



LANCASTER
CITY COUNCIL

Promoting City, Coast & Countryside

COUNCIL MEETING

Wednesday, 2 February 2011
2.00 p.m.
Morecambe Town Hall

Mark Cullinan,
Chief Executive,
Town Hall,
Dalton Square,
LANCASTER



LANCASTER CITY COUNCIL

Promoting City, Coast & Countryside

Sir/Madam,

You are hereby summoned to attend a meeting of the Lancaster City Council to be held in the Town Hall, Morecambe on Wednesday, 2 February 2011 commencing at 2.00 p.m. for the following purposes:

1. **APOLOGIES FOR ABSENCE**

2. **MINUTES**

To receive as a correct record the Minutes of the Meeting of the City Council held on 15th December, 2010 (previously circulated).

3. **ITEMS OF URGENT BUSINESS**

4. **DECLARATIONS OF INTEREST**

5. **ANNOUNCEMENTS**

To receive any announcements which may be submitted by the Mayor or Chief Executive.

6. **QUESTIONS FROM THE PUBLIC UNDER COUNCIL PROCEDURE RULE 11**

To receive questions in accordance with the provisions of Council Procedure Rules 11.1 and 11.3 which require members of the public to give at least 3 days' notice in writing of questions to a Member of Cabinet or Committee Chairman.

7. **LEADER'S REPORT** (Pages 1 - 2)

To receive the Cabinet Leader's report on proceedings since the last meeting of Council.

REPORTS REFERRED FROM CABINET, COMMITTEES OR OVERVIEW AND SCRUTINY

8. **BUDGET & POLICY FRAMEWORK UPDATE 2011/12** (Pages 3 - 25)

To consider the recommendations of Cabinet from its meeting on 18th January 2011.

MOTIONS ON NOTICE

9. **NOTICE OF MOTION - REDUCTION IN NUMBER OF COUNCILLORS** (Pages 26 - 28)

To consider the following motion submitted by Councillors Peter Robinson, Keith Sowden and Paul Woodruff :

“This Council considers that 60 Councillors is too many for a small District Council.

Furthermore, given the pressures on the revenue budget, this Council resolves to reduce the number of Councillors from the current 60, to a more acceptable 40.

To achieve this objective by 2015, the Council further resolves work with the Boundary Commission.”

An Officer Briefing Note is attached.

OTHER BUSINESS

10. **MEMBERS' ALLOWANCES SCHEME - REPORT OF THE INDEPENDENT REMUNERATION PANEL** (Pages 29 - 61)

To consider the report of the Head of Governance.

11. **ELECTION OF CABINET MEMBER**

To elect a new Cabinet Member in accordance with Article 7 of the Constitution, following the resignation of Councillor Jane Fletcher from the Cabinet.

Since a PR Cabinet is currently in place for 2010/11, Council will invite nominations from the Green Group to fill the vacancy.

12. **QUESTIONS UNDER COUNCIL PROCEDURE RULE 12.2**

To receive questions in accordance with the provisions of Council Procedure Rules 12.2 and 12.4 which require a Member to give at least 3 working days notice, in writing, of the question to the Chief Executive.

13. **MINUTES OF CABINET** (Pages 62 - 92)

To receive the Minutes of Meeting of Cabinet held on 7th December 2010 and 18th January 2011.



.....
Chief Executive

Town Hall,
Dalton Square,
LANCASTER,
LA1 1PJ



Leader's Report

2 February 2011

Report of the Leader of the Council

PURPOSE OF REPORT

To present the Leader's report to Council.

This report is public.

RECOMMENDATIONS

To receive the report of the Leader of Council.

REPORT

1.0 Cabinet

Information on Cabinet matters is provided in the minutes from the Cabinet meetings held on 17 December 2010 and 18 January 2011, later in this agenda.

2.0 Decisions required to be taken urgently

There are no decisions to report since the last Leader's Report on 15 December 2010.

3.0 Leader's Comments

Much of the Cabinet's time since the last Council meeting has been spent on the budget and on understanding the implications for the district of the settlement figures. Cabinet has been meeting on a weekly basis to discuss priorities, options for savings and the future. A full report on the budget is part of the agenda for this meeting and it contains Cabinet's initial recommendations.

Other items of interest.

Visitor Economy.

Morecambe exhibition in the Platform – I am pleased to be able to report that an exhibition of pictures of old Morecambe has been placed on display in the Platform. This idea aims to develop the venue and is a small start in expanding the visitor offer in the town.

Report on Fireworks Spectacular - This has been produced by Lancashire Blackpool Tourist Board who have analysed the feedback of 142 people, taken on the night of the fireworks display.

Using the information and a range of criteria they use to assess economic impact they believe this event delivered over £400,000 of tourism value to the area. The VIC at Lancaster reported one of its busiest ever days.

A similar assessment gave a figure of approximately £194k for the Seaside Festival. This underlines the importance of the visitor economy to the district and the council's commitment to this as a corporate priority.

Winter Gritting.

I am pleased to be able to report that the partnership working with the County Council produced an improved reaction to the snow before Christmas. This resulted in limited disruption to waste collection – despite the comments of the minister on the national picture.

Other meetings:

Lancaster Public Sector Leader's Symposium.

A second meeting of this group has emphasised the impact that both reductions in budgets and changes to the public sector will have on the district. Though there remains a large degree of uncertainty about the future there is a recognition that it is important to talk about these changes and to work more closely together.

Arts Council England.

Officers and myself met with representatives from the Arts Council to discuss the importance of their funding in the district.

University Vice Chancellors.

A meeting was held to discuss future issues relating to this sector.

4.0 Other Matters

Cabinet minutes are attached at the end of this agenda.

BACKGROUND PAPERS

Cabinet agenda and minutes of the meeting on 17 December 2010 and 18 January 2011.

COUNCIL**Budget and Policy Framework Update 2011/12
02 February 2011****Report of Cabinet****PURPOSE OF REPORT**

To update Council on the latest position regarding the development of the Council's budget and policy framework for 2011/12 onwards and in that context, to approve the level of Council Tax increase for 2011/12 and also the Housing Revenue Account (Council Housing) revenue and capital budgets.

This report is public.

RECOMMENDATIONS:*In respect of the Policy Framework:*

1. That the following priorities be used to develop the policy framework for the three year period from 2011 to 2014:
 - Economic Regeneration – Energy Coast and Visitor Economy
 - Climate Change – prioritising reducing the Council's energy costs and increasing income
 - Statutory responsibilities – fulfilling at least our minimum statutory duties - focus on keeping the streets clean and safe
 - Partnership working and Community Leadership – working with partners to reduce costs, make efficiencies and create resilience within the district;

and that the intention to protect the most vulnerable in our society should also be a thread that runs through all the above priorities.

In respect of the General Fund Budget:

2. That the 2010/11 Revised Budget of £23.616M be approved, with the net underspending of £1.124M being transferred into Balances.
3. That City Council Tax rates be frozen for 2011/12, subject to Government confirming Council Tax Freeze Grant entitlement (equivalent to a 2.5% tax increase).
4. That Council considers the supporting draft budget information and proposals to date, as set out in this report.

In respect of the Housing Revenue Account (Council Housing):

5. That the Housing Revenue Account budgets and future years' projections as set out at Appendix D be approved.

6. That the minimum level of HRA Balances be retained at £350K from 01 April 2011, and that the Statement on Reserves and Balances (as set out at Appendix E) be noted.

7. That the Capital Programme as set out at Appendix F be approved.

1 INTRODUCTION AND STRATEGIC CONTEXT

1.1 Under the Constitution, Cabinet has responsibility for making proposals to Council each year in respect of the Budget and Policy Framework. Over the last few months, Members have developed and approved various proposals as well as undertaking public consultation to inform its strategic planning and resource allocation. Approval is now sought to adopt updated corporate priorities to develop further the Policy Framework for the next three years. This then sets the context within which budget proposals (and any further budget changes) should be considered.

1.2 In terms of the Budget, as in previous years this report's recommendations seek formal approval for the level of City Council Tax increase in 2011/12, but the detailed General Fund budget proposals are presented only for Council's initial consideration at this stage. Council may therefore indicate whether it supports the proposals, whether it wishes to amend or to substitute any, or refer any issues back to Cabinet.

1.3 In due course Council will be requested to approve the full Revenue Budget and the full 2011/12 Council Tax at its meeting on 02 March, once Cabinet's budget proposals are completed and details of all other precepts have been received. Subsequent to that, full corporate and financial planning proposals for the period 2011-14 will be presented to the April Council meeting.

1.4 To assist Council in its deliberations, the main points associated with the budget and policy framework position to date and associated underlying assumptions are outlined below; the related resolutions of the January Cabinet meeting are included elsewhere on the agenda. For more detail, Members may also find it helpful to refer back to the actual Cabinet reports.

2 POLICY FRAMEWORK

2.1 Back in June 2010 the City Council published its Corporate Plan for the period 2010-13. At that time, however, it was already recognised that the City Council faced a number of enormous challenges, with the very real prospect of a reduction in the funding the authority received from Government to help deliver services. Given that context, the Corporate Plan was intended to focus on those areas which the Council believed were of the greatest benefit to the community.

2.2 The challenge facing the Council has been and continues to be to ensure that it is structured in the right way to deliver its agreed priorities, whilst responding to the financial difficulties it continues to face.

- 2.3 In November 2010, Cabinet first set out its updated draft priorities, changing the emphasis in certain areas, and it is now proposed that these be used to develop the policy framework for the next three years:
- Economic Regeneration – Energy Coast and Visitor Economy
 - Climate Change – prioritising reducing the council's energy costs and increasing income
 - Statutory responsibilities – fulfilling at least our minimum statutory duties - focus on keeping the streets clean and safe
 - Partnership working and Community Leadership – working with partners to reduce costs, make efficiencies and create resilience within the district
- 2.4 Furthermore, it is intended that protecting the most vulnerable in our society should also be a thread that runs through all of the above.
- 2.5 In line with the above, Cabinet requested officers to bring forward proposals for generating additional income from services, reducing expenditure on services which do not meet the updated draft priorities, or for meeting the draft priorities more efficiently. Information on such savings is included later in this report, together with outline information on areas of growth.
- 2.6 As well as considering specific proposals, however, there is also the need for Council to understand the Council's current financial position and its overall expectations for future years, and these elements are covered in the sections below.

3 GENERAL FUND REVENUE BUDGET

3.1 2010/11 Revised Budget

- 3.1.1 Following an in-depth review, the City Council's draft revised budget for the current year stands at £23.616M, representing a net underspending of £1.124M or 4.5%. This includes some fairly large specific variances although many of these have arisen as a result of proactive management, as well as drawing on the previous year's outturn. In particular:
- around £410K underspending is forecast across environmental services, with the largest savings arising through efficiency measures on waste collection;
 - around £215K underspending is expected on concessionary travel, based on recent monitoring information;
 - senior management restructuring has resulted in in-year savings of £191K;
 - some areas of spend have been delayed until next year and the draft budgets reflect this. In particular, a total of around £120K in connection with the Local Development Framework and Morecambe Area Action Plan is proposed to slip into 2011/12. Capital financing costs are also under budget by £76K, because of associated capital spend and financing being later than planned, and these cost pressures will also slip into next year.

- Investment interest is around £103K under budget, primarily because of the changes made at outturn regarding Icelandic investments.

3.1.2 Council is now recommended to approve this revised position, with the underspending transferring into Balances. This would result in them reaching £2.356M as at 31 March 2011, should the outturn prove in line with the revised budget. Importantly, it would mean that the Council has increased flexibility to help manage its financial position and this is reflected in Cabinet's budget proposals for future years.

3.2 **2011/12 Council Tax and Provisional Local Government Settlement**

3.2.1 For 2011/12 Council is recommended to approve a 0% increase in the basic City Council Tax, subject to receiving confirmation of Council Tax Compensation Grant entitlement. This would result in a Band D City Council Tax of £192.25, as shown at **Appendix A**.

3.2.2 The Council's Tax Base for 2011/12 has been set at 43,450 Band D properties, which represents a year on year increase of 50 (or 0.1%).

3.2.3 In terms of the provisional Settlement, this was announced on 14 December. For the City Council, funding levels are around £1.2M better than recently thought, predominantly because the Council will not lose as much grant as was expected in relation to the transfer of concessionary travel responsibilities. Nonetheless, the Council is still faced with major year on year reductions in its funding levels:

- For 2011/12, the provisional amount of Government support that the Council will receive is £13.037M. After adjusting for concessionary travel, this represents a year on year cash reduction of £2.087K or 13.8%.
- For 2012/13, support of £11.620M is expected, representing a further year on year reduction of £1.417M or 10.9%.

3.2.4 The Government has introduced various changes in the way in which support is distributed across local authorities and it has removed most ring-fenced or specific grant funding streams, but it has also made it clear that it considers the existing distribution system unworkable in the longer term. For this reason, the Settlement only covers two years and the Government has committed to undertake a further review of Local Government Finance in due course.

3.2.5 With regard to capping, for 2011/12 "the Government will take capping action against councils that propose excessive rises". This is an interim measure, pending the introduction of powers for residents to veto excessive council tax increases through local referendums, as was consulted on last autumn.

3.2.6 There is one change for next year, however, in that capping principles for 2011/12 are to be set out when the final Settlement is to be announced. This is much earlier than in the past, and should at least allow councils to have a clear understanding of capping criteria prior to finally setting their full council tax rates.

3.3 Draft Base Budgets 2011/12 Onwards

- 3.3.1 The first draft of the 2011/12 budget has also now been completed and currently it stands at £21.215M, as shown in **Appendices A and B**. This takes account of various decisions made at the January Cabinet meeting, subject to call-in, including proposed increases for fees and charges relating to parking and environmental health services. It also takes account of the decision to continue managing the three Community Pools.
- 3.3.2 With regard to the Pools, in support of the 2010/11 budget and policy framework, back in February 2010 Cabinet took the decision to give notice to Lancashire County Council of the intention to withdraw from managing the Community Pools on the County's behalf. Subsequent to that, the City and County Councils agreed to work together to explore options with a view to finding a way to ensure that the Community Pools could remain open, for the benefit of local residents under the management of the City Council.
- 3.3.3 In line with this, the two Councils have been working together to develop local shared services and various other joint initiatives. The vacation of Palatine Hall and its subsequent occupation by the County, as well as the delivery of County services through the City Council's Customer Service Centres coupled with other related efficiency savings already built into the draft budget, have meant that sufficient funding has been identified to enable the Community Pools to remain under the management of the City Council. Accordingly, at its meeting in January Cabinet resolved that its earlier decision to withdraw from managing the Community Pools be rescinded.
- 3.3.4 If no further changes were made, the draft budget as it stands, based on a Council Tax freeze for next year, would allow a contribution to Balances of £176K, though this is before consideration of any further savings or growth.
- 3.4 For subsequent years, however, the draft budget projections present far greater challenges. Initial savings requirements are shown below; again these are before consideration of savings or growth but they do provide for a 2% year on year increase in Council Tax from 2012/13, this being the maximum target supported by Council back in December.

	Revenue Budget Projections (before any savings & growth proposals)			Savings Requirement (again, before considering savings and growth proposals)	
	Net Budget	Annual Increase / (Reduction)	Assumed Contrib. from Balances		
	£000	%	£000	£000	% of Budget
2012/13	21,199	(0.07)	--	1,049	4.9
2013/14	21,930	3.4	--	1,832	8.4

- 3.4.1 The importance of both considering risk and taking a longer term view when considering budget matters cannot be over-emphasised. Looked at in isolation 2011/12 may look 'easy', but as with many other councils, from 2012/13 financial prospects still look hugely challenging. Admittedly this has generally been the case for the Council, but then subsequently forecasts have

improved for a variety of reasons, both within and outside of the Council's control. It is considered, however, that a number of areas that have previously generated significant savings or budget uncertainty will no longer have the same influence or scope to change in future. These include Environmental Services and Revenues and Benefits, as well as Concessionary Travel.

3.4.2 It is with the future in mind, therefore, that Cabinet has set out its Council Tax and initial budget proposals. Council is advised to use 2011/12 as time in which to build financial and other capacity in order to meet future challenges.

3.5 **Savings, Growth, and Invest to Save Proposals**

3.5.1 The budget proposals both to fit with the recommended freeze in Council Tax and to make progress against proposed priorities and future years' savings targets are also set out at **Appendix B** for Council's initial consideration. It can be seen from this that some proposals are still uncertain and more work is required. The following issues and points are also highlighted:

- i. The majority of proposed savings are based on achieving efficiencies rather than reducing service levels.
- ii. There are very few savings currently proposed that would reduce service standards. This has been possible because of the improved short-term financial prospects, but there will be increasing pressure to reduce other service areas in future, as the scope for achieving efficiency savings or generating extra income diminishes.
- iii. Regarding growth, one new proposal was supported by Cabinet at its January meeting, this being to consider gap funding support if necessary for continuing some Police Community Support Officer (PCSO) provision. This service may have its funding reduced in future, primarily as a result of the withdrawal of Area Based Grant funding by Government. At this stage, the proposed growth cannot be accurately quantified but as an indication, in order to maintain existing staffing levels, the growth needed could be up to £110K per year.
- iv. Based on the proposals quantified so far, an additional contribution to Balances of £547K would be possible, resulting in total Balances estimated at £2.9M by the end of next year, i.e. £1.9M above the current minimum. The s151 Officer's formal advice on the level of Balances will be reported initially to Cabinet in February. Nonetheless, in line with earlier comments it is expected that the Council will have significant surplus balances and one of Cabinet's key budget proposals is that in principle, any such surpluses be used to support invest to save schemes. Should Council be supportive of this proposal, further details would be incorporated into the Medium Term Financial Strategy.

3.5.2 Council's initial views are now sought on the savings and growth proposals. In total, at present they amount to a net saving of just over £370K per year. To reiterate Cabinet's position, at this stage it supports consideration of all the proposals listed but they may be subject to further changes.

4 GENERAL FUND CAPITAL PROGRAMME

- 4.1 As part of the Spending Review, Government made it very clear that they expected public sector capital investment to reduce over the next few years. Whilst they are planning to introduce various measures that may offer some alternative funding sources for priority areas, these will not fully offset the spending reductions overall.
- 4.2 It is in this context that a limited review of the capital programme and investment priorities has been undertaken. Taking account of information received to date, the latest capital position is summarised below and a more detailed statement is included at **Appendix C**. At present a £290K shortfall is shown for the next 5 years.

General Fund Programme	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	5 Year Total £'000
	£'000	£'000	£'000	£'000	£'000	£'000	
Total Provisional Programme	6,183	6,177	3,804	1,709	1,444	678	13,812
Estimated Financing	6,183	6,177	3,804	1,709	1,444	388	13,522
Cumulative Shortfall	--	--	--	--	--	290	290

- 4.3 An update on the main issues arising is outlined below for Council's information and consideration:
- The Head of Property Services has reviewed potential property disposals for future years, in line with the Medium Term Property Strategy and Cabinet's draft priorities. The draft programme is based on the Council generating £9M of capital receipts in next year, predominantly from the sale of land at South Lancaster and Heysham Mossgate. If these are not completed then this will add further pressure onto the revenue budget. As an indication, £1M of additional borrowing need could result in extra revenue costs of £70K per year, but exact figures would depend on various factors.
 - For regeneration, certain growth proposals have already been considered by Cabinet and the draft programme includes these.
 - Regarding climate change and energy efficiency, specific growth / invest to save proposals are currently being developed for consideration at February Cabinet so at this stage, only the original outline budgets are included.
 - In terms of housing, Government will continue to provide capital grant funding towards Disabled Facilities Grants, but it is not yet known how much the Council will receive. For now, the programme makes a broad assumption on the estimated level of funding receivable over the next five years but this will need updating in due course.
 - The other housing related matter relates to Chatsworth Gardens, but at the time of the Cabinet meeting a decision from the funder (Homes and

Communities Agency) had not been received. Currently the draft Capital Programme has no budget provision for this scheme.

