



**Committee:** CABINET

**Date:** TUESDAY, 15 MARCH 2011

**Venue:** LANCASTER TOWN HALL

**Time:** 10.00 A.M.

## AGENDA

1. **Apologies**

2. **Minutes**

To receive as a correct record the minutes of Cabinet held on Tuesday, 15<sup>th</sup> February, 2011 (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. **Extension of Morecambe Central Promenade Development Agreement (Pages 1 - 4)**

**(Cabinet Member with Special Responsibility Councillor Langhorn)**

Report of the Head of Property Services

7. **Lancaster Market**

**(Cabinet Member with Special Responsibility Councillor Barry)**

Oral update from the Lancaster Market Cabinet Liaison Group and consideration of any recommendations agreed by the Overview and Scrutiny Committee on the 9<sup>th</sup> March 2011 resulting from the Call-in of the decision with regard to Lancaster Market agreed by

Cabinet on 15<sup>th</sup> February 2011.

8. **Corporate Performance Monitoring - Quarter 3** (Pages 5 - 20)  
**(Cabinet Member with Special Responsibility Councillor Langhorn)**
  
9. **Review of Cabinet Appointments to Outside Bodies/Partnerships and Boards**  
(Pages 21 - 23)  
**(Cabinet Member with Special Responsibility Councillor Langhorn)**  
  
Report of the Chief Executive

## **ADMINISTRATIVE ARRANGEMENTS**

### **(i) Membership**

Councillors Stuart Langhorn (Chairman), June Ashworth, Jon Barry, Eileen Blamire, Abbott Bryning, David Kerr, Peter Robinson, John Whitelegg, and 2 Conservative vacancies.

### **(ii) Queries regarding this Agenda**

Please contact Liz Bateson, Democratic Services - telephone (01524) 582047 or email [ebateson@lancaster.gov.uk](mailto:ebateson@lancaster.gov.uk).

### **(iii) Changes to Membership, substitutions or apologies**

Please contact Members' Secretary, telephone 582170, or alternatively email [memberservices@lancaster.gov.uk](mailto:memberservices@lancaster.gov.uk).

MARK CULLINAN  
CHIEF EXECUTIVE  
TOWN HALL,  
LANCASTER LA1 1 PJ

Published on 3<sup>rd</sup> March 2011

**CABINET****Morecambe Central Promenade Development Agreement****15 March 2011****Report of Head of Property Services**

PURPOSE OF REPORT			
To obtain the agreement of Cabinet to extend the development agreement between the Council and Urban Splash by up to two years to enable the outstanding planning application to be determined.			
Key Decision	<b>X</b>	Non-Key Decision	Referral from Cabinet Member
Date Included in Forward Plan	02 February 2011		
This report is public			

**RECOMMENDATIONS OF COUNCILLORS BRYNING AND LANGHORN:**

- (1) That the Council negotiates an extension to the development agreement by twelve months to give time to determine the outstanding planning application.
- (2) In the event of unanticipated delays in being able to obtain a Planning decision that a further report be brought back to Cabinet to extend the agreement by a further twelve months.

**1.0 Report**

- 1.1 Cabinet resolved on 14 December 2010 to defer consideration of a formal decision on how to proceed with the Morecambe Central Promenade Development agreement until the outstanding planning application submitted by Urban Splash had been determined. Minute No 86:

*“(1) That consideration of the Morecambe Central Promenade Development Agreement be deferred until the pending planning application by Urban Splash had been determined.”*

One of the options in the report was to respond to a request from Urban Splash to extend the length of the current development agreement which expires in June 2011.

- 1.2 Since the December Cabinet meeting, consideration has been given to how much work still needs to be undertaken to get to a position where the current outline planning application can be presented to the Planning and Highways Regulatory Committee. As part of this process, meetings have been held with Urban Splash and two statutory consultees.
- 1.3 Development Management officers in Regeneration and Policy advise that there remain outstanding issues raised by the Highway Authority and English Heritage which need to be investigated further before they can reach a conclusion over recommendations to the Regulatory Committee. An undertaking has already been made by Urban Splash to carry out the work needed to address the outstanding issues and to attempt to reach an agreed position with English Heritage and the Highway Authority. Urban Splash would also want to undertake a further period of public consultation on their final revisions to the scheme.
- 1.4 It is anticipated that the earliest the outstanding planning applications could be in a position to be presented to the Planning and Highways Regulatory Committee would be July, but this would be after the “longstop” date in the current development agreement. With this in mind, it is now clear that an extension to the development agreement is essential for the Council to demonstrate it is acting reasonably under the principles which guided the drafting of the current agreement.
- 1.5 An extension of twelve months will be required to allow sufficient time to work through this process, and to allow for possible interventions by the Secretary of State and/or legal challenges, In the event that further unforeseen delays occur, it is also considered prudent to delegate authority to the Chief Executive to agree a further twelve month extension should this prove necessary.

**2.0 Options and Options Analysis (including risk assessment)**

	<b>Option 1: Extend existing development agreement</b>	<b>Option 2: Do not extend existing development agreement</b>
Advantages	Continuity of approach, no major conflicts with current development agreement.	No need to negotiate changes with Urban Splash.
Disadvantages		If Urban Splash wished to proceed and the development agreement was not extended, this would mean that the planning applications would have to be determined before June in the form they are now.
Risks		The possibility of a claim for breach of existing agreement.

**3.0 Officer Preferred Option (and comments)**

- 3.1 Officers recommend that the development agreement be extended to enable the applications to be determined after full consideration is given to the outstanding matters. This would enable the Planning and Highways Regulatory Committee to make a robust and comprehensive decision with no

technical matters outstanding.

