

CABINET

10.00 A.M.

26TH JULY 2011

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

Officers in attendance:-

Mark Cullinan	Chief Executive
Nadine Muschamp	Head of Financial Services and Section 151 Officer
Graham Cox	Head of Property Services
Andrew Dobson	Head of Regeneration and Policy Service
Richard Tulej	Head of Community Engagement Service
Sarah Taylor	Head of Governance and Monitoring Officer (Minute 21)
Liz Bateson	Principal Democratic Support Officer

17 MINUTES

It was proposed by Councillor Hamilton-Cox, seconded by Councillor Barry and resolved unanimously:

“That the exempt minute in relation to the Former Shell/ICI Site (Minute 16) be made public and that the minutes of 5 July 2011 be revised accordingly.”

Resolved:

That the exempt minute in relation to the Former Shell/ICI Site (Minute 16) be made public and that the minutes of 5 July 2011 be revised accordingly.

18 ITEMS OF URGENT BUSINESS AUTHORISED BY THE LEADER

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

19 DECLARATIONS OF INTEREST

No declarations were made at this point.

20 PUBLIC SPEAKING

Members were advised that there had been a request to speak at the meeting from a member of the public in accordance with Cabinet's agreed procedure, as set out in Cabinet Procedure Rule 2.7, with regard to Lancaster Market (Minute 21 refers).

Peter Corke, Chairman of Lancaster Market Trader's Association spoke to this item.

21 LANCASTER MARKET

(Cabinet Member with Special Responsibility Councillor Barry)

Cabinet received a report from the Head of Property Services to consider options for the future of Lancaster Market including the opportunity to integrate with the City Museum.

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

The Council had several options on how it might move the market forward. These options were based on the decision taken by Council in March 2010 to retain a refurbished and revitalised market in Lancaster.

	<p>Option 1:</p> <ul style="list-style-type: none"> To implement the finding of the NCS review which would require the following investment <table border="1"> <thead> <tr> <th></th> <th>Budget Figure (£)</th> </tr> </thead> <tbody> <tr> <td>Entrance doors</td> <td>40K per entrance</td> </tr> <tr> <td>Internal layout changes</td> <td>400K</td> </tr> <tr> <td>Drop down banners</td> <td>1K</td> </tr> <tr> <td>External glazing vinyl transfers</td> <td>12K (+ original images)</td> </tr> <tr> <td>Demountable stalls</td> <td>1K each</td> </tr> <tr> <td>Part-time business development manager</td> <td>20K per annum</td> </tr> </tbody> </table> <ul style="list-style-type: none"> Review the rents to market value once the refurbishment works are completed 		Budget Figure (£)	Entrance doors	40K per entrance	Internal layout changes	400K	Drop down banners	1K	External glazing vinyl transfers	12K (+ original images)	Demountable stalls	1K each	Part-time business development manager	20K per annum
	Budget Figure (£)														
Entrance doors	40K per entrance														
Internal layout changes	400K														
Drop down banners	1K														
External glazing vinyl transfers	12K (+ original images)														
Demountable stalls	1K each														
Part-time business development manager	20K per annum														
Advantages	<ul style="list-style-type: none"> The NCS proposals would provide an opportunity to reinvigorate the market and potentially bring in new tenants. 														
Disadvantages	<ul style="list-style-type: none"> There would be a substantial cost to the council and no guarantee that the scheme would be a success or that the existing deficit, currently estimated at £619,500 for 2011/12 would be reduced. 														
Risks	<ul style="list-style-type: none"> There is a risk that reduced number of traders would continue in the market as a result of the increased rents. This could lead to a further spiralling down of the market prior to refurbishment works being undertaken. 														

	<p>Option 2:</p> <p>As a consequence of discussions held with the market traders there is a proposal to move all tenants down to the ground floor, and retain first floor accommodation for either a single let or a let at some other use, e.g. exhibition space. Costs of the works, including a plan of the proposal, are show at Appendix B.</p> <ul style="list-style-type: none"> The costs of refurbishing the ground floor to
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	<p>accommodate such usage, with minimal refurbishment to the first floor are estimated at £270K including fees. However, it should be noted that this does not include the cost of any particular fitting out requirements in individual stalls other than specialist works to relocate café kitchen equipment. Market traders have expressed the view that the council should be responsible for all costs of any move, although cabinet may wish to indicate whether they feel that traders should contribute to fit out costs as part of this agreement</p> <ul style="list-style-type: none"> • Consideration could be given under this arrangement to increase rents to full market value on completion of works.
Advantages	<ul style="list-style-type: none"> • The move of all units to the ground floor will give the traders more visibility and create a greater sense of vitality to the market • Traders appear to be in agreement with the option, and this cooperation of the traders may well encourage a quicker resolution to current underutilisation. • The option would cost less than full refurbishment
Disadvantages	<ul style="list-style-type: none"> • There would still be a substantial cost to the council, with no guarantee that the scheme would be a success • There would be limited assurance that the deficit would be reduced as there is currently no confirmed tenant to take the upper floor at a market rent and no absolute guarantee that all existing traders would remain in the market after a move to the ground floor. • Tenants may find the new rents and service charges on the ground floor unaffordable, and the council would still have a significant deficit, currently estimated at £619,500 for 2011/12, with reducing numbers of stalls
Risks	<ul style="list-style-type: none"> • Increased rents and service charges may reduce stall holder numbers • Significant investment with no guaranteed return • The Landlord and Tenant process will result in new leases being granted, without a break/redevelopment clause, and if this was to happen, any move by the tenant would need to be by agreement of <u>all</u> the tenants. Should a single tenant not wish to relocate, the proposal could not be implemented.

