



Cabinet Agenda

Wyre Borough Council
Date of Publication: 30 August 2016
Please ask for : Duncan Jowitt
Democratic Services and Councillor
Development Officer
Tel: 01253 887608

**Cabinet meeting on Wednesday, 7 September 2016 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 1 - 4)

To confirm as a correct record the minutes of the meeting of the Cabinet held on 15 June 2016.

4. Public questions

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

Public questions can be delivered in writing to Democratic Services or sent by email to: publicquestions@wyre.gov.uk. Public questions for this meeting must be received by noon on Thursday 1 September 2016. 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. Lancashire County Council Property Strategy - Consultation Response

(Pages 5 - 14)

Report of the Chairman of the Libraries Task Group and the Service Director Performance and Innovation.

6. Local Government Ombudsman Annual Review Letter 2016

(Pages 15 - 22)

Report of the Leader of the Council and the Service Director Performance and Innovation.

- 7. Capital Programme Review and Monitoring Report** (Pages 23 - 32)
Report of the Resources Portfolio Holder and the Head of Finance.
- 8. Medium Term Financial Plan 2016/17 to 2019/20** (Pages 33 - 64)
Report of the Resources Portfolio Holder and the Head of Finance.
- 9. Neighbourhood Planning: Delegation Arrangements** (Pages 65 - 78)
Report of the Planning and Economic Development Portfolio Holder and the Chief Executive.



Cabinet

Minutes of the Cabinet meeting of Wyre Borough Council held on Wednesday 15 June 2016 at the Civic Centre, Poulton-le-Fylde.

Cabinet members present:

Councillor Peter Gibson (The Leader of the Council)
Councillor Roger Berry (Neighbourhood Services and Community Safety Portfolio Holder)
Councillor Lynne Bowen (Leisure and Culture Portfolio Holder)
Councillor David Henderson (Street Scene, Parks & Open Spaces Portfolio Holder)
Councillor Pete Murphy (Planning and Economic Development Portfolio Holder)
Councillor Vivien Taylor (Health and Community Engagement Portfolio Holder)
Councillor Alan Vincent (Resources Portfolio Holder and Deputy Leader)

Apologies:

None

Officers present:

Garry Payne (Chief Executive)
Philippa Davies (Corporate Director of Resources)
Mark Billington (Service Director People and Places)
Mark Broadhurst (Service Director Health and Wellbeing)
Marianne Hesketh (Service Director Performance and Innovation)
Roy Saunders (Democratic Services and Scrutiny Manager)

Apologies:

None

Non-members of the Cabinet present:

Councillors Marge Anderton and Lady Dulcie Atkins.

No members of the public or press attended the meeting.

CAB.01 Declarations of Interest

None

CAB.02 Minutes

The minutes of the Cabinet meeting held on 23 March 2016 were confirmed as a correct record.

CAB.03 Public Questions

None.

CAB.04 Hillhouse International Enterprise Zone – Memorandum of Understanding

The Planning and Economic Development Portfolio Holder and the Service Director Performance and Innovation submitted a report on a proposed Memorandum of Understanding between the Council and the Department for Communities and Local Government on arrangements for the operation of the Hillhouse Enterprise Zone.

Decision taken

Cabinet approved the proposed Memorandum of Understanding between Wyre Council and the Secretary of State for Communities and Local Government for the Hillhouse International Business Park Enterprise Zone, attached as Appendix 1 to the report.

CAB.05 Refurbishment of Garstang Leisure Centre and Garstang Swimming Pool and Purchase of New Fitness Equipment for Garstang Leisure Centre.

The Leisure and Culture Portfolio Holder and the Service Director Health and Wellbeing submitted a report asking the Cabinet to approve capital investment for Garstang Leisure Centre and Garstang Swimming Pool and to agree the purchase of health and fitness equipment for Garstang Leisure Centre.

Decisions taken

Cabinet approved:-

1. the proposed capital investment works for Garstang Leisure Centre and Garstang Swimming Pool as detailed in the report, which had been drawn up following a competitive tendering process
2. the purchase of health and fitness equipment for Garstang Leisure Centre to a maximum value of £52,000 excluding VAT and the incorporation of the scheme in the Council's 2016/17 Capital Budget, with the investment to be recovered over a 5-year period via contributions from the YMCA's operational budget at no additional cost to the council.

CAB.06 Complaints Procedure

The Health and Community Engagement Portfolio Holder and the Corporate Director of Resources submitted a report on the findings of a review of the Council's complaints procedure

Decisions taken

Cabinet noted the results of the review and agreed that the proposed amendments set out in the report be implemented with effect from 1 July 2016, including the recommendation in paragraph 5.4 of the report that the current two stage procedure be continued, but that the second stage reviewers are asked to identify learning points for sharing with managers, with a view to reducing the number of complaints/referrals to the Local Government Ombudsman and, thereby, also meeting the criteria in the Ombudsman's guidance that the complaints process should include a *“robust review by someone who has the independence and authority to ask questions, get at the facts and recommend changes in response to complaints”*.

The meeting started at 6pm and finished at 6.10pm.

Date of Publication: 21 June 2016

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. The “call-in” procedure is set out in [Part 4 of the Council's Constitution](#) (Paragraph 16 of the Overview and Scrutiny Procedure Rules). If a decision is “called-in”, the Overview and Scrutiny Committee may decide that the original decision should be upheld or ask Cabinet to reconsider the decision.

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Report of:	Meeting	Date	Item no.
Councillor Matthew Vincent, Chairman of the Libraries Task Group and Marianne Hesketh, Service Director Performance and Innovation	Cabinet	7 September 2016	5

Lancashire County Council property strategy – consultation response
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1. Purpose of report

1.1 To inform the Cabinet about the Libraries Task Group's response to Lancashire County Council's property strategy consultation, with specific reference to the proposed closure of three libraries in Wyre, and to seek the Cabinet's endorsement.

2. Outcomes

2.1 Lancashire County Council's property strategy consultation is informed about the likely impact that the closure of the Cleveleys, Thornton and Northfleet libraries will have on the residents of Wyre.

2.2 Lancashire County Council's property strategy consultation is informed about the task group's views regarding possible alternative models for delivering a library service.

3. Recommendation

3.1 That Cabinet endorses the response which was submitted to Lancashire County Council by the task group in time for the consultation deadline on 14 August 2016.

4. Background

4.1 Lancashire County Council has identified a resources gap of over £200m. A property strategy sought to suggest how savings might be made through the property portfolio, detailing how and where the County Council would deliver its services in the future. 238 buildings across Lancashire were subject to the review and there are proposals to

continue to deliver services from 132 of them.

- 4.2 The stated aim of the review was to reduce costs and it was an opportunity to deliver services from fewer buildings.
- 4.3 On 12 May 2016 Lancashire County Council's Cabinet agreed to commence a twelve-week public consultation on the proposals, commencing on 18 May and ending on 14 August 2016.

5. Key issues and proposals

- 5.1 The County Council's proposals were developed around the Neighbourhood Centres model set out in the council's property strategy approved by their Cabinet in November 2015. The proposals were the result of a review process that consisted of three components:
 - Data analysis
 - Dialogue with elected members and partners
 - Consideration of how proposals align with service delivery strategies, in particular libraries, Children's Centres and the Young People's Service

A first phase of consultation with service users in January 2016 received over 10,000 responses about libraries.

- 5.2 The proposal to create Neighbourhood Centres was based on the intention to provide a range of services from multi-purpose centres around the county, providing the County Council with:
 - A smaller and more affordable property portfolio.
 - A move away from service specific premises to a corporately managed property portfolio offering flexibility of use in order to ensure that future efficiency savings are coordinated and realised, and
 - A network of Neighbourhood Centres which provide community focused multi-functional buildings tailored to deliver high quality specific services within identified areas.

- 5.3 The proposal to reduce the number of buildings from which services would be delivered in the future took into account other significant factors, including:
 - Community deprivation
 - The location of the buildings
 - The cost of running buildings
 - Whether premises were already to be vacated
 - Whether a variety of services could be delivered from the building
 - Information from users and partner agencies
 - Service requirements within budgets

- 5.4** A scrutiny task group was convened to consider the likely impact of the proposals and to respond to the specific questions that were contained in the County Council's consultation document. The task group's comments are detailed in the appendix to this report.

Financial and legal implications	
Finance	There are no financial implications linked to this report.
Legal	There are no legal implications linked to this report.

Other risks/implications: checklist

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

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

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

report author	telephone no.	email	date
Peter Foulsham, Scrutiny Officer	01253 887606	peter.foulsham@wyre.gov.uk	8 August 2016

List of background papers:		
name of document	date	where available for inspection
Lancashire County Council – Property Strategy (Neighbourhood Centres) – Consultation Proposals	12 May 2016	http://www.lancashire.gov.uk/council/get-involved/consultations/changes-to-where-we-provide-services.aspx

List of appendices

Appendix 1 Lancashire County Council Property Strategy – response to consultation

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Lancashire County Council Property Strategy

Response to Consultation

Introduction

Wyre Council is pleased to submit comments from a scrutiny task group charged with drafting a response to the consultation (hereafter referred to as the consultation group) comprising sixteen elected members, which we hope will make a positive contribution to the County Council's consultation.

The response is framed in relation to the proposals to close three libraries in Wyre, namely Thornton, Cleveleys and Northfleet. Councillors have addressed the three questions marked c), d) and e) in the consultation document. Questions a) and b) were less directly related to the consultation about library closures.

The consultation group appreciates the significant contributions to the consultation that were made by the following:

Mel Ormesher, Head of Asset Management, Lancashire County Council

Steve Walker, Chairman, Friends of Thornton and Cleveleys Libraries

Councillor Alan Vincent, Resources Portfolio Holder, Wyre Council

The consultation group was disappointed that library staff had been told that they should not enter into any discussions about the proposed closures. Councillors would have welcomed their input, which might have helped inform the consultation response itself.

Whilst the group welcomed the information that it received on request from the County Council about libraries' footfall and costs, there was a degree of frustration that some of the essential detail and explanation was lacking, which has been to the detriment of the consultation group's work. The number of people using the libraries is likely to be under-recorded as people attending regular events, groups and meetings at the libraries do not appear to be included in the footfall figures provided.

Question c) How will this proposal impact upon you?

The proposal to close three libraries in Wyre will have a significant impact upon many different sectors of the community. The libraries are currently viewed as much more than simply libraries and are relied upon by many as hubs of the community.

Closures will have the following negative effects:

- 1 Increasing the social isolation of some of the most vulnerable members of our community, including
 - a. older people, who are disproportionately represented on the Fylde coast,
 - b. people with disabilities, who will find it more difficult or impossible to travel further to access a similar essential service,
 - c. people with mental health issues, for whom travelling further and beyond their locality can be difficult,
 - d. people on low incomes, who simply cannot afford to travel further on a reduced bus service in order to access similar services,
 - e. people looking for work, who are required to provide evidence of their job-search activities,
 - f. in general, people with financial and/or mobility difficulties who will be disenfranchised.
- 2 Reducing access to education (in its broadest sense) for people of all ages, from the cradle to the grave. Members of our community of all ages will lose a crucial means of access to information and technology. This is likely to impact more significantly on low income families in particular.
- 3 It has been suggested that the number of people who actually use the libraries is a relatively small percentage of the population. However, the people who do use the libraries are those who heavily rely on them for a variety of practical and social reasons, many of those people covered in 1, above. The consequent negative impact on people's health and wellbeing is likely to be significant, placing ever greater financial burdens on our health service which might be better contained through preventative means.
- 4 The consultation group is concerned about the direct loss of staff jobs at the three libraries, should they be closed.
- 5 Wyre Council will suffer a loss of income from business rates if the three libraries are closed in line with the County Council's proposal.
- 6 Lancashire County Council's Equality Analysis Toolkit seeks to ensure that the decision-makers meet the requirement of section 149 of the Equality Act

2010. A definitive analysis will need to be undertaken in order to confirm that the closure of any library does not contravene the Act.

The analysis is designed to ensure that due regard is given to the effect that the policy has or may have upon groups who share the following protected characteristics, as defined by the Equality Act:

- Age
- Disability
- Gender re-assignment
- Race
- Sex
- Religion or belief
- Sexual orientation
- Pregnancy and maternity
- Marriage and civil partnership status

The categories of age and disability are particularly pertinent to this consultation as detailed in 1, above.

According to Lancashire County Council's Toolkit document, the phrase "due regard" means that the level of scrutiny and evaluation to be applied is reasonable and proportionate in the particular context. Wyre's consultation group believes that for such significant decisions as closing three of the borough's libraries, the level of scrutiny and evaluation should be correspondingly high.

Question d) Where we are proposing to no longer deliver services from a property, but you think we should continue to deliver services from it, what are your reasons.

To avoid any unnecessary duplication, the response to this question is fully covered by our response to Question c), above.

Question e) Thinking about this proposal, please tell us if there is anything else that we need to consider or that we could do differently.

The consultation group are clear that every effort should be made to ensure that the three libraries that are under threat in Wyre should be kept open. There are several alternative models that should be fully explored before any irreversible decisions are taken.

Wyre's consultation group proposes that a Community Interest Company (CIC) be set up covering all seven of the borough's libraries.

The CIC model would require a dedicated group of people to support it and an assurance that the current buildings would still be available. Initial costings indicate that the CIC model would deliver a saving of £222,000 through a combination of NNDR reduction, management cost reductions and eliminating costs of recharges. Such a saving would be within £3,000 of the savings that Lancashire County Council is understood to be seeking to achieve.

The evidence suggests that the CIC model would be financially viable, subject to a full business case being drawn up. This option should be thoroughly investigated and the implementation of the planned closures not commenced until after the full appraisal has taken place.

In principle, it is accepted that in order to keep all three libraries open a reduction in opening hours and/or in the level of service provided as well as a reduction in staffing costs will be required. We believe that these alternatives would be achievable if a policy of natural wastage and voluntary redundancy was pursued. Different working methods should be explored, including the expectation that libraries work more closely together, sharing staff and with increasing flexible working arrangements. The assumption is that these factors will have already been fully explored by the County Council prior to the proposal being made to close three libraries but there appears to be no evidence that this is the case.

The consultation group would also like to see options for sharing buildings with other organisations fully considered. The model would require a revised budget for the whole of Wyre, taking into account the benefits of sharing buildings with, for example, the police, job centres, the NHS or Wyre Council. Income generation opportunities (e.g. café, the provision of meeting rooms for hire, lettings) should be built into such a model. Regarding Wyre Council's contribution, the possibility of delivering benefits advice from those centres rather than from the council's benefits bus was proposed as one option to be analysed.

Two other models are worthy of consideration

1 The use of satellite centres to deliver a library service, depending on the availability of other community assets in appropriate locations. It is possible that a

suitable building could be identified in Cleveleys but there is no obvious alternative in Thornton.

2 Suffolk Libraries - a model that has been successfully implemented since August 2012 whereby an industrial and provident society, a not for profit, independent and charitable organisation has run the service for the benefit of the people of Suffolk. Membership is drawn from community groups that are made up of people who want to support their library and have a say in how they are run. Each library in Suffolk works with local people to develop these member organisations.