- Municipal Buildings Works estimates need updating to reflect recent developments, and also, various Information Technology (IT) provisions may change in due course, in light of any further developments regarding Lancashire County Council's Strategic Partnership, or use of open source software in line with the recent Council motion.
- There are still some other aspects of the programme to consider, including potential use of the Renewals and Capital Support Reserves where appropriate, and concluding the Luneside East project.

4.4 Whilst last year's outturn and the above points change the profiling of the Council's underlying need to borrow (known as Capital Financing Requirement: CFR) to 2015/16, there are no other changes built in at this stage.

5 HOUSING REVENUE ACCOUNT

5.1 In respect of the Housing Revenue Account (HRA), which covers only the Council Housing Service, the recommendations complete the budget setting process for 2011/12. In considering them Council is asked to note the following:

- i. The revised budget position for 2010/11 is summarised at **Appendix D**. Whilst operationally some net savings have been achieved, surplus balances brought forward from last year have now been applied to other areas, particularly the financing of capital slippage, resulting in an overall increase in net expenditure of £173K when compared with the original budget.
- ii. Next year's proposed revenue budget (also summarised at Appendix D) takes account of Cabinet's decision to set average housing rents at £64.20 per week, which represents an increase of 6.9%. Whilst this is higher than in recent years, it fits with the various caps and limits set by Government, taking account of the long-term policy objective to achieve rent convergence, i.e. for local authority and other social housing provider rent levels to be broadly the same. It also supports the continuing need for the Council to maintain and invest in its housing stock and therefore represents the best position financially, to help sustain a good quality housing service.
- iii. For future years, Government is planning to withdraw the existing housing subsidy system but this will require legislative changes, to be taken forward under the Localism Bill. Such changes will bring about major changes to HRA budgets but for now, and until any better information is available, forecasts for 2012/13 onwards simply assume that the existing arrangements will continue. Accordingly, they assume rent increases of a little under 5% per year.
- iv. A formal review of the HRA's Balances, Reserves and Provisions has been undertaken, the outcome of which is reflected in **Appendix E**. It is recommended that the minimum level of Balances be retained at £350K.

After taking account of the proposed revised budget for the current year, HRA balances are expected to be in line with this recommendation.

- v. With regard to capital, the proposed programme is set out at **Appendix F** and it has been driven primarily by the existing 30-year Business Plan for the service. No major changes have been required in order to balance the capital position for the 5-year period. The proposed programme will enable the housing stock to continue to meet both the Decent Homes Standard and the Council's own higher Standard, using information from the most recent stock condition surveys. Again though, future capital investment plans will need to be reviewed once the Government's housing finance reforms are known.
- vi. As in previous years it is not proposed to undertake any prudential borrowing to support capital investment in Council Housing, and therefore there is no direct impact on the Council's Prudential Indicators.

6 DETAILS OF CONSULTATION

- 6.1 A range of consultation exercises has been undertaken to date, in accordance with the community engagement plans approved by Cabinet back in July of last year. Cabinet has considered the information arising in developing its budget and policy framework proposals.
- 6.2 In particular, Cabinet's budget proposals for Council Housing were presented to the District Wide Tenants' Forum on 25 January. Feedback from that meeting was positive; a summary is attached at **Appendix G** for Council's information.
- 6.3 Finally it should be noted as usual the Leader will outline the Cabinet's budget and policy framework proposals at an open meeting of the Budget and Performance Panel on 25 January, to which all Members of the Council, LSP Thematic Group chairmen, and business stakeholder representatives have been invited. Feedback from this meeting was not available at the time this agenda was published and so it will be circulated under separate cover as soon as practicable.

7 OPTIONS AND OPTIONS ANALYSIS (INCLUDING RISK ASSESSMENT)

- 7.1 For General Fund, options are dependent very much on Members' views on spending priorities balanced against Council Tax levels and what is affordable. Outline options are highlighted below:
 - Regarding Council Tax, Council may consider approving a different percentage increase or decrease for next year. In essence, however, agreeing an increase anywhere between 0 and 2.5% would give no financial benefit to the Council, at least for the next four years, but it would mean taxpayers being charged more. Approving an increase above 2.5% is considered likely to risk capping action being taken by the Government, and is therefore inadvisable. Similarly a reduction in tax rate is advised against, because of the impact on future years and the already substantial savings needed.

- With regard to considering alternative corporate priorities or developing savings and growth options to produce a budget in line with preferred Council Tax levels, emphasis should be on affordability and managing expectations as well as taking account of public consultation, given that substantial reductions in revenue spending are needed in future.

7.2 With regard to the HRA the position is different, in that this report includes Cabinet's final budget proposals for both revenue and the capital programme.

8 CONCLUSION

8.1 For General Fund, the provisional Settlement is much better than expected, albeit that the Council will still face significant year on year funding reductions. This highlights how much expectations have shifted in recent months. The Council has been successful in achieving major budget reductions and therefore in the short-term, the Council's revenue prospects may be easily managed and a Council Tax freeze for next year is readily achievable, but the medium to longer term must not be overlooked; the challenge of balancing the Council's budget beyond 2011/12 to deliver its corporate priorities still remains. With regard to capital, the key risks still centre on completing land sales and determining the way forward for stalled regeneration schemes.

8.2 For the Housing Revenue Account, in order to fit with Government constraints and policy objectives and to support the financial sustainability of council housing service provision, the budget proposals take account of relatively high year on year increases in housing rents. Recognising this position, the budget proposals are supported by the Housing Tenants' Forum. For the future, however, the detail behind Government reforms is expected to have a major bearing on council housing finance and future planning.

CONCLUSION OF IMPACT ASSESSMENT

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

No additional impact arising – any specific issues would be (or have been) considered as part of the relevant aspect of the policy framework or individual budget proposals, etc.

LEGAL IMPLICATIONS

Legal Services have been consulted and have no further comments.

FINANCIAL IMPLICATIONS

As referred to in the report.

OTHER RESOURCE IMPLICATIONS

Human Resources / Information Services / Property / Open Spaces:

Various budget proposals have resource implications and these have been taken account of in Cabinet's consideration of budget options. Their implementation would be in accordance with council policies and procedures, as appropriate.

SECTION 151 OFFICER'S COMMENTS

The Local Government Act 2003 placed explicit requirements on the s151 Officer to report on the robustness of the estimates included in the budget and on the adequacy of the Council's reserves. Previous Cabinet reports have already included some relevant details of this advice, together with the risks and assumptions underpinning the budget process so far.

A summary of the s151 Officer's advice to date is provided below for information, but it some of this is provisional until such time as Cabinet's full budget proposals for General Fund are known.

HRA Reserves and Provisions

- Specific earmarked reserves and provisions are satisfactory at the levels currently proposed.
- Unallocated balances of £350K for the Housing Revenue Account are reasonable levels to safeguard the Council's overall financial position.
- With regard to Housing Revenue Account balances, £350K represents approximately 2.4% of gross income. With regard to any surplus balances, the same general principles apply (as they have done in recent years), in that they would be used to support the 30-year Business Plan, taking account of housing rent increases

Robustness of Estimates

A variety of exercises have been undertaken to establish a robust budget for the forthcoming year. These include:

- Producing a continuation budget, taking account of service commitments, pay and price increases and expected demand / activity levels as appropriate, and the consideration of key assumptions and risks.
- Reviewing the Council's priorities and its associated service activities and spending / income generation plans. This is being supported and challenged through public consultation.
- Reviewing the Council's medium term financial strategy and planning, following its adoption last March, together with other corporate financial monitoring information produced during the year.
- Undertaking an initial review of the Council's affordable borrowing levels to support capital investment, in line with the Prudential Code, but taking account of assumptions regarding Icelandic investments.

These measures ensure that as far as is practical at this stage, the estimates and assumptions underpinning the base budget are robust, but clearly further work is required to present a final General Fund budget, as well as a balanced General Fund Capital Programme.

Affordability of Spending Plans

In addition, the s151 Officer is responsible for ensuring that when setting and revising Prudential Indicators, including borrowing limits, all matters to be taken into account are reported to Council for consideration. This will be covered in the report to Budget Council, at which time Council will consider full proposals regarding the capital programme and financing for the five year period to 2015/16. There is no borrowing to be undertaken in respect of the Council Housing Capital programme included in this report.

MONITORING OFFICER'S COMMENTS

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

BACKGROUND PAPERS

Prudential Code
Local Government Finance Settlement

Contact Officer: Nadine Muschamp
Telephone: 01524 582117
E-mail: nmuschamp@lancaster.gov.uk
Ref:

2011/12 Revenue Budget : Savings & Growth Options

For Consideration by Council 02 February 2011

	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000
Original Revenue Budget Projection (Per Budget Council 03 March 2010)	24,740.0	25,323.0	25,678.0	0.0
BUDGET PROJECTIONS	23,615.6	21,357.2	21,334.5	22,059.7
Changes arising from Cabinet 18 January (subject to call-in):				
Community Pools		+182.7	+189.4	+195.6
Environmental Health fees and charges		-19.2	-16.5	-15.8
Car parking fees and charges		-97.4	-99.2	-101.0
Changes Subject to Council 02 February:				
2010/11 Estimated Surplus to be transferred to Balances	1,124.4			
Additional Government funding for setting a 0% Council Tax increase		-208.8	-208.8	-208.8
LATEST BASE BUDGET PROJECTIONS	24,740.0	21,214.5	21,199.4	21,929.7
TARGET REVENUE BUDGET (for a 0% increase in Council Tax for 2011/12, then 2% thereafter)		21,390.0	20,150.0	20,098.0
NET SURPLUS RESOURCES (-) / SAVINGS REQUIREMENT		-175.5	1,049.4	1,831.7
Budget Proposals to be considered further (see schedules on next page) :				
Income generation		+0.0	+0.0	+0.0
Savings in service areas not linked to draft priorities		-45.8	-46.0	-46.2
Efficiencies linked to draft priorities		-612.1	-591.0	-590.0
Growth proposals		+286.2	+258.2	+261.6
Invest to Save Scheme proposals		+0.0	+0.0	+0.0
Net Total		-371.7	-378.8	-374.6
Contribution to Balances (to help support Invest to Save initiatives)		547.2	0.0	0.0
REMAINING SAVINGS REQUIREMENT		0.0	670.6	1,457.1

Details of Budget Options on next page

Budget Proposals to be considered

INCOME GENERATION PROPOSALS	SERVICE	NOTES	+0.0	+0.0	+0.0
Wellbeing fees and charges	Community Engagement	Not yet determined	??	??	??
Charging for replacement waste collection bins / boxes	Environmental Services	Report required	??	??	??

SAVINGS PROPOSALS FOR SERVICES NOT LINKED TO DRAFT PRIORITIES	SERVICE	NOTES	-45.8	-46.0	-46.2
Children and Young People - budget reduction	Community Engagement	Operational	??	??	??
Access for the Disabled - removal of non-statutory element	Regeneration & Policy	Personnel (Delegated)	-33.8	-33.8	-33.8
Environmental Services Admin / Support staff - review of staffing	Environmental Services	Not yet determined	??	??	??
Bus shelter cleaning - take back in-house and use existing capacity	Environmental Services	Operational	-12.0	-12.2	-12.4
Vehicles - review replacement programme	Environmental Services	Not yet determined	??	??	??

EFFICIENCY PROPOSALS LINKED TO DRAFT PRIORITIES	SERVICE	NOTES	-612.1	-591.0	-590.0
Wellbeing Function - restructure	Community Engagement	Subject to Personnel Cttee	-121.7	-117.4	-120.7
Partnerships Function - restructure	Community Engagement	Subject to Personnel Cttee	-26.0	-26.3	-26.6
Children's Trust - shared support with County Council	Community Engagement	Operational	-20.0	-20.0	-20.0
Museum Partnership - withdraw from shared service	Community Engagement	Not yet determined	0	??	??
Community Safety - develop shared service arrangement with Wyre BC	Community Engagement	Operational	??	??	??
Economic Development - reduction in business support	Regeneration & Policy	Personnel (Delegated)	-48.0	-48.0	-48.0
Financial Services - restructure	Financial Services	Personnel 01 Feb	-77.3	-78.0	-78.8
Financial Services - Revenues & Benefits Shared Service	Financial Services	Council 02 Feb	-43.0	-46.0	-46.0
Health & Housing - restructure	Health & Housing	Personnel 01 Feb	-97.3	-100.4	-102.1
Homeless Prevention - saving due to additional Government grant allocation	Health & Housing	Operational	-25.0	+0.0	+0.0
CCTV - review of operations	Property Services	Not yet determined	??	??	??
Facilities Management & Property Services - restructure	Property Services	Not yet determined	??	??	??
Waste Collection - reduction in staffing but would require changes in fleet	Environmental Services	Operational/Delegated	-81.0	-64.5	-55.9
Waste Collection - enforcement / performance review	Environmental Services	Personnel 01 Feb	-52.8	-70.0	-71.1
Waste Collection - consider bidding for other contracts	Environmental Services	Not yet determined	??	??	??
Building Cleaning - option of working with County Council	Environmental Services	Not yet determined	??	??	??
Grounds Maintenance - community payback work during summer	Environmental Services	Operational	-20.0	-20.4	-20.8
Vehicle Maintenance - review shared service opportunities	Environmental Services	Not yet determined	??	??	??
Bulky Matters - consider options to expand / review charges	Environmental Services	Not yet determined	??	??	??
Environmental Enforcement - review of enforcement levels	Environmental Services	Not yet determined	??	??	??

GROWTH PROPOSALS	SERVICE	NOTES	+286.2	+258.2	+261.6
Partnership Team - removal of external grant funding	Community Engagement	Cabinet 05 Oct	+172.8	+172.0	+175.4
Regeneration Team - removal of external grant funding	Regeneration & Policy	Cabinet 05 Oct	+84.9	+86.2	+86.2
Temporary Planning Assistant - 12 months contract	Regeneration & Policy	Subject to Approval	+28.5	+0.0	+0.0
Private Sector Housing Standards - to meet statutory requirements	Health & Housing	Not yet determined	??	??	??
Establishment of Lord Mayoralty - subject to submitting successful bid	Governance	Council Business 14 Jan	+0.0	??	??
Funding contribution for PCSOs	Community Engagement	Cabinet 18 Jan	??	??	??

INVEST TO SAVE SCHEMES	SERVICE	NOTES	+0.0	+0.0	+0.0
To be considered further at February Cabinet		Cabinet 15 Feb	??	??	??

NOTE : For items marked "Operational" or "Personnel (Delegated)", no separate Member approval is required.

**General Fund Draft Gross Capital Programme
For consideration by Council 02 February 2011**

Service / Scheme	2010/11 £	2011/12 £	2012/13 £	2013/14 £	2014/15 £	2015/16 £	5 year Total £
Environmental services							
District Playground Improvements	96,000	60,000					60,000
Greaves park resurfacing	16,000						0
Ryelands Park improvements	24,000						0
Cedar Park Playground Improvements	13,000						0
Hala Park Playground Improvements (subject to external funding)	9,000						0
Toilet Works	125,000	90,000	90,000	60,000	90,000		330,000
Allotment Improvements (subject to expenditure plan)	16,000	16,000	16,000	16,000	16,000		64,000
Community Engagement							
Energy Efficiency Schemes	22,000	20,000	20,000				40,000
The Platform Improvements (subject to business case)	0	108,000					108,000
Happy Mount Park Natural Adventure	31,000						0
Williamson Park Developments	0	75,000					75,000
Salt Ayre Athletics Track Security Fencing	20,000						0
Salt Ayre Reception Refurbishment	40,000						0
Salt Ayre Synthetic pitch	25,000						0
Salt Ayre Reflexions changing rooms	30,000						0
Salt Ayre Replacement of pool filters	18,000						0
Health and Housing							
YMCA Places of Change	783,000						0
Impact Housing association	50,000						0
RHP and Government funding (subject to allocations)	0	653,000	653,000	653,000	653,000	653,000	3,265,000
Disabled Facilities Grants	753,000						0
Information Services							
I.T. Infrastructure	26,000	10,000		35,000			45,000
I.T. Application Systems Renewal	267,000	143,000		230,000			373,000
I.T. Desktop Equipment	25,000	110,000	70,000	70,000	70,000		320,000
Electronic Room Hire Booking System	13,000						0
Regeneration & Policy							
Cycling England	409,000						0
Toucan Crossing-King Street	70,000						0
Artle Beck Improvements (Flood Defences)	91,000	241,000					241,000
Christmas Lights Renewals	31,000						0
Strategic Monitoring (River & Sea Defences, subject to EA funding)	96,000	113,000	113,000	113,000	113,000		452,000
Denny Beck Bridge Improvements	139,000						0
Mill Head Warton (Flood Defences)	120,000	8,000					8,000
Wave Reflection Wall Refurbishment (subject to EA funding)	53,000	507,000	507,000	507,000	477,000		1,998,000
Slynedale Culvert project	26,000						0
The Dome (Demolition)	140,000						0
Amenity improvements	10,000	34,000					34,000
Luneside East - Land Acquisition & Associated Fees	150,000	235,000					235,000
Luneside East Compensation Claims	230,000	68,000	35,000				103,000
Poulton Public Realm-Edward St, Union St, Church Walk	25,000						0
Bold Street Renovation Scheme	908,000						0
Clarendon/West End Rd Rear Yard Wall	0						0
Marlborough Road Redevelopment	200,000						0
Lancaster Square Routes	0	220,000					220,000
Ffrances passage (Square routes S106)	0	73,000					73,000
Morecambe TH12: A View for Eric	0	25,000	25,000	25,000	25,000	25,000	125,000
Poulton Pedestrian Route	0	160,000					160,000
Public Realm Works	13,000						0
Storey Institute Centre for Industries	45,000						0
Port of Heysham Sites 1&4 (Payment of Clawback)	0	328,000					328,000
Property Services							
Car Park Improvement Programme	0	50,000					50,000
Corporate and Municipal Building Works	1,025,000	2,830,000	2,275,000				5,105,000
GENERAL FUND CAPITAL PROGRAMME	6,183,000	6,177,000	3,804,000	1,709,000	1,444,000	678,000	13,812,000
Financing :							
Grants and Contributions	3,698,000	1,722,000	1,255,000	1,255,000	1,225,000	653,000	6,110,000
Usable Capital Receipts (see table below)	612,000	8,989,000	314,000	65,000	64,000	20,000	9,452,000
Revenue Financing	379,000	214,000	95,000	45,000	0	0	354,000
Sub-total	4,689,000	10,925,000	1,664,000	1,365,000	1,289,000	673,000	15,916,000
Increase / Reduction (-) in CFR (Underlying Change in Borrowing Need)	1,494,000	-4,748,000	2,140,000	344,000	155,000	-285,000	-2,394,000
TOTAL FINANCING	6,183,000	6,177,000	3,804,000	1,709,000	1,444,000	388,000	13,522,000
Shortfall / Surplus (-)	0	0	0	0	0	290,000	290,000
Cumulative Shortfall / Surplus (-)	0	0	0	0	0	290,000	290,000
Capital Receipts Summary	2010/11	2011/12	2012/13	2013/14	2014/15	2014/15	Total
	£	£	£	£	£	£	£
Balance Brought Forwards:	150,000	1,000	1,000	1,000	0	0	153,000
Receipts Due In Year:	463,000	8,989,000	314,000	64,000	64,000	20,000	9,914,000
In Year Capital Programme Financing:	-612,000	-8,989,000	-314,000	-65,000	-64,000	-20,000	-10,064,000
Balance Carried Forwards :	1,000	1,000	1,000	0	0	0	3,000

