



Committee: CABINET

Date: TUESDAY, 8 NOVEMBER 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, 4 October, 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. Partnerships (Pages 1 - 8)

(Cabinet Member with Special Responsibility Councillor Blamire)

Report of the Head of Community Engagement

7. Allotment provision (Pages 9 - 17)

(Cabinet Member with Special Responsibility Councillor Barry)

Report of the Head of Community Engagement

8. Medium Term Financial Strategy Update (Pages 18 - 29)

(Cabinet Member with Special Responsibility Councillor Bryning)

Report of Head of Financial Services

9. Exclusion of Press and Public

Members are asked whether they need to declare any further declarations of interest regarding the exempt reports.

Cabinet is recommended to pass the following recommendation in relation to the following items:-

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

Members are reminded that, whilst the following items have been marked as exempt, it is for the Council itself to decide whether or not to consider each of them in private or in public. In making the decision, Members should consider the relevant paragraph of Schedule 12A of the Local Government Act 1972, and should balance the interests of individuals or the Council itself in having access to information. In considering their discretion Members should also be mindful of the advice of Council Officers.

10. Land at Ashbourne Road / rear of Tan Hill Drive, Lancaster (Pages 30 - 38)

(Cabinet Members with Special Responsibility Councillors Hamilton-Cox and Leytham)

Report of the Head of Property Services and Head of Regeneration and Policy

ADMINISTRATIVE ARRANGEMENTS

(i) Membership

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

(ii) Queries regarding this Agenda

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

(iii) Changes to Membership, substitutions or apologies

Please contact Members' Secretary, telephone 582170, or alternatively email memberservices@lancaster.gov.uk.

MARK CULLINAN,
CHIEF EXECUTIVE,
TOWN HALL,
LANCASTER LA1 1 PJ

Published on 27th October 2011

CABINET**Partnerships****8 November 2011****Report of the Head of Community Engagement**

PURPOSE OF REPORT				
To provide Cabinet with background and recommendations for the council's future approach to working in partnership in the district, including the use of uncommitted Performance Reward Grant funds.				
Key Decision	<input checked="" type="checkbox"/>	Non-Key Decision	<input type="checkbox"/>	Referral from Cabinet Member
Date Included in Forward Plan	October 2011			
This report is public				

RECOMMENDATIONS OF THE LEADER OF THE COUNCIL

- (1) That Cabinet approves the new partnership arrangements being proposed in this report.
- (2) That Cabinet considers the request from the Lancaster District Local Strategic Partnership as to the allocation of the uncommitted Performance Reward Grant funding of £27,535 revenue and £89,910 capital.

1.0 Introduction

1.1 Partnership working is a mainstream activity for all local authorities and forms one of the Council's current Corporate Plan priorities. There are good examples of success, although the measures of success are shifting within an ever changing context –

- Cuts in public spending
- Localism and devolution agenda
- Health and policing reforms
- A changing regional and sub-regional landscape
- Shared Services.

1.2 The 'de-regulation' of many areas of responsibility means that arrangements are less prescribed by government although accountability to local

communities is intended to be strengthened. In terms of partnerships, some examples of early changes are the abolition of LAA's (Local Area Agreements) and the performance management arrangements supporting these and the removal of the statutory requirement for a Sustainable Community Strategy and the related statutory requirement to consult with local organisations in the production of such a strategy.

- 1.3 Underpinning national and local policies and strategic planning across the whole of the public sector are unprecedented financial pressures and the ongoing threat to the global economy. The impact of this is certain to be profound and puts many current public sector services at risk.
- 1.4 It is now necessary to review and re-direct the focus for partnership working. There is now a much stronger emphasis on shared services and integrating front of house and back office functions. Markets and new models of service delivery are emerging. A one sector approach to managing budgets is emerging.
- 1.5 These trends have implications in terms of the district wide approach to partnerships and the approach the council takes in line with its community leadership role. Any future ways of working may well have a stronger emphasis on decentralisation and subsidiarity but will also need to be about reducing costs and creating efficiencies whilst protecting services that are most important either directly or by moving toward an enabling role.
- 1.6 The role of Councils is different to many other public sector bodies as it includes local democratic accountability and a community leadership role. As part of this, the council engages with partners and communities to agree priorities for the district and to support and develop the district wide arrangements that are needed to provide services that matter. However as budgets reduce even further local authorities have the conflicting demands of achieving the efficiencies that are needed whilst still providing assurance, accountability, public participation and democratic oversight. This places councils at the heart of the current changes.

2 Proposal Details

- 2.1 In reviewing the future focus for partnership working the emphasis needs to be on the value we obtain from our current ways of working / processes which we would want to retain and build upon for the future.
- 2.2 For some years, the council has been engaged in a range of formal and informal partnership arrangements at many levels, to achieve various objectives, often taking a leading, enabling role. Within the district, these arrangements include the Lancaster District LSP (Local Strategic Partnership), a number of local community partnerships and informal arrangements working closely with town and parish councils, community leaders and others. More recently the leaders of the key public sector organisations are now meeting regularly to jointly consider how public sector partners can work together to address the key issues facing the district.
- 2.3 For some years, Lancaster District has had a Local Strategic Partnership (LSP), which includes partners from a wide range of organisations across the district. The LSP structures are well developed, reflecting previous government guidance and the formal responsibilities that LSP's had in the past.

2.4 The LSP structures include a Board and Management Group as well as seven Thematic Groups, as follows:

- Children's Trust
- Community Safety Partnership
- Environment
- Economy
- Education, Skills and Opportunities
- Health and Well Being
- Valuing People

2.5 The LSP Board has not met for some time although the Management Group meets regularly and is handling most LDLDP business at this level.

2.6 The Thematic Groups were set up to reflect a very broad set of possible outcomes for the district. The roles, purpose, membership and level of activity of these groups is variable. Some of the Thematic Groups, such as the Children's Trust and the Community Safety Partnership are statutory partnerships in their own right. Others are not but with the introduction of Health reforms across the sector including the transfer of public health responsibilities back to local government new Statutory Health and Wellbeing Boards will emerge in the not too distant future.