Endorsement from Cabinet

Although this report has been supported by the Overview and Scrutiny Committee at their meeting on 1 August 2016, this submission is subject to final endorsement from Wyre's Cabinet, who will be considering the matter at their meeting on Wednesday 7 September 2016. In the meantime the report is submitted in the name of Garry Payne, Chief Executive.

Consultation group

Wyre Council's consultation group members were:

Councillors Matthew Vincent (Chairman), Emma Anderton, Lady Dulcie Atkins, Howard Ballard, Colette Birch, Ruth Duffy, Rob Fail, John Hodgkinson, Tom Ingham, Kerry Jones, Andrea Kay, Patsy Ormrod, Brian Stephenson, Ann Turner, Shaun Turner and Lynn Walmsley.

2 August 2016

arm/cab/cr/16/0709pf1 Appendix 1



Report of:	Meeting	Date	Item no.
Councillor Peter Gibson, Leader of the Council and Marianne Hesketh, Service Director Performance and Innovation	Cabinet	7 September 2016	6

Local Government Ombudsman Annual Review Letter 2016

1. Purpose of report

- 1.1 To consider the Annual Review letter from the Local Government Ombudsman (LGO) for 2015/16, attached at Appendix A.

2. Outcomes

- 2.1 Learn from the outcome of complaints made to the LGO and underpin effective working relationships between the Council and the LGO's office.
- 2.2 Provide complaint based information to be used in assessing and reviewing our performance and improving our services and how people experience or perceive our services. It is also hoped that the report will help to support greater transparency and democratic scrutiny of local complaint handling and ensure effective local accountability of public services.

3. Recommendation

- 3.1 That Cabinet notes the comments made by the Ombudsman in the Annual Review Letter.

4. Background

- 4.1 This annual review provides a summary of statistics on the complaints made to the LGO about Wyre for the year ended 31 March 2016. The data that the LGO has provided shows the complaints and enquiries they have recorded, along with the decisions they have made.

- 4.2** Last year the LGO provided information on the number of complaints upheld and not upheld for the first time. In response to council feedback, this year the LGO is providing additional information to focus the statistics more on the outcome from complaints rather than just the number received.
- 4.3** The LGO provides a breakdown of the upheld investigations to show how they were remedied. This includes the number of cases where their recommendations remedied the fault and the number of cases where the LGO decided the authority had offered a satisfactory remedy during the local complaints process. In these latter cases the LGO provides reassurance that the authority had satisfactorily attempted to resolve the complaint before the person came to them. In addition, the LGO provide a compliance rate for implementing their recommendations to remedy a fault.

5. Key issues and proposals

5.1 Enquiries and Complaints Received

During the year the Advice Team received 12 complaints and enquiries about the Council in the 12 months up to 31 March 2016. This is a significant reduction from the 23 complaints that the LGO received in 2014/15.

5.2 Complaint Outcomes

The number of decisions made in the year will not necessarily be the same as the number of complaints received by the LGO Advice Team because some complaints decided in 2015/16 will have been received in the previous year, and some sent to the Investigative Team during 2015/16 will be ongoing. However 12 decisions were made in the period under review.

It must also be recognised that the statistics in this letter do not match the figures we hold. However the LGO is confident that it is an accurate representation of the data it holds for the last 12 months. The LGO suggested that the variation may be attributable to the fact that an element of the LGO's registered complaints received for Wyre will have been premature complaints that it referred back for a local resolution, but which the complainant may not have pursued with the Council.

- 5.3 Five complaints were referred back for local resolution with two complaints being recorded for the following service areas:

Nature of Complaint	Service Area	Decision
Complaint about the Council's decision to site outdoor play equipment on land near his home.	Planning & Development	Not Upheld. No further action.
Complaint about the Council's failure to tell the complainant of amendments to a planning application that directly affected her property.	Planning & Development	Not Upheld. No maladministration.

- 5.4 The remaining 5 complaints were closed after initial enquiries and relate to the following service areas:

Benefits & Tax	1
Planning & Development	1
Corporate & Other Services	3

Financial and legal implications	
Finance	On occasion the Local Government Ombudsman may recommend that a payment is made to a complainant to compensate for any injustice they have experienced. No compensation payments have been awarded in 2015/16.
Legal	None arising directly from the report.

Other risks/implications: checklist

There are no significant implications arising directly from this report, for those issues marked with an X.

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

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

report author	telephone no.	email	date
Joanne Porter	01253 887503	joanne.porter@wyre.gov.uk	26/07/16

List of background papers:		
name of document	date	where available for inspection
LGO Annual Review Letter 2016	21/07/16	www.wyre.gov.uk

List of appendices

Appendix A Wyre Council Annual Review Letter – Wyre BC for the period ending 31/03/16

arm/ex/cab/cr/16/0709jp1

21 July 2016

By email

Garry Payne
Chief Executive
Wyre Borough Council

Dear Garry Payne,

Annual Review Letter 2016

I write to you with our annual summary of statistics on the complaints made to the Local Government Ombudsman (LGO) about your authority for the year ended 31 March 2016.

The enclosed tables present the number of complaints and enquiries received and the decisions we made about your authority during the period. I hope that this information will prove helpful in assessing your authority's performance in handling complaints.

Last year we provided information on the number of complaints upheld and not upheld for the first time. In response to council feedback, this year we are providing additional information to focus the statistics more on the outcome from complaints rather than just the amounts received.

We provide a breakdown of the upheld investigations to show how they were remedied. This includes the number of cases where our recommendations remedied the fault and the number of cases where we decided your authority had offered a satisfactory remedy during the local complaints process. In these latter cases we provide reassurance that your authority had satisfactorily attempted to resolve the complaint before the person came to us. In addition, we provide a compliance rate for implementing our recommendations to remedy a fault.

I want to emphasise that these statistics comprise the data we hold, and may not necessarily align with the data your authority holds. For example, our numbers include enquiries from people we signpost back to the authority, but who may never contact you.

In line with usual practice, we are publishing our annual data for all authorities on our website, alongside an annual review of local government complaints. The aim of this is to be transparent and provide information that aids the scrutiny of local services.

Effective accountability for devolved authorities

Local government is going through perhaps some of the biggest changes since the LGO was set up more than 40 years ago. The creation of combined authorities and an increase in the number of elected mayors will hugely affect the way local services are held to account. We have already started working with the early combined authorities to help develop principles for effective and accessible complaints systems.

We have also reviewed how we structure our casework teams to provide insight across the emerging combined authority structures. Responding to council feedback, this included reconfirming the Assistant Ombudsman responsible for relationship management with each authority, which we recently communicated to Link Officers through distribution of our manual for working with the LGO.

Supporting local scrutiny

Our corporate strategy is based upon the twin pillars of remedying injustice and improving local public services. The numbers in our annual report demonstrate that we continue to improve the quality of our service in achieving swift redress.

To measure our progress against the objective to improve local services, in March we issued a survey to all councils. I was encouraged to find that 98% of respondents believed that our investigations have had an impact on improving local public services. I am confident that the continued publication of our decisions (alongside an improved facility to browse for them on our website), focus reports on key themes and the data in these annual review letters is helping the sector to learn from its mistakes and support better services for citizens.

The survey also demonstrated a significant proportion of councils are sharing the information we provide with elected members and scrutiny committees. I welcome this approach, and want to take this opportunity to encourage others to do so.

Complaint handling training

We recently refreshed our Effective Complaint Handling courses for local authorities and introduced a new course for independent care providers. We trained over 700 people last year and feedback shows a 96% increase in the number of participants who felt confident in dealing with complaints following the course. To find out more, visit www.lgo.org.uk/training.

Ombudsman reform

You will no doubt be aware that the government has announced the intention to produce draft legislation for the creation of a single ombudsman for public services in England. This is something we support, as it will provide the public with a clearer route to redress in an increasingly complex environment of public service delivery.

We will continue to support government in the realisation of the public service ombudsman, and are advising on the importance of maintaining our 40 years plus experience of working with local government and our understanding its unique accountability structures.

This will also be the last time I write with your annual review. My seven-year term of office as Local Government Ombudsman comes to an end in January 2017. The LGO has gone through extensive change since I took up post in 2010, becoming a much leaner and more focused organisation, and I am confident that it is well prepared for the challenges ahead.

Yours sincerely



Dr Jane Martin
Local Government Ombudsman
Chair, Commission for Local Administration in England

For further information on how to interpret our statistics, please visit our website:
<http://www.lgo.org.uk/information-centre/reports/annual-review-reports/interpreting-local-authority-statistics>

Complaints and enquiries received

Adult Care Services	Benefits and Tax	Corporate and Other Services	Education and Children's Services	Environment Services	Highways and Transport	Housing	Planning and Development	Other	Total
0	3	4	0	1	0	0	4	0	12

Decisions made

				Detailed Investigations			
Incomplete or Invalid	Advice Given	Referred back for Local Resolution	Closed After Initial Enquiries	Not Upheld	Upheld	Uphold Rate	Total
0	0	5	5	2	0	0%	12

Notes

Our uphold rate is calculated in relation to the total number of detailed investigations.

The number of remedied complaints may not equal the number of upheld complaints. This is because, while we may uphold a complaint because we find fault, we may not always find grounds to say that fault caused injustice that ought to be remedied.

The compliance rate is the proportion of remedied complaints where our recommendations are believed to have been implemented.

Complaints Remedied

by LGO	Satisfactorily by Authority before LGO Involvement	Compliance Rate
0	0	100%

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Report of:	Meeting	Date	Item No.
Cllr. Alan Vincent, Resources Portfolio Holder and Clare James, Head of Finance	Cabinet	7 September 2016	7

Capital Programme Review and Monitoring Report

1. Purpose of report

- 1.1 To consider the summary of the Spending Officers' (April to end June 2016) review of the 2016/17 Capital Budget and its impact on the Capital Programme thereafter.

2. Outcomes

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

3. Recommendation

- 3.1 That the Capital Programme and its funding be updated to reflect the changes indicated in the report and that the impact on the Revenue Budget is reflected in the Medium Term Financial Plan (MTFP) and future revisions of the Revenue Estimates.

4. Background

- 4.1 As part of the Council's Performance Management process spending Officers and Financial Services review at the end of each quarter the progress of Capital scheme expenditure against the approved Programme. The summary results of this review for the 2016/17 first quarter, ending 30 June 2016, are contained in Appendix 1.
- 4.2 The Original Capital Budget for 2016/17 was set at £26,843,312. Details of the changes either in expenditure or its funding since then (see Appendix 1) can be found in the appropriate Cabinet, Audit Committee or Portfolio Holder reports. The main variations in spend against profiled

budget and budget changes from the first quarter review, as a result of Officers' information, are detailed in Appendix 2.

5. Key issues and proposals

- Appendix 1 shows actual costs and commitments totalling £6,136,233 up to the end of the first quarter against the Officers' profiled budget of £5,479,077 representing a spend of 112%. The main scheme variations in spend against profiled budget are shown in Appendix 2, section A.
- The current 2016/17 Capital Programme includes 14 schemes that have been slipped from 2015/16 and 2 schemes where there was advance spend of the 2016/17 budget resulting in expenditure in 2015/16. These schemes were reported to Audit Committee 28 June 2016 as part of the 2015/16 Final Accounts report and can be seen at Appendix 3.
- At 30 June 2016 there was 1 current year scheme that had not been reported to Portfolio Holders for scheme approval (see Appendix 2, section A1).
- As a result of the quarter 1 review, when compared to the current approved Budget taking into account rephasing of schemes and recognising increases/decreases, aggregate expenditure in 2016/17 is now expected to be £60,934 higher as listed in Appendix 2, section B1.

Leisure and Culture Portfolio

- Poulton and Thornton Leisure Centres – Both leisure centre schemes are complete. However final settlement has not been made as agreement with the contractor has yet to be reached. Once the scheme costs are finalised they will be summarised in a detailed report to Cabinet.
- Garstang Leisure Centre and Pool – the contract has been awarded and work has commenced at both sites, with the budget phased between quarters 1 and 2.

Neighbourhood Services and Community Safety Portfolio

- Flood Relief (Property Level Resilience Grants) – Following the severe weather in December 2015 further funding has become available for grants for homeowners to implement flood resistance/resilience measures to minimise the impact of flooding. These are being administered through the council which had received twenty five applications up to the quarter ended 30 June. The PLR scheme is expected to be closed to new applications by December 2016 at the latest.
- Rossall Seawall Improvement Works – Current spend is ahead of profile and the budget will be rephrased in the next quarter once the latest forecast from the contractor is received. A minor adjustment to the budget is to be made to increase it by £934. This amount had been treated as an underspend in 2015/16 and should have been carried forward into 2016/17.

- Disabled Facilities Mandatory Grants – the budget for 2016/17 has increased substantially from 2015/16 owing to an increase in Better Care Funding across Lancashire Authorities. Actual spend is £166,652 below budget owing to a backlog of referrals from Lancashire County Council. Measures are now being put in place by LCC to improve the flow of referrals and this will continue to be monitored.
- Wyre Beach Management Study – This Environment Agency funded scheme slipped from 2015/16 and the extension of the current study is being agreed with Liverpool University for commencement in autumn 2016.

Planning and Economic Development Portfolio

- Beach Bungalows – This scheme funded by the Coastal Communities Fund is now complete. We are awaiting final invoices as per the separate green paper report dated 16/6/16.
- Marine Hall Dome – Works are behind schedule owing to delays in sourcing the specialised replacement glass which then impacts on other aspects of the scheme. These works are now expected to commence in September.

Resources Portfolio

- Vehicle Replacement – the purchase of several vehicles has been put back to later in the year.
- Wyreside Café – This scheme is complete. However the final invoice remains outstanding despite efforts to prompt the supplier to seek payment.

Street Scene, Parks and Open Spaces Portfolio

- Playground Refurbishment Unallocated – After officer consultation with the Portfolio Holder a scheme report will follow later in the year.
- Mount Ground Restoration – Current spend is ahead of profile. A decision on the lottery bid is expected in December.
- Douglas Avenue Playground Refurbishment – Additional costs of £255 will be offset against reduced costs for the North Drive playground refurbishment.

Capital Grants, Contributions and Receipts

- There has been an increase in 2016/17 external funding since the original Capital Programme was approved by Council 17 February 2016. The Better Care Funding award for 2016/17 was finalised with a further £636,119 for provision of Disabled Facilities Grants. The Environment Agency confirmed £20,000 funding for the first year of a 5 year extension to the Cell 11 Beach Monitoring scheme. Property Level Resilience funding from DCLG via Lancashire County Council will cover the cost of

the council's Flood Relief (PLR) grant payments budgeted at £111,210. A capital receipt of £285,000 was received for the sale of land within Hardhorn car park in June in addition to a £15,000 deposit received in 2015/16. The total receipt of £300,000 less deductions for costs incurred in the sale of £11,765, leaving £288,235 will fund the 2016/17 capital growth bid included within the capital programme approved by Cabinet 20 January 2016. This bid related to the backlog of repairs and maintenance to council assets and separate approval for each scheme will be sought as required.

Financial and legal implications	
Finance	The changes to the Capital Programme expenditure following the first quarter review and the funding indicated in Appendix 1 (2016/17 through to 2019/20) do not require any additional use of Reserves or Capital Receipts.
Legal	None arising directly from this report

Other risks/implications: checklist

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

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

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

report author	telephone no.	email	date
Julie Woods, Senior Account Manager	01253 887601	julie.woods@wyre.gov.uk	12/7/16

List of background papers:		
name of document	date	where available for inspection
Capital Programme Monitoring Papers		Financial Services Team

List of appendices

Appendix 1 – Capital Programme and Funding.