HOUSING REVENUE ACCOUNT DRAFT BUDGET

For Consideration by Council 02 February 2011

	2009/10 Outturn £	2010/11 Budget £	2010/11 Revised £	2011/12 Budget £	2012/13 Forecast £	2013/14 Forecast £
INCOME						
Rental Income - Council Housing (Gross)	-11,416,100	-11,717,900	-11,720,600	-12,527,200	-13,113,400	-13,718,900
Rental Income - Other (Gross)	-183,900	-188,600	-192,700	-193,100	-196,400	-200,300
Charges for Services & Facilities	-1,874,900	-1,841,900	-1,821,800	-1,835,000	-1,871,300	-1,911,100
Grant Income	-7,700	-7,700	-7,700	-7,700	-7,700	-7,700
Contributions from General Fund	-167,900	-165,200	-165,200	-165,200	-165,200	-165,200
Total Income	-13,650,500	-13,921,300	-13,908,000	-14,728,200	-15,354,000	-16,003,200
EXPENDITURE						
Repairs & Maintenance	4,236,600	4,028,500	3,943,100	4,071,900	4,001,900	4,282,800
Supervision & Management	3,012,600	3,357,300	3,393,600	3,285,300	3,341,500	3,413,300
Rents, Rates, Taxes & Other Charges	92,600	99,400	94,000	103,200	112,100	121,300
Negative Housing Revenue Account Subsidy Payable	946,900	1,574,500	1,748,600	2,348,000	2,680,200	3,069,800
Increase in Provision for Bad and Doubtful Debts	209,600	155,800	180,000	182,000	183,100	184,300
Depreciation & Impairment of Fixed Assets	14,268,900	2,369,000	2,370,300	2,346,800	2,393,700	2,441,100
Debt Management Costs	1,100	1,100	1,100	1,100	1,100	1,100
Total Expenditure	22,768,300	11,585,600	11,730,700	12,338,300	12,713,600	13,513,700
NET COST OF HRA SERVICES	9,117,800	-2,335,700	-2,177,300	-2,389,900	-2,640,400	-2,489,500
(Gain) or Loss on Sale of HRA Fixed Assets	-65,600	0	0	0	0	0
Interest Payable & Similar Charges	798,800	808,000	717,700	751,400	801,900	831,000
Amortisation of Premiums & Discounts	0	158,500	158,500	159,000	161,000	161,700
Interest & Investment Income	-33,100	-55,000	-22,900	-32,500	-53,700	-74,200
Pensions Interest Costs & Expected Return on Pensions Assets	481,900	68,000	68,000	68,000	68,000	68,000
(SURPLUS) OR DEFICIT FOR THE YEAR	10,299,800	-1,356,200	-1,256,000	-1,444,000	-1,663,200	-1,503,000
Adjustments to reverse out Notional Charges included above	-11,740,600	-65,400	-63,200	-63,200	-63,200	-63,200
Net charges made for retirement benefits	-295,300	-68,000	-68,000	-68,000	-68,000	-68,000
Transfer to/(from) Major Repairs Reserve	143,900	0	-411,100	73,100	355,400	330,600
Transfer to/(from) Earmarked Reserves	409,100	238,400	9,600	199,900	225,300	177,100
Capital Expenditure funded by the Housing Revenue Account	1,153,700	1,251,200	1,961,900	1,302,200	1,213,700	1,126,500
TOTAL (SURPLUS) / DEFICIT FOR THE YEAR	-29,400	0	173,200	0	0	0
Housing Revenue Account Balance brought forward	-493,900	-350,000	-523,200	-350,000	-350,000	-350,000
Housing Revenue Account Balance carried forward	-523,300	-350,000	-350,000	-350,000	-350,000	-350,000

RESERVES AND PROVISIONS - FOR CONSIDERATION BY COUNCIL 02 FEBRUARY 2011

	HRA General Balances	Major Repairs Reserve / Business Plan Support	Total Earmarked Reserves	Flats - Planned Maintenance	Central Control Equipment	Telecare	Non-Sheltered Scheme Equipment	I T Replacement	Office Equipment Reserve	Sheltered - Equipment	Sheltered - Planned Maintenance	Sheltered Support Grant Maintenance	JE Reserve	Management Restructure Reserve	Net Movement on Earmarked Reserves	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Balance 31st March 2010	523	6868	2287	818	73	10	125	314	52	231	328	137	100	100	2287	
Revised Estimate 2010/11																
Contributions to Reserves		2307	400	136	10	10	15	57	10	30	63	19	50		10	
Appropriations to/from (-) Reserves - Revenue	-173	-411	-314	-10	-19		-95	-16		-24	-60		-67	-100		
Appropriations from Reserves - Capital		-2307	-76													
Projected Balance 31st March 2011	350	6457	2297	944	64	20	45	355	62	238	330	156	84		2297	
Estimates 2011/12																
Contributions to Reserves		2325	336	136	10	10	15	57	10	30	49	19	-84		200	
Appropriations to/from (-) Reserves - Revenue		73	-116	-7						-20	-6					
Appropriations from Reserves - Capital		-2325	-20	-20												
Projected Balance 31st March 2012	350	6530	2497	1053	74	30	60	412	72	248	373	175			2497	
Estimates 2012/13																
Contributions to Reserves		2371	327	136	10	10	15	57	10	30	40	19			225	
Appropriations to/from (-) Reserves - Revenue		355	-41	-11						-26	-4					
Appropriations from Reserves - Capital		-2371	-60							-60						
Projected Balance 31st March 2013	350	6885	2722	1178	84	40	75	469	82	252	349	194			2722	
Estimates 2013/14																
Contributions to Reserves		2417	320	136	10	10	15	57	10	30	33	19			177	
Appropriations from Reserves - Revenue		331	-83	-34						-25	-24					
Appropriations from Reserves - Capital		-2417	-60							-60						
Projected Balance 31st March 2014	350	7216	2899	1280	94	50	90	526	92	257	297	213			2899	
Estimates 2014/15																
Contributions to Reserves		2500	356	132	10	10	15	57	10	30	73	19			356	
Appropriations to/from (-) Reserves - Revenue																
Appropriations from Reserves - Capital		-2500	-60													
Projected Balance 31st March 2015	350	7216	3255	1412	104	60	105	583	102	287	370	232			3255	
Estimates 2015/16																
Contributions to Reserves		2500	356	132	10	10	15	57	10	30	73	19			356	
Appropriations to/from (-) Reserves - Revenue																
Appropriations from Reserves - Capital		-2500	-60													
Projected Balance 31st March 2016	350	7216	3611	1544	114	70	120	640	112	317	443	251			3611	

* Note that Major Repairs Reserve incorporates support for the HRA Business Plan.
 * Please note that further expenditure may be funded from the above reserves, but the timing is uncertain.

RESERVES AND PROVISIONS- For Consideration by Council 02 February 2011 **APPENDIX E (2)**

	Reason for/purpose	How & when it be used	Management & control	Reviewed	Recommendations
Capital Reserves					
Major Repairs Reserve (MRR) / Business Plan Support	Set up following the introduction of Resource Accounting in the HRA. Grant received from Government annually which must be credited to this reserve with the intention of funding major works to the Council's housing stock.	Can be applied to Capital improvements to HRA housing stock (specifically excluding demolition) and, additionally from 1 st April 2004, repayment of HRA debt and credit liabilities (including premia on early repayment of PWLB loans). The Council's thirty year HRA Business Plan has projected increasing levels of balances in early years to fund deficits in later years, and it is intended that these balances will be held in the MRR.	Health & Housing/ Financial Services	Budget & Outturn	Incorporate in year grant and support to capital programme.
Revenue Reserves					
Flats – Planned Maintenance Reserve	Established to smooth the costs of major revenue and capital works to flats funded from Service Charges.	Contributions from Service Charges made to this reserve, together with additional appropriations in lieu of interest. Reserve to be applied to major works to communal facilities in flats.	Health & Housing/ Financial Services	Budget & Outturn	Incorporate revised in year contribution of £136K and transfer £10K to revenue budget for increased expenditure on Planned maintenance.

RESERVES AND PROVISIONS- For Consideration by Council 02 February 2011 **APPENDIX E (2)**

	Reason for/purpose	How & when it be used	Management & control	Reviewed	Recommendations
Central Control Equipment Reserve	Established to smooth the costs of major renewal or replacement of Central Control Equipment and systems	Funded from Central Control subscriptions with additional appropriations in lieu of interest. Reserve is to be applied to renewal or replacement of major items of equipment and systems for Central Control system. Also used for chargeable enhancements throughout the life of the system.	Health & Housing/ Financial Services	Budget & Outturn	Incorporate in year contribution of £10K and transfer £19K to Capital budget to cover the purchase of equipment and software.
Telecare	Established to smooth the costs of renewal or replacement of Telecare Equipment.	Funded from Lifeline subscriptions. Reserve is to be applied to renewal or replacement of items for Telecare equipment.	Health & Housing/ Financial Services	Budget & Outturn	Incorporate in year contribution of £10K
Non-sheltered scheme equipment	Established to fund purchases of equipment for non-sheltered schemes funded from Service Charges.	Contributions from Service Charges made to this reserve, together with additional appropriations in lieu of interest. Reserve to be applied to purchases of equipment for non-sheltered schemes.	Health & Housing/ Financial Services	Budget & Outturn	Incorporate in year contribution of £15K and a transfer of £95k to reduce the balance of the reserve.

RESERVES AND PROVISIONS- For Consideration by Council 02 February 2011 **APPENDIX E (2)**

	Reason for/purpose	How & when it be used	Management & control	Reviewed	Recommendations
IT Replacement	Established to fund future major IT systems replacement.	To be applied to future replacements / choice based lettings.	Health & Housing/ Financial Services	Budget & Outturn	Incorporate in-year contribution of £57K and transfer £16K to support Capital Programme.
Office Equipment Reserve	Established to fund purchases of minor I T and other office equipment.	Used to fund ad-hoc purchases of major office furnishings resultant from health & safety legislation and risk assessments (desk, chairs, cabinets etc) and minor office equipment items e.g. pc upgrades.	Health & Housing/ Financial Services	Budget & Outturn	Incorporate in year contribution of £10K.
Sheltered Equipment Reserve	Established to fund purchases of equipment for Sheltered schemes funded from Service Charges.	Contributions from Service Charges made to this reserve, together with additional appropriations in lieu of interest. Reserve to be applied to purchases of equipment for common area services for Sheltered schemes.	Health & Housing/ Financial Services	Budget & Outturn	Maintain in year contribution at £30K and transfer £23.5K to revenue budget for sheltered equipment purchases.
Sheltered – Planned Maintenance	Established to smooth the costs of major revenue and capital works to flats funded from Service Charges	Contributions from Service Charges made to this reserve, together with additional appropriations in lieu of interest. Reserve to be applied to major works to communal facilities in Sheltered schemes.	Health & Housing/ Financial Services	Budget & Outturn	Incorporate in year contribution of £62.6K and to transfer £60K to capital for boiler renewals.

RESERVES AND PROVISIONS- For Consideration by Council 02 February 2011 **APPENDIX E (2)**

	Reason for/purpose	How & when it be used	Management & control	Reviewed	Recommendations
Sheltered – Support Grant Maintenance	Established to fund purchases of equipment for Sheltered schemes funded from Service Charges, but classed as Support Costs under County Guidelines.	Contributions from Service Charges made to this reserve, together with additional appropriations in lieu of interest. Reserve to be applied to major works to communal facilities in Sheltered schemes.	Health & Housing/ Financial Services	Budget & Outturn	Incorporate in year contribution of £19K.
JE Reserve	Established to fund the support of the pay structure	Contribution to the reserve to be approved by Cabinet. Use of the reserves to be determined (and agreed) by both the Head of Governance and Head of Financial Services.	Health & Housing/ Financial Services	Budget & Outturn	Fair Pay structure fully implemented and contribution towards revenue expenditure of £66.5K.
Management Restructure Reserve	Established to fund potential one-off staff costs arising from the Senior Management Restructure.	Contribution to the reserve to be approved by Cabinet. Use of the reserve restricted to restructurings approved through Personnel Committee.	Health & Housing/ Financial Services	Budget & Outturn	Management Restructure has concluded. Reserve balance to zero.

	Reason for/purpose	How & when it be used	Management & control	Reviewed	Recommendations
Provisions					
Bad Debts	This provision is used to write off all Housing Revenue Account bad debts that have been approved.	The provision is funded by an annual contribution based on assessment of the level of debt outstanding.	Financial Services	Budget & Outturn	Increase of £24.2K due to an increase in current tenant arrears and rechargeable repairs.

APPENDIX G

Lancaster District Wide Tenants Forum

Response to Council Housing Budget Consultation for Consideration at Council 02 February 2011

"The District-wide Tenants' Forum accepts the recommendation to set the average council housing rent for the forthcoming year at 6.9%.

The DWTF considers that the rents charged are good value for money and reasonable particularly when compared to the private sector and other social housing providers.

The DWTF wants to ensure that the level of maintenance and improvement is maintained to ensure that the quality and standard of accommodation remains high.

The DWTF recognised the challenges faced in ensuring that the housing services are adequately funded to ensure that the services tenants expect and want are fundable.

The DWTF is concerned how any increase in rent affects people on low incomes but recognises that those who are on the lowest incomes are protected through housing benefits and that the rent levels proposed still are excellent value when compared with other housing providers.

The DWTF expressed its thanks for the good quality services they received, particularly the repair and maintenance services."

Council 2nd February 2011
Officer Briefing Note on Notice of Motion

'This Council considers that 60 Councillors is too many for a small District Council.

Furthermore, given the pressures on the revenue budget, this Council resolves to reduce the number of Councillors from the current 60, to a more acceptable 40.

To achieve this objective by 2015, the Council further resolves work with the Boundary Commission.'

Proposed by Cllr Robinson

Seconded by Cllrs Sowden and Woodruff

Background Information

Electoral reviews are undertaken by the Local Government Boundary Commission for England, which is an independent body set up by Parliament in April 2010 under the Local Democracy, Economic Development and Construction Act 2009.

Schedule 2 to the 2009 Act sets out the 'statutory criteria' to which the Commission is required to have regard in conducting electoral reviews. In broad terms. These are:

- the need to reflect the identities and interests of local communities
- the need to secure effective and convenient local government, and
- the need to secure equality of representation

The Commission can make the following recommendations for local authority electoral arrangements:

- the total number of councillors to be elected to the council (known as 'council size')
- the number and boundaries of wards or divisions
- the number of councillors to be elected for each ward or division, and
- the name of any ward or division

Generally, the Commission conducts electoral reviews where electoral imbalances across wards have grown since the last periodic electoral review process which took place between 1996 and 2004. The criteria adopted by the Commission is that it will undertake a review if more than 30% of a council's wards/divisions have an electoral imbalance of more than 10% from the average for that authority; and/or if there is one ward/division with an electoral imbalance of more than 30%, and the imbalance is unlikely to be corrected by foreseeable changes to the electorate within a reasonable period.

The Commission also offers to assist Councils who wish to maintain high quality services at a time of reduced funding by altering the number of councillors representing the Council.

Council size is the starting point in any electoral review since it determines the average number of electors per councillor to be achieved across all wards or divisions of that authority.

The Commission is of the view that each local authority should be considered individually and not compared with other authorities of similar geographic or population size, or those facing similar issues and concerns. In the Commission's opinion, local government is as diverse as the communities it serves, providing services, leadership and representation tailored to the characteristics and needs of individual areas. In addition, the demographic make-up and dispersal of communities in England are such that to aim for equality in the number of electors each councillor represents as an average across the whole country would be impractical, if not unachievable. The Commission therefore will not base its decisions on council size on comparisons between local authorities

Proposals for council size are most easily, and regularly, argued in terms of effective and convenient local government (in terms of choosing the appropriate number of members to allow the council and individual councillors to perform most effectively). Arguments can also be made on the basis of reflecting communities and allowing for fairness of representation. When making recommendations the Commission has to ensure that it can justify its proposals for council size on the basis of the statutory criteria, and the evidence it receives from stakeholders based on these criteria.

The Commission advises that a starting point should be to consider the model of local governance used by the local authority, or intended to be used by any authority. These models have impacts on the workload of councillors and the working practices of the council, and therefore will have an effect on the number of councillors needed by that council. The existence of parish and town councils in an area may also have a bearing, although it is unproven as to whether this factor necessitates more or fewer councillors. The functions of the scrutiny, planning and licensing committees of the council may also have an effect, as might the representational aspect of councillors' roles.

The Commission's technical guidance indicates that it will be for those submitting proposals to it to examine the political management and working practices of the council under review, and make well-argued and reasoned proposals. The Commission has no pre-conceived ideas regarding the number of councillors necessary to run a local authority effectively, and is content to accept proposals for an increase, decrease or the retention of the existing number of councillors, but only on the basis that they can be justified. However, in the absence of sufficient justification the Commission will challenge and ask searching questions about the rationale for the council size being proposed and, if necessary, reach its own conclusions. Such conclusions may be different from those of interested parties to a review.

Even if the Commission is content with the rationale provided in support of a proposal for council size, it may choose to consider whether it is necessary to change this number in order to ensure better levels of electoral representation across the district. It is often possible to improve the levels of electoral representation across an authority by making minor modifications of one or two to the council size. The Commission will also examine whether the allocation of councillors between certain easily distinguishable parts of an authority (for example – a town and a rural area) is accurate. Improving the accuracy of the allocation of councillors between areas in an authority can help achieve better levels of electoral equality.

The Commission's approach to conducting electoral reviews is one of consultation, openness and transparency, aiming to build as much of its recommendations as possible on locally-generated proposals and, to that end, conduct as much consultation as is practicable in any review. The Commission publicises the review as widely as possible, and asks that the local councils, political parties, parish and town councils, community groups, residents' associations and other main stakeholders do the same. Timescales for electoral reviews vary depending on complexity, interest, cooperation from interested parties, and the Commission's workload. They are also dependant on the amount of consultation undertaken by the Commission. Their starting point is usually to conduct at least two rounds of consultation – one at the very start of the review and one following the publication of draft recommendations. However, there are occasions when the Commission will wish to conduct further consultation on specific areas or issues, particularly if they are proving controversial.

Implications for the Council

Should Council be minded to support the motion, then the first step would be for officers to contact the Commission to establish whether the Commission would be willing to undertake a review and how this would fit with the Commission's current workload, and to establish what information and detail of proposals the Commission would require.

In advance of a review, it is likely that the Council would be required to submit to the Commission various information including electoral data, maps, information about governance arrangements, information about the Council, parish councils, community groups, partners and stakeholders. There would be resource implications for providing such information and for liaising with the Commission throughout the review process. Staff resources would not allow for this to be done during the period leading to the local elections and proposed referendum on the parliamentary voting system in May 2011.

In the light of the forthcoming elections, Members may also wish to consider whether it would be more appropriate for Council to delay considering any possible review of the size of the Council until the newly elected Council is in place, to ensure that any request or proposals put to the Commission have the support of that newly elected Council.

Section 151 Officer Comments

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

Monitoring Officer Comments

The Monitoring Officer has prepared this briefing note.

COUNCIL**Members' Allowances Scheme - Report of the
Independent Remuneration Panel
2nd February 2011****Report of the Head of Governance****PURPOSE OF REPORT**

To enable Council to consider members' allowances for 2011/12, in the light of a report from the Independent Remuneration Panel.

This report is public

RECOMMENDATIONS

- (1) **Council is asked to consider the recommendations put forward by the Independent Remuneration Panel, and to approve a Members' Allowances Scheme for 2011/12**

1.0 Introduction

- 1.1 The Council is required by the Local Authorities (Members' Allowances) (England) Regulations 2003 to make an allowances scheme for each year. The Regulations require that before an authority makes or amends a scheme, it must have regard to the recommendations made to it by an independent remuneration panel
- 1.2 The report of the Independent Remuneration Panel is attached to this report for consideration by the Council.
- 1.3 A copy of the current Members' Allowance Scheme, extracted from the Constitution, is also attached to this report for Members' information and ease of reference.

2.0 Proposal Details

- 2.1 The recommendations of the Independent Remuneration Panel are set out in its report, and the Chairman of the Panel has been invited to attend the meeting to present the report and to answer any questions.
- 2.2 Members will note that the report sets out a number of options, which Council is asked to consider.

3.0 Details of Consultation

- 3.1 The attached report presents the recommendations of the Independent Remuneration Panel, which the Council is required to have regard to in making any decisions about the allowances scheme.

4.0 Options and Options Analysis (including risk assessment)

- 4.1 The Panel's report sets out a number of options for consideration by Council. It would be open to Council to accept any of those options in its entirety, or

with amendment, or a combination of the options. Council does not have to accept the recommendations of the Panel, but it must have regard to them in making its decision.

