both nationally and internationally and looking to future growth strategies. Our LEP will continue to play an important role in Lancashire governance.

LANCASHIRE'S OPPORTUNITIES

As outlined throughout this review, Lancashire is a diverse area with pockets of benefit dependent communities alongside thriving and affluent areas. Building on a strong manufacturing history, there is tremendous potential for new and emerging sectors which Lancashire is well placed to deliver and contribute towards GDP and the government's agenda outlined in 'Fixing the foundations: Creating a more prosperous nation'.

Lancashire already has a range of initiatives to support economic growth and develop critical infrastructure which will unlock employment and housing sites making areas more attractive to

developers and provide a sound base for Lancashire to build upon. Initiatives and opportunities include:

- **Health and Digital Innovation** presents a real opportunity for Lancashire in terms of investment, productivity, prosperity and retaining graduates and directly linking to local health benefits. Information and communications; professional, scientific and technical are both growing sectors in Lancashire and the Government believes digital health will be an important growth area for the economy. The value of digital health to the UK economy is £1.9 billion and this is expected to significantly increase by 2018.

£100 million is being invested in Lancaster University Health Innovation Park and plans have recently been passed for a digital health village in Chorley. The North West is home to one of the largest life science industry clusters in the UK, specifically in medical technology. Manufacturing is the second largest employment sector accounting for 79,000 jobs including precision and advanced engineering and well placed to support innovation within health care. Over half of Lancashire's manufacturing jobs are in the East and with sites available long the M65 investment corridor there is a real opportunity to evolve manufacturing and innovation to support digital health intervention.

- Lancashire's **Assisted Areas** coverage has increased significantly which will support greater investment in the manufacturing and more deprived areas, supporting plans to increase business productivity, growth and sustainable employment.
- The **Liverpool Super port** presents significant opportunity, particularly to the West of Lancashire offering employment opportunity and upgrades to transport infrastructure. The Super port will enable larger container ships to dock as an alternative to the South coast becoming a core port in the EU network. Over 20,000 jobs are forecast to be created over the next 10 years. The Super port will have a positive impact for Lancashire's manufacturing base with companies ready to explore the global market and contribute to the UK exports.
- The **neighbouring city regions** of Manchester and Liverpool are set to outperform international cities such as Berlin and Tokyo in jobs growth. Over the last five years both cities reported the largest jobs growth in the UK. Lancashire is ideally placed to connect to these city regions with direct train routes from some of the main towns and close proximity to the M6, M61, M66 and M58.
- **Superfast Lancashire** will ensure that businesses have access to speedy and modern fibre broadband communications, through a £130 million investment programme, connecting companies and key strategic and employment sites. The benefits of this programme will be built upon to address the 'Digital Divide'. Given that many training and employment opportunities depend upon access to and/or depend upon the internet this of crucial importance given 27% of Lancashire households do not have access to the internet, of which 48% have a disability and 38% are unemployed. Superfast broadband is critical if we are to build digital health innovation.
- Lancashire has **four universities** – UCLAN, University of Cumbria, Edge Hill University and Lancaster University. The growing reputation of our university centres is reflected by the year on year high ranking of Lancaster University which is ranked in the top 10 of the UK's major university league tables and also Edge Hill University who won the Times Higher Education award for University of the Year for its achievements in student satisfaction and graduate employment.
- The Lancashire **Growth Deal** will play a key role in ensuring the benefits of economic growth are shared by all. This will include support for Lancashire residents to develop their skills, in the context of increasing demand for higher level qualifications, and access the employment opportunities being created. The Growth Deal, delivered by the LEP, will help to create up to 5,000 jobs, allow more than 6,000 homes to be built and generate up to £140 million in public and private investment.

- The **Preston, South Ribble and Lancashire City Deal** addresses the infrastructure issues that will release the economic potential of core locations through a £340 million Investment and Delivery Programme. This will deliver more than 20,000 net new private sector jobs and £2.3 billion in leveraged commercial investment. It has secured a 10 year funding allocation for major transport schemes.
- **Lancashire European Structural and Investment Funds (ESIF) Programme** that will provide £231 million of investment in Lancashire to support business growth, skills development, sustainable employment and social inclusion. The Lancashire ESIF Strategy sets out the local priorities for support whose implementation will be overseen by the Lancashire sub-committee of the national Growth Board.
- The Lancashire **Growing Places Fund** has fully committed its allocation of £20 million to support economic infrastructure and will invest recycled funds through a second wave of activity. So far, it has attracted £100 million of additional investment, supporting the creation of 3,000 new jobs and over 400,000 sq. of new business space.
- The Lancashire **Enterprise Zone** will focus on the Advanced Engineering and Manufacturing sector. It will promote Research and Development capability and support supply chain and skills development activity, acting as the focal point for a network of centres of excellence across Lancashire. Work has started on the Samlesbury EZ site to create a new entrance and access work is due to start shortly on a new BAE Training Facility, followed by a Defence Logistics Facility.

In March 2015 the Government announced, subject to further business case development, an 'in principal' designation as an Enterprise Zone for part of the Blackpool Airport site. On 8th July, following the submission of additional information in support of the original business case, the Government confirmed that the Blackpool Airport Corridor Enterprise Zone will be Lancashire's second Enterprise Zone.

- Support for growth orientated SMEs is being provided through **BOOST**, Lancashire's Growth Hub, which has brought together £40 million of programmes to support high growth companies and Start Ups delivering 2000 jobs .
- **Transport for Lancashire (TfL)**, works with neighbouring transport bodies and Government to secure maximum benefit from national transport initiatives, including the development of the Northern Rail Hub, Rail Electrification and HS2, which improve the area's linkages to other major centres of economic growth, including Manchester, London and Leeds.

TFL is developing a £325 million investment programme to support a number of **Transport Masterplans** focusing initially on East Lancashire, Lancaster South and West Lancashire. They will include activity to support Strategic and Employment Site development along the Burnley-Pendle Corridor (in support of existing and future employment sites in proposed Assisted Areas), access improvements in Lancaster linked to the expansion plans of Lancaster University (in addition to the Heysham M6 link), and rail links in Skelmersdale improving connectivity to Manchester and Liverpool.

- Lancashire is well known for its industrial, environmental and coastal **heritage assets** from historic Lancaster to the Fylde Coast and across to East Lancashire where the industrial revolution started. Significant investment is underway with restoration projects across the county funded by the Heritage Lottery Fund and Arts Council such as £3 million to re-ignite the East Lancashire stretch Leeds – Liverpool Canal. Blackpool has retained its place as England's most popular seaside destination, famous for its tower and illuminations and is seeing improvements across the town and £100 million investment in its tramway.

SECTION THREE - HOW WILL WE GET THERE?

Lancashire has different challenges and opportunities across the county and as part of this review Leaders have recognised that there cannot be a 'one size fits all' approach to realising potential and ambitions.

There is no one dominant centre and the area clearly has functioning travel to earn and learn areas. The mechanisms for delivering economic growth across the area will differ and it's recognised that making the step change may be done on a county footprint, on a sub-level footprint or on a 'theme' footprint where a cluster of authorities may need to work together to tackle specific issues such as inadequate housing.

There will also be opportunity for some local authorities to explore partnerships, formal or otherwise, outside of Lancashire where geographically they may be dispersed, but issues more closely align eg Blackpool and other coastal towns.

In developing this Review, the Local Authorities considered a number of areas that pose a barrier to future growth and realising the ambitions for the area. There are a number of key areas that Lancashire wants to address, in particular:

- transport infrastructure and modern public transport systems
- influence and control of local spending – transport; housing; skills; business support; health and social care
- co-ordination of skills activities and budgets locally
- longer term and more co-ordinated infrastructure planning 25+ years ahead
- addressing public transport constraints – eg integrated smart ticketing, accountable governance arrangements for bus and rail franchising
- a restructured housing market
- faster and more co-ordinated delivery of major economic development projects
- a single voice for Lancashire, beyond the LEP and economic development to raise the profile of Lancashire and its offer.

OPTIONS APPRAISAL

In exploring governance options for Lancashire, an options appraisal framework was developed. To inform this framework Lancashire Councils were asked to identify some of the functions and services which could be considered as part of a governance review. These included where authorities felt there were gaps in provision or functions which could/needed to work better. The common and key themes which emerged were strategic planning; connectivity; housing; business support; skills; public service reform.

The strategic opportunities (mainly economic development and transport related) which could deliver step change for Lancashire were identified as:

- devolved funding
- greater influence and flexibility of any national, regional and local programmes
- longer term and more co-ordinated infrastructure planning
- spatial planning including on a sub-level Lancashire footprint
- public sector integration, particularly health and social care
- inward investment/improved profile

Taking these aspirations and opportunities, an appraisal was carried out of the various models for working together to deliver prosperity, investment, economic development, transport etc.

The options considered were:

- Enhanced status quo
- Joint Committee
- Economic Prosperity Board
- Integrated Transport Authority
- Combined Authority

MODEL	Enhanced status quo	Joint committee	Economic prosperity board	Integrated transport authority	Combined authority
Devolved funding	No	No	Limited	Only Transport funding	Yes
Greater influence and flexibility of any national, regional and local programmes	No	Limited	Limited	Only on transport	Yes
Longer term and more co-ordinated infrastructure planning	Limited	Limited	Yes	Only on transport	yes
Spatial planning	Yes	Yes	Yes	Only on transport	Yes
Public sector integration	Limited	Limited	No	No	Greater potential
Inward investment/profile	Limited	Limited	Yes	No	Yes

CASE FOR CHANGE

Lancashire has some excellent partnership arrangements in place across the County geography, engaging with partners in both the public and private sector as identified in section two.

Leaders have recognised that some of the ambitions set out earlier in this review, can be achieved through existing partnerships, better joint working, better relationships with stakeholders, some pooling of resources. However to achieve a prosperous Lancashire we need to demonstrate that Lancashire means businesses and provide reassurance that we have strong, robust governance arrangements in place to have a mature conversation with government departments.

The existence of the right investment sites, premises and infrastructure is crucial to ensure that Lancashire businesses can remain productive. Addressing our infrastructure constraints needs to be carried out in parallel with support for innovation, resource efficiency and skill development to ensure Lancashire can build upon its competitive advantages, and our businesses are able to remain competitive and grow sustainably.

However, in order to attract and maintain economic growth the local authorities need to create the right conditions for growth and will work together to set the strategic vision and delivery mechanisms so that Lancashire can become a net contributor to the national economy.

This review sets out the ambitions for Lancashire and what measures we need to put in place to achieve these ambitions.

The current governance arrangements are not sufficiently robust to enable Leaders to achieve their ambitions. Such as:

- limited governance arrangements to receive devolved funding
- there is insufficient joint working and partnership structures to influence skills provision, public transport provision, business support
- with the exception of the City Deal there is limited alignment of infrastructure planning across borough boundaries and certainly no statutory arrangements
- cross boundary working and infrastructure planning can be bureaucratic with decisions being made several times over across authorities
- inconsistent approach to service provision, eg health and social care
- individual scrutiny arrangements for cross boundary working.

CONCLUSION AND RECOMMENDATION

This review has concluded that the current arrangements do not provide sufficient governance or decision making arrangements to fulfil the ambitions for Lancashire.

There are currently no legally constituted bodies operating across Lancashire with democratic accountability to take strategic decisions on transport, economic development or regeneration leading to weaknesses in our ability to grow the economy. Without tackling these weaknesses the County will not be able to reach its full economic potential.

Having considered the economic evidence, the ambitions for Lancashire, the current decision making arrangements and the options appraisal, this Governance Review concludes that a Combined Authority provides the best opportunity for Lancashire to achieve its potential.

DECISION ITEM



REPORT OF	MEETING	DATE	ITEM NO
MANAGEMENT TEAM	COUNCIL	14 DECEMBER 2015	10

FINANCIAL FORECAST UPDATE (INCLUDING REVENUE, CAPITAL & TREASURY MANAGEMENT) 2015/16 TO 2019/20

PUBLIC ITEM

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

SUMMARY

The report provides Members with an update of the financial forecast for the five years 2015/16 to 2019/20. It includes changes arising since the Budget was set by Council in March 2015.

RECOMMENDATION

The Council is recommended :

1. To note the implications of this updated financial forecast; and
2. With regards to the Accommodation Project, to note that the Finance and Democracy Committee considered the financing of the project at its meeting of 30th November 2015 and recommends to Council:
 - a) To approve the establishment of an Accommodation Project Reserve to ensure continued delivery of the accommodation project;
 - b) To approve a transfer into the Accommodation Project Reserve in the sum of £504k to be funded from favourable in-year revenue budget variances in 2015/16;
 - c) To approve of capital virements in the total sum of £310,000 from Phase 7 of the Accommodation Project capital scheme to fund Phases 4 and 5 of the works (£280k to be vired into Phase 4 and £30k into Phase 5); and
 - d) To note that a further report will be presented to a later meeting of the Finance and Democracy Committee which will provide full details of the proposed works in relation to the next phases of the scheme, and which will request approval to enter into contractual agreements to deliver those works.

CORPORATE PRIORITIES			
To Promote the Enhancement of The Natural & Built Environment (Place)	√	To Encourage Cohesive Communities (People)	√
To Promote a Thriving Economy (Prosperity)	√	To Meet Expectations of our Customers (Performance)	√

SUMMARY OF PREVIOUS DECISIONS

The Council set its budget for 2015/16 at its meeting of 3rd March 2015. This report provides Members with an update of the financial position of the Council, including changes since that date.

REPORT

1. PURPOSE OF THE FINANCIAL FORECAST UPDATE

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

1.2 This latest financial forecast update is designed to:

- Present an updated five-year financial forecast for revenue and capital spending based upon the best information available at the time;
- Review and update the currently identified risks and opportunities;
- Alert Members to any new specific risks and opportunities;
- Inform Members of any changes required to budgets due to external factors outside the Council's control; and,
- Provide a basis on which Members can begin to make future spending decisions.

2. BACKGROUND TO THE FORECAST

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

(i) Original Budget 2015/16

At the Council meeting on the 3rd March 2015 the budget for 2015/16 and the medium term financial forecast were agreed. The resolution included a 0.06% reduction in Council Tax and a total net budget requirement of £9.991m for 2015/16. Future reserve balances at that time were forecast at the end of 2018/19 to be £4.017m. In agreeing the Original Budget for 2015/16 a number of key high level financial risks and assumptions were highlighted.

(ii) General Fund Revenue Outturn Position 2014/15

The revenue outturn position for 2014/15 was reported to Members in June. The impact of the outturn position, including additional contributions to earmarked reserves totalling £0.560m, has been reflected in this updated forecast.

(iii) Budget Right-sizing Exercise

In 2012 the Councils Management Team committed to carrying out a budget right-sizing exercise to analyse underspends which have occurred over the last 3 financial years. This exercise in reviewing outturn variances and adjusting future budgets accordingly has become part of the annual budget process. As a result a number of budget adjustments are included within Appendix C of this report under the heading 'Budget Rightsizing'. The efficiencies and savings captured by the right-sizing exercise are a combination of one year only and recurring savings. It is anticipated that in future years the level of efficiencies and savings that are achievable through the right-sizing exercise will be more limited.

(iv) Capital Outturn Position 2014/15

The latest approved expenditure budget in the capital programme for 2014/15 was £1.235m. After adjusting for slippage of £0.211m, the overall outturn position for 2014/15 was an in-year balanced position against the latest updated estimate. The capital receipts surplus for the year, after taking into account of slippage, totals £39k which left a total underlying favourable variance of £39k.

(v) General Fund Revenue Quarterly Budget Monitoring 2015/16

Revenue budget monitoring reports for the period to 31st July 2015 have been presented to each of the Programme Committees during the September cycle of meetings. These reports identified a number of budget areas for further consideration. As a result a number of changes have already been included in this latest forecast. These include revised fee income estimates, updated employee cost assumptions, and the latest estimate of borrowing costs.

3. THE GENERAL FUND REVENUE FORECAST

- 3.1 Appendix A sets out the original base budget forecast, agreed at the Budget Council meeting on 3rd March 2015.
- 3.2 Appendix B shows the general assumptions underpinning the base forecast, whilst Appendix C shows the financial impact of changes to general assumptions and the impact of other significant changes that have been identified since the budget was approved, including the impact of outturn 2014/15 and the budget right-sizing exercise. Appendix D sets out the narrative which explain the significant changes made to the forecast. Included in the changes are a number of items arising from the Capital Programme which are explained in the 'Capital' section of this report.
- 3.3 The impact of all these changes are summarised in Appendix E which details the latest updated forecast. The forecast needs to be considered carefully in the light of the identified risks which cannot be fully quantified at this time but may have considerable impact on the forecast at some future point.

3.4 The Establishment of an Accommodation Project Reserve

In August 2015 the Finance and Democracy Committee approved virements of £230k from phases 7 and 8 of the Accommodation Project capital scheme to fund the phase 3 works and approved the commencement of the phase 3 works during 2015/16. The report also noted that the cost limiting approach to providing satisfactory accommodation will not be possible from within the funding realised from the sale of surplus assets.

Members also requested that a further report be prepared to include recommendations as to the possible sources of funding to ensure the delivery of the accommodation project up to phase 5 of the overall scheme. In order to achieve such a position would require the identification of additional resources in the sum of £504k.

Following a review of the budget position for 2015/16 as part of the preparation of this Financial Forecast update, including the identification of fortuitous additional income for the year, costs-savings and the outcome of the budget right-sizing exercise, the forecast revenue surplus for 2015/16 is £777k, as detailed at Appendix E.

It is proposed that of this revenue budget surplus a sum of £504k is transferred to an Accommodation Project Reserve to provide a source of funding for the delivery of the Accommodation Project up to phase 5 of the total scheme.

This would leave a remaining estimated surplus for 2015/16 of £273k which, at this point, would increase the General Fund Revenue Reserve such that the current estimate of the General Fund Revenue Reserve at 31st March 2016 is revised to £5.716m.

If the transfer of funding into the Accommodation Project Reserve is approved, a further report will be presented to a later meeting of the Finance and Democracy Committee which will provide full details of the proposed works in relation to the next phases of the scheme, and which will request approval to enter into contractual agreements to deliver those works.

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

- 4.1 In considering this forecast Members should note that there are a number of significant risks. In assessing each risk the following has been taken into account:-

High Level Financial Impact Risk

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

Medium Level Financial Impact Risk

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

Low Level Financial Impact Risk

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

4.2 **High Level Financial Impact Risks**

Background – the Spending Review 2015

In July 2015 the Government published the document '**A country that lives within its means - Spending Review 2015**'. The main focus of the document was to set out the government's intention of identifying the further savings in government expenditure that are necessary to achieve the stated objective of eliminating the national budget deficit by the end of the current parliament i.e. by 2019/20. To achieve this goal the government will be required to reduce annual public spending by around £37bn.

The 2015 Summer Budget commenced this process, setting out £17bn of measures to reduce the deficit, including £12bn by 2019/20 from welfare reform and £5bn by 2019/20 from tackling tax avoidance and tax planning, evasion and non-compliance. The 2015 Spending Review, the outcome of which will be announced on 25th November, will confirm how the Government plans to deliver the remaining £20bn of savings. Within the document is included the following intention: '**As part of the Spending Review, the government will look at transforming the approach to local government financing...**'

In a major announcement made to the Conservative Party Conference in October 2015, the Chancellor of the Exchequer, George Osborne, set out plans for local government to retain 100% of business rates revenues by 2020. Entitled 'devolution revolution' the stated aim of this reform is to ensure all income from local taxes goes on funding local services, so helping fix the current 'broken' system of financing local government. As a further incentive, local areas would be allowed to keep the full benefit from growing their business rates yield as a reward for promoting growth. The announcement is, therefore, effectively about 100% retention of growth in business rates by local authorities. The clear intention behind this policy is to incentivise local councils to attract, retain and support the growth of businesses in order to deliver economic growth.

However, in return for full business rates retention 'Core Grant' would be phased out and local government will also be asked to take on new, as yet unnamed responsibilities, but which are thought to be centred on economic growth, to ensure the reforms are fiscally neutral.

At the time of writing there is no clarity beyond the current year regarding future central government funding arrangements.

(i) Revenue Support Grant

The Government have provided Revenue Support Grant allocations in respect of 2015/16 but have given no indication of the level of grant receivable thereafter. Future year's forecasts are based upon annual reductions of 28% per annum from 2016/17 onwards in line with the trajectory of grant reductions over the last few years. If future year's grant reductions are greater than this assumed level this may have a significant impact upon the forecast.

Any additional information arising from the Spending Review which provides greater clarity regarding future Revenue Support Grant allocations will be reflected in subsequent updates to this Financial Forecast.

(ii) New Homes Bonus

The budget forecast that was approved by Council on 3rd March 2015 included an assumed future level of New Homes Bonus (NHB) of a further £300k per annum in each year. This calculation was based upon an estimated growth in total property numbers and incorporated the grant calculations as they have been in operation since the inception of the NHB scheme in 2011. However the latest estimate of the likely level of New Homes Bonus to be received for 2016/17 indicates that this level of income is unlikely to be achieved (the additional property numbers used for calculating New Homes Bonus is based upon completed dwellings and not dwellings under construction). Consequently the estimated additional New Homes Bonus amount for 2016/17 has been revised to £200k. As each annual allocation is receivable for six years, this reduced level will be receivable for 2016/17 and the five subsequent years.

It is expected that for 2017/18 and later years the level of New Homes Bonus will revert to an additional £300k per annum. This is based upon the known level of properties currently under construction and historic levels of annual house completion. The table below shows annual allocations of NHB for Fylde Council since 2011/12 and future estimates of the amounts to be received, together with the years in which the annual allocations will be received throughout the period of this forecast:

Annual New Homes Bonus allocations since the introduction of the scheme:

	2011/12 (actual) £000	2012/13 (actual) £000	2013/14 (actual) £000	2014/15 (actual) £000	2015/16 (actual) £000	2016/17 (est'd) £000	2017/18 (est'd) £000	2018/19 (est'd) £000	2019/20 (est'd) £000	Total £000
Receivable in:										
2015/16	279	306	308	382	385					1,660
2016/17	279	306	308	376	385	200				1,854
2017/18		306	308	376	385	200	300			1,875
2018/19			308	376	385	200	300	300		1,869
2019/20				376	385	200	300	300	300	1,861

Note: for 2014/15 the Council received an additional allocation of £6k for one year only.

New Homes Bonus is un-ringfenced funding, and Fylde Council use the funding in its entirety to support the ongoing revenue expenditure of the Council. It is worth noting that NHB is becoming an increasing proportion of the total financing receivable by the Council. The table below shows that actual/forecast income from NHB since 2014/15, together with the total forecast income receivable by the Council, and the proportion which NHB comprises of the total:

FBC New Homes Bonus income as a proportion of total forecast income

Year	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
FBC Forecast funding from New Homes Bonus (£000)	1,269	1,660	1,854	1,875	1,869	1,861
FBC Forecast total financing (including NHB) (£000)	10,096	9,966	9,877	9,787	9,755	9,786
NHB as a % of total forecast financing	12.6%	16.6%	18.9%	19.2%	19.2%	19.0%

The table illustrates that New Homes Bonus income is an increasingly significant source of funding to the Council, and as central government Revenue Support Grant is forecast to decrease year on year, NHB as a proportion of the Council's forecast total financing is estimated to increase from 12.6% in 2014/15 to 19.2% by 2017/18.

The reliance upon New Homes Bonus to support ongoing revenue expenditure of the Council is one of the most significant financial risks facing the Council.

(iii) Localisation of Business Rates

The current year is only the third year of the operation of the localised business rate scheme. These new arrangements can have a significant effect on councils, as any changes to the Business Rates yield now directly impact on council funding levels, with both the risks and rewards of Business Rate growth being shared between Central Government, Precepting Authorities and Billing Authorities.

Such losses and gains are subject to separate 'Safety Net' and 'Levy' arrangements to reduce the potential volatility of local authority funding under the new system, effectively limiting the gain or loss in any one year.

However any single change, such as that which occurred in 2014/15 with the announcement of the cessation of commercial operations at Blackpool Airport (actually located largely within the borough of Fylde), can have a significant and sudden impact of the finances of the Authority that is affected.

All rateable values are supposed to be reassessed every five years at a general revaluation, although the next one, due in 2015, has been postponed. The current rating list is based on a revaluation which took place in 2010. A large number of businesses within the borough, and indeed nationwide, have lodged appeals to the Valuation Office Agency (VOA) against the level of their business rating valuations. These appeals are often supported by specialist rating agents and the outcome can be backdated to the date of the appeal or the last revaluation (i.e. 2010). This scenario can result in significant in-year business rate refunds being made to businesses whose appeals are successful. The VOA have committed to reducing the backlog of appeals within the system, which may increase the possibility of a greater volume of refunds being made.

Monitoring arrangements to provide an early identification of in-year trends in respect of business rate income have been developed, including regular appeals updates and meetings with VOA officers. There will, however, remain an element of uncertainty as events triggered by changes in business circumstances and the determination of appeals are, by their nature, unpredictable.

Consequently the financial forecast which was approved by Council in March 2015 assumes that for 2015/16 and for future years business rate income will be at the 'Safety Net' level. This is considered to be a prudent approach to business rate income planning as business rates income cannot fall below this level. This approach is continued in this current financial forecast. If business rates income were to exceed the Safety Net level this will result in a favourable outturn variance.

Any additional information arising from the Spending Review which provides greater clarity regarding arrangements in respect of retained Business Rate income will be reflected in subsequent updates to this Financial Forecast.

(iv) Waste Recycling Cost Sharing Arrangements (Lancashire County Council)

Lancashire County Council is the Waste Disposal Authority (WDA) for Lancashire and Fylde Borough Council is a Waste Collection Authority (WCA) as defined by the Environmental Protection Act 1990 (EPA). Section 52(1) of the Act places a duty on WDAs to pay waste disposal credits to a WCA in its area when the WCA diverts waste from the household waste stream for recycling - the value of credit being the savings per tonne in disposal costs. The Clean Neighbourhoods and Environment Act 2005 introduced flexibility to this requirement by allowing authorities to develop joint working arrangements, tailored to their area, to work toward the goals of the National Waste Management Strategy.

Additionally, central Government expects local authorities to consider whether a better, more appropriate, cost-sharing model can be developed for their area in order to aid in the achievement of Landfill Allowance Trading Scheme obligations and local plans for recycling and composting. To this end the Lancashire Waste Strategy (LWS) was adopted by WCA's in Lancashire in 2001.

The Lancashire Waste Strategy was updated in April 2013 to move away from the previous Property Based Payment Mechanism (which provided a discretionary index-linked payment from LCC to participating districts for each domestic property covered by a three stream collection service i.e. green waste, dry recycling and residual (grey bin) waste) to a fixed level of support paid annually.

These arrangements with LCC run to March 2018. The value to FBC of income from LCC under the updated agreement are summarised below:

	Total Income to FBC from LCC under the existing Cost Sharing Agreement
	£000
2015/16	777
2016/17	764
2017/18	763

On 27th January 2014, FBC were informed (along with other participating Districts) that LCC's Cabinet Member for Public Protection and Waste had adopted a 'Policy for Making Recycling Payments (Recycling Credits) to Waste Collection Authorities'. **The policy indicates that the existing payment arrangements will cease after 2017/18.** The decision had been taken having carried out a detailed review of LCC's obligations and having considered the requirement for the County Council to reduce its spend by £300m over the next four years.

This therefore represents a significant risk to FBC's financial position in the final year of this forecast and beyond with the potential loss of up to £763k per annum from 2018/19 onwards.

Following dialogue between Lancashire districts and LCC on this matter, LCC have commissioned a Lancashire wide review of waste collection arrangements, with the aim of providing "a comprehensive evaluation of the fundamental aspects of waste collection with a view to reducing the cost of provision of collection services across Lancashire". Fylde Council is participating in that review which is currently underway and expected to report its findings in spring 2016.

At this stage the loss of cost sharing income has been reflected in this update of the forecast, based upon the decision which has been taken by LCC. The outcome of the waste review and the resultant financial implications to Fylde Council of this development and any new arrangements will be reflected in the future updates to the financial forecast as they become clearer.

4.3 Medium Level Financial Impact Risks

(i) Planning Appeal and Judicial Review Costs

During 2013/14 a significant cost claim against the Council was finalised which exceeded the then budgetary provision and at its January 2014 meeting the Council was required to approve an unfunded budget increase to provide for these costs. Consequently the budgets for 2014/15 and subsequent years were also increased in response to anticipated further planning appeal costs

Additionally, the possibility of further legal costs being incurred as part of the enforcement notice on the illegal Travellers site at Hardhorn is uncertain and any potential cost is very difficult to estimate because it is subject to whether further legal challenges are made.

This budgetary provision will be kept under review in order that the Council is able to respond to any appeals which may occur. If future years planning appeal costs are in excess of these revised budget amounts further amendments to the financial forecast may become necessary.

(ii) Reduction in Housing Benefit Administration Grant

The Council receives an annual grant to support the cost of the administration of Housing Benefit and Council Tax. The grant that the Council receives for these purposes has reduced in recent years, particularly in respect of the Housing Benefit element, as the government moves away from a system of Housing Benefit payments and towards a Universal Credit Scheme. This financial forecast reflects the latest estimates of reduced grant levels for 2015/16 and for subsequent years.

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

(iii) Universal Credit

The Government has commenced the consolidation of a number of welfare benefit allowances into a revised Universal Credit Scheme. One of these is Housing Benefit which is currently administered by the Council through the shared service with Blackpool Council. The intention is that the new Universal Credit Scheme will be provided on-line and will be administered by Department of Work and Pensions. The roll-out of the new arrangements are gradual and began in Fylde in respect of a small number of the less-complex cases in November 2014. The timing and financial implications of future developments of the scheme remain uncertain.

(iv) Grounds Maintenance – External Contracts

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

(v) Changes in Council Tax, and Capping Regulations

This forecast includes a freeze in the level of Council Tax in respect of the current year, other than a minor technical reduction from £185.90 to £185.79 as the average annual Fylde band D Council Tax charge. This will be the fifth year in a row that Council Tax has not increased. For each of the years when Council Tax was frozen the Council has received short term compensatory grants from central government. This forecast assumes increases in Council Tax charges of 2.0% per annum from 2016/17 onwards (per Appendix E).

In the Autumn Statement of December 2014 the Chancellor announced that funding would be available to Councils that freeze Council Tax for 2015/16. This freeze grant is also shown within this financial forecast for 2015/16. There is currently no information regarding the availability of Council Tax Freeze Grant for future years.

The Localism Act 2011 replaced the previous power of the Secretary of State to cap council tax increases with a system of mandatory referendums triggered by “excessive” increases. Any local authority (including police and fire authorities) setting an increase above a ceiling set by the Secretary of State and approved by the House of Commons will trigger a referendum of all registered electors in their area. The Government believe this will make local authorities much more transparent and much more accountable to local people. If Councils want to increase Council Tax beyond the specified level in any given year, they will have to make the case to the local electorate and receive approval via a referendum. The impact on the Council will depend on the ceiling set by the Secretary of State compared to any future proposed Council Tax rises. Although the ceiling is set for 2015/16 at 2.0% it is apparent that the government has previously considered a lower threshold.

There is a possibility that future years capping regulations will restrict the increase in Council Tax that is permissible without the need for a local referendum to a level that is lower than the assumed 2% level. Should this be the case there is a risk that the increase in income from Council Tax as shown in the forecast in future years may not be achievable.

4.4 **Low Level Financial Impact Risks**

(i) The Living Wage

In March 2015 the Council agreed a policy to adopt the Living Wage Foundation rate of £7.85 per hour for all employees, excluding apprentices, for 2015/16 such that the Council became a 'Living Wage Employer'. The cost of this includes the resultant impact on agency labour costs after 12 weeks employment as a result of the Agency Worker Directive.

The level of the Living Wage hourly rate is set by the Living Wage Foundation in the autumn of each year. The Council's revenue estimates includes annual amounts for the anticipated impact of the annual increases in the hourly rates for the Foundation Living Wage and the National Living Wage. In the event that actual future year increases are higher than the estimated levels such that the increases cannot be contained within the approved budgets future adjustments to the Financial Forecast may be necessary.

Additionally, in the autumn of 2015 the government announced the introduction of a statutory National Living Wage to apply from April 2016 for all employees over the age of 25 at an initial hourly rate of £7.20, rising to £9.00 per hour by 2020. As this rate of pay is significantly higher than the current statutory Minimum Wage this will adversely affect agency labour costs in respect of periods of employment of up to 12 weeks (after which the Living Wage Foundation rate applies). The impact of this is currently being calculated and will be reflected in future updates to the Financial Forecast.

Both the introduction of a statutory National Living Wage and the rate of the increase in the Foundation Living Wage will adversely affect both the total employee costs of the Council and those of external partners for whom Fylde Council provides financial support. Any additional costs which may arise in this regard will also be reflected in future updates to the Financial Forecast.

(ii) Community Infrastructure Levy (CIL)

The Community Infrastructure Levy (CIL) which came into operation nationally in April 2011 is intended to assume the role of the traditional Section 106 Agreement. However Section 106 Agreements will continue to have a role to play on site specific development proposals. For the CIL to become operational within the borough the Local Plan will need to be in place. Officers will be exploring infrastructure requirements as part of the work on the Local Plan with the aim of producing, for public consultation, an Infrastructure Delivery Plan which will help inform a CIL charging schedule. At this moment in time the financial implications are unknown.

(iii) Lowther Gardens Trust

The Council's revenue budget currently contains budget provision for a subsidy payable to Lowther Trust for the operation of Lowther Pavilion, as detailed in the service level agreement. The budget stands at £39k in 2015/16 and reduces to £32k in 2016/17, that being the final year of the five-year subsidy period as agreed with Lowther Trust. It is not known at this stage whether a subsidy from Fylde Council will be requested by Lowther Trust beyond 2016/17, nor the likely value of any such request.

There is a risk that the existing budget provision is insufficient to sustain the continuing operation of the Pavilion over the life of the agreement and that further funding requests will be received by the Council.

5. GENERAL FUND RESERVE AND OTHER EARMARKED RESERVES & PROVISIONS

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

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

5.2 The Council's General Fund Reserve Balance at 31st March 2015 was £5.4m.

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

6. CONCLUSIONS – GENERAL FUND REVENUE FORECAST

6.1 The Council faces a number of uncertainties in the future in respect of its finances, particularly from the Spending Review, the outcome of which is due to be announced in November 2015. As part of that announcement further reductions in the level of central government funding may become apparent. The current forecast has a number of high risk financial assumptions which are outside the Council's control.

6.2 A number of these risks, as well as being significant, have a high probability factor. The scale of the changes in the later years of the forecast will only be fully realised when the Government confirms grant settlement figures and may have a significant impact on the final forecast and overall financial strategy of the Council. In addition the cessation of the income that the Council receives under the Waste Recycling Cost Sharing Arrangements with Lancashire County Council will have a seriously detrimental impact on the Council's financial position from 2018/19 when the planned changes come into effect.

6.3 The financial situation the Council faces continues to be challenging and uncertain, and the gap between in-year income and expenditure in later years of the forecast will need to be addressed.

6.4 Budget planning work for 2016/17 is well underway and further updates of the financial forecast will be brought before Members in due course.

7. COLLECTION FUND

7.1 The Council is required to maintain a separate fund for the collection and distribution of amounts due in respect of Council Tax and National Non Domestic Rates (NNDR). The deficit on the collection fund for Council Tax as at 31st March was £183k. This deficit will be shared

in accordance with regulations and will form part of the 2016/17 Council Tax Calculation. The Council's share of the deficit is £25k.

- 7.2 Prior to 2013/14, the Council collected Business Rates on behalf of Central Government. All the Business Rates income was paid directly into a central pool which was re-distributed to individual councils according to a needs-based formula. Under the new regulations the Council notionally retains a 40% share of its business rates, after which a tariff in the form of a further payment to central government is applied. As at 31st March 2015 the actual collection of NNDR was lower than originally forecast, largely as a result of the extension of the small business rate relief scheme. As a consequence, the Council's share of the Collection Fund deficit for the year was £506k which was offset by additional Government grant to recompense local authorities for the extension of the small business rate relief scheme.

8. THE CAPITAL PROGRAMME

- 8.1 The Capital Programme is updated continually for agreed changes and reported to Members during the financial year on a periodic basis.
- 8.2 The latest updated Capital Programme Summary for the years 2015/16 to 2019/20 is set out in Table 1 below. The Programme has been updated for changes to the end of September 2015. A prudent approach is taken in preparing the programme to ensure that financing resources are only recognised when there is reasonable certainty that they will be received.

TABLE 1 - SUMMARY CAPITAL PROGRAMME

	Estimate 2015/16 £000	Estimate 2016/17 £000	Estimate 2017/18 £000	Estimate 2018/19 £000	Estimate 2019/20 £000
Estimated Expenditure:					
Finance & Democracy Committee	1,028	954	0	0	0
Tourism & Leisure Committee	1,127	358	40	40	40
Operational Management Committee	957	3,698	8,817	6,310	870
Environment, Health & Housing Committee	715	468	762	468	468
Development Management Committee	389	274	0	0	0
Total Capital Payments	4,216	5,752	9,619	6,818	1,378
Financing:					
Availability of Resources	4,216	5,752	9,619	6,818	1,378
Total surplus (-) / shortfall in year	0	0	0	0	0
Cumulative surplus (-) / shortfall	0	0	0	0	0

- 8.3 Capital schemes are directly linked with the Council's priorities. Major items of enhancement or renewal are identified via the Council's Asset Management Plan and work is underway to

review and update this. The planned spend over the life of the programme is continuously reviewed. If any scheme profiling amendments are required these will be reflected in future periodic update reports.

8.4 Financing the Capital Programme

The Council finances the Capital Programme from a variety of sources. These include:-

- (i) Specific Capital Grant Allocations;
- (ii) Disabled Facilities Grant;
- (iii) Capital Receipts;
- (iv) External Funding (such as Heritage Lottery Funding);
- (v) Prudential Borrowing/Leasing;
- (vi) Revenue Funding; and
- (vii) Capital Investment Reserve

8.5 Members should note the current balanced position on the Capital Programme.

9. VEHICLE PURCHASES

9.1 The Council has adopted a Service Modernisation Strategy for Operational Services which includes a rolling programme of vehicle replacement that assumes the replacement of vehicles on a like-for-like basis at the end of their useful economic life. The approved capital programme includes significant capital expenditure for scheduled operational vehicle replacements in 2017/2018.

Cabinet on the 24th September 2014 RESOLVED to approve the continuation of in-house service delivery of all Operational Services until the outcomes of the independent review of waste collection services across Lancashire are known and have been fully assessed and the County Council's statutory obligations under the Environmental Protection Act 2010 (EPA) have been clarified, and in any event before the commitment of significant capital expenditure in relation to fleet replacement.

The outcome of that review is scheduled for the spring of 2016. Following that the longer term plan for future vehicle replacement will be reviewed and any changes arising will be reflected in future updates to the Capital Programme.

10. KEY AREAS OF FINANCIAL RISK TO THE CAPITAL PROGRAMME

There are a number of financial risk areas within the Capital Programme for Members to be aware of:

10.1 Medium Level Financial Impact Risks

(i) Accommodation Project

The accommodation project was originally included in the capital programme on the basis that the scheme would be self-financing from capital receipts from the sale of 3 sites (St David's Road Depot, Derby Road, Wesham and the Public Offices). Actual asset sales and receipts are dependent on market conditions and cannot be predicted with certainty. St David's Road depot was sold in 2012/13, and the site at Derby Road, Wesham was sold in

2013/14. The Public Offices was re-marketed during 2014/15 and the Accommodation Working Group have reviewed a number of further expressions of interest. Disposals of this nature where external agencies, planning decisions, external legal specialists and property developers are involved often take some time to bring to a conclusion.

In August 2015 the Finance and Democracy Committee approved virements of £230k from phases 7 and 8 of the scheme to fund the phase 3 works and approved the commencement of the phase 3 works during 2015/16, funded from residual capital receipts from the asset sales.

The proposed establishment of an Accommodation Project Reserve, to provide a source of funding for the delivery of further phases of the Accommodation Project is detailed within Section 3.4 of this report. This report also recommends the transfer of monies into that reserve and that capital virements be approved in the total sum of £310,000 from Phase 7 of the Accommodation Project capital scheme. This would provide sufficient resource for the funding of Phases 4 and 5 of the works.

Completion of the accommodation project is dependent upon the receipt of income from the disposal of the public offices asset. The cross-party Accommodation Working Group continues to monitor and manage this project and regular update reports on the project will continue to be provided to Members.

(ii) Coast Protection Scheme

The Strategic Appraisal Report (StAR) for the Fylde Shoreline Strategy was approved by the Environment Agency's Large Project Review Group (LRPG) in January 2014 and included the replacement of sea defences at Fairhaven and Church Scar. Following this approval further funding was released by DEFRA and Cabinet approved spend for a Coastal Headland Study Project Appraisal Report (PAR) in the sum of £175k, fully funded from DEFRA resources. This report has now been completed and was submitted for approval by the Environment Agency's LRPG on the 6th August 2015. Once the Project Appraisal Report is approved, further funding from DEFRA is then required to complete the next stage. This is the detailed, customer led design of the new sea walls and involves gaining the necessary approval for the work to progress, involving preparation of an environmental impact assessment and appropriate assessment with regards to the potential to disturb overwintering birds during construction leading to planning permission, and a Marine Management Organisation licence.. Once these approvals are obtained it will unlock funding for both Fairhaven Lake and Church Scar sea defence construction schemes.

