



Cabinet Agenda

Wyre Borough Council
Date of Publication: 11 October 2022
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**Cabinet meeting on Wednesday, 19 October 2022 at 5.00 pm
in the Council Chamber, Civic Centre, Poulton-Le-Fylde**

1. Apologies for absence

2. Declarations of interest

Members will disclose any pecuniary and any other significant interests they may have in relation to the matters to be considered at this meeting.

3. Confirmation of minutes

(Pages 3 - 8)

To confirm as a correct record the minutes of the previous meeting of Cabinet.

4. Public questions

To receive and respond to any questions from members of the public.

Public questions for Cabinet may be submitted at any time by writing to Democratic Services or via email democratic.services@wyre.gov.uk.

Public questions for this meeting must be received by noon on the Thursday before the meeting is held and do not need to specifically relate to items on this agenda. Questioners should provide their name and address and indicate to which Cabinet member the question is to be directed.

The total period of time allocated for public questions will not normally exceed 30 minutes.

5. The Electrical Safety Standards in the Private Rented Sector (England) Regulations 2020

(Pages 9 - 32)

Report of the Neighbourhood Services and Community Safety Portfolio Holder and the Corporate Director Communities.

6. **Potential changes to the Localised Council Tax Support Scheme in order to provide additional financial support to those on the lowest incomes** (Pages 33 - 38)
- Report of the Resources Portfolio Holder and Corporate Director Resources.
7. **Capital Programme Review and Monitoring Report (mid year annual report)** (Pages 39 - 58)
- Report of the Resources Portfolio Holder and Corporate Director Resources.
8. **Medium Term Financial Plan 2022/23 to 2026/27** (Pages 59 - 100)
- Report of the Resources Portfolio Holder and Corporate Director Resources.



Cabinet Minutes

The minutes of the Cabinet meeting of Wyre Borough Council held on Wednesday, 7 September 2022 in the Council Chamber, Civic Centre, Poulton-Le-Fylde.

Cabinet members present:

Councillor David Henderson, Leader of the Council
Councillor Roger Berry, Neighbourhood Services and Community Safety Portfolio Holder
Councillor Lynne Bowen, Leisure, Health and Community Engagement Portfolio Holder
Councillor Simon Bridge JP, Street Scene, Parks and Open Spaces Portfolio Holder
Councillor Alice Collinson, Planning Policy and Economic Development Portfolio Holder
Councillor Michael Vincent, Deputy Leader and Resources Portfolio Holder

Apologies for absence:

None

Other councillors present:

Councillor David Walmsley

Officers present:

Mark Billington, Corporate Director Environment
Clare James, Corporate Director Resources and Section 151 Officer
Mary Grimshaw, Legal Services Manager and Monitoring Officer
Karen McLellan, Audit and Risk Manager (and Chief Internal Auditor)
Patrick Cantley, Senior Licensing Officer
Duncan Jowitt, Democratic Services Officer

No members of the public or press attended the meeting.

CAB.7 Declarations of interest

Councillor Michael Vincent declared that one of his disclosable pecuniary interests was a business located in Cleveleys Town Centre, which could be indirectly affected by item 8 - Cleveleys Town Centre Regeneration Framework - and did not participate in the discussion.

CAB.8 Confirmation of minutes

The minutes of the Cabinet meeting of 1 June 2022 were confirmed as a correct record.

CAB.9 Public questions

None

CAB.10 Local Government Ombudsman Annual Review Letter 2022

The Leader of the Council and the Corporate Director Resources asked Cabinet to consider the Annual Review letter from the Local Government and Social Care Ombudsman (LGO) for 2021/22, attached at Appendix A of the report.

Decision

Cabinet noted the comments made by the LGO in the Annual Review Letter.

CAB.11 Technical studies and update of Hillhouse Technology Enterprise Zone masterplan

The Resources Portfolio Holder and Corporate Director Communities submitted a report seeking approval for

- the release of funding from the Enterprise Zone Business Rates Growth Reserve for the commission of technical studies and to update the masterplan and marketing materials for the Hillhouse Technology Enterprise Zone (EZ).
- exemption to the Council's financial procedure rules for the procurement of consultancy services for the commission of technical studies and updates to the masterplan and marketing materials for the Hillhouse Technology EZ.

Decisions

Cabinet approved the release of up to £150,000 from the EZ Business Rates Growth Reserve (created from retained business rates on the EZ) for the purpose of providing funding to commission services including, but not limited to:

- Undertaking a Flood Risk Assessment for the entire EZ, with the results used to inform the overall site layout;
- Commissioning a Traffic Impact Assessment and Sustainable Transport Study to understand off-site traffic impact and sustainable transport options;
- Undertaking topographic and utility capacity surveys focussing on the Northern sector of the EZ to provide accurate site information including on the utilities infrastructure;
- The review and update of the masterplan – providing data to inform the Local Plan as well as estimates for income to the council from business rates;
- Specialist input to support responses to major investment enquiries.

The Resources Portfolio Holder delegated authority to the Corporate Director Communities to enter into any and all necessary documents and agreements to commission the required services and to make any funding of commissions conditional on suitable further agreement(s) being reached with NPL Estates (majority landowner within the EZ) and other land owner(s) or related companies to provide complementary investment, as necessary, to make full use of this investment by the council.

The Resources Portfolio Holder delegated authority to the Corporate Director Communities to allow for the commission of services by Blackpool Council under the exemption to Contract Procedures contained within the Financial Regulations and Financial Procedure Rules as part of the ongoing support package provided by Blackpool Council to develop and promote the EZ. The exemption category being "Tenders are invited on behalf of any consortium or collaboration, of which the Council is a member, in accordance with any method adopted by that body. Where however, a Council officer invites tenders on behalf of the consortium the receipt, opening and acceptance of tenders must comply with the Council's Financial Regulations and Financial Procedure Rules or any overriding legislation".

CAB.12 Variation to the Wyre Hackney Carriage Tariff

The Neighbourhood Services and Community Safety Portfolio Holder and Corporate Director Environment submitted a report asking Cabinet to consider the recommendation from the Licensing Committee to revise the Hackney Carriage Table of Fares. The Deputy Leader asked for Section e) of the proposal relating to fuel surcharge to be amended from "If the cost of diesel reaches £1.80 per litre or higher" to "If the cost of diesel is £1.80 per litre or higher."

Decisions

Cabinet agreed that subject to the minor amendment as set out above,

- the revised table of fares be approved and implemented from 30 September 2022, subject to the proper consideration of any responses to the public notice
- the Senior Licensing Officer advertise the variation in accordance with section 65 of the Local Government (Miscellaneous Provision) Act 1976 (Appendix 1 of the report).

CAB.13 Cleveleys Town Centre Regeneration Framework

The Planning Policy and Economic Development Portfolio Holder and Corporate Director Communities submitted a report seeking adoption of the Cleveleys Town Centre Regeneration Framework (CTCRF).

Cabinet thanked Mark Fenton for his work on the development of the framework.

Decisions

Cabinet agreed that

- the council adopt the CTCRF.
- the Head of Planning and Regeneration be authorised to make amendments and corrections to the CTCRF. Such changes to include but not be limited to editorial corrections, typographical errors, changed local circumstances or investment opportunities.
- where the revisions may alter the strategic objectives of the CTCRF, the Head of Planning and Regeneration, in consultation with the Planning Policy and Economic Development Portfolio Holder, determine if it may be appropriate to carry out further proportionate stakeholder or public consultations on the proposed revisions.

CAB.14 Exclusion of public and press

In accordance with Paragraph 11 of the Access to Information Rules in Part 4 of the Council's Constitution, the Chief Executive determined that the report submitted under item 10 of the agenda was "Not for Publication" because it referred to "exempt information" as defined in Part 1 of Schedule 12A(3) of the Local Government Act, 1972 as amended by the Local Government (Access to Information) Variation Order 2006. This was on the grounds that it contained information relating to the financial or business affairs of a particular person (including the authority holding that information) and information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.

Cabinet decided to exclude the public and press for the item, and passed the following resolution:

"Cabinet resolves to exclude the public and press from the meeting whilst agenda item 10 is being considered as the item refers to exempt information as defined in category 3 (information relating to the financial or business affairs of any particular person (including the authority holding that information)) and category 5 (information in respect of which a claim to legal professional privilege could be maintained in legal proceedings) of Part 1 of Schedule 12(a) of the Local Government Act 1972 as amended by the Local Government (Access to Information) Variation Order 2006 and the public interest in maintaining the exemption outweighs the public interest in disclosing the information."

CAB.15 Compliance with Procurement Regulations

The Chief Executive, Corporate Director Resources (and Section 151 Officer) and Legal Services Manager (and Monitoring Officer) submitted a report to formally inform the Executive of an incidence of non-compliance to procurement regulations under the Contract Procedure Rules in the Council's Constitution and the remedial action taken.

Decision

Cabinet noted

- the details included in the report on the recent breach to Contract Procedure Rules under the Council's Constitution and Public Contract Regulations 2015.
- the remedial action taken.

The meeting started at 5.00 pm and finished at 5.09 pm.

Date of Publication: 8 September 2022

Options considered but rejected

Any alternative options that were considered but rejected, in addition to the reasons for the recommendations that were made, are included in the full reports.

When will these decisions be implemented?

All decisions will be put into effect five working days from the date of publication, unless a decision is "called-in" by any four members of the council within that period.

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Report of:	Meeting	Date
Councillor Roger Berry, Neighbourhood Services and Community Safety Portfolio Holder and Marianne Hesketh, Corporate Director Communities	Cabinet	19 October 2022

The Electrical Safety Standards in the Private Rented Sector (England) Regulations 2020
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1. Purpose of report

1.1 To implement the enforcement powers contained in The Electrical Safety Standards in the Private Rented Sector (England) Regulations 2020 including the use of civil penalty notices under the Housing and Planning Act 2016.

2. Outcomes

2.1 The use of these powers will support and complement the work that the council continues to deliver to tackle landlords who neglect repairing obligations. The Electrical Safety Standards in the Private Rented Sector (England) Regulations 2020 will act as a powerful deterrent to rogue landlord behaviour through the enforcement of significant financial penalties. The additional provision to impose a fine up to £30,000 sends a strong message to any negligent landlord that substandard property conditions and unsafe electrical installations will not be tolerated.

2.2 To enable the Local Housing Authority to undertake its statutory duty to serve remedial notices, to arrange remedial action and serve penalty charge notices.

2.3 To update the Housing and Planning Act Enforcement Powers Policy to incorporate the regulations in relation to the issuing of civil penalties.

3. Recommendations

- 3.1** The council adopts and implements the regulations in order to allow the council to carry out its statutory function in relation to electrical safety standards in the private rented sector and that the Housing and Planning Act Enforcement Powers Policy is updated to incorporate the regulations.
- 3.2** Agree to adopt the same process of issuing and determining levels of civil penalties for the offences in the regulations, in line with the Housing and Planning Act Enforcement Powers Policy adopted by the council in 2020.
- 3.3** Delegate to the Head of Housing and Community Services all powers to issue, use and enforce the Electrical Safety Standards in the Private Rented Sector (England) Regulations 2020.
- 3.4** That the monies received from civil penalties, issued under The Electrical Safety Standards in the Private Rented Sector (England) Regulations 2020, are ring-fenced and used to support private rented sector enforcement activities.

4. Background

- 4.1** The Electrical Safety Standards in the Private Rented Sector (England) Regulations 2020 (referred to as 'the regulations') came into force on 1 June 2020. As of 1 April 2021, the regulations now apply to all existing tenancies. In order to meet its statutory obligations, the council must adopt and implement the regulations into their enforcement policy and working procedures.
- 4.2** The council has a vital role to play in ensuring that the private rented sector in Wyre is safe and healthy. Under The Electrical Safety Standards in the Private Rented Sector (England) Regulations 2020, the council has the power to require landlords to ensure that national standards for electrical safety are met and ensure all electrical installations in their rented properties are inspected and tested every five years.
- 4.3** The regulations provide the council with powers to ensure compliance, including carrying out works in default and enforcement through the issuing of civil penalties up to £30,000 for breach of their duties under the regulations. The council has a statutory duty under the regulations, to serve a landlord with remedial notices where they are in breach of their duties under regulation 3.
- 4.4** This report seeks to outline the regulations and details how the council proposes to enforce against landlords who breach their duties under the regulations. The Electrical Safety Standards in the Private Rented Sector (England) Regulations 2020, were introduced under section 122 of The Housing and Planning Act 2016 for the purposes of introducing new requirements for electrical safety in the private rented sector.

- 4.5** The regulations place duties on a landlord. These include:
- To ensure that electrical safety standards are met during any period when the residential premises are occupied under a tenancy, and that every fixed electrical installation is inspected and tested at least every five years by a qualified person;
 - To obtain a report which gives the results of the inspection and test, supply that report to each tenant within 28 days, and to the local housing authority within 7 days of a request and retain a copy until the next inspection is due;
 - To supply a copy of the last report to any new tenant before occupation, or any prospective tenant within 28 days of a request from the prospective tenant;
 - Where the report requires the landlord to carry out further investigative or remedial work, the landlord must undertake such further investigative or remedial work within 28 days or within such lesser time period as specified in the report; and
 - To obtain and supply written confirmation of completion of such further investigative or remedial work to the tenant and local housing authority.
- 4.6** Where the council has reasonable grounds to believe a landlord is in breach of their duties, the council has a statutory duty to serve either a remedial or urgent remedial notice under regulations 3, 4 and 10, specifying what action needs to be taken to achieve compliance and when this needs to be achieved by.
- 4.7** The regulations allow for a statutory appeal period against any statutory notice served under the regulations. Landlords are able to make written representations to the council within 21 days in the first instance. Any written representation will be considered on a case by case basis. Landlords also have rights to appeal to the First-tier Tribunal. The Tribunal may confirm, quash or vary notices served by the council.
- 4.8** In the case of non-compliance with urgent or non-urgent remedial notices the council also has the discretionary power to carry out necessary remedial action. The regulations state the local authority 'may' organise with consent of the tenant, urgent or non-urgent remedial action. Where this is exercised, regulation 8 allows the council to recover costs reasonably incurred by them taking action.
- 4.9** If there has been no appeal of the notice requiring action, the costs become payable at the end of 21 days, beginning with the day on which the demand for payment was served. Where the council is satisfied beyond all reasonable doubt that a landlord is in breach of any duties under regulation 3, the council will consider and pursue issuing civil penalties up to £30,000 for a breach of any of duties.
- 4.10** It is proposed that any associated costs of taking urgent and non-urgent remedial action will be recovered in line with the regulations and will be based upon an assessment of officer time, the actual costs of any works

undertaken and any other overheads required in taking action. The recovery of costs will be pursued within the council's existing policies and procedures with regard to sundry debtors.

5. Key issues and proposals

- 5.1** It is intended that the council will embed and utilise this extra legislative power by way of updating its Housing and Planning Act Enforcement Powers Policy, which was adopted by Cabinet in 2020 through delegation of authority to Corporate Director Communities to allow minor amendments to be made.
- 5.2** Non statutory guidance for Local Authorities has been produced by the Department for Levelling Up, Housing and Communities (DLUHC) for the regulations, which has been taken into consideration. Alongside the additional statutory duties placed on the council by the regulations, regulation 11 empowers the council to issue civil penalties of up to £30,000 for a breach of duties under the regulation 3 as an additional enforcement sanction.
- 5.3** The DLUHC guidance states: 'That the Local Authority should develop and document their own policy on how they determine appropriate financial penalty levels. When developing their policy, local housing authorities may wish to consider the policy they previously developed for civil penalties under the Housing and Planning Act 2016.'
- 5.4** It is therefore proposed that the regulations are incorporated into the existing Housing and Planning Act Enforcement Policy, which was developed for offences under The Housing and Planning Act 2016 to include the penalties under The Electrical Safety Standards in the Private Rented Sector (England) Regulations 2020. By doing so, the council is meeting the obligation set out in the guidance to develop a policy on determining fine levels and is consistent in the way that it issues fines of up to £30,000. A copy of the proposed amended Policy and Matrix is attached at Appendix 1.

Financial and legal implications	
Finance	There are no immediate financial implications for the council as the enforcement will be undertaken by existing members of the Private Sector Housing Team. If a landlord does not comply with a remedial notice, the Local Housing Authority has a discretionary power to undertake the works in default. Normal cost recovery mechanisms will be used. Section 5 of the guidance issued by the Secretary of State specifies that proceeds of financial penalties can only be retained by the Local Authority provided that it is used to carry out private rented sector enforcement.

Legal	Section 126 of the Housing and Planning Act 2016 allows civil penalties to be imposed as an alternative to prosecution for certain offences as set out in Schedule 9 of the Act. Schedule 9 in turn amends the Housing Act 2004 including providing a new Section 249A which deals with civil penalties as an alternative to prosecution. The Council has a statutory duty as a Local Housing Authority to enforce relevant Housing Legislation.
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Other risks/implications: checklist

If there are significant implications arising from this report on any issues marked with a ✓ below, the report author will have consulted with the appropriate specialist officers on those implications and addressed them in the body of the report. There are no significant implications arising directly from this report, for those issues marked with a x.

risks/implications	✓ / x
community safety	✓
equality and diversity	x
sustainability	x
health and safety	✓

risks/implications	✓ / x
asset management	x
climate change	✓
ICT	x
data protection	x

Processing Personal Data

In addition to considering data protection along with the other risks/ implications, the report author will need to decide if a 'privacy impact assessment (PIA)' is also required. If the decision(s) recommended in this report will result in the collection and processing of personal data for the first time (i.e. purchase of a new system, a new working arrangement with a third party) a PIA will need to have been completed and signed off by Data Protection Officer before the decision is taken in compliance with the Data Protection Act 2018.

report author	telephone no.	email	date
David McArthur	01253 887434	David.mcarthur@wyre.gov.uk	20/09/2022

List of background papers:		
name of document	date	where available for inspection
N/A		

List of appendices

Appendix 1 – Updated Housing and Planning Act 2016 Enforcement Powers Policy

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Housing and Planning Act 2016 Enforcement Powers Policy 2022 - 2027

Civil Penalties Policy and Matrix

Rent Repayment Orders Policy

Banning Orders Policy

Date:	September 2022
Version:	5.0 Updated
Review Date:	November 2027

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Civil Penalties

Introduction

The Housing and Planning Act 2016 introduces Civil Penalties of up to £30,000 as an alternative to prosecution for certain Housing Act 2004 offences from 6th April 2017.

The power to impose a civil penalty as an alternative to prosecution for these offences was introduced by section 126 and Schedule 9 of the Housing and Planning Act 2016.

These are:

- Section 30 failure to comply with an Improvement Notice
- Section 72 offences in relation to licensing of Houses in Multiple Occupation (HMO)
- Section 95 offences in relation to licensing of houses under part 3 (Selective Licensing)
- Section 139(7) failure to comply with an overcrowding notice
- Section 234 Management Regulations in respect of HMOs

In determining the Civil Penalty amount the Local Housing Authority will have regard to the statutory guidance issued under schedule 9 of the Housing and Planning Act 2016 and the Civil Penalty Matrix developed by the Department for Communities and Local Government.

Electrical Safety

On 1st June 2020, the Electrical Safety Standards in The Private Rented Sector (England) Regulations 2020 came into force for new tenancies and existing tenancies since 1st April 2021. Civil penalties can be imposed under regulation 11 of the Electrical Safety standards in the Private Rented Sector (England) regulations 2020 where the Council is satisfied beyond reasonable doubt that a landlord has breached a duty under regulation 3 (failing to meet any duty as a private landlord) Although it is for the Council to determine the size of the financial penalty imposed, the penalty must not exceed £30,000. More than one penalty can be imposed in the event of a continuing failure. Any financial penalty is in addition to the costs that the Council is entitled to recover in relation to the remedial action it has carried out.

Burden of Proof

The criminal burden of proof, beyond all reasonable doubt must be satisfied before a Civil Penalty can be issued as an alternative to prosecution. The Local Housing Authority must satisfy itself that there would be a realistic prospect of conviction, applied objectively, to the evidence available.

In assessing the evidence regard must be given to the Code for Crown Prosecutors and when deciding whether there is sufficient evidence to prosecute consideration must be given as to whether the evidence can be used and is reliable.

In determining whether the issue of a civil penalty is appropriate or not, due regard must be given to any potential defences available and, where available any interview under caution in accordance with PACE (Police & Criminal Evidence Act) codes of practice.

Factors to consider when determining to prosecute or issue a civil penalty

Each case will be determined on its own merits taking into account all available evidence.

Prosecution is likely to be the most appropriate action where the offence is particularly serious and/or where the landlord has a history of non-compliance in relation to property condition or property management.

In this policy the term 'landlord' also includes property agents, letting agents and property managers defined under Chapter 6 of Part 2 of the Housing and Planning Act 2016.

The following factors, whilst not exhaustive, are examples of where it would be appropriate to consider the issuing of a Civil Penalty:

- The offender had no evidence of previous non-compliance with appropriate legislation
- The offender had no previous convictions recorded
- The offence was committed as a result of a genuine mistake or misunderstanding (these factors must be balanced against the seriousness of the offence)
- The offenders co-operation is beyond what would be expected
- The offender does not need continuous chasing to rectify the offence

Factors to consider when determining the level of civil penalty

The actual amount levied in any particular case should reflect the severity of the offence, as well as the landlord’s previous record of offending. The council should consider the following factors to help ensure the civil penalty is set at an appropriate level:

- Severity of the offence, determined by harm caused and culpability of the offender
- The history of compliance of the offender
- Punishment of the offender for the offence
- The deterrent from repeating the offence
- The deterrent from others committing similar offences
- Removing any financial benefit obtained from committing the offence

These factors are contained in the financial penalty matrix which helps officers to determine the level of fine that should be imposed by creating a score and band for each case.

