



Fylde Borough Council – Budget Proposal Consultation

This document outlines the proposed Fylde Council budget for 2019/20. Comment and feedback is welcome from all stakeholders. Feedback received before 20th February 2019 will be considered as part of the Budget setting process which culminates at Fylde's Council meeting of 5th March 2019. Feedback should be submitted by email using listening@fylde.gov.uk or by post to Budget Consultation Feedback, The Town Hall, Lytham St Annes, Lancashire, FY8 1LW.

The Financial Context

Throughout the last few years Fylde has been implementing plans to reduce spending, deal with falling levels of income, particularly from central government, and rising costs. The primary objective is to balance the budget over the medium term whilst maintaining a high level of service delivery, attracting inward investment and enhancing the quality of life for residents.

Each year the Council produces a five year rolling budget forecast which is included within the Council's Medium Term Financial Strategy. In recent years much work has been done to ensure that the Council's finances remain robust. The latest Medium Term Financial Strategy will be considered by the Council's Finance and Democracy Committee on 18th February 2019 and the full Council on 5th March 2019. This includes a summary financial forecast (See Appendix A) which shows an in-year revenue surplus for 2018/19 and 2019/20 and a relatively balanced budget position thereafter. It is proposed that surpluses generated this year and next are transferred to the Council's capital investment reserve to fund projects within the borough.

The latest update to the Financial Forecast includes the impact of the 2019/20 Local Government Finance Settlement, details of which were announced on 13th December 2018.

The operation of the Lancashire Business Rate pooling arrangements for 2019/20, which is reflected in the latest Financial Forecast, was confirmed as part of the settlement announcement. Additionally the bid by Lancashire authorities to be accepted as one of the selected '75% Business Rate Retention Pilot' schemes for 2019/20 was confirmed. This is also reflected in the latest Financial Forecast.

The proposed change in the calculation methodology for New Homes Bonus (and the consequential reductions in the level of New Homes Bonus income in future years under the proposed revised arrangements) on which the government has consulted at various times, has not been implemented for 2019/20. Whilst this is welcomed for 2019/20 the government may at some point amend the way in which the scheme operates for future years.

Ongoing modernisation work and business improvement will continue to make Council services more efficient, save money and maintain frontline services to customers. This work has yielded ongoing savings to help improve the Council's overall financial position over that period. For Fylde Council to continue to successfully meet the new challenges that it faces it is vital that this approach is re-doubled and that all reasonable opportunities for further cost-reduction measures and for the generation of additional income are seriously considered. Prudent financial management in previous years has provided a level of reserves which allows the necessary time to determine how this council can best respond to those continuing challenges.

The Budget Proposals for 2019/20

The latest budget forecast included as Appendix A, whilst reflecting the impact of reducing central government grants, low investment returns and increasing costs, remains robust. Savings and efficiencies will continue to be delivered where possible throughout the life of the forecast to reduce the call on reserves in the later years of the forecast.

The full Medium Term Financial Strategy, which is available on the Council's website at <http://www.fylde.gov.uk/council/finance/medium-term-financial-strategy-mtfs/> or by request from the Council, highlights a number of significant future risks including: possible further central government grant reductions, particularly in respect of the New Homes Bonus, and the levels of Business Rates that Fylde Council will retain as a member of a Lancashire-wide pooling arrangement. As in previous years (and in common with many other Councils) the proposed budget includes the use of income from the New Homes Bonus to support general expenditure as other forms of central funding are reducing.

For 2019/20 there is a proposed overall Council Tax increase of 2.48%, resulting in an average overall Band D charge for 2019/20 of £206.60.

This will mean an increase by less than 10p per week for a Band D property which will help to safeguard services.

However, due to a statistical anomaly linked to changes in the tax base, this equates to an increase in the two elements that make up that total charge and which residents will see on their bills (i.e. the borough-wide charge and the special expense charge) of 2.6%.

A number of growth items have been proposed for 2019/20 as the Council focuses on the continued drive to deliver the savings and efficiencies already included in the forecast.

