



Cabinet Agenda

Wyre Borough Council
Date of Publication: 6 February 2024
Please ask for: Marianne Unwin
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Cabinet meeting on Wednesday, 14 February 2024 at 6.00 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 - 6)

To approve as a correct record the Minutes of the meeting of the Cabinet held on Wednesday 10 January 2024.

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. Proposal to develop a Wyre and Fylde Building Control Shared Service

(Pages 7 - 14)

Report of the Planning Policy and Economic Development Portfolio Holder and the Corporate Director Communities.

6. Update on the future operation of the Council's theatres - Marine

(Pages 15 - 24)

Hall and Thornton Little Theatre

Report of the Leader of the Council, the Resources Portfolio Holder and the Leisure, Health and Community Engagement Portfolio Holder and the Corporate Director Communities.

7. **Treasury Management Policy Statement and Practices, Treasury Management and Annual Investment Strategy, Minimum Revenue Provision Policy Statement and Capital Strategy 2024/25** (Pages 25 - 112)

Report of the Resources Portfolio Holder and the Corporate Director Resources.

8. **Revenue Budget, Council Tax and Capital Estimates** (Pages 113 - 188)

Report of the Resources Portfolio Holder and the Corporate Director Resources.



Cabinet Minutes

The minutes of the Cabinet meeting of Wyre Borough Council held on Wednesday, 10 January 2024 at the Council Chamber, Civic Centre, Poulton-Le-Fylde.

Cabinet members present:

Councillors Vincent, Berry, McKay, Bridge and Le Marinel

Absent- apologies received:

Councillor Bowen

Officers present:

Rebecca Huddleston, Chief Executive

Mark Billington, Corporate Director Environment

Marianne Hesketh, Corporate Director Communities

Clare James, Corporate Director Resources and Section 151 Officer

Marianne Unwin, Democratic Services and Scrutiny Manager (Temporary)

Corinne Mason, Manager of Environmental Protection and Community Safety

No members of the public or press attended the meeting.

CAB.26 Declarations of interest

None.

CAB.27 Confirmation of minutes

The minutes of Cabinet held on 29 November 2023 were **confirmed** as a correct record by those who were in attendance.

CAB.28 Public questions

None.

CAB.29 Poulton Town Centre Regeneration Framework

The Planning Policy and Economic Development Portfolio Holder submitted a report seeking Cabinet's adoption of the Poulton Town Centre Regeneration Framework (PTCRF).

Councillor Le Marinel, the Planning Policy and Economic Development

Portfolio Holder introduced his report.

Councillors Le Marinel and Vincent thanked the Economic Development team for their efforts to develop the Poulton Town Centre Regeneration Framework, highlighting in particular the thorough consultation process.

Decisions

Cabinet **agreed**:

- That the council adopt the PTCRF.
- That a variety of delivery approaches, depending on the nature of the PTCRF project, be explored to achieve the agreed vision. These are likely to include projects led by the council, new partnerships being developed such as a Community Energy Trust and project delivery by local partners.
- That in the medium term the council maintain strategic responsibility for the PTCRF and the Head of Planning and Regeneration be authorised to make amendments and corrections to the PTCRF. Such changes may include but are not limited to editorial corrections, typographical errors, changed local circumstances or investment opportunities.
- Where the revisions may alter the strategic objectives of the PTCRF, 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
- That the council support the development of a town board which might take responsibility for strategic delivery of the PTCRF in the long term. As a next step it is recommended that the council support the development of the Poulton Partnership to explore bringing the group in line with the town boards for Cleveleys, Garstang and Fleetwood.

CAB.30 Renewal of the existing Public Space Protection Order for alcohol related anti-social behaviour

The Neighbourhood Services and Community Safety Portfolio Holder submitted a report seeking Cabinet's agreement to renew the existing Public Space Protection Order (PSPO) for alcohol related anti-social behaviour for a further three years in those areas of the borough covered by the existing Order.

Councillor Berry, the Neighbourhood Services and Community Safety Portfolio Holder introduced his report.

Decisions

Cabinet **agreed**:

- To the renewal of the PSPO for alcohol related anti-social behaviour for a further 3 years in accordance with the Anti-Social Behaviour Crime and Policing Act 2014.
- That the boundaries of the existing PSPO (as highlighted on the attached maps) are maintained having regard to the feedback received from the recent consultation exercise.
- That the Legal Services Manager is authorised to renew the order subject to any minor amendments that she may wish to make.

CAB.31 Cost profiles - benchmarking results

The Resources Portfolio Holder submitted a report seeking the Cabinet to consider the findings of the 2023/24 benchmarking study, a key element used to demonstrate that the council has proper arrangements in place for securing value for money.

Councillor McKay, the Resources Portfolio Holder, introduced her report.

Decisions

Cabinet **agreed**:

- That the Cabinet considers the benchmarking information attached and uses the findings to influence future service reviews.
- That the information be shared with the Overview and Scrutiny Committee to support the development of their work programme.

CAB.32 Capital Budget 2023/24 and Capital Programme 2024/25 onwards

The Resources Portfolio Holder submitted a report seeking the Cabinet to consider the review of the 2023/24 Capital Programme and the progress of schemes for the eight month period, covering April 2023 through November 2023, undertaken by spending officers. Noting amendments to the Capital Programme since last reported to Cabinet on 18 October 2023 and the financial impact over the term of the Programme, through to the end of 2028/29. In addition, to agree the latest Capital Budget 2023/24 and the Capital Programme for the financial year 2024/25 onwards.

Councillor McKay, the Resources Portfolio Holder, introduced her report.

Decisions

Cabinet **agreed**:

- That the progress of, and expenditure incurred on, capital schemes for the first eight months of the 2023/24 financial year is noted.

- That the Revised Capital Programme, and its funding, for the 2023/24 financial year totalling £18,027,390 be approved. There have been no budget changes since the report published on 18 October 2023.
- That the Capital Programme over the five year term from 2024/25 through to the end of 2028/29, totalling £54,610,577 be approved.
- That the financial implications of the Capital Budget and future Capital Programme be reflected in the draft Revenue Estimates which will be considered by Cabinet at their meeting on 14 February 2024 and be subject to approval by Full Council at the meeting on 7 March 2024.

The meeting started at 6.00 pm and finished at 6.03 pm.

Date of Publication: 11 January 2024.

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.



Report of:	Meeting	Date
Councillor Peter Le Marinel, Planning Policy and Economic Development Portfolio Holder and Marianne Hesketh, Corporate Director Communities	Cabinet	14 February 2024

Proposal to develop a Wyre and Fylde Building Control Shared Service

Key decision: No

1. Purpose of report

- 1.1 This report seeks approval to commence work on developing a shared building control service between Wyre Borough Council and Fylde Borough Council.
- 1.2 This report does not seek approval to implement a shared building control service, that will be a subsequent decision of the Cabinet or Executive Committee of each authority.
- 1.3 Fylde Borough Council will be seeking a substantively similar approval from its Executive Committee in February 2024, the two decisions, taken contemporaneously, setting a clear statement of intent thus allowing detailed and involved exploratory work to commence.

2. Council priorities

- 2.1 Innovative and customer focussed - deliver high quality, value for money services that meet the needs of our customers.

3. Recommendation

- 3.1 That the Cabinet approve commencement of work on developing the shared service proposals as outlined in this report and delegate the Corporate Director Communities to undertake the work with Fylde Borough Council to achieve this.

4. Background

- 4.1** Fylde Council and Wyre Council building control services are part of the Local Authority Building Control (LABC) network and deliver the duty set out in the Building Act 1984. The service is in the unique position of being the only regulatory service delivered by local authorities that is exposed to competition from private sector providers, competing with approved inspectors for market share.
- 4.2** Building control is the process by which the Building Regulations are set down by Government. They are a set of standards for the design and construction of buildings primarily established to ensure the health and safety of people in and around buildings through regulations for fire, structural safety, access for all etc.
- 4.3** Historically the local authority performed this function exclusively however, through registered individuals and companies it competed with the private sector for fee-earning work. These private sector companies and individuals are known as Approved Inspectors (AI) or Registered Building Approvers (post April 2024), the most well-known one being the National House Building Council (NHBC). This competition has resulted in local authority building control being acutely aware of the need for efficient service delivery and excellent customer service in order to be able to compete for work. The Building (Local Authority Charges) Regulations 2010 (Charging Regulations) and associated Chartered Institute of Public Finance and Accountancy (CIPFA) guidance require local authority building control to set charges to recover the costs of carrying out the building regulation service.
- 4.4** Only a local authority can undertake enforcement of the Building Regulations, approved inspectors must 'revert' applications back to the local authority when they are unable to complete a project due to contraventions of the Building Regulations. Local Authorities are required to assess the legal status of any AI application (known as an Initial Notice) before work commences.

5. Key issues and proposals

Case for Change

- 5.1** The Government are improving the professional standards and introducing regulatory oversight of all building control inspectors and organisations via a new framework for registration and regulatory oversight of the profession. These changes are part of the Government's response to the Grenfell tragedy of 2017 with the primary legislation being the Building Safety Act 2022. The Building Safety Act will run alongside the Fire Safety Act 2021 with both pieces of legislation aimed at bringing about fundamental change to the building safety system in England and the duty holders mirror those under the Construction (Design and Management) Regulations of 2015.

- 5.2** There is a new Building Safety Regulator (BSR) which will oversee the safety and performance of all buildings and promote competence and organisational capability within the sector including for building control professionals and tradespeople. This new framework sets out new requirements and standards that apply across both the public and private sector parts of the profession. Registration with the BSR is compulsory from April 2024 and the ability of building control professionals to practice will be dependent upon the validation of levels of competency leading to a considerable increase in training requirements and validation of experience. From April 2024 only 'Registered Building Inspectors' may undertake many of the functions currently completed by Building Control Officers.
- 5.3** A consequence of this is that many building control officers are leaving the profession meaning recruitment and retention of staff is increasingly difficult and puts at risk both authorities ability to maintain high standards of service delivery and income.
- 5.4** Smaller teams in both authorities tend to present lower efficiency and effectiveness. For example, they do not have the staff numbers or resources to dedicate to marketing and sales to increase market share and income, or train staff; an essential element in terms of maintaining competence in line with Building Safety Regulator requirement. The inability to offer a full building control service across administrative boundaries, is often seen as an advantage of AIs as the lack of boundaries to their areas of operation together with continuity of staff from project to project is attractive to service users. Local authorities have sought to offset this weakness in their service delivery through a formal partnership scheme across England and Wales though in recent years LABC nationally have tended to steer away from this.
- 5.5** Nationally private sector competition has increased over recent years. Whilst market share at Wyre and Fylde remains at or above the national average, AIs are looking at developing existing income streams as the scope of work available to them diminishes following implementation of the Building Safety Act 2022

Framework for change

- 5.6** Section 113 of the Local Government Act 1972 allows a local authority to enter into an agreement with another to place its officers at the disposal of the other authority, subject to consultation with the staff concerned and negotiation about any changes in terms and conditions. Additionally Section 1 of the Local Authorities (Goods and Services) Act 1970 enables a local authority to enter into an agreement to provide another local authority with goods and services, including administrative, professional or technical services.

- 5.7** At present there is ambiguity about how the Building Safety Regulator will treat 'TECKAL' companies that are owned by local authorities and are carrying out a full building control service. TECKAL is a legal precedent supported in The Public Contracts Regulations 2015 and allows for public contracts to be awarded to subsidiaries and jointly-owned companies without a call for competition. The provision of a full building control service would include both 'statutory' work such as enforcement and 'fee-earning' work such as plan checking. The concern at present is that were both authorities to jointly outsource or establish a new wholly-owned company then this would be treated as an AI by the Building Safety Regulator, a situation that would leave each authority still needing to resource and undertake 'statutory' work outside of the new entity.
- 5.8** Fylde and Wyre Building Control services are experiencing similar issues. Working together, officers have been reviewing options for future service provision. Uncertainty around the changing regulatory framework has been a key consideration in the decision to recommend pursuing a shared service approach. Longer term there may be an opportunity to consider establishing a Local Authority Trading Company.

Vision for the Shared Service

- 5.9** The vision for the shared building control service is for a resilient and efficient service that ensures the building regulations are complied with and enforced across Wyre and Fylde ensuring safe, healthy and fit for purpose buildings in our communities.
- 5.10** The shared service will have the skills and expertise to meet the emerging competence requirements from the Building Safety Act and provide an environment of constant learning and development helping our staff to improve their skills, gain sector-specific qualifications, adapt quickly to emerging requirements and give confidence to our communities.
- 5.11** The shared service will deliver an excellent level of customer service to both internal and external customers by ensuring that it can be responsive to customer demands and always exploring ways to develop and improve the service.

The Proposed Shared Service

- 5.12** The proposal is to explore merging the Building Control services of Fylde Council and Wyre Council. The intention at this stage would be for Wyre Borough Council to become the host or employing authority for the shared service.
- 5.13** In addition to carrying out the Building Regulation function, the service will also undertake other associated statutory functions such as dealing with dangerous structures, demolitions etc.

- 5.14** It is anticipated that there would be a transition period, where each authority continues to operate in their current way, such as ICT, email addresses, office location etc. The ambition would be to work towards implementation of a shared service by 1 April 2025 at the latest.

Staffing resources and structure

- 5.15** Bringing together the two building control teams should bring about an improvement in resilience, which is a key driver for the two authorities, however simply combining the existing teams without considering capacity, competency and succession planning is likely to result in the creation of a larger team with exactly the same problems as at present.
- 5.16** Both teams benefit from experienced technical officers, able to deal with the full range of work likely to be submitted to their authority and support staff who are capable and experienced in dealing with all aspects of technical support for the building control service.
- 5.17** A new structure needs to provide sufficient resilience to enable all core functions to be effectively and safely undertaken and enable focus to be given to promoting the service, maintaining existing and developing new customers as well as ensuring the 'new team' is best placed to support a growth agenda. Creating a hierarchical structure with career graded posts will enable the service to offer career development and progression and more flexibility with recruitment.

Financial and legal matters

- 5.18** Local Authority Building Control services operate on a cost recovery basis, essentially running at a breakeven position over a three year period. The service consists of fee and non-fee earning services, for example there is a fee for discharging compliance with the Building Regulations. However dealing with dangerous buildings or enforcement are non-fee earning. The regulatory changes outlined in this report place a greater emphasis on enforcement activity for the Local Authority and the implications of this can only be fully understood from April 2024.
- 5.19** The ambition for the shared service is that it should be able to operate on a cost recovery basis, essentially breaking even over a rolling three year period. However there is a considerable amount of work for finance teams at both Fylde and Wyre to be undertaken as part of this project to establish the position.
- 5.20** Much of the operation of the shared service will be set out in a Shared Service Legal Agreement, this will involve considerable work for both legal services teams which can commence following this decision.

5.21 Next steps

The Corporate Director Communities will begin working with officers at Fylde Borough Council. This will include the establishment of a project team consisting of officers from both council's, the production of a detailed project plan and programme of activity as well as the drafting of a legal agreement which will set out the proposed governance structure.

6. Alternative options considered and rejected

6.1 All alternative options will be set out in detail in a subsequent report to Cabinet.

Financial, Legal and Climate Change implications	
Finance	<i>There are no financial implications at this stage.</i>
Legal	<i>There are no legal implications at this stage</i>
Climate Change	<i>There are no climate change implications at this stage.</i>

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
health and safety	x

risks/implications	✓ / x
asset management	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
Steve Smith	01253 887243	steve.smith@wyre.gov.uk	12/01/2024

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

List of appendices

None

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Report of:	Meeting	Date
Councillor Lynne Bowen, Leisure, Health and Community Engagement Portfolio Holder, Councillor Lesley McKay, Resources Portfolio Holder and Marianne Hesketh, Corporate Director Communities	Cabinet	14 February 2024

Update on the future operation of the council’s theatres – Marine Hall and Thornton Little Theatre

Key decision: Yes

1. Purpose of report

- 1.1 To provide Cabinet with an update on the progress that is being made to secure a brighter, sustainable future for the council's theatres, namely Marine Hall and Thornton Little Theatre (TLT).
- 1.2 To provide an update on the outcome of the Fleetwood seafront public consultation that was undertaken in late 2023.

2. Council priorities

- 2.1 This report aligns to our corporate priorities of Growth and Prosperity and Innovative and Customer Focused.
- 2.2 It specifically relates to the following commitments:-
 - Support and champion Wyre’s growing tourism economy by promoting our coast to countryside offer, tourism businesses, attractions and events.
 - Secure external funding and investment to make improvements to places across the borough.
 - Deliver high quality, value for money services that meet the needs of our customers.
 - Use our land and buildings wisely, managing them to appropriate standards, reducing their environmental impact and maximising income to reinvest in improving services.

3. Recommendations

- 3.1** That Members note the outcome of the public consultation.
- 3.2** That approval be given to appoint a theatres consultant to support the Corporate Director Communities to implement the short-term recommendations as set out at 5.5, at a cost of £30,000 to be funded from the Value for Money Reserve.
- 3.3** That Members support the preferred option as set out at 5.8 and that approval is given to proceed with a tender process to secure a commercial operator for the management of the Marine Hall for a minimum of five years. The outcome of the tender process to be the subject of a further report.
- 3.4** That, in consultation with the Leisure, Health and Community Engagement Portfolio Holder and the Resources Portfolio Holder, approval be given to authorise the Corporate Director Communities to enter into a lease for Thornton Little Theatre.

4. Background

- 4.1** A report was presented to Cabinet on 6 September 2023 which set out recommendations around securing a brighter sustainable future for the Marine Hall and TLT that would ensure both venues were fully utilised and provided a better, more varied offering to the people of Wyre and beyond. This would not only offer a better service to the public but would also reduce the subsidy paid by the council. Since this date excellent progress has been made in progressing the recommendations as set out below.
- 4.2** A Fleetwood seafront public consultation (which included questions around the Marine Hall) was held from Monday 11 September to Sunday 22 October 2023 and received 718 responses. A separate survey was also available for Thornton Little Theatre which received 320 responses. The public could access the questionnaire via the 'Have your say' area of the council website and paper copies were also distributed across the Borough. Several sites hosted a 'Have your say' voting box and held paper copies of the questionnaire. The sites included the Civic Centre, Thornton Little Theatre, Marine Hall, Fleetwood Market, Fleetwood Leisure Centre (YMCA) and local libraries in Poulton, Thornton, Cleveleys, Fleetwood, Knott End and Garstang. A press release was issued on 11 September to announce the consultation opening and closing dates (closing dates were also stated on each paper copy). Additionally the consultation was promoted on our council social media channels and the council's healthy lifestyle team's Facebook page and newsletter. Members of the public also assisted in the distribution of the consultation details. The findings from the consultation can be found in paragraph 5.1 and 5.2.

- 4.3** In line with Cabinet’s decision to authorise the Corporate Director Communities to work with the Theatres Trust to appoint consultants to carry out an independent review of Marine Hall operations, GJG Consulting were appointed on 2 October 2023. They have now completed their report. Owing to the sensitive nature of the report in relation to commerciality but also staffing matters, the full report is not being shared at this stage. However, the key findings are outlined in the next paragraph, including their recommendations for the most viable future operating model.
- 4.4** Also as agreed, a positive soft market testing exercise took place for TLT which indicated there was strong market appetite for an alternative provider to take over the running of this asset. A follow up process commenced mid-December 2023 with the interested providers to obtain further information about how each of them would use the facility for the best interests of the residents whilst ensuring that the council meets its best value duty.

5. Key issues and proposals

5.1 Public Consultation Findings

The seafront public consultation received 718 responses. The full findings report can be accessed on the council website – <https://www.wyre.gov.uk/have-your-say>. A summary of the main findings is provided below.

- Nearly 80% of respondents said they visit the seafront daily or weekly.
- The main reasons for visiting the seafront were for an activity (e.g. dog walking, cycling, parkrun), access to the beach/sea, to visit for the views or to attend Marine Hall events and shows.
- 74.9% of respondents stated that the top strength was the views and outside space/gardens.
- If the seafront offer was redesigned, the main areas suggested for consideration were food offerings (e.g. restaurants), music, theatre/performance event spaces, formal gardens / seating areas and beach and sea/watersport activities.
- With regard to Marine Hall, 75% of respondents had visited in the last 12 months. The majority of respondents were members of the audience / public rather than hirers or performers.
- The top three reasons for visiting the Marine Hall were to attend a festival e.g. food and drink, to attend live music/theme night or to attend a stage play or musical theatre.
- Respondents liked the dome/historic features best and the internal facilities/bar space the least.
- 61% agreed that an alternative provider should be found for Marine Hall to safeguard the future of the theatre.

5.2 With regard to the questions relating to Thornton Little Theatre, 320 responses were received and the report can be accessed here <https://www.wyre.gov.uk/have-your-say>. The main findings are included below.

- 73% of respondents had visited TLT in the last 12 months, the majority as a member of the audience.
- The main reason for attending was for a staged play or musical theatre event or community event.
- Respondents liked the location best and access to parking and liked least the facilities themselves as they were not comfortable and needed upgrading.
- 60% agreed that the council should find a suitable alternative provider to safeguard the future of the theatre.

5.3 The survey results are very helpful and will be used to inform our regeneration plans for the Fleetwood seafront. These plans will be brought forward separately and will be reliant upon external funding. The survey results also indicate there is support to explore alternative providers for both theatres in order to safeguard their future.

5.4 Options appraisal for the future operation of Marine Hall

GJG were commissioned to undertake a comprehensive review of the operational and financial status of Marine Hall and to provide an options appraisal around the future operation. The findings have been summarised in this report. The consultants scrutinised the financial challenges faced by the Marine Hall and questioned its current value for money position. This prompted a detailed exploration of avenues for enhanced income generation, particularly through diversifying programming to attract a broader audience. Operational aspects, including staffing, facility maintenance, equipment, box office and marketing procedures have all undergone a thorough examination as well. The review has provided short and medium-long term recommendations to help the council to safeguard the future of Marine Hall and ensure that it remains a valued cultural and entertainment venue in Fleetwood.

5.5 In response to the findings, GJG recommend that the council makes immediate changes to the way the Marine Hall is managed to address the significant underperformance and to secure the venue's future success. It was felt that these actions are needed regardless of the chosen future operating model as they are likely to ensure that the theatre is better run while under the council's control and more attractive to potential commercial operators. A number of short-term recommendations are proposed as follows:

- **A review and realignment of aspiration** – the aspiration should be aligned to the new Council Plan and should strive to offer a diverse range of entertainment, leisure, cultural and commercial activities at best value for money to taxpayers.

- **Implementation of the internal audit review recommendations** – outstanding actions from the June 2023 review should continue to be implemented with clear, non-negotiable targets. (A follow-up review commenced in January 2024.)
- **A service restructure** – develop and implement a staffing restructure aligning with the council's vision. This restructure should account for the venue's resources and capabilities and it should as far as possible, anticipate the likely outcome should a third-party operator take on the running of the theatre, at which time TUPE is likely to apply.
- **Realignment of the budget** – The budget should be realigned to include only controllable costs under the theatres manager's direct control for monitoring purposes. Consideration should be given to transitioning to a revenue model based on percentage splits rather than fixed hire fees. An efficient marketing strategy, if managed centrally, should have a negotiated service level agreement and clear roles and responsibilities for staff.
- **Strategic Planning** - the Marine Hall should also have its own strategic plan based on the council's vision, focusing on suitability, acceptability, and feasibility. The district-wide absence of a cultural strategy or strategic approach to arts and culture as a whole is leading to missed opportunities for external funding.
- **Funding Strategy** - establish a comprehensive long-term funding strategy, reflecting the council's commitment to the venue and arts and culture in Fleetwood. This will involve a third-party operator to improve financial sustainability and align with the council's broader objectives.
- **Key Performance Indicators (KPIs)** - a set of KPIs that are SMART (Specific, Measurable, Achievable, Relevant, and Time-bound) should be set for the venue and its management. Achievement against these KPIs should be regularly reported to senior officers and members.
- **Theatres Management Board** - consider forming a "theatres management board" composed of officers and members to oversee and scrutinise venue operations and advocate for the venue within the council.

5.6 With support from a theatre specialist, the Corporate Director Communities will develop an action plan and progress the short-term recommendations. This will initially focus on a staffing restructure and implementation of the audit recommendations.

5.7 Looking to the medium to longer-term for the future operation of Marine Hall, an Options Appraisal was carried out by GJG and the benefits and considerations of the options are set out at paragraph 6. There were four options considered:-

Option 1 – Status Quo with new management team – continue to provide a directly controlled council run theatre but with a new management team and a goal to reduce the subsidy by at least 25%

annually over the next two years (through reduced staffing and increased revenue).

Option 2 – Contract with a commercial operator – entering into a contract with a commercial operator with a long-term arrangement that sees a reduction in the subsidy and shifts all financial responsibility from the council.

Option 3 – Form a charitable trust with community involvement – establish a charitable trust with community involvement, focusing on community engagement and pursuing community asset status and applying for grants.

Option 4 – Shut down and mothball the Marine Hall – cease all operations and mothball the theatre which involves suspending activities indefinitely.

5.8 The review recommended that the most economically advantageous deal for the council was **Option 2** to enter into a contractual agreement with a commercial operator for the management of Marine Hall. This option provides financial sustainability and leverages in industry expertise to give the Marine Hall the best chance to be a thriving cultural hub offering a diverse range of events and shows that attract a wider range of audiences. The review suggests developing a plan for Marine Hall with a view to procuring a new commercial operator from 1 April 2025. It recommends entering into a contractual agreement with said operator and suggests a multi-year contract, with potential for longer-term collaboration. Option 2 presents a strategic shift in management and financial responsibilities, leveraging the expertise of a commercial operator. The primary objective is to reduce financial burdens while creating incentives for the commercial operator to drive revenue and ensure the long-term success of Marine Hall. However, successful implementation hinges on careful operator selection, through negotiations and meticulous planning for sustained success beyond the initial contract period.

5.9 It is proposed to continue to work with GJG consulting to progress Option 2 and start the procurement process for a commercial operator. GJG will be commissioned to produce the relevant tender documents and support the council with going through a formal tender process and identifying a suitable commercial operator. The high-level timeline for this process is as follows:

Prepare expression of interest and tender documents	29 February 2024
Advertise opportunity via Chest and contract finder	1 March 2024
Site Visits for interested operators	End of April 2024
Deadline for submissions	Mid to end of May 2024
Shortlist and interviews	By end of June

Recommendation for preferred bidder to full Council	12 September 2024
Contract with a commercial operator	1 April 2025

5.10 The outcome of the tender process would be subject to a further report and would be presented to full Council for consideration.

5.11 Thornton Little Theatre (TLT)

Following the soft market testing exercise which was conducted in October 2023, six expressions of interest were received to take on the running of Thornton Little Theatre. A more formal process was then initiated in December 2023, which offered the opportunity for those interested to put forward a bid to take on TLT by way of a five year, internally repairing lease. The five-year lease will be entered into with the most suitable provider following the outcome of a competitive procurement exercise. The main requirement is to ensure that the wider community and current community groups that have previously used the facility could still have a reasonable level of access. Bids will be assessed around the number of days per year that they would offer the facility for community use and the amount of rent they would be prepared to pay each year. This will ensure the council is meeting its best value duty.

5.12 The timeline for this process is as follows:

Bid deadline for responses	Early Feb 2024
Responses reviewed and scored against criteria	Mid-end of Feb 2024
Offer to lease the facility made	By end of February 2024
Contract – lease terms agreed and signed, contract exchanged and new operator in place	End of April 2024
Transition period to sort out handover of bookings, systems, etc.	April – June 2024

5.13 It is proposed that following Cabinet approval, the Corporate Director Communities be authorised to lead the assessment of the bids. A panel will be convened consisting of the Head of Assets, the Communities Finance Business Partner and the Procurement Officer. Bids will be assessed to determine the best suitable provider for taking on the lease of TLT based on the agreed scoring criteria. The panel will then provide scores and recommendations to the Leisure, Health and Community Engagement Portfolio Holder and the Resources Portfolio Holder who will either approve the recommendations or reject them and request further information. Following this the successful bidder will be notified. Depending on who takes over the running of the asset and what they are planning to do will influence the length of time needed for the transition period and what is required. There may also be TUPE implications. The

theatres staff are being kept informed of the process through regular briefings.

6. Alternative options considered and rejected

- 6.1 Option 1 – Status Quo with new management team** – continue to provide a directly controlled council run theatre but with a new management team and a goal to reduce the subsidy by at least 25% annually over the next two years (through reduced staffing and increased revenue). The benefits include immediate implementation without major disruptions, potential for efficient cost-cutting measures and increased revenue under new management. The challenges of this option involve recruitment and selection, local authority run theatre constraints e.g. job evaluation, council systems, lack of funding and investment, programming expertise and the need for rigorous monitoring and evaluation mechanisms to track subsidy reduction progress. All costs remain directly with the council.
- 6.2 Option 3 – Form a charitable trust with community involvement** – potentially with organisations like the Civic Society and Healthier Fleetwood as trustees, focusing on community engagement, pursuing community asset status and applying for grants. The benefits include enhanced local support and engagement, potential grant opportunities and alignment with community values. The challenges involve establishing a robust governance structure, meticulous grant application processes, balancing community input with operational efficiency, recognising the need for ongoing subsidy and a 12-month transition period for selection and handover to new management. Grant funding could cap the amount of financial risk to the council but the theatre is likely to need to require a subsidy over a long period of time and potentially indefinitely. Challenges will exist in transitioning staff and working practices from the council to a charity.
- 6.3 Option 4 – Shut down and mothball the Marine Hall** – cease all operations and mothball the theatre which involves suspending activities indefinitely. The immediate benefits include the cessation of financial losses linked to subsidies and the preservation of assets for potential future use. However, there would be a negative impact on the community, local economy and offer of cultural events and the Cabinet have confirmed that they will not consider this option while there are viable alternatives. There is also a potential for long-term reputational damage and community dissatisfaction. Reopening in the future may involve logistical and financial challenges, and the mothballing involves one-off costs such as staff redundancy as well as ongoing costs including building security, insurance and maintenance.

Financial, Legal and Climate Change implications	
Finance	<p>An initial budget of £30,000 was set aside from the Value for Money Reserve to cover the cost of the initial consultancy work for both theatres. To date £14,355 has been spent with GJG Consulting. The remaining funds will be used to support the next stage of the procurement process.</p> <p>An additional £30,000 is requested to procure a theatres consultant to support delivery of the short-term action plan, this will be funded from the Value for Money Reserve.</p>
Legal	<p>In relation to the Marine Hall tender process, the council will publish a Prior Information Notice on Contracts Finder to allow interested parties to express interest and to inform council of market requirements to help design the tender to achieve the highest levels of interest. A tender exercise using the “Open” procedure under Public Contracts Regulations 2015 would then be undertaken.</p> <p>TUPE (Transfer of Undertakings Protection of Employment Rights) protects employee rights when they transfer to a new employer. Consideration therefore needs to be given to TUPE for both TLT and Marine Hall. For TLT it will depend on the nature of the successful bidder. For Marine Hall it is likely that it will apply.</p> <p>A five-year lease of TLT based on standard commercial terms will be entered into with the most suitable provider following the outcome of a competitive procurement exercise.</p>
Climate Change	There are no climate change implications.

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	✓
health and safety	x

risks/implications	✓ / x
asset management	✓
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
Marianne Hesketh	01253 887350	Marianne.hesketh@wyre.gov.uk	25/01/2024

List of background papers:		
name of document	date	where available for inspection
Cabinet report – options for the future operation of the council's theatres	6 September 2023	CabreportFutureofTheatresSept23 FINAL.pdf (modern.gov.co.uk)

List of appendices

None



Report of:	Meeting	Date
Councillor Lesley McKay, Resources Portfolio Holder and Clare James, Corporate Director, Resources	Cabinet	14/02/2024

<p>Treasury Management Policy Statement and Practices, Treasury Management and Annual Investment Strategy, Minimum Revenue Provision Policy Statement and Capital Strategy 2024/25</p>

Key decision: Yes

1. Purpose of report

1.1 To set out the policies and objectives of the council in respect of Treasury Management activities, to explain how the council seeks to achieve the objectives and manage and control the activities for 2024/25 which includes the Capital Strategy.

2. Corporate priorities

2.1 A well run, forward-thinking council that puts customers first.

3. Recommendations

3.1 To recommend to Council that the Treasury Management Policy Statement 2024/25 be approved and formally adopted. (Appendix 1).

3.2 To approve the revised Treasury Management Practices 2024/25 (Appendix 2).

3.3 To recommend to Council that the Treasury Management and Annual Investment Strategy 2024/25 (Appendix 3) be approved.

3.4 To recommend to Council that the MRP Policy Statement 2024/25 (Appendix 4) be approved and formally adopted.

3.5 To recommend to Council that the Capital Strategy 2024/25 (Appendix 5) be approved.

4. Background

- 4.1 The report has been prepared in accordance with the Revised CIPFA Treasury Management Code 2021.
- 4.2 Under the updated Prudential Code 2021, CIPFA continues to require councils to publish a Capital Strategy (see Appendix 5). Guidance on the form and content of the Capital Strategy was published in 2021 with the emphasis shifting to a whole organisation approach and as such the current strategy represents an evolving document. This approach is in line with CIPFA's expectations and the understanding that all councils will be working towards developing their own strategies over time to meet local needs.
- 4.3 The Capital Strategy is designed to demonstrate that the council takes capital expenditure and investment decisions in line with service objectives and properly takes account of stewardship, value for money (VFM), prudence, sustainability and affordability. The strategy is intended to set out the long-term context in which capital expenditure and investment decisions are made and gives due consideration to both risk and reward and the achievement of priority outcomes. Long-term is not defined and beyond the current Medium Term Financial Planning period, there is little detail or certainty within the current strategy, particularly taking into account the current funding reform context. As greater clarity is achieved nationally, it is expected that further iterations of the strategy will become more detailed and longer-term.
- 4.4 Owing to the interrelatedness of the Treasury Management framework and the Capital Strategy, there is a good deal of overlap between the two documents and potential for duplication. Efforts have been made to streamline the Capital Strategy and cross-reference to existing Treasury Management documents where possible in order to reduce repetition.
- 4.5 All Members were offered Treasury Management Training from Link Asset Services in February 2022. Following the May elections in 2023, training will be provided to the new intake later this year.

5. Key issues and proposals

- 5.1 The Local Government Act 2003 requires the council to have regard to the Prudential Code and to set Prudential Indicators for the next three years. The 2024/25 Prudential Indicators will be considered by Cabinet at the meeting on 14 February 2024 and are due to be approved at the Council meeting on 7 March 2024.
- 5.2 The key objective of the Prudential Code is to ensure, within a clear framework, that the capital investment plans of local authorities are affordable, prudent and sustainable. In exceptional cases, its purpose may be to demonstrate that there is a danger of not ensuring this, so that the authority concerned can take remedial action.

5.3 In order to demonstrate compliance with the CIPFA Code of Practice for Treasury Management, the Council must approve a Policy Statement, Treasury Management Practices, a Treasury Management and Investment Strategy, an MRP Policy Statement and a Capital Strategy setting out how the council will seek to achieve its Treasury Management policies, together with details of how these activities are managed and controlled.

5.4 It is also a requirement of the Code of Practice that the full Council agrees the Treasury Management and Annual Investment Strategy, the MRP Policy Statement and the Capital Strategy for the forthcoming financial year. The 2024/25 Strategies and MRP Policy Statement are attached at Appendix 3, 4 and 5.

6. Alternative options considered and rejected

6.1 The reports comply with best practice and have been produced in accordance with advice and guidance from our Treasury Management Consultants. Further detail can be found in the appendices.

