10.00 A.M. 16TH FEBRUARY 2010

PRESENT:-

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

Apologies for Absence:-

Councillor Abbott Bryning

Officers in attendance:-

Mark Cullinan Chief Executive

Peter Loker Corporate Director (Community Services) (part)
Roger Muckle Corporate Director (Finance and Performance)

(part)

Nadine Muschamp Head of Financial Services and Section 151 Officer

(part)

Graham Cox Head of Property Services (part)
David Owen Head of Cultural Services (part)
David Lawson Forward Planning Manager (part)
Debbie Chambers Principal Democratic Support Officer

121 ITEMS OF URGENT BUSINESS AUTHORISED BY THE LEADER

The Chairman advised that there were two items of urgent business. The first was a referral from the Overview and Scrutiny Committee (Minute 124 refers) and the second was a report regarding Lancaster Market (Minute 133 refers).

122 DECLARATIONS OF INTEREST

Councillors Archer, Ashworth and Kerr declared personal interests with regard to the Morecambe Meteorological Station report, as Members of Morecambe Town Council.

123 PUBLIC SPEAKING

Members were advised that there had been one request to speak by a member of the public at the meeting in accordance with Cabinet's agreed procedure, set out in Cabinet Procedure Rule 2.7. This was with regard to the Budget and Policy Framework 2010/2011 (Minute 134 refers). The member of the public was Mr T Hamilton-Cox, who spoke at this point in the meeting.

124 ITEM OF URGENT BUSINESS - REFERRAL FROM OVERVIEW AND SCRUTINY COMMITTEE

(Cabinet Member with Special Responsibility Councillor Ashworth)

In accordance with Section 100B(4) of the Local Government Act 1972, the Chairman agreed to consider the following report as an item of urgent business to allow Cabinet to

consider the view of the Overview and Scrutiny Committee after calling-in the Cabinet decision taken on 19 January 2010 regarding the Community Swimming Pools.

A referral report from Overview and Scrutiny was considered by Cabinet. The report presented the Overview and Scrutiny Committee's recommendation following the call-in meeting held on 8 February 2010 in relation to the Community Swimming Pools.

The recommendation set out in the report was "that the Overview and Scrutiny Committee recommend that Cabinet should not give notice to terminate the contract until a suitable agreement is obtained from Lancashire County Council to take over community swimming. If no agreement can be reached within 12 months then Cabinet should review the funding. Parish and Town Councils should be involved in the talks."

It was moved by Councillor Ashworth and seconded by Councillor Langhorn:-

- "(1) That Cabinet notes the desire of the Overview and Scrutiny Committee that 'a suitable agreement is obtained from Lancashire County Council to take over community swimming.' Cabinet believes that its original decision is the best way to achieve this aim and notes the progress already made in discussions with the County Council. Therefore, in order to achieve its objective of the maintenance of the community swimming pool service within the district, Cabinet reaffirms its original decision:
- (2) That the City Council issues the necessary 12 months notice to terminate the partnership agreement with the County Council, from 1 April 2010.
- (3) That community swimming is redirected to the pools identified in 3.3 of the report considered by Cabinet on 19 January 2010.
- (4) That the school and club swimming be handed back along with the facilities to Lancashire County Council."

By way of addendum, which was accepted as a friendly addendum by the mover and seconder of the original proposition, Councillor Barry proposed and Councillor Fletcher seconded:

"(5) That the City Council negotiates with the County Council to achieve a significant revenue reduction for the City Council and reports back to Cabinet on the results of these negotiations with the County Council."

Councillor Mace proposed an amendment, seconded by Councillor Thomas:-

"That the recommendation of the Overview and Scrutiny Committee be approved."

2 Members (Councillors Mace and Thomas) voted in favour of the amendment, 7 Members (Councillors Archer, Ashworth, Barry, Blamire, Fletcher, Kerr and Langhorn) voted against, whereupon the Chairman declared the amendment to be lost.

Members then voted on the original proposal with the friendly addendum:-

Resolved:

(7 Members (Councillors Archer, Ashworth, Barry, Blamire, Fletcher, Kerr and Langhorn) voted in favour and 2 Members (Councillors Mace and Thomas) voted against.)

- (1) That Cabinet notes the desire of the Overview and Scrutiny Committee that 'a suitable agreement is obtained from Lancashire County Council to take over community swimming.' Cabinet believes that its original decision is the best way to achieve this aim and notes the progress already made in discussions with the County Council. Therefore, in order to achieve its objective of the maintenance of the community swimming pool service within the district, Cabinet reaffirms its original decision:
- (2) That the City Council issues the necessary 12 months notice to terminate the partnership agreement with the County Council, from 1 April 2010.
- (3) That community swimming is redirected to the pools identified in 3.3 of this report.
- (4) That the school and club swimming be handed back along with the facilities to Lancashire County Council.
- (5) That the City Council negotiates with the County Council to achieve a significant revenue reduction for the City Council and reports back to Cabinet on the results of these negotiations with the County Council.

Officers responsible for effecting the decision:

Corporate Director (Regeneration)
Head of Cultural Services

Reasons for making the decision:

The decision allows the City Council to negotiate with the County Council in an effort to reduce the City Council contribution to swimming, particularly in terms of school swimming.

125 MORECAMBE METEOROLOGICAL STATION

(Cabinet Member with Special Responsibility Councillor Thomas)

(It was noted that Councillors Archer, Ashworth and Kerr had previously declared a personal interest in the following item.)

The Corporate Director (Regeneration) submitted a report regarding the future of Morecambe's Meteorological Station.

The options, options analysis, including risk assessment and officer preferred option and comments, were set out in the report as follows:

Option 1 - Maintain the Existing Service

Maintaining the existing service will allow the continued collection of data from the morning readings taken throughout the year. Information could still be supplied to the Met Office and The Visitor. Information could also be supplied to internal services and members of the public on request.

This option would provide a further opportunity in the future for the Met Office's roll-out of automated stations. This would potentially automate the carrying out of the morning readings and might also allow the automation of the afternoon readings to reintroduce the 'weather slot' but this would all be subject to detailed discussions with the Met Office.

