



**Committee: CABINET**

**Date: TUESDAY, 15 FEBRUARY 2011**

**Venue: MORECAMBE TOWN HALL**

**Time: 10.00 A.M.**

**A G E N D A**

1. **Apologies**

2. **Minutes**

To receive as a correct record the minutes of Cabinet held on Tuesday, 18 January, 2011 (previously circulated).

3. **Items of Urgent Business Authorised by the Leader**

To consider any such items authorised by the Leader and to consider where in the agenda the item(s) are to be considered.

4. **Declarations of Interest**

To consider any such declarations.

5. **Public Speaking**

To consider any such requests received in accordance with the approved procedure.

Reports from Overview and Scrutiny

None.

Reports

6. **Charges for Waste Bins and Boxes (Pages 1 - 5)**

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

Report of the Head of Environmental Services

7. **Performance Reward Grant (Pages 6 - 12)**

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

Report of the Head of Community Engagement

8. **Corporate Review of Service Level Agreements** (Pages 13 - 19)  
Report of the Head of Community Engagement
9. **Wellbeing Fees and Charges**  
**(Cabinet Member with Special Responsibility Councillor Ashworth)**  
Report of the Head of Community Engagement (to follow)
10. **Climate Change Invest to Save Projects** (Pages 20 - 28)  
**(Cabinet Member with Special Responsibility Councillor Barry)**  
Report of the Heads of Property Services and Community Engagement
11. **Budget & Policy Framework 2010/11**  
**(Cabinet Member with Special Responsibility Councillor Langhorn)**  
Report of the Deputy Chief Executive and Head of Financial Services (to follow)
12. **Treasury Management Strategy 2011/12**  
**(Cabinet Member with Special Responsibility Councillor Langhorn)**  
Report of the Head of Financial Services (to follow)

## **ADMINISTRATIVE ARRANGEMENTS**

### **(i) Membership**

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

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

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

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

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

MARK CULLINAN  
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Published on 3 February 2011

**CABINET**

**Charges for Bins and Boxes  
Feb 15<sup>th</sup> 2011**

**Report of Head of Environmental Services**

<b>PURPOSE OF REPORT</b>			
To provide Cabinet with details of an option to introduce charges for wheeled bins and recycling boxes as part of the 2011/12 budget setting process.			
<b>Key Decision</b>	<b>X</b>	<b>Non-Key Decision</b>	
			<b>Referral from Cabinet Member</b>
<b>Date Included in Forward Plan</b>	26 <sup>th</sup> Jan 2011		
<b>This report is public</b>			

**RECOMMENDATIONS OF HEAD OF ENVIRONMENTAL SERVICES**

- (1) That Cabinet approves the introduction of charges to householders for the delivery of wheeled bins and recycling boxes as part of the 2011/12 budget.
- (2) That Cabinet approves a charge of £15+ VAT for the delivery of a wheeled bin.
- (3) That Cabinet approves a charge of £4+ VAT for the delivery of a recycling box.
- (4) That the charge is introduced in the 2011/12 financial year as soon as is practically possible.

**1.0 Introduction**

- 1.1 The Council's corporate plan and the Lancashire Waste Strategy have challenging targets for reuse, recycling and composting of household waste. The target for this year is 42%. By 2012/13 this rises to 50%. The Council now has in place arrangements which will in theory allow us to meet these targets. However, in practice we know that not all households make full use of these arrangements. In order to encourage households to recycle it is important that we have in place policies that support this corporate aim.
- 1.2 Households in the District are supplied with a 240 litre wheeled bin for

residual waste, a 240 litre bin for garden and food waste (or a smaller caddy for properties without gardens) and three 55 litre boxes for recyclable materials. Householders with special circumstances where they need extra capacity for residual waste can apply for a 140 litre extra grey bin and those with large gardens can, on request, be supplied with an extra green bin.

- 1.3 Customers request replacement or extra bins via the customer service centre. The reasons for such requests vary and include: extra capacity, bin lost, bin stolen and bin damaged. The current policy is that these are provided at no charge to householders.
- 1.4 In the year 2009/10, 6566 replacement bins, 6950 replacement boxes and 9550 replacement lids were delivered to householders. The actual cost of purchasing these was £113,263 for the bins and £41,318 for the boxes and lids. Further costs are incurred in administration, delivery, storage etc. The current policy means it is difficult to control this area of expenditure and this in turn creates pressures on the overall waste collection budget.
- 1.5 It is not always possible to check if a request for a replacement bin is genuine and it appears that some householders falsely claim they have lost their grey bin in order to receive an extra one. This enables them to deposit all their waste in grey bins and avoid the need to separate materials for recycling. Officers undertake random checks and targeted campaigns to identify any unauthorised additional bins and return them to the Depot. In the year 2009/10, 376 unauthorised grey bins were recovered. Furthermore, it appears some people use recycling boxes and lids for purposes other than recycling.
- 1.6 There are a total of fourteen waste collection authorities in the Lancashire Waste Partnership and nine of them levy a form of charge for the delivery of bins.
- 1.7 The table below gives an indication of what some other Councils currently charge or propose to charge-

<b>Council</b>	<b>Wheeled bin (240litre)</b>	<b>Box</b>	<b>Food waste container</b>	<b>Box lid</b>	<b>Bin lid</b>
Blackburn	£29				
Blackpool	£30				
Burnley	£23.40				
Chorley	£40				
Fylde	£30.15				£12.05
Harrogate	£44.50	£6.95		£3.75	
Preston	£10 (proposing to increase this charge to £25- see below)				
Solihull	£25	£11			
Rossendale	£22				

1.8 As can be seen there is quite a range of charges. At the higher end it appears that Councils are incurring a charge to cover the purchase of the bin / box. Effectively the bin / box becomes the possession of the householder. Officer advice is that this would cause major problems for us with enforcement. At the lower end the charge is for delivery and admin. The ownership of the bin / box remains with the Council. Officer advice would be that if a charge were to be introduced it is set as a contribution to the costs incurred in purchasing replacement bins/ boxes, storing them, administering them, delivering them etc. The bins / boxes would still remain the possession of the Council. The charge proposed is therefore at the lower end of the range.

**2.0 Proposal Details**

2.1 It is proposed that nominal delivery / admin charges of £15 + VAT for a wheeled bin and £4 + VAT for a recycling box are charged. This charge would contribute to the costs incurred by the Council in delivery, administration, storage and procurement of the boxes. This would be applied in all cases, including where householders move into a home and require bins / boxes. The only exception would be where the container is damaged in the collection process. The bins and boxes would remain the possession of the Council.