Appendix 2 – 2015/16 Quarter 1 Expenditure Changes and Funding Issues.

Appendix 3 – Extract from 2015/16 Final Accounts report Appendix 2 – Table 2 to Audit Committee 28 June 2016.

arm/ex/cab/cr/16/0709jw1

Capital Programme and Funding

Appendix 1

	Full Year Budget £	Funded by Grants and Contributions £	Revenue £	Capital Receipts £	Loan £	Total Funded £
Capital Budget - 2016/17						
Original overall approval, part of 16/17 Council Tax setting	26,843,312	25,799,316	584,500	459,496	0	26,843,312

Overall approval after changes for new scheme Town Centre CCTV, additional costs to Garstang Leisure Centre and Pool, initial extension of EA funding for Cell 11, increase in Better Care Funding of DFGs and increase in Flood Relief grants.

Also after 2015/16 Final Accounts report to Audit Committee 28/6/16 in which slippage to 2016/17 was agreed.

	27,253,843	25,969,518	769,829	514,496	0	27,253,843
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All 2016/17 schemes - by Director

Service Director for:-
Health and Wellbeing

People and Places

Performance and Innovation

	Actual to 30th June 16 £	Commitments £	Profiled budget to end Qtr 1 £	Current Full Year Budget £
Health and Wellbeing	40,106	340,853	471,484	1,916,196
People and Places	3,673,815	1,928,874	4,785,636	24,593,290
Performance and Innovation	-89,561	242,146	221,957	744,357
	<u>3,624,360</u>	<u>2,511,873</u>	<u>5,479,077</u>	<u>27,253,843</u>

All 2016/17 schemes - by Portfolio

Portfolio:-

Health and Community Engagement

Leisure and Culture

Neighbourhood Services and Community Safety

Planning and Economic Development

Resources

Street Scene, Parks and Open Spaces

	Actual to 30th June 16 £	Commitments £	Profiled budget to end Qtr 1 £	Current Full Year Budget £
Health and Community Engagement	4,000	0	4,000	4,000
Leisure and Culture	-239,964	435,000	133,762	481,528
Neighbourhood Services and Community Safety	3,629,588	1,530,970	4,578,234	25,371,154
Planning and Economic Development	-14,549	132,637	170,457	170,457
Resources	180,543	0	242,500	669,900
Street Scene, Parks and Open Spaces	64,742	413,266	350,124	556,804
	<u>3,624,360</u>	<u>2,511,873</u>	<u>5,479,077</u>	<u>27,253,843</u>

	Full Year Budget £	Funded by Grants and Contributions £	Revenue £	Capital Receipts £	Loan £	Total Funded £
Latest Capital Budget 2016/17 after Quarter 1 review	27,314,777	26,030,452	769,829	514,496	0	27,314,777

Capital Budget - 2017/18

Original overall approval, part of 16/17 Council Tax setting	18,708,846	18,462,846	246,000	0	0	18,708,846
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Overall approval after 2015/16 Final Accounts report to Audit Committee 28/6/16 which included a Vehicle Fleet Replacement Programme review affecting 2017/18.	18,750,846	18,462,846	288,000	0	0	18,750,846
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Latest Capital Budget 2017/18 after 16/17 Qtr 1 review	18,750,846	18,462,846	288,000	0	0	18,750,846
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Capital Programme and Funding

Appendix 1 - Continued

	Full Year Budget £	Funded by Grants and Contributions £	Revenue £	Capital Receipts £	Loan £	Total Funded £
Capital Budget - 2018/19						
Original overall approval, part of 16/17 Council Tax setting	1,081,500	892,000	189,500	0	0	1,081,500
No change proposed at Audit Committee 28/6/16	1,081,500	892,000	189,500	0	0	1,081,500
Latest Capital Budget 2018/19 after 16/17 Qtr 1 review	1,081,500	892,000	189,500	0	0	1,081,500

	Full Year Budget £	Funded by Grants and Contributions £	Revenue £	Capital Receipts £	Loan £	Total Funded £
Capital Budget - 2019/20						
Original overall approval, part of 16/17 Council Tax setting	1,236,500	892,000	344,500	0	0	1,236,500
No change proposed at Audit Committee 28/6/16	1,236,500	892,000	344,500	0	0	1,236,500
Latest Capital Budget 2019/20 after 16/17 Qtr 1 review	1,236,500	892,000	344,500	0	0	1,236,500

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2016/17 Quarter 1 Expenditure changes and Funding Issues

Appendix 2

A) Main Scheme variations - actuals and commitments to 30/6/16 compared with profiled budget

	Actual to 30th June 16 £	Commitments £	Profiled budget to end Qtr 1 £	Current Full Year Budget £
<u>A1) Schemes for which Portfolio Holder approval reports have yet to be considered</u>				
<u>Street Scene, Parks and Open Spaces</u>				
Playground Refurbishment Unallocated	0	0	30,000	30,000
<u>A2) Main Schemes with slower spend progress than anticipated</u>				
<u>Leisure and Culture</u>				
Thornton Leisure Centre	-99,387	0	0	0
Poulton Leisure Centre	-63,277	0	0	0
<u>Neighbourhood Services and Community Safety</u>				
Disabled Facilities Mandatory Grants	202,570	0	369,222	1,528,119
Wyre Beach Management Study	0	0	17,147	22,862
<u>Planning and Economic Development</u>				
Beach Bungalows - CCF2	-8,668	89,800	100,511	100,511
Marine Hall Dome Restoration	18,421	16,500	63,200	63,200
<u>Resources</u>				
Vehicle Fleet Replacement Programme	198,343	0	242,500	242,500
Wyreside Café - CCF2	-17,800	0	0	0
<u>A3) Main Schemes with greater spend progress than anticipated</u>				
<u>Leisure and Culture</u>				
Garstang Leisure Centre	-3,800	170,000	82,262	182,252
Garstang Pool	0	140,000	0	152,776
<u>Neighbourhood Services and Community Safety</u>				
Rossall Seawall Improvement Works	3,396,083	1,500,000	4,158,053	23,699,914
Flood Relief (Resilience Grants)	30,900	0	12,812	51,210
<u>Street Scene, Parks and Open Spaces</u>				
Mount Grounds Restoration	62,036	363,413	246,876	426,758
	3,715,421	2,279,713	5,322,583	26,500,102

B) 2016/17 Quarter 1 Review changes

	Budget Adjustment £	Funded by				Total Funded £
		Grants and Contributions £	Revenue £	Capital Receipts £	Loan £	
<u>B1) Capital Budget - 2016/17 changes</u>						
<u>Changes in schemes as a result of rephasing, increased costs, reduced costs and externally funded schemes</u>						
<u>Neighbourhood Services and Community Safety</u>						
Flood Relief (Resilience Grants)	60,000	60,000	0	0	0	60,000
Rossall Seawall Improvement Works	934	934	0	0	0	934
<u>Street Scene, Parks and Open Spaces</u>						
North Drive Playground Refurbishment	-255	0	0	-255	0	-255
Douglas Avenue Playground Refurbishment	255	0	0	255	0	255
	60,934	60,934	0	0	0	60,934

B2) Capital Budget - 2017/18 changes

Changes in scheme as a result of rephasing and externally funded schemes

No changes.

B3) Capital Budget - 2018/19 changes

No changes.

B4) Capital Budget - 2019/20 changes

No changes.

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Comparison of Capital Expenditure to Budget

NB. Reflects new Directorates	Updated Revised 2015/16 Budget	To 31st March 16 Actuals	Variance	Advance spend of 16/17 Budget	Overspend	Underspend	Slippage	Comments
	£	£	£	£	£	£	£	
HEALTH AND COMMUNITY ENGAGEMENT PORTFOLIO								
<u>Health and Wellbeing Directorate</u>								
Air Quality - Paths	4,000	0	-4,000	0	0	0	-4,000	Works have been delayed by LCC who have now committed to complete the works by June 2016.
Portfolio Total	4,000	0	-4,000	0	0	0	-4,000	
LEISURE AND CULTURE PORTFOLIO								
<u>Health and Wellbeing Directorate</u>								
QS Consultant costs for Client Side Leisure Centre Refurbishments	25,132	25,130	-2	0	0	-2	0	Scheme complete with minor underspend.
Garstang Leisure Centre	0	3,800	3,800	3,800	0	0	0	Advance spend of 16/17 budget to fund Quantity Surveyor Fees.
Thornton Leisure Centre	225,870	225,870	0	0	0	0	0	
Poulton Leisure Centre	565,354	565,354	0	0	0	0	0	
Fleetwood Leisure Centre Health and Fitness Equipment	133,922	133,922	0	0	0	0	0	Scheme complete.
<u>People and Places Directorate</u>								
Urban Woodland Scheme Tower & Pheasants Woods	924	850	-74	0	0	-74	0	Scheme complete with funding to be to be claimed from the Forestry Commission in future years.
<u>Performance and Innovation Directorate</u>								
Fleetwood Leisure Centre Heating	95,000	0	-95,000	0	0	0	-95,000	Tenders are due to be returned in June with PH report to follow.
Fleetwood Leisure Centre Sand filters	125,000	73,500	-51,500	0	0	0	-51,500	Final works to be completed once suitable date received from YMCA for closure of the facility.
Portfolio Total	1,171,202	1,028,426	-142,776	3,800	0	-76	-146,500	
NEIGHBOURHOOD SERVICES AND COMMUNITY SAFETY PORTFOLIO								
<u>Health and Wellbeing Directorate</u>								
<u>Housing</u>								
Disabled Facilities Mandatory Grants	894,551	894,813	262	0	262	0	0	Minor overspend of which £145.59 is being funded by Regenda.
Empty Homes Delivery	17,049	0	-17,049	0	0	0	-17,049	To be used for partial match funding for future schemes.
Social Housing	62,500	62,500	0	0	0	0	0	Scheme complete.
<u>People and Places Directorate</u>								
New Link Road through Hardhorn Rd Car Park, Poulton	100,000	100,000	0	0	0	0	0	Scheme complete.
Flood Repair and Renew Grant	10,000	10,000	0	0	0	0	0	Current scheme complete.
<u>Coast Protection</u>								
Cell Eleven (2011 to 2016) Monitoring: External Costs	5,600	6,292	692	0	692	0	0	Scheme complete with cumulative (2011-2016) overspend being
Cell Eleven (2011 to 2016) Monitoring: In House Fees	15,000	13,004	-1,996	0	0	-1,996	0	claimed from EA.
Wyre Beach Management Study	11,432	0	-11,432	0	0	0	-11,432	Extension of the study to monitor beaches using radar - agreement with Liverpool University expected to be finalised by the end of May 2016.
Rossall Seawall Improvement Works: External Costs	13,985,429	14,839,171	853,742	853,742	0	0	0	Advance spend of 16/17 budget funded by EA.
Rossall Seawall Improvement Works: In House Fees	114,590	113,656	-934	0	0	-934	0	Minor variance.
Knott End Revetment Works: External Costs	5,401	5,399	-2	0	0	-2	0	Scheme complete, minor underspend.
Knott End Revetment Works: In House Costs	2,810	2,811	1	0	1	0	0	
Cleveleys Promenade Beach Urgent works: External Costs	28,346	28,182	-164	0	0	-164	0	Scheme complete, minor underspend to be repaid to EA.
Cleveleys Promenade Beach Urgent works: Internal Costs	2,370	238	-2,132	0	0	-2,132	0	
Fleetwood and Cleveleys Beach Works	20,679	20,335	-344	0	0	-344	0	Scheme complete, minor underspend to be repaid to EA.
Portfolio Total	15,275,757	16,096,401	820,644	853,742	955	-5,572	-28,481	
PLANNING AND ECONOMIC DEVELOPMENT PORTFOLIO								
<u>Chief Executive Directorate</u>								
Monitoring and Evaluation CCF2	10,000	0	-10,000	0	0	0	-10,000	£6,746 to be used for evaluation £3,254 to be trf'rd to Beach Bungalows.
Marine Hall Dome Restoration (including CCF2 funding)	72,000	8,800	-63,200	0	0	0	-63,200	To complete Summer 2016.

Comparison of Capital Expenditure to Budget - Continued

Appendix 3

	Updated Revised 2015/16 Budget £	To 31st March 16 Actuals £	Variance £	Advance spend of 16/17 Budget £	Overspend £	Underspend £	Slippage £	Comments
NB. Reflects new Directorates								
<u>PLANNING AND ECONOMIC DEVELOPMENT PORTFOLIO - Continued</u>								
<u>People and Places Directorate</u>								
Euston Park CCF2	144,221	144,221	0	0	0	0	0	0 Scheme complete.
Skate Park CCF2	112,953	112,953	0	0	0	0	0	0 Scheme complete.
Water Park CCF2	456,263	380,642	-75,621	0	0	-75,621	0	0 Scheme complete, underspend on Water Park funding overspend on café.
<u>People and Places Directorate (continued)</u>								
Marine Lakes CCF2: External Costs	-433	-522	-89	0	0	-89	0	
Marine Lakes CCF2: In House Fees	0	89	89	0	89	0	0	
Ecology Zone CCF2	60,000	60,000	0	0	0	0	0	
<u>Performance and Innovation Directorate</u>								
Café CCF2	176,079	257,354	81,275	0	81,275	0	0	0 Scheme complete, overspend on Café being funded by underspend on Water Park above and Unallocated below.
Unallocated CCF2	12,400	0	-12,400	0	0	-5,654	-6,746	Underspend used to fund net overspend of Café see above .Slippage transferred to Beach Bungalows.
Beach Bungalows CCF2	150,000	73,290	-76,710	0	0	0	-76,710	Works commenced and completion due by June 2016.
Portfolio Total	1,193,483	1,036,827	-156,656	0	81,364	-81,364	-156,656	
<u>RESOURCES PORTFOLIO</u>								
<u>People and Places Directorate</u>								
Vehicle Fleet Replacement Programme	205,608	205,889	281	0	281	0	0	0 Small overspend.
E Benefits and Revenues Software	6,596	6,557	-39	0	0	-39	0	0 Scheme complete with minor underspend.
Civica Documents General Filing Software	27,725	22,388	-5,337	0	0	-5,337	0	0 Scheme complete with underspend.
<u>Performance and Innovation Directorate</u>								
Renovation Wyreside Café	21,967	21,971	4	0	4	0	0	0 Scheme complete.
Beach Bungalows Fleetwood	139	139	0	0	0	0	0	0 Scheme complete.
Flexi and Absence Management System	33,406	30,507	-2,899	0	0	-2,899	0	0 Scheme complete with underspend due to reduced cost of interfaces
Portfolio Total	295,441	287,451	-7,990	0	285	-8,275	0	
<u>STREET SCENE, PARKS AND OPEN SPACES PORTFOLIO</u>								
<u>People and Places Directorate</u>								
Memorial Park Fleetwood Heritage scheme Phase 2	631,936	640,996	9,060	0	9,060	0	0	0 Scheme mainly complete, overspend due to a time extension with main contractor. Compensatory underspend on revenue.
Mount Grounds	490,328	362,850	-127,478	0	0	0	-127,478	Work to the shelters is commencing later than anticipated and the value of landscaping works to date is lower than originally forecast.
Jean Stansfield Play Area	0	-320	-320	0	0	-320	0	0 Difference between accrued and actual retention on completed scheme.
North Drive Playground Refurbishment	23,000	0	-23,000	0	0	0	-23,000	Slipped to avoid play area being closed during Easter holidays.
Tebay Playground Refurbishment	7,000	0	-7,000	0	0	0	-7,000	Work sequential to other sites having been refurbished.
Douglas Avenue Playground Refurbishment	18,000	0	-18,000	0	0	0	-18,000	Slipped to avoid play area being closed during Easter holidays.
Mariners Close Playground Removal/Relandscaping	7,000	0	-7,000	0	0	0	-7,000	Work sequential to other sites having been refurbished.
Portfolio Total	1,177,264	1,003,526	-173,738	0	9,060	-320	-182,478	
GRAND TOTAL	19,117,147	19,452,631	335,484	857,542	91,664	-95,607	-518,115	



Report of:	Meeting	Date	Item No.
Cllr Alan Vincent, Resources Portfolio Holder and Clare James, Head of Finance	Cabinet	7 September 2016	8

Medium Term Financial Plan 2016/17 to 2019/20

1. Purpose of report

- 1.1 To consider the Council's Medium Term Financial Plan for the financial years 2016/17 to 2019/20.