2.7 The LSP has responsibility for £443K Second Homes funding (SHF) and £647.5K Performance Reward Grant (PRG), as well as oversight of the projects funded by these funding streams. The council acts as accountable body for both funds and is ultimately responsible for both the funds and the delivery of outcomes, in line with the protocols agreed with Lancashire County Council.

2.8 However a recent (18 August 2011) report to Lancashire County Council's Cabinet regarding PRG approved that the Lancashire County Council element of PRG be retained by the County Council to support the delivery of financial savings through shared services, thus supporting public sector partners across Lancashire and helping to deliver their financial strategy.

2.9 County's cabinet also approved a change to the County / District protocol in respect of PRG allocations to district LSP's.

2.9 Under the PRG Protocol the element of PRG distributed to districts was to be invested with the over-riding aim of "narrowing the gap" linked to outcomes set out in Ambition Lancashire, the LAA and district level Sustainable Community Strategies. In the light of the current economic climate County's Cabinet agreed that the criteria for use of this grant was widened to include enabling authorities to meet the challenge of delivering the required budget reductions while continuing to deliver outcomes important to the people in their areas.

2.11 The LDLSP's current proposals regarding PRG are set out in Appendix 1

2.12 There have been no announcements to date by the County Council in respect of future funding through the 'Second Homes fund. The City Council may wish to review the existing protocol.

Future partnership arrangements

- 2.13 Current budgetary pressures dictate that future partnership activities will need to be cost effective, purposeful, offer clear added value and have a sharp focus on outcomes to be achieved. Governance will be proportionate to levels of responsibility.
- 2.14 The council's role in respect of many partnership arrangements will continue to be vital and to reflect its community leadership role and its democratic responsibilities. However, investment of time and support for partnership arrangements will need to be rewarded by clear and visible benefits.
- 2.15 As outlined throughout this report some of the current formal partnership structures in place in the district may not meet requirements for the future. The current level of governance and administration around the current structures is high and demanding in terms of time taking away the resources that are available to develop partnership activities that have the potential to deliver some of the vital outcomes the district needs for the future.
- 2.16 In line with this, it is recommended that Cabinet now considers the formally constituted Local Strategic Partnership and recommends to its partners that the time for the formal LSP has now passed. but takes the opportunity to propose new arrangements that refocus efforts for a number of key partnerships that are likely to add significant value in the district in the future and will allow the council and its partners to fulfil their responsibilities and deliver their priorities efficiently and effectively.
- 2.17 It is suggested that the Council's efforts be dedicated to the following partnerships whilst recognising that as priorities, shift other opportunities for partnership working may be required. :

District Children's Trust

Lancashire County Council has a range of statutory responsibilities for children, young people and families and has retained Children's Trust Boards and partnerships and the city council has agreed a Statement of Commitment to support these arrangements with a view to achieving positive outcomes for children, young people and families. This is an area where joint working is critical to activities in which the council is involved.

Community Safety Partnership

The council works with a range of partners in connection with community safety, including Lancashire County Council, the police, NHS, probation and fire services and is currently investigating joint working opportunities across district boundaries. There are statutory responsibilities relating to Community Safety Partnerships but the council has also identified clean and safe streets as a top priority for the district establishing this as a key partnership for the district. The Government Policing reforms may see the establishment of elected Police Commissioners with wide ranging powers to direct community safety activity and funding across Lancashire. If this reform goes ahead it will have a significant impact on the current CSP landscape.

A Voluntary, community and faith sector partnership

The voluntary, community and faith sector (often referred to as the 'Third Sector' or as 'Civil Society'), includes community groups, volunteers, a range of service

delivery organisations plus a small number of infrastructure organisations that provide development support. This demand upon these organisations is likely to become increasingly important in the future as the public sector finds itself unable to continue to provide some services. However the sector itself is seriously threatened by funding cuts as a consequence of reduced public expenditure driven by Central Government putting important services at further risk. The council has identified the development of VCFS capacity to deliver services in the future, as a planned outcome in its corporate plan. As such, it is important to ensure that arrangements are in place that will allow the council to engage with and support appropriate development of this sector as part of its community leadership role for the district.

It is suggested that initially, the existing Valuing People Thematic Group could become a platform for future with key partners as to the most effective way of meeting future requirements.

A Health and Well Being Partnership

The Health and Well Being agenda is set to change dramatically over the next few years with transformation in the way that services are commissioned and delivered, the public health agenda shift back to local government, GP Consortia and structural re-organisation in the health sector. At sub-regional level a Health and Well Being Board will create a framework for the way that the public sector will work together and it is anticipated that this will be reflected at a district level. Again the LDLSP's Health and Well Being Group of the LSP offers a potential platform to take this agenda forward for the district.

Public Sector Leaders Group

The establishment of this group offers the opportunity for public sector leaders (both managerial and political) to come together informally to discuss and lead on shared strategic issues facing the district

Arts and Culture Partnership

This sector has been identified as having significant potential for the district's economy and quality of life offer. An opportunity exists for more collaborative joint working between arts partners in the future to achieve efficiency and to maximise impact. The council makes a significant investment in the arts, culture and heritage sector in various ways and has already committed to working together with Lancashire County council and Arts Council England to support this sector.

Economic Partnership

Ongoing regular meetings with the Chambers in Lancaster Morecambe and Carnforth are suggested as the most productive way of engaging with the business sector. It is also understood that the Vision Board is likely to continue to meet two to three times a year but with a focus on Visioning.

Community Leaders Group

This group made of up of representative of minority communities living and working in the district. Also in attendance are the City Council, University and the Police representatives. The group is informal and meets to discuss issues and share knowledge whilst celebrating the vibrancy and valuing the differing cultures of each member. There is great value to be had in continuing to support this grouping and keeping this particular channel of communication open.

Parish Councils

Every two months there is a meeting of representatives from the parish councils in the district. The City Council and County council are also in attendance at all of these meetings. As such this arrangement provides a valuable channel of communication with the parishes and should continue.