2.2 It is estimated that the introduction of this charge would result in a full year, saving of £63,000.

2.3 It is proposed that this charge is introduced as soon as is practically possible in the 2011/12 financial year

**3.0 Details of Consultation**

3.1 The outline of this proposal has been brought forward through this year's budget setting exercise.

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

	<b>Option 1: Introduce a charge</b>	<b>Option 2: Don't introduce a charge</b>
Advantages	<ul style="list-style-type: none"> <li>• Fewer requests for bins.</li> <li>• Saves costs</li> <li>• Increased recycling rates.</li> <li>• Reduction in calls to Customer Service Centre.</li> <li>• Fewer receptacles left out in streets.</li> </ul>	<ul style="list-style-type: none"> <li>• Maintains status quo</li> </ul>
Disadvantages	<ul style="list-style-type: none"> <li>• Customer dissatisfaction</li> <li>• Increased administration to deal with payment</li> </ul>	<ul style="list-style-type: none"> <li>• No control over supply of bins and boxes which then impacts on overall waste budget.</li> <li>• Doesn't encourage recycling</li> </ul>
Risks	This option could lead to increased incidences of fly tipping.	

**5.0 Conclusion**

5.1 The introduction of charges to cover the costs of deliveries of wheeled bins and recycling boxes together with the associated administration will save costs and potentially lead to enhanced recycling rates.

**RELATIONSHIP TO POLICY FRAMEWORK**

Corporate Plan-

Climate Change- Key Target NI 192 Household waste reused/ recycled / composted  
Statutory Services- Meet the Council's statutory requirements for service delivery.

**CONCLUSION OF IMPACT ASSESSMENT**

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

The charge would be applied to all householders requesting bins and boxes.

**LEGAL IMPLICATIONS**

The Council has a duty imposed under section 45 of the Environmental Protection Act (EPA) 1990 to collect household waste in its area. Section 46 of the EPA provides that the local authority can define the type, quantity and size of waste receptacles. In making requirements the authority may, as respects the provision of the receptacles determine that they be provided by the authority free of charge, propose that they be provided, if the occupier agrees, by the authority on payment by him of such a single payment or such periodical payments as he agrees with the authority, require the occupier to provide them if he does not enter into an agreement within a specified period or require the occupier to provide them.

Residents who decline to pay for the supply of a wheeled bin may be served with a Section 46 notice under the Environmental Protection Act 1990 and or other relevant legislation. The notice will require the provision by the householder of the necessary containerisation for their waste. Failure to comply with this notice may lead to the issuing of a fixed penalty notice and or prosecution by the Council

Retaining ownership of the waste receptacles, as proposed within the report, would enable the Council to control use of the bins with section 46 notices.

**FINANCIAL IMPLICATIONS**

The 2011/12 draft revenue budget includes £81,700 for the purchase of replacement bins and boxes. As highlighted within PRT Quarter 3, high levels of requests to replace bins and boxes are currently being received and the current budget is deemed insufficient (by approximately £27,000 within 2010/11) to meet demand.

It is anticipated that the introduction of charging will increase control and therefore ultimately lead to a reduction in numbers required. However, without charging it will become increasingly difficult to police and similar numbers to this year would again be expected.

The bins currently cost £17.25, the boxes are £2.98 plus £1.37 for the lid so the fee levels outlined in section 2.0 of this report would help towards the recovery of those costs.

Therefore the residual budget required would only be for the shortfall between the delivery charge and the cost of the replacement bins/boxes and the full cost of those which were

damaged in the collection process. Although unquantifiable at this moment it is estimated that this cost would be in the region of £18,700 leading to a £63,000 saving on next years base budget, assuming a full year of charging.

It is also expected that a number of efficiencies will arise from this proposal i.e. lower call volume within customer services, fewer deliveries due to lower demand. Again, these are unquantifiable at this time but should any significant savings arise they will be highlighted in future monitoring/PRT reports.

**OTHER RESOURCE IMPLICATIONS**

**Human Resources:**

None

**Information Services:**

Implications for the customer service centre are outlined within the report. Information is awaited from IS on when this can be practically implemented.

**Property:**

Outlined within the report

**Open Spaces:**

None

**SECTION 151 OFFICER'S COMMENTS**

The s151 Officer would advise that these proposals be considered in context of the Council's priorities and its future financial prospects, as well as the need to be clear, efficient and fair in charging service users, balanced against the impact on Council Tax payers more generally.

**MONITORING OFFICER'S COMMENTS**

The Monitoring Officer has been consulted and has no further comments

**BACKGROUND PAPERS**

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**Ref:**

**CABINET**

**LDLSP Performance Reward Grant Allocation  
15 February 2011**

**Report of the Head of Community Engagement**

<b>PURPOSE OF REPORT</b>				
To advise members of the LDLSP Management Group's proposals for the allocation of the one-off Performance Reward Grant.				
<b>Key Decision</b>	<b>X</b>	<b>Non-Key Decision</b>		<b>Referral from Cabinet Member</b>
<b>Date Included in Forward Plan</b>	28 January 2011			
This report is public				

**RECOMMENDATIONS OF THE HEAD OF COMMUNITY ENGAGEMENT**

- 1) That Cabinet note the extra PRG of £169,062 allocated to each district
  
- 2) That the decision to take part in the cross-district feasibility study on hydroelectricity sites be approved and the revenue budget be updated to include £30,000, with £15,000 being released as soon as possible, and further development of hydroelectricity schemes being subject to further detailed appraisal and:
  - o Confirmation of sites to be included in the feasibility study
  - o Confirmation that proposed schemes represent value for money
  - o Confirmation that all related match funding to progress proposed schemes are in place
  - o Access to reports produced as a result of the feasibility study in relation to the sites in the Lancaster District
  
- 3) That the LDLSP Management Group's proposals to use PRG funds for warm homes, social enterprises and co-operative fund finder initiatives are noted but that the LDLSP is asked to review their spending priorities in the light of the current economic climate and pressure on public sector budgets

**1.0 Introduction**

1.1 The LDLSP has been allocated a share of the Performance Reward Grant (PRG) received from central government for the successful delivery of the first Local Area Agreement (LAA) for Lancashire. Although halved by government from the previously agreed figure the LDLSP has still received **£647,446** (£478,384 in the original



allocation from 2010 and provisionally an extra £169,062 notified in January 2011), half of which should be used for revenue expenditure and half for capital.

- 1.2 The LDLSP Management Group has agreed to pursue four initiatives with PRG, most recently ratified at its January 2011 meeting. These have been developed by the LDLSP Team based on the district's 'Big Ticket' issues (that aim to deliver the Sustainable Community Strategy), the ideas and priorities coming from an LSP away day in May 2010, plus the criteria set out by other stakeholders including the City and County Councils. These initiatives are set out in Sections 2-5 below, with the current estimate of cost being **£355,000**. This is split between £100,000 capital and £255,000 revenue expenditure.
- 1.3 Lancashire County Council has delegated all financial and oversight responsibility for the PRG to Lancaster City Council which is the 'accountable body' for the LSP. Therefore Cabinet must ratify the allocation of the PRG, and certain costs will be incurred by the Council on the LSP's behalf. These will be met from the PRG allocation, an initial estimate being **£25,000**, which will count towards the total revenue expenditure. This leaves around **£267,446** (£43,723 revenue and £223,723 capital) for future initiatives, which the LSP are currently researching and which will be presented to a future Cabinet meeting for an 'in principle' decision.
- 1.4 There is no deadline by which the PRG must be allocated, but the LDLSP Management Group has appointed a sub-group to oversee the commissioning of the initiatives once 'in principle' approval has been given by Cabinet. This group will involve procurement professionals, including representation from the City Council, who will ensure that appropriate processes are followed. The sub-group will aim to report back to the LDLSP Management Group and Cabinet as soon as possible in 2011 for a final sign-off of the proposals.