The Council's capital programme includes an estimate of £16,500,000 over the years 2016 to 2019 which was a figure originally derived from the approved StAR. The project as now defined by the PAR report is estimated at £19,830,000 (including risk contingencies) and is to be funded by a combination of grant from the Environment Agency which is estimated at £19,430,000 and a Fylde Council capital programme contribution of £400,000 which is currently shown in 2016/17, with the FBC contribution being funded from the capital investment reserve. Further updates and any future changes to the scheme will be reported to members and the Capital Programme will be updated accordingly.

Due to the significant value of this scheme this has been highlighted as a potential future risk.

(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).

As part of the 2013 Spending Round review the Government established the 'Better Care Fund', with the intention of "providing an opportunity to transform local services so that people are provided with better integrated care and support". Under these new arrangements from 2015/16 onwards the funding for Disabled Facilities Grants (DFGs) 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 will be 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.

In order to monitor the level of demand upon this resource the number of applications on the various categories of waiting lists and the periods of waiting time for DFG's are closely monitored and are reported to Members as appropriate.

The Capital Programme includes annual provision for DFG's at the level of the 2015/16 grant allocation. However this is the only year for which the allocation has been confirmed and for 2016/17 onwards the figures in the programme are estimates and will only be confirmed in the year they are due. For as long as DFG works remains a statutory obligation the grant is unlikely to be withdrawn by the Government but could be reduced.

Any future reduction in DFG grant funding income received by the Council will have a direct impact on the level of works that can be undertaken. There is also a direct revenue implication on DFG fees which would also have to be adjusted. For these reasons DFG's have been highlighted as a potential future risk.

A detailed report on the current position for DFG's will be presented to the January meeting of the Environment, Health and Housing Committee.

(iv) Vehicle Replacement Programme

The estimated vehicle replacement profile, to replace existing fleet at the end of its useful economic life from 2015/16 to 2019/20 within the Capital Programme totals £3.9m. Within the forecast it is assumed that the majority of this will be financed from borrowing. It is within the delegations of the Chief Financial Officer to determine how the replacement programme is best financed and if leasing becomes a more economically advantageous method then future forecast updates will be updated to reflect such decisions.

It is important to note that purchase prices will fluctuate with new models and technological/legislative changes and it is therefore necessary to reality check the costs associated with new vehicles on an annual basis and make any necessary adjustments to the capital programme to ensure that ongoing fleet replacement is accurately budgeted for in future years. The Euro VII engine will be introduced in future years in line with stringent environmental regulations. There is no current timeline for this at present however it may fall within the next 5 years. This will have significant financial consequences for future fleet procurement the extent of which is currently unknown.

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

10.2 Low Level Financial Impact Risks

(i) Project Slippage

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

(ii) Other Capital Receipts

The approved programme for 2015/16 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 quarterly monitoring reports, along with the impact this may have on the financing of the programme.

(iii) 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 2015/16. There is a risk that this remaining resource is insufficient to meet future capital expenditure needs for the facility.

11. CONCLUSIONS – CAPITAL PROGRAMME

- 11.1 The current Capital Programme as updated is showing a balanced position for 2015/16 onwards.
- 11.2 The capital programme and the associated financing will be subject to discussion with Members during the coming months as part of the annual budget setting process for 2016/17.
- 11.3 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 2015 was £2.775m after an additional contribution at outturn for 2014/15 of £247k. Commitments to date of £2.434m leave a current uncommitted balance on the reserve of £341k. It is anticipated that this reserve would offer the preferred source of finance for any further additions to the Capital Programme in future years.

12. TREASURY MANAGEMENT

- 12.1 The Treasury Management Strategy and Prudential Indicators were approved by Council on 3rd March 2015.
- 12.2 The regulatory framework for treasury management requires Councils to receive a mid-year Treasury Review report. This report will be presented to the Audit and Standards Committee for scrutiny on 26th November 2015 and subsequently will be presented to Council on 14th December 2015.

13. KEY AREAS OF FINANCIAL RISKS FOR TREASURY MANAGEMENT

13.1 There are a number of potential areas of significant risk associated with Treasury Management activities, the most significant of which are:

- (i) Unexpected movements in cash flow;
- (ii) Differences between the actual interest rate and interest rates used in the forecast; and,
- (iii) The security of monies invested with counterparties

14. CONCLUSIONS - TREASURY

14.1 Investment rates available in the market have continued at historically low levels and are expected to remain low for some time. Also there remains uncertainty in economic forecasts and financial markets. The Council will continue to aim to achieve the optimum return on investments commensurate with proper levels of security and liquidity that have been approved by Members.

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

15.1 The Government have made it clear that it continues to be committed to a deficit reduction programme with the aim of significantly accelerating the reduction in the structural budget deficit of the Country. In July 2015 the Government published the document 'A country that lives within its means - Spending Review 2015'. The outcome of the review is due to be announced in November 2015 and is expected to set out the means by which the deficit reduction will be achieved. Included in the spending review announcement is expected to be a revision to the funding arrangements for Local Government, largely relating to Revenue Support Grant and the retained element of Business Rates income.

15.2 The assumptions set out in this forecast are the latest best estimates and will be updated as and when further information, including the outcome of the Spending Review, is available. External pressures outside the Council's control are being experienced by all local authorities, and instructions remain in place that Officers should not commit to any unnecessary expenditure and this may result in an under spend this year.

15.3 Much work has been done over the last 6 years to ensure that the Council's finances remain robust. This current version of the MTFS shows an in-year contribution to reserves for 2015/16 and 2016/17, followed by a deteriorating picture during the remainder of the forecast period with an increasing reliance upon drawings from the General Fund Reserve to achieve a balanced budget position. This arises largely as a result of external factors which adversely impact upon the Council's financial position, in particular the ceasing of the Lancashire Waste Cost Sharing Agreement after 2017/18. The implementation of Public Sector Deficit Reduction measures promoted by central Government includes both immediate and medium term spending reductions on public services. Like all councils Fylde is also dealing with ongoing cost pressures.

15.4 The Council has delivered a significant savings programme since 2007 and has continued to significantly 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. The Council continues to examine the balance between charges and tax levels looking closely at new opportunities for income generation.

- 15.5 The Council began a budget right-sizing programme during the summer of 2012 in preparation for the ongoing Government funding reductions anticipated in future years. Following presentation of the 2012/13 outturn report to both Cabinet and Scrutiny Committee, Management Team again committed to carrying out a budget rightsizing exercise to analyse underspends which have occurred over the last 3 financial years. As a result a number of budget adjustments are included within Appendix C of this report under the heading 'Budget Rightsizing'. This programme will continue year-on-year in order to contribute to addressing the ongoing financial challenges faced by the Council, but it should be noted that there is a limit to the efficiencies and savings that can be achieved through this approach. Members and Management Team have carried out further work to address the broader challenges posed by the reduction in Government grant funding and work continues to investigate shared service options and the implementation of modernisation and business process improvement that will make Council services more cost-effective. This programme will yield efficiency improvements to help improve the Council's overall financial position.
- 15.6 The Council's priorities for improvement remain and the Council needs to continue with the overall strategy making any changes it feels are relevant whilst recognising the future uncertainties that exist.
- 15.7 Given the significant uncertainty around potential Government spending cuts in future years further revisions to the figures and assumptions in this update will be necessary over the coming months.
- 15.8 **At this point the finances of the Council remain robust. Members must, however, remain cognisant of the risks that are detailed within this report and note that the gap between in-year income and expenditure in later years of the forecast will need to be addressed.**

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

REPORT AUTHOR	TEL	DATE	DOC ID
Paul O'Donoghue Chief Financial Officer	(01253) 658566	December 2015	

LIST OF 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 2014/15 – 2018/19	Budget Council meeting 3 rd March 2015	www.fylde.gov.uk
MTFS – Outturn Position For 2014/15 (Including General Fund, Capital Programme & Treasury Management)	Cabinet meeting 22 nd June 2015	www.fylde.gov.uk
Revenue Budget Monitoring Report 2015/16 – to 31 st July 2015	Finance and Democracy Committee meeting 28 th September 2015	www.fylde.gov.uk
Capital Programme Monitoring Report 2015/16 – to 31 st July 2015	Finance and Democracy Committee meeting 28 th September 2015	www.fylde.gov.uk

Attached documents

1. Appendix A – Forecast approved at Council on 3rd March 2015
2. Appendix B – Schedule of general assumptions underpinning the forecast
3. Appendix C – Schedule of unavoidable changes to the forecast
4. Appendix D – Narrative on unavoidable changes to the forecast and specific assumptions to support Appendix C
5. Appendix E – Updated latest forecast position

Appendix A

General Fund Budget Forecast 2014/15 to 2018/19 - Approved at Budget Council March 2015

	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	Adverse / Favourable
Forecast approved at Budget Council on 3rd March 2014	9,869	9,936	9,993	10,243	10,243	
Forecast changes - per Appendix C of March 2015 report	- 939	57	34	- 183	839	Favourable
Cabinet Budget Proposals - per Appendix F of March 2015 report		- 2	- 48	- 53	- 53	Favourable
Forecast Budget Requirement	8,930	9,991	9,979	10,007	11,029	
Financed by:						
Revenue Support Grant	1,991	1,443	1,039	748	538	
Business Rates Funding - Safety Net Level	1,594	1,625	1,657	1,690	1,724	
Council Tax Freeze Grant relating to 2014/15 freeze	57					
Council Tax Freeze Grant relating to 2015/16 freeze		59				
Less - Parish Element of Council Tax Support Funding	- 72	- 69	- 69	- 69	- 69	
Sub Total	3,570	3,058	2,627	2,369	2,193	
Council Tax (including Collection Fund Surplus/Deficit)	5,257	5,248	5,396	5,543	5,693	
Other grants						
New Homes Bonus	1,269	1,654	1,954	1,975	1,969	
Forecast Financing	10,096	9,960	9,977	9,887	9,855	
Forecast surplus(-)/deficit for year	- 1,166	31	2	120	1,174	
Reserves						
Forecast surplus/deficit(-) for year from above:	1,166	- 31	- 2	- 120	- 1,174	
Less: Contribution to Capital Investment Reserve (CIR)	- 850					
Less: Contribution to CIR from addnl sandwinning income	- 20					
Less: Contribution to CIR from addnl crem income	- 41					
Balance remaining:	255	- 31	- 2	- 120	- 1,174	
Balance of General Fund Reserves b/f	5,089	5,344	5,313	5,311	5,191	
Less transfer to/from(-) General Fund Reserves in year	255	- 31	- 2	- 120	- 1,174	
Forecast Reserves at Year End	5,344	5,313	5,311	5,191	4,017	
Band D Council Tax (Excl Parish Precepts)	£185.90	£185.79	£189.51	£193.30	£197.17	
Council Tax Increase	0.0%	0.0%	2.0%	2.0%	2.0%	

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 2014/15 agreed by Cabinet in June 2015 have been slipped into 2015/16;
- Pay award - assumed to be 1% per annum from 2016/17 onwards throughout the forecast;
- Employers Pension Contributions – the Council's contribution to the Lancashire pension fund scheme is set in accordance with the outcome of the recent Triennial Pension Review at 12.5% plus 9% deficit recovery lump sum payment for the period to 2016/17; any amendments resulting from the next 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. This reduced rate will increase due to the introduction of a Single Tier Flat Rate State Pension from April 2016, and the impact of this has been reflected in the forecast;
- Council tax increases – 2% increase per annum from 2016/17 onwards in line with latest government announcement on the threshold for referendums;
- Government Grant Support – the forecast assumes a 28 % annual grant reduction from 2016/17 onwards in line with the trajectory of the last few years;
- New Homes Bonus – the forecast assumes the receipt of grant in line with current legislation, with future year's forecast based upon historical tax base increase data;
- Fees and Charges – 0% increase in all years, budget holders to review in line with policy and any changes to fees & charges to be agreed at Budget Council in March 2016;
- Vacancy Savings – the forecast assumes £200k savings target for 2015/16, and £100k per annum from 2016/17 onwards;
- Localisation of Council Tax Benefit Scheme – the forecast assumes a fully funded scheme with no cost to the Council from 2015/16 onwards pending a Council decision on the 2016/17 scheme to be agreed in December 2015 following the completion of consultation.

Appendix C

Forecast changes since Budget Council March 2015:

	15/16 £000	16/17 £000	17/18 £000	18/19 £000	19/20 £000	ADVERSE / FAVOURABLE / NEUTRAL
1 CHANGES AS A RESULT OF MEMBER APPROVALS:						
Shared Fraud Service - approved by Cabinet 25th March 2015	-72	-24	-24	-24	-24	FAVOURABLE
Slippage of items from 2014/15 approved at Finance & Democracy Cttee 22nd June 2015	99					ADVERSE
Members Allowances - Council 6th July 2015	8	8	8	8	8	ADVERSE
2 BUDGET RIGHTSIZING EXERCISE:						
Revenue impact of budget right-sizing exercise across all budget areas of the Council	-132	-56	-41	-41	-3	FAVOURABLE
3 UPDATED ESTIMATES OF INCOME BUDGETS:						
Increase in Crematorium Income forecasts	-157	-93	-93	-93	-93	FAVOURABLE
Reduction in income from CAMEO scheme	41	20	20	20	20	ADVERSE
Increase in Planning Application Fee Income forecasts	-275	-125	-50	-50	-50	FAVOURABLE
Reduction in trade waste income forecasts	24	44	44	44	44	ADVERSE
Increase in sandwinning income forecasts	-25	-50	-25			FAVOURABLE
Reduction in Fairhaven Lake boat income	19					ADVERSE
4 STAFFING COSTS:						
Updated estimate for future years pay award and on-costs					124	ADVERSE
Updated estimate for employee/agency labour costs - increases to the Living Wage hourly rates		13	31	50	72	ADVERSE
Additional in-year vacancy savings target	-125	-25	-25	-25	-25	FAVOURABLE
5 OTHER FORECAST CHANGES						
Reinstatement of budgets for public offices running costs		46				ADVERSE
Borough Elections					80	ADVERSE
Neighbourhood plan referendum - St Annes and Warton		36				ADVERSE
Net savings from revised borrowing assumptions and interest rate forecasts	-207	-20	-33	-132	122	FAVOURABLE
Estimated reduction in housing benefit admin grant					10	ADVERSE
TOTAL	-802	-226	-188	-243	285	FAVOURABLE

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

(1) Changes as a Result of Member Approvals

The forecast that was approved by Budget Council in March 2015 has been updated to reflect the financial impact of Member decisions made since then.

(2) Recurring savings from right-sizing exercise across all budget areas of the Council

Officers gave a commitment to Members following the 2011/12 outturn position to review underspends across the Council. This exercise was first carried out in autumn 2012 and has been repeated each year since, resulting in a significant level of favourable adjustments which have been reflected in the revised forecast.

(3) Revised Crematorium Income forecasts

The forecast has been updated to reflect additional income generated in-year at the Crematorium and for the impact of the introduction of the 'Cameo' scheme. Income from cremations for the year to date has been significantly higher than the budgeted level. However this is offset by a reduction in the level of income received as a result of the introduction of the 'CAMEO' scheme from January 2013. The CAMEO scheme results in a payment through a central pool to those authorities (including Fylde) who have undertaken modernisation works at their facilities to reduce emissions in line with government directives. This is funded by payments into the central pool from those authorities which have not carried out the modernisation works. However receipts into the pool to date have been less than was forecast resulting in a reduction in the expected level of payments to those eligible authorities (including Fylde). As the scheme becomes embedded the collection of payments into the pool may improve and appropriate enforcement action may be introduced, but that is not certain at this stage and income expectations have been amended accordingly.

(4) Increase in Planning Application Fee Income

Planning application fee income is dependent on the number and nature of applications received. A number of significant applications have been received towards the end of the last financial year and during the early part of this year. The income estimate has been reviewed and adjustments to have been made for both the current year and for future years of the forecast.

(5) Trade Waste – Reduction in income Assumptions

The loss of a number of bulk bin customers of Lytham has resulted in a reduction in income for the current year. The budget has been reviewed as part of the right-sizing exercise and adjustments to income estimates have been made for both the current year and for future years of the forecast to reflect a continuation of this trend.

(6) Increase in Sand-winning Income forecasts

Income from the sale of sand in the year to date has been higher than the forecast amount and consequently this income budget has been reviewed as part of the budget right-sizing exercise, resulting in increases to the income budgets. The increase may be a consequence of greater levels of activity in the construction industry, and the consequential demand for sand as a building material, possibly reflecting an upturn in the house-building market.

(7) Fairhaven Lake – Reduction in Boat Hire Income

The forecast has been updated to reflect the impact of reduced boat hire income at Fairhaven Lake during 2015/16 which is due to a combination of the relatively poor weather during the main summer period and difficulties in acquiring replacement boats as scheduled.

(8) Staffing Costs

The forecast assumes an estimated 1% pay award per annum from 2016/17. Salary estimates are based upon a revised assessment of the base level of salary costs to reflect any staffing changes that have occurred since the last point of calculation.

The adoption of the Living Wage Foundation hourly rate and the announcement of a National Living Wage from April 2016 will have implications for some grades of Council employees and for agency labour costs in future years. The forecast has been updated to reflect those estimated additional costs.

The forecast that was approved by Council in March 2015 has an assumed level of 'turnover savings' (delays in the recruitment to vacant posts) of £75,000 per annum from 2015/16 onwards. Actual savings to date are already in excess of this target. Accordingly, the turnover savings targets for the current year and for the remainder of the forecast period have been updated to reflect a revised estimate of the level of savings.

(9) Reinstatement of budgets for Public Offices

The forecast has been updated to reinstate the budgets for the running costs of the Public Offices building in 2016/17 to reflect the Council's anticipated continued ownership of the building into 2016/17.

(10) Borough Election Costs

Fylde Borough is next due to hold a Council election in 2019/20. The estimated costs of this have been added to the Financial Forecast.

(11) Neighbourhood Plan Referenda

The estimated cost of holding a referendum on the proposed Neighbourhood Plans in St Annes and in Warton in 2016/17 have been added to the Financial Forecast.

(12) Net savings from revised borrowing assumptions and interest rate forecasts

The forecast has been updated to reflect both:

- the latest estimated cost of borrowing required in order to fund expenditure approved within the capital programme. The one-off saving in 2015/16 is as a result of the decision to delay borrowing in the short term and to use internal cash balances to fund capital expenditure; and
- the latest estimate of investment interest estimated to be received on cash balances and reserves which the Council invests as part of daily treasury management activities.

(13) Reduction in Housing Benefit Admin Subsidy Grant receivable from Central Government

The forecast has been updated to reflect the expectation that housing benefit admin subsidy grant will continue to reduce further in the future as the wider Welfare Reform Agenda changes take effect and workloads change accordingly. A degree of grant reduction is reflected in the latest financial forecast but the actual level of reduction may be greater. As grant notifications are received in respect of future years it may be necessary to update the forecast accordingly.

Appendix E

Latest General Fund Budget Forecast 2015/16 to 2019/20

	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	Adverse / Favourable
Forecast approved at Budget Council on 3rd March 2015	9,991	9,979	10,007	11,029	11,029	Favourable
Forecast changes - per Appendix C	- 802	- 226	- 188	- 243	285	
Forecast Budget Requirement	9,189	9,753	9,819	10,786	11,314	
Financed by:						
Revenue Support Grant	1,443	1,039	748	538	388	
Business Rates Funding - Safety Net Level	1,625	1,657	1,690	1,724	1,759	
Council Tax Freeze Grant relating to 2015/16 freeze	59					
Estimated Council Tax Freeze Grants						
Less - Parish Element of Council Tax Support Funding	- 69	- 69	- 69	- 69	- 69	
Sub Total	3,058	2,627	2,369	2,193	2,078	
Council Tax (including Collection Fund Surplus/Deficit)	5,248	5,396	5,543	5,693	5,847	Favourable
Other grants						
New Homes Bonus	1,660	1,854	1,875	1,869	1,861	
Forecast Financing	9,966	9,877	9,787	9,755	9,786	
Forecast surplus(-)/deficit for year	- 777	- 124	32	1,031	1,528	
Reserves						
Forecast surplus/deficit(-) for year from above:	777	124	- 32	- 1,031	- 1,528	
Less: Contribution to Accommodation Project Reserve	- 504					
Balance of surplus/deficit(-) remaining:	273	124	- 32	- 1,031	- 1,528	
Balance of General Fund Reserves b/f	5,443	5,716	5,840	5,808	4,777	Favourable
Less transfer to/from(-) General Fund Reserves in year	273	124	- 32	- 1,031	- 1,528	
Forecast Reserves at Year End	5,716	5,840	5,808	4,777	3,249	
Band D Council Tax (Excl Parish Precepts)	£185.79	£189.51	£193.30	£197.17	£201.11	
Council Tax Increase	0.0%	2.0%	2.0%	2.0%	2.0%	

DECISION ITEM

REPORT OF	MEETING	DATE	ITEM NO
FINANCE	COUNCIL	14 DECEMBER 2015	11

MID YEAR PRUDENTIAL INDICATORS AND TREASURY MANAGEMENT MONITORING REPORT 2015/16

PUBLIC ITEM

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

SUMMARY

This report is a mid-year Prudential Indicators and Treasury Management monitoring report which has been prepared in line with the recommendations of CIPFA's (Chartered Institute of Public Finance Accountants) Code of Practice on Treasury Management 2011, and has been scrutinised by the Audit and Standards Committee.

RECOMMENDATIONS

The Audit and Standards Committee has considered the Mid-Year Prudential Indicators and Treasury Management monitoring report at its meeting of 26th November 2015 and recommends to Council:

1. That the revised Investment Strategy be approved; and
2. That the Prudential Indicators and the Limits in Appendix B of this report be approved.

CORPORATE PRIORITIES

To Promote the Enhancement of The Natural & Built Environment (Place)		To Encourage Cohesive Communities (People)	
To Promote a Thriving Economy (Prosperity)	√	To Meet Expectations of our Customers (Performance)	√

SUMMARY OF PREVIOUS DECISIONS

1. Council approved the 2015/16 to 2017/18 Treasury Management Strategy & Prudential Indicators at its meeting on 3rd March 2015.

MID YEAR PRUDENTIAL INDICATORS AND TREASURY MANAGEMENT MONITORING REPORT 2015/16 – POSITION AS AT 30th SEPTEMBER 2015

Report

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

Background

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

1. Economic Update

1.1 Economic Background

As the year began, the economic outlook was largely overshadowed by events in Greece with the country at serious risk of an exit from the Euro. In July it was announced that the terms for a third bailout of Greece had been reached.

The summer saw attention shift towards China when its main stock market dropped in value by 43% in less than three months with a reported \$3.2 trillion loss to investors. The Chinese authorities intervened by halting trading in many stocks and changing the way the yuan (Chinese currency) is valued. This sent jitters through Asian, European and US markets impacting currencies, equities, commodities, oil and metals. Chinese stocks have recovered marginally and concern remains about slowing growth and deflationary effects.

These international concerns have dominated the economic sentiment during the first half of 2015/16.

The UK economy has remained resilient over the last six months. Economic growth (GDP) for the year to June 2015 was 2.6%.

The annual rate for consumer price inflation (CPI) turned negative to -0.1% for the year to September 2015. The main factors contributing to the decrease in CPI are falling prices in clothing and footwear, fuel and gas. Inflation is expected to gradually increase to around 2% over the next 18 months.

1.2 Economic Outlook for 2015/16

The expectation for the first rise in the Bank Rate remains the second half of 2016. The pace of interest rate rises will be gradual and the extent of rises limited. The weak global environment and low inflation expectations are likely to dampen long term interest rates.

1.3 Interest Rate Forecast

The latest forecast for interest rates from the Council's Treasury Advisors, Arlingclose, is shown in table 1 below.

Table 1: Interest Rate Forecast from Arlingclose

Quarter Ending	Bank Rate %	Investment Rates		Borrowing Rates		
		3 month %	1 year	5 year	20 year	50 year
Dec 2015	0.50	0.55	1.10	2.30	3.25	3.25
Mar 2016	0.50	0.60	1.20	2.35	3.30	3.30
Jun 2016	0.50	0.70	1.35	2.40	3.35	3.35
Sep 2016	0.75	0.80	1.45	2.50	3.40	3.40
Dec 2016	0.75	0.95	1.55	2.60	3.45	3.45
Mar 2017	1.00	1.05	1.70	2.70	3.50	3.50
Jun 2017	1.00	1.15	1.80	2.80	3.55	3.55
Sep 2017	1.25	1.30	1.95	2.90	3.60	3.60
Dec 2017	1.25	1.40	2.00	3.00	3.65	3.65
Mar 2018	1.50	1.55	2.10	3.05	3.70	3.70
Jun 2018	1.50	1.65	2.15	3.10	3.75	3.75
Sep 2018	1.75	1.80	2.15	3.15	3.80	3.80
Dec 2018	1.75	1.85	2.15	3.15	3.80	3.80

2. Debt Management

The Council currently has long-term debt of £2.3M at an average rate of 2.93%. No additional external borrowing has taken place during the current financial year.

The Council has a requirement to fund a further £4.0M in 2015/16 (the £6.3M Capital Financing Requirement, or CFR, less £2.3M already borrowed) based on Prudential Borrowing that has been approved as part of the Capital Programme. The CFR of £6.3M (See Appendix B Table 2) includes this Prudential Borrowing. Currently this is being funded by the Council's cash flow, i.e. internal borrowing, and it is expected that internal borrowing will continue to be used for the rest of the financial year in line with advice from the Council's Treasury Advisors.

The use of internal resources in lieu of borrowing, i.e. internal borrowing, has continued to be the most cost effective means of funding capital expenditure. Internal borrowing of £4.0M is being used to fund the Capital Programme in 2015/16. The budget forecast for interest payable is £220K and was based on the assumption that the Council would borrow externally. As internal borrowing is being used instead this will generate a saving and the interest payable budget will be revised down from £220K to £70K. Using internal borrowing lowers the overall treasury risk by reducing both external debt and temporary investments. However, this position will not be sustainable over the

medium term. Consequently, external borrowing options and the timing of such borrowing will continue to be assessed in conjunction with the Council's Treasury Advisors.

The Council has recently been advised that it has qualified for borrowing at the 'Certainty Rate' (0.20% below the PWLB standard rate) for a further 12 month period (from 1st November 2015) having earlier qualified for the period from November 2014 to October 2015.

3. Investments

3.1 Investment Activity

The guidance on Local Government Investments in England gives priority to security and liquidity and the Council's aim is to achieve a yield commensurate with these principles.

The security of capital has remained the Council's main investment objective. This has been maintained by following the Council's counterparty policy as set out in the Investment Strategy for 2015/16 approved by Council on 3rd March 2015.

The Council defines "high credit quality" organisations as:

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

These criteria are specified within table 3 (Approved Investment Counterparties) of the Treasury Management Strategy as approved by the Council on 3rd March 2015.

The Council held £18.2M of investments as at 30th September 2015. These investments represent the Council's reserves and balances plus surplus cash flow at the mid-year point. The balance of cash is likely to reduce during the remainder of the financial year.

The UK Bank Rate has been maintained at 0.5% since March 2009 and it is not expected to rise until September 2016. Short-term money market rates have remained at very low levels. Deposits have been made at an average rate of 0.36% in line with the benchmark return of 0.36%. The Council's original estimate for investment income for 2015/16 was £30K. Income from investments has been higher than the forecast amount due to higher than anticipated cash balances and consequently this income budget has been reviewed and will be increased to £50K to reflect the current level of income.

3.2 Bail-in Risk

In the past governments had only two options to resolve failing banks: insolvency; or a taxpayer funded bail-out. Recent banking reform legislation has introduced a third option which allows customers to retain access to their bank accounts, but passes the banks losses onto its investors instead of taxpayers. This is known as a "bail-in".

Local Authorities are not protected from bail in as it is expected that Public Authorities have better access to credit than citizens. Many depositors (such as corporate and retail customers) will rank above the Council in the event of a bail-in.

To respond to this risk the Council will continue to diversify the investment portfolio into more secure asset classes including Treasury Bills that are issued by the UK Central Government.

3.3 Treasury Bills

The Council may invest in Treasury Bills which are a marketable security issued by the UK Government and as such counterparty and liquidity risk is very low, although there is potential risk to value arising from an adverse movement in interest rates unless they are held to maturity. It is anticipated that the Council would normally hold to maturity to avoid any capital loss of selling early.

There are weekly tenders held for treasury bills so the Council can invest funds on a regular basis, based on projected cash flow information. There is a secondary market for treasury bills so it is possible to trade them in earlier than the maturity date if required.

The current approved Investment Strategy permits investments to the UK Government for an unlimited amount and for up to one year in duration.

4. Compliance with Prudential Indicators

The Council has complied with its Prudential Indicators for 2015/16, which were approved on 3rd March 2015 as part of the Council's Medium Term Financial Strategy Update, Including General Fund, Capital Programme and Treasury Management for 2014/15 to 2018/19.

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

5. Risk Assessment

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

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

6. Conclusion

In compliance with the requirements of the CIPFA Code of Practice this report provides members with a summary report of the treasury management activity during the first half of 2015/16. As indicated in this report, none of the Prudential Indicators have been breached and a prudent

approach has been taking in relation to investment activity with priority being given to security and liquidity over yield.

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

LEAD AUTHOR	TEL	DATE	DOC ID
Paul O'Donoghue Chief Financial Officer	01253 658586	December 2015	

LIST OF BACKGROUND PAPERS		
Name of document	Date	Where available for inspection
Medium Term Financial Strategy Update Including General Fund, Capital Programme & Treasury 2015/16 – 2019/20	Council meeting 3 rd March 2015	www.fylde.gov.uk

Attached documents

1. Appendix A – Glossary of Treasury Terms and Treasury Management and Prudential Indicators Frequently Asked Questions
2. Appendix B – Prudential Indicators

Glossary of Treasury Terms

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

Treasury Management and Prudential Indicators Frequently Asked Questions

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

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

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

2. What does the term ‘financing’ mean?

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

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

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

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

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

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

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

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

6. What does the Council invest in?

The Council is restricted in where it can invest its surplus funds. The restrictions are prescribed by statute (Local Government Act 2003 section 15(1) (a)). Councils are also required to have regard to supplementary investment guidance provided by the Communities and Local Government.

The Council's investments are typically short term, i.e. less than a year, and are made in sterling with institutions with high credit ratings. Which is in accordance with the Treasury Management Strategy approved on the 3rd March 2014.

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

The focus of external auditors work is a Council's annual accounts and the financial management systems and processes that underpin them. The external audit will enquire as to whether the Treasury Management Code has been adopted and whether its principles and recommendations have been implemented and adhered to. External auditors cannot comment or advise on Council's treasury management strategy or policies

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

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

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

Prudential Indicators

1.1 Capital Expenditure

Table 1 shows the revised forecast capital expenditure as reported in the latest Capital Programme Monitoring Report 2015/16 as compared to the capital expenditure originally approved by Council.

Table 1 Forecast Capital Expenditure

Forecast Capital Expenditure	2015/16 Original Indicator £M	2015/16 Latest Estimate £M
Total	3.9	4.2

The above table shows the forecast capital expenditure on new projects. The increase in the latest estimate is mainly a consequence of slippage from 2014/15 into 2015/16, re-phasing of the accommodation project and St.Annes regeneration scheme plus increased DFG grant allocation.

1.2 Capital Financing Requirement (CFR)

Table 2 shows the CFR which is the total of all of the Council's capital assets (existing and planned) less all of the Council's capital reserves. This is the amount of capital expenditure that the Council has still to finance. The CFR is normally funded by external borrowing. The Council has borrowed £2.3M and there is a requirement to finance £4.0M from internal cash resources.

Table 2 Capital Financing Requirement (CFR)

	2015/16 Original Indicator £M	2015/16 Latest Estimate £M
Total CFR	6.3	6.3

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

1.3 Gross Borrowing

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

There are no difficulties anticipated in keeping the long term capital borrowing below the CFR. Revenue borrowing may be incurred for short periods in line with cash flow requirements.

Table 3 Gross Borrowing

	2015/16 Original Indicator £M	2015/16 Revised Indicator £M
Gross Borrowing Indicator	6.3	2.3
Short Term Borrowing (Revenue)	0	0
Gross Borrowing (Capital)	6.3	2.3
CFR	6.3	6.3
Under Borrowing (Capital)	0	4.0

The Gross Borrowing Indicator has decreased as the Council is forecast to be able to fund the capital borrowing requirement with internal borrowing and does not expect to require new external borrowing during 2015/16, in line with advice from Treasury Advisors.

1.4 Operational Boundary and Authorised Limit for External Debt

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

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

There were no breaches to the Authorised Limit and the Operational Boundary to 30th September 2015.

Table 4 Operational Boundary and Authorised Limit for External Debt

	2015/16 Original Indicator £M	2015/16 Revised Indicator £M	Note
Existing Capital Borrowing	6.3	2.3	1
Gross Borrowing Indicator	6.3	2.3	
Operational Boundary	6.3	2.3	1
Contingency	6.0	6.0	2
Authorised Limit	12.3	8.3	

Note

1. The Gross Borrowing Indicator and Operational Boundary have decreased as the Council is able to fund the capital borrowing requirement with internal borrowing and does not expect to require new external borrowing during 2015/16.

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

1.5 Forecast Treasury Position

Table 5 shows the expected balances for investments and debt at 31st March 2016.

Table 5 Forecast Treasury Position

At 31 st March	2015/16 Estimate £M	2015/16 Revised £M
Debt (Long-Term External Borrowing)	6.3	2.3
Investments	8.4	5.9

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

The forecast investments position has been updated to reflect the latest changes to the movements in reserves, provisions and capital expenditure. The reduction in the level of investments at the 31st March from £8.4M to £5.9M is a consequence of the decision to fund capital expenditure from internal borrowing (see line 1 of Table 3).

1.6 Forecast Interest

Table 6 shows the impact on the revenue budget of interest payable and investment income.

Table 6 Forecast Interest

Revenue Budget	2015/16 Estimate £M	2015/16 Revised £M
Interest payable on Borrowing	0.22	0.07
Investment Income	0.03	0.05

The interest payable budget will be revised to incorporate the savings generated by using internal borrowing to fund capital expenditure. The interest receivable budget will be revised to incorporate a combination of higher cash balances and improved investment returns.

1.7 Adoption of the CIPFA Treasury Management Code

The Council approved the adoption of the CIPFA Treasury Management Code at its meeting on 1st December 2003, and adopted the revised Code on 1st March 2010.

1.8 Limits on Interest Rate Exposure

These indicators allow the Council to manage the extent to which it is exposed to changes in interest rates.

Table 7 Interest Rate Exposures

	2015/16 Original Indicator £M	2015/16 Revised Indicator £M
Limits on fixed rate debt	6.30	2.30
Limit on variable rate debt (50% of total debt)	3.15	1.15

The limits have decreased as the Council is able to fund the capital borrowing requirement with internal borrowing and does not expect to request new external borrowing during 2015/16.

1.9 Ratio of Financing Costs to Net Revenue Stream

This indicator identifies the trend in the financing cost (interest payable less interest receivable) as a percentage of the net revenue stream as shown in Table 8.

Table 8 Ratio of Financing Costs to Net Revenue Stream

	2015/16 Original Indicator	2015/16 Revised Indicator
Ratio	8.9%	7.1%

Financing costs are based on the amount of interest payable and receivable as a percentage of the total net revenue stream of the Council. The latest estimate is lower than the original estimate due to the current treasury strategy of internal borrowing rather than long-term external borrowing, which has reduced estimated debt interest charges and an improved return on investment income.

DECISION ITEM



REPORT OF	MEETING	DATE	ITEM NO
RESOURCES DIRECTORATE	COUNCIL	14 DECEMBER 2015	12

REVIEW OF COUNCIL TAX DISCOUNTS AND PREMIUM 2016/17

PUBLIC ITEM

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

SUMMARY

With effect from 1st April 2013, the Government introduced legislation allowing local authorities the discretion to determine discounts for both second homes and empty properties. One of the government's main intentions in localising these decisions was to enable authorities to encourage empty homes to be brought back into use. An additional premium can also be charged to the owners of properties left empty for over two years.

In January 2013 the Council considered the subject and introduced a regime of discounts to take effect from 1st April 2013. Subsequently at its meeting in January 2014 the Council considered the issue once again and agreed further changes to the regime of Council Tax discounts and introduced a long-term empty property premium charge, effective from 1st April 2014, for properties that had remained empty for more than two years.

For 2015/16 the arrangements were again reviewed but no further changes were introduced.

Council is requested to consider the suitability of the existing Council Tax discounts regime and the Council Tax Premium and to determine any changes to these arrangements in respect of 2016/17.

RECOMMENDATION

The Finance and Democracy Committee at its meeting of 30th November 2015 considered this matter and resolved 'to recommend to Council the continuation of the current Council Tax discounts and premiums regime for 2016/17.'

Council is recommended, with effect from 1st April 2016:

1. To continue the current Council Tax discounts and premiums regime for 2016/17.

CORPORATE PRIORITIES			
To Promote the Enhancement of The Natural & Built Environment (Place)		To Encourage Cohesive Communities (People)	
To Promote a Thriving Economy (Prosperity)	√	To Meet Expectations of our Customers (Performance)	√

SUMMARY OF PREVIOUS DECISIONS

Having previously been considered by Cabinet at its meeting of 16th January 2013, Council resolved at its meeting of 28th January 2013 that with effect from 1st April 2013:

1. In respect of unfurnished vacant dwellings where major repairs or structural alterations are required, underway, or recently completed (previously class A exemptions) to approve a new discount at 100% for a period of up to 12 months;
2. In respect of vacant dwellings which are empty and substantially unfurnished (previously class C exemptions) to approve a new discount at 100% for a period of six months;
3. In respect of long-term empty properties (class C exempt properties after the expiration of the current 6 month exemption period) to approve no discount; and
4. In respect of second homes to approve retention of the existing discount of 10%.

Subsequently, following consideration by Cabinet at its meeting of 15th January 2014, Council resolved at its meeting of 27th January 2014 that with effect from 1st April 2014:

1. In respect of unfurnished vacant dwellings where major repairs or structural alterations are required, underway, or recently completed (previously class A exemptions) to continue to apply the current 100% discount for up to 12 months;
2. In respect of vacant dwellings which are empty and substantially unfurnished (previously class C exemptions) to continue to apply the current discount at 100% for a period of six months;
3. In respect of properties that have remained empty for more than 2 years to introduce a premium and charge 150% of council tax;
4. In respect of Second Homes that the current 10% discount should no longer apply from April 2014; and
5. To approve that the Revenues Shared Service will contact those property-owners who will become liable for the Council Tax premium as a consequence of their property having been unoccupied for in excess of two years to advise them of this decision prior to the dispatch of Council Tax bills.

Having previously been considered by Cabinet at its meeting of 26th November 2014, Council resolved at its meeting of 1st December 2014 that with effect from 1st April 2015:

2. To continue the current Council Tax discounts and premiums regime for 2015/16.

REPORT

1 Background

- 1.1 Section 12 of the Local Government Finance Act (LGFA) 2012 (which amended s.11A of the LGFA 1992) allows billing authorities to have discretionary powers to amend the discounts to council tax applicable for both second homes and long term empty properties. The Act also

allows for a premium to be charged in cases where an owner has left a property unoccupied and unfurnished for over two years.

2 Current Position and Options from April 2016

2.1 Discount for dwellings undergoing major repairs

Current Position - 100% Discount for 12 Months

This is granted in respect of dwellings where the property is unoccupied and unfurnished, which needs or is undergoing major repairs or structural alterations. The maximum period for this discount is 12 months.

Options from April 2016

The Council can continue to allow a 100% discount for these properties or may set any lower percentage. The discount that is set will apply for a maximum of 12 months and the percentage discount cannot be varied during that time. Following the discount period the Council has previously decided that a full charge should apply.

The Government have suggested that a partial discount rather than a full 100% discount may encourage owners to bring these properties back into use more quickly than would otherwise be the case. However a degree of collection difficulty is inevitable if owners were to face an immediate charge instead of a 12 month 100% discount.

It is not anticipated that any change to the current position would have a material effect upon the number of long-term empty properties.

2.2 Discount for properties which are vacant

Current Position - 100% Discount for up to 6 months

Dwellings which become empty and unfurnished receive a 100% discount for up to 6 months. If the property remains empty beyond the 6 month period no further discount is given. (Where properties remain empty for a further 18 months a premium of 50% is applied – see below). Short periods of liability of under 6 weeks do not entitle the council tax payer to a further discount under this class if the property is subsequently vacated.

Options from April 2016

Billing authorities have been given discretion to set an appropriate level of discount of between 0% and 100% and the power to vary the period to which each percentage charge applies. It is commonly accepted that some period of full discount should be given.

It is not anticipated that any change to the current position would have a material effect upon the number of long-term empty properties.

2.3 Empty Homes Premium on Properties Remaining Empty for in Excess of 2 Years

Current Position – 50% premium is currently charged

Dwellings which have remained empty and unfurnished for over 2 years are charged 150% of the normal Council Tax charge.