Consultation

Consultation on the options presented in this report has not been undertaken at this time as the views of Cabinet are sought prior to dialogue with partners.

Options and Options Analysis (including risk assessment)

	Option 1: Continue support for key partnerships within a streamlined and more informal structure	Option 2: Do Nothing - Retain the council's existing LSP structures
Advantages	<p>Ability to be more focused on areas of partnership working that are a priority.</p> <p>Clearer added value from working in partnership where this brings additional benefits.</p> <p>More flexible model with the ability to adapt to new requirements in the new future.</p> <p>Reduced administrative burden.</p> <p>Opportunity to free officer and partner time to deal with outcome focused work.</p>	<p>Current structures are inclusive and offer the opportunity to engage with a broad range of partners regularly.</p>
Disadvantages	<p>Council will need to take on a stronger central co-ordinating and enabling role, which is currently undertaken by the LSP.</p>	<p>A number of meetings are considered to be overly bureaucratic.</p> <p>Future funding to LSP's is uncertain and means that longer term planning is not possible.</p> <p>The requirement for governance at the strategic partnership level is no longer necessary.</p>
Risks	<p>Managing the recommended changes whilst maintaining positive relationships with partners.</p> <p>Possible impact on level of communications between partners if requirement for regular scheduled meetings is reduced.</p>	<p>Partners are affected by resource pressures and it is possible that attendance and participation in routine LSP meetings and events may drop considerably, undermining possible achievements.</p>

Conclusion

The time for the formal LSP has now passed. but the need for strong partnership working is more important than ever. Focusing on a number of key partnerships will allow the council and its partners to fulfil their responsibilities and deliver their priorities efficiently and effectively.

RELATIONSHIP TO POLICY FRAMEWORK

Partnership working forms one of the Council's current Corporate Plan priorities

CONCLUSION OF IMPACT ASSESSMENT

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

Partnership working continues to provide positive impacts in respect of all of the above.

LEGAL IMPLICATIONS

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

FINANCIAL IMPLICATIONS

The protocols for the use of Performance Reward Grant (PRG) have been widened. The LDLSP are seeking Cabinet's views as the use of uncommitted PRG funding. £27,535 revenue and £89,910 capital.

OTHER RESOURCE IMPLICATIONS

Human Resources:

None

Information Services:

None

Property:

None

Open Spaces:

None

SECTION 151 OFFICER'S COMMENTS

The Section 151 officer has been consulted. Should Cabinet choose to streamline the structure for providing support to key partnerships, this would provide a better opportunity to consider any savings options in view of the reduced administrative burden.

MONITORING OFFICER'S COMMENTS

The Monitoring Officer has been consulted and has nothing further to add

BACKGROUND PAPERS

Lancashire County Council report to Lancashire Leaders on Performance Reward Grant 18/08/2011

Contact Officer: Anne Marie Harrison

Telephone: 01524 582308

E-mail: amharrison @lancaster.gov.uk

Ref:

Appendix A

PRG Funding allocated to date

Item	Revenue allocation	Capital allocation
Total Grant from County Council	£357,535.40	£289,910.60
Warm Homes	£5000	£100,000
Hydroelectricity	£30,000	£0
Social Enterprise	£120,000	£0
Cooperative Fund Finder	£100,000	£0
Domestic Violence	£50,000	£0
Community Capital Fund	£0	£100,000
Administration Fee to City Council	£25,000	£0
Total allocation so far	£330,000	£200,000
Remaining PRG	£27,535.40	£89,910.60

- Warm Homes Scheme:** At least 2000 homes insulated, preventing excess winter deaths and local people (including many who are in financial hardship) saving over £200,000 a year from reduced energy bills. This supports the City Council's climate change and protecting vulnerable people priorities.
- Hydroelectricity:** ensures the future of the turbine at Halton Weir, meaning £300,000 of government grant is secure and up to £2,000,000 will be made by the scheme and invested in the local community over the next twenty years. This supports the City Council's climate change priority and will enhance the local community's ability to deliver services for itself.
- Social Enterprise:** secures the future existence of dozens of local civil society organisations, and will be matched by at least £15,000 of pro-bono support by the providers. It supports the City Council's economic development priority and the public leader's symposium ambition for local people to be more engaged and involved in delivering local services and building a sustainable future for their communities.
- Cooperative Fund Finder:** at least £1,000,000 inward investment into priority projects in the district over the next two years. This has the potential to support the delivery of all of the City Council and other public sector priorities, depending on the projects that are funded.
- Domestic Violence:** will provide a vital frontline service to support victims of domestic abuse, and will enhance the understanding and cooperation of frontline workers in dealing with this issue, reducing duplication and enhancing service delivery. It will support the City Council's and other public sector statutory partners' fulfilment of its community safety obligations, and its intention to protect vulnerable people.
- Community Capital:** The LDLSM has agreed to allocate £100,000 of capital to a fund for improvements to neighbourhood/parish/community buildings that would support positive activities and involvement in the local community and attract at least £100,000 matched funding for these projects into the district. It will also enhance the communities' ability to deliver services for themselves.

The LDLSM Management Group also wishes to ensure that the remaining unallocated funds (£27,535 revenue and £89,910 capital) are directed to the most appropriate future projects and welcomes the Council's input on how it should be allocated.

CABINET**Allotments Provision
8 November 2011****Report of Head of Community Engagement**

PURPOSE OF REPORT				
To advise members of the current provision for allotments in the district				
Key Decision	<input type="checkbox"/>	Non-Key Decision	<input type="checkbox"/>	Referral from Cabinet Member
				X
Date Included in Forward Plan	n/a			
This report is public				

RECOMMENDATIONS OF COUNCILLOR BARRY

1. That Cabinet note the current position regarding the provision of allotments in the district.
 2. That officers continue to work with Lancashire County Council to support the proposed 'Greenfingers' project at Heysham.
 3. That Cabinet defer any decision to extend the allotment site at Scotforth once the policy delegation in the Local Development Framework is decided, the issues surrounding the current agricultural tenancy are determined and the Allotment Association bring forward further details as to how the site is to be developed, project managed and funded.
 4. That the Regeneration and Policy Service use the opportunities in the preparation of the Local Development Framework land allocations document to identify and subsequently protect sites for new allotments to be created.
 5. The Regeneration and Policy Service prepare a short piece of supplementary planning guidance on the criteria to be met to obtain planning permission for allotments proposed on unallocated land.
- 1.0 Introduction**
- 1.1 Lancaster City Council recognises the importance of allotments not just because it has a statutory duty to provide them but because they consider them to be a valued community resource.