**RELATIONSHIP TO POLICY FRAMEWORK**

The regeneration of Morecambe remains one of the Council's top priorities. The development of the land adjoining the Midland Hotel is identified in the Local Development Framework Core Strategy as one of the key regeneration projects.

**CONCLUSION OF IMPACT ASSESSMENT**

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

The development of this land has major impacts for the tourist economy in Morecambe. Its profile adjoining the Midland Hotel is one of the highest in the District. The continued regeneration of Morecambe's local economy will be highly influenced by changes to the land use and appearance of this site. Creating a stimulating economic use on the site has the potential to safeguard the significant investments which have already taken place.

**LEGAL IMPLICATIONS**

There is an existing development agreement between Urban Splash and the City Council which requires both parties to perform against specified requirements before the Agreement becomes unconditional. The only outstanding requirement is the obtaining of Planning Permission. The Development Agreement provides that the Council will cooperate with the Developer and use all reasonable endeavours to assist the Developer to obtain satisfactory Planning Permission in so far as it can provide such assistance acting solely in its capacity as landowner. The granting of an extension of time will be consistent with its obligations as landowner, although there is no specific requirement within the agreement to this effect and to implement such an arrangement would require a variation to the original terms.

If the Council chose not to grant such extension of time it is possible that the Council would be open to a claim of breach of contract if Urban Splash were to seek to argue that the Council had acted unreasonably given all the circumstances in not facilitating the extension of time.

**FINANCIAL IMPLICATIONS**

There are no new financial implications arising from the preferred officer option 1. With option 2, there is an increased risk that the council could incur additional costs arising from potential legal challenge by Urban Splash, which at this stage is neither quantified nor budgeted for.

Members are reminded that the council continues to hold a £250K deposit from Urban Splash, which can only be released to us in the form of payment for a licence to commence works on site if the pre-commencement conditions on any planning permission are discharged. If the existing development agreement is not extended or re-negotiated with Urban Splash, however, then this would have to be paid back to Urban Splash.

Regardless of which option is chosen, a more detailed report will need to be brought back to Cabinet prior to the council entering into any financial or contractual commitment for the development stage.

**OTHER RESOURCE IMPLICATIONS**

**Human Resources:** None

**Information Services:** No implications

**Property:** The land is currently in the Council's ownership and modifications to the Development agreement have been prepared by the Head of Property Services.

**Open Spaces:** The site currently provides open space on this portion of the central promenade. Proposals for redevelopment of the site would remove that facility.

**SECTION 151 OFFICER'S COMMENTS**

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

**MONITORING OFFICER'S COMMENTS**

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

**BACKGROUND PAPERS**

**Cabinet report and minutes 14 December 2010**

**Contact Officer:** Graham Cox

**Telephone:** 01524 582504

**E-mail:** gcox@lancaster.gov.uk

**Ref:**

**CABINET****Quarter 3 Performance Monitoring 2010-11****15<sup>th</sup> March 2011****Report of the Leader of the Council****PURPOSE OF REPORT**

To present the Leader's report in respect of the third quarter of Performance Review Team meetings for 2010/11 following meetings recently undertaken by individual cabinet members

**This report is public**

**RECOMMENDATIONS OF COUNCILLOR LANGHORN**

**That Cabinet considers the report and comments accordingly.**

**REPORT**

1. The third quarter of individual Cabinet member Performance Review Team (PRT) meetings for 2010/11 took place between 24<sup>th</sup> January and 17<sup>th</sup> February 2011. Each meeting monitored progress against the actions included in the Corporate Plan for each Cabinet member and any outstanding issues from the previous round of meetings.
2. The Corporate PRT highlight report was considered by the Leader on 17<sup>th</sup> February, and will be presented to the Budget & Performance Panel on 29<sup>th</sup> March 2011.
3. **Appendices** that set out the information that was considered, and the resulting actions, are attached. These include:-
  - Leader's Q3 Corporate PRT report (including agreed actions from all PRT meetings)
  - Corporate Financial Monitoring Report – Q3
  - General Fund Variances – Q3
  - HRA Variances – Q3

**4. Conclusion**

The Council's Performance Management Framework requires the regular reporting of performance into both the Budget & Performance Panel and Cabinet as part of the Performance Review Team cycle of meetings. This report provides a summary of how the council is performing in delivering its Corporate Plan targets using the information from the 2010/11 Quarter 3 PRT meetings with individual cabinet members.

**RELATIONSHIP TO POLICY FRAMEWORK**

This report is a requirement of the Council's Performance Management Framework

**CONCLUSION OF IMPACT ASSESSMENT**

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

None arising from this report.

**FINANCIAL IMPLICATIONS**

As set out in the attached appendices.

**SECTION 151 OFFICER'S COMMENTS**

The Section 151 has been consulted and has no comments to add

**LEGAL IMPLICATIONS**

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

**MONITORING OFFICER'S COMMENTS**

The Monitoring Officer has been consulted and has no comments to add

**BACKGROUND PAPERS**

None

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**E-mail:** aharrison@lancaster.gov.uk