## **2.0 Hydroelectricity Initiative**

- 2.1 Lancaster District has a number of watercourses that could potentially be utilised to generate renewable electricity. Small-scale hydroelectricity schemes have the potential to provide cheap energy for local communities, reduce greenhouse gas emissions, and help build community cohesion.
- 2.2 The LDLSP has agreed to join-in with an existing cross-district project with Ribble Valley and Pendle LSP's to investigate the potential for hydroelectricity across the Forest of Bowland Area of Natural Beauty (AONB). Around 35 potential hydro sites will benefit from a technical 'Stage One' study of what opportunities exist, as well as the likely costs and issues. Eight of these sites will be in Lancaster District around Roeburndale, Abbeystead, Gresgarth Estate, Caton, Wray and Quernmore as well as at the weir in Skerton. Three further sites in the district are currently being considered for inclusion. The top five sites from across the AONB, including at least one in Lancaster District, will have a further 'Stage Two' appraisal undertaken that involves all detailed evidence required for local communities to attract further inward investment, again from a mixture of government grant, community bond and private investment, to complete their own schemes.
- 2.3 Due to the timescales involved the LDLSP needs to commit funds to this study by March 2011 and so a final decision to endorse this project is asked of Cabinet, rather than an 'in principle' decision. The commissioning and project management for this study has been managed by the Forest of Bowland Area Of Natural Beauty (AONB) Team, who are County Council employees. The council's Corporate Programmes Team has undertaken a robust appraisal of the proposed feasibility study and have made recommendations, reflected in the report, regarding further appraisals and assurances of any hydroelectricity schemes being developed as a result.

- 2.4 The LDLSP has also agreed in principle to make a pot of funding available to further finance hydroelectricity projects in the district – this will build on the work done in the Forest of Bowland Study and could potentially allow further projects to undertake a ‘Stage 2’ appraisal or assist those that have had a full feasibility study to begin the process of construction.
- 2.5 As well as benefiting from green electricity, local communities that take hydroelectricity projects forward will have the potential to generate income from the government feed-in tariffs (FIT). In terms of the vehicle for installing the equipment, there is the opportunity for the creation of one or more social enterprises (see initiative in Section 4 below).
- 2.6 **Expected Outcomes:** An increase in the percentage of renewable electricity generated in the district, and the ability of local communities to attract investment.
- 2.7 **‘Big Ticket’ priorities met:** Climate Change, Community Cohesion
- 2.8 **Investment Sum:** £30,000 (£15,000 revenue for AONB study, £15,000 revenue for further Stage 2 studies)

### 3.0 Warm Homes Initiative

- 3.1 It has been identified through several channels that thousands of homes in the district can be efficiently and effectively insulated, reducing both excess winter deaths and CO<sub>2</sub> emissions. This affordable and sustainable warmth agenda is of concern to many LDLSP partners, including the City Council, and the LDLSP Management Group has agreed to use some of the PRG to attract matched CERT (Carbon Emissions Reduction Trading) funding from utility companies. This will give the district a fund to provide grants for insulation (e.g. cavity wall, loft and hot water tank, amongst others). It is expected that for £100,000 investment, several hundreds of thousands of pounds will be obtained from a utility company.
- 3.2 The LDLSP proposes to appoint a not-for-profit Managing Agent to acquire the CERT matched funding, administer the fund, employ contractors and promote the scheme. In particular, those at risk of fuel poverty (defined as spending more than 10% of their income on fuel for heating). These grants would complement ‘Warm Front’ and other related grants, and act as a precursor to the government’s planned ‘Green New Deal’ which will come into effect in 2013. CERT funding would allow these ‘at risk’ households to receive free insulation, and the LDLSP could potentially offer partial grants to those households who are better off. It is expected that over 2000 homes could be insulated through this pot over the next couple of years, reducing winter deaths and reducing carbon emissions.
- 3.3 The work of the Managing Agent will be overseen by a steering group of ‘affordable warmth’ stakeholders from the LSP, such as the councils, Primary Care Trust, and the Home Energy Service. This steering group will set targets, reporting arrangements, plans for oversight and promotion, and forming appropriate links to other projects e.g. the county fuel poverty referral scheme. The LDLSP Management Group also proposes to make a partial contribution of £5,000 to the marketing costs of the scheme, the remainder of which will be borne by the Energy Savings Trust (EST)
- 3.4 There are talks underway between the County Council and the EST to develop such a scheme across the county before the CERT funding is withdrawn by Government at the end of 2012. If swiftly agreed the scheme in Lancaster will act as a trial for the county, potentially enabling other local areas to more successfully bid for the remaining CERT funding during 2011 and 2012.
- 3.5 **Expected Outcomes:** Fuel poverty and excess winter deaths (98 in the district in 07/08) are reduced. Local people have more sustainable homes with lower fuel bills

and lower CO2 emissions. Local contractors receive extra work, allowing them to employ and train paid staff. Other local areas can learn from the trial.

3.6 **'Big Ticket' priorities met:** Affordable Housing, Health Inequalities, Climate Change, Economy and Worklessness (if training and employment opportunities are provided by those installing the improvements).

3.7 **Investment Sum:** The LDLSP Management group have agreed to allocate £105,000 of PRG funds to this project (£100,000 capital for installation, £5,000 revenue for a contribution to marketing).

#### 4.0 **Social Enterprise Initiative**

4.1 Many voluntary and community sector organisations across the district are facing a reduction in their grant funding that will threaten their staff, their projects and their very existence. These losses will then create gaps in services for local people. To offset this, the LDLSP has agreed to support these organisations in developing their services into social enterprises.

4.2 There isn't a universal understanding of what a 'social enterprise' is, but the LSP proposes to use the definition provided by the North Lancashire Social Enterprise Network (NLSEN):

*"Social enterprise is an activity rather than organisational structure. Social enterprise operates according to clearly stated aims or values and re-invests any financial profit or surplus to further those aims or values. Social enterprise avoids forms of private ownership such as forming limited or profit distributing companies. Social enterprise avoids activities that damage other people or the environment. Social enterprise should take action to evidence social benefit. Social enterprise activity refrains from excessive personal or private profit."*

4.3 This social enterprise activity will support the delivery of the Sustainable Community Strategy, provide services required by local people and allow local people and communities to take a lead in helping themselves. In this sense the initiative ties in with the 'Big Society' approach to devolving power and responsibility that the government are endorsing.

4.4 Organisations are of their own accord seeking alternative sources of income to support their activities, and are receiving advice from a number of places to help them do so. As well as the district-based NLSEN, a social enterprise network also exists across the region (Social Enterprise North West - <http://www.senw.org.uk/>) and the county (Selnet – <http://www.selnet-uk.com>) and there are organisations dedicated in whole or in part to supporting the development of social enterprise (e.g. Help Direct). The LDLSP is keen to ensure that the initiative enhances these existing structures rather than duplicating them, and has worked with key stakeholders to develop an appropriate commissioning process.