Financial, Legal and Climate Change implications	
Finance	There are no direct financial implications arising from the adoption of the Treasury Management Policy Statement and Treasury Management Practices. The Prudential Code allows capital investment to proceed within prudent limits where the council can fund it from its own resources and external revenue streams.
Legal	The approval of the recommendation will ensure that the CIPFA Code of Practice on Treasury Management and statutory requirements have been complied with.
Climate Change	There are no climate change implications arising 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
health and safety	x

risks/implications	✓ / x
asset management	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.

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

List of appendices

- Appendix 1 - Treasury Management Policy Statement 2024/25
- Appendix 2 - Treasury Management Practices 2024/25
- Appendix 3 - Treasury Management Strategy and Annual Investment Strategy 2024/25
- Appendix 4 - Minimum Revenue Provision Policy Statement
- Appendix 5 - Capital Strategy

TREASURY MANAGEMENT POLICY STATEMENT 2024/25

Wyre Council defines its Treasury management activities as follows:

1. The management of the authority's borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.
2. The Council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the organisation, and any financial instruments entered into to manage these risks.
3. The Council acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving value for money in treasury management and to employing suitable comprehensive performance measurement techniques, within the context of effective risk management.

Clauses to be formally adopted

4. The council will create and maintain, as the cornerstones for effective treasury management:
 - A treasury management policy statement, stating the policies, objectives and approach to risk management of its treasury management activities, and;
 - Suitable treasury management practices (TMPs), setting out the manner in which the organisation will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities.

The contents of the policy statement and TMPs will follow the recommendations contained in Sections 6 and 7 of the Code, subject only to amendment where necessary to reflect the particular circumstances of this organisation. Such amendments will not result in the organisation materially deviating from the Code's key principles.

5. The Council will receive reports on its treasury management policies, practices and activities, including, as a minimum, an annual strategy and plan in advance of the year, a mid-year review and an annual report after its close, in the form prescribed in its TMPs. The council's prudential indicators will also be reported on a quarterly basis via Cabinet of council reports.

6. The Council delegates responsibility for the implementation and regular monitoring of its treasury management practices to Cabinet, and for the execution and administration of treasury management decisions to the S.151 Officer, who will act in accordance with the organisation's policy statement and TMPs and CIPFA's Standard of Professional Practice on Treasury Management.
7. The Council nominates the Overview and Scrutiny Committee to be responsible for ensuring effective scrutiny of the treasury management strategy and policies (including the Capital Strategy).

TREASURY MANAGEMENT PRACTICES

2024/25

TREASURY MANAGEMENT PRACTICES

This section contains the schedules, which set out the details of how the Treasury Management Practices (TMPs) are put into effect by this organisation.

	Paragraph
TMP 1 Treasury risk management	1.1 - 1.9
TMP 2 Performance measurement	2.1 - 2.3
TMP 3 Decision - making and analysis	3.1
TMP 4 Approved instruments, methods and techniques	4.1 - 4.8
TMP 5 Organisation, clarity and segregation of responsibilities, and dealing arrangements	5.1 - 5.13
TMP 6 Reporting requirements and management information arrangements	6.1 - 6.9
TMP 7 Budgeting, accounting and audit arrangements	7.1 - 7.4
TMP 8 Cash and cash flow management	8.1 - 8.6
TMP 9 Money laundering	9.1 - 9.6
TMP 10 Training and qualifications	10.1 - 10.7
TMP 11 Use of external service providers	11.1 - 11.2
TMP 12 Corporate governance	12.1

TMP1 TREASURY RISK MANAGEMENT

The responsible officer will design, implement and monitor all arrangements for the identification, management and control of treasury management risk, will report at least annually on the adequacy/suitability thereof, and will report, as a matter of urgency, the circumstances of any actual or likely difficulty in achieving the organisation's objectives in this respect, all in accordance with the procedures set out in TMP6 Reporting Requirements and Management Information Arrangements. In respect of each of the following risks, the arrangements which seek to ensure compliance with these objectives are set out below.

1.1 Credit and Counterparty Risk Management

Credit and counterparty risk is the risk of failure by a counterparty to meet its contractual obligations to the organisation under an investment, borrowing, capital project or partnership financing, particularly as a result of the counterparty's diminished creditworthiness, and the resulting detrimental effect on the organisation's capital or current (revenue) resources.

The council regards a key objective of its treasury management activities to be the security of the principal sums it invests. Accordingly, it will ensure that its counterparty lists and limits reflect a prudent attitude towards organisations with whom funds may be deposited, and will limit its investment activities to the instruments, methods and techniques referred to in TMP4 Approved Instruments Methods and Techniques. It also recognises the need to have, and will therefore maintain, a formal counterparty policy in respect of those organisations from which it may borrow, or with whom it may enter into other financing arrangements.

1.1.1 Policy on the use of credit risk analysis techniques

The council applies the creditworthiness service provided by Link Asset Services. This service employs a sophisticated modelling approach utilising credit ratings from the three main credit rating agencies - Fitch, Moody's and Standard and Poor's. The credit ratings of counterparties are supplemented with the following overlays:

- credit watches and credit outlooks from credit rating agencies;
- Credit Default Swaps (CDS) spreads to give early warning of likely changes in credit ratings;
- Sovereign ratings to select counterparties from only the most creditworthy countries.

This modelling approach combines credit ratings, credit watches and credit outlooks in a weighted scoring system which is then combined with an overlay of CDS spreads for which the end product is a series of colour coded bands which indicate the relative creditworthiness of counterparties. These colour codes are used by the council to determine the suggested duration for

investments. The council will therefore use counterparties within the following durational bands: -

- Yellow 5 years (only Local Authorities)
- Dark Pink 5 years for Ultra-Short Dated Bond Funds with a credit score of 1.25
- Light Pink 5 years for Ultra-Short Dated Bond Funds with a credit score of 1.5
- Purple 2 years
- Blue 1 year (only applies to nationalised or part-nationalised UK Banks)
- Orange 1 year
- Red 6 months
- Green 100 days
- No colour Not to be used

1. A weekly colour coded Credit Listing is provided by email from our Treasury Management consultants and this is supplemented with emails regarding all changes in credit ratings as and when they occur. These documents are saved within the Cash flow folder.
2. These documents will be reviewed by treasury management staff in line with the policy on criteria for selection of counterparties for use by the responsible officer making investments on a daily basis.
3. Ratings will not be the sole determinant of the quality of an institution. In addition to the credit ratings the assessment will also take account of information that reflects the opinion of the markets. Other information sources will include:
 - The financial press
 - Share price
 - Information pertaining to the banking sector

Sole reliance will not be placed on the use of these external sources. The council will also use market data and market information, information on sovereign support for banks and the credit ratings of that supporting government.

4. Diversification: this organisation will avoid concentrations of lending and borrowing by adopting a policy of diversification. It will therefore use the following:
 - Maximum amount to be placed with any one institution – higher of £6m or 20% of investment balances.
 - Group limits where a number of institutions are under one ownership – maximum of £6m or 25% of investment balances, whichever is higher.
 - Country limits – excluding UK, a minimum sovereign rating of AA- from Fitch (or equivalent) is required.

5. Investments will not be made with counterparties that do not have a credit rating in their own right, except for Local Authorities. As part of our Treasury Management Consultants credit methodology UK Local Authorities are assigned a colour band 'yellow' (5 years).
6. Maximum maturity periods and amounts to be placed in different types of institutions are in Schedule 1 as follows:

TMP 1 SCHEDULE 1 – SPECIFIED AND NON SPECIFIED INVESTMENTS

The Guidance and CIPFA TM Code distinguishes between specified and non-specified investments, as follows:

- **Specified Investments:** All such investments will be sterling denominated, with maturities up to a maximum of 1 year, meeting the minimum 'high' quality criteria (organisations included with the following colour codings on Link's weekly Credit List also available online) where applicable.
- **Non-specified Investments:** These are investments which do not meet the Specified Investment criteria.

A variety of investment instruments will be used, subject to the credit quality of the institution, and depending on the type of investment made it will fall into one of the above categories.

The criteria, time limits and monetary limits applying to institutions or investment vehicles are:

Organisation	Minimum credit criteria / colour band	Max. Amount per Institution	Max. maturity Period
Term deposits with UK Clearing Banks and UK Building Societies	Purple	£6m or **	Up to 2 years
	Blue	£6m or **	Up to 1 year*
	Orange	£6m or **	Up to 1 year
	Red	£6m or **	Up to 6 months
	Green	£6m or **	Up to 100 days
Term deposits with Other Banks	Orange	£6m or **	Up to 1 year
	Red	£6m or **	Up to 6 months
	Green	£6m or **	Up to 100 days
Certificates of Deposit with UK Clearing Banks and UK Building Societies	Purple	£6m or **	Up to 2 years
	Blue	£6m or **	Up to 1 year*
	Orange	£6m or **	Up to 1 year
	Red	£6m or **	Up to 6 months
	Green	£6m or **	Up to 100 days

*Part Nationalised banks (per 1.1.1).

**£6m or 20% of investment balance per individual counterparty or 25% per whole counterparty group whichever is higher.

Organisation	Minimum credit criteria / colour band	Max. Amount per Institution	Max. maturity Period
UK Local Authorities	Yellow	£6m or ** £6m or **	Up to 5 years Up to 1 year
Ultra-Short Dated Bond with credit score of 1.25	Dark Pink / AAA	£6m or **	liquid
Ultra-Short Dated Bond with credit score of 1.5	Light Pink / AAA	£6m or **	liquid
Money Market Funds - CNAV, LVNAV or VNAV	AAA	£6m or **	liquid

**£6m or 20% of investment balance per individual counterparty or 25% per whole counterparty group whichever is higher.

1.2 Liquidity Risk Management

This is the risk that cash will not be available when it is needed, that ineffective management of liquidity creates additional unbudgeted costs, and that the organisation's business/service objectives will therefore be compromised.

The council will ensure it has adequate though not excessive cash resources, borrowing arrangements, overdraft or standby facilities to enable it at all times to have the level of funds available to it which are necessary for the achievement of its business/service objectives. The council will only borrow in advance of need where there is a clear business case for doing so and will only do so for the current capital programme or to finance future debt maturities.

1.2.1 Amounts of approved minimum cash balances and short-term investments

The Treasury Management section shall seek to minimise the balance held in the council's main bank accounts at the close of each working day. Borrowing or lending shall be arranged in order to achieve this aim.

1.2.2 Details of:

- a) Standby facilities
The council's bank (NatWest) has a facility whereby at the end of each day any surplus funds are transferred to an Investment Account/Call Account.
- b) Bank overdraft arrangements

The council has reviewed the cost effectiveness of operating an agreed overdraft and has decided not to have such an arrangement in place. If the group bank account does become overdrawn there will be a charge of 4% over the base rate.

c) Short-term borrowing facilities

The council accesses temporary loans through approved brokers on the London money market. The approved borrowing limit for short term debt is £14.964m.

d) Insurance/guarantee facilities

There are no specific insurance or guarantee facilities as the above arrangements are regarded as being adequate to cover all unforeseen occurrences.

1.3 Interest Rate Risk Management

There is a risk that fluctuations in the levels of interest rates would create an unexpected or unbudgeted burden on the organisation's finances, against which the organisation has failed to protect itself adequately.

The council will manage its exposure to fluctuations in interest rates with a view to containing its interest costs, or securing its interest revenues, in accordance with the amounts provided in its budgetary arrangements as in accordance with TMP6 Reporting Requirements and Management Information Arrangements.

It will achieve this by the prudent use of its approved financing and investment instruments, methods and techniques, primarily to create stability and certainty of costs and revenues, but at the same time retaining a sufficient degree of flexibility to take advantage of unexpected, potentially advantageous changes in the level or structure of interest rates.

1.3.1 Details of approved interest rate exposure limits

The Treasury Indicators for 2024/25 include a figure of £20.1 million for External Debt – Authorised Limit.

1.3.2 Trigger points and other guidelines for managing changes to interest rate levels

The Treasury Indicators for 2024/25 include a figure of £15.939 million for External Debt – Operational Boundary.

1.3.3 Limits for fixed and variable interest rate exposures

The Prudential Code, revised in 2021, does not require limits to be set for variable and fixed interest rate exposures. However, the council does provide a limit as part of its Treasury Management indicators and this is considered when making new borrowing/investment decisions.

1.3.4 Policies concerning the use of instruments for interest rate management

- a) Forward dealing
Consideration will be given to dealing from forward periods dependent upon market conditions. Forward dealing requires the approval of the Director of Finance and Governance.
- b) Callable deposits:
The council will not use callable deposits as part of its Annual Investment Strategy.
- c) LOBO's (borrowing under lender's option/borrowers option):
Use of LOBO's are not considered as part of the annual borrowing strategy. All borrowing for periods in excess of 364 days requires the approval of the Director of Finance and Governance.

1.4 Exchange Rate Risk Management

The risk that fluctuations in foreign exchange rates create an unexpected or unbudgeted burden on the organisation's finances, against which the organisation has failed to protect itself adequately.

The council will manage its exposure to fluctuations in exchange rates so as to minimise any detrimental impact on its budgeted income/expenditure levels.

1.4.1 Approved criteria for managing changes in exchange rate levels

- a) As a result of the nature of the council's business, the council may have an exposure to exchange rate risk from time to time. This will mainly arise from the receipt of income or the incurring of expenditure in a currency other than sterling. The council will eliminate all foreign exchange exposures as soon as they are identified.
- b) Where there is a contractual obligation to receive income or make a payment in a currency other than sterling at a date in the future, forward foreign exchange transactions will be considered after taking professional advice. Unexpected receipt of foreign currency income will be converted to sterling at the day's rate on which the currency was received. Where the council has a contractual obligation to make a payment in the same currency at a date in the future, then the currency may be held on deposit to meet this expenditure commitment.

1.5 Inflation Risk Management

The council will keep under review the sensitivity of its treasury assets and liabilities to inflation, and will seek to manage the risk accordingly in the context of the whole council's inflation exposures.

1.6 Refinancing Risk Management

The risk that maturing borrowings, capital, project or partnership financings cannot be refinanced on terms that reflect the provisions made by the organisation for such refinancing, both capital and current (revenue), and/or that the terms are inconsistent with prevailing market conditions at the time.

The council will ensure that its borrowing, private financing and partnership arrangements are negotiated, structured and documented, and the maturity profile of the monies so raised are managed, with a view to obtaining offer terms for renewal or refinancing, if required, which are competitive and as favourable to the organisation as can reasonably be achieved in the light of market conditions prevailing at the time.

It will actively manage its relationships with its counterparties in these transactions in such a manner as to secure this objective, and will avoid overreliance on any one source of funding if this might jeopardise achievement of the above.

1.6.1 Debt/Other Capital Financing, Maturity Profiling, Policies and Practices

The council will establish through its Prudential and Treasury Indicators the amount of debt maturing in any year/period.

Any debt rescheduling will be considered when the difference between the refinancing rate and the redemption rate is most advantageous and the situation will be continually monitored in order to take advantage of any perceived anomalies in the yield curve. The reasons for any rescheduling to take place will include:

- a) the generation of cash savings at minimum risk;
- b) to reduce the average interest rate;
- c) to amend the maturity profile and/or the balance of volatility of the debt portfolio

All rescheduling will be reported to Cabinet as soon as possible after the debt rescheduling exercise.

1.6.2 Projected Capital Investment Requirements

The responsible officer will prepare a five year plan for capital expenditure for the council. The capital plan will be used to prepare a five year revenue budget for all forms of financing charges.

The definition of capital expenditure and long term liabilities used in the Code will follow recommended accounting practice as per the Code of Practice on Local Authority Accounting.

1.6.3 Policy Concerning Limits on Affordability and Revenue Consequences of Capital Financing

In considering the affordability of its capital plans, the council will consider all the resources currently available/estimated for the future together with the totality of its capital plans, revenue income and revenue expenditure forecasts for the forthcoming year and the two following years and the impact these will have on council tax. It will also take into account affordability in the longer term beyond this four year period. (Section 7 of the Prudential Code gives examples of matters relevant to the consideration of affordability, although this is not an exhaustive list.)

1.6.4 Set Aside Capital Receipts

The council does not have any requirement to set aside a proportion of its receipts. All of the authority's capital receipts may now be used for either the redemption of debt or financing new capital expenditure as an alternative to new borrowing.

1.7 Legal and Regulatory Risk Management

The risk that the council itself, or an organisation with which it is dealing in its treasury management activities, fails to act in accordance with its legal powers or regulatory requirements, and that the organisation suffers losses accordingly.

The council will ensure that all of its treasury management activities comply with its statutory powers and regulatory requirements. It will demonstrate such compliance, if required to do so, to all parties with whom it deals in such activities. In framing its credit and counterparty policy under TMP1 Treasury Risk Management, it will ensure that there is evidence of counterparties' powers, authority and compliance in respect of the transactions they may effect with the organisation, particularly with regard to duty of care and fees charged.

The council recognises that future legislative or regulatory changes may impact on its treasury management activities and, so far as it is reasonably able to do so, will seek to minimise the risk of these impacting adversely on the organisation.

1.7.1 Legal and Regulatory Risk Management

References to Relevant Statutes and Regulations

The treasury management activities of the council shall comply fully with legal statute, guidance, Codes of Practice and the regulations of the council. These are as follows:

Statutes

Local Government Finance Act 1988 section 114 – duty on the responsible officer to issue a report if the Council is likely to get into a financially unviable position.
Requirement to set a balanced budget - Local Government Finance Act 1992 section 32 for billing authorities and section 43 for major precepting authorities.
Local Government Act 2003

S.I. 2003 No.2938 Local Government Act 2003 (Commencement No.1 and Transitional Provisions and Savings) Order 2003 13.11.03

S.I. 2003 No.3146 Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 and associated commentary 10.12.03

S.I. 2004 No.533 Local Authorities (Capital Finance) (Consequential, Transitional and Savings Provisions) Order 2004 8.3.04

S.I. 2004 No.534 Local Authorities (Capital Finance and Accounting) (Amendment) (England) Regulations 2004 8.3.04

S.I. 2004 no. 3055 The Local Authorities (Capital Finance and Accounting) (Amendment) (England) (No. 2) Regulations 2004

S.I. 2006 no. 521 Local Authorities (Capital Finance and Accounting) (Amendment) (England) Regulations 2006

S.I. 2007 no. 573 Local Authorities (Capital Finance and Accounting) (Amendment) (England) Regulations 2007

Local Government and Public Involvement in Health Act 2007 s238(2) – power to issue guidance; to be used re: MRP

S.I. 2008 no. 414 Local Authorities (Capital Finance and Accounting) (Amendment) (England) Regulations 2008

S.I. 2009 no. 321 Local Authorities (Capital Finance and Accounting) (Amendment) (England) Regulations 2009

S.I. 2009 no. 2272 The Local Authorities (Capital Finance and Accounting) (England) (Amendment) (No.2) Regulations 2009

S.I. 2009 no. 3093 The Local Government Pension Fund Scheme (Management and Investment of Funds) Regulations 2009

S.I. 2010 no. 454 (Capital Finance and Accounting) (Amendment) (England) Regulations 2010

Localism Act 2011

S.I. 2012 no. 265 Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2012

S.I. 2012 No. 711 The Local Authorities (Capital Finance and Accounting) (England) (Amendment) (No. 2) Regulations 2012

S.I. 2012 No. 1324 The Local Authorities (Capital Finance and Accounting) (England) (Amendment) (No.3) Regulations 2012

S.I. 2012 No. 2269 The Local Authorities (Capital Finance and Accounting) (England) (Amendment) (No. 4) Regulations 2012

S.I. 2013 No. 476 The Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2013

S.I. 2015 No. 234 Accounts and Audit Regulations 2015

S.I. 2017 no. 536 The Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2017

S.I. 2018 no. 1207 The Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2018

Statutory Guidance on Investments 2018

Statutory Guidance on MRP 2018

2019 No. 394 Exiting the European Union financial services: The Money Market Funds (Amendment) (EU Exit) Regulations 2019

S.I. 2019 no. 396 The Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2019

Guidance and codes of practice

CLG Revised Guidance on Investments 2018
CLG Guidance on minimum revenue provision – Feb 2012 updated 2018
CIPFA Treasury Management Code of Practice and Guidance Notes 2017
CIPFA Prudential Code for Capital Finance in Local Authorities 2018
CIPFA Treasury Management in the Public Services Guidance Notes 2018
CIPFA Statement 17.10.18 on borrowing in advance of need and investments in commercial properties
CIPFA Bulletin 02 Treasury and Capital Management Update October 2018
CIPFA Local Authority Capital Accounting - a reference manual for practitioners 2016 Edition
CIPFA Guide for Chief Financial Officers on Treasury Management in Local Authorities 1996
CIPFA Standard of Professional Practice on Continuous professional Development Revised 2013
CIPFA Statement of Professional Practice on Ethics 2018
The Good Governance Standard for Public Services 2004
LAAP Bulletins
IFRS - Code of Practice on Local Authority Accounting in the United Kingdom: A Statement of recommended Practice
PWLB circulars on Lending Policy
The Non-Investment Products Code (NIPS) - (formerly known as The London Code of Conduct) for principals and broking firms in the wholesale markets.
Financial Conduct Authority's Code of Market Conduct
The council's Standing Orders relating to Contracts
The council's Financial Regulations
The council's Scheme of Delegated Functions

1.7.2 Procedures for Evidencing the Council's Powers/Authorities to Counterparties

The council's powers to borrow and invest are contained in legislation.
Investing: Local Government Act 2003, section 12
Borrowing: Local Government Act 2003, section 1

In addition, it will make available on request the following: -

- i. the responsibilities and dealing arrangements in relation to treasury management activities which are contained in TMP5
- ii. the document that states which officers are the authorised signatories.

Required Information on Counterparties

Lending shall only be made to counterparties that comply with the council's Credit Worthiness Policy that is based upon the Link colour coded creditworthiness list and consideration of other market information including Country Sovereign ratings etc.

1.7.3 Statement on the Council's Political Risks and Management of Same

The Director of Finance and Governance shall take appropriate action with the council, the Chief Executive and the Leader of the Council to respond to and manage political risks such as change of majority group, leadership in the council, change of Government etc.

1.7.4 Monitoring Officer

The monitoring officer is the AD Governance and Legal; the duty of this officer is to ensure that the treasury management activities of the council are lawful.

1.7.5 Chief Financial Officer

The Chief Financial Officer is the Director of Finance and Governance; the duty of this officer is to ensure that the financial affairs of the council are conducted in a prudent manner and to make a report to the council if they have concerns as to the financial prudence of its actions or its expected financial position.

1.8 Fraud, Error and Corruption, and Contingency Management

There is a risk that an organisation could fail to identify the circumstances in which it may be exposed to the risk of loss through fraud, error, corruption or other eventualities in its treasury management dealings, and fail to employ suitable systems and procedures and maintain effective contingency management arrangements to these ends. This is commonly referred to as operational risk.

The council will ensure that it has identified the circumstances which may expose it to the risk of loss through fraud, error, corruption or other eventualities in its treasury management dealings. Accordingly, it will employ suitable systems and procedures, and will maintain effective contingency management arrangements, to these ends.

The council will therefore:

- a) Seek to ensure an adequate division of responsibilities and maintenance at all times of an adequate level of internal check which minimises such risks.
- b) Fully document all its treasury management activities so that there can be no possible confusion as to what proper procedures are.
- c) Staff will not be allowed to take up treasury management activities until they have had proper training in procedures and are then subject to an adequate and appropriate level of supervision.
- d) Records will be maintained of all treasury management transactions so that there is a full audit trail and evidence of the appropriate checks being carried out.

1.8.1 Details of Systems and Procedures to be followed, including Internet Services

Authority

- Loan and Investment procedures are defined in the council's Financial Regulations and Financial Procedure Rules.
- The Scheme of Delegation to Officers sets out the authority given to the Director of Finance and Governance in relation to arranging the borrowing and investments of the authority. All loans and investments are negotiated by the Director of Finance and Governance or nominated Officers.

Procedures

- A password and PIN is required to access the Bankline system, which is used to make electronic payments.
- A username and password is required to access the SunGard Money Market Portal along with two factor authorisation.
- Payments can only be authorised by agreed officers having previously been notified to the current provider of our banking services and Money Market Portal.

Investment and borrowing transactions

- A detailed spreadsheet of loans and investments is maintained within the Financial Services team. This is regularly reconciled to the ledger.
- The loans spreadsheet is updated to record all lending and borrowing. This includes the date of the transaction, brokerage fees etc.
- Adequate and effective cash flow forecasting records are maintained on spreadsheets to support the decision to lend or borrow.
- Money borrowed or lent that is due to be repaid is recorded in the cash flow forecast.
- Written confirmation of deals is emailed promptly by the lending or borrowing institution.
- A broker note showing details of the loan arranged confirms all transactions placed through the brokers.
- The SunGard Portal, with emailed acknowledgements, confirms all money market transactions.
- Email acknowledgements confirm all fixed term deposits with banking institutions.

Regularity and security

- All lending is only made to institutions on the Approved List.
- All loans raised and repayments made go directly to and from the institution's bank account.
- Authorisation limits are set for every institution.
- Brokers have a list of named officials authorised to perform loan transactions.

- There is adequate insurance cover for employees involved in loan management and accounting.
- The control totals for borrowing and lending are regularly reconciled with the ledger balance sheet codes by the Financial Services team.
- There is a separation of duties in the Section between the recall of MMF's and its checking and authorisation.
- The council's bank holds a list of council officials who are authorised signatories.
- No member of the Treasury Management team, responsible for borrowing and lending, is an authorised signatory.

Checking

- The bank reconciliation is carried out regularly from the bank statement to the financial ledger.
- Balance Sheet ledger codes are reconciled monthly. Working papers are retained for audit inspection.
- A debt charge/investment income listing is produced every time the debt charge/investment income is recalculated for budget monitoring purposes. A debt charge/investment listing is also produced at the financial year-end and this document is retained for audit inspection.
- The method of accounting for unrealised losses or gains on the valuation of assets within the funds will comply with Accounting Codes of Practice by reflecting the market value of the fund in the balance sheet. This will be agreed with council's external auditors.
- We have complied with the requirements of the Code of Practice on Local Authority Accounting and will account for the funds at Fair Value through Profit or Loss. As a result, all gains and losses and interest (accrued and received) will be taken to the Comprehensive Income and Expenditure Statement.

Calculations

- The calculation of repayment of principal and interest notified by the lender or borrower is checked for accuracy against the amount calculated by the Financial Services team.

1.8.2 Emergency and Contingency Planning Arrangements Disaster Recovery Plan

Treasury Management related files (word and excel) are stored on the council's 'J' Drive with arrangements for contingency/back-up. Back up facilities can be accessed off site.

In the event of a 'Bankline System' failure, manual procedures would be followed with information being provided from the council's Bankers by telephone.

All members of the treasury management team are familiar with this plan and new members will be briefed on it.

1.8.3 Insurance Cover Details

The council has 'Fidelity' insurance cover with Zurich Municipal (ZM). This covers the loss of cash by fraud or dishonesty of employees. This cover is as follows:

Type	Limit of indemnity	Excess
Public liability	£25m	£10,000
Officials' indemnity	£5m	£10,000
Employers' liability	£30m	£10,000

Officials Indemnity Insurance

The council also has an 'Officials Indemnity' insurance policy with ZM which covers the loss to the council from any actions and advice of its officers, excluding professional services provided under a written contract or agreement, that are negligent and without due care. This cover is currently limited to £5m for any one event with £10,000 excess.

Public Liability Insurance

The council also has 'Public Liability' cover with ZM which covers the loss to the council from any actions or omissions which could give rise to a claim of negligence as a result of third party financial loss. This cover is currently limited to £25m for any one event with a £10,000 excess.

1.9 Price Market Risk Management

There is a risk that, through adverse market fluctuations in the value of the principal sums an organisation borrows and invests, its stated treasury management policies and objectives are compromised, against which effects it has failed to protect itself adequately.

The council will seek to ensure that its stated treasury management policies and objectives will not be compromised by adverse market fluctuations in the value of the principal sums it invests, and will accordingly seek to protect itself from the effects of such fluctuations.

TMP 2 PERFORMANCE MEASUREMENT

2.1 Evaluation and Review of Treasury Management Decisions

The council has a number of approaches to evaluating treasury management decisions:

- a) reviews with our treasury management consultants;
- b) annual review after the end of the year as reported to Council;
- c) half yearly monitoring reports to Council

2.1.1 Reviews with our treasury management consultants

The treasury management team holds reviews with the Treasury Management consultants every 12 months to review the performance of the investment and debt portfolios.

2.1.2 Annual review after the end of the financial year

An Annual Report on Treasury Management Activity is submitted to Council each year after the close of the financial year which reviews the performance of the debt and investment portfolios. This report contains the following:

- a) total debt and investments at the beginning and close of the financial year and average interest rates
- b) borrowing strategy for the year compared to actual strategy
- c) investment strategy for the year compared to actual strategy
- d) explanations for variance between original strategies and actual
- e) debt rescheduling done in the year
- f) actual borrowing and investment rates achieved through the year
- g) comparison of return on investments to the investment benchmark
- h) compliance with Prudential and Treasury Indicators

2.1.3 Half Yearly Monitoring Reports

A half yearly Report on Treasury Management is submitted to Council in November/December which reviews the performance of the debt and investment portfolios. This report contains the same information as the annual report but only includes information for the first 6 months of the year.

2.2 Benchmarks and Calculation Methodology

2.2.1 Debt Management

Average rate on all external debt.

Average rate on external debt borrowed in previous financial year.

2.2.2 Investment

The performance of in house investment earnings will be measured against the SONIA rate (Sterling Overnight Index Average).

2.3 Policy Concerning Methods for Testing Value for Money in Treasury Management

2.3.1 Frequency and processes for tendering

Link Asset Services were engaged as the council's treasury advisor. The current contract is for three years until 31 March 2026. The service was most recently benchmarked in March 2023 and a further benchmarking exercise is being conducted prior to renewal to ensure value for money is maintained.

2.3.2 Banking services

Whilst the council has been with NatWest for over 25 years, banking services have traditionally been re-tendered or renegotiated every 3 years to ensure that the level of prices reflect efficiency savings achieved by the supplier and current pricing.

In April 2021 the banking contract was re-negotiated for a period of three years, expiring 31/03/2024. A review is on-going to ensure our banking services continue to deliver value for money.

2.3.3 Money-broking services

The council will use money-broking services in order to make deposits or to borrow, and will establish charges for all services prior to using them. An approved list of brokers has been established which takes account of both price and quality of service.

2.3.4 Consultants'/advisors' services

The council's current policy is to appoint professional treasury management consultants (Link Group) and a benchmarking exercise is conducted prior to the end of the contract to ensure value for money. Separate leasing advisory consultants will be appointed where necessary.

2.3.5 Policy on External manager (other than relating to Superannuation Funds)

The council's policy is not to appoint external investment fund managers.

TMP 3 DECISION MAKING AND ANALYSIS

3.1 Funding, Borrowing, Lending, and new Instruments and Techniques:

3.1.1 Records to be kept

All loan transactions are recorded on a spreadsheet within the Cash flow folder on the J drive.

The following records will be used as relative to each loan or investment:

- Daily cash projections
- Money market rates obtained via SunGard website, or by telephone from institutions or brokers
- FisGlobal emails detailing each net trade and authorisation
- Electronic copies of NatWest CHAPS payment transactions
- Dealing slips for all money market transactions
- Brokers' confirmations for investment and temporary borrowing transactions
- Confirmations from borrowing/lending institutions where deals are done directly
- Temporary Lending Authorisation forms
- PWLB loan confirmations
- PWLB debt portfolio schedules

3.1.2 Processes to be pursued

- Cash flow analysis
- Ledger reconciliations
- Review of long-term borrowing requirement as applicable
- Debt and investment maturity analysis
- Monitoring of projected loan charges, interest and expenses costs
- Review of opportunities for debt rescheduling, as applicable
- Collation of a monthly borrowing and lending return

3.1.3 Issues to be addressed

3.1.3.1 In respect of every treasury management decision made the council will:

- a) Above all be clear about the nature and extent of the risks to which the council may become exposed.
- b) Be certain about the legality of the decision reached and the nature of the transaction, and that all authorities to proceed have been obtained.
- c) Be content that the documentation is adequate both to deliver the council's objectives and protect the council's interests, and to deliver good housekeeping.
- d) Ensure that relevant due diligence has taken place.

- e) Ensure that third parties are judged satisfactory in the context of the council's creditworthiness policies, and that limits have not been exceeded.
- f) Be content that the terms of any transactions have been fully checked against the market, and have been found to be competitive.

3.1.3.2 In respect of borrowing and other funding decisions, the council will:

- a) Consider the ongoing revenue liabilities created and the implications for the organisation's future plans and budgets.
- b) Evaluate the economic and market factors that might influence the manner and timing of any decision to finance capital schemes.
- c) Consider the merits and demerits of alternative forms of funding, including funding from revenue, leasing and external grant providers.
- d) Consider the alternative interest rate bases available, the most appropriate periods to fund and repayment profiles to use.

3.1.3.3 In respect of investment decisions, the council will:

- a) Consider the risks to capital and returns and the implications for the organisation's future plans and budgets.
- b) Consider the optimum period, in the light of cash flow availability and prevailing market conditions.
- c) Consider the alternative investment products and techniques available, especially the implications of using any which may expose the organisation to changes in the value of its capital.

TMP 4 APPROVED INSTRUMENTS, METHODS AND TECHNIQUES

4.1 Approved Activities of the Treasury Management Operation

- Borrowing;
- Lending;
- Debt repayment and rescheduling;
- Consideration, approval and use of new financial instruments and treasury management techniques;
- Managing the underlying risk associated with the council's capital financing and surplus funds activities;
- Managing cash flow;
- Banking activities; and
- Leasing.

4.2 Approved Instruments for Investments

The council will undertake its treasury management activities by employing only those instruments, methods and techniques detailed in the Annual Investment Strategy and within the limits and parameters defined in TMP1 Treasury risk management.

4.3 Approved Techniques

Forward dealing up to 364 days.

4.4 Approved Methods and Sources of Raising Capital Finance

Finance will only be raised in accordance with the Local Government Act 2003, and within this limit the council has a number of approved methods and sources of raising capital finance. These are:

On Balance Sheet	Fixed	Variable
PWLB*	●	●
Market (long-term) (Not currently)	●	●
Market (temporary)	●	●
Internal (capital receipts and revenue balances)	●	●
Leasing (finance leases) (Not currently)	●	●
Other Methods of Financing		
Government and Capital Grants		
Lottery monies		
Donations and contributions		
Operating leases (Not currently)		

Borrowing will only be done in Sterling. All forms of funding will be considered dependent on the prevailing economic climate, regulations and local considerations. The Director of Finance and Governance has delegated powers in accordance with Financial Regulations and Financial Procedure Rules, the Scheme of Delegation to Officers and the Treasury Management Strategy to take the most appropriate form of borrowing from the approved sources.

*Recent changes brought in by the Chancellor introduced a prohibition to deny access to borrowing from the PWLB for any local authority which had the purchase of assets for yield in its three-yield capital programme.

4.5 Investment Limits

The Annual Investment Strategy sets out the limits and the guidelines for use of each type of investment instrument.

4.6 Borrowing Limits

See the Treasury Management and Annual Investment Strategy and Prudential and Treasury Indicators.

4.7 MIFID II (Markets in Financial Instruments Directive)

The council has reviewed its classification with financial institutions under MIFID II and is registered as a professional client with the following organisations:

FIS Global (Investment Portal)
RP Martins (Brokers)
Tradition (Brokers)
Deutsche Asset Management (MMF)
Federated (MMF)
Insight Investment (MMF)

The following organisations have informed us that they do not require the council to be registered as a professional client to invest in their Money Market Funds.

