



Committee: CABINET

Date: TUESDAY, 1 SEPTEMBER 2009

Venue: MORECAMBE TOWN HALL

Time: 10.00 A.M.

A G E N D A

1. Apologies

2. Minutes

To receive as a correct record the minutes of Cabinet held on Tuesday, 28 July 2009 (previously circulated).

3. Items of Urgent Business Authorised by the Leader

To consider any such items authorised by the Leader and to consider where in the agenda the item(s) are to be considered.

4. Declarations of Interest

To consider any such declarations.

5. Public Speaking

To consider any such requests received in accordance with the approved procedure.

Reports from Overview and Scrutiny

None.

Reports

6. Future Jobs Fund (Pages 1 - 7)

(Cabinet Member with Special Responsibility Councillor Abbott Bryning)

Report of Corporate Director (Regeneration)

7. 2010/11 Revenue Budget Update (Pages 8 - 23)

(Cabinet Member with Special Responsibility Councillor Thomas)

Report of the Corporate Director (Finance and Performance)

8. **2009/10 1st Quarter Corporate Performance Review** (Pages 24 - 50)
(Cabinet Member with Special Responsibility Councillor Langhorn)
Report of Corporate Director (Finance and Performance)
9. **Shared Services Programme** (Pages 51 - 54)
Report of Corporate Director (Finance and Performance)
10. **The Introduction of Choice Based Lettings** (Pages 55 - 60)
(Cabinet Member with Special Responsibility Councillor David Kerr)
Report of Corporate Director (Community Services)
11. **Gypsy and Traveller Cabinet Liaison Group** (Pages 61 - 63)
(Cabinet Member with Special Responsibility Councillor Kerr)
Report of Corporate Director (Community Services)
12. **Lancaster and Morecambe Cabinet Liaison Groups - Liaison Arrangements** (Pages 64 - 67)
Cabinet Member with Special Responsibility Councillor Archer
Report of the Head of Democratic Services
13. **Urgent Business Report** (Pages 68 - 71)
Report of the Head of Democratic Services
14. **Exclusion of the Press and Public**
Members are asked whether they need to declare any further declarations of interest regarding the exempt reports.

Cabinet is recommended to pass the following recommendation in relation to the following items:-

“That, in accordance with Section 100A(4) of the Local Government Act, 1972, the press and public be excluded from the meeting for the following items of business, on the grounds that they could involve the possible disclosure of exempt information as defined in paragraph 12 of Schedule 12A of that Act.”

Members are reminded that, whilst the following items have been marked as exempt, it is for the Council itself to decide whether or not to consider them in private or in public. In making the decision, Members should consider the relevant paragraph of Schedule 12A of the Local Government Act 1972, and should balance the interests of individuals or the Council itself in having access to information. In considering their discretion Members should also be mindful of the advice of Council Officers.

15. Expenditure from the restructuring reserve (Pages 72 - 74)

Cabinet Member with Special Responsibility Councillor Thomas

Report of the Head of Democratic Services

16. Land at Scotforth Road, Lancaster (Pages 75 - 79)

(Cabinet Member with Special Responsibility Councillor Thomas)

Report of the Corporate Director (Regeneration)

ADMINISTRATIVE ARRANGEMENTS

(i) Membership

Councillors Stuart Langhorn (Chairman), Evelyn Archer, June Ashworth, Jon Barry, Eileen Blamire, Abbott Bryning, Jane Fletcher, David Kerr, Roger Mace and Malcolm Thomas

(ii) Queries regarding this Agenda

Please contact Debbie Chambers, Democratic Services, telephone 01524 582057 or email dchambers@lancaster.gov.uk.

(iii) Apologies

Please contact Members' Secretary, telephone 582170, or alternatively email memberservices@lancaster.gov.uk.

MARK CULLINAN,
CHIEF EXECUTIVE,
TOWN HALL,
DALTON SQUARE,
LANCASTER LA1 1PJ

Published on 20 August 2009

CABINET

**Future Jobs Fund
1 September 2009**

Report of Corporate Director (Regeneration)

PURPOSE OF REPORT				
<p>The Future Jobs Fund is a government initiative which aims to create new, short term jobs for people approaching 12 months unemployment. The report outlines the background to the submission of a joint bid into the Fund by Mid-Lancashire local authorities, seeks Cabinet endorsement of the bid and seeks approval for the Council to support the scheme by identifying suitable job opportunities. The report also seeks Cabinet approval to develop proposals regarding apprenticeships and work placements.</p>				
Key Decision	<input checked="" type="checkbox"/>	Non-Key Decision	<input type="checkbox"/>	Referral from Cabinet Member
Date Included in Forward Plan	9th July 2009			
This report is public				

RECOMMENDATIONS OF COUNCILLOR BRYNING

- (1) That Cabinet note the report
- (2) That Cabinet endorse the Mid-Lancashire Future Jobs Fund bid, under which Lancashire County Council will act as Accountable Body, and the actions taken by officers to ensure the bid could meet the earliest deadline of 30th June 2009
- (3) That Cabinet support and encourage the active involvement of City Council Services in the Future Jobs Fund through identification of new job opportunities which meet Future Jobs Fund criteria on the basis that there is no net additional cost to the Council and authorise the Head of Financial Services to update the General Fund Revenue Budget as and when applicable (option 3 only).
- (4) That Cabinet support and authorise officers:
 - i) to develop and, if appropriate, finalise a Local Employment Partnership agreement with Jobcentre Plus
 - ii) to develop joint proposals with Lancashire County Council regarding apprenticeships and work placements for consideration at a future Cabinet meeting

1.0 Introduction

- 1.1 The **Future Jobs Fund** is a new Government initiative, led by the Department for Work and Pensions, providing a fund of about £1 billion over two years to support the creation of 150,000 jobs nationally. The jobs to be created through the fund are targeted at 18 to 24 year olds who are approaching 12 months unemployment and others in 'unemployment hot-spots' (defined as areas where unemployment exceeds 1.5% above the national average) and will support the Government guarantee that from 2010 everyone in this age group, who has been looking for work for a year, will get an offer of a job or training lasting at least six months.
- 1.2 The Fund is subject to competitive bidding based on the following guidance:
- There is a strong preference for partnership bids, with the majority of bids expected to be led by local authorities, sub-regional and local partnerships or by national or local public sector and third sector bodies
 - Whilst there is an expectation that bids will normally be from larger organisations, with bids aiming to create at least 30 jobs over a six month period, joint bids involving small organisations such as social enterprises are encouraged
 - Bids need to demonstrate that they will create extra jobs (i.e. which would not exist without the funding) lasting at least 6 months, that the work done will benefit local communities and that the work will be under way quickly
 - It is expected that a proportion of the jobs to be created will be 'green'
 - Jobs created must involve at least 25 hours a week, paid at least at the national minimum wage (from October 2009, £4.83 per hour for 18 to 21 year olds and £5.80 per hour for those aged 22 and over)
 - The Future Jobs Fund contribution for each job will not exceed £6,500
 - All partnerships awarded funding will be required to develop a Work and Skills Plan by April 2010, including an initial worklessness assessment
- 1.3 Whilst the assessment of bids is on a continuous basis, those bids submitted by 30th June 2009 would be considered for the first allocations of funding, enabling the first jobs to begin in October 2009. However, any bids which are not successful initially would be considered at later stages.
- 1.4 Following a report to the Lancashire Chief Executives meeting on 29th May, it was agreed that a bid would be put forward under the Mid-Lancashire grouping, with Lancashire County Council providing support. Subsequently, a group of officers from Lancashire County Council and the five Mid-Lancashire Districts (Lancaster, Preston, South Ribble, Chorley and West Lancashire) prepared a bid which was submitted on the initial deadline of 30th June. Within Lancashire, bids have also been submitted by the two Multi-Area Agreement groupings in Pennine Lancashire and Fylde Coast.
- 1.5 Whilst not directly linked to the Future Jobs Fund bid, Lancashire County Council has also developed initiatives aimed at increasing the number of **apprenticeships and work trials** in the public sector. **Apprenticeships** can be supported by funding from the Learning & Skills Council to cover the cost of training to NVQ levels 2 and 3 and the County Council have identified significant savings where an apprentice can replace agency staff. Pre-apprenticeship support is available to those aged 16 to 18 who are not in education, training or employment through the County Council's **Future Horizons** scheme through a combination of 8-week public sector work experience and training towards the City and Guilds Employability and Personal Development qualification. **WorkStart** is a public sector work trial, piloted by the County Council, working with Jobcentre Plus and Lancashire Adult Learning. It provides the opportunity for people, referred through Jobcentre Plus, to get back to

work by offering 30-day placements to help update their skills, gain experience and improve confidence. The employer does not pay a salary but is expected to pay reasonable travel and lunch expenses. The County Council is looking to promote each of these initiatives among Districts in Lancashire having been awarded funding through Team Lancashire.

2.0 Proposal Details

2.1 The **Future Jobs Fund** bid submitted by the Mid-Lancashire grouping is for a £3.27 million programme creating up to 503 jobs, 172 of which would be in the first six months. The number of jobs was based on an analysis of the numbers of 18-24 year olds currently approaching 12 months unemployment and unemployment in the 'hotspot' wards (including Harbour, Heysham North and Poulton in Morecambe). Lancashire County Council will act as Accountable Body for the programme and the employing organisations would be the appropriate local authority or third sector organisation creating the additional jobs to be funded. As a partner in the bid, the role of Lancaster City Council would be:

- to identify and encourage local job creation proposals, mainly from the public and third sectors, and including proposals it may bring forward as an employer
- to participate in the Mid-Lancashire Partnership Board (see below), including the assessment of job creation proposals and monitoring programme performance

In addition to the local authorities, the bid also identifies other organisations as partners, including the North Lancashire PCT.

2.2 Whilst the governance arrangements for delivery of the Future Jobs Fund in Mid-Lancashire have yet to be fully developed and agreed, the group of authorities which developed the bid has proposed that overall performance of the Mid-Lancashire programme would be monitored by a 'Mid-Lancashire Partnership Board'. The full composition of the Partnership Board and its terms of reference are still to be determined but it is expected that it would include those partners involved in developing the bid (and including Lancaster City Council) and that, in addition to monitoring performance, it would also assess the quality of job offers and ensure provision is developed which meets or exceeds the minimum standard. A close dialogue with Jobcentre Plus will be maintained to link unemployed people to appropriate jobs. In this respect, the bid notes that local authority partners have signed or are considering signing Local Employment Partnership (LEP) agreements with Jobcentre Plus. LEPs formalise the link between employers and Jobcentre Plus and are aimed at opening up training and employment opportunities to disadvantaged jobseekers. The City Council has yet to finalise such an agreement but doing so would complement the proposals under the Future Jobs Fund, its work to help hard-to-reach groups into employment and training through the Integrated Support Team and its role in taking forward a local Employment & Skills Plan through the Lancaster District Local Strategic Partnership.

2.3 The bid included a number of outline job creation proposals from across Mid-Lancashire as evidence of the ability to create the overall level of jobs identified in the bid. Locally, two particular proposals, from Furniture Matters and YMCA, were identified from initial soundings. However, it should be noted that all proposals will be subject to formal assessment and that inclusion in the bid does not guarantee funding if the bid is successful. Equally, there would be scope to identify other proposals once the Scheme has been introduced. Consequently, whilst it was not possible,

within the timescale of the bid, to explore job creation proposals within City Council Services fully, there should be scope for the City Council itself to provide additional jobs under the Scheme. To obtain an indication of the level of interest among Services, a question regarding the Future Jobs Fund was included in a brief questionnaire circulated to all Services in July. This will be followed up with individual approaches to those Services best placed to create new jobs meeting the Fund criteria. Subject to Cabinet approval, it is proposed that any interest from Council Services should be worked up into formal proposals for consideration by the Mid-Lancashire Programme Board.

- 2.4 In late July the Department for Work and Pensions confirmed with the County Council, as lead organisation, that the Mid-Lancashire bid had been successful subject to the provision of further information on the number of job starts to be committed to in the period to 31st March 2010 within each Local Authority area. This will determine the value of the grant offer and it is possible that the value of the grant may be lower than the amount bid for.
- 2.5 Prompted by a request for information from Councillor Bryning, the questionnaire noted above primarily aimed to establish the number of **apprenticeships** within the City Council and any barriers to the provision of apprenticeships. The take-up of apprenticeships within Services is very low and there appears to be limited understanding of how apprenticeships work and the benefits they can bring, especially in the context of the City Council's Investor in People status. At the same time, initial contact has been made with the County Council's HR Partnerships Development Team to determine how the City Council and County Council could work together to increase the number of apprenticeships and also to expand activity around work trials through the WorkStart programme. Subject to Cabinet supporting and authorising further work, detailed proposals will be developed for a partnership-based approach to apprenticeships and work trials.

3.0 Details of Consultation

- 3.1 The Future Jobs Fund proposed bid was the subject of a report to the Lancashire Chief Executives Group on 29th May 2009. It was also raised at a meeting of the Employment & Skills Work Group (a sub-group of the LDLSP Education, Skills and Opportunities Thematic Group) on 23rd June comprising representatives of Jobcentre Plus, the Lancashire Learning and Skills Council and North Lancashire PCT.
- 3.2 Within the City Council, the proposals have been discussed with Human Resources staff and links have been made with the Children & Young People manager. An initial approach has been made to all Services regarding possible interest in the Future Jobs Fund and apprenticeships.

4.0 Options and Options Analysis (including risk assessment)

4.1 Options are considered in the table below:

Option	Advantages	Disadvantages	Risk
1. Do not support the bid and take no further action		Job opportunities for a vulnerable group in Lancaster District remain limited; Partnership based on Mid-Lancs grouping undermined	No financial risk Possible impact on fledgling Mid-Lancashire partnership

<p>2. Support the bid and seek job creation proposals from local third sector organisations (eg social enterprises)</p>	<p>City Council seen as supporter of employment initiative; New job opportunities identified for (mainly) young disadvantaged jobseekers; Demonstrates support for cost-effective Mid-Lancashire partnership working</p>	<p>Economic Development staff time (estimated at 5% fte, mainly through Principal Economic Development Officer) required in programme development and implementation</p>	<p>No financial risk Risk of limited job opportunities being identified – current level of interest indicates this risk is low</p>
<p>3. Support the bid and: i) encourage participation in the programme by City Council Services ii) underpin work with Jobcentre Plus through a Local Employment Partnership agreement iii) identify apprenticeship/work experience opportunities within City Council Services and develop joint proposals with Lancashire County Council</p>	<p>As above plus: Identification of additional public sector job opportunities; City Council seen as active supporter of employment initiatives which complement its role in the LDLSP ESO Thematic Group and its LDLSP-funded worklessness project</p>	<p>As above plus: additional staff time in those Services creating additional jobs through proposal development and management of the participants in the programme (value indeterminate at this stage but it should be noted that this 'cost' would be offset by the benefits arising from the additional jobs funded through the Future Jobs Fund).</p>	<p>See Financial Implications for details</p>

5.0 Officer Preferred Option (and comments)

5.1 Option 3 is the preferred option since this provides benefits by:

- maintaining City Council support for the bid already submitted, enabling the earliest possible start in job availability
- enhancing the number of job opportunities within the programme
- enabling direct City Council involvement in the Scheme through the creation of additional jobs meeting the Scheme criteria
- enabling, through centralised administration, the cost effective implementation of the Scheme
- demonstrating the value of partnership working within the emergent Mid-Lancashire grouping

6.0 Conclusion

6.1 The City Council has a key role in taking forward the Local Strategic Partnership's Education, Skills & Opportunities Thematic Group Action Plan through development of the Employment & Skills Plan and associated action plans and its implementation of the Worklessness Pilot Project. However, the Council can also have a direct impact in this area of work through its role as a major employer, a role which has not been fully exploited to date. The Future Jobs Fund and the development of proposals regarding apprenticeships and work placements provide opportunities for the Council to become more active in supporting local residents into work.

RELATIONSHIP TO POLICY FRAMEWORK

Corporate Plan – the 2009/10 Corporate Plan includes the following under the Corporate Priority to Support Our Local Economy:

Objective 1: Work in partnership to ensure a strategic approach to economic development

and regeneration

Key Targets:

NI152 – Working age people claiming out of work benefits.

NI153 – Working age people claiming out of work benefits in the worst performing neighbourhoods.

Key Actions:

1.3 Deliver the Council's actions in the LDLSP's Education, Skills and Opportunities Thematic Group Action Plan

- Prepare Local Employment and Skills Plan
- Develop Employer Engagement Action Plan
- Prepare (workless groups and individuals) Outreach and Engagement Action Plans

Sustainable Community Strategy – the proposals will help deliver the priority in the Lancaster District Sustainable Community Strategy related to Education, Skills and Opportunities to: 'engage NEETS (Not in Education, Employment or Training) young people and those who are workless on a long term basis in developing work related and life skills'.

Lancashire Local Area Agreement – the proposals will contribute towards the LAA target against NI 153 to reduce the number of working age people claiming out-of-work benefits in the worst performing neighbourhoods

CONCLUSION OF IMPACT ASSESSMENT

(including Diversity, Human Rights, Community Safety, Sustainability and Rural Proofing)

Diversity – all employing organisations will be required to have equality policies

Human Rights – the proposals will have very positive implications regarding the City Council's Investor in People status

Community Safety – no implications

Sustainability – positive implications through provision of additional jobs to long term unemployed young people with emphasis on jobs which are of community benefit

Rural Proofing – there will be a need to consider the additional support which may be required to enable any rural residents who qualify under the Future Jobs Fund criteria to access the job opportunities created, since these are likely to be predominantly urban-based and the availability of transport may be a particular issue. This will be taken up with Jobcentre Plus as part of the referral process.

Health & Safety – jobs created within City Council Services would be subject to corporate health and safety standards. Health and safety issues for other employing organisations will be considered as part of the proposed appraisal process.

FINANCIAL IMPLICATIONS

Option 1 – no financial implications

Option 2 – the additional staff time required, estimated at 5% fte, would be met by existing Economic Development staff through adjustments to work programmes, mainly related to Principal Economic Development Officer time. Lancashire County Council will act as Accountable Body for the programme. Therefore, as the City Council is not, under this option, acting as a Future Jobs Fund employer organisation, it would have no financial

liability.