5.0 Conclusion

5.1 Council is asked to approve a Members' Allowances Scheme for 2011/12

CONCLUSION OF IMPACT ASSESSMENT

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

None directly arising from this report.

LEGAL IMPLICATIONS

The relevant regulation is set out in the report.

FINANCIAL IMPLICATIONS

The proposed 2011/12 budget for members' basic allowances is £206,500 and for special responsibility allowances £101,500, giving a total of £308,000, which could be redistributed between basic and special responsibility allowances. These figures are based on the current year's budget plus inflation. There are separate budgets for carers' allowance and travel allowance.

The special responsibility allowances actually payable will depend on the number of members appointed by the Leader to Cabinet in 2011/12, and on whether there is any duplication of member roles, given that the scheme provides for any member to receive only one special responsibility allowance.

Assuming no duplication of roles it is estimated that the Panel's option 1 would cost in the region of £378,100, option 2A £306,100, option 2B £309,400 and option 2C £291,400. However, for the reasons given above it is not possible to give an accurate figure. Dependant upon which scheme Members approve, option 1 would result in an increase of £70,100, option 2B an increase of £1,400, option 2A a saving of £1,900 and Option 2C a saving of £16,600, which would need to be built into the budget as part of the 2011/12 budget process.

These estimates are on the basis that Council will support the Panel's recommendation to remove the Group Administrator allowance, and the Group Leader allowance in its current form. Based on the current allowances and on six groups and full take-up of the allowances, the maximum cost of the Administrator allowance is £10,700, and the maximum cost of the Group Leader allowance in its current form is £16,590.

OTHER RESOURCE IMPLICATIONS

Human Resources:

None

Information Services:

None

Property:

None

Open Spaces:

None

SECTION 151 OFFICER'S COMMENTS

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

MONITORING OFFICER'S COMMENTS

The Monitoring Officer has prepared this report as she has been providing support to the Independent Remuneration Panel throughout its deliberations.

BACKGROUND PAPERS

None

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Ref:

PART 8

MEMBERS' ALLOWANCES SCHEME

Part 8

Members' Allowances Scheme

1.0 INTRODUCTION

1.1 The scheme outlined in this document was based on the recommendations of the Independent Panel in accordance with the Local Authorities (Members' Allowances)(England) Regulations 2003. The present Scheme came into effect on 1st May 2007 following a full review by the Independent Panel. A further review will be carried out after 4 years (i.e. no later than 1st May 2011). Increases in the level of allowances were made on 1st May 2008 and 1st May 2009 in accordance with paragraph 13.1. On 1st May 2010 it was agreed not to apply paragraph 13.1 but to apply a freeze on all allowances for 2010/11.

2.0 BASIC ALLOWANCE

2.1 Basic allowance is to be paid to all Members, and is intended to recognise a time commitment expected of all Members, including such inevitable calls on their time as meetings with officers and constituents and attendance at political group meetings. It is also intended to cover incidental costs such as the use of homes and private telephones.

2.2 Each Member is entitled to £3,300 per annum, which will be paid monthly.

2.3 In addition to the Basic Allowance, all Members will be provided with a laptop and printer together with a suitable broadband connection to enable them to access the Council network. Where Members use their own broadband connection for such purposes a payment of a monthly amount equivalent to that paid by the Council for the provision of the service will be paid which can be used by the Member as payment (in part or in full) to their own Service Provider. Where a member wishes to utilise their own PC rather than use a Council provided laptop, the Council will enable a remote access facility for that Member.

2.4 In order to comply with the requirements of Data Protection legislation the Council will, in addition, pay for the registration of each Councillor under the Data Protection Act.

3.0 SPECIAL RESPONSIBILITY ALLOWANCE

3.1 A special responsibility allowance will be paid in addition to any entitlement to basic allowance for those Members who have significant responsibilities.

3.2 The Members receiving special responsibility allowance and the allowances payable are as follows:-

	2010/11
Leader of the Council and Chairman of the Cabinet	£11,060
Cabinet Members	£5,525
Overview and Scrutiny Committee Chairman	£4,145
Budget and Performance Panel Chairman	£3,315
Planning Committee Chairman	£4,285
Licensing Regulatory Committee Chairman	£4,285
Licensing Act Committee Chairman	£1,430

Licensing Act Hearings Sub-Committee Chairmen	£870
Personnel Committee Chairman	£3,270
Audit Committee Chairman	£2,280
Appeals Committee Chairman	£575
Group Leaders	£1,845 plus £92 per Member
Group Administrators	£620 plus £117 per Member

3.3 In addition to the above Member responsibilities the Independent Chairman of the Standards Committee will also receive a co-optee's allowance of £1,210. (Subject to review pending the receipt of the Local Government Act 2000 Section 66 Regulations.)

3.4 No Member is entitled to more than one payment from the Scales identified above.

3.5 It will be for individual Members who would qualify for more than one special responsibility allowance to inform the Head of Democratic Services as to which allowance they would wish to be allocated, otherwise it will be assumed that the highest allowance is to be paid.

4.0 **CARERS' ALLOWANCE**

4.1 The Council will make reasonable payments for the reimbursement of the care of dependent relatives living with the Elected Member. Full details of the Carers' Allowance Scheme are attached at Appendix A.

5.0 **PART PAYMENTS**

5.1 In the case of basic and special responsibility allowances, payment will only be made for the period during which a person performs the duties for which these allowances are payable. Where a member (or co-optee) is suspended or partially suspended from his responsibilities or duties as a member of the Council, in accordance with Part III of the Local Government Act 2000 or regulations thereunder, the part of basic allowance or special responsibility allowance payable to him in respect of the period for which he is suspended or partially suspended may be withheld by the Council.

6.0 **REPAYMENTS**

6.1 Where payment of any allowance has already been made in respect of any period during which the member concerned is suspended or partially suspended from his responsibilities or duties as a member of the Council in accordance with Part III of the Local Government Act 2000 or regulations made thereunder, or ceases to be a member of the Council or is in any other way not entitled to receive the allowance in respect of that period, the member (or co-optee) shall repay to the Council on demand such part of the allowance as relates to any such period.

7.0 **REVOCATION**

7.1 Basic and special responsibility allowances will be paid automatically unless notice is received in writing from the Member concerned revoking the entitlement. All such notices should be delivered to the Head of Financial Services.

8.0 **CLAIMS**

- 8.1 Claims for travel and subsistence allowances should be submitted monthly after the end of the month in which the entitlement to the allowance arose and in any event no later than 3 months from that date. Claims must be made on the official claim form available from the Head of Financial Services.
- 8.2 Claims will be checked on receipt in Members Services and when verified forwarded to Financial Services for payment. Those received in Financial Services by the 20th of a month will be paid on the 15th of the following month. Claims received after the 20th cannot be guaranteed to be paid the following month.
- 8.3 Payments are made net of income tax, through the PAYE system used for salaried employees. Bank details are, therefore, required for each Member. If a Member changes their bank details, the revised details should be provided to the Head of Financial Services.

9.0 **TRAVEL AND SUBSISTENCE ALLOWANCES**

- 9.1 In addition to the Members' Allowances Scheme, travel and subsistence allowances are payable.
- 9.2 A full schedule of rates payable for travel and subsistence and eligible duties is attached at Appendix B, and the approved duties for which travel and subsistence allowances are payable are set out in Annexes 1-3.
- 9.3 All such travel and subsistence payments are payable to independent and parish members of the Council's Standards Committee when attending meetings or training in connection with their duties on that committee or its sub-committees.

10.0 **LGA ALLOWANCES**

- 10.1 For those Members of the Council who have accepted political appointments on the LGA the Council's policy for the payment of Carers Allowances and Travel and Subsistence Allowances is set out at Appendix C.

11.0 **PUBLICATION**

- 11.1 The Council is required to publish details of the Members' Allowances Scheme and the total amounts received by each Member. The Head of Democratic Services is responsible for this matter.

12.0 **MAYORAL AND DEPUTY MAYORAL EXPENSES**

- 12.1 These expenses are paid to the Mayor and Deputy Mayor to reflect the additional expenditure that arises with these positions.

- 12.2 The level of Mayoral allowances will be:- **2010/11**

Mayor £6,720
Deputy Mayor £1,335

13.0 **REVIEW OF SCHEME**

- 13.1 Allowances (including the carer's allowance) shall be adjusted annually on the 1st May in each year (for a maximum of 4 years) by reference to the Retail Price Index (excluding mortgages) RPIx.
- 13.2 The Independent Remuneration Panel will monitor the Scheme.
- 13.3 Minor revisions are the responsibility of the Corporate Director (Finance & Performance) in consultation with the Chairman of the Independent Remuneration Panel.
- 13.4 Any queries or matters of clarification or determination as to Members' entitlements to any provisions of this scheme shall be ultimately determined by the Corporate Director (Finance & Performance).

14.0 **QUERIES**

- 14.1 Any specific queries regarding the entitlement to the scheme should, in the first instance, be addressed to the Head of Democratic Services (telephone 582060). Queries regarding claims and payments should be addressed to the Allowances Clerk in Financial Services (telephone 582134).

CARERS' ALLOWANCE SCHEME**1.0 Legality**

- (a) The scheme is established by the Council under the Local Authorities (Members Allowances) (England) Regulations 2003. The Carers' Allowance is payable in respect of the approved duties set out in Annexes 1-3 of Appendix B. The scheme requires Councillors claiming the allowance to demonstrate and certify that carer expenses are actually and necessarily incurred in the conduct of their official duties.

2.0 Entitlement

- (a) The scheme provides for payments to be made to Councillors in respect of care for "dependent relatives" living with the Member. For the purposes of the scheme, "dependent relatives" are defined as:
- (i) children aged 14 or under;
 - (ii) elderly relatives requiring full-time care; and
 - (iii) relatives with disabilities who require full-time care.
- (b) The allowance is payable for care provided by carers registered by a Councillor with the Authority (see paragraph 6.0(b) for details). In the case of (i) above, under no circumstances will the allowance be payable to another parent, the parent's spouse or partner. In the case of (ii) and (iii) above, under no circumstances will the allowance be payable in respect of care provided by a member of the Councillor's household.
- (c) For meetings or duties within the Council's boundaries as set out in Annexes 1, 2 and 3, the allowance will be paid for the duration of the meeting or otherwise approved duty plus an allowance for up to one hour's travelling time before and after the meeting. For duties outside the Council's boundaries, the allowance will be paid for the duration of the duty plus the actual travelling time to and from the venue. In all instances, total time claimed should be rounded to the nearest half-hour.

3.0 Rates of Allowance

- (a) The actual cost of care will be reimbursed, up to a maximum of £8.35 per hour, irrespective of the number of dependants.
- (b) Where a dependent relative requires specialist professional care, the full cost of care will be allowed, with the prior written approval of the Head of Democratic Services (HDS) (see paragraph 6 (b)).

4.0 Claims Procedures

- (a) Members wishing to apply for Carers' Allowance must submit an application form to the HDS, declaring that:
- (i) claims made will only be made in respect of a named dependent relative (or relatives) as defined in the scheme;
 - (ii) claims will only be made in respect of the entitlements set out in 2.0 above;
 - (iii) receipts will be provided in support of all claims; and
 - (iv) where a specialist professional carer is to be engaged, that this is a necessary expense for which full reimbursement will be claimed.

- (b) Members are required to notify Member Services in the event of their entitlement to Carers' Allowance ending.
- (c) All claims will be processed by Financial Services through the Council's payroll system. In exceptional circumstances, and with the approval of the Head of Financial Services, advance payments may be made in cash and subsequently adjusted through the payroll.

5.0 **Taxation and National Insurance Contributions**

Advice from the Council's taxation consultants is that payments made under such a scheme will be subject to Income Tax and NIC's unless an arrangement can be reached with the Inland Revenue and dispensation not to tax obtained on the basis that the payments are reimbursement of costs actually and necessarily incurred.

Because of the potential taxation and NIC implications, all payments must be processed through the Council's payroll system.

Negotiations are being entered into with the local Inland Revenue office with a view to agreeing the principle of a dispensation not to tax any Carers' Allowances payable.

6.0 **Administration**

- (a) The scheme is an integral element of the Council's Members' Allowances Scheme, and responsibility for supervising, maintaining and reviewing the scheme is assumed by the Head of Democratic Services.
- (b) Signed applications for registration of a carer are to be submitted by Members for approval by the Head of Democratic Services. Approved applications will be retained by the Member Services Section and a copy forwarded to Financial Services.
- (c) Claims for payment of the allowance should be submitted by Members to Financial Services on the revised standard Members' Allowances forms. All claims must be supported by a signed pro-forma receipt (in the case of care provided by a non-professional carer) or a receipted official invoice in the case of a specialist carer. Financial Services will check all claims for approval of entitlement, accuracy and reasonableness of duties and times claimed, and submission of supporting receipts and invoices.
- (d) Any queries regarding entitlement to the allowance, or individual claims, will be referred in the first instance to Member Services. Should a dispute arise as to the eligibility of a claim, this will be referred to the Head of Democratic Services or Corporate Director (Finance & Performance) for decision. Should agreement not be reached between the Member and the Head of Democratic Services or Corporate Director (Finance & Performance), the matter will then be referred to the Members' Allowances Independent Remuneration Panel for arbitration.

7.0 **Audit**

Internal Audit will review the systems for payment of Members' Allowances on a cyclical basis and include sample testing of Members' Allowances transactions in annual probity programmes.

TRAVEL AND SUBSISTENCE ALLOWANCES PAYABLE**Travelling Allowances****(A) Public Transport** (except taxis and aircraft)

- (i) The rate must not exceed the ordinary standard class fare or any available saver fare, but the Council may generally or specially determine to substitute first for standard class fare.
- (ii) Supplementary allowance may be paid for expenses actually incurred on Pullman Car or a similar supplement, reservation of seats, deposit or portage of luggage and sleeping accommodation for overnight journeys, but in this last case the maximum overnight subsistence allowance is reduced by one-third.
- (iii) All long distance rail journeys and sea-travel bookings must be made by Members Services on behalf of Councillors, to seek the most cost-effective deal within current parameters.
- (iv) For journeys by public transport the cost of any private vehicle travel to and from the point of public transport may also be reimbursed at the rate set out in B below.
- (v) For journeys within the 35-mile radius of Lancaster Town Hall valid receipts must be produced.
- (vi) For journeys beyond the 35 mile radius of Lancaster Town Hall where the journey has been undertaken by car, the equivalent of a standard class rail fare as determined by Members Services on receipt of the claim shall be payable, subject to this being less than the payable rate set out in (B) below.

(B) Private Vehicle – for journeys with a destination less than 35 miles as the crow flies from Lancaster Town Hall or where the cost would be lower than the equivalent standard class rail fare:

- (i) By motor cycle or motor car - 40p per mile. (The rate payable is that recommended by the Inland Revenue and will be increased in line with their guidance.)
- (ii) Cycling/other non-motorised transport allowance (in all cases) - 40p per mile
- (iii) Supplementary payments may be made for tolls, ferries and parking fees actually incurred (on production of a valid receipt).
- (iv) Payment of mileage allowance is limited to journeys with a destination less than 35 miles as the crow flies from Lancaster Town Hall.
- (v) Beyond the 35-mile limit, the lower of the mileage allowance and the equivalent standard class rail fare will be paid. However the cost of any private vehicle travel to and from the point of public transport may also be reimbursed at the rates set out above.

(C) Taxis and Hire Vehicles

- (i) Taxis: in cases of urgency or where there is no reasonably available public transport, the fare plus any reasonable gratuity paid. In other cases, the fare by appropriate public transport.
- (ii) Hire Vehicles: the rate appropriate if the Member had owned the vehicles, unless the Council approves additional amounts up to the actual hiring cost.

(D) Aircraft

- (i) The rate applicable to travel by appropriate alternative transport plus any amount of attendance or financial loss or subsistence allowance saved by travelling by air.
- (ii) But if the Council generally or specially resolves that the saving in time is so substantial, then –
 - (a) the ordinary or available cheap fare by regular service; or
 - (b) where no such service is available or in the case of emergency, the fare actually paid.
- (iii) The Corporate Director (Finance & Performance) and Head of Democratic Services have discretion to authorise air travel.
- (iv) All bookings must be made by Members Services on behalf of Councillors.

Subsistence Allowance

- (i) In case of an absence, other than an overnight absence from home, subsistence allowance is payable as follows –

Breakfast (when more than 4 hours away from normal place of residence)

Members on approved duties who leave home before 7.00 a.m. to attend a location outside the Council's boundary, may claim breakfast expenses as follows -

Breakfast, on production of a valid receipt	Up to £5.85
Breakfast, (in London), on production of a valid receipt	Up to £8.50
Breakfast, (in or out of London), where unable to produce a receipt	£3.20

Lunch (when more than 4 hours away from normal place of residence)

Members on approved duties outside the Council's boundary from 11.45 a.m. to 1.30 p.m. may claim lunch expenses as follows –

Lunch, on production of a valid receipt	Up to £5.85
Lunch, (in London), on production of a valid receipt	Up to £8.50
Lunch, (in or out of London), where unable to produce a receipt	£3.20

Evening Meal (when more than 4 hours away from normal place of residence)

Members on approved duties who have not returned home by 7.30 p.m. may claim an evening meal as follows –

Evening meal, on production of a valid receipt	Up to £11.45
Evening meal, (in London), on production of a valid receipt	Up to £17.00
Evening meal, (in or out of London), where unable to produce a receipt	£5.85
In the case of an overnight absence -	£90.60
For an overnight absence in Central London	£103.40

- (ii) The value of free meals must be deducted from the allowance. Where main meals are taken on trains during which there is an entitlement to a day subsistence allowance, the reasonable cost of meals (including VAT) may be reimbursed in full. In such circumstances, reimbursement for the cost of a meal would replace the entitlement to the day subsistence allowance for the appropriate meal period.
- (iii) All accommodation bookings should be made by Member Services.
- (iv) Where pre-booked the cost of hotel meals will be paid by the Council.

Eligible Duties

Approved duties eligible for claiming travel and subsistence allowances are set out in Annexes 1, 2 and 3.

Approved Duties - Meetings of the Authority
Council
Committees established by Council and any sub-committees established by those Committees, currently:
Personnel Committee
Audit Committee
Appraisal Panel
Appeals Committee
Licensing Regulatory Committee
Licensing Act Committee
Licensing Act Sub-Committees
Planning and Highways Regulatory Committee
Scheduled Planning Briefings
Standards Committee
Standards Sub-Committees
Council Business Committee
Cabinet
Committees established by Cabinet
Cabinet Liaison Groups established by Cabinet
Scheduled Cabinet Briefings
Overview and Scrutiny Committee
Task Groups established by Overview and Scrutiny Committee
Budget and Performance Panel

Approved Duties - Outside Bodies

Note: All the following bodies are currently operating with one or more Council-nominated representative. Representatives are usually, but not necessarily, Councillors. Where non-Councillors are currently nominated to an outside body, this is indicated in the right hand column of the table. The Council has no authority to pay expenses to such representatives.