Financial Penalty Matrix

Officers should first determine the severity of the offence by looking at the harm and culpability categories.

Examples of Harm Categories

The table below contains factors relating to both actual harm and risk of harm.

High	<p>Serious adverse effect on individuals and/or having a widespread impact.</p> <p>High risk of an adverse effect on individuals including where persons are vulnerable.</p> <p>Housing defect giving rise to the offence poses an imminent or serious and substantial risk of harm to the occupants and/or visitors, for example Housing Health and Safety Rating System (HHSRS) imminent category 1 hazards such as danger of electrocution, carbon monoxide poisoning, serious fire safety risk or excess cold with vulnerable resident.</p>
Medium	<p>Adverse effect on individuals.</p> <p>Medium risk of an adverse effect on individuals including where persons are vulnerable.</p> <p>Tenant misled/disadvantaged by the failing.</p> <p>The housing defect giving rise to the offence poses a serious risk of harm to the occupants and/or visitors, for example</p>

	HHSRS category 1 hazards, multiple high category 2 hazards such as falls between levels, excess cold, asbestos exposure.
Low	Low risk of an adverse effect on individuals. The housing defect giving rise to the offence poses a risk of harm to the occupants and/or visitors, for example low category 2 hazards under the HHSRS, localised damp and mould.

Examples of Culpability Categories

Very High (Deliberate Act)	Where the offender intentionally breached, or flagrantly disregarded, the law. For example repeatedly ignored reminders to apply for a property or HMO licence. Failure to comply with a correctly served improvement notice. No attempt made to contact the local authority to discuss breaches.
High (Reckless)	Actual foresight of or wilful blindness to the risk of offending but risks nevertheless taken by the landlord or property agent, for example failure to comply with HMO Management Regulations.
Medium (Negligent Act)	Failure of the landlord or property agent to take reasonable care to put in place and enforce proper systems that prevent the offence being committed, for example part compliance with a schedule of works but failure to fully complete all schedule items within notice timescale. Partially completed licensing application forms.
Low (Low or no culpability)	Offence committed with little or no fault on the part of the landlord or property agent, for example significant efforts were made to address the risk but they were obstructed by the tenant to allow contractor access or damage caused by tenants. Failings were minor and occurred as an isolated incident such as low category 2 hazards under the HHSRS found in one property from a large portfolio.

Having determined the category the officers should refer to the following starting points to reach a penalty band. Officers should then consider whether further adjustments should be made for aggravating and mitigating features.

Starting Points

Culpability	Harm Category 1	Harm Category 2	Harm Category 3
Very High	6	5	4
High	5	4	3

Medium	4	3	2
Low	3	2	1

Banding Levels

Band 1	£0 to £4,999
Band 2	£5,000 to £9,999
Band 3	£10,000 to £14,999
Band 4	£15,000 to £19,999
Band 5	£20,000 to £24,999
Band 6	£25,000 to £30,000

The starting point for each band will be the mid-point e.g. for Band 1 the mid-point will be £2,450.

An offender will be assumed to be able to pay any financial penalty imposed unless they can demonstrate otherwise.

Aggravating Factors

The factors listed below are a non-exhaustive list of factual elements that should result in an upward adjustment from the starting point:

- Relevant previous conviction/civil penalties
- Motivated by financial gain
- Failure to respond to warning
- Deliberate concealment of illegal nature of activity
- Obstruction of investigation
- Falsification of documentation
- Targeting vulnerable groups
- Poor housing record

Mitigating Factors

The factors listed below are a non-exhaustive list of factual elements that should result in a downward adjustment from the starting point:

- No previous relevant convictions or no relevant housing enforcement history
- Evidence of steps taken voluntarily to remedy problem
- High level of co-operation with the investigation, beyond that which will always be expected
- Good housing record
- Self-reporting, co-operation and acceptance of responsibility

Rent Repayment Orders

Introduction

The Housing Act 2004 introduced rent repayment orders to cover situations where the responsible person for a property had failed to obtain a licence for a property that was required to be licensed.

These orders can be imposed for offences specifically relating to:

- licensing of HMO (section 72(1))
- houses under part 3 of the act (section 95(1))

Rent repayment orders have now been extended through the Housing and Planning Act 2016 to cover these additional offences:

- Section 30 Housing Act 2004 - Failure to comply with an improvement notice
- Section 32 Housing Act 2004 - Failing to comply with a Prohibition Order
- Section 21 Housing and Planning Act 2016 - Breach of a banning order made by the First-Tier Tribunal (Property Chamber)
- Section 6 Criminal Law Act 1977 - Using violence, or threatening to use violence, to secure entry to a property
- Section 1 Protection from Eviction Act 1977 - Illegal eviction or harassment of the occupiers of a property

Applications for an order must be made to the First-tier Tribunal. An order can be applied for when one of the above offences has been committed, whether or not the landlord has been convicted. Where the landlord has not been convicted of the relevant offence, the First-tier Tribunal will need to be satisfied beyond reasonable doubt that the landlord has committed the offence.

If all of the rent is paid through either housing benefit or universal credit, any rent recovered must be repaid to the Council. If the tenant paid the rent in full (no HB or UC) any amount recovered must be paid to the tenant. If the rent was paid partly through HB/UC and by the tenant, the amount recovered must be repaid on an equivalent basis to each party. If there are multiple tenants in the property, each must apply for a RRO to recover the rent they have paid.

The maximum amount of rent that can be recovered is capped at 12 months. Any income received from a RRO can be retained by the Council provided it is used towards private sector housing enforcement activities.

When to Apply for a RRO

The Council will apply for a RRO in all cases where the landlord has been convicted of a relevant offence and some or all of the rent was paid through housing benefit/universal credit. Where a landlord has not been convicted, the Council will take the following factors into account in deciding whether a RRO is appropriate and how much should be recovered:

- **Punishment of the offender** – RROs should have a real economic impact on the offender. The Council will consider the conduct of the landlord and tenant, the financial circumstances of the landlord and whether the landlord has been convicted of similar offences
- **Deter the offender from repeating the offence** – the level of the penalty should be set at a high enough level to deter the offender from repeating the offence
- **Dissuade others from committing similar offences** – the issue of a RRO will be in the public domain therefore robust and proportionate use of the orders is likely to help others comply with their responsibilities
- **Remove any financial benefit the offender may have obtained as a result of committing the offence**

Civil Penalty and RRO

The council can impose a civil penalty and apply for a RRO for the following offences:

- Section 30 failure to comply with an Improvement Notice
- Section 72 offences in relation to licensing of Houses in Multiple Occupation
- Section 95 offences in relation to licensing of houses under part 3 (Selective Licensing)

Prosecution and RRO

The Council can prosecute a landlord and seek a RRO for the same offence.

Banning Orders

Introduction

Chapter 2 of the Housing and Planning Act 2016 enables Local Authorities to apply to the First Tier Tribunal to impose a banning order on a landlord following conviction for a banning order offence. This policy takes account of the non-statutory guidance issued by the Government which makes clear that banning orders are aimed at rogue landlords who flout their legal obligations and rent out accommodation which is substandard, and which also confirms the Government's expectation that banning orders will be used for the most serious offenders.

Effect of a banning order

A landlord subject to a banning order is prevented from

- Letting houses in England
- Engaging in English letting agency work
- Engaging in English property management work
- Doing two or more of those things

Where a banning order is made, the individual will be determined not to be 'fit and proper' to hold a licence under Part 2 or 3 of the Housing Act 2004 and any licences in force under those parts will be revoked.

It is a Criminal Offence to breach a banning order.

A banning order offence

A 'relevant housing offence' is a conviction for any of the following offences:

- Illegally evicting or harassing a residential occupier in contravention of the Protection from Eviction Act 1977 or the Criminal Law Act 1977 or;
- Any of the following offences under the Housing Act 2004:
 - i) Offences in relation to licensing of Houses in Multiple Occupation (HMOs) (section 72)
 - ii) Offences in relation to licensing of houses under Part 3 of the Act (section 95)
 - iii) Allowing a HMO that is not subject to licensing to become overcrowded (section 139)

iv) Failure to comply with management regulations in respect of HMOs (section 234)

v) Failure to comply with a Prohibition or Emergency Prohibition Order under sections 20, 21 and 43 of the Housing Act 2004;

- If a person has committed a serious criminal offence they must have been sentenced in the Crown court to be regarded as a banning order offence
- Spent Convictions should not be taken into account
- If a landlord receives an absolute/conditional discharge for a relevant housing offence then that offence cannot be regarded as a banning order offence.

Length of a banning order

The Council is not able to determine the length of a banning order but can make a recommendation to the First-tier Tribunal as to how long the banning order should be imposed for. A banning order must be for a minimum period of 12 months. There is no statutory maximum period

Decision making

As recommended by the Government's guidance, the council will consider the following factors when deciding whether to apply for a banning order and when recommending the length of any banning order:

- **The Seriousness of the Offence** - All banning order offences are serious. When considering whether to apply for a banning order the local housing authority should consider the sentence imposed by the Court in respect of the banning order offence itself.
- **Previous convictions/rogue landlord database** - A local housing authority should check the rogue landlord database in order to establish whether a landlord has committed other banning order offences or has received any civil penalties in relation to banning order offences. A longer ban may be appropriate where the offender has a history of failing to comply with their obligations and/or their actions were deliberate and/or they knew, or ought to have known, that they were in breach of their legal responsibilities.

The Council will also consider the likely effect of the banning order on the person and anyone else that may be affected by the order and will take into account the following:

- **The harm caused to the tenant** - This is a very important factor when determining whether to apply for a banning order. The greater the harm or the potential for harm (this may be as perceived by the tenant), the longer the ban should be. Banning order offences include a wide range of offences, some of which are more directly related to the health and safety of tenants, and could therefore be considered more harmful than other offences (such as fraud)
- **Punishment of the offender** - A banning order is a severe sanction. The length of the ban should be proportionate and reflect both the severity of the offence and whether there is a pattern of previous offending. It is, therefore, important that it is set at a high enough level to remove the worst offenders from the sector. It should ensure that it has a real economic impact on the offender and demonstrate the consequences of not complying with their responsibilities.
- **Deterring the offender from repeating the offence** - The ultimate goal is to prevent any further offending. The length of the ban should prevent the most serious offenders from operating in the sector again or, in certain circumstances; help ensure that the landlord fully complies with all of their legal responsibilities in future. The length of ban should therefore be set at a long enough period such that it is likely to deter the offender from repeating the offence
- **Deterring others from committing similar offences** - An important part of deterrence is the realisation that (a) the local authority is proactive in applying for banning orders where the need to do so exists and (b) that the length of a banning order will be set at a high enough level to both punish the offender and deter repeat offending.

Process for imposing a civil penalty

Stage 1 – serve a notice of intent

The notice must set out:

- The amount of the proposed financial penalty
- The reasons for proposing to impose the penalty
- Information about the right of the landlord to make representations

The notice must be served no later than 6 months after the council has sufficient evidence of the conduct to which the penalty relates or at any time when the conduct is continuing.

Stage 2 – right to submit written representations

The person served with the notice of intent may make written representations to the Housing Services Team about the intention to impose a financial penalty. Any representations must be made within 28 days from when the notice was given.

Stage 3 – end of written representation period

Once the 28 day period for receiving written representations has expired, the Corporate Director of Communities must decide whether to impose a penalty in conjunction with the council's S151 Officer, and if so, the amount of the penalty. If a financial penalty is to be imposed, a final notice must be served.

Stage 4 – final notice

The final notice must set out:

- The amount of the financial penalty
- The reasons for imposing the penalty
- Information about how to pay the penalty
- The period for payment of the penalty (28 days)
- Information about rights of appeal
- The consequences of failure to comply with the notice

Stage 5 – right of appeal

A person who receives a final notice may appeal to the First-tier Tribunal against:

- The decision to impose a penalty
- The amount of the penalty

If the person appeals, the final notice is suspended until the appeal is determined or withdrawn.

Withdrawing or varying a Notice of Intent or Final Notice

The Council can at any time:

- Withdraw a notice of intent or final notice; or
- Reduce the amount specified in a notice of intent or final notice

Refusal to pay

Where the person refuses or fails to pay a civil penalty, the Council should refer the case to the county court for an official Order of that court. If necessary, county court bailiff's can be used to enforce the order and recover the debt. A certificate signed by the S151 Officer stating that the amount due has not been paid by a specified date will be treated by the courts as conclusive evidence of that fact.

Works in default

The Council can still carry out works in default, s.31 and Schedule 3 of the Housing Act 2004 are not affected by the Housing and Planning Act 2016.

Rogue landlords database

The rogue landlords' database was introduced in October 2017. Where a person receives two or more civil penalties over a 12-month period, the Council may include their details in the database. It is not compulsory to do so but it is encouraged to ensure all local authorities are aware of any enforcement action that has been taken.

Fit and proper person test

The issuing of a civil penalty can be taken into account when deciding whether someone is a fit and proper person to be a licence holder for a HMO.

Process for applying for a RRO

Stage 1 – serve a notice of intent

Before applying for a RRO, the landlord must be served with a Notice of Intent. The notice must be served within 12 months of the date on which the landlord committed the offence to which it relates.

The notice must:

- Inform the landlord the council is proposing to apply for a RRO and the reasons why
- State the amount the council is seeking to recover
- Invite the landlord to make representations within a period specified in the notice which must be at least 28 days

A RRO can only be applied for in the name of the landlord of the property.

Stage 2 – right to submit written representations

The landlord may make written representations to Housing Services Team about the intention to apply for a RRO. Any representations must be made within 28 days from when the notice was given. The Council cannot apply for a RRO during this period.

Stage 3 – end of written representation period

Once the 28 day period for receiving written representations has expired, the Corporate Director of Communities must decide whether to proceed with the application for a RRO in conjunction with the S151 Officer.

Stage 4 – right of appeal

The landlord can appeal against the decision of the First-tier Tribunal to the Upper Tribunal provided permission to appeal has been given by either the First-tier or Upper Tribunal.

Refusal to Pay

Where the landlord fails to pay the RRO, the Council or tenant can refer the case to the County Court for an Order of that Court. County Court bailiffs can be used to enforce the Order and recover the debt.

Tenants and RROs

Tenants can apply directly for a RRO providing that:

- The offence relates to housing that was occupied by the tenant at the time of the offence; and
- The application for a RRO is made within 12 months of the date that the offence has been committed

The tenant does not have to go through the same process as the Council. The tenant only needs to submit a claim form to the First-tier Tribunal which sets out the reasons for the claim and the dates to which it relates.

There is no statutory obligation on the Council to support the tenant in making a claim, however, where the Council has evidence in support of the tenant's case, it will make this available to the tenant for the purposes of the claim.

RROs and Universal Credit

The Council will not have access to UC data, therefore, where the Council wishes to apply for an RRO and some or all of the rent has been paid via UC, the tenant will need to provide the information from their benefit statements or request the information required direct from the DWP.

The following formula should be used to calculate the amount of rent that should be repaid to the tenant and the amount to the local authority. This information should be on the tenant's benefit statement.

$$a/c*d = x \text{ (} y=x-b \text{)}$$

a = rent liability

b = rent allowance

c = maximum UC award

d = net UC award

x = amount to be retained by Council

y = amount to be paid to tenant (x-b)

Process for applying for a Banning Order

Stage 1 – serve a notice of intent

Before applying for a Banning Order, the landlord must be served with a Notice of Intent. The notice must be served within 6 months of the landlord being convicted of the offence.

The notice must:

- inform the landlord that the Council is proposing to apply for a banning order and explaining why
- stating the length of each proposed ban
- invite the person to make representations within a period specified in the notice which must be at least 28 days.

Stage 2 – right to submit written representations

The landlord may make written representations to Housing Services Team about the intention to apply for a Banning Order. Any representations must be made within 28 days from when the notice was given. The Council cannot apply for a Banning Order during this period.

Stage 3 – end of written representation period

Once the 28 day period for receiving written representations has expired, the Corporate Director of Communities must decide whether to proceed with the application for a Banning Order in conjunction with the S151 Officer.

Stage 4 – right of appeal

The landlord can appeal against the decision of the First-tier Tribunal to the Upper Tribunal provided permission to appeal has been given by either the First-tier or Upper Tribunal.

Requests for Information

Section 19 of the Housing and Planning Act 2016 provides that a local housing authority (the Council) can require a landlord to provide information for the purpose of enabling the Council to decide whether to apply for a banning order. This can include requiring the landlord to provide information on all the properties that the landlord owns.

It is an offence to ignore a request for further information unless the landlord can provide a reasonable excuse.

It is also an offence to provide false and misleading information

Failure to provide information or providing false or misleading information is punishable on summary conviction to a fine

Publicity following a banning order

Subject to the Governments guidance and guidance provided by the Ministry of Justice details of all banning order offences will be published and held on a national register. Also subject to legal advice, the Council will consider publishing details of successful banning orders including the names of individual landlords/ any business (managing or lettings agency). The Council will also consider making information on banned landlords available on request by a tenant.



Report of:	Meeting	Date
Councillor Michael Vincent, Resources Portfolio Holder and Clare James, Corporate Director Resources (Section 151 Officer)	Cabinet	19 October 2022

Potential changes to the Localised Council Tax Support Scheme in order to provide additional financial support to those on the lowest incomes

1. Purpose of report

- 1.1 To agree the draft Localised Council Tax Support (LCTS) Scheme prior to commencing consultation.

2. Outcomes

- 2.1 Improved incentives to work, ensuring resources are used more effectively, so reducing worklessness and ending a culture of benefit dependency.
- 2.2 A working-age LCTS Scheme that it is fit for purpose and administratively streamlined as the rollout of Universal Credit Full Service (UCFS) increases.
- 2.3 A working-age LCTS scheme that provides better support to those on the lowest incomes during the cost of living crisis.

3. Recommendation

- 3.1 That the draft changes to the scheme be agreed and subject to a six week consultation period prior to a further report being submitted to Council outlining the results of the consultation exercise and seeking confirmation of the final scheme.

4. Background

- 4.1 As part of the 2012 Welfare Reform Act the national Council Tax Benefit (CTB) scheme was abolished and in accordance with the Local Government Finance Act 2012 local authorities were required to introduce Localised Council Tax Support (LCTS) schemes from April 2013.

- 4.2** Support for Council Tax is now offered as reductions within the Council Tax system with claimants of state pension credit age receiving a discount of up to 100% thereby ensuring that they experience no reduction in support as a direct result of the reform.
- 4.3** Localisation provided local authorities the flexibility to design Council Tax Support schemes for working age claimants taking into account the needs of vulnerable groups and the importance of supporting work incentives. Following a consultation exercise, the Council agreed at their meeting of 29 November 2012 to adopt a scheme (which qualified for transitional grant for one year) ensuring that:
- Those who would be entitled to 100% support under current Council Tax benefit arrangements pay between zero and no more than 8.5% of their net Council Tax liability;
 - The taper does not increase above 25%;
 - There is no sharp reduction in support for those entering work – for claimants currently entitled to less than 100% support, the taper will be applied to an amount at least equal to their maximum eligible award.
- 4.4** The original LCTS scheme implemented in 2013/14 largely “mirrored” the CTB scheme it replaced, with the only changes made in the period to the end of the 2018/19 financial year being to reflect fluctuations in the applicable amounts and allowances used to calculate entitlement.
- 4.5** For 2019/20, the scheme was amended to also include an income cushion which allowed changes of up to £10 up or down in claimants income to be disregarded, thus reducing the number of occasions on which a claimant’s entitlement to LCTS was recalculated.
- 4.6** The income cushion was implemented to nullify the impact of the migration of legacy benefits to Universal Credit (UC); a benefit for which entitlement to is calculated on a monthly basis. As a consequence of the continuing UC roll-out, the council receive a minimum of one electronic notification every month in respect of each working-age LCTS claimant who also claims UC, but many of the notifications advise the council of changes in income of less than £10.
- 4.7** The income cushion ensured that the council tax collection process could continue to operate. The impact of sending new council tax bills out to claimants on a monthly basis was that council tax instalments were also being recalculated on a monthly basis, with reminders not subsequently being issued in respect of those UC claimants who failed to pay their council tax. Implementing the income cushion alleviated the need to recalculate many LCTS claim on a monthly basis, subsequently allowing non-payment cases to progress to the reminder and summons stages and allowing the council to take further action if necessary to try and collect unpaid council tax.

- 4.8** Since 2019/20 the LCTS scheme has remained unchanged, with the exception of the amendment agreed 10 March 2022 to the 2022/23 scheme to reflect the requirement to disregard the £150 Energy Bill Rebate when calculating entitlement to LCTS.
- 4.9** However, following the pandemic and the conflict in Ukraine, the resulting global increase in food and energy prices requires that some changes be considered to the scheme. These changes would result in more financial support being provided to those on the lowest incomes, while at the same time easing the administrative burden associated with the collection of council tax.