Option 3 – the jobs to be created can be fully funded through the programme with no requirement for additional funding from employing organisations. However, as no programme funding will be available towards employer costs in managing Future Jobs Fund jobs, each Service providing additional jobs would need to ensure they allow, within existing staff commitments, for any additional staff time requirements in managing the new jobs created, although it is recognised that benefits would also arise from the additional jobs created through the programme. As with Option 2, Lancashire County Council will act as Accountable Body. However, as the City Council would, under this Option, act as an employing organisation for Future Jobs Fund jobs, it would be liable for risks associated with the external funding related to those jobs it creates. These risks are considered to be limited since the process is very prescribed (maximum funding of £6,500 per job created, job proposals appraised by panel, eligible clients referred by Jobcentre Plus). However, funding will be paid in arrears and it will, therefore, be necessary to profile expenditure and income accordingly against funded posts. The General Fund Revenue Budget will also need to be updated for associated expenditure and funding relating to any new jobs created as and when the need arises. There will also be a need, under Option 3, to assess the staff time implications (including Human Resources staff time) of taking forward the Local Employment Partnership agreement with Jobcentre Plus. This will form part of the discussions which would need to take place with Jobcentre Plus and which would involve relevant HR staff.

SECTION 151 OFFICER'S COMMENTS

The Section 151 Officer has been consulted and has no further comments.

LEGAL IMPLICATIONS

Legal Services have been consulted and have no comments to add. It is possible that a Service Level Agreement will be drafted to govern the relationship between the County Council, as Accountable Body, and the Districts as partners in the implementation of the scheme. Legal Services would be consulted on the SLA at the appropriate stage.

MONITORING OFFICER'S COMMENTS

The Monitoring Officer has been consulted and has no further comments.

BACKGROUND PAPERS

Future Jobs Fund Bidding Guidance, DWP

Contact Officer: Bill Kindon

Telephone: 01524 582071

E-mail: wkindon@lancaster.gov.uk

Ref: n/a

CABINET

**2010/11 Revenue Budget Update
1 September 2009**

Joint Report of Corporate Director (Finance & Performance) & Head of Financial Services

PURPOSE OF REPORT			
To note progress so far in identifying options for savings and efficiencies and to approve areas of service activity that should be pursued further. It also seeks Cabinet's views on their preferred option for the agreed consultation exercise.			
Key Decision	<input type="checkbox"/>	Non-Key Decision	<input type="checkbox"/>
Referral from Officers			√
Date Included in Forward Plan	N/A		
This report is public			

RECOMMENDATIONS OF CLLRS STUART LANGHORN & MALCOLM THOMAS:

- 1 That Cabinet approves the Savings and Efficiency Programme attached at Appendix A and authorises officers to continue to progress options for developing shared services with other Councils.
- 2 That Cabinet consider the outcome to date of the review into the outturn variances for 2008/9, included as part of Appendix B.
- 3 That Cabinet notes the progress made by individual cabinet members to identify savings and efficiency options from within their portfolios included as part of Appendix B and determine those that should be developed further.
- 4 That Cabinet considers the current draft budget spend analysis attached as Appendix C that allocates expenditure and income across Corporate Plan priorities and makes any appropriate recommendations
- 5 That Cabinet considers the options set out in Appendix D for undertaking a public engagement exercise in respect of its budget proposals to deliver the council's corporate priorities.

REPORT

1 **Introduction**

At its last meeting, Cabinet agreed the process and timetable for developing its budget proposals. The meeting also agreed, minute 33 refers:-

“(3) That Cabinet notes the progress reports from individual cabinet members as presented and continue to determine service activities and other initiatives that should be developed to bring forward to Cabinet savings and efficiencies options

(4) That Cabinet notes that officers will be undertaking an exercise to analyse the current year’s budget against service activity and corporate priorities over the summer for each Cabinet member to further assist them in bringing forward options for savings/efficiencies”

(5) That a public engagement exercise be undertaken in respect of the council’s budget proposals to deliver its corporate priorities, and that officers be instructed to work on a format for the consultation”

This report provides an update on progressing these issues.

2 **Savings & Efficiency Programme**

Now that Cabinet have agreed the timetable and process for identifying options for savings and efficiencies, it is important to capture the assumptions and principles that have been agreed to drive the budget exercise.

As a consequence, officers have drafted a Savings and Efficiency Programme, attached at **Appendix A** for Cabinet to consider. The strategy outlines how the savings and efficiencies will be achieved over a phased period to meet the targets included in the Medium Term Financial Strategy (MTFS). In particular, it outlines the principles for developing shared services with other local authorities, where there are demonstrable benefits to be gained.

Cabinet are asked to approve the strategy in order that it can be the focal reference document to assist Cabinet members bringing forward savings/efficiencies options.

3 **Review of 2008/9 Outturn Variances**

At its last meeting, Cabinet received a summary analysing the 2008/9 outturn variances and prior to this, individual Cabinet members, together with Service Heads, had been requested to review each variance to assess any on-going impact on future years’ budgets.

This exercise still has to be completed and so at the time of completing this report, there was very little confirmed information available, as shown at **Appendix B**. Work is underway, however, and it may be possible to provide an updated position at the meeting. Furthermore, for the October meeting the formal review of the MTFS is scheduled for completion and a full update will be provided then.

4 **Savings & Efficiency Options**

Since the last Cabinet meeting, work has also continued in considering the savings and efficiencies options included in individual cabinet member budget checklists, or arising through PRTs. Options identified so far have been collated from the checklists seen, and these have been included in **Appendix B**. Again, this is very provisional and by the time of the meeting, there may well be further updates available.

Cabinet is requested to consider the information and determine those that should be developed further.

5 Corporate Plan Priorities Spend Analysis

Attached as **Appendix C** is the latest analysis of the current year's expenditure and income analysed over Corporate Plan priorities and Cabinet member portfolios. Previously a high level summary was circulated to Cabinet prior to its last meeting. The Appendix now attached provides further analysis allocated over individual priority objectives and also over other service activity not currently aligned to corporate priorities. It is clear from the work undertaken so far, however, that more needs to be done to firm up this analysis – for some budgets, the main link to either a particular priority or a portfolio can be subject to interpretation or debate.

Cabinet are asked to consider the allocations of current net spend and make any appropriate recommendations.

6 Consultation Exercise

Cabinet at its last meeting agreed that the council would undertake a public engagement exercise as part of this year's budget process and requested officers to produce options for members' consideration.

This work has now been completed and **Appendix D** sets out a range of options for Cabinet to consider and their associated costs.

Cabinet are asked to consider the options in Appendix D and agree their preferred approach.

7 Summary

The position at **Appendix B** presents a short summary of potential savings and efficiencies identified so far for inclusion in Cabinet's list of options. It currently shows that there is still a significant shortfall in respect of balancing the 2010/11 budget projection and further work is required to balance the budget. In particular, attention is also drawn to the additional potential cost pressures arising also, from developments such as the Winter Gardens proposal. There may be other future year pressures arising, and a more complete review will be reported into October Cabinet.

8 Options Analysis

The following options are available to the Cabinet.

Savings and Efficiency Strategy

- i. approve the draft Savings and Efficiency Strategy included at Appendix A
- ii. approve an amended Savings and Efficiency Strategy
- iii. that no strategy is approved at this stage and officers be asked to undertake further work on developing the strategy

Preferred Option

The preferred option is either 1 or 2 above. This will ensure that the council has an agreed framework in place to guide members bringing forward savings and efficiencies options.

Review of 2008/9 Outturn Variances

- i note the progress made to date and agree the on-going savings implications identified in Appendix B are built into the 2009/10 base revenue budget, when confirmed.
- ii note the progress made to date but agree an alternative course of action for any on-going budget implications.

Preferred Option

The preferred option is option 1. This will ensure that any identified on-going budget implications are correctly reflected in the base budget for future years.

Savings and Efficiency Options

- i consider the options included in Appendix B and determine which should be further developed for inclusion in Cabinet's preferred list of savings and efficiency options.
- ii consider the options but don't offer a view as to those that should be pursued at this stage.

Preferred Option

The preferred option is option 1. This will ensure that those service activities that Cabinet are minded to include in their preferred list of savings and efficiency options can be further developed.

Corporate Plan Priorities Spend Analysis

- i consider the information included in Appendix C and agree actions to refine and improve this information, to support future decision-making.
- ii consider the information without offering a view at this stage.

Preferred Option

The preferred option is option 1. This will ensure that any anomalies in current spend allocations are considered and addressed in the budget process and the appropriate recommendations made.

Consultation Exercise

- i consider the information included in Appendix D and determine Cabinet's preference for undertaking a consultation exercise on the 2010/11 budget proposals
- ii consider the information but request further alternatives

Preferred Option

The preferred option is option 1. This will ensure that officers can prepare for the consultation exercise in good time.

RELATIONSHIP TO POLICY FRAMEWORK The report provides an update of how Cabinet will meet the targets and timescales included in the Council's Budget and Policy Framework.	
CONCLUSION OF IMPACT ASSESSMENT (including Diversity, Human Rights, Community Safety, Sustainability etc) The annual review of the budget and policy framework ensures that the Council's plans and strategies are kept up to date and compliant with the above criteria for assessing their impact on local communities. The inclusion of a public consultation exercise offers further opportunities for community engagement in determining the council's spending plans for 2010/11 and onwards	
FINANCIAL IMPLICATIONS In the main, these are referred to within the report. The costs associated with undertaking the budget consultation options are set out in Appendix D. Corporate Strategy's current budget for consultation and community engagement includes a sum of £8,000 carried forward from 2008/9 in respect of savings made in undertaking the 2008 Place Survey. If Cabinet's preferred option is in excess of £8,000, additional sums will need to be identified from the current year's budget.	
DEPUTY SECTION 151 OFFICER'S COMMENTS The Deputy s151 Officer has been consulted and has no further comments to add.	
LEGAL IMPLICATIONS Legal Services have been consulted and have no comments to add.	
MONITORING OFFICER'S COMMENTS The Deputy Monitoring Officer has been consulted and has no further comments.	
BACKGROUND PAPERS None.	Contact Officer: Roger Muckle Telephone: 01524 582022 E-mail: rmuckle@lancaster.gov.uk

SAVINGS & EFFICIENCY PROGRAMME

2009-2013

1 Introduction

If Lancaster City Council is to meet the financial targets set out in its Medium Term Financial Strategy (MTFS), then it must be clear and focused in how it will achieve these targets. It is recognised that these cannot all be agreed and delivered at the same time and that any Savings and Efficiency Programme must be delivered in a phased approach over the period of the MTFS. This Programme therefore provides the framework within which the Council will work to identify a range of savings and efficiency options to meet these targets and should be read in conjunction with the Revenue Budget Strategy 2010/11, which Cabinet agreed on 23 June 2009.

2 Context

All councils are facing severe challenges to ensure that they can deliver services that meet the needs of their communities within the limited resources that are available to them. It is likely that over the coming years, this position will become more challenging with a predicted reduction in government support. The Council has already set itself on-going savings targets of £1.3m over the next 2 years and no doubt this target will increase further when the 3 year draft revenue budget has been prepared and government have issued their annual grant support details.

The Council can no longer look at tackling this deficit funding problem in a piecemeal manner and needs to adopt a more radical and challenging approach to how it manages its limited finances. This work has already begun but savings of this magnitude cannot be achieved without prioritising and challenging the way that we currently operate. Difficult decisions will be needed and the Council needs to accept that it can no longer do everything that it currently does but must ensure that its resources are targeted to the needs of the public and provide value for money.

3 Objective & Principles

Underpinning this strategy are a number of key objectives and principles that support, and are consistent with, those already set out in the Council's Medium Term Financial Strategy and the Capital Investment Strategy, namely :-

- The Council should have good financial information that shows how it spends its money in particular against corporate priorities and statutory services.

- Resources should be directed to delivering clear council priorities and statutory services that meet the needs of its communities.
- Services provided/enabled by the Council should have clear service delivery standards that the public understand and that officers are resourced to deliver.
- Services provided/enabled by the council should be cost effective and provide value for money.
- Opportunities for improved partnership/collaborative working should be pursued.
- Opportunities for improved use of technology should be maximised.
- Any windfall income should be set aside firstly to meet existing liabilities or to invest in projects to generate future savings - Invest to Save Projects.

4 Programme

The strategy to generate savings and efficiencies pulls together a number of actions currently being pursued by the Council and previously agreed by Cabinet in the Revenue Budget Strategy 2010/11. These are :-

4.1 Understanding What We Spend Our Money On

If the Council is to ensure that its limited resources are focused on delivering its corporate priorities then it needs to understand how it currently spends its money. This should be the starting point in any strategy to identify areas for savings and efficiencies.

The council has started to refine how it records and presents its financial information. Cabinet has already received a first draft of how the current year's budget has been allocated to its priorities, or against other functions not aligned to priorities. As this year's budget exercise continues, further work will be done to test out and refine this information.

Options for savings and efficiencies should be guided by the principle that they should focus on non priorities in the first instance, but also that services provided meet expected and clearly defined service delivery standards, which reflect community needs and statutory requirements.

4.2 Performance Management

If understanding how the council spends its money is the first step in preparing savings and efficiency options, the second step must be to ensure that the Council can react positively to information about performance and spending variations.

Firstly, it is important that a thorough review is undertaken in July each year by each individual Cabinet member, shortly after the year end information is available, to ensure that spending variations are explained, understood, and acted on as appropriate. This is crucial in determining if there are any on-going revenue budget implications that will

impact on the base budget and that could offer savings and efficiencies without changes to service delivery and current standards.

Secondly, Cabinet members should be clear of in-year performance variations that present themselves through the PRT quarterly reports and any other informal service monitoring arrangements Cabinet members have in place. Are services being delivered to agreed service standards and public expectations? Are they indeed still set at the right levels and service standards? Do they still meet recognised needs? Are they being delivered in the most cost effective manner? Does the council have the capacity and skills to deliver them or is some redirection of resources into priority areas required?

These questions form the basis of the challenge and scrutiny that Cabinet should routinely follow throughout the year within their portfolios and in so doing, performance management is integrated into Cabinet routines throughout the year to contribute to the process of identifying savings and efficiencies options.

4.3 **Improved Partnership Working and Collaboration**

The Council has already acknowledged that it can't provide for all the needs of its communities itself. It must work with its partners to remove duplication and make better use of economies of scale and the limited scarce resources and skills that are available. This process will particularly focus on 2 strands, namely :-

- **Shared Services**

The Council has been working with other councils in Lancashire under the banner of Team Lancashire. Some work is now being targeted within specific clusters; as an example the Council has been working with Preston City Council to identify potential areas where efficiencies can be generated through joint working and a shared service approach. Other arrangements are in place to take forward services with other local authority groups, such as with Civil Parking Enforcement or Licensing management.

To give focus, a phased programme of services should be developed for consideration, supported by Team Lancashire where appropriate. The extent and scope of any service activity included within the programme will be informed by preparing separate business cases and only be progressed where there are demonstrable benefits and efficiencies to be achieved. The development of such a programme will need resourcing and this could be considerable for any major proposals – opportunities for external support will be drawn on wherever possible to help with this. Other more minor opportunities may be deliverable fairly readily, however. Such resources will be taken account of in developing the programme.

- **Lancaster District Local Strategic Partnership (LDLSP)**

The Council has already made a firm commitment to working with its key partners within the LDLSP to contribute to delivering the priorities included in the Sustainable

Community Strategy and the Lancashire Local Area Agreement. It is hoped that as the LDLSP continues to develop, all its partners will be able to make efficiency savings by removing duplication, adopting smarter procurement and benefitting from economies of scale and the joint use of scarce resources and skills. This includes project delivery and programme management support.

The Partnership also offers opportunities to bid for additional government funds, linked to delivering its priorities, but such funds can only be accessed with the involvement of LSPs. Examples include the Migrant Impact Fund.

4.4 **Commissioning and Procurement**

Commissioning of local authority services is gaining a higher profile – in simple terms it means how councils decide *what* services should be provided, to meet the needs of their communities / districts. It follows that de-commissioning of services may be one way of making savings.

Procurement focuses more on *how* and *who* should provide such services – once a decision has been made to provide them. The council currently doesn't have a Commissioning Protocol and this will be considered as an area for development in future.

Also being progressed under the Team Lancashire banner are efficiencies generated through the Lancashire Procurement Hub. The use of regionally negotiated framework agreements are starting to reap rewards and it is anticipated that initiatives such the Agency Worker agreement, currently being finalised, will generate some additional cashable savings for the Council.

Arrangements are in hand to ensure that procedures and processes are strengthened to identify and capture such savings from procurement activities, so that that they can be verified and included in the base budget.

4.5 **Improving How We Do Things (Business Process Re-engineering)**

This strategy has already referred to above the need for cabinet to challenge the way it delivers its services either directly or in partnership. Business Process Re-engineering is the process that examines and reviews what we currently do, with a view to identifying options for achieving the same outcomes and outputs more efficiently for less money or less risk.

In particular this means that everything the Council does is open to challenge and it should consider the following as a means of identifying savings and efficiency options:-

Better Use of Technology/ICT

- Can manual systems be computerised?
- Are we making the best use of the systems that we have bought?
- Are staff skilled and trained in the use of the systems they use?
- Can we learn lessons from other users?

- Improved use of telephony and multi-functional devices (printers, scanners photocopiers etc)
- Improved ways for storing and managing information flows, and system accessibility (Electronic Document Management Systems).
- More generally, sharing or exchanging accurate information efficiently and effectively, and making it available to those who need it.

Access to Services/Self Help

- Can we make our services better accessible to those who want/need to use them?
- Can services be made more accessible and cost-effective by providing and offering them online 24/7?
- Are some services accessible at times or places when it's not cost effective for them to be so?
- Are staff well trained to respond at the first point of enquiry?
- Can more service activities be delivered better through our customer service centres?