Organisation	'Outside' Nominee(s)
Adult Social Care and Health Overview and Scrutiny Committee	
Alfa Aesar Liaison Group	
Arnside & Silverdale AONB Unit	
Barton Road Youth and Community Centre Community Association	
Board of Trustees of Skerton Charities	Yes
Board of Trustees of the Lancaster Charity	
British Resorts Association	
Carnforth Station and Railway Trust Company Limited	
Children's Trust Partnership Lancaster District	
Citizens Advice Bureau	
Court of the University of Central Lancashire	
Court of the University of Lancaster	
Crook O'Lune Advisory Committee	
Cycling Demonstration Town	
Dukes Playhouse Board of Directors	
Folly Board of Trustees	
Forest of Bowland AONB Joint Advisory Committee	
Friendship Centre Management Committee	
George Fox School Educational Charity	
Heysham Mossgate (Community Facilities) Company Limited	
Heysham Nuclear Power Station LCLC	
Heysham Youth and Community Centre Management Committee	
Historic Towns Forum	
Homelessness Forum	
Lancashire Economic Partnership	
Lancashire Leaders Meeting	
Lancashire Police Authority – Partnerships Forum	
Lancashire Rural Affairs Forum	
Lancashire Rural Partnership	
Lancashire Valuation Tribunal	Yes
Lancaster & District Multi Agency Forum on Domestic Violence	
Lancaster and District Vision Board	
Lancaster & Morecambe Fairtrade District Steering Group	
Lancaster & Skipton Rail User Group	
Lancaster Canal Restoration Partnership	
Lancaster District CVS	
Lancaster District Sustainability Partnership	
Lancaster International Twinning Society	
Lancaster Police and Community Forum	
Lancaster Ripley Church of England Education Trust	
Lancaster University Council	
Lancaster University Public Arts Strategy Committee	

Organisation	'Outside' Nominee(s)
Leeds-Morecambe and Settle-Carlisle Railway Development Partnership	
LGA Coastal Issues Special Interest Group	
LGA Executive	
LGA Rural Commission	
LGA Urban Commission	
LSP Children and Young People Thematic Group	
LSP Economy Thematic Group	
LSP Education, Skills and Opportunities Thematic Group	
LSP Environment Thematic Group	
LSP Health and Wellbeing Thematic Group	
LDLSP Management Group	
LDLSP Partnership Board	
LSP Safety Thematic Group and Crime & Disorder Reduction Partnership	
LSP Valuing People Thematic Group	
Lune Park Children's Centre	
Lune Valley Transport Enterprise	
Marsh Community Centre Management Committee	
Morecambe Bay Partnership	
Museums Advisory Panel	
National Association of AONBs	
North & West Lancs Priority 1 Action Plan Partnership Board	
North Lancashire Health and Wellbeing Group	
North West Home Safety Council	
North West Local Authorities Employers' Organisation	
North West Rural Affairs Forum	
Older Persons' Partnership Board	
Preston and Western Lancashire Racial Equality Council	
Rainbow Centre, Morecambe	
Regional Leaders' Forum	
Relate Lancashire, Lancaster District	
Reserve Forces and Cadets Association for NW of England and Isle of Man	
Storey Centre for Creative Industries	
Waste Management Strategy Steering Group	
West Coast Rail 250	
West End Partnership Management Committee	
Williamson Park Limited Board of Directors	
Winning Back the West End Steering Group	

Approved Duties - Other Duties
Attendance at Conferences/Seminars to which the Council or Cabinet has nominated a delegate
Media Receptions
Scheduled, Formal Meetings with Chief Executive/Directors/Service Heads
Mayoral and other public ceremonies/launches etc approved by the Council or Committee of the Council
Scheduled, Formal Meetings with Trade Unions
Scheduled, Formal Meetings of Cabinet / Overview and Scrutiny meetings / Working Groups

Notes:

The essential criteria for these, and any other such duties that may arise, is that they must be formally structured and diarised elements of Council business. The inclusion of other duties within this definition will be at the discretion of the Corporate Director (Finance & Performance).

Appendix C LGA Scheme of Members Allowances - City Council Policy

The LGA's current scheme of members' allowances became effective from April 2003. The main features of the scheme are:

- Members of all Executives are paid an annual lump sum 'Responsibility Allowance' reflecting both the time which might be spent and the level of responsibility involved in carrying out these posts; no other attendance allowance is paid;
- The LGA pays travel and subsistence for meetings at which a Member has been appointed in a representative role on behalf of the LGA. The City Council pays the travel and subsistence costs for other meetings.
- The LGA pays carers allowance in respect of all approved duties and to members representing the LGA on outside bodies.
- Allowances paid by the association are index-linked to the principal local government pay settlement.

Type of Meeting	Travel & Subsistence	Carers Allowance	Attendance
All standing committees, panels, forums and task groups of the LGA.	Reasonable travel and subsistence costs will be paid by the authority according to the current scheme of Members' Allowances. Wherever possible, travel and accommodation arrangements should be made through Member Services.		
Attendance at meetings with Ministers, Government Departments or consultations with other bodies where Members have been appointed by the LGA.	The LGA will pay travel and subsistence costs at the rates currently specified by the Secretary of State, subject to reimbursement of rail fares on the basis of the standard fare. The LGA requires receipts to be provided in support of travel and subsistence claims.	Actual expenditure up to a maximum (currently £4.50 per hour per dependant) is paid by the LGA. This is payable for a maximum of the duration of the approved duty plus reasonable travelling time.	Members of the LGA Executive, LGA Executives with Forums, and Other Executives receive a lump sum amount paid directly from the LGA to reflect the time which may be spent and the level of responsibility involved in carrying out these posts.
Attendance at receptions, visits, conferences, seminars, or other functions where Members have been appointed by the LGA to attend in a representative role on behalf of the LGA.	Expenses incurred by Members should be claimed in the first instance from the authority. The authority will submit a quarterly reclaim to the LGA.	Expenses incurred by Members are claimed in the first instance from the authority. The authority will submit a quarterly reclaim to the LGA.	No other payment regarding attendance is made.
Attendance as the LGA's appointed representative on any public body, charity, voluntary body or other organisation formed for a public purpose (and not for the benefit of its members).			
One Party meetings or duties.	Any travel & subsistence to be funded by the political fund of the relevant party.	Any carers allowance to be funded by the political fund of the relevant party.	Any attendance allowance to be funded by the political fund of the relevant party.
Non-Approved Duties: Including General Assembly, Urban Commission, Rural Commission, Special Interest Groups, Conferences where the authority pays a fee for attendance.	Reasonable travel and subsistence costs will be paid by the authority according to the current scheme of Members' Allowances. Wherever possible, travel and accommodation arrangements should be made through Member Services.	Carers allowance will be paid by the authority according to the current scheme for Members' Allowances.	To be covered by the basic allowance currently paid to all Members.



Lancaster City Council

Independent Remuneration Panel

Report to Council

February 2011

**RECOMMENDATIONS ON THE LEVEL OF
MEMBERS' ALLOWANCES TO BE PAID IN
2011/2012**



Introduction

The requirement for an Independent Remuneration Panel, how it operates, and the contents of a members' allowances scheme continue to be subject to the provisions of the Local Authorities (Members' Allowances) (England) Regulations 2003.

Regulation 19(1) states that *'Before an authority...makes or amends a scheme, the authority shall have regard to the recommendations made in relation to it by an independent remuneration panel.'*

Panel Members

Following a recruitment exercise in summer 2010, the Independent Remuneration Panel (The Panel) for Lancaster City Council now comprises six members, who are:

Steve Leach – Professor of Local Government at De Montfort University (Chair)

Brian Penney – Lancaster and Morecambe Trades Union Council

Colin Everett – retired Local Government finance officer

Unity Lawler – Finance Manager for family business, with previous experience in Local Government and research in academic institutions.

Pat Loryman – retired Local Government IT officer, and previously a director of a private company

Janice Wilson – retired Local Government Learning and Development Officer with previous experience in the public and private sector.

Meetings

The Panel met on the 12th October, 9th November and 7th December 2010 and on the 11th January 2011, in order to consider its recommendations and prepare its report.

At the meeting on the 7th December, the Panel met nine elected Members on an individual basis to seek their views on the current scheme and possible changes. Interviewees included the Leader and three other Cabinet Members, four non-executive Members, the Chairman of the Planning and Highways Regulatory Committee and the leaders of the six political groups on the Council. The Panel also received written comments from two other Members.

The Panel is grateful for the contribution of the Councillors who met the Panel, and for the support of the Head of Governance and Democratic Support Officer throughout the process.

Background and Comparative Information

The Panel had received a copy of the previous Independent Remuneration Panel's report to Council of the 14th April 2010, and was informed of the decision of Council of the 16th June 2010, which in the main rejected the recommendations in the report, (save to allow the independent and parish members of the Standards Committee to claim travel and subsistence allowances), and maintained all allowances at the 2009/10 level.

The Panel received comparative information about the allowances paid by other Lancashire district councils, and by councils in the Exeter Historic Cities and former CIPFA Benchmarking Group. This information is appended to this report. The Panel also had access to websites which

provided information about allowances paid by councils in Essex and in the south west of England.

The Panel also had information about the political composition of the Council; governance structure of the Council; Committee timetable, and the activities undertaken by Cabinet and the various Committees.

It was noted that in accordance with the Local Government and Public Involvement in Health Act 2007, the Council would be moving to “strong leader” executive arrangements effective from May 2011. This will include the introduction of a Deputy Leader.

The Panel was also aware of a proposal to stand down the Budget and Performance Panel from May 2011, incorporating its terms of reference into those of the Overview and Scrutiny Committee.

In considering its recommendations, the Panel was mindful of the difficult financial circumstances facing all local authorities at this time, when budgets across all services are to be reduced.

Principles

The Panel considered the twelve principles underlying the Scheme which had been adopted by the former Panel.

These were:

Principle 1: The system of Members’ Allowances should not restrict the possibility of any group in society from standing for Council and should ideally have the effect of encouraging groups currently under-represented on Councils to become Councillors.

Principle 2: The voluntary public service principle should be one of the major factors influencing the Allowances Scheme.

Principle 3: There should be established proper processes for holding Councillors to account in the performance of their duties. Transparency and accountability are essential components of a new system.

Principle 4: The Allowances Scheme is based on responsibilities and workloads as approved by the Council

Principle 5: There should be a basic payment received by all Councillors irrespective of their formal responsibilities on the Council, reflecting the demands of their representative roles and other duties.

Principle 6: Special recognition for Councillors holding positions of responsibility should be acknowledged in the Scheme. Special Responsibility Allowances (SRA) paid should reflect these different levels of responsibility.

Principle 7: Levels of remuneration in Lancaster should bear comparison with those agreed in other Authorities.

Principle 8: The allowances paid to Councillors should take into account those paid in relation to comparable positions of responsibility in the public sector.

Principle 9: The system of Members' Allowances should be as uncomplicated as possible; easy for Councillors and members of the public to understand.

Principle 10: Internal political roles and activities should not be eligible for allowances.

Principle 11: The Allowances Scheme should be reviewed annually to reflect any significant changes and subjected to a more fundamental review every three years.

Principle 12: Members' Allowances should be seen specifically as a remuneration which reflects the time commitments and responsibilities of Council activity and that expenses incurred for dependent relatives and travel should be reimbursed separately.

The Panel endorsed these principles, subject to the following:

Principle 8: Whilst endorsing this principle, the Panel felt that it was difficult to put into operation in the current financial climate.

Principle 10: The Panel firmly believed that purely political roles should not receive allowances, but, as set out later in this report, was prepared to accept that the role of an opposition Group Leader does have both political and non-political elements

Principle 11: The Panel was of the view that the Scheme should be fundamentally reviewed every four years, with the facility to re-convene at any time if there were significant changes in the structure of the Council or responsibilities of the Members

The Panel's Approach and the Identification of Options

The Panel faced a dilemma.

- (i) It felt an obligation to develop recommendations which it felt were fair and appropriate to Lancaster City Council, drawing upon data of allowances that were paid in comparable authorities, and recent changes in the expectations associated with the role of different councillors (leaders, ward councillors etc). Such recommendations may well imply an overall increase in the total members' allowances budget.
- (ii) The Panel was aware of the extremely difficult financial circumstances facing all local authorities over the next 3-4 years, including Lancaster. Councillors could find it difficult to support recommendations involving a significant increase (or indeed any increase) in the overall allowances budget. Under these circumstances, the Panel recognised there was an argument for ensuring that the impact of its recommendations did not result in an overall increase in the allowances budget.

The Panel felt the following might solve the problem.

- (i) As it listened to the evidence presented and considered comparative allowances data the Panel felt there was a case for increasing certain allowances, for example the basic allowance and the SRAs for Council leader and their cabinet colleagues. It felt that it was appropriate to set out recommendations which acknowledged these arguments.
- (ii) However it also recognised the financial realities facing Lancaster, and felt it would be helpful to provide alternative sets of recommendations anticipating a likely (and understandable) view amongst Councillors that any increase could not be justified in the current circumstances. These recommendations include different options for changes to the current pattern of allowances, but broadly within a financial envelope of below or

around the identified budget. If the Council did adopt this position, the Panel would wish that the initial recommendation, which involved an increase in overall expenditure to be reconsidered when the financial climate became less severe.

- (iii) The Panel also felt it appropriate to put forward an alternative recommendation which would reduce the current allowances budget. It may be that Members would wish to lead by example by accepting a reduced budget in response to a situation where public sector pay increases are capped and all authorities are being asked to reduce their budget. This would not, however, respond to the concerns expressed by several members about the levels of basic allowance or SRAs for Cabinet positions.

The Options proposed by the Panel

The four options the Panel wishes to put before the Council are:-

1. An allowance package which the Panel feels would be justified 'in principle' but does not feel it can recommend at the present time.
- 2A An allowance package which makes adjustments to the existing scheme, without involving any increase in overall expenditure, in a way which acknowledges the increased demands placed on Council leadership.
- 2B An allowance package which makes adjustments to the existing scheme, without involving any increase in overall expenditure, in a way which acknowledges the need to increase the incentives for people to stand as Councillors.
- 2C An allowance package which makes minor adjustments to the existing scheme but maintains the current and basic leadership allowances but reduces the overall cost of the budget.

Other suggestions made to the Panel included a reduction in the number of Councillors (which is outside the Panel's remit), plus an option which recommended no changes in the current pattern of allowances, but simply increased all existing allowances by a factor reflecting the average increase in officers' salaries (if any). The Panel rejected this option as one which did not address anomalies in the existing system of allowances.

Option 1 'Normal Circumstances'

Looking at data which compares Lancaster with various comparators* certain anomalies became apparent. In particular

1. The basic allowance paid to members in Lancaster is relatively low (£3,300 compared with averages of (i) £4,590 (ii) £3,394, (iii) 4,660, (iv) £4,922)
2. The council leaders SRA in Lancaster is relatively low (£11,060 compared with averages of (i) £15,086, (ii) £12,347, (iii) £13,600, (iv) £16,883)
3. The SRAs paid to cabinet members in Lancaster are relatively low (£5,525 compared with averages of (i) £7,564, (ii) £5,327, (iii) £6,800, (iv) £9,618)
4. Lancaster is unusual (almost unique) in paying SRAs to group administrators.

It should be noted that in relation to the Lancashire district averages, Lancaster City Council is a much larger and more proactive council than many of the other Lancashire districts (e.g. Ribble Valley, South Ribble, and Rossendale).

The Panel considered these issues in turn. .

Given the growing importance given to individual Council leadership under the 2007 Local Government and Public Involvement in Health Act, the Panel felt that in normal circumstances,

* Including (i) Lancaster's CIPFA family, (ii) all Lancashire district councils, (iii) district councils in the South West and (iv) district councils in Essex

it would wish to recommend an increase in the Council leader's SRA to £13,500, with the possibility of further increases when it became clearer how the new system currently being considered by the Council actually worked out. Similarly, acknowledging the significant degree of individual responsibility exercised by cabinet members in Lancaster, the SRA for cabinet Members should be increased to £6,750 (also with possibilities for further increases).

Several Members stressed to the Panel the importance of seeking to ensure that a reasonable cross-section of the population were motivated to stand as Councillors (and the Panel noted in this respect the Task Group report which had looked at "Breaking Down the Barriers to Being a Councillor"). The Panel strongly agreed that this was desirable. It was also aware of the importance to a healthy local democracy of the work of ward members who did not hold posts qualifying for SRAs and for whom the basic allowance was their only financial remuneration.

To acknowledge the importance of the work of the ward Councillor and to seek to encourage a more representative cross-section of those wishing to gain nomination as a candidate, the Panel felt that, in normal circumstances, an increase in this basic allowance in Lancaster could be justified, from £3,300 to £4,500 which would bring it close to the average figure in Lancaster's CIPFA family.

Party group leaders and administrators

The Panel re-examined the question of whether SRAs for party group leaders (including leaders of 'independent' groups) and for group administrators could be justified. Previous panel reports have argued that 'political' positions of this nature were not appropriate for SRAs (involving, as they would, a cost to council tax payers). The Council rejected the previous Panel's recommendations and retained SRAs for both types of position.

The Panel supported the view of its predecessor that if the roles of party group leaders and group administrator were wholly 'party political' in nature, then SRAs for these positions could not be justified. However, they noted with interest the evidence from group leaders that two separate elements of their role could be identified – they acknowledged that sometimes their role was indeed 'political' – organising and facilitating group strategy and tactics. Certain Members also argued that there was an element of leadership which transcended party group activity – times when leaders operated in various ways 'for the good of the Council'. For opposition groups, there was also an important 'holding to account' (or 'scrutiny') role – ensuring that there was informed debate and (where appropriate) robust challenge from opposition groups in relation to the proposals of the administration, and (usually) spearheading such processes. It is also the case that almost all other authorities allocate SRAs to party group leaders.

Unlike its predecessor, the Panel felt that on balance there was a case for SRAs for party group leaders, but only by reflecting the 'leadership' element, rather than the 'party political' element in their role. The Panel felt the case was much stronger for opposition groups than for groups who were working together in a joint administration. For the latter the crucial 'holding to account' element of leadership would not apply; the group leaders concerned would normally be working with the leader of the Council as the executive (and so qualify for a SRA as an executive Member. This is the current situation for leaders of four of the six groups on Lancaster Council).

The Panel's proposal would be that an SRA equivalent to half that of the Council Leader should be allocated to leaders of groups who are 'in opposition' – i.e. who do not form part of the administration and are not represented on the Cabinet. This sum (currently £5,530) should be divided amongst the leaders of opposition groups, in proportion to the respective size of their groups. There should be a minimum number of Members in a group of four.

Thus if there were a single opposition group (as at present), its leader would receive an SRA of £5,530. If there were two such groups one of 12 and another of 6, then their leaders would receive SRAs of £3,690 and £1,840 respectively. If the council decided to agree an increase in the Council leaders SRA, then their figures would be adjusted accordingly.

In relation to the ‘group administrator’ issue, the Panel felt that although the role did contribute to the smooth running of the council, and did not involve adversarial party politics, it was an administrative role operating purely within the different party groups and was (in that sense) Political, nor was there any significant leadership element involved. The Panel was also aware that of the 50 or so other authorities whose members’ allowances scheme it reviewed only one allocated SRAs to ‘group administrators’. The Panel felt that if the groups (party or otherwise) on Lancaster City Council wished to provide some form of financial reward for the group administration role, they should make their own arrangements to do so, perhaps through a small levy on other allowances received within the group.

Other anomalies

There are further anomalies in the current (2010/11) Scheme which the Panel would wish to see rectified. In each case, the Panel accepted the arguments and recommendations in the report of its predecessor (April 2010), as follows:

That an SRA of £1,400 per annum be introduced for the Chairman of the Council Business Committee.

That the SRAs paid to the Chairmen of the Licensing Act Committee, Licensing Act Hearings Sub-Committees and the Appeals Committee be reduced by half as set out below:

SRA	Currently	From May 2011
Chairman of Licensing Act Committee	£1,430	£715
Licensing Act Hearings Sub-Committee Chairman	£870	£435
Appeals Committee Chairman	£575	£290

Taking these recommendations together with those already set out in relation to party group leaders and group administrators, we can summarise a number of general recommendations which apply to all options set out.

General Recommendations

1. The payment of SRAs to all group leaders should cease.
2. The payment of SRAs to group administrators should cease.
3. An SRA equal to half that of the Council Leaders allowance (currently £11,060) should be allocated to leaders of opposition groups (i.e. groups who are not represented on the cabinet), in proportion to their respective sizes (if more than one such group).
4. The minimum ‘group size’ qualifying for these SRAs should be 4.
5. That an SRA of £1,400 per annum be introduced for the Chairman of the Council Business Committee
6. That the SRAs paid to the Chairmen of the Licensing Act Committee, Licensing Act Hearings Sub-Committees and the Appeals Committee by reduced by half.

It should be emphasised that these general recommendations apply to all of the options (1, 2A, 2B, and 2C) discussed below. The Panel would not wish any of these options to be seen as an opportunity to override any of the general recommendations set out above.