2. Outcomes

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

3. Recommendations

- 3.1 Members are requested to:
- a. Consider the attached Medium Term Financial Plan and the consequential action required in order to address the issues resulting from the 3 year Financial Forecast;
 - b. Note the revised expenditure projections incorporating the slippage from 2015/16, and the resulting impact on the level of the Council's Reserves and Balances at 31st March 2016; and,
 - c. Agree the top-up and use of all Reserves and Balances as indicated in Appendix 4 to the Medium Term Financial Plan.

4. Background

- 4.1 The Council's comprehensive, Medium Term Financial Plan, essentially a 3-year financial forecast, complements the Annual Revenue Budget process and should be considered in conjunction with the Council's Business Plan, its capital investment plans and the Asset Management Plan. It provides detailed proposals for corporately managing the Council's resources in the years ahead.

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

5. Key issues and proposals

- 5.1 The last Plan was based on the Revenue Budget for 2015/16 and it was recognised that it would be subject to continuous monitoring to ensure its effectiveness. Since the Plan was last considered there have been regular monitoring reports to Members on both the Revenue and Capital Budgets and the 2016/17 Budgets for both of these have been approved. The Outturn figures for 2015/16, subject to external audit, were presented to the Audit Committee on 28 June 2016. Attached, at Appendix A, is a copy of the updated Plan, which includes the latest 3-year financial forecast.

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

Other risks/implications: checklist

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

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

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

report author	telephone no.	email	date
Clare James	01253 887308	clare.james@wyre.gov.uk	24.08.16

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

List of appendices

Appendix A – Medium Term Financial Plan 2016/17 to 2019/20

arm/ex/cou/cr/16/0709cj1



Medium Term Financial Plan 2016/17 to 2019/20

Wyre Council
Civic Centre
Breck Road
Poulton-le-Fylde

September 2016

The Medium Term Financial Plan for Wyre Council

1. Strategic Objectives

- 1.1 The Council's Business Plan sets out its vision, objectives and actions for a 4-year period, highlighting the issues upon which we have decided to focus in order to ensure that our vision is realised. Our vision is 'Together we make a difference'.

Enterprising Wyre

Our Actions
We will prepare a new Local Plan to manage and deliver development through to 2031
We will deliver the actions in the Local Growth Plan which include working with businesses to improve the local economy, ensuring town centre vitality and maximising rural business potential
We will work closely with Fleetwood Town Council to support 'Team Fleetwood' and other initiatives to rejuvenate Fleetwood town centre
We will restore the Mount and its Gardens in Fleetwood
We will construct the Rossall Sea Defence Scheme
We will promote the new Enterprise Zone at Hillhouse International Business Park at Thornton

Healthier Wyre

Our Actions
We will work with our partners (LCC, Health, Police and Voluntary Sector) to support integrated wellbeing, prevention and early help services to reduce demand on specialist services
We will develop a programme of work to promote healthy choices and healthier lifestyles to keep people well through better use of our leisure centres, recreational facilities, parks and open spaces
We will deliver improvements to the Leisure Centre and Swimming Centre in Garstang by September 2016
We will develop support services to help people stay in their own home

Engaging Wyre

Our Actions
We will support Elected Members and Parish and Town Councils to improve neighbourhoods through empowering communities and encouraging active citizenship
We will deliver our programme of efficiency savings
We will continue our programme of work to maximise the use of our assets
We will explore external funding opportunities to help deliver future priorities
We will develop our staff so that they can effectively respond to current challenges

2. Background

- 2.1 The Council's comprehensive, Medium Term Financial Plan is a 3-year financial forecast which complements the Annual Revenue Budget process and should be considered in conjunction with the Council's Business Plan, its capital investment plans and the Asset Management Plan. It provides detailed proposals for corporately managing the Council's resources in the years ahead.
- 2.2 Without a resilient Business Plan, priorities can be championed that have little or no reference in relation to the needs of local communities, which can lead to a lack of value for money, direction and public satisfaction.
- 2.3 The Council faces many significant challenges ahead and will have to manage a wide and diverse range of services with decreasing resources and heightened customer expectations.
- 2.4 The Council recognises and welcomes the resources that are made available through contributions from other public and private partner organisations, as well as the voluntary sector. These form a key part of the Council's application of resources, duly reflected in its key documents, which are shared with those bodies to achieve the most effective mix of contributions to achieve shared aims and objectives.

3. Links to Corporate Priorities

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

Engagement with Residents using existing mechanisms and groups – The Council is keen to ensure that the aspirations and needs of local people are met and continues to use the Shaping Your Neighbourhood Initiative and the Engagement Network to ensure better and more effective methods of achieving two-way communication.

The Council's Business Plan - outlines our vision, objectives and actions for the next 4 years and demonstrates our commitment to make a positive difference to the lives of people living in Wyre.

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

Annual Service Plans – contain detailed action plans for the forthcoming year for each service including performance targets.

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

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

3.4 New schemes requiring funding are referred to Portfolio Holders for detailed consideration against corporate priorities. (The Growth Bid Form which can be used for revenue or capital schemes is included at Appendix 1). If approved, they are then referred to Overview and Scrutiny as part of the determination and scrutiny of the decision making process prior to being submitted to the Cabinet for overall consideration as part of the Council's Estimates Process. This ensures that, often difficult, decisions are taken in consideration of the Council's duty to promote the wellbeing of the community, as well as service specific needs.

3.5 Before growth bids are submitted for consideration however, there must be:

- Clear identification of the Corporate priority to which the request relates;
- A proposed measure of the scheme's benefits in the form of a performance indicator;
- Demonstration of the scheme's contribution to effective asset management;
- Evidence of improved equality of access or outcome;
- Consideration of the financial impact of the expenditure i.e. one year funding or recurring financial consequences, and
- Evidence that alternative methods of funding have been considered.

3.6 The Council is keen to strengthen the link between investment and return by encouraging the development and reporting of indicators that can demonstrate how individual schemes have contributed to the achievement of its priorities, i.e. what the community can expect the investment to achieve in terms of outputs and outcomes.

4. Budget Management and Monitoring

4.1 In order to ensure that the Council is able to demonstrate an effective approach to managing its financial performance, monitoring reports, highlighting any significant deviations from the plan, are submitted to the Executive on a regular basis in respect of both revenue and capital expenditure. This information is informed by regular budgetary reviews undertaken by Spending Officers and the Financial Services Team. Any changes to the phasing of capital schemes and any significant variations to scheme costs are formally reported to Cabinet on a quarterly basis and Members can refer to the Ten Performance Management System for details of each capital scheme. This process balances the need for a consistent and corporate approach to programme management generally with the responsiveness and flexibility required to manage, often complex, schemes.

4.2 The release of funds from the Capital Budget, following a scheme's inclusion in the Capital Programme, is subject to a comprehensive report to the appropriate Portfolio Holder, by the relevant Service Director who is responsible for managing the scheme from development through to implementation and review. (This requirement may be relaxed for those schemes where the delay between the date of inclusion in the capital programme and the project start date is less than 9 months and the exact nature of the capital investment requires no further Member approval). The Members' role in performance management and monitoring is supported by the Council's Financial Regulations and Financial Procedure Rules which state the key controls surrounding the capital programme as follows:

- a) a scheme and estimate, including project plan, progress targets and associated revenue expenditure is prepared for each capital project, for approval by the executive
- b) specific approval by the full council for the programme of capital expenditure
- c) expenditure on capital schemes is subject to the approval of the relevant Portfolio Holder prior to scheme commencement
- d) proposals for improvements and alterations to buildings must be approved by the Corporate Property Officer
- e) schedules for individual schemes within the overall budget approved by the full council must be submitted to the relevant Portfolio Holder for approval (for example, Refurbishment of Playgrounds)
- f) the development and implementation of asset management plans
- g) accountability for each proposal is accepted by a named manager
- h) monitoring of progress in conjunction with expenditure and comparison with approved budget.

4.3 Capital costs must be within approved budgets, the tender process being conducted in accordance with Financial Regulations and Financial Procedure Rules which state that all contracts where the final expenditure exceeds the approved budget and/or contract sum by either 10% or £20,000 whichever is the lesser must be reported to the Executive.

4.4 The Prudential Code for Capital Finance aims to ensure, within a clear framework, that the capital investment plans of local authorities are affordable, prudent and sustainable. The Code sets out indicators that must be used and requires local authorities to set relevant limits and ratios including a 3-year forward estimate of Council Tax as well as 3-year capital expenditure plans. Responsibility for setting and agreeing the prudential indicators rests with the full Council further reinforcing the Members' role in the management of the Capital Programme.

5. Basis of Budgetary Forecast

5.1 The projections incorporate the final position in respect of the 2015/16 financial year although the Statement of Accounts has not yet been formally certified by the Council's External Auditors. The Accounts and Audit Regulations 2015 require the Council's responsible financial officer to certify that the accounts 'present a true and fair view of the financial position' for the 2015/16 financial year by 30 June 2016. The Council is then formally required to approve and publish the Statement of Accounts no later than 30 September 2016. It is the role of the Audit Committee, independent from the Executive and Overview and Scrutiny functions, to 'review the annual Statement of Accounts considering whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit that need to be brought to the attention of the Council'. The Audit Committee approved the draft Statement of Accounts at their meeting on 28 June 2016 and will consider the report from the External Auditor, referred to as the ISA260 Report, on 20 September.

5.2 The Local Government Association (LGA) has confirmed that the Pay Award for the National Joint Council for Local Government Services has now been agreed for 2016/17 and 2017/18. The agreement means relevant staff will receive a pay increase of 1 per cent from 1 April 2016 and 1 per cent from 1 April 2017, with those on the lowest spinal column points receiving a higher than 1 per cent salary increase. (Higher percentages were offered to those on lower pay points owing to the introduction of the National Living Wage from 1 April 2016). A 1% provision has

been included for public sector pay for the 4 years from 2016/17 in line with the Spending Review 2015 and the Chancellor's July 2015 Budget.

- 5.3 Provision for inflation has been included where it is considered to be a contractual obligation and where known inflationary pressures exist. In preparing a prudent budget, the Council should also reflect the current economic climate and its potential impact; this has been considered as part of the Risk Assessment at Appendix 6.
- 5.4 Although the income projected from fees and charges should follow the principles of the Audit Commission publication "The Price is Right", the objective being to maximise support to the Revenue Budget, it has been assumed that additional income generated during 2017/18 will be offset by similar increases in other costs. Where a specific policy decision has already been taken, however, in relation to future levels of charging this has been reflected in the plan. The Council's Charging Policy is attached at Appendix 2.
- 5.5 The financial projections reflect all known implications arising from published strategies and plans across the Council and joint plans agreed with partners and other stakeholders which include the following:
- Business Plan;
 - Community Safety Partnership Strategic Assessment;
 - Older People Strategy;
 - Waste Management Strategy;
 - IT Strategy;
 - Pay and Workforce Strategy; and
 - Fylde Coast Housing Strategy.
- 5.6 As part of the annual budget cycle, and in determining the MTFP, the Council continues to identify actions that will improve efficiency, quantifying the expected gains that assist the Council in effectively prioritising its finite resources. These efficiency targets, detailed within the Council's 'Annual Efficiency Programme' which is published along with the Revenue Budget papers considered by Cabinet, will assist the delivery of the Council's corporate priorities supporting the continued improvement of services for our residents. Savings and efficiency gains identified for the year are monitored throughout the period by the Executive to ensure their achievement. Target efficiency savings will only be reflected in the MTFP, however, as they are realised.
- 5.7 The Government, as part of the 2016/17 settlement, indicated a four-year funding settlement to 2019/20. The offer is subject to the publication of an efficiency plan and must be formally accepted by 5pm 14 October 2016. Authorities who do not take up the offer will be subject to the existing yearly process for determining the local government finance settlement. Allocations could be subject to additional reductions, dependent on the fiscal climate and the need to make further savings to reduce the deficit. Following the outcome of the Referendum in June, to leave the European Union, there is increased uncertainty around the government's commitment to adhering to the original values in the four-year deal. An emergency budget has not been issued and the normal timetable for the Autumn Statement is expected to be followed and on this basis the settlement figures provided have been used for the purpose of forecasting. A detailed schedule of proposed efficiencies for 2016/17 and summary savings for future years is included at Appendix 3.

- 5.8 From 1 April 2014 the accounting arrangements for pensions changed and rather than a single percentage contribution rate being calculated to determine the employers' payment into the scheme, the charges are split with a future service contribution rate being set and charged to services together with a cash deficit recovery contribution which increases annually by 4.1% being charged to Non Distributed Costs. The employers' equated superannuation rate, effective for the financial year commencing 1 April 2016, is 25.9% and reflects a future service contribution rate of 13.7% and a deficit recovery contribution of £828,900. The next triennial review by the Actuary will be based on data at 31 March 2016 and will be effective for the 3 years commencing 1 April 2017. Whilst the new employer rates are not expected to be available until October 2016, the plan assumes a future service rate of 14.95% and that deficit recovery contributions will increase by 4.1% per annum, an equated rate of 27.5%.
- 5.9 The Government introduced a new single tier flat rate pension from 1 April 2016. Previously, employers who contracted out employees from the State Second Pension paid a lower National Insurance rate to reflect contributions being made into the scheme. The introduction of the flat-rate state pension, however, results in both the State Second Pension and contracting out being abolished, with employers losing their 3.4% National Insurance rebate, estimated to be £153,000 for Wyre.
- 5.10 With effect from the 2007/08 financial year, the Council once again become reliant on borrowing to support capital expenditure. The Council has borrowed £3.552m to date and this value is used to calculate the minimum revenue provision which must be reflected in the accounts. The borrowing to date is made up as follows:

Date	Loan Ref	Value (£)	Period	Rate (%)	Maturing
05.03.08	494403	1,000,000	3	4.18	Sept'2010
05.03.08	494404	552,000	30	4.48	Sept'2037
05.03.08	494405	1,000,000	50	4.41	Sept'2057
09.03.09	495360	1,000,000	4	2.05	Sept'2012

Whilst there is no interest paid on the two loans that have matured, the charge to the revenue account reflecting the principal element of the repayment is calculated based on the number of years that the asset will be in operation. Interest paid on long term borrowing in 2015/16 is £68,830 and principal repayments are £95,559 – a total cost of £164,389. This cost will not reduce until 2024/25 when assets with a 15 year life span fall out of the MRP calculation.