This would require the ongoing budget of £1,500 p.a. in Planning Services and ongoing access to the staffing resources required to undertake the manual readings. The City Council would have to finance the provision of an electrical supply for the automated equipment at a cost of approximately £800 p.a. although automation might reduce some of the ongoing staffing costs required for manual readings. It is possible therefore, that the cost for electrical supply will be contained within the existing budget.

Option 2 – Extend the Existing Service

This option is to extend the service to reintroduce the afternoon readings in order to try to secure the 'weather slot' through Meteogroup. As previously mentioned there is no guarantee that the information supplied to Meteogroup would be used by any national newspapers. There is also the view that the value of the 'weather slot' is limited and that destination choices are based on more up to date information about local weather conditions.

This would require an additional budget of £1,500 p.a. (over and above the existing provision) and assumes that additional staffing resources would be available to carry out the afternoon readings every day of the year. The staff providing the extended service would find this very onerous as this would require them to undertake readings twice per day including weekends and bank holidays. A review would be required of the number of staff needed to deliver this service and the indications are that volunteers would be very difficult to recruit.

Option 3 – Discontinue the Existing Service

This option is to implement the decision previously approved by Cabinet and terminate the provision of the whole meteorological service. This would result in information no longer being provided to the Met Office, The Visitor, other services and members of the public.

Information is currently available from the following web sites that provide information on local weather conditions: -

http://www.morecambe-weather.info/index.asp http://www.wunderground.com/weatherstation/WXDailyHistory.asp?ID=ILANCASH5

There is also a link on the tourism website <u>www.citycoastcountryside.co.uk</u> to the BBC weather forecast for the district.

The provision of data for the maintenance of sea and river defences is no longer

essential as this is available from other data sources and improvements to the environmental monitoring station are planned that will include the facility to display information on the web for remote monitoring. As previously mentioned the weather parameters of interest to the coastal team are not recorded in real time by the in house weather service discussed in this report. The data supplied for shellfish and bathing water samples is available from the Environment Agency as previously mentioned.

The removal of the weather station from the front of Morecambe Town Hall would require discussions with United Utilities over their automated rain gauge that is also located within the weather station enclosure.

This option would save approximately £1,500 per annum in the 2010/11 Draft Budget and future years.

Discontinue the Existing Service and Install Web Cams

This option is to again terminate the provision of the whole meteorological service but to introduce the use of web cams as another alternative source of providing weather information.

Some resorts are already using webcams linked to local authority or local tourism web sites to show weather conditions in real time. Tourism officers believe this is a more appropriate method of promoting Morecambe and the surrounding district and some preparatory work has already been undertaken to determine the associated costs.

As previously mentioned there is no budgetary provision for the one–off purchase and installation of web cams and this would require a growth item in the 2010/11 Draft Budget. However, the £1,500 per annum revenue saving in 2010/11 from discontinuing the existing service could be re-allocated leaving a one-off shortfall in the region of £1,500. It is expected that there will be an annual revenue saving from 2011/12 onwards, however it is not possible to quantify what this will be until the ongoing annual running and ad-hoc maintenance costs associated with the web cams have been determined.

The officer preferred option is Option 3 to discontinue the existing service.

The main beneficiary of the existing service is the Met Office due to the weather data that is supplied to them. The internal services who are supplied with information can obtain this from other sources and the coastal team are planning improvements to their environmental monitoring station for the weather parameters used for coastal monitoring. The methodology for collecting the manual data under the current arrangements is time consuming and is very onerous on the limited number of staff who provide the service.

The tourism benefits from the introduction of the afternoon readings and the 'weather slot' are not quantifiable as there is no evidence that visitors will visit a destination because of the previous day's weather. The decision to re-allocate the existing budget and to request a one-off growth item for 2010/11 for the installation of web cams is a matter for Cabinet to consider.

Members considered responses to the consultation on the future of the Meteorological Station which had been received since the publication of the report. These included a

response from the Met Office, appended to these minutes, which set out plans for the Morecambe weather station to be automated, confirming that funding was already in place to automate the station between 1 Apr 2010 and 31 Mar 2011 with all the costs of the installation of automatic equipment and provision of electrical supply being met by the Met Office.

Councillor Thomas proposed, seconded by Councillor Blamire:-

"(1) That Cabinet accepts the offer from the Met Office and works with the Met Office on the automation of the Morecambe Weather Station, which will enable the City Council to cease funding the Morecambe Weather Station when the new automated Station is installed."

Members then voted: -

Resolved unanimously:

(1) That Cabinet accepts the offer from the Met Office and works with the Met Office on the automation of the Morecambe Weather Station, which will enable the City Council to cease funding the Morecambe Weather Station when the new automated Station is installed.

Officers responsible for effecting the decision:

Corporate Director (Regeneration). Head of Property Services.

Reasons for making the decision:

The decision takes account of the information received from the Met Office. It will ensure that the Weather Station remains in Morecambe and that the City Council's funding of the Station will cease when the new automated arrangements are installed during the financial year 2010/11.

126 MERGER OF THE LANCASTER AND MORECAMBE CABINET LIAISON GROUP

(Cabinet Member with Special Responsibility Councillor Archer)

The Head of Democratic Services submitted a report that informed Members of progress with the merger of the Lancaster and District Chamber Liaison Group and the Morecambe Retail, Commercial and Tourism Cabinet Liaison Group. The report requested the approval of terms of reference for the newly merged Group, which would be known as the Business Cabinet Liaison Group.

Councillor Archer proposed, seconded by Councillor Kerr:-

"That the recommendations, as set out in the report, be approved."

Members then voted: -

Resolved unanimously:

(1) That the merger of the Lancaster and District Chamber Liaison Group and the Morecambe Retail, Commercial and Tourism Cabinet Liaison Group, to become the Business Cabinet Liaison Group, be noted.

- (2) That it be noted that Morecambe Hotel and Tourism Association, the Bay Tourism Association, Carnforth and District Chamber of Trade and the Lancaster District Federation of Small Businesses have all been invited to participate in the Business Cabinet Liaison Group by the Cabinet Member for the Economy.
- (3) That the terms of reference for the Business Cabinet Liaison Group be approved as:-

"To enable the City Council and representatives from business organisations in the District to liaise and consider items affecting the local economy."

