

## CABINET

10.00 A.M.

19TH JANUARY 2010

**PRESENT:-** Councillors Stuart Langhorn (Chairman), Evelyn Archer (part), June Ashworth, Jon Barry, Eileen Blamire (part), Abbott Bryning, Jane Fletcher, David Kerr, Roger Mace and Malcolm Thomas

Officers in attendance:-

Mark Cullinan	Chief Executive
Peter Loker	Corporate Director (Community Services)
Heather McManus	Corporate Director (Regeneration)
Nadine Muschamp	Head of Financial Services and Section 151 Officer
Graham Cox	Head of Property Services
Debbie Chambers	Principal Democratic Support Officer

### 102 MINUTES

The minutes of the meeting held on Tuesday 8 December 2009 were approved as a correct record.

### 103 ITEMS OF URGENT BUSINESS AUTHORISED BY THE LEADER

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

### 104 DECLARATIONS OF INTEREST

Councillors Archer, Ashworth and Kerr each declared a personal and prejudicial interest with regard to the report on Room Hire Review as Members of Morecambe Town Council. (Minute 111 refers).

Councillor Mace declared a personal interest with regard to the report on the Museums Service, as a member of the Friends of Lancaster City Museums. (Minute 113 refers).

Councillor Blamire declared a personal and prejudicial interest with regard to the report on Williamson Park in view of her role as Chairman of the Williamson Park Board. (Minute 115 refers).

Councillor Langhorn declared a personal interest with regard to the report on the Roman Bath House and Vicarage Field, Lancaster, in view of his son's membership of the Young Archaeologist's Club. (Minute 116 refers).

### 105 PUBLIC SPEAKING

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

**106 2010/11 BUDGET AND POLICY FRAMEWORK UPDATE: GENERAL FUND REVENUE BUDGET AND CAPITAL PROGRAMME****(Cabinet Member with Special Responsibility Councillor Thomas)**

The Corporate Director (Finance and Performance) and Head of Financial Services submitted a joint report providing Members with information on the latest budget position for current and future years, to allow Cabinet to make recommendations to Council on Council Tax levels for 2010/11.

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 in order to do this. Outline options are highlighted below, however.

- With regard to the Revised Budget and resulting overspending, Cabinet could consider other proposals that may influence the Revised Budget for the year.
- In terms of surplus Balances generally, it could consider retaining balances at a higher level than the minimum.
- Regarding Council Tax increases, various options are 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 items for noting, no options are presented.
- With regard to 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 achieving recurring reductions to the revenue budget, and avoiding any "unidentified" savings targets that undermine the robustness of the budget and financial planning arrangements generally.

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.

The Officer Preferred options are as reflected in the report's recommendations.

There is no specific officer preferred option with regard to Council Tax levels. That said, both the Chief Executive and the s151 Officer would advise against planning for a Council Tax increase much lower than 4% at this time, at least for 2010/11, if Members aim to continue to provide a wide range of services to the public and wish to avoid more potential for major service cuts in future years. Conversely, they would advise against aiming for an increase of around 5% or above at this time.

Members asked if the comments from the public, rather than just the statistics shown at Appendix G of the report, could be circulated and were informed that this information would be made available to Cabinet Members shortly.

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

“That recommendations (1)-(5), as set out in the report, be approved.”

It was proposed by Councillor Langhorn and seconded by Councillor Kerr:

- (6) “That Cabinet recommends a 4% increase in council tax for 2010/2011 to Council and that Cabinet refers the draft budget information and proposals on for Council’s initial consideration.”

Members then voted:-

***Resolved unanimously:***

- (1) That Cabinet notes the draft 2009/10 Revised Budget of £24.046M with the assumption that the overspending of £47K be funded from Balances, but that this position is dependent upon receiving an appropriate capitalisation directive from Government in connection with Icelandic investments.
- (2) That Cabinet approves the reassessment of other earmarked reserves and provisions as set out in section 3 of the report.
- (3) That Cabinet notes the position regarding the Local Government Finance Settlement and capping, together with prospects for future years.
- (4) That subject to all the above, Cabinet notes the resulting draft 2010/11 General Fund Revenue Budget of £24.921M, and the indicative spending projections of £26.197M for 2011/12 and £26.597M for 2012/13.
- (5) That Cabinet notes the draft capital investment position from 2009/10 onwards.

***Resolved:***

***(7 Members (Councillors Archer, Ashworth, Blamire, Bryning, Fletcher, Kerr and Langhorn) voted in favour, 1 Member (Councillor Mace) voted against and 2 Members (Councillors Barry and Thomas) abstained)***

- (6) That Cabinet recommends a 4% increase in council tax for 2010/2011 to Council and that Cabinet refers the draft budget information and proposals on for Council’s initial consideration.

**Officers responsible for effecting the decision:**

Corporate Director (Finance and Performance)  
Head of Financial Services

**Reasons for making the decision:**

Whilst good progress has been made in addressing the 2010/11 budget, the current year remains very uncertain and this could have major implications. Also, prospects from 2011/12 are uncertain, but bleak. The decision was made in light of this uncertainty and the Council's wish to continue providing a range of services.

**107 2010/11 BUDGET AND POLICY FRAMEWORK UPDATE: HOUSING REVENUE ACCOUNT****(Cabinet Member with Special Responsibility Councillor Kerr)**

The Corporate Director (Community Services) and Head of Financial Services submitted a joint report updating the Housing Revenue Account (HRA) revised budget position for the current year and setting out the recommended budget for 2010/11 and future years. The report also set out the updated Capital Programme for 2009/10 and a proposed programme to 2014/15.

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 2010/11 rent increase are to:

- i) Set the average housing rent at £60.06, ie an increase of 2.75% as proposed in paragraph 3.3.1 of the report;
- ii) Set the rent increase at a higher level of 3.1% in line with the Government's Guideline Rent increase. This would result in an actual average rent of £60.26. This would further increase rental income available to the Housing Revenue Account by £40K in 2010, but even though this increase is within the Limit Rent, there would be a £ for £ reduction in the caps and limits adjustment, resulting in a net nil impact on the HRA.
- iii) Set the rent increase in line with the Council's existing policy of 5%, making the actual average rent £61.37. This is also within the Limit Rent and would generate further rental income of £257K, but the same adjustment in caps and limits would apply and would result in a net nil impact on the HRA. The benefit of this option (and option (ii) above) would be that the Authority would enhance the rate at which it would achieve convergence, with no negative financial implications to the HRA but at the expense of housing tenants.

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 budgets for 2010/11 to 2012/13 are to recommend the budget as set out to Council for approval, or to consider other proposals for incorporation.

The options available in respect of the Capital Programme are:

- i) To approve the programme in full, with the financing as set out in the report;
- 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. 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 2009/10 revised Revenue Budget as set out in the report;
- approve the provisions, reserves and balances positions as set out in the report;
- set a 2.75% increase in average rents, and to approve the draft revenue and capital budgets as set out in the appendices to the report, as amended for any revenue growth supported by Cabinet, for referral on to Council as appropriate.

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

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

Members then voted:-

***Resolved unanimously:***

- (1) That the Housing Revenue Account Revised Budget for 2009/10, as set out at Appendix A of the report, be recommended to Council for approval.
- (2) That the revenue growth bids, as set out at Appendix B of the report, be supported, to be funded by reductions in the contributions into the Major Repairs Reserve.
- (3) That the Housing Revenue Account Budget for 2010/11 as set out at Appendix A of the report, as amended for growth above, be recommended to Council for approval, subject to there being no major changes arising from the final housing subsidy determination.
- (4) That Cabinet recommends to Council that the minimum level of HRA unallocated balances be retained at £350,000 from 01 April 2010, and that the Statement on

Reserves and Balances be noted and referred to Council for information.