5. Key issues and proposals

- 5.1** The current working-age LCTS scheme includes a requirement that claimants contribute a minimum of 8.5% towards the cost of their council tax. For example, a single adult living in a property banded in council tax band B in Thornton Cleveleys and entitled to receive maximum LCTS, would still be required to pay £101.29 of their 2022/23 council tax. At a time when those on the lowest incomes are already struggling to meet the increasing costs of living, the increases in household energy costs are already impacting significantly on them. Removal of the 8.5% minimum contribution requirement from working-age LCTS claimants would relieve some of the increasing pressure on their finances at a relatively low cost to the council.
- 5.2** As at 31 August 2022, the council had awarded a total of £9,344,490 in LCTS payments for 2022/23. As at the same date, there were 5,145 working-age LCTS claims in payment. An 8.5% reduction is applied to the amount of LCTS these claimants receive. Pension-age LCTS claimants (3,812 as at 31 August 2022) do not have any reductions applied as their entitlement is determined by the regulations in the national scheme. Based on the current LCTS caseload, it is estimated that removal of the 8.5% minimum contribution requirement from working-age LCTS claimants would cost the council between £55,000 and £65,000 per year in additional LCTS payments. The cost to other preceptors will also increase as each bears a proportion of the council tax bill with Wyre's element being around 11%.
- 5.3** While the LCTS costs incurred by the council and other preceptors would increase, other issues that have impacted positively in reducing the percentage of council tax collected that each preceptor loses to LCTS should also be noted. The LCTS caseload has decreased since it came into force. On 01 April 2014, 10,388 claims were in payment, comprised of 5,541 working-age claims and 4,847 pension-age. On 31 August 2022, the caseload stood at 8,957 (5,145 working-age claims and 3,812 pension-age), a reduction of 1,431 cases (396 working-age and 1,035 pension-age).

- 5.4** During the same period the number of payers the council collect council tax from has increased substantially. On 1 April 2014 there were 50,906 properties listed on the database. As at 31 August 2022 that number had increased by 5,535 to 56,441 (this figure includes 1,948 properties awaiting banding by the Valuation Office Agency).
- 5.5** The removal of the 8.5% minimum contribution would also impact positively on council tax collection rates and the council tax collection process. For a number of reasons the collection of unpaid council tax has become increasingly problematic, particularly in respect of outstanding debt owed by those in receipt of both UC and LCTS. Once the council have obtained a Liability Order through the courts, these debts are normally collected by applying for an attachment to the debtor's UC.
- 5.6** Unfortunately, a number of other debts, including those owed by the debtor to the DWP in respect of other overpaid benefits, are also collected via an attachment to the debtor's UC account, and only a maximum of two debts can be collected by attachment to the debtor's UC account at any one time.
- 5.7** As council tax is low in the list of priority debts for an attachment to UC, the council's applications for attachments to UC are frequently rejected, deferred or ended before the outstanding debt has been collected, with the end result being that an increasing number of council tax debtors who also claim UC have multiple years' council tax debts that the council tax compliance team cannot collect.
- 5.8** Even on the occasions when requests for attachments to UC are successful, the rate at which the debts are subsequently collected (by monthly deduction) is insufficient to clear the amount outstanding before the next year's council tax debt is due. To summarise, many Wyre council tax payers in receipt of both UC and LCTS are falling further and further behind with their council tax and there are very limited viable alternative actions available to the council to collect the debt.
- 5.9** Taking the information in points 5.1 to 5.8 into account it is proposed that permission is given to undertake a public consultation with regard to removing the 8.5% minimum payment requirement for those council tax payers also in receipt of LCTS.
- 5.10** While removal of the required 8.5% minimum contribution would help those with the lowest incomes meet the increasing costs of living, it is important to ensure that this additional support is not being given to those who are better able to support themselves financially. With this in mind, attention is drawn to the capital limit for LCTS claimants, which stands at £16,000. This is the maximum amount of money in the form of cash, savings, stocks and shares that the claimant can hold before they cannot qualify for LCTS. It is proposed that a reduction in the capital limit is also included in any public consultation agreed (no lower than £6,000).

- 5.11** The entitlement to LCTS of applicants who are self-employed, but do not have certified accounts or audited proof of earnings, is currently calculated largely via the applicant estimating their future earnings. When calculating the entitlement of the self-employed to claim UC, the DWP use a mechanism called the “minimum income floor”, whereby they calculate the expected earnings of self-employed applicants using the living wage and realistic expectations of the hours the applicant is expected to work in order to calculate their entitlement to UC. This could be done with regard to self-employed LCTS applicants. For example, a minimum income floor of 35 hours per week at the current living wage rate could be set, with this figure being used to calculate LCTS entitlement. In doing this, not only would it simplify the application process, but the council would ensure that in many cases a more realistic income figure would be used to calculate self-employed entitlement to LCTS. It is therefore proposed that the consultation includes the introduction of a minimum income floor for self-employed LCTS claimants.
- 5.12** If the proposal to undertake a public consultation regarding the issues identified in this report is agreed, then the consultation will take place from 20 October for six weeks until 1 December, after which a report will be brought to Full Council on the proposed changes to the scheme. Any changes agreed would take effect from 1 April 2023.

Financial and legal implications	
Finance	There are no financial implications arising directly from this report.
Legal	<p>The Welfare Reform Act 2012 abolished Council Tax Benefit and since 1 April 2013 local authorities in England have been responsible for administering their own Council Tax Reduction Schemes.</p> <p>A public consultation must be carried out before any changes to the scheme can be considered.</p>

Other risks/implications: checklist

If there are significant implications arising from this report on any issues marked with a ✓ below, the report author will have consulted with the appropriate specialist officers on those implications and addressed them in the body of the report. There are no significant implications arising directly from this report, for those issues marked with a x.

risks/implications	✓ / x
community safety	x
equality and diversity	x
sustainability	x
health and safety	x

risks/implications	✓ / x
asset management	x
climate change	x
ICT	x
data protection	x

Processing Personal Data

In addition to considering data protection along with the other risks/ implications, the report author will need to decide if a 'privacy impact assessment (PIA)' is also required. If the decision(s) recommended in this report will result in the collection and processing of personal data for the first time (i.e. purchase of a new system, a new working arrangement with a third party) a PIA will need to have been completed and signed off by Data Protection Officer before the decision is taken in compliance with the Data Protection Act 2018.

report author	telephone no.	email	date
Peter Mason	01253 887530	Peter.mason@wyre.gov.uk	20/09/2022

List of background papers:		
name of document	date	where available for inspection
None		

List of appendices

None



Report of:	Meeting	Date
Councillor Michael Vincent, Resources Portfolio Holder and Clare James, Corporate Director Resources	Cabinet	19 October 2022

Capital Programme Review and Monitoring Report

1 Purpose of report

1.1 To consider the review of the 2022/23 Capital Programme and progress of schemes for the five month period covering the period from April 2022 to 31 August 2022, undertaken by spending officers. Noting amendments to the Capital Programme since it was last reported to Cabinet and the financial impact over the term of the Programme, through to the end of 2026/27.

2 Outcomes

2.1 The delivery of the Capital Programme and its monitoring will demonstrate good financial management by ensuring that the Programme is soundly based and designed to deliver the Council's strategic priorities.

3 Recommendations

3.1 That the 2022/23 Capital Programme, and its funding, totalling £14,922,641 be approved, noting the following specific amendments:

Additional external funding received:

- Additional £75,000 funding from Regenda Housing Association, which will enable increased expenditure on Disabled Facilities Grants in 2022/23.

Multi-year scheme re-profiling:

- Wyre Beach Management – following project delays, the expenditure for the scheme has been re-profiled. There has been no change to the overall allocation of £42,566,934 from the Environment Agency. Delays have led to a reduction in expenditure in 2022/23 amounting to £3,324,754, which will now move to future years.
- Innovative Resilience Fund ECO-CoBS project - additional expenditure of £422,000 in 2022/23, as part of the full project

spend of £6,830,000, with funding received from the Environment Agency and DEFRA. The total project expenditure, completing in 2026/27, is based on initial scheme allocations and may be subject to change.

Portfolio Holder approval:

- £1,102,829 expenditure on heat decarbonisation works and energy efficiency measures at Fleetwood Market, funding from the Department for Business Energy and Industrial Strategy (BEIS) via the Public Sector Decarbonisation Scheme and Capital Receipts (Portfolio Holder decision 02/03/22).
- £53,340 expenditure on Copse Road Depot VMU Roller Shutter doors to be funded from Capital Receipts (Portfolio Holder decision 31/03/22).
- £65,304 expenditure on Changing Places facilities at Central Car Park at Fleetwood, funding from the Department for Levelling Up, Housing and Communities, contribution from Fleetwood Town Council and Capital Receipts (Portfolio Holder decision 26/05/22).
- £23,118 expenditure on Thornton-Cleveleys Duck Pond Shelter, funded from the Insurance Reserve and a £6,156 contribution from our insurers. (Portfolio Holder decision 18/08/22).

3.2 That the Capital Programme over the term through to the end of 2026/27 totalling £67,384,731 be approved.

3.3 That the progress of, and expenditure incurred on, capital schemes for the first five months of the 2022/23 financial year is noted.

4 Background

4.1 As part of the council's Performance Management process, spending and financial officers review the progress of capital scheme expenditure against the approved Programme. These reviews are carried out at least three times a year to coincide with key budget planning cycles. The summary results of this first review of the 2022/23 programme, as at 31 August 2022, are contained in Appendix 2.

4.2 The Original Capital Budget for 2022/23 was set at £10,094,588 (see Cabinet report 16/02/22). Details of the changes to funding since then (as shown in Appendix 1) can be found in the appropriate Cabinet, Audit Committee and Portfolio Holder reports. Details concerning spend to date, the schemes' year-end position and budget changes can be found in Appendix 2.

5 Key issues and proposals

5.1 Appendix 2 shows actual costs and commitments totalling £4,201,155 up to the end of August against the full year budget of £14,922,641, representing an aggregate spend of 28%. The scheme variations of spend against full year budget are shown in Appendix 2. Creditor adjustments processed as part of the 2021/22 accounts process,

totalling £3,920 for which invoices have yet to be received or processed, have been excluded from the actual costs and commitments figure provided above.

5.2 The current 2022/23 Capital Programme includes 22 schemes that have been slipped from 2021/22. These schemes were reported to the Audit Committee on 27 September 2022 as part of the 2021/22 Final Accounts report (pre-audit) and can be seen at Appendix 4.

5.3 As a result of the period five review with spending officers, when compared to the current approved Budget, the predicted underspend in 2022/23 is expected to be approximately £299,000. The main contributors are:

- £7,000 - Jubilee Gardens Refurbishment
- £11,000 - King George's Playing Field Phase 3
- £17,000 - Empty Homes;
- £20,000 - Preesall Playing Fields Environmental Improvements
- £244,000 - Vehicle Replacement Programme

For delayed projects, which are not completed at the end of the financial year, there is a mechanism in place to carry forward funds into future years.

5.4 Neighbourhood Services and Community Safety Portfolio

5.4.1 Disabled Facilities Mandatory Grants – actual spend up to the end of period five is £945,752. Officers anticipate that expenditure will be within budget at year end. Regenda have provided funding totalling £75,000, which will enable further works to be undertaken, with the capital budget being amended accordingly.

5.4.2 Rossall Seawall Improvement Works – currently this scheme is underspending but it is anticipated that the budget will be fully utilised by the end of the year.

5.4.3 Wyre Beach Management – the setting up of the site compound at Jubilee Gardens commenced 12 September 2022, this will enable the Phase 1 works to start in March 2023. Work is ongoing with the MMO to ensure that the relevant licence is in place by March, with completion of Phase 1 works in July 2023. Phase 2 is due to start following the completion of Phase 1 works. Wyre Council are currently working with the Environment Agency for additional funding for the scheme due to inflationary pressures. The current budget is reflective of the full project with an estimated cost of £42.6 million utilising funding from the Environment Agency, with completion of the project in 2025/26.

5.4.4 Innovative Resilience Fund ECO-CoBS – the Environment Agency (EA) has awarded the council a total allocation of £6,790,000 for the development of ECO-CoBS (Ecological Community Owned Coastal Buffer Strips) between 1 April 2021 and 31 March 2027. The full grant provision for the Flood and Coastal Resilience Innovation Programme

has been reflected in the budget for year's 2021-2027 and is based on early allocations that may be subject to change. Future reports will be presented to the relevant Portfolio Holder as project phases are agreed.

5.5 Resources Portfolio

- 5.5.1** Vehicle Replacement – the reserve reflects the funding set aside at year-end for the purchase and ongoing replacement of the council's fleet in 2022/23 and future years. The uncertainty of current market conditions is resulting in increasing costs, reduced choice and availability of not just specialist vehicles. An underspend is forecast at the end of March 2023 but this will be fully spent in future years. A comprehensive review of the Vehicle Replacement Programme is to be undertaken, with an update to follow in the January capital monitoring report.
- 5.5.2** Citizen Access Portal – the new system went live in June 2021 and the live chat module and further integration of the system has still to be installed. It is set to be completed within budget at the end of March 2023.
- 5.5.3** Public Sector Decarbonisation at Fleetwood Market – this project has been delayed due to the detailed design taking longer than originally planned and further works are required to the roof in particular. A further report is expected to follow in due course.
- 5.5.4** Copse Road Depot VMU roller shutter doors – three out of the five new roller shutter doors have been fitted at the depot. Since starting the project, additional work has been highlighted that will need addressing prior to fitting the remaining two doors and revised costings are currently being assessed.
- 5.5.5** Acquisition of fish and food processing commercial units – the purchase of commercial units from Associated British Ports was completed in August 2022.

5.6 Planning and Economic Development Portfolio

- 5.6.1** Fleetwood Heritage Action Zone (HAZ) – the process of working with property owners is slower than anticipated. The grant for £490,000 for a new roof for Fleetwood Market has been approved by Historic England. It is anticipated that the budget will be fully utilised by the end of March 2023.

5.7 Street Scene, Parks and Open Spaces Portfolio

- 5.7.1** Restoration of the Mount – the scheme has slipped but is on target for the budget to be spent by the end of March 2023.
- 5.7.2** Play area and playing field improvements underspends:
- Jubilee Gardens – timing of spend linked to Wyre Beach

Management project. The site compound may be in place until 2025/26;

- Preesall Playing Fields – residue of budget for 2022/23 to be combined with Section 106 monies expected in 2023/24 and a future report will be presented to the relevant Portfolio Holder as the project is finalised;
- King George’s Playing Fields– permissions from Wyre Rivers Trust via the Environment Agency will not be granted in 2022/23 and the project will be delayed to July 2023;
- Scotts Green Playing Fields – residue of budget for 2022/23 to be combined with Section 106 monies expected in 2023/24 and a future report will be presented to the relevant Portfolio Holder as the project is finalised.

5.8 Capital grants, contributions and receipts

5.8.1 The disposal of Bourne Way in May has resulted in a capital receipt for 2022/23 of £5,715,000, less any deductions.

5.8.2 There has been an increase in external funding in the years from 2022/23 to 2026/27 since the Original Capital Programme was approved by Cabinet on 16 February 2022. Details of these changes are shown below:

Scheme	External Funding Secured (£)	Funding From	Funding to be Spent
Public Sector Decarbonisation at Fleetwood market	999,468	Department for Business Energy and Industrial Strategy (BEIS) via the Public Sector Decarbonisation Scheme	2022/23
Innovative Resilience Fund ECO-CoBS	6,337,000	Environment Agency	2022/23 – 2026/27
Disabled Facilities Grants	75,000	Regenda	2022/23
Changing Places Facilities- Central Car Park, Fleetwood	53,520	Department for Levelling Up, Housing and Communities Fleetwood Town Council	2022/23
Changing Places Facilities - Wyre Estuary Country Park -Thornton	84,480	Department for Levelling Up, Housing and Communities	2023/24

5.9 Future Projects

- 5.9.1** The UK Shared Prosperity Fund (UKSPF) is a new three-year fund running from 2022/23 that will replace European Structural and Investment Funds (ESIFs) such as the European Regional Development Fund (ERDF) and the European Social Fund (ESF). Wyre Council has been awarded a funding total allocation from the Government of £3,949,132 of which it is currently forecast the majority will be spent on capital projects involving local regeneration.
- 5.9.2** Wyre Council has received an indicative allocation of £400,000 of funding covering the 2023/24 and 2024/25 financial years, from the Rural England Prosperity Fund (Rural Fund). This scheme, funded by the Department for Environment, Food and Rural Affairs (Defra), will be aimed at capital projects for small businesses and community infrastructure.
- 5.9.3** Improved ICT Cyber Resilience and Disaster Recovery measures are required which entail the purchase of specialist hardware and software in order to build a resilient infrastructure for use in the event of a disruptive or destructive event, such as an environmental disaster or cyber-attack.
- 5.9.4** Further reports will be presented via the relevant approval process as the schemes and phasing are agreed.

Financial and legal implications	
Finance	<p>The Capital Programme through to 2026/27 is fully funded utilising external grants and contributions, capital receipts and funding from earmarked reserves.</p> <p>The Capital Programme expenditure, following the review as at the end of August 2022, and the funding indicated in Appendix 1 (2022/23 through to 2026/27) requires use of Capital Receipts, the Vehicle Replacement Reserve, the Insurance Fund Reserve, the Value for Money Reserve, the Capital Investment Reserve and the Property Investment Reserve (as shown in Appendix 3).</p>
Legal	None arising directly from this report

Other risks/implications: checklist

If there are significant implications arising from this report on any issues marked with a ✓ below, the report author will have consulted with the appropriate specialist officers on those implications and addressed them in the body of the report. There are no significant implications arising directly from this report, for those issues marked with a x.

risks/implications	✓ / x
community safety	x
equality and diversity	x
sustainability	x
health and safety	x

risks/implications	✓ / x
asset management	✓
climate change	x
ICT	x
data protection	x

Processing Personal Data

In addition to considering data protection along with the other risks/ implications, the report author will need to decide if a 'privacy impact assessment (PIA)' is also required. If the decision(s) recommended in this report will result in the collection and processing of personal data for the first time (i.e. purchase of a new system, a new working arrangement with a third party) a PIA will need to have been completed and signed off by Data Protection Officer before the decision is taken in compliance with the Data Protection Act 2018.

Report Author	Telephone No.	Email	Date
Karen Rogan, Accountant	01253 887313	karen.rogan@wyre.gov.uk	23/09/2022

List of Background Papers:		
Name of Document	Date	Where available for inspection
None		

List of appendices

Appendix 1 – Capital Programme and Funding 2022/23 – 2026/27

Appendix 2 – 2022/23 Expenditure and Funding Changes and project year-end position as at 31 August 2022 Review

Appendix 3 – Reserves position as at 31 August 2022 review

Appendix 4 – Extract from 2021/22 Final Accounts report Appendix 2 – Table 2 to Audit Committee 27 September 2022

Appendix 5 – Prudential & Treasury Indicators and Liability Benchmark

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Capital Scheme	Funded By	Original 2022/23	Updated 2022/23	2023/24	2024/25	2025/26	2026/27	TOTAL
		£	£	£	£	£	£	£
Jubilee Gardens Refurbishment	Capital Receipts		7,000					7,000
Tebay Playground Refurbishment	Capital Receipts		7,000					7,000
Preesall Playing Fields Environmental Improvements	Grants and Contributions		69,359					69,359
King George's Playing Field Phase 3	Grants and Contributions		10,678					10,678
Forton Village Hall & Recreation Ground Play Area Improvements	Grants and Contributions		50,769					50,769
Queen Elizabeth II Playing Field, Catterall Improvements	Grants and Contributions							0
Restoration of the Mount	Grants and Contributions		53,538					53,538
Hawthorne Park, Thornton - Playground improvements	Capital Receipts		13,794					13,794
Scotts Green, Winmarleigh - Playground improvements	Capital Receipts		9,706					9,706
Cell Eleven Monitoring	Grants and Contributions	23,410	23,410	23,410	23,410	23,410		93,640
Rossall Sea Wall Improvement Works	Grants and Contributions		208,432					208,432
Wyre Beach Management Business Case	Grants and Contributions	6,981,014	3,679,800	13,195,576	11,891,451	11,684,943		40,451,770
Innovative Resilience Fund ECO-CoBS	Grants and Contributions		829,586	2,191,000	1,613,000	1,045,000	1,066,000	6,744,586
Disabled Facilities Mandatory Grants	Grants and Contributions	2,079,964	2,916,753	2,079,964	2,079,964	2,079,964	2,079,964	11,236,609
Empty Homes Delivery	Grants and Contributions		17,049					17,049
Vehicle Replacement/Street Cleansing Mtnc	Revenue - Vehicle Replacement Reserve	155,200	512,902	149,500	302,500	215,000	404,500	1,584,402
Citizen Access Portal	Revenue - Value For Money Reserve		57,960					57,960
Fleetwood Market Security Improvements	Revenue - Capital Investment Reserve		40,050					40,050
Acquisition of fish and food processing commercial units	Grants and Contributions / Revenue - Property Investment Reserve		4,194,917					4,194,917
Fleetwood HAZ	Grants and Contributions	855,000	975,347	214,656				1,190,003
Public Sector Decarbonisation at Fleetwood Market	Grants and Contributions/Capital Receipts		1,102,829					1,102,829
Copse Road Depot VMU Roller Shutter doors	Capital Receipts		53,340					53,340
Changing Places Facilities - Central Car Park, Fleetwood	Grants and Contributions/Capital Receipts		65,304					65,304
Changing Places Facilities - Wyre Estuary Country Park, Thornton	Grants and Contributions/Capital Receipts			98,878				98,878
Thornton-Cleveleys Duck Pond Shelter	Grants and contributions /Revenue - Insurance Reserve		23,118					23,118
TOTAL		10,094,588	14,922,641	17,952,984	15,910,325	15,048,317	3,550,464	67,384,731