4.5 **Expected Outcomes:** An increased number of organisations in the district that are delivering their services sustainably as social enterprises. This will mean that more people in the local community receive the services and support they need, a lesser impact on the environment from delivering those services, and less grant funding required from public sector organisations.

4.6 **'Big Ticket' Criteria met:** Economy and Worklessness (as employment and/or voluntary training opportunities are created), Community Cohesion (if the enterprise helps bring local people and communities into closer contact and gives them a shared purpose), and Climate Change.

4.7 **Investment Sum:** £120,000 (£100,000 for social enterprises themselves, expected to be mostly revenue) plus £20,000 revenue for support and administration of the initiative by one or more providers.

## 5.0 **A Cooperative Fund Finder Initiative**

5.1 The final initiative is a 'Cooperative Fund Finder' approach to bring in funds to the district, especially to support the work of community and voluntary organisations. The LSP proposes to use £100,000 revenue from the PRG to appoint a provider who for at least two years will support efforts of local organisations to secure investment from government, business, charitable trusts and any other appropriate source.

5.2 The LDLSP is not proposing to specify the exact nature of that support, preferring instead to seek expressions of interest from potential providers as to how they would ensure that sufficient skills, expertise and capacity would be made available to support funding bids. These bids could be to local, regional, national or even international pots, and would be for both revenue and capital funding, or even other resources that may be available, such as support in kind. The successful provider will also need to ensure that local organisations don't make a bid when resource is already available elsewhere, don't duplicate bids to the same source, and wherever possible work together on joint applications.

5.3 The economic climate is tough and more organisations than ever are seeking what funding is available. However, comprehensively developed bids, supported by the successful providers and by the LSP, would give confidence to potential funders and show that Lancaster District is a 'safe pair of hands' for funding. Previous experience from LDLSP partners suggests that with such a coordinated and professional approach then a figure of up to £10 for every £1 invested is a stretching but realistic possibility. Therefore, an investment of £100,000 will be expected to net a figure of at least £1 million, which would be a high profile and inspirational goal.

5.4 Fund-finding is a complex process and above and beyond any PRG investment it will involve many LDLSP partners and cause a 'ripple effect' on their resources and expertise. Therefore the successful provider will need to show what additional resources they can bring to bear to enhance their capacity to deliver the appropriate support. They will also need to work with the LDLSP to develop a clear understanding at the outset the criteria for success of the project, how the work will affect LDLSP partners and exactly what kind of funds should be sought in order to help to deliver the Big Ticket issues. The provider's work will be overseen and supported by a steering group of stakeholders appointed by the LDLSP

5.5 The LSP is also keen to ensure the initiative is sustainable and that fund finding and resource-sharing capacity is available in the district after the initial investment has been spent. Helping organisations to access funding will require them to invest their time and effort, but they will also benefit through a greater understanding of the funds available, the process by which they are accessed and the local knowledge of need and priorities that will be required for them to be successful in their bids. This extra capacity within their organisations will be another sustainable benefit of the project.

5.6 **Expected Outcomes:** £1 million is received by partner organisations and partnerships within the district to invest in projects that help deliver the Big Ticket Issues and the SCS. The capacity of partner organisations, especially those in the voluntary and community sectors, is permanently increased.

5.7 **'Big Ticket' Criteria met: Community Cohesion** (as groups work together and with local communities to source and allocate funds), and potentially all of the others, dependent on what the funds brought into the district were used for.

5.8 **Investment Sum:** £100,000 revenue

**6.0 Conclusion**

- 6.1 These initiatives are about more than funding projects that deliver benefits– they are about investing in new approaches to delivering services in the long-term.
- The focus on hydroelectricity will facilitate the development of long-term renewable energy initiatives that will leverage initial investment AND provide a long-term benefit for local communities.
  - The ‘warm homes’ matched funding is designed to maximise LSP investment to create a substantial grant pot that will last for several years, and as a trial the work would support increased inward investment across the county
  - The social enterprise initiative aims to create self-sustaining service delivery and enhance the potential of local organisations in supporting their local communities.
  - The fund finder initiative would not only aim to bring in the original PRG funding figure of £1 million to the district, but may improve the ability of organisations to successfully bid for their own funds in future.
- 6.2 PRG is a one-off opportunity and these initiatives are designed to ensure that it would meet partner expectations and deliver a lasting legacy in the district. Potential initiatives that would benefit from the unallocated PRG monies are currently being considered by the LSP and authorisation for any proposed use of this will be sought in a subsequent report to Cabinet
- 6.3 Members may wish to consider the LDLSP proposals in the context of the current economic climate, which is placing considerable pressure on public sector budgets and on many services provided or financed by the public sector. As an example, the provision of Police Community Support Officers (PCSO’s) in the district is currently under threat as a result of financial pressures. It may therefore be appropriate to request that the LDLSP reviews its proposals for the use of PRG funds in the light of the current economic situation to ensure that funding is allocated against the most current district priorities and can achieve maximum impact.
- 6.4 The costs associated with being the accountable body are currently being worked up. This may lead to revision of the current £25,000 estimate, which would also need to be agreed on by both the LDLSP Management Group and Cabinet.

**RELATIONSHIP TO POLICY FRAMEWORK**

The Sustainable Community Strategy forms part of the Council’s Policy Framework.

**CONCLUSION OF IMPACT ASSESSMENT**

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

None directly arising (though individual initiatives allocated funding as a result of this process will contribute towards positive impacts in these areas).

**FINANCIAL IMPLICATIONS**

The total amount of PRG allocated to the LDLSP is £647,446, of which £169,062 is still subject to Government approval. The LDLSP has so far agreed initiatives to the value of £355,000, which is split into around £100,000 capital and £255,000 revenue. A further £25,000 revenue has been set aside provisionally for expected costs to the City Council

resulting from administration, legal audit and other related costs.

In terms of this report, a final decision on allocating £30,000 revenue is sought; this leaves around £617,000 (£293,500 revenue and £323,500 capital), yet to be determined by Cabinet, although it is anticipated that £25,000 of revenue will be recommended to cover administration costs etc. in due course, as highlighted above.

The LDLSP Manager has a coordinating role for the financial management arrangements, with support from Financial Services and the Corporate Programmes and Performance Team. Endorsement by the council is also subject to the normal requirements of the accountable body, including ongoing performance appraisal and risk assessment.

**SECTION 151 OFFICER'S COMMENTS**

The s151 Officer's general advice to Members is to consider savings and spending proposals in light of competing demands and priorities, as well as the Council's financial prospects. The associated Big Ticket issues and the protocol for allocating PRG were adopted early last year, prior to any major reductions in public spending and Government funding being announced.

As well as reducing funding levels, one of the measures taken forward by Government has been to 'mainstream' many grant funding arrangements that were previously ring-fenced or linked to particular initiatives. This has the advantage of giving better flexibility for authorities in deciding how best to allocate resources to reflect local priorities, particularly when financial pressures are high. It also tends to be more efficient.