Options from April 2016

This additional charge is discretionary and the Council could determine that the premium should no longer be applied. However the premium provides a strong incentive to owners to bring the property back into use. For the current year the number of long-term empty properties (empty for more than 6 months) has reduced from 710 in October 2013 to 612 at October 2015 – a reduction of 98 properties (13.8%)

There remains a number of national exemptions in respect of certain classes of empty properties such that the premium does not apply in these cases. Full details are set out in section 3.0 of this report.

A further consideration in support of continuing to apply the premium charge links to the Council's Empty Property Strategy, which aims at reducing the number of empty properties in the borough. After two years of remaining empty, properties may start to deteriorate and impact negatively on neighbourhoods. The return to use of long term empty properties contributes to the New Homes Bonus received by the Council and helps improve current stock and increase overall supply.

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

The current premium charge would appear to be having the intended effect and it could be reasonably implied that any reduction or removal of the charge would have the effect of increasing the number of long-term empty properties.

2.4 Second Home Discount

Current Position – No discount

For Fylde Borough Council there is no discount in respect of these properties.

Options from April 2016

A property is classed as a second home if it is furnished but no-one lives there as their sole or main residence. Council tax legislation allows the billing authority to award a discount on these properties of between 0% and 50%. Fylde Council could re-introduce a second homes discount within this range.

The removal of the Second Home discount has met with very little response amongst property owners who have been affected by this change. There would appear to be no compelling reason to suggest that a reversion to the previous discount position is required.

3.0 Continuing Exemptions

- 3.1 For certain types of properties there are exemptions under current legislation which apply nationally and which therefore exclude properties from the impact of locally determined

changes to discounts and premiums. Examples of such exemptions include properties in probate, unoccupied dwellings which were previously the sole or main residence of a person who has moved into a hospital or care home, and unoccupied dwellings where the owner or tenant has moved in order to provide personal care to another person. Appendix A sets out the exemptions for the various categories of properties which would exclude them from the changes to discounts and the premium charge that is currently under consideration. The exemption in respect of properties in probate runs for a 6 month period following probate, and all other exemptions listed in Appendix A run for an indefinite period whilst the exemption applies.

4.0 Conclusions

- 4.1 Members are requested to consider the regime of Council Tax discounts and the premium charge currently in operation. It is recommended that the current Council Tax discounts and premiums regime is continued for 2016/17.

IMPLICATIONS	
Finance	Detailed financial implications are set out in the body of the report and the Appendices.
Legal	Section 12 of the Local Government Finance Act 2012 (which amended s.11A of the LGFA 1992) allows a billing authority to make a determination that any discount under section 11(2)(a) shall not apply or shall be such percentage (which may be 100%) as it may specify. In practise, this allows billing authorities to set a discount on unoccupied and unfurnished dwellings. Section 12 of the Local Government Finance Act 2012 also inserted a new section 11B into the LGFA 1992 allowing billing authorities, in relation to a dwelling that has been unoccupied and substantially unfurnished for more than two years, to charge up to 150% of the council tax that would be payable if the dwelling were occupied by two adults and no discounts were applicable. A billing authority which makes such a determination is required to publish a notice of it in at least one newspaper circulating in its area and do so before the end of the period of 21 days beginning with the date of the determination. Although, failure to comply with this condition shall not affect the validity of the determination.
Community Safety	None
Human Rights and Equalities	Any changes to the level of discount will be subject to an Equality Analysis.
Sustainability and Environmental Impact	None
Health & Safety and Risk Management	None

LEAD AUTHOR	TEL	DATE	DOC ID
Paul O'Donoghue Chief Financial Officer	01253 658566	December 2015	

LIST OF BACKGROUND PAPERS		
Name of document	Date	Where available for inspection

Attached documents

Appendix A – Analysis of property classes which will remain exempt from Council Tax charges

Council Tax Exemption Categories - December 2015

Note: Locally determined discounts or premia do not apply for the following classes of properties where national exemptions take precedence

Exemption Class	Property Type
B	Unoccupied dwellings owned by a charity (up to six months).
D	A dwelling left unoccupied by people who are in prison.
E	An unoccupied dwelling which was previously the sole or main residence of a person who has moved into a hospital or care home.
F	Dwellings left empty by deceased persons (from notification of death up to six months following probate, after which full liability for council tax applies).
G	An unoccupied dwelling where the occupation is prohibited by law.
H	Unoccupied clergy dwellings.
I	An unoccupied dwelling which was previously the sole or main residence of a person who has moved into another residence to receive personal care (but which is not a hospital or care home).
J	An unoccupied dwelling which was previously the sole or main residence of a person who is the owner or tenant and who has moved in order to provide personal care to another person
K	An unoccupied dwelling where the owner is a student who last lived in the dwelling as their main home.
L	An unoccupied dwelling which has been taken into possession by a mortgage lender.
M	A hall of residence provided predominantly for the accommodation of students.
N	A dwelling which is occupied only by students, the foreign spouses of students, or school and college leavers.
O	Armed forces' accommodation.
P	A dwelling where at least one person who would otherwise be liable has a relevant association with a Visiting Force.
Q	An unoccupied dwelling where the person who would otherwise be liable is a trustee in bankruptcy.
R	Empty caravan pitches and boat moorings.

DECISION ITEM



REPORT OF	MEETING	DATE	ITEM NO
RESOURCES DIRECTORATE	COUNCIL	14 DECEMBER 2015	13

COUNCIL TAX REDUCTION SCHEME 2016/17 INCLUDING GRANTS TO TOWN AND PARISH COUNCILS

PUBLIC ITEM

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

SUMMARY

From April 2013 the local Council Tax Reduction Scheme (CTRS) replaced the previous national scheme of Council Tax Benefit. The purpose of the scheme is to define the entitlement to support that eligible households receive. That support, through the CTRS, reduces the level of Council Tax that is payable by low income households.

The scheme that operates within Fylde borough for 2015/16 was approved by this Council in December 2014 for 2015/16 only.

This report provides the background to the change from Council Tax Benefit to CTRS in 2013/14; the approval of the CTRS for 2015/16; describes the experience to date of the operation of the local CTRS; and sets out the proposals in respect of the scheme for 2016/17.

The Council's Revenue Budget and Financial forecast for 2016/17 onwards has been prepared on the assumption that the CTRS will be fully self-funding as it is for 2015/16. That is, that the net cost of the scheme to Fylde Borough Council (assuming that central government funding for the scheme is at a similar level as in previous years) will be met by applying reduced levels of support to claimants. The decision proposed within this report will be in respect of the scheme for 2016/17 only.

The report also addresses the question of the payment of grants to Town and Parish Councils to compensate them for reduced Council Tax income as a result of the introduction of a local CTRS and outlines a number of options available to the Council in this regard.

The Council's Revenue Budget and Financial forecast currently assumes that grants to Town and Parish Councils in relation to the introduction of CTRS will be made for 2016/17 onwards in the same sum as that which was paid in 2015/16, that being £68.8k.

RECOMMENDATION

The Finance and Democracy Committee at its meeting of 30th November 2015 considered this matter. In line with those deliberations, and having due regard to the Equality Analysis as detailed in section 3.7 of this report, and the consultation responses, it is recommended:

1. that the Council retains the currently implemented key features of the Council Tax Reduction Scheme for 2016/17 except for the removal of the family premium from the CTRS assessment as described in section 3.4, with a projected nil cost to the Council and the major preceptors and a 22.7% maximum reduction in the level of support to working age claimants;
2. that the Council adopts option 2 as set out in Section 5.4 of the report for payments of grants to Town and Parish Councils. That is, in 2016/17 for Fylde Borough Council to agree to fund Town and Parish Councils to compensate them for losses in income as a consequence of the Council Tax Reduction Scheme impact in a total sum which reflects the estimated funding reductions that will apply to Fylde Borough Council for 2016/17. This reduction equates to 3.8%, with £66,200 to be distributed as set out in Appendix E;
3. that the Council determine that the distribution methodology for payment of grants to Town and Parish Councils relating to the introduction of the Council Tax Reduction Scheme as described in section 5.10 of the report will be such that the grant allocation would be calculated by reference to the tax-base of each Town and Parish Council excluding the impact of Council Tax Reduction Scheme and the revised tax-base under the 2016/17 Council Tax Reduction Scheme regime, this being consistent with the methodology applied in respect of 2014/15 and 2015/16 grant allocations; and
4. that Council approves that the Council Tax Reduction Scheme continues to provide funding for Discretionary Hardship Relief in accordance with S13A (1) (a) or S13A (1) (c) of the Local Government Finance Act 2012 as detailed in section 4 of the report.

It is further recommended:

5. that the Council authorise the Section 151 Officer to make payments to Town and Parish Councils within Fylde borough in 2016/17 in relation to the Council Tax Reduction Scheme.

CORPORATE PRIORITIES

To Promote the Enhancement of The Natural & Built Environment (Place)		To Encourage Cohesive Communities (People)	
To Promote a Thriving Economy (Prosperity)	√	To Meet Expectations of our Customers (Performance)	√

SUMMARY OF PREVIOUS DECISIONS

The Council Tax Reduction Scheme in operation for 2015/16 was approved at the Council meeting of 1st December 2014. The full scheme is available on the Fylde Borough Council website at:

<http://www.fylde.gov.uk/council/finance/counciltaxfinance/localisationofcounciltax/>

REPORT

1. Background to the CTRS Introduction and the adopted schemes for 2013/14 to 2015/16

- 1.1 As part of the 2012 Welfare Reform Act the national Council Tax Benefit (CTB) scheme was abolished and individual local authorities were instead required to introduce a local Council Tax Reduction Scheme (CTRS) with effect from 1st April 2013.
- 1.2 Each local Council Tax Reduction Scheme must incorporate the national scheme for pension-age claimants. This ensures that pensioners' support will continue at the previous level (i.e. as they were under the Council Tax Benefit regime).
- 1.3 Previously the cost of Council Tax Benefit was met in full by the Department for Work and Pensions (DWP). Under the revised arrangements Councils receive funding for their CTRS as part of the total funding settlement. For 2013/14 this was a separate element within the funding settlement and was identifiable as an amount of 90% of the cost of the Council Tax Benefit regime. From 2014/15 onwards funding for the CTRS has not been a separate identifiable element of the overall funding settlement.
- 1.4 In December 2014 the Council approved a scheme for 2015/16 which aimed to have a neutral financial impact on this Council and the major preceptors, assuming that central government funding for the scheme is at a similar level as in previous years. For working-age claimants (i.e. those not protected by the national scheme for pension-age claimants) there would be a means tested assessment to establish entitlement and a maximum percentage reduction in the level of support at the end of that assessment of 22.7%. This is the same maximum percentage reduction in the level of support as operated for 2014/15.

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

- 2.1 There has been no evidence which has emerged since the inception of the scheme to suggest that it is fundamentally in need of revision. The scheme has embedded well with no formal legal challenge to the principle of the scheme.
- 2.2 Experience to date for 2014/15 and 2015/16 indicates that 22.7% maximum reduction in the level of support is the correct level at which the scheme becomes self-funding.
- 2.3 For 2015/16 in the period to 30th September 2015 a total of 2 hardship cases have been awarded additional support from the Discretionary Hardship Fund in the total sum of £157 (£1,705 for the full year 2014/15).

3. Proposed CTRS for 2016/17

- 3.1 The Council's Revenue Budget and Financial forecast for 2016/17 onwards currently assume that the CTRS will be fully self-funding, assuming a stable level of central government support for the scheme. That is, that the assumed net cost of the scheme to Fylde Borough Council will be met by applying reduced levels of support to claimants.
- 3.2 It is proposed that the 22.7% maximum reduction in the level of support is retained in the 2016/17 CTRS.
- 3.3 It is further proposed that the scheme for 2016/17 will continue to provide for an additional discretionary award which may also be granted in accordance with S13A (1) (a) or S13A (1) (c) of the Local Government Finance Act 2012.

- 3.4 Although the 2016/17 scheme will, as far as is possible, have the same design principles as that currently in operation a change to one element for 2016/17 is proposed. The Government has announced its intention to remove the family premium from housing benefit for children born after April 2016 or for new claims made after that date. The Council proposes to do the same for its CTRS for 2016/17 to keep this element of the scheme the same as housing benefit in order that eligibility criteria are consistent for both schemes. This change will only apply to working age claimants who are not in receipt of certain benefits such as Income Support, Income Based Job Seekers Allowance, Income-Related Employment & Support Allowance. The impact of this change will be that for all new claims and for existing claims including an element for children born after April 2016, the assessment would have a lower Applicable Amount and consequently the claimant could receive a reduced level of support than under the current scheme. As an example, if the family premium is removed from the CTRS assessment, the entitlement could be reduced by up to £3.49 per week (based on a 20% taper of £17.45 family premium).
- 3.5 A consultation paper was distributed to the Major Preceptors - Lancashire County Council, Lancashire Fire and Rescue Service and the Lancashire Police and Crime Commissioner in October 2015 seeking their views on the proposed scheme for 2016/17. The consultation and a summary of the responses of each are set out in the appendices to this report. In summary, all of the major preceptors are supportive of the proposals for the 2016/17 CTRS set out in this report.
- 3.6 Public consultation has also taken place and both the outcome of the consultation and the Council's response are shown at Appendices B and C to this report.
- 3.7 The Equality Analysis that has previously been carried out for the CTRS scheme has been revisited and updated. This aims to mitigate the impact on protected groups. As part of their consideration of the CTRS scheme for 2016/17 Members must read the updated Equality Analysis which is available on the Fylde Borough Council website at:

www.fylde.gov.uk/council/finance/counciltaxfinance/localisationofcounciltax

4 Hardship Relief

- 4.1 The provision of Discretionary Hardship Relief to provide support for claimants in exceptional circumstances, and who are unable to increase their income from other means, is a key element of the operation of the scheme. Section 76 of the Local Government Act 2003 in respect of Council Tax (as amended by section 13A of the Local Government Finance Act 2012) empowers a billing authority to reduce the amount of Council Tax as it thinks fit. Funding for such reductions must be provided by the Council and major preceptors as necessary.
- 4.2 In order to mitigate part of the impact of the CTRS on the most vulnerable households, the Council has adopted a Discretionary Discount Policy under the above powers. Strict criteria are used to determine if any additional relief is appropriate and the level of any such award. Awards are made only in exceptional circumstances to those unable to increase their income. The Council's Discretionary Discount Policy is available on the Fylde Borough Council website at:
- <http://www.fylde.gov.uk/resident/council-tax/>
- 4.3 It is proposed that for 2016/17 the Council Tax Reduction Scheme will continue to provide for additional discretionary awards which may also be granted in accordance with S13A (1) (a) or S13A (1) (c) of the Local Government Finance Act 2012.

- 4.4 The Major Preceptor consultation described at 3.5 above also provided the opportunity to comment on the proposals with regard to Hardship Relief. A summary of the responses on this matter is contained within Appendix A to this report.

5 Implications for Town and Parish Councils

- 5.1 The government's decision to move from a system whereby support for Council Tax was paid directly into a receiving person's Council Tax Account as a benefit, and instead to re-designate the support as a Council Tax discount, has had far-reaching implications. Notably, Town and Parish Councils were not immune from these changes.
- 5.2 This is because a discount reduces the amount of Council Tax payable and therefore impacts upon the Council tax-base calculation by reducing the tax-base to below the level that it would have been had the previous Council Tax Benefit system been retained. An element of the Council's overall funding settlement relates to the provision of support to Town and Parish Councils for the effects of the CTRS.
- 5.3 In December 2014 the Council agreed to fund Town and Parish Councils to compensate them for losses in income as a consequence of CTRS impact in 2015/16 in a total sum of £68.8k. This is a reduction on the funding in earlier years to reflect the overall central funding reductions that have been suffered by Fylde Borough Council.
- 5.4 There are a number of options in this regard which are summarised below:

Option 1: Fylde Borough Council could agree to fund Town and Parish Councils to compensate them for losses in income as a consequence of CTRS for 2016/17 at a level equivalent to that for 2015/16 i.e. in a total sum of £68.8k.

Option 2: Fylde Borough Council could agree to fund Town and Parish Councils to compensate them for losses in income as a consequence of CTRS impact in a total sum which reflects the overall central funding reductions that have been suffered by Fylde Borough Council. Based on the expected levels of central government funding for 2016/17 as contained within the latest Financial Forecast, the reduction would equate to 3.8%, leaving a sum of approximately £66.2k to be distributed.

Option 3: Fylde Borough Council could determine that due to the uncertainty surrounding central grant funding and the expectation that the current grant reduction trajectory will continue in the future (thus reducing the grant amount available for distribution to Town and Parish Councils still further) the option which provides greatest clarity for future years for Town and Parish Councils is that funding relating to CTRS impacts will be distributed for 2016/17 in the sum of either £68.8k or £66.2k, but that no such payments will be made at all in any future years. This would allow Parish Councils to determine their own financial environment without having to take regard of the actions of the Borough Council.

- 5.7 **The explicit intention of this grant was to encourage each Town and Parish Council to avoid the need for significant increases in the parish element of the total Council Tax charge. It may be relevant to note that not all Town and Parish Councils upon receipt of funding for the impact of CTRS introduction since 2013/14 have used this to avoid increases in the level of Council Tax at a Band D property level. Some have indeed used the funding in this way whilst others have not. Appendix D of this report provides an analysis of Town and Parish funding from 2012/13 to 2015/16 comprising Town and Parish Council Tax precepts and, since 2013/14, CTRS grants passed on by this Council.**

5.8 Additionally of note is the fact that, to date, Parish Councils are not covered by the restriction which limits Council Tax increases to 2% at Band D property level without the prior need for a local referendum to approve this increase. At the time of writing it is not known whether this exemption will also apply in respect of 2016/17. If this exemption continues for 2016/17 Parish Councils will be able to meet any funding shortfall arising from a reduction in CTRS grant from Fylde Borough Council by way of an increase in the precept level (both in total and at a per property level).

5.9 In the written ministerial statement by the then Local Government Minister Brandon Lewis on the provisional local government finance settlement 2014 to 2015 that was issued on 18th December 2013, the subject of Parish Councils and local Council Tax support was addressed in the following paragraph:

‘We have also set out previously that there is some £3.3 billion in the settlement this year for Council Tax support schemes. There is an element within this national pot that is there specifically to reflect reductions in the parish tax base. We have not separately identified the money because it is not ring-fenced and as caseloads change and schemes evolve, the amount that different parishes need will change. It would be wrong to try to manage that centrally. But we have been clear that we expect billing authorities to carry on passing on support to town councils and parishes to help mitigate any reduction in their tax base due to the local Council Tax support scheme.’

5.10 If Council determine that grants to compensate Parish Councils for the impact of CTRS will be made for 2016/17 it is proposed that the distribution methodology will be similar to that used in previous years i.e. the grant allocation will be in proportion to the changes in the tax-base of each Town and Parish for that year as a consequence of the introduction of the CTRS regime.

6. Review of the CTRS

6.1 A review of the Scheme must be carried out annually to ensure it remains fit for purpose taking account of ongoing changes in legislation, caseload and financial requirements. The Council will be required to approve the scheme each year.

7. Equality Analysis

7.1 The Government Equalities Analysis was published in January 2012. It considered equality impacts in relation to age and disability, concluding that protection for pensioners would be a positive impact and the effects on disabled people would depend on how each local authority responded to the reduction in council tax support. No impacts were identified in relation to gender or ethnicity and no other protected characteristics were considered and it was left to individual councils to identify full local impacts, based on local implementation.

7.2 The Council has carried out a much more detailed and robust Equality Analysis which is available on the Council’s website as described in paragraph 3.7, and which committee members must read. The impact of CTRS has been considered on people based on the following characteristics:

- Age
- Disability
- Sex and sexual orientation
- Gender reassignment

- Pregnancy and maternity
- Race
- Religion or belief
-

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

8. Linkages to Wider Welfare Reform

- 8.1 The Welfare Reform Act 2012 provides for a major overhaul of the current benefits system. The abolition of Council Tax Benefit was implemented ahead of the commencement of Universal Credit.
- 8.2 Since its introduction in April 2013 the Council Tax Reduction Scheme has run alongside Housing Benefit. Housing Benefit administration will gradually diminish over the coming years. Wider changes to existing benefits during the next few years will mean customers on benefits will have less money available to pay their Council Tax liability.

9. Conclusion

- 9.1 The Council is required to adopt a local Council Tax Reduction Scheme for 2016/17 which (as is the case for the scheme currently in operation) will incorporate a reduction in awards to working age claimants (currently at a maximum reduction level of 22.7%).
- 9.2 Schedule 6 of the Council Tax Reduction Scheme will detail the percentage reduction in support to working age claimants once the scheme design has been determined by Council and following any final minor adjustments to the calculation of costs for 2016/17. That Schedule forms part of the adopted scheme.
- 9.3 For 2016/17 it is proposed that the Council Tax Reduction Scheme shall be:
 - a scheme for which the percentage reduction made at the end of the assessment for working age claimants shall remain as for 2015/16 at 22.7%, the percentage reduction such that the full costs of the Council Tax Reduction Scheme are recovered from the working-age recipients of support.
- 9.4 A review of the Scheme (including the percentage reduction in support detailed within Schedule 6 of the Scheme) should be carried out annually to ensure it remains fit for purpose taking account of ongoing changes in legislation, caseload and financial requirements. Therefore any decision with regard to changes to the CTRS will be in respect of 2016/17 only.
- 9.5 The Council will also be requested to consider the issue of the distribution of grants to Town and Parish Councils in relation to changes arising from the introduction of a local scheme. For 2015/16 it is proposed:
 - that the Council adopts option 2 as set out in Section 5 of the report for payments of grants to Town and Parish Councils. That is, in 2016/17 for Fylde Borough Council to agree to fund Town and Parish Councils to compensate them for losses in income as a consequence of the Council Tax Reduction Scheme impact in a total sum which reflects the estimated funding reductions that will apply to Fylde Borough Council for 2016/17. This reduction equates to 3.8%, with £66,200 to be distributed as set out in Appendix E.

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

LEAD AUTHOR	TEL	DATE	DOC ID
Paul O'Donoghue Chief Financial Officer	01253 658566	December 2015	

LIST OF BACKGROUND PAPERS		
Council Tax reduction Scheme 2013/14	28 th January 2013	www.fylde.gov.uk
Council Tax reduction Scheme 2014/15	27 th January 2014	www.fylde.gov.uk
Council Tax reduction Scheme 2015/16	1 st December 2014	www.fylde.gov.uk

Attached documents

Appendix A - Consultation and responses from major preceptors

Appendix B - Public Consultation

Appendix C - Results of Public Consultation

Appendix D – Comparison of levels of Town and Parish Councils Funding between 2012/13 and 2015/16

Appendix E - Proposed allocations of CTRS grants to Town & Parish Councils 2016/17.

Preceptor Consultation Letter – sent to LCC, Police and Fire Authorities - 6th October 2015

Dear Sirs,

Fylde Borough Council - Council Tax Reduction Scheme 2015/16 – Consultation with major preceptors on the design of the local scheme.

Summary:

This paper sets out the proposed Council Tax Reduction Scheme (CTRS) that will operate in Fylde borough for the year 2016/17.

Introduction:

The scheme that currently operates within Fylde borough was approved by this Council in December 2014.

That Scheme, in summary, is one which:

- maintains most of the previous council tax benefit rules but reduces the award by a standard percentage at the end of the calculation for working age claimants such that the CTRS is self-funding ie. That the scheme does not result in the loss of Council Tax income to Fylde Council or the major preceptors. The claimant has to pay this amount to the Council as their contribution to Council Tax.
- in 2015/16 the maximum percentage reduction in support in respect of working-age claimants is 22.7%.
- includes the national scheme which protects claimants of pensionable age from any reductions.
- provides a Discretionary Hardship Fund to support claimants in exceptional circumstances who are unable to increase their income from other means.

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

www.fylde.gov.uk/council/finance/counciltaxfinance/localisationofcounciltax.

The proposed 2016/17 Scheme:

It is proposed that for 2016/17 the scheme be one which maintains most of the previous council tax benefit rules but reduces the level of the award by a standard percentage at the end of the calculation for working age claimants. Each of the adopted local schemes since 2013/14 have been in accordance with this principle. It is not intended to change this element of the design in respect of 2016/17.

Council Members will be asked to agree a scheme of Council Tax Support in December 2015.

The principles for the 2016/17 scheme will remain that it needs to:

- be affordable in terms of grant received, revenue loss and costs to operate
- be as fair as possible and a detailed ‘map’ of those affected is required; a detailed Equality Analysis is required

- be transparent, understandable to customers and practical to operate
- be feasible to implement within the constraints of the timescales and available software
- be simple in design avoiding unnecessary complexity
- avoid the costs and risks associated with collecting additional data

Changes to the Scheme for 2016/17

It is proposed that, as far as possible, the 2016/17 scheme will have the same design principles as that currently in operation. However, the Government has announced its intention to remove the family premium from housing benefit for children born after April 2016 or for new claims made after that date. The Council proposes to do the same for its CTRS for 2016/17 to keep this element of the scheme the same as housing benefit.

This change will only apply to working age claimants who are not in receipt of certain benefits such as Income Support, Income Based Job Seekers Allowance, Income-Related Employment & Support Allowance. The impact of this change will be that for all new claims and for existing claims including an element for children born after April 2016, the assessment would have a lower Applicable Amount and consequently the claimant could receive a lower award of Council Tax Reduction than under the current scheme. As an example, if the family premium is removed from the Council Tax Reduction assessment, the entitlement could be reduced by up to £3.49 per week (based on a 20% taper of £17.45 family premium).

It is proposed that the scheme for 2016/17 will:

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

Hardship Fund

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

It is proposed that for 2016/17 the Council Tax Reduction Scheme will provide for an additional discretionary award which may also be granted in accordance with S13A (1) (a) or S13A (1) (c) of the Local Government Finance Act 2012.

Consultation Questions

1. Do you agree or disagree that the 2016/17 Fylde Council Tax Reduction Scheme should be based on the existing rules with the final award made to a working age claimant being reduced so that the maximum reduction in the level of support is between 20% - 25% for 2016/17? (note: the maximum reduction in the level of support under the scheme for 2015/16 is 22.7%).
2. Do you agree or disagree that the 2016/17 Fylde Council Tax Reduction Scheme should be amended to remove the family premium (in line with the announcement made by Government in respect of housing benefit) for children born after April 2016 or for new claims made after that date?
3. Do you have any other suggested changes to the 2016/17 Fylde Council Tax Reduction Scheme instead of the proposed changes as described at point 2 above?
4. Hardship Fund – Please provide your views on the proposal to continued operation of a Hardship Fund alongside the CTRS scheme to provide support in exceptional circumstances to the most vulnerable claimants.
5. Hardship Fund – Please provide your views on the inclusion of a hardship fund as an additional discretionary award which may also be granted in accordance with S13A (1) (a) or S13A (1) (c) of the Local Government Finance Act 2012.
6. Do you have any other comments to make about the proposed 2016/17 Fylde Council Tax Reduction Scheme?

The Council appreciates the potential impact of the final scheme on its own finances and those of other preceptors. However, at the same time it needs to balance this against the impact it will have in respect of low income Council Tax payers of the Borough. The Council recognises that other preceptors may have strong opinions in respect of the final scheme that is adopted. It is important therefore that the opinion of all interested parties is reported and forms part of the consideration by the elected members in making a final decision.

Responses

Please provide your responses by e-mail / hard copy at the contact points shown above by **31st October 2015**.

Yours sincerely



Paul O'Donoghue

Chief Financial Officer

Summary of Responses from Major Preceptors

A. Neil Kissock, Acting Director of Financial Services, Lancashire County Council (3rd November 2015)

Thank you for your letter of 6th October, 2015, consulting Lancashire County Council on the approach that Fylde Borough Council intends to adopt in continuing its scheme for Council Tax Support. We very much welcome the opportunity to provide our views on the proposals.

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

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

Consultation questions

- **Do you agree or disagree that the 2016/17 Fylde Council Tax Reduction Scheme should be based on the existing rules with the final award made to a working age claimant being reduced so that the maximum reduction in the level of support is between 20%-25% for 2016/17?**

Lancashire County Council feels that a reduction in the level of support to working age claimants that meets the full cost of the Council Tax Support Scheme to authorities is the most appropriate approach. It offers protection to the most vulnerable individuals as identified within the existing Council Tax system and, at a time when resources are extremely limited and will be reduced significantly in 2016/17 and future years, it is vital that the operation of the scheme does not pass on additional costs to Billing and Precepting authorities.

- **Do you agree or disagree that the 2016/17 Fylde Council Tax Reduction Scheme should be amended to remove the family premium (in line with the announcement made by Government respect of housing benefit) for children born after April 2016 or for new claims made after that date?**

Lancashire County Council agrees with the proposed approach.

- **Do you have any other suggested changes to the 2016/17 Fylde Council Tax Reduction Scheme instead of the proposed changes as described at point 2 above?**

No — it is important to try and maintain as consistent a scheme as possible in order to provide stability to clients, minimising the potential changes in light of government announcements.

- **Hardship fund — Please provide your views on the proposal to continue operation of a Hardship Fund alongside the CTRS scheme to provide support in exceptional circumstances to the most vulnerable clients.**

Lancashire County Council is satisfied that the current approach of paying hardship payments to those claimants who are most vulnerable is appropriate.

• **Hardship Fund — Please provide your views on the inclusion of a hardship fund as an additional discretionary award which may also be granted in accordance with S1 3A (1) (a) or S1 3A (1) (c) of the Local Government Finance Act 2012.**

Lancashire County Council does not object to this in principle, however would ask that the scheme be monitored in order to remain affordable for all precept authorities in light of current financial conditions.

• **Do you have any other comments to make about the proposed 2016/17 Fylde Council Tax Reduction Scheme?**

No

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

B. Steve Freeman, Chief Finance Officer, Police and Crime Commissioner for Lancashire (26th October 2015)

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

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

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

Council Tax Support Scheme 2016/17

In respect of your scheme for 2016/17 the Commissioner feels that a reduction in the level of support to working age claimants of between 20-25% is the most appropriate approach as it offers protection to the most vulnerable individuals as identified within the existing Council Tax system and offers no additional costs to the Billing and Precepting authorities.

The Commissioner agrees with your proposed approach in respect of the removal of the family premium for children born after April 2016.

At a time when resources are extremely limited and will be reduced significantly in 2016/17 and future years it is vital that the operation of the scheme does not pass on additional costs to precepting authorities.

Hardship Fund

The Commissioner continues to support the provision of hardship payments to the most vulnerable claimants in exceptional circumstances and is content that the current process for the management of such cases is reasonable.

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

**C. Keith Mattinson, Director of Corporate Services, Lancashire Fire & Rescue Service
(by e-mail 7th October 2015)**

Responses to consultation questions:

1. We agree with this proposal
2. We agree with this proposal
3. No
4. Given the size an amount of any awards we continue to support the approach adopted
5. I am not clear on how this is different from the current scheme that you apply, and refer to above
6. No

Public Consultation

This consultation sets out options for the Council Tax Reduction Scheme (CTRS) that will operate in Fylde borough for the year 2016/17.

The scheme that currently operates within Fylde borough (for 2015/16) was approved by this Council in December 2014.

That Scheme, in summary, is one which:

- maintains most of the previous council tax benefit rules but reduces the award by a standard percentage at the end of the calculation for working age claimants. The claimant has to pay this amount to the Council as their contribution to Council Tax.
- in 2015/16 the maximum percentage reduction in respect of working-age claimants is 22.7%.
- includes the national scheme which protects claimants of pensionable age from any reductions
- provides a Discretionary Hardship Fund to support claimants in exceptional circumstances who are unable to increase their income from other means.

The proposed 2016/17 Scheme:

It is proposed that, as far as possible, the 2016/17 scheme will have the same design principles as that currently in operation. However, the Government has announced its intention to remove the family premium from housing benefit for children born after April 2016 or for new claims made after that date. The Council proposes to do the same for its CTRS for 2016/17 to keep this element of the scheme the same as housing benefit.

This change will only apply to working age claimants who are not in receipt of certain benefits such as Income Support, Income Based Job Seekers Allowance, Income-Related Employment & Support Allowance. The impact of this change will be that for all new claims and for existing claims including an element for children born after April 2016, the assessment would have a lower Applicable Amount and consequently the claimant could receive a lower award of Council Tax Reduction than under the current scheme. As an example, if the family premium is removed from the Council Tax Reduction assessment, the entitlement could be reduced by up to £3.49 per week (based on a 20% taper of £17.45 family premium).

Other than this proposed change the amounts that individuals will be required to pay may also change in the event of changes to a claimant's circumstances or if Fylde Council and/or other preceptors (eg. Lancashire County Council) amend their levels of Council Tax for 2016/17.

Following consultation with interested parties and the public in respect of previous years CTRS the clear preference was for the adopted scheme as described i.e. one which maintains most of the previous council tax benefit rules but reduces the level of the award by a standard percentage at the end of the calculation for working age claimants. It is not expected that this element of the design will change for 2016/17.

Council Members will be asked to agree a CTRS for 2016/17 in December 2015.

It is proposed that for 2016/17 a fully self-funding scheme is retained. It is estimated that for working-age recipients the maximum reduction in the level of support will be between 20% - 25%. The Scheme would include the national scheme for pension age claimants for whom there is no reduction in the level of support

Do you agree or disagree that the 2016/17 Fylde Council Tax Reduction Scheme should be based on the existing rules with the final award made to a working age claimant being reduced such that the maximum reduction in support is between 20% - 25%? (note: the maximum reduction in the level of support under the current scheme is 22.7%).

Do you agree or disagree that the 2016/17 Fylde Council Tax Reduction Scheme should be amended to remove the family premium (in line with the announcement made by Government in respect of housing benefit) for children born or new claims made after April 2016?

Do you have any other suggested changes to the 2016/17 Fylde Council Tax Reduction Scheme instead of the proposed changes as described above?

Do you have any other comments to make about this proposal?

Response – Council Tax Reduction Scheme consultation

Council Tax Reduction Scheme consultation

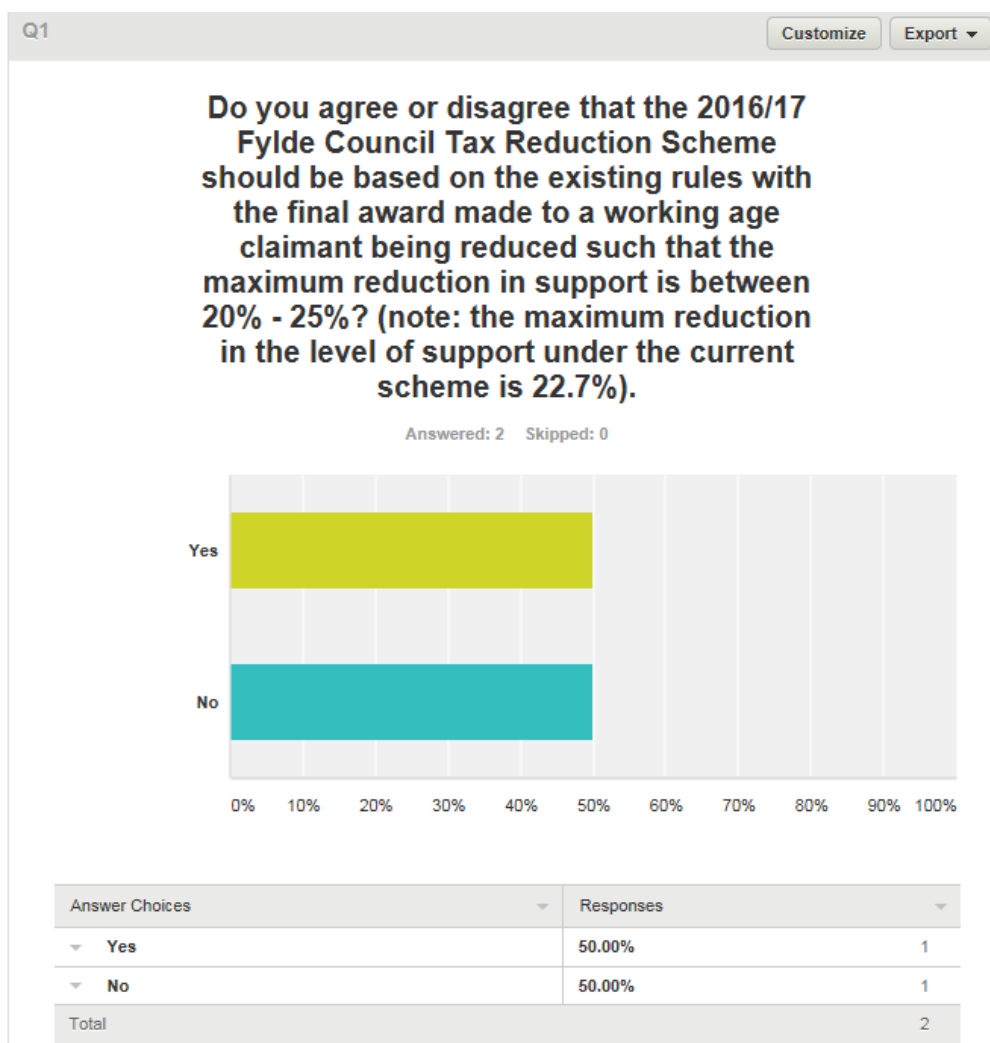
Fylde Council sought views on the proposed 2016/17 local Council Tax Reduction Scheme over a 3 week period between 2 October 2015 and 9 November 2015. Only two responses were received by the Council, one agreed with the proposed scheme and one disagreed.

The two comments that were submitted alongside the responses were:

1. "Seems reasonable to me."
2. "You should take off DLA and disability premium from income. People on these benefits do not have the spare income those benefits are there for a purpose because cost of living is already higher."

As part of our duties under Equalities legislation, the Council has considered the impact of Council Tax changes on a range of groups with "protected characteristics" and has produced an Equalities Analysis taking into account comments received.

The Council would like to thank the participants for their time and interests.



Appendix D

Comparison of levels of Town and Parish Councils Funding between 2012/13 and 2015/16

Town/Parish Council	Town & Parish Precepts £	Total Town & Parish Precepts & CTRS Grants £	Total Town & Parish Precepts & CTRS Grants £	Total Town & Parish Precepts & CTRS Grants £	Increase in Total Town and Parish Council Funding (precept and CTRS grant) 12/13 to 15/16 £	Increase in Total Town and Parish Council Funding (precept and CTRS grant) 12/13 to 15/16 %
	2012.13	2013.14	2014.15	2015.16		
Bryning-with-Warton	49,725	76,987	92,369	97,196	47,471	95.5%
Elswick	18,797	23,289	25,976	26,018	7,221	38.4%
Freckleton	96,797	110,149	108,794	107,793	10,996	11.4%
Greenhalgh-with-Thistleton	5,000	4,167	5,162	5,187	187	3.7%
Kirkham	165,581	175,873	181,980	183,758	18,177	11.0%
Little Eccleston-with-Larbreck	6,805	7,387	7,476	7,856	1,051	15.4%
Medlar-with-Wesham	49,998	55,780	58,013	60,068	10,070	20.1%
Newton-with-Clifton	49,969	53,473	52,650	52,281	2,312	4.6%
Ribby-with Wrea	48,200	48,200	48,200	48,200	0	0.0%
Singleton	16,621	17,879	18,669	18,844	2,223	13.4%
Staining	52,628	61,433	63,816	63,597	10,969	20.8%
St.Annes	150,000	166,205	175,467	174,806	24,806	16.5%
Treales, Roseacre & Wharles	6,636	6,749	6,668	10,235	3,599	54.2%
Weeton-with-Preese	13,800	15,407	15,116	15,050	1,250	9.1%
Westby-with-Plumpton	8,000	8,501	8,631	8,491	491	6.1%
Total	738,557	831,480	868,987	879,380	140,823	19.1%

Appendix E

Proposed allocations of CTRS Grants to Town and Parish Councils 2016/17

Town/Parish Council	CTRS Grant amounts 2016/17
	£
Bryning-with-Warton	9,681
Elswick	840
Freckleton	8,111
Greenhalgh-with-Thistleton	101
Kirkham	15,096
Little Eccleston-with-Larbreck	400
Medlar-with-Wesham	4,473
Newton-with-Clifton	2,260
Ribby-with Wrea	677
Singleton	1,045
Staining	4,425
St.Annes	17,896
Treales, Roseacre & Wharles	149
Weeton-with-Preese	593
Westby-with-Plumpton	455
Total	66,200

Notes:

1. Grant amounts are calculated by reference to the reduction in income as a consequence of the CTRS scheme and are based upon a provisional taxbase for each town and parish area as calculated at October 2015 and the precept Band D amounts for 2015/16.

DECISION ITEM



REPORT OF	MEETING	DATE	ITEM NO
RESOURCES DIRECTORATE	FULL COUNCIL	14 DECEMBER 2015	14

REVIEW OF STATEMENT OF LICENSING POLICY

PUBLIC ITEM

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

SUMMARY

S5 of the Licensing Act 2003 requires the Licensing Authority to determine and publish a statement of Licensing Policy for a 5 year period to enable the proper discharge of the Council's responsibilities for the regulation of alcohol sales, public entertainment and late night refreshment in the Borough.

The current Statement of Licensing Policy must be re-considered by the 7th January 2016 and as such, the purpose of this Report is to inform Members of the consultation process undertaken and the amendments to the current policy.

RECOMMENDATION

The revised Statement has been drafted taking into account changes in the legislation and has been widely consulted upon. It is therefore requested that the Full Council adopt the revised Policy.