- (5) That average council housing rents for the year commencing 01 April 2010 be set at £60.06, representing an increase of 2.75%.
- (6) That at present future year budget projections continue to assume a 5% year on year increase in average rents, with this being reviewed once the final outcome of Government's reform of council housing finance is known.
- (7) That the Capital Programme, as set out at Appendix E of the report, be referred on to Council for approval.
- (8) That Cabinet notes that the proposed revenue budgets and capital programme will be referred to the District Wide Tenants Forum and that any issues arising are planned to be fed directly into Council.

**Officers responsible for effecting the decision:**

Corporate Director (Community 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 account includes all transactions relating to 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. In order to meet this deadline, Cabinet set the rent increase for 2010/11 at this meeting, to recommend a balanced budget and fully financed Capital Programme for referral on to Council.

**108 HEALTH AND STRATEGIC HOUSING FEES & CHARGES 2010/11**

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

The Corporate Director (Community Services) submitted a report prepared as part of the 2010/11 estimate procedure, setting out 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:

Options to Members include:

- a) To approve either the 0.75%, 2% or 4% increase in fees for Health & Strategic Housing's fees and charges.
- b) To approve a different % increase.

- c) To retain the fees for rats and mice at £25.00 (with a reduction to £12.50 for customers in receipt of Council Tax and/or Housing Benefit).
- d) To increase the fees for rats and mice in line with the other increases or a different amount.
- e) To increase the fees for fleas and wasps to bring them in line with other insects (but retaining the 50% discount for flea treatments for those in receipt of Council Tax and/or Housing Benefit).
- f) Not to increase the fees for fleas and wasps by this amount and to increase them in line with the other increases or a different amount.
- g) To delegate authority to set contract prices for pest control contracts to the Head of Health & Strategic Housing to enable current market conditions to be taken into account and allow for negotiation of contract prices. (Subject to financial services agreement to the methodology for setting contract prices).
- h) Not to approve the delegation.
- i) To approve the suggested charges for registered charities.
- j) Not to approve the suggested charges for registered charities.
- k) To approve the introduction of a fee for the return of stray dogs from the dog warden service prior to dogs being taken to kennels.
- l) Not to approve the introduction of a fee for the return of stray dogs from the dog warden service prior to dogs being taken to kennels.
- m) To approve an increase in the Exclusive Right of Burial only for the Neptune Baby & Young Child Memorial Garden.
- n) To approve an increase in fees as well as the Exclusive Right of Burial for the Neptune Baby & Young Child Memorial Garden.
- o) To approve no increase for the fees for cremated remains memorial vaults.
- p) To approve a % increase for fees for cremated remains memorial vaults.
- q) To increase the charges for walled bricked vaults as suggested or by a different amount.

The officer preferred options are:

a) 0.75% increase to keep the increase in charges to a minimum to support residents at a time of recession and also, c), e), g), i), k), m), o) and q) for the reasons set out in the report. The suggested increases and new fees would enable a slight increase in income for the council, whilst retaining fair and reasonable fees for the services offered.

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

- (1) That the Health & Strategic Housing fees in Appendix 1 of the report be increased by 0.75%, with the exception of the fees for rats, mice and fleas.
- (2) That the fees for rats and mice be retained at £25.00 with a reduction to £12.50 for customers in receipt of Council Tax and/or Housing Benefit.
- (3) That the fee for fleas and wasps be increased to bring them in line with fees for other insects, but retaining the 50% discount for flea treatments for those in receipt of Council Tax and/or Housing Benefit.
- (4) That the authority to set contract prices for pest control contracts be delegated to the Head of Health & Strategic Housing to enable current market conditions to be taken into account and allow for negotiation of contract prices. (Subject to financial services agreement to the methodology for setting contract prices).
- (5) That registered charities be charged the domestic rate fee for treatment visits up to 1 hour and then charged the commercial hourly rate thereafter (per visit).
- (6) That a fee be introduced for the return of stray dogs to owners from the dog warden service prior to dogs being taken to kennels.
- (7) That the cemeteries fees and charges for the Neptune Baby and Young Child Memorial Garden not be increased except for the Exclusive Right of Burial fee which is 50% of the adult fee.
- (8) That the cemetery fees and charges for the cremated remains memorial vaults not be increased in order to encourage demand.
- (9) That the suggested increases for walled brick vaults be approved to more accurately reflect the actual cost to the council of providing this service."

Members then voted:-

***Resolved unanimously:***

- (1) That the Health & Strategic Housing fees in Appendix 1 of the report be increased by 0.75%, with the exception of the fees for rats, mice and fleas.
- (2) That the fees for rats and mice be retained at £25.00 with a reduction to £12.50 for customers in receipt of Council Tax and/or Housing Benefit.
- (3) That the fee for fleas and wasps be increased to bring them in line with fees for other insects, but retaining the 50% discount for flea treatments for those in receipt of Council Tax and/or Housing Benefit.
- (4) That the authority to set contract prices for pest control contracts be delegated to the Head of Health & Strategic Housing to enable current market conditions to be taken into account and allow for negotiation of contract prices. (Subject to financial services agreement to the methodology for setting contract prices).
- (5) That registered charities be charged the domestic rate fee for treatment visits up to 1 hour and then charged the commercial hourly rate thereafter (per visit).



- (6) That a fee be introduced for the return of stray dogs to owners from the dog warden service prior to dogs being taken to kennels.
- (7) That the cemeteries fees and charges for the Neptune Baby and Young Child Memorial Garden not be increased except for the Exclusive Right of Burial fee which is 50% of the adult fee.
- (8) That the cemetery fees and charges for the cremated remains memorial vaults not be increased in order to encourage demand.
- (9) That the suggested increases for walled brick vaults be approved to more accurately reflect the actual cost to the council of providing this service.

**Officers responsible for effecting the decision:**

Corporate Director (Community Services)  
Head of Health and Strategic Housing

**Reasons for making the decision:**

The decision retains fair and reasonable fees for the services offered.

**109 VACANT SHOPS FUNDING**

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

The Corporate Director (Regeneration) submitted a report seeking approval for the use of additional funding provided by central government to support high streets and town centres during the recession.

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

<b>Option</b>	<b>Advantages</b>	<b>Disadvantages</b>	<b>Risk</b>
1) Do nothing option: do not use the additional grant allocation for retail support initiatives	Would support the revenue budget	Likely to attract criticism from local retail businesses, press, and DCLG	Could contribute to adverse judgment in future CAA assessments
2) Allocate funding to the two initiatives identified in consultation with the Chamber of Commerce	Allows the benefits to be spread across the retail centres of Lancaster, Morecambe, and Carnforth  Provides a "quick win" for the newly merged Chambers Liaison Group and should help build its capacity  Allows time for well planned promotional	A danger that the impact of the funding is dissipated across the three centres – targeted use of the funding on one specific initiative (eg development of a Business Improvement District) could have greater long term impact	A risk of poor take-up of the vacant shops grant scheme, in which case the funding might need to be reallocated

	events to be worked up		
3) Support one of the other options identified in section 2 of the report	Depends on the nature of the option selected	Disregards the consultation with the Chamber of Commerce	That the option selected is ineffective because it does not reflect the knowledge of the private sector

Option 2 is the preferred option, because it reflects the outcome of the consultation meeting with the Chamber of Commerce and also retains flexibility in the use of the funds.

