

CABINET

10.00 A.M.

3RD JULY 2012

PRESENT:- Councillors Eileen Blamire (Chairman), Janice Hanson (Vice-Chairman), Jon Barry, Abbott Bryning, Tim Hamilton-Cox, Ron Sands and David Smith

Apologies for Absence:-
Councillor Karen Leytham

Officers in attendance:-

Mark Cullinan	Chief Executive
Nadine Muschamp	Head of Resources and Section 151 Officer
Sarah Taylor	Head of Governance and Monitoring Officer
Andrew Dobson	Head of Regeneration and Planning Service (Minute 20)
Richard Tulej	Head of Community Engagement Service (Minute 21)
Mark Davies	Head of Environmental Services
Maurice Brophy	Planning and Housing Policy Manager (Minute 20)
Liz Bateson	Principal Democratic Support Officer

15 MINUTES

The minutes of the meeting held on Tuesday 29 May 2012 were approved as a correct record.

16 ITEMS OF URGENT BUSINESS AUTHORISED BY THE LEADER

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

17 DECLARATIONS OF INTEREST

No declarations were made at this point.

18 PUBLIC SPEAKING

Members were advised that there had been a request to speak at the meeting from a member of the public in accordance with Cabinet's agreed procedure, as set out in Cabinet Procedure Rule 2.7, with regard to Heysham Mossgate Community and Sports Facilities (Minute 19 refers).

The Chairman advised the meeting of a change in order to the agenda.

19 HEYSHAM MOSSGATE COMMUNITY AND SPORTS FACILITIES

(Cabinet Member with Special Responsibility Councillor Hanson)

Mrs Jean Yates who had registered to speak on this item in accordance with the City Council's agreed procedure and Cabinet Procedure Rule 2.7, spoke on behalf of the Heysham Mossgate (Communities Facilities) Company Ltd).

Having addressed the meeting and having answered a number of questions from

Cabinet Members Mrs Yates left the meeting at this point.

It was moved by Councillor Smith and seconded by Councillor Bryning:-

“That, in accordance with Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting for the following item of business, on the grounds that it could involve the possible disclosure of exempt information as defined in paragraph 3 of Schedule 12A of that Act.”

Members then voted as follows:-

6 Members (Councillors Barry, Blamire, Bryning, Hanson, Sands and Smith) voted in favour and 1 Member (Councillor Hamilton-Cox) voted against).

Resolved:

- (1) That, in accordance with Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting for the following item of business, on the grounds that it could involve the possible disclosure of exempt information as defined in paragraph 3 of Schedule 12A of that Act.

Cabinet received a report from the Chief Executive which was exempt from publication by virtue of paragraph 3, 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 Barry proposed, seconded by Councillor Hanson:-

- “(1) That Heysham Mossgate (Communities Facilities) Company Ltd be encouraged to apply for Second Homes Funding, be requested to provide a copy of their business plan to the City Council and that any funding from the City Council be considered as part of the budget process for 2013/14.”

Councillors then voted:-

Resolved unanimously:

That Heysham Mossgate (Communities Facilities) Company Ltd be encouraged to apply for Second Homes Funding, be requested to provide a copy of their business plan to the City Council and that any funding from the City Council be considered as part of the budget process for 2013/14.

Officers responsible for effecting the decision:

Chief Executive
Head of Financial Services (Resources)

Reasons for making the decision:

Cabinet was mindful that the Council’s own capital programme in the current year was presently on hold, pending receiving sufficient capital receipts and therefore supporting

the request as set out in the exempt report would add to those difficulties. In addition the request fell outside of the budget framework/ medium term financial strategy. The decision enables the request to be considered as part of the budget process for 2013/14.

The press and public were re-admitted to the meeting at this point.

20 PREPARATION OF A NEW 'LOCAL PLAN' FOR LANCASTER DISTRICT

(Cabinet Member with Special Responsibility Councillor Hanson)

Cabinet received a report from the Head of Regeneration and Planning to provide members with the opportunity to review and endorse the emerging Draft Local Plan for Lancaster District; comprising the Development Management Development Plan Document (DPD), Land Allocations DPD, and, Morecambe Area Action Plan (MAAP). The report highlighted the key issues which arose from these documents, and advised on how the documents would be progressed as elements of Draft Local Plan for Lancaster District.