The principle of mainstreaming is one that authorities may wish to reconsider in due course; for managing their own funding streams.

For now, however, in light of the above points and as reflected in the report's Conclusion, Cabinet is advised to consider whether it would be appropriate to request the LDLSP to review its PRG spending proposals accordingly.

**LEGAL IMPLICATIONS**

There are no legal implications directly arising from this report.

**MONITORING OFFICER'S COMMENTS**

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

**BACKGROUND PAPERS**

None

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**CABINET**

**Corporate Review of Service Level Agreements  
15 February 2011**

**Report of the Head of Community Engagement**

<b>PURPOSE OF REPORT</b>			
To provide members with an update and findings on a review into SLA's (Service Level Agreements), to recommend some short term actions to improve management arrangements and also the principles of an overall approach to the council's future arrangements for the efficient management of it's investment and support for external organisations, in order to maximise impact.			
<b>Key Decision</b>	<b>X</b>	<b>Non-Key Decision</b>	<b>Referral from Cabinet Member</b>
<b>Date Included in Forward Plan</b>	28 January 2011		
<b>This report is public</b>			

**RECOMMENDATIONS OF THE HEAD OF COMMUNITY ENGAGEMENT**

- (1) That the council extend existing SLA's at current 2010/11 funding levels for the financial year 2011/12 with the exception of the specific time limited agreement with Storey Creative Industries Centre (SCIC) which will end on 31<sup>st</sup> March 2011 and any SLA's that are supported by external funding tied to specific time periods and where relevant at a reduced level already agreed as part of the 2010/11 Budget Process, e.g. The Dukes
- (2) That officers enter into discussions with County Council to consider the potential for future joint investment in the VCFS (Voluntary, Community and Faith sector), including a shared approach to monitoring and evaluation.
- (3) That potential for shared administration arrangements is investigated in relation to the Council's Welfare Grants in order to achieve efficiency.
- (4) That over the next 12 months, officers develop and bring forward proposals for a commissioning approach with the VCFS and other external organisations that will:
  - Maximise the impact of the council's investment
  - To assist delivery of corporate priorities
  - Provide appropriate support that will safeguard key services

- **Develop the potential of the VCFS to deliver services in the district on behalf of the council.**

## **1.0 Background**

- 1.1 The council currently manages somewhere in the region of 40 separate SLA's. Some of these (17 with a total value of £470,900) would normally lapse at the end of this financial year, however this report is recommending that those included in the Appendix to this report continue for a further year at current funding levels pending further review. This amount excludes those SLA's tied into longer contractual periods, external grant funded SLA's and SLA's relating to land assets, which are of a distinct nature and outside the scope of this report. Within the sector as a whole these SLA's fall into a number of natural groups such as Arts, Housing Support and Crime Prevention. Whilst this report focuses upon the council's SLA's, Cabinet will note there is a specific recommendation relating to the future administration of the council's Welfare Grants. At present the Welfare Grants represents a relatively small pot of money with restrictive criteria and as a result the impact is limited. However, a quick improvement can be achieved by dealing with the disproportionately heavy administration requirements and aligning the grants with other funds available in the district.
- 1.2 Partner organisations and funded bodies fully understand the financial pressures facing the council, and this national context presents an opportunity for the council to consider how best to maximise its investment in VCFS via SLA's
- 1.3 A recent review of the council's approach to SLA's revealed a number of issues which must be tackled to ensure that future investment is clearly focussed on our priorities and rigorously monitored to ensure desired outcomes are delivered.

## **2.0 Key Issues**

- 2.1 The Council has not systematically agreed what it wishes to achieve overall from its investment in SLA's or what services it wishes to prioritise.
- 2.2 Within the Council there are some examples of good practice in terms of the management and monitoring of SLA's and there is an opportunity to spread this across the Council to create consistency and to use the experience gained to best effect
- 2.3 It is difficult to demonstrate that desired outcomes are delivered and fully understand what the council is getting in return for its investment, there is often no assessment of value for money provided
- 2.4 The current need for most VCFS organisations to bid into a number of 'pots' in order to survive can lead to organisations working in the same sector competing against each other rather than working together.
- 2.5 SLA'S currently tend to be automatically renewed without critical evaluation of effectiveness or benefits realised.
- 2.6 In some cases the council has a number of SLA's with a single organisation
- 2.7 Some organisations receiving SLA funding from the council are also in receipt of significant amounts of money from multiple funders. Visibility of global funding to a given organisation is an issue.
- 2.8 A great deal of officer time is spent in the administration of the Council's Welfare Grants whilst the grant fund is currently less than £4000 per annum.



It is likely that a cooperative arrangement with another grant funder may present opportunities to protect the benefits of the grants whilst reducing the administration costs.

### **3.0 Proposal Details**

- 3.1 A number of actions are proposed in order to bring about improvement in the overall impact of the council's investment in SLA's and also to create consistent corporate standards for the management of SLA's in the future so that unnecessary administration costs for legal, financial and monitoring support are avoided, risks reduced and outcomes protected. Some straightforward proposals can be implemented immediately but this report also suggests some new approaches that will take some time to develop. These medium term improvements include more focus on investment linked to corporate priorities, joint investment and more efficient management arrangements by working with County Council and also the development of a commissioning framework that will also support the principles of collaborative working by the council's partner organisations. In detail the proposals are as follows:
- 3.2 Extend existing SLA's at current funding levels for the financial year 2011/12 with the exception of one specific time limited agreement with Storey Creative Industries which will end on 31<sup>st</sup> March 2011 and any SLA's that are externally funded for a specific time period. This will give the council time to come to a considered view as to what it wishes to achieve from its overall investment in SLA's, in line with corporate priorities and without unintended consequences. As a result future funding should be more targeted at priorities, have a clearer impact and be allocated in a way that seems fair and transparent. It is recommended that proposals are developed to establish clear principles and criteria as a framework for investment decisions to ensure that the council's investments are transparent and targeted towards achieving priorities.
- 3.3 The development of a clear and consistent corporate management framework, to be implemented from 1 April 2011 onwards, will significantly improve the day to day management and monitoring of existing SLA's, ensuring that best practice approaches which currently exist are shared across the authority.
- 3.4 Officers to begin dialogue with the County Council to investigate opportunities to better work together in the funding and management of SLA's. Both councils routinely provide funding to the same organisations and separately monitor and evaluate the delivery of commissioned services. This presents a clear opportunity to reduce duplication and simplify the funding of VCFS organisations.
- 3.5 Officers to also investigate the potential to create efficiency in the management of the Council's Welfare Grants scheme, including investigation of a possible shared administration arrangement with other grant funders.
- 3.6 A further report to be presented to Cabinet which develops specific and detailed proposals for a framework for future investment primarily linked to Corporate Priorities. The following will be considered:
  - An assessment of the opportunities and the advantages /disadvantages of providing future support to specific sectors rather than to individual organisations
  - The support that may be required for the development of collaborative arrangements between external partners to work together to jointly deliver services in an efficient and effective way.