Officer responsible for effecting the decision:

Head of Democratic Services.

Reasons for making the decision:

The decision is in accordance with the Council's Constitution, particularly paragraph 2.9 (e), Cabinet Procedure Rules, which require each Cabinet Liaison Group to have its terms of reference and expected outputs approved by Cabinet before it meets.

127 1 DALTON SQUARE, LANCASTER

(Cabinet Member with Special Responsibility Councillor Thomas)

The Corporate Director (Regeneration) submitted a report that requested consideration of the terms for the disposal of 1 Dalton Square, Lancaster. The report also advised Members that the freehold interest in the property had been marketed with informal tenders to be received by noon on Monday 15 February 2010 with a guide price of £170,000.

The options, options analysis, including risk assessment and officer preferred option, were set out in the report as follows: -

Option 1 - To sell 1 Dalton Square, Lancaster by tender, with a guide price of £170,000 agreed with the property agent and to agree to the payment of the property agent's fees and to authorise the relevant officers to complete the sale. This would be in accordance with the Council's approval to dispose of surplus properties. The sale of the property would result in an empty property being brought back into use and the council receiving a capital receipt. This would also prevent the property deteriorating further whilst avoiding further expenditure in retaining the building.

Option 2 - Not to sell the property. This would not be accordance with the Council's approval to dispose of surplus premises, as the premises are listed in the General Fund Disposal schedule. The City Council would be left with recurring management liabilities and costs as the condition of the property deteriorates further.

Option 1 was the preferred for the reasons outlined above and that Cabinet approves the disposal by informal tender and to authorise the relevant officers to complete the sale.

The Head of Property Services advised Members that, since the publication of the report, the deadline for informal tenders had closed. To enable discussion of the result of the informal tender process, Councillor Langhorn moved:-

"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 item of business, on the grounds that it could involve the possible disclosure of exempt information as defined in paragraph 3 of Schedule 12A of that Act."

With the consent of the meeting, it was:-

Resolved unanimously:

(1) 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 item of business, on the grounds that it could involve the possible disclosure of exempt information as defined in paragraph 3 of Schedule 12A of that Act.

Members were informed by the Head of Property Services that an acceptable offer had been received on the property.

It was then proposed by Councillor Thomas and seconded by Councillor Archer:-

"(1) That the property be declared surplus to council requirements and that the acceptable offer received through the informal tender process on 1 Dalton Square, Lancaster, be accepted."

Members then voted:-

Resolved unanimously:

(1) That the property be declared surplus to council requirements and that the acceptable offer received through the informal tender process on 1 Dalton Square, Lancaster, be accepted.

Officers responsible for effecting the decision:

Corporate Director (Regeneration). Head of Property Services.

Reasons for making the decision:

The decision is in accordance with the Council's Corporate Property Strategy to dispose of surplus properties that do not contribute to delivering the Council's corporate priorities. The sale of the property will result in an empty property being brought back into use and the council receiving a capital receipt. This will also prevent the property deteriorating further and the Council incurring further expenditure maintaining the

building.

(At the close of this item, the exclusion was lifted and members of the press and public were re-admitted to the meeting.)

128 AUCTION MART CAR PARK, THURNHAM STREET, LANCASTER

(Cabinet Member with Special Responsibility Councillor Thomas)

The Corporate Director (Regeneration) submitted a report that sought Members approval for officers to work up a scheme with University Hospitals of Morecambe Bay NHS Trust for the development of an interceptor car park on NHS land and report back to Members on the outcome of this work.

The options, options analysis, including risk assessment and officer preferred option, were set out in the report as follows:

Option 1 – Officers work with the University Hospitals of Morecambe Bay NHS Trust to work up a scheme on NHS land which would serve the needs of both the hospital and act as an interceptor car park to meet the need highlighted through the Faber Maunsell report. The outcome of this work will be reported back to Members and into the decision making process of the NHS Trust. Further consultation will be required on this proposal with the parties mentioned earlier in the report. An interceptor car park close to the Pointer roundabout would in turn negate the need to provide a similar facility on City Council land and remove a larger number of vehicles from the gyratory system. This scheme would be an opportunity to work in partnership with the Health Authority and potentially reduce costs for both parties. If an interceptor car park on NHS land is a possibility and after a review of long stay car parking in the City is complete, then the result may be that the Auction Mart car park could be declared surplus and a redevelopment proposal is sought which would fit with the local development plan whilst producing best value.

Option 2 — Officers do not work with the Health Authority and each party works in isolation. This would be a missed opportunity to develop an alternative interceptor car park at the southern end of the City. Building a multi storey car park requires a large capital input. An estimated build cost of £15,000 per car parking space has previously been obtained which would require capital input of around £11,250,000 on a 750 space car park or £6,000,000 on a 400 space car park. As outlined in previous reports the City Council would have to use prudential borrowing to finance an interceptor car park, which would have revenue impact on the City Council budgets, but there are real concerns regarding the affordability, sustainability and prudence of the Council considering such an option, given current and expected financial pressures.

The Officer preferred option was Option 1 for the reasons outlined above. Working with the NHS Trust to explore ideas may bring benefits to both parties and develop a scheme which will benefit the City. In addition it may produce new options for the Auction Mart site.

Councillor Thomas moved, seconded by Councillor Blamire:-

"That the recommendations in the report be approved."

Members then voted: -

Resolved unanimously:

(1) That the information outlined in the report be noted.

(2) That officers be instructed to work with the NHS to develop a scheme for an interceptor car park on their own land on the basis that if a suitable scheme can be prepared, then the council's Auction Mart car park could be sold for future development.

Officers responsible for effecting the decision:

Corporate Director (Regeneration). Head of Property Services.

Reasons for making the decision:

The decision to work with the NHS Trust to develop a scheme may bring benefits to both parties as well as benefits to the City. In addition, it may produce new options for the Auction Mart site. This is consistent with the Council's corporate priority to progress partnership working to support delivering the Sustainable Community Strategy.

129 2009/10 3RD QUARTER CORPORATE PERFORMANCE REVIEW

(Cabinet Member with Special Responsibility Councillor Langhorn)

Cabinet considered a report of the Leader to consider the highlight report in respect of the third quarter of Performance Review Team meetings for 2009/10 recently undertaken by individual cabinet members.