However, should the council wish to consider the option of not retaining a refurbished and revitalised market in Lancaster, the following options are appropriate:

	<p>Option 3:</p> <ul style="list-style-type: none"> • To renew the existing tenancies on a four year lease (subject to the outcome of the application to court) • Not to invest any further funds in remodelling the market building • Keep rents at the level set by cabinet on the 22 June
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	2010. (subject to court determination)
Advantages	<ul style="list-style-type: none"> • Certainty will be given to the tenants regarding the future of the indoor market, which may encourage new tenants to take units and prevent stall holders leaving • No capital allocations will be required other than the repair and maintenance funds needed to implement the conditions of the lease.
Disadvantages	<ul style="list-style-type: none"> • Stall holders will continue to leave because no investment has been made • The market will continue to run at a significant financial loss to the council, which may increase should further stall holders leave • There will be no significant change programme for the market, and as identified in the NCS report, such change is required to try and achieve a vibrant and vital market for the future.
Risks	<ul style="list-style-type: none"> • Ongoing general deterioration of the market hall • Tenants will continue to leave • Landlord/Headlease costs are fixed, and the revenue losses to the market, currently estimated at £619,500 for 2011/12, may increase

	<p>Option 4:</p> <ul style="list-style-type: none"> • Renew the existing tenancies on a four year lease (subject to the outcome of the application to court) • Provide no further investment in to the premises for remodelling purposes • Increase the rent and service charges to the full market value (subject to court determination)
Advantages	<ul style="list-style-type: none"> • Certainty will be given to the tenants regarding the future of the indoor market, which may encourage new tenants to take units and prevent stall holders leaving • No capital allocations will be required other than the repair and maintenance funds needed to implement the conditions of the lease.
Disadvantages	<ul style="list-style-type: none"> • Tenants may continue to leave due to lack of investment • The increased rent may encourage tenants to leave at a greater pace • The 'net' cost of holding the building will increase and revenue/rent decreases.
Risks	<ul style="list-style-type: none"> • Ongoing general deterioration of the market hall • Tenants will continue to leave • Landlord/Headlease costs are fixed, and the revenue losses to the market, currently estimated at £619,500 for 2011/12 may increase

In light of the findings of the report, and on the assumption that the Council still desired a thriving indoor market in line with Cabinet and Council decisions, it was evident that investment of some sort was needed in the market but achieving that desire is by no means guaranteed. It would be normal to carry out some form of cost benefit analysis to determine the benefits of investment in the market. However, it was impossible to predict

the future income of the market due to the uncertainty of whether all existing traders would remain in the market and whether there would be any additional take up of stalls. As a result, whilst the main conversion cost for the ground floor of the market was known, any meaningful assessment of future income was not possible. However, the Council was committed to the market until at least March 2015 and a view needs to be taken as to the operation of the market during that period.

It was considered that, taking into account all known risks, option 2 would provide the best resolution to the very difficult, complicated and complex issues that surround the market.

Councillor Barry proposed, seconded by Councillor Hamilton-Cox:-

- (1) "That the recommendations, as set out in the report be approved with the addition of a further recommendation: 'that legal agreement be reached with traders on the move to the bottom floor and to costs that traders would pay for moving and fitting out.'"

By way of an amendment to recommendation (7), which was accepted as a friendly amendment by the mover and seconder of the proposal, Councillor Bryning proposed:

"That all recommendations with the exception of recommendation (1) be referred on to Council for consideration, and that they also be subject to the outcome of a financial appraisal of all relevant options to reflect the Council's fiduciary responsibilities to council tax payers as a whole, and that this appraisal be reported to Council for consideration to inform its final decision-making."