- 1.2 Due to the current popularity of allotments, waiting lists at all sites are lengthening. The Lancaster District PPG17 Study – Open Space, Sport & Recreation Facilities (Dec 2007) report gives a figure for waiting lists equivalent to 44% of stock. The report makes a series of 7 recommended actions relating to addressing this deficiency, including seizing any opportunities to provide new allotments within the local area, particularly in areas of identified accessibility deficiency. These recommendations are set out in Appendix 1.
- 1.3 As part of the Corporate plan and Budget Process 2012/13, it was agreed at Cabinet on the 6 September 2011 that officers examine the provision of more allotments because of the current very long waiting lists and that consideration be given to a proposed allotment initiative at Heysham. (Min No 34(2) refers)

2.0 Proposal Details

- 2.1 Lancaster City Council currently owns 13 allotment sites across the district of various sizes, totalling approximately 542 full size plots. Of these, 11 are in Lancaster. The site at Devonshire Road in Morecambe is now the responsibility of Morecambe Town Council and the site on Highfield in Carnforth will become the responsibility of Carnforth Town Council. There are also some privately owned sites including ones in Morecambe, Halton and Galgate.
- 2.2 The smallest sites at Carnforth and Bridge Road in Lancaster each have 12 plots, whilst the largest site at Cork Road in Lancaster has 84 full sized plots. The total area of City Council owned allotment sites is approximately 15.36 hectares. Details of the current sites are set out in Appendix 2.
- 2.3 Although there are approximately 585 plots, there has been more emphasis in recent years to provide smaller plots for those who wish them. This has resulted in many plots being split into halves and it is common for two people to share the responsibility for a half size plot, therefore, the number of plot holders will be greater than the number of plots listed above. There are a number of plot holders who rent multiple plots, some on the same site others on more than one allotments site. The number of full sized plots on sites owned by Lancaster City Council equates to four plots per thousand of population.

This compares with-

- Carlisle - 8 plots per thousand
 - Preston - 4 plots per thousand
 - Chorley - 1 plot per thousand
- 2.4 Appendix 3 sets out the potential opportunities for further development of those existing sites and opportunities for new sites. The Appendix suggests that of the existing sites Scotforth provides the best opportunity to expand. The outcomes of the PPG17 study found that although the highest levels of allotment provision are to be found in the South Lancaster area, this is also where proportionally the demand is highest and waiting lists are longest.
- 2.5 It also identifies a potential initiative by a local community group for a new

allotment site in Heysham (Greenfingers) and the LDF 'call for sites' as sources of potential sites for new provision. Details of these opportunities are set out further in this report.

Smithy Lane, Heysham

- 2.6 Greenfingers (a local community group) are working with staff from the County Council's Environmental and Community Projects Area North to bring forward some plans for the area which will be included in any planning application. A lease can be agreed with the new allotment association for the land if planning permission is obtained. The Head of Property Services is authorised to grant leases of land for potential new allotment sites in the control of other services (provided that such land would not be capable of achieving a market rent exceeding £6000 p.a. for alternative use) and subject to the approval of the managing service, both of these qualifying conditions have been assessed and met accordingly (minute No.1 24th of June 2010 refers).

LDF 'Call for sites'

- 2.7 The planning system locally can help by using the opportunities in the preparation of the Local Development Framework land allocations document to identify and subsequently protect sites for new allotments to be created. The Regeneration and Policy Service could also be asked to prepare a short piece of supplementary planning guidance on the criteria to be met to obtain planning permission for allotments proposed on unallocated land. The guidance could also require new housing schemes to be provided with allotments where appropriate as part of open space requirements.
- 2.8 It is worth noting however that if sites are identified and the Council wishes to develop those sites themselves then significant capital expenditure would be required to deal with ground clearance, fencing, gates, water connection, pathways, digging of plots, edging of plots, consideration of DDA compliance etc. Estimates suggest anywhere between £50K - £100K per site depending upon local conditions surrounding the site.

Scotforth Allotments

- 2.9 Scotforth Allotment Site is a 5458m² area of statutory allotment land located on Ashford Road, adjacent to Scotforth Cemetery. There are 29 allotment plots on the site. The waiting list was closed over a year ago with 37 people on the list. Waiting time for a site is over three years.
- 2.10 Mature poplar trees growing on the eastern boundary of Scotforth Cemetery cast shadow onto the allotment site throughout the day and their large root systems remove considerable amounts of the moisture from the soil, resulting in poor growing conditions on at least 13 of the 29 plots.
- 2.11 A proposed extension could provide 6000m² of extra land for allotments.
- 2.12 The site could comprise of a variety of different sized plots, with 125m² being the largest, to appeal to a larger cross section of the local community and may then accommodate more than 48 new plot holders. This would create

capacity for current plot holders moving from the area affected by the poplar trees, clear the current waiting list and allow the Association to open the waiting list up once again.

- 2.13 There would be no requirement for planning permission for change of use as the land is already classified as ‘agricultural.’ Securing the site with fencing 2m in height or lower would also not require planning permission. Planning permission would need to be sought if there were any changes to access from the highway.
- 2.14 Scotforth Allotments Association has put forward a proposal to extending their site to incorporate an adjacent field which is owned by Lancaster City Council and leased as grazing land under an agricultural tenancy. The income to the Council for this land is £90 per year. A notice to quit would require one years notice which that the earliest date to take the site back would be 13 February 2013
- 2.15 There may be financial implications arising from any variation to the existing tenancy agreement either as as a result of any arbitration process which may occur as a result or through the payment of compensation.
- 2.16 The land proposed for the extension is adjacent to the south east corner of Scotforth Cemetery and has been considered by Health and Housing for a possible area for cemetery extension. However investigations have determined that once the existing cemetery is full, it will be closed rather than giving any consideration to extending the existing boundary.
- 2.17 The proposed extension site currently doesn’t have any policy designation in the Local Development Framework, but it is very close to the boundary of the Whinney Carr which is land which could be allocated for development of housing in the future. It should be noted here that allotments are a land use which can take place outside the urban boundary without conflict with countryside polices.
- 2.18 If the allotment site is to be included in a future land allocation for Whinney Carr then it is essential that it’s boundaries are clearly identified and that it is protected as part of the allocation..