It was reported that the third quarter of individual Cabinet member Performance Review Team (PRT) meetings for 2009/10 had taken place between 25th January and 5th February 2010. Each meeting monitored progress against the action sheets drawn up for the previous round of meetings.

The Corporate PRT highlight report would be considered by the Leader on 12th February 2010, and by the Budget & Performance Panel on 23rd February 2010.

Councillor Langhorn proposed, and Councillor Kerr seconded:-

"That the report be noted."

Members then voted: -

Resolved unanimously:

(1) That the report be noted.

Officer responsible for effecting the decision:

Corporate Director (Finance and Performance).

Reasons for making the decision:

The Council's Performance Management Framework now requires the regular reporting of performance into both the Budget & Performance Panel and Cabinet as part of the Performance Review Team cycle of meetings.

130 GROWTH BID FOR REINSTATEMENT OF FUNDING LEVELS FOR ARNSIDE/SILVERDALE AND FOREST OF BOWLAND AONBS AND WARTON CRAG AND TROWBARROW LOCAL NATURE RESERVES

(Cabinet Member with Special Responsibility Councillor Barry)

The Corporate Director (Regeneration) submitted a report requested by the Cabinet Member to seek agreement to reinstate the planned contributions to the running of the Arnside/Silverdale AONB, and Forest of Bowland AONB Units, and the Countryside Projects budget for wardening services at the Council's Local Nature Reserves.

The options, options analysis, including risk assessment and officer preferred option, were set out in the report as follows:

Option 1: Not to make any changes to the reduced budgets. This would result in a subsequent reduction in funding from Natural England for core activities and hence a need to reduce progress in implementing the two AONB Management Plans. This would conflict with the Councils vision and stated aims to manage the environment in the district to the highest standards. It would also create a considerable risk for the authority in corporate management terms by increasing the risk of an adverse Health and Safety incident on either of the Local Nature Reserves.

Option 2: To reinstate the planned contributions to the AONB operations and the Countryside Projects budget, for consideration as growth as part of the 2010/11 budget. This would avoid a cut in future contributions from Natural England, and enable the AONB Units to continue implementing the local authorities management plans for the AONB's to current timescale. It would also reduce the risk of Health and Safety incidents at the Local Nature Reserves to a mitigated level.

The Officer preferred option is Option 2.

Councillor Barry proposed, seconded by Councillor Blamire:-

"That the recommendations in the report be approved."

Members then voted: -

Resolved unanimously:

- (1) That the contribution to the operation of the Arnside/Silverdale AONB Unit be reinstated to £14,300 in 2010/11 with normal increases for inflation in subsequent financial years, and the resulting growth be included in Cabinet's budget proposals.
- (2) That the contribution to the operation of the Forest of Bowland AONB Unit be reinstated to £6,900 in 2010/11 with normal increases for inflation in subsequent

financial years, and the resulting growth be included in Cabinet's budget proposals.

(3) That the Countryside Projects budget for wardening at Warton Crag and Trowbarrow Local Nature Reserves be increased to £9,900 for 2010/11 with normal increases for inflation in subsequent financial years, and the resulting growth be included in Cabinet's budget proposals.

Officers responsible for effecting the decision:

Corporate Director (Regeneration)
Head of Planning Service
Head of Financial Services.

Reasons for making the decision:

The decision will avoid a cut in future contributions from Natural England, and enable the AONB Units to continue implementing the local authorities management plans for the AONB's to current timescale. It would also reduce the risk of Health and Safety incidents at the Local Nature Reserves to a mitigated level.

131 SHARED SERVICES PROGRAMME

(Cabinet Member with Special Responsibility Councillor Langhorn)

The Corporate Director (Finance and Performance) submitted a report on progress made to date in developing a shared services programme for the Council and to seek agreement to proposals regarding the management for Revenues and Benefits.

The options, options analysis, including risk assessment and officer preferred options and comments, were set out in the report as follows:

In respect of the proposed shared Revenues and Benefits arrangements:-

Option 1

To endorse the framework agreed by the joint officer Project Board to develop shared services arrangements as set out in the report. Whilst there are risks attached that could impact on the performance of the service, it is felt that these can be managed and the proposal overall represents a way of achieving greater value for money in this service area.

Option 2

Not to endorse the framework. This would lose a potential opportunity and other options would need to be explored.

Option 3

To recommend to the Project Board an alternative framework. Again, any alternatives would need further consideration.

The preferred option is option 1. This would provide a mutually acceptable framework for

progressing and implementing the shared Revenues and Benefits service project. This would deliver efficiencies and savings for both council's to the extent already provided in the draft revenue budget and offer opportunities for further savings and improvement

In respect of Options for other shared services/joint working with local authorities and other partners:-

Option 1

Option 1 is to note the progress being made as outlined in section 3 above and request officers to continue to develop shared service /joint working opportunities

Option 2

Option 2 is note progress made to date but request officers to continue developing an amended or revised schedule of opportunities

The preferred option is option 1. This would allow officers to continue developing efficiency opportunities within the service activities already identified with a view to bringing forward further options for meeting the council's medium term financial strategy's targets

Councillor Langhorn moved, seconded by Councillor Mace:-

"That the recommendations in the report be approved."

Members then voted: -

Resolved unanimously:

- (1) That Cabinet notes the progress made to date in developing a Shared Services Programme for the Council.
- (2) That Cabinet approves the arrangements for the provision of management services from Preston City Council for Revenues and Benefits, as outlined in the report.
- (3) That officers continue developing partnership opportunities for achieving service improvements and efficiencies as set out in section 3 of the report with a view to reporting back to a future meeting of Cabinet as appropriate.

Officer responsible for effecting the decision:

Corporate Director (Finance and Performance).

Reasons for making the decision:

Much work has been undertaken in identifying and developing opportunities that would see the Lancaster District benefit from shared services/joint working with partner organisations. Proceeding with the programme of opportunities so far identified is likely to offer realistic choices for the Cabinet to achieve further improvements and efficiencies to help the council meet the challenges and financial targets that it will face in the

immediate future and beyond.