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

	Option 1: Endorse the content and the steps proposed for the continued preparation of the Draft Local Plan Documents	Option 2: Delay the endorsement and the next steps proposed for the continued preparation of the Draft Local Plan Documents whilst awaiting the outcome of other ongoing studies and resolutions to outstanding planning issues before progressing with a local plan
Advantages	The NPPF encourages local authorities to advance preparation of Local Plans in accordance with the principles established within the NPPF. The NPPF advises that plans may need to be revised to take into account the policies in the framework. This should be progressed as quickly as possible, either through a partial review or preparing a new Local Plan. For a period of 12 months, which commenced in March 2012 decision makers may continue to give full weight to plans adopted since 2004, there after due weight will be given to existing plans in accordance to their degree of consistency with the NPPF; thus in order to exert local influence	Delay means that more time is available to further investigate detailed solutions to issues such as traffic management before identifying sites in the plan. The ability to describe such solutions would mean that it would be easier to justify the plan's proposals, particularly in south Lancaster, to a potentially sceptical and unsupportive local community.

	<p>upon planning decisions the Council is advised to make speedy progress on preparing its own Local Plan. Publishing a draft Local Plan Document will be an important step in identifying solutions to meeting the district's development needs over the next 15 years. Publishing the detailed documents in support of the spatial principles established in the Core Strategy means that the Council will be in stronger position to influence how and where growth occurs in the district and can secure better outcomes from the implementation of development proposals.</p>	
<p>Disadvantages</p>	<p>Identifying the sites which the Council wishes to direct development to may trigger planning applications in relation to both the sites which are identified and the sites which are not identified.</p>	<p>Greater delay will mean that there is a longer period when an up-to-date Local Plan is not in place, thus the Council will find it increasingly difficult to defend its planning decisions. Delay also means that the local evidence base and the large range of studies which support the current draft policies will become out of date and would need to be undertaken again: this may include retailing studies, flood risk studies; housing needs, affordable housing viability studies, development viability appraisals, and open space & recreation studies. This would involve significant time, additional costs and the use of staff limited resources to re-establish an up-to-date evidence base position.</p>
<p>Risks</p>	<p>The proposed approach, which suggests that sites are identified through this preferred options stage when investigative work has still to be undertaken, may encourage planning applications before satisfactory solutions are identified to development implications, particularly traffic management in south</p>	<p>Delay means the Council is exposed to a longer period at of risk when it is exposed to having to determine planning proposals without up to date policies in place, this increases the prospects of loss at appeal and hence development which may not best accord with the community's aspirations.</p>

	<p>Lancaster. Planning Applications may therefore be submitted in advance of a decision on implementing CIL. The proposed approach suggests meeting a reduced housing requirement on the basis of assumptions about realistic levels of delivery. This may risk the Land Allocations Plan being found unsound on the basis that it does not provide sufficient opportunity for housing development to meet the locally evidenced requirement. This would delay the overall process of identifying sites and lead to a longer period when a local plan is in place.</p>	
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Option 1 was the officer preferred option. Advancing preparation of a Local Plan document for the district would ensure that an up to date planning framework for the district was in place. This was consistent with the Governments requirements to ensure up to date planning policies are in place taking into account the requirements of the newly published NPPF. Publishing the detailed documents in support of the spatial principles established in the Core Strategy meant that the Council would be in a stronger position to influence how and where growth occurs in the district and would ensure that the Council can secure better outcomes from the implementation of development proposals.

Advanced drafts of the Development Management DPD and Land Allocations DPD were appended to the report. A draft Area Action Plan document would follow shortly. Cabinet Members were advised that as work was ongoing there might be revisions to the documents presented to Council on 18 July. Following presentation of the completed Drafts to Council further work would be undertaken to prepare publishable editions of the Draft Local Plan documents; including updates and corrections, the introduction of additional photographs, illustrative plans, and captions.