CORPORATE PRIORITIES

To Promote the Enhancement of The Natural & Built Environment (Place)	√	To Encourage Cohesive Communities (People)	√
To Promote a Thriving Economy (Prosperity)	√	To Meet Expectations of our Customers (Performance)	√

SUMMARY OF PREVIOUS DECISIONS

The current Statement of Licensing Policy was adopted by Full Council on the 22nd November 2010.

REPORT

1. The Licensing Act 2003 requires the licensing authority (Fylde Borough Council) to prepare a statement of licensing policy every five years.
2. The Authority's current Statement of Licensing Policy was approved by Council on 22nd November 2010 and came into effect on the 7 January 2011.
3. A Statement of Licensing Policy provides a local framework for decision making when considering applications for a licence or variation to a licence. The Licensing Committee and its licensing panels are required to have due regard to this policy when making a decision upon an application.
4. As required by the legislation, and in accordance with the guidance issued by the Secretary of State, we are now required to prepare a Statement of Licensing Policy for a further five year period. This revised policy must be in force with effect from the 7 January 2016 until 6 January 2021.
5. A revised version of the statutory guidance, issued by the Secretary of State, following consultation with a wide range of stakeholders including local authorities, the police, and industry and interest groups was published in May 2015. The revised licensing policy therefore reflects the recent changes to guidance.
6. Before finalising and implementing its policy, the Council must consult with those who may be affected by it. Accordingly, the views on what should be included in the statement of licensing policy have been sought from a wide range of both statutory and non-statutory consultees including:-
 - Lancashire Constabulary
 - Lancashire County Fire and Rescue Service
 - Representatives of the licensed trade
 - Existing licence holders (including local late night take – away food premises)
 - Representatives of business and residents associations in the Borough
 - Representatives of local and national retail and catering chains
 - Fylde councillors and Member of Parliament
 - Local town & parish councils
 - Fylde Community Safety Partnership
 - Local and national licensing solicitors
 - The Area Child Protection Committee
 - Drug Action Team
 - Alcohol Concern
 - Public Health
 - Blackpool, Fylde and Wyre Hospitals NHS Trust
 - Equity
 - Other interested parties

7. In total well over 300 organisations and interested parties were consulted with a small number of responses received. Those responses and a summary of the comments and any suggested amendments are detailed at appendix 3.
8. This document recognises that the licensed leisure and entertainment industry is important to the social and economic life of the area, and seeks to establish sensible controls and appropriate guidance to help prevent and deal with anti-social problems which can arise from licensed activities. It takes account of the new and revised statutory guidance, together with the experiences of the Council, as Licensing Authority, over the last five years.
9. The Licensing Committee at its meeting of the 27th November 2015 recommended the Policy to Full Council and it is therefore requested that the Full Council consider and adopt the revised Statement of Licensing Policy from the 7th January 2016

IMPLICATIONS	
Finance	The adoption of the policy has no direct financial implications, although there are resource implications for enforcement of any licence conditions. Such implications will be delivered within existing revenue budget provision.
Legal	The Council continues to have the statutory responsibility to administer the alcohol and entertainment licensing system.
Community Safety	Views of community safety partners are incorporated into the policy.
Human Rights and Equalities	No direct implications arising from the report or policy
Sustainability and Environmental Impact	A balanced approach to regulating the licensed trade as part of a sustainable community is promoted through the policy.
Health & Safety and Risk Management	No direct implications arising from the report or policy. Those arising from enforcement activity will be managed operationally.

LEAD AUTHOR	TEL	DATE	DOC ID
Chris Hambly	01253 658422	1 st December 2015	

LIST OF BACKGROUND PAPERS		
Name of document	Date	Where available for inspection
Draft Statement of Licensing Policy 2016 - 2021	November 2015	http://www.fylde.gov.uk/business/licensing/consultation-council-39-s-proposed-revised-statement/

Attached documents

1. Statement of Licensing Policy
2. Key Messages
3. Summary of Responses as at 16/11/15



Draft Statement of Licensing Policy 2016 - 2021

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DRAFT LICENSING POLICY v01d

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Fylde's Vision Statement

We want Fylde to offer a wide choice of high quality and well managed entertainment and cultural venues within a safe, orderly and attractive environment.

By operating responsibly and safely, such venues will enhance the attractiveness of the area to visitors, while maintaining our residents' quality of life and the special and valued character of the area.

Definitions in the Licensing Policy

In this policy:

"the Act" means the Licensing Act 2003

"We", "our" and "us" means Fylde Council operating as the licensing authority under the Act

Any expression which is defined in the Act has the same meaning as in the Act

1

Purpose and Scope of the Licensing Policy

- 1.1** The Act requires licensing authorities to publish a 'statement of licensing policy' every five years, which sets out how they intend to exercise their functions. The policy sets out the general approach of the licensing authority to making licensing decisions. However, each application must be considered on its own individual merits. Further, the licensing authority can only decide on an application if relevant representations have been made about it.
- 1.2** The policy covers regulated licensable activities at licensed premises, by qualifying clubs and at temporary events. Nothing in this policy will prevent a person applying for a variety of permissions under the Act. The policy covers the following licensable activities:
 - retail sales of alcohol
 - supply of alcohol by or on behalf of a club
 - provision of regulated entertainment
 - provision of late night refreshment (hot food and drink at any time between 11.00 p.m. and 5.00 a.m. for consumption on or off the premises)
- 1.3** The policy has been prepared in accordance with the Act and statutory guidance issued by the Secretary of State.

- 1.4** Under the Act, we must carry out our licensing role with a view to promoting the four licensing objectives, which are:

- the prevention of crime and disorder
- public safety
- the prevention of public nuisance
- the protection of children from harm.

Whilst we must also have regard to this Statement of Licensing Policy and any statutory guidance issued by the Secretary of State, it does not mean that we have to always follow the policy and guidance. We can depart from it if proper consideration has been given, it is appropriate to do so and we can justify our reasons.

2 Development of this Policy

- 2.1** We consulted a wide range of bodies in developing this policy. They included the licensed trade, responsible authorities (including Police, Fire and Rescue, Trading Standards, Health Authority), organisations representing residents, current licence holders and organisations who work in the alcohol harm field. The draft policy has been publicised in the community via our website and XX members of the public commented on it. We carefully considered all representations.

- 2.2** This Policy takes effect on ***** and will remain in force for up to five years. During this time we may update the policy to reflect legislative changes or any local changes that materially affect it.

3 Authority Profile

Fylde Council is one of fourteen licensing authorities in the County of Lancashire. It comprises the coastal towns of Lytham and St. Annes together with an extensive rural area. The borough is seen as peaceful, pleasant place to live; a rich green plain, dotted with hamlets and farms, with larger townships at Kirkham, Wesham, Freckleton and Warton. Lytham and St Annes retain much of their Victorian and Edwardian character as popular seaside resorts. More restrained and refined than Blackpool, they are noted for their open sands, excellent parks and gardens and for the peace and quiet that attracts both young and old as visitors and as residents.

The borough has a population of approximately 77,000 with an estimated 25% of the population over 65¹. The attractive nature of the Borough has led to a

¹ 2014 Lancashire Overview and District Profile

substantial number of people retiring to the area and tourists visiting the seaside resorts of Lytham and St Annes. In addition to tourism and the employment this brings, there are a number of large employers located within the Borough such as BAE Systems and BNFL Westinghouse.

Approximately 311 different premises are licenced for regulated entertainment and/or the sale of alcohol. The main concentration of these can be found in the town centres of St Annes, Lytham and the market town of Kirkham and are broken down as follows:-

- 56 pubs & clubs (including 3 nightclubs)
- 29 certificated clubs (working mens', conservative, labour etc)
- 21 hotels
- 83 restaurants
- 62 shops & off-licences
- 19 village halls, schools & public spaces entertainment only)
- 24 other premises (sporting clubs, holiday complexes etc and one cinema.)
- 17 late night refreshment premises (food only)

There are many suburban and rural public houses in the district. These often serve estates or rural villages and provide a focal point for community life. Village halls, and licenced shops and stores also provide an important resource for many sectors of the community.

A number of public open spaces are licenced for public entertainment. A range of community and other events are organised at these spaces, attracting a wide range of age groups and sectors. Local businesses which provide catering, entertainment and event specialisms also benefit from such events.

However during the past few years there has also been a change to the drinking behavior of the nation, to which Fylde is no exception. There is more consumption of alcohol at home, bought at a lower cost from off-licences or supermarkets². This often takes the form of pre-loading (drinking alcohol at home before going out to pubs and clubs), especially by young people. This, together with the change to consumption habits can have a detrimental effect on the area.

Health problems caused by the over-consumption of alcohol not only financially impacts the NHS, but can have devastating effects on families and the general health of the population. The four licensing objectives do not include the promotion of a healthy lifestyle. However, we recognise the important role of licensing in relation to public health and will take it into account where it is

² <https://www.drinkaware.co.uk/about-us/research-and-impact/databank/data-and-facts-on-alcohol-consumption-and-the-consequences/consumption>

appropriate to do so.

This policy is part of an overall strategy which compliments other documents and policies, multi-agency practices and the alcohol strategy that Fylde Borough Council supports.

4 Fundamental Principles

4.1 Personal Licences

- 4.1.1** Every supply of alcohol under a Premises Licence must be made or authorised by a person who holds a Personal Licence. Applicants must produce a Basic Disclosure which is no older than a calendar month from submission of the application and attain the recognised training qualification, before applying to the Licensing Authority where they live. Licences have no end date, however if a personal licence holder changes their name or address they must inform the issuing Authority and request an updated licence, for which there is a charge set by the government.

4.2 Premises Licences

- 4.2.1** These are issued to premises who wish to provide one or more licensable activities. This can be for the sale of alcohol, regulated entertainment or late night refreshment (sale of hot food or drinks between 23.00 and 05.00). Premises include off-licences, shops, supermarkets, pubs, clubs, takeaways, village halls and community spaces.
- 4.2.2** If alcohol is sold from a premises it must have a Designated Premises Supervisor (DPS) in place who supervises the sale of alcohol. A DPS must also be the holder of a personal licence. There is no end date on Premises Licences, however an annual fee is required and failure to pay this will result in suspension of the licence and the premises will not be able to trade.
- 4.3** Club Premises Certificates (CPC) are granted to members clubs who are able to prove through the operation of the club that they are a 'qualifying club'. As a club must adhere to its rulebook, elect a committee and be run for the benefit of its members there is no requirement to appoint a DPS. Only members and guests that have been signed in by a member of the club are permitted to be supplied with alcohol, so therefore members of the public who are neither members nor guests are not permitted to enter a club and be served alcohol, or take part in licensable activities.

4.4 Temporary Event Notices

Under the Act a 'light touch' notification process permits events that are of a

short duration. A Temporary Event Notice (TEN) can be used to allow activities at a non-licensed premises or to extend hours or activities for those that already hold a permission.

A TEN can allow events such as school PTA events where organisers wish to sell alcohol, at functions where a pay bar is provided (weddings etc) or simply allow an existing licensed premises a temporary extension to their operating hours. There is a limit of 500 persons that can attend an event held under a TEN and a time limit of 168 continuous hours. Applications must be sent to the Police and the Council's Environmental Health Officer, either of which may object.

4.5 Applications

4.5.1 Under the terms of the Act any individual or body may apply for a variety of permissions and have each application considered on its individual merit. Equally, any responsible authority or other person has a right to make relevant representations on an application or to seek a review of a licence or certificate where provision has been made for them to do so in the Act.

4.5.2 Applicants and those making relevant representations in respect of applications to the Licensing Authority have a right of appeal to the Magistrates' Court against the decisions of the authority.

4.6 Key Messages

In this policy there are several key messages that set out the authority's expectations with regard to applications. These key messages do not add to or replace the four statutory licensing objectives. But the licensing authority considers that where applications are consistent with the messages:

- it is less likely that responsible authorities and other parties will make representations; and
- the Licensing Authority will be more likely to be satisfied that the applicant has sought to address any issues arising from the application in a responsible way.

Each application will nevertheless be judged on its own merits.

5 Links to Other Policies and Strategies

5.1 The Licensing Statement as set out in this document does not stand in isolation. By consulting widely prior to this policy statement being published, the Licensing Authority will take full account of local policies covering crime prevention, anti-social behaviour, culture, transport, race equality, planning and tourism as part of an integrated strategy for the Council, police and other

agencies. Many of these strategies may not be directly related to the promotion of the four licensing objectives, but could indirectly impact upon them.

5.2 Diversity

All licensing activities will be undertaken in the spirit of and in compliance with the authority's diversity policies and all related legislation.

5.3 Human Rights Act

The authority recognises that the Human Rights Act 1998 makes it unlawful for a public authority to act in a way that will be incompatible with a convention right. Consequently, an aim of this policy and in particular in relation to the decision-making processes of the Licensing Authority is to ensure that a licensing decision does not cause a breach of a convention right.

5.4 Crime and Disorder

Section 17 of the Crime and Disorder Act 1998 introduced a wide range of measures for preventing crime and disorder and imposed a duty on the District Council, Lancashire Constabulary, Lancashire County Council and others, to consider crime reduction in the exercise of all their duties. The Licensing Act 2003 complements this duty for licensing authorities.

6 Avoidance of Duplication

It is not the intention of this policy to duplicate other regulatory regimes by imposing conditions that require general compliance with them. If, therefore, other existing law (for example, health and safety at work or fire safety legislation) already places certain statutory responsibilities on an employer or operator of premises, licensing controls will not impose the same or similar duties. Nevertheless, licensees should comply with those other regulatory regimes and adopt best practice wherever possible. See Appendix 5 for a list of relevant legislation for operators.

6.1 Planning

The regular use of premises for licensable activities normally requires planning permission.

Conditions attached to planning permissions may set a terminal hour for the use of premises. Where these hours are different to the licensing hours, the premises must close at the earlier time. A licence issued under the Act does not override any restriction placed on the premises by the planning authority. Premises operating in breach of their planning permission may be subject to

enforcement under planning law.

The grant of a licence by the Licensing Authority does not relieve an applicant of the need to apply for building control authorisation.

Key Message

Licence applications should normally be from premises where

- *The activity to be authorised by the licence is a lawful planning use*
- *The hours sought do not exceed those authorised by any planning permission; and*
- *any existing hours are appropriate for the use of the premises.*

Note – Where the appropriate planning consent has not been obtained in advance and relevant representations are made, applicants will need to demonstrate that the operation of the premises would not be detrimental to the promotion of the licensing objectives.

6.2 Designated Public Places Orders /Public Space Protection Orders

The authority supports the use of Public Space Protection Orders (PSPO's) as a tool to prevent alcohol related crime and disorder in the streets. The Orders can give police and council officers powers to request someone who is drinking to stop or to hand over alcohol. If an individual refuses to follow an officer's instruction then an offence is committed.

Details of orders in place may be obtained from the Authority's website, www.fylde.gov.uk.

Key Message

The Authority expects premises that operate in areas where PSPO's have been implemented to have measures in place to ensure that their customers do not contribute to drink related anti-social behaviour and breach any order that is in place.

7 General Approach to Licensing

7.1 In undertaking its licensing functions under the Licensing Act 2003, Fylde Council will aim to ensure that licensable activities make a positive contribution to the social, economic, and environmental well-being of the borough. The authority aims to support a diverse cultural offering, providing something for everyone, in a safe, healthy and welcoming environment. In particular it supports a mixed night-time economy, which attracts all parts of the community, including families, and is not dominated by premises whose primary focus is the sale of alcohol.

7.2 It is keen to encourage family-friendly licensed premises where suitable entertainment is provided and to promote premises where parents and young people can enjoy their leisure time together. It recognises that premises within

the leisure and hospitality sector of the economy are an important part of its district and are major contributors to the local economy, attracting tourists and visitors whilst sustaining vibrant towns and communities. Leisure income provides employment for those service sectors with a knock-on effect for supporting businesses, often in the daytime economy.

- 7.3** This policy statement takes account of the need to regulate businesses that operate under the Act whilst balancing any adverse impact of activities on members of the public who live or work in the area concerned. The licensing authority and its committees cannot, however, use the Act for any purpose not defined in the Act as a 'licensing objective'.
- 7.4** This policy is not capable of being a universal remedy for all the various forms of anti-social behaviour or other problems associated with licensable activities. Where it is evident that a licensed premises is responsible for an undesirable event (perhaps by employing unsuitable people or exercising poor standards of management), then the licensing authority will make use of its powers under the Act, where they offer a remedy.
- 7.5** The authority will not downgrade its commitment to the licensing objectives to assist a failing venue, even if that means that the business ceases trading.

8 The Licensing Process

8.1 Making an Application

All applications for personal and premises licences, club premises certificates, variations and provisional statements must be made in accordance with the Act, associated regulations and guidance, having regard to the content of this policy. Guidance notes are available from the licensing department or the Home Office, but an applicant may seek independent advice from an agent or solicitor.

Key Message

The key messages that are included in this policy will assist applicants when preparing applications, as a guide to the expectations of Fylde Borough Council. Each Council area is unique and issues that one area has, would not be appropriate to be dealt with in the same way as perhaps a neighbouring Borough. It is unlikely that any two licences are identical, as timings, licensable activities, conditions and operations vary enormously.

9 Applications

Key Message

We encourage pre-application dialogue between applicants, licensing officers and responsible authorities to fully understand the requirements of the Act, and the expectations of the

responsible authorities.

9.1 The Application Form

The operating schedule should include all the necessary information to enable responsible authorities, or other persons, to assess whether the steps to be taken to promote the licensing objectives are satisfactory and have been fully addressed.

The Licensing Authority will expect the operating schedule to have regard to the nature of the area where the premises are situated, the type of premises concerned, the licensable activities to be provided, operational procedures, and the needs of the local community in addressing the four licensing objectives.

Applicants are strongly recommended to undertake a thorough and appropriate risk assessment of their business in order to arrive at a detailed operating schedule which identifies and meets all necessary steps to promote the licensing objectives in relation to the application made. Where the operating schedule does not provide enough details, there is an increased likelihood that representations will be made, which could lead to a hearing.

Applicants should have regard to this licensing policy when preparing their operating schedules so that they are aware of the expectations of the licensing authority and of the other responsible authorities. Specific application requirements are detailed in this policy document. Relevant legislation and guidance documents should also be accessed before submitting an application.

9.2 Consultation on Applications

Applicants are legally obliged to give notice of their application in two ways,

- by displaying an A4 blue notice at the premises for a period of 28 days and
- placing a notice in a local newspaper.

Each notice must clearly state the nature of the application, date by which representations must be made, where the application can be viewed in full and where representations must be sent.

This is to ensure that all who are affected by an application, who have rights under the Act to make representations, are aware of the application being made.

9.3 Representations

Only relevant representations may be taken into account when considering an

application. To be relevant, a representation must address the likely effect of the grant of a premises licence on the promotion of at least one of the licensing objectives. They must also not be irrelevant, frivolous or vexatious.

Representations may be received from the responsible authorities. These include the Licensing Authority itself, [Lancashire Constabulary](#), [Lancashire Fire and Rescue](#), Environmental Protection Unit, Lancashire [Safeguarding](#) Children Board, local authority professionals in health and safety, planning and Environmental Health.

Representations may also be received from other persons. Greater weight will be given to representations from those who live, or are involved in a business in the Council's area and who are likely to be affected by the application.

Elected members may make a representation in their own right. They may also make representation on behalf of residents or the applicant; in both cases the elected member may not take part in the decision process.

Once submitted to the licensing authority, a representation becomes a public document. A copy of the representation is sent to the applicant and / or the agent acting on their behalf and is included in any report that is presented at a licensing committee hearing.

9.4 Determination of Applications

Unless relevant representations are made, applications will be granted on the terms set out in the application, under delegated powers, effective from the day after the 28 day representation period ends. The licensing authority has no discretion on the granting of licences unless representations are made.

Where relevant representations are made the licensing authority will consider each application whilst having regard to the Statement of Licensing Policy, the Act and section 182 guidance. In determining a licence application, the overriding principle adopted by the Licensing Authority will be that each application will be determined on its individual merits.

In most cases officers from the licensing authority will act to mediate between applicants and persons making relevant representations: seeking to resolve issues, provide additional information such as conditions agreed or amendments to the application to assist in preventing unnecessary hearings.

However, where relevant representations remain unresolved, the licensing authority will determine the application by way of a hearing by members of the Council's licensing committee.

When determining an application which has attracted representations relating

to the prevention of crime and disorder and/or prevention of public nuisance, particular consideration will be given to the following in the context of the licensing objectives:

location and impact of licensed activity;

- intended use and the numbers likely to attend the premises;
- proposed hours of operation;
- scope for mitigating any impact and
- how often the activity occurs;

and in considering any application that is already licensed, the Licensing Authority will take into account any evidence:

- of past good operation of the premises and
- past demonstrable adverse impact from the activity especially on local residents or businesses;

9.5 Licensing Panel Hearings

Following due consideration of the application, the representations made and the case put forward by the applicant, the Licensing Committee have the following options to consider. Members may:-

- grant the application as applied for
- grant the application but with changes to the licensable activities and /or hours of operation
- as above but impose additional conditions which are appropriate for the promotion of one or more of the Licensing Objectives
- refuse to grant the application

Licence conditions will be tailored to the individual application and only those deemed appropriate and proportionate to meet the licensing objectives, following representations, will be applied.

We will not impose conditions that duplicate controls in other regulatory regimes.

Any party to the hearing aggrieved by the decision of the licensing authority has the right of appeal to the Magistrates' Court. Any appeal must be lodged within 21 days of the notification of the decision.

10

Conditions

10.1 Mandatory Conditions

These are applied to all licences/certificates and address issues such as irresponsible drinks promotions, measures of alcohol sold and the price of alcohol. The current conditions are printed in Appendix 4 of this Policy but are subject to change at any time by the Secretary of State.

10.2 Conditions Offered on the Application Form

An application requires the applicant to demonstrate how the business will be run and what measures the applicant proposes in order to promote the licensing objectives. Conditions are required which will be transferred onto any licence or certificate granted. These should be meaningful, achievable and understandable. To assist applicants the licensing department has produced a list of *suggested* conditions that applicants may refer to, however these are not prescriptive. Applicants may suggest conditions that they wish to have included on any granted licence, but these must be practical and meaningful and not overlap with other legislation, such as fire safety.

Key Message

Where the following conditions are not offered by applicants who are applying for the relevant licensable activity in order to promote the licensing objectives, the licensing authority will, if representations are received, expect the applicant to explain why they are not appropriate.

10.2.1 Applications for the sale or supply of alcohol (on or off the premises)

There shall be in place for the premises a written policy to prevent the sale or supply of alcohol to persons under 18 years of age. That policy shall require any person who appears to be under the age of 25 years to produce a recognised proof of age card accredited under the Proof of Age Standards Scheme (PASS) or if a proof of age card is not available a photo driving licence indicating that they are over 18 years of age. Armed Forces ID are also acceptable).

All staff will successfully complete training in age related products prior to operating a till on the sales floor. Refresher training will also be successfully completed not more than every 3 months, this will be fully documented and be available for inspection to police officers or other authorised persons.

The designated premises supervisor or the personal licence holder for the premises who is supervising the sale or supply of alcohol at that time shall not permit customers to congregate and consume alcohol sold or supplied by that premises in a public place within the immediate vicinity of the premises and in an area not so licensed for consumption to the annoyance or obstruction of others and shall prevent the removal of alcohol if it is intended for such a purpose.

The premises licence holder will arrange for litter and cigarette debris dropped in the vicinity of the licensed premise to be collected and removed at the end of operating hours each night.

No person in possession of a drink in a sealed or unsealed container shall be allowed to enter the premises except for the purposes of delivery.

10.2.2 Applications for the Provision of Late Night Refreshment

There shall be provided at the premises containers for the storage and disposal of waste foods and other refuse from the premises. Those containers shall be constructed, maintained and located so that access to them by vermin and unauthorised persons is prevented and arrangements shall be made for the regular lawful disposal of their contents.

Where the premises provide food to the public for consumption on or off the premises there shall be provided at or near the exits, sufficient waste bins to enable the disposal of waste food, food containers, wrappings etc

10.2.3 Applications that include regulated entertainment after 2300

The licence holder or his representative shall conduct regular assessments of the noise coming from the premises on every occasion the premises are used for regulated entertainment and shall take steps to reduce the level of noise where it is likely to cause a disturbance to local residents. A written record shall be made of those assessments in a log book kept for that purpose and shall include, the time and date of the checks, the person making them and the results including any remedial action.

There shall be placed at all exits from the premises in a place where they can be seen and easily read by the public, (or member and their guests) notices requiring customers to leave the premises and the area quietly. (Note, this may also include a reference to vehicles).

No nuisance shall be caused by noise coming from the premises or by vibration transmitted through the structure of the premises.

All external doors and windows shall be kept closed when regulated entertainment is being provided except for access and egress and in the event of an emergency.

10.3 Conditions that the Licensing Committee may impose

If, after receiving relevant representations, the licensing authority believes it to be appropriate or necessary, in order to promote any of the licensing objectives; it will consider attaching conditions to licences. However, only those conditions appropriate to meet the licensing objectives and only those which

relate specifically to the representations received, will be imposed. The authority will not impose disproportionate and over burdensome conditions where there is no need for them. Any conditions considered appropriate will be tailored to the individual style and characteristics of the premises or event and standard conditions will be avoided.

In addition, licence conditions will not seek to replicate offences which are set out in the Licensing Act 2003. For example, a condition that states that a licence holder shall not permit drunkenness and disorderly behaviour or serve alcohol to under 18s is unnecessary as this is already a criminal offence under the Act.

Conditions may, however, be attached to a licence which require measures to be taken to meet one or more of the licensing objectives to address a particular problem specific to those premises even if such measures may also be a general requirement of another regulatory regime.

11 Variation Applications

There are two types of variation that can be applied for with regard to a premises licence or a club premises certificate where an applicant seeks to alter the hours of operation, licensable activities, conditions or the layout of a premises.

11.1 Full Variation

The Licensing Authority requires that all variation applications are made in accordance with the statutory requirements and any guidance issued from time to time by the Council. Applications must be accompanied by the appropriate fee, advertised, and notified to the responsible authorities.

There is a 28 day representation period and the criteria for this and a representation is the same as new applications. The variation process also mirrors the procedure that new licence applicants are required to follow.

11.2 Minor Variation

The Act allows for a simplified procedure for varying a licence where the proposed changes will not have a detrimental effect on the licensing objectives. It cannot be used to enlarge the licensed area or to increase the hours for the sale or supply of alcohol.

This Minor Variation process may be used for changes such as:

- minor changes to the structure or layout of a premises
- small adjustments to the licensing hours
- removal of out of date irrelevant or unenforceable conditions
- addition of certain licensable activities including live music

Applications to alter the times of other licensable activities under the minor variation procedure will be considered on a case by case basis but there are a variety of matters that will be considered, such as, the nature of the licensable activity, the extent of the additional hours sought, proximity of the premises to residential areas, when the proposed extension will apply and the track record and history of the premises.

The proximity and density of public houses, nightclubs, etc will be taken into account when making the decision on the minor variation application if customers from these premises are likely to be attracted to the proposed licensable activities in large numbers. For example, people visiting a takeaway after leaving a public house.

Applicants for minor variations may volunteer conditions to remove the risk of an adverse impact on the licensing objectives either as a result of their own risk assessments or after informal discussions with the responsible authorities. There is no mechanism for the Licensing Authority to impose their own conditions during a minor variation procedure. If a Minor variation is refused by the licensing authority, there is no right of appeal.

Key Message

Applicants should contact the licensing authority at an early stage to determine if the proposed changes contained within a minor variation application are appropriate and acceptable, or if they warrant an application for a full variation.

12 Temporary Event Notices

The system of permitted temporary activities is intended to be a light touch process. Instead of applying for an authorisation, a person wishing to hold an event gives notice to the licensing authority they propose to carry out licensable activities.

Temporary Event Notices are subject to the following limitations:

- The number of times a premises user may give a TEN (50 times in a calendar year for a personal licence holder and five times in a calendar year for other people);
- The number of times a TEN may be given for any particular premises (12 times in a calendar year);
- The maximum duration of an event authorised by a TEN is 168 hours (seven days);
- The maximum total duration of the events authorised by TENS in relation to individual premises (21 day in a calendar year);
- The maximum people attending at any one time (fewer than 500); and

- The minimum period between events authorised under separate TENs in relation to the same premises (not including withdrawn TENs) by the same premises user (24 hours)

Proposed activities that exceed these limits will require a premises licence or club premises certificate.

Premises users should note that an event beginning before midnight and continuing into the next day counts as two days towards the 21day limit.

12.1 Standard TEN's

A standard TEN must be given no later than ten working days before the event to which it relates. Where the Police or Environmental Health (EH) object to the TEN the applicant can agree to modify the TEN. If no agreement is reached, a hearing will be arranged before a panel of the licensing committee. Following the hearing the panel may decide to impose conditions where there is an existing premises licence or club premises certificate at the venue, or issue a counter notice to prevent the event going ahead.

Conditions can only be applied to a TEN:

- If the Police or EH have objected to the TEN;
- If that objection has not been withdrawn;
- There is a licence or certificate in relation to at least one part of the premises in respect of which the TEN is given;
- And the licensing authority considers it appropriate for the promotion of the licensing objectives to impose one or more conditions

12.2 Late TEN's

A 'late TEN' may be given up to five working days but no earlier than nine working days before the event is due to take place.

Where the Police or EH object to a late TEN, there is no provision for a hearing and the authority must serve a counter notice to prevent the event going ahead.

Key Message

Where events qualify for a Temporary Event Notice, applicants are encouraged to submit notifications at least 4 weeks in advance, but not more than 12 weeks before an event where an existing premises licence is in operation. For applications where there is not a premises licence, for example community events, 15 working days in advance of the event would be encouraged to allow for proper consideration of the event.

13 Applications made by Fylde Borough Council

The Licensing Authority wishes to continue to promote a broad range of entertainment within the borough, including live music, dancing, theatre and other entertainment. To promote this policy the council has obtained premises licences for a number of public spaces within the community.

This will encourage activities within these areas and ensure that full use of made of such facilities.

Should an application be received from a department within Fylde Borough Council, or by an organisation working in conjunction with Fylde Borough Council, members and officers will consider the matter from an entirely neutral standpoint. If relevant representations are made, for example, by local residents or the police, they will be considered fairly.

14

The Licensing Objectives

The matters set out below under the headings of each licensing objective are intended to assist applicants by drawing attention to the issues that they should have in mind when drawing up an operating schedule. Although they will apply to all applications to some degree, they will not necessarily apply equally to all applications.

Special measures may be necessary on an occasional or specific basis such as when a special event (e.g. popular live band) or promotion (e.g. during major sporting occasions) is planned, which is intended, or likely, to attract larger audiences and/or audiences of a different nature. These can often have a significant impact on the achievement of the licensing objectives. Reference must be made in an applicant's operating schedule, where applicable, to such occasions and the additional measures that are planned in order to achieve the licensing objectives.

They draw the attention of applicants to matters that are likely to be the subject of conditions designed to promote the licensing objectives that may be attached to a licence where the Licensing Authority's discretion has been engaged as a result of relevant representations.

Any application regarding licensing hours will, accordingly, be considered on its individual merits and this policy makes no presumption about closing times. In determining applications, the potential effect on the four licensing objectives will be paramount. Any premises that is open to patrons after midnight has the potential to negatively affect the licensing objectives, be it through noise, customers entering or leaving the vicinity, customers smoking outside the premises, litter or anti-social behaviour. With this in mind applicants should

look carefully at the provision within the application for upholding the objectives.

Applicants should also refer to section 10 (conditions) for examples of conditions that will assist in promoting the licensing objectives.

Key Message

If representations are made, appropriate licence conditions may be applied, and these may be stricter if the application seeks to allow licensable activities after midnight.

14.1 The Prevention of Crime and Disorder

The extent to which conditions should be introduced to control the matters detailed below will be dependent on the individual style and characteristics of the premises, proposed events and activities. In general, more comprehensive measures should be in place at late night entertainment venues or in premises with a history of crime and disorder issues.

14.1.1 Underage Drinking

The consumption of alcohol by persons under the age of 18 is recognised as a source of potential crime and disorder which also puts young people's health at risk. Children and young people can obtain alcohol from both on and off licence premises and therefore both carry equal responsibility to prevent such sales. Operating schedules should contain measures to ensure that the law and practice relating to age restricted sales is adhered to. This should include ensuring that staff have sufficient training and supervision to ensure that no alcohol is served to someone who is underage.

Key Message

We expect all licensed premises to have a policy in place and implement the Challenge 25 standard.

14.1.2 Drunkenness on Premises

Operating schedules should contain measure to prevent drunkenness on licensed premises. This should include ensuring that staff have sufficient training and supervision to ensure that no alcohol is served to someone who is drunk or to someone on behalf of someone who is drunk.

Key Message

We encourage all licensees to actively participate in any voluntary scheme to promote the responsible consumption of alcohol.

14.1.3 Pubwatch Schemes

We value the contribution that Pub Watch schemes make to the reduction of crime and disorder in licensed premises. Where such schemes (including 'Best Bar None' or 'Nightsafe') exist, licensees are encouraged to become active members including implementing any banning orders issued under the scheme. The pub watch scheme is run independently by licensees and supported by council and police officers. It is a valuable resource and also helps premises support the licensing objectives, whilst addressing the issues of safety for employees on licensed premises.

Key Message

We actively support the local schemes and expect licensees to take an active part in them.

14.1.4 Drugs

We recognise that drug use is not something that is relevant to all licensed premises. However applicants should offer appropriate conditions as part of the application to assist in the prevention of drug use in their premises.

Key Message

We expect licensees of venues likely to be affected by illegal drugs to take all reasonable steps to prevent the entry, use and exchange of illegal drugs on a licensed premises. This should include regular checks of toilet areas, recording of incidents and suitable storage, disposal and transfer of confiscated and found drugs to the police.

14.1.5 Door Supervisors

We recognise that good security plans and provision can prevent crime and assist in the fight against young people unlawfully gaining entry or accessing alcohol.

When deciding if a condition requiring door supervisors is appropriate we will consider the location and capacity of premises and the hours of operation. Generally speaking, larger premises in town centres with several licensed premises close by will need door supervisors.

Key Message

We will expect relevant premises to have an adequate number of Licensed Door supervisors in line with an appropriate risk assessment.

14.1.6 CCTV

CCTV can be an important means of deterring and detecting crime at and immediately outside licensed premises. For appropriate premises, applicants are encouraged to consider the installation of CCTV at any licensed premises to

assist with the protection of staff and the promotion of the licensing objectives.

Key Message

The applicant should identify in the operating schedule what systems of security, supervision by staff, and/or CCTV will be in place to promote the licensing objectives.

Any CCTV systems must be able to be accessed and downloaded at any time by a member of staff and hold at least 21 days of images, but preferably 31.

14.1.7 Glasses and Bottles

Glasses and glass bottles can be dangerous weapons. As such, we encourage the use of toughened or polycarbonate glassware in premises where the location or character of the premises justifies it.

14.1.8 Open Containers

Drinks purchased in licensed premises or clubs may only be taken from those premises for consumption elsewhere, if the licence/certificate permits off sales and only in sealed containers.

No bottles or glasses (sealed or unsealed) can be taken from a premises whose licence permits on sales only. This is to prevent the use of glasses and open bottles as offensive weapons in surrounding streets, after individuals have left the premises.

Key Message

The inclusion of the condition “No drink shall be removed from the premises in an unsealed container, should be included in the operating schedule for any premises licence or club certificate that permits off sales.”

14.2 Public Safety

We are committed to protecting the physical safety of visitors to licensed premises. Members of the public have a right to expect that they will be able to visit licensed premises in safety. Licensees, as providers of premises for the sale of alcohol or regulated entertainment, will be expected to demonstrate that they have considered and put into effect measures to protect members of the public.

There is legislation that regulates the safety of customers and staff in addition to any provisions under the Act and these are identified at Appendix 5.

14.3 The Prevention of Public Nuisance

Licensed premises have a significant potential to cause public nuisance. We recognise the need to prevent the occurrence of public nuisance from the

operation of licensed premises, whilst balancing the rights of licensed premises to develop their business potential.

In considering what constitutes a public nuisance we will make a judgement as to whether the effect of the licensable activities on those living or working in the area around the premises is disproportionate or unreasonable. It is accepted that such disturbance could affect small numbers of people and does not need to cause a major disturbance to the whole community. Issues which could be considered as public nuisance include noise, light pollution and litter.

14.3.1 Disturbance by Patrons Leaving the Premises

Although once patrons have left the curtilage of a licensed premises staff may not be able to deal with associated noise and disturbance, those managing the premises should take appropriate measures to minimise noise and disturbance.

Key Message

Notices should be placed at exits to ask patrons to respect neighbours and door supervisors employed at premises should encourage patrons leaving the curtilage of the premises to do so in an orderly manner.

14.3.2 Noise Nuisance

Conditions relating to noise nuisance will normally concern the measures necessary to control the levels of noise emanating from the premises. Any conditions necessary to promote the licensing objective will be tailored to the style and characteristic of particular premises and may include restrictions which ensure that the volume of amplified sound used in connection with entertainment is under the control of the licensee or management and that the controlling mechanism is operated from a part of the premises inaccessible to the public.

Conditions intended to deal with noise will normally be focused on the most sensitive periods. For example music is more problematical when it is played from late evening until the early hours of the morning when nearby residents are attempting to get to sleep. Areas used for smoking may lead to noise issues for nearby residents and where possible designated areas that are away from nearby residents should be used for smoking.

Key Message

Outside areas used for smoking should be monitored through the evening, with particular attention to hours after 22.00hrs. Door supervisors should monitor, limit numbers or corral customers in specific areas, where possible.

14.3.3 Beer Gardens

It is important to note that, although consumption of alcohol is not itself a licensable activity, if the plan does not show outside areas (e.g. beer gardens or similar) then any premises licence which authorises the sale of alcohol 'for consumption ON the premises' only, as opposed to 'on and off the premises' would not authorise the use of such areas.

Use of outside areas can cause nuisance to neighbours, so operators must make sure that staff regularly check that patrons using them are not causing a nuisance. Staff should ensure that glasses and bottles are collected regularly and are not permitted to build up.

Key Message

If an outside area falls within the licensed area it is expected that a condition will be included in the operating schedule as follows:

Any outside area used for the consumption of alcohol will cease to be used by patrons after 22.00hrs

14.3.4 Litter

The cumulative effects of litter around premises carrying on licensable activities can amount to public nuisance. We require that any premises that can cause litter, be it from a take away food establishment or cigarette debris left by its customers, must remove it at regular intervals.

This is essential for any type of licensed premises (including takeaways) which has a terminal hour of midnight and beyond.

Key Message – All Premises

Any area used for smoking by patrons must be supervised and cigarette debris cleared away on a regular basis, including at the end of trading.

Key Message – Take Away Premises

Premises must provide suitable litter bins for customers to dispose of litter and these must be emptied regularly.

14.4 The Protection of Children From Harm

We are committed to protecting children from moral, psychological and physical harm. In particular, we seek to protect children from exposure to strong language, sexual expletives and adult entertainments.

14.4.1 Proof of Age Schemes

We consider that preventing children from obtaining alcohol from licensed premises to be of great importance in protecting them from harm. We expect applicants to demonstrate that they have made satisfactory arrangements to prevent sales of alcohol to children including an appropriate proof-of-age scheme. We support arrangements which include using the following documents to verify the age of customers:

- Photo Card driving licence issued in the European Union
- Proof of Age Standards Scheme Card (PASS)
- Official ID card issued by the HM Forces or by a European Union country bearing a photo and date of birth of holder

We support the PASS accreditation system, which aims to approve and accredit various proofs of age schemes that are in existence. This ensures that such schemes maintain high standards, particularly in the area of integrity and security. Staff should have received suitable training in relation to the proof of age scheme to be applied upon the premises and records evidencing this should be kept.

14.4.2 Exposure to Adult Behaviour

We consider that children should not be exposed to entertainments of a sexual nature or to strong language. Conditions may be imposed, if representations are received, aimed at preventing such exposure either intentionally or accidentally. In some premises entertainment of an adult nature may be occasional or restricted to certain times of the day. In these cases, any restrictive conditions to protect children will apply only at these times.

When submitting an application, if no reference is made to the provision of adult entertainment or services within an operating schedule at “Box N”, then we will interpret this to mean that such entertainment will not be provided and apply a condition to this effect to the licence.

The Licensing Authority will have particular regard to representations from the responsible authority consulted with regard to the protection of children, to ensure that children are adequately protected.

Key Message

A new or variation application will not normally be granted where a representation expresses serious and justified concern regarding child protection or safety, unless the applicant can demonstrate compelling reasons why the application should be approved in the light of these representations.

In the case of premises giving film exhibitions, we will expect licensees or clubs

to include in their operating schedules arrangements for restricting children from viewing age-restricted films classified according to the recommendations of the British Board of Film Censors or the Licensing Authority itself.

15 **Regulated Entertainment**

15.1 **Live Music**

We recognise the need to encourage and promote a broad range of entertainment, particularly live music, dancing and theatre for the wider cultural benefit of the community and in particular, for children and young people.

When considering applications for such events and the imposition of any conditions if representations are received on licences or certificates, we will carefully balance the need to promote the licensing objectives against these wider cultural benefits.

Background live and recorded music is not a licensable activity. However,

- Karaoke is generally classed as a performance of live music
- A backing track, drum beat or band that accompanies live singer(s) is classed as amplified live music

Any performance of dance of a sexual nature will require a licence.