- The development of a formal commissioning approach that will provide a corporate framework for consistent and effective management of the council's investment in return for delivery of priority services by external partners, linked to clearly defined outcomes

**4.0 Details of Consultation**

4.1 In preparing this report, the council has consulted with all organisations currently funded via SLA's and their views have been taken into consideration in the development of this report. Feedback from the consultation focused on the importance of the funding brought in by SLA's, particularly in terms of how these brought in further match funding in order to achieve service delivery and also the impact of the work carried out through supported services in the local area.

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

	<b>Option 1: Agree Recommendations</b>	<b>Option 2: Do Nothing</b>
Advantages	Potential for a much higher impact as a result of the council's investment. Opportunity for possible savings in the future without loss of services Efficiency achieved as a result of more consistent corporate management arrangements Increased impact and efficiency achieved by potential joint investment and shared management arrangements.	Will not require significant investment in officer time.
Disadvantages	Development of a consortium approach by sector will require significant investment of officer time in the early stages although has the potential to create efficiency later.	The council could fail to maximise its investment in VCFS and other external organisations and there is continuing inefficiency and duplication in both funding and administration.
Risks	New ways of working may take some time to develop and partners may need some support to build capacity given that not all organisations are at the same level of maturity. Collaborative working arrangements may be difficult to achieve in some cases.	The council could appear inconsistent in the manner in which it provides support to VCFS and other external organisations.

	Officer time spent on development of proposals is not available for other activities.	
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**The preferred option is Option 1.**

## **6.0 Conclusion**

The review of Service Level Agreements has highlighted a number of issues as detailed in this report. However, there is no doubt that many of the services currently funded by the council via its SLA's are valuable and have an impact on our local communities. Whilst this report suggests some immediate actions that can lead to fairly quick overall improvements, there is an opportunity to look further ahead and to prepare for some more significant changes in the medium term future. This work will take longer to develop but could allow the council to be better placed in the future to achieve more from its investments, to have the management tools necessary to support key services through a commissioning framework and to be able to support external partners to develop the collaborative approaches they will need in the years to come. The report therefore recommends that the current investment in SLA's is maintained whilst the work required to develop the medium term proposals is undertaken. Future reports to Cabinet will provide further information on the proposed approaches.

### **RELATIONSHIP TO POLICY FRAMEWORK**

This report is consistent with current corporate priorities and the continuation of these as agreed by Cabinet at its meeting on the 9 November 2010 and which will be sent to Council for consideration, reinforced the following principles:

- Partnership working and Community Leadership – working with partners to reduce costs, make efficiencies and create resilience within the district.
- That Cabinet notes the intention to protect the most vulnerable in our society should also be a thread that runs through all our priorities.

### **CONCLUSION OF IMPACT ASSESSMENT**

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

The proposals and recommendations of these reports do not have much immediate impact as they largely refer to future working arrangements and the impact of these would be presented in due course depending on the agreed approach. In terms of the current SLA's then these contribute to many of the strands of the Sustainable Community Strategy on issues including community safety and valuing people with groups from across the CVFS having existing SLA's.

### **LEGAL IMPLICATIONS**

The contractual arrangements of SLA's with external organisations would need to be improved and this has being discussed informally already with legal staff within the Governance Service. Their involvement would be crucial to developing such agreements in the future.

**FINANCIAL IMPLICATIONS**

The 2011/12 draft budget currently assumes inflationary increases of 2.4% for all city council funded SLA's, therefore if the recommendation to freeze such grants at 2010/11 levels is agreed there will be a saving of £10.5K.

Members are reminded that funding for the Dukes is less in 2011/12 compared to the current year as a result of budget decisions made during the 2009/10 and 2010/11 processes.

Members are also reminded that although LCC grant funding to the SCIC will cease on 31<sup>st</sup> March 2011, there will still be ongoing monitoring requirements in future years arising from output evidence to be achieved as per previous external grant conditions for which the council has acted as accountable body for. There will also be ongoing annual related company reporting requirements for the council as it has a nominated Member on the SCIC board acting as liaison between the SCIC and ourselves.

Ongoing review and monitoring of SLA's by the Partnerships Team will continue to be undertaken in conjunction with ongoing support from Financial Services and Legal Services where appropriate.

**OTHER RESOURCE IMPLICATIONS**

**Human Resources:**

Alternative management arrangements for Welfare Grants would result in a reduction in the administration burden for Democratic Services staff to a level which would be in line with their current staffing levels, following the recent restructure.

Option 1 requires a significant investment in officer time to bring about the changes proposed.

**Information Services:**

There are no specific Information Services implications arising from this report.

**Property:**

There are no specific Property implications arising from this report.

**Open Spaces:**

There are no open space implications arising from this report.

**SECTION 151 OFFICER'S COMMENTS**

As outlined in the financial implications, the recommendations would provide for some savings from 2011/12 onwards and the s151 Officer would advise that these be considered in context of the Council's priorities and its future financial prospects, as well as the need to achieve value for money.

**MONITORING OFFICER'S COMMENTS**

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

**BACKGROUND PAPERS**

Appendix A to the report.

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## Lancaster City Council - SLA's due to expire 31st March 2011 but recommended to extend until 31st March 2012

SLA Agreement	2010/2011 Revised Budget £	2011/12 Base Budget £	2011/12 Inflation £	Draft Budget 2011/2012 £
Dukes Playhouse	148,600	140,600	3,100	143,700
Morecambe Music Residency	10,200	10,200	200	10,400
Ludus	22,200	22,200	200	22,400
Lcr Literature Festival	9,200	9,200	200	9,400
Friends Of Storey Inst.	10,400	10,400	200	10,600
Council for Voluntary Service Grant	15,500	15,700	400	16,100
One Voice Grant	6,000	6,000	100	6,100
Rainbow Centre, Mcmbe	5,000	5,000	100	5,100
Age Concern, Lancs	7,500	7,500	200	7,700
Lcstr District Samaritans	1,500	1,500	0	1,500
Thumbprints	4,100	4,100	100	4,200
Citizens Advice	172,800	172,800	4,100	176,900
Shopmobility	12,300	12,300	300	12,600
Victim Support Scheme	5,000	5,000	100	5,100
Relate (Rent Free Accommodation)	6,800	6,800	200	7,000
Marsh Community Centre				
Lancaster YMCA - Ridge Community Centre	41,600	41,600	1,000	42,600
<b>Total</b>	<b>478,700</b>	<b>470,900</b>	<b>10,500</b>	<b>481,400</b>

**Note:**

1. The base budget for the Dukes reduces in 2011/12 compared to 2010/11 as per decisions made during the 2009/10 & 2010/11 budget cycles.

**CABINET**

**CLIMATE CHANGE INVEST TO SAVE PROJECTS**

**15 February 2011**

**Report of the Heads of Property Services and  
Community Engagement**

<b>PURPOSE OF REPORT</b>			
To seek Cabinet's recommendations in respect of the four potential projects identified in the report			
<b>Key Decision</b>	<b>X</b>	<b>Non-Key Decision</b>	<b>Referral from Cabinet Member</b>
<b>Date Included in Forward Plan</b>		<b>01 February 2011</b>	
<b>This report is public</b>			

**RECOMMENDATIONS OF THE HEADS OF PROPERTY SERVICES AND COMMUNITY ENGAGEMENT**

- (1) That subject to receiving further information, the most energy efficient scheme for replacement of the boilers be accepted for inclusion within the draft Capital Programme for consideration as part of the budget, together with the most appropriate means of funding.
- (2) That the other three projects be taken forward for further appraisal with reports brought back to Cabinet as necessary.

