

CABINET

6.00 P.M.

19TH JANUARY 2016

PRESENT:- Councillors Eileen Blamire (Chairman), Janice Hanson (Vice-Chairman), Abbott Bryning, Darren Clifford, Karen Leytham, Richard Newman-Thompson, Margaret Pattison and David Smith

Officers in attendance:-

Mark Cullinan	Chief Executive
Sarah Taylor	Chief Officer (Governance) and Monitoring Officer
Nadine Muschamp	Chief Officer (Resources) and Section 151 Officer
Mark Davies	Chief Officer (Environment)
Andrew Dobson	Chief Officer (Regeneration and Planning)
Suzanne Lodge	Chief Officer (Health and Housing)
Liz Bateson	Principal Democratic Support Officer

58 MINUTES

The minutes of the meeting held on Tuesday 1st December 2015 were approved as a correct record.

59 ITEMS OF URGENT BUSINESS AUTHORISED BY THE LEADER

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

60 DECLARATIONS OF INTEREST AND DECLARATIONS UNDER SECTION 106 OF THE LOCAL GOVERNMENT ACT 1992

Councillor Hanson declared an interest with regard to the Morecambe Business Improvement District (BID) report in view of her being a member of the Steering Group of the Morecambe Bid. (Minute 63 refers).

Councillor Clifford declared that Section 106 of the Local Government Finance Act 1992 applied to him, and would not therefore vote on any recommendation, resolution or other decision which might affect budgetary and council tax calculations.

61 PUBLIC SPEAKING

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

62 MARKET SQUARE LANCASTER - TREES

(Cabinet Member with Special Responsibility Councillor Hanson)

The Chairman advised the meeting that a petition had been presented at Lancaster Town Hall objecting to the proposals to fell the lime trees in Market Square, and that in view of the number of signatures, the petition would be debated at full Council, in accordance with the Petition Scheme.

Councillor Hanson proposed, seconded by Councillor Smith:-

"That in view of the petition received in objection to the proposals to fell the trees, consideration of the Market Square Trees report be deferred to enable the issue to be debated at full Council on 3rd February 2016."

Councillors then voted:-

Resolved:

(7 Members (Councillors Blamire, Clifford, Hanson, Leytham, Newman-Thompson, Pattison and Smith) voted in favour. Councillor Bryning did not vote on this item.)

That in view of the petition received in objection to the proposals to fell the trees, consideration of the Market Square Trees report be deferred to enable the issue to be debated at full Council on 3rd February 2016.

Officers responsible for effecting the decision:

Chief Officer (Environment)

Chief Officer (Governance)

Reasons for making the decision:

In accordance with the City Council's Constitution any petition containing 1500 signatures or more (or 200 where it relates to a local matter which affects no more than two wards) will be scheduled for a Council debate. Deferring consideration of this item enables Council to make recommendations to inform the Cabinet's decision.

63 MORECAMBE BUSINESS IMPROVEMENT DISTRICT (BID) - DRAFT PROPOSAL DOCUMENT

(Cabinet Member with Special Responsibility Councillor Hanson)

Cabinet received a report from the Chief Officer (Regeneration & Planning) which provided context and information for the endorsement of proposals for a Morecambe BID ballot in May 2016 as required by statute. The report updated Members on potential pre and post ballot issues and resource implications in relation to the City Council's role in the potential Morecambe BID.