Councillors then voted on the amended proposition:-

Resolved unanimously:

- (1) To not move the market to the museum.
- (2) To move all market traders onto the ground floor and not to increase rents or service charges at this point.
- (3) That legal agreement be reached with traders on the move to the bottom floor and to costs that traders would pay for moving and fitting out.
- (4) That the move in (2) be done with some urgency to protect existing businesses on the top floor and to protect the Council's future rental income.
- (5) To seek alternative tenants for the upper floor.
- (6) To carry out the recommendations in terms of improved marketing and management recommended to Council in the NCS report received in December 2010.
- (7) To examine the Council's costs of running the market and to consider whether these can be reduced.
- (8) That all recommendations with the exception of recommendation (1) be referred on to Council for consideration, and that they also be subject to the outcome of a financial appraisal of all relevant options to reflect the Council's fiduciary responsibilities to council tax payers as a whole, and that this appraisal be reported to Council for consideration to inform its final decision-making.

Officers responsible for effecting the decision:

Head of Property Services
Head of Financial Services

Reasons for making the decision:

The City Council wishes to maintain an economically sustainable city centre and retaining and improving the provision of the indoor market can help to facilitate this. Members need to ensure that their decision-making is based on appropriate consideration of relevant factors, including cost, risk, value for money and other finance related matters as outlined in the report. This is in recognition of their fiduciary duties to local taxpayers as a whole. Clearly at this stage the options presented did not take account of any investment appraisal and therefore information was incomplete. The decision will enable a full options appraisal to be produced and included in the referral report to Council.

**22 PROVISIONAL REVENUE, CAPITAL AND TREASURY MANAGEMENT OUTTURN
2010/11**

(Cabinet Member with Special Responsibility Councillor Bryning)

Cabinet received a report from the Head of Financial Services which provided summary information regarding the provisional outturn for 2010/11 and the timetable for completion of the closure of accounts process. It also set out information regarding the carry forward of underspent/overspent revenue budgets and capital slippage for Members' consideration, and sought approval of various Prudential Indicators for last year for referral on to Council. The Treasury Management Outturn report (previously reported separately) was also included.

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

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

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

- Approve any number of the items / requests, in full or part.
- Refuse any number of the requests and if commitments have already been incurred, require alternative funding options to be identified. Cabinet was requested to note, however, that this might impact on other areas of service delivery.

- Request further information regarding them, if appropriate. Cabinet was asked to bear in mind any work required against the value of the individual bids.

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

Although 2010/11 has been an uncertain year financially, as at 31 March the Council had improved its financial standing overall by generating net efficiency savings and through other underspendings. Balances were significantly higher than forecast. Whilst there were still uncertainties surrounding the outcome of Icelandic investments, the Council had retained its provisions to cover 'worse case' estimated losses and therefore potentially there was scope for its financial position to improve further, should a positive ruling be forthcoming. Looking forward, the Council had earmarked further reserves to help respond to the ongoing financial challenges expected over the coming years. Given funding prospects the Council must continue to reduce costs wherever possible – substantially more efficiency and other savings initiatives would be needed in future in order to ensure a balanced annual budget and financial stability.

Councillor Bryning proposed, seconded by Councillor Smith:-

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

Councillors then voted:-

Resolved unanimously:

1. That the provisional outturn for 2010/11 be noted.
2. That Cabinet notes the transfers to provisions and reserves actioned by the Head of Financial Services as set out in section 4.2 of the report.
3. That Cabinet approves the recommendations regarding carry forward of overspendings as set out at Appendix F in the report.
4. That Cabinet approves the requests to carry forward underspent General Fund revenue budgets numbered 1 to 14 and the Housing Revenue Account request numbered 19 all as set out at Appendix G, with referral on to Council where appropriate.
5. That Cabinet approves the remaining General Fund carry forward requests numbered 15 to 18, which involve some change of use from the original budget purpose, with referral onto Council where appropriate.
6. That Cabinet approves the requests for capital slippage as set out at Appendix J.
7. That the timetable for completion and reporting of the closure of accounts be noted, as set out in section 8 of the report.
8. That the Annual Treasury Management report as set out at Appendix K be noted

and referred on to Council.

9. That the Prudential Indicators as at 31 March 2011 as set out at Appendix L be approved for referral on to Council.

Officers responsible for effecting the decision:

Head of Financial Services

Reasons for making the decision:

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

23 SHARED SERVICES PROGRAMME

(Cabinet Member with Special Responsibility Councillor Blamire)

Cabinet received a report from the Chief Executive to report on progress made in developing a shared services programme for the Council as requested as an action from the Corporate Performance Monitoring Report Quarter 1 2010, since the last progress report presented to Cabinet on the 19 April 2011.

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

To note the progress being made in respect of the service areas identified in the Appendix to the report and to receive reports back to Cabinet as appropriate to meet any decision-making deadlines and to ensure that any service improvements and efficiencies are considered as part of the budget exercise.