- 5.11 In an effort to reduce the Council's reliance on borrowing and following concerns about the sustainability of continuing to borrow in the current economic climate, a Capital Investment Reserve was created as part of the 2009/10 closure of accounts. The balance remaining on this reserve at 31 March 2016 is substantially committed.
- 5.12 Capital receipts of £300,000 have been reflected in 2016/17 in connection with the disposal of part of the Hardhorn Road car park. The anticipated receipt for Garstang Business Centre is dependent on planning permission being secured.

6. Basis of Resources Forecast

- 6.1 The extent of the growth in the tax base of the authority obviously has an impact on the projections of future Council Tax income. An increase of 0.56% has been anticipated in 2017/18 and for each subsequent year.
- 6.2 New provisions for council tax referendums were introduced by the Localism Act with effect from 2012/13 to replace capping. The Council increased its share of the council tax in 2016/17 by 1.75% for the first time since the rate originally set in 2010/11. As part of the Local Government Finance Settlement, the Government announced a 2% trigger for local referenda on council tax increases but also allowed any shire district council to charge a de-minimis £5 more in council tax without triggering the referendum. An annual £5 increase in council tax has therefore been assumed in 2017/18 and beyond.
- 6.3 The new Business Rates Retention Scheme was introduced in 2013/14 and essentially allows councils to keep a share of the business rate growth. A baseline level of funding has been set which, in effect, replaces the grant support that would otherwise have been awarded. The Council is allowed to keep 40% of any additional funds that it generates (with 50% being paid to the Government, 9% to Lancashire County Council and 1% to the Fire Authority) but this is normally regulated by the payment of a levy at 50%. With effect from 1 April 2016, however, the Council will be designated as belonging to the Business Rates Pool of Lancashire. This will result 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. A consequence of being part of the Business Rates Pool is that the Council will no longer be eligible to receive a safety net payment should the business rate base in the area decline and fall below 92.5% of the baseline funding level. The Council continues to receive revenue support grant in addition to an element of retained business rates and the plan reflects an expected reduction in government grant support (RSG and NNDR) for 2017/18 of 13.8%. The multi-year settlement indicates an 8.7% reduction in grant income in 2018/19 with a further reduction of 9.6% for 2019/20 (prior to the adjustment to the tariff reflecting negative RSG of £33,229).
- 6.4 The requirement for financial reserves is acknowledged in statute. The Local Government Finance Act 1992 requires billing and precepting authorities to have regard to the level of reserves needed for meeting estimated future expenditure when calculating the budget requirement. The Council's minimum prudent level of balances, calculating the requirement at 5% of net expenditure before other government grants (£710,654) together with the element of the reduction in business rates that authorities must meet before the Government would consider any safety net payment (£234,008 in 2016/17), is now £944,660. Balancing the annual budget by drawing on general reserves may be viewed as a convenient short-term option but where reserves are deployed to finance recurrent expenditure this should be made explicit by the Section 151 officer. **Members must note that the continued use of balances is not sustainable and a significant re-prioritisation exercise, whereby all services are subject to a robust evaluation, must be undertaken to ensure financial stability and address the funding gap in future years. The financial projections indicate that further annual savings will be required beyond 2019/20.** It is important that the Council considers its future budgets and continues to monitor closely the MTFP. The value of reserves and balances at the end of March 2016, and projected for the future, can be seen at Appendix 4. The identification of earmarked reserves often takes

account of risk assessments and contingency planning with funding being provided for known events such as the Borough Election and the rolling replacement of IT equipment and vehicles. The level of general balances also supports contingency planning and recognises anticipated future financial pressures on revenue resources and the difficulties of securing immediate savings. The Council's Policy on the Level of Reserves and Balances is included at Appendix 5.

6.5 The Council's capital spending is constrained by the availability of appropriate resources including capital receipts, capital grants, borrowing and revenue funding. The Council has previously adopted a policy of ensuring that assets with the shortest charge life are financed from capital receipts rather than borrowing to minimise the revenue impact. The Council submits a variety of external funding bids, many of which are coordinated by the Regeneration team and all funding bids are agreed with Financial Services prior to submission. The Council has a good track record of securing external grants and continues to seek funding to facilitate investment in the Borough.

7. Risk Assessment

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

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

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

Action to be taken after scoring is as follows:

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

7.2 Appendix 6 lists the major risks associated with the MTFP and the controls in place to alleviate the risks.

8. Executive Summary

8.1 Aims

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

8.2 Delivery

The Council strives to ensure that its resources:

- Continue to be guided by the key principles underpinning our corporate objectives and contribute effectively to their achievement, through Corporate Service and Financial Planning.
- Are robustly reviewed on a regular basis identifying potential efficiency savings.
- Add value to those provided by partners and other agencies in the Borough to provide joined up solutions.

- Optimise opportunities for corporate working across services and operational strategies, to achieve wider, defined objectives.
- Are not accepted as the only source of funding for services and continues to explore the possibility of attracting funding from external sources.
- Are supported by the achievement of maximum income levels in relation to fees and charges levied for services provided.
- Maximise and make best use of the Council's assets.

List of Appendices:

Appendix 1 – Revenue/Capital Growth Bid Form

Appendix 2 – Charging Policy

Appendix 3 – Multi-Year Settlement Efficiency Plan

Appendix 4 – Summary Financial Forecast (including Reserves and Balances)

Appendix 5 – Policy on the Level of Reserves and Balances

Appendix 6 – Risk Assessment

WYRE BOROUGH COUNCIL

Bid for Revenue/Capital Growth 2017/18

1. Project/Scheme Title:	
2 Portfolio:	
Health and Community Engagement	<input type="checkbox"/> Leisure and Culture <input type="checkbox"/>
Neighbourhood Services & Community Safety	<input type="checkbox"/> Planning & Economic Development <input type="checkbox"/>
Resources	<input type="checkbox"/> Street Scene, Parks & Open Spaces <input type="checkbox"/>
3. Project/Scheme Owner: (Service Director/Head of Service)	
4. General Description of the Scheme including details of how the project supports the Business Plan:	
5. Identify the priority to which this request relates. <i>(Please tick all that apply)</i>	
A Enterprising Wyre	
A1 We will prepare a new Local Plan to manage and deliver development through to 2031	<input type="checkbox"/>
A2 We will deliver the actions in the Local Growth Plan which include working with businesses to improve the local economy, ensuring town centre vitality and maximising rural business potential	<input type="checkbox"/>
A3 We will work closely with Fleetwood Town Council to support 'Team Fleetwood' and other initiatives to rejuvenate Fleetwood town centre	<input type="checkbox"/>
A4 We will restore the Mount and its Gardens in Fleetwood	<input type="checkbox"/>
A5 We will construct the Rossall Sea Defence Scheme	<input type="checkbox"/>
A6 We will promote the new Enterprise Zone at Hillhouse International Business Park at Thornton	<input type="checkbox"/>
B Healthier Wyre	
B1 We will work with our partners (LCC, Health, Police and Voluntary Sector) to support integrated wellbeing, prevention and early help services to reduce demand on specialist services	<input type="checkbox"/>
B2 We will develop a programme of work to promote healthy choices and healthier lifestyles to keep people well through better use of our leisure centres, recreational facilities, parks and open spaces	<input type="checkbox"/>
B3 We will deliver improvements to the Leisure Centre and Swimming Centre in Garstang by September 2016	<input type="checkbox"/>
B4 We will develop support services to help people stay in their own home	<input type="checkbox"/>
C Engaging Wyre	
C1 We will support Elected Members and Parish and Town Councils to improve neighbourhoods through empowering communities and encouraging active citizenship	<input type="checkbox"/>
C2 We will deliver our programme of efficiency savings	<input type="checkbox"/>
C3 We will continue our programme of work to maximise the use of our assets	<input type="checkbox"/>
C4 We will explore external funding opportunities to help deliver future priorities	<input type="checkbox"/>
C5 We will develop our staff so that they can effectively respond to current challenges	<input type="checkbox"/>

6. What are the links to Asset Management in terms of whole life costing (e.g. have you taken into account backlog maintenance, future maintenance requirements over the life of the scheme, energy consumption, etc)?

7. What other options have been considered and what are the implications of the scheme not proceeding?

8. Has any consultation taken place or is any planned?

9. **Promotion of equality i.e. does the scheme improve equality of access or outcome**
 (please tick if applicable and provide some brief details in support of this claim)

10. **Please indicate the measure/target which will be used to assess achievement.**

11. **How does the scheme deliver Value for Money?**

12. Estimated Cost	£
2017/18	_____
2018/19	_____
2019/20	_____
2020/21	_____
Future Years (Please Specify)	_____
<u>Total</u>	<u>_____</u>

Please indicate below if there are any associated ongoing revenue implications, including both part and full year effects together with the year in which additional costs would commence, and whether these can be contained within existing budgetary provisions.

13. **Ability to earn income:** Please detail below how the scheme has the ability to attract external funding or additional income from fees and charges?

14. **Risk Factor:** Indicator of Risk should the bid be refused

5	=	Very High Risk
4	=	High Risk
3	=	Med Risk
2	=	Low Risk
1	=	Very Low Risk
0	=	No Risk



Charging Policy 2017/18

Wyre Council
Civic Centre
Breck Road
Poulton-le-Fylde

September 2016

Charging Policy 2017/18

1. Background

- 1.1 The Cabinet last formally considered its charging policy at its meeting on the 9 September 2015.
- 1.2 In September 1999 the Audit Commission published “The Price is Right” which advised Councils to focus attention on charges and addresses the following issues:
- Establish clear principles for charging;
 - Integrate charging into service management and forge links with corporate objectives;
 - Set clear objectives and targets to qualify success in charging;
 - Build an understanding of users and markets;
 - Improve decision making by taking into account the likely impact of changes to charges; and
 - Innovate via imaginative use of charging structures.
- 1.3 In January 2008, the Audit Commission published a further report entitled “Positively Charged”, which identified how different councils’ use their powers to charge for services and draws conclusions that support their earlier publication in that:
- Charging for local services makes a significant contribution to council finances and for district councils charges make the greatest contribution to service delivery;
 - Councils use charges to influence individuals’ choices and to bring benefits to local communities. Charges can be set to encourage or discourage people to use services and through concessions to pursue local objectives; and
 - Councils need to understand better the likely impact of charges on users and on patterns of service use.
- 1.4 The report recommends, amongst other things, that where there is a subsidy to provide a service, this is transparent as part of the decision making process; that service managers should be aware of both users and non-users of the service being charged for; to engage service users and taxpayers more in decisions about charging levels and that there should be regular debate on charges and charging policy.
- 1.5 A new briefing entitled ‘Income from Charging’ was issued by the Audit Commission in September 2013 which uses data from the value for money profiles and presented a high level analysis of councils’ income from charging and the contribution it makes to service spending and allowed comparisons to other councils of the same type and changes over time. The data was the subject of a value for money review undertaken as part of the Overview and Scrutiny work programme and was considered at the meeting 15 December 2014. Having fully explored and investigated the variances, it was felt that the value of the research was limited with the additional benefit not being sufficient to justify the exercise being repeated.

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

2. The Council's Policy

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

3. Impact

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

Charging Policy

Service Area	Determined by WBC √ or X	Original Estimate 2016/17 £	Able to Influence £	Unable to Influence £
Chief Executive				
Planning	X	518,910		518,910
Development Control	√	20,380	20,380	
Credit Card Administration Fee	√	7,000	7,000	
Sub Total		546,290	27,380	518,910
Health and Wellbeing				
Leisure Centres (including pools) **	√	-	-	
Marine Hall	√	90,900	90,900	
Thornton Little Theatre	√	39,200	39,200	
Marsh Mill	√	500	500	
Community Centres	√	3,550	3,550	
Renovation Grants (Fee Income)	√	95,630	95,630	
Houses in Multiple Occupation	√	4,030	4,030	
Care and Repair Service	√	2,100	2,100	
Handyperson (Fee Income)	√	14,650	14,650	
Animal Licensing	√	8,410	8,410	
Taxi Licensing	√	86,250	86,250	
Licensing Act	X	86,930		86,930
Gambling Act Licensing	X	26,650		26,650
Other Licensing ***	√	12,640	12,640	
Pest Control	√	36,670	36,670	
Food Safety	√	3,750	3,750	
Data Protection Enquiries	√	100	100	
Contaminated Land	√	400	400	
Pollution Prevention Control	X	5,110		5,110
Poulton Market*	√	33,090	33,090	
Fleetwood Market*	√	564,530	564,530	
Fleetwood Market - Public Convenience Charges (Non-Danfo)	√	10,610	10,610	
Sub Total		1,125,700	1,007,010	118,690
Performance and Innovation				
Building Control	√/X	167,920	700	167,220
Land Charges	X	81,170		81,170
Street Nameplates and Numbering	√	5,000	5,000	
Other Legal Fees	√	15,000	15,000	
Sub Total		269,090	20,700	248,390
People and Places				
Cemeteries	√	253,442	253,442	
Countryside	√	3,500	3,500	
Wyre Estuary Country Park	√	610	610	
Car Parking	√	549,000	549,000	
Residents Parking Permits	√	21,400	21,400	
Electoral Services	√	1,800	1,800	
National Non-Domestic Rates (Court Costs)	√	18,000	18,000	
Council Tax (Court Costs)	√	261,750	261,750	
Hire of Committee Rooms	√	10,000	10,000	
Dog Warden	√	7,050	7,050	
Public Conveniences	√	40,000	40,000	
Outdoor Leisure	√	11,280	11,280	
Bulky Household Waste	√	44,000	44,000	
Green Waste Removal	√	239,610	239,610	
Bin Delivery Administration Costs	√	10,000	10,000	
Sub Total		1,471,442	1,471,442	-
Total		3,412,522	2,526,532	885,990

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

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

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

Multi-Year Settlement Efficiency Plan**Revenue Savings Targets 2016/17 onwards**

	Anticipated Efficiency Saving 2016/17 £	Anticipated Efficiency Saving 2017/18 £	Anticipated Efficiency Saving 2018/19 £	Anticipated Efficiency Saving 2019/20 £	Anticipated Efficiency Saving Future Yrs £	Anticipated Efficiency Saving Total £
Projected Savings not yet reflected in the MTFP @ 01.08.16						
Lancashire Business Rate Pool	416,174	0	0	0	0	
Business Rates	370,507	0	0	0	0	786,681
Service Directorate:						
People and Places						
Restructure of Contact Centre/Benefits - Phase 1	46,206	0	0	0	0	
Restructure of Contact Centre/Benefits - Phase 2	52,028	0	0	0	0	
Coastal Management - Wyre	10,000	0	0	0	0	
Coastal Management - Fylde	5,000	0	0	0	0	113,234
Performance and Innovation						
Review Staffing Structure - Transformation	5,000	0	0	0	0	
Mayoral - Various	10,000	0	0	0	0	
Restructure of Electoral Registration	5,107	0	0	0	0	
Rental of Civic Centre	3,650	0	0	0	0	23,757
Health and Wellbeing						
Review Staffing Structure - Civic Centre Cleaners	5,303	0	0	0	0	
Leisure Review - Commercial Opportunitites at Poulton/Thornton	25,000	0	0	0	0	
Review Staffing Structure - Health and Community Safety	7,461	0	0	0	0	37,764
Future Years Savings	0	733,687	218,044	546,589	21,223	1,519,543
Total	961,436	733,687	218,044	546,589	21,223	2,480,979
	0	0	0	0	0	0