Option 1 - Summary of recommendations

1. All recommendations set out under “general recommendations” should apply.
2. The Basic Allowance should be increased from £3,300 to £4,500.
3. The Council Leader Allowance should be increased from £11,060 to £13,500, with a further review in a year’s time.
4. The Allowance for Cabinet members should be increased from £5,525 to £6,750 with a further review in a year’s time.
5. The ‘Deputy Leader’ post should attract an SRA of £7,750
6. SRAs should be paid to leaders of any groups operating ‘in opposition’. A total sum of £6,750 should be allocated for this purpose, divided between those group leaders who qualify, in proportion to the size of their groups (see below).

If, however, the council decides that it does not feel it appropriate to agree any level of increase in the circumstances (which would be quite understandable) then the Panel would wish to put forward three other options for consideration. These options require the inclusion of all the general recommendations set out earlier, but provide proposals for the re-allocation of resources stemming from a reconsideration of different elements in the current set of allowances.

Three alternative options can now be set out drawing on the above material.

Option 2A

1. All recommendations set out under ‘general recommendations’ should apply.
2. The resources generated from the changes proposed under the general recommendations should be reallocated to increase the following :-

a. Leader of the Council	£13,500
b. Deputy Leader (£1,000 more than Cabinet Member)	£7,750
c. Cabinet Members	£ 6,750
d. Leader(s) of Opposition Group	£ 6,750 (in total)
3. Basic Allowance remains unchanged @ £3300

Option 2A would reduce the overall cost of the allowances scheme by 0.63% .

Option 2B

1. All recommendations set out under ‘general recommendations’ should apply.
2. The resources generated from the changes proposed under the general recommendations should be reallocated to change the following :-

a. Basic Allowance	£3,600
b. Deputy Leader (£1,000 more than Cabinet Member)	£6,530
c. Leader(s) of Opposition Group	£ 5,530 (in total)
3. Leader of the Council remains unchanged @ £11060
4. Cabinet Members @ £5530

Option 2B would involve a negligible overall cost increase in the allowances scheme of 0.46%

Option 2C

1. All recommendations set out under ‘general recommendations’ should apply.
2. The resources generated from the changes proposed under the general recommendations should be reallocated to change the following :-

a. Deputy Leader (£1,000 more than Cabinet Member)	£6,530
b. Leader(s) of Opposition Group	£5,530 (in total)

3. Basic Allowance remains unchanged @ £3300
4. Leader of the Council remains unchanged @ £11060
5. Cabinet Members @ £5530

Option 2C would result in a reduction in the overall cost of the allowances scheme of 5.38%

Other Issues

Apart from the positions already discussed, the Panel received no representations to amend any of the other SRAs, and saw no reason to do so. Thus the SRAs allocated to Chairs of Overview and Scrutiny, Budget and Performance Panel, Planning, Licensing Regulatory, Personnel, Audit and Standards Committees should remain the same. In the event of a merger of Overview and Scrutiny and Budget and Performance Panel, the Vice-Chair should receive an SRA equivalent to that of the current Chair of Budget and Performance Panel.

The Panel saw no reason to recommend changes in the current Travel, Subsistence or Carers' Allowances. It supports the view that the City Council should pay a mileage rate to cyclists (40p) equivalent to that paid to car users. . It was noted that 40p for cars and 20p for cyclists is the current tax-free limit imposed by HMRC.

The Panel did not feel that it was in a position to judge between the respective merits of the Retail Price Index (RPIx) and the Consumer Price Index (CPI) as a basis for indexing Members' allowances. It recommends that no index-based increase should be applied for 2011/12, in line with the restrictions placed on officers' salaries. When the Council feels it appropriate to re-introduce some form of annual index-linked increases, the Panel would wish to be consulted about the best basis for doing so.

In keeping with the ethos of Principle 3, the Panel recommends the introduction of a scheme of performance review for all Councillors. However, the scheme should be as simple as possible, and should ideally be seen as an incentive for Councillors rather than an imposition. It should combine qualitative and quantitative data, and should be based on role descriptions.

For all councillors there should be measures of attendance at meetings (as at present) and the scope of ward-based activities. For Cabinet members, there should be the opportunity to explore how they had contributed to the Council objectives set for their portfolios over the course of the municipal year, and to respond to questions about their performance in this respect (perhaps through Overview and Scrutiny Committee). For non-executive Members there should be the opportunity to appraise a wider audience of the contribution they have made over the course of the year to their constituents

There are various examples of members' performance review schemes, and it is recommended that the Council seek out some "best practice" examples and develop a scheme which is appropriate for the particular circumstances of Lancaster. The Panel recognises that the Council may not wish to give immediate priority to such a scheme, given the many other challenges it faces over the next years.

Conclusion

Four options have been identified by the Panel. It is right that the Panel should consider and present an option which it feels is appropriate "in principle" (ie one which seeks to rectify some significant discrepancies in the allowances paid by Lancaster City Council, in the context of those paid by comparable authorities). However, the Panel would understand and indeed support any view taken by the Council that, whatever, the merits of the arguments in favour of such increases, now was not the time to implement them. Options 2A and 2B provide opportunities to respond

to two such discrepancies (allowances for executive/leadership positions and basic allowance) respectively, broadly within the current overall total of members' allowances. Option 2C does not address either of these anomalies, but provides an opportunity for the Council to agree a net reduction (of around 5%) in the total members' allowances budget, if it so wishes.

Appendices

1. Allowances paid by Lancashire District Councils and councils in the Exeter Historic Cities former CIPFA Benchmarking Group
2. Members' Allowances Scheme – IRP Proposals

Members Allowance Comparisons

Exeter Historic Cities Benchmarking Group									
	Exeter Group Mean	Lancashire Mean	Lancaster	Dover	Canterbury	Exeter	Carlisle	Cheltenham	
Basic Allowance	£4,517	£3,431	£3,300	£4,223	£4,710	£4,430	£4,430	£4,733	£5,066
Leader	£15,086	£12,497	£11,060	£16,480	£18,114	£13,290	£17,407	£17,293	
Cabinet Members	£7,564	£5,410	£5,525	£6,180	£5,430	£6,645	£6,524	£13,610	
Number of Cabinet Members			9 (currently 7)	9				4	
Total SRA Cabinet Members			£49725 (£38675)	£55,620			£26,096		
Chairman of Overview & Scrutiny Committees	£3,558	£3,501	£4145 / £3315	£4,120	£4,539	£4,430	£4,357	£1,361	
Number of O&S Cites			2	2		3	3		
Chairman of Planning	£3,556	£3,913	£4,285	£4,120	£3,618	£4,430	£4,357	£2,268	
Chairman of Licensing	£1,998	£2,639	£285 / £1430 / £870	£1,030	£4,539	£2,215	£1,094	£1,361	
Chairman of Personnel	£1,015	£394	£3,270	£1,030			£0	£302	
Chairman of Audit	£3,007	£2,021	£2,280	£4,120			£4,357	£454	
Chairman of Standards	£721	£1,396	£1,210	£1,030	£906	£1,108	£1,094	£907	
Pay SRA to other Cite Chairs			Appeals - £575	Regulatory Cite, Appeals, Joint Transportation Board, Licensing Policy Review - £1030	General Purposes, Area Boards, Joint Transportation Panel - £953.		Appeals Panels x 3 - £1094		
Pay Vice Chairs			No	Yes	Yes - Licensing £4077 each		No		
Pay SRA to Group Leaders / Administrators			Leader - £1845 + £92 per member. Administrator - £620 + £177 per member	No	Yes - Leader and Deputy, pro rata up to £3024		Up to £4357	£605 Group Leader	
Carers Allowance Details			Up to £8.35ph	£8 NMW	£8 NMW		Up to £5.57ph		
Travel Allowances			40p pm	Car. 40ppm (+ 1ppm for additional 2008/9 - Index Linked for 4yrs.			As officers		
Scheme Last Reviewed			Jun-10				2007/8		
Special Responsibility Allowances									

Members Allowance Comparisons

	Ipswich	Oxford	West Lancashire	Chorley	South Ribble	Fylde	Preston	Wyre	Lancashire Author
Basic Allowance	£3,745	£4,714	£4,842	£4,242	£1,500	£3,500	£3,587	£3,978	
Leader	£11,235	£11,785	£12,101	£17,043	£10,000	£6,000	£10,373	£15,912	
Cabinet Members	£7,490	£7,071	£4,842	£4,242	£5,000	£4,000	£7,643	£7,956	
Number of Cabinet Members	9	10	8	7	6	7		6	
Total SRA Cabinet Members	£67,410	£70,710	£38,736	£29,694	£30,000	£28,000		£47,736	
Chairman of Overview & Scrutiny Committees	£3,745	£2,357	£2,421	£4,242	£2,000	£3,250	£2,730	£5,967	
Number of O&S Cttes	2	2	3	1	1	2		3	
Chairman of Planning	£3,745	£2,357	£5,890	£2,871	£2,500	£3,250	£2,730	£5,967	
Chairman of Licensing	£3,745	£0	£2,421	£2,871	£1,000	£1,625	£1,638	£5,967	
Chairman of Personnel	£3,745	£0	£0	£0	£0	£0	£1,638		
Chairman of Audit	£3,745	£2,357	£0	£1,414	£0	£1,980	£1,638	£5,967	
Chairman of Standards	£0	£0	£1,000	£1,696	£500	£950	£525	£1,200	
Pay SRA to other Ctte Chairs	Mayor (Chairman of Council), Community Improvements Ctte: £3745	Area Committees - £2357	Equalities Forum - £1414, Task Group Chairmen - £311 at end of review	Cabinet - £3984, O&S £2594, Planning, Licensing - £1414	Area Ctte x6 £2000, Governance Ctte £2000	Member Champions' - £250	Civic and Democratic - £1638, Area Forum £1638		
Pay Vice Chairs	No	No	No	Opposition Leader - £6570, Deputy £1848, Small Group (<12) Leader £1848, Secretaries: Large Group (12+) £1655, Small	No	Yes - All Vice-Chairs paid 50% of Chairman's SRA	Yes - Planning, Scrutiny - £1093, Civic, Audit, Employment, Area Forum - £546	No	
Pay SRA to Group Leaders / Administrators	Leader of Largest Opposition Group: £3745. Leader of other opposition group: 50% of basic	£4714 divided between opposition leaders	Yes - Group Leader £3389, Deputy £1694	£6570, Deputy £1848, Small Group (<12) Leader £1848, Secretaries: Large Group (12+) £1655, Small	Leader of Opposition £500	Leaders of Opposition groups >6 members - £3276	Leaders (>2 members)- up to £3327		
Carers Allowance Details	£5.50ph childcare, £1.1ph non-child	£7.50ph child, £1.5ph adult	£6ph	0	0	0	Full cost reimbursed	NMW 40p pm+	
Travel Allowances	40ppm	40ppm	Up to 48.5p pm	National staff rates		40p pm	Up to 39.2p pm	passengers	
Scheme Last Reviewed	Dec-09	Jan-09	Feb-09	2007	Sep-08	2009	Feb-09	Jan-09	

Special Responsibility Allowances

Members Allowance Comparisons

	Titles						
	Ribble Valley	Pendle	Burnley	Rossendale	Hyndburn		
Basic Allowance	£2,685	£3,000	£2,700	£3,342	£4,388		
Leader	£13,425	£8,000	£10,800	£13,368	£20,448		
Cabinet Members		£2,000	£4,050	£6,684	£7,679		
Number of Cabinet Members	0	10	7	5			
Total SRA Cabinet Members		£20,000	£28,350	£33,420			
Chairman of Overview & Scrutiny Committees		£2,000	£2,700	£3,342	£6,362		
Number of O&S Cttes		1	4	2			
Chairman of Planning	£6,713	£500	£2,700	£3,342	£6,582		
Chairman of Licensing	£5,370	£2,000	£1,350	£3,342	£1,448		
Chairman of Personnel			£0		£724		
Chairman of Audit	£5,370		£500	£3,342			
Chairman of Standards	£895		£2,460	£3,342			
Pay SRA to other Ctte Chairs	Ctte System - 7 chairs paid £5370.	Area Ctte (5) - £2000, Taxi Licensing £500, Performance Monitoring Panel £500		O&S Management Ctte - £6684	Area Councils £724, Judicial Ctte £1448.		
Pay Vice Chairs	Yes - 7 VCs £2685		Planning - £1350	£1671 - Standards, Planning, Licensing	Scrutiny £5266, Scrutiny Sub Ctte £1316, Planning £2194, Planning Shadow Chair £1448, Member of Planning £724, Licensing £724.		
Pay SRA to Group Leaders / Administrators	Deputy Leader and Shadow Leader - £8055	Leaders £2000	Leaders £1350	Deputy Leader - £10026, Second Largest Group Leader - £9684	Opposition Leader £6582, Deputy £2194, Group Chief Whip £724, Group Secretary £724]		
Carers Allowance Details		£3 ph	MMW	Expenditure upto £750	£8,79ph		
Travel Allowances		Up to 65p pm	As Officers	Upto 47.7p pm	Up to 59p pm		
Scheme Last Reviewed	2008	2002	2009	Feb-10			
Special Responsibility Allowances							

Members Allowance Scheme - IRP Proposals**SRA's applicable to all IRP options:**

O&S Chair	4,145
B&PP Chair	3,315
Planning Chair	4,285
Licensing Reg Chair	4,285
Licensing Act Chair	715
Licensing Hearings Sub (say 2 x£435)	870
Personnel Chair	3,270
Audit Chair	2,280
Appeals Chair	290
Standards Chair	1,210
Council Business Chair	1,400
TOTAL	<u><u>26,065</u></u>

Option1

Basic allowance (60x£4,500)	270,000
SRA's:	
Leader	13,500
Deputy Leader	7,750
Cabinet (say 8x£6,750)	54,000
Opposition leader	6,750
Committee SRA's as above	26,065
TOTAL	<u><u>378,065</u></u>

Option 2A

Basic allowance (60x£3,300)	198,000
SRA's:	
Leader	13,500
Deputy Leader	7,750
Cabinet (say 8x£6,750)	54,000
Opposition Leader	6,750
Committee SRA's as above	26,065
TOTAL	<u><u>306,065</u></u>

Option 2B

Basic allowance (60x£3,600)	216,000
SRA's:	
Leader	11,060
Deputy Leader	6,530
Cabinet (say 8x£5,530)	44,240
Opposition Leader	5,530
Committee SRA's as above	26,065
TOTAL	<u><u>309,425</u></u>

Option 2C

Basic allowance (60x£3,300)	198,000
SRA's:	
Leader	11,060
Deputy Leader	6,530
Cabinet (say 8x£5530)	44,240
Opposition Leader	5,530
Committee SRA's as above	26,065
TOTAL	<u><u>291,425</u></u>

CABINET

10.00 A.M.

7TH DECEMBER 2010

PRESENT:- Councillors Stuart Langhorn (Chairman), June Ashworth, Jon Barry, Eileen Blamire, Abbott Bryning, Jane Fletcher, David Kerr and Peter Robinson

Officers in attendance:-

Mark Cullinan	Chief Executive
Heather McManus	Deputy Chief Executive
Mark Davies	Head of Environmental Services
Andrew Dobson	Head of Regeneration and Policy Service (Minute 79 only)
Nadine Muschamp	Head of Financial Services and Section 151 Officer
Sarah Taylor	Head of Legal and Human Resources and Monitoring Officer (Minute 86 only)
Adrian Robinson	Head of Revenues and Benefits (Minute 81 only)
Liz Bateson	Principal Democratic Support Officer

74 MINUTES

The minutes of the meeting held on Tuesday 9 November 2010 were approved as a correct record.

75 ITEMS OF URGENT BUSINESS AUTHORISED BY THE LEADER

The Chairman advised that there were no items of urgent business.

76 DECLARATIONS OF INTEREST

Councillor Langhorn declared a personal interest with regard to the Shared Service Delivery – Public Realm report, as Chairman of Caton-with-Littledale Parish Council. (Minute 80 refers).

Councillor Ashworth declared a personal interest with regard to the Shared Service Delivery – Public Realm report, as a member of Morecambe Town Council. (Minute 80 refers).

Councillor Kerr declared a personal interest with regard to the Shared Service Delivery – Public Realm report, as a member of Morecambe Town Council (Minute 80 refers).

77 PUBLIC SPEAKING

Members were advised that there had been no requests to speak at the meeting in accordance with Cabinet's agreed procedure.

78 LANCASTER JOHN O' GAUNT WATER CENTRE

(Cabinet Members with Special Responsibility Councillors Ashworth and Bryning)

Cabinet received a report from the Head of Community Engagement in order to decide whether to offer Council support to develop a regionally significant centre for rowing, canoeing and kayaking at the current site of the Lancaster John O' Gaunt Rowing Club on the River Lune in Lancaster.

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

	Option 1: Members approve officers to provide advice and support to the scheme	Option 2: Members do not approve officer support for this scheme.
Advantages	Officers could work with the various clubs, community and architects to ensure the proposal proceeds in line with corporate objectives.	Officers free to utilise time on other areas of work.
Disadvantages	The scheme proceeds with minimal involvement from the Council and opportunities to maximise consultation/ benefits for clubs and community and energy saving implications are not provided.	Scheme is in its infancy and efficiencies around community/club integration, tourism and energy would not be explored.
Risks	As the scheme develops it requires considerable officer time – would need to be managed by regular reporting to ensure work programmes are appropriate.	Council not associated in a scheme which could positively impact on tourism, residents and clubs resulting in poor publicity.

Officer Preferred Option (and comments)

There was no officer preferred option but as the scheme was in its early stages officers would have to monitor their time spent against demands from other areas on their time should option 1 be approved.

Councillor Bryning proposed, seconded by Councillor Ashworth:-

- “(1) Cabinet notes the details of the proposal, progress to date and partners involved.
- (2) Cabinet supports the concept of providing a regionally significant centre for rowing, canoeing and kayaking at the current site of the Lancaster John O' Gaunt

Rowing Club on the River Lune in Lancaster.

(3) Cabinet agrees to provide officer support from within the Community Engagement and Regeneration and Policy services as appropriate to assist the development of the water centre.”

Councillors then voted:-

Resolved:

(7 Members (Councillors Ashworth, Barry, Blamire, Bryning, Fletcher, Kerr and Langhorn) voted in favour, and 1 Member (Councillor Robinson) abstained.)

- (1) Cabinet notes the details of the proposal, progress to date and partners involved.
- (2) Cabinet supports the concept of providing a regionally significant centre for rowing, canoeing and kayaking at the current site of the Lancaster John O' Gaunt Rowing Club on the River Lune in Lancaster.
- (3) Cabinet agrees to provide officer support from within the Community Engagement and Regeneration and Policy services as appropriate to assist the development of the water centre.

Officers responsible for effecting the decision:

Head of Community Engagement
Head of Regeneration and Policy

Reasons for making the decision:

The decision fits in with the corporate priorities with regard to visitor economy, energy coast and partnership working and the scheme is potentially a considerable improvement on the current offer. Other than officer time the club was not seeking financial support from the Council.

79 MORECAMBE CENTRAL PROMENADE DEVELOPMENT AGREEMENT

(Cabinet Member with Special Responsibility Councillor Bryning)

Members noted that additional information had been received in relation to this item and it was proposed by Councillor Langhorn, seconded by Councillor Kerr and resolved unanimously:

Resolved unanimously:

That the item be deferred for consideration at a reconvened meeting on Tuesday 14 December 2010 at 10.00am in Lancaster Town Hall.

80 SHARED SERVICE DELIVERY- PUBLIC REALM

(Cabinet Members with Special Responsibility Councillors Barry and Langhorn)

(Councillor Langhorn declared a personal interest in this item in view of his role as Chairman of Caton-with-Littledale Parish Council. Councillors Ashworth and Kerr declared personal interests in this item in view of their role as Morecambe Town Councillors.)

Cabinet received a report from the Head of Environmental Services which sought approval for the principle of the City Council directly delivering a range of public health services on behalf of the County Council.