Councillor Archer informed Members that she had consulted with the representatives of both the Morecambe and District Chamber of Trade and Commerce and the Lancaster and District Chamber of Commerce at the Cabinet Liaison Group meeting held on 11 January 2010 and had also heard subsequently from both organisations. Members also noted the additional information which had been provided in a letter from the president of the Morecambe and District Chamber of Trade and Commerce. The letter had been circulated prior to the Cabinet meeting.

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

- “(1) That Cabinet approves the use of the additional grant allocation of £52,631 for initiatives to support temporary re-use of vacant shops and other retail support measures in Lancaster, Morecambe, and Carnforth, to be split approximately as £22,000 each for Lancaster and Morecambe and £8,000 for Carnforth.
- (2) That Cabinet supports option 2 as set out in the report for use of the funds, comprising a grant scheme to support re-use of vacant shop premises in Lancaster, Morecambe, and Carnforth, plus a second scheme to provide funding for promotional festivals/events in the retail centres of Lancaster & Morecambe.
- (3) That approval of the details of the two schemes be delegated to Councillor Archer as the Cabinet member with responsibility for the economy, in consultation with the Chambers of Commerce Cabinet Liaison Group.
- (4) That in principle any underspend of the grant allocation in the financial year in which it is received be held in an earmarked reserve and this be built into the Council's Provisions and Reserves Policy for subsequent approval by Council.”

Members then voted:-

***Resolved unanimously:***

- (1) That Cabinet approves the use of the additional grant allocation of £52,631 for initiatives to support temporary re-use of vacant shops and other retail support measures in Lancaster, Morecambe, and Carnforth, to be split approximately as £22,000 each for Lancaster and Morecambe and £8,000 for Carnforth.
- (2) That Cabinet supports option 2 as set out in the report for use of the funds, comprising a grant scheme to support re-use of vacant shop premises in

Lancaster, Morecambe, and Carnforth, plus a second scheme to provide funding for promotional festivals/events in the retail centres of Lancaster & Morecambe.

- (3) That approval of the details of the two schemes be delegated to Councillor Archer as the Cabinet member with responsibility for the economy, in consultation with the Chambers of Commerce Cabinet Liaison Group.
- (4) That in principle any underspend of the grant allocation in the financial year in which it is received be held in an earmarked reserve and this be built into the Council's Provisions and Reserves Policy for subsequent approval by Council.

**Officers responsible for effecting the decision:**

Corporate Director (Regeneration)  
Head of Economic Development and Tourism  
Head of Financial Services

**Reasons for making the decision:**

The decision reflects the outcome of the consultation meeting with the Chamber of Commerce and also retains flexibility and allows for future consultation in the use of the funds.

**110 TARGETED INTERVENTION PROJECT**

**(Cabinet Members with Special Responsibility Councillors Bryning and Fletcher)**

The Corporate Director (Regeneration) submitted a report informing Members about the progress towards securing Supporting People Programme Funding for the Targeted Intervention Project and seeking approval to accept £49,800 external funding for the project and to proceed with project implementation.

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

Option 1 – Accept the external funding offer of £49,800 from the Supporting People Programme and seek to implement the project, from within existing staff resources, where possible.

Accepting the funding will create new employment opportunities and could enable the transfer of an existing project officer over to one of the new posts, if funding is not secured into 2010/11 for the Vulnerable Households Project. It will also add value to the Worklessness Project working along side to support the offer made to target the adult working population claiming out of work benefits in our most deprived wards within the district.

Option 2 – Reject the funding offer. This would result in a lost opportunity to deliver the project and the associated benefits as identified within the report.

The officer preferred option is Option 1 – Accept the external funding offer of £49,800 from the Supporting People Programme and seek to implement the project, from within existing staff resources, where possible. This will allow the recruitment of 2 temporary,

full time posts creating new employment opportunities to deliver support to 30 households with a view to engaging households with the Worklessness Project if appropriate over the 12 month funding period.

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

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

Members then voted:-

***Resolved unanimously:***

- (1) That the offer of £49,800 Supporting People Programme Funding for the Targeted Intervention Project be accepted and that the General Fund Revenue Budget be updated accordingly to reflect the additional expenditure and grant funding.
- (2) That officers be authorised to implement the Project.

**Officers responsible for effecting the decision:**

Corporate Director (Regeneration)  
Head of Economic Development and Tourism  
Head of Financial Services

**Reasons for making the decision:**

The decision will provide an opportunity to extend the support services offered by the Integrated Support Team, and build on previous successful engagement within the community.

**111 ROOM HIRE REVIEW**

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

***(It was noted that Councillors Archer, Ashworth and Kerr had previously declared personal and prejudicial interests in the following item in view of their membership of Morecambe Town Council. They all left the meeting prior to consideration of the item.)***

The Head of Property Services submitted a report reviewing the process and charges for the hire of rooms and facilities in the Municipal buildings for the next financial year.

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

**Room hire charges**

**Option 1**

That the hire charges be raised to the proposed level as detailed in the body of the report. This will ensure that the majority of fee paying events make a surplus and may potentially raise income by £6,500 (giving an overall surplus of £9,500 based on 2008/09

bookings), noting that this is separate from inflationary increases already applied during the 2010/11 Draft Budget Process, therefore the additional surplus over and above that already included in the 2010/11 Budget is actually £3,900.

The majority of hirers will only incur small increases in hire charges which it is hoped will not affect their choice of venue. Although any increase in charges will inevitably be unpopular and may result in some hirers seeking alternative venues which could reduce income.

#### Option 2

No change. This will be popular with hirers but will leave 13.5% of bookings where a hire charge is making a loss. It is envisaged that room hire would continue to make a small surplus.

### Registered charitable organisations and local non profit making organisations

#### Option 1

Remove the 50% discount for registered local charitable organisations and local non profit making organisations and the 25% discount for non local registered charities. This would be extremely unpopular with these organisations and combined with the proposed increase in hire charges would have a detrimental effect on their events. This is likely to result in the cancellation of such events, adverse publicity and a loss of income.

#### Option 2

Introduce a single discount rate of 25%. This would increase the Council's income by £2,600 but is likely to be unpopular with hirers who have previously enjoyed a 50% reduction. It may result in adverse publicity and some seeking an alternative venue or not holding their event at all.

#### Option 3

Extend the 50% discount to include all registered charities. This would have little impact on income, would simplify the charging format, and may attract other hirers which would ultimately increase income.

#### Option 4

No change. Retain the 50% discount for registered local charitable organisations and local non profit making organisations and the 25% discount for non local registered charities.

### Performing Rights Society (PRS) Fees

#### Option 1

Recharge the hirers incurring fees under the PRS music licence the actual cost of those fees. This would be a saving for the Council and only the hirers incurring the charges would be affected.

#### Option 2

No change. Lancaster City Council continues to pay the fees incurred by hirers due under the PRS music licence. These fees are specifically for music performed and are incurred by only a few hirers. Continuing to pay the fees would be popular with these hirers but at a cost to the Council.

Repeat bookings

## Option 1

Introduce a 5% discount on room hire charges to anyone booking rooms on 5 or more occasions or for 3 or more consecutive days in a 12 month period. This may encourage repeat bookings from hirers and will encourage existing hirers who use our rooms regularly to continue to do so.