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

	Option 1: Do nothing (Put off decision until the production of Final Proposals)	Option 2: Endorse the draft BID Proposals with endorsement of final BID Proposals delegated to the Chief Executive.	Option 3: Request / wait for material amendments to the draft Proposal for consideration/ endorsement at a future Cabinet meeting.
Advantages	No advantages.	Early notice that the proposals are technically sound and final document	Appropriate if Members consider (based on the draft), a Final Proposal

		<p>is likely to be compatible with BID Regulations and council policy.</p> <p>Allows for minor and/or non-material technical amendments via officer scrutiny of final document.</p> <p>Allows Morecambe BID to develop its pre-election canvassing strategy and marketing/publishing activities around the BID Proposals with confidence.</p>	<p>would be vetoed and that material changes are required.</p> <p>Allows for revised proposals to come forward which are compatible with council policy and regulatory requirements</p>
Disadvantages	<p>Creates uncertainty for Morecambe BID.</p> <p>Creates difficulties for Morecambe BID in developing its pre-ballot canvassing strategy and marketing/ publishing activities around the BID Proposals.</p>	No disadvantages identified.	<p>Reputational implications for council if proposals are not endorsed without good reason. Potentially delays Morecambe BID's commitment to pre-ballot canvassing strategy and marketing/publishing activities around the BID Proposals.</p>
Risks	<p>If there are issues with Final Proposal compliance at a future date a ballot could be delayed with knock on implications for Morecambe BID in terms of canvassing and for the council in terms of dealing with operational matters in the next Financial Year arising from a delayed 'Yes' vote.</p>	No guarantee that the BID ballot will be successful.	<p>The onus would be on Morecambe BID to address any issues and prepare a technically/policy compatible Final Proposal for consideration at a future cabinet meeting.</p> <p>Other risks are as Option 1</p>

On submission of a Final Proposal the local authority is obliged to endorse a BID proposal and approve a ballot if it meets the regulatory and policy tests mentioned in

paragraph 2.3 of the report. The draft proposals provide a good indication of whether it is likely the Council will need to use its veto powers. The draft proposals do not conflict materially with published council policies and a successful BID should support the council's corporate objectives. The work of Morecambe BID in canvassing opinion and consultation among local business shows a good level of support for the way the BID proposals have been shaped.

The amount of prior discussion between the BID proposer and the local authority before submitting the BID draft proposals to the authority has been sufficient and it is expected consultation will continue up to the submission of final proposals. The costs incurred and due in developing BID proposals, canvassing and balloting have been covered through the Council's approved feasibility funding award to the Lancaster Chamber. The decision for Morecambe BID to incorporate and take on formal accountable body status is a common route undertaken at the start of the majority of national BIDs. Incorporation should allow Morecambe BID to achieve significant admin savings, better value for money and greater local control.

There are no advantages in holding over on endorsement pending Final Proposals (Option 1). While officers are aware that BID budget changes may be introduced in the Final Proposal as a result of ongoing levy payer cap negotiations this will not have any material impact on the council's view on policy fit or the ability to introduce a programme of initiatives (Option 3).

The preferred Option is therefore Option 2, to endorse the draft Proposals. It follows that an appropriate level of delegated authority is required to ensure outstanding matters are addressed and final proposals can be approved to move forward to ballot. As these issues are mainly technical and operational it is recommended this be undertaken through a report and decision by the Chief Executive.

The Council's administrative costs can be recovered through the BID levy and estimates are currently based on 40% of one full time equivalent post at the lowest grade plus accommodation and technical support recharges, drawing on officers' existing basis for charging. Using this, the charge would be similar to the fee charged to Lancaster BID as the number of hereditaments involved is not materially different and from an officer perspective this is appropriate, commensurate with the task and clear to those who will vote.

Implementation of BIDs is usually underpinned by formal legal agreements between the billing authority and BID delivery body. An Operating Agreement (OA), the formal contract between the BID body and the local authority, will be entered into setting out the various procedures for the collection, payment, monitoring and enforcement of the BID levy. The current OA between the Council and the existing Lancaster BID is regarded as having provided a sound basis for that operational relationship and will be redrafted to reflect a relationship with the proposed stand-alone Morecambe BID incorporated entity.