15.2 **Exemptions**

Due to legislative changes there has been a partial de-regulation of regulated entertainment, and the exemptions are noted below:

	timings	days	audience	Premises	Notes
Live unamplified music	Between 08.00 and 23.00	any	Less than 500 persons	any	
Live amplified music	08.00 and 23.00	any	Less than 500 persons	Alcohol on-licensed premises*	Premises must be open and alcohol available for purchase under the terms of the licence

Live amplified music	08.00 and 23.00	any	Less than 500 persons	Non-licensed workplace	
Live amplified music	08.00 and 23.00	any	Less than 500 persons	Non-licensed Church hall, village hall, community hall or similar	Consent required from person responsible for premises
Live amplified music	08.00 and 23.00	any	Less than 500 persons	Non-licensed residential premises of a local authority, hospital,	Consent required from organisation responsible for premises
Recorded music	08.00 and 23.00	any	Less than 500 persons	Alcohol on-licensed premises	Premises must be open and alcohol available for purchase under the terms of the licence
Recorded music	08.00 and 23.00	any	Less than 500 persons	Non-licensed Church hall, village hall, community hall or similar	Consent required from person responsible for premises
Recorded music	08.00 and 23.00	any	Less than 500 persons	Non-licensed residential premises of a local authority, hospital,	Consent required from organisation responsible for premises
Any regulated? entertainment	08.00 and 23.00	any	Less than 500 persons	Local authority premises, hospital, school	Entertainment provided by the local authority, health care provider or school
Plays	08.00 and 23.00	any	Less than 500 persons	Any premises	
Dance	08.00 and	any	Less than 500	Any premises	

	23.00		persons		
Films	08.00 and 23.00	any	Less than 500 persons	Community premises	Not for profit event Consent required from organisation responsible for premises Screening is suitable for age of attendees
Indoor sporting events	08.00 and 23.00	any	Less than 1000 persons	Any premises	
Greco-Roman wrestling or Freestyle wrestling	08.00 and 23.00	any	Less than 1000 persons	Any premises	
Travelling circuses	08.00 and 23.00	any	No limit	Any moveable structure that the audience is held within	Circus may not be located on same site for more than 28 days

16**Personal Licences**

Personal licences authorise individuals to sell or supply alcohol, or authorise the sale or supply of alcohol for consumption on or off the premises for which a premises licence is in force for the carrying on of that activity.

Any individual may apply for a personal licence whether or not they have current employment or business interests associated with the use of the licence.

We require every application for a personal licence to be accompanied by a standard Disclosure from Disclosure Scotland, a pass certificate from a recognised training provider, application form, 2 photographs (one endorsed), application form and fee.

Key Policy

Any disclosure presented must not be more than one month old, to ensure currency of data.

Should the application present any relevant convictions then the police will be contacted and should an objection be submitted a hearing will be held to determine the application.

Following the grant of a personal licence, should the licence holder be convicted by a court for a relevant offence, the holder must notify us. On receipt of such a notification, we will record the details on file for future reference. The personal licence holder must also notify the court at the time of conviction that he/she holds such a licence.

A personal licence does not need to be renewed. However, the holder must inform us of any change of address or name to enable the licence to be updated. It is an offence under the Act not to do so.

17 Designated Premises Supervisor (DPS)

17.1 Role of the DPS

The holder of a premises licence which permits the sale of alcohol must nominate a personal licence holder as a Designated Premises Supervisor. The DPS will then be responsible for the day to day running of the premises. Whilst it is not essential for the DPS to be at the premises the whole time that alcohol is being sold, they should visit the premises regularly and be able to attend the premises in the case of an emergency.

Where the DPS is not available at the premises for whatever reason, an individual should be nominated as a point of contact who will have details of where the DPS can be contacted.

The statutory guidance indicates that a DPS may supervise more than one premises, however, they must be able to ensure that the four licensing objectives are properly promoted and that all the premises supervised comply with licensing law and licence conditions.

There is no requirement for a person to be named as a DPS on a Club Premises Certificate or where an application has been applied for and granted to dis-apply the DPS at a community premises.

Key Message

It is expected that a DPS supervising two or more premises is able to ensure that the licensing objectives are properly promoted and that each premises complies with the 2003 Act and conditions on the premises licence. The geographic location of the premises may be taken into consideration.

17.2 Authorisation of Alcohol

The fact that every sale/supply of alcohol must be made under the authority of a personal licence holder does not mean that only personal licence holders can make such sales or that they must be personally present at every transaction. A personal licence holder may authorise others to sell alcohol under their supervision and may then occasionally be absent at times from the premises when such a transaction takes place. Such authorisations should be given in writing and only to those persons who have been given sufficient training to ensure that the four licensing objectives are not compromised. The personal licence holder will, nevertheless, not be able to escape responsibility for the actions of those he authorises to make such sales.

At least one personal licence holder would normally be expected to be on the premises when alcohol is being sold but if a personal licence holder is not on the premises for any reason, provision should be made for the immediate contact of the personal licence holder or Designated Premises Supervisor in the event of an emergency.

18 Need for Licensed Premises

We will not consider the need for licensed premises in our decision-making. Need is for planners and the commercial decision-makers to consider. We will not seek to impose a ceiling on the number of licensed premises either overall or by class of premises, either by use of policy or practice.

19 Cumulative impact of a concentration of licensed premises

We acknowledge that a concentration of licensed premises in a particular area can result in an increased number of people walking through or congregating in streets during the night, with the potential to increase crime, anti-social behaviour, noise pollution, littering and other disturbance to residents. In such cases the amenity of local residents can be placed under severe pressure but this may not be attributable to any individual premises.

A licensing authority may adopt a Cumulative Impact Policy (CIP) for an area or areas that issues are being experienced by residents, visitors or agencies, due to the number of licensed premises in that area. Evidence should be obtained as to the nature and location of the issues occurring and a thorough consultation must take place, before the licensing authority can decide whether such a policy is appropriate.

It will then form part of the authority's Statement of Licensing Policy.

The CIP creates a rebuttable presumption that new or varied applications for premises licences or club premises certificates that will add to the existing cumulative impact will normally be refused. However in order for this to be effective, a representation must be received first, otherwise an application will be granted, as applied for, under delegated powers.

The licensing authority recognises that such a policy cannot be absolute and if a policy were to be adopted it would still continue to consider each application properly on its own merit. For licences that were unlikely to add significantly to the problems of saturation, the application could be approved, despite being in a CIP area.

Any discussion concerning the possible introduction of such a policy will also look at the alternatives to such a policy, to see if they might either achieve the same objective or be a complement to such a policy.

Where there is no cumulative impact policy, there is no presumption against the grant of new licences. Nevertheless, the presence of other licensed premises in the area of the premises for which an application has been made and the future operation of premises which are due to open in the surrounding area are matters which may be raised by those making representations and if those representations are pertinent to the licensing objectives, it will have a bearing on the decision making process.

In the absence of a Cumulative Impact Policy, we may still consider representations where a body or person believes that an application (new or varied) will have a negative impact on one or more of the licensing objectives. If cumulative impact is being highlighted as the reason for an objection, the responsible authority or other person will be expected to state why the application will impact on the area of concern, what the implications will be and if possible produce examples or evidence.

It may be that the type of premises or offering will attract more people into an already busy and problematic area, therefore impacting on the licensing objectives that address disorder and/or nuisance.

Key Message

We encourage applications for restaurants and other predominantly seated venues which do not adversely impact upon the licensing objectives in contrast to those that

predominantly offer vertical drinking. Applications should demonstrate how the licensing objectives are to be promoted.

20 Enforcement

20.1 General Enforcement

We believe that the promotion of the licensing objectives is best achieved in an atmosphere of mutual co-operation between all stakeholders. We will therefore enforce incrementally and reviews will mainly be reserved for circumstances where early warnings of concerns and the need for improvement have gone unheeded by the management of the licensed premises.

20.2 Complaints Against Licensed Premises

We will investigate all complaints against premises licensed by us, sometimes in conjunction with other agencies. If the complaint is justified, we will initially endeavour to seek a resolution through informal means, but adopt an incremental approach to compliance.

If we consider it appropriate, we may pass a complaint on for investigation by another statutory agency.

We will liaise with the police and other responsible authorities on enforcement issues, to provide for a more efficient deployment of our staff and police officers. This will allow us to target problem and high-risk premises which require greater attention, while providing a lighter touch in respect of those low-risk premises that are well run.

The Lancashire County Council Trading Standards Service and the Police enforce the legislation that imposes a lower age limit on customers purchasing alcohol. Such sales to under-age customers are a matter of particular concern to both these organisations and we share this concern. We will co-operate with these agencies in seeking to deal with the issues of excessive consumption of alcohol, binge drinking and underage drinking in so far as it is able to do so within the law.

21 Reviews

At any stage, following the grant of a premises licence or club premises certificate, a responsible authority, or any other person may apply to the licensing authority to review the licence or certificate. The written review application should relate to the adverse impact that the premises is having on one or more of the licensing objectives. We must reject any request for a review if the reason does not relate to one or

more of the four licensing objectives Evidence to highlight the areas of concern should be included to give members sufficient information on which to base a decision

We must reject a request for review if we consider the grounds to be frivolous, vexatious or repetitive. Repetitive grounds are those, which mirror those considered at a previous hearing.

There is opportunity within the 28 day period following submission of the review to the licensing authority for support to be given by other persons or a responsible authority.

Any review will take place before a licensing panel. The panel Authority will consider the full range of powers available to it on the review of a premises licence.

At the review application hearing the panel has the power to select from the following options:-

- revoke the licence/certificate
- suspend the licence/certificate for a period of up to 3 months
- remove the DPS
- add additional conditions
- amend existing conditions
- remove one or more licensable activities
- change licensing hours

Suspension of a licence/certificate may be considered in some circumstances to allow the premises time to look at procedures, staffing, conditions and general management of the premises. The suspension period can be used to rectify issues that led to the review and to prevent further occurrences.

Key Message

The licensing committee will view all repeat sales of alcohol to children gravely and should an application for a review of the licence be brought to a hearing, members will always consider revocation of the licence alongside other options.

22 Late Night Levy

We can introduce a Late Night Levy across its area by virtue of section 125 of the Police and Social Responsibility Act 2011. A levy would empower the licensing authority to charge licence/certificate holders that supply alcohol late into the night for the extra enforcement costs that can be created for the police and the licensing authority by late

night trading. Any such levy would apply to all licensed premises supplying alcohol between midnight and 6.00am save for any category of premises exempted by the licensing authority.

The Police would receive at least 70% of the revenue generated by levy with the Licensing authority receiving the remaining 30%.

Before a Late Night Levy can be introduced, we would be required to consult with police and licence/certificate holders that supply alcohol after midnight in accordance with the appropriate regulations.

There is currently no Late Night Levy in Fylde.

23

Early Morning Alcohol Restriction Order (EMRO)

The Police Reform and Social Responsibility Act 2011 (the 2011 Act) amends existing provisions to allow EMROs to be applied more flexibly between midnight and 6am. It is proposed that licensing authorities will be able to make an EMRO in relation to problem areas if they have evidence that the order is appropriate for the promotion of the licensing objectives. However, it is believed that some types of premises should not be subject to an EMRO.

EMROs are designed to address recurring problems with alcohol-related crime and disorder in specific areas. The licensing authority will be able to decide during which hours the EMRO will apply, whether it is applied every day or on particular days; whether it will run for a limited or unlimited period; and whether it will apply to whole or part of the licensing authority's area. In each case, the decision will be based on what is appropriate for the promotion of the licensing objectives.

There may however be alternative measures that can be taken with problem premises ie review or in extreme cases closure orders issued by the Police which should be considered before introducing an EMRO.

The licensing authority must ensure it has necessary evidence to demonstrate that the decision to introduce an EMRO is 'appropriate' for the promotion of the licensing objectives.

23.1 Process

The licensing authority sets out the basis for the proposed order in a document which should be posted on the licensing authority website. Evidence must be obtained (mainly from the police) and a 28 day consultation period will follow with all premises licence holders in the

borough, all the responsible authorities and neighbouring Local Authorities. Representations will be collated both for and against the proposals. These will be included in a report for the Licensing Committee. If satisfied that the proposed order is 'appropriate' for the promotion of the licensing objectives, the authority will have the order approved by full council. The final order must be no different to the original order proposed.

23.2 Exemptions

Premises with overnight accommodation, restaurants, theatres and cinemas, casinos and bingo halls. Community amateur sports clubs and Community premises that have requested to remove the mandatory requirement to have a DPS.

APPENDIX 1

Contact details for Responsible Authorities

Contact details for Licensing Authority:

Licensing Department

Fylde Borough Council

Town Hall

Lytham St Annes

Lancashire

FY8 1LW

Email: licensing@fylde.gov.uk

Tel 01253 658658

Contact details of responsible authorities:

Responsible authority	Address
Health & Safety Environmental Protection Planning	C/O Licensing Department Fylde Borough Council Town Hall Lytham St Annes Lancashire FY8 1LW Email: licensing@fylde.gov.uk Tel 01253 658658
Police	Police Licensing Officer Lancashire Constabulary Licensing Department Western Divisional HQ Bonny Street Blackpool FY1 5RL
Fire Authority	Technical Fire Safety Lancashire Fire and Rescue St Andrews Road North Lytham St Annes FY8 2JQ
Protection of Children	Childrens' Services Room B15A First floor County Hall Preston PR1 8 XJ

Trading standards

Principal Trading Standards Officer
Lancashire Trading Standards
58-60 Guildhall Street
Preston PR1 3PR

Public Health

Lancashire County Council
Public Health LICENSING
First floor
Christ Church Precinct
County Hall
Preston
Lancashire
PR1 8XJ

APPENDIX 2**Table of delegations in respect of licensing authority functions**

The delegation of decisions and functions will be as follows:

Matter to be dealt with	Full Committee/ Sub Committee	Officer Delegation
Application for personal licence	If police objection is made	All other cases
Application for Premises Licence/Club Premises Certificate	If a relevant representation is made	If no representation made
Application for provisional statement	If a relevant representation is made	If no representation made
Application to vary Premises Licence/Club Premises Certificate	If a relevant representation is made	If no representation made
Application to vary Designated Premises Supervisor	If a police objection is made	All other cases
Minor Variation Application		All cases
Applications to disapply the mandatory conditions	If a Police representation is made	All other cases
Request to be removed as Designated Premises Supervisor		All cases
Application for transfer of Premises Licence	If a police representation is made	All other cases
Applications for Interim authority	If a police representation is made	All other cases
Application to review Premises Licence/Club Premises Certificate	All cases	

Decision on whether a complaint is irrelevant, frivolous, vexatious etc		All cases
Decision to object when local authority is a consultee and not the relevant authority considering the application	All cases	
Determination of an objection to a temporary event notice	All cases unless all parties agree to conditions	Where all parties agree to the imposition of conditions
Decision as to whether to withhold some or all of an interested party's personal details from the applicant.		All cases
Decision to suspend a premises licence/club certificate for failure to pay the annual fee or late night levy		All cases

APPENDIX 3

Glossary of terms

The Act	Means the Licensing Act 2003.
Alcohol	Includes spirits, wine, beer, cider, or any other fermented, distilled, or spirituous liquor of or exceeding 0.5% alcoholic strength at the time of sale.
Appeals	Appeals against decisions of the Licensing Authority are to the magistrates' court for the area in which the premises are situated. The appeal must be lodged in 21 days. On appeal a magistrates' court may, dismiss the appeal; substitute its own decision; remit the case to the Licensing Authority with directions; and make an order for costs.
Authorised Persons, Other Persons and Responsible Authorities	The Act creates three categories of people/bodies that can make representations to a Licensing Authority about an application for a licence. "Authorised persons" are specified people who have statutory duties in relation to the inspection of premises, e.g. fire, health and safety. "Other Persons" covers any individual, body or business entitled to make a relevant representation. "Responsible Authorities" include the police, fire, enforcing authority for health and safety, planning authority, environmental health, bodies responsible for child protection, the health authority and the licensing authority.
Closure Order	Powers for the police and courts to close premises. The 2003 Act significantly extends the existing powers of the police to seek court orders in a geographical area that is experiencing or likely to experience disorder or to close down instantly individual licensed premises that are disorderly, likely to become disorderly or are causing noise nuisance.
Club Premises Certificate	A certificate which licences a qualifying club for the sale/supply of alcohol. It can be granted to members clubs which comply with specific conditions e.g. membership rules, run by club committees, profits go to members not an owner etc. There is no time limit on the duration of the certificate but it may be withdrawn, surrendered or suspended.
Designated Premises Supervisor	The person designated in the premises licence as the person who is responsible for supervision of the premises e.g. the day-to-day manager. Any premises where alcohol is supplied as a licensable activity must have a

designated premises supervisor.

The Guidance	The Statutory Guidance issued by the Secretary of State under Section 182 of the Licensing Act 2003. This is updated at regular intervals to reflect changes in legislation.
Interim Authority Notices	Where a premises licence lapses due to the death, incapacity or insolvency etc of the holder, specified persons can within 7 days serve an interim authority notice on the Licensing Authority. This revives the licence, subject to police objection, for a period of up to 2 months so the premises can continue trading.
Late Night Refreshment	Supply of hot food or hot drink between 11pm and 5am whether for consumption on or off the premises e.g. will cover late night takeaways and fast food outlets but also restaurants open after 11pm
Licensable Activities	Activities that must be licensed under the Act: The sale by retailers of alcohol; supply of alcohol by a club; provision of regulated entertainment; provision of late night refreshment
Licensing Authority	Local authorities (district or county councils). In the context of this document Fylde Borough Council
Licensing Committee	A committee of at least 10 but not more than 15 members of the local authority. May have one or more sub-committees consisting of at least three members
Licensing Objectives	The objectives of licensing set out in the Act: The prevention of crime and disorder; public safety; the prevention of public nuisance; and the protection of children from harm. The Licensing Authority must carry out its functions under the Act with a view to promoting the licensing objectives.
Licensing Panel	A committee of 3 councillors appointed from the licensing committee to whom the functions of the licensing committee can be delegated under the Act.
Mandatory Conditions	Conditions imposed on all premises licences and club premises certificates. The Secretary of State may add to these at any time and they are written in to each licence/certificate appropriately.
Objection Notice	A procedure whereby the police can object to the grant of a personal licence on the grounds that where having regard to convictions of the applicant for relevant offences, the grant would undermine the crime prevention objective
Operator	Includes all premises licence holders, club premises certificate holders and designated premises supervisors.

Operating Schedule	A document in a prescribed form that sets out information about how the applicant for a premises licence intends to operate his business. It sets out information such as the relevant licensable activities, the proposed licensed hours, any other opening hours, the name of the proposed premises supervisor and steps which it is proposed to take to promote the licensing objectives. Where an applicant for a premises licence submits an operating schedule, and there are no relevant representations (objections), the local authority licensing committee must grant the application and can impose only those conditions on the licence that are consistent with the operating schedule.
Personal Licence	A licence granted to an individual and authorises that person to supply alcohol or authorise the supply of alcohol in accordance with a premises licence. It ceases to have effect when revoked, forfeited, surrendered or suspended. A personal licence holder is also not required for the supply of alcohol in a club which holds a club premises certificate. Only the police can object to the grant of a personal licence.
Premises Licence	A licence granted in respect of any premises, which authorises the premises to be used for one or more licensable activities. Has effect until revoked, surrendered or death, insolvency etc of the holder. Applications dealt with by the local authority licensing committee in the area where the premises are situated.
Provisional Statement	A procedure by which the Licensing Authority can give a statement approving for licensing purposes proposals for a premises being built or in the course of being constructed. Where a provisional statement is made, subject to limited exceptions, the full licence must normally be granted once the premises are completed.
Regulated Entertainment	Specified entertainment that takes place in the presence of an audience for their entertainment; performance of a play, exhibition of a film, indoor sporting event, performance of live music, playing of recorded music, performance of dance, other entertainment similar to music and dancing.
Relevant Offences	Offences relevant to the consideration of an application for the grant of a personal licence and about which the police may serve an "objection notice". The offences are listed in schedule 4 of the 2003 Act and generally relate to drink, dishonesty, drugs, duty, copyright, food safety, sexual offences & violence.
Statement of Licensing	Each Licensing Authority must every five years determine and publish a statement of licensing policy. There is a requirement to consult on the policy

Policy	and keep it under review.
Transfer	A procedure where an application can be made to transfer the premises licence into a new name e.g. if a premises licence holder sells his premises an application may be made to transfer the premises licence to the new owner.
Variation	Changes in the operation of a premises, club or event, including variation of operating hours and modification of the premises or the specification of another person as the Designated Premises Supervisor.

APPENDIX 4

Mandatory conditions applied to licences and club premises Certificates

Mandatory conditions where licence authorises the supply of alcohol

- (1) No supply of alcohol may be made under the premises licence –
 - (a) at a time when there is no designated premises supervisor in respect of the premises licence, or
 - (b) at a time when the designated premises supervisor does not hold a personal licence or his personal licence is suspended.
- (2) The supply of alcohol under the premises licence must be made or authorised by a person who holds a personal licence.

Mandatory Condition where the licence permits the performance of Films

Where a programme includes a film in the 12A, 15 or 18 category, as classified by the British board of Film Classification, no person appearing to be under the age of 12 (and unaccompanied in that case), 15 or 18 as appropriate shall be admitted to any part of the programme; and the licence holder shall display in a conspicuous position a notice in the following terms-

PERSONS UNDER THE AGE OF [INSERT APPROPRIATE AGE] CANNOT BE
ADMITTED TO ANY PART OF THE PROGRAMME

Where films of different categories form part of the same programme, the notice shall refer to the oldest age restriction.

This condition does not apply to members of staff under the relevant age while on duty provided the prior written consent of the person's parents or legal guardian has first been obtained.

Mandatory conditions where Door Supervisors are provided

All individuals who carry out security activities must be licensed by the Security Industry Authority (SIA)

Mandatory Conditions for club Premises with off sales

- 1) The supply of alcohol for consumption off the club premises must be made at a time when the premises are open for the purposes of supplying alcohol, in accordance with the club premises certificate, to members of the club for consumption on the premises.

2) Any alcohol supplied for consumption off the premises must be in a sealed container.

3) That any supply of alcohol for consumption off the premises must be made to a member of the club in person.

Mandatory conditions effective from 6 April 2010 where the licence or club premises certificate permits the sale or supply of alcohol for consumption on the premises

1.—(1) The responsible person shall take all reasonable steps to ensure that staff on relevant premises do not carry out, arrange or participate in any irresponsible promotions in relation to the premises.

(2) In this paragraph, an irresponsible promotion means any one or more of the following

activities, or substantially similar activities, carried on for the purpose of encouraging the sale or supply of alcohol for consumption on the premises in a manner which carries a significant risk of leading or contributing to crime and disorder, prejudice to public safety, public nuisance, or harm to children—

(a) games or other activities which require or encourage, or are designed to require or encourage, individuals to—

(i) drink a quantity of alcohol within a time limit (other than to drink alcohol sold or supplied on the premises before the cessation of the period in which the responsible person is authorised to sell or supply alcohol), or

(ii) drink as much alcohol as possible (whether within a time limit or otherwise);

(b) provision of unlimited or unspecified quantities of alcohol free or for a fixed or discounted fee to the public or to a group defined by a particular characteristic (other than any promotion or discount available to an individual in respect of alcohol for consumption at a table meal, as defined in section 159 of the Act);

(c) provision of free or discounted alcohol or any other thing as a prize to encourage or reward the purchase and consumption of alcohol over a period of 24 hours or less;

(d) provision of free or discounted alcohol in relation to the viewing on the premises of a sporting event, where that provision is dependent on—

- (i) the outcome of a race, competition or other event or process, or
- (ii) the likelihood of anything occurring or not occurring;
- (e) selling or supplying alcohol in association with promotional posters or flyers on, or in the vicinity of, the premises which can reasonably be considered to condone, encourage or glamorise anti-social behaviour or to refer to the effects of drunkenness in any favourable manner.

2. The responsible person shall ensure that no alcohol is dispensed directly by one person into the mouth of another (other than where that other person is unable to drink without assistance by reason of a disability).

3 The responsible person shall ensure that free tap water is provided on request to customers where it is reasonably available.

Mandatory conditions effective from 1 October 2010 where the licence or club premises certificate permits the sale or supply of alcohol for consumption on or off the premises

4 (1) The premises licence holder or club premises certificate holder shall ensure that an age verification policy applies to the premises in relation to the sale or supply of alcohol.

(2) The policy must require individuals who appear to the responsible person to be under 18 years of age (or such older age as may be specified in the policy) to produce on request, before being served alcohol, identification bearing their photograph, date of birth and a holographic mark.

Mandatory conditions effective from 1 October 2010 where the licence or club premises certificate permits the sale or supply of alcohol for consumption on the premises

5 The responsible person shall ensure that—

(a) where any of the following alcoholic drinks is sold or supplied for consumption on the premises (other than alcoholic drinks sold or supplied having been made up in advance ready for sale or supply in a securely closed container) it is available to customers in the following measures—

- (i) beer or cider: ½ pint;
- (ii) gin, rum, vodka or whisky: 25 ml or 35 ml; and
- (iii) still wine in a glass: 125 ml; and

(b) customers are made aware of the availability of these measures

Licensing Act 2003 (Mandatory Licensing Conditions) Order May 2014

1. A relevant person shall ensure that no alcohol is sold or supplied for consumption on or off the premises for a price which is less than the permitted price.
2. For the purposes of the condition set out in paragraph 1—
 - (a) “duty” is to be construed in accordance with the Alcoholic Liquor Duties Act 1979;
 - (b) “permitted price” is the price found by applying the formula—

$$P = D + (D \times V)$$

where—

- (i) P is the permitted price,
 - (ii) D is the amount of duty chargeable in relation to the alcohol as if the duty were charged on the date of the sale or supply of the alcohol, and
 - (iii) V is the rate of value added tax chargeable in relation to the alcohol as if the value added tax were charged on the date of the sale or supply of the alcohol;
 - (c) “relevant person” means, in relation to premises in respect of which there is in force a premises licence—
 - (i) the holder of the premises licence,
 - (ii) the designated premises supervisor (if any) in respect of such a licence, or
 - (iii) the personal licence holder who makes or authorises a supply of alcohol under such a licence;
 - (d) “relevant person” means, in relation to premises in respect of which there is in force a club premises certificate, any member or officer of the club present on the premises in a capacity which enables the member or officer to prevent the supply in question; and
 - (e) “value added tax” means value added tax charged in accordance with the Value Added Tax Act 1994.
3. Where the permitted price given by Paragraph (b) of paragraph 2 would (apart from this paragraph) not be a whole number of pennies, the price given by that sub-paragraph shall be taken to be the price actually given by that sub-paragraph rounded up to the nearest penny.
 4. (1) Sub-paragraph (2) applies where the permitted price given by Paragraph (b) of paragraph 2 on a day (“the first day”) would be different from the permitted

price on the next day ("the second day") as a result of a change to the rate of duty or value added tax.

(2) The permitted price which would apply on the first day applies to sales or supplies of alcohol which take place before the expiry of the period of 14 days beginning on the second day.

APPENDIX 5

The Licensing Act 2003 may be amended periodically by legislation, however there are a number of Acts and statutory regimes that also impact on licensed premises, as below.

Other relevant legislation (correct at time of print)

1. Planning Legislation and Building Regulations

The planning, building control and licensing regimes will be properly separated to avoid duplication and inefficiency. Applications for premises licences for permanent commercial premises should normally be from businesses with planning consent for the property concerned. Licensing applications will not be a re-run of the planning application. The granting by the Licensing Committee of any variation of a licence which involves a material alteration to a building would not relieve the applicant of the need to apply for planning permission or building regulation control where appropriate.

2. Health and Safety at Work Act 1974 and associated legislation

Fylde Council is the authority for this legislation for most licensed premises in the area.

3. Human Rights Act 1998

Fylde Council has a duty under the European Convention on Human Rights to protect both the rights of a resident to privacy and family life (Article 8) and the rights of a licensee to operate their business without undue interference (Article 1 of the First Protocol). These policies are intended to reflect the balance to be struck between these interests where they conflict.

4. Disability Discrimination Act 2005

The Disability Discrimination Act introduced measures to tackle discrimination encountered by disabled people. It is recommended that licensees make themselves familiar with the requirements of this Act for the access and provision of services to disabled people.

5 Crime and Disorder Act 1998 Section 17

This Act requires local authorities and others to consider crime and disorder reduction while exercising all of their duties. It states, *“Without prejudice to any other obligation imposed upon it, it shall be the duty of each authority to exercise its various functions with due regard to the likely effect of the exercise of those functions on, and the need to do all that it reasonably can to prevent, crime and disorder in its area”*.

This reflects the reality that there are crime and/or disorder implications in decisions made across the full range of local authority services. The consideration of the specific

licensing objective of the prevention of crime and disorder fulfils the requirement under this Act.

6. Criminal Justice and Police Act 2001

This Act introduces provisions for combating alcohol related disorder giving the local authority and/or the police the powers to prohibit alcohol consumption in designated public places, to close certain licensed premises due to disorder or disturbance and to close unlicensed premises.

7. Policing and Crime Act 2009

This Act introduces measures to tackle alcohol misuse.

8. Environmental Protection Act 1990

This covers a wide range of types of pollution including noise pollution.

9. The Clean Neighbourhoods and Environment Act 2005

This provides local authorities with an additional power to issue a fixed penalty notice to any licensed premises emitting noise that exceeds the permitted level between the hours of 11.00pm and 7.00am.

10. Anti-Social Behaviour Act 2003

Sections 40 and 41 of the Act provides that if the noise from a licensed premise is causing a public nuisance, an authorised environmental health officer will have the power to issue a closure order effective for up to 24 hours. This compliments the police powers under Part 8 of the 2003 Act to close licensed premises for temporary periods.

11. Health Act 2006 (Workplace Smoking Ban)

The ban on smoking in all enclosed work places and public places came into force on the 1 July 2007. The ban includes smoking in pubs, restaurants and members clubs where bar or other staff are employed.

12. The Regulatory Reform (Fire Safety) Order 2005

Lancashire Fire and Rescue Service enforce fire safety legislation. The Regulatory Reform (Fire Safety) Order 2005 ('the Fire Safety Order') replaces previous fire safety legislation.

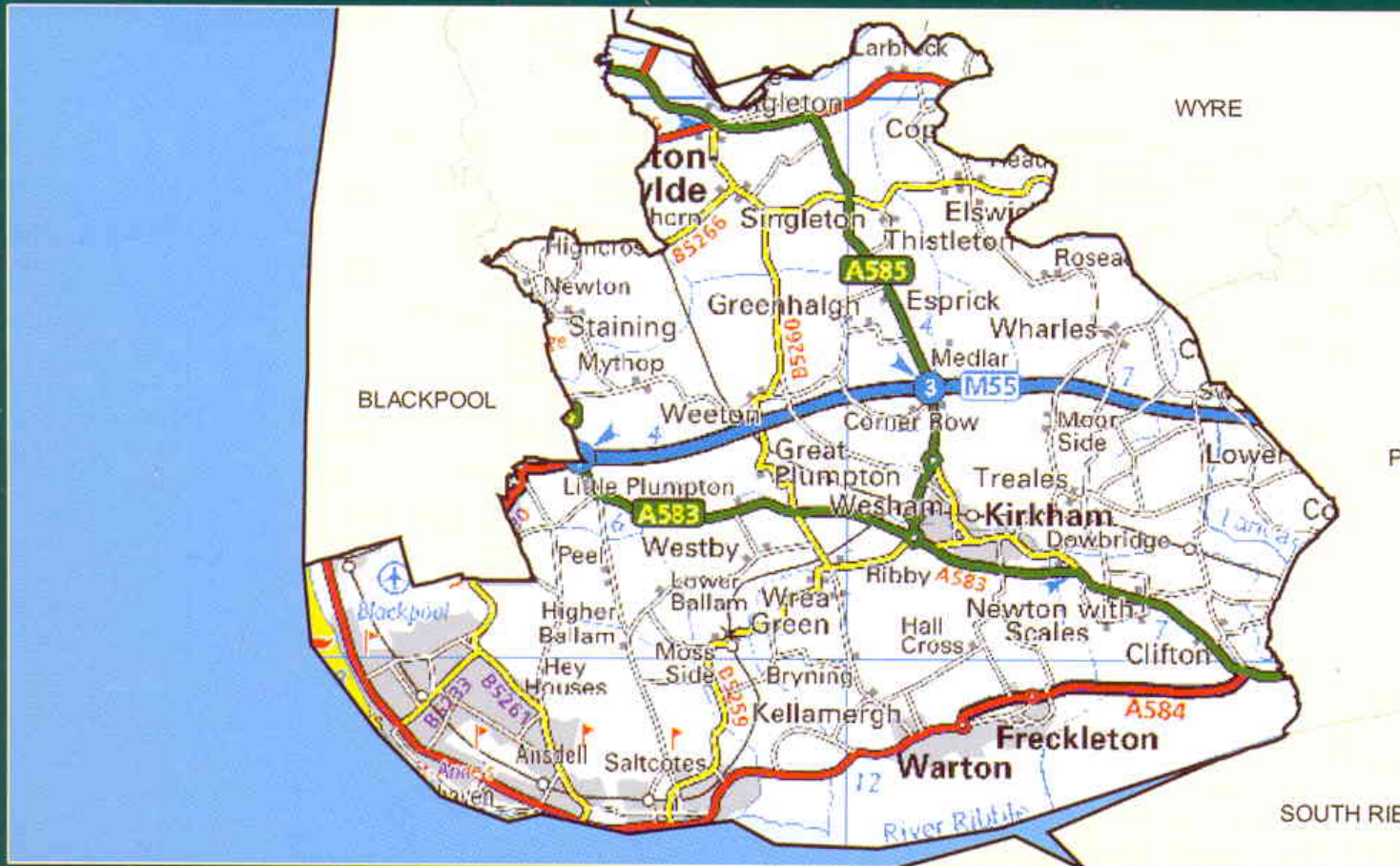
13. Race Relations Act 1976 (as amended 2000)

Local authorities have a legal obligation to have regard to the elimination of unlawful discrimination; promote equality of opportunity and good relations between persons of different racial groups.

14. Data Protection Act 1998

Applicants should have regard to the provisions of the Data Protection Act 1998 in relation to their premises and in particular to the Information

The boundary of Fylde Borough Council is detailed below.



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Date: September 2016
Review Date: December 2016

Our Ref:Chris Hambly



Fylde Borough Council Statement of Licensing Policy (2016 – 2021)

Summary of Key Messages

Contained within the policy are several key messages that set out the authority's expectations with regard to applications. Whilst applicants are not obliged to meet these expectations it is more likely that responsible authorities and other parties will make representations if they do not. However if an application does attract a representation, leading to determination by members, applications that demonstrate that proper consideration has been given to Key Message statements within the policy will be looked upon favourably. However this does not conflict with the guidance that each application must be judged on its own merits

For the ease of reference, those key messages are listed below:

1. Licence applications should normally be from premises where
 - The activity to be authorised by the licence is a lawful planning use
 - The hours sought do not exceed those authorised by any planning permission; and
 - any existing hours are appropriate for the use of the premises.

Note – Where the appropriate planning consent has not been obtained in advance and relevant representations are made, applicants will need to demonstrate that the operation of the premises would not be detrimental to the promotion of the licensing objectives.
2. The Authority expects premises that operate in areas where PSPO's have been implemented to have measures in place to ensure that their customers do not contribute to drink related antisocial behaviour and breach any order that is in place.
3. The key messages that are included in this policy will assist applicants when preparing applications, as a guide to the expectations of Fylde Borough Council. Each Council area is unique and issues that one area has, would not be appropriate to be dealt with in the same way as perhaps a neighbouring Borough. It is unlikely that any two licences are identical, as timings, licensable activities, conditions and operations vary enormously.
4. We encourage pre-application dialogue between applicants, licensing officers and responsible authorities to fully understand the requirements of the Act, and the expectations of the responsible authorities.
5. Where the following conditions are not offered by applicants who are applying for the relevant licensable activity in order to promote the licensing objectives, the licensing authority will, if representations are received, expect the applicant to explain why they are not appropriate.

10.2.1 Applications for the sale or supply of alcohol (on or off the premises)

There shall be in place for the premises a written policy to prevent the sale or supply of alcohol to persons under 18 years of age. That policy shall require any person who appears to be under the age of 25 years to produce a recognised proof of age card accredited under the Proof of Age Standards Scheme (PASS) or if a proof of age card is not available a photo driving licence indicating that they are over 18 years of age. Armed Forces ID are also acceptable).

All staff will successfully complete training in age related products prior to operating a till on the sales floor. Refresher training will also be successfully completed not more than every 3 months, this will be fully documented and be available for inspection to police officers or other authorised persons.

The designated premises supervisor or the personal licence holder for the premises who is supervising the sale or supply of alcohol at that time shall not permit customers to congregate and consume alcohol sold or supplied by that premises in a public place within the immediate vicinity of the premises and in an area not so licensed for consumption to the annoyance or obstruction of others and shall prevent the removal of alcohol if it is intended for such a purpose.

The premises licence holder will arrange for litter and cigarette debris dropped in the vicinity of the licensed premise to be collected and removed at the end of operating hours each night.

No person in possession of a drink in a sealed or unsealed container shall be allowed to enter the premises except for the purposes of delivery.

10.2.2 Applications for the Provision of Late Night Refreshment

There shall be provided at the premises containers for the storage and disposal of waste foods and other refuse from the premises. Those containers shall be constructed, maintained and located so that access to them by vermin and unauthorised persons is prevented and arrangements shall be made for the regular lawful disposal of their contents.

Where the premises provide food to the public for consumption on or off the premises there shall be provided at or near the exits, sufficient waste bins to enable the disposal of waste food, food containers, wrappings etc

10.2.3 Applications that include regulated entertainment after 2300

The licence holder or his representative shall conduct regular assessments of the noise coming from the premises on every occasion the premises are used for regulated entertainment and shall take steps to reduce the level of noise where it is

likely to cause a disturbance to local residents. A written record shall be made of those assessments in a log book kept for that purpose and shall include, the time and date of the checks, the person making them and the results including any remedial action.

There shall be placed at all exits from the premises in a place where they can be seen and easily read by the public, (or member and their guests) notices requiring customers to leave the premises and the area quietly. (Note, this may also include a reference to vehicles).

No nuisance shall be caused by noise coming from the premises or by vibration transmitted through the structure of the premises.

All external doors and windows shall be kept closed when regulated entertainment is being provided except for access and egress and in the event of an emergency.

6. Applicants should contact the licensing authority at an early stage to determine if the proposed changes contained within a minor variation application are appropriate and acceptable, or if they warrant an application for a full variation.
7. Where events qualify for a Temporary Event Notice, applicants are encouraged to submit notifications at least 4 weeks in advance, but not more than 12 weeks before an event where an existing premises licence is in operation. For applications where there is not a premises licence, for example community events, 15 working days in advance of the event would be encouraged to allow for proper consideration of the event.
8. If representations are made, appropriate licence conditions may be applied, and these may be stricter if the application seeks to allow licensable activities after midnight.
9. We expect all licensed premises to have a policy in place and implement the Challenge 25 standard.
10. We encourage all licensees to actively participate in any voluntary scheme to promote the responsible consumption of alcohol.
11. We actively support the local schemes and expect licensees to take an active part in them.
12. We expect licensees of venues likely to be affected by illegal drugs to take all reasonable steps to prevent the entry, use and exchange of illegal drugs on a licensed premises. This should include regular checks of toilet areas, recording of

incidents and suitable storage, disposal and transfer of confiscated and found drugs to the police.

13. We will expect relevant premises to have an adequate number of Licensed Door supervisors in line with an appropriate risk assessment.
14. The applicant should identify in the operating schedule what systems of security, supervision by staff, and/or CCTV will be in place to promote the licensing objectives. Any CCTV systems must be able to be accessed and downloaded at any time by a member of staff and hold at least 21 days of images, but preferably 31.
15. The inclusion of the condition “No drink shall be removed from the premises in an unsealed container, should be included in the operating schedule for any premises licence or club certificate that permits off sales.”
16. Notices should be placed at exits to ask patrons to respect neighbours and door supervisors employed at premises should encourage patrons leaving the curtilage of the premises to do so in an orderly manner.
17. Outside areas used for smoking should be monitored through the evening, with particular attention to hours after 22.00hrs. Door supervisors should monitor, limit numbers or corral customers in specific areas, where possible.
18. If an outside area falls within the licensed area it is expected that a condition will be included in the operating schedule as follows: Any outside area used for the consumption of alcohol will cease to be used by patrons after 22.00hrs.
19. Key Message – All Premises
Any area used for smoking by patrons must be supervised and cigarette debris cleared away on a regular basis, including at the end of trading.
Key Message – Take Away Premises
Premises must provide suitable litter bins for customers to dispose of litter and these must be emptied regularly.
20. A new or variation application will not normally be granted where a representation expresses serious and justified concern regarding child protection or safety, unless the applicant can demonstrate compelling reasons why the application should be approved in the light of these representations.
21. It is expected that a DPS supervising two or more premises is able to ensure that the licensing objectives are properly promoted and that each premises complies with the 2003 Act and conditions on the premises licence. The geographic location of the premises may be taken into consideration.