Cabinet Members were formally requested to endorse the approach being taken in preparation of these documents in advance of full council on the 18th July.

Councillor Hanson proposed, seconded by Councillor Blamire:-

- (1) "That Cabinet formally endorse the approach being taken in preparing a draft Local Plan for Lancaster District."

Councillors then voted:-

(6 Members (Councillors Blamire, Bryning, Hamilton-Cox, Hanson, Sands and Smith) voted in favour, and 1 Member (Councillor Barry) abstained.)

Resolved:

- (1) That Cabinet formally endorse the approach being taken in preparing a draft Local Plan for Lancaster District.

Officers responsible for effecting the decision:

Head of Regeneration and Planning

Reasons for making the decision:

Preparation of the Land Allocations document, Development Management document and Area Action Plan for Central Morecambe will provide the detailed planning policies for the district implementing the strategic policies of the Core Strategy. Together these will provide the local planning policy framework for determining planning applications and directing development proposals and investment in the district for the next fifteen years.

21 QUARTER 4 CORPORATE PERFORMANCE MONITORING REPORT**(Cabinet Member with Special Responsibility Councillor Blamire)**

Cabinet received a joint report from the Leader of the Council and Cabinet Member with Special Responsibility for Finance in respect of the 4th Quarter of the Performance Review Team Cycle for 2012.

The report was for noting and comment.

Councillor Bryning proposed, seconded by Councillor Blamire:-

“That the report be noted.”

Councillors then voted:-

Resolved unanimously:

- (1) That the report be noted.

Officers responsible for effecting the decision:

Head of Community Engagement

Reasons for making the decision:

The Council's Performance Management Framework requires the regular reporting of operational and financial performance to Cabinet as part of the Performance Review Team cycle of meetings. The Corporate PRT report provides a summary of key issues and associated actions that have arisen in the quarter and have been escalated to the Leader of the Council for attention.

22 PROVISIONAL REVENUE & CAPITAL OUTTURN 2011/12**(Cabinet Member with Special Responsibility Councillor Bryning)**

Cabinet received a report from the Head of Financial Services (Resources) which provided summary information regarding the provisional outturn for 2011/12. It set out information regarding the carry forward of underspent/overspent revenue budgets and capital slippage for Members' consideration. It also incorporated the treasury management outturn report and sought approval of various Prudential Indicators for last year for referral on to Council.

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

The City Council had a legal requirement to ensure that its expenditure was fully funded and to produce a Statement of Accounts in accordance with proper accounting practice. In addition, the Prudential Indicators were a statutory requirement linked to the budgetary framework and therefore there were no alternative options for Cabinet to consider. Members were asked to endorse certain actions taken by the Head of Financial Services (Resources), however Cabinet needed to consider whether it had sufficient information to do so or whether it required any further justification. With regard to reserves contributions, there would be opportunities for these to be amended during the current financial year, as part of the usual arrangements.

The report requested Cabinet to consider a number of revenue budget carry forward matters and capital slippage. The framework for considering these was set out in the report but basically Cabinet may:

- Approve any number of the items / requests, in full or part.
- Refuse any number of the requests and if commitments have already been incurred, require alternative funding options to be identified. Cabinet should note, however, that this may impact on other areas of service delivery.
- Request further information regarding them, if appropriate. Cabinet is asked to bear in mind any work required against the value of the individual bids.

Officer recommendations regarding any carry forward of overspendings were set out in Appendix F, as attached to the report. Where there were alternative options for other aspects of the outturn, in view of the comments made above there were no specific officer preferred options put forward.

As at 31 March the Council had improved its financial standing overall by generating net efficiency savings and through other underspendings. Balances were again higher than forecast and this gave the Council some flexibility and comfort for addressing future challenges. Efforts to draw out ongoing efficiencies and other budget savings should be taken wherever possible, to improve value for money as well as financial planning.

Cabinet then voted individually on each of the recommendations, as set out in the report and made a further recommendation regarding possible use of part of the underspends. Members voted unanimously on all of the recommendations.