Councillor Blamire proposed, seconded by Councillor Hanson:-

“To approve the recommendations as set out in the report with a further two recommendations with regard to establishing a Shared Services Cabinet Liaison Group and inviting a representative from Liverpool Council to discuss their experience in relation to shared services with members.”

Councillors then voted on the amended proposals:-

Resolved unanimously:

- (1) That Cabinet notes the progress made in developing a Shared Services Programme for the Council, since the last progress report presented to Cabinet on the 19 April 2011.

- (2) That officers continue to develop shared service partnership opportunities for achieving service improvements and efficiencies with a view to reporting back as determined by Cabinet and as appropriate to achieve any decision-making deadlines.
- (3) That a Shared Services Cabinet Liaison Group be established.
- (4) That a representative from Liverpool Council be invited to discuss their experience in relation to shared services with members.

Officers responsible for effecting the decision:

Chief Executive

Reasons for making the decision:

The efficiencies delivered from developing a shared service programme will greatly assist in achieving the outcomes of the Council’s savings and efficiency programme and targets included in the Medium Term Financial Strategy. The decision also supports the Council’s Corporate Plan priorities for working closely with other partner organisations to deliver improved benefits for the Lancaster district community. Establishing a Cabinet Liaison Group will enable members to get more involved in the details.

24 CYCLING - FUTURE ACTIONS FOLLOWING CYCLING DEMONSTRATION TOWN PROJECT

(Cabinet Member with Special Responsibility Councillor Hanson)

Cabinet received a report from the Head of Regeneration and Policy with regard to proposed future actions following on from the Cycling Demonstration Town Project.

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

	Option 1: That the grant offer be accepted and approval given for a procurement process for this works in combination with the Section 106 funds from the Globe Arena.	Option 2: Not to accept the offer of the funding.	Option 3: None
Advantages	Increased amenities for cycling to schools. Builds on the skills and infrastructure developed in	None	

	delivering the CDT project.		
Disadvantages	None	THIS WOULD MISS THE OPPORTUNITY TO ENCOURAGE MORE SUSTAINABLE TRAVEL OPTIONS FOR SCHOOL PUPILS AND STAFF AS WELL AS OTHER MEMBERS OF THE COMMUNITY.	
Risks	There is a small element of risk that costs could exceed the budget but robust estimates have been used for the bid and additional funding from our revenue budget would be available.	Reputational risk that the Lancaster City Council is not taking opportunities to promote sustainable transport measures	

Local Sustainable Transport Fund

	Option 1: THAT THE COUNCIL NOTE THE BID IN CONSORTIUM WITH SUSTRANS , DEVON COUNTY COUNCIL AND 36 OTHER LOCAL AUTHORITIES AND AUTHORISE OFFICERS TO WORK UP THE BID IF SUCCESSFUL IN THE FIRST ROUND AND REPORT FURTHER DETAILS WHEN AVAILABLE.	Option 2: That the council do not take forward this bidding process.	Option 3: None
Advantages	Further funding to promote cycling	None	
Disadvantages	None	Missed opportunity for funding to	

		promote sustainable transport within the district	
Risks	None	Without continued funding the infrastructure and initiatives already in place from the CDT Project could go into decline and suffer	

Partnership working with the County Council

	Option 1: That the Head of Regeneration & Policy be given delegated authority to agree partnership work with the County Council to deliver cycling schemes, subject to there being no additional call on City Council budgets	Option 2: Do not work in partnership with the County.	Option 3: None
Advantages	Builds on existing partnering experience and provides fee income for work.	None	
Disadvantages	None	Missed opportunity for funded partnership working and loss of fee income for staff time	
Risks	None	Reputational	

Support for the Continuation of the Bike it Officer

	Option 1: That the Council continue to work in partnership with Sustrans and support the Bike it Officer with £16.7k from Public Realm revenue budget.	Option 2: Do not offer this support	Option 3: None
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Advantages	Builds on existing partnering and continues valuable work to encourage school pupils to cycle safely and responsibly. Supports other proposed works (Links to Schools at Westgate & Heysham)	None	
Disadvantages	Commits City Council revenue budget	Local schools will lose the resource to encourage their pupils to use bicycles safely and responsibly	
Risks	None	Reputational	

The officer preferred option in each of the above was option 1. Sustainable methods of transport such as cycling are increasingly important for health, environmental and wider economic reasons. All of these initiatives improve the provision and encourage the use of cycling as a means of transport. In addition, as they are mainly aimed at educational establishments, they help to establish a healthy culture in young people which hopefully will last throughout their lives.