3 Details of Consultation

- 3.1 Consultation has taken place with the relevant Services affected by this report and their comments are reflected in the report
- 3.2 There is an ongoing dialogue with Scotforth Allotment Association.

4 Options and Options Analysis (including risk assessment)

	Option 1: Maintain the status quo ie support self management of allotments, continue with the existing capital upgrade programme, support local community led	Option 2: Maintain the status quo but use Planning Policy and guidance as the means to which additional allotment development sites can be identified
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	initiatives for additional allotment sites	
Advantages	<ul style="list-style-type: none"> • No additional cost. • Still allocates minimal resources to support self management of allotment sites 	<ul style="list-style-type: none"> • Help achieve more of the PPG17 recommended actions. • Improved resources for the community.
Disadvantages	<ul style="list-style-type: none"> • Demand for allotment sites cannot be met. • The Council will not be fulfilling all of the PPG17 recommended actions. • Costs to the Council of in terms of officer resources and potential liabilities re the tenancy issues at Scotforth allotments 	<ul style="list-style-type: none"> • Will divert planning officers away from other tasks. <p>No resources available to develop identified sites</p>
Risks	The limited resources available to the council, is at times having difficulty maintaining the status quo.	Increased expectations that the demand for allotment sites can be met

Options Appraisal

Option 2 is the preferred Option --it recommends that Planning policy be the vehicle by which allocations can be made and supported and recommends that development of new sites be community lead and supported by the Council as and when they arrive. This option also recognises the limitations in terms of resources that the Council currently has in taking any further work forward.

Conclusion

Currently demand for allotments far outstrips supply and this trend is likely to continue. There is a need to consider whether, in the current financial climate, the establishment of new allotments is affordable and a priority. There will be significant resource implications connected with attempting to meet the current demand for allotments.

RELATIONSHIP TO POLICY FRAMEWORK

Supports the concept of partnership working through the existing self management arrangements but no other explicit links to the Council's current Corporate Plan priorities.

CONCLUSION OF IMPACT ASSESSMENT

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

Council has already determined that allotments are a valued community resource that has a number of positive impacts

LEGAL IMPLICATIONS

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

FINANCIAL IMPLICATIONS

There are no financial implications arising as a result of this report other than potential costs associated with a possible variation to the existing agricultural tenancy arrangement at Scotforth. These potential costs have not yet been determined. The existing capital programme includes £59K in 20012/13 and under these proposals, this would not change.

OTHER RESOURCE IMPLICATIONS

Human Resources:

Additional Planning Officer time in developing guidance and site identification. None though cabinet should note the current allocation of resources dedicated to allotments is limited.

Information Services:

None

Property:

Issues are identified in the report

Open Spaces:

Issues are identified in the report

SECTION 151 OFFICER'S COMMENTS

The Section 151 Officer has been consulted and has no further comments to add.

MONITORING OFFICER'S COMMENTS

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

BACKGROUND PAPERS

None

Contact Officer: Richard Tulej
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E-mail: rtulej@lancaster.gov.uk
Ref:

APPENDIX 1:

Recommended actions from the Lancaster District PPG17 Study – Open Space, Sport & Recreation Facilities (Dec 2007)

ALL 1: Regularly review, investigate and monitor demand for allotment provision and look for opportunities where demand improving/increasing and ensure new housing developments allow for any increase in demand as necessary.

ALL 2: Ensure continued support to allotment providers and Allotment Associations across Lancaster District and protect these sites from development.

ALL 3: Prioritise qualitative improvements at sites where current provision.

ALL 4: Investigate the demand for the provision of allotments in Heysham and Morecambe and investigate the need for additional sites across the area.

ALL 5: Investigate the demand for the provision of allotments in the Carnforth area and investigate the need for additional sites.

ALL 6: Investigate the demand for the provision of allotments and consider the development of new sites.

ALL 7: Support Parish Councils in the provision of new allotment sites where specific demand is identified.

ALL 8: In the light of the presence of waiting lists across Lancaster City seize any opportunities to provide new allotments within the local area, particularly in areas of identified accessibility deficiency.

ALL 9: Explore alternative opportunities for the provision of allotments including co-location at school sites.

APPENDIX 2

Allotment	Location	Ward	No. of plots	Hectares
Dorrington Road	Lancaster	Scotforth West	81	1.51
Barley Cop Lane	Lancaster	Skerton East	50	1.36
Torrisholme Road	Lancaster	Skerton West	44	1.30
Highfield	Lancaster	Bulk	52	1.54
Cork Rd	Lancaster	John O'Gaunt	84	2.67
Shrewsbury Drive	Lancaster	John O'Gaunt	43	1.45
Scotforth Cemetery	Lancaster	Scotforth West	19	0.55
Bridge Road	Lancaster	Scotforth West	12	0.20
John O'Gaunt	Lancaster	John O'Gaunt	57	0.93
Fairfield	Lancaster	Castle	68	1.78
Ambleside Road	Lancaster	Bulk	38 (not full sized)	1.14
Devonshire Road	Morecambe	Heysham North	63	1.64
Highfield	Carnforth	Carnforth	12	0.43
TOTAL			585	15.36