Councillor Bryning proposed, seconded by Councillor Smith:-

- “(1) That the provisional outturn for 2011/12 be noted, including the transfers to provisions and reserves actioned by the Head of Financial Services (Resources) as set out in section 4.2 of the report.”

Councillor Bryning proposed, seconded by Councillor Blamire:

- “(2) That Cabinet approves the recommendations regarding carry forward of overspendings as set out at Appendix F of the report.”
- “(3) That Cabinet approves the requests to carry forward underspent revenue budgets as set out in Appendix G of the report with the exception of request 13 - Williamsons Park – Improved Visitor Attractions.”
- “(4) That Cabinet approves the requests for capital slippage as set out at Appendix J of the report.”
- “(5) That the Annual Treasury Management report as set out at Appendix K of the report be noted and referred on to Council.”
- “(6) That the Prudential Indicators as at 31 March 2012 as set out at Appendix L of the report be approved for referral on to Council.”

Councillor Hanson proposed, seconded by Councillor Blamire:

- “(7) That the possibility of utilising part of the underspends as matchfunding towards the Empty Homes Grant together with other sources of funding be included in the Housing Regeneration report scheduled for September’s Cabinet, feeding into the subsequent MTFS report .”

Resolved unanimously:

- (1) That the provisional outturn for 2011/12 be noted, including the transfers to provisions and reserves actioned by the Head of Financial Services (Resources) as set out in section 4.2 of the report.
- (2) That Cabinet approves the recommendations regarding carry forward of overspendings as set out at Appendix F of the report.
- (3) That Cabinet approves the requests to carry forward underspent revenue budgets as set out in Appendix G of the report with the exception of request 13 - Williamsons Park – Improved Visitor Attractions.
- (4) That Cabinet approves the requests for capital slippage as set out at Appendix J of the report.
- (5) That the Annual Treasury Management report as set out at Appendix K of the report be noted and referred on to Council.
- (6) That the Prudential Indicators as at 31 March 2012 as set out at Appendix L of the report be approved for referral on to Council.
- (7) That the possibility of utilising part of the underspends as matchfunding towards

the Empty Homes Grant together with other sources of funding be included in the Housing Regeneration report scheduled for September's Cabinet, feeding into the subsequent MTFS report.

Officers responsible for effecting the decision:

Head of Financial Services (Resources)

Reasons for making the decision:

The City Council has a legal requirement to ensure that its expenditure is fully funded and to produce a Statement of Accounts in accordance with proper accounting practice. In addition, the Prudential Indicators are a statutory requirement linked to the budgetary framework. The decision enables Members to endorse certain actions taken by the Head of Financial Services (Resources), and with regard to reserves contributions, there will be opportunities for these to be amended during the current financial year, as part of the usual arrangements.

23 SENIOR MANAGEMENT CAPACITY

(Cabinet Member with Special Responsibility Councillor Blamire)

Cabinet received a report from the Chief Executive to ask Cabinet to consider the capacity of the City Council's senior management.

At its meeting on the 14 February 2012, Cabinet approved a revised Senior Management Structure which was implemented immediately with the exception of filling the Property, Partnerships and Performance post as Cabinet requested further consideration be given to the capacity of senior management across the Council.

Number of Chief Officers based on the future needs of the Council

The current numbers at chief officer level was considered to be sufficient to deliver the Corporate Plan Priorities and actions. A more appropriate Senior Management Structure was to dispense with the new chief officer post, and create additional capacity below chief officer level, to ensure the structure was capable of delivering the Council's priorities in an efficient and effective manner as per Appendix A to the report.

With effect from the 18 June 2012, the connection into the Chief Officer structure of the shared property functions had been placed with the Head of Financial Services, with the exception of Parking Administration, Markets and CCTV, which had been placed with the Head of Environmental Services. As Information Services was also a function within Financial Services, the service had been renamed "Resources" to better identify with the range of functions undertaken within it. The post of Head of Financial Services had therefore, become 'Head of Resources'. It was also considered that re-titling 'Regeneration and Policy' to 'Regeneration and Planning' was more meaningful.

Capacity at Senior Management level

Following consideration, a particular need had been identified in the Regeneration and Planning Service. A more detailed report in respect of this would be considered later on the Agenda (Minute 25 refers).