Funding Sources	Original 2022/23	Updated 2022/23	2023/24	2024/25	2025/26	2026/27	TOTAL
	£	£	£	£	£	£	£
Grants and Contributions	9,939,388	11,293,865	17,789,086	15,607,825	14,833,317	3,145,964	62,670,057
Revenue - Capital Investment Reserve		40,050					40,050
Revenue - Vehicle Replacement Reserve	155,200	512,902	149,500	302,500	215,000	404,500	1,584,402
Revenue - Value For Money Reserve		57,960					57,960
Revenue - Property Investment Reserve		2,794,917					2,794,917
Revenue - Insurance Reserve		16,962					16,962
Capital Receipts		205,985	14,398				220,383
Loan							0
TOTAL	10,094,588	14,922,641	17,952,984	15,910,325	15,048,317	3,550,464	67,384,731

Please note:- Purple text indicates externally funded schemes

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**Capital Expenditure
Actuals and commitments**

Portfolio	Director	Capital Project	Approved 2022/23 Budget	Updated 2022/23 Budget			Spend to date to end of Period 5	Commitments	Total spend including commitments	Status	Outturn scheme spend
				Council/ Cabinet/PH decision	Slippage, advanced spend and change of category expenditure	Total					
			£	£	£	£	£	£			
SSP&OS	MB	Jubilee Gardens Refurbishment			7,000	7,000			0	Delayed	Underspend
SSP&OS	MB	Tebay Playground Refurbishment			7,000	7,000				Delayed	On Target
SSP&OS	MB	Preesall Playing Fields Environmental Improvements			69,359	69,359	48,178		48,178	Delayed	Underspend
SSP&OS	MB	King George's Playing Field Phase 2							0	On Track	On Target
SSP&OS	MB	King George's Playing Field Phase 3			10,678	10,678			0	Delayed	Underspend
SSP&OS	MB	Forton Village Hall & Recreation Ground Play Area Improvements			50,769	50,769	50,769		50,769	On Track	On Target
SSP&OS	MB	Restoration of the Mount			53,538	53,538	13,604	4,167	17,771	On Track	On Target
SSP&OS	MB	Hawthorne Park, Thornton - Playground improvements			13,258	13,794	13,794		13,794	On Track	Overspend
SSP&OS	MB	Scotts Green, Winmarleigh - Playground improvements			10,242	9,706	2,180	5,183	7,363	On Track	Underspend
NS&CS	MB	Cell Eleven Monitoring	23,410			23,410	1,606	62	1,668	On Track	On Target
NS&CS	MB	Rossall Sea Wall Improvement Works			208,432	208,432			0	Not started	On Target
NS&CS	MB	Wyre Beach Management Business Case	6,981,014	-3,324,754	23,540	3,679,800	350,829	892,405	1,243,234	Delayed	On Target
NS&CS	MB	Innovative Resilience Fund ECO-CoBS		422,000	407,586	829,586	35,102	340,239	375,342	Delayed	On Target
NS&CS	MH	Disabled Facilities Mandatory Grants	2,079,964	75,000	761,789	2,916,753	945,752		945,752	Delayed	On Target
NS&CS	MH	Empty Homes Delivery			17,049	17,049			0	Not started	Underspend
R	MB	Vehicle Replacement/Street Cleansing Mtnce	155,200		357,702	512,902			0	Delayed	Underspend
R	CJ	Citizen Access Portal			57,960	57,960			0	Delayed	On Target
R	MH	Fleetwood Market Security Improvements			40,050	40,050	27,837	3,784	31,621	On Track	On Target
R	MH	Acquisition of fish and food processing commercial units			4,194,917	4,194,917	401,053		401,053	On Track	On Target
R	MB	Public Sector Decarbonisation at Fleetwood Market		1,102,829		1,102,829		919,024	919,024	Delayed	On Target
R	MB	Copse Road Depot VMU Roller Shutter doors		53,340		53,340	34,795		34,795	On Track	On Target
R	MB	Changing Places Facilities - Central Car Park, Fleetwood		65,304		65,304			0	On Track	On Target
R	MB	Thornton Cleveleys Duck Pond Shelter		23,118		23,118			0	On Track	On Target
P&ED	MH	Fleetwood HAZ	855,000		120,347	975,347	81,816	28,975	110,791	On Track	On Target
			10,094,588	-1,583,163	6,411,216	14,922,641	2,007,315	2,193,840	4,201,155		

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Portfolio Key	
LH&CE	Leisure, Health and Community Engagement
NS&CS	Neighbourhood Services and Community Safety
P&ED	Planning Policy and Economic Development
R	Resources
SSP&OS	Street Scene, Parks and Open Spaces

Director Key	
CJ	Clare James, Corporate Director Resources
MB	Mark Billington, Corporate Director Environment
MH	Marianne Hesketh, Corporate Director Communities

Please note:- Purple text indicates externally funded schemes

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	Reserve balances	Updated	2023/24	2024/25	2025/26
	£	2022/23	£	£	£
	£	£	£	£	£
Capital Investment Reserve					
Opening balance as 1st April 2022	1,577,262				
Withdrawals - out	0	0	0	0	0
Contributions -in	0	0	0	0	0
Closing balance as 31st March 2027	<u>1,577,262</u>				
IT Strategy Reserve					
Opening balance as 1st April 2022	1,442,262				
Withdrawals - out	-994,684	-511,184	-190,500	-86,000	-121,000
Contributions - in	251,145	51,425	49,930	49,930	49,930
Closing balance as 31st March 2027	<u>698,723</u>				
Vehicle Replacement Reserve					
Opening balance as 1st April 2022	1,087,788				
Withdrawals - out	-1,584,402	-512,902	-149,500	-302,500	-215,000
Contributions - in	2,881,419	578,679	575,685	575,685	575,685
Closing balance as 31st March 2027	<u>2,384,805</u>				
Value For Money Reserve					
Opening balance as 1st April 2022	777,815				
Withdrawals - out	-209,830	-153,110	-14,180	-14,180	-14,180
Contributions - in	0	0	0	0	0
Closing balance as 31st March 2027	<u>567,985</u>				
Capital Receipts (over £10k)					
Opening balance as 1st April 2022	790,412				
Withdrawals - out	-220,383	-205,985	-14,398	0	0
Contributions - in	5,715,000	5,715,000	0	0	0
Closing balance as 31st March 2027	<u>6,285,029</u>				
Leisure Management Reserve					
Opening balance as 1st April 2022	724,398				
Withdrawals - out	-316,610	-316,610	0	0	0
Contributions - in	8,620	7,380	1,240	0	0
Closing balance as 31st March 2027	<u>416,408</u>				
Property Investment Reserve					
Opening balance as 1st April 2022	2,877,168				
Withdrawals - out	-2,876,690	-2,876,690	0	0	0
Contributions - in	0	0	0	0	0
Closing balance as 31st March 2027	<u>478</u>				
Insurance Fund Reserve					
Opening balance as 1st April 2022	137,449				
Withdrawals - out	-26,962	-26,962	0	0	0
Contributions - in	200,000	40,000	40,000	40,000	40,000
Closing balance as 31st March 2027	<u>310,487</u>				

Please note:- Contributions - in figures include both capital and revenue contributions, as reflected in the Medium Term Financial Plan

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Comparison of 2021/22 Capital Expenditure to Budget

Appendix 2 - Table 2

Portfolio	Director	Capital Project	Revised Budget 2021/22	Actual Capital Expenditure To 31 March 2022	Actual Revenue Expenditure To 31 March 2022	Agency Arrangements (reclassified) to 31 March 2022	Variance	Overspend	Underspend	Slippage to 2022/23*	Comments
			£	£	£	£	£	£	£	£	
SSP&OS	MB	Jubilee Gardens Refurbishment	7,000				-7,000			-7,000	Slippage - project ongoing
SSP&OS	MB	Tebay Playground Refurbishment	7,000				-7,000			-7,000	Slippage
SSP&OS	MB	Preesall Playing Fields Environmental Improvements	71,307	1,948			-69,359			-69,359	Slippage - project ongoing
SSP&OS	MB	King George's Playing Field Phase 3	10,678				-10,678			-10,678	Slippage
SSP&OS	MB	Forton Village Hall & Recreation Ground Play Area Improvements	50,769				-50,769			-50,769	Slippage - project ongoing
SSP&OS	MB	Queen Elizabeth II Playing Field, Catterall Improvements	65,748	65,748			0			0	Project complete
SSP&OS	MB	Restoration of the Mount	78,493	24,955			-53,538			-53,538	Slippage - project ongoing
SSP&OS	MB	Hawthorne Park, Thornton - Playground improvements	13,258				-13,258			-13,258	Slippage
SSP&OS	MB	Scotts Green, Winmarleigh - Playground improvements	10,242				-10,242			-10,242	Slippage
NS&CS	MB	Cell Eleven Monitoring	23,410	25,059			1,649	1,649		0	Year 1 of Project complete
NS&CS	MB	Rossall Sea Wall Improvement Works	208,432				-208,432			-208,432	Slippage - information signage and street furniture design to be agreed
NS&CS	MB	Wyre Beach Management Business Case	1,440,781	1,417,241			-23,540			-23,540	Slippage - project ongoing
NS&CS	MB	Innovative Resilience Fund ECO-CoBS	493,000	85,414			-407,586			-407,586	Slippage - project ongoing
NS&CS	MH	Disabled Facilities Mandatory Grants	2,963,108	2,201,319			-761,789			-761,789	Slippage - installation delays due to Covid 19 still behind schedule
NS&CS	MH	Empty Homes Delivery	17,049				-17,049			-17,049	Slippage
R	MB	Vehicle Replacement/Street Cleansing Mtnce	411,519	53,817			-357,702			-357,702	Slippage - delay on purchasing vehicles due to manufacturer electronic chip availability
R	CJ	Citizen Access Portal	62,417	4,457			-57,960			-57,960	Slippage - project ongoing.
R	CJ	Cash Receipting System Upgrade	24,746		24,746		0			0	Project complete
R	CJ	Replacement of Core IT Network Infrastructure	38,800		38,800		0			0	Slippage* - the full balance to be transferred to revenue schemes in 2021/22
R	MH	Virtual Desktop Infrastructure Storage Area Network	30,704	30,704			0			0	Project complete
R	MB	St Chad's Churchyard Boundary Wall Works	27,260		27,260		0			0	Project complete
R	MH	Fleetwood Market Security Improvements	55,440	15,390			-40,050			-40,050	Slippage - project ongoing
R	MH	Project Neptune - Getting Building Fund LEP Grant	4,030,385			4,030,385	0			0	Agency arrangement - grant administered on behalf of Lancashire LEP and passed over to ABP in full by end of 2021/22
R	MH	Acquisition of fish and food processing commercial units	4,194,917				-4,194,917			-4,194,917	Slippage - acquisition of units delayed until August 2022
R	MH	Cable replacement - Beach Bungalows Phase 1	21,450	21,450			0			0	Project complete
P&ED	MH	CCF5 Fleetwood Market Outdoor Area/Digital Signage	48,553	38,520			-10,033		-10,033	0	Project complete
P&ED	MH	Fleetwood HAZ	638,350	284,687	233,316		-120,347			-120,347	Slippage - project ongoing
			15,044,816	4,270,709	324,122	4,030,385	-6,419,600	1,649	-10,033	-6,411,216	

Portfolio Key	
LH&CE	Leisure, Health and Community Engagement
NS&CS	Neighbourhood Services and Community Safety
P&ED	Planning Policy and Economic Development
R	Resources
SSP&OS	Street Scene, Parks and Open Spaces

Director Key	
CJ	Clare James, Corporate Director Resources
MB	Mark Billington, Corporate Director Environment
MH	Marianne Hesketh, Corporate Director Communities

Please note:- Purple text indicates externally funded schemes

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Prudential Indicators

Indicator No.

1.

The actual capital expenditure incurred in 2021/22 and the estimates of capital expenditure for the current and future years that are recommended for approval are:

	<u>2021/22</u>	<u>2022/23</u>	<u>2023/24</u>	<u>2024/25</u>	<u>2025/26</u>	<u>2026/27</u>	<u>2027/28</u>
	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>
	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>
Project Neptune	0	4,194,917	0	0	0	0	0
Other schemes	21,450	118,644	98,878	0	0	0	0
Fleetwood Market and Studios	53,910	1,142,879	0	0	0	0	0
Sea Defences	1,527,714	4,741,228	15,409,986	13,527,861	12,753,353	1,066,000	0
ICT	35,161	57,960	0	0	0	0	0
Housing	2,201,319	2,933,802	2,079,964	2,079,964	2,079,964	2,079,964	2,079,964
Fleetwood Heritage Action Zone	284,687	975,347	214,656	0	0	0	0
Parks and Open Spaces	67,696	191,424	0	0	0	0	0
Fleetwood Restoration of the Mount	24,955	53,538	0	0	0	0	0
Vehicle Replacement	53,817	512,902	149,500	302,500	215,000	404,500	0
	4,270,709	14,922,641	17,952,984	15,910,325	15,048,317	3,550,464	2,079,964

2. Estimates of the ratio of financing costs to net revenue stream for the current and future years, and the actual figures for 2021/22 are:

	<u>2021/22</u>	<u>2022/23</u>	<u>2023/24</u>	<u>2024/25</u>	<u>2025/26</u>	<u>2026/27</u>	<u>2027/28</u>
	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>
Ratio	0.79%	0.10%	0.51%	0.45%	0.36%	0.35%	0.34%

The estimates of financing costs include current commitments and the proposals in the budget report.

3. Estimates of the end of year capital financing requirement for the authority for the current and future years and the actual capital financing requirement at 31st March 2021 are:

	<u>31/03/21</u>	<u>31/03/22</u>	<u>31/03/23</u>	<u>31/03/24</u>	<u>31/03/25</u>	<u>31/03/26</u>	<u>31/03/27</u>
	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>
	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>
Total Capital Financing Requirement (Expenditure less capital grants & use of usable/set-aside receipts)	11,068	10,973	10,876	10,786	10,713	10,638	10,563

The capital financing requirement measures the authority's underlying need to borrow for a capital purpose.

To ensure that debt over the medium term is only for capital purposes, debt should not, except in the short term, exceed the Capital Financing Requirement for the previous, current and next two financial years.

Treasury Management Indicators

Wyre Borough Council has adopted the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice for Treasury Management in the Public Services.

Indicator No.

1. External Debt - Authorised Limit

The maximum level of external borrowing on a gross basis (i.e. excluding investments) for the Council. This is a statutory limit determined under the local Government Act 2003 and must not be exceeded during the year.

	<u>2021/22</u> <u>Actual</u> <u>£000</u>	<u>2022/23</u> <u>Estimate</u> <u>£000</u>	<u>2023/24</u> <u>Estimate</u> <u>£000</u>	<u>2024/25</u> <u>Estimate</u> <u>£000</u>	<u>2025/26</u> <u>Estimate</u> <u>£000</u>	<u>2026/27</u> <u>Estimate</u> <u>£000</u>	<u>2027/28</u> <u>Estimate</u> <u>£000</u>
Borrowing	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Other Long Term Liabilities	0	100	100	100	100	100	100
Total Authorised Limit	20,000	20,100	20,100	20,100	20,100	20,100	20,100

2. External Debt - Operational Boundary (Reasonable Limit-day to day)

The reasonable limit for external debt (excluding investments) focussing on day-to-day treasury management activities.

	<u>2021/22</u> <u>Actual</u> <u>£000</u>	<u>2022/23</u> <u>Estimate</u> <u>£000</u>	<u>2023/24</u> <u>Estimate</u> <u>£000</u>	<u>2024/25</u> <u>Estimate</u> <u>£000</u>	<u>2025/26</u> <u>Estimate</u> <u>£000</u>	<u>2026/27</u> <u>Estimate</u> <u>£000</u>	<u>2027/28</u> <u>Estimate</u> <u>£000</u>
Borrowing	13,452	13,452	13,452	13,452	13,452	13,452	13,452
Other Long Term Liabilities (Deferred Liabilities)	10	50	50	50	50	50	50
Total Operational Boundary	13,462	13,502	13,502	13,502	13,502	13,502	13,502

3. Actual External Debt

	<u>31/03/22</u> <u>Actual</u> <u>£000</u>
External Debt-Temporary Borrowing	0
External Debt-PWLB	1,552
Other Long Term Liabilities	11
Total Actual External Debt	1,563

It should be noted that actual external debt is not directly comparable to the authorised limit or operational boundary, since the actual external debt reflects the position at one point in time.

4. Fixed Interest Rate Exposures

	<u>2021/22</u> <u>Actual</u> <u>%</u>	<u>2022/23</u> <u>Estimate</u> <u>%</u>	<u>2023/24</u> <u>Estimate</u> <u>%</u>	<u>2024/25</u> <u>Estimate</u> <u>%</u>	<u>2025/26</u> <u>Estimate</u> <u>%</u>	<u>2026/27</u> <u>Estimate</u> <u>%</u>	<u>2027/28</u> <u>Estimate</u> <u>%</u>
Principal sums outstanding in respect of borrowing at fixed rates	100	100	100	100	100	100	100
Principal sums outstanding in respect of fixed rate investments	25	25	25	25	25	25	25

5. Variable Interest Rate Exposures

	<u>2021/22</u> <u>Actual</u> <u>%</u>	<u>2022/23</u> <u>Estimate</u> <u>%</u>	<u>2023/24</u> <u>Estimate</u> <u>%</u>	<u>2024/25</u> <u>Estimate</u> <u>%</u>	<u>2025/26</u> <u>Estimate</u> <u>%</u>	<u>2026/27</u> <u>Estimate</u> <u>%</u>	<u>2027/28</u> <u>Estimate</u> <u>%</u>
Principal sums outstanding in respect of borrowing at variable rates	25	25	25	25	25	25	25
Principal sums outstanding in respect of variable rate investments	100	100	100	100	100	100	100

Borrowing at fixed rates will be between 75% - 100% of the total portfolio
 Borrowing at variable rates will be between 0% - 25% of the total portfolio
 Investments at fixed rates will be between 0% - 25% of the total portfolio
 Investments at variable rates will be between 75% - 100% of the total portfolio

6. Maturity Structure of Borrowing

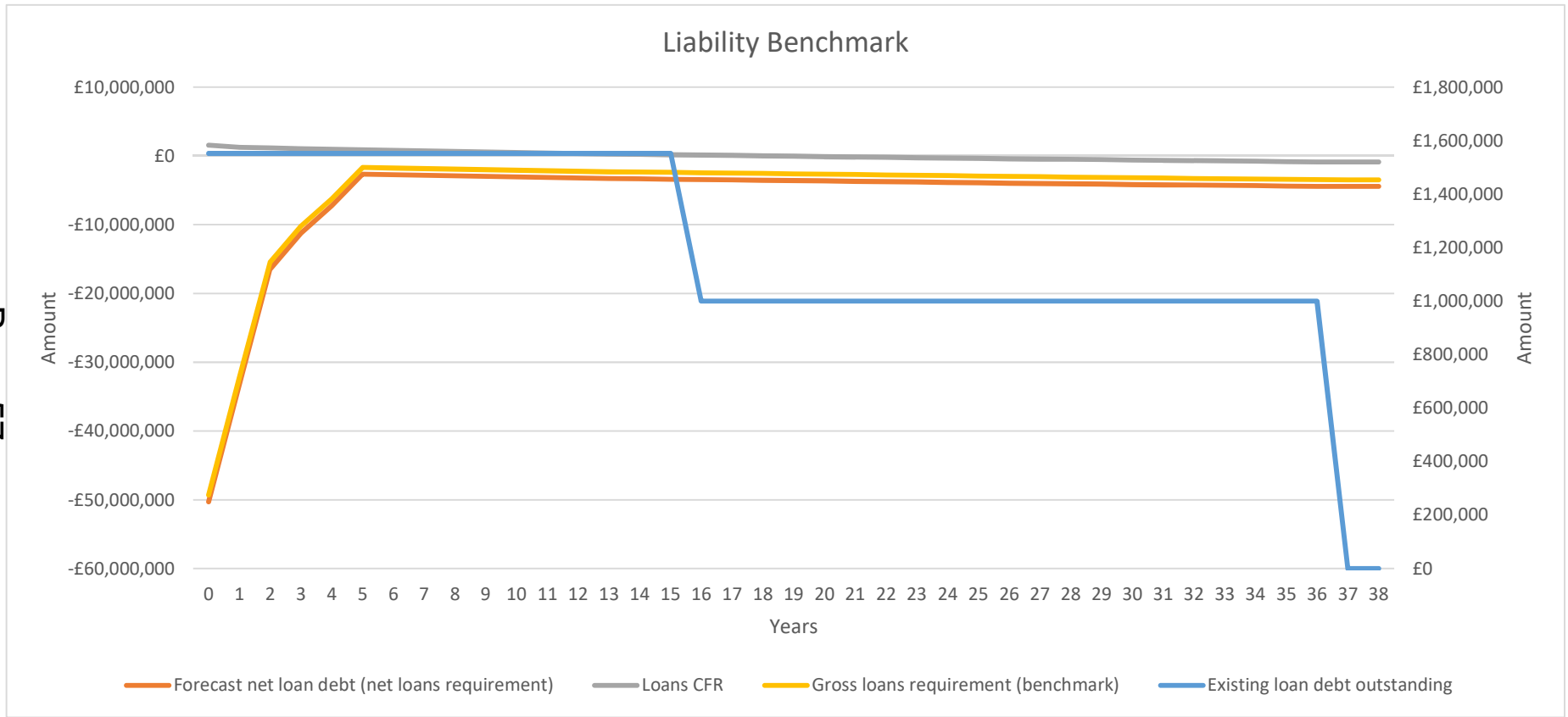
It is recommended that the Council sets upper and lower limits for the maturity structure of its borrowing as follows.

Amount of projected borrowing that is fixed rate maturing in each period as a % of total projected borrowing that is fixed rate at the start of the period.