132 TREASURY MANAGEMENT STRATEGY 2010/2011

(Cabinet Member with Special Responsibility Councillor Thomas)

The Head of Financial Services submitted a report setting out the position regarding the 2010/11 to 2012/13 Treasury Management Strategy for Cabinet's approval. The report also informed Members that, further to the difficulties experienced in the Icelandic banking collapse and the wider banking crisis generally, the CIPFA Code of Practice on Treasury Management was updated in November 2009 and, as a result, several specific changes had been made. The report therefore recommended that the updated Code be adopted by the Council and that the Treasury Management Policy Statement, attached to the report as Appendix B, and the Treasury Management Strategy for the period 2010/11 to 2012/13, attached to the report as Appendix C, be approved.

The options, options analysis, including risk assessment and officer preferred options, were set out in the report as follows:

As part of the adoption of the updated CIPFA Code of Practice on Treasury Management it is a statutory requirement that the Authority has a Treasury Management Strategy Statement and Investment Strategy. In this regard, Cabinet may put forward alternative proposals or amendments to the proposed documents, but these would have to be considered in light of legislative, professional and economic factors, and importantly, any alternative views regarding the Council's risk appetite. As such, no further options analysis is available at this time.

Furthermore, the Strategies must fit with other aspects of Cabinet's budget proposals, such as investment interest estimates and underlying prudential borrowing assumptions, feeding into Prudential and Treasury Management Indicators. It should be noted that the Prudential Indicators will also be covered in the Budget report, elsewhere on this agenda.

The Officer preferred options are as reflected in the recommendations to the report. This is based on the Council having a low risk appetite regarding investments, and it takes into account the requirements of the new Code.

Councillor Thomas proposed, and Councillor Langhorn seconded:-

"That the recommendations in the report be approved."

Members then voted: -

Resolved unanimously:

- (1) That Council be recommended to adopt the updated Code of Practice as reflected in Appendix A of the report.
- (2) That Council be recommended to approve the Treasury Management Policy Statement as set out at Appendix B of the report.
- (3) That Council be recommended to approve the Treasury Management Strategy

for the period 2010/11 to 2012/13 as set out in Appendix C of the report, incorporating the Investment Strategy and Treasury Management Indicators, and as updated for Cabinet's final budget proposals.

Officers responsible for effecting the decisions:

Corporate Director (Finance and Performance). Head of Financial Services.

Reasons for making the decision:

The CIPFA Code of Practice on Treasury Management was adopted by Council in 2002 and has now been updated. It is a requirement of the CIPFA Code of Practice on Treasury Management that a strategy outlining the expected treasury activity for the forthcoming 3 years is adopted and that this be reviewed at least annually. The strategy is based on the Council having a low risk appetite regarding investments, and it takes into account the requirements of the new Code of Practice on Treasury Management.

133 ITEM OF URGENT BUSINESS - LANCASTER MARKET

(Cabinet Member with Special Responsibility Councillor Thomas)

In accordance with Section 100B(4) of the Local Government Act 1972, the Chairman agreed to consider the following report, which was exempt from publication by virtue of paragraph 3 of Schedule 12A of the Local Government Act 1972, as an item of urgent business. The reason for urgency was that a decision needed to be taken at the earliest possible stage to resolve uncertainty over the Market's future.

It was noted that the Chairman of Overview and Scrutiny had given his agreement, under Rule 16 of the Council's Access to Information Rules, for Cabinet to consider this key decision, which was not in the Council's Forward Plan, as the taking of the decision could not reasonably be deferred.

The report had been drafted immediately prior to the meeting and Members required time to read the papers that had been put before them. The Chairman therefore proposed, with the agreement of the meeting, that the meeting be adjourned for lunch and to allow time to read the report.

(The meeting adjourned at 12pm and re-convened at 12.35pm.)

It was moved by Councillor Langhorn and seconded by Councillor Kerr:-

"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 item of business, on the grounds that it could involve the possible disclosure of exempt information as defined in paragraph 3 of Schedule 12A of that Act."

Members then voted:-

Resolved unanimously:

(1) 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 item of business, on the grounds that it could involve the possible disclosure of exempt information as defined in paragraph 3 of Schedule 12A of that Act.

Members considered the options, options analysis including risk assessment and officer preferred option, which were all set out in the exempt report.

After questions from Members, the Chairman proposed a further short adjournment, with the agreement of the meeting.

(The meeting adjourned at 1.50pm and re-convened at 2.05pm.)

It was proposed by Councillor Thomas and seconded by Councillor Langhorn:-

- "(1) That approval be given to a letting of the Market Hall, Lancaster to a single retailer on the basis set out in the report, subject to the revenue and capital implications identified within the report being approved by Full Council as part of the 2010/11 budget process. Such report (to Full Council) to include a cashflow forecast.
- (2) That, subject to that approval by Full Council, in order to facilitate the letting to a single retailer, whether in accordance with the proposal in recommendation (1) or to any alternative single trader should that proposal fail to materialise, approval be given to serve notices to terminate the leases/licences to existing market traders.
- (3) That subject to recommendation (1) being approved, further reports be made on the staffing implications of operating the markets.
- (4) That the opportunity to increase the number of days on which the Charter Market operates be investigated.
- (5) That subject to recommendation (1) being approved, in accordance with the council's Financial Regulations, approval be given to an exception to the Contract Procedure Regulations to enable the appointment of Cushman Wakefield to undertake the design/project management work on the Market Hall building."

Members then voted:-

Resolved:

- (6 Members (Councillors Ashworth, Blamire, Kerr, Langhorn, Mace and Thomas) voted in favour, 2 Members voted against (Councillors Barry and Fletcher) and 1 Member (Councillor Archer) abstained)
- (1) That approval be given to a letting of the Market Hall, Lancaster to a single retailer on the basis set out in the report, subject to the revenue and capital implications identified within the report being approved by Full Council as part of the 2010/11 budget process. Such report (to Full Council) to include a cashflow forecast.

(2) That, subject to that approval by Full Council, in order to facilitate the letting to a single retailer, whether in accordance with the proposal in recommendation (1) or to any alternative single trader should that proposal fail to materialise, approval be given to serve notices to terminate the leases/licences to existing market traders.