Capacity and Skills

- Is the council's workforce skilled to deliver its agreed priorities?
- Do we have flexible HR policies to allow managers to manage effectively?
- Is there capacity within services to deliver council priorities?
- Is the council's workforce structured effectively?
- Should common skills be brought together? (e.g. Marketing & PR)

Council Assets

- Does the Council need all its current assets to deliver its priorities?
- Could resources be generated through asset sales into priority services?
- Are our assets fit for purpose or a drain on resources?
- Opportunities for sharing assets with partners and voluntary groups

4.6 Charging for Services

For many discretionary services, charging is one way of providing income to offset the costs of provision, and can also be a way of improving fairness (i.e. the principle that those who use a service should pay for it). Wherever possible, charging should seek to at least cover the costs of service provision, and/or make a return on assets used, unless other policy objectives or statutory requirements support an alternative.

4.7 Other Initiatives

This programme acknowledges that there are, each year, a number of factors that are outside of the Council's control but have a real bearing on the annual budget setting and consequently on the extent of savings and efficiencies that need to be identified. It is

important therefore that whilst they cannot be controlled, they need to be fully understood and considered, in bringing forward savings and efficiency options.

Each year, Cabinet should be mindful therefore to the following (although this list is not exhaustive):-

- Annual local government finance settlement
- Annual national pay award and other economic factors
- Treasury Management - Borrowing and Investment interest movements
- Demand for and changes to statutory council services generally

5 **Benefits/Outcomes**

The effective development of this programme will have a number of benefits and outcomes, namely:-

- Improved information on which to base decision-making
- Clarity and focus for identifying, developing and prioritising savings and efficiency options (and any resources needed for this)
- Minimising real reductions to services, through achievement greater efficiency
- Meeting the council's financial targets for savings and efficiencies
- Improved value for money and Use of Resources assessments
- Improved partnership working and community leadership

Ultimately, this programme should enable Cabinet to establish a range of savings and efficiency options, in reasonable time, which can then be consulted on, amended (as budget prospects develop and in response to consultation, as appropriate), and finally recommended to Council.

6 **Summary and Conclusion**

It is clear that the Council needs to take a positive approach for identifying options of savings and efficiencies.

There is however a need for the council to remain flexible in its approach to react to changing financial circumstances. It is therefore necessary that any list of options for savings and efficiencies are ranked in priority order and extensive to the extent that they can act as a contingency to meet last minute requirements if necessary. Options included in the list must be realistic for achievement and in considering any options it is important that cabinet are mindful to the risks involved with each and those included in the Corporate Risk Register.

STATEMENT OF GENERAL FUND SAVINGS POSITION

For consideration by Cabinet 01 September 2009

APPROVED SAVINGS INCLUDED IN 3 YEAR REVENUE BUDGET

	2009/10	2010/11	2011/12
	£000	£000	£000
TOTAL APPROVED SAVINGS (Budget Council 04 March 2009)	-1,387.3	-1,108.6	-1,444.8
SAVINGS EFFECTED IN BASE BUDGET	-888.0	-567.2	-900.2
SAVINGS APPROVED BY MEMBERS TO DATE			
PERSONNEL COMMITTEE 26 MARCH 09 : Corporate Strategy Restructure	-30.0	-22.2	-23.0
Sub-Total	-918.0	-589.4	-923.2
SAVINGS STILL TO BE ACHIEVED	-469.3	-519.2	-521.6
SAVINGS STILL TO BE CONFIRMED / SUBJECT TO MEMBER APPROVAL			
Senior Management Restructure	-50.0	-50.0	-50.0
Corporate Strategy			
Service Restructure (Balance of saving to achieve)		-8.4	-8.2
Communications & Marketing Review	-41.0	-61.0	-61.0
Revenues			
Council Tax & Hsg. Benefit : (Balance of combined savings to achieve)	-21.9	-25.3	-26.6
Cultural Services			
Salt Ayre : Operational Savings	-119.0	-120.8	-122.6
Reduction in support for Festivals Innovation Fund Events	-30.0	-50.0	-50.0
Arts & Leisure Development	-54.0	-55.0	-56.0
Planning Services			
Achievement of Break-even for Building Control (reduction in staffing / increase in fees)	-143.4	-138.7	-137.2
Property Services			
Venue Hire to break even	-10.0	-10.0	-10.0
Sub-Total	-469.3	-519.2	-521.6
CHANGE FROM SAVINGS APPROVED 04 MARCH 2009	0.0	0.0	0.0

IMPACT (SO FAR) OF OTHER APPROVALS / KNOWN OR POTENTIAL BUDGET CHANGES ON MTFs SAVINGS TARGETS

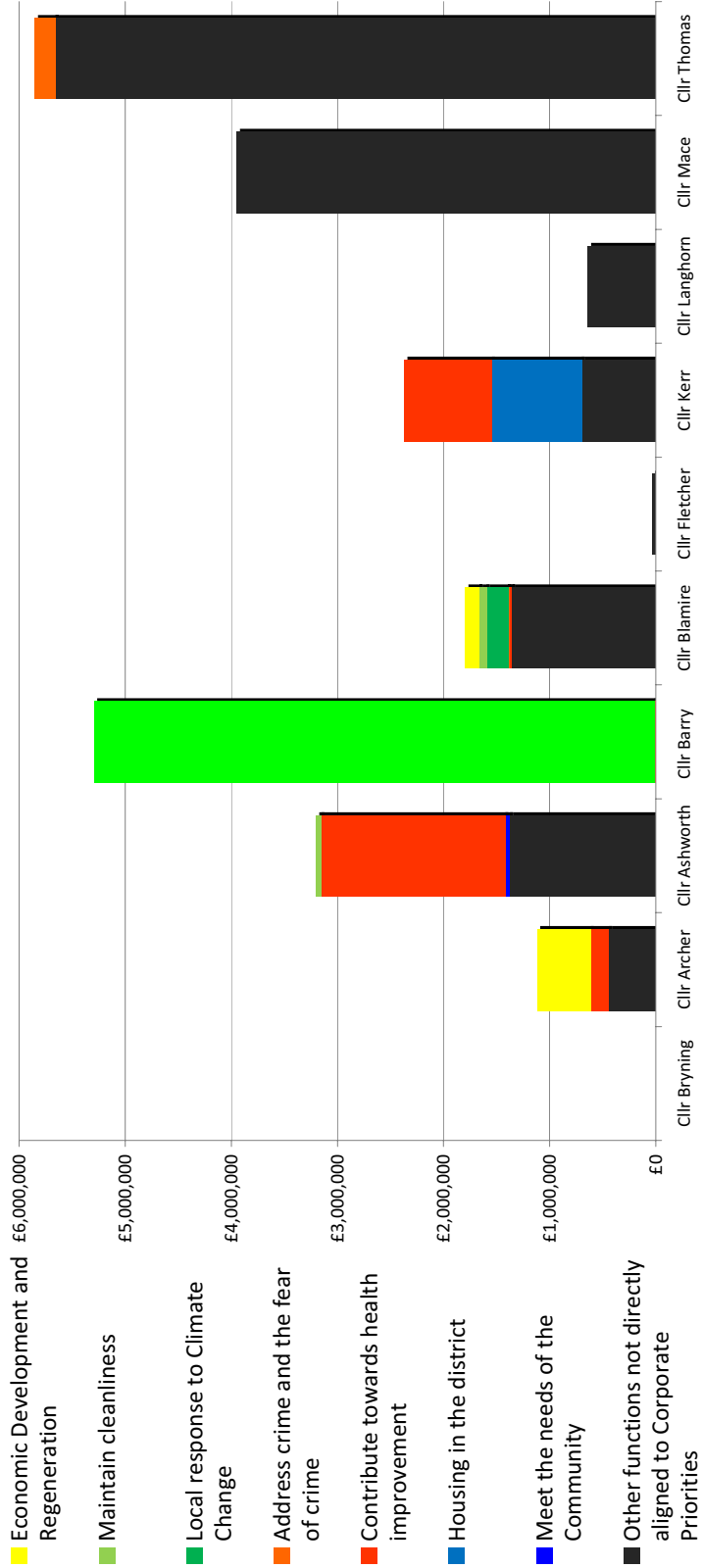
	2009/10	2010/11	2011/12
	£000	£000	£000
MTFS PROJECTED SAVINGS TARGETS	-	-1,053.0	-1,302.0
BUDGET CHANGES APPROVED AFTER BUDGET COUNCIL			
COUNCIL 29 APRIL 09 : Winter Gardens		+150.0	+150.0
PERSONNEL COMMITTEE 30 JULY 09 : Management Team PA Support	-25.0	-30.8	-31.4
CABINET URGENT BUSINESS 13 JULY 09 : Civil Parking Enforcement	-8.0	-8.0	-8.0
Additional CPE savings identified	-19.0	-38.7	-39.5
Sub-Total	-52.0	+72.5	+71.1
QTR 1 CORPORATE FINANCIAL MONITORING			
Salary Savings (Will reduce subject to other savings targets)	-195.0		
Main Service Variances	-93.0		
VAT Reimbursement	-600.0		
Provision for Icelandic Investment losses	+1,201.0		
Provisional Pay Award Savings (Subject to approval)	-200.0	-204.0	-208.0
Sub-Total	+113.0	-204.0	-208.0
* 2008/09 OUTTURN VARIANCES PROJECTED TO CONTINUE			
Health & Strategic Housing			
Radiation Monitoring		?	?
CC(D)S			
Trade Waste		?	?
Financial Services			
Software / Banking Savings (provisional estimate)		-20.0	-20.0
Sub-Total	+0.0	-20.0	-20.0
* OTHER SAVINGS AND EFFICIENCY OPTIONS			
CC(D)S			
Future Provision of Public Toilets		?	?
Introduction of co-mingled collection for recyclates (phased)		?	?
Bulky Matters - sharing overheads with Blackpool Council		?	?
Health & Strategic Housing			
Further Review of Housing SLA (3 year agreement in place)		?	?
Potential Commissioning / Procurement Opportunities		?	?
Financial Services			
Provisional Staffing Savings	-5.0	-15.0	-15.0
Corporate			
Climate Change Initiatives (Invest to Save Opportunities)		?	?
Sub-Total	-5.0	-15.0	-15.0
REVISED SAVINGS POSITION	-56.0	-886.5	-1,130.1

* NOTE : A more detailed review of the impact of 2008/09 variances and other savings options will be undertaken as part of the Medium Term Financial Strategy review.

APPENDIX C

2009/10 GENERAL FUND REVENUE BUDGET ANALYSED BY PORTFOLIO HOLDER

	Cllr Bryning	Cllr Archer	Cllr Ashworth	Cllr Barry	Cllr Blamire	Cllr Fletcher	Cllr Kerr	Cllr Langhorn	Cllr Mace	Cllr Thomas	TOTAL
	£	£	£	£	£	£	£	£	£	£	£
Economic Development and Regeneration		507,100			133,100						640,200
Maintain cleanliness			50,200	5,279,500	65,600					-43,000	5,352,300
Local response to Climate Change					202,200						202,200
Address crime and the fear of crime				12,000	11,800					195,300	219,100
Contribute towards health improvement		171,700	1,733,500		28,100		827,400				2,760,700
Housing in the district							843,200				843,200
Meet the needs of the Community			42,800								42,800
Other functions not directly aligned to Corporate Priorities	0	439,800	1,374,300	-198,600	1,352,800	30,800	699,500	637,000	3,947,200	5,655,700	13,938,500
	0	1,118,600	3,200,800	5,092,900	1,793,600	30,800	2,370,100	637,000	3,947,200	5,808,000	23,999,000



BUDGET CONSULTATION OPTIONS

OPTIONS	PROPOSAL	COST	COMMENT
Option 1	<p>Prepare consultation documents in house or.... Using Professional Designer Similar to those prepared by Chorley considered by Cabinet at their last meeting.</p> <p>Electronic version at no cost A4 12 page colour document 500 copies per run</p> <p>Make the documents available via:-</p> <ul style="list-style-type: none"> • Website • Press Releases to Local Papers • November's "Your District Council Matters" • Notice to Parish Councils • LDLSP partners • Notices in Public Buildings • Members of public on Consultation database <p style="text-align: right;">TOTAL COST</p>	<p>Free £420</p> <p>Free £835</p> <p>£1,255</p>	<p>Largely information sharing exercise. Public able to access cabinet budget options and opportunities to leave written comments and preferences</p>

Option 2	<p>As Option 1 plus :-</p> <p>Town Centre Exhibitions:-</p> <ul style="list-style-type: none"> • Cost of Exhibition Materials • Hire of Venues <p>Carnforth Railway Station Morecambe Arndale Centre Lancaster St Nicholas Shopping Centre or Marketgate</p> <p style="text-align: center;">TOTAL</p>	<p>£1,255</p> <p>£600</p> <p>£120 per day</p> <p>Free</p> <p>Free</p> <p>Free</p> <p>£2,000 approx Plus staff time</p>	<p>Largely information sharing exercise but also provides public interaction. Public able to access cabinet budget options and opportunities to ask questions and leave written comments and preferences</p>	
Option 3	<p>As Option 2 plus :-</p> <p>Focus Groups Invited from Community Organisations (groups of 8)</p> <ul style="list-style-type: none"> • Hire of Venues <p>Carnforth Railway Station Morecambe Town Hall or Poulton Children's Centre Lancaster Town Hall or City Lab</p> <ul style="list-style-type: none"> • Refreshments etc... <p style="text-align: center;">TOTAL</p>	<p>£2,000</p> <p>£36 (3hrs)</p> <p>Free</p> <p>Free</p> <p>Free</p> <p>£50 (4hrs)</p> <p>£170</p> <p>£2,600 approx</p> <p>£2,700</p> <p>£5,300 approx</p>	<p>Largely information sharing exercise but also provides public interaction. Public able to access cabinet budget options and opportunities to ask questions and leave written comments and preferences</p> <p>Could use pupil power and other tools to engage Focus Groups reaction</p>	
Option 3a				
Option 3b	<p>Use External Facilitator at each Focus Group</p> <p>£900 per event</p> <p style="text-align: center;">TOTAL</p>			

Option 4	As Option 2 plus :-	£2,000	Largely information sharing exercise but also provides public interaction. Public able to access cabinet budget options and opportunities to ask questions and leave written comments and preferences Could use Pupil power and other tools to engage public
Option 4a	Community Discussions (groups of 40) <ul style="list-style-type: none"> • Hire of Venues Carnforth Railway Station Morecambe Town Hall or Platform Lancaster Town Hall • Refreshments etc... <p style="text-align: center;">TOTAL</p>	£120 Free £100 Free £1000 £5,220 approx	
Option 4b	Use External Facilitator at each Discussion Group £900 per event <p style="text-align: center;">TOTAL</p>	£2,700 £7,920 approx	
Option 5	As Option 1 plus :- Hire of Mobile Unit for 3 weeks One week each at :- Carnforth Train Station or Tesco's Morecambe Dome Lancaster Market Square <p style="text-align: center;">TOTAL</p>	£1,255 £32,000 to £39,000 £33k to £40k	Would provide maximum accessibility to the public and for recording their preferences and comments

CABINET

**2009/10 1st Quarter Corporate Performance Review
1 September 2009**

Report of Corporate Director (Finance and Performance)

PURPOSE OF REPORT			
To report on the first quarter of Performance Review Team meetings for 2009/10.			
Key Decision	<input type="checkbox"/>	Non-Key Decision	<input type="checkbox"/>
		Referral from Cabinet Member	<input checked="" type="checkbox"/>
Date Included in Forward Plan	N/A		
This report is public			

RECOMMENDATIONS OF COUNCILLOR LANGHORN

- (1) That the report be noted.

REPORT

- 1 The first quarter of Performance Review Team (PRT) meetings for 2009/10 took place between 27 July and 7 August. Each meeting monitored progress against the action sheets drawn up for the previous round of meetings.
- 2 The corporate report was considered by the Leader on 17 August, and will be considered by the Budget and Performance Panel on 8th September 2009.
- 3 Attached at **Appendix 1** for information are:
 - PRT meeting/attendance timetable
 - Performance exception report showing indicators for Q1 that are behind target
 - Q1 Corporate Financial Monitoring Report including progress on outstanding issues from previous meetings
 - Treasury Management Monitoring Report
- 4 The actions agreed at the meeting are still being drafted but will be circulated under separate cover prior to the meeting.