The revenue budget proposals for 2019/20 are:

- Continuing support for the Community Projects Fund
- Additional resources to support tourism and community events

The capital growth proposals for 2019/20 are:

- Lytham Public Realm Regeneration Scheme
- St Annes Public Realm Regeneration Scheme (St Annes Square to the pier)
- Improved accommodation and facilities at the Council depot at Snowdon Road
- The development of toilet facilities at North Beach car park
- Control and security measures at Stanner Bank car park and certain open space areas in the borough
- Improvements to the play area and nursery at Ashton Gardens

- Support for tree-planting and coastal signage schemes
- Support for the proposed 'Coastal Explorers' public art scheme

Further details of these budget proposals are included in Appendix B.

Capital Expenditure is defined as expenditure on the acquisition of a fixed asset and/or expenditure which adds value (not merely maintains) to the value of an existing fixed asset. Examples of fixed assets are: land, building, plant and vehicles.

These proposals are now published for consultation, and feedback from all stakeholders will be considered as part of the Budget setting process which culminates at Fylde's Council meeting of 5th March 2019.

Appendix A – The Medium Term Financial Forecast

Latest General Fund Budget Forecast 2018/19 to 2022/23

	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	Adverse / Favourable
Forecast approved at Council on 5th March 2018	9,675	10,149	10,420	10,547	10,547	
Forecast Changes - per Appendix C	- 193	26	- 320	- 180	45	Favourable
Budget Proposals - per Appendix F		66	66	66	66	Adverse
Forecast Budget Requirement	9,482	10,241	10,166	10,433	10,658	
Financed by:						
Council Tax Funding:						
Council Tax - Precept	5,998	6,212	6,472	6,742	7,023	
Council Tax - Share of Previous Years Surplus/(Deficit)	- 35					
Sub Total - Council Tax Income	5,963	6,212	6,472	6,742	7,023	
Business Rates Funding:						
Retained Rates (including pooling benefit 2018/19 & pilot impact 2019/20)	3,591	3,641	2,200	2,200	2,200	
Sub Total - Business Rates Income	3,591	3,641	2,200	2,200	2,200	
New Homes Bonus	1,349	1,412	1,508	1,431	1,380	
Less - NHB distribution to Town & Parish Councils	- 65	- 69				
Revenue Support Grant	47					
Less - Parish Element of Council Tax Support Funding	- 4					
Sub Total - Other Income	1,327	1,343	1,508	1,431	1,380	
Forecast Financing	10,881	11,196	10,180	10,373	10,603	
Forecast surplus(-)/deficit for year	- 1,399	- 955	- 14	60	55	
Reserves						
Forecast surplus/deficit (-) for year from above:	1,399	955	14	- 60	- 55	
Less: Proposed Transfer to Capital Investment Reserve	- 1,399	- 955				
Balance of surplus/deficit(-) remaining:	0	0	14	- 60	- 55	
Balance of General Fund Reserves b/f	3,685	3,685	3,685	3,699	3,639	
Less transfer to/from(-) General Fund Reserves in year			14	- 60	- 55	
Forecast Reserves at Year End	3,685	3,685	3,699	3,639	3,584	
Band D Council Tax (Excl Parish Precepts)	£201.61	£206.60	£212.77	£219.13	£225.68	
Band D Average Council Tax Increase	£5.85	£4.99	£6.17	£6.36	£6.55	
Band D Average Council Tax Increase	2.99%	2.48%	2.99%	2.99%	2.99%	

Appendix B – Budget Growth Proposals

BUDGET PROPOSALS - REVENUE ITEMS

	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	Description
Community Projects Funding	20	20	20	20	20	The Finance and Democracy meeting of 28th January 2019 agreed support for a bid for revenue funding to the Community Projects Fund in the sum of £20,000 per annum from 2019/20 onwards in order to provide for further grant support to community and voluntary groups.
Events Support	46	46	46	46	46	The Tourism and Leisure Committee meeting of 8th November 2018 agreed to support a revenue bid in the sum of £46,000 per annum from 2019/20 onwards to provide additional resources to support events; comprising an Events Co-ordinator and financial support towards the cost of the St Annes Kite Festival.
TOTAL OF REVENUE GROWTH PROPOSALS	66	66	66	66	66	