<u>Revenue Budgets</u>	<u>2016/17</u>	<u>2017/18</u>	<u>2018/19</u>	<u>2019/20</u>
	£'000	£'000	£'000	£'000
Base Borough Requirements, increased for prior year inflation, but excluding Use/Top-up of Balances (shown below).	12,827	12,827	13,050	13,278
<u>Inflationary Assumptions on the above Base.</u>				
Pay Officers and Member Allowances- 1% to 1.23%		97	98	99
Prices, Specific Contracts and Other costs (Variable)/Energy (0%).		126	130	134
<u>Expected Future Changes on the above Base.</u>				
Revenue changes and 15/16 slippage met by improved Balances.	821	1	0	0
Capital Programme revenue implications.	0	0	6	23
Employee (incl. Member Allowances) and related cost - NI changes; Pension contributions; Protection; FTCs; Grant Aided schemes ending, long service awards and restructures.	-71	100	151	153
External Contributions/Grant and Grant Aided schemes - Council Tax Support; Performance Reward Grant (incl. Shaping Your Neighbourhood); Other Local Authorities; S106; Public Realm LCC; Arts and DWP.	-47	2	2	3
Other Services including :- Surface Water Drainage; Borough Elections; Citizens Advice Bureau; Leisure Centres; Marine Lake; Commuted Sums; Licensing; Community Development; LCC Domestic Abuse Service; Marsh Mill; Homelessness; Civic Centre; Life in Wyre study; CVS and IT consultancy	-94	-34	-34	138
Regeneration/Economic situation changes - Building Control; Local Development Framework; Depots; Fleetwood Market and Parking.	40	13	0	7
Waste Management - Waste Collection Contract, Green Waste and LCC Cost Share Allowance	-489	-488	490	491
Capital Programme, cost of Borrowing and Investment Interest.	25	45	45	25
Capital Programme, Revenue contributions.	185	-297	-395	-240
Reserve Contribution Changes.	-78	-718	-589	-955
Revenue Support Grant - External Government Grant (all per final Local Government Finance Settlement)	-1,631	-912	-465	0
Baseline Funding - External Government Grant (all per final Local Government Finance Settlement)	-3,125	-3,186	-3,275	-3,380
NDR income in excess of Baseline retained by Wyre.	-316	0	0	0
New Homes Bonus - Government Grant.	-2,296	-1,536	-1,103	-482
New Homes Bonus Top Slice - Government Grant.	-7	0	0	0
Non-Domestic Rates - Government Grant.	-680	0	0	0
Non-Domestic Rates - Levy.	462	0	0	0
Non-Domestic Rates - Retained Levy (Lancashire Pool).	-416	0	0	0
Collection Fund Adjustment - Council Tax re prior year.	-140	0	0	0
Collection Fund Adjustment - Non-domestic Rates re prior year.	391	0	0	0
Net Wyre Requirement met by Council Tax and Balances.	5,361	6,040	8,111	9,294
Base 16/17 and Forecast Cost met by Council Tax.	6,467	6,680	6,896	7,114
Net Spending change i.e. need to Use/ Top Up (-) Balances.	-1,106	-640	1,215	2,180

	£	£	£	£
Balances as at 1 April.	8,022,011	9,127,973	9,768,255	8,553,324
Add Top Up of Balances in Base.	1,105,962	640,282	0	0
Less Use of Balances.	0	0	-1,214,931	-2,179,731
Balances estimated Surplus / Deficit (-) at 31 March.	9,127,973	9,768,255	8,553,324	6,373,593
NB Prudent level of Balances £945,000.				

Tax Base, assumed 0.56% annual increase.	35,278	35,475	35,673	35,871
Forecast Council Tax £ p.	£183.31	£188.31	£193.31	£198.31
Annual Council Tax Increase %/£.	1.75%	£5	£5	£5
Additional Council Tax income = £		£213,645	£215,623	£217,602

RESERVES AND BALANCES STATEMENT

Appendix 4 continued

	Actual Balance at 01/04/2016 £	' Top-up ' £	Less to Fund Expenditure £	Estimated Balance at 31/03/2017 £	
<u>2016/17 LATEST ESTIMATE * INCLUDING OUTTURN 2015/16 AND SLIPPAGE</u>					
Reserves					
Building Control	7,320	0	-4,640	2,680	
Business Growth Incentive	9,424	0	0	9,424	
Capital Investment	796,180	99,590	-456,501	439,269	
Elections	18,842	41,217	-30,000	30,059	
Insurance	0	40,000	-140	39,860	
Investment - I.T. Strategy	324,786	54,470	-91,000	288,256	
Land Charges	21,608	5,940	0	27,548	
Leisure Management	151,542	6,340	-38,828	119,054	
New Homes Bonus	2,478,020	760,158	-568,749	2,669,429	
Non-Domestic Rates Equalisation	1,439,929	634,171	-331,828	1,742,272	
Performance Reward Initiatives	49,973	0	-22,570	27,403	
Value for Money	570,646	79,560	-38,893	611,313	
Vehicle Replacement/Street Cleansing Maintenance	492,871	214,381	-242,500	464,752	
	6,361,141	1,935,827	-1,825,649	6,471,319	
Balances					
General	8,022,012	1,105,961	0	9,127,973	
	TOTAL	14,383,153	3,041,788	-1,825,649	15,599,292

Note. All of the Performance Reward Initiatives 31/03/17 balance is ring-fenced for revenue purposes.

Note. None of the Land Charges 31/03/17 balance is for Personal Search revocation implications.

* Includes changes since Council 3/03/16.

	Estimated Balance at 01/04/2017 £	' Top-up ' £	Less to Fund Expenditure £	Estimated Balance at 31/03/2018 £	
<u>2017/18 LATEST ESTIMATE *</u>					
Reserves					
Building Control	2,680	0	0	2,680	
Business Growth Incentive	9,424	0	0	9,424	
Capital Investment	439,269	99,590	0	538,859	
Elections	30,059	41,217	0	71,276	
Insurance	39,860	40,000	0	79,860	
Investment - I.T. Strategy	288,256	63,760	-85,000	267,016	
Land Charges	27,548	0	0	27,548	
Leisure Management	119,054	6,340	0	125,394	
New Homes Bonus	2,669,429	0	-568,749	2,100,680	
Non-Domestic Rates Equalisation	1,742,272	0	-1,134,711	607,561	
Performance Reward Initiatives	27,403	0	-2,860	24,543	
Value for Money	611,313	0	-19,128	592,185	
Vehicle Replacement/Street Cleansing Maintenance	464,752	220,971	-288,000	397,723	
	6,471,319	471,878	-2,098,448	4,844,749	
Balances					
General	9,127,973	640,282	0	9,768,255	
	TOTAL	15,599,292	1,112,160	-2,098,448	14,613,004

Note. All of the Performance Reward Initiatives 31/03/18 balance is ring-fenced for revenue purposes.

Note. None of the Land Charges 31/03/18 balance is for Personal Search revocation implications.

* Includes changes since Council 3/03/16.

RESERVES AND BALANCES STATEMENT - Continued

Appendix 4 continued

	Estimated Balance at 01/04/2018 £	' Top-up ' £	Less to Fund Expenditure £	Estimated Balance at 31/03/2019 £
2018/19 LATEST ESTIMATE *				
Reserves				
Building Control	2,680	0	0	2,680
Business Growth Incentive	9,424	0	0	9,424
Capital Investment	538,859	99,590	0	638,449
Elections	71,276	41,217	0	112,493
Insurance	79,860	40,000	0	119,860
Investment - I.T. Strategy	267,016	51,565	-85,000	233,581
Land Charges	27,548	0	0	27,548
Leisure Management	125,394	0	0	125,394
New Homes Bonus	2,100,680	0	-568,749	1,531,931
Non-Domestic Rates Equalisation	607,561	0	0	607,561
Performance Reward Initiatives	24,543	0	-2,233	22,310
Value for Money	592,185	0	0	592,185
Vehicle Replacement/Street Cleansing Maintenance	397,723	251,511	-189,500	459,734
	4,844,749	483,883	-845,482	4,483,150
Balances				
General	9,768,255	0	-1,214,931	8,553,324
TOTAL	14,613,004	483,883	-2,060,413	13,036,474

Note. All of the Performance Reward Initiatives 31/03/19 balance is ring-fenced for revenue purposes.

Note. None of the Land Charges 31/03/19 balance is for Personal Search revocation implications.

* Includes changes since Council 3/03/16.

RESERVES AND BALANCES STATEMENT - Continued

Appendix 4 continued

	Estimated Balance at 01/04/2019 £	' Top-up ' £	Less to Fund Expenditure £	Estimated Balance at 31/03/2020 £
2019/20 LATEST ESTIMATE *				
Reserves				
Building Control	2,680	0	0	2,680
Business Growth Incentive	9,424	0	0	9,424
Capital Investment	638,449	82,990	0	721,439
Elections	112,493	41,217	-153,710	0
Insurance	119,860	40,000	0	159,860
Investment - I.T. Strategy	233,581	57,570	-123,020	168,131
Land Charges	27,548	0	0	27,548
Leisure Management	125,394	0	0	125,394
New Homes Bonus	1,531,931	0	-568,749	963,182
Non-Domestic Rates Equalisation	607,561	0	0	607,561
Performance Reward Initiatives	22,310	0	0	22,310
Value for Money	592,185	0	0	592,185
Vehicle Replacement/Street Cleansing Maintenance	459,734	253,214	-344,500	368,448
	4,483,150	474,991	-1,189,979	3,768,162
Balances				
General	8,553,324	0	-2,179,731	6,373,593
TOTAL	13,036,474	474,991	-3,369,710	10,141,755

Note. All of the Performance Reward Initiatives 31/03/20 balance is ring-fenced for revenue purposes.

Note. None of the Land Charges 31/03/20 balance is for Personal Search revocation implications.

* Includes changes since Council 3/03/16.

arm/ex/cab/cr/16/0709cj1 Appendix 4

Notes and Key Messages

The Summary Financial Forecast and the Reserves and Balances Statement (as appropriate) reflect, as the notes indicate, the following main items:-

- 1) The effect of the favourable 2015/16 outturn, including net revenue slippage from 2015/16 to 2016/17, as reported to Audit Committee on 28 June 2016.
- 2) The slippage of some Capital Budgets from 2015/16 to 2016/17 and subsequent Member approved changes including rephasing of the 2016/17 Capital Programme into future years.
- 3) New efficiencies of £78K in a full year have already been delivered by the Senior Leadership Team since the March 2016 Budget setting. Further target savings are being investigated to bridge the latest 2019/20 gap of £2,180K.
- 4) The current contract with the Citizens Advice Bureau to the end of May 2017.
- 5) Revocation of Personal Search Fees – Legal costs of nearly £99K still have to be paid from set-aside provision. The Government has paid a substantial contribution to Authorities that settled earlier claims and it is hoped that this will be a precedent for offsetting our (and others) settlement, income which has not been budgeted for.
- 7) Universal Credit – full roll-out may not be completed until 2021/22. In the interim the Council is being reimbursed by the DWP for management and transactions costs as part of a UC Delivery Partnership agreement with the DWP.
- 8) New Homes Bonus (NHB) – no provision has been included in the MTFP for any new allocation from 2017/18 onwards. Assumptions are included in regard to reduced past awards and it is expected that the results of the Government's recent consultation will be announced soon. From 2016/17 it is currently anticipated that £568,750 p.a. would need to be used from the NHB Reserve to offset the ending of Council Tax freeze grants after 2015/16.
- 9) Following on from the February 2016 final settlement local authorities have until 14 October 2016 to respond to the Government's four-year funding offer. It is open to any council to continue to work on a year-by-year basis but there is no guarantee of future funding levels for those that do not accept the four-year deal. However, following the EU Referendum result the Government has indicated that the certainty of the four year deal is subject to further review.
- 10) To ease budget pressures all District Councils were allowed in 2016/17 to increase the relevant basic amount of Council Tax by £5. In Wyre the agreed increase was £3.15 and the potential additional income from a £5 increase in 2017/18 and future years has been reflected in the MTFP.
- 11) Retained Business Rates income could increase in future years as a result of the proposed Lancashire Pooling arrangement and may impact on s31 grant and the levy calculation.
- 12) Green Waste Service - income in excess of the budget provision continues to be received (£672,290 at 4/8/16) and further income is anticipated. Operational costs will be reviewed as well as any implications from the 'mothballing' of the GRL site at Thornton.

Budget Sensitivities

There are a number of Service areas that are demand led and/or take-up is influenced by the state of the economy for which Budget variations are difficult to control. These include:-

- 1) Benefit Payments - A major service with costs in excess of £32M. Take-up, regulatory changes, fraud, overpayments recovery and grant entitlements all impact on the Budget. The current economic climate continues to make this a sensitive area.
- 2) Building Control and Planning Development - income levels are significant and subject to significant fluctuations in take-up. In 2015/16 Planning Application income decreased to £696K (from £825K in 2014/15) but there were additional costs in order to determine the applications within set timescales. From 2017/18 onwards income of £519K p.a. is currently assumed. The recent increase in the number of applications above the base budget may be attributable to the revision of the Council's Local Plan and once adopted future income levels may reduce.
- 3) Car Parking – variations in usage have occurred over recent years and their impact on the Budget is regularly monitored.
- 4) Beyond the current MTFP, two major cost implications will be in regard to New Homes Bonus grant awards coming to an end and foregone Council Tax income resulting from the Council Tax Freezes no longer being met by reserve funding. In aggregate there could be additional costs ranging from £656K in 2021/22 rising to £1,051K in 2022/23.

arm/ex/cab/cr/16/0709cj1 Appendix 4 (iii)



Policy on the Level of Reserves and Balances

Wyre Council
Civic Centre
Breck Road
Poulton-le-Fylde

September 2016

Policy on the Level of Reserves and Balances

1. Legislative/Regulatory Framework

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

2. Role of the Finance Director

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

3. Types of Reserves

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

4. Principles to Assess Adequacy

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

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

- 4.2 The Council's minimum prudent level of balances, calculating the requirement at approximately 5% of net expenditure before other government grants (£710,654) together with the element of the reduction in business rates that authorities must meet before the Government would consider any safety net payment (£234,008 in 2016/17), is now £944,660. This is reviewed annually as part of the budget process.

- 4.3 A review of the level of earmarked reserves is also undertaken as part of the annual budget preparation and as part of the closure of accounts process. The

Council does not regularly monitor the opportunity costs of maintaining its levels of earmarked reserves as these are generally not held as a form of investment but to meet a recognised need.