	<u>Upper Limit</u>	<u>Lower Limit</u>
Under 12 months	100	0
12 months and within 24 months	45	0
24 months and within 5 years	75	0
5 years and within 10 years	75	0
10 years and above	100	0

7. Total principal sums invested for periods longer than 364 days

	<u>2021/22</u> <u>Actual</u> <u>£000</u>	<u>2022/23</u> <u>Estimate</u> <u>£000</u>	<u>2023/24</u> <u>Estimate</u> <u>£000</u>	<u>2024/25</u> <u>Estimate</u> <u>£000</u>	<u>2025/26</u> <u>Estimate</u> <u>£000</u>	<u>2026/27</u> <u>Estimate</u> <u>£000</u>	<u>2027/28</u> <u>Estimate</u> <u>£000</u>
Total principal sum invested to final maturities beyond the period end	0	0	0	0	0	0	0



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Report of:	Meeting	Date
Councillor Michael Vincent, Resources Portfolio Holder and Clare James, Corporate Director Resources	Cabinet	19 October 2022

Medium Term Financial Plan 2022/23 to 2026/27
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1. Purpose of report

- 1.1 To consider the council's Medium Term Financial Plan for the financial years 2022/23 to 2026/27.

2. Outcomes

- 2.1 The ability to demonstrate good financial management by ensuring that the council's Medium Term Financial Plan, budgets and capital programme are soundly based and designed to deliver its strategic priorities.

3. Recommendations

- 3.1 Members are requested to:
 - a. Consider the attached Medium Term Financial Plan and the consequential action required in order to address the issues resulting from the five year Financial Forecast (current year plus four years);
 - b. Note the revised expenditure projections incorporating the slippage from 2021/22, and the resulting impact on the level of the council's Reserves and Balances at 31 March 2022; and,
 - c. Agree the top-up and use of all Reserves and Balances as indicated in Appendix 3 to the Medium Term Financial Plan.

4. Background

- 4.1 The council's comprehensive, Medium Term Financial Plan, essentially a five year financial forecast, complements the Annual Revenue Budget process and should be considered in conjunction with the Council's Business Plan, its capital investment plans and the Asset Management Plan. It provides detailed proposals for corporately managing the council's resources in the years ahead.

- 4.2** The council’s financial plans support the delivery of strategic plans for assets either through investment, disposals, rationalisation or more efficient asset use. Financial plans show how the financial gap between the need to invest in assets and the budget available will be filled over the long term (for example through prudential borrowing, rationalisation of assets, capital receipts, etc.).

5. Key issues and proposals

5.1 The last Plan was based on the Revenue Budget for 2021/22 and it was recognised that it would be subject to continuous monitoring to ensure its effectiveness. Since the Plan was last considered there have been regular monitoring reports to Members on both the Revenue and Capital Budgets and the 2022/23 Budgets for both of these have been approved. The Outturn figures for 2021/22 (pre audit), were presented to the Audit Committee on 27 September 2022. Attached, at Appendix A, is a copy of the updated Plan, which includes the latest five year financial forecast.

5.2 Based on the detailed appendices to this report, over the forthcoming MTFP period, savings would be required of:

- £2,400,000 for 2023/24
- £2,801,000 for 2024/25
- £3,101,000 for 2025/26
- £3,522,000 for 2026/27

These are expressed on an assumption that any savings in each year are one-off and non-recurring. Therefore, as an example, should recurring savings be found in 2023/24 of £500,000 then the required savings to be found in each subsequent year would be reduced initially by that same £500,000 (being recurring in nature).

Financial and legal implications	
Finance	Considered in detail in the appendices attached.
Legal	None arising directly from the report.

Other risks/implications: checklist

If there are significant implications arising from this report on any issues marked with a ✓ below, the report author will have consulted with the appropriate specialist officers on those implications and addressed them in the body of the report. There are no significant implications arising directly from this report, for those issues marked with a x.

risks/implications	✓ / x
community safety	x
equality and diversity	x
sustainability	✓
health and safety	x

risks/implications	✓ / x
asset management	✓
climate change	x
ICT	x
data protection	x

Processing Personal Data

In addition to considering data protection along with the other risks/ implications, the report author will need to decide if a 'privacy impact assessment (PIA)' is also required. If the decision(s) recommended in this report will result in the collection and processing of personal data for the first time (i.e. purchase of a new system, a new working arrangement with a third party) a PIA will need to have been completed and signed off by Data Protection Officer before the decision is taken in compliance with the Data Protection Act 2018.

report author	telephone no.	email	date
Clare James	01253 887308	clare.james@wyre.gov.uk	23.09.2022

List of background papers:		
name of document	date	where available for inspection
None		

List of appendices

Appendix A – Medium Term Financial Plan 2022/23 to 2026/27



Medium Term Financial Plan 2022/23 to 2026/27

Wyre Council
Civic Centre
Breck Road
Poulton-le-Fylde

October 2022

The Medium Term Financial Plan for Wyre Council

1. Strategic Objectives

- 1.1 The Council's Business Plan sets out its vision, objectives and actions for a five year period, highlighting the issues upon which we have decided to focus in order to ensure that our vision is realised. Our vision is 'Wyre is a healthy, happy and greener place where people want to live, work, invest and visit'.

Economy

Our ambition – A strong local economy.

We will:

Work with the Fylde Coast Economic Prosperity Board to support economic growth and attract greener investment to Wyre

Collaborate with our partners to facilitate cleaner, greener, vibrant town centres

Support businesses to grow, prosper, recover and become carbon neutral

Work with our partners to improve the infrastructure and connectivity across the Fylde Coast ensuring carbon neutral benefits

Maximise commercial opportunities and deliver efficiencies

People

Our ambition – Empowered healthier communities

We will:

Collaborate with residents and local stakeholders to support and maximise opportunities for improving health and wellbeing across our communities

Transform the way customers access our services through making better use of technology

Explore opportunities for communities and partners to deliver initiatives that build resilience and sustainability

Work with partners to support and raise the aspirations of young people

Collaborate with residents and local stakeholders to influence and encourage a low carbon culture through behaviour change

Place

Our ambition – A cleaner, greener and more sustainable environment

We will:

Work towards reducing the council's and wider borough's emissions by at least 78% by 2035

Utilise Wyre's USP – the Great Outdoors – supporting residents and visitors to maximise the opportunities from coast to countryside whilst protecting, preserving and enhancing our environment for current and future generations

Collaborate with our partners to respond to a range of climate change issues, including our commitment to carbon footprint reduction and tackling flood risk across Wyre

Work with residents, Parish and Town Councils and businesses to plan, protect and enhance the quality of our neighbourhoods and environment

2. Background

- 2.1 The council's comprehensive, Medium Term Financial Plan is a five year financial forecast which complements the Annual Revenue Budget process and should be considered in conjunction with the Council's Business Plan, its capital investment plans and the Asset Management Plan. It provides detailed proposals for corporately managing the council's resources in the years ahead.
- 2.2 Without a resilient Business Plan, priorities can be championed that have little or no reference in relation to the needs of local communities, which can lead to a lack of value for money, direction and public satisfaction.
- 2.3 The council continues to face many significant challenges ahead and will have to manage a wide and diverse range of services with decreasing resources and heightened customer expectations.
- 2.4 The council recognises and welcomes the resources that are made available through contributions from other public and private partner organisations, as well as the voluntary sector. These form a key part of the council's application of resources, duly reflected in its key documents, which are shared with those bodies to achieve the most effective mix of contributions to achieve shared aims and objectives.

3. Links to Corporate Priorities

- 3.1 Obviously, the council cannot do everything it would like to do, or indeed, everything its customers and partners would like it to do. The council, in the same way as other organisations, is restricted by the amount of money (revenue and capital) it has to spend. As such, it has to set priorities. These priorities, which are reflected in the Business Plan, are based on clear evidence of community needs and aspirations determined through prior research and local consultation. The 2022 Business Plan update was also influenced by the views of Overview and Scrutiny Committee who were consulted as part of the drafting process.
- 3.2 In order to respond effectively to the diverse needs of the community the council needs to be using resources effectively, delivering the best outcomes for local people and actively seeking new ways to improve the wellbeing of the community.
- 3.3 This process will be achieved through the following mechanisms:

Engagement with Residents using existing mechanisms and groups – The council is keen to ensure that the aspirations and needs of local people are met and continues to use the Together We Make a Difference Network to ensure better and more effective methods of achieving two-way communication.

The Council's Business Plan - outlines our vision, objectives and actions for the period 2019 to 2023 and demonstrates our commitment to make a positive difference to the lives of people living in Wyre.

Medium Term Financial Plan (MTFP) – reflects the budgetary requirements of the Business Plan and is communicated to staff and stakeholders.

Annual Service Plans – contain detailed action plans for the forthcoming year for

each service including performance targets.

Team and Individual Objectives – ensures that each member of staff knows how their job helps to deliver a better Wyre. A staff appraisal system helps to assess everyone’s contribution.

Performance Management Framework – a tool that underpins all of the above and allows everyone to track performance.

- 3.4** New schemes requiring funding are referred to Corporate Management Team (CMT) for detailed consideration against corporate priorities. (The Detailed Business Case template for Revenue and Capital projects can be seen at Appendix 1.) Once scrutinised by CMT, successful business cases are then submitted to the relevant Portfolio Holder for approval. Further scrutiny takes place when Cabinet consider the Capital Programme as part of the council’s Estimates Process. In addition, every year, Overview and Scrutiny review the schedule showing planned investment in our assets and this last took place on 17 January 2022. This ensures that, often difficult, decisions are taken in consideration of the council’s duty to promote the wellbeing of the community, as well as service specific needs.
- 3.5** Before detailed business cases are submitted for consideration however, there must be:
- A clear rationale for the project and identification of the corporate priority to which the request relates;
 - Identification of stakeholders;
 - An options appraisal which also considers the impact on the organisation, staffing, technology etc.;
 - Consideration of the benefits, both tangible and intangible that the project could achieve and how these will be measured;
 - Consideration of the financial impact of the expenditure e.g. one off and recurring financial consequences
 - Awareness of the risks attached to the project and how these could be mitigated and/or managed.
- 3.6** Ordinarily, capital receipts can only be used to fund capital expenditure or be set aside to repay debt. However, as part of the multi-year 2016/17 local government finance settlement, greater flexibility to allow council’s to use these receipts to generate ongoing revenue efficiencies was announced although published guidance must be followed. This flexibility has been extended several times and now includes every financial year to at least 2024/25.
- 3.7** This guidance advises that: “The Secretary of State believes that individual authorities and groups of authorities are best placed to decide which projects will be most effective for their areas. The key criteria to use when deciding whether expenditure can be funded by the capital receipts flexibility is that it is forecast to generate ongoing savings to an authorities’, or several authorities, and/or to another public sector body’s net service expenditure.”
- 3.8** The Guidance also recommends that the Strategy setting out details of projects to be funded through flexible use of capital receipts be prepared prior to the start of each financial year and/or should be presented to full Council or the equivalent at

the earliest possible opportunity.

- 3.9** At the present time, there is no intention to make use of this flexibility owing to the significant schedule of works required to maintain and invest in our assets and as such no Strategy has been approved by Council.
- 3.10** The council is keen to strengthen the link between investment and return by encouraging the development and reporting of indicators that can demonstrate how individual schemes have contributed to the achievement of its priorities, i.e. what the community can expect the investment to achieve in terms of outputs and outcomes.

4. Budget Management and Monitoring

- 4.1** In order to ensure that the council is able to demonstrate an effective approach to managing its financial performance, monitoring reports, highlighting any significant deviations from the plan, are submitted to the Executive on a regular basis in respect of both revenue and capital expenditure. This information is informed by regular budgetary reviews undertaken by Spending Officers and the Financial Services Team. Any changes to the phasing of capital schemes and any significant variations to scheme costs are formally reported to Cabinet throughout the year. This process balances the need for a consistent and corporate approach to programme management generally with the responsiveness and flexibility required to manage, often complex, schemes.
- 4.2** The release of funds from the Capital Budget, following a scheme's inclusion in the Capital Programme, is subject to a comprehensive report to the appropriate Portfolio Holder, by the relevant Corporate Director who is responsible for managing the scheme from development through to implementation and review. (This requirement may be relaxed for those schemes where the delay between the date of inclusion in the capital programme and the project start date is less than 9 months and the exact nature of the capital investment requires no further Member approval). The Members' role in performance management and monitoring is supported by the Council's Financial Regulations and Financial Procedure Rules which state the key controls surrounding the capital programme as follows:
- a) a scheme and estimate, including project plan, progress targets and associated revenue expenditure is prepared for each capital project, for approval by the executive
 - b) specific approval by the full Council for the programme of capital expenditure
 - c) expenditure on capital schemes is subject to the approval of the relevant Portfolio Holder prior to scheme commencement
 - d) proposals for improvements and alterations to buildings must be approved by the Corporate Property Officer
 - e) schedules for individual schemes within the overall budget approved by the full council must be submitted to the relevant Portfolio Holder for approval (for example, Refurbishment of Playgrounds)
 - f) the development and implementation of asset management plans
 - g) accountability for each proposal is accepted by a named manager
 - h) monitoring of progress in conjunction with expenditure and comparison with approved budget.
- 4.3** Capital costs must be within approved budgets, the tender process being conducted in accordance with Financial Regulations and Financial Procedure

Rules which set out the circumstances for reporting overspends to the Executive.

- 4.4** The Prudential Code for Capital Finance aims to ensure, within a clear framework, that the capital investment plans of local authorities are affordable, prudent and sustainable. The Code sets out indicators that can be used and requires local authorities to set relevant limits and ratios. These include a three year forward looking estimate of financing costs to the net revenue stream ratio as well as a backward looking prior year actual financing costs to the net revenue stream ratio. Responsibility for setting and agreeing the prudential indicators rests with the full Council further reinforcing the Members' role in the management of the Capital Programme.
- 4.5** In December 2021, the Chartered Institute of Public Finance and Accountancy, (CIPFA), issued a revised Treasury Management Code and Cross Sectoral Guidance Notes and a Revised Prudential Code. These two statutory and professional codes are important regulatory elements of the capital finance framework within which local authorities operate and the council is required by regulation to 'have regard to' their provisions.
- 4.6** A particular focus of the revised Prudential Code was to remind local authorities of the limits on commercial activities and the importance of proportionality, not borrowing for debt-to-yield purposes and that capital strategies are required to report investments under the following headings: service, treasury management and commercial investments. All of these changes have limited impact on the council.
- 4.7** The main changes to the updated Treasury Management Code and the accompanying guidance for local authorities related to the treatment of non-treasury investments. They included the introduction of the Liability Benchmark as a treasury management indicator for local government bodies; that Environmental, Social and Governance risks are incorporated into Treasury Management Practice 1 (Risk Management); and the purpose and objective of each category of investments should be described within the Treasury Management Strategy. For these and any changes in the Prudential Code, we are allowed to work towards compliance in 2022/23 with full implementation from next April.

5. Basis of Budgetary Forecast

- 5.1** The projections incorporate the final position in respect of the 2021/22 financial year with the Statement of Accounts (subject to audit) approved by Audit Committee on 27 September 2022. The Accounts and Audit (Coronavirus) (Amendment) Regulations 2020 require the council's responsible financial officer to certify that the accounts 'present a true and fair view of the financial position' for the 2021/22 financial year by 31 July 2022 which was achieved. The council is then formally required to approve and publish the audited Statement of Accounts no later than 30 September 2022. Owing to the pandemic these deadlines are later than they were. However our external Auditors have indicated that they will not meet this deadline and we are expecting sign-off later in 2022/23. It is the role of the Audit Committee, independent from the Executive and Overview and Scrutiny functions, to 'review the annual Statement of Accounts considering whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit that need to be brought to the attention of the Council'. The audited accounts and the report from the External Auditor, referred to as the ISA260 Report are still outstanding for the

2020/21 accounts owing to delays caused by a lack of resources at Deloitte and a statutory issue on the valuation of infrastructure assets, although it is hoped that these will be signed off in 2022.

- 5.2** The Local Government Association (LGA) has yet to confirm the Pay Award for the National Joint Council for Local Government Services for 2022/23 (1.75% in 2021/22 for staff and 1.5% for Chief Officers). For 2022/23 an estimated 7% pay award has been included in the forecast followed by 4% thereafter. Following the government's announcement in September 2021 regarding an additional health and social care NI contribution from April 2022 of 1.25%, this had been built into the forecasts ongoing. However, an announcement by the Chancellor on 23 September 2022 means that from 6 November this year, the 1.25% can be stripped out and this has been reflected in the MTFP.
- 5.3** Provision for inflation has been included where it is considered to be a contractual obligation and tailored assumptions have been made where known inflationary pressures exist. In preparing a prudent budget, the council should also reflect the current economic climate and its potential impact; this has been considered as part of the Risk Assessment at Appendix 5. Currently we are experiencing levels of high inflation with rising energy and fuel costs in particular. Our underlying assumptions around energy prices have led to an increased budget provision going forward, more reflective of the increases seen so far in 2022. Some certainty over the longer term has been achieved through fixed price contracts. However consumption is variable and some meters may transition to out of contract rates from 1 October until the market is able to offer fixed rates again.
- 5.4** Although the income projected from fees and charges should follow the principles of the Audit Commission publication "The Price is Right", the objective being to maximise support to the Revenue Budget, it has been assumed that additional income generated during 2022/23 will be offset by similar increases in other costs. Where a specific policy decision has already been taken, however, in relation to future levels of charging this has been reflected in the plan. The council's Charging Policy is attached at Appendix 2.
- 5.5** The financial projections reflect all known implications arising from published strategies and plans across the council and joint plans agreed with partners and other stakeholders which include the following:
- Business Plan 2019-2023;
 - Waste Management Strategy 2008-2020 (refresh pending as at Sept 2022);
 - Digital Transformation Strategy 2022-2025;
 - Disabled Facilities Grants Policy; and
 - Local Plan
- 5.6** As part of the annual budget cycle, and in determining the MTFP, the council continues to identify actions that will improve efficiency, quantifying the expected gains that assist the council in effectively prioritising its finite resources. These efficiency targets, detailed within the council's 'Annual Efficiency Programme' which is published along with the Revenue Budget papers considered by Cabinet, will assist the delivery of the council's corporate priorities supporting the continued improvement of services for our residents. Savings and efficiency gains identified for the year are monitored throughout the period by the Executive to ensure their achievement. Target efficiency savings will only be reflected in the MTFP, however, as they are realised.

5.7 Owing to the global pandemic and changes in central government, we are still awaiting the delayed outcome of the Fair Funding Review and Business Rates Retention Reform and depending on the outcome of these changes a significant re-prioritisation exercise, whereby all services are subject to a critical evaluation, will be undertaken to alleviate serious financial problems in future years. The financial projections, included at Appendix 2, currently indicate that further annual savings will be required in future years. This has worsened significantly owing to current levels of high inflation, National Living Wage pressures and the accompanying ‘cost of living crisis’. However, there is also a high level of uncertainty in the forecast owing to the absence of a multi-year settlement and the residual impact of the pandemic and funding reforms are expected in 2023/24. As such, it is important that the Council considers its future budgets and continues to monitor closely the MTFP.

5.8 One important change to note, in order to mitigate the cost pressures, in a change from previous years, the MTFP now assumes that there will be an annual draw down on the Non-Domestic Rates Equalisation Reserve equivalent to the retained levy from being a member of the Lancashire Business Rates Pool. In 2021/22 this was £624,450 and it is this value that has been assumed will fund increased revenue spending pressures ongoing.

5.9 From 1 April 2014 the accounting arrangements for pensions changed and rather than a single percentage contribution rate being calculated to determine the employers’ payment into the scheme, the charges are split with a future service contribution rate being set and charged to services together with a cash deficit recovery contribution being charged to Non Distributed Costs. The employers’ equated superannuation rate, effective for the financial year commencing 1 April 2022, is 18.3% and reflects a future service contribution rate of 18.3% and a deficit recovery contribution of nil. The past service deficit contribution was originally meant to increase by 4.1% per annum. However, the outcome of the latest triennial review for 2020/21 to 2022/23 and the decision to pre-pay our pension contribution has resulted in an overall estimated surplus position which is helping to offset the future service cost %. This option to pre-pay the council’s pension contribution for the three years, delegated to the s.151 Officer, and thereby pay a reduced amount, is estimated to save over £228,000 over the period. The next triennial review by the Actuary will be based on data at 31 March 2022 and will be effective for the three years commencing 1 April 2023 (discussions are under way to modify future review periods but this remains the current position). The government have been consulting on extending the review period to up to five years but the outcome of this is not yet known. The plan assumes a future service rate of 18.8%. This is based on the estimated rate of 18.3% provided by the actuary in December 2019 plus a 0.5% provision for the impact of the recent McCloud judgment which is expected to increase costs. The Pension Fund have indicated that our rates should remain stable over the next triennial review and our figures should be available by November.

5.10 With effect from the 2007/08 financial year, the council once again become reliant on borrowing to support capital expenditure. The council has borrowed £3.552m to date and this value is used to calculate the minimum revenue provision (MRP) which must be reflected in the accounts. The borrowing to date is as follows:

Date	Loan Ref	Value (£)	Period	Rate (%)	Maturing
05.03.08	494403	1,000,000	3	4.18	Sept’ 2010
05.03.08	494404	552,000	30	4.48	Sept’ 2037

05.03.08	494405	1,000,000	50	4.41	Sept' 2057
09.03.09	495360	1,000,000	4	2.05	Sept' 2012

5.11 Whilst there is no interest paid on the two loans that have matured, the charge to the revenue account reflecting the principal element of the repayment is calculated based on the number of years that the asset will be in operation. Interest paid on long term borrowing in 2021/22 is expected to be £68,830 and principal repayments are £95,559 – a total cost of £164,389. This cost will not reduce until 2024/25 when assets with a 15 year life span fall out of the MRP calculation and the MRP reduces to £89,994 (£158,824 including interest). The MRP calculation then reduces again to £79,703 (£148,533 including interest) in 2025/26.