LGIM (MMF)
Blackrock (MMF)
Goldman Sachs (MMF)

The council has remained as a retail client with its Treasury Management Consultants Link Asset Services.

The council can chose to opt up from retail to professional status at any point assuming it meets certain criteria and with the agreement of the relevant financial institution.

4.8 Money Market Fund Reform

New Money Market Fund European regulations came into force on 21 July 2018 and existing funds had to be compliant by 21 January 2019. There are now three structural options of MMF's. These are CNAV, (Public Debt Constant Net Asset Value), LVNAV (Low Volatility Net Asset Value) and VNAV (Variable Net Asset Value). The council can invest in CNAV, LVNAV and VNAV MMF's as included in TMP1 Schedule 1.

TMP 5 ORGANISATION, CLARITY AND SEGREGATION OF REPSONSIBILITIES, AND DEALING ARRANGEMENTS

5.1 Allocation of responsibilities

Full Council

- approval of annual strategy
- approval of MRP Policy Statement
- budget consideration and approval
- receive and review the mid-year and annual monitoring report

Cabinet

- receiving and reviewing reports on treasury management policies, practices and activities
- budget consideration and approval
- approval of the division of responsibilities as reflected in TMP5
- approving the selection of external service providers and agreeing terms of appointment

Overview and Scrutiny

- effective scrutiny of the treasury management strategy and policies.

5.2 Principles and Practices Concerning Segregation of Duties

The Director of Finance and Governance authorises all new long-term borrowing.

Transactions relating to pre-existing agreements are delegated to nominated officers within the Financial Services team.

Short-term borrowing and investment is authorised by the Director of Finance and Governance, Assistant Director of Finance, Revenues and Benefits, Assistant Director of Governance and Legal, Legal Services Manager or Principal Accountant Capital and Treasury. A review will be undertaken during the year to benchmark these arrangements with other districts.

The following duties are undertaken by separate officers:

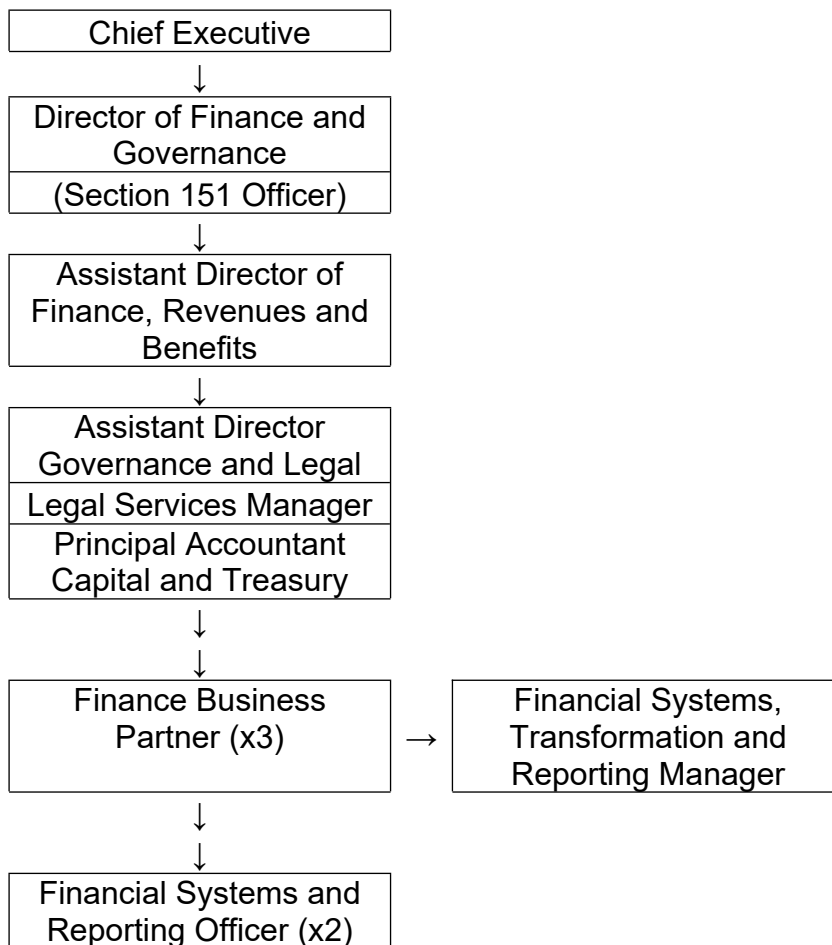
- | | | |
|------------------|---|--|
| Dealing | - | negotiating deals |
| | - | receipt and checking of broker's confirmation against loans spreadsheet |
| | - | reconciliation of control accounts |
| | - | bank reconciliation |
| Accounting Entry | - | processing the expenditure or income i.e. posting the entries into the accounting system |
| Authorising | - | approval and payment |
| | - | approval of deals. |

The table overleaf identifies who performs particular roles within the team.

Function	Chief Executive	Section 151 Officer (Corporate Director of Finance and Governance)	Assistant Director Finance, Revenues and Benefits (Deputy S.151 Officer)	Assistant Director Governance and Legal/ Legal Services Manager Principal Accountant Capital & Treasury	Financial Systems, Transformation and Reporting Manager	Finance Business Partners (x3)	Financial Systems and Reporting Officer (x2)
Adherence to TM Practices, Policies and Strategies	•	•	•				
Ensure regular reports submitted to Cabinet/Council on Treasury Policy, activity and performance	•	•	•				
Revisions of treasury management policy statement, policies and practices		•	•				
Approval of external service providers and agreeing terms of appointment		•	•				

Establishing new banking facilities (e.g. Base Tracker Accounts)		•	•				
Authorisation of Long term borrowing and investing		•	•				
Amending bank mandate		•	•				
Authorisation of short term borrowing and investing		•	•	•			
Bankline - Authorising payments		•	•	•			
Bankline - Creating payments						•	•
SunGard – Authorising transfers		•	•	•			
SunGard – Creating transfers						•	•
Day to day dealing						•	•
Cash flow projections						•	•
Maintenance of loans and investment spreadsheets						•	•
System Administrator (e.g. setting limits, new users)						•	
Responsibility for ensuring Bank Reconciliation performed						•	

5.3 Treasury Management Organisation Chart



5.4 Statement of Treasury Management Duties/Responsibilities of Each Treasury Post

- 5.4.1** The responsible officer is the person charged with the execution and administration of treasury management decisions acting in accordance with the council's policy statement and TMP's and as a CIPFA member, CIPFA's Standard of Professional Practice on Treasury Management. In this council this is the S151 Officer/Director of Finance and Governance or the Deputy S.151 Officer in their absence, who will carry out the following duties:
- a. Recommend clauses, treasury management policy / practices for approval, reviewing the same on a regular basis, and monitoring compliance.
 - b. Submit treasury management policy reports as required.
 - c. Submit budgets and budget variations in accordance with the Financial Regulations and Financial Procedure rules.
 - d. Receive and review management information reports.
 - e. Review the performance of the treasury management function and promote efficiency reviews.
 - f. Ensure the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function.
 - g. Ensure the adequacy of internal audit and liaise with external audit.
 - h. Recommend the appointment of external service providers, where applicable, in accordance with the council's Financial Regulations and Financial Procedure Rules.
 - i. The Director of Finance and Governance has delegated powers through this policy to take the most appropriate form of borrowing from the approved sources, and to make the most appropriate form of investments in approved instruments.
 - j. The Director of Finance and Governance may delegate this power to borrow and invest to certain members of staff as indicated in TMP 5.3 above. All transactions must be authorised by one of the named officers below:
 - Director of Finance and Governance (Section 151 Officer)
 - Assistant Director Finance, Revenues and Benefits
 - Assistant Director Governance and Legal
 - Legal Services Manager
 - Principal Accountant Capital and Treasury
 - k. The Director of Finance and Governance will ensure that the Policy is adhered to, and if not will bring the matter to the attention of elected members as soon as possible.
 - l. Prior to entering into any capital financing, lending or investment transaction, it is the responsibility of the Director of Finance and Governance to be satisfied, by reference to the council's legal department and external advisors as appropriate, that the proposed transaction does not breach any statute, external regulation or the council's Financial Regulations and Financial Procedure Rules.
 - m. It is also the responsibility of the Director of Finance and Governance to ensure that the council complies with the requirements of 'The Non-

Investment Products Code' for principals and broking firms in the wholesale markets.

- n. Prepare a Capital Strategy to include capital expenditure, capital financing and treasury management with a long-term timeframe.
- o. Ensure that the Capital Strategy is prudent, sustainable, affordable and prudent in the long-term and provides value for money.
- p. Ensure that due diligence has been carried out on all investments and is in accordance with the risk appetite of the authority.

5.4.2 Assistant Director of Finance, Revenues and Benefits (or delegated officer)

The responsibilities of this post will be:

- a. Execution of transactions.
- b. Adherence to agreed policies and practices on a day-to-day basis.
- c. Maintaining relationships with third parties and external service providers.
- d. Supervising treasury management staff.
- e. Monitoring performance on a day-to-day basis.
- f. Receives management information reports from the responsible officer.
- g. Identifying and recommending opportunities for improved practices.

5.4.3 Chief Executive

The responsibilities of this post will be:

- a. Ensuring that the Director of Finance and Governance reports regularly to the full council on treasury policy, activity and performance.

5.4.4 The Monitoring Officer (AD Governance and Legal) or Deputy Monitoring Officer (Legal Services Manager)

The responsibilities of this post will be:

- a. Ensuring compliance by the Director of Finance and Governance with the treasury management policy statement and treasury management practices and that they comply with the law.
- b. Being satisfied that any proposal to vary treasury policy or practice complies with law or any code of practice.
- c. Giving advice to the Director of Finance and Governance when advice is sought or required.

5.4.5 Internal Audit

The responsibilities of this post will be:

- a. Reviewing compliance with approved policy and procedures.
- b. Reviewing division of duties and operational practice.
- c. Undertaking probity audit of the treasury function (sampling transactions).

5.5 Absence Cover Arrangements

Refer to the organisation chart at TMP 5.3 above and role responsibilities at TMP 5.4 above.

5.6 Dealing Limits

Persons authorised to deal are identified at TMP 5.3 above and dealing limits are set out in TMP 1.1.1.

5.7 List of Approved Brokers

A list of approved brokers is maintained within the Financial Services team (see TMP 11.1.2) and a record of all transactions recorded against them.

5.8 Policy on Brokers' Services

It is the council's policy to rotate business between brokers in accordance with best practice.

5.9 Policy on Taping of Conversations

It is not council policy to tape broker's conversations.

5.10 Direct Dealing Practices

The council will consider dealing direct with counterparties if it is appropriate and the council believes that better terms will be available. There are certain types of accounts and facilities where direct dealing is required as follows:

- NatWest Call Account and 35 and 95 day Notice Account
- Santander Call Account and Fixed Term Deposit
- Handelsbanken 10 and 35 day Notice Account
- Goldman Sachs International Bank via Link Asset Services to access Tranche rates
- Standard Chartered Bank via Link Asset Services to access Tranche rates
- Bank of Scotland 95 day Notice Account and Overnight Account
- Qatar National Bank
- SunGard Money Market Portal – currently authorised to deal with:
 - i. Deutsche Managed Sterling LVNAV Fund – Advisory
 - ii. Federated (PR) Short-Term GBP Prime Fund Class 3
 - iii. Blackrock ICS Sterling LVNAV Fund – core
 - iv. Goldman Sachs Sterling Reserves Fund 630
 - v. LGIM Sterling Liquidity Fund Class 4
 - vi. Insight Sterling Liquidity Fund Class 5
 - vii. Aberdeen GB Liquidity Fund Class K1

5.11 Settlement Transmission Procedures

Instructions are given by email with payments being transferred by 3.30pm on the same day. In the case of SunGard Money Market transactions, instructions are given via the internet and payments are made by 12.30pm for the Deutsche Managed Sterling LVNAV Fund, 1.30pm for the Federated (PR) Short-Term GBP Prime Fund and 1.00pm for all other funds.

5.12 For each deal undertaken a record should be prepared giving details of the dealer, amount, period, counterparty, interest rate, dealing date, payment date(s) and broker (where applicable).

5.13 Arrangements Concerning the Management of Third-Party Funds

The Authority administers a number of third party funds totalling £111,158 at 31 March 2023. The largest being the North West District Surveyors Association with a balance held of £47,844 and several smaller funds including the Fielden Trust with a balance held of £5,845 at 31 March 2023. The Fielden Trust balance is invested as part of the council's surplus funds and interest is calculated monthly based on council's Natwest Overnight account rate.

TMP 6 REPORTING REQUIREMENTS AND MANAGEMENT INFORMATION ARRANGEMENTS

6.1 Annual Programme of Reporting

The council will ensure that regular reports are prepared and considered on the implementation of its treasury management policies; on the effects of decisions taken and transactions executed in pursuit of those policies; on the implication of changes, particularly budgetary, resulting from regulatory, economic, market or other factors affecting its treasury management activities; and on the performance of the treasury management function.

As a minimum the council will receive:

- a. Annual reporting requirements before the start of the year:
 - i. review of the organisation's approved clauses, treasury management policy statement and practices;
 - ii. prudential and treasury indicators and treasury strategy report incorporating the capital strategy, the minimum revenue provision (MRP), the treasury management strategy and investment strategy.
- b. A mid-year treasury management report
- c. Annual review report after the end of the year

6.2 Annual Treasury Management Strategy

6.2.1 The Treasury Management Strategy sets out the specific expected treasury activities for the forthcoming financial year. This strategy will be submitted to

the Cabinet and then full council for approval before the commencement of each financial year.

6.2.2 The formulation of the annual Treasury Management Strategy involves determining the appropriate borrowing and investment decisions in the light of the anticipated movement in both fixed and shorter-term variable interest rates. For instance, the council may decide to postpone borrowing if fixed interest rates are expected to fall, or borrow early if fixed interest rates are expected to rise.

6.2.3 The Treasury Management Strategy is concerned with the following element

- Prudential and Treasury Indicators
- Current Treasury portfolio position
- Borrowing requirement
- Prospects for interest rates
- Borrowing strategy
- Policy on borrowing in advance of need
- Debt rescheduling
- Investment strategy
- Creditworthiness policy
- Policy on the use of external service providers
- Any extraordinary treasury issue (as necessary)
- The MRP policy statement

6.2.4 The Treasury Management Strategy will establish the expected move in interest rates against alternatives (using all available information such as published interest rate forecasts where applicable) and highlight sensitivities to different scenarios.

6.3 The Annual Investment Strategy Statement

At the same time as the council receives the Treasury Management Strategy it will also receive a report on the Annual Investment Strategy which will set out the following:

- a. The council's risk appetite in respect of security, liquidity and optimum performance
- b. The definition of high credit quality to determine what are specified investments as distinct from non-specified investments
- c. Which specified and non-specified instruments the council will use
- d. Whether they will be used by the in house team, external managers or both (if applicable)
- e. The council's policy on the use of credit ratings and other credit risk analysis techniques to determine creditworthy counterparties
- f. Which credit rating agencies the council will use
- g. How the council will deal with changes in ratings, rating watches and rating outlooks
- h. Limits for individual counterparties and group limits
- i. Country limits
- j. Interest rate outlook
- k. Budgeted investment return

- l. Use of a cash fund manager (if applicable)
- m. Policy on the use of external service providers (if applicable)

6.4 The Annual Minimum Revenue Provision Statement

This statement will set out how the council will make revenue provision for repayment of its borrowing using the four options for so doing and will be submitted at the same time as the Treasury Management and Annual Investment Strategy.

6.5 Policy On Prudential and Treasury Indicators

6.5.1 The council approves before the beginning of each financial year a number of treasury limits referred to as the Prudential and Treasury Indicators.

6.5.2 The Director of Finance and Governance is responsible for incorporating these limits into the Annual Treasury Management Strategy and for ensuring compliance with the limits. Should it prove necessary to amend these limits, the Director of Finance and Governance shall submit the changes for approval to full Council.

6.6 Mid-Year Review

The Council will review its treasury management activities on a six monthly basis. This review will consider the following:

- a. activities undertaken
- b. variations (if any) from agreed policies/practices
- c. interim performance report
- d. regular monitoring
- e. monitoring of treasury management indicators for local authorities

6.7 Annual report on Treasury Management Activity

An annual report will be presented to Council at the earliest practicable meeting after the end of the financial year, but in any case by the end of September. This report will include the following:

- a. Transactions executed and their revenue effects;
- b. Report on risk implications of decisions taken and transactions executed;
- c. Compliance report on agreed policies and practices and all statutory/regulatory requirements;
- d. Performance Report;
- e. Report on compliance with the CIPFA Treasury Management Code; and
- f. Monitoring of treasury management indicators.

6.8 Management Information Reports

Management information reports are prepared quarterly and contain the following information:

- a. A summary of transactions executed, brokers used and fees paid and their revenue effect; and
- b. Measurements of performance such as loan charges/investment income.

6.9 Publication of Treasury Management Reports

Reports presented to council are available to view on the council's website www.wyre.gov.uk

TMP7 BUDGETING, ACCOUNTING AND AUDIT ARRANGEMENTS

7.1 Statutory/Regulatory Requirements

The accounts are drawn up in accordance with the Code of Practice on Local Authority Accounting which is recognised by statute as representing proper accounting practices.

The council has also adopted in full the principles set out in CIPFA's 'Treasury Management in the Public Services - Code of Practice' (the 'CIPFA Code'), together with those of its specific recommendations that are relevant to this council's treasury management activities.

7.2 Sample Budgets / Accounts / Prudential and Treasury Indicators

The Director of Finance and Governance will prepare a five year medium term financial plan with Prudential and Treasury Management Indicators reflecting the overall budget for the current year and provisional estimates for the following four years. This will include the costs involved in running the function and any associated income. The Deputy S.151 Officer will exercise effective controls over this budget and monitor performance against Prudential and Treasury Indicators, and will report upon and recommend any changes required in accordance with TMP6.

7.3 List of Information Required by the External Auditors

- Reconciliation of loans outstanding in the financial ledger to Treasury Management records
- Maturity analysis of loans outstanding
- Certificates for new long term loans taken out in the year
- Reconciliation of loan interest, discounts received and premiums paid to financial ledger by loan type
- Calculation of loans fund interest and debt management expenses
- Details of interest rates applied to internal investments
- Calculation of interest on working balances where applicable
- Interest accrual calculation
- Principal and interest charges reports from Civica
- Analysis of any deferred charges where applicable
- Annual Treasury Report

- Treasury Management and Annual Investment Strategy and Prudential and Treasury Indicators
- Review of observance of limits set by Prudential and Treasury Indicators
- Calculation of the MRP

7.4 Budget Monitoring Report

Year to date and forecast outturn against budget, with variances, are examined in terms of interest and treasury management expenses as part of the council's monthly budget monitoring.

TMP 8 CASH AND CASH FLOW MANAGEMENT

8.1 Arrangements for Preparing/Submitting Cash Flow Statements

Cash flow projections are prepared annually and daily. The annual cash flow projections are prepared from the previous years' cash flow records, adjusted for known changes in levels of income, and expenditure and also changes in payment and receipt dates. These details are supplemented on an ongoing basis by information received of new or revised amounts to be paid or received as and when they are known.

8.2 Bank Statement Procedures

The council downloads data daily from its bank. All amounts on downloads are checked to source data from payroll, creditors etc. A formal bank reconciliation is undertaken on a monthly basis.

8.3 Payment Scheduling and Agreed Terms of Trade with Creditors

In the present economic climate and in line with a request from the Government, we have committed to paying 80% of invoices within 10 days (local performance indicator RES23). In the 2022/23 financial year 67.99% of invoices were paid within 10 days. However, payments to individuals, in relation to refunds are immediate.

8.4 Arrangements for Monitoring Debtor/Creditor levels

Details are passed to the treasury team on a regular basis to assist in updating the cash flow model.

8.5 Procedures for Banking of Funds

All money received by an Officer on behalf of the council will without unreasonable delay be paid into the council's bank accounts via the Financial Services team. The cashier will notify the Financial Services Officer on Monday and Tuesday of cash and cheques banked on the Friday and Monday so that the figures can be taken into account in the daily cash flow.

8.6 Practices Concerning Prepayments to Obtain Benefits

The council has no formal arrangements in place. Where such opportunities arise (for example whereby a payment in advance would secure a further discount) the prepayment would be authorised by the responsible officer.

A report went to Cabinet on 15 February 2017 agreeing prepayment of pension contributions in principle and delegating ultimate authority to the S151 officer to make the final decision. The prepayment of three years' pension contributions (commencing April 2012) was made to the Lancashire County Pension Fund in May 2012. The S151 officer (Corporate Director of Resources) has authorised a further prepayment for the 2023/24–2025/26 contribution which will be paid to the pensions fund in May 2023.

TMP 9 MONEY LAUNDERING

9.1 Proceeds of Crime Act 2002

Money laundering has the objective of concealing the origin of money generated through criminal activity. Legislation has given a higher profile to the need to report suspicions of money laundering. The Proceeds of Crime Act (POCA) 2002 established the main offences relating to money laundering. In summary, these are:

- concealing, disguising, converting, transferring or removing criminal property from England and Wales, from Scotland or from Northern Ireland.
- being concerned in an arrangement which a person knows or suspects facilitates the acquisition, retention, use or control of criminal property
- acquiring, using or possessing criminal property

These apply to any person in the UK in a personal or professional capacity. Any person involved in any known or suspected money-laundering activity in the UK risks a criminal conviction. Other offences under the POCA include:

- failure to disclose money-laundering offences
- tipping off a suspect, either directly or indirectly
- doing something that might prejudice an investigation – for example, falsifying a document.

9.2 The Terrorism Act 2000

This act made it an offence of money laundering to become concerned in an arrangement relating to the retention or control of property likely to be used for the purposes of terrorism, or resulting from acts of terrorism. All individuals and businesses in the UK have an obligation to report knowledge, reasonable grounds for belief or suspicion about the proceeds from, or finance likely to

be used for, terrorism or its laundering, where it relates to information that comes to them in the course of their business or employment.

9.3 The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (amended in 2019)

Organisations pursuing relevant business (especially those in the financial services industry regulated by the FCA) are required to appoint a nominated officer and implement internal reporting procedures; train relevant staff in the subject; establish internal procedures with respect to money laundering; obtain, verify and maintain evidence and records of the identity of new clients and transactions undertaken and report their suspicions. In June 2017 the UK Government published the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017, which replaced the Money Laundering Regulations 2007.

9.4 Local Authorities

Public service organisations and their staff are subject to the full provisions of the Terrorism Act 2000 and may commit most of the principal offences under the Proceeds of Crime Act, but are not legally obliged to apply the provisions of the Money Laundering Terrorist Financing and Transfer of Funds Regulations 2017 (amended in 2019). However, as responsible public bodies, they should employ policies and procedures which reflect the essence of the UK's anti-terrorist financing, an anti-money laundering regime. Accordingly, this council comply and have an Anti-Money Laundering Policy which is reviewed annually by Audit Committee and most recently in November 2022.

9.5 Procedures for Establishing Identity / Authenticity of Lenders

It is not a requirement under POCA for local authorities to require identification from every person or organisation it deals with. However, in respect of treasury management transactions, there is a need for due diligence and this will be affected by following the procedures below.

- The council does not accept loans from individuals. All loans are obtained from the PWLB, other local authorities or from authorised institutions under the Financial Services and Markets Act 2000. This register can be accessed through the Financial Conduct Authority website on www.fca.org.uk.

9.6 Methodologies for Identifying Sources of Deposits

In the course of its Treasury activities, the council will only lend money to or invest with those counterparties that are on its approved lending list. These will be local authorities, the PWLB, Bank of England and authorised deposit takers under the Financial Services and Markets Act 2000. (The Financial Services register can be accessed through the FCA website on www.fca.org.uk.)

All transactions will normally be carried out by BACS/CHAPS for making deposits or repaying loans.

TMP 10 TRAINING AND QUALIFICATIONS

10.1 The council recognises the importance of ensuring that all relevant individuals involved in the treasury management function are fully equipped to undertake the duties and responsibilities allocated to them. There are two categories of relevant individuals:

- a. Treasury management staff employed by the council. All treasury management staff should receive appropriate training relevant to the requirements of their duties at the appropriate time. The council operates a Performance Appraisal Scheme which identifies the training requirements of individual members of staff engaged on treasury related activities.

Additionally, training may also be provided on the job and it will be the responsibility of the Deputy S.151 Officer to ensure that all staff under their authority receive the level of training appropriate to their duties. This will also apply to those staff who, from time to time cover for absences from the treasury management team.

All Financial Services Team members responsible for Treasury Management are invited to attend two Treasury Management Training sessions delivered by Link Asset Services on 31 January 2024 and 1 February 2024. Further training will be arranged as required.

- b. Members charged with governance of the treasury management function. Those charged with governance recognise their individual responsibility to ensure that they have the necessary skills to complete their role effectively. Training will be provided to Members using either in-house or by an external provider.

10.2 Details of Approved Training Courses

Treasury management staff will attend courses provided by our treasury management consultants, CIPFA, etc.

10.3 Records of Training Received by Treasury Staff

Records are maintained within the HR21 system and on individual officers' Personal Development Plans.

10.4 Approved Qualifications for Treasury Staff

Staff involved with the day to day treasury management function, have the following incorporated within their job description:

- To manage the council's day to day investment and borrowing requirements in accordance with the Treasury Management Strategy
- To assist with the drafting of the Treasury Management Strategy and associated Member reports.

10.5 Statement of Professional Practice (SOPP)

1. Where the Chief Financial Officer is a member of CIPFA, there is a professional need for the CFO to be seen to be committed to professional responsibilities through both personal compliance and by ensuring that relevant staff are appropriately trained.
2. Other staff involved in treasury management activities who are members of CIPFA must also comply with the SOPP.

10.6 Member training records

Records will be kept by Democratic Services of all training in treasury management provided to members.

10.7 Members charged with governance

The Overview and Scrutiny Committee has been nominated as the responsible body for ensuring scrutiny of the treasury management strategy and policies. Members charged with diligence also have a personal responsibility to ensure that they have the appropriate skills and training for their role.

TMP 11 USE OF EXTERNAL SERVICE PROVIDERS

11.1 Details of Contracts with Service Providers, Including Bankers, Brokers, Consultants and Advisers

This council recognises that responsibility for treasury management decisions remains with the Council at all times. It recognises that there is potential value in employing external providers to assist it in the field of treasury management. In particular, it will use external consultants to provide specialist advice in this ever more complex area. However, it will ensure that it fully understands what services are being provided and that they meet the needs of this organisation, especially in terms of being objective and free from conflicts of interest. It will also ensure that the terms of their appointment are subject to regular review.

It will also ensure that the skills of the in-house treasury management team are maintained to a high enough level whereby they can provide appropriate challenge to external advice and can avoid undue reliance on such advice.

Treasury management staff and their senior management will therefore be required to allocate appropriate levels of time to using the following sources of

information so that they are able to develop suitable levels of understanding to carry out their duties, especially in challenge and avoiding undue reliance.

- The quality financial press
- Market data
- Information on government support
- The credit ratings of that government support

11.1.1 Banking Service

- a. Name of supplier of service: National Westminster Bank
The branch address is:
Victoria Square
Thornton Cleveleys
FY5 2AL
0845 3021590
- b. Regulatory status – banking institution authorised to undertake banking activities by the FCA
- c. 3 year contract commencing 01/04/2024
- d. Cost of service is variable depending on schedule of tariffs and volumes
- e. Payments due quarterly

11.1.2 Money-broking Services

The council will use money brokers for temporary borrowing and investment and long term borrowing. It will seek to give an even spread of business amongst the following approved brokers.

Name of supplier of service:

- a. RP Martin Brokers (UK) Trading name of BGC Brokers LP
Cannon Bridge House
25 Dowgate Hill
London
EC4R 2BB
0207 469 9000
Regulatory Status: BGC Brokers LP FCA Authorised 454814
- b. Tullett Prebon Europe Ltd
Tullett Prebon Group Ltd
155 Bishopsgate
London
EC2M 3TQ
020 7200 7000
Regulatory Status: FCA Authorised 146880
- c. Tradition UK Ltd
Beaufort House
15 St. Botolph Street
London

EC3A 7QX
0207 377 0050
Regulatory Status: FCA Authorised 13900

When undertaking temporary borrowing, the brokers currently charge commission at 1% of interest due. There is no commission charge for undertaking investment transactions.

11.1.3 Consultants'/advisors' Services

Treasury Consultancy Services

The council will seek to take expert advice on interest rate forecasts, annual treasury management strategy, timing for borrowing and lending, debt rescheduling, use of various borrowing and investment instruments, how to select credit worthy counterparties to put on its approved lending list etc.

- a. Name of supplier of service is: Link Asset Services Limited. Their address is :
6th Floor
65 Gresham Street
London
EC2V 7NQ
0871 664 6800
- b. Regulatory Status: Investment Advisor authorised by the FCA 150403
- c. 3 year contract commenced 01/04/23
- d. Cost of the service is £8,250 per year
- e. Payments due in two instalments in September and March.

11.1.4 Leasing Consultancy Services

The council currently has no requirement for leasing consultancy but previously used Chrystal Consulting. Other Consultancy services may be employed on short-term contracts as and when required.

11.1.5 Custodian Facility

The council will use a Custodian Facility as required when it invests in Certificates of Deposit (CD's).

11.1.6 Credit Rating Agency

The council receives a credit rating service through its treasury management consultants, the cost of which is included in the consultant's annual fee.

11.2 Procedures and Frequency for Tendering Services

The banking contract was renegotiated during the pandemic and a further three year contract commencing 01/04/2021 was entered into with NatWest which is currently under review. The treasury consultancy service was renewed for a three year period commencing 01/04/2023 after a favourable benchmarking exercise. The process for advertising and awarding contracts

will be in line with the Council's Financial Regulations and Financial Procedure Rules.

TMP 12 CORPORATE GOVERNANCE

12.1 List of Documents to be made available for public inspection

- a. The council is committed to the principle of openness and transparency in its treasury management function and in all of its functions.
- b. It has adopted the CIPFA Code of Practice on Treasury Management and implemented key recommendations on developing Treasury Management Practices, formulating a Treasury Management Policy Statement and implementing the other principles of the Code.
- c. The following documents are available for public inspection:
 - Statement of Accounts
 - Revenue Estimates and Capital Programme
 - Medium Term Financial Plan
 - Treasury Management Policy Statement and Practices
 - Treasury Management and Annual Investment Strategy
 - MRP Policy Statement
 - Annual Treasury Management Report
 - Minutes of Council/Cabinet/Overview and Scrutiny Committee Meetings
 - Capital Strategy

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Appendix 3

TREASURY MANAGEMENT STRATEGY AND ANNUAL INVESTMENT STRATEGY 2024/25

1. Introduction

1.1 Background

The council is required to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low risk counterparties or instruments commensurate with the council's low risk appetite, providing adequate liquidity initially before considering investment return.

The second main function of the treasury management service is the funding of the council's capital plans. These capital plans provide a guide to the borrowing need of the council, essentially the longer-term cash flow planning, to ensure that the council can meet its capital spending obligations. This management of longer-term cash may involve arranging long or short-term loans, or using longer-term cash flow surpluses. On occasion, when it is prudent and economic, any debt previously drawn may be restructured to meet council risk or cost objectives.

The contribution the treasury management function makes to the authority is critical, as the balance of debt and investment operations ensure liquidity or the ability to meet spending commitments as they fall due, either on day-to-day revenue or for larger capital projects. The treasury operations will see a balance of the interest costs of debt and the investment income arising from cash deposits affecting the available budget. Since cash balances generally result from reserves and balances, it is paramount to ensure adequate security of the sums invested, as a loss of principal will in effect result in a loss to the General Fund Balance.

CIPFA defines treasury management as:

“The management of the local authority's borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”

This authority has not engaged in any commercial investments and has no non-treasury investments.

1.2 Reporting requirements

1.2.1 Capital Strategy

The 2021 CIPFA Prudential and Treasury Management Codes require all local authorities to prepare a capital strategy report which will provide the following:

- A high-level long term overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services
- An overview of how associated risk is managed
- The implication for future sustainability

The aim of this capital strategy is to ensure that all elected members on full council fully understand the overall long-term policy objectives and resulting capital strategy requirements, governance procedures and risk appetite.

1.2.2 Treasury Management Reporting

The council is currently required to receive and approve, as a minimum, three main treasury reports each year, which incorporate a variety of policies, estimates and actuals.

a. Prudential and treasury indicators and treasury strategy (this report) –

The first, and most important report is forward looking and covers:

- The capital plans (including prudential indicators)
- A minimum revenue provision (MRP) policy (how residual capital expenditure is charged to revenue over time)
- The Treasury Management Strategy, (how the investments and borrowing are to be organised) including treasury indicators; and
- An Annual Investment Strategy (the parameters on how investments are to be managed).

b. A mid-year treasury management report – This is primarily a progress report and will update members on the capital position, amending prudential indicators as necessary, and whether any policies require revision.

c. An annual treasury report – This is a backward looking review document and provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy.

1.2.3 Scrutiny

The above reports are required to be adequately scrutinised before being recommended to the council. This role is undertaken by the Overview and Scrutiny Committee.

1.2.4 Quarterly reports

In addition to the three major reports detailed above, quarterly reporting of our prudential indicators is also required. However, these additional reports do not have to be reported to Full Council but do need to be adequately scrutinised. This role is undertaken by Overview and Scrutiny Committee based on reports to Cabinet.

1.3 Treasury Management Strategy for 2024/25

The strategy for 2024/25 covers two main areas:

1.3.1 Capital issues

- The capital expenditure plans and the associated prudential indicators;
- The minimum revenue provision (MRP) policy.

1.3.2 Treasury management issues

- The current treasury position;
- Treasury indicators which limit the treasury risk and activities of the council;
- Prospects for interest rates;
- The borrowing strategy;
- Policy on borrowing in advance of need;
- Debt rescheduling;
- The investment strategy;
- Creditworthiness policy; and
- The policy on use of external service providers.

These elements cover the requirements of the Local Government Act 2003, the CIPFA Prudential Code, DLUHC MRP Guidance, the CIPFA Treasury Management Code and DLUHC Investment Guidance.

1.4 Training

The CIPFA Treasury Management Code requires the responsible officer to ensure that members with responsibility for treasury management receive adequate training in treasury management. This especially applies to members responsible for scrutiny.

Furthermore, pages 47 and 48 of the Code state that they expect “all organisations to have a formal and comprehensive knowledge and skills or training policy for the effective acquisition and retention of treasury management knowledge and skills for those responsible for management, delivery, governance and decision making.

The scale and nature of this will depend on the size and complexity of the organisation’s treasury management needs. Organisations should consider how to assess whether treasury management staff and members have the required knowledge and skills to undertake their roles and whether they have been able to maintain those skills and keep them up to date.

As a minimum, authorities should carry out the following to monitor and review knowledge and skills:

- Record attendance at training and ensure action is taken where poor attendance is identified.
- Prepare tailored learning plans for treasury management officers and members.
- Require treasury management officers and members to undertake self-assessment against the required competencies (as set out in the schedule that may be adopted by the organisation).
- Have regular communication with officers and members, encouraging them to highlight training needs on an ongoing basis.”

In further support of the revised training requirements, CIPFA’s Better Governance Forum and Treasury Management Network have produced a ‘self-assessment by members responsible for the scrutiny of treasury management’, which is available from the CIPFA website to download.

Members will be offered Treasury Management Training in 2024, having last undertaken this prior to the May 2023 election.