## Option 2

No change. This may result in the loss of one or both of our most profitable hirers if the proposed charges are approved. Whilst the increase on each booking is relatively small it becomes a significant amount when multiplied over many bookings.

Equipment hire

## Option 1

Introduce the suggested charge for hire of glassware, cutlery and tablecloths. The City Council owns these items and they are currently used only for in house events. It would seem sensible to make them available for hire and raise some additional income from their use.

## Option 2

No change – the items would be retained for council use only.

Officer preferred option for room hire charges

The preferred option is option 1, to raise the room hire charges to the proposed level set out in appendix A of the report. This will increase income from room hire whilst not imposing big increases in charges on our hirers.

Officer preferred option for registered charitable organisations and local non profit making organisations

The preferred option is option 3, to extend the 50% discount to include all registered charities. This would have little impact on income, would benefit charities, would simplify the charging format, and may attract other hirers which would ultimately increase income.

Officer preferred option for Performing Rights Society (PRS) Fees

The preferred option is Option 1, to recharge the hirers incurring fees under the PRS music licence the actual cost of those fees. This would be a saving for the Council and only the hirers incurring the charges would be affected.

Officer preferred option for repeat bookings

The preferred option is option 1, to introduce a 5% discount on room hire charges to anyone booking rooms on 5 or more occasions or for 3 or more consecutive days in a 12 month period. This may encourage repeat bookings from hirers and will encourage existing hirers who use our rooms regularly to continue to do so.

Not doing this may result in the loss of one or both of our most profitable hirers if the proposed charges are approved. Whilst the increase on each booking is relatively small it becomes a significant amount when multiplied over many bookings.

The loss of either of these hirers would have a significant impact on the room hire income which could potentially decrease by up to 45%.

Officer preferred option for equipment hire

The preferred option is option 1, to introduce a hire charge for glassware, cutlery and table cloths. Currently these items are used only for City Council functions and meetings. It would seem sensible to make them available for hire and raise income from their use.

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

- “(1) That the revised charging format and room hire charges as set out in appendix A to the report be adopted.
- (2) That the 50% reduction in room hire charges for registered local charitable organisations (whose proceeds go to local charities) and local non profit making organisations be retained and extended to all registered charities.
- (3) That option 1, as set out in the report, for PRS fees, repeat bookings and equipment hire, be approved in each case.”

Members then voted:-

***Resolved unanimously:***

- (1) That the revised charging format and room hire charges as set out in appendix A to the report be adopted.
- (3) That the 50% reduction in room hire charges for registered local charitable organisations (whose proceeds go to local charities) and local non profit making organisations be retained and extended to all registered charities.
- (3) That option 1, as set out in the report, for PRS fees, repeat bookings and equipment hire, be approved in each case.

**Officers responsible for effecting the decision:**

Corporate Director (Regeneration)  
Head of Property Services

**Reasons for making the decision:**

The decision will benefit the City Council by increasing income whilst having a relatively minor impact on the majority of hirers.

***(Councillors Archer, Ashworth and Kerr returned to the meeting at this point and***

*the meeting adjourned for lunch at 11.55am. The meeting reconvened at 12.15pm.)*

112 CHATSWORTH GARDENS, MORECAMBE

**(Cabinet Members with Special Responsibility Councillors Archer and Kerr)**

The Corporate Director (Regeneration) submitted a report to provide members with details of the current position following the selected developer no longer being able to deliver the Chatsworth Gardens Housing Exemplar Project and in particular the contingency development as contracted in the funding agreement with the Homes and Communities Agency (HCA), together with associated proposals.

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

**Option 1 – Progress Refurbishment Scheme**

Firm costs are required to establish the viability of this option, or the extent to which it could be implemented. Previously as part of the Green Book Appraisal this option was discounted as being not financially viable. It may only be possible to undertake a selective refurbishment of target blocks with some properties sold off with restrictive covenants to provide funding to invest in the selective acquisition of outstanding properties in target blocks. It may also include some demolition to create either new public open space or private external space. Demolition may also be undertaken to enable a new development to come forward on part of the site from small developers. In summary the refurbishment option will review all possibilities to obtain the best possible scheme.

For the properties that can be refurbished this option would include the removal of rear outriggers and for the four storey properties the removal of a storey to make the houses of a size more suitable for single family occupation. To enable Level 4 Code for Sustainable Homes to be obtained the refurbished properties would require external wall insulation as well as party wall, floor and roof insulation internally. The properties would also require the extensive use of high efficiency heating and plumbing.

Renewable energy technologies such as solar hot water and photovoltaic panels would also be needed. Demolition may also be undertaken to enable a new development to come forward on part of the site from small developers. Any proposal made under this scheme would be subject to HCA funding and approval.

**Option 2 – Disposal of properties already acquired for the scheme**

The 2005 Funding Agreement does make provision that, if no alternative scheme is considered acceptable to the HCA and the Council, then all of the properties should be placed back on the market and sold in order to recoup public investment. It should be noted that this option is not favoured by HCA who are keen to see the Council put forward alternative options.

Non-statutory guidance issued under the Crichel Down Rules will need to be considered in the event of this option.

Officers have updated the previous options analysis undertaken for the Green Book appraisal and discounted a new build option due to the PFP outcome. If no viable option



can be found or agreed Option 2 provides a mechanism to dispose of the acquired properties and close the project. As noted this latter case is a last resort and not currently favoured.

Further work is required to develop a detailed cost model to be able to evaluate the feasibility of Option 1, and this would need to be considered as a growth item. Previously a full site refurbishment has been discounted by the private sector on the grounds of high cost. However, the council could itself lead site acquisition, undertake phased refurbishment and remodelling. By using council internal staff resources as much as possible it is clear costs could be reduced significantly. The public sector also has no requirement for profit and exemption from VAT.

Tendered costs for the remodelling of large villa terraced properties on Bold Street are due to be received on 20 January 2010. This will provide some up to date cost information for estimates and enable officers to better understand the potential extent of a refurbishment scheme.

Officers will also need to develop a specification for the refurbishment of the properties that will meet Code for Sustainable Homes Level 4 and the other quality and price standards set out by the HCA. However, it is more than likely funds will still not be sufficient to pursue a full refurbishment and this should be regarded as 'aspirational' for the moment.

The preferred option is Option 1 with officers being given a mandate to explore the full extent of what can be achieved with the potential funding available and to seek agreement with HCA.

In addition to the tender price data received for Bold Street it will be necessary to appoint a Quantity Surveyor to develop robust cost estimates. Architectural services will also be required to assist in layouts, design and providing the most cost effective solutions to turning what are extremely inefficient homes into some of the most environmentally efficient homes in the district.

Any refurbishment scheme would need to meet the Code for Sustainable Homes Level 4 and the other quality and price standards for an HCA housing scheme. A considerable advantage of refurbishing the existing properties is that it would act as an exemplar for what can be achieved with these large properties in the West End.

Contingency development costs will be incurred. Up to £60k should be allowed for investigations which cannot be undertaken 'in house' by the council e.g. architects and quantity surveyors, although officers will try wherever possible to use 'in house staff'. HCA could agree that these costs be funded from capital receipts but the mechanism has still to be agreed and in line with accounting practice, this would be dependent upon it being reasonably certain that a capital scheme would progress. As such, it would be prudent (and advised by the s151 Officer) to allow for this in the council's revenue budget proposals at this stage.