Councillor Hanson proposed, seconded by Councillor Barry:-

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

Councillors then voted:-

Resolved unanimously:

- (1) That the Memorandum of Understanding with Sustrans which allocates £136,000 funding for cycling links to schools at Westgate and Heysham, in combination with the Section 106 contribution from the Globe Arena, be approved and officers authorised to undertake a procurement process for these works.
- (2) That Cabinet notes Lancaster City Council’s participation in a thematic bid for the Department for Transport’s Local Sustainable Transport Fund in partnership with Sustrans and 36 Local Authorities and endorses officers pursuing this initiative if the bid reaches the second stage when a business plan will be required.
- (3) That the Head of Regeneration and Policy be given delegated authority to agree works in partnership with Lancashire County Council to deliver cycling schemes, subject to there being no additional call on City Council Resources.

- (4) That Cabinet approve the use of Public Realm revenue budget to support the continuation of the “Bike It Officer” employed by Sustrans.
- (5) That the General Fund Revenue and Capital Budgets be updated accordingly.

Officers responsible for effecting the decision:

Head of Regeneration & Policy
 Head of Financial Services

Reasons for making the decision:

The decision fits with the Corporate Plan priorities in relation to Partnership Working and Climate Change as well as the Sustainable Community Strategy priorities of promoting and enhancing sustainable forms of transport and providing positive activities for children and young people. Having successfully completed the Cycling Demonstration Town (CDT) project over the last six years the decision endorses proposals to continue to progress the promotion of cycling as a healthy, economic and environmentally friendly means of transport.

25 INTERNATIONAL YOUTH GAMES 2012/13

(Cabinet Member with Special Responsibility Councillor Sands)

Cabinet received a report from the Head of Community Engagement in order to seek members’ views regarding hosting of the International Youth Games in 2013.

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

	Option 1 To send teams to Rendsberg 2012 and to host the International Youth Games in 2013	Option 2 To send teams to Rendsberg in 2012 and not to host in 2013.	Option 3 To withdraw from both Rendsberg 2012 and the hosting opportunity in 2013
Advantages	Continue to shape the benefits of the Games beyond those of sport and more strongly align with corporate priorities as referred to within this report. Exploration of tourism opportunities that may exist between	Financial savings to the Council in 2013/14 – in the region of £53k.	Financial savings to the Council in 2012/13 in the region of £5k and £53k in 2013/14.

	<p>the countries.</p> <p>Provide opportunities for partners to become involved particularly with the hosting – maximising the diverse and unique offer the district provides.</p> <p>Opportunities to develop the role of the civic delegation.</p>		
Disadvantages	<p>In order to host the games staff resources will need to be maximised and work commence as soon as possible in order to put arrangements in place.</p> <p>Significant cost to the Council</p>	<p>Missed opportunity to showcase the district to the region on a sporting and cultural front.</p> <p>Missed opportunities to further develop other potential (as yet unexplored) benefits taking part in the games might provide.</p> <p>Potential negative impact upon the Council's reputation</p>	<p>Missed opportunity to showcase the district to the region on a sporting and cultural front.</p> <p>Missed opportunities to further develop other potential (as yet unexplored) benefits taking part in the games might provide.</p> <p>Potential negative impact upon the Council's reputation</p>
Risks	<p>An early decision is required with respect to attendance at Rendsberg and also hosting. Delay could increase the risk of venues not being available nearer the time.</p>	<p>There is a risk that the invitation to Rendsberg may be withdrawn.</p> <p>There is a possibility (although unlikely) that the invitation to Aalborg this year could be withdrawn.</p>	<p>Unlikely that any future invitation to participate in the Games would be received.</p>

Following the recent elections, this report provided an opportunity for the new Cabinet to reaffirm (or otherwise) its commitment to continue to take part in the International Youth Games in the light of the ongoing difficult financial climate and the Council's current priorities. The Officer preferred option was Option 1. Taking part in future International Youth Games provided an opportunity to showcase the district to the region on a sporting and cultural front in addition to other potential benefits which could be developed to offer more support to the Council's corporate priorities.

Councillor Blamire proposed, seconded by Councillor Bryning:-

- "(1) That Cabinet reaffirms the Council's commitment to participate in the International Youth Games in Rendsberg in 2012 and to act as host to the Games in 2013.
- (2) That arrangements be made to set aside funds from the previous year's underspending to assist with the costs incurred in hosting the Games and these be factored into the next MTFS update."

Councillors then voted:-

Resolved unanimously:

- (1) That Cabinet reaffirms the Council's commitment to participate in the International Youth Games in Rendsberg in 2012 and to act as host to the Games in 2013.
- (2) That arrangements be made to set aside funds from the previous year's underspending to assist with the costs incurred in hosting the Games and these be factored into the next MTFS update.

Officers responsible for effecting the decision:

Head of Community Engagement
Head of Financial Services

Reasons for making the decision:

An early decision prior to the main budget process will provide sufficient time to plan and organise the hosting of the Games in 2013. Attendance and hosting of the International Youth Games helps support Council priorities including visitor economy and partnership working and an opportunity to showcase the district to the region on a sporting and cultural front in addition to other potential benefits which could be developed to offer more support to the Council's corporate priorities.