APPENDIX 3

Site	Potential for Development
Ambleside Road	A new site developed for residents of Bulk Ward on Council owned land. The facilities include a poly-tunnel, compost toilet, underground water tank, secure fencing.
Bridge Road	Small site with only 12 plots. There is no potential to extend the site as it is surrounded by houses and roads. Space may be created by levelling the bankings to create a communal area, or install a compost toilet.
Cork Road	This is already the largest site in the District, there is little potential for extension. The site does not have any toilet facilities.
Dorrington Road	No potential for expansion, the site is surrounded by private housing, the railway and a wooded area with very steep bankings. Drainage issues prevent two plots from being cultivated and surface runoff means haulage ways are often unusable creating access issues.
Highfield	Possibility of extending onto the recreation field, or unused tennis courts next to the site. The site is on a slope and paths become very slippery in poor weather. There is asbestos buried in the boundary with the school access road.
John O'Gaunt	No potential for expansion, surrounded by housing, the childrens play area in Scotch Quarry and University of Cumbria land. The water supply network needs significant works of improvement, or replacing with a rain water harvesting set up.
Scotforth	Possibility of extending into adjacent grazing land and a proposal has been prepared.
Shrewsbury Drive	No potential to expand, surrounded by housing.
Skerton	Potential to extend onto King George's Playing Field, but only if the football pitch can be moved.
Torrisholme	No potential to expand, surrounded by houses

Potential for new allotment sites:

Green Fingers Project in Heysham
 PPG17 and 'Call for Sites'
 Request for new sites in Carnforth from Cllr Johnson

Parish Provision

Carnforth Town Council taking responsibility for Highfield Allotments
 Over Kellet want to develop site near Church Bank
 Warton have new site
 Caton PC wish to provide allotments, but Lancaster City Council is unable to provide any suitable land.

CABINET

**Medium Term Financial Strategy Update
08 November 2011**

Report of the Head of Financial Services

PURPOSE OF REPORT					
To update Cabinet on the Council's financial prospects for future years, to help inform development of its budget strategy.					
Key Decision		Non-Key Decision		Referral	X
Date Included in Forward Plan		November 2011			
This report is public.					

RECOMMENDATIONS OF COUNCILLOR BRYNING:

1. That Cabinet notes the current position regarding current spending and forecasts for future years, together with associated risks and uncertainties.
2. That in view of the substantial savings needed in future years, Cabinet be requested to identify priority areas in which to develop savings proposals.
3. That Cabinet considers whether it wishes to recommend any changes to Council Tax targets at this stage, or reconsider the matter in December when more comprehensive information should be available.
4. That the key issues arising from this review be reported to Council for information.

1 Background

- 1.1 In planning for the future, the Council needs to be clear about what finances and other resources it will have, to both shape and deliver against its corporate priorities.
- 1.2 To help with such planning, the Council's existing Medium Term Financial Strategy (MTFS) sets out projections for future years' net revenue spending as compared with its targets for council tax. It therefore provides a financial basis on which Members can consider what changes may be needed to the Council's priorities and the associated levels and scope of services provided, and with regard to council tax. This is so that in due course, the Council can set a balanced budget and move towards having a financially sustainable outlook, together with a deliverable Corporate Plan for the medium term.

- 1.3 Each year, Cabinet has responsibility for reviewing the Strategy and recommending any updates to Council. This is normally done twice a year:
- the first review is generally done in the autumn, to see what has changed financially and to assess whether existing council tax targets are still appropriate; and
 - the second update concludes the budget setting exercise, drawing on decisions taken in fixing the budget, to set the financial direction for future years.
- 1.4 Accordingly this first review does not attempt to give an in-depth update on the Council's finances. The aims at this stage are to:
- ensure an appreciation of the financial challenges facing the Council, in order that Members can formulate how best to tackle those challenges;
 - gain initial direction on areas in which Cabinet requires savings proposals to be developed, to help with planning and management;
 - allow initial consideration of whether any changes to future Council Tax targets should be recommended to Council.
- 1.5 During the course of the next year, council housing will also be incorporated into the MTFs. This change has been planned for some time now but there is little point in pursuing it until the implications of the self-financing proposals are known. For now, therefore, this report focuses solely on General Fund services. Future housing rent levels and other associated financial targets will be addressed as part of the budget process; the first full update is scheduled for December Cabinet.

2 General Fund Revenue Update: Current Prospects

- 2.1 The starting point for reviewing General Fund financial prospects stems from Budget Council in March 2011. Prospects back then can be summarised as follows:

	2011/12 Budget £000	2012/13 Projection £000	2013/14 Projection £000
Net Revenue Budget	21,481	21,131	21,726
Less: Government Support	13,128	11,609	11,377
Required Council tax funding	8,353	9,522	10,349
Tax Base	43,450	43,500	43,550
Resulting Band D Council Tax	£192.25	£218.89	£237.64
Resulting % Increase Year on Year	0.00%	13.9%	8.6%
Target Band D Council Tax	£192.25	£196.10	£200.02
Target % Increase	0.00%	2.0%	2.0%
Budget Savings Required to meet Target	0	991	1,638

- 2.2 This illustrates the tension between the revenue budget projections, a reducing level of central government support and being able to set council tax at an acceptable level each year.
- 2.3 Inevitably though, circumstances have changed and budget prospects have altered over the last few months. Taking account of information available to date, the changes for current and future years can be summarised as follows:

	2011/12 Budget £000	2012/13 Projection £000	2013/14 Projection £000
Original MTFS Net Savings Requirement	n/a	991	1,638
Approved or expected Base Budget Savings	-509	-372	-412
Approved or expected Budget Increases	+184	+394	+433
Total Net Changes (-reduction / + increase)	-325	+22	+21
Updated Net Savings Requirement (based on a 2% council tax increase, but with no growth included)	n/a	1,013	1,659
Resulting Projected Council Tax Increase	n/a	14.1%	8.5%
Potential Savings Options identified to date		-150	-150
Potential Growth Options identified to date		+117	+75
Potential Impact of Council Tax Freeze for 2012/13 (see section 6.2)		-42	+171

- 2.4 More details are set out at **Appendix A**. Overall, it can be seen that whilst annually base budget savings of around £400K have been identified, these have been offset by additional cost pressures coming through. This means that the net savings requirements are still around £1M for next year and £1.6M for the year after, and these do not allow any scope for growth. The 2014/15 outlook will be reported later in the budget once the detailed three-year forecasts have been produced, but it is not expected to give a different picture.
- 2.5 In terms of tackling the savings requirements, some outline savings options have been listed but on the other hand, Cabinet has also already identified a number of potential growth areas and where possible, these are also shown. If any growth proposals are to be taken forward by Cabinet, then this will increase the need for savings.
- 2.6 Importantly, the net savings requirements shown are based on existing Council Tax targets; recent developments regarding Council Tax options are covered later in this report.