22. We encourage applications for restaurants and other predominantly seated venues which do not adversely impact upon the licensing objectives in contrast to those that predominantly offer vertical drinking. Applications should demonstrate how the licensing objectives are to be promoted.
23. The licensing committee will view all repeat sales of alcohol to children gravely and should an application for a review of the licence be brought to a hearing, members will always consider revocation of the licence alongside other options.

FYLDE BOROUGH COUNCIL

LICENSING POLICY 2016-2021

CONSULTATION

UNDER THE LICENSING ACT 2003

REPRESENTATIONS and RESPONSES RECIEVED

Consultation Period: 21st September 2015 to 22nd November 2015

Issued November 2015

REVISED LICENSING POLICY - SCHEDULE OF RESPONSES

Relevant Paragraph of Policy	Respondent	Comments Received	Assessment of Comments	Recommended Action
Whole Document	Hon Alderman BJ Whittle OBE Fylde Community Partnership	The document represents a reasonable policy for the licensing and gambling and allows for the appropriate representation to be made to any change of conditions. This policy contributes to the wellbeing and safety of people in the Fylde.	The response is in relation to both the Gambling and Licensing Policies which are under review. No action is required.	No policy change required
Whole Document	The Rt Revd Julian Henderson Bishop's House Ribchester Road Clayton Le Dale Blackburn BBI 9EF	Thank you for the paperwork about the review of both your Licensing and Gambling policy and for this period of consultation. One of my team have read through the draft policies and confirm that what you propose is good and proportionate. At one level I would want to reduce the opportunities for gambling, as it usually hurts and harms the most vulnerable in our society. Similarly I would want to reduce the opportunities for purchasing and drinking alcohol, as so many people's lives are ruined by excessive alcohol consumption. But I know we have to deal with where we are rather than where we would like to be. Thank you for all you are doing to keep the situation as under control as possible.	As above.	No policy change required

Whole Document	Peter Bell Network Control Manager Community Services Lancashire County Council	Further to your letter dated the 22 nd September regarding your review of the licensing policy statement due to be published in January 2016. I would like to confirm that Lancashire County Council do not have any comments, in relation to the highways service, on the policy. A copy of the document has been passed to our Public Health colleagues who will respond separately should they have any comments on the document.	Not applicable	No policy change required
Whole Document relating to Key Messages	Napthens Solicitors	<p>Clause 4.3 states that <i>“whilst applicants are not obliged to meet these expectations it is more likely that responsible authorities and other parties will make representations if they do not. However, if an application does attract a representation, leading to determination by members, applications that demonstrate that proper consideration has been given to Wyre Key Message statements within this policy will be looked upon favourably.”</i></p> <p>This could mean that if the key messages are not offered, the applicant is more than likely to attend a licensing hearing. As you know some applicants do not feel confident or comfortably in attending a licensing hearing without representation. As you will appreciate representation costs the applicant’s money. I understand that some of the key messages are quite reasonable and mirror the legislation or law. However,</p>	Both Fylde and Wyre Councils are currently reviewing the Licensing Policies and the policies are similar apart from some differences within the key messages. The response was initially sent to Wyre Council but subsequently copied to Fylde, hence references to Wyre in the response.	No policy change required.

		<p>there are some key messages that I would advise some applicants to avoid, such as:</p> <ul style="list-style-type: none"> - Key message 01: Licence applications should normally be from premises where: a) The activity to be authorised by the licence is a lawful planning use or is a deemed permitted development pursuant to the Town and Country Planning (General Permitted Development) (England) Order 2015. b) The hours sought do not exceed those authorised by any planning permission. Note – Where the appropriate planning consent has not been obtained in advance and relevant representations are made, applicants will need to demonstrate that the operation of the premises would not be detrimental to the promotion of the licensing objectives. My concern is that planning and licensing are two separate regimes. Licensing applications can be made without planning in place and can apply for later hours than those granted by planning. Of course, the premises will have to abide by which ever hours are the earliest but it should not hinder a licensing application. - Key message 07: If representations 	<p>In response to key message 1, we acknowledge Licensing and Planning are two separate regimes and that a lack of appropriate planning permission on its own would be sufficient for a representation to be relevant.</p> <p>We are seeking to clarify at an early stage that where appropriate planning permission is not in place, the operating schedule should demonstrate that the operation of the premises will not be detrimental to the promotion of the licensing objectives.</p> <p>Acknowledged but the Fylde Key Message refers</p>	
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		<p>are made, appropriate licence conditions will be applied, and these may be stricter if the application seeks to allow licensable activities after midnight. The conditions should only be stricter if the operating style of the premises requires it. Trading past midnight should not be the reason for stricter conditions, it depends on the operating style.</p> <ul style="list-style-type: none"> - Key message 13: The applicant should identify in the operating schedule what systems of security supervision by staff, and/or CCTV will be in place to promote the licensing objectives. Any CCTV systems must be able to be accessed and downloaded at all times by a member of staff and hold at least 21 days of images, but preferably 31. As you will appreciate a premises does not have to offer CCTV. However, in this key message it looks like premises should have CCTV or security supervision by staff. I am unsure what security supervision by staff includes? - Key message 24: It is expected that a personal licence holder is named as a DPS on only one premises licence, other than in exceptional short term 	<p>to “may” be applied as opposed to “will”. To be relevant, any representation should take into account the operating style of the premises rather than just the time it operates too and as such, should conditions be appropriate they will be tailored to the premises.</p> <p>The Fylde Key Message states, “what systems of security, supervision by staff, and/or CCTV will be in place to promote the licensing objectives” rather than “security supervision”.</p> <p>To promote the licensing objections it would expected there be some form of either a) security or b) supervision by staff or c) CCTV</p> <p>The Fylde key message is slightly different in that it comments, “it is expected that a DPS supervising two or more premises is able to ensure that the licensing objectives are properly</p>	
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		<p>circumstances, for instance for a period of less than one month. The geographic location of the premises must also be taken into consideration. There is no guidance that prevents a personal licence holder being a DPS at more than one premises. I appreciate you have mentioned that the geographic location will be taken into consideration, but it is usual for a personal licence holder to be DPS at two quieter premises located close together.</p>	<p>promoted and that each premises complies with the 2003 Act and conditions on the premises licence. The geographic location of the premises may be taken into account.”</p> <p>The Key Message acknowledges that there is no time limit on a person being nominated as DPS at more than premises, providing the objectives are being promoted.</p>	
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DECISION ITEM



REPORT OF	MEETING	DATE	ITEM NO
RESOURCES DIRECTORATE	FULL COUNCIL	14 DECEMBER 2015	15

REVIEW OF STATEMENT OF GAMBLING POLICY

PUBLIC ITEM

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

SUMMARY

The Gambling Act 2005 requires the Licensing Authority to determine and publish a Statement of Gambling Policy for a 3 year period to set out the policies that the Council will generally apply to promote the Licensing Objectives when making decisions on applications made.

The current Policy must be re-considered by the 1st January 2016 and as such, the purpose of this report is to inform Members of the consultation process undertaken and the amendments to the current policy.

RECOMMENDATION

The revised Statement of Gambling Policy has been drafted taking into account changes in the legislation and has been widely consulted upon. It is therefore requested that the Full Council adopt the revised Policy.

CORPORATE PRIORITIES

To Promote the Enhancement of The Natural & Built Environment (Place)	√	To Encourage Cohesive Communities (People)	√
To Promote a Thriving Economy (Prosperity)	√	To Meet Expectations of our Customers (Performance)	√

SUMMARY OF PREVIOUS DECISIONS

The current Policy was approved by Full Council on the 3rd December 2012.

REPORT

1. The Gambling Act received Royal Assent in April 2005 and consolidated regulation of casinos, bingo, gaming machines, lotteries, betting and remote gambling in one Act.
2. The Act established the Gambling Commission which has responsibility for advising both central and local government on issues relating to Gambling. In addition, the Gambling Commission has responsibility for issuing Operating Licences and Personal Licences to organisations and individuals who wish to undertake certain activities under the Act.
3. Fylde Borough Council has responsibility under the Act to issue premises licences, permits and temporary use notices in respect of premises where it is proposed that gambling should take place. Additionally, the Authority continues to be responsible for the registration of Small Society Lotteries.
4. Members will be aware that under the Act the Council, as Licensing Authority, is required to produce a policy every 3 years setting out how it intends to implement the Act.
5. S25 of the Gambling Act requires the Gambling Commission to issue Guidance to Licensing Authorities on the discharge of functions under the Act. The Guidance was originally issued in April 2006 and dealt primarily with matters intended to assist the Licensing Authorities in the development of Gambling Policy.
6. The Guidance has been subject to several revisions, the latest being in September 2015 following emerging issues since the implementation of the Act. This Guidance sets out the principles that must be applied by the Licensing Authority in exercising its functions under the Act.
7. The draft revised Gambling Policy was issued for consultation on the 29th September 2015 and the final date for any comments to the proposals is the 22nd November 2015.
8. The existing Policy has been kept under review since coming into force on 1st January 2013 and no revision has been deemed necessary to the existing policy apart from references which have become outdated and an addition at part 4 concerning Local Risk Assessments.
9. The Act requires the Council to consult with various groups before the Policy is determined as follows:
 - the chief officer of police for the authority's area
 - one or more persons who appear to the authority to represent the interests of persons carrying on gambling businesses in the authority's area
 - one or more persons who appear to the authority to represent the interests of persons who are likely to be affected by the exercise of the authority's functions under this Act
10. The consultation has included the following organisations:
 - Lancashire Constabulary
 - The Fire Authority

Representatives of businesses and residents in the borough
 Representatives of persons representing the interests of persons carrying on gambling businesses in the borough
 Fylde Community Safety Partnership
 Local licensing solicitors
 Representatives of child welfare groups
 Town and Parish Councils
 Youth organisations
 Gambling industry organisations and associations
 Gambler support organisations
 Faith groups

11. The draft Policy was considered by the Licensing Committee on the 27th November 2015 who have recommended the adoption of the Policy. Full Council is therefore requested to consider the revised Policy and adopt it with effect from the 1st January 2016.

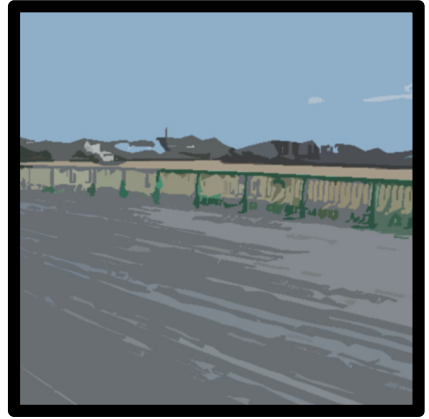
IMPLICATIONS	
Finance	The adoption of the policy has no direct financial implications, although there are resource implications for enforcement of any licence conditions. Such implications will be delivered within existing revenue budget provision.
Legal	The Council continues to have the statutory responsibility to administer the gambling function.
Community Safety	Views of community safety partners are incorporated into the policy.
Human Rights and Equalities	No direct implications arising from the report or policy
Sustainability and Environmental Impact	A balanced approach to regulating the trade as part of a sustainable community is promoted through the policy.
Health & Safety and Risk Management	No direct implications arising from the report or policy. Those arising from enforcement activity will be managed operationally.

LEAD AUTHOR	TEL	DATE	DOC ID
Chris Hambly	01253 658422	1 st December 2015	

LIST OF BACKGROUND PAPERS		
Name of document	Date	Where available for inspection
Draft Statement of Gambling Policy 2016 - 2019	November 2015	http://www.fylde.gov.uk/business/licensing/consultation-council-39-s-gambling-licensing-polic/

Attached documents

1. Statement of Gambling Policy
2. Summary of Responses as at



Draft Statement of Gambling Policy 2016 - 2019



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Fylde BOROUGH COUNCIL

Gambling Policy Statement

1. BACKGROUND

- 1.1 The Gambling Act 2005 (The Act) gave effect to the Government's proposals for the reform of the law on gambling. The Act, which received royal assent on the 7 April 2005, replaces most of the existing law about gambling in Great Britain and puts in place an improved, more comprehensive structure of gambling regulation covering practically all forms of gambling other than the national Lottery and spread betting.
- 1.2 The Act introduces two comprehensive offences which are:-
 - providing facilities for gambling or
 - using premises for gambling without the appropriate licence, permit, or registration granted under the Act.
- 1.3 The Act introduced an independent unified regulator for commercial gambling in Great Britain, the Gambling Commission, and a licensing regime to be operated by the commission or by licensing authorities depending on the matter to be licensed.
- 1.4 The Act also puts in place a strong role for local authorities in licensing gambling premises in their area, as well undertaking functions in relation to lower stake gaming machines.
- 1.5 Local authorities, as Licensing Authorities, will grant premises licenses for: casinos, betting offices and race tracks, bingo clubs, adult gaming centres and family entertainment centres. They will also issue permits for: gaming machines in members' clubs and licensed premises, gaming in members' clubs, prize gaming and unlicensed family entertainment centres. The issuing of temporary use notices and provisional statements (permission issued before a building is built or altered for the purpose of gambling) will also be the responsibility of Licensing Authorities. The Authority will also be responsible for the issue of occasional use notices at tracks.
- 1.6 Licensing Authorities may also authorise premises that are not generally licensed for gambling purposes to be used for gambling for limited periods.
- 1.7 The Gambling Act 2005 requires the Council to prepare and publish a "Statement of Licensing Policy" that sets out the policies that the Council will generally apply to promote the Licensing Objectives when making decisions on applications made under the Act.

2 THE LICENSING OBJECTIVES

2.1 In exercising most of their functions under the Gambling Act 2005, licensing Authorities must have regard to the licensing objectives as set out in section 1 of the Act namely:-

- Preventing gambling from being a source of crime or disorder, being associated with crime or disorder or being used to support crime
- Ensuring that gambling is conducted in a fair and open way
- Protecting children and other vulnerable persons from being harmed or exploited by gambling

(It should be noted that the Gambling Commission has stated: "The requirement in relation to children is explicitly to protect them from being harmed or exploited by gambling")

INTRODUCTION

3.1 General

3.1.1 The Gambling Act 2005 requires the Licensing Authority to determine a statement of the principles that they proposed to apply when exercising their functions under the Act. Those who may be affected by it must be consulted as part of the process. This statement must be published at least every three years and must also be reviewed from "time to time". Any amended parts must be re-consulted upon. The statement must then be re-published.

3.1.2 This "Gambling Policy Statement" in respect of the Gambling Act 2005 has been prepared having regard to the licensing objectives of the Gambling Act 2005 listed in paragraph 2.1 above and the Guidance issued by the Gambling Commission.

3.1.3 The Council recognises that gambling is a legitimate pastime of many of the residents of Fylde but also understands the problems that can be caused by debt as a result of gambling. It is therefore necessary to ensure that the necessary safeguards are in place to protect the young and vulnerable. It will, accordingly, regulate gambling in the public interest but is aware that, as per Section 153 of the Act, in making decisions about premises licences and temporary use notices it should aim to permit the use of premises for gambling in so far as it considers that it is:-

- in accordance with any codes of practice issued by the Gambling Commission;
- in accordance with any relevant guidance issued by the Gambling Commission
- reasonably consistent with the licensing objectives; and
- in accordance with this Gambling Policy Statement

3.1.4 This Gambling Policy Statement will not override the right of any person to make an application, make representations about an application, or to apply for a review of a licence, as each will be considered on its own merits and according to the statutory requirements of the Gambling Act 2005. Nothing in this Gambling Policy Statement will detract from the principle that every application will be determined on the merits of the particular case.

3.1.5 This policy was adopted by the Full Council at its meeting on the *Date to be inserted once adopted*.

3.2 Types of Licence

3.2.1 This document sets out the policies that this Licensing Authority will apply when making decisions upon applications or notifications made for:-

1. Premises Licences;
2. Temporary Use Notices;
3. Permits as required under the Act;
4. Registrations as required under the Act.

3.3 Licensable Premises and Permits

3.3.1 This policy relates to all those licensable premises, notices, permits and registrations identified as falling within the provisions of the Act, including:-

1. Casinos;
2. Bingo Premises;
3. Betting Premises;
4. Tracks;
5. Adult Gaming Centres;
6. Family Entertainment Centres;
7. Club Gaming Permits;
8. Prize Gaming and Prize Gaming Permits;
9. Temporary Use Notices;
10. Registration of small society lotteries.

3.3.2 This policy does not address remote gambling as this is entirely controlled by the Gambling Commission. Remote gambling means gambling not associated with a premises such as internet gambling.

3.4 Licensing Authority Functions

3.4.1 This policy covers all the functions of the Licensing Authority which include:-

- Responsibility for the licensing of premises where gambling activities take place by issuing premises licences
- Issue of Provisional Statements
- Regulation of members clubs and miners welfare institutions who may wish to undertake certain gaming activities via issuing Club Gaming Permits and/or Club Machine Permits
- Issue of Club Machine Permits to Commercial Clubs
- Granting of permits for the use of certain lower stake gaming machines at unlicensed Family Entertainment Centres
- Receiving notifications from alcohol licensed premises (under the Licensing Act 2003) for the use of not more than two gaming machines
- Granting of Licensed Premises Gaming Machine Permits for premises licensed to sell/supply alcohol for consumption on the premises where two or more machines are required
- Registering small society lotteries
- Issuing Prize Gaming Permits
- Receiving and endorsing Temporary Use notices
- Receiving Occasional Use notices
- Providing information to the Gambling Commission regarding details of licences issued
- Maintaining registers of the permits and licences that are issued under these functions

3.5 Profile of the Authority

3.5.1 Fylde Borough Council is a coastal borough situated in the County of Lancashire, which contains 14 Licensing Authorities in total. The Council area has a population of 77,000 with an estimated 25% of the population over 65 (2014 Lancashire Overview and District Profile). A large proportion of the area is rural in nature. The main towns within the borough are the resorts of Lytham and St Annes. Further inland the borough contains smaller urban areas at Wesham, Kirkham, Freckleton and Warton. It has a geographical area of 166 square km. Fylde is a reasonably affluent area, ranking 235th out of 354 English authorities, based on the government's indices of multiple deprivation. (Fylde District Profile 2011-12).

3.5.2



3.5.3 The main concentrations of premises in the district providing any form of gambling and indeed the sale of alcohol, can be found in the town centres of St Annes, Lytham and the market town of Kirkham. As of Summer 2015, there is one casino in the Borough which is located within St Annes (not currently trading), six betting shops are located in the area with 3 in St Annes and 2 in Kirkham and one in Lytham. There are 7 amusement arcades associated with the holiday trade mostly located on holiday centres or complexes, caravan sites or on the pier at St. Annes. At present around 64 pubs and 13 clubs have permits for gaming machines.

3.6 Consultation

3.6.1 There are a number of groups that have a stake in the gambling industry, including providers, customers, residents and enforcers, all of whom have views and concerns that require consideration. In determining this policy, the authority consulted widely and in particular with the following individuals and organisations:

- The Chief Officer of Police
- The Fire Authority
- Representatives of businesses and residents in the borough
- Representatives of persons representing the interests of persons carrying on gambling businesses in the borough
- Fylde Community Safety Partnership
- Local licensing solicitors
- Representatives of child welfare groups
- Town and Parish Councils
- Youth organisations
- Gambling industry organisations and associations
- Gambler support organisations
- Faith groups

3.6.2 Proper weight will be given to the views of all those consulted prior to this Gambling Policy Statement being finalised and taking effect.

4 Local Risk Assessments

4.1 The Gambling Commission's Licence Conditions and Codes of Practice (LCCP) which were revised and published in February 2015, formalise the need for operators to consider local risks. Local risk assessment apply to all non-remote casino, adult gaming centre, bingo, family entertainment centre, betting and remote betting intermediary (trading room only) licences, except non-remote general betting (limited) and betting intermediary licences. This provision comes into force on 6 April 2016.

4.2 Licensees are required to assess the local risks to the licensing objectives posed by the provision of gambling facilities at each of their premises, and have policies, procedures and control measures to mitigate those risks. In undertaking their risk assessments, they must take into account relevant matters identified in this policy statement.

4.3 Licensees must assess the local risks to the licensing objectives posed by the provision of gambling facilities at each of their premises, and have policies, procedures and control measures to mitigate those risks. In making risk assessments, licensees must take into account relevant matters identified in the licensing authority's statement of licensing policy.

4.4 Licensees must review (and update as necessary) their local risk assessments:

- a) to take account of significant changes in local circumstances, including those identified in a licensing authority's statement of licensing policy;
- b) when there are significant changes at a licensee's premises that may affect their mitigation of local risks;
- c) when applying for a variation of a premises licence; and
- d) in any case, undertake a local risk assessment when applying for a new premises licence.

4.5 Licensees are required to undertake a local risk assessment when applying for a new premises licence. Risk assessment must also be updated:

- when applying for a variation of a premises licence
- to take account of significant changes in local circumstances, including those identified in a licensing authority's policy statement
- when there are significant changes at a licensee's premises that may affect their

mitigation of local risks.

- 4.6** The new social responsibility provision is supplemented by an ordinary code provision that requires licensees to share their risk assessment with licensing authorities when applying for a premises licence or applying for a variation to existing licensed premises, or otherwise at the request of the licensing authority. Both provisions take effect from 8 May 2015.
- 4.7** Where concerns do exist, perhaps prompted by new or existing risks, a licensing authority may request that the licensee share a copy of its own risk assessment which will set out the measures the licensee has in place to address specific concerns. This practice should reduce the occasions on which a premises review and the imposition of licence conditions is required.
- 4.8** The licensing authority have an expectation that all local risk assessments will take into account the local social profile of the area.

5 DUPLICATION WITH OTHER REGULATORY REGIMES ETC.

5.1 Legislation

5.1.1 In undertaking its licensing function under the Gambling Act 2005, this authority is also bound by other legislation, including:-

1. Section 17 of the Crime and Disorder Act 1988;
2. Human Rights Act 1998;
3. Health and Safety at Work Act 1974;
4. Environmental Protection Act 1990;
5. The Anti-Social Behaviour Act 2003;
6. The Race Relations Act 1976 (as amended);

5.1.2 The intention of this policy is not to duplicate other legislation or regulatory regimes. Every effort will be made to avoid any duplication with other statutory / regulatory systems that already place obligations on employers and operators, including planning. Whilst it will not consider whether a licence application is likely to be awarded planning or building consent, it will listen to, and consider carefully, any concerns about conditions which are not able to be met by licensees due to planning restrictions, should such a situation arise.

5.1.3 No account will be taken as to whether buildings have or comply with the necessary planning or building consents. Those matters should be dealt with under relevant planning control and building regulation powers, and will not form part of considerations for the premises licence.

5.2 Human Rights

5.2.1 The Human Rights Act 1998 incorporated the European Convention on Human rights and makes it unlawful for a local authority to act in a way, which is incompatible with a Convention right. This Authority will have particular regard to the following relevant provisions in determining licence applications:

Article 1 - of the First Protocol that every person is entitled to a peaceful enjoyment of his or her possessions

Article 6 - In the determination of civil rights and obligations everyone is entitled to a fair public hearing within a reasonable time by an independent and impartial tribunal established by law

Article 8 - That everyone has the right to respect for his home and family life

Article 10 - Right to freedom of expression.

5.3 Discrimination

5.3.1 In undertaking its licensing function, the Council will have due regard to the need to eliminate unlawful discrimination and to promote equality and good relations between persons of all diversity groups in accordance with the Councils Equality and Diversity Policy.

6 EXCHANGE OF INFORMATION

6.1 In fulfilling its functions and obligations under the Gambling Act 2005 this Licensing Authority will exchange information which it holds with other regulatory bodies including

the Gambling Commission. In doing so it will have regard to any Guidance issued by the Gambling Commission on this matter as well as to any relevant regulations issued by the Secretary of State under the powers provided in the Gambling Act 2005. Should any protocols be established relating to information exchange with other bodies then they will be made available.

- 6.2** The Gambling Commission will, similarly, provide to the Licensing Authority any information it holds for use in the exercise of the Authority's functions under the Act.
- 6.3** The Licensing Authority is required to maintain a register of the premises licences that it has issued. This register will be made available at any reasonable time to members of the public. Details of the availability of the register will be advertised on the Council's website. Copies of entries in the register may be taken subject to a reasonable charge being made.
- 6.4** The exchange of information will be in full compliance with the requirements of the Data Protection Act and Freedom of Information legislation in accordance with the Council's existing policies.
- 6.5** Details of those persons making representations will be made available to applicants to allow for negotiation and, in the event of a hearing being held, will form part of a public document. Anyone making representations or applying for the review of a premises licence will be informed that their details will be disclosed.

7 PREMISES LICENCES

- 7.1** Premises Licences will be subject to the permissions/restrictions set-out in the Gambling Act 2005 and regulations made thereunder, as well as to specific mandatory and default conditions detailed in the regulations. This Authority may exclude default conditions and also attach others, where it believes it to be appropriate.
- 7.2 Demand for Premises**
 - 7.2.1** This Licensing Authority will not take into account whether or not there is a demand for gambling premises when considering applications for premises licences. It also recognises that moral objections to gambling are not a valid reason to reject applications for premises licences.
- 7.3 Definition of Premises**
 - 7.3.1** The Gambling Act prohibits more than one premises licence applying to single premises. The term premise is defined in the Act as "any place" and therefore it is possible for a single building to consist of more than one premises providing that the different parts of the building can reasonably be considered as separate premises. Every application will be judged on its merits but in general the authority will consider a single building to be single premises unless it can be shown that the parts are truly separate. Examples of this are where different floors of a building are distant and separate or where shopping centres have discrete trading units.
 - 7.3.2** The Authority will not support the artificial separation of premises by temporary or artificial means where it is believed that the purpose of such separation is to circumvent the intention of the Act to limit the number of gaming machines allowable at that particular type of premises. The Authority will expect all separations between different premises to be clearly defined permanent structures.

- 7.3.3** In determining whether two or more proposed premises are truly separate, the Authority will take into account the following:
- Are the different parts subject to separate business rates?
 - Are the different parts of the premises in the same ownership?
 - Can each of the premises be accessed from the street or a public passageway?
 - Can the premises only be accessed from other gambling premises?
- 7.3.4** The proper application of section 152 of the Act also means that, with the single exemption of tracks (i.e. a horse-race course, dog track or other premises where races or sporting events take place), different premises licences cannot apply in respect of a single premises at different times. There is no temporal element to a premises licence. Therefore, premises will not, for example, be licensed as a bingo hall on week days and a betting shop at weekends.
- 7.3.5** In considering applications for multiple licences for a building or for a discrete part of a building used for other non gambling purposes the Authority will be aware of the following:
- The third licensing objective seeks to protect children from being harmed by gambling. In practice that means not only preventing them from being in close proximity to gambling. Therefore the Authority will expect the premises to be configured so that children are not invited to participate in, have accidental access to, or closely observe gambling where they are prohibited from participating.
 - Entrances to and exits from parts of a building covered by one or more premises licences should be separate and identifiable so that the separation of different premises is not compromised and people do not drift into a gambling area. In this context it should normally be possible to access the premises without going through another licensed premises or premises with a permit.
 - Customers should be able to participate in the activity named on the premises licence.
- 7.3.6** The Authority will expect that any premises licensed for a particular activity such as betting or bingo will provide that activity as the primary gambling activity and any gaming machines authorised to be provided under this licence should be subsidiary to this main activity.
- 7.3.7** Applicants will need to be aware that they cannot obtain a full premises licence until the premises in which it is proposed to offer the gambling are constructed. The Gambling Commission has advised that reference to 'the premises' are to the premises in which gambling can now take place. A licence to use premises for gambling will, accordingly, only be issued in relation to premises that are ready to be used for gambling. This authority agrees with the Gambling Commission that it is a question of fact and degree whether premises are finished to a degree that can be considered for a premises licence. By requiring the building to be complete, the authority can, ensure that it and other responsible authorities with inspection rights may, if necessary, inspect it fully.

7.4 Location of Premises

- 7.4.1** This Licensing Authority is aware that demand issues cannot be considered with regard to the location of premises and will only consider the location of premises in the context of the licensing objectives. It will pay particular attention to the protection of children and vulnerable persons from being harmed or exploited by gambling, as well as issues of crime and disorder.

7.4.2 Likewise when an application for premises close to a school or other building holding vulnerable people or to a centre for gambling addicts is received the Licensing Authority will have to be satisfied that protecting children and vulnerable persons can be met.

7.4.3 Should any specific policy be decided upon as regards areas where gambling premises should not be located, this Gambling Policy Statement will be updated. It should be noted that any such policy would not preclude any application being made and each application will always be decided on its merits, with the onus upon the applicant showing how the concerns can be overcome.

7.5 Achieving the Licensing Objectives

7.5.1 Decisions taken by this Licensing Authority and premises licences granted will, as far as possible, be consistent with the three licensing objectives detailed above at 2.1 and in accordance with any guidance issued to local authorities by the Gambling Commission. Specific policy issues in respect of each of the licensing objectives are set out below.

(i) Preventing Crime and Disorder

7.5.2 Where an application is received for a premises licence in an area which has high levels of organised crime or a history of crime and disorder the Licensing Authority will pay particular attention to the proposed location of the gambling premises in terms of this licensing objective and may decide to attach additional conditions such as the employment of door staff.

7.5.3 This Licensing Authority is aware of the distinction between disorder and nuisance and will only seek to address issues of disorder under the Act if the disorder amounts to activity that is more serious and disruptive than mere nuisance. A disturbance could be serious enough to constitute disorder if police assistance was required to deal with it. Another factor the Authority is likely to take into account is how threatening the behaviour was to those who could see or hear it, whether those people live sufficiently close to be affected or have business interests that might be affected.

7.5.4 The Gambling Commission has powers to make enquiries and investigate those who are involved in the control of a company or the provision of gambling. In considering applications for operating and personal licences the commission has stated it will take a serious view of any offences involving dishonesty committed by applicants or persons relevant to the application.

7.5.5 As it is a requirement for any applicant for a premises licence to also hold an operators licence, this Authority will not investigate the suitability of an applicant. However, if any information becomes apparent during the course of the processing of application which causes concern, the details will be forwarded to the Gambling Commission.

7.5.6 This Licensing Authority places a considerable importance on the prevention of crime and disorder, and will fulfil its duty under s17 of the Crime and Disorder Act 1998 to do all it reasonably can to prevent crime and disorder in the borough. The exercise of a high standard of control over licensed premises is, therefore, considered necessary. Applicants will be encouraged to discuss any necessary crime prevention procedures in their premises with the Authority's Licensing Officers and Lancashire Constabulary before making a formal application.

7.5.7 This Authority will take into account any representations made by responsible authorities, especially the police, when deciding if a particular application would be detrimental to this licensing objective and potentially result in an increase in crime and disorder.

(ii) Ensuring that Gambling is Conducted in a Fair and Open Way

7.5.8 It is noted that the Gambling Commission do not expect licensing authorities to become concerned with ensuring that gambling is conducted in a fair and open way. They point out that this will be a matter for either the management of the gambling business, and therefore subject to the operating licence, or will be in relation to the suitability and actions

of an individual and therefore subject to the personal licence. It is recognised, however, that there is more of a role with regard to tracks which is explained in more detail in the 'tracks' section below.

7.5.9 The Gambling Commission is concerned to ensure that, not only is gambling fair in the way it is played, but that the rules are transparent to players and they know what to expect.

It will achieve this by:-

- operating and personal licences are issued only to those who are suitable to offer gambling facilities or work in the industry.
- easily understandable information is made available by operators to players about, for example: the rules of the game, the probability of losing or winning, and the terms and conditions on which business is conducted.
- the rules are fair
- advertising is not misleading
- the results of events and competitions on which commercial gambling takes place are public; and
- machines, equipment and software used to produce the outcome of games meet standards set by the Commission and operate as advertised.

(iii) Protecting children and other vulnerable persons

7.5.10 This Licensing Authority has noted the Gambling Commission's Guidance for local authorities states that this objective means preventing children (defined in S45 of the Act as being less than 16 years old or a young person as between 16 and 18 years old) from taking part in gambling (as well as restriction of advertising so that gambling products are not aimed at or are, particularly attractive to children). It accepts that, whilst the licensing objective refers to protecting children from being harmed or exploited by gambling, in practice, that often means preventing them from taking part in or being in close proximity to gambling. It will therefore consider, as suggested in the Gambling Commission's Guidance, whether specific measures are required at particular premises, with regard to this licensing objective.

7.5.11 This Authority will consult with the Lancashire Safeguarding Children Board on any application that indicates there may be concerns over access for children or vulnerable persons.

7.5.12 Each separate application will be judged on its merits before a decision is taken as to whether conditions to protect children are imposed on particular categories of premises. These may include such requirements as:-

- the supervision of entrances,
- the segregation of gambling from other areas where children are admitted
- the supervision of gaming machines in non adult gambling specific premises
- the introduction of 'proof of age' schemes'

7.5.13 The authority will make itself aware of the Codes of Practice which the Gambling Commission issues as regards this licensing objective, in relation to specific premises such as casinos. It will be a condition of a casino licence that adherence to any code of practice produced on access of children will be mandatory. The requirements of the code may include controls for the protection of children which:-

- specify steps that the premises licence-holder must take to ensure that children and young persons (that is those under the age of 18) do not enter the casino premises.
- ensure that each entrance to the casino or gambling area is supervised by at least one person who is responsible for compliance with the code of practice; and

- require that, unless the supervisor is certain that a person seeking admittance is an adult, evidence of age must be required of all those seeking to enter the casino.

7.5.14 It is not an aim of this policy to exclude any particular groups of adults from gambling, however, where vulnerable persons may come into contact with gambling appropriate measures will be taken to protect them. Whilst the neither the Gambling Commission nor the legislation offer no definition of “vulnerable persons” it will be assumed, for the purposes of this policy, that this group includes those who

- gamble more than they want to
- gamble beyond their means
- may not be able to make informed or balanced judgements about gambling because of mental impairment, alcohol or drugs.

This Authority will balance the need to introduce measures to protect vulnerable persons against the overall aim to permit the use of premises for gambling.

7.6 Conditions

7.6.1 The Act allows for conditions to be attached to premises licences by the following methods:-

- automatically, having been prescribed in the Act
- being attached by virtue of a Regulation made by the Secretary of State
- at the discretion of the Licensing Authority

7.6.2 Licensing Authorities are specifically precluded from conditions on licences which:-

- make it impossible to comply with an operating licence condition;
- relate to gaming machine categories, numbers, or methods of operation;
- provide that membership of a club or body is necessary to participate in the gambling facilities;
- relate to stakes, prizes or winnings.

7.6.3 Decisions will be taken on the imposition of individual conditions on a case by case basis, however this will be against the background contained in the Gambling Commission guidance and this Gambling Policy Statement.

7.6.4 The starting point in determining applications will be to grant the application without discretionary conditions. Conditions will only be considered where they are needed to meet the requirements of the licensing objectives, They will generally be considered unnecessary if they are already adequately covered by other legislation. Any conditions imposed by this Authority will, so far as possible, reflect local crime prevention strategies. For example, closed circuit television cameras may be appropriate in certain premises. They will not be overly onerous and will be proportionate to the scale of the application and the risks involved. In particular any conditions imposed on licences will be: -

- relevant to the need to make the proposed building suitable as a gambling facility;
- directly related to the premises and the type of licence applied for;
- fairly and reasonably related to the scale and type of premises; and
- reasonable in all other respects.

7.6.5 When considering any conditions to be attached to licences, the Council will primarily focus on the direct impact of the activities taking place at licensed premises on members of the public living, working or engaged in normal activity in the area concerned. Control measures this Licensing Authority will consider utilising should there be a perceived need, include:-

- the use of door supervisors,
- supervision of adult gaming machines,
- appropriate signage for adult only areas

These are specifically dealt with under each of the licence types below. This Licensing Authority will, however, also consider that the licence applicant should offer his/her own suggestions as to way in which the licensing objectives can be met effectively.

7.6.6 In the case of buildings which are subject to multiple premises licences, consideration will be given to specific measures which may be required. These may include the supervision of entrances; segregation of gambling from non-gambling areas frequented by children; and the supervision of gaming machines in non-adult gambling specific premises in order to pursue the licensing objectives.

7.6.7 Where category C or above machines are on offer in premises to which children are admitted, this authority will ensure that:

- all such machines are located in an area of the premises which is separated from the remainder of the premises by a physical barrier which is effective to prevent access other than through a designated entrance;
- only adults are admitted to the area where these machines are located;
- access to the area where the machines are located is supervised;
- the area where these machines are located is arranged so that it can be observed by the staff or the licence holder; and
- at the entrance to and inside any such areas there are prominently displayed notices indicating that access to the area is prohibited to persons under 18.

These considerations will apply to premises including buildings where multiple premises licences are applicable.

7.6.8 Where there is concern that a particular premises will attract disorder or be subject to attempts at unauthorised access by, for example, children or vulnerable adults a condition may be added to a licence requiring that the entrances to such premises be controlled by door supervisors. Where the Private Security Industry Act 2001 requires such door supervisors to be licensed by the Security Industry Authority (SIA) (or successor body) then this requirement will normally also be deemed to be a condition of the premises licence. Where, however, door supervisors are employed as 'in house' staff in casinos and bingo halls they do not need to be licensed by the SIA.

7.6.9 For premises other than casinos and bingo premises, this authority may decide that for particular premises where there is evidence that supervision from counters or other normal staff positions has proved inadequate to meet the licensing objectives, that additional supervision of entrances / machines is appropriate. The Authority may decide, in the light of the particular circumstances, that these need to be SIA licensed. It will, however, not be automatically assumed that they need to be so licensed.

7.7 Adult Gaming Centres

7.7.1 The term adult gaming centre was introduced by the Gambling Act 2005. Such premises are entitled to provide gaming machines which payout higher jackpots. The numbers and categories of higher jackpot machines that can be placed in adult gaming centres are specified in Regulations made by the Secretary of State.

7.7.2 This Authority's main concern in these premises is to protect children and vulnerable persons.

7.7.3 In considering applications for a premises licence for an adult gaming centre the Licensing Authority will, in particular, consider the measures put in place to prevent under 18s from gaining access to the premises. Such matters as the position of entrances, supervision and the use that other parts of the premises are put will be relevant.

7.7.4 Conditions may be attached to such licences to cover, amongst other matters, issues such as:

- Proof of age schemes
- CCTV
- Door supervisors
- Supervision of entrances / machine areas
- Physical separation of areas
- Location of entry
- Notices / signage
- Specific opening hours
- Self-barring schemes
- Provision of information leaflets / helpline numbers for organisations such as GamCare

This list is not mandatory, nor exhaustive, and is merely indicative of example measures.

7.8 Family Entertainment Centres (Licensed)

7.8.1 The Act created two classes of family entertainment centres, only one of which requires a premises licence.

7.8.2 Licensed family entertainment centres are permitted to provide category C and D gaming machines. Unlicensed family entertainment centres can only provide category machines. No limits are set on the numbers of machines in these categories.

7.8.3 Children and young persons are permitted in licensed family entertainment centres but are not allowed to use any category C machines. In determining applications the Licensing Authority will consider any guidance issued by the Gambling Commission regarding the marking and segregation of such machines and the level of supervision required to protect children.

7.8.4 This Licensing Authority will specifically have regard to the need to protect children and vulnerable persons from harm or from being exploited by gambling and considers that the applicant should be able to satisfy the authority that there will be sufficient measures to ensure that under 18 year olds do not have access to the adult only gaming machine areas. Appropriate licence conditions may cover the issues detailed in paragraph 6.7.4 above.

7.9 Casinos

7.9.1 This Licensing Authority currently has one licensed casino within its area. It has not passed a 'no casino' resolution under section 166 of the Gambling Act 2005 but is aware of its power to do so. Should at any time the Authority decide to pass such a resolution, this decision will be taken by way of a resolution of the Full Council following considered debate, the reasons for making the resolution will be given and this policy will be updated accordingly.

7.9.2 If the Secretary of State, by Regulation, enables the Authority to issue a new style casino licence they are aware that there may be a number of operators wishing to run such a casino. In such a situation this Licensing Authority will determine the successful bidder by following the procedure laid out in Schedule 9 of the Act and in line with any regulations / codes of practice issued under the Gambling Act 2005.

- 7.9.3** This Licensing Authority is aware that powers are provided, in the Act, to allow them to restrict the number of betting machines, their nature and the circumstances in which they are made available by attaching conditions to a casino premises licence (where betting is permitted in the casino). It will, as per the Gambling Commission's Guidance, take into account the size of the premises, the number of counter positions available for person-to-person transactions, and the ability of staff to monitor the use of the machines by children and young persons (it is an offence for those under 18 to bet) or by vulnerable people, when considering the number/nature/circumstances of betting machines an operator wants to offer.

7.10 Bingo Premises

- 7.10.1** This Licensing Authority acknowledges that children and young people can be allowed entry into bingo premises but are not allowed to take part in bingo or use category B and C machines that are on the premises. This Authority will wish to ensure that sufficient measures are in place to prevent children participating in these activities.

- 7.10.2** The Licensing Authority will take into account guidance or codes of practice from the Gambling Commission on the suitability and layout of bingo premises when determining any applications for premises licences. This guidance includes a requirement that:-
- all category B & C gaming machines are located in an area of the premises separated from the remainder of the premises by a physical barrier which is effective to prevent access other than through a designated entrance;
 - only adults are admitted to the area where the machines are located;
 - access to the area where the machines are located is arranged so that it can be observed by staff of the operator or the licence holder; and
 - at the entrance to, and inside any such area there are prominently displayed notices indicating that access to the area is prohibited to persons under 18.