5 Conclusion

The Council's Performance Management Framework now requires the regular reporting of performance into Cabinet as part of the Performance Review Team cycle of meetings. This report provides a strategic summary of how the council is performing in delivering its Corporate Plan targets using the information from the quarter 1 PRT meetings with individual cabinet members

<p>RELATIONSHIP TO POLICY FRAMEWORK</p> <p>This report is a requirement of the Council's Performance Management Framework.</p>	
<p>CONCLUSION OF IMPACT ASSESSMENT (including Diversity, Human Rights, Community Safety, Sustainability and Rural Proofing)</p> <p>None arising from this report.</p>	
<p>FINANCIAL IMPLICATIONS</p> <p>As set out in the attached appendices.</p>	
<p>SECTION 151 OFFICER'S COMMENTS</p> <p>The Section 151 has been consulted and has no additional comments.</p>	
<p>LEGAL IMPLICATIONS</p> <p>Legal Services have been consulted and have no comments to add.</p>	
<p>MONITORING OFFICER'S COMMENTS</p> <p>The Deputy Monitoring Officer has been consulted and has no comments to add.</p>	
<p>BACKGROUND PAPERS</p> <p>2009/10 Q1 PRT Reports</p>	<p>Contact Officer: Roger Muckle Telephone: 01524 582022 E-mail: rmuckle@lancaster.gov.uk Ref: RCM/JEB</p>

PORTFOLIO BASED PERFORMANCE REVIEW TEAMS

Timetable for 1st Quarter 09/10 – 27 July to 7 August 2009

PORTFOLIO	Meeting arranged	Cabinet Member(s)	Director (s)	Service Head	Paperwork Received (inc. updated action from previous meeting]	Action Note received	Additional Info.
Economy	3.30 pm 28 July	Cllr Archer	Heather McManus	Peter Sandford Andrew Dobson	Yes	Yes	
Environment (Waste)	11.30 am 28 July	Cllr Barry	Peter Loker	Mark Davies	Yes	Yes	
Environment (Climate change)	9 am 28 July	Cllr Barry	Roger Muckle	Richard Tulej	Yes	Yes	
Finance	2 pm 4 August	Cllr Thomas	Roger Muckle Heather McManus	Nadine Muschamp Graham Cox	Yes	Yes	
Internal Affairs	3.30 pm 27 July	Cllr Mace	Mark Cullinan Roger Muckle	Jane Alder Sarah Taylor Gill Noall Richard Mason	Yes	Yes	
Safety	10 am 11 August	Cllr Blamire	Roger Muckle	Richard Tulej	Yes	Yes	
Children and Young People	2.30 pm 10 August	Cllr Ashworth	Roger Muckle Heather McManus	Richard Tulej David Owen	Yes	Yes	
Education, Skills and Opportunities	12 noon 28 July	Cllr Bryning	Heather McManus	Peter Sandford	Yes	Yes	
Health and Wellbeing	2.30 pm 06 August	Cllr Kerr	Peter Loker Heather McManus	Suzanne Lodge Steven Milce Andrew Dobson David Owen	Yes	Yes	
Valuing People	9 am 11 August	Cllr Fletcher	Roger Muckle	Richard Tulej	Yes	Yes	
Leader	11 am 11 August	Cllr Langhorn	Roger Muckle	Richard Tulej	Yes	Awaited	
PERFORMANCE MANAGEMENT GROUP			All	Nadine Muschamp Richard Tulej	Yes	Yes	
CABINET	1 Sept 09						
BUDGET AND PERFORMANCE PANEL	8 Sept 09						

[Reminder: Annual report to PMG in March/April each year: PRT Quarterly Reports Timetable – report of CD(F&P)]

Service (s)	Corporate overview - Includes Internal Affairs portfolio - Finance portfolio and Red/Amber targets arising from PRT											
Portfolio Holder/s	Cllr Langhorn											
Quarter 1	Date of meeting	17-Aug-09										
Actions	Internal Affairs and Finance Portfolios Significant achievements and or difficulties experienced in delivering targets (highlight significant ongoing or emerging risks)											
Support the establishment of the Morecambe Town Council	Democratic Services - Support was provided to the newly established Morecambe Parish Council from its inception on 1st April 2009 up to and including the first Annual Meeting. A charge is to be made for this service in accordance with Council's decision (Minute 123 - March 09). The Town Council is now operating independently, currently using the services of a temporary clerk from Democratic Services who has volunteered to undertake this task in their own time until a permanent appointment has been made.											
Organise and deliver centenary celebrations programme	Democratic Services - Work is underway to deliver a programme of celebrations in accordance with Cabinet Minute 141 (Feb 09) - in conjunction with Cultural Services, Property Services and Communications. Report to Cabinet Member is imminent.											
	Property Services - Property disposals continue to be difficult to achieve in the current market both in terms of funds available for purchasers and developers being able to obtain planning permission in the face of objections e.g. Lawson's Bridge, Scotforth and the Canal Corridor scheme. The lack of capital receipts impinges on the ability to undertake the full backlog of repairs programme. In the interim, buildings are deteriorating, increasing both the size of the programme and its cost. This remains a serious risk for the council.											
	Financial Services No information available as yet regarding options to increase Council Tax targets, therefore risk cannot readily be assessed. 2008/09 efficiency targets not met (£569K short), & no clarity as yet regarding any progress - see comments below. Also not clear whether the shortfall in last year will result in a higher target this year. Use of Resources target not yet set - need to consider what can reasonably be achieved, given 2008/09 results & new timescales for 2009/10.											
Support the LDLSP's development of a community Engagement Framework for the district where this is a	The LDLSP continue to progress the development of a community engagement Strategy in line with their agreed timetable. Progress to date was outlined at a stakeholders presentation on July 14 2009 and a further update will be reported to the LDLSP Management Group on 1st September 2009.											
PI No	Description of indicator	08/09 Outturn	09/10 target	Good is ?	Q1	Q2	Q3	Q4	Year to date	Status	Target Owner	Commentary (highlight significant achievements or ongoing risks)
All Portfolios - Red & Amber indicators												

PI No	Description of indicator	08/09 Outturn	09/10 target	Good is ?	Q1	Q2	Q3	Q4	Year to date	Status	Target Owner	Commentary (highlight significant achievements or ongoing risks)
CH8	Reduce the number of days lost to sickness absence		9.5 days	Low	2.456				2.46	Behind Target	ST	To achieve 9.5 days for the year, the target for end of June was 2.44. The figure for the first quarter last year was 1.84 days. The major ongoing risk is that the absence figures will worsen as a result of swine flu.
CH12	% of in year Council Tax collected		96.60%	high	29.6					Behind Target	RM Monitor again half yearly	29.75% had been collected at the same time last year. The impact of the recession is being reflected in collection rates in Lancaster and across the country. The overall in year target is still achievable and there is no cause for concern. Collection Policy being revised for future Member decision.
CH15/NI 181	Time taken to process Housing Benefit new claims and change events		14 days	low	19.9					Failing	RM	The impact of the recession has seen an increase in new claims of almost 8% whilst staffing resources have been reducing. Overtime using DWP funding is being undertaken as remedial action. IT systems availability is also a factor as downtime in the first quarter has increased in comparison to previous years.
CH1	Keep the City Council element of Council Tax increases to acceptable levels	4%	4% or less (for 2010/11)	low	Not measured					Select from drop down list	NM	Target of 4% or less to 2011/12. No basis for formally measuring any progress in year, but work has commenced on identifying savings options.

PI No	Description of indicator	08/09 Outturn	09/10 target	Good is ?	Q1	Q2	Q3	Q4	Year to date	Status	Target Owner	Commentary (highlight significant achievements or ongoing risks)
CH2/NI179	Value for money - total net value of ongoing cash releasing value for money gains (Efficiency/MT FS targets)	£477K	£2,127K	high	100%					Behind Target	NM	No corporate arrangements in place as yet to manage and measure this target. Plans in place to develop such arrangements, but other projects (such as Fair Pay) may well delay this work. Viewed as behind target, given 2008/09 position (though formal assessment not possible).
CH 6	% of residents rate their local area as a very good or fairly good place to live -baseline and target to be established	80%	To be agreed	High	Not measured					Select from drop down list	RT	Presentation by Ipsos/Mori to members and LDLSP partners taking place on Sept 29th 2pm at Lancaster Town Hall.
CH 7	% of residents agree that the City Council provides value for money - baseline and target to be established from Place Survey	30%	To be agreed	High	Not Measured					Select from drop down list	RT	Presentation by Ipsos/Mori to members and LDLSP partners taking place on Sept 29th 2pm at Lancaster Town Hall.
CH9	Level of Equality Framework for Local Government	N/A	Level 1 - developing							Behind Target	RT	Briefing sessions have been arranged for members and officers. Head of Corporate Strategy has been nominated as lead officer. Meeting with Chief Exec (25 August) to agree way forward

PI No	Description of indicator	08/09 Outturn	09/10 target	Good is ?	Q1	Q2	Q3	Q4	Year to date	Status	Target Owner	Commentary (highlight significant achievements or ongoing risks)
CH 11	Maintain Level 1 of Member Development Charter	Level 1	Level 1	High	Not Measured					On Target	GN	Review of member personal development plans underway and monitoring arrangements now in place to record those members taking advantage of development opportunities
Agreed actions from PRTs											Status update	
Action Plan												



LANCASTER CITY COUNCIL
Promoting City, Coast & Countryside

Corporate Financial Monitoring

June 2009 | Quarter 1

Report of the Head of Financial Services
Corporate PRT meeting | 17 August 2009

HEADLINE INFORMATION

REVENUE	Current (Underspend) / + Overspend	Projected (Underspend) / + Overspend	Projected (Underspend) / + Overspend After Exceptional Items**
General Fund	+£3K	(488K)	+£113K
Housing Revenue Account	+9K	(£12K)	(£12K)

**Exceptional items include two major potential variances whose values are uncertain – namely VAT refunds, and provisions for non-recovery of Icelandic investments.

CORPORATE FINANCIAL MONITORING

June 2009 | Quarter 1

1. INTRODUCTION

This monitoring report of expenditure and income for 2009/10 sets out an indicative corporate picture of the Council's financial performance relating to the period ending 30 June 2009.

The report summarises the variances reported through Services' quarterly PRT meetings, and also identifies any omissions, updates and/or actions required where possible. In addition there are specific sections for salary monitoring, capital expenditure and financing, Housing Revenue Account, revenue collection performance and insurance and risk management.

2. GENERAL FUND REVENUE MONITORING

2.1 General Fund Summary Position

The current overall General Fund summary position shows that at the end of June there is a net overspend of **£3K** against the budget. This is forecast to increase to an overspend of **£113K** by the end of the year. However, this does include two exceptional items relating to a £600K VAT recovery claim (favourable) and £1.201M provision to be made for Icelandic investment losses (adverse). It is important to stress that these are provisional figures based on assumptions made at the start of the financial year and will inevitably change. Further details are provided in Section 2.3.

VARIANCES	Current £000	Projected £000
Major Variances (see section 2.3)	+112	(93)
Salaries (see section 2.4)	(109)	(395)
Sub Total	+3	(488)
Exceptional Items	--	+601
ESTIMATED OUTTURN		+113

One of the key financial indicators is to keep any under or overspends within 2% of the overall net controllable revenue budget, and the following table shows that at the end of June this has been achieved.

	£000
Net Controllable Budget	23,792
2% Target	+/() 475
Provisional Controllable Net Underspend	(139)
Percentage of Net Controllable Budget	0.58%

2.2 Actions Arising from Previous Quarter

An update on progress against the Quarter 4 actions is shown in the following table.

NO	AGREED ACTION	RESPONSIBILITY	PROGRESS
1	Actions Brought forward from Quarter 4		
1a	<p>£56k of external funding has been secured to develop a dance strategy for the district but further funding is required. Information is requested as to the potential impacts upon the council's budget (and other resources) for 2009/10 and future years</p> <p>No information on the outcome of discussions referred to in quarter 3 with external funders as to whether LUDUS can host and be the accountable body.</p>	Head of Cultural Services	Draft Service Level Agreement with Ludus Dance has been issued. Comments have been received from Sports England in favour of the agreed approach; we currently await comments from the Arts Council. The intention is still for Ludus Dance to be the employing body for the Dance Officer Post.
1b	<p>Development Control – the continuing decline in fee income is noted. Information is requested as to how the situation is being managed and what level of resource is being transferred from Development Control work to Local Development Framework activity and for what period</p> <p>Noted that staffing had been reduced by 1.5 FTEs but no information in relation to the resources being moved from Development Control into the Local Development Framework activity or for what period of time.</p>	Head of Planning	Income continues to decline, along with that in Building Control. The only option is a significant re-structuring in Planning Services which will inevitably involve redundancies. A report is now being prepared for Cabinet with re-structuring proposals.
2	<p>Performance Indicator still shows an average increase in void lettings of 10 days over last year. In addition, the financial monitoring information shows that responsive maintenance spending on voids has overspent its budget by £345k (Qtr4 2008/09 – last year).</p> <p>Both the performance indicators and financial monitoring information highlight significant concerns in respect of void management. Whilst it is acknowledged that voids have increased (additional 50 properties on last year) indications are that the action plan to correct the increased timescales in void lettings (10 days longer than last year) has not been effective in addressing the voids letting performance.</p>	Head of Council Housing	<p>Good progress is now being made in reducing average re-let times and the actions arising from the agreed improvement plan are taking effect.</p> <p>The average time taken to re-let properties in 2008/2009 was 41.9 days. Whilst the residual effects of poor performance was still evident in April and May of 2009, the average re-let times for June and July are significantly improved (36.9 and 36.2 days respectively). Officers are confident that the 2009/2010 target of 38 days will be achieved.</p>
3	<p>Other failing performance Indicators</p> <p>Noted that these are being addressed as part of the 2009/10 business planning process</p>	Corporate Management Team	Covered elsewhere on agenda.
4	<p>Financial Monitoring variances</p> <p>Noted that these are being considered as part of the 2008/9 closure of accounts process and any ongoing budget implications reported back to Cabinet</p>	Corporate Management Team	Covered elsewhere on the agenda.

2.3 Major Budget Variances

Appendix A details the major true variances that have been included within individual Services' PRT reports. The variances reported are either +/- £5K in value and cover premises, transport, supplies and services and general income.

SUMMARY BY SERVICE	Current £000	Projected £000
REPORTED VARIANCES :	() Favourable / + Adverse	
Legal & Human Resources	+9	+43
Financial Services	(52)	(286)
CC(D)S	+27	+15
Property Services	+19	+28
Econ Development & Tourism	+3	+7
Cultural Services	+6	+6
Health & Strategic Housing	(7)	(14)
Planning Services	+119	+120
Revenue Services	(12)	(12)
	+112	(93)
EXCEPTIONAL ITEMS :		
VAT Recovery Claim	--	(600)
Provision for Icelandic investment losses	--	+1,201
	--	+601

The variances listed in **Appendix A** include one major income variance of £271K relating to investment income. This is based on interest assumptions used for outturn as reported to Cabinet, in line with accounting guidance for Icelandic investments. The main overspends relate to shortfalls in income on Planning Applications and Building Control Applications.

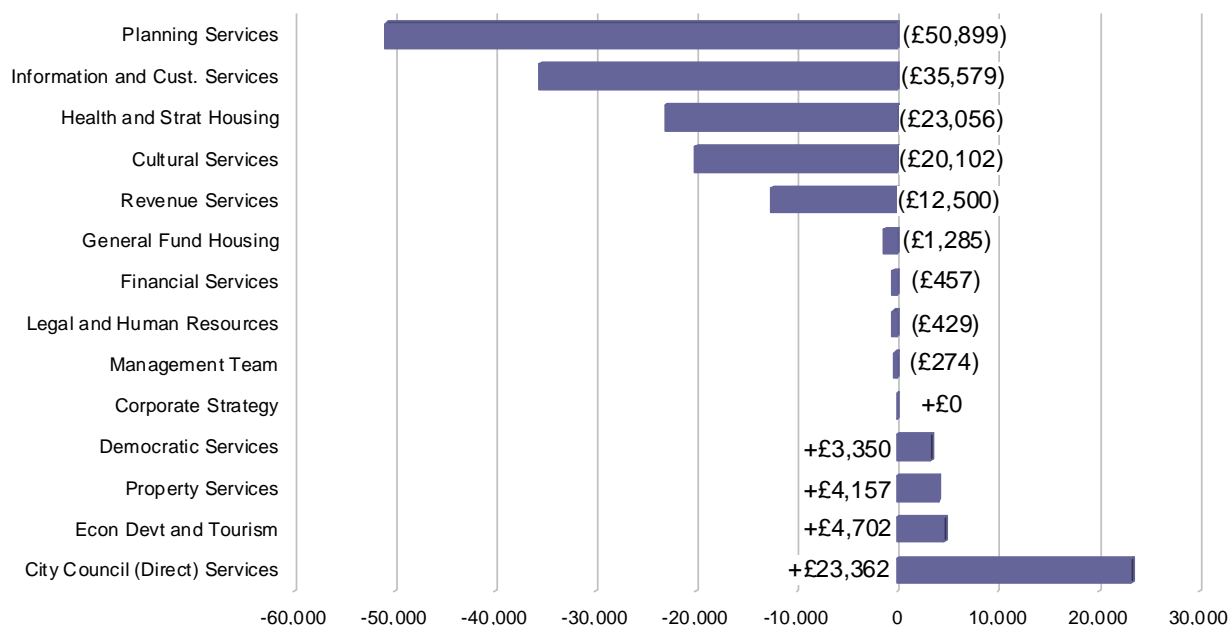
There are two exceptional items, the first relating to the VAT recovery claim of £600K for which the Council is awaiting information from HMRC. This relates to net recovery on VAT on Cultural / Leisure activities. The second item relates to the provision for estimated losses on Icelandic investments. Based on outturn assumptions this is anticipated to be £1.201M, however estimates will change as the process continues. The biggest risk at present is the loss of preferential creditor status. (See quarterly treasury management report for more information.)

2.4 General Fund Salary Monitoring

Salary monitoring has been reported separately as there are a number of small variances that fall below the threshold for major items, however their aggregate effect is fairly significant.

To date total savings of £109K have been achieved as compared with the turnover target of £241K, leaving a balance of £132K still to achieve. If the current level of savings were to continue then total turnover savings for the year would be £195K above the target. These savings to date exclude the estimated pay award that was budgeted at 2%. The latest offer is around 1% and if accepted, it would generate further savings of circa £200K. In total therefore, salary savings could be in the region of £395K for the year, based on these assumptions. It must be noted however that these figures are expected to reduce. Firstly, a report on External Funding and Programme Management elsewhere on this agenda recommends using £51K of the savings in this year. Furthermore, there are a number of proposed restructurings which are still subject to Member approval - see section 2.5 for more details. These are also likely to reduce apparent turnover savings, either because some may be needed to help meet redundancy costs etc, or some turnover savings may need to be attributed (properly) to the restructuring savings targets.

Overall the position is quite complex at the moment, but work is underway to clarify the position. Nonetheless, the following graph shows the current savings on a Service by Service basis.



2.5 Restructure Savings

A number of savings have been built into the 2009/10 budget, some of which may involve savings to be generated from staffing. The key ones are listed below, with progress to date:

	BUDGETED SAVING	PROGRESS
Corporate Strategy	£30,000	Savings achieved for 2009/10 as reported to Personnel Cttee in March 09. However, there is a shortfall of £8K for future years still to be identified.
Council Tax and Housing Benefit staffing restructures	£104,500	To date savings of £83K have been achieved, leaving a balance of £22K.
Senior Management Restructure	£50,000	As reported to Personnel Cttee in July 09, North West Employers are to provide advice on the two proposed structures. Funding for this advice is subject to Cabinet approval in September.
Communications & Marketing Review	£41,000	Underway.
Salt Ayre: Operational Savings	£119,000	Underway.
Support for Festivals Innovation Fund	£30,000	Underway.
Arts & Leisure Development	£54,000	Underway.
Building Control	£143,400	Underway.
TOTAL	£571,900	

To date only £113K of the £459K required has been formally approved – although a more up to date position may be available by the time of the Cabinet meeting.

3 GENERAL FUND CAPITAL PROGRAMME

3.1 Capital Expenditure & Financing

Capital Expenditure (General Fund)

At the end of June there was spend of £955K against the programme of £16.092M, which has been updated for slippage from 2008/09 (approved in July). A further £400K of essential municipal building works have been authorised to progress to date (August), and work is underway to quantify additional needs in this year.