- 2.7 It should be appreciated that the financial projections shown are only a snapshot and more changes will arise; an in-depth update to current and future years' base budgets is currently underway and this will be reported to Cabinet in due course. Nonetheless, it is considered highly unlikely that this exercise will result in any substantial progress being made to balance the budget.

3 Identification of Savings Options

- 3.1 In view of this position, Cabinet is advised to focus its immediate attention on identifying and prioritising areas for saving. Without such an approach, it runs the risk of:

- not being able to formulate a set of balanced budget proposals for consideration by Council in February, or
- resorting to drawing heavily on reserves and balances, and storing up pressures for the following year; and
- not being able to take forward its draft priority list and any associated growth options.

- 3.2 As such, Cabinet may find it useful to recap on the themes for achieving savings, as set out in the MTF5:

Efficiencies

All Management Team are currently working on identifying and/or progressing options either within their own service areas or more corporately, but Cabinet may have specific ideas or initiatives that they wish Officers to appraise or develop.

Invest to Save Schemes

Following the last Cabinet meeting a number of energy efficiency schemes are now being progressed and there may be further opportunities but there is nothing to indicate that major revenue savings can be gained over the medium term. Regarding Lancaster Market, a decision is still awaited and some options exist to save over the very long term but at this stage, the short to medium term position is uncertain.

Income Generation

A corporate update on the Council's charging policies is scheduled for December. This can be used to indicate any areas in which Cabinet may consider increasing fees and charges above the assumptions provided for within the base budget, although difficulties are already being experienced in meeting budgets in some areas.

Service Reductions

In previous years various exercises have been undertaken to analyse and review statutory and discretionary services, in order to identify where service levels may be reduced, or indeed withdrawn. Cabinet will need to be in position to rank service areas considered most likely for reduction (or put another way, those "least unacceptable") and as such, Members are advised to consider their information needs in order to ensure an informed approach.

- 3.3 It is not expected that the Council will be able to have a sustainable balanced budget without reducing the level or range of services provided.

4 Other Key Budget Issues

4.1 To give further context, a number of key issues are also outlined below:

- At the time of writing this report, the Icelandic Supreme Court had not issued its judgment on the local authority test cases, although it is expected that the outcome will be known by the time of the Cabinet meeting. To be clear, the updated revenue budget projections reflect the decision of the District Court, in that they assume a positive outcome will eventually be forthcoming for recovery of the related investments. If that position is maintained, then in the region of £1M reserves would also be freed up. Should the worse case scenario unfold, however, this would add back costs of around £100K per year to the revenue budget.
- The latest projections also allow for the increases in energy costs arising through Quarter 1's monitoring. It is expected that these pressures will increase over the coming years; furthermore they and other inflationary pressures will affect households and in turn that will impact on the demand for various Council services and the ability to generate income. This will need to be reflected in the Council's planning.
- Delays are now expected on completing some land sales, which in turn affects the financing of the capital programme and means that the Council's underlying need to borrow will be around £1M higher than originally projected for the next couple of years at least. This has the effect of increasing financing costs in the revenue budget.
- To allow for revenue and capital growth proposals being considered on an even footing, it has been assumed at this stage that any capital growth options would be financed through prudential borrowing – and in due course its affordability, sustainability and prudence would need to be demonstrated. Members need to be aware that when combined, all the potential pressures on borrowing could make it inadvisable to take forward all proposals at the same time.
- At this stage the budget forecasts assume simply that any welfare reforms (planned for 2013/14 onwards) will be budget neutral, but this is considered a high risk area.
- The levels of provisions, reserves and balances still need to be reassessed, particularly in view of any material changes to the key risks facing the Council. In terms of revenue balances, as a result of last year's outturn and the budget changes identified to date these would be some £984K higher than previously expected; balances as at 31 March 2012 would stand at £2.309M. The use of any such surplus amounts has not been built into the forecasts. Unfortunately though, their application does not generally result in ongoing savings, unless put towards invest to save type schemes or used to help reduce the Council's borrowing requirement / capital financing costs.

5 General Fund Capital Investment Update

5.1 In terms of spending the main aspects are as follows :

- **Municipal Building Works**

The single largest budget is allocated to backlog work on municipal buildings; this year's allocation is £3.2M with a further £2.4M in future years. The

municipal building works programme has made significant progress over the last 12 months. The detailed condition survey on which the original budgets were based is out of date, however, and a new method of developing a rolling plan to tackle the backlog of works needs to be established. In the interim, current budget levels have been maintained for the programme although Officers will work towards re-profiling this where needed. Nonetheless, growth may need to be considered for any specific issues that arise prior to a full rolling programme being established.

- **Luneside East**

The outcome of the lands tribunal is expected around the end of the calendar year and so as yet, it is not known whether there will be any further implications for the Council. The current budget provision is being used to meet legal and other professional fees.

- **Private Sector Housing**

Such schemes have progressed as far as approved funding allows and only the Disabled Facilities Grants scheme continues; all other physical works have stopped. Ring fencing of capital receipts within the programme could help complete some elements of work although this and the financing of various scheme liabilities need to be fully reviewed in the light of the resolutions arising from Cabinet in October.

5.2 In terms of financing the capital programme, there are two main receipts that underpin it, these being the land at South Lancaster and Heysham Mossgate.

- **Land at South Lancaster**

This is still assumed as being receivable in 2011/12. Any further delays in securing this receipt would have implications for the Council; as an indication, from next year financing costs are forecast to reduce by around £400K as a direct result of this land sale.