- (3) That subject to recommendation (1) being approved, further reports be made on the staffing implications of operating the markets.
- (4) That the opportunity to increase the number of days on which the Charter Market operates be investigated.
- (5) That subject to recommendation (1) being approved, in accordance with the council's Financial Regulations, approval be given to an exception to the Contract Procedure Regulations to enable the appointment of Cushman Wakefield to undertake the design/project management work on the Market Hall building.

Officers responsible for effecting the decision:

Corporate Director (Regeneration) Head of Property Services

Reasons for making the decision:

The decision taken is in line with the previous decision of Cabinet to try to procure a single retailer for Lancaster Market Hall in an effort to reduce the budgetary deficit.

(At the close of this item, the exclusion was lifted and members of the press and public were re-admitted to the meeting.)

134 BUDGET & POLICY FRAMEWORK 2010/2011

(Cabinet Member with Special Responsibility Councillor Thomas)

(It was noted that Mr T Hamilton-Cox, had spoken to this item at the start of the meeting in accordance with the City Council's agreed procedure for public speaking at Cabinet.)

The Corporate Director (Finance and Performance) and Head of Financial Services submitted a joint report to inform Cabinet of the latest position following Council's consideration of the Budget and Policy Framework at its meeting held on 3 February, and to make recommendations back to Council in order to complete the budget setting process for 2010/11.

The options, options analysis, including risk assessment and officer preferred option and comments, were set out in the report as follows:

Corporate Plan and Priorities

Cabinet has the option of updating the proposed priorities to take account of the consultation and other information. In doing so, the impact and scope for any redirection

of resources must be considered, particularly should any major changes be proposed.

Funding Assumptions and Achieving a Balanced Capital Programme

The broad options for achieving a balanced programme are set out below and are very much dependent on Members' views on spending priorities. As such, a full options appraisal and risk assessment cannot be completed until budget proposals are known in more detail. That said, the basic options for achieving savings include:

- removing schemes from the draft programme, taking account of service needs and priorities;
- reducing proposed net expenditure on schemes, where possible;
- generating or allocation additional capital resources (e.g. receipts, direct revenue financing, use of reserves or borrowing), within affordable limits;
- deferring projects into later years although this would not help with the overall fiveyear programme unless schemes were deferred until after 2014/15.

Should surplus resources be available, these could be used:

- to repay borrowing, or to reduce the call on the revenue budget;
- to fund new capital schemes;
- to make provision for other anticipated liabilities.

As referred to in earlier reports, setting a balanced capital programme is an iterative process, essentially balancing service delivery impact and aspirations against what the Council can (and is prepared to) afford. The programme attached represents the outcome of the work undertaken to date.

In deciding the way forward, Cabinet is asked also to take into account the relevant basic principles of the Prudential Code, which are:

- that the capital investment plans of local authorities are affordable, prudent and sustainable, and
- that local strategic planning, asset management planning and proper options appraisal are supported.

Revenue Budget

As Council has now determined the City Council Tax Rate for 2010/11, there are no options to change the total net revenue budget for next year (recommended at £24.740M) but Cabinet now needs to put forward detailed budget proposals that add back to that amount. Detailed options would be dependent very much on Members' views on spending priorities and as such, a full options analysis could only be undertaken once any alternative proposals are known and it should be noted that Officers may require more time in order to do this. The Head of Financial Services (as s151 Officer) would advise as strongly as possible that emphasis should be very much on achieving recurring reductions to the revenue budget, and avoiding any "unidentified" savings targets that undermine the robustness of the budget and financial planning arrangements generally.

With regard to the use of any surplus balances (such as the £9K currently identified), Cabinet could put forward alternative arrangements for their use, bearing in mind that these are one-off resources.

Future Years' Council Tax Targets

In terms of target Council Tax increases for future years and Government's position on capping, it is felt that there is little scope for increasing targets much above the 3.75% approved for next year. Current and prospective Governments have made it very clear regarding their future expectations for low increases and this should be taken into account. In considering any lower target, Members should have regard to the impact on service delivery, the need (and capacity) to make savings or to provide for growth, and the impact on subsequent years – as well as the implications for tax payers.

Officer preferred option and comments

The recommendations as set out are in line with Officer recommendations.

Recommendations put forward by Cabinet should fit with any external constraints and the budgetary framework already approved. The recommendations as set out meet these requirements; the detailed supporting budget proposals are then a matter for Members.

It was moved by Councillor Langhorn and seconded by Councillor Kerr:-

- "(1) That Cabinet notes the information and feedback from consultees and other sources regarding its draft corporate priorities and approves the 4 priorities included in Appendix A of the report, as the basis for drafting the 2010/11 Corporate Plan.
- (2) That the 2010/11 draft Corporate Plan be considered further at Cabinet's March meeting prior to referral on to Council in April."

Councillor Langhorn then moved, seconded by Cllr Kerr:-

- "(3) That the 2009/10 revised budget of £24.046M be referred on to Council for approval, with the net overspending of £47K being met from balances.
- (4) That Cabinet approves the policy on provisions and reserves as included at Appendix B of the report, as updated for Cabinet's final budget proposals.
- (5) That Cabinet notes the position regarding estimated Collection Fund surpluses.
- (6) That Council be recommended to approve the General Fund Revenue Budget at £24.740M for 2010/11, excluding parish precepts.
- (7) That Cabinet approves the budget proposals summarised at Appendix E of the report, to ensure a balanced revenue budget for 2010/11, and for referral on to Council for approval.
- (8) That Cabinet agrees an annual increase in Council Tax of 3.75% for years 2011/12 and 2012/13 for inclusion in the medium term financial strategy.
- (9) That Cabinet approves the Capital Investment Priorities for 2010/11 onwards, included at Appendix G (Section 3) of the report.
- (10) That the Renewals Reserve be used to finance any shortfall in funding over the period of the capital programme subject to no new significant commitments being added to the draft programme.

(11) That in line with recommendation (9) above, Cabinet approves the Capital Programme, as set out in Appendix H of the report and that this be referred on to Council for approval.

- (12) That the associated Prudential Indicators in Appendix I of the report be updated accordingly and be referred on to Council for approval.
- (13) That the Medium Term Financial Strategy, covering both revenue and capital investment, be updated in line with Cabinet's budget proposals and be referred on to Council for approval."