Capital Receipts (General Fund)

£1.182M receipts were available as at 30 June, of which £373K were received in year (£809K was brought forward from last year). A report on the sale of Land at Scotforth is elsewhere on this agenda and provides an update on expected timescales. This will be a key issue in managing the Capital Programme (and expectations).

4 HOUSING REVENUE ACCOUNT (HRA) MONITORING

4.1 HRA Revenue Position

At the end of June the position for the Housing Revenue Account shows an overspend of **£9K** against the budget, although this is currently projected to change to an underspend of **£12K** by the end of the year.

	Variances to Date	Project to Yr End	Service Comments
	£000	£000	
Council House Rents	?	?	See section 4.2 below.
Estate Support Services – Satellite equipment leases	+6	+6	Budget has been set to cover the costs of 2 leases however 3 leases are actually required.
RMS Operating Account – contracted services	-9	(32)	Internal operational procedures have changed to put less reliance on external contractors.
Telecare – equipment and tools	+6	+7	Budget does not take account of maintenance costs which are paid to Northern housing consortium as part of having a telecare function.
Computer Equipment	+6	+7	Underbudgeted expenditure relating to the Rent Module and HRA Business Plan.
Net Total	+9	(12)	

4.2 Council House Rent Collection

It is not possible to report on the overall rent position at this point in time due to outstanding interface issues between the Housing Rent system and the main accounting system. The main interface problem has been resolved and officers are currently in the process of rerunning the corrected feeders.

4.3 Council Housing Capital Programme

This section analyses actual spend against the Council Housing Capital Programme at the end of June. To date spend and commitments total £972K against a budget of £4.025M leaving a balance of £3.053M. However, it is anticipated that savings of £325K will be made as a result of lower tender figures being achieved.

	Current Approved Programme £000	Spend & Commitments to Date £000	Budget Remaining £000
Adaptations	250	246	4
Bathroom / Kitchen Refurbishment	593	190	403
External Refurbishment	1,280	236	1,044
Rewiring	65	40	25
Renewal of Heaters	60	33	27
Environmental / Crime Prevention	381	68	313
Re-roofing / Window Renewals	774	0	774
Energy Efficiency Works	480	159	321
IT Replacement	42	0	42
Central Control Equipment	100	0	100
TOTAL	4,025	972	3,053

5 REVENUE COLLECTION PERFORMANCE

5.1 Council Tax & Business Rates

This section analyses the Council Tax and Business Rate collection performance.

The Head of Revenue Services reports that for Council Tax, in-year collection was 29.75% at the same time last year. The impact of the recession is being reflected in collection rates in Lancaster and across the country. The overall in year target is still achievable and there is no cause for concern. In terms of NNDR 30.3% had been collected at the same time last year. However, the Council paid its own rates bills before 30 June this year whilst last year the payments were not made until July – this skews the year on year comparison slightly.

Percentage Collected	2008/09	2009/10	2009/10	2009/10	Status
	%	%	Target	Actual	
	All Years		In Year		
			%	%	
Council Tax	27.40	27.19	96.60	29.60	Behind Target
Business Rates	28.68	31.47	98.00	31.50	On Target

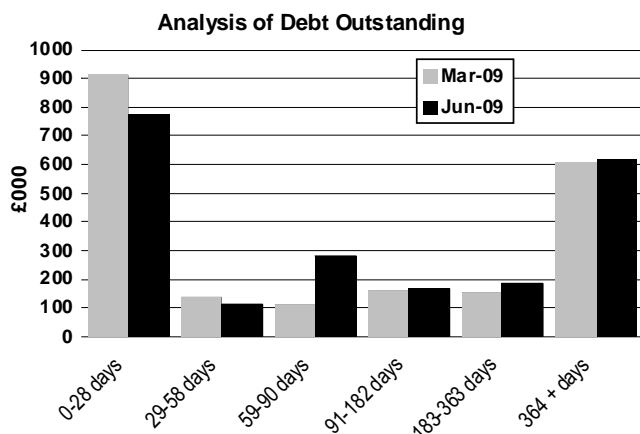
5.2 Collection Fund Monitoring

This section sets out the latest position on the Collection Fund, in particular in relation to Council Tax. Whilst the previous section looks at collection performance, this section shows the current surplus or deficit on the Fund. It basically compares the total amounts collectable with the Precepts levied by the relevant authorities after allowing for refunds, bad debt provisions, income collected and Council Tax benefits. The monitoring shows that at the end of June the Fund was in deficit by £151K, but it should be noted that any surplus or deficit is shared between the relevant precepting bodies. The City Council's element equates to 12% and would therefore be £18K. This position will fluctuate throughout the year but will formally be assessed in January when the Council Tax base for 2010/11 is set. At that point in time any surplus or deficit will be notified to the relevant precepting bodies for inclusion in their 2010/11 budget. As context, the total amount of Council Tax income to be collected in this year amounts to around £65M.

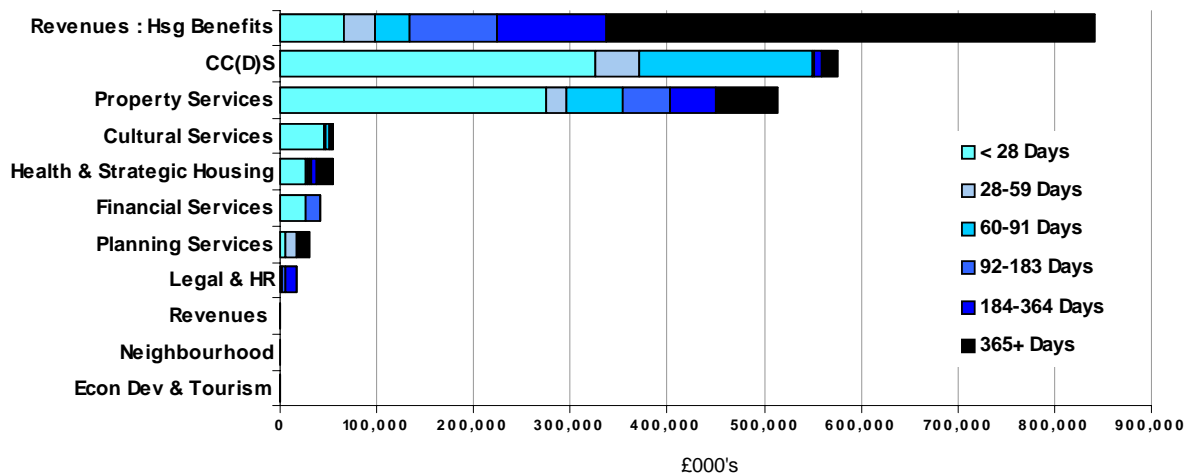
5.3 Sundry Debts

This section sets out the latest position on the level of outstanding sundry debts (excluding Council Housing). At the end of June the total debt outstanding was just under £2.1M, which is almost £350K more than the same period last year.

The level of debt over 1 year old remains at 29% of the total outstanding debt. However, the total value of all debt over 3 months old has increased by £45K from the previous quarter.



	Mar 09	June 09
	£000	£000
0-28 days	911	774
29-58 days	139	115
59-90 days	111	278
91-182 days	163	168
183-363 days	152	185
364+ days	609	616
Total	2,085	2,136
Previous Year	2,564	1,788



6 PROVISIONS AND RESERVES

This section provides and update on key provisions and reserves.

6.1 Restructuring Reserve

This reserve was established at the end of 2008/09 to cover the cost of redundancies and early retirements as a result of Service restructures during 2009/10 and 2010/11. The following table shows the approvals to date and any forthcoming recommendations.

Restructuring Reserve			Annual Savings Generated	Comments
			£	
Balance as at	31 March 2009	943,100	30,200	Annual savings reduce by £8K after 2009/10. Additional savings being identified.
<i>Approvals to Date :</i>				
	Personnel Cttee 26 March 09	(65,600)		
	Corporate Strategy Restructure			
Balance as at	30 June 2009	877,500	15,500	Annual saving rises to £32K after 2011/12. Awaiting outcome of review.
<i>Forthcoming Recommendations :</i>				
	Personnel Cttee 30 July 09	(16,591)		
	Management Team PA Restructure			
	Personnel Cttee 30 July 09	(13,500)		
	Senior Management Restructure			
	NWEO Fees (referred to Cabinet)			
Balance as at	31 July 2009	847,409		

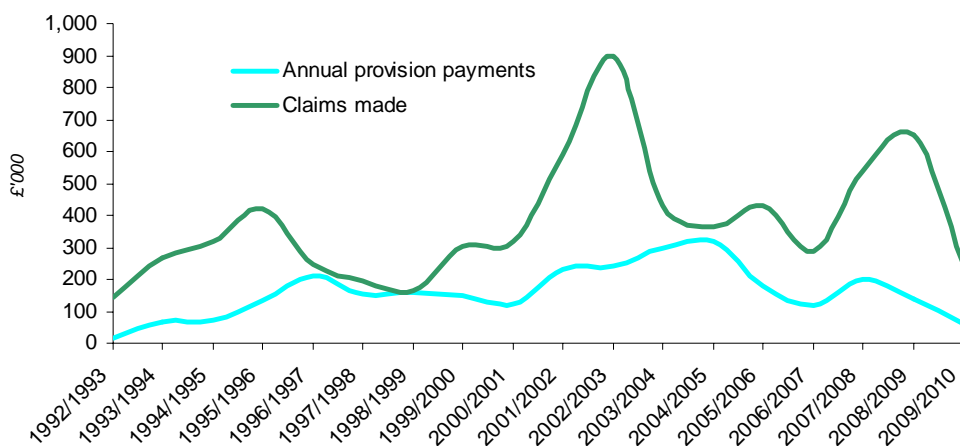
6.2 Insurance Provision

The current balance on the insurance provision is £225K, after making net payments of £64K in settlement of claims made.

At present, the Council's insurers estimate that the value of claims outstanding is £391K, which relates to a total of 175 claims made over a 13 year period. This estimate assumes that all these claims will be settled at the maximum reserve limit; however, recent statistics show that, on average, only 58% of the total reserve will be paid. The estimated cost of claims outstanding could therefore reasonably be valued at around £227K, which is £2K above the current provision.

It is highly unlikely that all these outstanding claims will fall due for payment in the same financial year, but the uncertain nature of insurance claims payments means that accurate predictions are difficult. Nonetheless, the overriding principle is that the Council must make reasonable provision for all its known liabilities.

Analysis of claims made, paid and outstanding by year.



7 RISK MANAGEMENT

As a result of the Internal Audit Report on Risk Management (08/0742), the Council's risk management procedures have recently undergone a substantial review.

The most significant agreed action that came out of the audit was the development of the Code of Practice for Managing Risk and Opportunity – 'A Sense of Proportion'. This Code of Practice was formally adopted by Audit Committee at its meeting on 22 April 2009. It replaces the previous Policy and Strategy and explains the framework that will operate to ensure that risks are effectively managed.

It states that, as part of the business planning process, Service Heads should record (and manage) any key business risks and report significant ongoing or emerging risks, on an exception basis, through quarterly Performance Review Team reports to PMG, and in 1:2:1s with their Directors.

The types of risks that should be reported are major issues that could affect achievement of strategic objectives, such as;

- Where action plans have been drawn up but aren't working,
- Where there is a need to do something different in order to achieve objectives,
- Where there is something likely to happen in the future that could affect strategic objectives.

The Risk and Insurance Manager is currently working closely with the Corporate Performance Manager to review the significant risks highlighted in Services' Business Plans and to ensure that they are reported within future quarterly PRTs.

SUMMARY OF MAJOR VARIANCES (Qtr 1 2009/10)

(Not included elsewhere in the report)

Service	Service Area	Reason for Variance & Action being taken	Variance to Date	Projected Variance to Year End
			£	£
			+ = Adverse () = Favourable	
VARIANCES REPORTED THROUGH PRT PROCESS (SERVICE HEAD COMMENTS)				
Legal & HR	Search Fee Income	Reduced number of searches because of the housing market and general economic climate. Demand for searches is outside the control of the Service.	+9,200	+37,000
	Legal Books and Periodicals	This budget was overspent by £5,584 in 2008/09 due to increased cost of keeping the legal library up to date. There is likely to be a similar overspend this year, although efforts are being made to reduce subscriptions wherever possible.	+0	+6,000
Financial Services	Investment Interest	Projection based on interest assumptions used for outturn as reported to Cabinet, in line with accounting guidance for Icelandic investments. (This is likely to increase, taking account of claims process for Glitnir and Landsbanki).	(27,000)	(271,000)
	Software & Related Services	Projected savings is best guess at present - it will be firmed up in next quarter (and assumes that C/F request will be approved). Should be more scope for ongoing savings in future years also.	(25,000)	(15,000)
CC(D)S	Highways	As has been previously reported due to jobbing nature of work it is extremely difficult to predict levels of income in Highways. As in previous years more profitable jobs are expected in the second half of year.	+14,000	?
	Fuel	Possible saving due to reduction in oil price, however, inflation rate is volatile in this market and saving could easily be lost.	(19,000)	?
	Bulky Waste Collection	Requests for collections down by 25%. Income down by £5K to date.	+5,000	?
	Building Cleaning Overtime	Overtime increased due to temporary increase in cleaning specification as a result of the 'swine flu' pandemic.	+5,000	?
	Household Waste Collection - Recyclable Materials	Monitoring suggests 16% drop in income offset by expenditure savings.	+5,000	+15,000
	Trade Refuse Income	Latest projections suggest a fall in trade refuse income.	+17,000	?
Property Services	Salt Ayre Tip	Backdated rent for variation to lease. A single payment windfall.	(36,000)	(36,000)
	Lancaster Market	Replacement market assistant not expected until September 2009, so will need to continue to pay remaining assistants overtime to cover hours needed.	+3,400	+7,500
	Off-street Car Parks - electricity	Reduced energy initiative ongoing at St.Nicholas Arcades car park. Air quality testing also being undertaken before savings can be confirmed.	(14,000)	(10,000)
	Off-street Car Parks - fees	Income has been 2.67% above target over April, May and June but it is very difficult to forecast if this will be sustained during the remaining quarters.	(6,900)	(10,000)
	Off-street Car Parks - permits	Reduced permits sales as follows : Members 4%, Staff 6% and Public 20%.	+37,900	+47,000
	Festival Market	Replacement market assistant not expected until September 2009, so will need to continue to pay remaining assistants overtime to cover hours needed.	+4,300	+8,500
	Ryelands House	Total variance for whole year of £20,500 subject to R&M and security remaining in line with budget. New lease arrangements with PCT not complete and potential further delays result from possible need for TUPE transfer of staff.	+30,100	+20,500
Economic Development & Tourism	Lancaster VIC Souvenirs	Reasons - Relocation to Storey CIC, delayed opening of café/bar affecting footfall, poor exterior signage and lack of public awareness, likely to affect of economic downturn. Action being taken - exterior banner signs agreed, additional window signs purchased, Storey Gallery opened 11/07, cafe and bar due to open 01/09.	+2,600	+7,500
Cultural Services	Promenade Management	Agreement with Fairground operator on promenade arena is less than anticipated.	+6,000	+6,000
Health & Strategic Housing	Homelessness - fees and charges	An increase in the Homeless Priority need order budget has led to the success of prevention initiatives, which in turn has led to less vulnerable people requiring Bed & Breakfast. This has also reduced the income receivable from housing benefit.	+5,600	+7,000
	Cemeteries - Severance payments	Severance payment not required due to memorial safety team being made permanent following end of contract.	(6,000)	(6,000)
	Housing Strategy Renewal Team	This team has been disbanded, all costs apart from salaries are expected to form savings amounting to £15,000.	(6,400)	(15,000)
Planning Services	Planning Application Fee income	Continued reduction in planning application fees due to continued economic downturn. While overall the number of applications received is comparable with last year there has been a significant drop (approx 70%) in the "major" category, which generate the highest fees. There are some early indications that several major proposals are likely to come forward in the next few months but this situation will have to be monitored carefully with a view to adjusting budget estimates in September.	+46,500	+50,000
	Building Control	Building Control application numbers are lower this year than last due to the continuing downturn in the construction industry, consequently income is also reduced. This situation is made worse by increased success of private Building Control providers.	+53,800	+60,000
	Cost of Holding Luneside East	Variance to date relates to renewal of pollution liability insurance. Premium renewed for 3 years giving a substantial saving of £15,000.	+18,900	+10,000
Revenue Services	Postage	Lower recharge from Post Office for 2009/10 bills	(12,000)	(12,000)
VARIANCES NOT REPORTED THROUGH PRT PROCESS				
TOTAL VARIANCES			+112,000	(93,000)

PERFORMANCE REVIEW TEAM

2009/10 Treasury Management Progress Report to 30 June 2009

Report of Head of Financial Services

1. Introduction

It is a requirement of the CIPFA Code of Practice on Treasury Management that regular monitoring reports are presented to Members on treasury activities. These reports will normally be presented soon after the end of June, September, December and March.

Cabinet approved the Treasury Strategy for 200/10 on 17 February 2009 and the Investment Strategy was approved by Council at its meeting on 04 March 2009. This report outlines activities undertaken in pursuance of those strategies during the financial year.

2. Summary

- The first dividend payment (of £410K) has been received in relation to Icelandic investments. Other recovery work is progressing, although there is no further formal update on prospects overall – further information is awaited.
- There have been no breaches of Prudential Limits or the approved Investment Strategy in the quarter.
- All of the £8.5M temporary borrowing brought forward from 2008/09 has been paid off (in line with cash flow expectations for the first quarter of the year).
- Whilst currently there is a favourable variance against budget, by the end of year it is expected that treasury activity will be budget neutral, excepting Icelandic investment implications.