**1.0 INTRODUCTION**

- 1.1 The Government has signed up to international, EU and national targets relating to Greenhouse gas emissions. Under the Kyoto agreement the UK agreed to cut greenhouse gas emissions by 80%; it is subject to the EU renewable energy directive, whereby 15% of our energy needs to come from renewable sources and has passed the Climate Change Act 2008 to put much of this into domestic law.
- 1.2 It has developed a detailed policy agenda including the Low Carbon Transition Plan (on how the UK will meet these emissions targets) and the Renewable Energy Strategy (on how it will introduce renewable energy to meet those targets)
- 1.3 More recently further announcements have been made – the Green Deal, the Green Investment Bank, Feed in Tariffs and the Warm Homes Initiative.

1.4 More recently Cabinet have redefined their priority around climate change: "Prioritising reducing the council's energy costs and increasing income" should be the focus of Lancaster City Council's objective to "Tackle the challenges of climate change". Cabinet Min No. 67 9/11/2010 refers).

## **2.0 REPORT**

2.1 Here are two main incentives for local government that bring with them substantial advantages that engaging in renewable energy can bring to a local economy and its supply chains - Feed in Tariffs (the FIT) and the Renewable Heat Incentive (RHI) which is due to be introduced in 2011.

2.2 Feed in Tariffs give three financial benefits:

- A payment for all the electricity an organisation produces (from renewables), even if the organisation uses it themselves
- Additional bonus payments for electricity exported into the grid
- A reduction on the standard electricity bill, from using renewable energy

2.3 This system has been composed by the government on the basis of the cost of each different type of technology and the financial returns available from each.

2.4 The Renewable Heat Incentive is a UK Government scheme that offers consumers and businesses financial incentives to switch to renewable forms of heating such as biomass, heat pumps or solar power. The UK Government has committed itself to increasing the heat produced from renewable energy to 12% (currently 1%) by 2020. The government intends to meet this commitment by offering homeowners and businesses generous financial incentives to switch to renewable heating systems. The Government has put aside £860m to fund the Renewable Heat Incentive, over the next 5 years.

2.5 In addition to these national targets and government incentives the Council also recognises that in terms of efficiency and value for money it needs to do more to reduce its energy consumption. With this in mind, four potential invest-to-save projects have been identified initially to help achieve this goal. These are set out in Appendices A-D.

2.6 There are still a number of considerable opportunities for the authority to develop further projects in this area.

- The authority owns a number of buildings (including its council housing stock) and parcels of land
- There are opportunities for renewable energy development in the rural areas (biomass, anaerobic digestion and hydro)
- The Council strategic planning policies and plans could provide opportunities for renewable regeneration.

2.7 Potentially investment in renewables can not only pay for itself over a period of time but it can create a 'revolving fund' to reinvest in energy saving measures.

2.8 Local authorities have everything they need to develop schemes: land and buildings to convert, workforces to undertake the work potentially boosting the local economy and the capacity to borrow money to fund these schemes.

### 3.0 OPTIONS

There are four options presented:

### 4.0 OFFICER PREFERRED OPTION

Option A is recommended to proceed on the basis outlined, with the three other options still retained and subject to further appraisal.

### 5.0 DETAILS OF CONSULTATION

It is thought too early to begin any formal consultation

### 6.0 SUMMARY

The new financial incentives for renewable energy generation can provide income streams over the long term and offer significant opportunities.

Much of the technology is tried and tested, cost effective and productive.

In addition to the obvious benefits (free energy, cost savings and income generation) there are potentially wider benefits for our local communities, greater energy security, CO2 emissions reductions and a potential boost to the local economy)

<b>RELATIONSHIP TO POLICY FRAMEWORK</b>
<b>CORPORATE PLAN</b> Supports Economic priority in respect of 'Energy Coast' and Climate Change
<b>CONCLUSION OF IMPACT ASSESSMENT</b>
Reducing emissions will provide a positive impact to the local environment.
<b>FINANCIAL IMPLICATIONS</b>
The initial financial implications of three of the four proposals are presented in the appendices. Additional information for Appendix A and preliminary estimates for Appendix B are still being sought. All of the proposals are still at a very early stage so any costings must be treated as provisional.
It is also possible that through undertaking a combination of proposals, such as A & B together and/or C & D that greater ongoing savings can be realised, albeit this will also require greater initial investment. This will need to be explored further subject to which proposals Cabinet recommend are taken forward, however.
In terms of revenue budget provision, around £21,000 is included for Climate Change implementation in years 2011/12 and 2012/13 only; this is in line with the growth originally considered by Cabinet in November 2009. In addition, a further £7,000 is included every year for Sustainable Initiatives (previously linked to Agenda 21) and a separate £9,000 per year is provided for Energy Conservation. These are spread between Community Engagement and Property Services.



Regarding the Capital Programme generally, this is currently being reviewed in light of recent budget proposals. Whilst previously there were comparatively minor allocations for energy efficiency included within the draft Capital Programme, there is also the potential for well over £1M of surplus balances to be available for invest to save schemes, following January Cabinet. A view will need to be taken on how best to consolidate and manage available resources; this will be covered in the budget report to be included elsewhere on the agenda.

**SECTION 151 OFFICER'S COMMENTS**

Robust financial appraisal of proposals will need to be completed to ensure that any invest to save proposals meet any required criteria; this will be covered in the budget report elsewhere on the agenda.

There is the need to clarify and streamline budget and financial management responsibilities between services. Financial Services will take this forward in conjunction with the other services involved.

**LEGAL IMPLICATIONS**

There are no legal implications arising as a result of this report

**MONITORING OFFICER'S COMMENTS**

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

**BACKGROUND PAPERS**

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## APPENDIX A

### Replacing the boilers at Lancaster Town Hall

The existing gas fired boilers and ancillary plant-room pipe-work, pumps; controls etc which provide heating and hot water to Lancaster Town Hall are now approaching the end of their economical life. Due to the age and condition of the existing boiler room plant it was recommended in the 2006 condition survey that they be urgently replaced with new energy efficient technology and, if possible, a renewable energy source.

Property Services commissioned Capita Symonds to examine various options for the replacement of the boiler room heating plant. Their report identifies renewable options that may be incorporated as part of the replacement works in order to reduce the building energy consumption.

The heating / renewable options reviewed in Capita Symonds report are noted below:

- Gas fired condensing boiler plant with solar thermal installation to provide domestic hot water.
- Biomass boiler with secondary gas fired condensing boiler plant.
- Combined heat and power (CHP) with gas fired condensing boiler plant.
- Ground Source Heat pumps with gas fired condensing boiler plant.
- Air Source Heat pumps with gas fired condensing boiler plant.