5.12 In an effort to reduce the council's reliance on borrowing and following concerns about the sustainability of continuing to borrow in the current economic climate, a Capital Investment Reserve was created as part of the 2009/10 closure of accounts. The balance remaining on this reserve at 31 March 2022, totalling £1,577,262, is substantially committed.

6. Basis of Resources Forecast

6.1 The extent of the growth in the tax base of the authority obviously has an impact on the projections of future Council Tax income. An increase of 1.9% has been anticipated in 2022/23 reducing to 1.2% at the end of the MTFP period.

6.2 New provisions for council tax referendums were introduced by the Localism Act with effect from 2012/13 to replace capping. The council increased its share of the council tax in 2022/23 by £5 or 2.38%. As part of the Local Government Finance Settlement, the Government announced a 2% trigger for local referenda on council tax increases but also allowed any shire district council to charge a de-minimis £5 more in council tax without triggering the referendum. For the purpose of the MTFP a £5 increase in council tax has been assumed in 2023/24 and beyond. If the £5 threshold were withdrawn then the forecast position would worsen. Conversely, if the 2% threshold was returned to 3% and members were supportive of this increase, the position would improve.

6.3 The current Business Rates Retention Scheme was introduced in 2013/14 and essentially allows councils to keep a share of any business rate growth. A baseline level of funding has been set which, in effect, replaces the grant support that would otherwise have been awarded. Under the national scheme, the council is allowed to keep 40% of any additional funds that it generates (with 50% being paid to the Government, 9% to Lancashire County Council and 1% to the Fire Authority) but this is normally regulated by the payment of a levy at 50%.

6.4 Following a one-year 75% retention pilot pool in 2019/20, with effect from 1 April 2020, the council was again designated as belonging to the 50% Business Rates Pool of Lancashire. This results in the County Council being paid 10% of the retained levy (prior to the cost of administering the pool) with Wyre retaining 90% of the levy previously payable.

6.5 A consequence of being part of the Pool arrangement is that the council will no longer be eligible to receive a safety net payment should the business rate base in the area decline and fall below 92.5% of the baseline funding level. The entire Pool would have to drop below the safety net level of 92.5% for any additional support to be paid over.

- 6.6 The council receives a negligible revenue support grant and the forecast assumes that our base funding level will increase by a modest 1.5% pending further information on the Spending Review and other reforms.
- 6.7 The requirement for financial reserves is acknowledged in statute. The Local Government Finance Act 1992 requires billing and precepting authorities to have regard to the level of reserves needed for meeting estimated future expenditure when calculating the budget requirement. The council's minimum prudent level of balances, calculating the requirement at 5% of net expenditure before other government grants (£724,400) together with the element of the reduction in business rates that authorities must meet before the Government would consider any safety net payment (£255,695 in 2022/23), is now £980,095. Balancing the annual budget by drawing on general reserves may be viewed as a convenient short-term option but where reserves are deployed to finance recurrent expenditure this should be made explicit by the Section 151 officer. **Members must note that the continued use of balances is not sustainable and a significant re-prioritisation exercise, whereby all services are subject to a critical evaluation, must be undertaken to alleviate serious financial problems in future years. A high level review of statutory and non-statutory services has been carried out. The financial projections indicate that further annual savings will be required in future years.** It is important that the council considers its future budgets and continues to monitor closely the MTFP. The value of reserves and balances at the end of March 2022, and projected for the future, can be seen at Appendix 3. The identification of earmarked reserves often takes account of risk assessments and contingency planning with funding being provided for known events such as the Borough Election and the rolling replacement of ICT equipment and vehicles. The level of general balances also supports contingency planning and recognises anticipated future financial pressures on revenue resources and the difficulties of securing immediate savings. The council's Policy on the Level of Reserves and Balances is included at Appendix 4.
- 6.8 The council's capital spending is constrained by the availability of appropriate resources including capital receipts, capital grants, borrowing and revenue funding. The council has previously adopted a policy of ensuring that assets with the shortest charge life are financed from capital receipts rather than borrowing to minimise the revenue impact. The council submits a variety of external funding bids, many of which are coordinated by the Engineering, Parks and Open Spaces and Economic Development Teams and all funding bids are agreed with Financial Services prior to submission. The council has an excellent track record of securing external grants and continues to seek funding to facilitate investment in the borough.
- 6.9 On 23 March 2020 the coronavirus pandemic resulted in the first of a series of national lockdowns. Between March 2020 and April 2022 the imposition of local and national restrictions had a significant impact on people's lives, the economy, statutory deadlines and service priorities to name a few. The financial impact on the council continues to be felt in areas such as leisure and tourism which was particularly hard hit. There is now an ongoing residual impact in the wider economy which is resulting in rising inflation and interest rates, both of which have an impact on the forecasts. On 29 June 2022, the then Secretary of State Michael Gove confirmed that councils in England will receive two-year funding settlements from next year to help them plan with "a greater degree of confidence". If this commitment is delivered then it will be an improvement on the current limited level

of forecasting certainty.

6.10 Earmarked Reserves and General Balances showed an improved position at outturn. However, the improvement on General Balances was entirely as a result of deferred revenue expenditure, so not a true saving. The improved Earmarked Reserves position was primarily a result of in-year revenue savings and additional income. Top-ups to several reserves were made with the largest amounts going into the Council Tax Equalisation Reserve, ICT Strategy Reserve and Leisure Management Reserve in anticipation of increased costs. The Council Tax Base Equalisation Reserve has been increased to reflect a two-year extension to the cushioning arrangement introduced following successive years in the 2010s of taking advantage of the then government's council tax freeze grant. This policy meant that the tax base was frozen and created a 'cliff edge' in the forecast which the delayed funding reforms may have resolved. To align with these delays it was deemed prudent to extend this arrangement.

7. Risk Assessment

7.1 An assessment of the risks associated with the MTFP has been carried out. This includes the likelihood, severity and level of risk together with the risk management procedures in place to control and monitor them. The guidance framework for Corporate Governance in local authorities highlights the need to have these risk management procedures in place.

The table below explains the scoring matrix that is used to calculate the level of risk.

Likelihood	Severity	Risk = Likelihood x Severity
Low (1)	Low (1)	1 – 2 = Low
Medium (2)	Medium (2)	3 – 4 = Medium
High (3)	High (3)	6 – 9 = High

Action to be taken after scoring is as follows:

- High = Review existing practices/proposed recommendations and act.
- Medium = Review control mechanisms.
- Low = Limited immediate action; continue to monitor.

7.2 Appendix 5 lists the major risks associated with the MTFP and the controls in place to alleviate the risks.

8. Executive Summary

8.1 Aims

- To improve the quality of services through the strategic planning process and the targeting and prioritising of investment to meet local and national objectives.
- To provide a clear and consistent framework for financial decision-making and management at both the corporate and service level, subject to continuous monitoring to ensure its effectiveness.

8.2 Delivery

The council strives to ensure that its resources:

- Continue to be guided by the key principles underpinning our corporate objectives and contribute effectively to their achievement, through Corporate Service and Financial Planning.
- Are robustly reviewed on a regular basis identifying potential efficiency savings.
- Add value to those provided by partners and other agencies in the Borough to provide joined up solutions.
- Optimise opportunities for corporate working across services and operational strategies, to achieve wider, defined objectives.
- Are not accepted as the only source of funding for services and continues to explore the possibility of attracting funding from external sources.
- Are supported by the achievement of maximum income levels in relation to fees and charges levied for services provided.
- Maximise and make best use of the council's assets.

List of Appendices:

Appendix 1 – Detailed Business Case Template

Appendix 2 – Charging Policy

Appendix 3 – Summary Financial Forecast (including Reserves and Balances)

Appendix 4 – Policy on the Level of Reserves and Balances

Appendix 5 – Risk Assessment



Detailed Business Case

Topic Name: <Insert Topic Name Here>
Prepared by: <Insert Name>
Date: <Insert Date>

Version Control

Version	Date	Author	Change Description
0.1	<Date>	<Name>	<First Draft – Not yet for publication>

Distribution List

Name	Role
<Insert Name 1>	<Insert involvement in this work, not necessarily job title>

Executive Summary

[Insert a summary of the contents of this document – usually this section is completed last]

Background

[Insert the background of the project, aimed at readers who may not know much about the topic]

Reasons for Project

[Insert information on why the project is needed]

Stakeholders

[Use the table below to list the internal and external stakeholders of this project]

Stakeholder	Interest and Involvement

Options Appraisal

[Typically, there will be a number of options available. Insert details, including an economic appraisal, of the different options available. Often doing nothing is included as the first option to show remaining as-is will NOT be a good way forward. One option will then be selected and used in the rest of the business case. In some cases, the benefits, saving, risks and costs will vary depending on the option chosen. In which case, these can be incorporated into each option, rather than included in the separate sections below. If there are not multiple options, this section can be deleted and the information can be incorporated within the Reasons for Project section above.]

Equipment and Technology Considerations

[This section should explain any considerations with regards to technology. Many new initiatives rely on technology to manage or monitor various business functions. Key features of any contract should be included, such as contract terms, payment mechanism and procurement.]

Organisation and Staffing

[With many new products or services there may be a need for additional staffing or for a restructure in order to accommodate the change.]

Benefits Realisation

[Insert the project benefits. These can be tangible and intangible. Where possible, include details of suitable measures, so the reader is clear on how you will know when you have achieved the objective. Typically, many of the benefits will not be realized until long after the project has closed. For example, if the project was to build a children’s play area, user numbers could not be measured until it has been open for a number of months.]

The benefits the project will bring are:

No.	Benefit Description	Measure
1	<Insert>	<Insert>
2	<Insert>	<Insert>
3	<Insert>	<Insert>

Financial Assessment

[Insert details of the cashable and efficiency saving which can be made (if applicable). Please remove sections and rows which are not required. Work out the savings over one year and then over many years. The number of years chosen will differ depending on your project, but will typically be between 3-10 years. You may wish to include a representative from Finance at this point to help you financially model a number of scenarios.]

A summary of the potential savings are shown in the tables below.

Cashable Savings - Item	Savings P.A. £	Savings over <X> years £
TOTAL	<Total>	<Total>
Efficiency Savings - Item	Savings P.A. £	Savings over <X> years £
TOTAL	<Total>	<Total>
OVERALL TOTAL	<Total>	<Total>

Cost

The main costs for this project are summarised below:

ITEM	Costs in year 1 £	Costs over <X> years £
TOTAL COST	<Total>	<Total>

Anticipated savings less costs =	<Savings - Costs>
---	--------------------------------

Risks

The risks associated with delivering the business case are as follows. These will be transferred to the project issues and risks log for ongoing management purposes.

Risk	Potential Impact	Mitigation
<Insert the nature of the risk>	<Explain the potential impact>	<Explain the steps taken to reduce the risk>

Recommendations

[Insert the business case recommendations, including the recommended option from those stated above]

Timescales

[Insert a brief project timetable, or alternatively use the document '[2 Project Plan](#)' or the 'Project In a Box' software to draw a timeline which can then be attached as a link to this document]



Charging Policy 2022/23

Wyre Council
Civic Centre
Breck Road
Poulton-le-Fylde

October 2022

Charging Policy 2022/23

1. Background

- 1.1 The Cabinet last formally considered its charging policy at its meeting on 20 October 2021.
- 1.2 In September 1999 the Audit Commission published “The Price is Right” which advised councils to focus attention on charges and addresses the following issues:
 - Establish clear principles for charging;
 - Integrate charging into service management and forge links with corporate objectives;
 - Set clear objectives and targets to qualify success in charging;
 - Build an understanding of users and markets;
 - Improve decision making by taking into account the likely impact of changes to charges; and
 - Innovate via imaginative use of charging structures.
- 1.3 In January 2008, the Audit Commission published a further report entitled “Positively Charged”, which identified how different councils’ use their powers to charge for services and draws conclusions that support their earlier publication in that:
 - Charging for local services makes a significant contribution to council finances and for district councils charges make the greatest contribution to service delivery;
 - Councils use charges to influence individuals’ choices and to bring benefits to local communities. Charges can be set to encourage or discourage people to use services and through concessions to pursue local objectives; and
 - Councils need to understand better the likely impact of charges on users and on patterns of service use.
- 1.4 The report recommends, amongst other things, that where there is a subsidy to provide a service, this is transparent as part of the decision making process; that service managers should be aware of both users and non-users of the service being charged for; to engage service users and taxpayers more in decisions about charging levels and that there should be regular debate on charges and charging policy.
- 1.5 A new briefing entitled ‘Income from Charging’ was issued by the Audit Commission in September 2013 which uses data from the value for money profiles and presented a high level analysis of councils’ income from charging and the contribution it makes to service spending and allowed comparisons to other councils of the same type and changes over time. The data was the subject of a value for money review undertaken as part of the Overview and Scrutiny work programme and was considered at the meeting 15 December 2014. Having fully explored and investigated the variances, it was felt that the value of the research was limited with the additional benefit not being sufficient to justify the exercise being repeated.

- 1.6 The level of income generated by fees and charges, and in particular projected increases which the council can influence, forms a key part of the council's financial planning and is therefore reflected in the Medium Term Financial Plan.

2. The Council's Policy

- 2.1 The council needs to maximise its income whilst ensuring that its services are not compromised, taking into account competition from other providers. Indeed, if services are subsidised purely to maintain a competitive price then a fundamental review of the service should be carried out resulting in the justification of the approach or recommending alternative action.
- 2.2 The council is keen to encourage a shared responsibility for improving neighbourhoods and wherever possible will consult local people and communities on charging policies. Information obtained from satisfaction surveys can also help to monitor performance.
- 2.3 The reasoning behind both service provision and the charge levied should be justified each time that charges are re-assessed. For example, there may well be a desire to use a charging policy to meet other objectives such as increasing usage of recreational assets.
- 2.4 Decisions regarding pricing should be taken in the full knowledge of the pricing policies of alternative providers and information should be provided to ensure that Members are sufficiently briefed.
- 2.5 Clear targets should be set for income levels in advance of any review of pricing and achievement of these targets should be monitored using the council's established performance management arrangements.
- 2.6 When considering pricing policies Service Managers should be encouraged to be innovative and flexible in determining the basis for the charge.

3. Impact

- 3.1 The table attached identifies the range of services for which the council currently levies a charge and the value of the income estimated for the current year. The table also details those areas where the fee is externally set, as is currently the case with Planning Fees, or where we must ensure a break-even position, with the charge being set at a level sufficient to recover associated costs.

APPENDIX 2 - Charging Policy

Service Area	Determined by WBC √ or X	Estimated Value 2022/23 £	Able to Influence £	Unable to Influence £
Resources				
Electoral Services	√	1,800	1,800	
Other Legal Fees	√	30,000	30,000	
National Non-Domestic Rates (Court Costs)	√	13,000	13,000	
Photocopying	√	250	250	
Council Tax (Court Costs)	√	334,750	334,750	
Hire of Committee Rooms	√	8,100	8,100	
	Sub Total	387,900	387,900	-
Communities				
Planning	X	600,000		600,000
Development Control	√	8,200	8,200	
Estates use of land for commercial events	√	3,000	3,000	
Building Control #	√/X	236,600	1,500	235,100
Renovation Grants (Fee Income)	√	264,150	264,150	
Houses in Multiple Occupation	√	5,550	5,550	
Land Charges #	X	75,790		75,790
Street Nameplates and Numbering	√	12,500	12,500	
Care and Repair/Handyperson Service	√	112,920	112,920	
Alley Gates	√	50	50	
Marine Hall	√	154,300	154,300	
Thornton Little Theatre	√	56,000	56,000	
Mount Grounds	√	1,000	1,000	
Marsh Mill	√	1,000	1,000	
Poulton Market*	√	20,000	20,000	
Fleetwood Market*	√	524,480	524,480	
Cleveleys Market*	√	3,000	3,000	
Market House Studios	√	120	120	
Leisure Centres (including pools) **	√	-	-	
	Sub Total	2,078,660	1,167,770	910,890
Environment				
Animal Licensing #	√	8,000	8,000	
Taxi Licensing #	√	78,980	78,980	
Licensing Act #	X	86,500		86,500
Gambling Act Licensing #	X	25,800		25,800
Other Licensing *** #	√	7,060	7,060	
Pest Control	√	37,810	37,810	
Private Water Supplies	√	870	870	
Food Safety	√	5,490	5,490	
Contaminated Land	√	100	100	
Pollution Prevention Control	X	7,940		7,940
Car Parking	√	502,350	502,350	

Service Area - continued	Determined by WBC √ or X	Estimated Value 2022/23 £	Able to Influence £	Unable to Influence £
Residents Parking Permits	√	25,000	25,000	
Penalty Charge Notices (Off street parking)	X	50,990		50,990
MOT Test Centre	√	28,480	28,480	
Cemeteries	√	292,960	292,960	
Countryside	√	3,030	3,030	
Wyre Estuary Country Park	√	1,350	1,350	
Rossall Point	√	30	30	
Dog Warden Service	√	2,000	2,000	
Street Cleansing	X	27,500		27,500
Public Conveniences	√	53,200	53,200	
Outdoor Leisure	√	8,200	8,200	
Bulky Household Waste	√	51,000	51,000	
Green Waste Removal	√	830,100	830,100	
Waste Container Delivery Administration Costs	√	90,000	90,000	
	Sub Total	2,224,740	2,026,010	198,730
	Total	4,691,300	3,581,680	1,109,620

* Fleetwood, Poulton and Cleveleys Market Rents are set under Officer Delegated Powers.

** Involved in agreeing charges but income retained by contractor.

*** WBC is able to influence some licences including ear piercing, performance of plays, public entertainment, second hand goods dealers, scrap metal operators' and street trading licences.

Indicates a break even position over a set period is required.

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Revenue Budgets	2022/23	2023/24	2024/25	2025/26	2026/27
	£'000	£'000	£'000	£'000	£'000
Base Borough Requirements, increased for prior year inflation, but excluding Use/Top-up of Balances (shown below)	13,891	14,553	15,401	16,193	16,959
<u>Inflationary Assumptions on the above Base</u>					
Pay: Officers - from 22/23 3% ongoing; Member Allowances - from 22/23 3% ongoing	237	493	503	525	546
Prices, Specific Contracts and Other Costs (Variable)/Energy	425	355	289	241	183
<u>Expected Future Changes on the above Base</u>					
Revenue slippage	1,244	0	0	0	0
Capital Programme revenue implications	0	6	7	7	7
Employee (incl. Member Allowances) and related cost - NI changes; Pension contributions; Protection; FTCs; long service awards and restructures	73	(247)	(246)	(248)	(247)
External Grant and Grant Aided schemes	0	58	58	58	58
Other Services including - National Fraud Initiative, Citizens Advice Bureau; Marine Hall; Borough Elections; Foreshore/Promenade Fleetwood; Marine Lake; Memorial Park; Contaminated Land; Licensing; Asset Maintenance Review; Leisure Centre Subsidy	125	(585)	(906)	(868)	(968)
Regeneration/Economic situation changes - Local Plan; Depots and Fleetwood Market	32	70	24	(96)	(1)
Waste Management - Waste Collection Contract and Green Waste					
Capital Programme - Cost of Borrowing and Investment Income	(100)	(100)	(56)	(66)	(66)
Capital Programme - Revenue Funding Contributions	3,268	(6)	147	60	249
Reserve Contribution Changes	(4,707)	(227)	(96)	(21)	(149)
Baseline Funding - External Government Grant (all per prov. Local Government Finance Settlement)	(3,410)	(3,461)	(3,513)	(3,566)	(3,619)
Lower Tier Services Grant	(153)	0	0	0	0
2022/23 Service Grant	(235)	0	0	0	0
New Homes Bonus - Government Grant	(1,257)	0	0	0	0
Non-Domestic Rates - Government Grant	(4,556)	0	0	0	0
NDR income different to Baseline Funding	1,583	0	0	0	0
Non-Domestic Rates - Levy	501	0	0	0	0
Non-Domestic Rates - Retained Levy (Lancashire Pool)	(451)	0	0	0	0
Collection Fund Adjustment - Council Tax prior year	(217)	0	0	0	0
Collection Fund Adjustment - Non-domestic Rates re prior year	2,312	0	0	0	0
Enterprise Zone growth to be transferred to a ringfenced reserve	(16)	0	0	0	0
Net Wyre Requirement met by Council Tax and Balances	8,589	10,909	11,612	12,219	12,952
Base and Forecast Cost met by Council Tax	8,161	8,509	8,811	9,118	9,430
Net Spending change i.e. need to Use/Top Up (-) Balances	428	2,400	2,801	3,101	3,522

	2022/23	2023/24	2024/25	2025/26	2026/27
	£'000	£'000	£'000	£'000	£'000
General Balances as at 1 April	13,329	12,901	10,501	7,700	4,599
Add Top Up of Balances	0	0	0	0	0
Less Use of Balances	(428)	(2,400)	(2,801)	(3,101)	(3,522)
Estimated Balances Surplus/(Deficit) at 31 March	12,901	10,501	7,700	4,599	1,077
NB Prudent level of Balances £980,095					

Tax base	38,004.46	38,723.13	39,204.69	39,686.24	40,170.60
Forecast Council Tax £	£214.74	£219.74	£224.74	£229.74	£234.74
Annual Council Tax Increase £ - higher of £5 or 1.99%	£5.00	£5.00	£5.00	£5.00	£5.00
Annual Council Tax Increase %	2.38%	2.33%	2.28%	2.22%	2.18%
Council Tax Income	£8,161,078	£8,509,021	£8,810,862	£9,117,517	£9,429,647
Additional Annual Council Tax Income		£347,943	£301,841	£306,655	£312,130