5. Reporting Framework

- 5.1 The level and utilisation of general and earmarked reserves is determined formally by Cabinet in September, with the approval of the MTFP, and in February, at the annual budget setting meeting, informed by the advice and judgement of the finance director.
- 5.2 Both reports include a statement showing the estimated opening general and reserve fund balances for the year ahead, the additions/withdrawals, and the estimated end of year balances. A statement is also included commenting on the adequacy of the general and earmarked reserves in respect of the forthcoming financial years.

6. Reserves Protocol

Reserve as at 31.03.16	Purpose	How and When Used	Procedures for management and control	Timescale for review
Building Control	Fundamental principle of the Building Regulations Scheme introduced 1 April 1999, subsequently amended by the 2010 Regulations.	3 to 5 year rolling accounting period over which costs should equate with charge income.	Managed by the Head of Finance	Undertaken as part of the annual budget preparation, the updating of the MTFP and as part of the closure of accounts process.
Business Growth Incentive	Incentive scheme both rewarding and facilitating growth.	Used to raise the prosperity of all communities and release the economic potential of every area.	Managed by the Head of Finance	Annually and subject to individual reports on proposals for usage.
Capital Investment	To fund capital investment avoiding the need to borrow.	Used to finance the council's capital investment needs.	Managed by the Head of Finance	Undertaken as part of the annual budget preparation, the updating of the MTFP and as part of the closure of accounts process.
Elections	To meet the cost of the Borough Election.	Used to smooth the impact of the Borough Election which occurs every 4 years and is next due in May 2019.	Managed by the Head of Finance	Undertaken as part of the annual budget preparation, the updating of the MTFP and as part of the closure of accounts process.
Investment – IT Strategy	Rolling Replacement Reserve established to renew IT equipment in accordance with the IT Plan.	Used to smooth the revenue impact of ensuring that the IT infrastructure and equipment remains 'fit for purpose'.	Managed by the Head of Finance	Undertaken as part of the annual budget preparation, the updating of the MTFP and as part of the closure of accounts process.

Reserve as at 31.03.16	Purpose	How and When Used	Procedures for management and control	Timescale for review
Land Charges	Compliance with guidance issued by the Lord Chancellor (Section 13A, LLCA 1975).	Councils are required to assess the cost of providing a service, the projected take-up of that service and thus the charge that should be made over a period of between 1 and 3 years. This reserve, following receipt of a 'new burdens' payment from DCLG, will also contribute to the cost of the personal search revocation implications.	Managed by the Head of Finance	Undertaken as part of the annual budget preparation, the updating of the MTFP and as part of the closure of accounts process.
Leisure Management	To meet the Council's share of the cost of Leisure Management in excess of the agreed target cost/fund reinvestment.	Partnering arrangement whereby the partners share financial risk and reward – See Legal Agreement.	Managed by the Head of Finance	Undertaken as part of the annual budget preparation, the updating of the MTFP and as part of the closure of accounts process.
New Homes Bonus (Awards made in the 2011/12, 2012/13 and 2013/14 financial years only).	To encourage local authorities to facilitate housing growth.	Used to support the shortfall in income, resulting from the decision to freeze the level of council tax, through to 2021/22.	Managed by the Head of Finance	Undertaken as part of the annual budget preparation, the updating of the MTFP and as part of the closure of accounts process.
Non-Domestic Rates Equalisation	To protect against volatility associated with the new Business Rate Retention Scheme.	Section 31 grant receipts, net of NDR levy, used to cushion the Council against future reductions in business rate income, including the financial impact of successful appeals as notified by the Valuation Office.	Managed by the Head of Finance	Undertaken as part of the annual budget preparation, the updating of the MTFP and as part of the closure of accounts process.
Performance Reward Initiatives	To assist the delivery of Shaping Your Neighbourhood projects.	Used to support the delivery of the local projects developed as part of the Shaping Your Neighbourhood Initiative.	Managed by the Head of Finance	Annually and subject to individual reports on proposals for usage.
Value For Money	Invest to save projects	Originally created to fund VFM initiatives, which may incur up-front costs and now incorporates supplementary grants awarded for the administration of council tax, NDR, housing benefit and LCTS.	Managed by the Head of Finance	Undertaken as part of the annual budget preparation, the updating of the MTFP and as part of the closure of accounts process.
Vehicle Replacement/ Street Cleansing Maintenance	Replacement of the Council's vehicle fleet and smoothing the maintenance cost for the street cleaning vehicles.	Funding to meet current and anticipated vehicle/plant requirements - ultimately charging the cost to revenue over the life of the asset. Also now includes maintenance of street cleansing vehicles.	Managed by the Head of Finance	Undertaken as part of the annual budget preparation, the updating of the MTFP and as part of the closure of accounts process.

Appendix 6

Type of Risk	Likelihood	Severity	Level of Risk	Control	Review	Responsible	Reports To
Financial Forecast is wrong.	Low (1)	High (3)	Medium (3)	Review the base budget and adjust for known and likely variations impacting on the forecast.	Ongoing	Head of Finance	Management Board; Cabinet.
Expenditure greater than budget.	Low (1)	High (3)	Medium (3)	Budget monitoring of revenue spend. Budget monitoring of capital spend. 3-Year Financial Forecast.	Monthly Quarterly 6 Monthly	Cost Centre Managers; Financial Services Spending Officers and Head of Finance Head of Finance	Management Board Cabinet Management Board
Unforeseen expenditure, new schemes/initiatives.	Low (1)	High (3)	Medium (3)	Maintenance of a general contingency and review of priorities.	Ongoing	Head of Finance	Management Board
Over dependence on use of reserves and balances.	Low (1)	Medium (2)	Low (2)	Compliance with CIPFA guidance on local authority reserves and balances. Adequacy assessed as part of budget process, MTFP and closure of accounts.	Ongoing	Head of Finance	Cabinet; Council.
Income targets not achieved due to economic climate impacting on demand.	Low (1)	Medium (2)	Low (2)	Risk assessment of major income generators during budget preparation – realistic targets built into budget. Regular monitoring of income as part of budget monitoring.	Annually Monthly	Financial Services	Management Board; Cabinet.
Efficiency savings not achieved.	Medium (2)	High (3)	High (6)	Regular review as part of budget monitoring.	Monthly	Management Team	Management Board
Income from investments is lower than expected.	Low (1)	Low (1)	Low (1)	Budget monitoring.	Monthly	Head of Finance	Management Board; Cabinet.
Changes in Government Funding e.g. reduced level of Revenue Support Grant or New Homes Bonus.	Medium (2)	High (3)	High (6)	Limit reliance on this type of funding and review other options, highlighting sensitivities in the MTFP.	Ongoing	Head of Finance	Management Board
Changes to Local Government Finance resulting from Business Rates Retention Scheme e.g. unfavourable variations in reliefs, decline in RVs, growth, collection rates, beneficial impact of pooling is not realised, etc.	Medium (2)	High (3)	High (6)	Close monitoring of new arrangements and establishment of an earmarked reserve to cushion against volatility.	Ongoing	Head of Finance	Management Board

Type of Risk (Cont'd)	Likelihood	Severity	Level of Risk	Control	Review	Responsible	Reports To
Potential volatility of the fuel market adding further increases to fuel, heating and lighting.	Low (1)	Medium (2)	Low (2)	Close monitoring of revenue spend. Re-negotiation of energy contracts when they fall due.	Monthly	Head of Finance	Management Team
Capital receipts are not realised from asset disposals	Medium (2)	High (3)	High (6)	Prioritisation of disposals and effective marketing of sites.	Ongoing	Service Director Performance and Innovation and Head of Built Environment	Management Team
Potential volatility concerning aspects of the new Localised Council Tax Support Scheme e.g. caseload, collection rates, etc.	Low (1)	Medium (2)	Low (2)	Close monitoring of new arrangements.	Monthly	Head of Finance	Management Board
New cost pressures are devolved by Central Government as part of the 100% Business Rates Retention without the necessary funding.	Medium (2)	Medium (2)	Medium (4)	Early monitoring of situation allowing the development of plans to mitigate financial impact.	Ongoing	Head of Finance	Management Board



Report of:	Meeting	Date	Item no.
Councillor Peter Murphy, Planning and Economic Development Portfolio Holder and Garry Payne, Chief Executive	Cabinet	7 September 2016	9

Neighbourhood Planning Delegation Arrangements

1. Purpose of report

1.1 To consider a scheme of Delegation for Neighbourhood Planning.

2. Outcomes

2.1 To provide up to date and effective governance arrangements in relation to the Neighbourhood Planning process.

3. Recommendation

3.1 That the delegations in relation to the various stages of the preparation of a Neighbourhood Development Plan and a Neighbourhood Development Order, set out in Appendix A be approved and that Part 7.02 of the Council's Constitution (Scheme of Delegation) be updated accordingly.

4. Background

4.1 Neighbourhood Planning is a way for communities to shape the future of the places where they live and work. Neighbourhood Planning provides a set of tools for local people that allows communities to set planning policies through a Neighbourhood Development Plan or grant planning permission through a Neighbourhood Development Order. A Neighbourhood Plan cannot be used to prevent or stifle development.

4.2 The Neighbourhood Planning provision is set out in the Localism Act 2011 which amended the Town and Country Planning Act 1990. The Neighbourhood Planning (General) Regulations 2012 and as amended 2015 sets out the detailed arrangement that Neighbourhood Plans should follow.

- 4.3** The Parish/Town Council will be the qualifying body for producing a Neighbourhood Plan. In an area where there is no Parish/Town Council, a neighbourhood forum can be established, providing the forum consists of a minimum of 21 individuals who live, work, or represent the area and meets the requirements of Part 3 of The Neighbourhood Planning (General) Regulations 2012. This is undertaken by an application to the local planning authority. In determining the application, the local planning authority must publicise the application for at least six weeks and have regard to representations received.
- 4.4** At the start of the Neighbourhood Planning process, the Regulations require the responsible body to identify the area which they intend to produce a Neighbourhood Plan for. This is undertaken by a Neighbourhood Area application to the local planning authority. In determining the application, the local planning authority must publicise the application and have regard to representations received.
- 4.5** The Neighbourhood Plan will also undergo a number of public consultation stages as part of preparing the Plan. The qualifying body will be required to undertake a public consultation on the draft Plan before submitting it to the local planning authority for examination. The local planning authority will have an opportunity to submit representations to the qualifying body at this stage.
- 4.6** Following consideration of the representations to the consultation, the qualifying body will finalise the Plan. This submission version will be submitted to the local planning authority for examination, along with other supporting documents in accordance with the Regulations. The local planning authority will be required to consult on the submission draft for at least six weeks. The local planning authority, with the agreement of the qualifying body will appoint a suitably qualified independent examiner. The Neighbourhood Plan along with the supporting documents and representations received at the submission consultation stage will be considered by the examiner. It is also considered best practice for the local planning authority to submit representations at the submission stage.
- 4.7** The examination process will typically be undertaken via written representations unless the examiner considers a hearing to be necessary. Following receipt of the examiner's report, the local planning authority will have to consider the recommendations of the examiners' report, including whether the Plan meets the basic conditions and whether it can proceed to referendum. The basic conditions are:
- Has regard to national policies and advice;
 - Contributes to the achievement of sustainable development;
 - Is in general conformity with the strategic policies contained in the development plan for the area of the authority;
 - Does not breach and is otherwise compatible with EU obligations;
 - Prescribed conditions are met in relation to the Order or Plan and the prescribed matters have been complied within;

- Has special regard to the desirability of preserving any listed building or its setting or any feature of special architectural or historic interest that it possesses (this applies only to Orders);
- Has special regard to the desirability of preserving or enhancing the character or appearance of any conservation area (this applies only to Orders);

It is not for the local planning authority to consider the substance of policies.

4.8 Where the Plan proceeds to Referendum and the majority of those who vote in the referendum are in favour of the Plan, then the draft Plan must be brought into legal force (adopted) by the local planning authority. The local planning authority is not required to adopt the Plan where the making would breach, or otherwise be incompatible with any EU or human rights obligations.

4.9 The adopted Neighbourhood Plan would form part of the authority's Development Plan, meaning that it will be a material consideration in determining planning applications and can be used to direct appropriate development.

4.10 The Neighbourhood Planning process described above places new duties on local planning authorities that will mean additional costs are incurred. In recognition of this, Neighbourhood Planning is supported by a grant from the Department for Communities and Local Government (DCLG) which provides various sums at designated stages in the Neighbourhood Plan process:

- £5,000 per designated neighbourhood area for the first five neighbourhood areas designated.
- £5,000 per designated neighbourhood forum for the first five neighbourhood forums designated.
- £20,000 per neighbourhood plan can be claimed once a date is set for the referendum following a successful examination. A further £10,000 can be claimed in business areas.
- £20,000 can be claimed in relation to Neighbourhood Development Orders for each neighbourhood planning once the date for a referendum on the order has been set.

Appendix C includes the DCLG financial support arrangement for neighbourhood planning in 2016/17.

4.11 However the Council may designate more neighbourhood areas/forums than the limit and/or the Council's cost of supporting Neighbourhood Plans, including staff resources may exceed this payment. At this time there is no indication from central Government that further funding would be available.

4.12 Additionally, the grant for examination is only received following the successful examination of the Plan which will mean that Wyre Council will bear any upfront costs prior to receipt of the grant. The grant will only be received if the examination is successful and a date for the referendum is

set therefore, there is a risk that some costs will not be recovered.

- 4.13** There is also the potential risk that the number and complexity of requests to undertake Neighbourhood Planning will exceed the capacity of the Council to provide appropriate support. Additional resource may be required costing in excess of the limited funding available.

5. Key issues and proposals

- 5.1** The Government has introduced new duties on local planning authorities to assist communities undertaking neighbourhood planning. This includes local planning authorities undertaking decisions at key stages in the process and being proactive in providing advice to communities about neighbourhood planning. Best practice would also require local planning authorities to submit representations at appropriate stages in the process to assist communities in formulating their Plan.
- 5.2** As part of the Government’s review of Neighbourhood Planning, the Neighbourhood Planning (General) Regulations 2015 have amended the 2012 regulations and introduced deadlines for determining Neighbourhood Area Applications.
- 5.3** The proposed scheme of delegation will streamline the decision making process and allow the local planning authority to meet the deadlines set by the Regulations and also allow decisions to be made in a timely manner to avoid unnecessary delay. Appendix B further explains the scheme of delegation at the expected stages where a decision will be required.

Financial and legal implications	
Finance	<p>There are no financial implications arising directly from this report.</p> <p>However, Neighbourhood Planning itself places new duties on local planning authorities that will mean additional costs are likely to be incurred although the timing and scale will not be known until applications are received. Limited funding from DCLG is available to assist councils in discharging their new responsibilities and a further assessment of costs will be undertaken at Revised Estimates.</p>
Legal	<p>The local planning authority is required to accord with the regulations at relevant stages of the Neighbourhood Plan process.</p> <p>The scheme of delegation ensures compliance with the Neighbourhood Planning Regulations.</p>

Other risks/implications: checklist

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

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

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

report author	telephone no.	email	date
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List of background papers:		
name of document	date	where available for inspection
None		

List of appendices

Appendix A: Scheme of Delegation for Neighbourhood Planning.

Appendix B: Explanatory Scheme of Delegation for Neighbourhood Planning – expected stages where a decision will be required.

Appendix C: Department of Communities and Local Government financial support for neighbourhood planning in 2016/17.