The training needs of treasury management officers are periodically reviewed.

A formal record of the training received by officers central to the Treasury function will be maintained. Similarly, a formal record of the treasury management/capital finance training received by members will also be maintained.

1.5 Treasury management consultants

The council uses Link Group, Treasury Solutions Ltd as its external treasury management advisors.

The council recognises that responsibility for treasury management decisions remains with the organisation at all times and will ensure that undue reliance is not placed upon the services of our external service providers. All decisions will be undertaken with regards to all available information, including, but not solely, our treasury advisers.

It also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented and subjected to regular review.

2. The Capital Prudential Indicators

The council's capital expenditure plans are the key driver of treasury management activity. The output of the capital expenditure plans is reflected in the prudential indicators, which are designed to assist members' overview and confirm capital expenditure plans. The Prudential Indicators, capital expenditure plans and how these plans are being financed by capital or revenue resources were approved by Cabinet at its meeting on 10 January 2024.

2.1 Capital Expenditure

This prudential indicator is a summary of the council's capital expenditure plans, both those agreed previously, and those forming part of this budget cycle.

Capital expenditure	2022/23 Actual £000	2023/24 Estimate £000	2024/25 Estimate £000	2025/26 Estimate £000	2026/27 Estimate £000	2027/28 Estimate £000	2028/29 Estimate £000
TOTAL	13,357	18,027	19,952	20,267	9,618	2,387	2,387

Other long-term liabilities – The above financing need excludes other long-term liabilities, such as PFI and leasing arrangement that already include borrowing instruments (not currently applicable to Wyre).

The table below summarises the above capital expenditure plans and how these plans are being financed by capital or revenue resources. Any shortfall of resources results in a funding borrowing need.

	2022/23 Actual £000	2023/24 Estimate £000	2024/25 Estimate £000	2025/26 Estimate £000	2026/27 Estimate £000	2027/28 Estimate £000	2028/29 Estimate £000
Capital Receipts	-883	-1,835	0	0	0	0	0
Capital Grants and Contributions	-9340	-15,624	-19,650	-20,252	-9,214	-2,080	-2,080
Revenue/Reserves	-3,074	-569	-303	-215	-405	-307	-307
Total	-13,357	-18,027	-19,952	-20,267	-9,618	-2,387	-2,387
Net financing need for the year	0	0	0	0	0	0	0

2.2 The council's borrowing need (the Capital Financing Requirement)

The second prudential indicator is the council's Capital Financing Requirement (CFR). The CFR is simply the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the council's indebtedness and so it's underlying borrowing need. Any capital expenditure above, which has not immediately been paid for through a revenue or capital resource, will increase the CFR.

The CFR does not increase indefinitely, as the Minimum Revenue Provision (MRP) is a statutory annual revenue charge which broadly reduces the indebtedness in line with each asset's life, and so charges the economic consumption of capital assets as they are used.

The CFR includes any other long-term liabilities (e.g. PFI schemes, finance leases). Whilst these increase the CFR, and therefore the council's borrowing requirement, these types of scheme include a borrowing facility by the PFI, PPP lease provider and so the council is not required to separately borrow for these schemes. The council does not currently have any such schemes within the CFR.

	2022/23 Actual £000	2023/24 Estimate £000	2024/25 Estimate £000	2025/26 Estimate £000	2026/27 Estimate £000	2027/28 Estimate £000	2028/29 Estimate £000
Total CFR	10,877	10,780	10,696	10,633	10,558	10,483	10,403
Movement in CFR	-96	-96	-90	-79	-79	-79	-79

Movement in CFR represented by:

	2022/23 Actual £000	2023/24 Estimate £000	2024/25 Estimate £000	2025/26 Estimate £000	2026/27 Estimate £000	2027/28 Estimate £000	2028/29 Estimate £000
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MRP and other financing movements	-96	-96	-90	-79	-79	-79	-79
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2.3 Liability Benchmark

The Authority is required to estimate and measure the Liability Benchmark for the forthcoming financial year and the following two financial years, as a minimum.

There are four components to the LB: -

1. Existing loan debt outstanding: the Authority's existing loans that are still outstanding in future years.
2. Loans CFR: this is calculated in accordance with the loans CFR definition in the Prudential Code and projected into the future based on approved prudential borrowing and planned MRP.
3. Net loans requirement: this will show the Authority's gross loan debt less treasury management investments at the last financial year-end, projected into the future and based on its approved prudential borrowing, planned MRP and any other major cash flows forecast.
4. Liability benchmark (or gross loans requirement): this equals net loans requirement plus short-term liquidity allowance.

2.4 Core funds and expected investment balances

The application of resources (capital receipts, reserves etc.) to either finance capital expenditure or other budget decisions to support the revenue budget will have an ongoing impact on investments unless resources are supplemented each year from new sources (asset sales etc.). Detailed below are estimates of the year-end balances for each resource and anticipated day-to-day cash flow balances.

	2022/23 Actual £000	2023/24 Estimate £000	2024/25 Estimate £000	2025/26 Estimate £000	2026/27 Estimate £000	2027/28 Estimate £000	2028/29 Estimate £000
Fund balances/ reserves	33,394	33,474	32,802	30,210	25,983	21,179	16,399
Capital receipts	5,728	3,893	3,893	3,893	3,893	3,893	3,893
Provisions	2,497	1,642	1,984	2,304	2,624	2,944	3,264
Total core funds	41,619	39,009	38,679	36,407	32,500	28,016	23,556
Working capital*	711	1,000	1,000	1,000	1,000	1,000	1,000
Expected Investments	42,330	40,009	39,679	37,407	33,550	29,016	24,556

*Working capital balances shown are estimated year-end; these may be higher mid-year.

2.5 Minimum Revenue Provision Policy Statement

Under Regulation 27 of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003, where the Authority has financed capital expenditure by borrowing it is required to make a provision each year through a revenue charge (MRP).

The Authority is required to calculate a prudent provision of MRP which ensures that the outstanding debt liability is repaid over a period that is reasonably commensurate with that over which the capital expenditure provides benefits. The MRP Guidance (2018) gives four ready-made options for calculating MRP, but the Authority can use any other reasonable basis that it can justify as prudent.

The MRP policy statement requires full council approval (or closest equivalent level) in advance of each financial year.

The Council is recommended to approve the following MRP Statement.

For expenditure incurred before 1 April 2008 which forms part of supported capital expenditure, the MRP policy will be:

- 4% reducing balance (regulatory method) - MRP will follow the historical practice outlined in former regulations as 4% of the opening GF CFR balance less adjustment A.

From 1 April 2008 for all unsupported borrowing the MRP policy will be:

- Asset life method (straight line) – MRP will be based on the estimated life of the assets.

Capital expenditure incurred during 2024/25 will not be subject to an MRP charge until 2024/25, or in the year after the asset becomes operational.

The Authority will apply the asset life method for any expenditure capitalised under a Capitalisation Direction.

For capital expenditure on loans to third parties where the principal element of the loan is being repaid in annual instalments, the capital receipts arising from the principal loan repayments will be used to reduce the CFR instead of MRP.

Where no principal repayment is made in a given year, MRP will be charged at a rate in line with the life of the assets funded by the loan.

Under the MRP guidance, any charges made in excess of the statutory MRP can be made, known as voluntary revenue provision (VRP).

VRP can be reclaimed in later years if deemed necessary or prudent. In order for these amounts to be reclaimed for use in the budget, this policy must disclose the cumulative overpayment made each year.

3. Borrowing

The capital expenditure plans set out in Section 2 provide details of the service activity of the council. The treasury management function ensures that the council's cash is organised in accordance with the relevant professional codes, so that sufficient cash is available to meet this service activity and the council's capital strategy. This will involve both the organisation of the cash flow and, where capital plans require, the organisation of appropriate borrowing facilities. The strategy covers the relevant treasury / prudential indicators, the current and projected debt positions and the annual investment strategy.

3.1 The overall treasury management portfolio as at 31 March 2023 and for the position as at 31 December 2023 are shown below for both borrowing and investments.

Treasury Portfolio				
Treasury Investments	Actual 31/03/2023 £000	Actual 31/03/2023 %	Current 31/12/2023 £000	Current 31/12/2023 %
Banks	23,000	50%	22,818	44%
Money Market Funds	23,000	50%	29,000	56%
Total Treasury Investments	46,000		51,818	
External Borrowing	-		-	
Net Treasury Investments	46,000		51,818	

The council's forward projections for borrowing are summarised below. The table shows the actual external debt, against the underlying capital borrowing need, (the Capital Financing Requirement – CFR), highlighting any over or under borrowing.

	2022/23 Actual £000	2023/24 Estimate £000	2024/25 Estimate £000	2025/26 Estimate £000	2026/27 Estimate £000	2027/28 Estimate £000	2028/29 Estimate £000
External Debt at 1 April	0	0	0	0	0	0	0
Expected change in External Debt	0	0	0	0	0	0	0
Other Long Term Liabilities (OLTL)	10	50	50	50	50	50	50
Expected change in OLTL	0	0	0	0	0	0	0
Actual Gross Debt at 31 March	10	50	50	50	50	50	50
Capital Financing Req.	10,877	10,780	10,696	10,633	10,558	10,483	10,403
Under/(over) Borrowing	10,867	10,730	10,646	10,583	10,508	10,433	10,353

Within the range of prudential indicators there are a number of key indicators to ensure that the council operates its activities within well-defined limits. One of these is that the council needs to ensure that its gross debt does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2024/25 and the following two financial years. This allows some flexibility for limited early borrowing for future years but ensures that borrowing is not undertaken for revenue or speculative purposes.

The S.151 Officer reports that the council complied with this prudential indicator in the current year and does not envisage difficulties for the future. This view takes into account current commitments, existing plans, and the proposals in this budget report.

3.2 Treasury Indicators: Limits to Borrowing Activity

The operational boundary. This is the limit beyond which external debt is not normally expected to exceed. In most cases, this would be a similar figure to the CFR, but may be lower or higher depending on the levels of actual debt and the ability to fund under-borrowing by other cash resources.

	2023/24 Estimate £000	2024/25 Estimate £000	2025/26 Estimate £000	2026/27 Estimate £000	2027/28 Estimate £000	2028/29 Estimate £000
Debt	14,914	15,889	16,679	17,485	17,485	17,485
Other Long Term Liabilities (Deferred Liabilities)	50	50	50	50	50	50
Total Operational Boundary	14,964	15,939	16,729	17,535	17,535	17,535

The authorised limit for external debt. This is a key prudential indicator and represents a control on the maximum level of borrowing. This represents a legal limit beyond which external debt is prohibited, and this limit needs to be set or revised by the full council. It reflects the level of external debt which, while not desired, could be afforded in the short term, but it not sustainable in the longer term.

1. This is the statutory limit determined under section 3 (1) of the Local Government Act 2003. The Government retains an option to control either the total of all council's plans, or those of a specific council, although this power has not yet been exercised.
2. The council is asked to approve the following authorised limit:

	2023/24 Estimate £000	2024/25 Estimate £000	2025/26 Estimate £000	2026/27 Estimate £000	2027/28 Estimate £000	2028/29 Estimate £000

Debt	20,000	20,000	20,000	20,000	20,000	20,000
Other Long Term Liabilities	100	100	100	100	100	100
Total Authorised Limit	20,100	20,100	20,100	20,100	20,100	20,100

3.3 Prospects for Interest Rates

The council has appointed Link Group as its treasury advisor and part of their service is to assist the council to formulate a view on interest rates. The following table gives their central view.

Annual Average % as at the quarter ending:	Bank Rate %	PWLB Rates % as at November 2023			
		5 year	10 year	25 year	50 year
Dec 2023	5.25	5.00	5.10	5.50	5.30
March 2024	5.25	4.90	5.00	5.30	5.10
June 2024	5.25	4.80	4.80	5.10	4.90
Sept 2024	5.00	4.70	4.70	4.90	4.70
Dec 2024	4.50	4.40	4.40	4.70	4.50
March 2025	4.00	4.20	4.20	4.50	4.30
June 2025	3.50	4.00	4.00	4.30	4.10
September 2025	3.25	3.80	3.80	4.20	4.00
December 2025	3.00	3.70	3.70	4.10	3.90
March 2026	3.00	3.60	3.70	4.10	3.90
June 2026	3.00	3.50	3.60	4.00	3.80
September 2026	3.00	3.50	3.60	4.00	3.80
December 2026	3.00	3.50	3.60	4.00	3.80

The central forecast for interest rates was previously updated on 25 September and reflected a view that the Monetary Policy Committee (MPC) would be keen to further demonstrate its anti-inflation credentials by keeping Bank Rate at 5.25% until at least the second half of 2024. There is an expectation for rate cuts to start when both the CPI inflation and wage/employment data are supportive of such a move, and that there is a likelihood of the overall economy enduring at least a mild recession over the coming months, although most recent GDP releases have surprised with their on-going robustness.

Naturally, timing on this matter will remain one of fine judgment: cut too soon, and inflationary pressures may well build up further; cut too late and any downturn or recession may be prolonged.

In the upcoming months, the forecasts will be guided not only by economic data releases and clarifications from the MPC over its monetary policies and the Government over its fiscal policies, but also international factors such as policy development in the US and Europe, the provision of fresh support packages to

support the faltering recovery in China as well as the on-going conflict between Russia and Ukraine, and Gaza and Israel.

On the positive side, consumers are still anticipated to be sitting on some excess savings left over from the pandemic, which could cushion some of the impact of the above challenges and may be the reason why the economy is performing somewhat better at this stage of the economic cycle than may have been expected. However, as noted previously, most of those excess savings are held by more affluent households whereas lower income families already spend nearly all their income on essentials such as food, energy and rent/mortgage payments.

PWLB rates

- Gilt yield curve movements have broadened recently. The short part of the curve has not moved far but the longer-end continues to reflect inflation concerns. At the time of writing there is 60 basis points difference between the 5 and 50 year parts of the curve.

The balance of risks to the UK economy:

- The overall balance of risks to economic growth in the UK is to the downside.

Downside risks to current forecasts for UK gilt yields and PWLB rates include:

- Labour and supply shortages prove more enduring and disruptive and depress economic activity (accepting that in the near-term this is also an upside risk to inflation and, thus, rising gilt yields).
- The Bank of England increases Bank Rate too fast and too far over future months, and subsequently brings about a deeper and longer UK recession than we currently anticipate.
- UK / EU trade arrangements – if there was a major impact on trade flows and financial services due to complications or lack of co-operation in sorting out significant remaining issues.
- Geopolitical risks, for example in Ukraine/Russia, China/Taiwan/US, Iran, North Korea and Middle Eastern countries, which could lead to increasing safe-haven flows.

Upside risks to current forecasts for UK gilt yields and PWLB rates:

- Despite the recent tightening to 5.25%, the Bank of England proves too timid in its pace and strength of increases in Bank Rate and, therefore, allows inflationary pressures to remain elevated for a longer period within the UK economy, which then necessitates Bank Rate staying higher for longer than we currently project.

- The pound weakens because of a lack of confidence in the UK Government's pre-election fiscal policies, resulting in investors pricing in a risk premium for holding UK sovereign debt.
- Longer-term US treasury yields rise strongly if inflation remains more stubborn there than the market currently anticipates, consequently pulling gilt yields up higher.
- Projected gilt issuance, inclusive of natural maturities and QT, could be too much for the markets to comfortably digest without higher yields compensating.

Link group forecasts

The expectation is that the MPC will keep the Bank Rate at 5.25% for the first half of 2024 to combat on-going inflationary and wages pressures. There is no expectation that the MPC will increase the Bank Rate above 5.25%, but it is not impossible.

Gilt yields and PWLB rates

The overall longer-run trend is for gilt yields and PWLB rates to fall back over the timeline of the forecasts, as inflation starts to fall through 2024.

Target borrowing rates are set two years forward (as we expect rates to fall back) and the current PWLB (certainty) borrowing rates are set out below: -

PWLB debt	Target borrowing rate now (end of Q3 2025)	Target borrowing rate previous (end of Q3 2025)
5 years	3.80%	3.90%
10 years	3.80%	3.80%
25 years	4.20%	4.10%
50 years	4.00%	3.90%

Borrowing advice: Our long-term (beyond 10 years) forecast for Bank Rate has increased from 2.75% to 3% and reflects Capital Economics' research that suggests AI and general improvements in productivity will be supportive of a higher neutral interest rate. As all PWLB certainty rates are currently significantly above this level, borrowing strategies will need to be reviewed in that context. Overall, better value can generally be obtained at the shorter end of the curve and short-dated fixed LA to LA monies should be considered. Temporary borrowing rates will remain elevated for

some time to come but may prove the best option whilst the market continues to wait for inflation, and therein gilt yields, to drop back later in 2024.

Our suggested budgeted earnings rates for investments up to about three months' duration in each financial year are rounded to the nearest 10bps and set out below. You will note that investment earnings have been revised somewhat higher for all years from 2025/26 as Bank Rate remains higher for longer.

Average earnings in each year	Now	Previously
2023/24 (residual)	5.30%	5.30%
2024/25	4.70%	4.70%
2025/26	3.20%	3.00%
2026/27	3.00%	2.80%
2027/28	3.25%	3.05%
Years 6 to 10	3.25%	3.05%
Years 10+	3.25%	3.05%

As there are so many variables at this time, caution must be exercised in respect of all interest rate forecasts.

The interest rate forecast for Bank Rate is in steps of 25 bps, whereas PWLB forecasts have been rounded to the nearest 10 bps and are central forecasts within bands of + / - 25 bps. Naturally, events will be monitored and forecasts updated as and when appropriate.

3.4 Borrowing Strategy

The council is currently maintaining an under-borrowed position. This means that the capital borrowing need, (the Capital Financing Requirement), has not been fully funded with loan debt as cash supporting the Authority's reserves, balances and cash flow has been used as a temporary measure. This strategy is prudent as medium and longer dated borrowing rates are expected to fall from their current levels once prevailing inflation concerns are addressed by tighter near-term monetary policy. That is, Bank Rate remains elevated through to the second half of 2024.

Against this background and the risks within the economic forecast, caution will be adopted with the 2024/25 treasury operations. The S.151 Officer will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances:

- if it was felt that there was a significant risk of a sharp fall in borrowing rates, then borrowing will be postponed.

- if it was felt that there was a significant risk of a much sharper rise in borrowing rates than that currently forecast, fixed rate funding will be drawn whilst interest rates are lower than they are projected to be in the next few years.

Any decisions will be reported to Council at the next available opportunity.

The council doesn't have any plans in the short to medium term to undertake any further borrowing.

3.5 Policy on borrowing in advance of need

The Authority will not borrow more than or in advance of its needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be within forward approved Capital Financing Requirement estimates and will be considered carefully to ensure that value for money can be demonstrated and that the Authority can ensure the security of such funds.

Risks associated with any borrowing in advance activity will be subject to prior appraisal and subsequent reporting through the mid-year or annual reporting mechanism.

3.6 Debt rescheduling

The council is debt free. This doesn't currently apply.

3.7 New Financial institutions as a source of borrowing and/or types of borrowing

Currently the PWLB Certainty Rate is set at gilts + 80 basis points. However, consideration may still need to be given to sourcing funding from the following sources for the following reasons:

- Local authorities (primarily shorter dated maturities out to 3 years or so – generally still cheaper than the Certainty Rate).
- Financial institutions (primarily insurance companies and pension funds but also some banks, out of forward dates where the objective is to avoid a “cost of carry” or to achieve refinancing certainty over the next few years).

Advisors will keep the council informed as to the relative merits of each of these alternative funding sources.

3.8 Approved Sources of Long and Short-term Borrowing

On Balance Sheet	Fixed	Variable
PWLB	●	●

UK Municipal Bond Agency	●	●
Local Authorities	●	●
Banks	●	●
Pension Funds	●	●
Insurance Companies	●	●
UK Infrastructure Bank	●	●
Market (long-term)	●	●
Market (temporary)	●	●
Market (LOBOs)	●	●
Stock Issues	●	●
Local Temporary	●	●
Local Bonds	●	
Local Authority Bills	●	●
Overdraft		●
Negotiable Bonds	●	●
Internal (capital receipts & revenue balances)	●	●
Commercial Paper	●	
Medium Term Notes	●	
Finance Leases	●	●

4. Annual Investment Strategy

4.1 Investment policy – management of risk

The Department of Levelling Up, Housing and Communities (DLUHC - this was formerly the Ministry of Housing, Communities and Local Government (MHCLG)) and CIPFA have extended the meaning of ‘investments’ to include both financial and non-financial investments. This report deals solely with treasury (financial) investments, (as managed by the treasury management team). Non-financial investments, essentially the purchase of income yielding assets, are covered in the Capital Strategy.

The council’s investment policy has regard to the following:

- DLUHC’s Guidance on Local Government Investments (“the Guidance”)
- CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes 2021 (“the Code”)
- CIPFA Treasury Management Guidance Notes 2021

The council’s investment priorities will be security first, portfolio liquidity second and then yield (return). The council will aim to achieve the optimum return (yield) on its investments commensurate with proper levels of security and liquidity and with the council’s risk appetite.

In the current economic climate, it is considered appropriate to maintain a degree of liquidity to cover cash flow needs but to also consider “laddering” investments for periods up to 12 months with high credit rated financial institutions, whilst investment rates remain elevated, as well as wider range fund options.

The above guidance from the DLUHC and CIPFA places a high priority on the management of risk. This authority has adopted a prudent approach to managing risk and defines its risk appetite by the following means:

1. Minimum acceptable credit criteria are applied in order to generate a list of highly creditworthy counterparties. This also enables diversification and thus avoidance of concentration risk. The key ratings used to monitor counterparties are the short-term and long-term ratings.
2. Other information: ratings will not be the sole determinant of the quality of an institution; it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To achieve this consideration the Authority will engage with its advisors to maintain a monitor on market pricing such as “credit default swaps” and overlay that information on top of the credit ratings.
3. Other information sources used will include the financial press, share price and other such information pertaining to the financial sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.
4. This Authority has defined the list of types of investment instruments that the treasury management team are authorised to use and are listed in Treasury Management Practices (TMP) Schedule 1 under the categories of ‘specified’ and ‘non-specified’ investments.

Specified investments are those with a high level of credit quality and subject to a maturity limit of one year or have less than a year left to run to maturity, if originally they were classified as being non-specified investments solely due to the maturity period exceeding one year.

Non-specified investments are those with less high credit quality, may be for periods in excess of one year, and/or are more complex instruments which require greater consideration by members and officers before being authorised for use.

5. Non-specified and loan investment limits. The Authority has determined that it will set a limit to the maximum exposure of the total treasury management investment portfolio to non-specified treasury management investments of Y%.
6. Lending limits, (amounts and maturity), for each counterparty will be set through applying the matrix table in paragraph 4.2.
7. Transaction limits are set for each type of investment in 4.2.
8. This Council will set a limit for its investments which are invested for longer than 365 days (see paragraph 4.4).
9. Investments will only be placed with counterparties from countries with a specified minimum sovereign rating (see paragraph 4.3).
10. This Authority has engaged external consultants (see paragraph 1.5), to provide expert advice on how to optimise an appropriate balance of security, liquidity and yield, given the risk appetite of this Authority in the context of the expected level of cash balances and need for liquidity throughout the year.
11. All investments will be denominated in sterling.
12. As a result of the change in accounting standards for 2022/23 under IFRS 9, this Authority will consider the implications of investment instruments which could result in an adverse movement in the value of the amount invested and resultant charges at the end of the year to the General Fund. (In November 2018, the MHCLG, concluded a consultation for a temporary override to allow English local authorities time to adjust their portfolio of all pooled investments by announcing a statutory override to delay implementation of IFRS 9 for five years ending 31/03/23. More recently, a further extension to the over-ride to 31/03/2025 has been agreed by Government).

However, this Authority will also pursue value for money in treasury management and will monitor the yield from investment income against appropriate benchmarks for investment performance, (see paragraph 4.5). Regular monitoring of investment performance will be carried out during the year.

Changes in risk management policy from last year.

The above criteria are unchanged from last year.

4.2 Creditworthiness Policy

This council applies the creditworthiness service provided by the Link Group. This service employs a sophisticated modelling approach utilising credit ratings from the three main credit rating agencies - Fitch, Moody's and Standard & Poor's. The credit ratings of counterparties are supplemented with the following overlays:

- "watches" and "outlooks" from credit rating agencies;
- CDS spreads that may give early warning of changes in credit ratings;
- sovereign ratings to select counterparties from only the most creditworthy countries.

This modelling approach combines credit ratings and any assigned Watches and Outlooks in a weighted scoring system which is then combined with an overlay of CDS spreads. The end product of this is a series of colour coded bands which indicate the relative creditworthiness of counterparties. These colour codes are used by the council to determine the suggested duration for investments. The council will, therefore, use counterparties within the following durational bands:

Yellow	5 years (only local authorities)
Dark pink	5 years for Ultra-Short Dated Bond Funds with a credit score of 1.25
Light pink	5 years for Ultra-Short Dated Bond Funds with a credit score of 1.5
Purple	2 years
Blue	1 year (only applies to nationalised or part nationalised UK Banks)
Orange	1 year
Red	6 months
Green	100 days
No colour	not to be used

The Link creditworthiness service uses a wider array of information other than just primary ratings. Furthermore, by using a risk weighted scoring system, it does not give undue preponderance to just one agency's ratings.

Typically, the minimum credit ratings criteria the Authority uses will be a short-term rating (Fitch or equivalents) of F1 and a long-term rating of A-. There may be occasions when the counterparty ratings from one rating agency are marginally lower than these ratings but may still be used. In these instances, consideration will be given to the whole range of ratings available, or other topical market information, to support their use.

All credit ratings will be monitored monthly. The Authority is alerted to changes to ratings of all three agencies through its use of the Link creditworthiness service.

- if a downgrade results in the counterparty / investment scheme no longer meeting the Authority's minimum criteria, its further use as a new investment will be withdrawn immediately.

- in addition to the use of credit ratings the Authority will be advised of information in movements in Credit Default Swap spreads against the iTraxx European Senior Financials benchmark and other market data on a daily basis via its Passport website, provided exclusively to it by Link. Extreme market movements may result in downgrade of an institution or removal from the Authority's lending list.

Sole reliance will not be placed on the use of this external service. In addition, this Authority will also use market data and market information, as well as information on any external support for banks to help support its decision-making process.

Y	Pi1	Pi2	P	B	O	R	G	N/C
1	1.25	1.5	2	3	4	5	6	7
Up to 5yrs	Up to 5yrs	Up to 5yrs	Up to 2yrs	Up to 1yr	Up to 1yr	Up to 6mths	Up to 100days	No Colour

The amount invested per institution will be £6m or 20% of investment balance per individual counterparty or 25% per whole counterparty group whichever is higher.

	Colour (and long-term rating where applicable)	Time limit
Banks *	Yellow	5 yrs
Banks	Purple	2 yrs
Banks	Orange	1 yr
Banks – part nationalised	Blue	1 yr
Banks	Red	6 mths
Banks	Green	100 days
Banks	No Colour	
DMADF	UK sovereign rating	6 months
Local authorities	Yellow	5 yrs
Housing associations	Colour bands	As per colour band
	Fund rating**	Time Limit
Money Market Funds CNAV	AAA	liquid
Money Market Funds LVNAV	AAA	liquid
Money Market Funds VNAV	AAA	liquid
Ultra-Short Dated Bond Funds with a credit score of 1.25	Dark Pink / AAA	liquid
Ultra-Short Dated Bond Funds with a credit score of 1.50	Light Pink / AAA	liquid

Creditworthiness

Significant levels of downgrades to Short and Long-Term credit ratings have not materialised since the crisis in March 2020. In the main, where they did change, any alterations were limited to Outlooks. Nonetheless, when setting minimum sovereign debt ratings, the council will not set a minimum rating for the UK.

CDS prices

Although bank CDS prices, (these are market indicators of credit risk), spiked upwards during the days of the Truss/Kwarteng government in the autumn of 2022, they have returned to more average levels since then. However, sentiment can easily shift, so it will remain important to undertake continual monitoring of all aspects of risk and return in the current circumstances. Link monitor CDS prices as part of their creditworthiness service to local authorities and the Authority has access to this information via its Link-provided Passport portal.

4.3 Limits

Due care will be taken to consider the exposure of the Authority's total investment portfolio to non-specified investments, countries, groups and sectors.

- a. **Non-specified treasury management investment limit.** The Authority has determined that it will limit the maximum total exposure of treasury management investments to non-specified treasury management investments as being _% of the total treasury management investment portfolio. (Consider whether to also put in limits for loans and non-financial investments held for yield as part of the total investment portfolio.)
- b. **Country limit.** The Authority has determined that it will only use approved counterparties from the UK and from countries with a minimum sovereign credit rating of AA- from Fitch. The list of countries that qualify using this credit criteria as at the date of this report are shown in Annex 1. This list will be added to, or deducted from, by officers should ratings change in accordance with this policy.

Other limits. In addition: -

- no specific limit has been set for funds placed with any non-UK country at any time, given the existing restrictions above;
- limits in place above will apply to a group of companies/institutions;
- sector limits will be monitored regularly for appropriateness.

4.4 Investment Strategy

In-House Funds

Investments will be made with reference to the core balance and cash flow requirements and the outlook for short-term interest rates (i.e., rates for investments up to 12 months). Greater returns are usually obtainable by investing for longer periods. The current shape of the yield curve suggests that is the case at present, but there is the prospect of Bank Rate having peaked in the first half of 2023 and possibly reducing as early as the second half of 2024 so an agile investment strategy would be appropriate to optimise returns.

Accordingly, while most cash balances are required in order to manage the ups and downs of cash flow where cash sums can be identified that could be invested for longer periods, the value to be obtained from longer-term investments will be carefully assessed.

Investment returns expectations

The current forecast shown in paragraph 3.3, includes a forecast for Bank Rate to reach 5.25% in Q4 2023.

The suggested budgeted investment earnings rates for returns on investments placed for periods up to about three months during each financial year are as follows:

Average earnings in each year	
2023/24 (residual)	5.30%
2024/25	4.70%
2025/26	3.20%
2026/27	3.00%
2027/28	3.25%
Years 6 to 10	3.25%
Years 10+	3.25%

As there are so many variables at this time, caution must be exercised in respect of all interest rate forecasts.

For its cash flow generated balances, the council will seek to utilise its business reserve instant access and notice accounts, Money Market Funds and short-dated deposits (overnight to 100 days) in order to benefit from the compounding of interest.

4.5 Investment treasury indicator

There are currently no plans for funds to be invested for a period greater than 364 days. These limits are set with regard to the council's liquidity requirements and to reduce the need for early sale of an investment and are based on the availability of funds after each year end. For its cash flow generated balances, the council will seek to utilise its instant access and notice accounts, money market funds, short dated deposits (overnight to 100 days) and 6 month deposits in order to benefit from compounding of interest.

4.6 Investment Performance / Risk Benchmarking

This council will use an investment benchmark to assess the investment performance of its investment portfolio of overnight, 7 day, 1, 3, 6 or 12 month compounded / Sterling Overnight Index Average (SONIA).

4.6 End of year investment report

At the end of the financial year, the council will report on its investment activity as part of its Annual Treasury Report.

4.7 Non-treasury investments

This council recognises that investment in other financial assets and property primarily for financial return, taken for non-treasury management purposes, requires careful investment management. Such activity includes loans supporting service outcomes, investments in subsidiaries and investment property portfolios. This council does not currently have any such investments. However it will ensure that all of its investments are covered in the capital programme, investment strategy or equivalent and will set out, where relevant, the council's risk appetite and specific the risk appetite for these activities may differ from that of treasury management. The council will maintain a schedule setting out a summary of existing material investments, subsidiaries, joint ventures and liabilities including financial guarantees and the council's risk exposure where applicable.

4.8 Environmental, Social & Governance (ESG)

The council will take a balanced approach to Environmental, Social & Governance (ESG) elements ensuring that the principle of security, liquidity and yield is the core investment strategy. All the main agencies are now incorporating ESG risks alongside more traditional financial risk metrics when assessing counterparty ratings. Given their incorporation is already being done by the use of mainstream rating agencies the council will use this as the basis for assessment until we are advised otherwise by our treasury consultants.

Annex 1

Approved Countries for Investments (as at 02/12/2023)

This list is based on those countries which have sovereign ratings of AA- or higher, (we show the lowest rating from Fitch, Moody's and S&P) and also, (except - at the time of writing - for Hong Kong and Luxembourg), have banks operating in sterling markets which have credit ratings of green or above in the Link creditworthiness service.

Based on lowest available rating

AAA

- Australia
- Denmark
- Germany
- Netherlands
- Norway
- Singapore
- Sweden
- Switzerland

AA+

- Canada
- Finland
- U.S.A.

AA

- Abu Dhabi (UAE)
- France

AA-

- Belgium
- Qatar
- U.K.

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MINIMUM REVENUE PROVISION POLICY STATEMENT 2024/25 (England and Wales)

1. The Council's Adopted Approach

The council implemented the new Minimum Revenue Provision (MRP) guidance in 2008/09 and will assess their MRP for 2024/25 in accordance with the main recommendations contained within the guidance issued by the Secretary of State under section 21(1A) of the Local Government Act 2003 and the revised guidance issued in 2018.

For capital expenditure incurred before 1 April 2008 or which in the future will be Supported Capital Expenditure and from 1 April 2008, for all unsupported borrowing (including PFI and finance leases) the policy will be Asset Life method. Capital expenditure will under delegated powers be charged over a period which is reasonably commensurate with the estimated useful life applicable to the nature of expenditure, using the equal annual instalment method (Asset Life Method). For example, capital expenditure on a new building, or on the refurbishment or enhancement of a building, will be related to the estimated life of that building.

Estimated life periods will be determined under delegated powers. To the extent that expenditure is not on the creation of an asset and is of a type that is subject to estimated life periods that are referred to in the guidance, these periods will generally be adopted by the council. However, the council reserves the right to determine useful life periods and prudent MRP in exceptional circumstances where the recommendations of the guidance would not be appropriate.

As some types of capital expenditure incurred by the council are not capable of being related to an individual asset, asset lives will be assessed on a basis which most reasonably reflects the anticipated period of benefit that arises from the expenditure. Also, whatever type of expenditure is involved, it will be grouped together in a manner which reflects the nature of the main component of expenditure and will only be divided up in cases where there are two or more major components with substantially different useful economic lives.

A change introduced by the revised DLUHC MRP Guidance allowed any charges made over the statutory minimum revenue provision, voluntary revenue provision or overpayments, to be, if needed reclaimed in later years if deemed necessary or prudent. The council does not have any such overpayments.

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WYRE BOROUGH COUNCIL CAPITAL STRATEGY

2024/25

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1.0 INTRODUCTION

1.1 The Chartered Institute of Public Finance and Accountancy (CIPFA) revised the Prudential Code in December 2021 with immediate effect. A soft launch approach has been taken with formal adoption and reporting required from 2023/24. This version of the Capital Strategy is still an evolving document and work is ongoing to develop it further, in line with the Council Plan.

The updated Prudential Code 2021 requires local authorities to produce a capital strategy in order to demonstrate that the council does the following:

- takes capital and investment decisions in line with service objectives;
- properly takes account of stewardship, value for money, prudence, sustainability and affordability;
- sets out the long-term context in which capital expenditure and investment decisions are made;
- gives due consideration to both risk and reward;
- gives due consideration to the impact on the achievement of priority outcomes, and;
- authorities should report on and clearly distinguish investments for treasury management, service and commercial purposes

1.2 The capital strategy forms part of the council's integrated revenue, capital and balance sheet planning.

1.3 The strategy is intended to give a high level overview of how capital expenditure, capital financing, investments and treasury management activity contribute to the delivery of the council's plans and provision of services along with an overview of how associated risk is managed and the implications for future financial sustainability.