## Corporate PRT - Leader

<b>Service (s)</b>	Corporate Director (Regeneration) Finance, Community Engagement		
<b>Portfolio Holder</b>	Cllr Langhorn		
<b>Quarter</b>	<b>3</b>	<b>Date of meeting</b>	17th February 2011
<b>Key issues identified through PRT Q3 meetings</b>			
Cllr Blamire's PRT - Sickness absence management	At the end of Quarter 3, the average days lost per employee due to sickness was 7.97. To achieve the target of 9 days, the target was 6.75. December had the highest number of days lost to short term absence in this financial year. This rise in short term absence can largely be explained by the increase in absences due to seasonal viruses. It should be noted however that these figures are an improvement upon last years.		
Cllr Bryning's PRT - Ensuring adequate capacity in development management activities to keep pace with upturn in economic activity	General coping taking place with support from senior managers. Building Control Partnership agreement with County Council transferred to Preston City Council who have greater capacity to respond to workload. Two major applications outsourced to private sector consultants to ensure remaining senior staff can focus on support and mentoring. Growth item to Council for additional planning staff post on temporary contract.		
Cllr Fletcher's PRT - Resignation	Cllr Fletcher - has resigned. Cllr Whitelegg has taken over the Portfolio. He has now been briefed on part of his portfolio and there are no issues to report at this stage		
Cllr Barry's PRT - Reduce air pollution through air quality action plans to achieve statutory objective levels	Progress not reported		
<b>PI No</b>	<b>Description of indicator</b>	<b>08/09 Outturn</b>	<b>09/10 target</b>
		<b>Good is ?</b>	<b>Q1</b>
		<b>Q2</b>	<b>Q3</b>
		<b>Q4</b>	<b>Year to date</b>
		<b>Status</b>	<b>Target owner</b>
		<b>Commentary (highlight significant achievements or ongoing risks)</b>	

## Corporate PRT - Leader

Action Plan	Agreed actions										Status update		
NI188	Planning to adapt to Climate Change	0	2	High	1	1	1	1	1	1	Failing	RT	Targets now changed - see Status Update below * 2010/11 - Level 2 * 2011/12 - Level 3 * 2012/13 - Level 4
CH7	Reduce the number of days lost to sickness absence	12.06	9.5 days	low	2.47	5.34	7.97	5.34	5.34	5.34	Failing	ST	See comment above
Quarter 1	<p>NB. Actions requested Cllr Barry (now complete)                      - Report on work of Community Payback Team so far                      - Report on environmental enforcement stats</p>												
Quarter 2	<p>- NI 192 household waste reused /recycled/composted- shows on report as behind target. Target for 2010/11 is 42%. Performance in Q1 was 40% we haven't got Q2 figure as yet because we are awaiting info from County but we estimate it's still around 40%, which is good but because of seasonal nature of garden waste we'd expect an overall reduction during a full year. The 42% target assumed we'd be collecting food waste for recycling from April 2010. Because of unavoidable delays at new disposal facilities we are only now ready to start collecting food waste. In a full year we estimate we'll get around an additional 8-10% recycling from food waste. Therefore, I think in 2010/11 we will still get very close to the 42% target- just need to note the assumption that we'd have a full year of food waste collection.</p> <p>NI195 - Levels of street and environmental cleanliness. This is one of the indicators Gov have got rid of and Tidy Britain who administer it for DEFRA have confirmed this. Gathering the data for the indicator is time consuming and to a large extent tells us what we can already see. We've agreed we will no longer report this indicator</p> <p>G Cox. Develop proposals to re designate the whole of the parking space directly outside the rear boundary of Happy Mount Park as Disabled persons parking only.</p> <p>Building Conditions Survey for LTH required to inform 2011/12 budget process</p> <p>Briefing note to S.L. re sickness absence figures</p> <p>Cabinet Reports to be brought forward to inform 2011/12 Budget. 1) Equalities 2) SLA's</p>												
													Done Done
													Done
													Ongoing - proposals will be developed by the Wellbeing team within Community Engagement
													Done
													SLA Report complete

**Corporate PRT - Leader**

<p>Quarter 3</p>	<p><b>Cllr Ashworth</b> - Continue with proposals to convert the car parking spaces at the rear of Happy Mount Park to disabled parking only Investigate the possibility of reviving the cross bay swimming championship as part of the the increased interest in open swimming</p> <p><b>Cllr Kerr</b> - to raise the issue of the impact of reduced funding for Disabled Facilities Grants at Senior management/ Board level of the PCT and Lancashire County Council and to explore other funding options from these organisations.</p> <p><b>Cllr Langhorn</b> - Head of Community Engagement to meet with Leader to discuss LSP's and GP commissioning. Deliver Member Briefing on Shared Services Governance arrangements prior to April Council (Head of Finance)</p>	
<p>Quarter 4</p>	<p><b>Re Disabled Facilities Grants - Review internal policy and process for allocating grants with a view to managing the prioritisation of grant applications.</b></p> <p><b>Project reporting sheet to be revised to provide further information</b></p> <p><b>THI 2 - English Heritage match funding no longer available Cabinet will need to consider whether or not to increase City Council contribution</b></p> <p><b>Arrange a joint meeting HCA/ MP and appropriate Cabinet members to discuss Chatsworth Gardens</b></p> <p><b>Arrange briefing note for the Leader re Adactus top grants/ West End Housing issues and Housing regeneration in general. Arrange for Cabinet briefing 1 March</b></p>	



## Corporate Financial Monitoring

### December 2010 | Quarter 3

Report of the Head of Financial Services  
 Corporate PRT meeting | 17 February 2011

#### HEADLINE INFORMATION

REVENUE	Current (Underspend) / + Overspend	Projected (Underspend) / + Overspend
General Fund	(86,000)	(126,000)
Housing Revenue Account (HRA)	(7,000)	(19,000)

## CORPORATE FINANCIAL MONITORING

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December 2010 | Quarter 3

### 1. INTRODUCTION

This monitoring report of expenditure and income for 2010/11 sets out an indicative corporate picture of the Council's financial performance relating to the period ending 31 December 2010.