The council is incurring property 'holding' costs which are forecast to be met for this year, but future costs are not covered by any current funding agreement as the current funding agreement has been drawn down in totality. HCA will not fund these directly. However, HCA have agreed that capital receipt/disposal of "non-project properties" could be re-utilised towards holding costs – though again this may present accounting

difficulties. Two non-project properties are going to auction in early February 2010 and if sold would more than cover the contingency development costs – though this links with the issues raised in paragraph 5.4 of the report.

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

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

Members then voted:-

**Resolved:**

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

- (1) That Cabinet notes the position of the project following Places for Peoples' retraction of their bid and the legal position of the Council as stipulated in the contract.
- (2) That Cabinet supports Option 1, as set out in the report, for officers to develop and appraise a contingency proposal that will provide members with a detailed cost/risk appraisal of a selected refurbishment scheme, and that the £60K funding needed be considered as a revenue growth bid, for referral on to Council.

**Officers responsible for effecting the decision:**

Corporate Director (Regeneration)  
Head of Financial Services

**Reasons for making the decision:**

The decision is in line with the existing contract between the Council and HCA and will allow officers to develop and appraise a contingency proposal that will provide members with a detailed cost/risk appraisal of a selected refurbishment scheme. It will enable members to make an informed decision on whether to progress this important regeneration project with HCA.

**113 MUSEUMS SERVICE**

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

***(It was noted that Councillor Mace had previously declared a personal interest in this item in view of his membership of the Friends of Lancaster City Museums.)***

The Corporate Director (Regeneration) submitted a report asking Members to consider savings options in respect of the Museums Service.

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

**Option A:** That Cabinet instruct officers to enter into formal negotiations with Lancashire County Council to review and revise the Museums Partnership agreement, with a view to the City Council securing on-going revenue reductions.

Notwithstanding the Agreement referred to above, the City Council's Head of Cultural Services has already been involved in informal discussion with the County Council Museum Service to determine and examine potential saving options for the Museums Service in Lancaster. As previously stated, the County Council's preliminary response has been that there are no grounds for amending or terminating the Partnership Agreement within the terms of the originally agreed timescale i.e. 10 years from 2003.

Based on the above, it is unlikely that cost savings would accrue in 2010/11 or 2011/12.

**Option B:** To retain the current level of Museums Services within the District, via the existing Partnership Agreement with Lancashire County Council.

There would be no financial savings to the City Council.

**Option C:** To issue Lancashire County Council with twenty-four months notice from 1<sup>st</sup> April 2010, of Lancaster City Council termination of the Partnership Agreement (i.e. to be implemented after 31<sup>st</sup> March 2012), and for officers of the City Council over the ensuing period to examine options for bringing the Museums Service back into City Council operation, whilst also examining savings options.

Based on the above, no cost savings would accrue in 2010/11 or 2011/12, but based on indicative savings options, as set out below, there may be budget reductions with effect from 2012/13.

Option	Estimated saving
Charge, non-residents, admission to the City Museum	£32,000
Close the Maritime Museum on Sundays	£13,500
Reduce museums to 5 day per week opening	£12,000
Operate Cottage Museum with "volunteers"	£4,800
Remove "acquisitions" budget	£3,000
Reduce administration establishment by 1 post	£23,600
Reduce central design establishment by 1 part-time post	£12,500

The projected savings (for illustration), if all were implemented would be in the region of £100,000 per annum. However, it must be noted that the options require more detailed appraisal and consideration of potential consequential issues, such as fewer admission numbers (therefore, failure to achieve income levels), and HR implications (TUPE transfer, redundancy), etc. It also has to be acknowledged that within the remaining period of the Museums Service Partnership Agreement, would require a negotiated agreement between the City and County Council on any or all of the above.

It may also be that there are other more radical options, including rationalising the number of museum buildings that the City Council operate/offer. Such options would also be considered further within the period of termination of the Partnership Agreement (i.e., 2010/11 and 2011/12).

Depending on Cabinet's view on the type of options put forward it is likely that the City Council would need to engage specialist advisors, in particular where there are ramifications in terms of Disposal and Curatorial issues, etc.

Option C is the preferred officer option in that it both retains service provision whilst also offering potential savings.

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

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

Members then voted:-

***Resolved:***

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

- (1) That Lancashire County Council be issued with 24 months notice to terminate the Museums Partnership Agreement from 1<sup>st</sup> April 2010 (i.e. to be implemented after 31 March 2012), and that officers of the City Council, over the ensuing period, examine options of future service provision, whilst examining cost savings.

**Officers responsible for effecting the decision:**

Corporate Director (Regeneration)  
Head of Cultural Services

**Reasons for making the decision:**

The decision will allow service provision to be retained, whilst also offering potential savings.

**114 REVIEW OF PARKING FEES AND CHARGES 2010/11**

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

***(Councillor Archer left the meeting during consideration of this item and before the vote.)***

The Corporate Director (Regeneration) submitted a report asking Members to consider the Annual Review of Parking Fees and Charges for 2010/11.

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

**Option 1**

*This option is not to implement any parking fees and charge increases in 2010/11.*

The annual review of parking fees and charges is an opportunity for the City Council to review parking charges in line with budgetary commitments and the aims and objectives of the Parking Strategy. The revenue from parking is an important source of revenue for the Council and it assists with maintaining and continuing to improve the parking service that is provided. Although parking usage and pay and display income has been fairly positive in the present economic climate there is no evidence to suggest that usage and income would increase as a result of not increasing parking fees and charges. This option therefore does not meet the budgetary commitment included in the 2010/11 Draft Budget.

In terms of the budgetary position within the off-street parking service, reductions in excess of £60k have already been included in the 2010/11 draft budget through a combination of efficiency savings and the new CPE arrangements previously approved by Cabinet. Funding the shortfall from the remaining off-street parking budgets is likely to result in no reactive or planned maintenance or minor improvements being carried out during 2010/11 on the 2,900 spaces that are provided on 43 car parks throughout the district, for which there is currently a combined budget totalling £61.4K. This is contrary to the parking strategy that includes an objective to provide a high quality service through a number of objectives that can only be delivered through the proactive management of maintenance budgets. This will also have health and safety implications and increase the risk of accidents and personal injury claims arising from not being able to respond to reported faults and the twice yearly condition assessments that are undertaken. It is not possible to quantify the cost of any additional claims but these could have the potential for exceeding the required budget shortfall/maintenance savings.

It is therefore likely that this option would result in the revenue shortfall having to be met from another Service or function of the Council. As it falls outside of the current budget framework, if taken forward this option would need to form part of Cabinet's budget proposals, for subsequent consideration and approval by Council.

### **Option 2**

*This option is aimed primarily at achieving the budgetary target that has been included in the 2010/11 Draft Budget whilst being consistent with the aims of the Parking Strategy.*

<b>Short Stay Car Parks</b>	<b>Current Tariff</b>	<b>Proposed Tariff</b>	<b>Additional Income</b>
Increase Up to 2 hour tariff	£1.60	£1.80	£60,000

This option achieves the budgetary commitment with estimated additional income of £60,000. This option only increases one pay and display tariff and minimises the increases to local parking charges and reduces the risk of adverse customer resistance. The Short Stay up to 2 hour tariff has not been increased since 2006/07 although it was increased briefly to £1.70 in April and May 2008. This supports the Parking Strategy's hierarchy of firstly residents closely followed by visitors, shoppers and local businesses. This increase is not considered to be detrimental to the strategy's aim of maintaining 85% occupancy at busy times in short stay car parks.