<u>Assumptions - Net Service Expenditure</u>	
Inflation - Pay Award:	23/24 onwards 4% (NJC still in negotiation for 22/23)
Inflation - Other costs: (refer to main MTFP report)	rebasings has occurred for a number of key areas and assumptions have been tailored according to category of spend
<u>Assumptions - Financing Sources</u>	
Govt Support: Baseline Funding	1.5% increase
Council Tax:	higher of £5 or 1.99%
Council Tax Base:	Dec 2021 tax base calculation (97% collection rate)

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2021/22 Outturn Position

	Opening Balance as at 01/04/2021 £	Transfers in (‘top-up’) £	Transfers out (to fund expenditure) £	Closing Balance as at 31/03/2022 £
<u>Earmarked Reserves</u>				
Building Control	54,515	2,509	-	57,024
Capital Investment	1,628,256	22,800	(73,794)	1,577,262
Elections	41,217	41,217	-	82,434
Homelessness	459,622	55,395	(107,248)	407,769
Insurance	98,237	40,000	(788)	137,449
Investment - I.T. Strategy	950,715	647,727	(156,180)	1,442,262
Land Charges	12,562	-	(12,562)	-
Leisure Management	467,016	257,382	-	724,398
Council Tax Equalisation	2,274,996	1,137,498	(568,749)	2,843,745
Non-Domestic Rates Equalisation	9,885,548	4,410,973	(5,183,907)	9,112,614
Performance Reward Initiatives	22,514	-	(22,514)	-
Property Investment Fund	2,906,900	-	(29,732)	2,877,168
Value for Money	863,672	59,064	(144,921)	777,815
Vehicle Replacement/Street Cleansing Maintenance	555,339	586,266	(53,817)	1,087,788
TOTAL Earmarked Reserves	20,221,109	7,260,831	(6,354,212)	21,127,728
<u>Ring-fenced Reserves</u>				
Enterprise Zone Growth	847,124	72,808	(57,297)	862,635
TOTAL Ring-fenced Reserves	847,124	72,808	(57,297)	862,635
TOTAL Reserves	21,068,233	7,333,639	(6,411,509)	21,990,363
<u>Balances</u>				
General Fund	13,092,723	1,195,710	(959,216)	13,329,217
TOTAL Balances	13,092,723	1,195,710	(959,216)	13,329,217
TOTAL Reserves and Balances	34,160,956	7,333,639	(7,370,725)	35,319,580

2022/23 Estimated Position

	Opening Balance as at 01/04/2022 £	Transfers in (‘top-up’) £	Transfers out (to fund expenditure) £	Closing Balance as at 31/03/2023 £
<u>Earmarked Reserves</u>				
Building Control	57,024	-	-	57,024
Capital Investment	1,577,262	-	(40,050)	1,537,212
Elections	82,434	41,217	-	123,651
Homelessness	407,769	-	(88,290)	319,479
Insurance	137,449	40,000	(26,962)	150,487
Investment - I.T. Strategy	1,442,262	51,425	(572,424)	921,263
Leisure Management	724,398	7,380	(321,000)	410,778
Council Tax Equalisation	2,843,745	-	(568,749)	2,274,996
Non-Domestic Rates Equalisation	9,112,614	4,506,060	(5,519,350)	8,099,324
Property Investment Fund	2,877,168	-	(2,876,690)	478
Value for Money	777,815	-	(323,820)	453,995
Vehicle Replacement/Street Cleansing Maintenance	1,087,788	578,679	(512,902)	1,153,565
TOTAL Earmarked Reserves	21,127,728	5,224,761	(10,850,237)	15,502,252
<u>Ring-fenced Reserves</u>				
Enterprise Zone Growth	862,635	-	(49,950)	812,685
TOTAL Ring-fenced Reserves	862,635	-	(49,950)	812,685
TOTAL Reserves	21,990,363	5,224,761	(10,900,187)	16,314,937
<u>Balances</u>				
General Fund	13,329,217	-	(428,525)	12,900,692
TOTAL Balances	13,329,217	-	(428,525)	12,900,692
TOTAL Reserves and Balances	35,319,580	5,224,761	(10,900,187)	29,215,629

2023/24 Estimated Position

	Opening Balance as at 01/04/2023 £	Transfers in (‘top-up’) £	Transfers out (to fund expenditure) £	Closing Balance as at 31/03/2024 £
<u>Earmarked Reserves</u>				
Building Control	57,024	-	-	57,024
Capital Investment	1,537,212	-	-	1,537,212
Elections	123,651	41,217	(164,868)	-
Homelessness	319,479	-	-	319,479
Insurance	150,487	40,000	-	190,487
Investment - I.T. Strategy	921,263	49,930	(323,310)	647,883
Leisure Management	410,778	1,240	(9,300)	402,718
Council Tax Equalisation	2,274,996	-	(568,749)	1,706,247
Non-Domestic Rates Equalisation	8,099,324	-	(624,450)	7,474,874
Property Investment Fund	478	-	-	478
Value for Money	453,995	-	(14,180)	439,815
Vehicle Replacement/Street Cleansing Maintenance	1,153,565	575,685	(149,500)	1,579,750
TOTAL Earmarked Reserves	15,502,252	708,072	(1,854,357)	14,355,967
<u>Ring-fenced Reserves</u>				
Enterprise Zone Growth	812,685	-	(49,950)	762,735
TOTAL Ring-fenced Reserves	812,685	-	(49,950)	762,735
TOTAL Reserves	16,314,937	708,072	(1,904,307)	15,118,702
<u>Balances</u>				
General Fund	12,900,692	-	(2,400,000)	10,500,692
TOTAL Balances	12,900,692	-	(2,400,000)	10,500,692
TOTAL Reserves and Balances	29,215,629	708,072	(4,304,307)	25,619,394

2024/25 Estimated Position

	Opening Balance as at 01/04/2024 £	Transfers in (‘top-up’) £	Transfers out (to fund expenditure) £	Closing Balance as at 31/03/2025 £
<u>Earmarked Reserves</u>				
Building Control	57,024	-	-	57,024
Capital Investment	1,537,212	-	-	1,537,212
Elections	-	41,217	-	41,217
Homelessness	319,479	-	-	319,479
Insurance	190,487	40,000	-	230,487
Investment - I.T. Strategy	647,883	49,930	(203,230)	494,583
Leisure Management	402,718	-	(8,230)	394,488
Council Tax Equalisation	1,706,247	-	(568,749)	1,137,498
Non-Domestic Rates Equalisation	7,474,874	-	(624,450)	6,850,424
Property Investment Fund	478	-	-	478
Value for Money	439,815	-	(14,180)	425,635
Vehicle Replacement/Street Cleansing Maintenance	1,579,750	575,685	(302,500)	1,852,935
TOTAL Earmarked Reserves	14,355,967	706,832	(1,721,339)	13,341,460
<u>Ring-fenced Reserves</u>				
Enterprise Zone Growth	762,735	-	(49,950)	712,785
TOTAL Ring-fenced Reserves	762,735	-	(49,950)	712,785
TOTAL Reserves	15,118,702	706,832	(1,771,289)	14,054,245
<u>Balances</u>				
General Fund	10,500,692	-	(2,801,000)	7,699,692
TOTAL Balances	10,500,692	-	(2,801,000)	7,699,692
TOTAL Reserves and Balances	25,619,394	706,832	(4,572,289)	21,753,937

2025/26 Estimated Position

	Opening Balance as at 01/04/2025 £	Transfers in (‘top-up’) £	Transfers out (to fund expenditure) £	Closing Balance as at 31/03/2026 £
<u>Earmarked Reserves</u>				
Building Control	57,024	-	-	57,024
Capital Investment	1,537,212	-	-	1,537,212
Elections	41,217	41,217	-	82,434
Homelessness	319,479	-	-	319,479
Insurance	230,487	40,000	-	270,487
Investment - I.T. Strategy	494,583	49,930	(217,540)	326,973
Leisure Management	394,488	-	(6,800)	387,688
Council Tax Equalisation	1,137,498	-	(568,749)	568,749
Non-Domestic Rates Equalisation	6,850,424	-	(624,450)	6,225,974
Property Investment Fund	478	-	-	478
Value for Money	425,635	-	(14,180)	411,455
Vehicle Replacement/Street Cleansing Maintenance	1,852,935	575,685	(215,000)	2,213,620
TOTAL Earmarked Reserves	13,341,460	706,832	(1,646,719)	12,401,573
<u>Ring-fenced Reserves</u>				
Enterprise Zone Growth	712,785	-	(49,950)	662,835
TOTAL Ring-fenced Reserves	712,785	-	(49,950)	662,835
TOTAL Reserves	14,054,245	706,832	(1,696,669)	13,064,408
<u>Balances</u>				
General Fund	7,699,692	-	(3,101,000)	4,598,692
TOTAL Balances	7,699,692	-	(3,101,000)	4,598,692
TOTAL Reserves and Balances	21,753,937	706,832	(4,797,669)	17,663,100

2026/27 Estimated Position

	Opening Balance as at 01/04/2026 £	Transfers in (‘top-up’) £	Transfers out (to fund expenditure) £	Closing Balance as at 31/03/2027 £
<u>Earmarked Reserves</u>				
Building Control	57,024	-	-	57,024
Capital Investment	1,537,212	-	-	1,537,212
Elections	82,434	41,217	-	123,651
Homelessness	319,479	-	-	319,479
Insurance	270,487	40,000	-	310,487
Investment - I.T. Strategy	326,973	49,930	(157,730)	219,173
Leisure Management	387,688	-	(5,070)	382,618
Council Tax Equalisation	568,749	-	(568,749)	-
Non-Domestic Rates Equalisation	6,225,974	-	(624,450)	5,601,524
Property Investment Fund	478	-	-	478
Value for Money	411,455	-	(14,180)	397,275
Vehicle Replacement/Street Cleansing Maintenance	2,213,620	575,685	(404,500)	2,384,805
TOTAL Earmarked Reserves	12,401,573	706,832	(1,774,679)	11,333,726
<u>Ring-fenced Reserves</u>				
Enterprise Zone Growth	662,835	-	(49,950)	612,885
TOTAL Ring-fenced Reserves	662,835	-	(49,950)	612,885
TOTAL Reserves	13,064,408	706,832	(1,824,629)	11,946,611
<u>Balances</u>				
General Fund	4,598,692	-	(3,522,000)	1,076,692
TOTAL Balances	4,598,692	-	(3,522,000)	1,076,692
TOTAL Reserves and Balances	17,663,100	706,832	(5,346,629)	13,023,303

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2021/22 Revised Estimate	2021/22 Revised Estimate	2021/22 Outturn
	£	£
BUILDING CONTROL		
Chargeable work 2021/22 net nil	-	2,509
CAPITAL INVESTMENT		
Boundary Wall Works to St Chad's Church (PH decision 28/5/20) - 20/21 capital slippage	(59,750)	(32,487)
Use of Reserve to fund works to Fleetwood Market Outdoor Area	(14,500)	(4,467)
Security Improvements at Fleetwood Market (PH decision 23/12/21)	(55,440)	(15,390)
Cable replacement Beach Bungalow Phase 1 Works (PH decision 17/02/22)	(21,450)	(21,450)
2021/22 Top Up to fund Fleetwood Market Decarbonisation Project Manager	-	22,800
	(151,140)	(50,994)
ELECTIONS		
Annual provision May 2023 Borough Elections	41,217	41,217
HOMELESSNESS		
Temp Housing First Engagement Officer (ODR 26/5/21)	(29,080)	-
Lead Rapid Rehousing Officer (ODR 28/6/21)	(970)	-
Additional Temp Housing Options Advisor (ODR 29/6/21)	(23,860)	-
2021/22 top up to fund future expenditure (5140)	-	55,395
2021/22 draw down to fund homelessness expenditure (5140)	(94,480)	(79,248)
2021/22 draw down to fund care and repair expenditure (5221)	(40,000)	(28,000)
	(188,390)	(51,853)
INSURANCE		
Annual set aside for possible claims	40,000	40,000
Use of reserve to cover new claims	-	(788)
	40,000	39,212
INVESTMENT - I.T. STRATEGY		
Top Up from IT general savings per latest review	33,630	148,832
Replacing core IT network (PH decision 25/6/20) - 20/21 capital & revenue slippage	(64,885)	(39,476)
Tablet devices for Councillors (19/20 slippage)	(5,093)	-
Additional Rolling Replacement Hardware Programme	(86,000)	(86,000)
Virtual Desktop Infrastructure Storage Area Network Replacement (PH decision 08/09/21)	(30,700)	(30,704)
2021/22 Top Up to Investment - IT Strategy Reserve	-	498,895
	(153,048)	491,547
LAND CHARGES		
Chargeable work 2021/22 net nil	-	(12,562)
LEISURE MANAGEMENT		
Annual Top Up for Exercise Equipment at Garstang Leisure Centre (Year 3 of 4)	7,380	7,382
2021/22 Top Up to Leisure Management Reserve	-	250,000
	7,380	257,382
COUNCIL TAX EQUALISATION		
Fund Council Taxpayer income foregone from 11/12 freeze	(176,689)	(176,689)
Fund Council Taxpayer income foregone from 12/13 freeze	(176,166)	(176,166)
Fund Council Taxpayer income foregone from 13/14 freeze	(71,250)	(71,250)
Fund Council Taxpayer income foregone from 14/15 freeze	(72,037)	(72,037)
Fund Council Taxpayer income foregone from 15/16 freeze	(72,607)	(72,607)
2021/22 Top Up to Council Tax Equalisation Reserve	-	1,137,498
	(568,749)	568,749
NON-DOMESTIC RATES EQUALISATION		
Top Up - s31 Local Government Act 2003 Grant net of related NDR Levy	3,294,190	4,410,973
Use of Reserve to fund Collection Fund Deficit	(5,183,910)	(5,183,907)
	(1,889,720)	(772,934)
PERFORMANCE REWARD INITIATIVES		
Fleetwood Beach Wheelchair (PH decision 3/8/20) - 20/21 slippage	(950)	-
Draw down of funds - transfer to Value For Money Reserve	(21,564)	(22,514)
	(22,514)	(22,514)
PROPERTY INVESTMENT FUND		
Use of reserve to fund property acquisition (Cabinet decision Dec 2021)	(2,863,127)	(29,732)
VALUE FOR MONEY		
Migration to hosted Revs & Bens software system (PH decision 28/7/20)	(50,500)	(50,500)
Procurement and Implementation of a Citizen Access Portal (19/20 capital slippage)	(62,417)	(4,457)
Cash Receipting System Upgrade (19/20 capital slippage)	(24,746)	(24,746)
Financial Management System (PH decision 24/06/21)	(61,820)	(46,075)
HR back scanning (20/21 slippage)	(6,810)	(6,810)
Fully hosted EDMS system (PH decision 23/12/21)	(88,710)	(12,333)
New Burdens funding	-	36,550
Transfer from Performance Reward Initiative Reserve	-	22,514
	(295,003)	(85,857)
VEHICLE REPLACEMENT/STREET CLEANSING MAINTENANCE		
Refuse Collection Vehicles - Top Up Cabinet 11/7/18 (Year 2 of 8)	239,375	239,375
Top Up to fund replacement vehicles	337,774	337,774
Use of Reserve to fund vehicle replacements/adaptations.	(411,519)	(53,817)
Additional Income MOT Centre Top Up Reserve to replace equipment	3,000	9,117
	168,630	532,449
RINGFENCED - ENTERPRISE ZONE GROWTH		
Use of Growth monies to fund expenditure	(49,950)	(24)
Hillhouse EZ infrastructure funding (PH decision 20/8/20) - 20/21 slippage	(68,480)	(57,273)
Top Up from Growth identified in NNDR1/NNDR3 Returns	-	72,808
	(118,430)	15,511
2021/22 TOTAL NET TRANSFER TO/(FROM) RESERVES	(5,992,894)	922,130

2022/23 Estimated Position

	2022/23 Original Estimate		2022/23 Updated Estimate	
	£	£	£	£
BUILDING CONTROL				
Chargeable work 2022/23 net nil		-		-
CAPITAL INVESTMENT				
Security Improvements at Fleetwood Market (PH decision 23/12/21 - 21/22 capital slippage)		-		(40,050)
ELECTIONS				
Annual provision May 2023 Borough Elections.		41,217		41,217
HOMELESSNESS				
2022/23 draw down to fund homelessness expenditure (5140)	(48,290)		(48,290)	
2022/23 draw down to fund care and repair expenditure (5221)	(40,000)		(40,000)	
		(88,290)		(88,290)
INSURANCE				
Annual set aside for possible claims	40,000		40,000	
Thornton Cleveleys duck pond shelter reconstruction works (PH decision 18/08/22)	-		(16,962)	
Butts Close Industrial Estate insurance excess (21/22 slippage)	-		(10,000)	
		40,000		13,038
INVESTMENT - I.T. STRATEGY				
Top Up from IT general savings per latest review	51,425		51,425	
Replacing core IT network (PH decision 25/6/20) - 20/21 slippage	(26,084)		(26,084)	
Additional Rolling Replacement Hardware Programme	(86,000)		(86,000)	
Use of reserve to fund ICT developments	(369,100)		(369,100)	
Use of reserve to fund inflationary increases	-		(61,240)	
Purchase of new ICT equipment to facilitate hybrid working (PH decision 04/04/22)	-		(30,000)	
		(429,759)		(520,999)
LEISURE MANAGEMENT				
Annual Top Up for Exercise Equipment at Garstang Leisure Centre (Year 4 of 4)	7,380		7,380	
Increased subsidy estimated to be required in 2022/23	(250,000)		(250,000)	
Green infrastructure audit and related strategy development (PH decision 04/04/22)	-		(32,000)	
Replacement surfacing at the splash pad at Fleetwood Leisure Centre (PH decision 27/04/22)	-		(25,950)	
Use of reserve to fund inflationary increases	-		(4,390)	
Fleetwood Leisure Centre procurement of essential equipment (hoist) (PH decision 29/07/22)	-		(8,660)	
		(242,620)		(313,620)
COUNCIL TAX EQUALISATION				
Fund Council Taxpayer income foregone from 11/12 freeze	(176,689)		(176,689)	
Fund Council Taxpayer income foregone from 12/13 freeze	(176,166)		(176,166)	
Fund Council Taxpayer income foregone from 13/14 freeze	(71,250)		(71,250)	
Fund Council Taxpayer income foregone from 14/15 freeze	(72,037)		(72,037)	
Fund Council Taxpayer income foregone from 15/16 freeze	(72,607)		(72,607)	
		(568,749)		(568,749)
NON-DOMESTIC RATES EQUALISATION				
Top Up - s31 Local Government Act 2003 Grant net of related NDR Levy	4,506,060		4,506,060	
Use of Reserve to fund Collection Fund Deficit & Baseline Funding Deficit	(4,894,900)		(4,894,900)	
Release of retained levy	-		(624,450)	
		(388,840)		(1,013,290)
PROPERTY INVESTMENT FUND				
Use of reserve to fund property acquisition (Cabinet decision Dec 2021 - 21/22 revenue & capital slippage)		(43,773)		(2,876,690)
VALUE FOR MONEY				
Migration to hosted Revs & Bens software system (PH decision 28/7/20)	(50,500)		(50,500)	
Investment in Digital Transformation Software and Equipment (PH decision 29/07/22)	-		(44,650)	
Use of reserve to fund inflationary increases	-		(170,710)	
Implementation of a Citizen Access Portal (21/22 capital slippage)	-		(57,960)	
		(50,500)		(323,820)
VEHICLE REPLACEMENT/STREET CLEANSING MAINTENANCE				
Refuse Collection Vehicles - Top Up Cabinet 11/7/18 (Year 3 of 8)	239,375		239,375	
Top Up to fund vehicle replacement	336,304		336,304	
Use of Reserve to fund vehicle replacements/adaptations (incl 2021/22 capital slippage)	(155,200)		(512,902)	
Additional Income MOT Centre Top Up Reserve to replace equipment	3,000		3,000	
		423,479		65,777
RINGFENCED - ENTERPRISE ZONE GROWTH				
Use of Growth monies to fund expenditure		(49,950)		(49,950)
2022/23 TOTAL NET TRANSFER (FROM) RESERVES		(1,357,785)		(5,675,426)