7.11 Betting Premises

- 7.11.1** Children are not permitted to enter premises licensed for betting and therefore this Licensing Authority will consider the measures which an applicant for a premises licence will be taking to prevent this.

- 7.11.2** This Licensing Authority will generally only consider whether to impose a condition on ~~to~~ any premises licence for a betting premises restricting the number and or nature of betting machines (not to be confused with gaming machines) and the circumstances in which those machines are available for use when there is evidence that such machines have been or are likely to be used in breach of the licensing objectives. The authority will take into account those issues set out in 6.9.3 above when considering the number/nature/circumstances of betting machines an operator wants to offer.

7.12 Tracks

- 7.12.1** There are currently no tracks within the Borough. It is recognised, however, that tracks are different from other premises in that there may be more than one premises licence in effect (provided each licence relates to a specified area of the track.) and that the track operator may not be required to hold an operator licence as there may be several premises licence holders at the track which will need to hold their own operator licences.

Should an application be made for a track premises licence, it will be determined in accordance with the guidance of the Gambling Commission. This Licensing Authority will, however, especially consider the impact upon the third licensing objective (i.e. the protection of children and vulnerable persons from being harmed or exploited by gambling) and the need to ensure that entrances to each type of premises are distinct and that children are excluded from gambling areas where they are not permitted to enter.

- 7.12.2** There may be some specific considerations with regard to the protection of children and vulnerable persons from being harmed or exploited by gambling at tracks. This Authority

considers that premises licence applicants should be able to demonstrate that suitable measures will be in place to ensure that children do not have access to adult only gaming facilities. It is noted that children and young persons will be permitted to enter track areas where facilities for betting are provided on days when dog-racing and/or horse racing takes place, although they are still prevented from entering areas where gaming machines (other than category D machines) are provided. As well as the introduction of a proof of age scheme, appropriate licence conditions may cover the issues detailed in paragraph 6.7.4 above.

- 7.12.3** Further guidance from the Gambling Commission is awaited as regards where Gaming Machines (as distinct from betting machines) may be located on tracks and any special considerations that should apply in relation, for example, to supervision of the machines and preventing children from playing them. This Licensing Authority notes the Commission's Guidance that it will need to consider the location of gaming machines at tracks, and applications for track premises licences will need to demonstrate that, where the applicant holds a pool betting operating licence and is going to use his entitlement to four gaming machines, these machines are located in areas from which children are excluded. Children and young persons are not prohibited from playing category D gaming machines on a track.
- 7.12.4** In respect of betting machines at tracks, this authority will, as per the Gambling Commission's Guidance, take into account the size of the premises and the ability of staff to monitor the use of the machines by children and young persons (it is an offence for those under 18 to bet) or by vulnerable people, when considering the number/nature/circumstances of betting machines an operator wants to offer. It will also take note of the Gambling Commission's suggestion that licensing authorities will want to consider restricting the number and location of such machines in respect of applications for track betting premises licences.
- 7.12.5** In accordance with Gambling Commission advice, this Authority will attach a condition to any track premises licences issued requiring the track operator to ensure that the rules are prominently displayed in or near the betting areas, or that other measures are taken to ensure that they are made available to the public. (For example, the rules could be printed in the race-card or made available in leaflet form from the track office.)
- 7.12.6** This Licensing Authority awaits regulations setting-out any specific requirements for applications for premises licences. It, however, accepts the Gambling Commission's suggestion "To ensure that licensing authorities gain a proper understanding of what they are being asked to licence they should, in their licensing policies, set out the information that they will require, which should include detailed plans for the racetrack itself and the area that will be used for temporary "on-course" betting facilities (often known as the "betting ring") and in the case of dog tracks and horse racecourses fixed and mobile pool betting facilities operated by the Tote or track operator, as well as any other proposed gambling facilities." and that "Plans should make clear what is being sought for authorisation under the track betting premises licence and what, if any, other areas are to be subject to a separate application for a different type of premises licence."
- 7.12.7** This Licensing Authority also accepts the Commission's view that it would be preferable for all self-contained premises operated by off-course betting operators on track to be the subject of separate premises licences. This would then ensure that there was clarity between the respective responsibilities of the track operator and the off-course betting operator running a self-contained unit on the premises.

7.13 Travelling Fairs

- 7.13.1** Whilst the Act defines a travelling fair as wholly or principally providing amusements, this Licensing Authority will decide, in each case, whether this the statutory definition is met on the evidence available.
- 7.13.2** Any number of category D (small stake and prize) gaming machines may be made available for use at travelling fairs subject to a requirement that the facilities for gambling

amount to no more than an ancillary amusement at the fair. This Licensing Authority will, decide, in each case, whether this requirement is met on the evidence available.

- 7.13.3** It is recognised that land may only be used for a travelling fair up to a maximum of 27 days in any calendar year and that such use applies to the piece of land on which the fairs are held, regardless of whether it is the same or different travelling fairs occupying the land. This Licensing Authority will monitor whether land is used in excess of the statutory limit and will work with its neighbouring authorities to ensure that land that crosses its boundaries is similarly monitored so that the statutory limits are not exceeded.

8 REPRESENTATIONS

- 8.1** Only *Interested Parties* and *Responsible Authorities* (see below for definition) can make representations about licence applications, or apply for a review of an existing licence.

8.2 Admissible and Relevant

- 8.2.1** A representation will only be admissible if it is from a responsible authority or interested party.

- 8.2.2** The only representations that are likely to be considered as relevant are those that relate to the licensing objectives (set out in 2.1 above), or that raise issues under the licensing Gambling Policy Statement, or the Commission's guidance or codes of practice. For example a representation which concerns public nuisance or public safety at the premises would not be considered to be relevant, as these are not licensing objectives but concerns over crime and disorder or the protection of children would be.

8.3 Frivolous or Vexatious or Likely to have no Influence on a Decision

- 8.3.1** This Licensing Authority will determine an application without a hearing if the representations are considered to be either frivolous or vexatious.

- 8.3.2** Decisions as to whether representations are frivolous, vexatious or likely to have no Influence on a Decision will be made by Council Officers, who will make the decisions on whether representations or applications for licence reviews should be referred to the Licensing Committee or a Panel of the Licensing Committee. These words will be judged to have their normal dictionary definitions. Frivolous will be interpreted as having little substance, as not serious or flippant whilst vexatious will be interpreted as having an ulterior motive or as vindictive.

- 8.3.3** A hearing will also be dispensed with if in the opinion of this Authority the substance of the representation will certainly not influence the Authorities determination of the application.

- 8.3.4** In the event of this Authority considering a representation to be frivolous or vexatious or as likely to have no influence on the decision, then the person who made the representation will be informed and the reasons for coming to such a conclusion will be clearly stated. There is no right of appeal against a determination that representations are not admissible

8.4 Responsible Authorities

- 8.4.1** A Responsible Authority is defined in the Act as:-

- A Licensing Authority in England and Wales in whose area the premises are wholly or partly situated
- The Gambling Commission
- The Chief Officer of Police for the police area in which the premises are wholly or partly situated

- The Fire and Rescue Authority for an area in which the premises are wholly or partly situated
- The local planning authority
- An Authority which has functions by virtue of an enactment in respect of minimising or preventing the risk of pollution of the environment or of harm to human health in an area where the premises is wholly or partly situated
- A body which is designated in writing for by the Licensing Authority for an area in which the premises are wholly or partly situated, as competent to advise the authority about the protection of children from harm
- Her Majesty's Commissioners of Custom and Excise.

Although current contact details for all responsible authorities listed above are included in Appendix A to this policy, it should be noted that the Secretary of State may from time to time amend this list by Regulation.

- 8.4.2** The Authority accepts that the protection of children and vulnerable persons is key responsibility under the Act. It considers that the most appropriate body to advise them about the protection of children to be the Lancashire Safeguarding Children Board.

8.5 Interested Parties

- 8.5.1** Although each case will be determined on its individual merits, a person will generally be considered to be an interested party in relation to an application for or in respect of a premises licence if, in the opinion of the Licensing Authority, the person :

- lives sufficiently close to the premises to be likely to be affected by the authorised activities
- has business interests that might be affected by the authorised activities or
- represents either of the above

- 8.5.2** In determining whether or not a person "lives sufficiently close to the premises to be likely to be affected by the authorised activities", account will be taken of the following factors:-

- The size of the premises
- The nature of the premises
- The distance of the premises from the location of the person making the representation
- The potential impact of the premises (number of customers, routes likely to be taken by those visiting the establishment) and
- The nature of the complainant. (In terms of the nature of their interest rather than their personal. For example 'sufficiently close to be likely to be affected' could be interpreted differently for a private resident as distinct from a residential school with truancy problems or a hostel housing vulnerable persons.)

- 8.5.3** In determining whether a person's business interest might be affected by the authorised activities, consideration will be given to the Gambling Commission's Guidance that "has business interests" should be given the widest possible interpretation and include partnerships, charities, faith groups and medical practices. It will not, however, be considered sufficient only to argue that a rival business will be a competitor in the same gambling sector. The Authority will have to be satisfied that the business would be likely to be directly affected. The question of demand will likewise not be considered. Factors which will be taken into account include:-

- the size of the premises
- the catchment area of the premises (i.e. how far people travel to visit) and;

- whether the person making the representation has business interests in that catchment area that might be affected.
- 8.5.4** The Gambling Commission has recommended that licensing authorities include trade associations and trade unions, and residents' and tenants' associations as interested parties. This authority will not however generally view these bodies as interested parties unless they have a member who can be classed as an Interested party under the terms of the Gambling Act 2005. (e.g. lives sufficiently close to the premises to be likely to be affected by the activities being applied for.)
- 8.5.5** Interested parties may be represented by advocates which include legal representatives and others, provided that they can produce written evidence that they have been authorised to act on behalf of the interested party.
- 8.5.6** Interested parties can be persons who are democratically elected such as councillors and MP's. No specific evidence of being asked to represent an interested person will be required in these cases as long as the councillor / MP represents the ward likely to be affected. Likewise, parish councils likely to be affected will be considered to be interested parties. Other than these, however, written evidence will generally be required that a person/body (e.g. an advocate / relative) 'represents' someone who either lives sufficiently close to the premises to be likely to be affected by the authorised activities and/or has business interests that might be affected by the authorised activities. A letter from one of these persons, requesting the representation will be considered sufficient.
- 8.5.7** If individuals wish to approach councillors to ask them to represent their views then care should be taken that the councillors are not part of the Licensing Committee or Panel dealing with the licence application. If there are any doubts then the Council's Licensing Section should be contacted.

9 REVIEW OF PREMISES LICENCES

- 9.1** The review of a premises licence may be instigated by this Licensing Authority or at the request of a responsible authority or interested party. It is, however, for the Licensing Authority to decide whether the review is to be carried-out.
- 9.2** A request for review will not be granted by this Authority unless it is: is "relevant" i.e.
- In accordance with any relevant code of practice issued by the Gambling Commission
 - In accordance with any relevant guidance issued by the Gambling Commission
 - Is consistent with the licensing objectives (see 2.1 above) and In accordance with the Authority's Gambling Policy Statement.
- 9.3** The Licensing Authority will similarly not hold a review if, in the opinion of the authority, the grounds :-
1. are frivolous (see paragraph 7.3 above)
 2. are vexatious (see paragraph 7.3 above)
 3. will certainly not' cause the authority to revoke or suspend a licence or to remove, amend or attach conditions on the premises licence. (see paragraph 7.3 above)
 4. are substantially the same grounds cited in a previous application for a review relating to the same premises
 5. are substantially the same as representations made at the time of an application for a premises licence.

In the case of reasons 4 and 5 above, the Authority will take into account the time, which has passed since the earlier application.

- 9.4** A review can be held in relation to a class of premises or in relation to a particular premises.
- 9.5** This Licensing Authority will consider initiating a review themselves against a premises or class of premises if complaints are made against the use made of those premises or the measures put in place by licensees to comply with licence conditions. It may, however, decide to initiate a review of a licence on the basis of any reason relevant to its duties and functions under the Act, which it thinks is appropriate. The outcome of such a review may be the introduction of default conditions attached to all premises licences within that class.

10 PROVISIONAL STATEMENTS

- 10.1** An applicant cannot obtain a full premises licence until the premises in which it is proposed to offer the gambling is constructed. It is recognised, therefore, that developers may wish to have some assurance that a premises licence would be granted before entering into a contract to develop land or renovate a property. In these circumstances an application can be made for a provisional statement.
- 10.2** This Licensing Authority recognises that it is a question of fact and degree as to whether premises are finished to such a degree that they can be fully inspected and considered for a premises licence.
- 10.3** Unlike an application for a premises licence applicants for provisional statements do not have to hold an operating licence from the commission. This Licensing Authority, when determining any such application will not speculate or take any account the likelihood or not of an operating licence being granted. Should the commission subsequently refuse an operating licence the provisional statement will not be able to be converted into a premises licence.
- 10.4** Any application for a provisional statement shall be treated in exactly the same way as would have been the case if the application had been for a premises licence and no regard will be taken of the likelihood of the applicant obtaining planning permission or building regulations approval for the proposal.
- 10.5** When an application is made for a premises licence for a premises which has the benefit of a provisional statement, this Licensing Authority will disregard any representations from responsible authorities or interested parties unless:
- They address matters that could not have been addressed in representations relating to the application for the provisional statement. or
 - They reflect a change in the applicants circumstances.

11 PERMITS, NOTICES & LOTTERIES

- 11.1** The Act allows for a number of gambling activities to take place outside of the licensing regime. These are authorised by permits which are issued by the Authority. These are :-
- Unlicensed family entertainment centres
 - Club gaming permits and club machine permits
 - Alcohol licensed premises gaming machine permits
 - Prize gaming permits.
- 11.2** The issue of all such permits will be undertaken by the Licensing Authority in accordance with the statutory procedures with regard to any guidance issued by the Gambling Commission.
- 11.3** **Unlicensed Family Entertainment Centres-Gaming Machine Permits**

- 11.3.1** Where a premises does not hold a Premises Licence and wishes to provide gaming machines but does not wish to apply for a Family Entertainment Centre (FEC) premises licence as they only wish to offer category D gaming machines, it may apply to the Licensing Authority for a permit to do so. An application for a permit will only be considered if this Authority is satisfied that the premises will be used as an unlicensed FEC, and that the Chief Officer of Police has been consulted on the application.
- 11.3.2** In considering applications for such permits this Authority will give weight to child protection issues. It will take into account the applicant's suitability including any convictions that they may have that would make them unsuitable to operate a family entertainment centre, the suitability of the premises in relation to their location as well as issues about disorder.
- 11.3.3** Although this Licensing Authority recognises that it cannot attach conditions to this type of permit, it is suggested that initial applicants for permits will be able to show that there are policies and procedures in place to protect children from harm. Harm in this context will not be construed as limited to harm from gambling but to include wider child protection considerations. The efficiency of such policies and procedures will each be considered on their merits, however, they may include CRB checks for staff, appropriate measures / training for staff as regards suspected truant school children on the premises, measures / training covering how staff would deal with unsupervised very young children being on the premises, or children causing perceived problems on / around the premises.
- 11.3.4** Applicants will also be expected to demonstrate:
- a full understanding of the maximum stakes and prizes of the gambling that is permissible in unlicensed family entertainment centres;
 - that staff are trained to have a full understanding of the maximum stakes and prizes.
- 11.3.5** This Licensing Authority has not currently formally adopted a Statement of Principles that they propose to apply when exercising their functions in considering applications for permits. Should it decide to do so it will be available from the licensing section (*see below*). Potential applicants / other interested persons are advised to check with the licensing department as to whether such a policy has been adopted.
- 11.3.6** Applications for renewal of a permit may only be refused on the grounds that an authorised local authority officer has been refused access to the premises without reasonable excuse, or that renewal would not be reasonably consistent with pursuit of the licensing objectives.

11.4 Alcohol Licensed Premises - Gaming Machine Permits

- 11.4.1** Premises licensed to sell alcohol for consumption on the premises may automatically have 2 gaming machines on the premises, of categories C and/or D, provided that they notify the Licensing Authority. The Licensing Authority can only remove the automatic authorisation in respect of any particular premises if:
- provision of the machines is not reasonably consistent with the pursuit of the licensing objectives;
 - gaming has taken place on the premises that breaches a condition of section 282 of the Act (i.e. that written notice has been provided to the Licensing Authority, that a fee has been provided and that any relevant code of practice issued by the Gambling Commission about the location and operation of the machine has been complied with)
 - the premises are mainly used for gaming; or
 - an offence under the Gambling Act has been committed on the premises.

- 11.4.2** If a premises wishes to have more than 2 machines, then it must apply for a permit. This Authority will consider such applications based upon the licensing objectives, as well as any guidance issued by the Gambling Commission and such matters as it considers to be relevant.
- 11.4.3** This Licensing Authority considers that such applications will be decided on a case by case basis. It will, however, have particular regard to the need to protect children and vulnerable persons from harm or from being exploited by gambling. Applicants should be able to satisfy the authority that there will be sufficient measures in place to ensure that under 18 year olds do not have access to any adult only gaming machines.
- 11.4.4** Measures which will satisfy the authority that there will be no access may include the adult only machines being in site of the bar, or in the sight of staff who will monitor that the machines are not being used by those under 18. Notices and signage may also be helpful. As regards the protection of vulnerable persons applicants may wish to consider the provision of information leaflets / helpline numbers for organisations such as GamCare.
- 11.4.5** This Licensing Authority may decide to grant the application with a smaller number of machines and/or a different category of machines than that applied for. Conditions (other than these) cannot, however, be attached. It should also be noted that the holder of a permit must comply with any Code of Practice issued by the Gambling Commission about the location and operation of the machine.
- 11.5 Prize Gaming Permits**
- 11.5.1** The Act provides for Licensing Authorities to prepare a statement of principles that they propose to apply in exercising their functions in respect of prize gaming permits which may, in particular, specify matters that it proposes to consider in determining the suitability of the applicant for a permit. This Licensing Authority has not prepared such a formal statement of principles. Should it decide to do so it will include details in a revised version of the statement of principles.
- 11.5.2** In making its decision on an application for prize gaming permits licensing authorities do not need to have regard to the licensing objectives but must have regard to any Gambling Commission guidance.
- 11.5.3** In considering applications for such permits this Authority will give particular weight to child protection issues. It will take into account the applicant's suitability including any convictions that they may have that would make them unsuitable to hold a prize gaming permit.
- 11.5.4** It should be noted that there are conditions in the Gambling Act 2005 by which a permit holder must comply, but that the Licensing Authority cannot attach conditions. The conditions in the Act are:
- the limits on participation fees, as set out in regulations, must be complied with;
 - all chances to participate in the gaming must be allocated on the premises on which the gaming is taking place and on one day; the game must be played and completed on the day the chances are allocated; and the result of the game must be made public in the premises on the day that it is played;
 - the prize for which the game is played must not exceed the amount set out in regulations (if a money prize), or the prescribed value (if non-monetary prize); and
 - participation in the gaming must not entitle the player to take part in any other gambling.

11.6 Club Gaming and Club Machines Permits

- 11.6.1** Members Clubs and Miners' welfare institutes (but not Commercial Clubs) can provide equal chance gaming and may apply for a Club Gaming Permit or a Clubs Gaming Machines Permit. The Club Gaming Permit will enable the premises to provide gaming machines (3 machines of categories B[4], C or D), equal chance gaming and games of chance. A Club Gaming Machine Permit will only enable the premises to provide gaming machines (3 machines of categories B[4], C or D).
- 11.6.2** This Licensing Authority is aware that: it may only refuse an application on the grounds that:
- the applicant does not fulfil the requirements for a members' or commercial club or miners' welfare institute and therefore is not entitled to receive the type of permit for which it has applied;
 - the applicant's premises are used wholly or mainly by children and/or young persons;
 - an offence under the Act or a breach of a permit has been committed by the applicant while providing gaming facilities;
 - a permit held by the applicant has been cancelled in the previous ten years; or
 - an objection has been lodged by the Commission or the police.
- 11.6.3** A 'fast-track' procedure is available for premises which hold a Club Premises Certificate under the Licensing Act 2003 whereby there is no opportunity for objections to be made by the Commission or the police. The grounds upon which an authority can refuse an application for such a permit are therefore reduced to the following:-"
- the club is established primarily for gaming, other than gaming prescribed under schedule 12;
 - in addition to the prescribed gaming, the applicant provides facilities for other gaming; or
 - a club gaming permit or club machine permit issued to the applicant in the last ten years has been cancelled.
- 11.6.4** Gambling Commission guidance indicates that members' clubs must have at least 25 members and be established and conducted "wholly or mainly" for purposes other than gaming, unless the gaming is permitted by separate regulations. (This may cover bridge and whist clubs). A members' club must be permanent in nature, not established to make commercial profit, and be controlled by its members equally. Examples include working men's clubs, branches of Royal British Legion and clubs with political affiliations.
- 11.6.5** There are statutory conditions on club gaming permits that no child uses a category B or C machine on the premises and that the holder complies with any relevant provision of a code of practice about the location and operation of gaming machines.
- 11.7 Temporary Use Notices**
- 11.7.1** The notices allow for the temporary use of premises for gambling by the holder of a gambling operator licence without the building having the benefit of a premises licence. Such premises could include such places as hotels, conference centres and sporting venues.
- 11.7.2** Temporary Use Notices will only be granted to operators holding the relevant operators licence. For instance a betting operator could be permitted a licence to provide betting facilities at a snooker tournament.

11.7.3 The Act makes reference, in the context of temporary event notices, to a “set of premises” and provides that a set of premises is the subject of a temporary event notice if “any part” of the premise is the subject of the notice. This Licensing Authority considers that the determination of what constitutes “a set of premises” will be a question of fact in the particular circumstances of each notice that is given. In considering whether a place falls within the definition of a “set of premises”, it will look at, amongst other things, the ownership/occupation and control of the premises. A large exhibition centre, for example, would be likely to come within the definition as it is properly one premises, and should not be granted a temporary use notice for 21 days in respect of each of its exhibition halls. But in relation to other covered areas, such as shopping centres, this Authority will need to consider whether different units are in fact different “sets of premises”, given that they may be occupied and controlled by different people. This Authority is likely to object to notices where it appears that their effect would be to permit regular gambling in a place that could be described as one set of premises.

11.7.4 This Licensing Authority will hold a hearing if an objection notice is served unless all parties agree that a hearing is unnecessary.

11.7.5 In determining at a hearing whether to allow a temporary use notice to have effect the Licensing Authority will aim to permit the provision of gambling facilities in so far as it considers that it is :-

- in accordance with any code of practice or guidance issued by the Gambling Commission;
- reasonably consistent with the licensing objectives; and
- in accordance with this Gambling Policy Statement.

11.8 Occasional Use Notices

11.8.1 The Licensing Authority has very little discretion with regard these notices which can be used to permit betting on tracks that operate on limited occasions. It will, however, ensure that the statutory limit of 8 days in a calendar year is not exceeded. It will also give careful consideration to the definition of a ‘track’ and whether the applicant is permitted to avail him/herself of the notice.

11.9 Small Society Lotteries

11.9.1 This Licensing Authority will take account of any guidance issued by the Gambling Commission in registering and controlling non commercial societies which are established and conducted:-

- for charitable purposes;
- for the purpose of enabling participation in, or supporting, sport, athletics or a cultural activity; or
- for any other non-commercial purpose other than private gain

12 ENFORCEMENT

12.1 This Authority considers that, in general, the authority which issues the licence or permit should take the lead in ensuring compliance with the licence and any conditions attached to it, including compliance with the relevant codes of practice. The main enforcement and compliance role for this Licensing Authority in terms of the Gambling Act 2005 is, therefore, to ensure compliance with the Premises Licences and other permissions which it authorises. The Gambling Commission is the enforcement body for Operator and Personal Licences

- 12.2** The authority intends that the regulatory burden imposed by it will be the minimum consistent with the carrying out of its statutory duties. Accordingly its approach to ensuring compliance with licence conditions and codes of practice will be to apply a lighter touch to operators perceived by it as low risk and a heavier more intrusive touch to higher risk operators. There may be occasions in which particular circumstances give rise to breaches of both a premises and an operating licence. In such circumstances, it may be appropriate for the Licensing Authority and the Gambling Commission to each review the licences for which they are responsible, and the Gambling Commission will be a responsible authority in the premises licence review.
- 12.3** This Authority recognises that, in general, the Gambling Commission will also take the lead on the investigation and, where appropriate, the prosecution of illegal gambling and that it will deal with unlicensed premises and concerns about manufacture, supply or repair of gaming machines. It accepts, however that there may be occasions on which the Authority is better placed to take the lead, particularly where there is illegal activity on a smaller scale that is confined to its area.
- 12.4** This Authority will have regard to relevant guidance issued by the Gambling Commission, the Regulatory Compliance Code (formally the Enforcement Concordat) and the Authority's own Enforcement Policy in all its enforcement actions. It will also keep itself informed of developments as regards the work of the Better Regulation Executive in its consideration of the regulatory functions of local authorities.
- 12.5** In general any enforcement actions which the Authority takes or proposes will be-
- **Proportionate** - It will intervene when necessary to promote the licensing objectives. Remedies will be appropriate having regard to the risks posed and the costs of such remedies will be minimised.
 - **Accountable** - All decisions will be justified and will be subject to public scrutiny.
 - **Consistent** - All rules, conditions or standards will be imposed or implemented fairly across all.
 - **Transparent** - It will be open at all times and will endeavour to present regulations in a simple and user friendly way.
 - **Targeted** - Enforcement focus will be on those areas which are causing the most problems and will be aimed at minimising those problems and side effects.
- 12.6** A graduated response will always be taken where offences against legislation are found or where licence conditions have been contravened. An isolated administrative offence, such as failing to maintain certain records, may be dealt with by way of a written warning. More serious offences may result in a referral to Licensing-Committee or Panel, the issue of a Formal Caution or a referral for prosecution.
- 12.7** This Licensing Authority intends to use appropriate enforcement to promote the licensing objectives under the Act. Once licensed, it is essential that premises are monitored to ensure that they are run in accordance with their operating schedules, in compliance with the specific requirements of the Act and in compliance with any licence conditions. It will also be important to monitor the Borough for unlicensed premises.
- 12.8** The Authority will seek to work actively with the Police in enforcing gambling licensing legislation and intends to establish protocols with Lancashire Constabulary, Lancashire Trading Standards Department and Lancashire Fire and Rescue Service on enforcement issues to ensure an efficient deployment of police and council officers.

- 12.9** In accordance with the principle of transparency, the authority's enforcement/compliance protocols/written agreements as well as its risk methodology will be made available upon request.

13 COMPLAINTS AGAINST LICENSED PREMISES

- 13.1** This Authority will investigate complaints against licensed premises in relation to matters relating to the licensing objectives for which it has responsibility. In the first instance, complainants are encouraged to raise the complaint directly with the licence holder or business concerned to seek a local resolution.
- 13.2** Where an interested party has made either a valid representation about licensed premises or a valid application for a licence to be reviewed, the Authority may initially arrange a conciliation meeting to address and clarify the issues of concern.
- 13.3** This process will not override the right of any interested party to ask that the licensing committee consider their valid objections or for any licence holder to decline to participate in a conciliation meeting.

14 APPEALS

- 14.1** A right of appeal exists to the applicant or any person making a relevant representation against a decision of the Licensing Authority.
- 14.2** An application for an appeal has to be made to the Magistrates Court within 21 days of being notified in writing of the decision.
- 14.3** This Licensing Authority will ensure that attention is drawn to this right of appeal when decision notices are served.

15 POLICY REVIEW

- 15.1** This policy takes effect on the *DATE TO BE INSERTED*. It will be subject to periodic reviews and further consultation in line with current Government guidance.
- 15.2** When reviewing this policy account will be taken of any additional guidance issued by the Gambling Commission and the results of any consultations received.

APPENDIX A

CONTACT DETAILS RESPONSIBLE AUTHORITIES

Contact details for Licensing Authority:

Licensing Team
 Fylde Borough Council
 Town Hall
 Lytham St Annes
 Lancs
 FY8 1LW
 Email: licensing@fylde.gov.uk Tel No: 01253 658658

Contact details of responsible authorities:

<i>Responsible Authority</i>	<i>Address</i>
The Gambling Commission	Gambling Commission Victoria Square House Victoria Square Birmingham B2 4BP Tel No. 0121 230 6500 Fax. 0121 237 2236 info@gamblingcommission.gov.uk
Police Authority	Lancashire Constabulary Licensing Department Western Division Bonny Street Blackpool Lancashire FY1 5RL Tel No: 01253 293933
Fire Authority	Technical Fire Safety Lancashire Fire and Rescue Service St Annes Fire Station St Andrews Road North St Annes Lancashire FY8 2JQ Tel No: 01253 722268
Environmental Protection and Planning	C/O Licensing Team Fylde Borough Council Town Hall Lytham St Annes Lancashire FY8 1LW Email: licensing@fylde.gov.uk Tel No: 01253 658658
Protection of Children	Lancashire Safeguarding Children Board, Room B52, PO Box 61 County Hall Preston PR1 8RJ

Her Majesty's Commissioners of Operational Team,
Custom and Excise. HM Revenue and Customs
National Registration Unit
Portcullis House
21 India Street
Glasgow
G2 4PZ

APPENDIX B

TABLE OF DELEGATIONS OF LICENSING FUNCTIONS

MATTER TO BE DEALT WITH	FULL COUNCIL	LICENSING COMMITTEE	OFFICERS
Three year licensing policy	X		
Policy not to permit casinos	X		
Application for premises licences		Where representations have been received and not withdrawn	Where no representations received/ representations have been withdrawn
Application for a variation to a licence		Where representations have been received and not withdrawn	Where no representations received/ representations have been withdrawn
Application for a transfer of a licence		Where representations have been received from the Commission	Where no representations received from the Commission
Application for a provisional statement		Where representations have been received and not withdrawn	Where no representations received/ representations have been withdrawn
Review of a premises licence		X	
Application for club gaming /club machine permits		Where representations have been received and not withdrawn	Where no representations received/ representations have been withdrawn
Cancellation of club gaming/ club machine permits		X	
Applications for gaming machine permits		For more than a total maximum of 4 machines	For up to a total maximum of 4 machines
Applications for other permits			X
Decisions as to whether representations are frivolous, vexatious or likely to have no influence on a decision			X
Decisions as to whether to make representations against an application or review a premises licence.			X
Cancellation of licensed premises gaming machine permits			X
Consideration of temporary use notice			X
Decision to give a counter notice to a temporary use		X	

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Date: Month / Year

Review Date: Month / Year

Our Ref: XXXXXXXXX

Authorised by: Insert Name and Position



FYLDE BOROUGH COUNCIL

GAMBLING POLICY 2016-2019

CONSULTATION

UNDER THE GAMBLING ACT 2005

REPRESENTATIONS and RESPONSES RECIEVED

Consultation Period: 29th September 2015 to 22nd November 2015

Issued November 2015

REVISED LICENSING POLICY - SCHEDULE OF RESPONSES

Relevant Paragraph of Policy	Respondent	Comments Received	Assessment of Comments	Recommended Action
Whole Document	Hon Alderman BJ Whittle OBE Fylde Community Partnership	The document represents a reasonable policy for the licensing and gambling and allows for the appropriate representation to be made to any change of conditions. This policy contributes to the wellbeing and safety of people in the Fylde.	The response is in relation to both the Gambling and Licensing Policies which are under review. No action is required.	No policy change required
Whole Document	The Rt Revd Julian Henderson Bishop's House Ribchester Road Clayton Le Dale Blackburn BBI 9EF	Thank you for the paperwork about the review of both your Licensing and Gambling policy and for this period of consultation. One of my team have read through the draft policies and confirm that what you propose is good and proportionate. At one level I would want to reduce the opportunities for gambling, as it usually hurts and harms the most vulnerable in our society. Similarly I would want to reduce the opportunities for purchasing and drinking alcohol, as so many people's lives are ruined by excessive alcohol consumption. But I know we have to deal with where we are rather than where we would like to be. Thank you for all you are doing to keep the situation as under control as possible.	As above.	No policy change requ

DECISION ITEM



REPORT OF	MEETING	DATE	ITEM NO
DEVELOPMENT SERVICES	FULL COUNCIL	14 DECEMBER 2015	16

LOCAL DEVELOPMENT SCHEME

PUBLIC ITEM

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

SUMMARY

A Local Development Scheme (LDS) is a document that councils are required to produce under the Planning and Compulsory Purchase Act 2004 (as amended by the Localism Act 2011). It must be available publically and kept up to date.

The present LDS was last updated in March 2007, and is out of date. Since its original publication in 2005 there have been numerous changes to planning legislation and policy, in particular:

- the Localism Act 2011;
- the National Planning Policy Framework (NPPF) which saw the transition from Local Development Frameworks to Local Plans and the introduction of neighbourhood planning;
- the Town and Country Planning (Local Planning) (England) Regulations 2012;
- the Neighbourhood Planning (General) (Amendment) Regulations 2015: and
- the Town and Country Planning (Development Management Procedure) (England) Order 2015.

The proposed updated LDS 2015 takes account all of the above changes, and sets out a timetable for the production of the new single Local Plan to 2032, which is at the Revised Preferred Option stage. It also lists a number of Supplementary Planning Documents which will be commenced during the later stages of Local Plan production.

RECOMMENDATION

1. That the Council adopt the updated Local Development Scheme, as attached in Appendix A of this report.

CORPORATE PRIORITIES

To Promote the Enhancement of The Natural & Built Environment (Place)	√	To Encourage Cohesive Communities (People)	√
To Promote a Thriving Economy (Prosperity)	√	To Meet Expectations of our Customers (Performance)	√

SUMMARY OF PREVIOUS DECISIONS

Development Management Committee 18 November 2015 – Local Development Scheme

That the Development Management Committee recommended that Council adopt the updated Local Development Scheme, as attached in Appendix A of the report.

Cabinet 26 March 2014 – Local Plan Part 1 – Progress Update

Cabinet agreed to accept the reasons given for the delay against the agreed timetable. The cabinet agreed the revised timetable and the assumptions that have been made in association with it.

The Cabinet approved the re-phasing of the delivery plan and associated budgets for development of the local plan.

Cabinet 27 November 2013 – Local plan Progress Update report and Funded Budget Increase Request

Cabinet resolved to agree the revised Local Plan progress update report and funded budget increase request.

Cabinet 16 September 2011 – Core Strategy Timetable and Budget

Cabinet agreed the revised timetable and resource plan as detailed in that report. That the timetable be used for project managing the Core strategy and is posted on the council's website.

Full Council 26 March 2007 – Local Development Scheme

Council agreed to adopt the amended Local Development Scheme for the purposes of submission to the Government Office North West.

REPORT

UPDATED LOCAL DEVELOPMENT SCHEME

1. The Planning and Compulsory Purchase Act 2004 introduced the requirement for councils to prepare and maintain a Local Development Scheme (LDS). An LDS sets out a timetable for the production of new or revised Development Plan Documents (such as a Local Plan or Supplementary Planning Documents). It also sets out the various stages these documents should be at and potential risks to these stages and possible solutions to these risks.
2. Fylde Borough Council prepared its first LDS in March 2005, which was submitted to and approved by the Secretary of State. The LDS was subsequently updated in 2006 and 2007. The 2007 version is available to view on our website at <http://www.fylde.gov.uk/council/planning-policy--local-plan-/local-development-framework/local-development-scheme/> . It is a legal requirement for all local planning authorities to keep the LDS up to date and published on the council's website.
3. The LDS serves two purposes, firstly it provides a starting point for members of the public and other stakeholders to see what the council's Development Plan consists of for the area in which they live; and secondly it sets out a programme for the preparation of documents as part of the Development Plan over a minimum period of three years, including timetables which will inform members of the public and other stakeholders about where plan production is up to and when the various documents are likely to be formally adopted.

4. The LDS includes references to both Development Plan documents which are subject to independent examination (local inquiry/hearing) and Supplement Planning Documents, which are not subject to independent examination but are consulted on with relevant bodies.
5. Following a decision by Fylde Council's Cabinet on the 26 November 2014, it was agreed that the previous decision to produce a Part 1 (containing Strategic Allocations and Development Management policies) and Part 2 Local Plan (containing Non-Strategic Allocations and town centre boundaries) be changed in favour of a combined single plan approach, and as such this updated LDS version takes this into account.
6. The LDS sets out an updated timetable for the delivery of the Fylde Local Plan to 2032, along with risks to that timetable. The timetable is set out below:

Revised timetable for the Fylde Local Plan to 2032 – Revised Preferred Option

Revised preferred Option out for consultation	15 October – 03 December 2015
Consultation on Publication Version (soundness of the document)	Minimum 6 week consultation as set out in SCI – plan on deposit from August – September 2016
Submission of all documents and Responses to Secretary of State	December 2016
Examination in Public (EiP)	January 2017
Adoption by Fylde Council	March 2017

CONCLUSION

7. The LDS is an important tool to aid consultation on the emerging Fylde Local Plan to 2032, and any Supplementary Planning Documents, as it sets out a timetable which the council is committed to follow, in preparing and consulting on documents within the Development Plan, thereby giving the general public and other stakeholders advance warning of when consultations on the Development Plan are expected to take place.
8. It is a legal requirement for the council to keep its LDS up to date and approval of this December 2015 LDS will ensure the council meets this requirement.
9. A revised LDS can only be adopted by a resolution of the council.

IMPLICATIONS	
Finance	There are no financial implications as a result of the LDS.
Legal	Production of a LDS is a legal requirement.
Community Safety	There are no community safety implications 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	There are no health and safety implications arising from

	this report
--	-------------

LEAD AUTHOR	TEL	DATE	DOC ID
Sara Jones	01253 658420	26 October 2015	

LIST OF BACKGROUND PAPERS		
Name of document	Date	Where available for inspection
Local Development Scheme	March 2007	http://www.fylde.gov.uk/council/planning-policy--local-plan-/local-development-framework/local-development-scheme/

Attached documents

1. Appendix A: Draft updated Local Development Scheme (November 2015)



LOCAL DEVELOPMENT SCHEME

FYLDE BOROUGH COUNCIL
(NOVEMBER 2015)



Contact Information

Planning Policy Team
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1. WHAT IS A LOCAL DEVELOPMENT SCHEME (LDS)?

What is an LDS?

1.1 All local planning authorities are required to produce a Local Development Scheme (LDS), which details the documents that will comprise the Development Plan for the area.

1.2 An LDS should contain a timetable showing when each document is estimated to be completed and whether the council is on target to achieve the estimated deadline.

Why is Fylde Council producing a new LDS?

1.3 A Local Development Scheme is a document that local planning authorities are required to produce under the Planning and Compulsory Purchase Act 2004 (As Amended by the Localism Act 2011). It must be available publically and kept up to date. Planning Practice Guidance (Paragraph 009 Reference ID: 12-009-20140306) states *"Local planning authorities should publish their Local Development Scheme on their website"*

1.4 The existing LDS was published in March 2007, and contained references to a Local Development Framework (LDF). Local Planning Authorities are now encouraged to produce a single Local Plan rather than an LDF. In addition, there have been various changes to planning legislation in particular:

- the Localism Act 2011, which was formally adopted in November 2011;
- the publication of the National Planning Policy Framework (NPPF) which saw the transition from Local Development Frameworks to Local Plans and the introduction of neighbourhood planning;
- the Town and Country Planning (Local Planning) (England) Regulations 2012;
- the Neighbourhood Planning (General) (Amendment) Regulations 2015: and
- the Town and Country Planning (Development Management Procedure) (England) Order 2015.

The 2007 LDS is therefore considered out of date.

2. ADOPTED LOCAL PLAN (2005) SAVED POLICIES:

Current Local Plan

2.1 The Fylde Borough Local Plan (As Altered) (Oct 2005) is an amalgamation of two documents:

- The Fylde Borough Local Plan 1996-2006, And,
- The Fylde Borough Local Plan Alterations Review 2004-2016.

2.2 The Alterations Review was published due to a number of matters that arose in the period leading up to, and since the adoption of the earlier Local Plan, which argued strongly in favour of reviewing the housing chapter and some limited aspects of other parts of the plan.

Saved Local Plan Policies

Fylde Borough Local Plan, May 2003

2.3 In order to retain specified policies in the Fylde Borough Local Plan (FBLP) beyond 28 September 2007, the council was required to seek the Secretary of State's agreement to issue a direction. The direction under paragraph 1(3) of schedule 8 to the Planning and Compulsory Purchase Act 2004, in respect of the FBLP, was issued by the Secretary of State on the 18 September 2007.