A feature of the OA is the 'baseline' - a statement/measure of the existing services provided by the city council to the BID area. Production of a baseline and its formal incorporation under the OA (as a "Baseline Agreement") is useful to assist potential levy payers identify added value of services proposed. For example, if the council is involved

in delivering services solely for the improvement or benefit of the BID area (funded using the BID levy or other contributions to the BID body) it provides a benchmark to ensure true additionality for BID resources. These operational matters will be agreed in principle prior to a ballot (mainly for clarity and as an additional 'selling point' over the BID ballot period) - the agreements being formally signed off post-ballot.

Members should note the City Council will be liable for the levy on rateable property it occupies/holds in the BID area should a ballot be successful. As a potential levy payer the council is eligible to vote in a ballot. There are no statutory rules on how individual local authorities treat this part of the process. Members have previously escalated BID voting decisions to Full Council (who will consider a report prior to the voting period) and officers expect this arrangement will continue.

The draft Proposal for Morecambe BID complies with statutory regulations. Members are asked to endorse the proposals to enable the Final Proposal and approval process to be undertaken by the Chief Executive. Progression to a ballot with the aim of enacting a BID will follow in May 2016. The report has also updated Members on potential pre- and post- ballot issues and resource implications in relation to the role of the City Council in the BID should a ballot be successful.

Councillor Newman-Thomson proposed, seconded by Councillor Clifford:-

"That the recommendations as set out in the report, be approved, with Option 2 being the preferred option but with regard to administration, the amount to be charged should be based on the same percentage of levy as applies to Lancaster."

Councillors then voted:-

Resolved:

(7 Members (Councillors Blamire, Bryning, Clifford, Leytham, Newman-Thompson, Pattison and Smith) voted in favour. Councillor Hanson, having previously declared an interest in this item, did not vote.)

- (1) That the draft Renewal Proposals for Morecambe Business Improvement District (BID) be agreed as being in compliance with statutory requirements.
- (2) That the Morecambe BID Final Proposals be approved and the issue of an instruction to proceed to ballot being delegated to the Chief Executive (Option 2 to the report) with the administrative charges being based on the same percentage of levy as applies to Lancaster.
- (3) That an Operating Agreement and Baseline Agreement be drafted to reflect the formal relationship between the BID Body and Council as Billing Authority and the current council service provision respectively, with approval and post-ballot sign-off of the final documents delegated to the Chief Executive.
- (4) That, subject to a successful BID outcome, the General Fund Revenue Budget be updated accordingly from 2016/17 onwards.

Officers responsible for effecting the decision:

Chief Executive
Chief Officer (Regeneration & Planning)
Chief Officer (Resources)

Reasons for making the decision:

The decision is consistent with the following City Council's Corporate Priorities: Supporting Sustainable Economic Growth, Clean Green & Safe Places and Community Leadership outcomes, success, measures and actions. Support for a BID in Morecambe is a priority action in the Lancaster Cultural Heritage Strategy.

64 SALT AYRE SPORTS CENTRE DEVELOPMENT PROJECT

(Cabinet Member with Special Responsibility Councillor Clifford)

Cabinet received a report from the Chief Officer (Health & Housing) which sought Cabinet's support for the redevelopment of Salt Ayre Sports Centre (SASC) in partnership with a development partner and inclusion in the budget proposals.

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

Option 1 - Do not appoint a development partner but continue to invest in line with current budgets with replacement and repair as necessary but with no major improvements.

This would be continuing as we are now, replacing and repairing where necessary to maintain minimum health and safety legislative requirements and to provide the facilities to a level to meet the minimum customer expectation. However, just to maintain current health and safety standards is likely to require additional expenditure in the region of £400K which has been identified as necessary in a recently updated building condition survey. It should be noted that no provision for this cost has been included in the table under section 3.3 of the report as investment needs for the project will be different to that of continuing with the current operation.

Only investing in essential planned capital improvements or repairs as opposed to any wider refurbishment would lead to a general decline in the quality of the facilities on offer and it is likely that gym memberships will decline further over the next few years and there would be a continued reduction in sports hall occupancy and sauna use. To compete with other providers in the district, the City Council need to be able to offer high quality, "private sector feel" facilities. There would be a further knock on detrimental effect on performance in remaining areas such as the swimming pool and café.