Councillor Hanson proposed, seconded by Councillor Smith:-

“That the report be noted.”

Councillors then voted:-

Resolved unanimously:

(1) That the report be noted.

Officers responsible for effecting the decision:

Chief Executive

Reasons for making the decision:

The report was for noting and clarified issues regarding senior management capacity raised at the Cabinet meeting on 14th February 2012.

24 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 Hanson and seconded by Councillor Bryning:-

“That, in accordance with Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting for the following item of business, on the grounds that it could involve the possible disclosure of exempt information as defined in paragraphs 1 and 2 or 3 of Schedule 12A of that Act.”

Members then voted as follows:-

Resolved unanimously:

(1) That, in accordance with Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting for the following item of business, on the grounds that it could involve the possible disclosure of exempt information as defined in paragraphs 1 and 2 or 3 of Schedule 12A of that Act.

25 REINFORCING SENIOR MANAGEMENT CAPACITY IN THE REGENERATION AND PLANNING SERVICE

(Cabinet Member with Special Responsibility Councillor Hanson)

Cabinet received a report from the Head of Regeneration and Planning to respond to Cabinet’s request that senior management capacity in the Regeneration and Planning Service be reinforced following the disestablishment of the post of Deputy Chief Executive. The report was exempt from publication by virtue of paragraphs 1 and 2 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 Hanson proposed, seconded by Councillor Bryning:-

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

Councillors then voted:-

(6 Members (Councillors Barry, Blamire, Bryning, Hanson, Sands and Smith) voted in favour, and 1 Member (Councillor Hamilton-Cox) abstained.)

Resolved:

- (1) That Cabinet agrees to fund the creation of a new post of Senior Planning Officer graded at SCP36-41 (Grade 6) from savings made through the deletion of the Deputy Chief Executive post, with the General Fund Revenue Budget being updated accordingly.
- (2) That Cabinet agrees to review funding for any ongoing need for the temporary post referred to in the exempt report.

Officers responsible for effecting the decision:

Head of Regeneration & Planning
Head of Financial Services (Resources)

Reasons for making the decision:

The Corporate Plan includes economic growth, support for the Energy Coast and major infrastructure projects, housing regeneration and developing the visitor economy as its priorities. The decision will enable senior management capacity in the Regeneration and Planning Service to be reinforced following the disestablishment of the post of Deputy Chief Executive. Cabinet were satisfied that the proposals represented sound use of some of the budgetary savings arising from the latest changes to senior management structure and the proposals fit with the approved Medium Term Financial Strategy (MTFS).

At this point Councillor Bryning declared a personal and prejudicial interest in the following item in view of him being the Council's representative to the Storey Centre for Creative Industries outside body. Councillor Bryning left the meeting at this point, did not take part in the discussions and did not vote on this item.

26 STOREY CREATIVE INDUSTRIES CENTRE

(Cabinet Member with Special Responsibility Councillor Hanson)

Cabinet received a report from the Chief Executive to provide an update on the Storey Creative Industries Centre (SCIC) Ltd's current financial position and to determine the way forward regarding the Council's involvement in the Centre. An exempt version of the report that included commercially sensitive information had been produced to support Cabinet's decision-making.

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

OPTIONS FOR THE WAY FORWARD

The way forward therefore depended on whether the Council wished to provide a creative industries centre or whether it wished to pursue an alternative future for the building.

In terms of the Council’s Corporate Plan, there was nothing specific regarding the continuation of a creative industries centre although having a successful operation could contribute to:

- maximising the district’s cultural offer
- increasing participation in arts, culture and entertainment events.

The Council has committed to working with the Duchy to consider options for the long term use of Lancaster Castle. The Storey building occupies a prominent position and in future there may be other potential avenues to be explored regarding its use.

The Council still had service level agreements in place with Litfest and the Storey Gallery but these placed no obligations on the Council in connection with the Storey building itself.

Options for consideration were as follows:

Option1

Withdraw support for the Storey being used as a creative industries centre, and request a report back on all future options for the building.