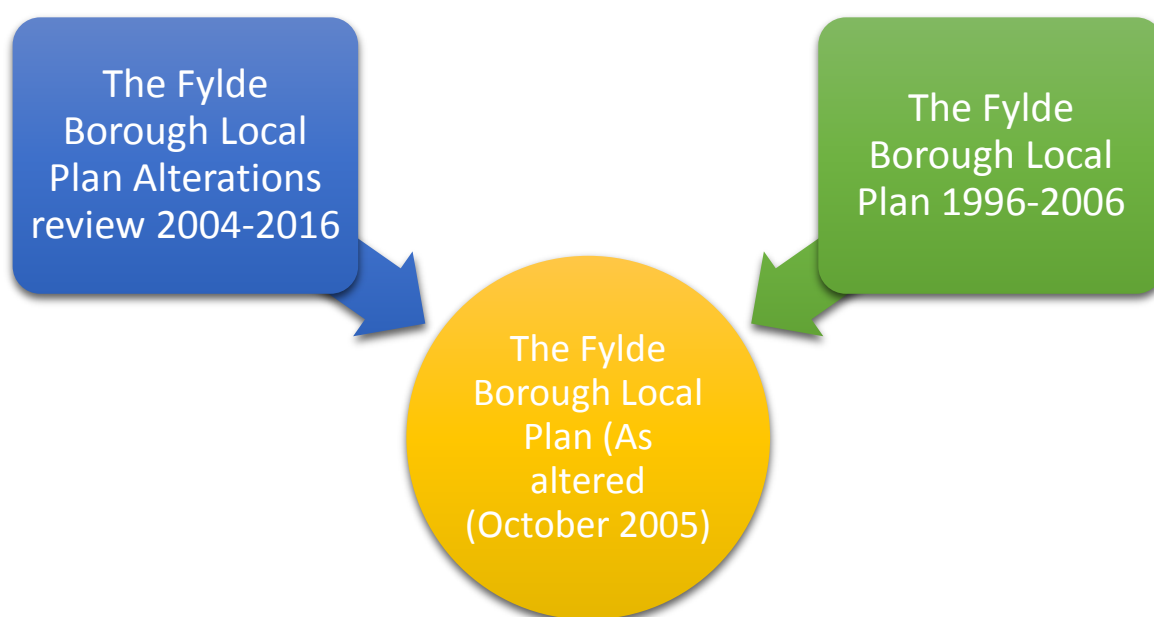
2.4 All policies in the FBLP were saved, except Policy TR9: Car Parking within New Developments. This policy related to Appendix 7 which was deleted from the FBLP by means of the alterations review, and car parking standards were subsequently provided by the adopted Joint Lancashire Structure Plan 2001-2016.

Fylde Borough Local Plan Alterations Review, October 2005

2.5 The nine policies introduced in the alterations review were saved until the 9 October 2008. In order to retain specified policies in the alterations review beyond this date, the council were required to seek the Secretary of State's agreement to issue a direction. The direction under paragraph 1(3) of schedule 8 to the Planning and Compulsory Purchase Act 2004, in respect of the FBLP, was issued by the Secretary of State on the 2 October 2008.

- The Fylde Borough Local Plan 1996 – 2006, adopted on 19 May 2003, and prepared in general conformity with the Lancashire Structure Plan 1991 – 2006 (LSP); and
- The Fylde Borough Local Plan Alterations Review 2004 – 2016, adopted on 10 October 2005, and prepared in general conformity with the Joint Lancashire Structure Plan 2001 – 2016 (JLSP).

All policies in the Alterations Review were saved, with the exception of Policy HL1: The Quantitative Housing Issue/Affordable Housing.



(Figure 1: Current Fylde adopted Local Plan)

2.6 To view the adopted Fylde Borough Local Plan (As Altered) (Oct 2005) please see the webpage below.

<http://www.fylde.gov.uk/council/planning-policy--local-plan-/fylde-borough-local-plan-altered-october-2005/>

Development Plan Documents

2.7 In addition to the adopted Fylde Borough Local Plan (As Altered) (Oct 2005) the Development Plan for Fylde comprises of the following:

- Saved Policy 29 of the Joint Lancashire Structure Plan 2001-2016: Sites for Gypsy and Traveller Families, adopted March 2005;
- Joint Lancashire Minerals and Waste Development Framework Core Strategy Development Plan Document, adopted February 2009; and
- Joint Lancashire Minerals and Waste Local Plan: Site Allocations and Development Management Policies, adopted September 2013.

The Secretary of States direction is available to view on the following link:

<http://www.fylde.gov.uk/business/planning/local-development-plan/>

Non Development Plan Documents

2.8 In addition to the Adopted Local Plan and other Development Plan Documents, Fylde Council also operates:

- A House Extensions Supplementary Planning Document (2007) <http://www.fylde.gov.uk/business/planning/extending-home-supplementary-planning-document/>
- An Interim Housing Policy (2008) (revised with addendum III 2013) [HTTP://WWW.FYLDE.GOV.UK/COUNCIL/PLANNING-POLICY--LOCAL-PLAN-/INTERIM-HOUSING-POLICY/](http://www.fylde.gov.uk/council/planning-policy--local-plan-/interim-housing-policy/)

3. LOCAL DEVELOPMENT SCHEME 2015:

LDS 2015

3.1 Following a decision by Fylde Council's Cabinet on the 26 November 2014, it was agreed that the previous decision to produce a Part 1 Local Plan (containing Strategic Allocations and Development Management policies) and Part 2 Local Plan (Containing Non-Strategic Allocations and town centre boundaries) be amended in favour of a combined single plan approach.

3.2 There are no other documents proposed to form part of the Local Development Scheme at this stage.

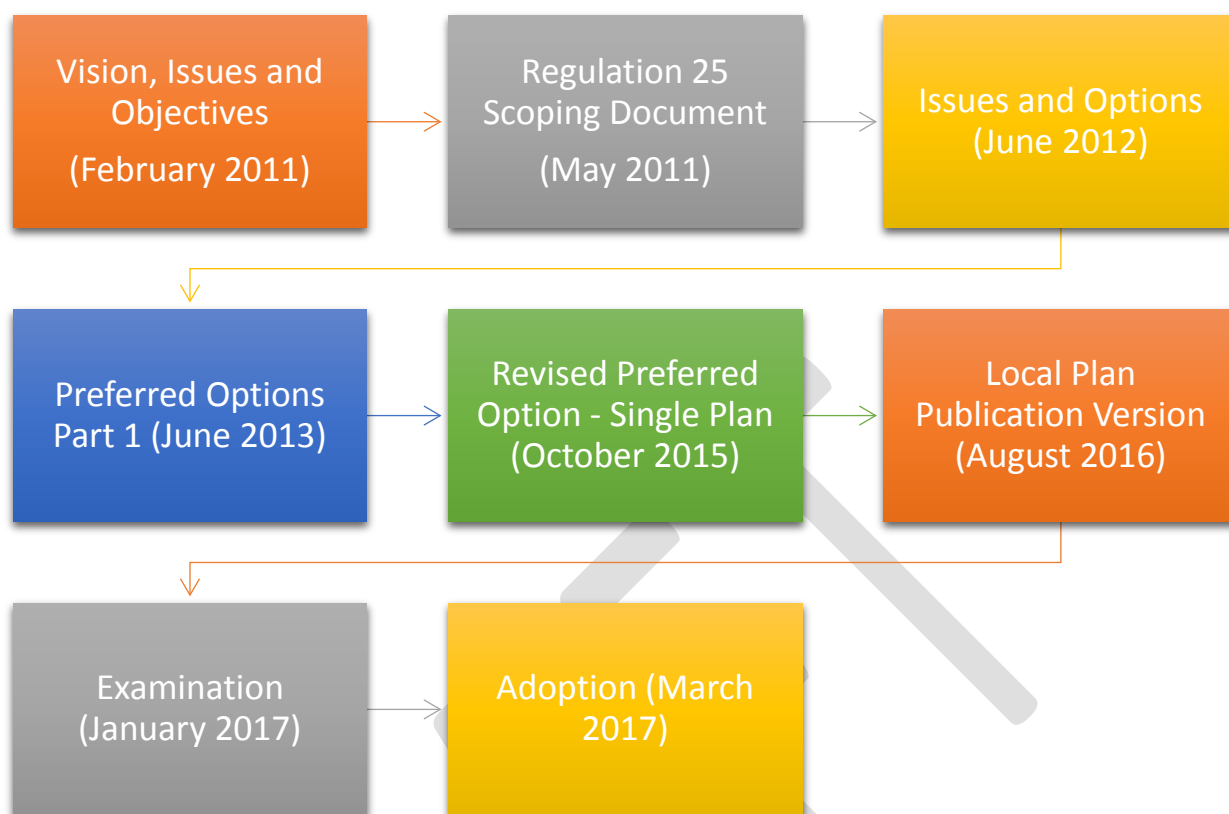
3.3 The current timetable for the combined Fylde Local Plan to 2032 is presented below:

- Revised Preferred Option (RPO) Consultation – 15 October to 3 December 2015.
- Consultation on the Publication Version – August/September 2016.
- Examination in Public - January 2017.
- Local Plan Adoption - March 2017.

For the latest updates on the emerging Fylde Local Plan to 2032 please see the webpage below:

<http://www.fylde.gov.uk/council/planning-policy--local-plan-/>

Fylde Local Plan to 2032 timetable



Resources

3.4 The following in-house resources will be made available for preparing the Local Plan:

- Planning Policy Manager
- 2 x Principal Planning Officers (1 permanent/1 temporary member of staff until March 2017)
- 2 x Planning Officers (1 permanent/1 temporary member of staff until March 2017)
- Research and Information Officer
- Cartographer/GIS Officer

3.5 The Local Plan will play a crucial role in helping to implement the council's vision, strategic objectives and development strategy, which sets out how the council would like the Fylde borough to look in 2032. As such, wider resources within the council will be drawn upon to prepare and implement the Local Plan, including the skills and expertise of colleagues in respect of:

- Built Heritage/Conservation
- Development Management
- Economic Regeneration
- Environmental Health
- Housing
- Parks and Horticulture Services
- Tourism

3.6 Joint working with Lancashire, Wyre, Preston and Blackpool Councils is coordinated through an Officer Working Group, as part of the duty to co-operate. There is also a Joint Advisory Committee (JAC) made up of elected Members from each council, and Lancashire County Council.

3.7 Lancashire County Council has a critical role to play in planning and implementing infrastructure to support Local Plan proposals, particularly in relation to transport and education. Consultants have been, and will be, engaged on specific projects where there is a lack of expertise or capacity in-house, for example the production evidence based studies and documents.

Risks to timetable

3.8 There will always be a degree of uncertainty associated with preparing a Local Plan, and the following issues contained in the table below could possibly delay the progress of the Plan.

Possible risk	How this could potentially impact on Fylde Local Plan?
New National Policies Published	The Government are continually changing, modifying and publishing planning policy and as a result additional work to comply with new requirements could result in further/new evidence having to be commissioned and the plan having to be re-drafted and re-consulted on.
Change in Local Government	A new Local Government could decide to take a different course with regard to the local plan process, this could lead to large parts of the Local Plan needing to be re-written. However, it would still need to comply with national policy.
High demand for the Planning Inspectorate's services	A high demand for the Planning Inspectorates services around the time proposed for the Fylde examination in public could lead to a delay in arranging the EiP. This could lead to key milestones not being met.
Local Plan found unsound	The Planning Inspector could advise that the work undertaken is unsound and as a result the Local Plan would require additional work and repetition of specific stages of the process. Regular legal advice should ensure that this does not happen.
Unforeseen pressures on staff time & staff turnover	Staff diverted to other work and reduced staff numbers including recruitment difficulties may cause slippage in the Local Plan preparation.
External Bodies could delay the Local Plan	Other bodies, including statutory consultees, could delay the Local Plan by not making responses on time or by requesting significant changes late on in the plan preparation process.
Legal Challenge	There is a possibility that the document is quashed completely or there is a requirement to repeat the work.

Evidence Base

3.9 Local planning authorities should prepare and maintain an up-to-date evidence base on key aspects of the social, economic and environmental characteristics of their area, to enable the preparation of a sound spatial plan meeting the objectives of sustainable development.

3.10 The evidence base needs to be a true and accurate reflection of the borough. In testing the soundness of Local Plans at examination, the evidence base will be relied upon. Simply put, the evidence base is critical to the production of the Local Plan.

3.11 Fylde's current evidence base consists of a wide range of documents. This evidence base is constantly being added to and updated as the plan preparation progresses. The list of evidence base documents includes:

- Employment Land and Premises Study (2012)
- Fylde Borough Area Profile (2012)
- Fylde Coast Retail Study (2013)
- Fylde Coast Strategic Housing Market Assessment and Addendums (SHMAA) (2014)
- Gypsy and Traveller Accommodation Assessment (2014)
- Housing Requirement Paper (2015)
- Lancashire and Blackpool Local Flood Risk Management Strategy (2014 – 2017)
- Lancashire Strategic Economic Plan (2014)
- Locally Set Floorspace Threshold (2014)
- Strategic Housing Land Availability Assessment (SHLAA) (2012)

3.12 Additionally, the following documents are also currently being prepared:

- Fylde Coast Highways & Transport Masterplan (2014)
- Habitats Regulation Assessment
- Health Impact Assessment
- Local Plan Economic Viability Assessment
- Open Space Sport and Recreation Study
- Playing Pitch Strategy
- Rural Proofing Assessment
- Sports Facilities Review
- Sustainability Appraisal

3.13 The lists above are not exhaustive. They do not cover all those other corporate, sub-regional or regional plans and strategies that may be used to help inform preparation of the Local Plan. Future documents to support the Local Plan may also be prepared. Further details about the evidence base are on the council's website.

Authority Monitoring Report (AMR)

3.14 In addition to a Local Plan, an Authority Monitoring Report will be produced annually with a base date of the 31 March. This will monitor the Local Plan and also contain contextual information on the borough. Each Authority Monitoring Report will be produced in the autumn following the 31 March and will be made available on the following webpage. <http://www.fylde.gov.uk/council/planning-policy--local-plan-/local-development-framework/annual-monitoring-report/>

Statement of Community Involvement (SCI)

3.15 Fylde Council's planning policy team has produced an updated Statement of Community Involvement (SCI), which takes into account the governments planning changes since the previous SCI was adopted in 2011. The new SCI details the parties to be consulted, and the manner of consultation, both during the process of determining planning applications and in formulating Development Plan documents, including who the council will consult with, when and how. The draft SCI will be consulted on in the autumn of 2015 (alongside the RPO) and adopted shortly afterwards. The draft SCI will be published for consultation on the following webpage. <http://www.fylde.gov.uk/council/planning-policy--local-plan-/local-development-framework/evidence-base/statement-community-involvement/>

Neighbourhood Planning

3.16 In addition to producing planning policy documents Fylde Council will provide support to the relevant bodies undertaking Neighbourhood Planning. Precise details of the support that Fylde Council will provide in the Neighbourhood Planning process is set out in the Neighbourhood Planning protocol available at the following webpage along with the latest updates. www.fylde.gov.uk/neighbourhoodplanning/

Community Infrastructure Levy (CIL)

3.17 It is anticipated that the council will begin developing Community Infrastructure Levy (CIL) after consultation on the RPO. The CIL will comprise a charging schedule and a Regulation 123 list of infrastructure projects or areas. CIL is the Government's response to the need for development to contribute to the provision of infrastructure either directly or indirectly related to the development in question; and the view that the planning obligations (Section 106) provisions provided only a partial and variable response to capturing funding contributions for infrastructure.

4. FYLDE LDS SUMMARY GRAPH

DRAFT

	2015								2016												2017			2018
Local Plan Stage	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Jan
Draft Revised Preferred Option (RPO) (Single Plan)																								
RPO Consultation (7weeks)																								
Responses Report																								
Local Plan Publication Version Plan preparation																								
Local Plan Publication Consultation (6 weeks)																								
Modifications																								
Submission																								
Examination in Public																								
Adoption																								
SPD's																								
Affordable Housing																								
Areas of Search for Renewables																								
Car Parking																								
Biodiversity, Mitigation, Compensation and Enhancement																								
Renewable Energy																								

Planning Policy Team
Fylde Borough Council
Town Hall
Lytham St Annes
Lancashire FY8 1LW

DECISION ITEM



REPORT OF	MEETING	DATE	ITEM NO
MONITORING OFFICER	COUNCIL	14 DECEMBER 2015	17

APPOINTMENT OF INDEPENDENT PERSONS

PUBLIC ITEM

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

SUMMARY

The Localism Act 2011 introduced a new regime for promoting high standards of conduct amongst elected members of the Borough Council which includes the requirement to appoint Independent Persons whose role is to oversee the process for dealing with allegations that a member has breached the Members' code of conduct. Three Independent Persons were appointed on 28 January 2013 for a three year term, Council is invited to approve the placement of an advert to recruit new Independent Persons.

RECOMMENDATION

1. To approve the placement of an advertisement to recruit Independent Persons.
2. To approve the continuation of the current Independent Persons in their role until 1st June 2016, or until the successful conclusion of the recruitment process and appointment of new Independent Persons.

CORPORATE PRIORITIES

To Promote the Enhancement of The Natural & Built Environment (Place)		To Encourage Cohesive Communities (People)	
To Promote a Thriving Economy (Prosperity)		To Meet Expectations of our Customers (Performance)	√

SUMMARY OF PREVIOUS DECISIONS

28 January 2013 - Council appointed Mr Ellwood, Mr Mozley and Mr Horrocks for a three year term.
20 May 2015 – Council appointed Mr Ellwood and Mr Horrocks, as co-opted members, to the Chief Officers Employment Committee.

REPORT

1. The Localism Act 2011 abolished the former standards regime including the requirement to have co-opted independent members. However, in the interests of enabling independent scrutiny of the process by which complaints against elected members are dealt with, the Act includes a requirement that all Local Authorities must appoint at least one Independent Person. The Independent Person is not a co-opted member of the authority but is entitled to attend hearings conducted by the Standards Committee in an advisory capacity if so required.
2. In addition, the Monitoring Officer must consult with the Independent Person prior to referring a matter for formal investigation. The Monitoring Officer can also use them in an advisory manner in other standards matters. The Act also states that an Independent Person should be available to be consulted by a member who is the subject of an allegation that they have breached the Members' Code of Conduct. As the Independent Person advising a member subject to an allegation cannot be one and the same as to whom the Monitoring Officer has utilised, this leads to the conclusion that there should be at least two Independent Persons.
3. Following the introduction of the legislation in 2012, Fylde and Blackpool Councils agreed to share Independent Persons across both Councils and agreed to appoint three independent persons for a three year period.
4. The arrangement with Blackpool Council has been very successful over the last three years, and the scrutiny, advice and support of the three Independent Persons has been equally positive.
5. Although there is no legislative requirement to re-advertise the positions, it would be good practice to refresh the panel after a period of time, especially in light of recent legislative changes which have altered the role of the Independent Persons.
6. In 2014 new legislation required the appointment of two independent persons to the Chief Officers Employment Committee, which Council did at its annual meeting in May 2015. Due to the change of emphasis of the role, since the Independent Persons were first appointed, it would be prudent to take the opportunity to refresh the panel.
7. Council is therefore requested to authorise the placement of an advert to recruit Independent Persons.
8. As the recruitment process is unlikely to have been concluded by 30 January 2016, the Council is further asked to agree that the current Independent Persons continue in their role until 1 June 2016 or a lesser period, subject to the successful conclusion of the recruitment process. Any new appointees will be subject to Council approval in due course.
9. It is anticipated that the current cost-sharing arrangements will continue with Blackpool Council.

IMPLICATIONS	
Finance	The Council has previously agreed to remuneration of £500 for the role of Independent Person (costs to be shared across both Fylde and Blackpool Councils)
Legal	Localism Act 2011 refers
Community Safety	No issues arising
Human Rights and Equalities	No issues arising
Sustainability and Environmental Impact	No issues arising
Health & Safety and Risk Management	No issues arising

LEAD AUTHOR	TEL	DATE	DOC ID
Tracy Morrison	01253 658521	2 October 2015	

LIST OF BACKGROUND PAPERS		
Name of document	Date	Where available for inspection

DECISION ITEM

REPORT OF	MEETING	DATE	ITEM NO
RESOURCES DIRECTORATE	COUNCIL	14 DECEMBER 2015	18

MEMBERS' ALLOWANCES

PUBLIC ITEM

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

SUMMARY

The independent remuneration panel has agreed on recommendations for councillors' allowances for the financial year 2016-17. The recommendations are detailed below. The report asks members to consider the recommendations and adopt them if appropriate.

RECOMMENDATION

Adopt the following recommendations of the independent remuneration panel with effect from 1 April 2016:

- Maintain the present level of basic allowance, special responsibility allowances, travel and subsistence allowances and dependent carer's allowance for 2016 – 17.*
- Make the following changes to the table of approved duties: Add the words "or event" after "meeting", where it occurs in the preamble wording to the table and the table header and change the final row of the table to the following:*

Any other meeting or event at which the attendance of a member is invited or sanctioned by an officer	Member whose attendance is invited or sanctioned
-------------------------------------------------------------------------------------------------------	--------------------------------------------------

CORPORATE PRIORITIES

To Promote the Enhancement of The Natural & Built Environment (Place)		To Encourage Cohesive Communities (People)	
To Promote a Thriving Economy (Prosperity)		To Meet Expectations of our Customers (Performance)	v

SUMMARY OF PREVIOUS DECISIONS

Council considers recommendations from the independent remuneration panel each year. Last municipal year the recommendations were reported to the council on 26 January 2015 and allowances were considered again at the meeting of 7 June. The decision of the council at that meeting was to increase allowances to their present level.

REPORT

1. The Local Authorities (Members' Allowances) (England) Regulations 2003 provide for local authorities to establish and maintain an independent remuneration panel. The purpose of the panel is to make recommendations to the council about the allowances to be paid to elected members.
2. The council must have regard to the recommendations of the panel.
3. Local authorities must include in their scheme of allowances a basic allowance, payable to all members, and may include provision for the payment of special responsibility allowances and a dependants' carers' allowance. The Regulations allow the inclusion of a travel and subsistence and a co-optees' allowance within an allowances scheme. These allowances are discretionary.
4. The independent panel has met and has made recommendations concerning the council's scheme.
5. The independent panel, being mindful of the Council's budget and the fact that the present level of allowances was only set a few months ago, recommended that there be no change in the current level of allowances.
6. The panel did recommend one change to the existing scheme, which was to change the table of approved duties as set out below (new wording underlined):

Attendance at any of the following meetings or events in column 1 is specified as an approved duty for the purpose of the payment of travelling and subsistence allowances and dependents' carers' allowances for the persons specified in column 2

Meeting	Persons qualified for allowance
Council	Councillor
Committee	Member of that committee
Sub-committee	Member of that sub-committee
Joint committee	Member of that committee appointed or nominated by Fylde Borough Council
Committee chairman's briefing	Chairman and vice-chairman
Tender opening	One Chairman
Site visit	Member of the committee or sub-committee under whose auspices the visit has been arranged
Course, seminar or conference	Member authorised to attend by the Member Development Steering Group or the Chief Executive
Any other external organisation	Member appointed or nominated to the organisation, or nominated to attend its meetings, by the council
Any other meeting <u>or event at which the attendance of a member is invited or sanctioned</u> arranged by an officer of the council	Member <u>whose attendance is invited or sanctioned</u>

The change is intended to allow more flexibility to pay travelling allowances for attendance at events which properly form part of a member's duties, but which may fall outside the literal wording of the present scheme.

7. Members are asked to consider the two appendices to this report:

Appendix 1: The report to the independent panel; and

Appendix 2: A note of the panel's deliberations and recommendations.

IMPLICATIONS	
Finance	The Council's base revenue budget includes recurring provision of £254,243 per annum for member's allowances as set out in paragraph 9 of this report. Any increases in allowances will result in increased revenue costs which will require approval by Council in due course.
Legal	Payment of members' allowances and the amount of such allowances is discretionary. However, the council is obliged to "have regard" to the recommendations of the independent panel.
Community Safety	None
Human Rights and Equalities	None
Sustainability and Environmental Impact	None
Health & Safety and Risk Management	None

LEAD AUTHOR	TEL	DATE	DOC ID
Ian Curtis	01253 68506	30 November 2015	

LIST OF BACKGROUND PAPERS		
Report to remuneration panel	September 2015	Town Hall, Lytham St Annes
Notes of remuneration panel meeting	13 November 2015	Town Hall, Lytham St Annes

Attached documents

Appendix 1: The report to the independent panel;

Appendix 2: A note of the panel's deliberations and recommendations

REPORT

REPORT OF	MEETING	DATE
RESOURCES DIRECTORATE	MEMBERS' ALLOWANCES INDEPENDENT REMUNERATION PANEL	13 NOVEMBER 2015

MEMBERS' ALLOWANCES

PUBLIC/EXEMPT ITEM

This item is for consideration in a meeting that is not open to the public.

SUMMARY

To brief members of the remuneration panel on the factors that may affect their consideration of the proper level of allowances for members of Fylde Council.

RECOMMENDATIONS

- Members are asked to reach recommendations for the financial year 2016-17 about:
 - The level of basic allowance payable to all councillors
 - Which councillors are to receive special responsibility allowances
 - The levels of special responsibility allowances
 - Whether to continue to pay dependants' carers' allowance and, if so, whether to cap the rates payable
 - Whether to continue to pay travel and subsistence allowances and, if so, of how much; and
 - What allowance (if any) to pay in respect of independent persons appointed in conjunction with the standards machinery.

SUMMARY OF PREVIOUS DECISIONS

The Independent Remuneration Panel last met, to review Members' Allowances, on 19 November 2014.

REPORT

Introduction

- As panel members will recall, the Local Authorities (Members' Allowances) (England) Regulations 2003 provide for local authorities to establish and maintain an independent remuneration panel. The purpose of the panel is to make recommendations to the council about the allowances to be paid to elected members.

2. The council must have regard to the recommendations of the panel.
3. Local authorities must include in their scheme of allowances a basic allowance, payable to all members, and may include provision for the payment of special responsibility allowances and a dependants' carers' allowance. The Regulations allow the inclusion of a travel and subsistence and a co-optees' allowance within an allowances scheme. These allowances are discretionary.
4. The existing members' allowances scheme, adopted by the council following consideration of the recommendations of the independent remuneration panel, and which is subject to review in respect of the period commencing 1 April 2016, is as set out as appendix 1. For convenience, the levels of basic and special responsibility allowances presently payable are set out in paragraph 26.
5. Paragraphs 10 to 25 below are based on previously published guidance from the Department for Communities and Local Government on members' allowances, subject to deletion of material now superseded and material not now applicable to Fylde.
6. In summary, the allowances which are or may be payable to members of local authorities are as follows:
 - basic allowance
 - special responsibility allowance
 - dependants' carers' allowance
 - travelling and subsistence allowance.

Financial settlement

7. The latest announcements by the Department of Communities and Local Government are of further reductions in funding to local authorities for future years. This comes on top of previously announced (and implemented) public sector funding reductions which have impacted to a significant extent upon the Councils overall financial position.
8. These reductions in funding have meant that the Council has needed to take significant steps to reduce expenditure in the current and future years. Based on the latest forecast position the Council currently has a recurring funding shortfall in future years which is unsustainable in the long-term. Consequently the Council continues to explore, and implement where possible, all opportunities to reduce expenditure including taking advantage of efficiency-savings achieved through the restriction on non-essential spending.
9. The annual budgeted cost of members' allowances and expenses to the council based on the amount estimated for 2015/16 under the present scheme is set out in Table 1 –

Table 1 – Annual Estimated Members Allowances & Expenses – Budget provision 2015/16

Basic Allowances	£191,250
Independent Person Allowances	£750
Special Responsibility Allowances	£56,318
National Insurance	£925
Car Mileage	£5,000
Total Estimated Cost	£254,243

Basic allowance

10. Each local authority must make provision in its scheme of allowances for a basic, flat rate allowance payable to all members of the authority. The allowance must be the same for each member. The allowance may be paid in a lump sum, or in instalments through the year.
11. Basic allowance is intended to recognise the time commitment of all councillors, including such inevitable calls on their time as meetings with officers and constituents and attendance at political group meetings. It is also intended to cover incidental costs such as the use of their homes.

Special responsibility allowance

12. Each local authority may also make provision in its scheme for the payment of special responsibility allowances for those councillors who have significant responsibilities. Special responsibility allowance may be payable for duties which fall within the following categories:
 - acting as leader or deputy leader of a political group
 - presiding at meetings of a committee, sub-committee, or joint committee
 - representing the authority at meetings of another body
 - membership of a committee or sub-committee which meets with exceptional frequency or for exceptionally long periods
 - acting as a spokesperson for a political group on a committee or sub-committee
 - membership of a panel dealing with licensing or controlling any activity
 - any other activities in relation to the discharge of the authority's functions as to require equal or greater effort of the member than any of the activities listed above.
13. A scheme must also specify the amounts of allowance to be paid for each such responsibility.
14. Where, as at Fylde, one political group is in control, and where an authority has decided to pay special responsibility allowances, the authority must make provision for the payment of a special responsibility allowance to at least one member of a minority group.

Dependants' carers' allowance

15. A scheme of allowances may also include the payment of a dependants' carers' allowance to those councillors who incur expenditure for the care of children or other dependants whilst undertaking particular duties. These duties are specified in the Regulations and are as follows:
 - a meeting of the authority
 - a meeting of a committee or sub-committee of the authority
 - a meeting of some other body to which the authority make appointments or nominations, or
 - a meeting of a committee or sub-committee of a body to which the authority make appointments or nominations
 - a meeting which has both been authorised by the authority, a committee, or subcommittee of the authority, and to which representatives of more than one political group have been invited
 - a meeting of a local authority association of which the authority is a member

- duties undertaken on behalf of the authority in connection with the discharge of any function of the authority conferred by or under any enactment and empowering or requiring the authority to inspect or authorise the inspection of premises
- any other duty approved by the authority in connection with discharging the duties of the authority or its committees or sub-committees.

Travelling and subsistence allowance

16. Each local authority may also make provision in its scheme for the payment of a travelling and subsistence allowance to its members.
17. This may include provision for the payment of an allowance for those members who travel by bicycle or other non-motorised transport.
18. The Regulations provide that travelling and subsistence allowances may be paid for:
 - a meeting of the authority
 - a meeting of a committee or sub-committee of the authority
 - a meeting of some other body to which the authority make appointments or nominations
 - a meeting of a committee or sub-committee of a body to which the authority make appointments or nominations
 - a meeting which has both been authorised by the authority, a committee, or subcommittee of the authority or a joint committee of the authority and one or more other authorities, and to which representatives of more than one political group have been invited
 - a meeting of a local authority association of which the authority is a member
 - duties undertaken on behalf of the authority in connection with the discharge of any function of the authority conferred by or under any enactment and empowering or requiring the authority to inspect or authorise the inspection of premises
 - any other duty approved by the authority in connection with discharging the duties of the authority or its committees or sub-committees.

Backdating of Allowances

19. When a scheme of allowances is amended, an authority may choose to apply the amendment retrospectively to the beginning of the financial year in which the amendment is made.
20. Where a councillor takes on duties entitling them to a different level of allowances (e.g. where a councillor is appointed to a position entitling them to special responsibility allowance), the new level of allowances may be applied retrospectively to the time at which the circumstances changed.
21. Independent remuneration panels may make recommendations, where relevant, as to whether the payments on which they have made a recommendation may be backdated. Authorities will be required to have regard to these recommendations.

Annual Adjustments of Allowance levels

22. A scheme of allowances may make provision for an annual adjustment of allowances to be ascertained by reference to an index as may be specified by the authority and contained in the scheme. The scheme must be publicised each year, whether or not it has been amended.
23. Where the only change made to a scheme is that caused by the annual impact of an index contained within that scheme, the scheme shall not be deemed to have been amended, and thus an authority will not have to seek a recommendation from its independent remuneration panel.
24. Where a panel makes a recommendation that allowance levels should be determined according to an index, it should also make a recommendation as to how long the index should run before reconsideration. In any case, an index may not run for more than four years before a further recommendation on it is sought from an independent remuneration panel.

Forgoing allowances

25. A scheme must provide that a person may forgo all or part of any allowances to which they are entitled. To do this they must give notice in writing to the proper officer of the authority.

Basic and special responsibility allowances at Fylde Council

26. The present allowances scheme at Fylde, which were approved at the Council meeting of 6th July 2015, provides for a basic allowance of £3,750 and the following special responsibility allowances:
 Leader of the Council - £10,000.00.
 Deputy leader of the Council - £3,000
 Chairmen of the Development Management Committee; Finance and Democracy Committee; Operational Management Committee; Environment, Health and Housing Committee; and Tourism and Leisure Committee - £4,000.00.
 Vice-Chairmen of the above Committees - 50% of Chairmen's allowance -£2,000.00.
 Chairmen of the Public Protection and Licensing Committees - £1,625.00.
 Vice-Chairmen of the above Committees - 50% of Chairmen's allowance -£812.50.
 Chairman of the Audit and Standards Committee - £3,250.00.
 Vice –chairman of the Audit and Standards Committee – 50% of chairman's allowance - £1,625.00.
 Leader of each political group - £32 per group member.
N.B Independent persons, who work with the Standards Committee and the monitoring officer, receive an allowance of £250 per year from Fylde Council and a similar allowance from Blackpool Council, with whom they work in the same capacity.

Historical data

27. The table below shows the current allowance levels as approved by Council in July 2015 and the allowance levels that were in place since the previous uplifting in 2006:

	Basic Allowance	Leader's Allowance	Chair of Programme Committee (or Equivalent)
2006	£3,500	£6,000	£3,250
2015	£3,750	£10,000	£4,000

Comparisons with other authorities

29. Officers have carried out a survey of current members' allowances schemes, which is included as appendix 2. The survey covers all other district councils in Lancashire. The comparative information below is taken from this survey except where noted. Members will note that Blackburn with Darwen and Blackpool are unitary authorities, which deal with the whole range of council functions.
30. Other district councils have changed to a committee system since the Localism Act 2011 made it possible to do so. The spreadsheet at appendix 2 includes information about allowances payable by four such authorities.
31. For ease of reference, I set out comparisons between Fylde and relevant averages below:
- The basic allowance at Fylde (£3,750) is **below** the average for all councils in Lancashire (£4,162) and **above** the average for shire districts in Lancashire (£3,606).
 - The special responsibility allowance for the leader of the council at Fylde (£10,000) is **below** the average for all councils in Lancashire (£14,818) and **below** the average for shire districts in Lancashire (£13,595).

Specific issues: Approved duties

32. Annex C of the scheme of allowances sets out a table of approved duties for the payment of travelling and subsistence allowance and dependent carers' allowance, as follows

"Attendance at any of the following meetings in column 1 is specified as an approved duty for the purpose of the payment of travelling and subsistence allowances and dependent carers' allowances for the person specified in column 2"

Meeting	Persons qualified for allowance
Council	Councillor
Committee	Member of that committee
Sub-committee	Member of that sub-committee
Joint committee	Member of that committee appointed or nominated by Fylde Borough Council
Committee chairman's briefing	Chairman and vice-chairman
Tender opening	One Chairman
Site visit	Member of the committee or sub-committee under whose auspices the visit has been arranged
Course, seminar or conference	Member authorised to attend by the Member Development Steering Group or the Chief Executive
Any other external organisation	Member appointed or nominated to the organisation, or nominated to attend its meetings, by the council
Any other meeting arranged by an officer of the council	Member invited

33. Members are commonly invited or expected to attend official events which are not meetings, but for which payment of allowances is appropriate. On other occasions, they may be asked to attend, with officers, meetings arranged by third parties. On a strict interpretation, such events do not fall easily within any of the categories set out in the table. The panel is asked to consider making the following changes to the scheme to accommodate these occasions:

Add the words "*or event*" after "*meeting*", where it occurs in the preamble wording to the table and the table header.

Change the final row of the table to the following:

Any other meeting or event at which the attendance of a member is invited or sanctioned by an officer	Member whose attendance is invited or sanctioned
-------------------------------------------------------------------------------------------------------	--------------------------------------------------

Specific issues: Independent persons

34. There is a requirement that the council appoint one or more Independent Persons ("IPs"), to work with the Standards Committee and the monitoring officer on member standards issues. As noted above the three IPs receive an allowance of £250 per year from Fylde Council and a similar allowance from Blackpool Council, with whom they work in the same capacity.
35. The Chief Officer Employment Committee has responsibility for the appointment and dismissal of certain senior council officers. As required by recent legislative changes, the council has appointed two of its IPs as co-opted members of the committee.

36. The committee was first appointed a number of years ago, and has never needed to meet. However, if business within its terms of reference needed to be dealt with, particularly a dismissal, the committee would be likely to be involved in intensive work.
36. Research suggests that no other authorities in Lancashire have increased payments to IPs as a result of their additional potential responsibilities. The panel is asked to consider whether any additional allowance should be paid to the IPs appointed by Fylde to its Chief Officer Employment Committee.

IMPLICATIONS	
Finance	The Council's base revenue budget includes recurring provision of £254,243 per annum for member's allowances as set out in paragraph 9 of this report. Any increases in allowances will result in increased revenue costs which will require approval by Council in due course.
Legal	The council must take into account the views of the panel when reviewing members' allowances.
Community Safety	
Human Rights and Equalities	The allowances scheme should enable people from all sectors of the community to serve as elected members without suffering a financial detriment by doing so.
Sustainability and Environmental Impact	
Health & Safety and Risk Management	

REPORT AUTHOR	TEL	DATE	DOC ID
Ian Curtis	01253 658506	July 2015	

LIST OF BACKGROUND PAPERS		
Name of document	Date	Where available for inspection

Attached documents

- Appendix 1 Existing Members Allowance Scheme
- Appendix 2 Allowance Schemes at Other Authorities

**INDEPENDENT REMUNERATION PANEL –
NOTE OF MEETING HELD ON 13 NOVEMBER 2015, TOWN HALL, ST ANNES**

Present: Mr David Cam, Chairman

Mrs Helen Hockenhull

Tracy Morrison, Director of Resources

Paul O'Donoghue, Chief Financial Officer

Ian Curtis, Head of Governance

Katharine McDonnell, Democratic Services Officer

Ms Morrison welcomed the Panel and provided a precis of the meeting last year which reviewed the allowances in light of the forthcoming governance change. The recommendations of the panel had been taken to the council meeting in January 2015, where the decision was deferred until July 2015, to allow for one cycle of meetings to occur following the governance change in May 2015. When the council agreed the member allowance scheme there was some deviation to the recommendations of the panel. Tracy summarised these differences.

Ian Curtis presented the 2015/2015 Member Allowance Scheme report, of which a copy had previously been circulated to members of the Panel. The report covered the current level of members' allowances and the special responsibility allowances; dependent carers allowance; a comparison of allowances paid in 2006 and 2015; and comparison statistics for neighbouring local authorities.

Mr Curtis highlighted two particular issues on which the Panel were asked to give their recommendation. The first was to consider an addition to approved duties list for travel and subsistence. To add the words "*or event*" after "*meeting*", where it occurred in the preamble wording to the table and the table header.

This changed the final row of the table to the following:

Any other meeting or event at which the attendance of a member is invited or sanctioned by an officer	Member whose attendance is invited or sanctioned
-------------------------------------------------------------------------------------------------------	--------------------------------------------------

Mr Curtis explained that members were often invited or expected to attend official events which were not meetings, but where payment of expenses would be appropriate. He further advised that it was not a frequent occurrence but an addition to the list of official duties would remove ambiguities when adjudicating claims.

The Panel discussed this amendment and took that view that it was a pragmatic solution to an infrequent problem.

The second issue the Panel were asked to consider was whether to increase the honorarium paid to the Independent Persons. Mr Curtis explained the rationale behind the suggested increase was due to changes in their responsibilities. He advised that due to legislative changes the Independent Persons were now co-opted members of the Chief Officers Committee. He added however that the increase in duties was at the moment theoretical as the Chief Officers Committee had yet to meet since its inception and would only meet if there was a disciplinary or recruitment issue to discuss. He further advised that there may, however, be a training requirement for the Independent Persons to allow them to undertake the new role.

The Panel discussed the suggestion, and recommended that the issue be left unchanged for the forthcoming 12 months, with it to come back to the Panel for review, and with the consideration that if any work occurred in the interim that it could be backdated if necessary.

In regards to the rest of the Member Allowance Scheme, the Panel recommended that it remained unchanged. The Panel discussed that the Council had only recently considered and decided on changes and it was too soon to recommend further changes. The Panel felt that the next annual review may be more meaningful when members had experienced a full 12 months under the committee system. They commented that some member feedback on the level of allowances for the next meeting could be useful to their considerations.

Mr Cam thanked the other Panel member for her attendance and consideration of the matters at hand, and thanked the officers for their work and advice.

DECISION ITEM



REPORT OF	MEETING	DATE	ITEM NO
RESOURCES DIRECTORATE	COUNCIL	14 DECEMBER 2015	19

COMMITTEE APPOINTMENTS AND POLITICAL BALANCE

PUBLIC ITEM

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

SUMMARY

Council is invited to make any committee appointments that are appropriate following the Clifton by-election.

RECOMMENDATIONS

1. Make appropriate appointments to committees of the council in the light of the Clifton by-election.

SUMMARY OF PREVIOUS DECISIONS

Committee seats are allocated at the annual meeting of the council.

REPORT

1. A by-election in the Clifton ward was held on December 10, following the resignation of Councillor Len Davies. The result of the by-election was not known at the publication of this agenda.
2. Council is invited to make any committee appointments that are appropriate following the election of the new councillor for Clifton ward. This may include adjustments to the allocation of committee seats to political groups if the by-election has resulted in a change to the political balance of the council.

IMPLICATIONS	
Finance	None arising from this report
Legal	Committee seats must be allocated in accordance with the principles of political balance set out in the Local Government and Housing Act 1989
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	TEL	DATE	DOC ID
Ian Curtis	01253 658506	3 December 2015	

LIST OF BACKGROUND PAPERS		
Name of document	Date	Where available for inspection
None		None