This option would require increased subsidy over the next few years and there will become a point where a decision about whether to continue to keep SASC open will need to be made. In terms of the revised budget position, the estimated cost of operating Salt Ayre in 2015/16 is £1.625M (£938K excluding notional capital charges). This assumes customer numbers remain static, therefore any drop in numbers would increase this cost further.

Option 2 – Appoint Alliance Leisure as the development partner and confirm Cabinet's commitment to including the necessary funding to deliver the project in

its draft budget proposals for 2016/17 and beyond.

The appointment of Alliance Leisure as the Council's development partner to deliver the planned improvements is supported by a robust business case which shows a reduction in subsidy whilst greatly improving the sport, leisure and visitor attraction offer. The financial appraisal has been extremely thorough and officers have scrutinised Alliance Leisure's finance projections and undertaken our own financial projections.

Although projects as significant as this cannot be risk free, officers have been conservative in projecting costs and income so as to minimise the risk to the Council. Officers have visited several councils and trusts where similar developments have taken place and made extensive enquiries about the robustness of income targets and costs. Alliance Leisure have an excellent track record of working with clients, project managing capital works, delivering high specification facilities and keeping within budget and delivering on time.

	Option 1: Continue to invest in line with current budgets with replacement and repair as necessary but with no major improvements.	Option 2: Appoint Alliance Leisure as the development partner and confirm Cabinet's commitment to including the necessary funding to deliver the project in its draft budget proposals for 2016/17 and beyond
Advantages	None	<p>Provide a more secure future for the continuation of Salt Ayre by reducing the ongoing net operating cost.</p> <p>Provides a planned programme of works over a period of years as summarised in 2.6 of the report.</p> <p>Provides facilities which meet current customer expectations as well as all H&S standards.</p> <p>Would position SASC as a premier sport and leisure facility in the North West providing a diverse range of activities on one site whilst retaining a community hub for continuation of active health and other targeted health programmes for more vulnerable citizens.</p> <p>Position the council well for delivery of public health commissioned activities that cut across a range of council</p>

		<p>delivered services such as leisure, housing and environmental health.</p> <p>Is a good example of the municipal entrepreneurialism theme of the ensuring council ethos enabling the council to translate its policy objectives into practice.</p>
Disadvantages	<p>Opportunity to reduce operating subsidy as well as refurbishing an outdated facility are missed.</p> <p>Ultimately the financial viability of the centre would need to be reconsidered.</p>	<p>Upfront investment is required to facilitate these improvements.</p> <p>Officer capacity to oversee the programme is required.</p>
Risks	<p>Operating costs increase to such a point that the facility becomes no longer viable to subsidise in the context of reducing resources. This could lead to decisions about closure.</p> <p>Lack of investment in new facilities will increase the repair costs and potentially lead to unforeseen costs due to meeting health and safety standards.</p> <p>Increasingly poor equipment and buildings could lead to unsafe conditions and risk of injury to staff and public.</p>	<p>Failure to secure a suitable development partner and establish a successful working relationship – this risk is mitigated by the fact that our soft market testing has shown there are a few experienced companies with a track record of success. In addition, the procurement process has determined the most suitable partner.</p> <p>Income projections do not materialise and savings targets are not achieved. This is mitigated by the fact that a robust procurement exercise has been carried out to select a development partner who has suitable experience and expertise. In addition, income projections have been robustly assessed by officers.</p> <p>The investment required is substantial and a return on this isn't generated until year 2 onwards.</p> <p>Officer capacity to oversee the programme may be insufficient – this risk is mitigated by the</p>