3. Icelandic Investments Update

The last financial update was included in the annual treasury report, which went to Cabinet in July. This was based on the information contained within the draft accounts for last year, but since then the following points may well change expected returns:

- The latest update from the Local Government Association (LGA) indicated that the recovery rates for Landsbanki are now expected to be around 83% (as compared with 95% assumed within the accounts).
- Claim information has now been sent to the solicitors (Bevan Brittan) acting in connection with Landsbanki and Glitnir, to allow formal claims submission by the end of September. The claims will cover costs (such as legal costs) incurred, contractual interest, and penalty interest. Amounts relating up to 22 April 2009 will have the same ranking as the original principal amounts invested (i.e. currently preferential, subject to the outcome of any legal challenges). If priority status is retained, the interest elements of the claims could be substantial – but clearly this not yet certain, and loss of priority status would see prospects for recovery deteriorate far more significantly.

- The first dividend from KSF has been received, amounting to £410K (20% of the claim). This is higher than the 10% expected and it is possible that a further dividend may be paid out in the autumn. As yet, however, there is no further update on total expected returns. (The accounts were based on a 50% total).

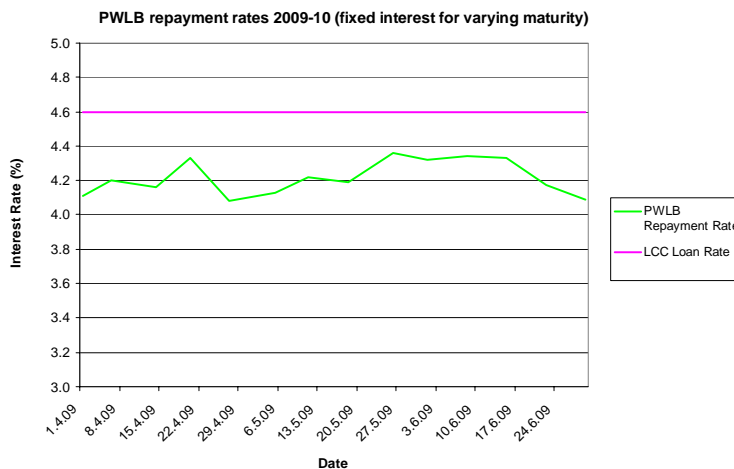
4. Debt Portfolio

The Council had £8.5M of short term (temporary) loans as at the start of the Quarter. With new-year local tax receipts coming in and fixed term investments maturing, at the end of Quarter 1 the Authority had repaid all such temporary borrowings.

The opening level of longer term debt for the period was £39.4M. During the quarter, in cash flow terms there was no new long term external borrowing required, despite the Council's Capital Financing Requirement being around £45.8M at the start of the period. The closing balance of longer term debt was therefore still £39.4M - the bulk of this relates to Public Works Loan Board (PWLB) loans of £39.2M. This is well within the Operational Boundary, which is set at £56M. All of the Authority's debt is currently fixed term and due to mature in 10 or more years. This means that during the quarter the Authority was within all relevant Prudential Limits (see **Appendix A** for full listing of indicators).

There is no immediate need to take out new long term loans at present to help fund capital investment, because cash flow is still relatively strong, despite the difficulties with Icelandic investments. In very broad terms, this is primarily because of the amounts being set aside each year from the budget for the future repayment of debt, through the Minimum Revenue Provision (MRP). At present it is still favourable to avoid taking out any new longer term borrowing. This is because there is less resulting counterparty risk involved and new long term loans would cost more than the investment returns, if the Authority were to invest an equivalent sum.

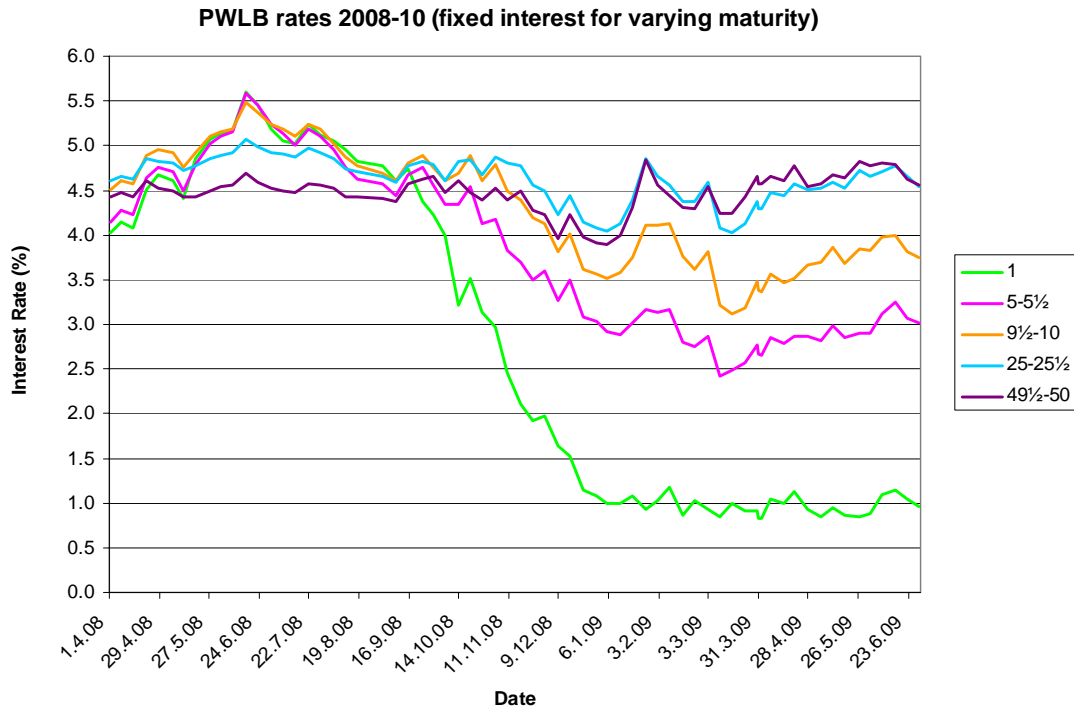
Further repayment of existing PWLB loans is also an attractive alternative to investing surplus cash, given ongoing counterparty risks and current returns, but there are premiums attached to early repayment. These premiums depend on the difference between the fixed rate on any existing loan compared to the PWLB's repayment rate. Currently the Council's cheapest material loan balances are fixed at 4.6%, as compared to the repayment rate from the PWLB, which at the end of Quarter 1 was 4.09%. Only if the repayment rate reaches or surpasses 4.6% would there be no premium to pay. The chart below shows how the repayment rate for long term loans has fluctuated over the first quarter of 2009/10 and it is clear that over a 3 month period this rate is quite volatile. The position will be monitored going forward through 2009/10.



It is worth highlighting that Government has been recommended to review such costs of repaying debt, as part of the Audit Commission's report into Icelandic investments,

5. Current Borrowing Rates

The graph below shows that the rate for short term (1 year) borrowing has seen a sharp decline to around the 1% level over the last year. Medium term borrowing (5 to 10 years) has seen a less dramatic reduction to around the 3% level. Long term rates have fluctuated around the 4.5% level. Quarter 1 has seen these differences stabilise such that there is a broad range of rates, depending on the term of the borrowing.



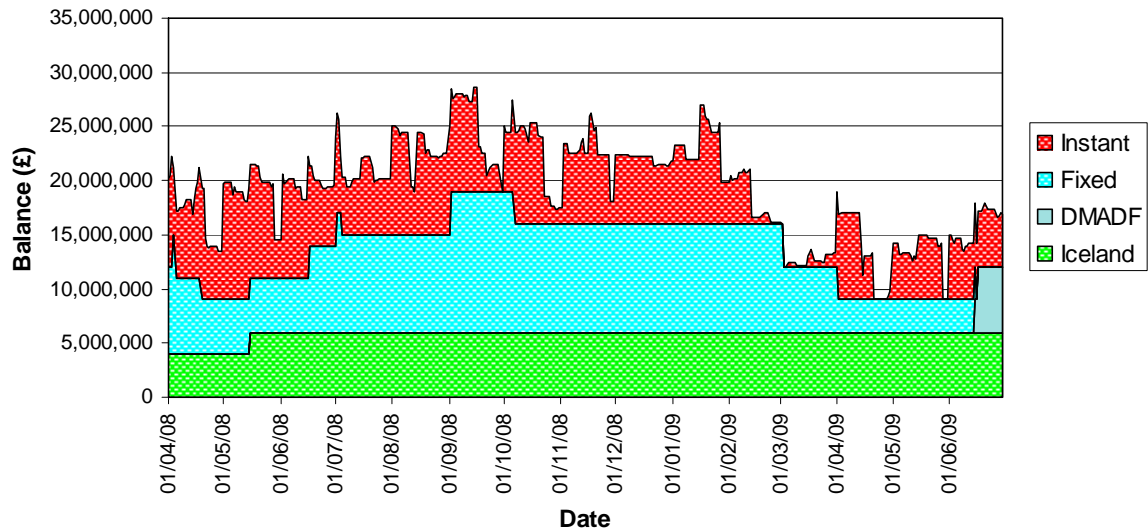
6. Investing Activities

As laid down in the approved Investment Strategy, the aim is to prioritise security and liquidity of the Authority. This is to minimise any further chance of a counterparty failing and the Council not being able to remove its deposits, as happened with the Icelandic banks.

All investment activity has been in line with the approved Treasury Strategy for 2009/10. No fixed term investments have been placed since September 2008, with the exception of Debt Management Accounts Deposit Facility (DMADF) deposits (i.e. with Government). Any other surplus cash has been managed on a day to day basis using the call accounts. A full list of the investments placed during the year is enclosed at **Appendix B**.

The split of fixed term investments and the balances held within the call accounts is shown graphically overleaf (see also further details in **Appendix B**). During the quarter the last two non Icelandic fixed term deposits matured. Furthermore, a comparison between Quarter 1 this year and Quarter 1 2008/09 shows that overall there is less cash deposited. This can be explained primarily by the £5.6M that was used to repay PWLB loans in January 2009.

Investment values over the period (fixed vs instant access)



7. Summary of Budget Position and Performance at 30 June 2009

In terms of performance against external benchmarks, the return on investments compared to the LIBID and bank rates over the year to date is as follows:

Base Rate	0.50%
3 Month LIBID	1.33%
Lancaster CC Investments	2.45%
Lancaster CC investments*	1.42%

*This rate includes £6M frozen in Icelandic banks, at 0%.

This performance appears good but it should be noted that it is affected by fixed term investments that were taken out before the global economic down-turn.

In terms of performance against budget, the details are as follows:

Annual budget	£71K
Profiled budget	£17K
Actual to date	£50K (see details in Appendix B)
Variance	£27K (favourable)

The reason for the favourable position is due to the fixed term investments which were taken out when rates were higher; this skews income towards the first part of the year. The £71K budgeted figure is still judged to be a good estimate of the final out-turn, however. To illustrate how dramatic the change in economic conditions has been over the last 12 months, actual interest earned in 2008/09 was more than ten times the current year's budget of £803K (not including any Icelandic bank interest).

It is highlighted that in this year, investment interest budgets have not yet been updated to take account of the changes resulting from the accounting requirements for Icelandic investments. As reported at outturn, an additional £271K interest will need to be budgeted for, but it is assumed that this would be used to make some further provision for expected losses. This would leave £930K provision still to be made – although as mentioned earlier, such estimates will change over time, and therefore need reviewing and updating regularly.

8. Risk management

The main focus of risk within treasury management currently is security of deposits and their liquidity. The Council's investment strategy is designed to engineer risk management into investment activity largely by reference to credit ratings and length of deposit, together with supporting advice. Officers have been maintaining the portfolio well within the agreed limits by utilising instant access call accounts and avoiding any new fixed term investments except for short term deposits with the DMADF. The view is, therefore, that associated risks have reduced over the period and are low, as at 30 June. Over the next quarter, it is currently expected that they will stay low, but that AAA rated Money Market Funds will also be used (in accordance with the Strategy), to create additional capacity at fractionally better rates.

There is also a liquidity risk associated with needing access to cash on a day to day basis. There were £8.5M of short term borrowings at the start of the period, all of which have now been repaid. At the end of the period the Authority had cash balances of £16.9M, £4.9M of which was held on instant access and £6M of which was due to be returned by the DMADF on 06 July, to coincide with precept demands. As such, liquidity is not judged to be significant risk at the present time.

Aside from the above, there is also financial risk attached to the longer term debt portfolio, associated with interest rate exposure. Until such time as PWLB repayment rates improve though, as mentioned earlier, there are unlikely to be any further actions that can be taken to improve further the Council's position.

Finally, with regard to recovery of Icelandic investments, this is being managed with the support through the Local Government Association and it is judged that this is the most effective way of maximising recovery on the Council's behalf.

9. Conclusion

The first quarter of the year has been relatively uneventful for Treasury Management. Over the quarter there have been no breaches of counterparty limits or other prudential indicators. The Authority is starting to see the full impact of interest rate reductions on investment returns although performance against budget is good due to interest from the last remaining fixed term investments. These are still returning at rates of interest prevalent 12 months ago.

Given the current economic climate and in line with the investment strategy, the HM Treasury debt management office account is now being used as a safe haven for deposits of surplus cash. This has been a useful way to manage counterparty risk as fixed term investments have matured, leaving cash that in prior years would have been placed as medium-term fixed deposits.

The information currently available regarding Icelandic investments gives some cause for optimism that the Council will get back the majority of principal invested. Definitive statements from the administrators are still awaited, however.

PRUDENTIAL INDICATORS - LANCASTER CITY COUNCIL

Quarter 1 Update on Treasury Management activities, to 30 June 2009

		2009/10 £'000	2010/11 £'000	2011/12 £'000
AFFORDABILITY				
PI 1:	Estimates of ratio of financing costs to net revenue stream			
	Non - HRA	12.4%	11.5%	10.2%
	HRA	8.5%	8.1%	7.8%
	Overall	11.1%	10.4%	9.4%
PI 2:	Actual ratio of financing cost to net revenue stream	Reported after each financial year end		
PI 3:	Estimates of impact of Capital Investment decisions on the Council Tax	£11.62	£8.69	£5.74
	This includes the impact of all elements of funding, including any increase in the need to borrow, required to finance new schemes added to the Capital Programme	6.52%	4.88%	3.22%
PI 3A:	Illustrative Impact of Additional Borrowing £1 million	Repayment Period		
		5 Years	10 Years	25 Years
	Increase in Council Tax (£)	£4.93	£2.73	£1.54
	Increase in Council Tax (%)	2.66%	1.47%	0.83%
PI 4:	Estimates of impact of Capital Investment on Housing Rents	Nil	Nil	Nil
PRUDENCE				
PI 6:	Estimates of capital expenditure			
	Non - HRA	14,185	10,960	8,697
	HRA	3,547	3,546	3,477
	Total	17,732	14,506	12,174
PI 7:	Actual capital expenditure	Reported after each financial year end		
PI 8:	Estimates of Capital Financing Requirement			
	Non - HRA	27,702	26,245	25,044
	HRA	15,303	15,303	15,303
	Total	43,005	41,548	40,347
PI 9:	Actual Capital Financing Requirement	Reported after each financial year end		
PI 10:	Authorised Limit			
	Authorised Limit for Borrowing	57,710	57,710	57,710
	Authorised Limit for Other Long Term Liabilities	290	290	290
	Authorised Limit for External Debt	58,000	58,000	58,000
PI 11:	External Debt: Operational Boundary	56,000	56,000	56,000
PI 12:	Actual external debt	Reported after each financial year end		
TREASURY MANAGEMENT				
PI 13:	Treasury Management: adoption of CIPFA code of Practice	The Council adopted the CIPFA code of Practice for Treasury Management at its meeting on the 13th March 2002.		
PI 14:	Fixed Interest Rate Exposure			
	The Authority will limit its exposure to fixed interest rate costs to the amounts payable on the following amount of outstanding debt.	£58m	£58m	£58m
PI 15:	Variable Rate Interest Rate Exposure			
	The Authority will limit its exposure to variable interest rate costs to the amounts payable on the following amount of outstanding debt.	£15m	£15m	£15m
PI 16:	Maturity Structure of Borrowing			
	Upper and Lower Limits			
	Under 12 months	0% to 35%	0% to 35%	0% to 35%
	12 months and within 24 months	0% to 20%	0% to 20%	0% to 20%
	24 months and within 5 years	0% to 20%	0% to 20%	0% to 20%
	5 years and within 10 years	0% to 20%	0% to 20%	0% to 20%
	10 years and above	60% to 100%	60% to 100%	60% to 100%
	Maturity Profile of Current Outstanding Debt 30/6/09			
	Under 12 months	0%		
	12 months and within 24 months	0%		
	24 months and within 5 years	0%		
	5 years and within 10 years	0%		
	10 years and above	100%		
PI 17:	Investments for periods longer than 364 days			
	The Authority will not invest for periods of longer than 364 days.	Nil	Nil	Nil

APPENDIX B

INVESTMENT INTEREST EARNED TO 30 June 2009

Name	No	Start	End	Rate %	Days up to 30/6/09	Principal £	Interest £
Fixed term investments							
Deposited 2007/08							
Landsbanki Islands	004	31-Mar-08	08-Oct-08	6.25	0	1,000,000	0
Glitnir	FI02/023	31-Mar-08	08-Oct-08	5.76	0	3,000,000	0
Deposited 2008/09							
Kaupthing, Singer & Friedlander	06/07-l29	16-May-08	08-Oct-08	6.00	0	2,000,000	0
Anglo Irish Bank Corporation	004	17-Jun-08	17-Jun-09	6.56	78	3,000,000	41,517
Irish Permanent Plc	005	02-Jul-08	02-Apr-09	6.31	2	3,000,000	519
Sub total							42,035
Other accounts							
Call: Abbey National							3,904
Call: Yorkshire bank							3,823
DMADF							690
Sub-total							8,417
TOTAL							50,452

For investments highlighted, the counterparties have since been downgraded and removed from the counterparty list. Those highlighted in purple are Icelandic banks, those in yellow are Irish banks. The deposits from Irish banks have been received during the quarter.

No interest is being assumed from Icelandic banks as yet, but this will be updated (as set out in the report).

Other account information

The maximum balance on the call accounts during the quarter was 6M (vs total approved limit of 6M)

The minimum balance during the quarter was 0.