1.4 The capital strategy should be tailored to the council's individual circumstances but should include capital expenditure, investments and liabilities and treasury management. The capital strategy should include sufficient detail to allow all members to understand how stewardship, value for money, prudence, sustainability, proportionality and affordability will be secured and to meet legislative requirements on reporting.

1.5 A long-term view is taken when outlining the capital strategy and its associated context, as many schemes will span a number of years and have implications beyond the Medium Term Financial Plan (MTFP). All planned capital expenditure and investment decisions are included in the strategy including those undertaken with external partners.

1.6 CIPFA guidance indicates that the Capital Strategy should have regard to the following areas, each of which will be covered in this document:

- Capital expenditure
- Debt, borrowing, investments and treasury management
- Investments for commercial purposes
- Other long-term liabilities
- Knowledge and skills

1.7 This document should be read in conjunction with the Council's annual Treasury Management Policy Statement and Practices, Treasury Management and Annual Investment Strategy and the Minimum Revenue Provision Policy Statement. Reference may be made to specific sections of these documents as appropriate to avoid unnecessary duplication in the Capital Strategy.

The Capital Strategy is reviewed annually and presented to full Council for approval.

2.0 KEY DOCUMENTS

2.1 Aside from the Treasury Management Policy Statement and Practices, Treasury Management and Annual Investment Strategy and the Minimum Revenue Provision Policy Statement, there are several key internal documents which influence the strategic direction of the council and these are listed below.

- The Council Plan which gets refreshed annually and has four themes around People and Communities, Place, Growth and Prosperity and Innovative and Customer Focused.
- The Council's Strategic Narrative which identifies three 'big goals' including commercial and environmental awareness, a flexible and change-ready workforce and providing an integrated and community-focused service offer.
- The Commercial Strategy (see Appendix 1).
- The Asset Management Strategy and Action Plan.
- Also important are the main financial reports: the Statement of Accounts, the Medium Term Financial Plan (MTFP) and the Revenue Estimates and Capital Programme.

All of the above documents are available on the council's website (for more details please see the latest versions at www.wyre.gov.uk).

3.0 CAPITAL EXPENDITURE

3.1 This section will cover the following areas identified by CIPFA guidance where their impact is material:

- An overview of the governance process for approval and monitoring capital expenditure.

- A long-term view of capital expenditure plans, where long-term is defined by the financing strategy of and risks faced by the authority with reference to the life of the projects/assets (see Appendix 2).
- An overview of asset management planning including the cost of past borrowing, maintenance requirements and planned disposals.
- Any restrictions around borrowing or funding of ongoing capital finance.

The Definition of Capital Expenditure

- 3.2** The council has two types of expenditure as defined in the annual statement of accounts:
- *Revenue expenditure*: the everyday costs incurred with running the council such as employee costs, premises related expenditure and various supplies and services.
 - *Capital expenditure*: the more sizeable costs, which usually relate to the acquisition of new assets or significant enhancement of existing assets to extend the economic benefit to the council.
- 3.3** In brief, there are three routes under which expenditure can qualify as capital and these are:
- Spending which meets the recognition criteria specified under '**proper accounting practices**' e.g. expenditure on the acquisition of, construction of or the addition of subsequent costs to non-current assets (tangible e.g. buildings and intangible e.g. software)
 - Spending which meets one of the definitions specified in **regulations** made under the Local Government Act 2003 e.g. Revenue Expenditure Funded from Capital Under Statute (REFCUS).
 - The Secretary of State makes a **direction** that the spending can be treated as capital expenditure.
- 3.4** Examples of capital expenditure include expenditure on the acquisition, reclamation or enhancement of assets (e.g. buildings, land, plant and machinery). It can include computer costs (for use over a period exceeding one year e.g. software), grants to third parties, incidental costs involved in a capital project (e.g. officers' salaries and professional fees).
- 3.5** Excluded from the definition of capital are training, administrative and other general overhead costs. Costs will also be ineligible to the extent that they relate to activity that takes place prior to the intention to acquire or construct a fixed asset. Examples of this include the cost of option appraisals and feasibility studies that do not contribute to the scoping of the asset ultimately acquired or constructed.
- 3.6** The key principle to follow is that 'everything is revenue unless you can prove it is capital'.

The Capital Programme, Governance and Approval Process

- 3.7** The Capital Programme is the council's schedule of capital works for future years and includes details of the funding of the schemes. Included in the schedule are projects such as sea defences and beach management, restoration of parks and open spaces, our rolling replacement of vehicles, regeneration projects and the construction of new buildings and facilities. Also included could be service and commercial investments such as new IT systems to deliver digital transformation, the purchase of land or buildings for investment purposes and design, consultancy or in-house fees for staff time in support of major schemes. The council is working with partners to assist them to meet both their objectives and the Council's objectives.
- 3.8** The approval process for individual capital schemes and the Capital Programme itself can be found in the Council's Constitution which is available on the council's website. In summary, the majority of capital schemes are approved via a Portfolio Holder Report submitted to the relevant Portfolio Holder. Alternatively, where a key decision is involved, a Cabinet Report on a specific scheme or project is used to update the Capital Budget. In exceptional circumstances, a report is taken to Full Council for approval, usually where there is a significant impact on the budget, not previously accounted for. Regular reports are also submitted to Cabinet throughout the year providing them with the latest current year Capital Budget position and its impact on the multi-year Capital Programme and requesting their approval for any changes. In February of each year the Cabinet formally approve the current revised and the future year's Capital Programme and this is subsequently ratified by full Council in March as part of the annual budget setting process.
- 3.9** Capital expenditure is prioritised based on a number of factors including the availability of external funding and any associated conditions, the availability of internal funding, Business, Service and Asset Management Plan priorities, health and safety, environmental sustainability, resources and capacity.
- 3.10** The council's MTFP will encompass the current year's budget plus four years and the Capital Programme will mirror this approach. Reference will also be made to years beyond the scope of the MTFP period where the expected lifespan of planned projects exceeds this timeframe.

Asset Management

- 3.11** The Asset Management Strategy and Action Plan provides an overview of the council's current position with regard to investment properties, surplus assets, planned maintenance and investment projects and so on. The latest detailed Asset Management Strategy and Action Plan can be found on the council's website.

3.12 In order to achieve our corporate vision, key work areas have been established for Asset Management, these are:

- Managing Investment Assets
- Managing Property Assets
- Property Maintenance
- Property Disposals
- Property Acquisitions

3.13 The Council's property portfolio largely falls under two main categories: Property Assets and Investment Property.

The breakdown of property categories is as shown below:

Category	Number	Asset Value (31/03/2023)
Property Assets	99	£45.6m
Investment Assets	51	£14.5m
Community Assets	103	£5.7m
Heritage Assets	4	£0.3m
TOTAL	225	£66.1m

Long-Term Borrowing

3.14 The council does not have any long term borrowing arrangements.

Significant Property Acquisitions and Disposals

3.15 Acquisition - During 2021/22 Cabinet approved the acquisition of new fish and food processing units in Fleetwood (Project Neptune). These were completed in August 2022. Tenants have entered lease agreements on the majority of units and all are expected to be let.

Disposal – During 2021/22 Cabinet approved the disposal of land at Bourne Hill, Thornton and the site completed in May 2022, generating a capital receipt.

4.0 DEBT, BORROWING, INVESTMENTS AND TREASURY MANAGEMENT

4.1 This section will cover the following areas identified by CIPFA guidance where their impact is material:

- A long-term projection of external debt (i.e. gross borrowing plus other long-term liabilities).
- Provision for the repayment of debt over the long-term, having regard to statutory guidance on MRP or the repayment of loans fund advances.

- Authorised limit and operational boundary for the following year.
- The authority's approach to treasury management including processes, due diligence and defining the authority's risk appetite.
- A projection of investments (where material) analysed between investments for treasury management purposes and commercial purposes (including commercial property).
- A statement of whether the authority has complied with paragraphs 51 to 53 of the Prudential Code in relation to investments for commercial purposes, in particular the requirement that an authority must not borrow to invest for the primary purpose of financial return.

Capital Investments vs. Treasury Management, Service and Commercial Investments

4.2 'Treasury Management Activities' are defined by CIPFA as:

"The management of the organisation's borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."

'Investments for treasury management purposes' (or treasury management investments) are those investments that arise from the organisation's cash flows or treasury risk management activity, and ultimately represent balances that need to be invested until the cash is required for use in the course of business.

'Investments for commercial purposes' (or commercial investments) are taken or held primarily for financial return and are not linked to treasury management activity or directly part of delivering services.

'Investments for service purposes' (or service investments) are taken or held primarily and directly for the delivery of public services (including housing, regeneration and local infrastructure) or in support of joint working with others to deliver such services.

4.3 Unlike capital investments, for treasury management investments the security and liquidity of funds is placed ahead of any investment return.

4.4 The council recognises that investment in other financial assets and property primarily for financial return, taken for non-treasury management purposes, requires careful investment management. Such activity includes loans supporting service outcomes and investment property portfolios. The council currently has no commercial or service investments and does not borrow to invest for the primary purpose of financial return.

4.5 The council will ensure that all of its investments are covered in the capital strategy, investment strategy or equivalent, and will set out, where relevant, the council's risk appetite and specific policies and arrangements for non-treasury investments. It will be recognised that the risk appetite for these activities may differ from that for treasury management.

- 4.6** Capital investments should be proportional to the level of resource available to the council and the council should ensure that the same robust procedures for the consideration of risk and return are applied to these decisions.

Capital Resources and Financing Strategy

- 4.7** Wyre's Capital Programme has always relied heavily on external funding owing to limited internal resources and a desire not to add to existing levels of external borrowing. The council has external funding levels of 87% (estimated 2023/24 period 8 position) of the total capital programme. Much of this has been provided by the Environment Agency for large scale sea defences and beach management schemes but other externally funded works include Disabled Facilities Grants (Better Care Fund) and UK Shared Prosperity Funding.
- 4.8** As a result of central government funding cuts and a significant gap to bridge in our ongoing revenue estimates, there is limited scope for the council to contribute monies from general balances without additional compensating savings being identified. Likewise, the shortfall in ongoing funding means that it is not prudent to add to our external borrowing unless a compelling 'invest to save' case exists.
- 4.9** Several earmarked reserves exist to support capital investment and these include the Capital Investment, Leisure Management, IT Strategy, Value For Money, Vehicle Replacement/Street Cleansing Maintenance and the Property Investment Fund Reserves.
- 4.10** The Capital Programme assumes available funding from the following sources:
- Capital grants and contributions
 - Capital receipts from the sale of assets
 - Earmarked reserves
 - Revenue contributions
 - Internal borrowing
 - External borrowing
- 4.11** 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 conditions apply including the requirement for a Strategy approved by full Council.
- 4.12** "The Guidance 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. Failure to meet this requirement does not mean that an authority cannot access the flexibility in that year. However, in this instance, the Strategy should be presented to full Council or the equivalent at the earliest possible opportunity."

4.13 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 yet been approved by Council.

5.0 COMMERCIAL ACTIVITY

5.1 This section will cover the following areas identified by CIPFA guidance where their impact is material:

- The authority's approach to commercial activities including processes ensuring effective due diligence and defining the authority's risk appetite in respect of these, including proportionality in respect of overall resources.
- Requirements for independent and expert advice and scrutiny arrangements.

5.2 The council's Commercialisation Strategy can be found at Appendix 1 to this report. It was previously approved as part of the Capital Strategy by full Council and minor updates have been made.

5.3 As local authorities become increasingly complex and diverse it is vital that those charged with governance understand the long-term context in which investment decisions are made and all the financial risks to which the authority is exposed. The impact of commercialisation has widened the scope of local authority powers and with the introduction of arrangements such as combined authorities it is no longer sufficient to consider only the individual local authority but also the residual risks and liabilities to which it is subject.

Authorities may invest in other financial assets, including loans and property primarily for financial return, which are not part of treasury management activity.

Other investments may include:

- 'service investments' held clearly and explicitly in the course of the provision – and for the purposes – of operational services, including regeneration
- 'commercial investments' which are taken for mainly financial reasons, including investments arising as part of business structures, such as shares and loans in subsidiaries or other outsourcing structures such as IT providers or building services providers; or investments explicitly taken with the aim of making a financial surplus for the organisation; commercial investments also include non-financial assets which are held primarily for financial return such as investment properties.

5.4 Investigations into policy driven initiatives and investments are allowed under the Capital and Investment Strategies under the delegated authority of the S.151 Officer. The authority currently has no material commercial activity and none is forecast in the current capital programme.

5.5 Expert advice will be sought, including legal and financial, where required for any service or commercial investments. Commercial activity is not risk-free, even where no or cheap external borrowing is used.

- All decisions to incur expenditure and to borrow must be backed by effective legal powers, which might not be available. There is an additional problem in that these decisions may subsequently be invalidated by changes in statutory provisions or developments in case law.
- The authority's returns (income and capital gains) are at risk, while, once incurred, borrowing costs are unavoidable. A reduction in returns could put the authority's revenue account into deficit. There are risks in relation to the fair value of the property on the balance sheet, for example, where the commercial property fair value is less than the value of the debt liability.
- Assuming the investment is purchased at market prices, the extra margin or return must reflect additional risk.

6.0 OTHER LONG-TERM LIABILITIES

6.1 This section will cover the following areas identified by CIPFA guidance where their impact is material:

- An overview of the governance process for approval and monitoring and ongoing risk management of any other financial guarantees and other long-term liabilities.

6.2 Liabilities related to the Defined Benefit Pension Scheme are excluded from this definition related to treasury management.

6.3 The Authority, as a lessee, does not have any finance leases or operating leases of notable value. A review of forthcoming changes under IFRS16, currently expected to be implemented from 1 April 2024, is being undertaken and this may alter the position but the impact is still being evaluated.

7.0 KNOWLEDGE AND SKILLS

7.1 This section will cover the following areas identified by CIPFA guidance where their impact is material:

- A summary of the knowledge and skills available to the authority and confirmation that these are commensurate with the authority's risk appetite.

Officer Training

7.2 The training needs of treasury management officers are reviewed throughout the year and additionally when the responsibilities of staff members change or there is staff turnover. Training records are held centrally for audit purposes.

7.3 Staff are encouraged to view webinars and/or attend training courses, seminars and conferences held by Link Group, Treasury Solutions Limited, CIPFA and other appropriate

bodies. Relevant staff are encouraged to study professional qualifications from CIPFA and other appropriate organisations.

- 7.4** Day-to-day treasury management staff and the S.151 Officer attend an annual strategy meeting with Link Group, Treasury Solutions Limited. Their expertise is available throughout the year and utilised by relevant staff as and when required.

Member Training

- 7.5** The CIPFA Code requires the responsible officer to ensure that Members with responsibility for treasury management receive adequate training in treasury management. This especially applies to Members responsible for scrutiny.
- 7.6** An annual training session is held for members of the Overview and Scrutiny Committee (O&S) in particular. This is either delivered in-house by the responsible officer at a suitable O&S meeting or provided by the council's external treasury management consultants, usually by way of an evening briefing available to all Members. Refer to the Treasury Management Policy Statement and Practices, Treasury Management and Annual Investment Strategy for more details.

Treasury Management Consultants

- 7.7** The council uses Link Group, Treasury Solutions Limited external treasury management advisors.

The council recognises that responsibility for treasury management decisions remains with the organisation at all times and will ensure that undue reliance is not placed upon our external providers.

It also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subjected to regular review.

8.0 THE FUTURE AMBITION OF THE COUNCIL'S CAPITAL PROGRAMME

- 8.1** The Capital Strategy is a high level overview which over time will be developed to reflect the Council's emerging risk appetite, strategic influences and overall capital ambitions.
- 8.2** A key part of the evolution of the Capital Strategy will be the determination of the Council's capital ambition and an important element of this will relate to the adopted Local Plan (Council, 28 February 2019, Partial Review approved 26 January 2023). This document contains the following Vision Statement (further detail is available on our website at www.wyre.gov.uk):

“By 2031 Wyre will be recognised as an aspirational place with a clear focus on delivering **sustainable growth** – balancing environmental, social and economic considerations. It will be an attractive and successful place focused on creating opportunities for people to live, work, visit and do business. Development will have achieved **high quality urban and rural environments**, whilst respecting the diverse distinctiveness of local character across the Borough.”

- 8.3** This vision will inform the starting point for further investigations and research into the current economic position in Wyre, including a focus on our high streets and how we can use council assets and further investment using the Property Investment Fund to promote regeneration. This reserve will be fully utilised following the delivery of Project Neptune and a review will be undertaken to reflect future strategy documents e.g. Economic Development, to determine whether a top-up is required.
- 8.4** Wyre has a strong track record of attracting external investment through successful funding bids and benefactor donations. Recently this has included substantial investment in new fish and food processing units in Fleetwood and decarbonisation monies for improvements at Fleetwood Market as well as significant Environment Agency investment in sea defences and beach management schemes.
- 8.5** During 2024/25 further work will continue, initially by Corporate Management Team, to explore the scope of a longer term vision for the borough and how the Council can help to shape and support this through capital investment. The Council has declared a Climate Emergency and the Council Plan reflects the focus on achieving net zero carbon by 2050 with a target reduction of 78% by 2035.

9.0 USEFUL LINKS

- 9.1** The following documents can all be found on the Wyre Council website: www.wyre.gov.uk.
- 9.2**
- Asset Management Strategy and Action Plan
 - Council Plan
 - Treasury Management Policy Statement and Practices and Treasury Management and Annual Investment Strategy and Minimum Revenue Provision Policy Statement
 - Medium Term Financial Plan
 - Revenue Estimates and Capital Programme
 - Local Plan

10.0 APPENDICES

- 10.1** The following appendices are included for information:
- Appendix 1a – Capital Programme – Forward Plan

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Report of:	Meeting	Date
Councillor Lesley McKay, Resources Portfolio Holder and Clare James, Corporate Director Resources (S.151 Officer)	Cabinet	14 February 2024

Revenue Budget, Council Tax and Capital Programme
--

Key decision: Yes

1. Purpose of report

1.1 Confirmation of the Revenue Budget, Council Tax, Revised Capital Budget 2023/24 and Capital Programme 2024/25 onwards.

2. Council priorities

2.1 A well run, forward-thinking council that puts customers first.

3. Recommendations

3.1 That the following be approved and recommended to Council for their approval:-

- a.** For the purpose of proposing an indicative Council Tax for 2025/26, 2026/27, 2027/28 and 2028/29 taking into account the Medium Term Financial Plan at Appendix 2 which reflects an increase of 2.99% in 2024/25 and ongoing.
- b.** The Revised Revenue Budget for the year 2023/24 resulting in a draw down from General Balances totalling £5,950 and the Revenue Budget for 2024/25 resulting in a draw down from General Balances totalling £695,000.
- c.** Members’ continuing commitment to the approach being taken regarding the efficiency savings, detailed within the council’s ‘Annual Efficiency Statement’ at Appendix 1.
- d.** The use of all other Reserves and Balances as indicated in Appendices 4 and 5.

- e. In accordance with the requirements of the Prudential Code for Capital Finance, those indicators included at Appendix 7.
- f. The Revised Capital Budget for 2023/24 and the Capital Programme for 2024/25 onwards in Appendix 8.

3.2 That it be noted that, in accordance with the Council's Scheme of Delegation, as agreed by Council at their meeting on 24 February 2005:

- a. The amount of 39,138.48 has been calculated as the 2024/25 Council Tax Base for the whole area [(Item T in the formula in Section 31B of the Local Government Finance Act 1992, as amended (the "Act"))]; and
- b. A Council Tax Base, for dwellings in those parts of its area to which a Parish precept relates, has been calculated as indicated in Appendix 6.

3.3 That the following be approved and recommended to Council for their approval:-

The Council Tax requirement for the council's own purposes for 2024/25 (excluding Parish precepts) is £8,857,429.

3.4 That the following be approved and recommended to Council for their approval:-

That the following amounts be calculated for the year 2024/25 in accordance with Sections 31 to 36 of the Act:-

- | | | |
|-----------|--------------------|---|
| a. | £88,351,610 | Being the aggregate of the amounts which the council estimates for the items set out in Section 31A(2) of the Act taking into account all precepts issued to it by Parish Councils. |
| b. | £78,490,780 | Being the aggregate of the amounts which the council estimates for the items set out in Section 31A(3) of the Act. |
| c. | £9,863,830 | Being the amount by which the aggregate at 3.4(a) above exceeds the aggregate at 3.4(b) above, calculated by the council, in accordance with Section 31A(4) of the Act, as its Council Tax requirement for the year. (Item R in the formula in Section 31B of the Act). |
| d. | £252.02 | Being the amount at 3.4(c) above (Item R) all divided by Item T (3.2(a) above), calculated by the council, in accordance with Section 31B of the |

		Act, as the basic amount of its Council Tax for the year (including Parish precepts).
e.	£1,003,401	Being the aggregate amount of all special items (Parish precepts) referred to in Section 34(1) of the Act and as detailed in Appendix 6.
f.	£226.31	Being the amount at 3.4(d) above less the result given by dividing the amount at 3.4(e) above by Item T (3.2(a) above), calculated by the council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no Parish precept relates.

3.5 That it be noted that the Council's basic amount of Council Tax for 2024/25 is not considered excessive in accordance with principles approved under Section 52ZB of the Local Government Finance Act 1992.

4. Background

4.1 The Council Tax for Wyre Borough Council for 2024/25 is proposed from the summary below:-

	<u>£m</u>
Net Expenditure (Before Other Government Grants)	18.092
Less Baseline Funding	(3.666)
Less New Homes Bonus	(0.657)
Less Revenue Support Grant	(0.001)
Less Additional Funding Guarantee Grant	(0.957)
Less Services Grant	(0.022)
Less NDR Grant (net of adjustments)	(2.083)
Less NDR – Retained Levy (Lancashire Pool)	(0.843)
Less Enterprise Zone growth (to Ring-fenced Reserve)	<u>(0.373)</u>
	9.490
Less Collection Fund – Council Tax and NDR	<u>(0.633)</u>
Amount Required from Council Tax	8.857
Divided by Council Tax Base at band D equivalent	39,138
Council Tax for 2024/25	£226.31
Council Tax for 2023/24	£219.74
Increase from 2023/24	£6.57

- 4.2** In the past, businesses paid their rates, which the local authority collected and passed over to the Treasury who then redistributed a share to local authorities via an extremely complex formula referred to as the 'Formula Grant Distribution System'. A new system of 50% Business Rates Retention, introduced from April 2013, allowed the council to keep a proportion of the money it collects in business rates. This meant that some authorities would earn more in business rates than they used to receive from the previous formula grant with others earning much less.
- 4.3** To address this, the Government calculates a baseline funding level for each local authority and where they receive more in business rates the Government will pocket the difference (the 'tariff') and where local authorities receive less than their funding level this will be paid as a 'top-up'. The tariffs and top-ups were calculated in 2013/14 and were updated most recently on 1 April 2023 following the national revaluation exercise and subsequently will be updated each year by the change in the small business rates multiplier. Owing to the impact of the COVID-19 pandemic and the cost of living pressures, the tariff up to 2023/24 remained frozen at the 2020/21 level which was 49.9p. However, the 2024/25 tariff has been updated to 54.6p (standard business rates multiplier) meaning that our overall tariff has increased from £8,048,002 to £8,334,219. The small business rates multiplier remains frozen at 49.9p.
- 4.4** Councils are allowed to keep 40% of any additional business rates generated (with 50% being paid to the Government, 9% to Lancashire County Council and 1% to the Fire Authority) but this is regulated by the imposition of a levy which is set at 50p in the pound. In essence, this means that the council is only able to keep 20% of any additional non-domestic rate income in the year. However, with effect from 1 April 2016, the Council was designated as belonging to the Business Rates Pool of Lancashire. This has resulted 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.
- 4.5** Following a successful bid encompassing all of the Lancashire councils (except Lancaster City Council) and the Fire Authority, to become a 75% Lancashire Business Rates Retention Pool Pilot in 2019/20, Wyre's tier share increased from 40% to 56%. However from 2020/21 we reverted back to the former 50% pooling arrangements when the pilot ceased. Beyond 2021/22 it was expected that some form of 75% Business Rates Retention (BRR) would be applied nationally but following the pandemic and now the cost of living pressures, this is less certain and we await further details.
- 4.6** The table below shows how much grant the authority will receive for the 2024/25 financial year and the estimated allocation for 2025/26 based on an assumed 3% inflationary increase on the Baseline and core RSG funding only (and thereafter 2%). This means that in cash terms our forecast core funding increases each year. The Funding Guarantee and Services Grants are assumed to be for one year only in 2024/25.

However, taking into account the extended period of transitional funding in recent years, if we assume that a sum is received based on an average of the last three years (Lower Tier Services Grant/Services Grant/Funding Guarantee Grant) plus 3% inflation, we could also expect to receive in the region of £621,000 in 2025/26. This scenario is included here to demonstrate the potential for mitigation in the budget gap if this funding is ongoing at a comparable level. The Review of needs and resources (previously referred to as the Fair Funding Review) and the delayed review of Business Rates Retention will not happen before 2025/26. All funding figures beyond 2024/25 should be treated with added caution, particularly owing to the imminent General Election. Between 2010/11 and 2024/25 the council has lost £6.742m in core external support equating to a reduction of 75.5% when compared to the level of grant support received in 2010/11 of £8.936m.

	2023/24 £m	2024/25 £m	2024/25 Increase/ Reduction (-)		Estimated 2025/26 £m	2025/26 Increase/ Reduction (-)	
			£m	%		£m	%
NNDR Baseline Settlement Funding	3.537	3.666	0.129	3.6	3.776	0.110	3
Core RSG	0.001	0.001	0.000	0	0.001	0.000	3
Funding Guarantee Grant	0.457	0.957	0.500	109.4	0.000	-0.957	-100
Services Grant	0.138	0.022	-0.116	-84.1	0.000	-0.022	-100
TOTAL	4.133	4.646	0.513	12.4	3.777	-0.869	-18.7
Estimated Transitional funding (3yr average)					0.621	0.621	100
TOTAL	4.133	4.646	0.513	12.4	4.398	-0.248	-5.3%

4.7 As part of the determination and scrutiny of the decision-making process, the Overview and Scrutiny Committee has considered the initial recommendations of the Portfolio Holders in relation to the proposed fees and charges. There were no new business cases with capital expenditure implications to reflect in the Capital Programme at Appendix 8. However some revenue growth items were submitted and approved as part of the budget setting process and a list is included at Appendix 9.

5. Key issues and proposals

Council Tax (including Localisation of Support for Council Tax)

- 5.1** In line with Central Government's steer, an increase in Council Tax of 2.99% in 2024/25 is proposed to be recommended to Council and this level is reflected in the MTFP for that year and ongoing. It represents an increase of £6.57 on a Band D property in 2024/25. The trigger for local referenda on council tax increases in 2024/25 is still set at 3% or £5 for shire district authorities, allowing councils to increase their core council tax requirement within these limits without triggering a referendum.
- 5.2** A Budget Consultation was open to the public online, with paper copies available at the Civic Centre, from mid-October to the end of December 2023. It was promoted on our website and via social media channels. We received 67 responses (31 complete and 36 partial) which is unfortunately not statistically significant. A small majority (17 Yes, 15 No) were in favour of the 2.99% increase in council tax being proposed. The details from the full exercise can be seen at Appendix 10.
- 5.3** The Government has not provided any support to freeze council tax since 2015/16 but indicated then that the freeze grants for 2011/12, 2013/14, 2014/15 and 2015/16 had been built into the spending review baseline. At Wyre, the annual shortfall in income of £568,749 resulting from the historic period of council tax freeze, has been financed using the new homes bonus received in respect of the 2011/12, 2012/13 and 2013/14 financial years. In recent years, the Council Tax Equalisation Reserve (formerly the New Homes Bonus Reserve) has been topped up using underspends at outturn. This reserve will fund the shortfall up until the end of the 2026/27 financial year when the reserve will be exhausted. Ultimately, the total shortfall met by the reserve over twelve years will be approximately £6.8m.
- 5.4** Members will be aware that with effect from 2013/14 the national Council Tax Benefit scheme was abolished, and individual local authorities were required to introduce a Localised Council Tax Support (LCTS) scheme.
- 5.5** Support for Council Tax is now offered as a reduction within the Council Tax system and regulations set the roles, allowances and awards for claimants of state pension credit age so that they do not experience a reduction in support as a direct result of the reform. The replacement scheme also aimed to support the public spending deficit reduction by reducing the amount available to local authorities to spend by 10%.
- 5.6** Although there is no separately identifiable amount for localised council tax support at local authority level since it was subsumed within the Revenue Support Grant and Baseline Funding, applying the indicative start-up funding allocation of £8,077,777 awarded in 2013/14, and estimating the value of localised council tax support awarded in 2024/25 to be £10,577,044, there will be an unfunded gap of approximately £2,499,267 to be met by each of the precepting authorities. It is also worth remembering that the council suffered a reduction in grant funding of £1.022m or 13.6% in 2014/15.

5.7 The Council agreed at its meeting 26 January 2023 to reduce the additional maximum percentage contribution from working age claimants from 8.5% to 0% and this remains the position. Wyre's share of the estimated cost of LCTS in 2024/25 after the 0% contribution, is £254,925.

5.8 Whereas in the past, prior to the introduction of austerity measures, central government funding (Formula Grant) made up the majority of the council's income (over 60%), this is no longer the case. Council Tax is now the largest source of revenue funding and is critical to setting a balanced budget and meeting daily spending needs. Other sources of funding from Central Government are still received and the core funding elements are referred to above at 4.6. Excluded from the core spending power elements is New Homes Bonus and this is considered in more detail below.

New Homes Bonus

5.9 The New Homes Bonus was introduced to provide a clear incentive to local authorities to encourage housing growth. Currently, this equates to the national average Band D council tax of £2,065 for every new home above the (from 2017/18) 0.4% growth baseline. When the scheme was first introduced the legacy payments were for 6 years. However, changes in 2017/18 mean that this reduced to 5 years in 2017/18 and 4 years ongoing up to the 2019/20 award.

5.10 The scheme has resulted in additional income for Wyre of:

- £271,597 in 2011/12,
- £418,966 in 2012/13,
- £785,403 in 2013/14,
- £1,203,464 in 2014/15,
- £1,823,719 in 2015/16,
- £2,303,128 in 2016/17,
- £2,110,709 in 2017/18,
- £1,672,728 in 2018/19,
- £1,406,242 in 2019/20,
- £1,279,647 in 2020/21,
- £1,072,947 in 2021/22,
- £1,256,528 in 2022/23,
- £981,858 in 2023/24, and
- There has been an allocation in respect of the 2024/25 financial year of £657,091.

5.11 The awards for 2020/21 to 2024/25 are for one year only though, with no legacy payments owing to the anticipated changes to local government funding through the Review of Needs and Resources. This means that there is no continuing improvement for a further three years in the ongoing forecast as a result of these more recent awards.

- 5.12** It is worth stating that whilst the Government set aside monies to fund the New Homes Bonus in year one (2011/12), in subsequent years the majority of the funding has been met from a reduction in Formula Grant. In 2024/25 £291m from Revenue Support Grant (RSG) is expected to be required to meet the annual cost. As the New Homes Bonus is effectively being financed by reductions in Formula Grant, the New Homes Bonus from the 2014/15 financial year has been used to compensate for this loss of funding. The Government was silent on the future position of New Homes Bonus ahead of the election. As a result of the uncertainty and looming General Election no further New Homes Bonus receipts, in the form of new awards rather than legacy payments, have been anticipated for 2025/26 onwards and nothing has been included in the transitional grant assumption line at 4.6.

Efficiencies

- 5.13** Funding from Council Tax and Central Government are insufficient to bridge the budget gap. As part of the annual budget cycle, and in determining the Medium Term Financial Plan (MTFP), the council also continues to identify actions that will improve efficiency and create ongoing cashable savings. This assists the council in effectively prioritising its finite resources and replaces the traditional 'salami slicing' exercise whereby essential budgets are routinely reduced in an attempt to address the problem.
- 5.14** The actual efficiency achievements for the ten years ending 31 March 2023 are £3.2m, an average of £316,000 each year. Appendix 1 also shows the anticipated savings for 2023/24 and 2024/25 but owing to the one-year settlement no other future years have been included until the position stabilises and a return to multi-year local government finance settlements is achieved. Efficiency savings assist the delivery of the Council's corporate priorities supporting the continued improvement of services for our residents but these are not always readily achievable when dealing with increased demand caused by the legacy of the pandemic and now the cost of living pressures. However, the new Council Plan, approved 30 November 2023 by full Council, includes a new strand of 'Customer Focused and Innovative' work that aims to provide cashable efficiencies to support bridging the budget gap.

Reserves and Balances

- 5.15** Another mechanism for bridging the budget gap remains Earmarked Reserves and General Balances. The requirement for financial reserves is acknowledged in statute. Typically, any increases in the base level of expenditure and further additional expenditure arising during 2024/25 should be financed from existing budgets or specified compensatory savings, in accordance with the Financial Regulations and Financial Procedure Rules. Where this is not possible, reserves and balances can be utilised, within approval parameters, to meet the shortfall.

- 5.16** 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 council tax requirement. These existing safeguards are further reinforced through the External Auditor's statutory responsibility to issue a commentary on whether an audited body has proper arrangements for securing value for money with one of the two criteria being, "Securing financial resilience – looking at the Authority's financial governance, financial planning and financial control processes". One aspect of this is the Council's policy on the level and nature of reserves and balances.
- 5.17** Earmarked reserves are created to meet 'known or predicted requirements'. Provisions are required where an event has taken place that gives the Authority an obligation requiring settlement but where the timing of the transfer is uncertain. Unallocated or general reserves/balances are available to support budget assumptions.
- 5.18** Balancing the annual budget by drawing on general reserves may be viewed as a legitimate short-term option but where general 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. Local government is currently experiencing unprecedented operational and financial pressures as a legacy of the pandemic and now the rising cost of living. Efforts have been made to incorporate the implications of this in the MTFP but as inflation continues to remain higher than the Bank of England's target of 2%, it is not yet possible to determine the full implications, as the duration and severity is still uncertain.
- 5.19** We are also still awaiting the once again delayed outcome of the Review of Needs and Resources, which is unlikely to come forward before the next General Election. The outcome of these changes and the progress made on generating efficiencies through the Transformation and Change strand of work will determine our next steps. 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 if required. The financial projections, included at Appendix 2, currently indicate that further annual savings will be necessary in future years. However, there is a high level of uncertainty in the forecast owing to the absence of a multi-year settlement and the ongoing impact of the cost of living crisis and long awaited funding reforms. As such, it is important that the Council considers its future budgets and continues to closely monitor the MTFP.
- 5.20** The council's minimum prudent level of balances, calculating the requirement at approximately 5% of net expenditure before other government grants (£820,880) together with the element of the reduction in business rates that Wyre must meet before receiving any safety net payment (£274,900 in 2024/25), is now £1,095,780. The level of general balances is estimated to be just under £13.9m at the end of 2024/25,

reducing to just over £1.2m by 31 March 2029 (just above the current minimum level). General balances are currently supporting contingency planning and selected Earmarked Reserves but are primarily being shown to bridge anticipated future financial pressures on revenue resources.