26 LDLSP PERFORMANCE REWARD GRANT

(Cabinet Member with Special Responsibility Councillor Blamire)

Cabinet received a report from the Head of Community Engagement to seek approval for the latest proposals from the Lancaster District Local Strategic Partnership (LDLSP) Management Group for the allocation of the one-off Performance Reward Grant (PRG).

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

	Advantages	Disadvantages	Risks
Option 1: Approve the proposals	<p>Key priorities for the LDLSP and the City Council will be addressed, including the Climate Change, Economic Regeneration and Partnership Working corporate plan priorities</p> <p>A significant amount of matched funding will be secured for the district</p> <p>Delegation of authority to agree the specific domestic abuse activities will ensure no delay in decision-making</p>	<p>There will be no PRG revenue funding available to address any future issues that arise</p>	<p>Financial and reputational risks: The initiatives are complex and will require strong leadership and management to ensure they are successful. If this is not achieved then any delays or failures could result in a waste of public funds, and reputational risk to the LDLSP and its partners, including the City Council.</p>
Option 2: Do nothing	<p>The PRG funding would be available for other initiatives.</p>	<p>The proposed initiatives will not go ahead, leading to missed opportunities to deliver better services and outcomes for local people.</p> <p>Matched funding via the CERT and FITs schemes will be lost.</p>	<p>Reputational risk: there is the potential for a loss of trust between the City Council and other LDLSP partners</p>

The LDLSP has finalised proposals for the proposed PRG initiatives and approval from Cabinet was required to ensure that these benefits were now realised:

- The focus on hydroelectricity would facilitate the development of long-term renewable energy initiatives that would leverage initial investment AND provide a long-term benefit for local communities.
- The 'Warm Homes' initiative would insulate 2000 homes, many occupied by households at risk of fuel poverty, with matched funding maximising the

LSP's investment.

- The social enterprise initiative would help to create self-sustaining service delivery and will enhance the potential of local organisations in supporting their local communities.
- The fund finder initiative will not only bring at least £1 million of new strategic investment into the district, but would improve the ability of organisations to successfully bid for their own funds in future.
- The domestic abuse initiative would provide direct and immediate support to some of the district's most vulnerable families, as well as helping to ensure a sustainable future for domestic abuse services beyond 2012.

These initiatives were complex and amendments to the plans would certainly be required – by delegating authority to the Leader to approve those decisions Cabinet would ensure that approval was given in a timely manner.

PRG was a one-off opportunity and these initiatives would ensure that it would meet partner expectations and deliver a lasting legacy in the district. Further initiatives that would benefit from the unallocated capital PRG monies were currently being considered by the LSP. Authorisation for any proposed use of this would be sought in a subsequent report to Cabinet - there was no deadline by which the PRG must be spent.

Councillor Barry proposed, seconded by Councillor Hamilton-Cox:-

- (1) "That the recommendations, as set out in the report, be approved with the following amendment to recommendation (3): 'That the LDLSP be asked whether the figure of £35K for advice within the Social Enterprise Initiative would be better spent on direct funding to organisations and that the Leader of the Council be requested to make a decision based on their response.'"

Councillors then voted on the amended proposition:-

Resolved unanimously:

- (1) That Cabinet notes the requirements of the Performance Reward Grant protocol with Lancashire County Council that "*LSP's shall make recommendations to the District Councils as to the allocation of the PRG and all funding decisions shall be made via this route*" and that "*councils have the responsibility for the proper use of the funds and therefore for formally approving the allocation of the funds.*"
- (2) That Cabinet notes the progress made with the Performance Reward Grant initiatives and the formation of an LDLSP Performance Management Sub-Group to ensure outputs and outcomes are delivered.
- (3) That, in line with Recommendation 1, that the LDLSP proposals for allocation of Performance Reward Grant are approved as follows, subject to the council's accountable body requirements, including appropriate financial procedures and performance management and the LDLSP be asked whether the figure of £35K for advice within the Social Enterprise Initiative would be better spent on direct

funding to organisations and that the Leader of the Council be requested to make a decision based on their response.

- £15k revenue funding to support the development of further hydroelectricity initiatives, via an open, competitive bidding process
 - £100k capital and £5k revenue funding to support the Warm Homes scheme
 - £120k revenue funding to support the Social Enterprise Initiative
 - £100k revenue to support the Cooperative Fund Finding Initiative
 - £70k revenue to support services for the victims of domestic abuse
- (3) That approval for the specific allocations within the domestic abuse initiative, and any further amendments to any of the other initiatives, is delegated to the Leader of the Council to ensure that the council's responsibilities for Performance Reward Grant are fully met.
- (4) That the Council's General Fund (GF) Capital Programme and GF Revenue Budget are updated as appropriate across 2010/11 and 2011/12 in line with expected spending profiles.