Capita Symonds concluded that the preferred heating replacement option which could be considered viable for Lancaster Town Hall was:

#### Gas fired condensing boiler plant with solar thermal installation

- This option would involve replacing gas fired boilers including gas train, controls, flue, plant-room pipe-work, valves, insulation, pumps and pressurisation unit. Installing solar thermal panels on the flat roof area above Ashton Hall. Replacing existing calorifiers with a solar pre heat cylinder and indirect calorifier.
- Budget cost: £150,000 to £200,000

#### Potential savings

Current annual gas usage:	646,950 kWh
Current annual gas bill:	£17,808.82

Potential annual saving from solar thermal installation: (11,091) kWh

Potential annual saving from new boiler Installation: (32,348) kWh

Total annual kWh saving:	(43,439) kWh
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Estimated revised annual usage:	603,511 kWh
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Estimated annual gas bill:	£16,613.06
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Estimated annual financial saving: **£1,195.76 pa**

Capita Symonds further recommend that the following works are also considered although at this stage there is no estimation of cost. Indeed some of the items are

being included as part of the works currently being undertaken to the roof of the Town Hall

- Reduce air permeability through the building façade.
- Increase the building insulation.
- New control system / incorporate weather compensation and building heating zones.
- Replace existing pumps with new variable speed units.
- Install thermostatic radiator valves (TRV's).

As an invest to save project, the savings in terms of financial and KWh's appear to be low for a large capital investment. However, as the boilers are coming to the end of their life and could fail at any time leaving the building without heating, a further report has been commissioned from Norfolk Property Services (NPS) to clarify the most appropriate energy efficient option for boiler replacement. Details of this report will be provided to members prior to, or at, the cabinet meeting, including whole life costing information.. It is therefore recommended that, subject to the information contained in the NPS report, the most energy efficient scheme for replacement of the boilers is accepted for inclusion within the draft Capital Programme together with the most appropriate means of funding (such as through any Invest to Save Reserve, if appropriate, or alternatively through other general capital resources).

At as January, only around £33,000 is included in the Capital Programme for replacement boilers, under Municipal Building Works. Clearly this will need to be increased.

## **APPENDIX B**

### **Installing secondary glazing at Lancaster Town Hall**

Secondary glazing units are tailor-made to fit inside the existing windows, unobtrusive on the inside and practically invisible on the outside, preserving the quality of the existing windows while allowing the benefits of a warmer, quieter and more secure environment. Secondary double glazing windows can combat noise pollution and also improve energy efficiency as air is trapped between the existing window and the new secondary window, insulating against the cold outside and preventing draughts.

Following discussions with Lancaster City Council's Conservation Officer he can see no reason why the installation of secondary double glazing can not be installed at Lancaster Town Hall, although there would still be a need for a listed building consent application.

At this stage a specialist secondary glazing company have been asked to produce a matrix of window costs to allow a budget to be formulated. The cost matrix should be available with the next three weeks.

It is envisaged that these works would fall as capital. There is no specific budgetary provision at present and therefore funding from any Invest to Save reserve would need to be considered in due course.

## **APPENDIX C**

### **Laying a heat exchange pipeline between Salt Ayre Landfill Site and Salt Ayre Sports Centre**

Viridis Energy operate a landfill gas generation facility at Salt Ayre in Lancaster, under contract to SITA UK Limited. SITA Power and Lancaster City Council have discussed the possibility of supplying low carbon heat recovered from the landfill gas generators to council-owned premises in the vicinity of the landfill site. In particular we have asked SITA to assess the feasibility of supplying Salt Ayre Sports Centre.

A feasibility study, conducted by Parsons Brinckerhoff, could be delivered at the costs detailed below. Such a study will identify the options available to Lancaster City Council for pursuing the development of a low carbon heat exchange pipeline between Salt Ayre landfill site and Salt Ayre Sports Centre. It will determine the advantages, disadvantages, costs and risks relating to the options available.

If the pipeline is progressed, this would result in financial and carbon savings for Salt Ayre Sports Centre as their energy use will be reduced. The exact savings expected will be determined as part of the feasibility study.

The feasibility study comprises:

- Stage 1: Commission a Heat Demand Assessment at a cost of £3,250
- Stage 2: Commission a Viability Assessment at a cost of £3,370 (a 50% contribution with SITA paying 50%), covering:
  - A district heating pipework
  - An economic assessment

To enable the feasibility study to take place, the Council is required to allocate staff time to gather the data for the Heat Demand Assessment, staff time to liaise with the consultants and the financial contributions given above. The funds could potentially be taken from the Climate Change Implementation budget of £20,000 in 2010/11, if the same is agreed.

If agreed, it is anticipated that the pipeline project could be completed in 2012/13.

**APPENDIX D****Installing solar photovoltaic cells at Salt Ayre Sports Centre (also generates income from FITs)**

A local company has carried out a basic site assessment of Salt Ayre Sports Centre to determine the suitability of installing solar photovoltaic (PV) cells on the roof.

Such an installation will provide free, renewable energy to Salt Ayre, therefore reducing energy costs and the carbon footprint of the building, and will also generate income from the new Feed in Tariffs (FITs). FITs require energy suppliers to make regular payments to local authorities that generate their own electricity from renewable or low carbon sources.

They have advised that one of the following installations would be suitable for Salt Ayre, dependent on the initial investment:

<b>Capacity of Array (kW)</b>	<b>Size of Array (m<sup>2</sup>)</b>	<b>FIT Rate (p/kWh)</b>	<b>Additional Payment for Energy Export (£)</b>	<b>Estimated Installation Cost (£)</b>	<b>Accumulative annual income over 25 year lifespan* (£)</b>	<b>Payback (years)</b> <small>See note 1 below</small>
3.76 <i>(domestic size)</i>	28.4	41.3	0.03	17,484	56,780	10
9.4	71.0	36.1	0.03	37,600	125,098	10
11.75	88.8	31.4	0.03	45,825	137,334	10
29.61 <i>(bespoke frame)</i>	223.7	31.4	0.03	121,401	346,081	11

Note 1 The reduction in energy costs is additional to this figure and has not yet been calculated. It is anticipated therefore that the payback period will reduce.

It is anticipated that the various revenue budgets can be used to contribute towards this project, with potential additional funds held over from 2010/11 if the same is agreed. Further funds would need to be secured to ensure the larger installations; this could include use of the proposed Invest to Save Reserve, referred to elsewhere on the agenda.

It is recommended that alternative technologies are only installed once a building has already made efforts to reduce its energy use. The staff at Salt Ayre have been successfully reducing energy use at the centre for the past 2 years through a £29,000 investment in technologies, such as a pool cover, and through raising staff awareness. Electricity use decreased by 33% and gas by 25% in 2009/10, resulting in substantial financial savings. These savings have continued to increase throughout 2010/11, making Salt Ayre a prime site to explore the use of renewable technologies and FITs.

The next step to carry out this project is to conduct a full site assessment and liaise with local Planning.

If agreed, it is anticipated that the solar PV installation could be completed by winter 2011.