The opening balance was £1.3M

The closing balance was £6M

The opening balance on the DMADF account £0M

The maximum balance which was also the closing balance for the quarter was £6M

CABINET

Shared Services Programme 1 September 2009

Report of Corporate Director (Finance & Performance)

PURPOSE OF REPORT			
To seek Cabinet's approval to progress the development of a Shared Services Programme with other local authorities and authorise officers to research further opportunities for shared service options across the full range of council services. To note that resources of £50,000 from Team Lancashire have been made available to assist in the development of the Programme.			
Key Decision	<input type="checkbox"/>	Non-Key Decision	<input type="checkbox"/>
Referral from Officers			✓
Date Included in Forward Plan		N/A	
This report is public			

OFFICER RECOMMENDATIONS :

- (1) That Cabinet approves the development of a Shared Service Programme as outlined in the report and authorises officers to continue to research opportunities across the full range of council services, noting that initial work will concentrate on a shared service for the Revenues and Benefits service.
- (2) That Cabinet notes that the £50,000 of funding allocated from Team Lancashire will be used to recruit a project manager to co-ordinate the research and development of the options for inclusion in the Programme, and authorises the Head of Financial Services to update the budget accordingly.

REPORT

1 Introduction

- 1.1 Elsewhere on this agenda are a series of reports regarding the council's budget processes and the need to develop a robust approach to identifying savings and efficiency options. In particular, Cabinet are being asked to approve a Savings and Efficiency Programme that provides the framework for cabinet members to bring forward their options for balancing the budget.

- 1.2 An integral part of the Savings and Efficiency Programme is to develop a programme for researching opportunities for partnership working with other councils to bring about savings and efficiencies. This Programme outlines how this can be done and seeks Cabinet's approval for officers to continue discussions with other councils to identify options for Shared Services and report back to Cabinet.

2 Shared Services Programme

- 2.1 Shared Services is the arrangement between 2 or more councils to provide a common service in partnership. The exact governance and operational arrangements of any shared service will reflect the local circumstances of each partner to provide joint benefits for each council. These arrangements can only be determined following a full review of the options and consideration of a business case that identifies the benefits to be achieved for each partner.
- 2.2 Shared Services is not a new concept to the City Council and is generally accepted within local government as a means to generate community benefits and cost efficiencies. The Council already has in place two successful shared services; one in respect of its Museums service delivered in partnership with the County Council, and one in partnership with South Lakeland DC in respect of the joint Licensing Manager.
- 2.3 Members will already be familiar with the Team Lancashire agenda within the county which seeks to establish improvements and efficiencies through joint working in the way that councils deliver and commission services to meet community needs. Work is now being progressed in Team Lancashire through 3 clusters, namely Pennine Lancashire, The Fylde, and Mid Lancashire, and councils are now working together to identify opportunities for joint working within these clusters.
- 2.4 Lancaster is within the Mid Lancs cluster group which consists of Preston, South Ribble, Chorley and West Lancashire, and the cluster has been awarded £100,000 to support the development of efficiency options for joint working. Arrangements are at an early stage for developing a programme for shared services, and consequently no service areas have been ruled out from being reviewed to see if there are any savings opportunities.
- 2.5 However even at this early stage, it is clear that the Revenues and Benefits Service offers significant opportunities for a shared service and discussions have already begun with Preston City Council to consider what options there are for a shared service between the two councils. A similar exercise is taking place between South Ribble and Chorley who already share their financial services arrangements.
- 2.6 The extent of any shared service for Revenues and Benefits would need to be the subject of a detailed business case clearly showing the scope of the governance and operational arrangements and the benefits it would deliver. It is likely that the benefits to be achieved would be through sharing a senior management structure, IT systems, and back office functions and would not affect the service delivered or experienced by residents through our customer services centres and telephone exchange.
- 2.7 In order to undertake the research, an initial allocation of £50,000 has been made to Lancaster and Preston from the £100,000 allocated to the cluster, to research the options for shared services and in particular, for a Revenues and Benefits shared service. It is likely that this resource will be used to recruit a project manager to co-ordinate any research and to prepare a business case where benefits can be

demonstrated. This process would use the Lancaster LAMP project management methodology

- 2.8 Cabinet therefore are recommended to authorise officers to continue to research opportunities for shared services across the council and to receive reports back in the future that highlight opportunities to generate savings and improvements through a shared service arrangement. Cabinet are asked to note that this work will be co-ordinated through the recruitment of a project manager using the resources allocated to this from Team Lancashire.

4 Consultation Exercise

Staff have received a briefing on the need to generate savings and efficiencies as part of this year's budget exercise and the need to research opportunities for partnership working. Also, staff in the Revenues and Benefits service have received a specific briefing in respect of the work currently taking place to develop a shared service for Revenues and Benefits, and the unions have also been advised of progress to date.

5 Options Analysis

The following options are available to the Cabinet.

- i. To authorise officers to continue to work on developing opportunities for shared services as outlined in the report and to specifically develop options for a Revenues and Benefits shared service in partnership with Preston City Council co-ordinated by a project manager recruited from the monies allocated from Team Lancashire
- ii. Not to progress with the research to develop a programme of shared services

Preferred Option

The preferred option is option 1. This will ensure that the council has an agreed framework in place to research and bring forward potential options to generate savings and efficiencies through shared services with other local authorities. The recruitment of a dedicated project manager to co-ordinate the process, financed by Team Lancashire, would provide the resources and expertise to complete the project.

At this stage, the proposal is only to pursue an opportunity – although this will require input from other council services and as yet, the resource implications have not been identified. These will be identified in the development of the business case. Other risk considerations attached to actually implementing shared service would form a key part of any project work.

RELATIONSHIP TO POLICY FRAMEWORK

The creation of a Shared Services Programme would assist the council in identifying savings and efficiency options for Cabinet to consider in bringing forward its budget proposals.

CONCLUSION OF IMPACT ASSESSMENT

(including Diversity, Human Rights, Community Safety, Sustainability etc)

The use of business cases to develop options will ensure that benefits identified for introducing shared services will be sustainable and achievable.

FINANCIAL IMPLICATIONS

The costs associated with undertaking the research and development of a shared services programme will be met from the £50,000 Team Lancashire budget allocated for this purpose. It is likely that by adopting the LAMP methodology, additional officer support would be required by the appropriate services from within the Council. This would need to be assessed and should there be any financial implications that cannot be met from existing budgets, this would be brought back to Members for consideration.

SECTION 151 OFFICER'S COMMENTS

The s151 Officer has been consulted and has no further comments to add.

LEGAL IMPLICATIONS

Legal Services have been consulted and have no comments to add.

MONITORING OFFICER'S COMMENTS

The Deputy Monitoring Officer has been consulted and has no further comments.

BACKGROUND PAPERS

None.

Contact Officer: Roger Muckle

Telephone: 01524 582022

E-mail: rmuckle@lancaster.gov.uk

CABINET

**The Introduction of Choice Based Lettings
1 September 2009**

Report of Corporate Director (Community Services)

PURPOSE OF REPORT				
The report seeks approval for officers to submit a bid for resources via the final round of the Fund for the Development of Regional and Sub Regional Choice Based Lettings Schemes. If successful, the funding would assist the council in meeting a government target for all authorities to have introduced Choice Based Lettings by 2010.				
Key Decision	X	Non-Key Decision		Referral from Cabinet Member
Date Included in Forward Plan	15 July 2009			
This report is public				

RECOMMENDATIONS OF COUNCILLOR DAVID KERR

- (1) That officers be authorised to submit a bid for resources via the Fund for the Development of Regional and Sub Regional Choice Based Lettings Schemes.
- (2) That the bid for resources be on the basis of Lancaster District being a distinct housing market
- (3) That officers investigate the possible introduction of a Housing Options Service to run alongside a Choice Based Lettings Scheme.
- (4) That, once the outcome of the bid for funding is known, officers prepare a detailed report to Cabinet outlining the full financial implications of introducing Choice Based Lettings, together with the recommended scheme details.

1.0 Introduction

- 1.1 In its Five Year Housing Plan – “Homes for All”, published in January 2005, the Government set out its plans for taking forward its Choice Based Lettings (CBL) policy. The Government set a target for all local authorities to have adopted CBL’s by 2010, and that schemes should not only cover local authority and housing association properties, but also low cost home ownership and properties for rent by the private sector. Research undertaken on behalf of Communities and Local Government which assessed the impact of CBL’s found that “tenants who were offered a choice of accommodation were more likely to be satisfied with their home

and remain in that home for a longer period". Satisfied tenants, it is suggested, are more likely to meet their tenancy conditions and maintain the property in a good condition

- 1.2 Traditionally, local authorities have maintained a "Housing Waiting List". Vacant properties would then be allocated to the applicant with the highest priority for a property in that area. The main feature of a CBL Scheme is that all vacancies are openly advertised (via websites, adverts etc) and applicants would "bid" for specific properties they are interested in. Once the deadline for bids closes, the applicant with the highest priority (usually determined via a simplified "banding" system) would be made the offer of accommodation. The Government believes that grouping applicants into "bands" of housing need (eg high/medium/low priority) is far simpler for customers to understand than a more traditional "points scheme". Prioritisation within bands would strictly be on a date order basis, so applicants would always know their position within their band.
- 1.3 In recent years, the Government has provided a financial incentive for authorities to move towards CBL's via the establishment of a Development Fund. This is the final year of the Fund, with approximately £1 million being made available. The Government will contribute up to 60% of the cost of developing a scheme, to a maximum of £100,000. It should be emphasised that only the development costs qualify and there will be no contribution towards any of the ongoing revenue costs of operating a CBL Scheme. The closing date for bid submissions is 09 October 2009.
- 1.4 Most local authorities are now in a position to meet the Government's 2010 target with 67% already operating a CBL Scheme and a further 30% committed to implementation (a total of 97%). The Government's focus is now on those authorities (which include Lancaster City Council) who have not yet committed to CBL's. The Government's Choice Based Lettings Co-ordinator, Alison Venning, is in regular contact with officers and has offered her support with any bid for resources submitted by the council.
- 1.5 Until recently, the council has had reservations about introducing a local CBL Scheme as the majority of general needs housing, by necessity had to be allocated to homeless families. As recently as 2006/2007, we were only able to offer 58 general needs properties to housing applicants in a full year. Clearly, it would have been inappropriate to introduce a comprehensive CBL Scheme when, in reality, there would only be little more than one property a week available for non homeless applicants to bid for.
- 1.6 However, the situation of housing applicants is now considerably more promising. There has been a substantial reduction in the number of accepted homeless households being referred to Council Housing Services. As a consequence, it is likely that around 200 general needs properties will be available to housing applicants this year. In addition, the rapid expansion of "on campus" accommodation at Lancaster University is likely to result in an interest from private sector landlords to embrace a CBL Scheme. Given this changing situation (and not forgetting the Government's 2010 target) there is clearly a need to review the council's position.

2.0 Proposal Details

- 2.1 As previously detailed, the Government has established a Fund for the Development of Regional and Sub Regional Choice Based Lettings Schemes. As most authorities have already implemented or are committed to CBL's, the council should be well

placed should it decide to submit a bid for resources. Perhaps the biggest hurdle the council faces is demonstrating that Lancaster should have its own scheme rather than being part of a Sub Regional Scheme, which is the Government's clear preference. Officers have put forward the case that Lancaster District has its own distinct housing market (which is supported by the Regional Housing Strategy and also the Strategic Housing Market Assessment undertaken by David Couttie Associates on the council's behalf in 2008), and our geographic isolation would not make it appropriate to join the Sub Regional Schemes to the south (Preston) or north (Cumbria). Our position is being supported by the Government's CBL Advisor so, hopefully, this hurdle can be overcome.

- 2.2 It is therefore proposed to bid for a Lancaster District based CBL Scheme which, in addition to council vacancies would also include housing associations and private sector properties, together with any other opportunities to access affordable housing (eg low cost home ownership). At the time of writing this report, the development costs have not yet been accurately quantified (but are likely to be in the region of £100,000 which would include the acquisition of a specialised CBL computer system). If the bid is successful, the Government could fund up to 60% of the development costs but the remainder would need to be funded via the council's own resources. In addition, a detailed assessment would need to be made of the ongoing financial implications of operating a CBL Scheme, if any. At this stage, therefore, Cabinet are only being requested to authorise a bid for resources via the CBL Fund. Once the outcome is known, a detailed report can then be presented to Cabinet which will set out the full development and ongoing revenue costs together with detailed recommendations outlining how a scheme would potentially operate.
- 2.3 In formulating any proposals, officers will need to have regard to the Allocation of Accommodation : Choice Based Lettings, a Code of Guidance for Local Housing Authorities (Communities and Local Government, August 2008). As well as providing some very clear and useful guidance, the document does make clear the need for housing authorities which introduce CBL Schemes to put in place strategies to manage expectations, recognising that those who bid unsuccessfully over a long period of time may become frustrated or disillusioned, particularly in areas of high demand for social housing. The guidance suggests that it would assist applicants to know about other housing options which might be available (including private rented accommodation, low cost home ownership options, mobility schemes and house improvement schemes). Authorities are therefore encouraged to offer a more specialised housing options advice service to individual applicants.
- 2.4 At the moment, this type of service is fragmented within the council and anyone in housing need would potentially need to visit a number of services in order to receive the full range of advice and assistance on all the options available to them. As part of any proposed introduction of CBL's, officers would recommend that the council also look to provide a comprehensive Housing Options Service.

3.0 Details of Consultation

- 3.1 The District Wide Tenants Forum has been consulted about the CBL proposal. A consultation letter has also been sent to all Registered Social Landlords with housing stock in the district seeking their support. Prior to the submission of any bid, housing applicants, private sector landlords and other potential stakeholders will also be consulted.

4.0 Options and Options Analysis (including risk assessment)

OPTION	ADVANTAGES	DISADVANTAGES	RISKS
<p>Option 1 Bid for resources via CBL Fund</p>	<ul style="list-style-type: none"> • The Government would potentially fund up to 60% of development and implementation costs • Applicants would be actively engaged in exercising choice • CBL's would provide a vehicle for promoting other affordable housing options • The housing needs of individual applicants would be better met • The council would meet a defined government target • Advertising vacancies would create increased demand for potentially hard to let properties 	<ul style="list-style-type: none"> • The council would need to identify at least 40% of development/ implementation costs plus any ongoing additional operational costs (if any) • Some applicants may have difficulties in engaging in the bidding process 	<ul style="list-style-type: none"> • The bid may be unsuccessful and, having raised expectations, implementation would be costly • At this stage, ongoing operational costs have not been quantified
<p>Option 2 Determine not to make a bid for resources</p>	<ul style="list-style-type: none"> • There would be no additional costs to the council • The existing Allocation Scheme, which is familiar to applicants would be retained • Once registered, applicants would not need to proactively bid for offers 	<ul style="list-style-type: none"> • The Government's 2010 target would not be met • The Audit Commission KLOE targets for Allocation Schemes would not be met. • A decision to introduce CBL's at a later date would be more costly • Applicants would not benefit from having a greater 	<ul style="list-style-type: none"> • The council could potentially be penalised for not achieving a government target • Some properties may become difficult to let if existing arrangements remain in place.

		<p>choice</p> <ul style="list-style-type: none"> • The opportunity to promote other housing options would be lost 	
--	--	--	--

5.0 Officer Preferred Option (and comments)

5.1 Option 1 is the preferred option as this will ensure that the council meets the Government’s 2010 target and will hopefully secure finance assistance towards the development and implementation of a local CBL Scheme. Having a single mechanism for bringing together and promoting all options for affordable housing will bring clear benefits to residents in housing need. Under existing arrangements, only a relatively small percentage of applicants registered for council housing actually receive an offer of accommodation. For those in need, a CBL Scheme will provide a real opportunity to secure suitable affordable housing. The development of a Housing Options Service would also provide an opportunity to deliver a comprehensive advice and assistance service from a single point of access.

5.2 Option 2 would result in the council failing to meet a specific Government target. It would also mean the continuation of a fragmented service to residents who are in housing need.

6.0 Conclusion

6.1 The final round of bidding via the Fund for the Development of Regional and Sub Regional Choice Based Lettings Schemes provides a potential opportunity for the council to significantly improve the way social housing is allocated and also increases the public’s awareness of other opportunities to access affordable housing.

<p>RELATIONSHIP TO POLICY FRAMEWORK</p> <p>The 2009/10 Corporate Plan, Objective 6 is <i>“To improve the standard, availability of housing in the district to meet local needs”</i>.</p> <p>The introduction of a CBL Scheme will bring together all opportunities to access good quality affordable housing with the comprehensive, well publicised scheme.</p>
<p>CONCLUSION OF IMPACT ASSESSMENT (including Diversity, Human Rights, Community Safety, Sustainability and Rural Proofing)</p> <p>If implemented, a CBL Scheme will make a substantial contribution towards ensuring that households with the greatest need can maximise their opportunities to secure good quality, affordable housing.</p> <p>By maximising choice, tenants will be more satisfied with their home and neighbourhood, leading to more sustainable communities.</p>

FINANCIAL IMPLICATIONS

There are no direct financial contributions arising from this report, and there are no costs involved in preparing the bid for funding.

However, if a bid is successful, Cabinet will then need to consider the council's contributions towards development and implementation (estimated to be in the region of £40,000) and any ongoing revenue costs which may be applicable.

The Government's potential contribution relates to the overall costs of commissioning the project (which will be in the region of £60,000 capital and £40,000 revenue), and Cabinet will need to determine whether the Council should contribute towards either the capital or revenue costs of implementing the scheme. These costs would need to be identified and recommended for inclusion within the HRA Base Budget for 2010/2011 should a CBL Scheme go ahead.

SECTION 151 OFFICER'S COMMENTS

The Section 151 Officer has been consulted and has no further comments to add.

LEGAL IMPLICATIONS

There are no direct legal implications arising from this report. If the bid is successful, Legal Services will need to approve any conditions attached to the grant of the resources, and any legal agreement that is required to be entered into.

MONITORING OFFICER'S COMMENTS

The Monitoring Officer has been consulted and has no further comments.