- 5.21** As referred to above, in anticipation of future 'known or predicted requirements', and in accordance with the Council's Policy on the Level of Reserves and Balances, contributions to Earmarked Reserves continue. Future ad hoc contributions at outturn will be made as revenue underspends are delivered and these may be supplemented by in-year top-ups as efficiencies are identified going forward.
- 5.22** The only three earmarked reserves with programmed annual top-ups from General Balances are the Elections Reserve (created to fund the four-yearly cycle of Borough elections), the Insurance Reserve (generally used to fund claims below the £10,000 excess) and the Vehicle Replacement/Street Cleansing Maintenance Reserve (increased each year primarily to fund the rolling replacement of our fleet).
- 5.23** It is also worth noting that the Non-Domestic Rates Equalisation Reserve was created in 2013/14 with further top-ups being made in subsequent years funded by Section 31 Grant for discretionary reliefs, net of the levy. The 2023/24 s.31 contribution will continue to be added to the reserve. The MTFP update to Cabinet on 18 October, agreed to show an annual minimum draw-down of £1m from this reserve to help bridge the ongoing funding gap. In 2024/25, the reserve will be topped up by £4,426,020, with a release of £2,055,950, resulting in a net movement of £2,370,070. No in-year top-ups to this reserve have been assumed from 2025/26 onwards, however, there remains a release of £1,000,000 in each year of the MTFP; even with this worst-case approach, there remains £5.9m in this reserve at the end of the MTFP period (2028/29).
- 5.24** The remaining earmarked reserves, which can be seen at Appendix 4, are considered to be adequate and of an appropriate value in aggregate, both in respect of the forthcoming financial year and for the period of the MTFP. However, a further review of the fleet replacement schedule will be undertaken in 2024/25, to rebase costs where necessary, given recent inflation and demand pressures which are likely to have increased costs.

Robustness of the Budget

- 5.25** The Local Government Act 2003 includes a requirement for the S.151 Officer to report upon the robustness of the estimates and adequacy of reserves when the authority is considering its council tax requirement. It is recognised that the financial resilience of all local authorities is under strain and the Office for Budget Responsibility recently stated: "Since 2010-11, local authority spending has fallen from 7.4 to 5.0 per cent of GDP, and it falls further in our forecast to 4.6 per cent of GDP in 2028/29."

Given local authorities' statutory duty to provide a range of services where demand is likely to continue to grow, for example adult and child social care, pressure on local authority finances and services will continue." Spending plans ultimately impact on the level of council tax levied although the extent of any increase is externally influenced by Government policy through, for example, initiatives such as the introduction of local referenda to veto excessive council tax increases. The MTFP assesses the affordability of revenue and capital plans and the adequacy of reserves and is reported bi-annually to Cabinet.

- 5.26** As with all plans the risks increase with time and the financial position in future years is not as certain as it is in 2024/25. Having assessed the significance and likelihood of risks associated with the budget assumptions (see Appendix 5 to the MTFP agreed by Cabinet 18 October 2023), the reserves and balances detailed in the appendices are considered broadly adequate to support the delivery of the Council Plan over the current MTFP period. Current inflation levels are assumed to settle down in the later years of the MTFP and if this doesn't happen, there will be added pressure on the forecast. Even with the expectation that the economy will start to recover within the MTFP period, the forecasts show an increasing reliance on general balances and the NDR Equalisation Reserve in particular to bridge the forecast budget gap in later years. It is recommended that the MTFP continue to be monitored closely in light of the outcome of a forthcoming central government review of needs and resources, not now expected before the next parliamentary election, with a further update scheduled at the October 2024 Cabinet meeting.
- 5.27** Despite a degree of caution, the Council manages its budget well and spending officers have been invited to submit growth bids for consideration by the S.151 Officer and their Deputy, prior to review by Corporate Management Team and Cabinet. A list is included at Appendix 9 and it includes a range of items which will help to support service areas where costs and/or demand have increased, as well as strengthen resources around emerging Council priorities.
- 5.28** In December 2019, the Chartered Institute of Public Finance and Accountancy (CIPFA) first published the local authority financial resilience index. It is CIPFA's ambition to make it a requirement to refer to these indicators as part of the Section 25 Robustness of the Budget statement. The 2022/23 update has been released to S.151 Officers. All of Wyre's initial 2022/23 results for our family group are in the mid to low risk range with the Council Tax Requirement/Net Revenue Expenditure indicator again being the highest of the mid-range results as it was in 2021/22. This indicator looks at the proportion of council tax raised to net revenue expenditure and shows that our council tax income needs to fund approximately 57% of our net expenditure. This is similar to Fylde (59%), the only other Lancashire authority in our Family Group. It can indicate that we have a significant gap between income raised through council tax and what we need to spend to keep services running. Other

sources of funding help to bridge the gap such as our Core grant and income from fees and charges. The position will need to be monitored going forward, particularly in light of current inflation and the potential changes to local government funding, not expected to take effect before 2026/27.

Inflation Pressures

- 5.29** As we moved into 2023/24, we experienced the deepening cost of living crisis which has only recently begun to abate, exacerbated by worsening global conflicts in Ukraine and the Middle East. At the time of writing this report, inflation is believed to have peaked so although baseline costs are unlikely to return to pre-2022 levels, at least the impact of annual indexing should start to reduce. Delays to the sign-off of the 2020/21 and 2021/22 accounts meant that the mid-year MTFP update was again based on draft accounts and only the 2020/21 accounts are expected to have been signed off by the date of this Cabinet meeting, therefore the same will apply to the brought forward position in these forecasts. However, the impact is expected to be nil or minimal with the latest position factored into this current update.
- 5.30** The forecast takes into account the predicted outturn position for 2023/24 and the ongoing impact that the cost of living crisis will have in 2024/25 and beyond as higher prices and increased demand on services establish themselves as the new normal. Pay award assumptions are shown at Appendix 2 and a general turnover assumption is included of 3% of the annual payroll cost each year, based on recent outturn forecasts. In 2023/24 the budget included 328.78 full-time equivalent staff and in 2024/25 it has made provision for 340.79. Overall, if any underspends occur then they will be reflected at outturn in either a top-up to General Balances or at that point a decision will be made with regard to any specific increases in earmarked reserves.

Precepts

- 5.31** The parish precepts determined at parish meetings are shown at Appendix 6. These amounts will be shown separately on each Parish Council Tax Payer's bill. Appendix 6 also reflects the Parish and Unparished Area Taxbase approved in accordance with the Scheme of Delegation to Officers.

Summary

- 5.32** The last Plan was presented to Cabinet on 18 October 2023 and covered the period ending 31 March 2028. This update extends the plan to include the forecast position in 2028/29.
- 5.33** Based on the detailed appendices to this report (which are themselves based on the provisional Local Government Finance Settlement 2024/25), over the forthcoming MTFP period, savings would be required

of (figures in brackets represent the previous MTFP forecast position in October 2023):

- £5,950 (was £356,000) for 2023/24
- £695,000 (was £2,278,000) for 2024/25
- £2,252,000 (was £2,744,000) for 2025/26
- £2,726,000 (was £3,026,000) for 2026/27
- £3,632,000 (was £3,986,000) for 2027/28
- £3,968,000 for 2028/29

5.34 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 2025/26 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).

5.35 Members are reminded of the requirement, under the Public Sector Equality Duty (section 149 of the Equality Act 2010) to have due regard to (i) eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Equality Act 2010, (ii) advance equality of opportunity between people from different groups, and (iii) foster good relations between people from different groups.

5.36 The equality duty has been considered as part of the budget growth procedure to ensure the decision-making process is fair and transparent.

6. Borrowing Limits

6.1 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 must be used and requires local authorities to set relevant limits and ratios, which are included at Appendix 7. These are not designed to be comparative performance indicators, however, and the use of them in this way would be likely to be misleading and counter-productive.

6.2 The arrangements for calculating Minimum Revenue Provision (MRP), which were introduced during 2007/08, require the period over which MRP is charged to be aligned with the estimated life of the asset. This could result in an increased MRP charge if expenditure, such as that on playground equipment, is spread over say 15 years and the council can choose to arrange its MRP policy as to ensure that assets or other expenditure having the shortest “charge” life are determined as being financed from capital receipts or other available resources.

6.3 Central government support for borrowing through Revenue Support Grant was replaced back in 2006/07 by capital grant. The council received an allocation of £2,079,964 for Disabled Facilities Grants (DFGs) in 2023/24 from the Better Care Fund provided by the Department of Health via Lancashire County Council who act as the accountable body. This was increased in September 2023 by £181,497. The aim of the Better Care Fund is to bring about integration of health and social care and plans for use of the pooled monies must be signed off by the Health and Wellbeing Board. The council has not yet been notified of the 2024/25 allocation but £2,079,964 has been assumed at this stage.

7. Capital Programme – 2023/24 and beyond

7.1 The latest details of the Capital Programme for 2023/24 and beyond as reported to Cabinet 10 January 2024 (including the method of funding for each scheme) are attached at Appendix 8 and an extract is summarised below.

	Revised Estimate 2023/24	Original Estimate 2024/25
	£	£
Portfolio:		
N'bourh'd Servs and Community Safety	14,880,096	18,875,305
Planning Policy & Economic Developm't Resources	646,544	774,222
Street Scene, Parks and Open Spaces	2,384,054	302,500
	116,696	0
TOTAL FINANCING REQUIREMENT	18,027,390	19,952,027
Funded by:		
Grants and Contributions	(15,623,584)	(19,649,527)
Revenue	(568,947)	(302,500)
Capital Receipts	(1,834,859)	(0)
Borrowing	(0)	(0)
TOTAL FINANCING	(18,027,390)	(19,952,027)

7.2 Up to date building condition surveys on our key assets are due for completion by the end of January and so whilst the current estimate indicates a total requirement over the next five years of an estimated £4.8m, this is likely to change and will be updated in due course. This figure excludes a number of investment schemes and projects where further work is required before a recommendation can be made to proceed. An updated list of the 2024/25 priorities will be taken to Overview and Scrutiny in early 2024 for consideration, once the latest building surveys have been completed. The total estimated requirement of £4.8m is also subject to capital receipts or other sources of funding being sufficient to cover the cost.

7.3 A key requirement of the MTFP is the long-term planning of capital resources and the Capital Programme. The Prudential Code requires

chief finance officers to have full regard to affordability when making recommendations about the local authority's future capital programme. Such consideration includes the level of long-term revenue commitments. In considering the affordability of its capital plans, the authority is required to consider all of the resources available to it, including those estimated for the future together with the totality of its capital plans and revenue forecasts for the forthcoming year and the following two years.

7.4 With effect from the 2007/08 financial year, the council became reliant on borrowing to support capital expenditure. Long-term borrowing totalling £3,552,000 had been drawn down and this value is used to calculate the Minimum Revenue Provision (MRP), which must be reflected in the revenue estimates. However, early repayment of the two remaining loans in October, totalling £1,552,000, means that the council no longer has any interest payments to make and is now debt free.

7.5 The council has arranged its MRP policy as to ensure that assets or other expenditure having the shortest "charge" life are determined as being financed from capital receipts or other available resources. The extent of the council's borrowing obviously has an impact on the revenue account in the form of debt charges. An estimate of the debt charges and associated interest payments is reflected in the table below for the 2023/24 financial year with MRP costs falling in 2024/25 and 2025/26 when the assets with shorter (e.g. 15 years) useful lives drop out of the MRP calculation:

Year	MRP per annum £	Interest cost per annum £	Total per annum £
2023/24	95,559	0	95,559
2024/25	89,994	0	89,994
2025/26 to 2033/34	79,703	0	79,703

7.6 The Capital Investment Reserve was created to reduce the council's reliance on borrowing. This reserve will be used to meet known commitments, including the enhancement of council assets and provide resources for future capital investment. The Capital Investment Reserve is reviewed as part of the annual budget preparation, the updating of the MTFP and as part of the closure of accounts process, with a view to minimising ongoing revenue costs. After funding existing commitments and with no new business cases with capital expenditure implications for 2024/25 onwards, the projected balance on the Capital Investment Reserve at 31 March 2024 is expected to be £1,920,094, as per Audit Committee 26 September 2023.

7.7 The council is currently holding further monies which do not form part of the proposed Capital Programme, however, they may be included if and when a scheme is developed and approved. These monies relate to Section 106 agreements.

Description	Amount
General (includes public open space, flood remediation schemes etc.)	£538,312
Affordable Housing	£1,285,441
Other Entities (held temporarily on behalf of a third party)	£157,151
Total on account	£1,974,904
Allocated to Capital Programme 2023/24	£27,827
Balance	£1,947,077

- 7.8** An assessment of the risks associated with the MTFP is carried out annually and includes the likelihood, severity and level of risk together with the risk management procedures in place to control and monitor them. Appendix 5 of the MTFP report which was considered by Cabinet on 18 October 2023 lists the major risks associated with financial planning and the controls in place to alleviate the risks.
- 7.9** 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.). To avoid significant additional financial pressures, further capital disposals will be required to generate capital receipts to meet capital commitments. After funding existing commitments and with no new business cases with capital expenditure implications for 2024/25 onwards, the projected balance of Capital Receipts at 31 March 2024 is expected to be £3,787,361.

8. Alternative options considered and rejected

- 8.1** A council tax rise of lower than the current maximum, or a freeze, has been considered. However, owing to the budget pressures being experienced and central government's assumption in their core spending power calculation that we will raise council tax by the maximum amount, we have followed their steer in the forecast.
- 8.2** Previous iterations of this report have ignored the potential for any ongoing transitional funding as this is not normally announced until the provisional settlement is published each December. It is also normal for central government to indicate that the funding is one-off, hence the reluctance to rely on this continuing in the MTFP. However, some combination of Lower Tier, Services and Funding Guarantee Grants has been provided for the last three years so on that basis the table at 4.6 shows an average level of funding being assumed in the forecast. If this were excluded, the gap in the MTFP will grow by this amount, plus any inflation assumption.

Financial, Legal and Climate Change implications

Finance	Considered in detail in the report above.
Legal	None arising directly from the report.
Climate Change	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	✓
health and safety	x

risks/implications	✓ / x
asset management	✓
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	06.02.2024

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

List of appendices

- Appendix 1 - Annual Efficiency Statement
- 2 - Medium Term Financial Plan - Summary Financial Forecast

- 3 - Summary Revenue Estimates by Portfolio
 - Leisure, Health and Community Engagement
 - Neighbourhood Services and Community Safety
 - Planning Policy and Economic Development
 - Resources
 - Street Scene, Parks and Open Spaces
- 4 - Reserves and Balances Statement
- 5 - Transfers to and from Reserves
- 6 - Parish Precepts
- 7 - Prudential and Treasury Management Indicators
- 8 - The Capital Budget 2023/24 Onwards
- 9 - Revenue Growth Bids 2024/25
- 10 - Budget Consultation results

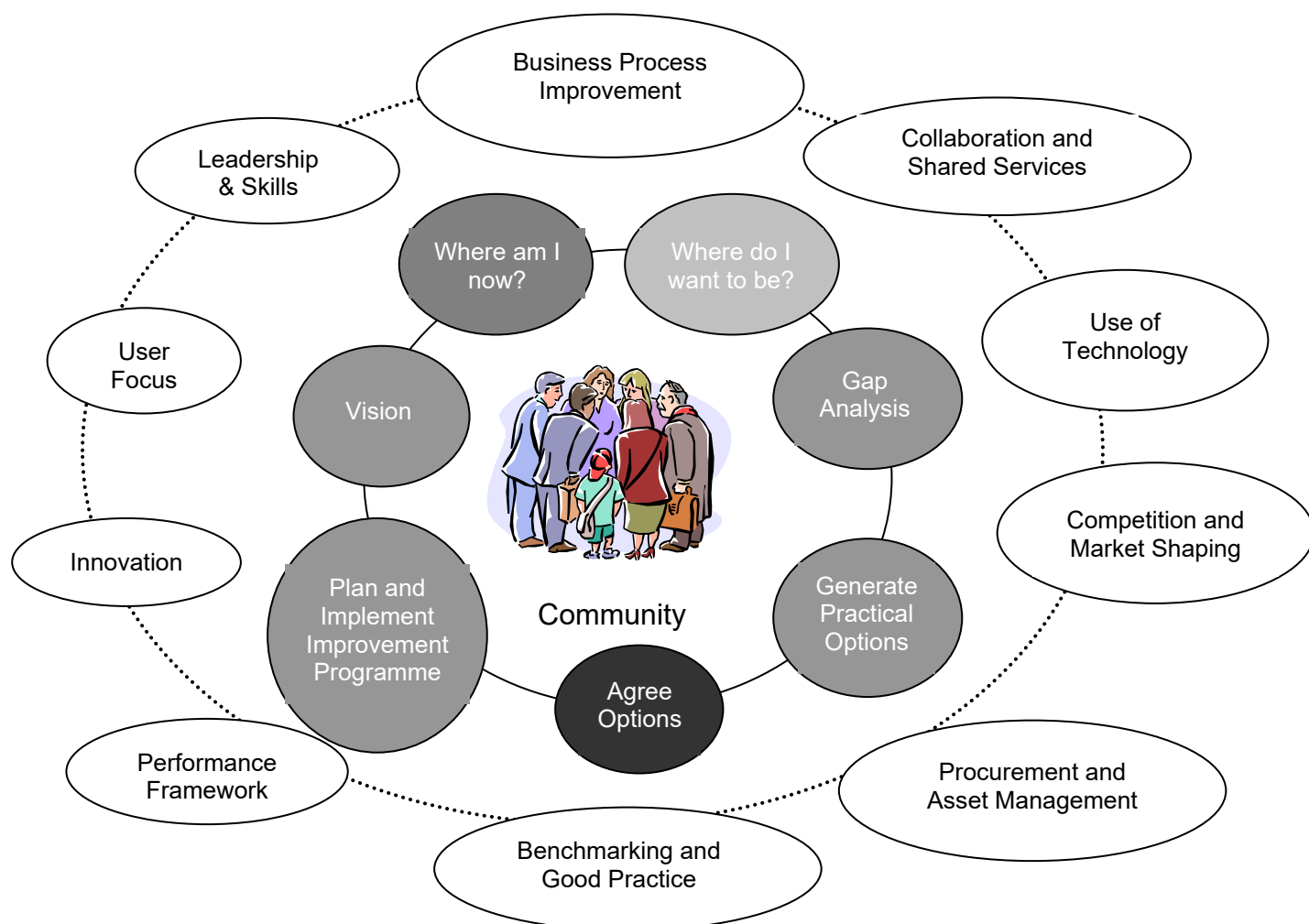
Annual Efficiency Statement

As part of the annual budget cycle, and in determining the Medium Term Financial Plan, the council has for a number of years identified actions that will improve efficiency, quantifying the estimated expected gains.

Efficiency gains are achieved in the following ways:

- Reduced inputs (money, people, assets, etc.) for the same outputs
- Reduced prices (procurement, labour costs, etc.) for the same outputs
- Additional outputs or improved quality (extra service, productivity, etc.) for the same inputs; and
- Improved ratios of cost/output (unit costs, etc.)

The diagram below sets out a schematic overview of key efficiency tools/facilitators of efficiency that can be used to achieve greater efficiency.



Whilst there is no longer a statutory requirement to produce an Annual Efficiency Statement, the council is committed to delivering savings year on year to ensure the continued delivery of key services and the achievement of its priorities as reflected within the Council Plan. The table overleaf indicates the efficiency savings achieved to date and those planned for 2023/24 and 2024/25.

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Efficiency Programme 2023/24 to 2024/25

Appendix 1 - continued

Estimate 2023/24 Mid Year	03/01/2024	Target Efficiency Saving 2023/24 £	Anticipated Efficiency Saving 2024/25 £	Responsible Officer
Asset Management				
Maximising commercial opportunities		28,870	60,800	Corporate Mgmt Team
Fees and Charges				
Review of fees and charges		34,500	82,500	Corporate Mgmt Team
Pension Costs				
Pre-payment of pension contributions		75,400	0	Corporate Director Resources
	Sub total	138,770	143,300	
Actual Savings in 2010/11		463,691		
Actual Savings in 2011/12		1,474,372		
Actual Savings in 2012/13		2,058,095		
Actual Savings in 2013/14		685,006		
Actual Savings in 2014/15		267,976		
Actual Savings in 2015/16		353,322		
Actual Savings in 2016/17		350,159		
Actual Savings in 2017/18		240,106		
Actual Savings in 2018/19		133,208		
Actual Savings in 2019/20		111,163		
Actual Savings in 2020/21		753,753		
Actual Savings in 2021/22		244,188		
Actual Savings in 2022/23		19,570		
Cumulative Achievement at 31.03.24		7,293,379		
Average per annum between 2010/11 and Forecast 2023/24 position		520,956		

NOTE: As a result of the continuing one year Local Government Finance Settlements, no future years' efficiencies beyond 2024/25 are included in this year's statement.

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<u>Revenue Budgets</u>	<u>2024/25</u> £'000	<u>2025/26</u> £'000	<u>2026/27</u> £'000	<u>2027/28</u> £'000	<u>2028/29</u> £'000
Base Borough Requirements, increased for prior year inflation, but excluding Use/Top-up of Balances (shown below)	16,417	16,417	17,328	18,182	19,051
<u>Inflationary Assumptions on the above Base</u>					
Pay: Officers - per pay award; Member Allowances - follows pay award from preceding year		685	649	678	708
Prices, Specific Contracts and Other Costs (Variable)/Energy		226	205	191	200
<u>Expected Future Changes on the above Base</u>					
Employee (incl. Member Allowances) and related cost - NI changes; Pension contributions; Protection; FTCs; long service awards and temporary staffing arrangements		(350)	(349)	(349)	(349)
Capital Programme revenue implications		0	0	0	0
External Grant and Grant Aided schemes		10	10	10	10
Other Services including - National Fraud Initiative; Borough Elections; Foreshore/Promenade Fleetwood; Marine Lake; Memorial Park; Licensing; Asset Maintenance Review		(102)	(193)	155	(215)
Regeneration/Economic situation changes - Local Plan; Depots and Fleetwood Market		(120)	(157)	(157)	(156)
Cost of Borrowing and Investment Income		240	490	490	490
Capital Programme - Revenue Funding Contributions		(88)	102	4	4
Reserve Contribution Changes	2,370	(993)	(1,153)	(825)	(464)
Baseline Funding - External Government Grant (all per prov. Local Government Finance Settlement)	(3,666)	(3,776)	(3,852)	(3,929)	(4,008)
Revenue Support Grant	(1)	(1)	(1)	(1)	(1)
Funding Guarantee Grant	(957)				
Service Grant	(22)				
New Homes Bonus - Government Grant	(657)				
Transitional Grant	0	(621)	(646)	(659)	(672)
Non-Domestic Rates - Government Grant	(4,520)				
NDR income different to Baseline Funding	1,500				
Non-Domestic Rates - Levy	937				
Non-Domestic Rates - Retained Levy (Lancashire Pool)	(843)				
Collection Fund Adjustment - Council Tax prior year	(189)				
Collection Fund Adjustment - Non-domestic Rates re prior year	(444)				
Enterprise Zone growth (to be transferred to a ringfenced reserve)	(373)				
Net Wyre Requirement met by Council Tax and Balances	9,552	11,527	12,433	13,790	14,598
Base and Forecast Cost met by Council Tax	8,857	9,275	9,707	10,158	10,630
Net Spending change i.e. need to Use/Top Up (-) Balances	695	2,252	2,726	3,632	3,968

	<u>2024/25</u> £'000	<u>2025/26</u> £'000	<u>2026/27</u> £'000	<u>2027/28</u> £'000	<u>2028/29</u> £'000
General Balances as at 1 April	14,511	13,816	11,564	8,838	5,206
Add Top Up of Balances	0	0	0	0	0
Less Use of Balances	(695)	(2,252)	(2,726)	(3,632)	(3,968)
Estimated Balances Surplus/(Deficit) at 31 March	13,816	11,564	8,838	5,206	1,238
NB Prudent level of Balances £1,095,780					

Tax base	39,138.48	39,794.84	40,437.67	41,087.22	41,747.45
Forecast Council Tax £	£226.31	£233.08	£240.05	£247.23	£254.62
Annual Council Tax Increase £	£6.57	£6.77	£6.97	£7.18	£7.39
Annual Council Tax Increase %	2.99%	2.99%	2.99%	2.99%	2.99%
Council Tax Income	£8,857,429	£9,275,381	£9,707,063	£10,157,993	£10,629,736
Additional Annual Council Tax Income		£417,952	£431,682	£450,930	£471,743

<u>Assumptions - Net Service Expenditure</u>	
Inflation - Pay Award:	+ 5.5% in 2024/25, +5% in 2025/26, +4.5% in 2026/27 onwards
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	+3% in 2025/26, +2% in 2026/27 onwards
Council Tax:	referendum levels set at higher of £5 or 2.99%
Council Tax Base:	Dec 2023 tax base calculation (97% collection rate)
Revenue Support Grant (RSG)	Reflects RSG only elements, other rolled in grants (i.e. Family Annexe, LCTS Admin) reflected in Base Budget Requirements

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Leisure, Health and Community Engagement Portfolio

The Council's commitments are:-

- Improve our leisure facilities ensuring they meet the needs of our residents and visitors
- Provide opportunities for people to lead healthy and active lifestyles
- Improve the quality of life for individuals by tackling loneliness and isolation
- Support and champion Wyre's growing tourism economy by promoting our coast to countryside offer, tourism businesses, attractions and events

Services which contribute towards delivering our Leisure, Health and Community Engagement Portfolio theme comprise:-

Previous Year Actuals £		2023/24 Original Estimate £	2023/24 Revised Estimate £	2024/25 Original Estimate £
272,895	Arts Development Events and Volunteering	268,150	219,600	224,710
105,137	Cemetery Services	27,000	44,360	55,540
17,465	Community Development	14,580	10,100	10,220
324,868	Countryside	300,560	331,570	342,740
421,975	Environmental Protection	442,240	382,500	396,070
2,016,527	Recreation and Sport Facilities	1,910,960	2,105,420	2,113,200
397,725	Regulatory and Licensing Services	409,010	479,030	545,350
742,906	Theatres and Public Entertainment	682,730	772,550	775,760
164,142	Tourism	127,940	144,760	153,040
4,463,640	Portfolio Total	4,183,170	4,489,890	4,616,630

Within the Council Plan 2024 to 2028 our actions include:

- Procuring a new contract for our leisure facilities
- Working with partners to deliver Wyre's Moving More Strategy to increase the rate of physical activity in Wyre
- Developing and supporting a volunteer befriending project
- Developing and starting to deliver an economic development and tourism strategy
- Delivering the UK Shared Prosperity Fund and Rural England Prosperity Fund 2023 – 2025
- Developing and delivering Wyre's Climate Change Strategy

Performance indicators, linked to Leisure, Health and Community Engagement Portfolio, are contained within the in-house Performance Management Monitoring System and individual Service Plans. Performance against these projects and targets is regularly reported.

Actual expenditure and income figures for 2022/23 and updated projections for each of the service areas follow.

Arts Development Events and Volunteering

Previous Year		2023/24	2023/24	2024/25
Actuals		Original Estimate	Revised Estimate	Original Estimate
£		£	£	£
283,238	Expenditure	269,190	220,640	225,750
-10,343	Income	-1,040	-1,040	-1,040
272,895	Net Expenditure/Income (-)	268,150	219,600	224,710

Key Activities

Arts Development/Promotion
Coastal Communities Fund Revenue Schemes
Marsh Mill
Volunteer Wyre Project

Responsible Officer

Corporate Director Communities

Cemetery Services

Previous Year		2023/24	2023/24	2024/25
Actuals		Original Estimate	Revised Estimate	Original Estimate
£		£	£	£
388,297	Expenditure	323,230	341,740	352,920
-283,160	Income	-296,230	-297,380	-297,380
105,137	Net Expenditure/Income (-)	27,000	44,360	55,540

Key Activities

Fleetwood Cemetery
Preesall Cemetery
Poulton Cemeteries

Responsible Officer

Corporate Director Environment

Community Development

Previous Year		2023/24	2023/24	2024/25
Actuals		Original Estimate	Revised Estimate	Original Estimate
£		£	£	£
89,303	Expenditure	47,584	703,700	10,220
-71,838	Income	-33,004	-693,600	0
17,465	Net Expenditure/Income (-)	14,580	10,100	10,220

Key Activities

Community Development
UK Shared Prosperity Fund

Responsible Officer

Corporate Director Environment

Countryside

Previous Year		2023/24	2023/24	2024/25
Actuals		Original Estimate	Revised Estimate	Original Estimate
£		£	£	£
339,382	Expenditure	317,510	353,500	364,600
-14,514	Income	-16,950	-21,930	-21,860
324,868	Net Expenditure/Income (-)	300,560	331,570	342,740

Key Activities

Wyre Estuary Country Park
Countryside General

Responsible Officer

Corporate Director Environment

Environmental Protection

Previous Year		2023/24	2023/24	2024/25
Actuals		Original Estimate	Revised Estimate	Original Estimate
£		£	£	£
493,249	Expenditure	496,990	444,770	450,820
-71,274	Income	-54,750	-62,270	-54,750
421,975	Net Expenditure/Income (-)	442,240	382,500	396,070

Key Activities

Air Pollution
 Burial Expenses
 Contaminated Land
 Drainage Investigation
 L A Pollution Prevention Control
 Noise Control
 Pest Control
 Public Health - Misc. Pollution

Responsible Officer

Corporate Director Environment

Recreation and Sport Facilities

Previous Year		2023/24	2023/24	2024/25
Actuals		Original Estimate	Revised Estimate	Original Estimate
£		£	£	£
2,647,596	Expenditure	2,525,480	3,148,390	3,189,470
-631,069	Income	-614,520	-1,042,970	-1,076,270
2,016,527	Net Expenditure/Income (-)	1,910,960	2,105,420	2,113,200

Key Activities

Fleetwood Leisure Centre
 Foreshore/Promenade Cleveleys
 Foreshore/Promenade Fleetwood
 Garstang Leisure Centre
 Garstang Swimming Centre
 Marine Garden Games
 Marine Lake
 Poulton Swimming Centre
 Rossall Point Observatory
 Skippool Berths
 Sports Development
 Health and Wellbeing Programmes
 Thornton Leisure Centre
 Business Health Matters

Responsible Officer

Corporate Director Communities

Regulatory and Licensing Services

Previous Year		2023/24	2023/24	2024/25
Actuals		Original Estimate	Revised Estimate	Original Estimate
£		£	£	£
632,693	Expenditure	620,780	705,780	759,520
-234,968	Income	-211,770	-226,750	-214,170
397,725	Net Expenditure/Income (-)	409,010	479,030	545,350

Key Activities

Animal Health Licensing
 Food Safety
 Gambling Act Licensing
 General Licensing - Chargeable
 General Licensing - Non-chargeable
 Health and Safety at Work
 Licensing Act
 Licensing Enforcement - Non Fee Earning
 Private Water Supplies
 Taxi Licensing
 Water Samples

Responsible Officer

Corporate Director Environment

Theatres and Public Entertainment

Previous Year		2023/24	2023/24	2024/25
Actuals		Original Estimate	Revised Estimate	Original Estimate
£		£	£	£
1,227,770	Expenditure	1,219,740	1,267,360	1,312,770
-484,864	Income	-537,010	-494,810	-537,010
742,906	Net Expenditure/Income (-)	682,730	772,550	775,760

Key Activities

Marine Hall Fleetwood
 Thornton Little Theatre

Responsible Officer

Corporate Director Communities

Tourism

Previous Year		2023/24	2023/24	2024/25
Actuals		Original Estimate	Revised Estimate	Original Estimate
£		£	£	£
170,856	Expenditure	128,640	150,610	153,740
-6,714	Income	-700	-5,850	-700
164,142	Net Expenditure/Income (-)	127,940	144,760	153,040

Key Activities

Tourism
Tourist Information Centres

Responsible Officer

Corporate Director Communities

Neighbourhood Services and Community Safety Portfolio

The Council's commitments are:-

- Support people to help themselves and live independently in their own homes
- Provide support to those who need it, including our most vulnerable and financially disadvantaged residents and our ageing population
- Improve feelings of safety and work with partners to tackle crime and anti-social behaviour
- Develop Wyre's town centres to be thriving and welcoming places to live, work and visit
- Ensure our towns and villages are supported by integrated infrastructure

Services which contribute towards delivering our Neighbourhood Services Portfolio theme comprise:-

Previous Year		2023/24	2023/24	2024/25
Actuals		Original Estimate	Revised Estimate	Original Estimate
£		£	£	£
122,134	Car Parking	88,810	47,320	46,430
261,115	Community Safety	274,220	343,850	266,030
2,272,828	Flood Risk Management	2,262,020	2,310,100	2,295,690
-46,442	Housing Benefits	-11,120	74,490	205,030
132,993	Housing Services	172,980	11,660	214,390
2,742,628	Portfolio Total	2,786,910	2,787,420	3,027,570

Within the Council Plan 2024 to 2028 our actions include:

- Using technology to support older and disabled people to live independently at home
- Delivering the Household Support Fund and other initiatives that support low income families
- Developing and delivering a plan to tackle anti-social behaviour in the borough
- Developing a programme of town centre improvements
- Delivering the UK Shared Prosperity Fund and Rural England Prosperity Fund 2023 – 2025
- Developing and delivering Wyre's Climate Change Strategy
- Delivering the Wyre Beach Management Scheme

Performance indicators, linked to Neighbourhood Services and Community Safety Portfolio, are contained within the in-house Performance Management Monitoring System and individual Service Plans. Performance against these projects and targets is regularly reported.

Actual expenditure and income figures for 2022/23 and updated projections for each of the service areas follow.