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NEIGHBOURHOOD PLANNING - PROPOSED SCHEME OF DELEGATION, SEPTEMBER 2016

The Head of Planning Services in consultation with the appropriate Cabinet Portfolio Holder shall be responsible for all planning matters relating to Neighbourhood Development Plans and Orders under The Neighbourhood Planning (General) Regulations 2012 and the Planning Acts as amended, subject to certain decisions which are controversial or which are subject to objections which are not withdrawn.

The exception is the adoption of a Neighbourhood Development Plan or Order, which is reserved for Full Council.

The Head of Planning Services shall be free to refer any matter or decision to the appropriate Cabinet Portfolio Holder or to full Cabinet (as appropriate) for determination. The Head of Planning Services shall ensure that care is taken to identify any case within his/her delegated authority where unusual circumstances or other reasons suggest the desirability of Councillor consideration. To assist in this process, the Cabinet Portfolio holder will be kept up to date of forthcoming decisions on Neighbourhood Planning matters.

(Note: Apart from the making of a Neighbourhood Plan or Order, which is already provided for within the Council's Constitution, these Neighbourhood Planning processes are Executive Functions under the Local Government Act and related Regulations so, it is the responsibility of the Cabinet, rather than the Full Council, to authorise the delegations set out above).

Explanatory Scheme of Delegation for Neighbourhood Planning – expected stages where a decision will be required

Decision Required	Process to be undertaken	Proposed Scheme of Delegation	Comments
<p>Designation of a Neighbourhood Forum</p> <p><i>(Neighbourhood Planning Regulations 2012 - Regulations 9 -10)</i></p>	<p>Following receipt of the Neighbourhood Forum application, the local planning authority will undertake a six week consultation on the application.</p> <p>Representations submitted to the consultation will be considered when determining the application.</p>	<p>Decision to designate the Neighbourhood Forum is delegated to the Head of Planning Services, unless objections are received and not withdrawn, in which case the decision will be made by the Cabinet Portfolio Holder.</p>	<p>This stage would only apply for non-parished areas that are undertaking Neighbourhood planning.</p>
<p>Designation of a Neighbourhood Area</p> <p><i>(Neighbourhood Planning Regulations 2012 - Regulations 6 -7, as amended 2015)</i></p>	<p>Following receipt of the Neighbourhood Area application, the local planning authority will undertake a consultation on the application.</p> <p>Representations submitted to the consultation will be considered when determining the application.</p> <p>The following time limits apply for determining a Neighbourhood Area Application depending upon circumstances:</p> <ul style="list-style-type: none"> • 4 week consultation with further 4 weeks to make a decision (8 week overall limit) – this applies when the 	<p>Decision to designate the Neighbourhood Area is delegated to the Head of Planning Services, unless objections are received and not withdrawn, in which case the decision will be made by the Cabinet Portfolio Holder.</p>	<p>The majority of Neighbourhood Area applications are expected to be straightforward and submitted by a Parish/Town Council for the whole parish. For such applications, the amendments to the regulations require a decision to be made within eight weeks, this includes a four week consultation period. The proposed scheme of delegation will make it easier for the local planning authority to meet this target.</p> <p>As the majority of Neighbourhood Area Applications are not expected to be controversial, this approach will also prevent</p>

	<p>Neighbourhood Area Applications relates to the whole administrative area of a parish council;</p> <ul style="list-style-type: none"> • 6 week consultation with a further 7 weeks to make a decision (13 week overall limit) – this applies when the Neighbourhood Area Application does not relate to the whole parish (and does not cover more than one local planning authority) or where the application is submitted by a Neighbourhood Forum; • 6 week consultation with a further 14 weeks to make a decision (20 week overall limit) – this applies when the Neighbourhood Area Application falls within two or more local planning authorities. 		<p>unnecessary delay in the local planning authority issuing a decision.</p>
<p>Signing off the local planning authority's representations on the pre submission draft</p> <p><i>Note: This is not a regulatory requirement but is considered best practice</i></p>	<p>The qualifying body is required to notify the local planning authority of the pre submission consultation. It is considered best practice for the local planning authority to submit representation at the pre submission stage to assist in Plan preparation.</p>	<p>Decision delegated to the Head of Planning Services, unless in his/her opinion the draft Plan and its content is considered to be controversial or of significant public interest in which case the decision will be made by the Cabinet Portfolio Holder.</p>	<p>The majority of Plans are not expected to be controversial and the aim of the local planning authority submitting comments on the pre submission draft is to assist the qualifying body in finalising the submission version for examination. It will also highlight potential areas for improvement to assist in the operation of the adopted Plan.</p>

<p>Publicising the Plan Proposal and submission to examination</p> <p><i>(Neighbourhood Planning Regulations 2012 - Regulations 16 -17)</i></p>	<p>The local planning authority is required to publicise the submission version when it is satisfied that the Plan submitted is valid and should be accepted and publicised.</p>	<p>Decision delegated to the Head of Planning Services, unless in his/her opinion the draft Plan is invalid and should not be published, in which case the decision will be made by the Cabinet Portfolio Holder.</p>	<p>The local planning authority need to check that the submission Plan accords with the requirements set out in regulation 15 of the Neighbourhood Planning Regulations 2012.</p>
<p>Signing off the local planning authority's representations on the submission draft</p> <p><i>Note: This is not a regulatory requirement but is considered best practice</i></p>	<p>It is considered best practice for the local planning authority to submit representation at the submission stage.</p>	<p>Decision delegated to the Head of Planning Services, unless in his/her opinion the draft Plan and its content is considered to be controversial or of significant public interest in which case the decision will be made by the Cabinet Portfolio Holder.</p>	<p>The majority of Plans are not expected to be controversial. The local planning authorities' representations on the submission Plan will be considered by the independent examiner and representation should address any outstanding areas or concern, this can also include support for the proposals.</p>
<p>Whether the local planning authority declines or accepts a repeat proposal</p> <p><i>(Schedule 4B of the Town & Country Planning Act 1990)</i></p>		<p>Decision delegated to the Head of Planning Services, unless it is recommended that the repeat proposal should be declined, in which case the decision will be made by the Cabinet Portfolio Holder.</p>	<p>A repeat proposal is one where in the last two years, the local planning authority has refused to take forward a Plan or Order to referendum after examination or where a Plan or Order has failed at referendum.</p>
<p>Appointment of an examiner</p> <p><i>(Schedule 4B of the Town & Country Planning Act)</i></p>	<p>A suitably qualified independent examiner should be appointed in consultation with the relevant qualifying body.</p>	<p>Decision delegated to the Head of Planning Services, unless the qualifying body objects to the appointment and the objection is not withdrawn, in which case the decision will be made by the Cabinet Portfolio Holder.</p>	<p>Appointment of an examiner is undertaken in consultation with the relevant qualifying body and an objection is not envisaged.</p>

<p>Actions to take following receipt of an Examiner’s report and consideration of modifications.</p> <p><i>(Schedule 4B of the Town & Country Planning Act 1990</i></p>	<p>On receipt of the examiner’s report, the local planning authority will have to consider the recommendations of the examiners’ report, including whether the Plan meets the basic conditions and whether it can proceed to referendum.</p>	<p>Decision delegated to the Head of Planning Services, unless in his/her opinion the draft Plan and its content is considered to be controversial or of significant public interest in which case the decision will be made by the Cabinet Portfolio Holder.</p>	<p>It is envisaged that officers’ and the qualifying body will have to jointly consider the recommendations. It will be the local planning authorities decision whether the Plan proceeds to referendum.</p>
<p>Whether to make (adopt) a Neighbourhood Development Plan or Order following Referendum</p> <p><i>(Section 38A of the Planning & Compulsory Purchase Act, 2004).</i></p>	<p>Adopting the neighbourhood plan/order as part of the Development Plan is a decision that has to be taken by Full Council.</p>	<p>The decision is reserved for Full Council.</p>	<p>Decisions of this nature are reserved for Full Council.</p> <p>The Council needs to determine whether the ‘making’ of the Plan would be in breach, or otherwise be incompatible with any EU or human rights obligations.</p>



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Planning Director

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9 March 2016

Chief Planning Officers
Local Planning Authorities (England)

Dear Chief Planning Officer

Update on financial support for neighbourhood planning in 2016/17

Neighbourhood planning is a vital part of the Government's reforms to help local communities play a much stronger role in shaping the areas in which they live and work and in supporting new development proposals.

To support the vital role of local authorities in the neighbourhood planning process, the Department is today announcing updated arrangements for funding local planning authorities. Confirmation of this funding, details of the arrangements for claiming it and relevant frequently asked questions are set out in the Annexes to this letter.

We are continuing to provide support for communities who choose to prepare neighbourhood plans, in the form of grants of up to £9,000. In addition, groups in certain priority areas (including unparished areas, business areas, deprived areas, clusters of parishes and areas of high growth) are eligible to apply for a further £6,000 grant funding and technical support packages (such as assessing housing needs, masterplanning and design, evidence base and policy review, and strategic environmental assessment). Information on how groups can apply for the funding and support is available online at: www.mycommunity.org.uk

I would also like to take this opportunity to draw your attention to some clarifications to planning guidance on neighbourhood planning made recently, to clarify how planning applications should be decided where there is a made, or an emerging neighbourhood plan but the local planning authority does not have a five-year land supply of deliverable housing sites. Guidance on 'What evidence is needed to support a neighbourhood plan or Order?' and 'Can a neighbourhood plan come forward before an up-to-date Local Plan is in place?' has been clarified to emphasise the importance of having up to date evidence on housing needs, and to minimise conflicts with emerging Local Plan policies. Advice on the ability of a Parish or Town council to establish an advisory committee or sub-committee has also been updated. The guidance is available online at:

<http://planningguidance.communities.gov.uk/blog/guidance/neighbourhood-planning/>

RUTH STANIER
PLANNING DIRECTOR

Financial support for neighbourhood planning in 2016/17

1. The arrangements for claiming financial support for neighbourhood planning have been reviewed and updated. From April 2016, local planning authorities (LPAs) will be able to claim as follows:

For all areas: LPAs can claim £20,000 once they have set a date for a referendum following a successful examination.

Additional funding is available in certain areas:

Area designation: LPAs can claim £5,000 for the first five neighbourhood areas designated. The limit of five areas applies to the total number of areas designated in the LPA (i.e. it includes areas designated in previous years).

Forum designation: LPAs can claim £5,000 for the first five neighbourhood forums they designate. The limit of five forums applies to the total number of areas designated in the LPA (i.e. it includes forums designated in previous years).

Business areas: LPAs can claim a further £10,000 once they have set a date for a referendum following a successful examination.

Neighbourhood Development Orders (NDOs) and Community Right to Build Orders (CRtBOs): LPAs can claim £20,000 in relation to NDOs and/or CRtBOs for each neighbourhood planning area per year. The claim can be made once the date for the referendum on the orders has been set.

2. In order to help local planning authorities and DCLG manage this in a simple way, we invite you to submit aggregate claims for payment during the months of July and January. All claims need to be submitted via LOGASnet.
3. Payments will be made under section 31 of the Local Government Act 2003 (and in respect of National Parks Authorities under section 72 of the Environment Act 1995 and in respect of the Broads Authority under section 15 of the Norfolk and Suffolk Broads Act 1988¹).
4. The Q&A at Annex B covers many frequently asked questions. Any other questions should be forwarded to decentralisation@communities.qsi.gov.uk

¹ In making these payments, we will ask the national parks authority or the Broads authority to make a payment to the local authority for the work in relation to the referendum it will undertake on behalf of the National Parks Authority or Broads Authority.

Frequently Asked Questions on neighbourhood planning funding for Local Planning Authorities

Q1. What is this funding for?

- A. This money is to ensure Local Planning Authorities (LPAs) receive sufficient funding to enable them to meet new legislative duties in relation to neighbourhood planning. Specifically, it covers **the neighbourhood planning duties introduced in the Localism Act 2011 which are to provide advice or assistance; to hold an examination; and to make arrangements for a referendum.**

Q2. What does “advice or assistance” mean?

- A. The extent of advice and assistance will be different in each area. The legislation requires local planning authorities to provide such advice or assistance to qualifying bodies as, in all the circumstances, they consider appropriate for the purpose of, or in connection with, facilitating the making of proposals for neighbourhood development plans orders. [Planning guidance](#) states that a local authority should:
- be proactive in providing information to communities about neighbourhood planning
 - fulfil its duties and take decisions as soon as possible, particularly regarding applications for area and forum designation
 - set out a clear and transparent decision making timetable and share this with those wishing to prepare a neighbourhood plan or Order
 - constructively engage with the community throughout the process

Q3. How do I apply for this funding?

- A. Any LPA supporting neighbourhood planning will be able to claim using LOGASnet.

Q4. When and how can I submit a claim?

- A. There will be two opportunities to submit claims using LOGASnet each year. There will be windows between 1 and 31 July, and 1 and 31 January. Payments will usually be made in September and March.

Q5. Why is this money being paid to LPAs and not direct to communities?

- A. LPAs have a duty to support and advise parish councils, neighbourhood forums and community right to build organisations and pay for examination and referendum. We want to ensure that LPAs receive the appropriate funding to enable the fulfilment of this duty in line with new burdens principles.

Information about support available for communities doing neighbourhood planning is at <http://mycommunity.org.uk/programme/neighbourhood-planning/>

Q6. What about National Parks Authorities and the Broads Authority that are supporting neighbourhood plans?

- A. National Parks Authorities and the Broads Authority may make claims as above. Payments to National Park Authorities are made under section 72 of the Environment Act 1995 and the Broads Authority under section 15 of the Norfolk and Suffolk Broads Act 1988. In making these payments we will ask the National Park Authority or the Broads Authority to make a payment to the local authority in relation to the referendum it will undertake on behalf of the National Park Authority or Broads Authority.

Q7. What happens where a designated area crosses the boundary of two local planning authority areas?

- A. Where a neighbourhood area falls within the area of more than one local planning authority, including a National Park Authority or the Broads Authority, it will be for each authority to decide on who to make the claim and how to share the payment locally. We would expect it normally to be the area with the largest proportion of the neighbourhood area or whichever authority has agreed to lead. However, this may not necessarily be the case if both parties agree otherwise. We would expect the lead authority to share the payment, in such proportions as may be locally agreed, with the other authorities working on the scheme.

Q8. How much will we be able to claim if we have to hold a business referendum?

- A. Where a neighbourhood area is considered to be wholly or predominantly business in nature the legislation enables the local planning authority to designate this as a 'business area'. In these areas an additional referendum must take place in which non-domestic rate payers can vote. Where a responsible authority must run two referendums we will make an additional payment of £10,000. This can be claimed at the same time as the £20,000 payment on setting a date for a referendum following a successful examination.

Q9. How much can we claim for a Neighbourhood Development Order or Community Right to Build Order?

- A. Where there are successful NDOs or CRtBOs, LPAs can claim £20,000 for each neighbourhood planning area per year. This means that where a parish, neighbourhood forum or community organisation (in the case of CRtB) prepares one or more NDO or CRtBO, the LPA can make a single claim for that area in each year. As with neighbourhood plans, the claim can be made once a referendum date is set.

Q10. How much can we claim where a neighbourhood plan is reviewed?

- A. A neighbourhood plan that is reviewed needs to follow the same process of examination and referendum. In such circumstances LPAs can claim £10,000 following the setting of a referendum date.