### **Option 3**

*This option is aimed at exceeding the budgetary target that has been included in the 2010/11 Draft Budget whilst still being consistent with the aims of the Parking Strategy.*

Short Stay Car Parks	Current Tariff	Proposed Tariff	Additional Income
Increase Up to 2 hour tariff	£1.60	£1.80	£60,000
Increase Up to 3 hour tariff	£2.40	£2.50	£9,500

This option exceeds the budgetary commitment with estimated additional income of £9,500. This option limits the proposed increases to two pay and display tariffs with the additional Short Stay Up to 3 hour tariff that has not been increased since 2006/07, some 4 years ago. This option has a slightly increased risk of customer resistance but this has already been taken into account in the potential income table highlighted in paragraph 3.1 of the report.

Again this option is not considered to be detrimental to achieving the Parking Strategy's aim of maintaining 85% occupancy at busy times in short stay car parks. It is logical that short stay tariffs will have to be increased periodically but increasing two tariffs once in 4 years recognises the importance of the parking hierarchy that gives priority to residents closely followed by shoppers, visitors and local businesses.

The officer preferred option is Option 3 as this exceeds the budgetary commitment, limits the number of pay and display price increases and inherent risks whilst also still being consistent with the aims and objectives of the Parking Strategy.

Members discussed the possibility of a further review in the summer and the portfolio holder with special responsibility, Councillor Thomas, agreed that this could be enabled.

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

Members then voted:-

***Resolved unanimously:***

- (1) To approve Option 3, as set on in the report, for increased Pay and Display charges for 2010/11.
- (2) That further representations be made to Lancashire County Council regarding increasing on-street pay and display charges for 2010/11 to maintain differential charges as outlined in paragraph 3.4 of the report.

**Officers responsible for effecting the decision:**

Corporate Director (Regeneration)  
Head of Property Services

**Reasons for making the decision:**

The decision made exceeds the budgetary commitment and limits the number of pay and display price increases and inherent risks, yet is still consistent with the aims and

objectives of the Parking Strategy.

## 115 WILLIAMSON PARK

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

*(It was noted that Councillor Blamire had previously declared a personal and prejudicial interest in the following item in view of her role as Chairman of the Williamson Park Board. Councillor Blamire left the meeting prior to consideration of the item.)*

The Corporate Director (Regeneration) submitted a report presenting the latest position with regard to the current and future operation of Williamson Park.

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

Option	Advantages	Disadvantages	Risks
<p>1. Transfer the operation of the Park to complete control of the City Council including dissolution of the company. Continue to review the operation and explore potential of providing an improved visitor attraction destination by seeking funding from other agencies / providers in partnership.</p>	<p>Officers will be able to utilise the Council systems with regards to financial management (use of general ledger / authority financials) and 'fit' with budget monitoring as currently undertaken by the Council.</p> <p>Clear guidance from the Council's decision making process regards future operation of the Park with continued close integration with Council Services – effective use of resources.</p> <p>Officers will have full access to support in respect of HR issues to ensure legal compliance.</p> <p>Possibility of a revisit to the previously withdrawn heritage</p>	<p>Council may need to consider need for capital support funding to address building condition issues.</p>	<p>The decision to transfer the company back to City Council management reduces considerably the possibility of continued under performance and enables improved performance management to be implemented.</p> <p>Due to the potential extra costs of pensions/TUPE, there may be a risk that the net cost of the overall operation is not contained within set budgets particularly in the first year of operation, i.e. during 2010/11, or that the increased need to make savings has an adverse impact on park operations or its ability to improve its visitor offer.</p>

<p>2. Transfer the operation of the park to complete control of the City Council and consider reduction of operation.</p> <p>This may mean closure of facilities such as Butterfly House, Zoo, Café and/or reduction in standard of grounds maintenance.</p> <p>3. Transfer the operation of the park to complete control of the City Council, consider reduction of operation and include option to invite companies to tender for various aspects of the current offer.</p>	<p>Lottery Fund (HLF) bid – based on clearer understanding of the business providing opportunities to address some of the capital funding issues (café roof, condition of butterfly house etc).</p> <p>Opportunity to integrate the park to a Parks Strategy for the district including stronger links to venues such as Happy Mount Park, Regent Park etc</p> <p>Reduction in annual grant by the City Council – precise figures would need clarification subject to redundancy costs and maintenance costs associated with closure of buildings and basic health and safety management.</p> <p>Council could reduce annual grant by receiving income from a third party for operation of part of the Park.</p> <p>Opportunity to meet with other ‘providers’ and change the current offer of visitor attractions.</p>	<p>Loss of significant revenue income from visitor attractions (cost centres of café, zoo and butterfly house are each profitable).</p> <p>Reduction in levels of maintenance may effect the Dukes summer seasonal production – relatively high profile event locally and regionally.</p> <p>In order for current visitor attractions to continue to operate effectively there needs to remain an understanding and cooperative approach from third party ‘concessionaires’ – flexibility may come at a price if not covered within documentation at the</p>	<p>Use of park may reduce and vandalism increase</p> <p>Poor publicity for the Council in what is considered by many locally as a park with positive recreational purpose.</p>
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	Potential for third party to cover building maintenance costs – long term, particularly for café area.	outset. Tendering exercise was undertaken by previous management with few responses and at no financial benefit for the company.	Relevant Council policies and procedures (tendering, financial evaluation or companies etc) should help minimise risk to Council.  Third party income (rent/management fee) would need to cover costs of current profit on operation and include all costs associated with engaging a third party.
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The preferred option for officers is option 1, 'Transfer the operation of the Park to complete control of the City Council including dissolution of the company. Continue to review the operation and explore potential of providing an improved visitor attraction destination by seeking funding from other agencies / providers in partnership'. The Council would strive to continue to improve the operation of the Park whilst remaining open minded on the potential for partnership opportunities which could be explored at no additional cost. There is some doubt by Cultural Services as to the mix of the visitor attraction offer and following the recent period of consolidation and improvement, officers would continue to push forward with the current change ethos.

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

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

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

"(3) That officers draft a report, scoping a Williamson Park Cabinet Liaison Group, for consideration at the next Cabinet meeting."

Members then voted:-

**Resolved:**

**(6 Members (Councillors Ashworth, Barry, Bryning, Kerr, Langhorn and Thomas) voted in favour and 1 Member (Councillor Mace) abstained.)**

Note: Councillor Fletcher was absent for the vote.

- (1) That the operation of Williamson Park transfer back to the complete control of the City Council and the company be dissolved.
- (2) That the City Council continues to review the operation and explore the potential of providing an improved visitor attraction/destination and seek to maximise this through external funding and partnership working. It is anticipated that this will be within approved set budgets. However there may be some slippage to this due to the potential additional £40,000 per annum required for pension costs as a result of the TUPE regulations.
- (3) That officers draft a report, scoping a Williamson Park Cabinet Liaison Group, for consideration at the next Cabinet meeting.

**Officers responsible for effecting the decision:**

Corporate Director (Regeneration)  
Head of Cultural Services

**Reasons for making the decision:**

The decision allows the Council to strive to continue to improve the operation of the Park whilst remaining open minded on the potential for partnership opportunities which could be explored at no additional cost.

*(Councillor Blamire returned to the meeting at this point.)*

**116 ROMAN BATH HOUSE & VICARAGE FIELD, LANCASTER**

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

*(It was noted that Councillor Langhorn had previously declared a personal interest in this item in view of his son's membership of the Young Archaeologists' Club.)*

The Corporate Director (Regeneration) submitted a report to advise Cabinet on the condition of the Roman Bath House and surrounding land and to seek future funding to improve and maintain that condition.