Car Parking

Previous Year		2023/24	2023/24	2024/25
Actuals		Original Estimate	Revised Estimate	Original Estimate
£		£	£	£
692,814	Expenditure	656,730	673,440	653,150
-570,680	Income	-567,920	-626,120	-606,720
<u>122,134</u>	Net Expenditure/Income (-)	<u>88,810</u>	<u>47,320</u>	<u>46,430</u>

Key Activities

Car Parks Unmetered
Off Street Car Parking

Responsible Officer

Corporate Director Environment

Community Safety

Previous Year		2023/24	2023/24	2024/25
Actuals		Original Estimate	Revised Estimate	Original Estimate
£		£	£	£
282,715	Expenditure	293,320	362,950	285,130
-21,600	Income	-19,100	-19,100	-19,100
<u>261,115</u>	Net Expenditure/Income (-)	<u>274,220</u>	<u>343,850</u>	<u>266,030</u>

Key Activities

Children's Trust
Community Safety Operations

Responsible Officer

Corporate Director Environment

Flood Risk Management

Previous Year		2023/24	2023/24	2024/25
Actuals		Original Estimate	Revised Estimate	Original Estimate
£		£	£	£
2,337,357	Expenditure	2,330,340	2,375,000	2,360,590
-64,529	Income	-68,320	-64,900	-64,900
<u>2,272,828</u>	Net Expenditure/Income (-)	<u>2,262,020</u>	<u>2,310,100</u>	<u>2,295,690</u>

Key Activities

Flood Defences
Land Drainage
Sea Defences

Responsible Officer

Corporate Director Environment

Housing Benefits

Previous Year		2023/24	2023/24	2024/25
Actuals		Original Estimate	Revised Estimate	Original Estimate
£		£	£	£
20,531,082	Expenditure	19,191,040	20,096,490	20,195,230
-20,577,524	Income	-19,202,160	-20,022,000	-19,990,200
<u>-46,442</u>	Net Expenditure/Income (-)	<u>-11,120</u>	<u>74,490</u>	<u>205,030</u>

Key Activities

Benefits - Local Scheme (War Widows)
Benefits Administration
Benefits- Rent Allowances
Benefits- Rent Rebates

Responsible Officer

Corporate Director Resources

Housing Services

Previous Year		2023/24	2023/24	2024/25
Actuals		Original Estimate	Revised Estimate	Original Estimate
£		£	£	£
4,040,054	Expenditure	3,459,410	4,314,530	3,352,410
-3,907,061	Income	-3,286,430	-4,302,870	-3,138,020
<u>132,993</u>	Net Expenditure/Income (-)	<u>172,980</u>	<u>11,660</u>	<u>214,390</u>

Key Activities

Asylum Seekers and Refugees
 Care and Repair Service
 Empty Homes and Dwellings
 Handy Person Service
 Homelessness
 House Renovation Grants
 Houses in Multiple Occupation
 Housing Advice
 Housing Standards (Excluding HMOs)

Responsible Officer

Corporate Director Communities

Planning Policy and Economic Development Portfolio

The Council's commitments are:-

- Develop Wyre's town centres to be thriving and welcoming places to live, work and visit
- Support and champion Wyre's growing tourism economy by promoting our coast to countryside offer, tourism businesses, attractions and events
- Grow the local economy through delivering the best support for small businesses and start-ups
- Encourage local people to develop new skills to access better paid work
- Secure external funding and investment to make improvements to places across the borough
- Promote and support low carbon businesses and jobs
- Ensure our towns and villages are supported by integrated infrastructure

Services which contribute towards delivering our Planning Policy and Economic Development Portfolio theme comprise:-

Previous Year Actuals £		2023/24 Original Estimate £	2023/24 Revised Estimate £	2024/25 Original Estimate £
57,401	Building Control	146,650	89,820	133,350
409,558	Economic Development and Regeneration	543,300	573,300	192,510
293,514	Highways Infrastructure	314,460	291,760	324,510
52,205	Land Charges	48,410	29,350	33,290
852,944	Planning and Development Services	1,186,010	1,192,100	1,081,480
385,698	Property Portfolio*	-157,440	48,620	32,310
157,867	Public Transport	158,410	169,260	166,370
4,540	Transportation	4,650	12,080	12,060
2,213,727	Portfolio Total	2,244,450	2,406,290	1,975,880

Within the Council Plan 2024 to 2028 our actions include:

- Developing a programme of town centre improvements
- Developing and starting to deliver an economic development and tourism strategy
- Developing and delivering a comprehensive business support programme for small businesses in Wyre
- Developing and delivering a programme of support for local people to access education, employment or training
- Delivering the UK Shared Prosperity Fund and Rural England Prosperity Fund 2023 – 2025
- Completing a full review of the Wyre Local Plan
- Developing and delivering Wyre's Climate Change Strategy

Performance indicators, linked to Planning Policy and Economic Development Portfolio, are contained within the in-house Performance Management Monitoring System and individual Service Plans. Performance against these projects and targets is regularly reported.

Actual expenditure and income figures for 2022/23 and updated projections for each of the service areas follow.

Building Control

Previous Year		2023/24	2023/24	2024/25
Actuals		Original Estimate	Revised Estimate	Original Estimate
£		£	£	£
375,716	Expenditure	384,350	340,520	372,550
-318,315	Income	-237,700	-250,700	-239,200
<u>57,401</u>	Net Expenditure/Income (-)	<u>146,650</u>	<u>89,820</u>	<u>133,350</u>

Key Activities

Building Enforcement
 Building Regulations-Fee Earning
 Other Building Control Work

Responsible Officer

Corporate Director Environment

Economic Development and Regeneration

Previous Year		2023/24	2023/24	2024/25
Actuals		Original Estimate	Revised Estimate	Original Estimate
£		£	£	£
879,728	Expenditure	624,140	667,790	572,360
-470,170	Income	-80,840	-94,490	-379,850
<u>409,558</u>	Net Expenditure/Income (-)	<u>543,300</u>	<u>573,300</u>	<u>192,510</u>

Key Activities

Business Support
 Cleveleys Coastal Community Project
 Economic Development and Promotion-General
 Fleetwood Coastal Community Project
 Future High Streets Fund Revenue Schemes
 Hillhouse Enterprise Zone
 Wyred Up
 Fleetwood - Fish Food and Business Park
 Town Centre Recovery Projects
 Fleetwood High Street (HAZ)
 Modern Apprenticeships

Responsible Officer

Corporate Director Communities

Highways Infrastructure

Previous Year		2023/24	2023/24	2024/25
Actuals		Original Estimate	Revised Estimate	Original Estimate
£		£	£	£
392,070	Expenditure	406,490	395,690	438,680
-98,556	Income	-92,030	-103,930	-114,170
<u>293,514</u>	Net Expenditure/Income (-)	<u>314,460</u>	<u>291,760</u>	<u>324,510</u>

Key Activities

Alley Gates
 Bus Shelters and Turn Round
 Festive Lighting
 LCC Highways Agency
 WBC Highways - Non Agency

Responsible Officer

Corporate Director Environment

Land Charges

Previous Year		2023/24	2023/24	2024/25
Actuals		Original Estimate	Revised Estimate	Original Estimate
£		£	£	£
127,307	Expenditure	124,200	105,140	109,080
-75,102	Income	-75,790	-75,790	-75,790
<u>52,205</u>	Net Expenditure/Income (-)	<u>48,410</u>	<u>29,350</u>	<u>33,290</u>

Key Activities

Land Charges

Responsible Officer

Corporate Director Communities

Planning and Development Services

Previous Year		2023/24	2023/24	2024/25
Actuals		Original Estimate	Revised Estimate	Original Estimate
£		£	£	£
1,676,523	Expenditure	1,805,150	1,845,740	1,817,620
-823,579	Income	-619,140	-653,640	-736,140
<u>852,944</u>	Net Expenditure/Income (-)	<u>1,186,010</u>	<u>1,192,100</u>	<u>1,081,480</u>

Key Activities

Conservation and Listed Buildings
 Development Control
 Development Enforcement
 Halite Gas Storage
 Housing Strategy
 Local Plan
 Planning Policy

Responsible Officer

Corporate Director Communities

Property Portfolio

Previous Year		2023/24	2023/24	2024/25
Actuals		Original Estimate	Revised Estimate	Original Estimate
£		£	£	£
1,397,994	Expenditure	1,249,590	1,492,250	1,503,650
-1,012,296	Income	-1,407,030	-1,443,630	-1,471,340
<u>385,698</u>	Net Expenditure/Income (-)	<u>-157,440</u>	<u>48,620</u>	<u>32,310</u>

Key Activities

Bus Station Thornton Cleveleys
 Butts Close Industrial Site
 Cleveleys Market
 Copse Rd Depot
 Fleetwood Market
 Fleetwood Marsh Development
 Market House Studios
 Miscellaneous Buildings and Land
 MOT Test Centre - Copse Road Depot
 Poulton Community and Youth Centre
 Poulton Golf Course
 Poulton Market
 Teanlowe Day Centre
 Unused/Old Office Accommodation

Responsible Officer

Corporate Director Communities and Corporate Director Environment

Public Transport

Previous Year		2023/24	2023/24	2024/25
Actuals		Original Estimate	Revised Estimate	Original Estimate
£		£	£	£
210,009	Expenditure	210,600	226,480	223,590
-52,142	Income	-52,190	-57,220	-57,220
<u>157,867</u>	Net Expenditure/Income (-)	<u>158,410</u>	<u>169,260</u>	<u>166,370</u>

Key Activities

Fleetwood/Knott End Ferry

Responsible Officer

Corporate Director Environment

Transportation

Previous Year		2023/24	2023/24	2024/25
Actuals		Original Estimate	Revised Estimate	Original Estimate
£		£	£	£
4,540	Expenditure	4,650	12,080	12,060
0	Income	0	0	0
<u>4,540</u>	Net Expenditure/Income (-)	<u>4,650</u>	<u>12,080</u>	<u>12,060</u>

Key Activities

Transport Planning, Policy and Strategy

Responsible Officer

Corporate Director Communities

Resources Portfolio

The Council's commitments are:-

- Secure external funding and investment to make improvements to places across the borough
- Deliver high quality, value for money services that meet the needs of our customers
- Use technology to improve how we work and the services we provide
- Use our land and buildings wisely, managing them to appropriate standards, reducing their environmental impact and maximising income to reinvest in improving services
- Use data, business intelligence and research to inform us in making better evidence-based decisions and improve our services
- Build trust in the council by engaging with our customers and delivering on our promises

Services which contribute towards delivering our Resources Portfolio theme comprise:-

Previous Year Actuals £		2023/24 Original Estimate £	2023/24 Revised Estimate £	2024/25 Original Estimate £
159,527	Civil Contingencies	144,010	-285,820	142,910
1,999,243	Corporate and Democratic Core*	2,115,470	1,994,680	2,093,720
754,844	Corporate and Management Costs/Miscellaneous	886,510	2,295,370	558,740
0	Corporate Support Services	0	0	0
278,227	Elections services	428,100	448,320	229,710
-183,587	Grant Support	83,880	-76,400	31,470
1,186,185	Local Tax Collection	1,035,290	1,018,240	1,077,310
4,194,439	Portfolio Total	4,693,260	5,394,390	4,133,860

*Retirement Benefit expenditure adjusted at year end.

Within the Council Plan 2024 to 2028 our actions include:

- Delivering the Household Support Fund and other initiatives that support low income families
- Procuring a new contract for our leisure facilities
- Developing and delivering a programme of support for local people to access education, employment or training
- Delivering the UK Shared Prosperity Fund and Rural England Prosperity Fund 2023 – 2025
- Developing and delivering Wyre's Climate Change Strategy
- Developing and delivering an ambitious transformation strategy
- Working with the Local Government Association to arrange a Corporate Peer Review
- Developing and delivering an innovative digital and ICT strategy
- Developing a 3-year asset management strategy and action plan

Performance indicators, linked to the Resources Portfolio, are contained within the in-house Performance Management Monitoring System and individual Service Plans. Performance against these projects and targets is regularly reported.

Actual expenditure and income figures for 2022/23 and updated projections for each of the service areas follow.

Civil Contingencies

Previous Year		2023/24	2023/24	2024/25
Actuals		Original Estimate	Revised Estimate	Original Estimate
£		£	£	£
272,838	Expenditure	191,950	183,060	201,570
-113,311	Income	-47,940	-468,880	-58,660
<u>159,527</u>	Net Expenditure/Income (-)	<u>144,010</u>	<u>-285,820</u>	<u>142,910</u>

Key Activities

Civil Contingencies
COVID-19 Pandemic

Responsible Officer

Corporate Director Resources

Corporate and Democratic Core

Previous Year		2023/24	2023/24	2024/25
Actuals		Original Estimate	Revised Estimate	Original Estimate
£		£	£	£
2,005,830	Expenditure	2,119,470	1,998,680	2,097,720
-6,587	Income	-4,000	-4,000	-4,000
<u>1,999,243</u>	Net Expenditure/Income (-)	<u>2,115,470</u>	<u>1,994,680</u>	<u>2,093,720</u>

Key Activities

Civic and Ceremonial
Corporate Management
Democratic Services
Members Expenses Support and Advice
Wyre Voice
Retirement Benefits
Subscriptions

Responsible Officer

Corporate Director Communities and Corporate Director Resources

Corporate Management Costs/Miscellaneous

Previous Year		2023/24	2023/24	2024/25
Actuals		Original Estimate	Revised Estimate	Original Estimate
£		£	£	£
773,261	Expenditure	888,460	2,297,320	560,690
-18,417	Income	-1,950	-1,950	-1,950
<u>754,844</u>	Net Expenditure/Income (-)	<u>886,510</u>	<u>2,295,370</u>	<u>558,740</u>

Key Activities

Bank Charges
Contingency/Unallocated Bad Debt Provision
External Audit Fees
Treasury Management

Responsible Officer

Corporate Director Resources

Corporate Support Services

Previous Year		2023/24	2023/24	2024/25
Actuals		Original Estimate	Revised Estimate	Original Estimate
£		£	£	£
18,305,733	Expenditure	17,723,920	18,038,190	18,937,370
-18,305,733	Income	-17,723,920	-18,038,190	-18,937,370
<u>0</u>	Net Expenditure/Income (-)	<u>0</u>	<u>0</u>	<u>0</u>

Key Activities

Active Lives and Community Engagement	Financial Services Team
Building Control Team	HR and General Training Team
Cemeteries Team	ICT and Transformation
Civic Centre (and Bungalow)	Internal Audit, Risk Management and Insurance Team
Coast and Countryside Team	Legal Team
Communications and Marketing	Licensing Team
Community Safety Team	Management Team
Compliance Team	Parks and Open Spaces Team
Contact Centre Systems Support Team	Environment Administration Team
Contact Centre Team	Pollution and Commercial Safety Team
Corporate Support Team	Private Sector Housing Team
Development Management and Admin Team	Street Scene Team
Economic Development Team	Vehicle/Plant Maintenance Team
Engineering and Maintenance Team	
Estates and Building Maintenance Team	

Responsible Officers

Corporate Director Communities, Corporate Director Environment and Corporate Director Resources

Election Services

Previous Year		2023/24	2023/24	2024/25
Actuals		Original Estimate	Revised Estimate	Original Estimate
£		£	£	£
314,686	Expenditure	447,120	470,310	248,730
-36,459	Income	-19,020	-21,990	-19,020
<u>278,227</u>	Net Expenditure/Income (-)	<u>428,100</u>	<u>448,320</u>	<u>229,710</u>

Key Activities

Electoral Registration
Elections - Borough

Responsible Officer

Corporate Director Resources, Returning Officer for Elections is the Chief Executive

Grant Support

Previous Year		2023/24	2023/24	2024/25
Actuals		Original Estimate	Revised Estimate	Original Estimate
£		£	£	£
1,290,825	Expenditure	86,350	925,820	32,260
-1,474,412	Income	-2,470	-1,002,220	-790
<u>-183,587</u>	Net Expenditure/Income (-)	<u>83,880</u>	<u>-76,400</u>	<u>31,470</u>

Key Activities

Grants
Local Lottery

Responsible Officer

Corporate Director Communities and Corporate Director Resources

Local Tax Collection

Previous Year		2023/24	2023/24	2024/25
Actuals		Original Estimate	Revised Estimate	Original Estimate
£		£	£	£
1,968,181	Expenditure	1,760,060	1,742,940	1,813,800
-781,996	Income	-724,770	-724,700	-736,490
<u>1,186,185</u>	Net Expenditure/Income (-)	<u>1,035,290</u>	<u>1,018,240</u>	<u>1,077,310</u>

Key Activities

Council Tax Collection
Localisation of Council Tax Support
Non-Domestic Rates Collection

Responsible Officer

Corporate Director Resources

Street Scene, Parks and Open Spaces Portfolio

The Council's commitments are:-

- Build pride in our borough by ensuring our town centres and neighbourhoods are clean, attractive and well looked after
- Explore innovative approaches to reduce carbon emissions from council operations and support our communities and businesses to do the same
- Work with partners to reduce the risk of flooding to homes and businesses across Wyre
- Provide high quality parks and open spaces for everyone to enjoy

Services which contribute towards delivering our Street Scene, Parks and Open Spaces Portfolio theme comprise:-

Previous Year		2023/24	2023/23	2024/25
Actuals		Original Estimate	Revised Estimate	Original Estimate
£		£	£	£
105,810	Dog Warden Service	104,340	92,370	99,070
118	Environmental Improvements	2,440	2,440	2,480
1,580,006	Parks and Open Spaces	1,467,450	1,532,720	1,550,690
14,788	Playing Fields	305,240	341,390	347,560
325,562	Public Conveniences	312,210	350,770	342,080
3,958,159	Waste Management	4,453,510	4,413,900	4,721,270
5,984,443	Portfolio Total	6,645,190	6,733,590	7,063,150

Within the Council Plan 2024 to 2028 our actions include:

- Developing a programme of town centre improvements
- Delivering the UK Shared Prosperity Fund and Rural England Prosperity Fund 2023 – 2025
- Developing and delivering a community based programme to address the problems of fly-tipping and illegally deposited waste
- Developing and delivering Wyre's Climate Change Strategy
- Developing and delivering a programme of improvements to parks and open spaces across the borough

Actual expenditure and income figures for 2022/23 and updated projections for each of the service areas follow.

Dog Warden Service

Previous Year		2023/24	2023/24	2024/25
Actuals		Original Estimate	Revised Estimate	Original Estimate
£		£	£	£
108,874	Expenditure	106,340	96,070	101,070
-3,064	Income	-2,000	-3,700	-2,000
<u>105,810</u>	Net Expenditure/Income (-)	<u>104,340</u>	<u>92,370</u>	<u>99,070</u>

Key Activities

Dog Warden Service

Responsible Officer

Corporate Director Environment

Environmental Improvements

Previous Year		2023/24	2023/24	2024/25
Actuals		Original Estimate	Revised Estimate	Original Estimate
£		£	£	£
118	Expenditure	2,440	2,440	2,480
0	Income	0	0	0
<u>118</u>	Net Expenditure/Income (-)	<u>2,440</u>	<u>2,440</u>	<u>2,480</u>

Key Activities

Monuments and Memorials

Responsible Officer

Corporate Director Environment

Parks and Open Spaces

Previous Year		2023/24	2023/24	2024/25
Actuals		Original Estimate	Revised Estimate	Original Estimate
£		£	£	£
1,697,847	Expenditure	1,564,550	1,789,460	1,564,630
-117,841	Income	-97,100	-256,740	-13,940
<u>1,580,006</u>	Net Expenditure/Income (-)	<u>1,467,450</u>	<u>1,532,720</u>	<u>1,550,690</u>

Key Activities

Allotments
 Jean Stansfield/Vicarage Park
 Jubilee Gardens
 Marine Gardens
 Memorial Park
 Mount Pavilion, Cottages and Grounds
 North Drive Recreation Ground
 Open Spaces Fleetwood
 Open Spaces Rural Wyre
 Open Spaces Poulton / Thornton

Responsible Officer

Corporate Director Environment

Playing Fields

Previous Year		2023/24	2023/24	2024/25
Actuals		Original Estimate	Revised Estimate	Original Estimate
£		£	£	£
321,240	Expenditure	313,660	349,810	355,990
-306,452	Income	-8,420	-8,420	-8,430
<u>14,788</u>	Net Expenditure/Income (-)	<u>305,240</u>	<u>341,390</u>	<u>347,560</u>

Key Activities

Civic Centre Playing Fields
 Cottam Hall Playing Fields
 King George V Playing Field Fleetwood
 King George`s Playing Field Thornton
 Other Playing Fields

Responsible Officer

Corporate Director Environment

Public Conveniences

Previous Year		2023/24	2023/24	2024/25
Actuals		Original Estimate	Revised Estimate	Original Estimate
£		£	£	£
366,263	Expenditure	383,080	401,060	392,320
-40,701	Income	-70,870	-50,290	-50,240
<u>352,562</u>	Net Expenditure/Income (-)	<u>312,210</u>	<u>350,770</u>	<u>342,080</u>

Key Activities

Public Conveniences

Responsible Officer

Corporate Director Environment

Waste Management

Previous Year		2023/24	2023/24	2024/25
Actuals		Original Estimate	Revised Estimate	Original Estimate
£		£	£	£
5,483,370	Expenditure	5,885,240	5,927,270	6,330,200
-1,525,211	Income	-1,431,730	-1,513,370	-1,608,930
<u>3,958,159</u>	Net Expenditure/Income (-)	<u>4,453,510</u>	<u>4,413,900</u>	<u>4,721,270</u>

Key Activities

Abandoned Vehicles
Domestic Waste Management
Foreshore Cleaning
Street Cleansing
Trade Waste Collection - Duty of Care
Climate Change

Responsible Officer

Corporate Director Environment

2023/24 Revised Estimate

	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	84,248	-	-	84,248
Capital Investment	1,930,309	-	(10,220)	1,920,089
Elections	74,995	111,220	(116,210)	70,005
Homelessness	509,648	-	(165,860)	343,788
Insurance	428,304	40,000	(39,400)	428,904
Investment - I.T. Strategy	1,637,533	49,930	(341,300)	1,346,163
Leisure Management	738,019	1,240	(103,030)	636,229
Council Tax Equalisation	2,274,996	-	(568,750)	1,706,246
Non-Domestic Rates Equalisation	8,010,142	4,169,110	(4,569,560)	7,609,692
Property Investment Fund	110,114	-	(110,110)	4
Value for Money	960,645	-	(159,020)	801,625
Vehicle Replacement/Street Cleansing Maintenance	1,495,983	575,690	(491,420)	1,580,253
TOTAL Earmarked Reserves	18,254,936	4,947,190	(6,674,880)	16,527,246
<u>Ring-fenced Reserves</u>				
Enterprise Zone Growth	622,358	946,560	(132,630)	1,436,288
TOTAL Ring-fenced Reserves	622,358	946,560	(132,630)	1,436,288
TOTAL Reserves	18,877,294	5,893,750	(6,807,510)	17,963,534
<u>Balances</u>				
General Fund	14,516,890	-	(5,950)	14,510,940
TOTAL Balances	14,516,890	0	(5,950)	14,510,940
TOTAL Reserves and Balances	33,394,184	5,893,750	(6,813,460)	32,474,474

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	84,248	-	-	84,248
Capital Investment	1,920,089	-	-	1,920,089
Elections	70,005	70,000	-	140,005
Homelessness	343,788	-	(101,320)	242,468
Insurance	428,904	40,000	-	468,904
Investment - I.T. Strategy	1,346,163	-	(228,970)	1,117,193
Leisure Management	636,229	-	-	636,229
Council Tax Equalisation	1,706,246	-	(568,750)	1,137,496
Non-Domestic Rates Equalisation	7,609,692	4,426,020	(2,055,950)	9,979,762
Value for Money	801,625	-	(149,680)	651,945
Vehicle Replacement/Street Cleansing Maintenance	1,580,253	575,690	(302,500)	1,853,443
TOTAL Earmarked Reserves	16,527,242	5,111,710	(3,407,170)	18,231,782
<u>Ring-fenced Reserves</u>				
Enterprise Zone Growth	1,436,288	372,670	(54,610)	1,754,348
TOTAL Ring-fenced Reserves	1,436,288	372,670	(54,610)	1,754,348
TOTAL Reserves	17,963,530	5,484,380	(3,461,780)	19,986,130
<u>Balances</u>				
General Fund	14,510,940	-	(695,000)	13,815,940
TOTAL Balances	14,510,940	-	(695,000)	13,815,940
TOTAL Reserves and Balances	32,474,470	5,484,380	(4,156,780)	33,802,070

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 £
Earmarked Reserves				
Building Control	84,248	-	-	84,248
Capital Investment	1,920,089	-	-	1,920,089
Elections	140,005	70,000	-	210,005
Homelessness	242,468	-	-	242,468
Insurance	468,904	40,000	-	508,904
Investment - I.T. Strategy	1,117,193	-	(173,690)	943,503
Leisure Management	636,229	-	-	636,229
Council Tax Equalisation	1,137,496	-	(568,750)	568,746
Non-Domestic Rates Equalisation	9,979,762	-	(1,000,000)	8,979,762
Value for Money	651,945	-	(14,180)	637,765
Vehicle Replacement/Street Cleansing Maintenance	1,853,443	575,690	(215,000)	2,214,133
TOTAL Earmarked Reserves	18,231,782	685,690	(1,971,620)	16,945,852
Ring-fenced Reserves				
Enterprise Zone Growth	1,754,348	-	(54,610)	1,699,738
TOTAL Ring-fenced Reserves	1,754,348	-	(54,610)	1,699,738
TOTAL Reserves	19,986,130	685,690	(2,026,230)	18,645,590
Balances				
General Fund	13,815,940	-	(2,252,000)	11,563,940
TOTAL Balances	13,815,940	-	(2,252,000)	11,563,940
TOTAL Reserves and Balances	33,802,070	685,690	(4,278,230)	30,209,530

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 £
Earmarked Reserves				
Building Control	84,248	-	-	84,248
Capital Investment	1,920,089	-	-	1,920,089
Elections	210,005	70,000	-	280,005
Homelessness	242,468	-	-	242,468
Insurance	508,904	40,000	-	548,904
Investment - I.T. Strategy	943,503	-	(143,800)	799,703
Leisure Management	636,229	-	-	636,229
Council Tax Equalisation	568,746	-	(568,746)	-
Non-Domestic Rates Equalisation	8,979,762	-	(1,000,000)	7,979,762
Value for Money	637,765	-	(14,180)	623,585
Vehicle Replacement/Street Cleansing Maintenance	2,214,133	575,690	(404,500)	2,385,323
TOTAL Earmarked Reserves	16,945,852	685,690	(2,131,226)	15,500,316
Ring-fenced Reserves				
Enterprise Zone Growth	1,699,738	-	(54,610)	1,645,128
TOTAL Ring-fenced Reserves	1,699,738	-	(54,610)	1,645,128
TOTAL Reserves	18,645,590	685,690	(2,185,836)	17,145,444
Balances				
General Fund	11,563,940	-	(2,726,000)	8,837,940
TOTAL Balances	11,563,940	-	(2,726,000)	8,837,940
TOTAL Reserves and Balances	30,209,530	685,690	(4,911,836)	25,983,384

2027/28 Estimated Position

	Opening Balance as at 01/04/2027 £	Transfers in (‘top-up’) £	Transfers out (to fund expenditure) £	Closing Balance as at 31/03/2028 £
<u>Earmarked Reserves</u>				
Building Control	84,248	-	-	84,248
Capital Investment	1,920,089	-	-	1,920,089
Elections	280,005	70,000	(280,000)	70,005
Homelessness	242,468	-	-	242,468
Insurance	548,904	40,000	-	588,904
Investment - I.T. Strategy	799,703	-	(216,800)	582,903
Leisure Management	636,229	-	-	636,229
Non-Domestic Rates Equalisation	7,979,762	-	(1,000,000)	6,979,762
Value for Money	623,585	-	-	623,585
Vehicle Replacement/Street Cleansing Maintenance	2,385,323	575,690	(306,700)	2,654,313
TOTAL Earmarked Reserves	15,500,316	685,690	(1,803,500)	14,382,506
<u>Ring-fenced Reserves</u>				
Enterprise Zone Growth	1,645,128	-	(54,610)	1,590,518
TOTAL Ring-fenced Reserves	1,645,128	-	(54,610)	1,590,518
TOTAL Reserves	17,145,444	685,690	(1,858,110)	15,973,024
<u>Balances</u>				
General Fund	8,837,940	-	(3,632,000)	5,205,940
TOTAL Balances	8,837,940	-	(3,632,000)	5,205,940
TOTAL Reserves and Balances	25,983,384	685,690	(5,490,110)	21,178,964

2028/29 Estimated Position

	Opening Balance as at 01/04/2028 £	Transfers in (‘top-up’) £	Transfers out (to fund expenditure) £	Closing Balance as at 31/03/2029 £
<u>Earmarked Reserves</u>				
Building Control	84,248	-	-	84,248
Capital Investment	1,920,089	-	-	1,920,089
Elections	70,005	70,000	-	140,005
Homelessness	242,468	-	-	242,468
Insurance	588,904	40,000	-	628,904
Investment - I.T. Strategy	582,903	-	(135,960)	446,943
Leisure Management	636,229	-	-	636,229
Non-Domestic Rates Equalisation	6,979,762	-	(1,000,000)	5,979,762
Value for Money	623,585	-	-	623,585
Vehicle Replacement/Street Cleansing Maintenance	2,654,313	575,690	(306,700)	2,923,303
TOTAL Earmarked Reserves	14,382,506	685,690	(1,442,660)	13,625,536
<u>Ring-fenced Reserves</u>				
Enterprise Zone Growth	1,590,518	-	(54,610)	1,535,908
TOTAL Ring-fenced Reserves	1,590,518	-	(54,610)	1,535,908
TOTAL Reserves	15,973,024	685,690	(1,497,270)	15,161,444
<u>Balances</u>				
General Fund	5,205,940	-	(3,968,000)	1,237,940
TOTAL Balances	5,205,940	-	(3,968,000)	1,237,940
TOTAL Reserves and Balances	21,178,964	685,690	(5,465,270)	16,399,384

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2023/24 Estimated Position

	'Top Up' £	Less to Fund Expenditure £	Net Transfer £
BUILDING CONTROL			
Chargeable work 2023/24 net nil	-	-	-
CAPITAL INVESTMENT			
Security Improvements at Fleetwood Market (PH decision 23/12/21 - 22/23 capital slippage)	-	(10,220)	(10,220)
ELECTIONS			
Annual provision May 2023 Borough Elections	41,220		
Annual provision May 2027 Borough Elections	70,000		
Use of Reserve for Borough Elections in 2023		(116,210)	
	111,220	(116,210)	(4,990)
HOMELESSNESS			
2023/24 draw down to fund homelessness expenditure (5140)		(104,860)	
2023/24 draw down to fund care and repair expenditure (5221)		(61,000)	
	-	(165,860)	(165,860)
INSURANCE			
Annual set aside for possible claims.	40,000		
Draw down to fund insurance excesses in year		(12,200)	
Draw down to fund expenditure linked to insurance re-tender		(23,200)	
Drawn down to fund commission fees for insurance savings		(4,000)	
	40,000	(39,400)	600
INVESTMENT - I.T. STRATEGY			
Top Up from IT general savings	49,930		
Additional Rolling Replacement Hardware Programme		(70,000)	
Use of reserve to fund ICT developments		(118,200)	
ICT Cyber Resilience and Disaster Recovery Measures (PH decision 08/12/22 - 22/23 capital slippage)		(38,480)	
Migration of Telephone System (PH decision 30/03/23)		(30,830)	
Microsoft Enterprise Agreement (PH decision 29/06/23)		(33,290)	
Idox Systems Support Contract (PH decision 09/03/23)		(5,310)	
Replacement of core infrastructure - revenue items (PH decision 09/03/23)		(45,190)	
	49,930	(341,300)	(291,370)
LEISURE MANAGEMENT			
Annual Top Up for Exercise Equipment at Garstang Leisure Centre (Year 4 of 4)	1,240		
Use of reserve to fund inflationary increases		(9,300)	
Procurement of new swimming pool covers (PH decision 09/02/23 - 22/23 revenue slippage)		(55,180)	
YMCA Bowl - new waxing machine (PH decision 09/03/23 - 22/23 revenue slippage)		(13,830)	
Green infrastructure audit and related strategy development (PH decision 04/04/22 - 22/23 revenue slippage)		(17,720)	
Thornton YMCA 3G pitch repairs (PH decision 13/04/23)		(7,000)	
	1,240	(103,030)	(101,790)
COUNCIL TAX EQUALISATION			
Fund Council Taxpayer income foregone from 11/12 freeze		(176,690)	
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)	
	-	(568,750)	(568,750)
NON-DOMESTIC RATES EQUALISATION			
Top Up - s31 Local Government Act 2003 Grant net of related NDR Levy	4,169,110		
Use of Reserve to fund Collection Fund Deficit		(1,534,020)	
Use of Reserve to fund Baseline Funding Deficit		(1,357,350)	
Release of funds to general fund		(1,000,000)	
Release prior year retained levy		(654,920)	
Use of reserve to fund repayment of 2015 flooding business rate relief grant		(23,270)	
	4,169,110	(4,569,560)	(400,450)
PROPERTY INVESTMENT FUND			
	-	(110,110)	(110,110)
VALUE FOR MONEY			
Investment in Digital Transformation Software and Equipment (PH decision 29/07/22)		(14,180)	
Draw down to fund Procurement Officer temp increase of hours (ODR Nov 2022)		(22,330)	
Draw down to fund works on Mount Pavillion Clock		(12,470)	
Draw down to fund costs of consultants supporting theatre reviews		(30,000)	
Draw down to fund Idox training		(11,200)	
Draw down to fund spending analysis subscription		(5,000)	
Draw down to fund staffing with contact centre (ODR Mar 2023)		(61,840)	
Draw down to fund Together We Make A Difference projects		(2,000)	
	-	(159,020)	(159,020)
VEHICLE REPLACEMENT/STREET CLEANSING MAINTENANCE			
Refuse Collection Vehicles - Top Up Cabinet 11/7/18 (Year 4 of 8)	239,380		
Top Up to fund vehicle replacement	333,310		
Use of Reserve to fund vehicle replacements/adaptations		(491,420)	
Additional Income MOT Centre Top Up Reserve to replace equipment	3,000		
	575,690	(491,420)	84,270
RINGFENCED - ENTERPRISE ZONE GROWTH			
Use of Growth monies to fund expenditure		(132,630)	
Top Up from Growth identified in NNDR1/NNDR3 Returns	946,560		
	946,560	(132,630)	813,930
2023/24 TOTAL NET TRANSFER (FROM) RESERVES			(913,760)

2024/25 Estimated Position

	'Top Up' £	Less to Fund Expenditure £	Net Transfer £
<u>BUILDING CONTROL</u>			
Chargeable work 2024/25 net nil	-	-	-
<u>CAPITAL INVESTMENT</u>			
<u>ELECTIONS</u>			
Annual provision May 2027 Borough Elections	70,000	-	70,000
<u>HOMELESSNESS</u>			
2024/25 draw down to fund homelessness expenditure (5140)		(68,350)	
2024/25 draw down to fund care and repair expenditure (5221)		(32,970)	
	-	(101,320)	(101,320)
<u>INSURANCE</u>			
Annual set aside for possible claims	40,000	-	40,000
<u>INVESTMENT - I.T. STRATEGY</u>			
Top Up from IT general savings	-		
Additional Rolling Replacement Hardware Programme.		(15,000)	
Use of reserve to fund ICT developments		(141,100)	
Migration of Telephone System (PH decision 30/03/23)		(10,400)	
Idox Systems Support Contract (PH decision 09/03/23)		(17,530)	
CivicaPay Midcall - PCI Compliance Service (PH decision 17/08/23)		(44,940)	
	-	(228,970)	(228,970)
<u>LEISURE MANAGEMENT</u>			
<u>COUNCIL TAX EQUALISATION</u>			
Fund Council Taxpayer income foregone from 11/12 freeze		(176,690)	
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)	
	-	(568,750)	(568,750)
<u>NON-DOMESTIC RATES EQUALISATION</u>			
Top Up - s31 Local Government Act 2003 Grant net of related NDR Levy	4,426,020		
Use of Reserve to fund Baseline Funding Deficit (net of collection fund surplus)		(1,055,950)	
Release of funds to general fund		(10,960)	
Release prior year retained levy		(989,040)	
	4,426,020	(2,055,950)	2,370,070
<u>PROPERTY INVESTMENT FUND</u>			
<u>VALUE FOR MONEY</u>			
Investment in Digital Transformation Software and Equipment (PH decision 29/07/22)		(14,180)	
Draw down to fund staffing with contact centre (ODR Mar 2023)		(125,500)	
Draw down to fund Together We Make A Difference projects		(10,000)	
	-	(149,680)	(149,680)
<u>VEHICLE REPLACEMENT/STREET CLEANSING MAINTENANCE</u>			
Refuse Collection Vehicles - Top Up Cabinet 11/7/18 (Year 5 of 8)	239,380		
Top Up to fund vehicle replacement	333,310		
Use of Reserve to fund vehicle replacements/adaptations		(302,500)	
Additional Income MOT Centre Top Up Reserve to replace equipment	3,000		
	575,690	(302,500)	273,190
<u>RINGFENCED - ENTERPRISE ZONE GROWTH</u>			
Use of Growth monies to fund expenditure		(54,610)	
Top Up from Growth identified in NNDR1/NNDR3 Returns	372,670		
	372,670	(54,610)	318,060
2024/25 TOTAL NET TRANSFER (FROM) RESERVES			2,022,600