Advantages	Disadvantages	Risks
<p>Avoids the need to set up management arrangements and other work involved, as well as the risks attached in taking on the running of the facility.</p> <p>Allows consideration and development of alternative uses for the building in future. Such options and any opportunities may be influenced by the future plans for Lancaster Castle.</p>	<p>Loss of creative industries centre and any spin off benefits for the local economy or community.</p> <p>Major disruptions for existing tenants, including VIC potentially.</p> <p>Likely short to medium term operational implications and difficulties subject to reaction of current tenancy base, until such time the council is able to gain vacant possession.</p> <p>No clear alternative use of building at present. It would be empty (or virtually</p>	<p>At a strategic level, there is a risk that an acceptable future alternative use (or disposal) of the building could not be identified or secured and this would exacerbate the various substantial financial, reputational and operational risks that exist whichever option is chosen.</p>

	<p>so) for a period at least.</p> <p>Involves formal legal action, which could be protracted and would tie up staff resources, as would development of alternatives for the building. This would have adverse impact on other workloads and priorities.</p>	
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Option 2

Continue to support the Storey being used as a creative industries centre but under the Council’s direct management and control, authorising the Chief Executive to take actions as necessary, prior to reporting back to Cabinet.

Advantages	Disadvantages	Risks
<p>Would allow creative industries centre to continue, with spin off economic and community benefits.</p> <p>Allows tenants to remain (subject to satisfactory lease terms being in force).</p> <p>Secures a medium term use for the building but still provides opportunity for review, in due course.</p>	<p>Major work and risks involved in setting up management arrangements and in taking on the running of the facility – this should not be underestimated and it would have an adverse impact on other tasks and council priorities.</p>	<p>Greater exposure in terms of managing the property, HR and financial risks attached to taking on the running of the facility.</p> <p>Stakeholder relationships may break down, particularly with the Company and with staff / tenants; this aspect may have greater adverse reputational impact on the Council.</p> <p>Still the risk that the operation proves financially unviable.</p>

On the basis that the Council still wished to provide a base for creative industries and accepted the risks attached, Option 2 was the preferred officer option.

Councillor Blamire proposed, seconded by Councillor Hanson:-

- “(1) That Cabinet notes that SCIC Ltd is in default of the loan agreement with the City Council and further notes the actions taken in view of that default.”
- “(2) That Cabinet notes the statement put forward by the SCIC Board.”
- “(3) That Option 2 be approved as the preferred way forward for the Storey building.”
- “(4) That any actions necessary to progress the preferred way forward, within the financial framework as set out, be delegated to the Chief Executive and the Chief Executive be requested to report back on actions taken and the details of proposed future arrangements for consideration by Cabinet.”

- “(5) That the Chairman of Overview and Scrutiny Committee be consulted with regard to waiving call-in.”

Councillors then voted:-

Resolved unanimously:

- (1) That Cabinet notes that SCIC Ltd is in default of the loan agreement with the City Council and further notes the actions taken in view of that default.
- (2) That Cabinet notes the statement put forward by the SCIC Board.
- (3) That Option 2 be approved as the preferred way forward for the Storey building.
- (4) That any actions necessary to progress the preferred way forward, within the financial framework as set out, be delegated to the Chief Executive and the Chief Executive be requested to report back on actions taken and the details of proposed future arrangements for consideration by Cabinet.
- (5) That the Chairman of Overview and Scrutiny Committee be consulted with regard to waiving call-in.

Officers responsible for effecting the decision:

Chief Executive
Head of Financial Services (Resources)

Reasons for making the decision:

The current set up for managing the Storey had clearly failed, exposing the Council to financial and other risks, and requiring significant staff time to help manage the current position. The company had accepted that it was in financial crisis and could not continue to operate as before; it now sought support in some form from the City Council, as landlord.

Chairman

(The meeting ended at 12.35 p.m.)

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

MINUTES PUBLISHED ON FRIDAY 6 JULY, 2012.

**EFFECTIVE DATE FOR IMPLEMENTING THE DECISIONS CONTAINED IN THESE MINUTES:
MONDAY 16 JULY, 2012.**