The report summarises the variances reported through Services quarterly PRT meetings, and also identifies any omissions, updates and/or actions required. In addition there are specific sections for salary monitoring, capital expenditure and financing, Housing Revenue Account (HRA), revenue collection performance and Insurance and Risk Management.

It should be noted that this quarter's monitoring is based on the Revised Budget.

### 2. GENERAL FUND REVENUE MONITORING

#### 2.1 General Fund Summary Position

The current overall General Fund summary position shows that at the end of December there is a net underspend of **£82K** against the revised budget. This is currently forecast to increase to **£126K** by the end of the year.

It should be noted that £1.124M has already been budgeted to be transferred into unallocated balances at the end of this financial year.

VARIANCES	Current £000's	Current Year Projection £000's	Future Years Projection £000's
Major Variances (see section 2.2)	+4	+24	--
Salaries (see section 2.3)	(86)	(150)	--
<b>Sub Total</b>	<b>(82)</b>	<b>(126)</b>	<b>0</b>
<b>ESTIMATED OUTTURN (NET UNDERSPEND)</b>	<b>--</b>	<b>(126)</b>	<b>0</b>

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 December this has been achieved.

	£000's
<b>Net Controllable Budget</b>	<b>23,633</b>
2% Target	+/( ) 473
<b>Provisional Controllable Net Underspend</b>	<b>(175)</b>
Percentage of Net Controllable Budget	0.74%

As set out in the Medium Term Financial Strategy, Cabinet has no authority to increase net spending above the net revenue budget. Whilst the overall position may not be projected to breach this position, this does not remove the need to consider specifically whether any actions can or should be taken to address particular areas of overspending.

## 2.2 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. A summary is provided in the following table.

SUMMARY BY SERVICE	Current £000's	Current Year Projection £000's	Future Years Projection £000's
<b>REPORTED VARIANCES :</b>	( ) Favourable / + Adverse		
Community Engagement	(10)	(10)	0
Environmental Services	+22	+25	0
Financial Services	(5)	0	0
Health & Housing	(6)	(7)	0
Governance Services	(6)	(6)	0
Property Services	(13)	(35)	0
Regeneration & Policy	+22	+57	0
	<b>+4</b>	<b>+24</b>	<b>0</b>
<b>VARIANCES NOT REPORTED TO PRT MEETINGS :</b>			
None	--	--	--
<b>TOTAL VARIANCES</b>	<b>+4</b>	<b>+24</b>	<b>0</b>

### Factors influencing variances

As part of the 2009/10 outturn process Services were asked to identify the key factors influencing variances and this has now been continued into the PRT financial monitoring process. The following table provides an analysis of these variances and Appendix A shows how each variance has been initially categorised; this will be refined as the year progresses.

FACTORS INFLUENCING VARIANCES	Variances to Date £000's	Current Year Projection £000's	Future Years Projection £000's
One-off windfalls & unforeseeable savings	+33	+13	0
Demand led variances	(53)	+4	+27
Efficiency savings	(27)	(27)	(27)
Service changes & reductions	(12)	(35)	0
Budget setting issues / errors	(10)	(10)	0
Other variances	+73	+79	0
<b>TOTAL</b>	<b>+4</b>	<b>+24</b>	<b>0</b>

In terms of future years, the variances shown above are when compared to the latest draft revenue budgets for future years.

It should also be noted that the above analysis does not include any projection as yet in respect of on-going salary savings as consideration will need to be given to the impact of the current Fair Pay review for "red book" employees and the further review of the current pay and grading structure, as well as prospects for future pay awards.

## 2.3 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.

At the end of December there are savings of £86K against the revised salary budgets. This could increase to £150K by the end of the financial year, however it is difficult to accurately predict the exact figure. The following graph shows the savings on a Service by Service basis. The largest savings currently being generated are within the Revenues and Benefits sections in Financial Services. This is mainly as a result of posts becoming vacant sooner than anticipated plus a number of savings resulting from maternity leave.

In future reports the number of vacancies in each section will also be reported.



### 3 GENERAL FUND CAPITAL PROGRAMME

#### 3.1 Capital Expenditure

At the end of December there was spend and commitments of £3.5M against the approved gross programme of £9.945M. A further £1.6M expenditure has been incurred in respect of vehicle purchases and food waste equipment however it is yet to be determined whether these are to remain in council ownership or if they are to be sold and leased back. A revised gross capital programme totaling £6.183M was presented to Cabinet on 18 January 2011.

#### 3.2 Capital Financing

##### Capital Receipts

A total of £612K of capital receipts is required to finance the revised capital programme, of which £150K was received in 2009/10. In 2010/11 a deposit of £10K has been received with the balance of £322K expected by the end of March 2011 together with repayments of housing grants/loans of around £20K. This still leaves a balance of £110K to be achieved from two identified sales.

## 4 HOUSING REVENUE ACCOUNT (HRA) MONITORING

### 4.1 HRA Revenue Position

At the end of December the position for the Housing Revenue Account shows an underspend of **£7K** against the revised budget, which is currently projected to become an underspend of **£19K** by the end of the year. A full list of the variances is shown in **Appendix B**.

VARIANCES	Variances to Date £000's	Current Year Projection £000's	Future Years Projection £000's
Major Variances	(7)	(19)	0
<b>ESTIMATED OUTTURN (NET OVERSPEND)</b>	<b>--</b>	<b>(19)</b>	<b>0</b>

### Factors influencing variances

As mentioned in section 2.2, Services are now required to identify the key factors influencing variances as part of the PRT financial monitoring process. The following table provides an analysis of these variances and Appendix B shows how each variance has been categorised.