By way of amendment to (7), Councillor Barry proposed and Councillor Fletcher seconded:

"That the refuse vehicle tracking system £111,000 be removed from next years budget, spending £20,000 on reversing funding cuts to the Dukes in 2010/11 and putting the remaining £91,000 into reserves for future years funding and that the £12,000 revenue cost for the refuse vehicle tracking system in 2011/2012 and the £12,000 revenue cost in 2012/13 be used to fund the Dukes in those two years."

(At this point in the meeting, Councillors Ashworth and Blamire declared personal and prejudicial interests as Members of the Board of the Dukes and left the meeting prior to consideration of the rest of this item. Councillor Langhorn declared a personal interest in DT3 in view of his son's attendance at DT3.)

Members then requested a separate vote on the two proposals contained within the amendment. To allow this, Councillor Barry, with the consent of his seconder and of the meeting, revised his amendment accordingly:-

- "(1) That the costs for the refuse vehicle tracking system be removed from the budget and funds put back into balances 2010/11.
- (2) That £20,000 be granted to the Dukes for 2010/11 and £12,000 granted each year for 2011/12 and 2012/13."

Members then voted on part (1) of the amendment:-

Resolved:

(5 Members (Councillors Archer, Barry, Fletcher, Mace and Thomas) voted in favour, 1 Member (Councillor Langhorn) voted against and 1 Member (Councillor Kerr) abstained)

(1) That the costs for the refuse vehicle tracking system be removed from the budget and funds put back into balances in 2010/11.

Upon a vote being taken on part (2) of the amendment, 3 Members voted for the proposal (Councillors Barry, Fletcher and Thomas) and 4 Members voted against (Councillor Archer, Kerr, Langhorn and Mace) whereupon the Chairman declared the proposal in part (2) of the amendment lost.

(Councillors Ashworth and Blamire rejoined the meeting at this point.)

Members voted on the substantive motion, as amended, as follows:-

Resolved:

(8 Members (Councillors Archer, Ashworth, Barry, Blamire, Fletcher, Kerr, Langhorn and Thomas) voted in favour and 1 Member (Councillor Mace) abstained)

- (1) That Cabinet notes the information and feedback from consultees and other sources regarding its draft corporate priorities and approves the 4 priorities included in Appendix A of the report, as the basis for drafting the 2010/11 Corporate Plan.
- (2) That the 2010/11 draft Corporate Plan be considered further at Cabinet's March meeting prior to referral on to Council in April."

Resolved:

(5 Members (Councillors Archer, Ashworth, Kerr, Langhorn and Thomas) voted in favour and 4 Members (Councillors Barry, Blamire, Fletcher and Mace) abstained)

- (3) That the 2009/10 revised budget of £24.046M be referred on to Council for approval, with the net overspending of £47K being met from balances.
- (4) That Cabinet approves the policy on provisions and reserves as included at Appendix B of the report, as updated for Cabinet's final budget proposals.
- (5) That Cabinet notes the position regarding estimated Collection Fund surpluses.
- (6) That Council be recommended to approve the General Fund Revenue Budget at £24.740M for 2010/11, excluding parish precepts.
- (7) That Cabinet approves the budget proposals summarised at Appendix E of the report, as amended, to ensure a balanced revenue budget for 2010/11, and for referral on to Council for approval.
- (8) That Cabinet agrees an annual increase in Council Tax of 3.75% for years 2011/12 and 2012/13 for inclusion in the medium term financial strategy.
- (9) That Cabinet approves the Capital Investment Priorities for 2010/11 onwards, included at Appendix G (Section 3) of the report.
- (10) That the Renewals Reserve be used to finance any shortfall in funding over the period of the capital programme subject to no new significant commitments being added to the draft programme.
- (11) That in line with recommendation (9) above, Cabinet approves the Capital Programme, as set out in Appendix H of the report and that this be referred on to Council for approval.

(12) That the associated Prudential Indicators in Appendix I of the report be updated accordingly and be referred on to Council for approval.

(13) That the Medium Term Financial Strategy, covering both revenue and capital investment, be updated in line with Cabinet's budget proposals and be referred on to Council for approval.

Officers responsible for effecting the decision:

Corporate Director (Finance and Performance) Head of Financial Services

Reasons for making the decision:

The decisions taken by Cabinet are necessary at this stage to take forward the budget setting process for 2010/11 to full Council and set the financial planning framework for future years. The budget proposals are consistent with delivering the Council's corporate priorities.

135 EXCLUSION OF THE PRESS AND PUBLIC

(The Corporate Director (Finance and Performance), Corporate Director (Community Services) and Head of Financial Services left the meeting in view of their personal and prejudicial interest in the following item.)

The Chairman asked for any further declarations of interest from Cabinet Members regarding the exempt report.

It was moved:-

"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 item of business, on the grounds that it could involve the possible disclosure of exempt information as defined in paragraphs 1 and 2 of Schedule 12A of that Act."

Members then voted as follows:-

Resolved unanimously:

(1) 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 item of business, on the grounds that it could involve the possible disclosure of exempt information as defined in paragraphs 1 and 2 of Schedule 12A of that Act.

136 SENIOR MANAGEMENT RESTRUCTURE

(Cabinet Members with Special Responsibility Councillors Blamire and Thomas)

The Chief Executive submitted a report which was exempt from publication by virtue of paragraphs 1 and 2 of Part 1 of Schedule12A of the local Government Act 1972.

The options, options analysis, including risk assessment and officer preferred option,

were all set out in the exempt report.

It was moved by Councillor Langhorn and seconded by Councillor Thomas:-

"(1) That the changes to the structure of the Council Housing and Health and Strategic Housing Services take place in a timely manner to assist the development of a Choice Based Lettings and introduction of a Housing Options Service.

- (2) That the re-designation of City Council (Direct) Services takes place from 1 April 2010.
- (3) That the responsibility for Revenues is merged with other Financial Services from 1 April 2010.
- (4) That further consideration be given to the capacity issues and organisation of the other resources functions of Information Services, Property Services and Human Resources, in the context of the issues surrounding capacity and the appointment of Statutory Officers and also the capacity issues at Corporate Director level.
- (5) That the first phase in the changes to the Corporate Director posts be considered in relation to the above proposals and phased in by April 2011.
- (6) That officers explore the potential for in-house consultancy and/or reduced-hours working as part of the senior management restructure.
- (7) That a further report be presented to Members setting out the results of recommendations 4, 5 and 6 above, together with the relevant financial implications."