Officers responsible for effecting the decision:

Head of Community Engagement
Head of Financial Services

Reasons for making the decision:

The initiatives proposed would impact on the Corporate Plan priorities as follows:

- Climate Change – the Hydroelectricity and Warm Homes schemes will reduce CO₂ emissions in the district
- Economic Regeneration - The Social Enterprise Initiative will increase the number of financially sustainable small businesses in the area
- Partnership Working and Community Leadership: all the initiatives will be delivered in partnership, and the Cooperative Fund Finder initiative will help increase the resources available for key partnership projects
- Protecting the most vulnerable in society: those at risk of fuel poverty will be supported through the Warm Homes scheme, and vulnerable individuals and families will be supported through the Domestic Abuse scheme

27 BUSINESS IMPROVEMENT DISTRICTS FOR LANCASTER AND MORECAMBE

(Cabinet Member with Special Responsibility Councillor Hanson)

Cabinet received a report from the Head of Regeneration and Policy to provide background information on the concept of Business Improvement Districts (BIDs) and update members on work towards the establishment of BIDs in Lancaster and

Morecambe.

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

Although the report was primarily provided to update Members the following options could be considered:

	Advantages	Disadvantages	Risks
Option 1: Do nothing	No advantages.	Loss of credibility with business community. No contribution to council's Corporate objectives.	Council may be in breach of statutory duties to support BID proposer as defined in BID legislation.
Option 2: Continue with preparations for introduction of BIDs in partnership with Lancaster Chamber in Lancaster and with the local trade associations in Morecambe	Successful BID should have benefits for the local authority as well as the business community. Clear and credible leadership for the business community to identify with. Potential for more effective use of council resources and innovation in town centre service delivery. Should engender a closer relationship between business community and statutory service providers. Fosters improved and clearer communication and genuine partnership with business Effective opportunity for local businesses to have a voice on subjects relating to the environment in which they trade.	No guarantee that BID ballot in Lancaster or Morecambe would ultimately be successful. Allocated resource for BID proposer/partnership to move to 'BID readiness' will need to be supplemented by council officer resources. Relatively long lead in period to ensure best possible chance of success.	Council and officer resources required pre and post ballot which need to be fully defined and understood. Implications for council and other statutory services of committing to 'baseline' service provision over BID lifetime may reduce flexibility.
Option 3: Explore alternative routes / partnerships for introduction of BIDs in Lancaster and Morecambe	Could have same benefits as Option 2 although development could take longer.	As Option 2 but with the addition that it is difficult to see an alternative partnership/route to BID implementation that has credibility in the business community.	As Option 2 but even more difficult and time consuming to get to ballot stage

Option 2 was the Officer preferred option. There was a clear way forward for Lancaster BID and emerging consensus for progression of the Morecambe BID. The BID officer working group should ensure that any issues arising from BID Proposal development

and pre/post ballot resource implications for both Lancaster and Morecambe were addressed in partnership with the BID proposer.

The Lancaster Chamber and NWLCC had confirmed that the resources agreed for the Lancaster BID were sufficient for the purposes of BID Proposal development. This follows the experience of NWLCC in successfully progressing the Preston BID through both proposal and implementation stages. The outcome of a BID ballot could not be guaranteed but officers believed the relationships being built and the direction emerging gave the best chance of a successful outcome.

Councillor Hanson proposed, seconded by Councillor Smith:-

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

Councillors then voted:-

Resolved:

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

- (1) Members note the preparations for the introduction of Business Improvement Districts (BIDs) in partnership with Lancaster District Chamber and the local trade associations in Morecambe.
- (2) Members support the intention of Lancaster District Chamber to lead on BID Proposal development in Lancaster city centre.
- (3) Members approve the allocation of £40K (subject to carry forward approval) for Lancaster town centre BID development to the Lancaster Chamber via a formal funding agreement administered through the Regeneration & Policy service.
- (4) That Councillor Hanson be appointed as Cabinet's nomination to sit on the Lancaster Bid Steering Group.
- (5) Future decisions in respect of BID Proposal lead, the use of allocated funds and Cabinet nominee to sit on a Steering Group (or similar body) for Morecambe town centre is dealt with via an Individual Cabinet Member Decision.