FACTORS INFLUENCING VARIANCES	Variances to Date £000's	Current Year Projection £000's	Future Years Projection £000's
One-off windfalls & unforeseeable savings	0	0	0
Demand led variances	0	0	0
Efficiency savings	0	0	0
Service changes & reductions	(7)	(19)	0
Budget setting issues / errors	0	0	0
Other variances	0	0	0
<b>TOTAL</b>	<b>(7)</b>	<b>(19)</b>	<b>0</b>

### 4.2 Council Housing Rent Collection

At the end of December rent income is £20K higher than estimated, which is mainly due to profiling. As a result it is anticipated that the outturn will be in line with the revised budget.

<b>Total Estimate for Year</b>	<b>£11,720,600</b>
Profiled Budget	£8,795,912
Actual to Date	£8,816,021
<b>Difference</b>	<b>£20,109</b>

### 4.3 Council Housing Capital Programme

This section analyses actual spend against the Council Housing Capital Programme at the end of December. To date there has been spend and commitments totaling £2.970M against a revised budget of £4.274M, leaving a balance of £1.304M.



	Current Approved Programme £000's	Spend & Commitments to Date £000's	Budget Remaining £000's
Adaptations	250	203	47
Energy Efficiency / Boiler Replacement	585	446	139
Bathroom / Kitchen Refurbishment	1,086	472	614
External Refurbishments	1,352	1,157	195
Environmental Improvements	433	463	(30)
Window Replacement	171	166	5
Rewiring	62	33	29
Fire Precaution Works	240	1	239
Renewal of Heaters	5	5	0
Central Control	90	24	66
<b>TOTAL</b>	<b>4,274</b>	<b>2,970</b>	<b>1,304</b>

## 5 REVENUE COLLECTION PERFORMANCE

### 5.1 Council Tax & Business Rates

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

In year collection performance for Council Tax compares favourably with the same period last year (80.22%). NNDR collection is just over 3% down on the same period as last year mainly as a result of a large refund in the current year, and could also be attributable to the impact of Small Business Rate Relief and deferred payments. This is a temporary situation and will soon be back in line with the previous year.

Percentage Collected	2009/10	2010/11	2010/11	2010/11	Status
	%	%	Target	Actual	
			%	%	
	All Years		In Year		
Council Tax	80.22	80.30	97.0	91.3	On Target
Business Rates	88.42	85.38	98.2	86.9	On Target

### 5.2 Collection Fund Monitoring

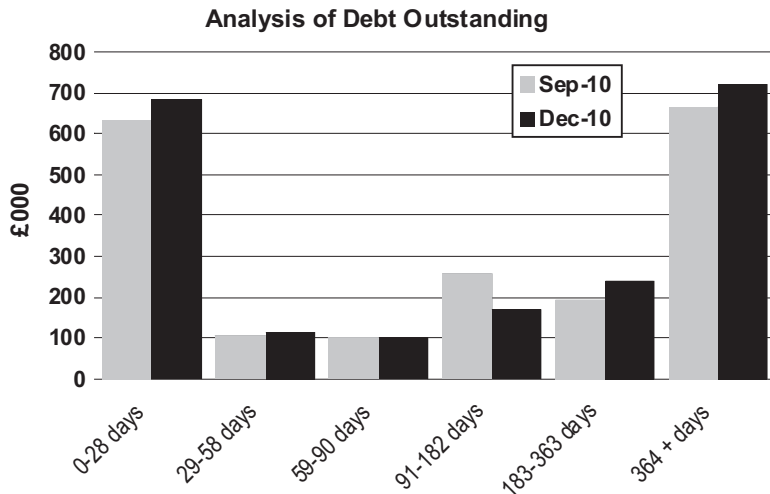
This section sets out the latest position on the Collection Fund, in particular in relation to Council Tax. Whilst the above section looks at collection performance, this section shows the current surplus or deficit on the Fund. It basically compares the amounts collectable with the Precepts levied by the relevant authorities after allowing for refunds, bad debt provisions, income collected and Council Tax benefits. The monitoring shows that at the end of December the Fund was in surplus by £167K, but it should be noted that the surplus can fluctuate significantly month by month. For information, the equivalent value for December 2009 was a surplus of £262K reducing to £240K at the year end.

Any surplus or deficit is shared between the relevant precepting bodies and the City Council's element equates to 13% and would therefore be £22K.