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

Option 1 – That increased maintenance regimes to the Bath House and surrounding land are undertaken to ensure that the property would be of an appropriate standard to feature as one of the city's main historic attractions. This would require increased funding being made available and is a reversal of the council's previous views on the maintenance of the area. Despite increased funding for maintenance there remains a risk that because of the remote location of the site, there could still be some vandalism in the vicinity.

Option 2 – do nothing. This would result in the continued deterioration the site with council failing to meet the requirements that English Heritage place on the owners of monuments such as this. If the council is to improve promotion of the cultural heritage of

the district, the current poor condition of one of the main attractions would detract from that and lead to public criticism. In addition there would be continued growth of species such as Japanese knotweed over areas of the site.

Option 1 is preferred as this would lead to the consolidation and improvement of a major historic attraction in the district.

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

- “(1) That increased maintenance regimes to the Bath House and the surrounding land are undertaken to ensure that the property would be of an appropriate standard to feature as one of the city’s main historic attractions.
- (2) That a general fund revenue growth bid for funding be included in the current budget process for an amount of £17,700 in 2010/11 and £2,000 per annum in subsequent years.”

Members then voted:-

***Resolved unanimously:***

- (1) That increased maintenance regimes to the Bath House and the surrounding land are undertaken to ensure that the property would be of an appropriate standard to feature as one of the city’s main historic attractions.
- (2) That a general fund revenue growth bid for funding be included in the current budget process for an amount of £17,700 in 2010/11 and £2,000 per annum in subsequent years.

**Officers responsible for effecting the decision:**

Corporate Director (Regeneration)  
Head of Property Services  
Head of Financial Services

**Reasons for making the decision:**

The decision will lead to the consolidation and improvement of a major historic attraction in the district.

**117 CABINET APPOINTMENTS TO OUTSIDE BODIES**

The Chief Executive submitted a report asking Members to consider the Cabinet appointment to the Local Government Association Coastal Issues Special Interest Group.

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

Option 1: To note existing arrangements and make no amendment to the representative on the LGA Coastal Issues Special Interests Group.

Option 2: To replace the Cabinet Member with responsibility for the Economy with the Cabinet Member with responsibility for the Environment to serve on the LGA Coastal Issues Special Interests Group.

Option 3: Another option as proposed by Cabinet.

There is no officer preferred option, however, it is recommended that appointments to outside bodies be aligned as closely as possible to individual Cabinet Members' portfolios.

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

"That Councillor Barry be appointed to the Local Government Association Coastal Issues Special Interest Group."

Members then voted:-

**Resolved:**

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

- (1) That Councillor Barry be appointed to the Local Government Association Coastal Issues Special Interest Group.

**Officers responsible for effecting the decision:**

Chief Executive  
Head of Democratic Services

**Reasons for making the decision:**

The decision is in line with the recommendation that appointments to outside bodies be aligned as closely as possible to individual Cabinet Members' portfolios.

**118 COMMUNITY SWIMMING POOLS**

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

The Corporate Director (Regeneration) submitted a report to enable Members to consider savings options in respect of the 3 Community Swimming Pools in Carnforth, Heysham and Hornby.

It was noted that additional information had also been published and circulated after publication of the agenda. This related to the pools opening hours and admissions figures.

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

**Option A:** As to-date, no significant progress, in terms of cost savings, has been made from attempting a renegotiation of the Partnership Agreement between Lancashire

County Council and Lancaster City Council, Cabinet is asked whether it wishes to give consideration to issuing twelve months notice from 1<sup>st</sup> April 2010, of Lancaster City Council termination of the Partnership Agreement (i.e., to be implemented after 31<sup>st</sup> March 2011) i.e., to refer the operation of the 3 Community Swimming Pools, back to Lancashire County Council.

No cost savings have been assumed so far for 2010/11. However, on the basis of Lancaster City Council referring the operation of the 3 Community Swimming Pools, back to Lancashire County Council, there would, with effect from 1<sup>st</sup> April 2011, be potential annual savings to Lancaster City Council of:-

Carnforth	£68,900	}	
or/and		}	
Heysham	£44,900	}	Total £147,700
or/and		}	
Hornby	£33,900	}	

There will also be HR implications (costs as yet undetermined)

**Option B:** Investigate whether an alternative operator can be found for the Community Swimming Pools at Carnforth, Heysham and Hornby.

As part of the 2009/10 budget deliberations, this option was pursued, but the outcome was that the alternative (private) sector operator was seeking an operating/management fee (not much less than the current revenue expenditure), and a guarantee that community and schools usage would remain at current levels, for the duration of any operating agreement. As neither the City Council nor County Council could offer such guarantees, discussions regarding alternative (private) sector management to operate one or more of the three community swimming pools terminated.

**Option C:** To retain the Partnership Agreement with Lancashire County Council, for the operation of the 3 Community Swimming Pools at Carnforth, Heysham and Hornby, but to review and reduce the swimming programme.

Typically, usage at public swimming pools is a mixture of:- casual swimming, club swimming (including private/commercial lettings), swimming lessons, and schools swimming programme. Based on the above, the % usage and cost profile at the three community swimming pools (based on 08/09 throughput), are:-

	casual usage	%	club usage	%	lessons usage	%	schools usage	%
<b>Carnforth</b>	29%		28%		12%		31%	
<b>Heysham</b>	49.5%		25%		8.5%		17%	
<b>Hornby</b>	42%		26%		14%		18%	

	casual net cost/ (surplus)	club net cost/ (surplus)	lessons net cost/ (surplus)	schools net cost/ (surplus)	Total Net Draft Budget 2010/11
	£	£	£	£	£
<b>Carnforth</b>	68,600	(4,600)	(5,600)	8,200	<b>66,600</b>
<b>Heysham</b>	52,700	(8,800)	(2,600)	(4,200)	<b>37,100</b>
<b>Hornby</b>	28,800	(2,000)	(2,200)	5,200	<b>29,800</b>
<b>Total</b>	<b>150,100</b>	<b>(15,400)</b>	<b>(10,400)</b>	<b>9,200</b>	<b>133,500</b>

Estimated net costs, based only on an extrapolation of % usage, shows that for the majority of swimming programmes, the least efficient and least economic provision is casual swimming. The reason for the above is that for club swimming (including private/commercial lettings), swimming lessons, and schools swimming programme, pool operators can offset expenditure against known income, but that is more difficult for casual swimming, where the fixed cost and related operational costs (in particular lifeguard/staffing costs) remain whatever the actual throughput. An option would be for Lancaster City Council only to provide casual swimming as part of the programme in Salt Ayre Sports Centre (i.e. casual swimming, club swimming - including private/commercial lettings, swimming lessons, and schools swimming programme), and to operate only club swimming (including private/commercial lettings), swimming lessons, and schools swimming programme, in the three community swimming pools. The review of pools provision within the District (highlighted in paragraph 3.3 of the report) gives an indication of where there is capacity for casual swimming, although this is limited as the majority are either private/member only facilities as opposed to being open to the general public.

In theory, based on the table above, the estimated draft 2010/11 annual revenue 'saving' to Lancaster City Council in not providing casual swimming, but still offering club swimming (including private/commercial lettings), swimming lessons, and schools swimming programme, at the three community swimming could be up to £150,100, but in reality any savings would be significantly less (if at all), for the reasons highlighted above. If this option was to be pursued, there would need to be greater consideration of the implications before a final decision could be taken.