BUDGET PROPOSALS - CAPITAL ITEMS

(It is recommended that each of the schemes detailed below is funded from the Capital Investment Reserve)

	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	Description
Accommodation/ facilities at Snowdon Rd Depot	200	0	0	0	0	The Operational Management Committee meeting of 13th November 2018 agreed to support a £200,000 capital bid for 2019/20 to provide for the upgrade of accommodation/depot facilities at Snowdon Road Depot to comprise the removal of the existing unsuitable porta-cabin welfare facilities and the construction of a purpose built facility along with a meeting/training/locker room.
Ashton Gardens Play Area	20	0	0	0	0	The Tourism and Leisure Committee meeting of 8th November 2018 agreed to support a £20,000 capital bid for the replacement of play equipment at Ashton Gardens Play Area: The existing timber roundabout feature has gradually deteriorated and is now beyond repair. It is proposed to remove the feature and replace it with a new bespoke timber play boat along with seating and picnic tables.
Ashton Gardens Nursery Improvements	30	0	0	0	0	The Tourism and Leisure Committee meeting of 8th November 2018 agreed to support a £30,000 capital bid for improvements to the Nursery at Ashton Gardens: As part of the public office development plan, additional grounds maintenance and cleansing staff will be relocated to this depot from the public offices site and current facilities are inadequate for the proposed number of staff.
Coastal Signage Improvements	60	0	0	0	0	The Tourism and Leisure Committee meeting of 8th November 2018 agreed to support a £60,000 capital bid for the provision of Coastal Signage at strategic locations incorporating a 'Trail' concept.
Open Space access control measures	15	0	0	0	0	The Tourism and Leisure Committee meeting of 8th November 2018 agreed to support a £15,000 capital bid for the provision of access control measures at certain strategic locations within the borough.

BUDGET PROPOSALS - CAPITAL ITEMS - Cont'd

	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	Description
Coastal Explorers	20	0	0	0	0	The Tourism and Leisure Committee meeting of 8th November 2018 agreed to support a £20,000 capital bid as a contribution towards a 'Coastal Explorers' public art project in the total sum of £120,000 with the balance of funding being provided by the Arts Council and the Big Lottery Fund.
Tree Planting	25	0	0	0	0	The Planning Committee meeting of 14th November 2018 agreed to support a £25,000 capital bid for 2019/20 to provide for a scheme of tree planting in the borough in line with the new proposed Arboriculture and Landscape Strategy.
Lytham Regeneration Scheme	270	300	100	0	0	The Planning Committee meeting of 14th November 2018 agreed to support a £670,000 capital bid for 2019/20 to 2021/22 as a contribution towards a Lytham Public Realm/regeneration scheme in the total sum of £800,000, with the balance of funding being met from s106 developer contributions..
North Beach Car Park: Development of Toilet Facilities	185	0	0	0	0	The Operational Management Committee meeting of 13th November 2018 agreed to support a £185,000 capital bid for 2019/20 to provide for the development of toilet facilities at North Beach Car Park to provide additional facilities designed for improved customer satisfaction and safety to extend the current service provision.
Stanner Bank car park - barrier scheme	50	0	0	0	0	The Operational Management Committee meeting of 13th November 2018 agreed to support a £50,000 capital bid for 2019/20 to provide for the installation of pay-on-exit barrier controls on Stanner Bank car park as part of the public realm scheme for Fairhaven coastal defences scheme.
St Annes Road West – Square to Pier link and Gateway Improvements	110	0	0	0	0	The Planning Committee meeting of 14th November 2018 agreed to support a £110,000 capital bid for 2019/20 to provide for public Realm works/improvements to St Annes Road West - Pier link and gateway improvements.
TOTAL OF CAPITAL SCHEME PROPOSALS	985	300	100	0	0	