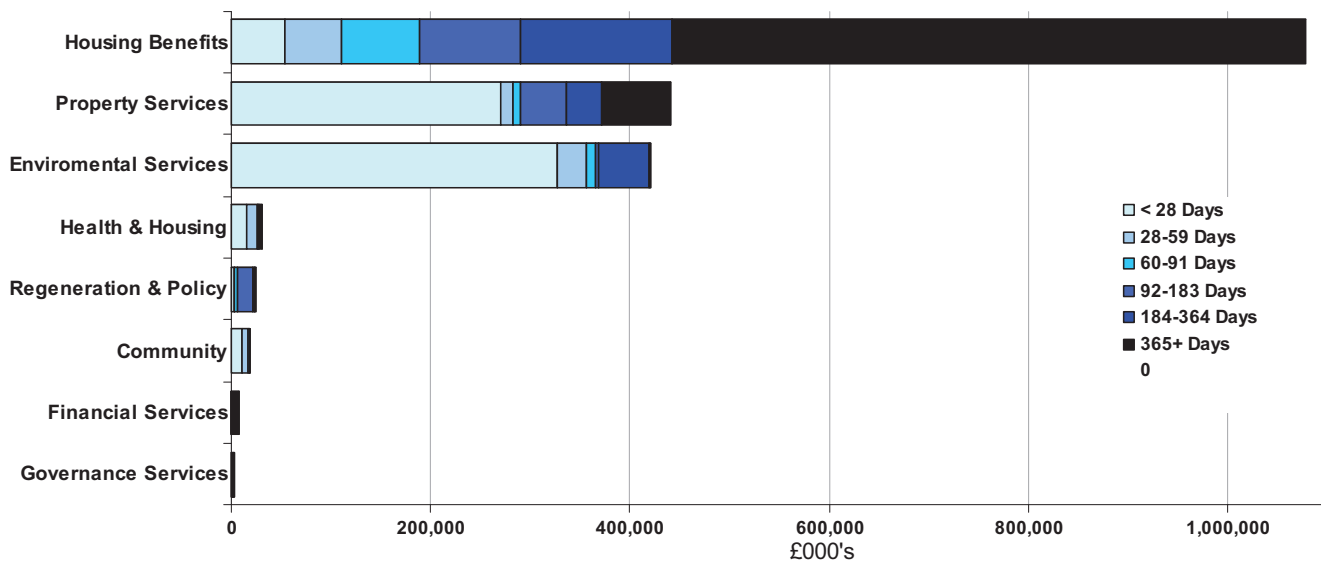
### 5.3 Sundry Debts

This section sets out the latest position on the level of outstanding sundry debts (excluding Council Housing). At the end of December the total debt outstanding was just over £2M, which is £137K less than the same period last year.

The level of debt over 1 year old has increased in the last quarter to 36% (34% *last quarter*) of the total outstanding debt. In addition, the total value of all debt over 3 months old has increased by £10K from the previous quarter.



	Sept 10	Dec 10
	£000's	£000's
0-28 days	634	684
29-58 days	107	116
59-90 days	101	99
91-182 days	260	169
183-363 days	192	240
364+ days	667	720
	<b>1,961</b>	<b>2,028</b>
Previous Year	2,014	2,165



In future it is proposed to include Council Housing debt in the above analysis, and discussions are also ongoing between Financial Services and Property Services to transfer Morecambe Market debtors onto the main Council debtor system.

## 6 PROVISIONS AND RESERVES

This section provides and update on key provisions and reserves.

### 6.1 Restructuring Reserve (General Fund)

This reserve was established during 2008/09 to cover the cost of redundancies and early retirements as a result of Service restructures during 2009/10 and 2010/11. It is proposed to merge the Revenue Support reserve with this reserve and provide sufficient funding for all

known liabilities relating to redundancy and retirement costs associated with current budget proposals whilst also providing around £200K of additional funding for future proposals.

The decision to merge the reserves will be considered by Cabinet in February.

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## 6.2 Insurance Provision

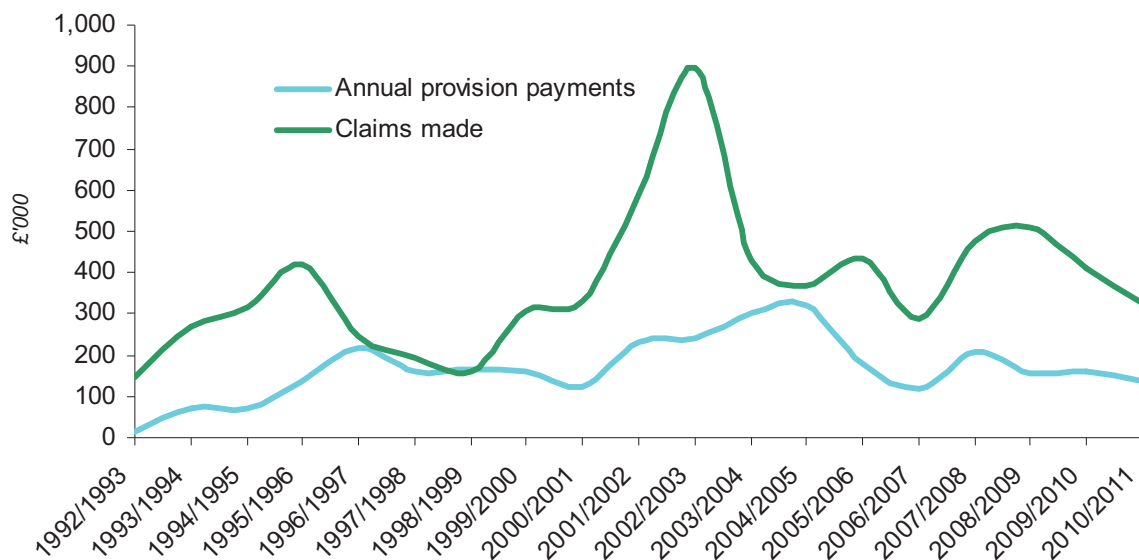
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The current balance on the insurance provision is £248K, after making net payments of £135K in settlement of claims made.

At present, the Council's insurers estimate that the value of claims outstanding is £553K, which relates to a total of 290 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 56% of the total reserve will be paid. The estimated cost of claims outstanding could therefore reasonably be valued at around £310K, which is £62K more than the current provision. The final position will be assessed as part of the closedown process. No further action is currently being proposed as there are sufficient savings being generated elsewhere to cover the position.

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.




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## 6.3 Bad Debt Provision

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The Bad Debt provision is formally reviewed half yearly at revised estimate time and closedown. In addition, quarterly updates are now provided as part of the Corporate Monitoring process.