2023/24 Estimated Position

	2023/24 Original Estimate		2023/24 Updated Estimate	
	£	£	£	£
BUILDING CONTROL				
Chargeable work 2023/24 net nil		-		-
CAPITAL INVESTMENT		-		-
ELECTIONS				
Annual provision May 2023 Borough Elections	41,217		41,217	
Use of Reserve for Borough Elections in 2023	(164,868)		(164,868)	
		(123,651)		(123,651)
HOMELESSNESS		-		-
INSURANCE				
Annual set aside for possible claims		40,000		40,000
INVESTMENT - I.T. STRATEGY				
Top Up from IT general savings per latest review	49,930		49,930	
Additional Rolling Replacement Hardware Programme	(86,000)		(86,000)	
Use of reserve to fund inflationary increases	-		(132,810)	
Use of reserve to fund ICT developments	(104,500)		(104,500)	
		(140,570)		(273,380)
LEISURE MANAGEMENT				
Annual Top Up for Exercise Equipment at Garstang Leisure Centre (Year 4 of 4)	1,240		1,240	
Use of reserve to fund inflationary increases	-		(9,300)	
		1,240		(8,060)
COUNCIL TAX EQUALISATION				
Fund Council Taxpayer income foregone from 11/12 freeze	(176,689)		(176,689)	
Fund Council Taxpayer income foregone from 12/13 freeze	(176,166)		(176,166)	
Fund Council Taxpayer income foregone from 13/14 freeze	(71,250)		(71,250)	
Fund Council Taxpayer income foregone from 14/15 freeze	(72,037)		(72,037)	
Fund Council Taxpayer income foregone from 15/16 freeze	(72,607)		(72,607)	
		(568,749)		(568,749)
NON-DOMESTIC RATES EQUALISATION				
Release of retained levy		-		(624,450)
PROPERTY INVESTMENT FUND		-		-
VALUE FOR MONEY				
Investment in Digital Transformation Software and Equipment (PH decision 29/07/22)		-		(14,180)
VEHICLE REPLACEMENT/STREET CLEANSING MAINTENANCE				
Refuse Collection Vehicles - Top Up Cabinet 11/7/18 (Year 4 of 8)	239,375		239,375	
Top Up to fund vehicle replacement	333,310		333,310	
Use of Reserve to fund vehicle replacements/adaptations	(149,500)		(149,500)	
Additional Income MOT Centre Top Up Reserve to replace equipment	3,000		3,000	
		426,185		426,185
RINGFENCED - ENTERPRISE ZONE GROWTH				
Use of Growth monies to fund expenditure		(49,950)		(49,950)
2023/24 TOTAL NET TRANSFER (FROM) RESERVES		(415,495)		(1,196,235)

2024/25 Estimated Position

	2024/25 Original Estimate		2024/25 Updated Estimate	
	£	£	£	£
BUILDING CONTROL				
Chargeable work 2024/25 net nil		-		-
CAPITAL INVESTMENT		-		-
ELECTIONS				
Annual provision May 2027 Borough Elections.		41,217		41,217
HOMELESSNESS		-		-
INSURANCE				
Annual set aside for possible claims.		40,000		40,000
INVESTMENT - I.T. STRATEGY				
Top Up from IT general savings per latest review.	49,930		49,930	
Use of reserve to fund inflationary increases	-		(117,230)	
Additional Rolling Replacement Hardware Programme.	(86,000)		(86,000)	
		(36,070)		(153,300)
LEISURE MANAGEMENT				
Use of reserve to fund inflationary increases		-		(8,230)
COUNCIL TAX EQUALISATION				
Fund Council Taxpayer income foregone from 11/12 freeze	(176,689)		(176,689)	
Fund Council Taxpayer income foregone from 12/13 freeze	(176,166)		(176,166)	
Fund Council Taxpayer income foregone from 13/14 freeze	(71,250)		(71,250)	
Fund Council Taxpayer income foregone from 14/15 freeze	(72,037)		(72,037)	
Fund Council Taxpayer income foregone from 15/16 freeze	(72,607)		(72,607)	
		(568,749)		(568,749)
NON-DOMESTIC RATES EQUALISATION				
Release of retained levy		-		(624,450)
PROPERTY INVESTMENT FUND		-		-
VALUE FOR MONEY				
Investment in Digital Transformation Software and Equipment (PH decision 29/07/22)		-		(14,180)
VEHICLE REPLACEMENT/STREET CLEANSING MAINTENANCE				
Refuse Collection Vehicles - Top Up Cabinet 11/7/18 (Year 5 of 8)	239,375		239,375	
Top Up to fund vehicle replacement	333,310		333,310	
Use of Reserve to fund vehicle replacements/adaptations	(302,500)		(302,500)	
Additional Income MOT Centre Top Up Reserve to replace equipment	3,000		3,000	
		273,185		273,185
RINGFENCED - ENTERPRISE ZONE GROWTH				
Use of Growth monies to fund expenditure		(49,950)		(49,950)
2024/25 TOTAL NET TRANSFER (FROM) RESERVES		(300,367)		(1,064,457)

2025/26 Estimated Position	2025/26 Original Estimate		2025/26 Updated Estimate	
	£	£	£	£
BUILDING CONTROL				
Chargeable work 2025/26 net nil	-	-	-	-
CAPITAL INVESTMENT				
ELECTIONS				
Annual provision May 2027 Borough Elections	41,217		41,217	
HOMELESSNESS				
INSURANCE				
Annual set aside for possible claims	40,000		40,000	
INVESTMENT - I.T. STRATEGY				
Top Up from IT general savings per latest review	49,930		49,930	
Additional Rolling Replacement Hardware Programme	(86,000)		(86,000)	
Use of reserve to fund inflationary increases	-		(96,540)	
Use of reserve to fund ICT developments	(35,000)		(35,000)	
		(71,070)		(167,610)
LEISURE MANAGEMENT				
Use of reserve to fund inflationary increases	-		-	(6,800)
COUNCIL TAX EQUALISATION				
Fund Council Taxpayer income foregone from 11/12 freeze	-		(176,689)	
Fund Council Taxpayer income foregone from 12/13 freeze	-		(176,166)	
Fund Council Taxpayer income foregone from 13/14 freeze	-		(71,250)	
Fund Council Taxpayer income foregone from 14/15 freeze	-		(72,037)	
Fund Council Taxpayer income foregone from 15/16 freeze	-		(72,607)	
	-		-	(568,749)
NON-DOMESTIC RATES EQUALISATION				
Release of retained levy	-		-	(624,450)
PROPERTY INVESTMENT FUND				
VALUE FOR MONEY				
Investment in Digital Transformation Software and Equipment (PH decision 29/07/22)	-		-	(14,180)
VEHICLE REPLACEMENT/STREET CLEANSING MAINTENANCE				
Refuse Collection Vehicles - Top Up Cabinet 11/7/18 (Year 6 of 8)	239,375		239,375	
Top Up to fund vehicle replacement	333,310		333,310	
Use of Reserve to fund vehicle replacements/adaptations	(215,000)		(215,000)	
Additional Income MOT Centre Top Up Reserve to replace equipment	3,000		3,000	
		360,685		360,685
RINGFENCED - ENTERPRISE ZONE GROWTH				
Use of Growth monies to fund expenditure		(49,950)		(49,950)
2025/26 TOTAL NET TRANSFER TO/(FROM) RESERVES		320,882		(989,837)
2026/27 Estimated Position				
BUILDING CONTROL				
Chargeable work 2026/27 net nil	-	-	-	-
CAPITAL INVESTMENT				
ELECTIONS				
Annual provision May 2027 Borough Elections	41,217		41,217	
HOMELESSNESS				
INSURANCE				
Annual set aside for possible claims	40,000		40,000	
INVESTMENT - I.T. STRATEGY				
Top Up from IT general savings per latest review	49,930		49,930	
Use of reserve to fund inflationary increases	-		(71,730)	
Additional Rolling Replacement Hardware Programme	(86,000)		(86,000)	
		(36,070)		(107,800)
LEISURE MANAGEMENT				
Use of reserve to fund inflationary increases	-		-	(5,070)
COUNCIL TAX EQUALISATION				
Fund Council Taxpayer income foregone from 11/12 freeze	-		(176,689)	
Fund Council Taxpayer income foregone from 12/13 freeze	-		(176,166)	
Fund Council Taxpayer income foregone from 13/14 freeze	-		(71,250)	
Fund Council Taxpayer income foregone from 14/15 freeze	-		(72,037)	
Fund Council Taxpayer income foregone from 15/16 freeze	-		(72,607)	
	-		-	(568,749)
NON-DOMESTIC RATES EQUALISATION				
Release of retained levy	-		-	(624,450)
PROPERTY INVESTMENT FUND				
VALUE FOR MONEY				
Investment in Digital Transformation Software and Equipment (PH decision 29/07/22)	-		-	(14,180)
VEHICLE REPLACEMENT/STREET CLEANSING MAINTENANCE				
Refuse Collection Vehicles - Top Up Cabinet 11/7/18 (Year 7 of 8)	239,375		239,375	
Top Up to fund vehicle replacement	333,310		333,310	
Use of Reserve to fund vehicle replacements/adaptations	(404,500)		(404,500)	
Additional Income MOT Centre Top Up Reserve to replace equipment	3,000		3,000	
		171,185		171,185
RINGFENCED - ENTERPRISE ZONE GROWTH				
Use of Growth monies to fund expenditure		(49,950)		(49,950)
2026/27 TOTAL NET TRANSFER TO/(FROM) RESERVES		166,382		(1,117,797)



Policy on the Level of Reserves and Balances

Wyre Council
Civic Centre
Breck Road
Poulton-le-Fylde

October 2022

Policy on the Level of Reserves and Balances

1. Legislative/Regulatory Framework

- 1.1 The requirement for financial reserves is acknowledged in statute. Sections 31A, 32, 42A and 43 of the Local Government Finance Act 1992 require billing and precepting authorities to have regard to the level of reserves needed for meeting estimated future expenditure when calculating the budget requirement.
- 1.2 There is also a requirement reinforced by section 114 of the Local Government Finance Act 1988 which requires the chief financial officer to report to all the authority's councillors if there is or is likely to be unlawful expenditure or an unbalanced budget. This would include situations where reserves have become seriously depleted and it is forecast that the authority will not have the resources to meet its expenditure in a particular financial year.

2. Role of the Finance Director

- 2.1 Within the existing statutory and regulatory framework, it is the responsibility of the finance director (Corporate Director Resources) to advise the local authority about the level of reserves that should be held and to ensure that there are clear protocols for their establishment and use.
- 2.2 There are no statutory minimum levels imposed and it is not considered appropriate or practical for the Chartered Institute of Public Finance and Accountancy (CIPFA), or other external agencies, to give prescriptive guidance on the minimum, or maximum, level of reserves required either as an absolute amount or a percentage of the budget.

3. Types of Reserves

- 3.1 Reserves can be held for three main purposes:
 - A working balance to help cushion the impact of uneven cash flows and avoid unnecessary temporary borrowing – this forms part of general reserves and is commonly referred to as 'balances';
 - A contingency to cushion the impact of unexpected events or emergencies – this also forms part of general reserves or 'balances';
 - A means of building up funds, often referred to as earmarked reserves, to meet known or predicted requirements – earmarked reserves are accounted for separately but remain legally part of the General Fund.
- 3.2 For each reserve held by a local authority there should be a clear protocol setting out:
 - The reason for/purpose of the reserve;
 - How and when the reserve can be used;
 - Procedures for the reserve's management and control; and
 - A process and timescale for review of the reserve to ensure continuing relevance and adequacy.

4. Principles to Assess Adequacy

- 4.1 In order to assess the adequacy of unallocated general reserves when setting the budget or the MTFP, the Chief Finance Officer should take account of the strategic, operational and financial risks facing the authority. The assessment of risks should include external risks, such as flooding, as well as internal risks, for example, the ability to deliver planned efficiency savings. The following factors should be considered:

Budget Assumptions	Financial Standing and Management Assessment/Impact
The treatment of inflation and interest rates	The overall financial standing of the authority (level of borrowing, debt outstanding, council tax and business rate collection rates, etc.), commodity prices e.g. fuel, the cost of borrowing and anticipated investment returns
Estimates of the level and timing of capital receipts	The authority's track record in budget and financial management including the robustness of the medium term financial plans
The treatment of demand led pressures	The authority's capacity to manage in-year budget pressures
The treatment of planned efficiency savings/gains	The strength of the financial information and reporting arrangements
The financial risks inherent in any significant new funding partnerships, major outsourcing arrangements or major capital developments	The authority's virement and end of year procedures in relation to budget under/over spends at authority and directorate level and any contract provisions, designed to safeguard the authority's position
The availability of reserves, government grants and other funds to deal with major contingencies and the adequacy of provisions	The adequacy of the authority's insurance arrangements to cover major unforeseen risks
The general financial climate to which the authority is subject.	External factors such as future funding levels, referenda principles/limits and the authority's ability to replenish reserves once used

- 4.2 The council's minimum prudent level of balances, calculating the requirement at approximately 5% of net expenditure before other government grants (£724,400) together with the element of the reduction in business rates that authorities must meet before the Government would consider any safety net payment (£255,695 in 2022/23), is now £980,095. This is reviewed annually as part of the budget process.

4.3 A review of the level of earmarked reserves is also undertaken as part of the annual budget preparation and as part of the closure of accounts process. The council does not regularly monitor the opportunity costs of maintaining its levels of earmarked reserves as these are generally not held as a form of investment but to meet a recognised need.

5. Reporting Framework

5.1 The level and utilisation of general and earmarked reserves is determined formally by Cabinet in October (November in 2020 owing to pandemic), with the approval of the MTFP, and in February, at the annual budget setting meeting, informed by the advice and judgement of the finance director.

5.2 Both reports include a statement showing the estimated opening general and reserve fund balances for the year ahead, the additions/withdrawals, and the estimated end of year balances. A statement is also included commenting on the adequacy of the general and earmarked reserves in respect of the forthcoming financial years.

6. Reserves Protocol

Reserve as at 31.03.22	Purpose	How and When Used	Procedures for management and control	Timescale for review
Building Control	Fundamental principle of the Building Regs. Scheme introduced 1 April 1999, subsequently amended by the 2010 Regulations.	3 to 5 year rolling accounting period over which costs should equate with charge income.	Managed by the Corporate Director Resources	Undertaken as part of the annual budget preparation, updating the MTFP and as part of the closure of accounts process. Also subject to individual reports on proposals for usage.
Capital Investment	To fund capital investment avoiding the need to borrow.	Used to finance the council's capital investment needs.	Managed by the Corporate Director Resources	Undertaken as part of the annual budget preparation, updating the MTFP and as part of the closure of accounts process. Also subject to individual reports on proposals for usage.
Elections	To meet the cost of the Borough Election.	Used to smooth the impact of the Borough Election which occurs every four years and is next due in May 2023.	Managed by the Corporate Director Resources	Undertaken as part of the annual budget preparation, the updating of the MTFP and as part of the closure of accounts process.

Reserve as at 31.03.22	Purpose	How and When Used	Procedures for management and control	Timescale for review
Enterprise Zone (EZ) Growth	Established in 2018/19 to hold business rates growth from the EZ	Ring-fenced for investment in the EZ, primarily for infrastructure improvements	Managed by the Corporate Director Resources	Undertaken as part of the annual budget preparation, updating the MTFP and as part of the closure of accounts process. Also subject to individual reports on proposals for usage.
Homelessness	Established in 2020/21 to hold a number of Homelessness related external funding streams and one off grants.	Used to fund initiatives to support homelessness prevention, mitigate the problem of rough sleeping and contribute to the general provision of Housing Options services.	Managed by the Corporate Director Resources	Undertaken as part of the annual budget preparation, updating the MTFP and as part of the closure of accounts process. Also subject to individual reports on proposals for usage.
Insurance	To meet the cost of insurance claims.	Used to fund the cost of insurance excess and any associated costs not covered by any premium.	Managed by the Corporate Director Resources	Undertaken as part of the annual budget preparation, the updating of the MTFP and as part of the closure of accounts process.
ICT Strategy	Established to renew ICT equipment on a rolling replacement in accordance with the ICT Strategy.	Used to smooth the revenue impact of ensuring that the ICT infrastructure and equipment remains 'fit for purpose'.	Managed by the Corporate Director Resources	Undertaken as part of the annual budget preparation, updating the MTFP and as part of the closure of accounts process. Also subject to individual reports on proposals for usage.
Land Charges	Compliance with guidance issued by the Lord Chancellor (Section 13A, LLCA 1975).	Councils are required to assess the cost of providing a service, the projected take-up of that service and thus the charge that should be made over a period of between one and three years.	Managed by the Corporate Director Resources	Undertaken as part of the annual budget preparation, the updating of the MTFP and as part of the closure of accounts process.

Reserve as at 31.03.22	Purpose	How and When Used	Procedures for management and control	Timescale for review
Council Tax Base Equalisation	To delay the impact on successive tax base freezes in the 2010s	Supports the shortfall in income, resulting from the decision to freeze the level of council tax, through to the end of 2026/27.	Managed by the Corporate Director Resources	Undertaken as part of the annual budget preparation, the updating of the MTFP and as part of the closure of accounts process.
Non-Domestic Rates Equalisation	To protect against volatility associated with the new Business Rate (BR) Retention Scheme.	S. 31 grant receipts, net of NDR levy, used to cushion the council against future reductions in business rate income, including the financial impact of successful appeals as notified by the VOA. From 2022/23, the retained levy, from being a member of the Lancashire BR Pool, is being released to fund revenue spend.	Managed by the Corporate Director Resources	Undertaken as part of the annual budget preparation, the updating of the MTFP and as part of the closure of accounts process.
Property Investment Fund	Established in 2018/19 initially as a two year pilot to explore investing in commercial property.	A Property Investment Board is responsible for making decisions on how the fund is utilised.	Managed by the Corporate Director Resources in conjunction with the Property Investment Board	Undertaken as part of the annual budget preparation, the updating of the MTFP, as part of the closure of accounts process and is subject to individual reports on proposals for usage.
Value For Money	Invest to save projects	Originally created to fund VFM initiatives, which may incur up-front costs and now incorporates supplementary grants awarded for the administration of council tax, NDR, housing benefit and LCTS.	Managed by the Corporate Director Resources	Undertaken as part of the annual budget preparation, the updating of the MTFP and as part of the closure of accounts process. Also subject to individual reports on proposals for usage.
Vehicle Replacement / Street Cleansing Maintenance	Replacement of the council's vehicle fleet and smoothing the maintenance cost for the street cleaning vehicles.	Funding to meet current and anticipated vehicle/ plant requirements - ultimately charging the cost to revenue over the life of the asset. Also includes maintenance of street cleansing vehicles and set-up costs for MOT station.	Managed by the Corporate Director Resources	Undertaken as part of the annual budget preparation, the updating of the MTFP and as part of the closure of accounts process as well as subject to individual reports on proposals for usage.

Type of Risk	Likelihood	Severity	Level of Risk	Control	Review	Responsible	Reports To
Financial Forecast is wrong.	Low (1)	High (3)	Medium (3)	Review the base budget and adjust for known and likely variations impacting on the forecast.	Ongoing	Head of Finance	Management Board; Cabinet
Expenditure greater than budget.	Low (1)	High (3)	Medium (3)	Budget monitoring of revenue spend. Budget monitoring of capital spend. 5-Year Financial Forecast.	Monthly Quarterly 6 Monthly	Cost Centre Managers; Financial Services Spending Officers and Head of Finance	Management Board; Cabinet Management Board
Unforeseen expenditure, new schemes/initiatives.	Low (1)	High (3)	Medium (3)	Maintenance of a general contingency and review of priorities.	Ongoing	Head of Finance	Management Board
Over dependence on use of reserves and balances.	Medium (2)	Medium (2)	Medium (4)	Compliance with CIPFA guidance on local authority reserves and balances. Adequacy assessed as part of budget process, MTFP and closure of accounts.	Ongoing	Corporate Director Resources (S151 Officer)	Cabinet; Council
Income targets not achieved owing to economic climate impacting on demand.	Low (1)	Medium (2)	Low (2)	Risk assessment of major income generators during budget preparation – realistic targets built into budget. Regular monitoring of income as part of budget monitoring.	Annually Monthly	Financial Services	Management Board; Cabinet
Efficiency savings not achieved.	Medium (2)	High (3)	High (6)	Regular review as part of budget monitoring.	Monthly	Management Team	Management Board
Income from investments is lower than expected.	Low (1)	Low (1)	Low (1)	Budget monitoring.	Monthly	Head of Finance	Management Board; Cabinet
Changes in Government Funding e.g. Business Rates Base Funding Level and reduction in New Homes Bonus.	Medium (2)	High (3)	High (6)	Limit reliance on this type of funding and review other options, highlighting sensitivities in the MTFP.	Ongoing	Corporate Director Resources (S151 Officer)	Management Board

Type of Risk (Cont'd)	Likelihood	Severity	Level of Risk	Control	Review	Responsible	Reports To
Changes to Local Government Finance resulting from Business Rates Retention Scheme e.g. unfavourable variations in reliefs, decline in RVs, growth, collection rates, beneficial impact of pooling is not realised, etc.	Medium (2)	High (3)	High (6)	Close monitoring of current and any new arrangements and establishment of an earmarked reserve to cushion against volatility.	Ongoing	Corporate Director Resources (S151 Officer) and Head of Finance	Management Board
Potential volatility of the fuel/energy market adding further increases to fuel, heating and lighting.	High (3)	Medium (2)	High (6)	Close monitoring of revenue spend. Re-negotiation of energy contracts when they fall due.	Monthly	Head of Finance	Management Team
Capital receipts are not realised from asset disposals.	Low (1)	Medium (2)	Medium (3)	Prioritisation of disposals and effective marketing of sites.	Ongoing	Corporate Director Communities	Management Team
Potential volatility concerning aspects of the Localised Council Tax Support Scheme in conjunction with the Universal Credit rollout e.g. case load, collection rates, etc.	Medium (2)	Medium (2)	Medium (4)	Close monitoring of new arrangements.	Monthly	Corporate Director Resources (S151 Officer) and Head of Finance	Management Board
New cost pressures are devolved by Central Government as part of the Fair Funding Review, 75% or 100% Business Rates Retention Scheme without the necessary funding.	Medium (2)	Medium (2)	Medium (4)	Early monitoring of situation allowing the development of plans to mitigate financial impact.	Ongoing	Corporate Director Resources (S151 Officer) and Head of Finance	Management Board
Significant sources of revenue income cease.	Medium (4)	Medium (4)	Medium (4)	Early monitoring of situation allowing the development of plans to mitigate financial impact.	Ongoing	Corporate Director of Resources (S151 Officer) and Head of Finance	Management Board