This option also retains the provision of club swimming (including private/commercial lettings), swimming lessons, and schools swimming programme at the three community swimming pools.

**Option D:** To retain the current level of swimming provision within the district, including Carnforth, Heysham and Hornby via the existing Partnership Agreement with Lancashire County Council.

There would be no financial savings to the City Council.

Officer preferred option - the City Council's position is that, providing school swimming facilities are not a statutory requirement nor are they within discretionary priorities, the above identifies that, with regards community swimming, there are alternatives available. In light of this, officers recommend that the partnership with Lancashire County Council is terminated and the pools are handed back to the County Council, i.e. option A.

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

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

By way of amendment, Councillor Mace proposed and Councillor Thomas seconded:-

“That the City Council negotiate intensively with Lancashire County Council in respect of the future management of the swimming pools, that it refers the proposal to terminate the partnership agreement with Lancashire County Council to the March Council meeting and, in the meantime, includes Carnforth Town Council, Heysham Neighbourhood Council, Hornby-with-Farleton Parish Council and Melling-with-Wrayton Parish Council as observers of the negotiations.”

3 Members (Councillors Barry, Mace and Thomas) voted in favour of the amendment, 5 Members (Councillors Ashworth, Blamire, Bryning, Kerr and Langhorn) voted against and 1 Member (Councillor Fletcher) abstained from voting, whereupon the Chairman declared the amendment to be lost.

By way of addendum to the original proposition, it was then moved by Councillor Mace and seconded by Councillor Thomas:-

“That Carnforth Town Council, Heysham Neighbourhood Council, Hornby-with-Farleton Parish Council and Melling-with-Wrayton Parish Council be invited to observe the negotiations when they are carried out.”

2 Members (Councillors Mace and Thomas) voted in favour of the addendum, 6 Members (Councillors Ashworth, Barry Blamire, Bryning, Kerr and Langhorn) voted against and 1 Member (Councillor Fletcher) abstained from voting, whereupon the Chairman declared the addendum to be lost.

Members then voted as follows on the original proposition:

***Resolved:***

***(5 Members (Councillors Ashworth, Blamire, Bryning, Kerr and Langhorn) voted in favour, 2 Members (Councillors Mace and Thomas) voted against and 2 Members (Councillors Barry and Fletcher) abstained)***

- (1) That the City Council issues the necessary 12 month notice to terminate the partnership agreement with the County Council, from 1 April 2010.
- (2) That community swimming is redirected to the pools identified in paragraph 3.3 of the report.
- (3) That the school and club swimming be handed back along with the facilities to Lancashire County Council.

**Officers responsible for effecting the decision:**

Corporate Director (Regeneration)  
Head of Cultural Services

**Reasons for making the decision:**

The decision has been made in light of the fact there are alternatives available for community swimming.

*(The meeting adjourned for a comfort break at 2.20pm and reconvened at 2.30pm.)*

**119 REORGANISATION OF THE FACILITIES MANAGEMENT FUNCTION**

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

***(Councillor Blamire left the meeting during consideration of this item and before the vote.)***

The Corporate Director (Regeneration) submitted a report seeking approval from Cabinet for a new corporate approach to Facilities Management across the Council and Members received a presentation from independent consultants, Cyril Sweett, to assist them in considering the way forward.

Members noted that, whilst the report for this item was a public report, the appendix to the report contained information exempt from publication by virtue of paragraphs 1 and 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 public report as follows:

Option 1 – do nothing. This would result in the existing level of service provision being maintained. This will leave the Council at risk of failing to provide the most effective and efficient maintenance service and not achieving any progress in implementing its carbon management policies.

Option 2 – to retain the hard (reactive maintenance) facilities management function in an efficient way would require some clarification of roles and reporting lines within the existing service and would allow the council to concentrate on those areas of work that it does best. This includes retaining the strategic/"client" function, soft (caretaking) facilities management functions, reactive maintenance and data management whilst it would also benefit from a wider review of the service to ensure that the most efficient use is made of available resources. All major works and planned maintenance would be outsourced as would any specialist and statutory roles including energy management, health and safety roles etc. It is suggested that the outsourcing arrangements should be in the form of a partnering arrangement with the County Council and that discussions should be held with the County Council to this effect and a further report be brought back to Cabinet on the outcome of these discussions.

Option 3 – to outsource a fully managed service with the transfer of staff into an external managed service. This would result in retaining the strategy function and the soft facilities management services only. All major works, planned and reactive maintenance, data management and specialist and statutory roles would be outsourced.

The officer preferred option is option 2.



In order to fully consider the information in the appendix to the report, and in view of the fact that the last item on the agenda was also exempt from publication by virtue of paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972, it was moved by Councillor Langhorn and seconded by Councillor Thomas:-

- “(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 items of business, on the grounds that they could involve the possible disclosure of exempt information as defined in paragraphs 1, 2 and 3 of Schedule 12A of that Act.”

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

- “(2) That approval be given to the principles of a reorganisation of the facilities management function.
- (3) That a further report be presented to Cabinet on the full implications of the proposals following discussions with the County Council regarding shared services.”

By way of addendum, which was accepted as a friendly addendum by the proposer and seconder of the original proposal, Councillor Barry proposed:

- “(4) That the Council looks at other service providers with expertise in each of the bundles to seek the most appropriate service provider for bundles 1 – 4 detailed in the report, bundle 1 being Mechanical and Electrical/Maintenance Services, bundle 2 being Surveying, Architectural Services and Strategy, bundle 3 being Statutory Compliance and bundle 4 being Sustainability.”

Members then voted:-

***Resolved unanimously:***

- (1) That, in accordance with Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting for the following items of business, on the grounds that they could involve the possible disclosure of exempt information as defined in paragraphs 1, 2 and 3 of Schedule 12A of that Act.
- (2) That approval be given to the principles of a reorganisation of the facilities management function.
- (3) That a further report be presented to Cabinet on the full implications of the proposals following discussions with the County Council regarding shared services.
- (4) That the Council looks at other service providers with expertise in each of the bundles to seek the most appropriate service provider for bundles 1 – 4 detailed in the report, bundle 1 being Mechanical and Electrical/Maintenance Services, bundle 2 being Surveying, Architectural Services and Strategy, bundle 3 being Statutory Compliance and bundle 4 being Sustainability.

**Officers responsible for effecting the decision:**

Corporate Director (Regeneration)  
Head of Property Services

**Reasons for making the decision:**

The decision will allow the council to concentrate on those areas of facilities management work that it does best.

**120 LAND AT KELLET ROAD, CARNFORTH (Pages 1 - 2)****(Cabinet Member with Special Responsibility Councillor Thomas)**

The Corporate Director (Regeneration) submitted a report 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 all set out in the exempt report.

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

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

Members then voted:-

***Resolved unanimously:***

- (1) The resolution is set out in a minute exempt from publication by virtue of paragraphs 3 and 5 of Schedule 12A of the Local Government Act 1972.

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Chairman

(The meeting ended at 3.15 p.m.)

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

**MINUTES PUBLISHED ON MONDAY, 25<sup>th</sup> JANUARY 2010.**

**EFFECTIVE DATE FOR IMPLEMENTING THE DECISIONS CONTAINED IN THESE MINUTES;  
TUESDAY, 2<sup>nd</sup> FEBRUARY 2010.**

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

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