The level of the provision has been assessed based on assumed levels of write-off as a proportion of debt outstanding. Based on the figures shown in section 5.3 the level of provision would be as follows:

<b>Period</b>	<b>Debt £000's</b>	<b>% Cover Required</b>	<b>Value £000's</b>
Up to 1 Month	684	1%	7
1 Month to 3 Months	215	5%	11
3 Months to 365 Days	409	10%	41
Over 365 Days	720	50%	360
<b>TOTAL</b>	<b>2,028</b>		<b>419</b>

The current balance on the Bad Debt provision is £450K which is £31K above the requirement indicated, but that is after allowing for this year's contribution of £100K.

## **7 RISK MANAGEMENT**

The extent of ongoing or potential change within the Council raises it's risk profile. This has been acknowledged and the Council's Internal Audit plans reflect this position, with the aim of providing flexibility to give necessary assurances surrounding change management programmes etc.

In strategic terms one of the biggest risks facing the Council has been the extent of funding cuts and the impact these may have on services and the Council's overall direction. Now that the final settlement has been received the Council can plan with some certainty for the next 2 years, however the position beyond 2012/13 still remains uncertain. Again though, various measures to help manage the position are underway, such as considering further shared service opportunities and completing various service restructures etc. In addition, several options will be taken forward during 2011/12 to provide further savings opportunities in future years. This will include Invest to Save initiatives to be funded from the new reserve established for such schemes.

A full schedule of Risks and Assumptions relating to the latest budget process will be considered by Cabinet in February.

## SUMMARY OF GENERAL FUND MAJOR VARIANCES (Qtr 3 2010/11)

(Not included elsewhere in the report - excluding salaries for example)

FACTORS INFLUENCING VARIANCES	Variance to Date £	Current Year Projection £	Future Years Projection £
1. One-off windfalls & unforeseeable savings	+32,700	+13,000	+0
2. Demand led variances	(53,200)	+4,100	+27,000
3. Efficiency savings	(27,000)	(27,000)	(27,000)
4. Service changes and reductions	(12,200)	(34,700)	+0
5. Budget setting issues/errors	(9,800)	(9,800)	+0
6. Other variances	+73,300	+78,300	+0
<b>TOTAL VARIANCES</b>	<b>+3,800</b>	<b>+23,900</b>	<b>+0</b>

Service	Variance Type	Service Area	Variance to Date	Current Year Projection	Future Years Projection	Reason for Variance & Action being taken
			£	£	£	
+ = Adverse ( ) = Favourable						
VARIANCES REPORTED THROUGH PRT PROCESS (SERVICE HEAD COMMENTS)						
Community Engagement	5	Climate Change - Vehicle Telematics system	(9,800)	(9,800)	+0	Awaiting work to be carried out by Environmental Services. Carry forward request will be submitted at year end.
Environmental Services	1	Trade Refuse - Income and Disposal Costs	+39,000	+19,000	+0	Current income shortfall £39k. £20k still to be invoiced. Needs to be taken in context. Our last forecast was that at year end trade refuse would make a £179K contribution to the GF. The current projection is that this contribution will be reduced to £160K. Trade refuse is subject to both demand, which is obviously impacted on by the economy and stiff competition. Situation will continue to be monitored.
	2	Waste Collection - Replacement Bins & Boxes	+4,400	+27,000	+27,000	High levels of requests to replace bins and boxes are currently being received. Difficult to control without introduction of charging.
	3	Waste Collection - Printing & Distribution	(27,000)	(27,000)	(27,000)	Distribution of material and equipment to support the food waste scheme was undertaken using existing resources and therefore savings were attainable.
	2	Nursery - Income from the Sale of Plants	+6,000	+6,000	+0	Reduction in demand. Perhaps a reflection of the economy and the weather.
Financial Services	6	Benefit Grants	(5,000)	+0	+0	DWP Grant for Atlas project to fund new software and training - will need to be carried forward to 2011/12
Health & Housing	2	Private Rented Sector - HMO License Fees	(6,500)	(7,000)	+0	Lancaster University had an undersupply of housing at the beginning of this academic year (September), meaning they have had to bring new properties into use, and increase the occupancy of some existing properties. This has brought more properties than anticipated under the remit of HMO licensing.
Governance Services	1	Gambling Act Income	(6,300)	(6,000)	+0	Additional income from new establishments
Property Services	4	Palatine Hall	(12,200)	(34,700)	+0	New agreement to let building following closure. Rental income of £15k plus savings on current budgets.
	2	Morecambe Town Hall - electricity	(10,900)	(10,000)	+0	At PRT QRT 2 the Flexible contract with npower likely to produce savings comparable with 2009/10.
	2	Residents Parking Contracts	+10,200	+10,000	+0	Additional income from the new residents parking schemes could be lower than originally estimated but the account is administered on behalf of the County Council.
Regeneration & Policy	2	Planning Application Fee Income	(20,700)	(35,000)	+0	Uncontrollable income - demand led. Unexpected major application submitted in Q3 with associated large fee.
	2	Miscellaneous Advertising	+5,800	+7,000	+0	Advertising of planning applications. Type and number determines size and cost of advert. Measures have been taken to minimise cost by reducing size.
	2	Building Control Application Fee Income	+31,000	+55,000	+0	Reduced applications partially through economy and through increased competition due to staff leaving to work for competition.
	2	Morecambe Area Action Plan	(12,500)	(15,000)	+0	Anticipated underspend on Plan.
	2	Coast Protection & Land Drainage Team	(7,400)	(7,000)	+0	Additional fees earned by team
	6	Luneside East Regeneration - debtor	+78,300	+78,300	+0	Status of the debtor is that it is for expenditure in previous financial year. The claim has been submitted to the NWDA but withheld pending further progress on the project. There is a risk, given the status of the NWDA and indeed the HCA, that the funding might be withheld indefinitely. The withheld 'contingency' funding also covers costs on the Luneside capital codes. Written confirmation that the funds are still available is being sought.
	2	Public Realm Repair & Maintenance	(52,600)	(26,900)	+0	Reactive maintenance to artwork less than anticipated.
<b>TOTAL VARIANCES</b>			<b>+3,800</b>	<b>+23,900</b>	<b>+0</b>	