		fact that the sport and leisure restructure built in some capacity to progress projects such as this as well as day to day management. In addition, the council adopts a cross service project team approach to large scale projects such as this similar to the solar PV project. Costs for additional capacity required have been included in the project costs.
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Option 2 is the officer preferred option. Subject to Budget Council approving the financial proposals, the appointment of a development partner, and delivery of the improvements will give the Council the opportunity to significantly reduce operating costs. In addition, it will provide a Building Asset Management Plan for the future and generate considerably more use of the facility thus increasing people's participation in leading healthy lifestyles. Improving the offer will further enhance the district as a place to live and visit whilst remaining entirely well placed to deliver on our health and wellbeing objectives particularly still providing for our more vulnerable citizens. The Council will retain responsibility for programming of the facilities and setting the associated pricing policy. The existing 'Go Card' scheme offering reduced rates to local residents in receipt of various benefits will continue.

Councillor Blamire proposed, seconded by Councillor Smith:-

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

Councillors then voted:-

Resolved:

(7 Members (Councillors Blamire, Bryning, Hanson, Leytham, Newman-Thompson, Pattison & Smith) voted in favour. Councillor Clifford, having disclosed that Section 106 of the Local Government Finance Act 1992 applied to him, did not vote.)

That Cabinet supports the redevelopment of Salt Ayre with the development partner Alliance Leisure Services Limited, and includes it in its budget proposals for referral onto Budget Council.

- (1) That, subject to approval being granted at Budget Council, it be noted that officers will use existing delegated authority to award the contract to Alliance Leisure Services Limited and implement the development plan accordingly. In addition, any subsequent contractual decisions, not covered by delegated authority, will be brought back to Cabinet for approval.
- (2) That it be noted that progress on the development be covered through normal quarterly performance and financial monitoring arrangements and regular updates will be provided to the Cabinet Portfolio holder.

Officers responsible for effecting the decision:

Chief Officer (Health & Housing)
Chief Officer (Resources)

Reasons for making the decision:

The decision supports the Council's ensuring Council ethos, particularly relating to municipal entrepreneurialism and is consistent with the health and wellbeing corporate plan priority. There is a clear requirement to address the medium and long term future of Salt Ayre Sports Centre. The financial return to the Council that this project provides at a time when identifying savings and protecting services is of paramount importance would seem a prudent and sensible way forward. Alliance Leisure submitted the most economically advantageous tender. Taking this route does not preclude any future option of considering transferring to a Not for Profit Distributing Organisation (NPDO) or Trust.

65 BUDGET & POLICY FRAMEWORK UPDATE 2016/20 - GENERAL FUND REVENUE BUDGET AND CAPITAL PROGRAMME

(Cabinet Member with Special Responsibility Councillor Newman-Thompson)

Cabinet received a report from the Chief Officer (Resources) which provided information on the latest budget proposals for current and future years, informed budget and policy framework proposals and enabled Cabinet to make recommendations to Council regarding council tax levels for 2016/17.

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

Options are 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 are known and it should be noted that Officers may require more time to do this. Outline options are highlighted below, however.

- Regarding council tax, two options are set out at section 7 of the report.
- With regard to including savings and growth options to produce a budget in line with preferred council tax levels, any proposals put forward by Cabinet should be considered affordable, alongside the development of priorities. Emphasis should be very much on the medium to longer-term position.

Under the City Council's 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 early February, prior to the actual Budget Council in March.

Generally Officer preferred options are reflected in the recommendations, with the exception of council tax.

In view of the level of savings still needed in future years, the ongoing impact that

council tax freezes have, the Council's current financial strategy and the fact that the Council is not yet clear about how and when it will achieve a financially sustainable budget, the Officer preferred option for council tax is to retain the existing 1.99% year on year increase, subject to confirmation of local referendum thresholds. This preferred option would change only if the Council fundamentally reduces its ambitions regarding service delivery, evidenced through the adoption of a clear statement and strategy for doing so.

Councillor Newman-Thompson proposed, seconded by Councillor Hanson:-

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

Councillors then voted:-

Resolved:

(7 Members (Councillors Blamire, Bryning, Hanson, Leytham, Newman-Thompson, Pattison & Smith) voted in favour. Councillor Clifford, having disclosed that Section 106 of the Local Government Finance Act 1992 applied to him, did not vote.)