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

	Option 1: To enter into a public realm agreement with the County Council for direct delivery by the City Council of a range of services	Option 2: To not enter into a public realm agreement
Advantages	<p>Joins up District and County public realm services</p> <p>Improved customer service</p> <p>Improved efficiency</p> <p>Consistent service for rural settlements / Parishes</p> <p>Improved consistency of service between rural and urban areas.</p>	
Disadvantages	<p>Parish Councils that previously directly undertook work on behalf of the County Council may feel they have less control of service delivery.</p>	<p>Contrary to Corporate Plan and goes against agreed shared services programme.</p>
Risks	<p>The County Council decide to offer Parishes the option to deliver some of the services themselves- in which case the business case on which our agreement would be based would no longer be viable.</p> <p>As a result of the comprehensive spending review the County Council reduces budgets available for this work.</p>	

Officer preferred option

Option1 is the officer preferred option for the reasons set out.

Councillor Barry proposed, seconded by Councillor Blamire:-

- “(1) That Cabinet approve the principle of the City Council directly delivering a range of public realm services on behalf of the County Council.
- (2) That the Head of Environmental Services is delegated to agree the details of the public realm agreement with County.
- (3) That, once details are agreed relevant general fund budgets are updated accordingly, subject to there being no costs falling to the City Council.”

Councillors then voted:-

Resolved unanimously:

- (1) That Cabinet approve the principle of the City Council directly delivering a range of public realm services on behalf of the County Council.
- (2) That the Head of Environmental Services is delegated to agree the details of the public realm agreement with County.
- (3) That, once details are agreed relevant general fund budgets are updated accordingly, subject to there being no costs falling to the City Council.

Officers responsible for effecting the decision:

Head of Environmental Services
Head of Financial Services

Reasons for making the decision:

The decision will enable closer working and shared delivery arrangements between Lancaster City and Lancashire County Councils and provide better value for money and improved service delivery standards for citizens of Lancashire. A key action of the City Council's corporate plan is 'to implement the Council's agreed programme for shared services and research other opportunities for working wherever possible.'

81 SHARED SERVICE ARRANGEMENT WITH PRESTON CITY COUNCIL FOR REVENUES AND BENEFITS SERVICE

(Cabinet Member with Special Responsibility Councillor Langhorn)

Cabinet received a report from the Head of Financial Services to seek approval for entering into a full shared service with Preston City Council for the provision of

Revenues and Benefits services on the basis as set out in the business case, subject to the necessary constitutional changes being approved in due course.

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

Option 1: to approve the business case for entering into a full shared service with Preston City Council for the provision of Revenues and Benefits services, on the basis as set out at Appendix A to the report (with supporting recommendations regarding contractual and constitutional matters). This provided for a full appraisal of this option, including risk considerations.

Option 2: to not approve the business case and instead instruct officers to pursue an alternative option as outlined in the business case. Whilst the key advantages and disadvantages are outlined in the Appendix to the report, depending on the alternative chosen, officers may need to undertake further development work and report back accordingly.

Officer Preferred Option (and comments)

The Officer preferred option is Option 1, as this is considered to be the most cost-effective option at this time; the full rationale is set out in the attachment to the report.

Councillor Langhorn proposed, seconded by Councillor Kerr

“That the recommendations as set out in the report be approved.”

Councillors then voted:-

Resolved unanimously:

- (1) That having considered the Business Case as set out at Appendix A, Cabinet approves a shared service arrangement for the delivery of the Revenues and Benefits service, with Preston City Council acting as host authority.
- (2) That further reports be presented to Members in due course to address the further details of the governance and contractual arrangements.
- (3) That in due course Personnel Committee be requested to update the Council's establishment.
- (4) That the Revenue Budget be updated accordingly, including changes in respect of any approved efficiency proposals.

Officers responsible for effecting the decision:

Head of Financial Services
Head of Revenues & Benefits

Reasons for making the decision:

The Business Case demonstrates that there is a strong case for creating a shared

service in Revenues and Benefits and highlights opportunities for improving service efficiency at a much reduced cost. The Officer Project Board has endorsed the Business Case and considers that the full shared service delivery model best meets the needs of both Councils.

82 BUDGET & POLICY FRAMEWORK 2011/12

(Cabinet Member with Special Responsibility Councillor Langhorn)

Members noted that in view of a further delay in the issuing of the settlement information consideration of this report which had been marked 'to follow' on the agenda had been deferred.

83 LANCASTER MARKET

(Cabinet Member with Special Responsibility Councillor Barry)

Councillor Barry confirmed that the Lancaster Market Cabinet Liaison Group were due to receive a presentation from the market experts at their meeting that evening (7 December).

Resolved unanimously:

(1) That the oral update be noted.

Officers responsible for effecting the decision:

Deputy Chief Executive
Head of Property Services

Reasons for making the decision:

The terms of reference of the Lancaster Market Cabinet Liaison Group stipulate regular reports to Cabinet.

84 EXCLUSION OF THE PRESS AND PUBLIC

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

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 paragraphs 1 & 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 & 2 of Schedule 12A of that Act.

85 FACILITIES MANAGEMENT REVIEW & PROPERTY SERVICES RESTRUCTURE
(Pages 1 - 5)

(Cabinet Member with Special Responsibility Councillor Langhorn)

Cabinet received a report from the Deputy Chief Executive which was exempt from publication by virtue of paragraphs 1 & 2 of Part 1 of Schedule 12A of the Local Government Act 1972.

The options, options analysis, including risk assessment and officer preferred option, were set out in the exempt report.

Councillor Langhorn, seconded by Councillor Kerr proposed the recommendations as set out in the exempt report.

Councillors then voted:-

(6 Members (Councillors Ashworth, Barry, Fletcher, Kerr, Langhorn and Robinson) voted in favour, and 2 Members (Councillors Blamire and Bryning) abstained.)

Resolved:

- (1) The resolution is set out in a minute exempt from publication by virtue of paragraphs 1 & 2 of Schedule 12A of the Local Government Act 1972.

Officer responsible for effecting the decision:

Deputy Chief Executive

Reasons for making the decision:

The reasons for making the decision are set out in a minute exempt from publication by virtue of paragraphs 1 & 2 of Schedule 12A of the Local Government Act 1972.

The meeting adjourned at 12.10pm and reconvened in public at 10.00am on Tuesday 14 December 2010 at Lancaster Town Hall in accordance with the resolution within minute 79.

The following officers were present: Chief Executive, Deputy Chief Executive, Head of Governance/MO Officer and the Principal Democratic Support Officer.

86 CONSIDERATION OF DEFERRED ITEM MORECAMBE CENTRAL PROMENADE

DEVELOPMENT AGREEMENT - MINUTE 79 REFERS**(Cabinet Member with Special Responsibility Councillor Bryning)**

The Deputy Chief Executive advised the meeting that in light of the recent discussions with Urban Splash where the City Council had been unable to come to any agreement regarding the amendment of the Development Agreement taking into account the marina feasibility study, officers would recommend that members defer dealing with the extension of the Development Agreement until the formal planning position on the pending application from Urban Splash was known. Officers would then be able to see how this met with the current contractual position with Urban Splash.

The letter from Urban Splash advised that they were not in a position to consider amending by agreement and would like to see the planning application determined.

Councillor Langhorn proposed, seconded by Councillor Kerr:-

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

Councillors then voted:

Resolved:

(7 Members (Councillors Ashworth, Barry, Bryning, Blamire, Fletcher, Kerr and Langhorn) voted in favour, and 1 Member (Councillor Robinson) voted against.

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

Officer responsible for effecting the decision:

Deputy Chief Executive.

Reasons for making the decision:

The outcome of the feasibility study in its current form is not considered definitive enough to warrant a change to any existing planning policies. Any further discussions regarding the contractual position should be deferred, until the outcome of the planning position is known.

Chairman

(The meeting ended at 10.12 a.m.)

**Any queries regarding these Minutes, please contact
Liz Bateson, Democratic Services - telephone (01524) 582047 or email
ebateson@lancaster.gov.uk**

MINUTES PUBLISHED ON WEDNESDAY, 15TH DECEMBER 2010.

**EFFECTIVE DATE FOR IMPLEMENTING THE DECISIONS CONTAINED IN THESE MINUTES:
THURSDAY 23RD DECEMBER, 2010.**

CABINET

10.00 A.M.

18TH JANUARY 2011

PRESENT:- Councillors Stuart Langhorn (Chairman), June Ashworth, Jon Barry, Eileen Blamire, Abbott Bryning, Jane Fletcher, David Kerr and Peter Robinson

Officers in attendance:-

Mark Cullinan	Chief Executive
Heather McManus	Deputy Chief Executive
Nadine Muschamp	Head of Financial Services and Section 151 Officer
Graham Cox	Head of Property Services (Minute 92)
Suzanne Lodge	Head of Health and Housing (Minute 93 & 95)
Liz Bateson	Principal Democratic Support Officer

87 MINUTES

The minutes of the meeting held on Tuesday 7 December (and reconvened on 14 December 2010) were approved as a correct record.

88 ITEMS OF URGENT BUSINESS AUTHORISED BY THE LEADER

The Chairman advised that there were no items of urgent business.

89 DECLARATIONS OF INTEREST

No declarations were made at this point.

90 PUBLIC SPEAKING

Members were advised that there had been two requests to speak at the meeting from members of the public in accordance with Cabinet's agreed procedure, as set out in Cabinet Procedure Rule 2.7, with regard to the Canal Corridor Redevelopment (Minute 91 refers.)

The Chairman advised that he had also agreed to a Ward Member speaking at the meeting upon the report regarding the Canal Corridor Redevelopment (Minute 91 refers.)

91 CANAL CORRIDOR REDEVELOPMENT

(Cabinet Member with Special Responsibility Councillor Langhorn)

(Jon Price, President of Lancaster and Morecambe Chamber of Commerce and Tim Hamilton- Cox who had registered to speak on this item in accordance with the City Council's agreed procedure and Cabinet Procedure Rule 2.7, spoke to this item.)

(Councillor John Whitelegg, who had requested to address Cabinet as a Bulk Ward Councillor, spoke to this item).

Cabinet received a report from the Deputy Chief Executive to consider the Development Agreement for the development of the City Council's land for the proposals contained within the Lancaster Canal Corridor Development Brief.

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

	Option 1: Terminate the Development Agreement with Centros (due to there being insufficient time to process an acceptable planning application by October 2011) and seek to carry out a community based masterplanning process	Option 2: Extend/Revise the Development Agreement with Centros, subject to revised terms and conditions being negotiated by the District Valuer (or their appointed professional) to comply with S123 of the Local Government Act 1972 due to the special purchaser arrangements that are in place	Option 3: Terminate the Development Agreement and retain all existing uses on the Council owned land	Option 4: Terminate the Development Agreement and dispose of the Council owned land on the open market
Advantages	Such a process will engage with all the communities who have an interest in the process, including the residents associated with "Its Our City". The outcome could also inform the Local Development Framework Land Allocations process for Members to consider.	As detailed in Appendix B, the adjoining land owner has agreed to enter into a land sale agreement with Centros to dispose of their interests in the land. Considering this, the Council would not need to consider acquiring the land, nor would it need to consider the cost of submitting a planning application as these would all be covered in the Development Agreement with the adjoining land owner, Centros. It would not be	None	The Council would obtain a capital receipt, but this would be lower than that received if planning approval is sought first.

		<p>considered to be economically value for money to consider acquiring land from a developer where that developer is willing to undertake development themselves. Such an option of “special purchaser” is considered acceptable on the proviso that the disposing authority ensure it receives market value for the asset and to facilitate this, it is proposed that the District Valuer will be appointed to agree suitable terms and conditions of the proposed Development Agreement.</p> <p>The Council would retain ownership of the site, up until the point when the site is developed, thus maintaining control over the development process.</p> <p>Should members approve working with Centros, this would allow an early start on the planning process, maximising on the positive progress made to date.</p>		
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Disadvantages	<p>Although a community based process would result in a masterplan being produced, there would be no developer on board to implement the scheme.</p> <p>Because the scheme in question is strategic and will affect the total population of the district (over 140,000) and communities from South Lakes and Wyre, it is difficult to identify how a community based process would comprehensively capture and balance all views of the community. Because of the strategic nature of the project, it would probably be best to leave such engagement with the community to the developer and have a robust engagement strategy through the planning process.</p>	None	Such an option would be contrary to the current Development Brief for the site and the principles of the Council's approved Local Development Framework.	The Council would have no trustee land owner control over the form that the planning process would take as a development partner. It would only have control through its regulatory function. And hence could be overridden by the Secretary of State.
Risks	There can be no	There is a risk that	None	None

	<p>assurances that a private sector developer would accept a community led development and the City Council would then need to fund the cost of carrying out the masterplanning process which could run into hundreds of thousands of pounds.</p> <p>A community led approach could also raise the expectations of the community and may create a plan which is undeliverable in commercial terms. A formal land allocation in the LDF could not be made if practical delivery were questionable.</p>	<p>the Developer will not carry out community consultation to a satisfactory level. However, this can be mitigated through phrasing within the revised Development Agreement.</p>		
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The Officer preferred option is Option 2; to discuss with Centros the extension and amendment of the Development Agreement and to bring back the proposed terms and conditions to Cabinet. Officers also recommended that the Head of Property Services obtained independent valuation advice from the District Valuer (or their appointed professional), funded through the Development Agreement, to ensure that it could be seen to be acting properly and prudently throughout all its dealings.

Councillor Langhorn proposed, seconded by Councillor Bryning:-

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

By way of amendment, Councillor Barry proposed and Councillor Fletcher seconded:-

“That the Development Agreement with Centros be terminated and that consideration be given to holding a participatory design competition to allow teams of architects/developers to present their ideas for the site.”

Councillors then voted on the amendment:-

2 Members voted in favour (Councillors Barry and Fletcher), 5 Members against (Councillors Ashworth, Bryning, Kerr, Langhorn and Robinson) and 1 Member abstained (Councillor Blamire) whereupon the Chairman declared the amendment to be lost.

Members then voted on the original proposition.

Resolved:

(5 Members (Councillors Ashworth, Bryning, Kerr, Langhorn and Robinson) voted in favour, 2 Members (Councillors Barry and Fletcher) voted against and 1 Member (Councillor Blamire) abstained.)

- (1) To discuss with Centros the extension and amendment of the Development Agreement and to bring back the proposed terms and conditions to Cabinet.
- (2) That the Head of Property Services obtains independent valuation advice from the District Valuer (or their appointed professional), funded through the Development Agreement, to ensure that it can be seen to be acting properly and prudently throughout all its dealings.
- (3) That, in negotiating the Development Agreement, specific reference is made to Centros carrying out comprehensive consultation with communities as part of the planning process. The development agreement should also make reference to how the economic growth of Lancaster District can be implemented through the visitor economy, particularly cultural and heritage aspects.
- (4) That the Canal Corridor Cabinet Liaison Group be re-established.

Officers responsible for effecting the decision:

Deputy Chief Executive
Head of Property Services
Head of Governance

Reasons for making the decision:

The decision will enable negotiations to take place to extend and amend the Development Agreement, and prepare terms and conditions for the Council's consideration which would maximise the financial return in connection with the land and ensure that any subsequent development of the site is carried out in a manner which delivers to its corporate priorities at the minimum of risk and cost to the Council.

92 REVIEW OF PARKING FEES AND CHARGES 2011/12

(Cabinet Member with Special Responsibility Councillor Langhorn)

Cabinet received a report from the Head of Property Services to enable consideration of the Annual Review of Parking Fees and Charges for 2011/12.

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

	Option 1: This option is to approve increases that meet the financial target of £110,300	Option 2: This option is to approve the majority of the recommendations including in this report and to exceed the financial target of £110,300	Option 3: This option is to do nothing, retain the existing fees and charges and the likelihood of not contributing to the financial target
Advantages	<p>This option meets the financial target for parking fees and charges taking into account inflation and the implications of the increase in VAT.</p> <p>This option is likely to provide less price increases and limits the impact on usage and the potential for adverse variances in the 2011/12 budget.</p>	<p>This option allows parking fees and charges to meet the financial target and to also make an additional contribution to the 2011/12 budget process.</p> <p>A further contribution could be made depending on the level of charge introduced for partner permits.</p>	<p>This option limits the impact on parking usage and town centre vitality and trading.</p> <p>This option is likely to receive the greatest support through the consultation process</p>
Disadvantages	<p>This option does not maximise the contribution that parking fees and charges could make to the 2011/12 budget preparation process.</p>	<p>Depending on the range of increases approved this option could have a negative impact on short stay parking and town centre trading.</p> <p>This option is likely to receive the most objections through the consultation process.</p>	<p>Apart from the possibility of increased income arising from no fee increases this option will result in a significant budget problem requiring additional income or savings to be generated from other activities / services undertaken by the council.</p>
Risks	<p>This option still has inherent risks associated with price increases as</p>	<p>This option will have a significant risk of customer resistance to additional fee</p>	<p>This option increases the budget preparation difficulties at a time</p>

	customers may choose other modes of transport or use other car parks in the district.	increases with a corresponding substantially increased risk of adverse variances with the 2011/12 budget.	when additional income or major savings are required.
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The preferred option is Option 2 which is summarised below:

- (1) That Cabinet approves 0.20p increases on the pay and display tariffs highlighted in the table at paragraph 3.1 for 2011/12 to generate additional income of £186,600 (exceeding the financial target of £110,300 by £76,300).
- (2) That Cabinet approves a 5% reduction in the level of public permit charges for 2011/12 generating additional income of £2,400.
- (3) That Cabinet approves the conversion of Lucy Street Car Park to a short stay pay and display car park generating additional income of £10,000.
- (4) That Cabinet approves the conversion of Bulk Street Car Park to a specific permit holders' car park generating a nil impact on the total income.
- (5) That Cabinet approves a 6% increase to Staff and Members permit charges for 2011/12 generating additional income of £3,100.
- (6) That Cabinet approves extending the existing Staff and Member permit arrangements to partnering organisations employing staff that are based in City Council buildings and the Head of Property be authorised to determine the level of parking charges for 2011/12 after further discussions with the partnering organisations and to implement the permit charges for 2011/12.

Councillor Langhorn proposed, seconded by Councillor Kerr:-

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

It was proposed by Councillor Robinson and accepted as a friendly amendment by the proposer and seconder of the original proposition:

"That there be no increase to the car parking charges at the Festival Market car park at the present time."

By way of a further amendment it was proposed by Councillor Robinson:

"That there be a 5% reduction in permit charges for existing staff in line with the reduction in the level of public permit charges."

However, it was noted that there was no seconder to the amendment and, therefore, it was deemed to have fallen.

It was then proposed by Councillor Barry and seconded by Councillor Fletcher:

"That the majority of Member and Officer permits be weekday only; with Members who need to park at weekends for Council business able to claim charges and only Officers

required to work at weekends able to apply for a 7 day permit.”

Members then voted on the amendment.

2 Members (Councillors Barry and Fletcher) voted in favour of the amendment and 6 Members (Councilors Ashworth, Blamire, Bryning, Kerr, Langhorn and Robinson) voted against whereupon the Chairman declared the amendment to be lost.

Councillors then voted on the original proposition, as amended.

Resolved:

(6 Members (Councillors Councilors Ashworth, Blamire, Bryning, Kerr, Langhorn and Robinson) voted in favour, and 2 Members (Councillors Barry and Fletcher abstained.)

- (1) That Cabinet approves 0.20p increases on the pay and display tariffs highlighted in the table at paragraph 3.1 for 2011/12 to generate additional income of £186,600 (exceeding the financial target of £110,300 by £76,300).
- (2) That Cabinet approves a 5% reduction in the level of public permit charges for 2011/12 generating additional income of £2,400.
- (3) That Cabinet approves the conversion of Lucy Street Car Park to a short stay pay and display car park generating additional income of £10,000.
- (4) That Cabinet approves the conversion of Bulk Street Car Park to a specific permit holders' car park generating a nil impact on the total income.
- (5) That Cabinet approves a 6% increase to Staff and Members permit charges for 2011/12 generating additional income of £3,100.
- (6) That Cabinet approves extending the existing Staff and Member permit arrangements to partnering organisations employing staff that are based in City Council buildings and the Head of Property be authorised to determine the level of parking charges for 2011/12 after further discussions with the partnering organisations and to implement the permit charges for 2011/12.
- (7) That there be no increase to the car parking charges at the Festival Market car park at the present time.