## VARIANCES NOT REPORTED THROUGH PRT PROCESS

Service	Variance Type	Service Area	Variance to Date	Current Year Projection	Future Years Projection	Reason for Variance & Action being taken
<b>TOTAL VARIANCES</b>			<b>+0</b>	<b>+0</b>	<b>+0</b>	
<b>OVERALL VARIANCES</b>			<b>+3,800</b>	<b>+23,900</b>	<b>+0</b>	

# PRT Financial Report

## QUARTER 3

### HRA HOUSING

VARIANCE TYPE SUMMARY	Variance to Date	Projected Variance for Year
1. One-off windfalls & unforeseeable savings	+0	+0
2. Demand led variances	+0	+0
3. Efficiency savings	+0	+0
4. Service changes and reductions	-6,800	-19,000
5. Budget setting issues/errors	+0	+0
6. Other Variances	+0	+0
<b>TOTAL VARIANCES</b>	<b>-6,800</b>	<b>-19,000</b>

Service Area	Variance to Date	Projected Variance for Year	Reason for Variance & Action being Taken	Variance Type (see above)	Variance First Reported
	£	£			
RMS Operating Account - Salaries	-6,800	-19,000	Vacant Post savings	4	
	-6,800	-19,000			

#### ISSUES RESOLVED FROM PREVIOUS PRT REPORT

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**CABINET****Review of Cabinet Appointments to Outside Bodies  
Partnerships and Boards****15 March 2011****Report of the Chief Executive**

PURPOSE OF REPORT			
To review Cabinet appointments to Outside Bodies, Partnerships and Boards following the resignation of the Cabinet Member with Special Responsibility for Valuing People.			
Key Decision	<input type="checkbox"/>	Non-Key Decision	<input type="checkbox"/>
		Referral from Officer	<input checked="" type="checkbox"/>
Date Included in Forward Plan	Not applicable.		
This report is public			

**OFFICER RECOMMENDATIONS**

- (1) **That Cabinet considers the appointments to Outside Bodies, Partnerships and Boards following the resignation of the former Cabinet Member with Special Responsibility for Valuing People.**

**1.0 Introduction**

- 1.1 Members will be aware of Councillor John Whitelegg's appointment to Cabinet as the Cabinet Member with Special Responsibility for Valuing People on 2 February 2011, following Councillor Fletcher's resignation from Cabinet on 20 January 2011.
- 1.2 Cabinet is now requested to consider appointing appropriate representative(s) to the positions now vacant.

**2.0 Proposal Details**

- 2.1 At its meeting on 1<sup>st</sup> June 2010, Cabinet was provided with a report that gave consideration to Cabinet Liaison Groups and Appointments to Outside Bodies, Partnerships and Boards.
- 2.2 In view of the above Cabinet is asked to make appointments to the following:
- 2.3 **Outside Bodies, Partnerships and Boards**

Members are reminded that Members nominated to outside bodies,

partnerships and boards by Cabinet are representing the views of Cabinet in such positions, rather than any views they might hold as individuals.

2.4 The appointments which require consideration are as follows:

- (1) Lancaster and District YMCA Management Board
- (2) LDLSP Valuing People Thematic Group
- (3) LDLSP Children and Young People Thematic Group (Substitute)
- (4) LDLSP Safety Thematic Group (also meets as the Crime and Disorder Reduction Partnership) (Substitute)

**3.0 Options and Options Analysis (including risk assessment)**

- 3.1 Option 1: To appoint an appropriate Cabinet Member as the representative or substitute representative to the Outside Bodies, Partnerships or Boards.
- 3.2 Option 2: Cabinet could choose not to appoint to the Outside Bodies, Partnerships or Boards. However this would leave the Council without appropriate representation on those bodies.
- 3.3 Another option that may be proposed by Cabinet.

**4.0 Officer Preferred Option (and comments)**

- 4.1 Option 1 is the officer preferred option to ensure that the Council continues to be appropriately represented on the relevant Outside Bodies, Partnerships and Boards. It is recommended that appointments be aligned to individual Cabinet Members' portfolios as closely as possible.

**RELATIONSHIP TO POLICY FRAMEWORK**

The 2009-12 Corporate Plan notes 'Leading our Communities' as one of Lancaster City Council's core values. Representation on outside bodies forms part of this Community Leadership role.

**CONCLUSION OF IMPACT ASSESSMENT  
(including Diversity, Human Rights, Community Safety, Sustainability and Rural Proofing)**

Lack of appropriate representation on outside bodies and partnerships has the potential to affect the Council's ability to perform its community leadership role.

**LEGAL IMPLICATIONS**

There are no legal implications arising directly from this report.

**FINANCIAL IMPLICATIONS**

There are no significant financial implications as a result of this report. Members appointed to outside bodies are entitled to travel expenses and these will be met from within existing



budgets.

**OTHER RESOURCE IMPLICATIONS**

**Human Resources:**

Not applicable

**Information Services:**

Not applicable

**Property:**

Not applicable

**Open Spaces:**

Not applicable

**SECTION 151 OFFICER'S COMMENTS**

The section151 officer has been consulted and has no further comments.

**MONITORING OFFICER'S COMMENTS**

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

**BACKGROUND PAPERS**

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