2025/26 Estimated Position

	'Top Up' £	Less to Fund Expenditure £	Net Transfer £
<u>BUILDING CONTROL</u>			
Chargeable work 2025/26 net nil	-	-	-
<u>CAPITAL INVESTMENT</u>			
<u>ELECTIONS</u>			
Annual provision May 2027 Borough Elections.	70,000	-	70,000
<u>HOMELESSNESS</u>			
<u>INSURANCE</u>			
Annual set aside for possible claims.	40,000	-	40,000
<u>INVESTMENT - I.T. STRATEGY</u>			
Top Up from IT general savings	-	-	
Additional Rolling Replacement Hardware Programme		-	
Use of reserve to fund ICT developments		(145,760)	
Migration of Telephone System (PH decision 30/03/23)		(10,400)	
Idox Systems Support Contract (PH decision 09/03/23)		(17,530)	
	0	(173,690)	(173,690)
<u>LEISURE MANAGEMENT</u>			
<u>COUNCIL TAX EQUALISATION</u>			
Fund Council Taxpayer income foregone from 11/12 freeze		(176,690)	
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)	
	-	(568,750)	(568,750)
<u>NON-DOMESTIC RATES EQUALISATION</u>			
Release of funds to general fund		(156,610)	
Release prior year retained levy		(843,390)	
	-	(1,000,000)	(1,000,000)
<u>PROPERTY INVESTMENT FUND</u>			
<u>VALUE FOR MONEY</u>			
Investment in Digital Transformation Software and Equipment (PH decision 29/07/22)	-	(14,180)	(14,180)
<u>VEHICLE REPLACEMENT/STREET CLEANSING MAINTENANCE</u>			
Refuse Collection Vehicles - Top Up Cabinet 11/7/18 (Year 6 of 8)	239,380		
Top Up to fund vehicle replacement	333,310		
Use of Reserve to fund vehicle replacements/adaptations		(215,000)	
Additional Income MOT Centre Top Up Reserve to replace equipment	3,000		
	575,690	(215,000)	360,690
<u>RINGFENCED - ENTERPRISE ZONE GROWTH</u>			
Use of Growth monies to fund expenditure	-	(54,610)	(54,610)
2025/26 TOTAL NET TRANSFER (FROM) RESERVES			<u>(1,340,540)</u>

2026/27 Estimated Position

	'Top Up' £	Less to Fund Expenditure £	Net Transfer £
<u>BUILDING CONTROL</u>			
Chargeable work 2026/27 net nil	-	-	-
<u>CAPITAL INVESTMENT</u>	-	-	-
<u>ELECTIONS</u>			
Annual provision May 2027 Borough Elections	70,000	-	70,000
<u>HOMELESSNESS</u>	-	-	-
<u>INSURANCE</u>			
Annual set aside for possible claims	40,000	-	40,000
<u>INVESTMENT - I.T. STRATEGY</u>			
Top Up from IT general savings	-	-	
Additional Rolling Replacement Hardware Programme		-	
Use of reserve to fund ICT developments		(126,270)	
Idox Systems Support Contract (PH decision 09/03/23)		(17,530)	
	<u>0</u>	<u>(143,800)</u>	<u>(143,800)</u>
<u>LEISURE MANAGEMENT</u>			
<u>COUNCIL TAX EQUALISATION</u>			
Fund Council Taxpayer income foregone from 11/12 freeze		(176,686)	
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)	
	-	<u>(568,746)</u>	<u>(568,746)</u>
<u>NON-DOMESTIC RATES EQUALISATION</u>			
Release of funds to general fund	-	(1,000,000)	(1,000,000)
<u>PROPERTY INVESTMENT FUND</u>	-	-	-
<u>VALUE FOR MONEY</u>			
Investment in Digital Transformation Software and Equipment (PH decision 29/07/22)	-	(14,180)	(14,180)
<u>VEHICLE REPLACEMENT/STREET CLEANSING MAINTENANCE</u>			
Refuse Collection Vehicles - Top Up Cabinet 11/7/18 (Year 7 of 8)	239,380		
Top Up to fund vehicle replacement	333,310		
Use of Reserve to fund vehicle replacements/adaptations		(404,500)	
Additional Income MOT Centre Top Up Reserve to replace equipment	3,000		
	<u>575,690</u>	<u>(404,500)</u>	<u>171,190</u>
<u>RINGFENCED - ENTERPRISE ZONE GROWTH</u>			
Use of Growth monies to fund expenditure	-	(54,610)	(54,610)
2026/27 TOTAL NET TRANSFER TO RESERVES			<u>(1,500,146)</u>

2027/28 Estimated Position

	'Top Up' £	Less to Fund Expenditure £	Net Transfer £
<u>BUILDING CONTROL</u>			
Chargeable work 2027/28 net nil	-	-	-
<u>CAPITAL INVESTMENT</u>			
<u>ELECTIONS</u>			
Annual provision May 2031 Borough Elections	70,000		
Use of Reserve for Borough Elections in 2027		(280,000)	
	<u>70,000</u>	<u>(280,000)</u>	<u>(210,000)</u>
<u>HOMELESSNESS</u>			
<u>INSURANCE</u>			
Annual set aside for possible claims	40,000	-	40,000
<u>INVESTMENT - I.T. STRATEGY</u>			
Top Up from IT general savings per latest review	-		
Additional Rolling Replacement Hardware Programme		(73,000)	
Use of reserve to fund ICT developments		(126,270)	
Idox Systems Support Contract (PH decision 09/03/23)		(17,530)	
	<u>0</u>	<u>(216,800)</u>	<u>(216,800)</u>
<u>LEISURE MANAGEMENT</u>			
<u>COUNCIL TAX EQUALISATION</u>			
<u>NON-DOMESTIC RATES EQUALISATION</u>			
Release of funds to general fund	-	(1,000,000)	(1,000,000)
<u>PROPERTY INVESTMENT FUND</u>			
<u>VALUE FOR MONEY</u>			
<u>VEHICLE REPLACEMENT/STREET CLEANSING MAINTENANCE</u>			
Refuse Collection Vehicles - Top Up Cabinet 11/7/18 (Year 8 of 8)	239,380		
Top Up to fund vehicle replacement	333,310		
Use of Reserve to fund vehicle replacements/adaptations		(306,700)	
Additional Income MOT Centre Top Up Reserve to replace equipment	<u>3,000</u>		
	<u>575,690</u>	<u>(306,700)</u>	<u>268,990</u>
<u>RINGFENCED - ENTERPRISE ZONE GROWTH</u>			
Use of Growth monies to fund expenditure	-	(54,610)	(54,610)
2027/28 TOTAL NET TRANSFER TO RESERVES			<u><u>(1,172,420)</u></u>

2028/29 Estimated Position

	'Top Up' £	Less to Fund Expenditure £	Net Transfer £
<u>BUILDING CONTROL</u>			
Chargeable work 2028/29 net nil	-	-	-
<u>CAPITAL INVESTMENT</u>			
<u>ELECTIONS</u>			
Annual provision May 2031 Borough Elections	70,000	-	70,000
<u>HOMELESSNESS</u>			
<u>INSURANCE</u>			
Annual set aside for possible claims	40,000	-	40,000
<u>INVESTMENT - I.T. STRATEGY</u>			
Top Up from IT general savings per latest review	-	(15,000)	
Additional Rolling Replacement Hardware Programme		(120,960)	
Use of reserve to fund ICT developments	-	(135,960)	(135,960)
<u>LEISURE MANAGEMENT</u>			
<u>COUNCIL TAX EQUALISATION</u>			
<u>NON-DOMESTIC RATES EQUALISATION</u>			
Release of funds to general fund	-	(1,000,000)	(1,000,000)
<u>PROPERTY INVESTMENT FUND</u>			
<u>VALUE FOR MONEY</u>			
<u>VEHICLE REPLACEMENT/STREET CLEANSING MAINTENANCE</u>			
Refuse Collection Vehicles - Top Up (Year 1 of 8)	239,380		
Top Up to fund vehicle replacement	333,310		
Use of Reserve to fund vehicle replacements/adaptations		(306,700)	
Additional Income MOT Centre Top Up Reserve to replace equipment	3,000		
	575,690	(306,700)	268,990
<u>RINGFENCED - ENTERPRISE ZONE GROWTH</u>			
Use of Growth monies to fund expenditure	-	(54,610)	(54,610)
2028/29 TOTAL NET TRANSFER TO RESERVES			<u>(811,580)</u>

PARISH PRECEPTS

PARISH/TOWN COUNCIL	<u>2023/24</u>	<u>2024/25</u>	<u>2024/25</u>	<u>2024/25</u>	<u>2023/24</u>	<u>Amount change in</u>	<u>% change in</u>
	<u>Precepts</u>	<u>Precepts</u>	<u>Council</u> <u>Tax Base</u> No. of Band D equivalent properties	<u>Amount per</u> <u>Band D</u> <u>equivalent</u> <u>property</u>	<u>Amount per</u> <u>Band D</u> <u>equivalent</u> <u>property</u>	<u>2024/25</u> <u>Band D charge</u> <u>from 2023/24</u>	<u>2024/25</u> <u>Band D charge</u> <u>from 2023/24</u>
	£	£		£ p	£ p	£ p	%
Barnacre-with-Bonds	8,000	17,000	1,104.03	15.40	7.12	8.28	116.29
Bleasdale	1,000	1,000	53.78	18.59	17.82	0.77	4.32
Cabus	9,500	9,000	630.24	14.28	15.30	-1.02	-6.67
Catterall	98,000	103,500	1,094.37	94.57	94.56	0.01	0.01
Cloughton-on-Brock	21,000	35,000	425.58	82.24	48.41	33.83	69.88
Fleetwood	245,049	255,653	6,388.12	40.02	38.63	1.39	3.60
Forton	21,000	21,000	700.56	29.98	29.81	0.17	0.57
Garstang	114,188	139,325	1,955.04	71.26	60.63	10.63	17.53
Great Eccleston	45,000	47,300	778.65	60.75	57.61	3.14	5.45
Hambleton	40,000	50,000	1,131.13	44.20	36.95	7.25	19.62
Inskip-with-Sowerby	11,359	12,500	421.16	29.68	26.71	2.97	11.12
Kirkland	13,500	14,175	137.64	102.99	102.86	0.13	0.13
Myerscough and Bilsborrow	19,000	20,500	529.14	38.74	35.02	3.72	10.62
Nateby	4,820	5,746	207.99	27.63	23.70	3.93	16.58
Nether Wyresdale	25,000	28,000	327.19	85.58	75.56	10.02	13.26
Out Rawcliffe	7,000	7,500	262.78	28.54	26.65	1.89	7.09
Pilling	78,000	81,000	867.99	93.32	88.99	4.33	4.87
Preesall	98,186	100,109	1,928.88	51.90	51.90	0.00	0.00
Stalmine-with-Staynall	38,013	40,203	696.97	57.68	57.72	-0.04	-0.07
Upper Rawcliffe-with-Tarnacre	7,500	9,000	292.97	30.72	25.77	4.95	19.21
Winmarleigh	6,735	5,890	115.18	51.14	57.03	-5.89	-10.33
	911,850	1,003,401	20,049.39				
Poulton-le-Fylde			7,827.12				
Thornton Cleveleys			11,261.97				
Total Tax Base for Wyre Borough			<u>39,138.48</u> *				

* S.151 Officer Delegated Decision

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Prudential Indicators

Indicator No.

- 1 The actual capital expenditure incurred in 2022/23 and the estimates of capital expenditure for the current and future years that are recommended for approval are:

	2022/23 Actual £000	2023/24 Estimate £000	2024/25 Estimate £000	2025/26 Estimate £000	2026/27 Estimate £000	2027/28 Estimate £000	2028/29 Estimate £000
Housing	2,182	3,013	2,080	2,080	2,080	2,080	2,080
Sea Defences	3,560	11,745	16,795	17,972	7,134	0	0
Fleetwood regeneration	2,754	1,858	0	0	0	0	0
Levelling Up	180	369	774	0	0	0	0
Project Neptune	4,166	29	0	0	0	0	0
Vehicle replacement	171	491	303	215	405	307	307
Other	104	367	0	0	0	0	0
ICT	88	38	0	0	0	0	0
Parks and Open Spaces	152	117	0	0	0	0	0
TOTAL	13,357	18,027	19,952	20,267	9,618	2,387	2,387

- 2 Estimates of the ratio of financing costs to net revenue stream for the current and future years, and the actual figures for 2022/23 are:

	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
Ratio	-7.12%	-10.73%	-5.95%	-4.58%	-2.76%	-2.66%	-2.57%

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:

	31/03/2023 Actual £000	31/03/2024 Estimate £000	31/03/2025 Estimate £000	31/03/26 Estimate £000	31/03/2027 Estimate £000	31/03/2028 Estimate £000	31/03/2029 Estimate £000
Total Capital Financing Requirement	10,877	10,780	10,696	10,633	10,558	10,483	10,403
<i>(Expenditure less capital grants & use of usable/set-aside receipts)</i>							

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.

	2022/23 Limit £000	2023/24 Limit £000	2024/25 Limit £000	2025/26 Limit £000	2026/27 Limit £000	2027/28 Limit £000	2028/29 Limit £000
Borrowing	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Other Long Term Liabilities	100	100	100	100	100	100	100
Total Authorised Limit	20,100	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.

	2022/23 Limit £000	2023/24 Limit £000	2024/25 Limit £000	2025/26 Limit £000	2026/27 Limit £000	2027/28 Limit £000	2028/29 Limit £000
Borrowing	14,878	14,914	15,889	16,679	17,485	17,485	17,485
Other Long Term Liabilities (Deferred Liabilities)	50	50	50	50	50	50	50
Total Operational Boundary	14,928	14,964	15,939	16,729	17,535	17,535	17,535

- 3 Actual External Debt

	31/03/23 Actual £000
External Debt-Temporary Borrowing	0
External Debt-PWLB	0
Other Long Term Liabilities	15
Total Actual External Debt	15

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

	2022/23 Actual %	2023/24 Estimate %	2024/25 Estimate %	2025/26 Estimate %	2026/27 Estimate %	2027/28 Estimate %	2028/29 Estimate %
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

	2022/23 Actual %	2023/24 Estimate %	2024/25 Estimate %	2025/26 Estimate %	2026/27 Estimate %	2027/28 Estimate %	2028/29 Estimate %
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.

	Upper Limit	Lower Limit
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

	2022/23 Actual £000	2023/24 Estimate £000	2024/25 Estimate £000	2025/26 Estimate £000	2026/27 Estimate £000	2027/28 Estimate £000	2028/29 Estimate £000
Total principal sum invested to final maturities beyond the period end	0	0	0	0	0	0	0

Portfolio	Directorate	Scheme name	Original Budget 2023/24	Revised budget 2023/24	Original budget 2024/25	Original budget 2025/26	Original budget 2026/27	Original budget 2027/28	Original budget 2028/29
Neighbourhood Services and Community Safety	Communities	Disabled Facilities Mandatory Grants	£2,079,964	£2,996,163	£2,079,964	£2,079,964	£2,079,964	£2,079,964	£2,079,964
	Communities	Empty Homes Delivery	£0	£17,049	£0	£0	£0	£0	£0
	Environment	Cell Eleven Monitoring	£23,410	£23,410	£23,410	£23,410	£0	£0	£0
	Environment	Rossall Sea Wall Improvement Works	£0	£208,432	£0	£0	£0	£0	£0
	Environment	Wyre Beach Management Business Case	£13,195,576	£10,019,771	£15,385,433	£16,214,919	£5,226,527	£0	£0
	Environment	Our Future Coast (formerly Innovative Resilience Fund ECO-CoBS)	£2,191,000	£1,493,271	£1,386,498	£1,733,675	£1,907,263	£0	£0
	Environment	Upgrade to CCTV Network	£0	£122,000	£0	£0	£0	£0	£0
Neighbourhood Services and Community Safety Total			£17,489,950	£14,880,096	£18,875,305	£20,051,968	£9,213,754	£2,079,964	£2,079,964
Planning Policy and Economic Development	Communities	Fleetwood HAZ	£214,656	£277,738	£0	£0	£0	£0	£0
	Communities	UK Shared Prosperity Fund Projects	£467,000	£268,806	£474,222	£0	£0	£0	£0
	Communities	Rural England Prosperity Fund (REPF)	£0	£100,000	£300,000	£0	£0	£0	£0
Planning Policy and Economic Development Total			£681,656	£646,544	£774,222	£0	£0	£0	£0
Resources	Communities	Acquisition of fish and food processing commercial units	£0	£28,839	£0	£0	£0	£0	£0
	Communities	Fleetwood Market Improvement Works	£0	£1,466,566	£0	£0	£0	£0	£0
	Communities	Fleetwood Market Security Improvements	£0	£10,215	£0	£0	£0	£0	£0
	Communities	Roofing works at Redmarsh Industrial Estate	£0	£131,488	£0	£0	£0	£0	£0
	Environment	Changing Places Facilities - Wyre Estuary Country Park, Thornton	£98,878	£101,852	£0	£0	£0	£0	£0
	Environment	Copse Road Depot VMU Roller Shutter doors	£0	£11,840	£0	£0	£0	£0	£0
	Environment	Public Sector Decarbonisation at Fleetwood Market	£0	£103,361	£0	£0	£0	£0	£0
	Environment	Vehicle Replacement/Street Cleansing Mtnce	£149,500	£491,417	£302,500	£215,000	£404,500	£306,700	£306,700
	Resources	Replacement of Core IT Network Infrastructure	£0	£38,476	£0	£0	£0	£0	£0
Resources Total			£248,378	£2,384,054	£302,500	£215,000	£404,500	£306,700	£306,700
Street Scene, Parks and Open Spaces	Environment	Hawthorne Park, Thornton - Playground improvements	£0	£3,206	£0	£0	£0	£0	£0
	Environment	King George's Playing Field Phase 3	£0	£10,678	£0	£0	£0	£0	£0
	Environment	Preesall Playing Fields Environmental Improvements	£0	£21,180	£0	£0	£0	£0	£0
	Environment	Restoration of the Mount	£0	£39,934	£0	£0	£0	£0	£0
	Environment	Tebay Playground Refurbishment	£0	£7,000	£0	£0	£0	£0	£0
	Environment	Memorial Park Playground Equipment	£0	£20,050	£0	£0	£0	£0	£0
	Environment	Pheasants Wood, Thornton - Improvement Scheme	£0	£14,648	£0	£0	£0	£0	£0
Street Scene, Parks and Open Spaces Total			£0	£116,696	£0	£0	£0	£0	£0
Grand Total			£18,419,984	£18,027,390	£19,952,027	£20,266,968	£9,618,254	£2,386,664	£2,386,664
Funding Source									
Capital Receipts			£14,398	£1,834,859	£0	£0	£0	£0	£0
Grants and Contributions			£18,256,086	£15,623,584	£19,649,527	£20,051,968	£9,213,754	£2,079,964	£2,079,964
Revenue			£149,500	£568,947	£302,500	£215,000	£404,500	£306,700	£306,700
Grand Total			£18,419,984	£18,027,390	£19,952,027	£20,266,968	£9,618,254	£2,386,664	£2,386,664

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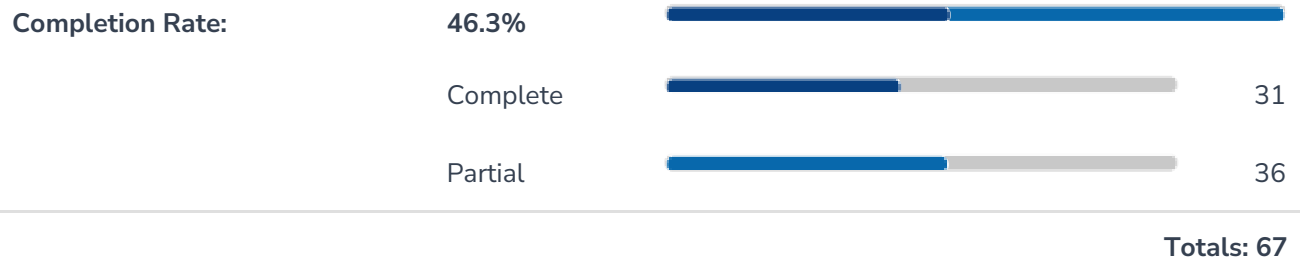
Appendix 9

<u>Service area</u>	<u>Request type</u>	<u>One-off or recurring</u>	<u>2023/24</u>	<u>2024/25</u>	<u>2025/26</u>	<u>2026/27</u>	<u>2027/28</u>	<u>2028/29</u>
			£	£	£	£	£	£
Development Control - Planning Application Fees	Saving (income generation)	Recurring	-27,500	-110,000	-110,000	-110,000	-110,000	-110,000
Public Conveniences - Coin Income	Growth (loss of income)	Recurring	20,670	20,670	20,670	20,670	20,670	20,670
Open Spaces, Fleetwood Street Furniture	Growth (additional expenditure)	One-off	3,600					
Parks and Open Spaces Jean Stansfield Street Furniture	Growth (additional expenditure)	One-off	2,400					
Poulton Cemetery - Special Works	Growth (additional expenditure)	One-off	2,680					
Poulton Cemetery - Plaque Inscriptions and Furniture	Growth (additional expenditure)	One-off	3,910					
Parks and Open Spaces - Barrier Security	Growth (additional expenditure)	One-off	2,500					
Financial Services - External Audit Fees	Growth (additional expenditure)	Recurring	44,040	44,040	44,040	44,040	44,040	44,040
Parks and Open Spaces - Tree Maintenance	Growth (additional expenditure)	Recurring		22,800	22,800	22,800	22,800	22,800
Parks and Open Spaces - Playground Maintenance	Growth (additional expenditure)	Recurring		7,500	7,500	7,500	7,500	7,500
Wyre Estuary Country Park - Materials and Consumables	Growth (additional expenditure)	Recurring		1,500	1,500	1,500	1,500	1,500
Climate Change Pump Priming/Projects	Growth (additional expenditure)	Recurring	7,000	15,000	15,000	15,000	15,000	15,000
Member Training	Growth (additional expenditure)	Recurring		1,500	1,500	1,500	1,500	1,500
HR - Staff Survey	Growth (additional expenditure)	Recurring			4,000			4,000
HR - Training	Growth (additional expenditure)	Recurring	25,000	25,000	25,000	25,000	25,000	25,000
Assets and Estates - Repairs and Maintenance	Growth (additional expenditure)	Recurring		19,310	19,310	19,310	19,310	19,310
Climate Change Officer	Growth (additional expenditure)	Recurring		38,050	38,050	38,050	38,050	38,050
Events in the Borough	Growth (additional expenditure)	Recurring		21,800	21,800	21,800	21,800	21,800
			84,300	107,170	111,170	107,170	107,170	111,170
Parks and Open Spaces	Ring-fenced in Capital Investment Reserve			300,000				

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Report for Wyre budget consultation 2024/25

Response Counts



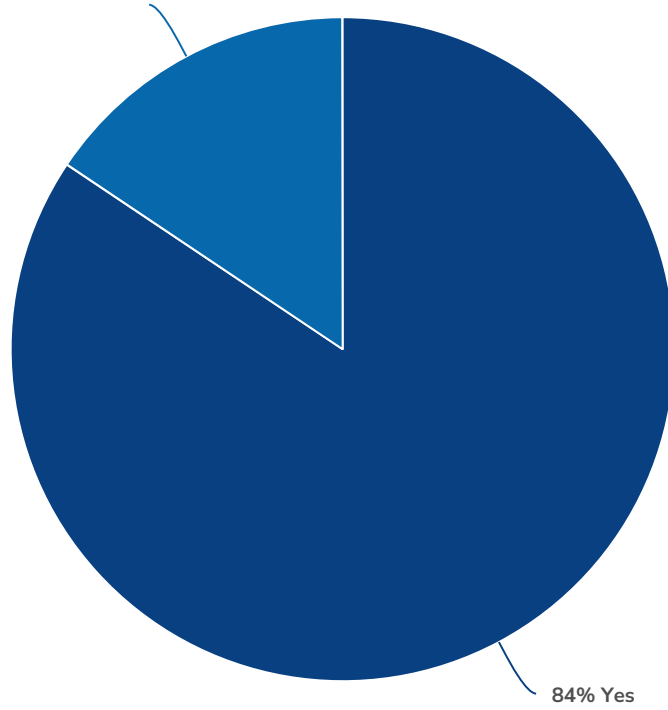
1. Please provide your postcode:

ResponseID	Response
2	FY67PU
5	FY67PU
6	FY67PU
11	PR26 4FT
15	Fy6 7pu
16	FY5 4PX
17	PR3 1HT
18	FY5 2HU
20	FY5 2nw
23	FY6 9ff
24	FY6 7TA
25	Fy7 8hd
28	FY6 0QX
29	FY7 6ab
31	la5 6hg
33	PR3 1SU
34	PR30
37	Fy7
38	Fy5 2rl
40	FY5 3BH
42	Pr3 1re
43	FY68BL
44	FY5 2EZ

ResponselD	Response
45	fy7 6ea
46	FY7 8JB
47	FY6 7HU
48	Pr31lj
52	Fy6 7du
57	PR3 0TT
59	FY6 7FF
60	Fy5 5hg
64	FY5 5HG

2. Are you a resident of Wyre?

16% No

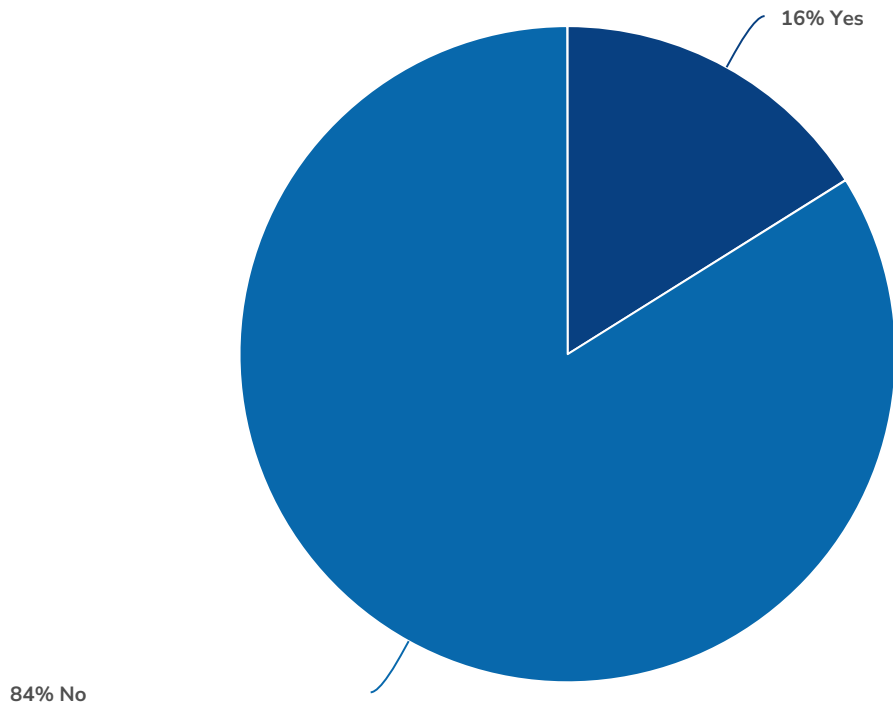


84% Yes

Value	Percent	Responses
Yes	84.4%	27
No	15.6%	5

Totals: 32

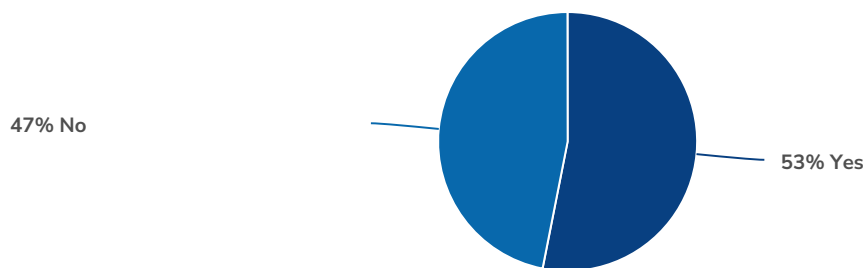
3. Are you a business owner in Wyre?



Value	Percent	Responses
Yes	16.1%	5
No	83.9%	26

Totals: 31

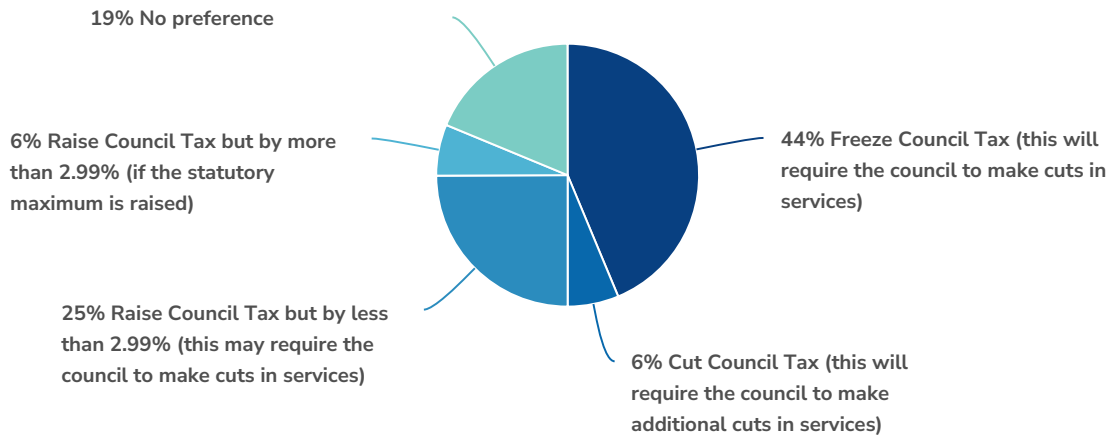
4. Do you support a 2.99% increase on Council Tax (12.6p per week on a Band D property)?



Value	Percent	Responses
Yes	53.1% 	17
No	46.9% 	15

Totals: 32

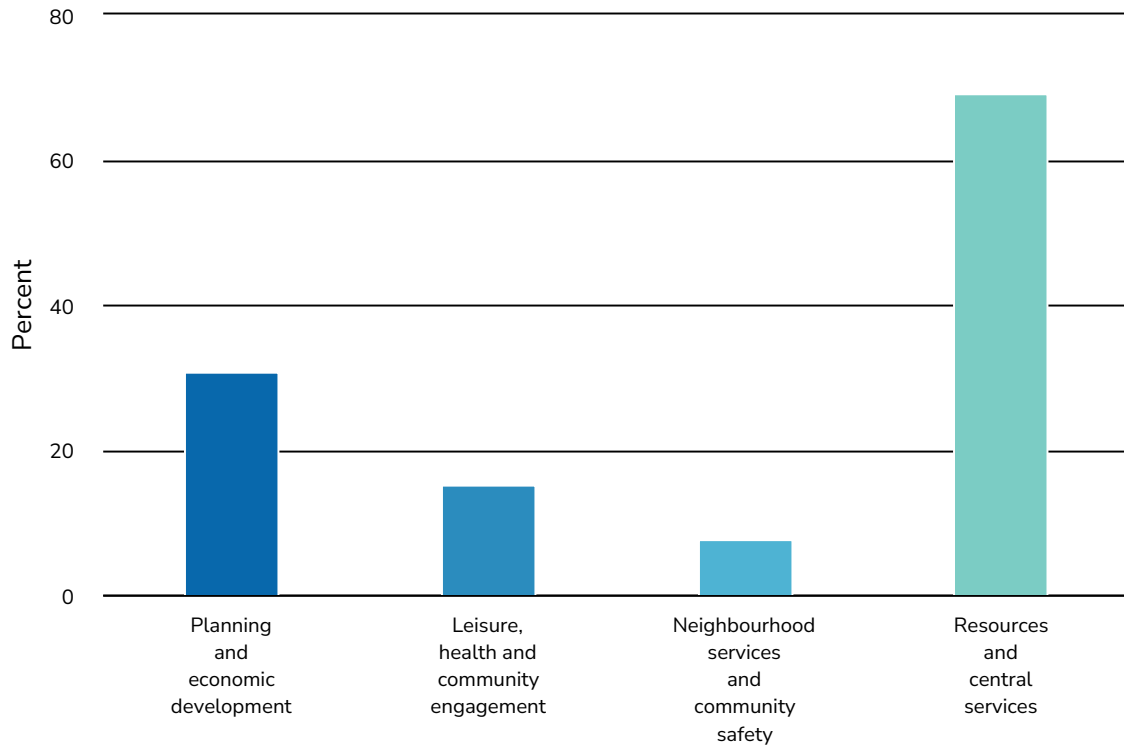
5. If no, at what level do you think Council Tax should be set in 2024/25 from the following options:



Value	Percent	Responses
Freeze Council Tax (this will require the council to make cuts in services)	43.8%	7
Cut Council Tax (this will require the council to make additional cuts in services)	6.3%	1
Raise Council Tax but by less than 2.99% (this may require the council to make cuts in services)	25.0%	4
Raise Council Tax but by more than 2.99% (if the statutory maximum is raised)	6.3%	1
No preference	18.8%	3

Totals: 16

6. If you selected freeze, cut or raise by less than 2.99%, which services would you make cuts to? Tick as many as apply.



Value	Percent	Responses
Planning and economic development	30.8%	4
Leisure, health and community engagement	15.4%	2
Neighbourhood services and community safety	7.7%	1
Resources and central services	69.2%	9

7. Any other comments:

ResponseID	Response
2	xxx
17	No
18	#SaveBourneHill and other green spaces in the Borough. Make a concerted effort to refuse over development of remaining green spaces. Utilise and reutilise existing properties instead of brand new development. Be tough on developers who do not realistically consider the genuine needs and wants of residents or the infrastructures required in the Borough.
24	Wyre Council has £30 million in reserves and balances which massively exceeds what is deemed necessary.
25	Your raising the council tax yet all roads around our area are full of pot holes need fixing where does all the money for roads go???
31	None
34	We see no benefit of Wyre Council at Catterall, there are multiple layers of government which costs us to keep local loudmouths in Micky mouse parish and town councils. Cut them to the bone, they deliver nothing worthwhile. Don't impose more charges on us for their vanity projects.
45	I think people are finding the cost of living crisis a massive problem, and an increase will not do anything but frustrate residents if the council don't actually do something with that money. More public bins, with routine litter picking, fighting for better roads with LCC, focus more on community outreach projects to lessen ASB which is causing serious harm to Fleetwood
48	Let councillors take a cut in their allowances
59	Salaries of upper echelon needs to be seriously addressed. Funds available are seriously not administered in a clear and consistent manner, knee jerk reactions often times. Favouritism for same old same old is a recurring theme.
64	Cheeky, I know for a fact you need a referendum for 3% or over this is why you have done 2.99% this is disgusting and dishonest. I would agree if you had actually not done this dogey political tactic of avoiding a plebiscite on the issue by having 0.01% off which translate to 0.00126 pence less, so no real difference between 2.99% and 3% other than you have robbed citizens of a voice through a technicality squeezing right up to 0.01% willing to sacrifice democracy for just the small price of 0.00126 pence.

8. If you have any other suggestions for how the council can save money or generate income please describe these below:

ResponseID	Response
2	xxx
15	Close (or sell off) Fleetwood Market Get rid of recycling / waste officers/ climate change officers Cut communications/pr spend Close or sell Marine Hall Turn off Xmas lights across the borough Build more houses -what about the fields behind the civic centre? Promote growth through providing incentives
25	Stop spending it on corporate events spend it on fixing roads etc
31	None
34	Strip out central costs, lose unnecessary bureaucracy.
47	Parking fines. The parking situation in the main area of poulton is a nightmare. Add permit parking only to reduce congestion. Forcing people to either walk, use visitor car parks.
48	Cut members allowances and additional allowances
59	I'll not waste my breath as sure it's common knowledge within the corridors of power but the status quo continues!