Officers responsible for effecting the decision:

Head of Property Services
Head of Financial Services

Reasons for making the decision:

The decision made meets the budgetary requirement and allows for an additional contribution to the 2011/12 draft budget, will enable effective transport management and is consistent with the aims and objectives of the Parking Strategy.

The meeting adjourned at 11.45am and reconvened at 12.00pm.

93 HEALTH AND HOUSING FEES AND CHARGES 2011/12

(Cabinet Member with Special Responsibility Councillor Kerr)

Cabinet received a report from the Head of Health and Housing Services which had been prepared as part of the 2011/12 estimate procedure and set out the options for increasing the level of fees and charges.

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

	Option 1 To approve the increase in fees as recommended in the report	Option 2 To approve a different percentage increase.	Option 3 To do nothing and retain the existing fees and charges.
Advantages	This option allows for increased fee revenue whilst retaining fees at competitive levels. The increase in pest control fees reduces the council's subsidy of this service by a substantial amount whilst retaining pest control fees affordable compared to some private sector providers.	This option potentially allows for a greater increase in revenue if an increase of greater than 2.4% is approved.	This option would mean no price increases for customers.
Disadvantages	Any increase in fees is likely to be unpopular with customers.	An increase in fees above the recommended amount is likely to prove unpopular with customers.	No opportunity to raise additional revenue through fees and charges.
Risks	There is always a risk that customers will choose not to access services if fees are too high. However, evidence gathered shows core fees and charges are comparable to other nearby local authorities.	There is always a risk that customers will choose not to access services if fees are too high. There is a risk that even current income levels will fail to be achieved if fees are perceived to be too high.	This option increases the difficulties of securing a viable budget at a time when additional income and savings are required.

The officer preferred option is Option 1. This option allows for increased revenue whilst retaining fees at affordable and competitive levels.

Councillor Kerr proposed, seconded by Councillor Ashworth:-

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

Councillors then voted:-

Resolved unanimously:

- (1) That the Health & Strategic Housing fees in Appendix 1 of the report be increased by 2.40% (inflation) subject to deciding pest control fees as per recommendations 2, 3 and 4.
- (2) That the current fees for rodent and insect treatments and hourly pest control rates be increased by 10% as set out in Appendix 1, retaining 50% discounts in qualifying cases (fleas, rats) for those in receipt of Council Tax and/or Housing Benefit.
- (3) That charges are introduced at the standard rodent/insect treatment rate for advisory visits together with chargeable cases where, upon visiting, pest control officers are not in a position to provide or complete treatments.
- (4) That a charge is introduced for bed bug treatments at the standard insect treatment rate plus a new domestic hourly rate for every subsequent complete or part hour required to finish a treatment, with 50% discounts in qualifying cases for those in receipt of Council Tax and/or Housing Benefit.
- (5) That the fees and charges for the Neptune Baby and Young Child Memorial Garden are not increased for 2011/12 and that the cost of a purchased grave includes the Exclusive Right of Burial.
- (6) That the current costs of memorial plaques in the Neptune Baby area are reduced by 50%.
- (7) That a new fee of £175.00 plus VAT be introduced for woodland burial plaques.
- (8) That a new fee of £200.00 plus VAT be introduced for tower memorial plaques.
- (9) That a new fee of £40.00 plus VAT be introduced for the cleaning and re-gilding of existing old style garden of remembrance plaques when a second inscription is required.
- (10) That new fees be introduced for private water supplies risk assessment, investigation, sampling, analysis and granting of authorisations as detailed in Appendix 1 of the report.

Officers responsible for effecting the decision:

Head of Health and Housing Services

Reasons for making the decision:

The decision will maintain income whilst retaining fees at affordable and competitive levels.

94 POLICY FRAMEWORK, GENERAL FUND REVENUE BUDGET AND CAPITAL PROGRAMME UPDATE

(Cabinet Member with Special Responsibility Councillor Langhorn)

Cabinet received a report from the Deputy Chief Executive and Head of Financial Services to provide information on the policy framework and latest budget position for current and future years, to inform Cabinet's budget proposals and to allow it to make final recommendations on to Council regarding Council Tax levels for 2011/12.

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

Options were dependent very much on Members' views on spending priorities balanced against Council Tax levels. As such, a full options analysis could only be undertaken once any alternative proposals were known and it should be noted that Officers may require more time in order to do this. Outline options were highlighted below, however.

- Regarding Council Tax, various options were set out at section 8 of the report. In considering these, Members should have regard to the impact on service delivery, the need to make savings or provide for growth, the impact on future years and the likelihood of capping.
- With regard to considering or developing savings and growth options to produce a budget in line with preferred Council Tax levels, any proposals put forward by Cabinet should be considered alongside the development of priorities and in light of the public consultation. Emphasis should be very much on the medium to longer term position, given that further reductions in revenue funding are expected in future, in line with Government's Spending Review.
- With regard to items for noting, no options were presented.

Under the Constitution, Cabinet is required to put forward budget proposals for Council's consideration, in time for them to be referred back as appropriate. This is why recommendations are required to feed into the Council meeting in February, prior to the actual Budget Council in March.

Officer preferred options were reflected in the recommendations, where appropriate.

The provisional Settlement was much better than expected, albeit that the Council still faced significant year on year funding reductions; this highlights how much expectations have shifted in recent months. The Council had been successful in achieving major budget reductions and therefore in the short-term, the Council's revenue prospects may be easily managed but the medium to longer term must not be overlooked; the challenge of balancing the Council's budget beyond 2011/12 to deliver its corporate priorities still remained. With regard to capital, the key risks still centred on completing land sales and reaching decisions on stalled regeneration schemes.

Councillor Langhorn proposed, seconded by Councillor Barry:-

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

By way of amendment which was accepted as a friendly amendment by the mover and seconder of the original proposition, Councillor Ashworth proposed:

“That recommendation 3 be revised and the words ‘partnership working with Lancashire County Council and’ be inserted between ‘with the costs being funded from’ and ‘ongoing savings already approved in developing the budget.’

By way of an amendment to recommendation 7, Councillor Robinson proposed:

“That recommendation 7 be amended to include that there be an indicative limit to fund grants to outside bodies and the limit set at £500K.

However, it was noted that there was no seconder to the proposal and it was therefore declared lost.

By way of an amendment to recommendation 9, which was accepted as a friendly amendment by the mover and seconder of the original proposition, Councillor Blamire proposed:

“That contributing towards any shortfall in funding of PCSO’s be added to the growth options and proposals in Appendix F.”

By way of a further amendment to recommendation 9, which was accepted as a friendly amendment by the mover and seconder of the original proposition, Councillor Fletcher proposed:

“That spend to save options be added to options in Appendix F.”

By way of a further amendment to recommendation 9, Councillor Robinson proposed:

“That £60K be added to the growth options and proposals in Appendix F for developing a car park in Parliament Street, Morecambe.”

However, it was noted that there was no seconder to the proposal and it was therefore declared lost.

By way of a further amendment to recommendation 9, Councillor Robinson proposed:

“That the need for the Regeneration Team be questioned in view of partnership working and any savings from removing the Regeneration Team as a growth option and proposal be used to fund additional environmental enforcement officers.”

However, it was noted that there was no seconder to the proposal and it was therefore declared lost.

Members then voted on the original motion, as amended.

Resolved unanimously:

- (1) That Cabinet notes the provisional priorities as agreed at the Cabinet meeting in November 2010 and that these are now recommended to full Council to develop the policy framework for the three year period from 2011 to 2014, as follows:
 - Economic Regeneration – Energy Coast and Visitor Economy
 - Climate Change – Prioritising reducing the council's energy costs and increasing income
 - Statutory responsibilities – fulfilling at least our minimum statutory duties - focus on keeping the streets clean and safe
 - Partnership working and Community Leadership – working with partners to reduce costs, make efficiencies and create resilience within the district
 - That Cabinet notes the intension to protect the most vulnerable in our society should also be a thread that runs through all our priorities
- (2) That the Council bring together all partnership working, including work relating to the Lancaster District Local Strategic Partnership, in order to protect key services and provide a single corporate approach to partnership working.
- (3) That the decision to withdraw from the agreement with Lancashire County Council to manage the community pools on their behalf be rescinded and that Lancaster City Council continues to manage the pools on behalf of Lancashire County Council with the costs being funded from partnership working with Lancashire County Council and ongoing savings already approved in developing the budget.
- (4) That Cabinet approves the draft 2010/11 Revised Budget of £23.616M for referral on to Council, with the net under spending of £1.124M being transferred into Balances.
- (5) That Cabinet approves the reassessment of other earmarked reserves and provisions as set out in section 4 of the report and that in principle, future surplus Balances be used to support invest to save schemes, subject to this being considered by Council in due course as part of the Medium Term Financial Strategy.
- (6) That Cabinet notes the position regarding the Local Government Finance Settlement and capping, together with prospects for future years.
- (7) That subject to all the above, Cabinet notes the resulting draft 2011/12 General Fund Revenue Budget of £21.331M, and the indicative spending projections of £21.315M for 2012/13 and £22.047M for 2013/14, excluding savings and growth options.
- (8) That Cabinet notes the draft capital investment position from 2010/11 onwards.
- (9) That Cabinet considers the draft budget information and options as set out in the report in context of its proposed draft priorities and:
 - recommends to Council that City Council Tax rates be frozen for 2011/12, subject to Government confirming Council Tax Freeze Grant entitlement (equivalent to a 2.5% tax increase);

- recommends that spend to save options and contributing towards any shortfall in funding of PCSO's be added to the preferred savings and growth options, with any surplus resources in 2011/12 being transferred into Revenue Balances, and
- refers the updated budget information on for Council's initial consideration.

Officers responsible for effecting the decision:

Deputy Chief Executive
Head of Financial Services

Reasons for making the decision:

Under the Constitution Cabinet is required to put forward policy framework and budget proposals for Council's consideration in time for them to be referred back as appropriate. The decision will ensure that the policy and budget proposals are fed into the Council meeting in February, prior to Budget Council in March.

95 2011/12 BUDGET UPDATE - HOUSING REVENUE ACCOUNT AND CAPITAL PROGRAMME

(Cabinet Member with Special Responsibility Councillor Kerr)

Cabinet received a report from the Head of Health and Housing and the Head of Financial Services which updated the Housing Revenue Account (HRA) revised budget position for the current year and set out the recommended budget for 2011/12 and future years. It also set out the updated Capital Programme for 2010/11 and a proposed programme to 2015/16.

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

With regard to the Revised Budget, Cabinet could consider other proposals that may influence the Revised Budget for the year and the call on revenue balances.

The most obvious options available in respect of the 2011/12 rent increase are to:

- i) Set the average housing rent at £64.20 i.e. an increase of 6.9% as proposed in paragraph 3.3.1. This is largely in line with the Government's Guideline Rent increase. The benefit of this option would be that the Authority would be in line with the Government's proposals to achieve convergence with no negative financial implications to the HRA. Whilst this increase may appear large, this is only because currently, average council housing rents are below those of other social housing providers.
- ii) Set the rent increase at a minimum level of 5.1% being the RPI inflation of 4.6% +.05%. This would mean an actual average rent of £63.12, which would result in a loss of income of £210K with similar amounts for future years. With no other compensating factors from the Government to offset the loss of income, the shortfall would have to be met from savings within the HRA or funded from Reserves. This option would also considerably delay the Authority in achieving convergence, and does not support sustainability of the

HRA in the longer term.

The options available in respect of the minimum level of HRA balances are to set the level at £350,000 in line with the advice of the Section 151 Officer, or to adopt a different level. Should Members choose not to accept the advice on the level of balances, then this should be recorded formally in the minutes of the meeting, and could have implications for the Council's financial standing, as assessed by its external auditors.

The options available in respect of the revenue budget projections and assumed rent levels for 2012/13 to 2013/14 are to recommend those as set out, or to consider other proposals for incorporation. It should be noted that if Cabinet decides on alternative rent levels for 2011/12 or future years', these would alter the budget projections.

The options available in respect of the Capital Programme are:

- i) To approve the programme in full, with the financing as set out;
- ii) To incorporate other increases or reductions to the programme, with appropriate sources of funding being identified.

Any risks attached to the above would depend very much on what measures Members proposed, and their impact on the council housing service and its tenants. As such, a full options analysis could only be undertaken once any alternative proposals are known. It should be noted that Officers may require more time in order to do this. The risks attached to the provisional nature of current subsidy determinations will be managed through future reporting arrangements, as set out in the report.

The Officer Preferred options are to:

- approve the 2010/11 revised Revenue Budget as set out;
- approve the provisions, reserves and balances positions as set out;
- set a 6.9% increase in average rents, and to approve the draft revenue and capital budgets as set out in the appendices, for referral on to Council as appropriate.

These are as reflected in the Member recommendations.

Councillor Kerr proposed, seconded by Councillor Ashworth:-

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

Councillors then voted:-

Resolved:

(4 Members (Councillors Ashworth, Kerr, Langhorn and Robinson) voted in favour, 2 Members (Councillors Barry and Fletcher) voted against and 2 Members (Councillors Blamire and Bryning) abstained.)

- (1) That the Housing Revenue Account Revised Budget for 2010/11, as set out at Appendix A, be recommended to Council for approval.

- (2) That the Housing Revenue Account Budget for 2011/12 also as set out at Appendix A, be recommended to Council for approval.
- (3) That Cabinet recommends to Council that the minimum level of HRA unallocated balances be retained at £350,000 from 01 April 2011, and that the Statement on Reserves and Balances be noted and referred to Council for information.
- (4) That average council housing rents for the year commencing 01 April 2011 be set at £64.20, representing an increase of 6.9%.
- (5) That at present, future year budget projections assume average rent increases of 4.74% for 2012/13 and 4.71% for 2013/14 in line with the current Subsidy Determination, and the resulting budget projections also as set out at Appendix A be referred on to Council for approval.
- (6) That the Capital Programme as set out at Appendix D be referred on to Council for approval.
- (7) That Cabinet notes that the proposed revenue budgets and capital programme had been referred to the District Wide Tenants Forum and that any issues arising had been fed back verbally at the meeting.

Officers responsible for effecting the decision:

Head of Housing and Health Services
Head of Financial Services

Reasons for making the decision:

The Council is required under statutory provisions to maintain a separate ring-fenced account for all transactions relating to the provision of local authority housing, known as the Housing Revenue Account (HRA). This covers the maintenance and management of the Council's housing stock. It is therefore necessary to prepare separate revenue and capital budgets for the HRA each year, and to set the level of housing rents in sufficient time for the statutory notice of rent variations to be issued to tenants by 01 March. The decision ensures the deadline will be met and will enable a balanced budget and fully financed Capital Programme for referral on to Council.

96 SHARED SERVICES PROGRAMME

(Cabinet Member with Special Responsibility Councillor Langhorn)

Cabinet received a report from the Chief Executive with regard to the progress made in developing a shared services programme for the Council as requested as an action from the Corporate Performance Monitoring Report Quarter 1 2010, and further to the last progress report presented to Cabinet on the 5 October 2010.

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

Option 1

To note the progress being made in respect of the service areas identified in the

Appendix and to receive reports back to Cabinet as appropriate to ensure that any service improvements and efficiencies are considered as part of the budget exercise.

Option 2

To note the progress being made in respect of the service areas identified in the Appendix.

Councillor Langhorn proposed, seconded by Councillor Ashworth:-

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

Councillors then voted:-

Resolved unanimously:

- (1) That Cabinet note the progress made in developing a Shared Services Programme for the Council, since the last progress report presented to Cabinet on the 5 October 2010.
- (2) That officers continue to develop shared service partnership opportunities for achieving service improvements and efficiencies with a view to reporting back as determined by Cabinet to allow proposals to be considered as part of the budget exercise.

Officers responsible for effecting the decision:

Chief Executive

Reasons for making the decision:

The efficiencies delivered from developing a shared service programme will greatly assist in achieving the outcomes of the Council's savings and efficiency programme and targets included in the Medium Term Financial Strategy including the continued operation of the three community pools. It will also support the Council's Corporate Plan priorities for working closely with other partner organisations to deliver improved benefits for the Lancaster District community.

97 SAFEGUARDING VULNERABLE ADULTS POLICY**(Cabinet Member with Special Responsibility Councillor Kerr)**

Cabinet received a report from the Head of Community Engagement to seek Cabinet's approval of a Safeguarding Adults Policy and Procedure.

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

There were three options presented:

- (1) To agree the draft Safeguarding Vulnerable Adults policy and procedure.
- (2) To agree the draft Policy and Procedure with amendments.

- (3) To not agree the new policy and procedure and have no policy place in respect of vulnerable adults.

The officer preferred option was Option 1. The draft Safeguarding Adults policy is a new policy developed in line with Lancashire County Council guidance and reporting procedures. It provides guidance to staff who may come into contact with vulnerable adults regarding the identification of different types of abuse and also what to do if they have concerns relating to a vulnerable adult. The revised policy and guidance provides the Council with up to date information and procedures that are necessary to fulfill the council's responsibilities.

Councillor Kerr proposed, seconded by Councillor Barry:-

"That Cabinet approve the policy and procedure set out in Appendix A of the report and that staff and Members are made aware of the new policy."

Councillors then voted:-

Resolved unanimously:

That Cabinet approve the policy and procedure set out in Appendix A of the report and that staff and Members are made aware of the new policy.

Officers responsible for effecting the decision:

Head of Community Engagement

Reasons for making the decision:

The decision will provide the Council with up to date information and procedures that are necessary to fulfill the Council's responsibilities.

98 UNIVERSITIES CABINET LIAISON GROUP

(Cabinet Member with Special Responsibility Councillor)

Cabinet received a report from the Head of Governance to consider the future of the Universities Cabinet Liaison Group.

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

	Option 1: Stand down the Universities Cabinet Liaison Group	Option 2: To note existing arrangements and make no amendments
Advantages	This would be in accordance with the consultation undertaken with members of the group.	No advantages have been identified for this option.

Disadvantages	None. Cabinet Liaison Groups assist Cabinet in the discharge of executive functions, however they are purely consultative and non-decision making and may be time limited according to purpose. Those consulted feel that there are other mechanisms for considering matters of mutual interest so it would appear that the Group is no longer necessary.	This would not be in accordance with the consultation undertaken with members of the group.
Risks	No risks have been identified with either proposal. Both options provide ways to consider matters of mutual interest.	

There was no officer preferred option.

Councillor Robinson proposed, seconded by Councillor Barry:-

“That the Universities Cabinet Liaison Group be stood down.”

Councillors then voted:-

Resolved:

7 Members (Councillors Ashworth, Barry, Blamire, Fletcher, Kerr, Langhorn and Robinson) voted in favour, and 1 Member (Councillor Bryning) voted against.)

(1) That the Universities Cabinet Liaison Group be stood down.

Officers responsible for effecting the decision:

Head of Governance

Reasons for making the decision:

There appeared to be a consensus among members of the Universities Cabinet Liaison Group that the Group was no longer required, as its function was now covered by other groups and working relationships.

99 LANCASTER MARKET

(Cabinet Member with Special Responsibility Councillor Barry)

Cabinet received an oral update on the work of the Lancaster Market Cabinet Liaison Group.

Councillor Barry informed the meeting that a report with options would be presented to Cabinet in February.

Resolved unanimously:

- (1) That the oral update be noted.

Officers responsible for effecting the decision:

Deputy Chief Executive
Head of Property Services

Reasons for making the decision:

The terms of reference of the Lancaster Market Cabinet Liaison Group stipulate regular reports to Cabinet.

Chairman

(The meeting ended at 1.20 p.m.)

**Any queries regarding these Minutes, please contact
Liz Bateson, Democratic Services - telephone (01524) 582047 or email
ebateson@lancaster.gov.uk**

MINUTES PUBLISHED ON FRIDAY, 21ST JANUARY 2011.

**EFFECTIVE DATE FOR IMPLEMENTING THE DECISIONS CONTAINED IN THESE MINUTES:
MONDAY, 31ST JANUARY 2011.**