Officers responsible for effecting the decision:

Head of Regeneration and Policy

Reasons for making the decision:

It is accepted by most local authorities active in this field that BIDs create an effective opportunity for local businesses to have a voice and direct impact on subjects relating to the environment and circumstances in which they trade. Development of BIDs has been proven to help build business and encourage local economic growth. In working towards implementation of Business Improvement Districts the council will be achieving

and/or reviewing and improving upon a number of its corporate objectives/outcomes as defined in the Corporate Plan 2011-14 in relation to Economic regeneration (Visitor Economy), Statutory responsibilities, Partnership working and community leadership. Additionally, the implementation of BIDs is a key priority of the recently approved Lancaster Cultural Heritage Strategy.

28 EXCLUSION OF THE PRESS AND PUBLIC

It was moved by Councillor Hamilton-Cox and seconded by Councillor Barry:

“That the following item (Minute 29 refers) be considered in the public part of the meeting and that the report be made available to the press and public.”

29 PROPERTY SERVICES RESTRUCTURE

Cabinet resolved unanimously not to exclude the press and public at this point

(Cabinet Member with Special Responsibility Councillor Hamilton-Cox)

Cabinet received a report from the Chief Executive to advise of the current position of creating a shared service with the Property Service function of the Council and to provide direction to enable discussions to be concluded with a single authority.

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

Although a full costing analysis had not been completed officers were coming to the conclusion that a decision on a preferred partner was the most logical next step. The two options were set out below.

	Option 1: Shared Service with the County Council	Option 2: Shared Service with SLDC/NPS
Advantages	<p>Improved district wide asset management leading to potential revenue savings and capital receipts for the City and County through property rationalisation delivered through the new function.</p> <p>Offers an opportunity to redefine standards with a more robust resource to manage the joint portfolio of the city and county councils.</p> <p>Allows for the potential benefits of being part of larger contracts with possible cost reductions.</p> <p>Potential cost reductions through shared management and</p>	<p>Allows the authority to take advantage of alternative resources and management expertise.</p> <p>Offers the opportunity to redefine standards & possibly reduce service costs</p> <p>Increase the pace of change & innovation</p>

	reduced establishment.	
Disadvantages	<p>Not all costs have been identified at this stage until the city council's direction is more clear.</p> <p>Both councils would potentially have differing aims & objectives.</p> <p>Differing schemes of delegation and ways of working</p>	<p>This is an unknown cost until final agreement is reached</p> <p>There would be a need for a client officer with appropriate funding.</p> <p>Internal 'notional' recharges (based on time spent by staff within other support services, e.g. Financial, Governance Services, etc) replaced by actual management costs charged by NPS, but not necessarily offset by corporate corresponding saving from reduced staffing levels in other support services</p>
Risks	<p>There would be a need to ensure that the aims of the shared service are brought together to ensure that all local objectives are achieved to the satisfaction of both authorities.</p> <p>Failure to achieve the local objectives of both authorities could lead to a reduced level of service provision with delays likely in undertaking work</p>	<p>Costs still need to be determined.</p> <p>Provider may not be able to respond as quickly to local objectives due to reduced local knowledge of the Lancaster district or where there are specific areas of difference despite having similar requirements</p> <p>Public procurement rules, i.e. failure of the 'client function' meeting the legal definition of a shared service agreement</p>

Option 1 was the officer preferred option. To make further progress in this review it was advisable to make a decision on a preferred partner to allow that option to be worked up in more detail. It was unreasonable to continue working up proposals with other organisations if there is potentially little likelihood of further progress. The County Council proposal provided the potential for much improved asset management for the district as a whole and our shared citizens and actual cost savings.

Formal consultation with employees and trade unions should commence immediately.

Councillor Hamilton-Cox proposed, seconded by Councillor Blamire:-

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

Councillors then voted:-

Resolved unanimously:

- (1) That the County Council be identified as the preferred partner for a shared property service.
- (2) That Cabinet be kept informed of progress.
- (3) That formal consultation commence with staff and trade unions.

Officers responsible for effecting the decision:

Chief Executive
Head of Property Services

Reasons for making the decision:

The provision of property services affects the operation of all the Council's buildings and therefore any future provider of these services will need to be conscious of the need to reflect sustainable practices in their work. The Corporate Plan refers to "Partnership Working and Community Leadership" within which it is identified that we should work with partners to reduce costs, make efficiencies and create resilience within the district. Specifically reference is made to "develop a programme with Lancashire County Council to reduce costs by sharing more of our services." The efficiencies delivered from developing a shared service will assist in achieving the outcomes of the Council's savings and efficiency programme and targets outlined in the Medium Term Financial Strategy and Medium Term Property Strategy.

Chairman

(The meeting ended at 12.30 p.m.)

**Any queries regarding these Minutes, please contact
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MINUTES PUBLISHED ON MONDAY 1ST AUGUST, 2011.

**EFFECTIVE DATE FOR IMPLEMENTING THE DECISIONS CONTAINED IN THESE MINUTES:
TUESDAY 9TH AUGUST, 2011.**