BACKGROUND PAPERS

Communities and Local Government:

- Allocation of Accommodation: Choice Based lettings. Code of Guidance for LAs (August 2008)
- Fund for the Development of Regional and Sub Regional CBL Schemes. Guidance for submitting a proposals (March 2009)

Contact Officer: Steven Milce
Telephone: 01524 582502
E-mail: smilce@lancaster.gov.uk
Ref: SM

CABINET

**Gypsy and Traveller Cabinet Liaison Group
1 September 2009**

Report of Corporate Director (Community Services)

PURPOSE OF REPORT			
To propose an amendment to the Terms of Reference of this Cabinet Liaison Group			
Key Decision	<input type="checkbox"/>	Non-Key Decision	<input type="checkbox"/>
		Referral from Cabinet Member	X
Date Included in Forward Plan	n/a		
This report is public			

RECOMMENDATIONS OF COUNCILLOR DAVID KERR

- (1) That Cabinet agree to extend paragraph 3 of the Gypsy and Traveller Cabinet Liaison Group Terms of Reference as follows:
- (3) To act as a forum to discuss the issues affecting caravan sites and Gypsy and Traveller issues with the District.

1.0 Information

- 1.1 On the 06 November 2007 Cabinet resolved to establish a Gypsy and Traveller Cabinet Liaison Group (CLG). It was resolved
- (1) That Cabinet approves the establishment and terms of reference of a Gypsy and Traveller Cabinet Liaison Group as set out in the report as follows:.

Membership

The Group will be chaired by a Cabinet Member and in accordance with the constitution participants will be by the invitation of the Chairman and can comprise any or all of the following:

- Other Cabinet Members
- Non-executive Members
- Others from outside the Council
- Council officers
-

It is anticipated that this will include Member Representation from Lancashire County Council and Gypsy and Traveller representative(s).

That this group will be supported and administered by Health and Strategic Housing.

Terms of Reference

The purpose of this group is to assist the lead Cabinet Member in overseeing the development and establishment of the Gypsy & Traveller Strategy & Action Plan for the district including:

- (1) To respond to the accommodation needs of the Gypsy and Traveller communities living in the district identified by the Gypsy and Traveller Accommodation Assessments (GTAAAs) as part of the Council's wider housing strategies and the Regional Housing Strategy (RHS).
- (2) To improve mechanisms for consultation with residents and explore the range of actions available to the Council to ensure that there is suitable site provision for Gypsies and Travellers within the district.
- (3) To act as a forum to discuss the issues affecting Gypsies and Travellers within the district.
- (4) To consider service provision for Gypsies and Travellers within the district.

Specific outcomes from the Cabinet Liaison Group may generate requests for pieces of work to be undertaken by officers or partner bodies. The Cabinet Liaison Group may request to Overview and Scrutiny to set up a Task Group to undertake a specific piece of work. It may also make specific reports to Cabinet, Committees of Cabinet, individual Cabinet Members, or other Committees of Council recommending action for determination. The work of this Group will also have links to the work of the LSP Equalities and Diversity Building Block.

- (2) That Cabinet agrees to cease operating the Mellishaw Park Cabinet Liaison Group.

1.2 Since that time the Cabinet Liaison Group has met on a number of occasions and has identified some specific problems with private caravan sites which are not solely occupied by Gypsies and Travellers. It would like to consider these, but they are currently not within the Terms of Reference of this Cabinet Liaison Group.

1.3 The Cabinet member, Councillor Kerr, has requested that Cabinet agree to extend paragraph 3 of the Terms of Reference as follows:

- (3) To act as a forum to discuss the issues affecting caravan sites and Gypsy and Traveller issues with the District.

This would allow the Cabinet Liaison Group to extend its brief to all residential caravan site issues and to report back to Cabinet on possible solutions.

2.0 Conclusion

2.1 The current Terms of Reference of the CLG do not allow the wider issues associated with caravan sites to be considered and this widening of the Terms of Reference would extend its remit.

<p>RELATIONSHIP TO POLICY FRAMEWORK</p> <p>There is nothing specific in the Corporate Plan or the LDLSP Action Plans about caravan sites. The Housing Strategy recognises the role of caravan sites in satisfying a housing need for Gypsies and Travellers but doesn't currently address the role of caravan sites in meeting wider housing needs.</p>	
<p>CONCLUSION OF IMPACT ASSESSMENT (including Diversity, Human Rights, Community Safety, Sustainability and Rural Proofing)</p> <p>None as a result of this proposal</p>	
<p>FINANCIAL IMPLICATIONS</p> <p>None</p>	
<p>SECTION 151 OFFICER'S COMMENTS</p> <p>The Section 151 Officer has been consulted and has no further comments to add.</p>	
<p>LEGAL IMPLICATIONS</p> <p>There are no legal implications directly arising from this report.</p>	
<p>MONITORING OFFICER'S COMMENTS</p> <p>The Monitoring Officer has been consulted and has no further comments.</p>	
<p>BACKGROUND PAPERS</p>	<p>Contact Officer: Peter Loker Telephone: 01524 582501 E-mail: peterloker@lancaster.gov.uk Ref: reports/cabinet/09/05</p>

CABINET

**Lancaster and Morecambe Cabinet Liaison Groups -
Liaison Arrangements
1 September 2009**

Report of the Head of Democratic Services

PURPOSE OF REPORT				
This report, prepared at the request of the Cabinet Member for The Economy, sets out options for Cabinet to consider for liaison arrangements between two Cabinet Liaison Groups, the Lancaster and District Chamber Liaison Group and the Morecambe Retail, Commercial and Tourism Liaison Group.				
Key Decision	<input type="checkbox"/>	Non-Key Decision	<input type="checkbox"/>	Referral from Cabinet Member
				X
Date Included in Forward Plan				
This report is public.				

RECOMMENDATIONS OF COUNCILLOR ARCHER

- (1) That Cabinet considers options for liaison arrangements between the Lancaster and District Chamber Liaison Group and the Morecambe Retail, Commercial and Tourism Liaison Group.
- (2) That, should Cabinet decide upon a preferred option requiring consultation with external members of the Groups, the Head of Democratic Services be asked to carry out that consultation and report the findings back to Cabinet at a future meeting.

1.0 Introduction

1.1 Cabinet Liaison Groups are purely consultative and not decision-making bodies. They are chaired by the appropriate Cabinet Member and there is no restriction on size, although the group must be limited to what is manageable and effective for their purpose.

The terms of reference for the Morecambe Retail, Commercial and Tourism Liaison Group are as follows:

- (a) To act as a forum for issues of interest or concern to Morecambe businesses and the City Council.

- (b) To act as a forum to facilitate the promotion of Morecambe as a commercial and retail centre and leisure and tourist destination.

The terms of reference for the Lancaster and District Chamber Liaison Group are as follows:

To enable the City Council and the Lancaster and District Chamber of Commerce to liaise and consider items affecting both organisations.

2.0 Background

- 2.1 Originally, the City Council met with the Lancaster and District Chamber of Commerce. It was not considered necessary to also meet with the separate Morecambe Chamber or, indeed, the Carnforth Chamber as the Lancaster and District Chamber draws its membership from all parts of the District.
- 2.2 Both a Morecambe Liaison Group and a Carnforth Liaison Group were created to allow a more focused discussion in greater detail for the centres of Morecambe and Carnforth. In the event, the Carnforth Liaison Group was not activated. The Morecambe Liaison Group was extended to include hoteliers.
- 2.3 At about the same time, a mechanism was created to allow Lancaster Chamber members to deal directly with Officers on Lancaster issues. So although we have two active liaison groups, they are effectively for different purposes. The Lancaster and District Chamber Liaison meeting enables a more strategic conversation about issues that affect the District as a whole, whereas, the Morecambe Liaison Group focuses on operational issues and is mirrored by an officer liaison group for Lancaster.
- 2.4 At present, there are two distinct Cabinet Liaison Groups. Each one consults with the same Cabinet Member at separate meetings. This allows the issues that affect each group to be considered entirely separately.

3.0 Details of Consultation

- 3.1 Should Cabinet decide on a preferred option for liaison between the two Groups, Democratic Services would undertake consultation with the external members of both Groups.

4.0 Options and Options Analysis (including risk assessment)

- 4.1 The options put forward for Members' consideration are:-
- 4.2 Option 1: Do nothing to change the present arrangements.
- 4.3 Option 2: To place the minutes of the last meeting of each group as a standing item on the agenda of the other group, to allow any issues to be raised and the Cabinet Member to feed back from one group to another.

This option would not encourage any direct dialogue between the two groups but would allow the members to keep up to date with the discussions at each group, with the Cabinet Member acting as a 'link' between the two.

- 4.4 Option 3: To merge the two groups to create one Cabinet Liaison Group with a larger membership, with representation from the Lancaster District Chamber of Commerce, Trade and Industry, the Morecambe Chamber of Trade and Commerce and the Morecambe Hotel and Tourism Association.

This option is likely to result in fewer meetings overall although each meeting is likely to last longer, as there could potentially be agenda items from several parties. It must also be recognised that the Lancaster and District Chamber considers that they already cover Morecambe issues.

- 4.5 Option 4: That the Morecambe Liaison Group is amended so that it becomes an officer group dealing with operational issues.

This option would mirror the current arrangements in Lancaster and Cabinet Members would still meet with the Lancaster and District Liaison Group on strategic matters.

5.0 Officer Preferred Option (and comments)

- 5.1 There is no officer preferred option.

6.0 Conclusion

- 6.1 Cabinet is asked to consider the options put forward in this report and any other options put forward by Cabinet Members at the meeting, as a way forward for liaison between the Lancaster and District Chamber Liaison Group and the Morecambe Retail, Commercial and Tourism Liaison Group.

RELATIONSHIP TO POLICY FRAMEWORK

As consultative bodies which inform the Cabinet Member for Economy, the Cabinet Liaison Groups relate to Corporate Plan Objective 1 "Work in partnership to ensure a strategic approach to economic development and regeneration", and the Sustainable Community Strategy Priority regarding economy which includes "To establish and maintain management and delivery arrangements to ensure economic priorities for the district are achieved".

CONCLUSION OF IMPACT ASSESSMENT

(including Diversity, Human Rights, Community Safety, Sustainability and Rural Proofing)

No implications. All options put forward would lead to enhanced liaison between two existing groups.

FINANCIAL IMPLICATIONS

None of options 1, 2 and 4 put forward increases in the number of meetings, so have no cost implications regarding staffing resources or room bookings. Option 3 would result in fewer meetings, but it is expected that these would be longer in duration so that there would be no saving overall.

SECTION 151 OFFICER'S COMMENTS

The Section 151 Officer has been consulted and has no further comments.

LEGAL IMPLICATIONS

Any changes to the existing arrangements would have to conform to the requirements within the Council's Constitution.

MONITORING OFFICER'S COMMENTS

The Monitoring Officer has been consulted and has no further comments.

BACKGROUND PAPERS

Constitution, Part 4, Section 4, Paragraph 2.9: Cabinet Liaison Groups.

Contact Officer: Debbie Chambers

Telephone: 01524 582057

E-mail: dchambers@lancaster.gov.uk

Ref:

CABINET

**Urgent Business Report
1 September 2009**

Report of Head of Democratic Services

PURPOSE OF REPORT			
To advise Members of actions taken by the Chief Executive, in consultation with the relevant Cabinet Members and the Chairman of the Overview and Scrutiny Committee.			
Key Decision	<input type="checkbox"/>	Non-Key Decision	<input type="checkbox"/>
Referral from Officers			X
This report is public			

1.0 RECOMMENDATION

That the actions taken by the Chief Executive, in consultation with the relevant Cabinet Members and the Chairman of the Overview and Scrutiny Committee in accordance with the Scheme of Delegation, in respect of the following, be noted:-

1.1 Civil Parking Enforcement

- (1) That the County Council be selected for the provision of off-street parking enforcement and back office services including Cash in Transit from September 2009 subject to County wide consultation and there being no significant changes in agreeing the final level of charges.
- (2) That the Corporate Director (Regeneration) in consultation with the Head of Legal and Human Resources, Head of Property Services and Head of Financial Services be authorised to enter into the necessary contracts to ensure the delivery of the above services from September 2009.
- (3) That the County Council provides appropriate levels of enforcement in residents parking zones and liaises with the City Council’s parking team over this requirement.

1.2 Morecambe Townscape Heritage Initiative (THI) 2: A View for Eric

- (1) That the Corporate Director (Regeneration) is authorised to contract with the Heritage Lottery Fund for the Townscape Heritage Initiative.

- (2) **Subsequent to this that subject to the required amount of match funding being secured the Head of Planning Services is authorised to apply to the Heritage Lottery Fund for Permission to Start.**
- (3) **That the Head of Financial Services make the necessary revisions to the Council's Capital and General Revenue Fund to accommodate for delivery of the Townscape Heritage Initiative.**

1.3 Artificial Ice Rink

- (1) **That Cultural Services, in partnership with Morecambe Town Council, take on the responsibility for organising an artificial Ice Rink in the Dome, as set out in the report.**
- (2) **If approved, that the legal documentation be completed in advance of the event.**
- (3) **That the Overview & Scrutiny Chairman be consulted with a view to waiving call in, in accordance with Overview & Scrutiny Procedure Rule 17, to enable the Chief Executive's decision to be implemented immediately.**

2.0 Background

2.1 Civil Parking Enforcement

The background to the urgent business report was provided to Members of Cabinet and Overview and Scrutiny Committee in a Cabinet Briefing Note on the arrangements for Civil Parking Enforcement (CPE), due to change in September. The note outlined the current position with the procurement options for the provision of various off-street parking services.

A decision needed to be made on which option was to be chosen for the provision of off-street car park enforcement, back office notice processing services and cash in transit (CIT) arrangements to coincide with the current contractual arrangements terminating in September. This is when the County Council assumes responsibility for the on-street element of parking enforcement in the Lancaster district.

An urgent business decision was required to enable the contractor and service providers to introduce their arrangements by September. Any delays in implementing the urgent business decision would have made it extremely difficult to guarantee that the necessary arrangements would in place by the required deadline.

Additionally the Chief Executive (in consultation with the Chairman of the Overview and Scrutiny Committee) was asked to waive call-in in accordance with Overview and Scrutiny Committee Procedure Rule 17(a). The Chairman of the Overview and Scrutiny Committee was not in agreement with the decision to waive call-in and the Chief Executive decided that the decision was subject to call-in in accordance with Overview and Scrutiny Procedure Rule 17(a).

2.2 Morecambe Townscape Heritage Initiative (THI) 2: A View for Eric

A Townscape Heritage Initiative (THI) is part of the Heritage Lottery Fund's (HLF) grant giving programme to help communities regenerate conservation areas displaying particular social and economic need throughout the United Kingdom. The

Council delivered a highly successful first THI for Morecambe in the period 2003 to 2008. Through this the Council grant aided the restoration of some seventy properties within the Morecambe Conservation Area, drove up repair standards and most notably helped achieve the restoration of the grade II listed Midland Hotel.

The HLF offered the Council a contract for a second in Morecambe – “A View for Eric”. The HLF contract offer was for £923,000 in funding over five years from contract commencement. The offer was conditional, including that the Council must evidence 50% match funding before the HLF would authorise a start.

The urgency for this decision was the timescale. The HLF required that the Contract be signed by 17 July 2009. This meant that a decision on whether the Council should contract must be made before the scheduled cabinet meeting in July and hence the need to use the Urgent Business Procedure.

2.3 Artificial Ice Rink

Over the past two years, around the Christmas period, the former Poulton Neighbourhood Management has organised an Artificial Ice Rink in the general area of the West End of Morecambe, Cultural Services had been approached by the promoter, “Get Ya Skates On” (GYSO), who provided the facility over the last two years with a view to similar arrangement in 2009, but specifically using the Dome as an indoor venue. The proposals presented to Cultural Services were over two periods, namely 30th July to 26th August (inclusive), and the 14th to the 24th December 2009 (inclusive).

The proposal was that Lancaster City Council hire the rink for a rental charge of £16k with Lancaster City Council keeping 100% of the admissions income. This was the chosen option because it minimised any projected shortfall and provided an activity in the Dome over the Summer and Christmas periods.

The newly established Morecambe Town Council (MTC) was also aware of the approach made to Lancaster City Council, and following its meeting held on Thursday 16th July 2009, wrote to Lancaster City Council offering a “Guarantee Against Loss” of up to £8k. The Morecambe Town Council stated that it would be keen to work in partnership with Lancaster City Council in the organisation and promotion of events.

On the basis of the above intervention and involvement of Morecambe Town Council, Cultural Services proposed that the event go ahead in the Dome. However, as the event was not included in the original Dome programme of events, Cabinet was requested to support its inclusion. However, in light of timescales, and Cabinet’s ultimate decision in respect of the request, Cultural Services would negotiate a variation with GYSO over the proposed summer dates. For the same reason, subject to approval of the proposals, it is requested that call-in be waived.

The item was considered as a matter of urgency in order to make the necessary arrangements to enable the opening of the Artificial Ice Rink for the summer period as soon as possible.

The relevant Cabinet member for this matter having declared an interest, the Chief Executive took this decision in consultation with the Leader of Cabinet.

Additionally the Chief Executive (in consultation with the Chairman of the Overview and Scrutiny Committee) was asked to waive call-in in accordance with Overview

and Scrutiny Committee Procedure Rule 17(a). The Chairman of the Overview and Scrutiny Committee was in agreement with the Chief Executive's decision to waive call-in.

3.0 Conclusion

Approval was given to the above actions, which are reported to this meeting in accordance with the City Council's Constitution.

<p>RELATIONSHIP TO POLICY FRAMEWORK Not applicable.</p>	
<p>CONCLUSION OF IMPACT ASSESSMENT (including Diversity, Human Rights, Community Safety, Sustainability and Rural Proofing) Comments were contained in the original reports.</p>	
<p>FINANCIAL IMPLICATIONS Comments were contained in the original reports.</p>	
<p>SECTION 151 OFFICER'S COMMENTS Comments were contained in the original reports.</p>	
<p>LEGAL IMPLICATIONS Comments were contained in the original reports.</p>	
<p>MONITORING OFFICER'S COMMENTS Comments were contained in the original reports.</p>	
<p>BACKGROUND PAPERS Letters to the Leader of the Council, Cabinet Member with Special Responsibility and Chairman of the Chairman of the Overview and Scrutiny Committee.</p>	<p>Contact Officer: Debbie Chambers Telephone: 01524 582057 E-mail: dchambers@lancaster.gov.uk Ref:</p>

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

By virtue of paragraph(s) 3, 5 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted