

**Fylde Borough Council – Budget Proposal Consultation**

This document outlines the proposed Fylde Council budget for 2020/21. Comment and feedback is welcome from all stakeholders. Feedback received before 20th February 2020 will be considered as part of the Budget setting process which culminates at Fylde’s Council meeting of 4th March 2020. 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 17th February 2020 and the full Council on 4th March 2020. This includes a summary financial forecast (See Appendix A) which shows an in-year revenue surplus for 2019/20 and 2020/21 followed by a period of uncertainty as the national framework for the financing of local government will be subject to review. 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 2020/21 Local Government Finance Settlement, details of which were announced on 20th December 2019. The government has confirmed that it is looking to undertake the delayed Fair Funding Review during 2020 with implementation scheduled to be from April 2021. Consequently the finance settlement for 2020/21 is a single-year only settlement.

The provisional settlement confirms that a review of the New Homes Bonus scheme will be undertaken during the next financial year and that the 2020/21 grant allocation is for one year only and not an annual allocation for a four year period as was the case for 2018/19 and 2019/20.

The continuation of a Lancashire-wide Business Rates Pool was confirmed for 2020/21 (though with amended membership arrangements). However none of the ‘75% Business Rate Retention Pilot’ schemes that are in operation for 2019/20 (including the Lancashire scheme) will continue into 2020/21. This is also reflected in the latest Financial Forecast.

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 2020/21**

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 [on this link](https://fylde.cmis.uk.com/fylde/MeetingsCalendar/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/1105/Committee/22/Default.aspx) 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.

Fylde Council has been successful in securing funding for Kirkham Town Centre as a ‘High Street Heritage Action Zone’, part of the Government’s Future High Street Funding initiative. The Planning Committee meeting of 22nd January 2020 supported the proposal that Fylde Council should also provide funding in support of the initiative, this being one of the proposed capital bids for 2020/21 set out in Appendix B.

Fylde Council would like to make a similar aspirational commitment to the regeneration and revitalisation of St Annes town centre. All opportunities for external funding will be explored in pursuit of this initiative and the Council wish to indicate its own willingness to support the endeavour by confirming that financial support to a St Annes town centre regeneration scheme will be a priority commitment on the Councils Funding Volatility Reserve.

For 2020/21 there is a proposed overall Council Tax increase of 1.99%, resulting in an average overall Band D charge for 2020/21 of £210.71.

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 2.2%.

A number of growth items have been proposed for 2020/21 as the Council focuses on the continued drive to deliver the savings and efficiencies already included in the forecast.

The revenue budget proposals for 2020/21 are:

* Additional support for the Citizens’ Advice Bureau
* Additional staffing resources for the Splash water play facility
* Additional resources for the maintenance and provision of bus shelters

The capital growth proposals for 2020/21 are:

* Support for the Kirkham Town Centre High Street Heritage Action Zone
* Support for the Elswick Village Green scheme
* Support for the Wesham regeneration scheme
* Additional funding for the improvement to Children’s Play Areas
* Further investment in the infrastructure at Lytham Park cemetery
* A drainage improvement scheme at Blackpool Road North Playing Fields
* Improvements and enhancements to the Council depot at Snowdon Road
* The refurbishment of the conveniences at Pleasant Street Car Park
* The creation of a number of hydration points (water fountains) within the borough
* The development of digital signage points to deliver information to residents and visitors

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 4th March 2020.

**Appendix A – The Medium Term Financial Forecast**



**Appendix B – Budget Growth Proposals**



**Appendix B (Cont’d.)– Budget Growth Proposals**