Members then voted:-

Resolved unanimously:

- (1) That the changes to the structure of the Council Housing and Health and Strategic Housing Services take place in a timely manner to assist the development of a Choice Based Lettings and introduction of a Housing Options Service.
- (2) That the re-designation of City Council (Direct) Services takes place from 1 April 2010.
- (3) That the responsibility for Revenues is merged with other Financial Services from 1 April 2010.
- (4) That further consideration be given to the capacity issues and organisation of the other resources functions of Information Services, Property Services and Human Resources, in the context of the issues surrounding capacity and the appointment of Statutory Officers and also the capacity issues at Corporate Director level.

(5) That the first phase in the changes to the Corporate Director posts be considered in relation to the above proposals and phased in by April 2011.

- (6) That officers explore the potential for in-house consultancy and/or reduced-hours working as part of the senior management restructure.
- (7) That a further report be presented to Members setting out the results of recommendations 4, 5 and 6 above, together with the relevant financial implications.

Officers responsible for effecting the decision:

Chief Executive

Reasons for making the decision:

The report updated Cabinet on progress with the Senior Management Restructure, as requested by Cabinet Members, and provided an opportunity for input from Cabinet on issues arising from the consultation exercise with Chief Officers in advance of consideration by the Personnel Committee.

	Chairman	

(The meeting ended at 3.30 p.m.)

Any queries regarding these Minutes, please contact
Debbie Chambers, Democratic Services, telephone 01524 582057 or email
dchambers@lancaster.gov.uk

MINUTES PUBLISHED ON FRIDAY 19 FEBRUARY 2010.

EFFECTIVE DATE FOR IMPLEMENTING THE DECISIONS CONTAINED IN THESE MINUTES: MONDAY 1 MARCH 2010.



11 February 2010

Future of Morecambe's weather station: Met Office case for maintaining the existing service (Option 1)

The Met Office submits the information below in response to the Cabinet Report concerning the future of Morecambe's weather station.

Climatological value of the weather data

The site at Morecambe has excellent exposure and a long history back to 1915. As such the site is recognised by the Met Office as having significant climatological value.

The Council's continued cooperation provides data that is extremely useful in supporting the Met Office's ongoing monitoring and studies of climate change. As the UK's foremost climate research centre, the Met Office Hadley Centre plays a key role in the Intergovernmental Panel on Climate Change (IPCC). Indeed, within the Fourth IPCC Assessment Report we were the single most influential scientific contributor to the Working Group I report on The Physical Science Basis of Climate Change; a significant contributor to the Working Group II report on impacts, adaptation and vulnerability; and our scientists were lead authors on the summary report.

By supporting the work of the Met Office, the Council is itself contributing to this important Intergovernmental research on Climate Change.

Planned automation of the weather station

The Met Office can confirm that funding is already in place to automate the station at Morecambe between 1 Apr 2010 and 31 Mar 2011.

All the costs of the installation of automatic equipment and provision of electrical supply would be met by the Met Office. The automatic weather station in front of the town hall would be powered using a solar panel; only the sunshine sensor on the roof would require a low voltage electricity supply. Data would most likely be transmitted to the Met Office using a GSM mobile phone antenna. The Met Office would meet the ongoing costs of the electrical supply (estimated at less than £100 per annum) and the cost of phone calls to transmit the data. An example of a similar installation is shown in Annex A.

Once automated, there would be no requirement for the Council to take any weather readings. The Council would only need to ensure that the grass inside the enclosure continues to be cut regularly during the growing season.

How the data is used to improve Met Office weather forecasts

Currently, the data from Morecambe's weather station is routinely used to verify our weather forecasts. Once automated, data would be used in real time to aid our forecasters in times of severe weather and readings would be mentioned in Met Office press releases and TV broadcasts.

How data will be made available to the Council

Once the station is automated, the collected data would be sent automatically to the Council using a standard e-mail message. Messages could be sent to the Council twice per day at around 09:30 and 16:30 with hourly data from the previous 24 hours including maximum/minimum temperatures and rainfall/sunshine totals for the period. It would be straightforward for the Council to set up an auto-

Page 2



forward of the e-mails to a third-party, e.g. newspaper, subject to a written agreement between the Council and the Met Office.

Wider benefits to Morecambe of maintaining an official weather station

The Met Office Public Weather Service (PWS) has just begun a programme to make more of its weather data available on its website and other mobile platforms e.g. Apple's iPhone. The Met Office website has considerable reach and regularly gets over 10 million hits per month. It's new iPhone application (http://www.metoffice.gov.uk/media/iphone.html) was downloaded 54,000 times in the first week of it's launch. In the near future, latest observations and five-day forecasts from many more Met Office weather stations (like Morecambe) will be made available on all the various platforms.

An early success has been our "Weather Widgets", a freely available tool showing 5-day weather forecasts for 390 locations that webmasters can download onto their website (including the Council's website). This has had considerable interest, an example of it's use is shown in Annex B.

Continuing cooperation with the Met Office to collect weather data would ensure that official data and forecasts for Morecambe are made widely available to the public as more applications and tools (like the Weather Widget) are developed.

Tim Allott Climate and Rainfall Networks Manager Met Office



Annex A. A recently upgraded automatic weather station in Preston.

The thermometers and storage raingauge are replaced with sensors of a similar size. A pole with a solar panel, small GSM antenna and cabinet for a data logger are added to the enclosure.

Met Office weather stations use the highest quality instruments available and are inspected regularly to ensure standards are maintained. All the data is archived and rigorously quality controlled by specialist staff in our Edinburgh office. Only data from official Met Office weather stations meets agreed national and international standards.





Annex B. An official Met Office 5-day weather forecast for Bakewell displayed on a third party website.

Weather Widgets, like this example for Bakewell, are available now, for free, from http://www.metoffice.gov.uk/public/pws/components/. Before the end of the 2010, more towns and cities will be added to the list of available locations, and could include Morecambe.