- (1) That the 2015/16 Revised Budget be referred on to Budget Council for approval, with the net underspending of £503K reducing the in-year call on Balances from £1M to £497K.
- (2) That Council be recommended to approve a City Council tax increase of 1.99% for 2016/17, together with a year on year target of 1.99% for future years, subject to local referendum thresholds.
- (3) That Cabinet approves its initial budget proposals as set out in the following Appendices to the supplementary report:

Appendix A: Savings approved for inclusion into the base budget for implementation immediately, using delegated powers.

Appendix B: Savings and limited growth for implementation following approval at Budget Council.

Appendix C: Savings options to be explored further, with detailed reports being considered during 2016/17.

- (4) That the above proposals and the resulting Revenue Budget position and Capital Programme for 2016/17 onwards, as set out at Appendices D and E to the supplementary report respectively, be referred on to Council for initial consideration as well as being presented for scrutiny at the open meeting of Budget and Performance Panel, in order that feedback can be provided to Cabinet at its February meeting.
- (5) That as a result of the above, it be noted that:
 - once fully implemented, the proposals at Appendix B to the supplementary report would generate annual net estimated savings of £2.784M;

- currently the revenue budget proposals for 2016/17 and 2017/18 are more or less balanced, allowing for a relatively small contribution to Balances in 2017/18, but some significant figures (such as the provisional Settlement) are still subject to change;
 - there is still a need to make cumulative estimated savings of £5.183M over the period 2018 to 2020 (with £2.846M of this ongoing thereafter) from the outline savings options included at Appendix C to the supplementary report and any other options to be identified in future budget reviews.
- (6) That the draft Corporate Plan 2016 to 2020 be updated to reflect the above proposals for initial consideration by Cabinet, prior to being referred on to Budget Council, on the basis that the Council's existing priorities of
- Clean, Green and Safe Place
 - Health and Wellbeing
 - Community Leadership
 - Sustainable Economic Growth

be retained but clearly the scope and nature of the activities in support of those priorities is changing and/or reducing, and this will continue in future as the Council strives to balance its budget to 2020.

- (7) That Cabinet supports in principle Government's offer of a four year finance settlement and this principle be reflected within financial strategy, but it be subject to review once the details of the offer are known.
- (8) That at its February meeting Cabinet considers the use of available Reserves and Balances in support of finalising its Budget and Medium Term Financial Strategy (MTFS) proposals to 2020, having regard to the advice of the section 151 Officer and the need to make further substantial savings from 2017/18 onwards, on top of the significant programme of budget savings measures already proposed.

Officer responsible for effecting the decision:

Chief Officer (Resources)

Reasons for making the decision:

In accordance with the City Council's Constitution, Cabinet is required to put forward budget proposals for Council's consideration in time for them to be referred back as appropriate. The decision will ensure that Cabinet's policy and budget proposals are fed into the Council meeting on 3rd February 2016, prior to the Budget Council on 2nd March 2016. The Council's financial challenges continue to escalate and in order to protect its future viability, it has no real choice other than to focus on balancing its budget for the medium term.

(Cabinet Member with Special Responsibility Councillor Leytham)

Cabinet received a joint report from the Chief Officer (Health & Housing) and Chief Officer (Resources) which provided an update on the council housing budgetary position and sought Cabinet's decisions on council housing rent levels for 2016/17 and targets for future years. In addition, the report sought approval of Cabinet's supporting revenue budget and capital programme proposals for referral on to Budget Council, in order to complete the HRA budget setting process for 2016/17.

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

With regard to the revenue budget generally, Cabinet could consider other proposals that may influence spending in current and future years, as long their financing is considered and addressed.

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 it could have implications for the Council's financial standing, as assessed by its external auditors.

There is currently no other alternative available in respect of the 2016/17 housing rent setting other than implementing Government draft legislation and this is set out in section 6 of the report. If the draft legislation appears not to be progressing through Parliament in a timely fashion, this will be addressed at Cabinet's February meeting.

In terms of garage rents, an option is presented to gain consistency and Cabinet may either choose to support his, or retain existing rents but this would not address the inconsistencies.

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, and Officers may require more time in order to do this.

The Officer preferred options are to:

- Approve / refer on the provisions, reserves and balances position as set out.
- Set housing rent levels in line with Government's draft proposals, noting that this statutorily removes any freedom to set rent levels locally and that further savings may still be required to ensure that current stock levels continue to be maintained to required standards and that any detrimental impact associated with any future accounting / regulatory / welfare reform changes / actions associated with the high level review of RMS will need to be

addressed at that time.

- Approve the changes to garage rents to gain consistency.
- Note that if future investment opportunities are to be considered, then as referred to in sections 3.3 and 5.5.2 of the report, these can only really be properly assessed once there is a better understanding of Government's plans post implementation and in particular their impact on the viability of the 30-year Business Plan.
- Approve / refer on the revenue and capital budget proposals as set out.

Councillor Leytham proposed, seconded by Councillor Newman-Thompson:-

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

Councillors then voted:-

Resolved:

(7 Members (Councillors Blamire, Bryning, Hanson, Leytham, Newman-Thompson, Pattison & Smith) voted in favour. Councillor Clifford, having disclosed that Section 106 of the Local Government Finance Act 1992 applied to him, did not vote.)

- (1) That the Housing Revenue Account Revised Budget for 2015/16, as set out at Appendix A to the report, be referred on to Council for approval.
- (2) That the minimum level of HRA unallocated balances be retained at £350,000 from 01 April 2016, and that the full Statement on Reserves and Balances be endorsed and referred on to Budget Council for approval.
- (3) That, subject to the enactment of the Welfare Reform and Work Bill currently passing through Parliament, council housing rents be set in accordance with draft statutory requirements as follows:
 - For properties let as at 01 April 2016, average rent be set at £70.60 for 2016/17, representing a reduction of 1% from the previous year, and
 - for 2017/18 to 2019/20 further average rent reductions be set at 1% year on year.
 - That, following any property becoming void, it be re-let at 'formula rent' less the relevant cumulative year on year % reduction applicable (i.e. 1% for 2016/17 rising to 4% in 2019/20).
- (4) That beyond 2019/20, it be noted that the HRA Business Plan forecasts assume that council housing rents revert to increasing by 2% year on year, but this is subject to annual review and any future determinations that may be issued by Government from time to time.
- (5) That Cabinet approves charging a flat rate of £7.95 for all garages for 2016/17,

with this being increased to cover estimated Consumer Price Index (CPI) inflation each year thereafter.

- (6) That the resulting Housing Revenue Account budget for 2016/17 onwards, as set out in Appendix A to the report, be referred on to Budget Council for approval.
- (7) That the Capital Programme, as set out at Appendix D to the report, be referred on to Budget Council for approval.
- (8) That the above recommendations for the Housing Revenue Account be reflected within the Council's draft Medium Term Financial Strategy as appropriate.
- (9) That Cabinet notes that actions arising from the ongoing review of how council houses are to be repaired and maintained in the future are likely to have resource implications and once quantified, they will be reported on for consideration as necessary and fed into the Business Plan.

Officers responsible for effecting the decision:

Chief Officer (Health & Housing)

Chief Officer (Resources)

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 necessary to prepare separate revenue and capital budgets for the HRA each year. The decision enables sufficient time for the statutory notice of rent variations to be issued to tenants by 1st March 2016.

Chairman

(The meeting ended at 6.20 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 22 JANUARY, 2016.

**EFFECTIVE DATE FOR IMPLEMENTING THE DECISIONS CONTAINED IN THESE MINUTES:
MONDAY 1 FEBRUARY, 2016.**