- **Heysham Mossgate**

This disposal is not now expected to be completed in the current year; there was always this risk given the current housing market. This accounts for the expected increase in capital financing costs outlined at section 4.1.

5.3 In terms of future investment priorities, Cabinet have already identified a number of potential growth proposals that they wish to consider as part of the budget, as referred to earlier. Any further capital investment implications attached to the fourteen draft priority areas will be appraised and reported through in due course. In terms of any reductions to the existing programme, any proposals will be identified to fit with the areas for making budgetary savings, as outlined in section 3 of this report.

5.4 No other changes to the capital financing principles (as set out in the MTFS) are considered appropriate at this stage. As with revenue, the big risk regarding capital investment is affordability. The bulk of the existing capital programme is allocated to essential schemes and unless major revenue savings can be identified, there will be no scope for expanding capital investment – but there is the risk that any non-essential investment will need to be removed.

6 Council Tax and Government Support Considerations

6.1 The Localism Bill: Replacing Capping with Local Referendums

6.1.1 The Localism Bill is still passing through Parliament and therefore it is unclear whether capping powers will be replaced in time for 2012/13 budget setting. Clarification is being sought from Government.

6.1.2 As such, capping powers may still apply for 2012/13. To give context, the basic criterion set by Government for the current year was that a council tax increase would be deemed excessive if it was greater than 3.5%.

6.2 Government's Future Targets for Council Tax

6.2.1 Whilst Government has not announced any formal criteria to fit with future capping or referendum arrangements for 2012/13, in early October it did announce that new support would be available for local authorities to help freeze council tax levels for next year. Any take up of this arrangement would be voluntary. Whilst full details of the scheme have not yet been received, the key considerations are as follows, should the City Council agree to freeze its council tax:

- The Council would receive a grant equivalent to a 2.5% increase; this is estimated at around £210K. As the Council's current forecasts assume a tax increase of 2%, in next year the Council would have a little over £40K additional income to help balance its budget.
- The difficulty is, however, that the compensation grant would be a one-off only. This means that in all subsequent years, when compared with the Council's existing tax plans, it would forgo council tax income of around £170K, unless it considered that it could 'recoup' this income by having higher council tax increases in future years. For example, rather than having a 2% year on year increase in tax, a freeze in 2012/13 and then a 4% increase in the following year would give broadly the same sort of income stream for 2013/14.
- The risk is, however, that a 4% increase would be viewed as unacceptable by Government, which could result in either capping applying or a local referendum being needed, depending on what legislation is in force.
- If the Council determined that it should not (or could not) seek to 'recoup' the income foregone, then there would be the need to generate additional annual savings of around £170K from 2013/14 onwards, adding even more pressure to the budget.
- Based on the City Council's tax rate of £192.25 for a Band D property, a 2% change in tax rate amounts to £3.85 per year or around 7 pence per week.
- The offer of grant support also applies to the County Council, police and fire authorities. For information, the full basic Band D tax for the area is £1,510.47.

6.2.2 It can be seen that the matter is not as straightforward as was a year ago and balancing future years' budgets already represents a huge financial challenge; the task gets even harder if scope is to be created to support any growth.

- 6.2.3 To summarise and drawing on the updated budget projections, the main scenarios for council tax and their implications for savings targets for the next two years are summarised in the table below. These give the following net savings requirements, compared with current MTFS assumptions shown earlier.

Council Tax Increase Scenarios	Indicative Net Savings Requirements	
	2012/13 £000	2013/14 £000
a. 2% both years (existing MTFS targets)	1,013	1,659
b. 0% then 2%, with 'compensation' in 2012/13	972	1,830
c. 0% then 4% - subject to capping or local referendum?	972	1,662

- 6.2.4 In light of the above points, Cabinet is advised to consider carefully whether it wishes to make any recommendations regarding council tax increases at this stage, or whether it would prefer to have more time. When making recommendations on tax levels, ideally it should be confident that it can deliver budget proposals to fit, although there will be opportunities to change the targets again, later in the budget process.

6.3 Government Support Prospects

- 6.4 Members will be aware that the Government has recently consulted on proposals for changing how business rates income is distributed across councils from 2013/14 onwards, with the aim of providing incentives to local authorities to promote local business growth. It is too early to predict with any accuracy what that changes could mean for the City Council, but some tools are available to help with modelling and if appropriate, some scenario planning may be factored into future MTFS updates.
- 6.5 At a strategic level, the proposals infer that Government wishes to see local government wholly funded by local taxation in future, ideally with no financial support being provided centrally.
- 6.6 In relation to 2013/14, the Council's budget forecasts assume that Government support (in whatever form) will reduce by 2% when compared with 2012/13. This projection was based on analysis of the 2010 Spending Review and so it is now over 12 months old.
- 6.7 In the more immediate future, confirmation of the 2012/13 provisional Settlement is expected soon. The provisional figures issued almost a year ago allowed for approaching a 12% or £1.5M reduction when compared with the current year's funding levels. There is still some chance that the funding could change further, however, and so the announcement of next year's Settlement represents a key issue for the Council's future planning and budgeting.

7 Details of Consultation

- 7.1 No specific consultation has been undertaken in connection with this report. Arrangements for community engagement and consultation on the budget have already been approved and feedback will be fed into the budget process as it develops.

8 Options and Options Analysis (including risk assessment)

- 8.1 This report is primarily for information and for seeking direction from Cabinet and other than for council tax, no specific options are put forward at this time.

- 8.2 The options regarding council tax targets are basically to either:

- retain the existing council tax target of no more than 2% for future years; or
- recommend alternative council tax target increases for future years; or
- delay making recommendations at this stage, until later in the budget process.

The level of any net savings requirement (and the associated risks) would depend on the tax level proposed. Clearly the compensation arrangements in support of a council tax freeze require specific consideration. For information, a 1% change in council tax amounts to about £84K.

- 8.3 The main risks attached to any option follow on from the information in this report and the ability of the Council to take decisions on matching service levels with the money available to fund them. The impact on Council Tax payers is key; the reputation and public perception of the Council may well be affected. The key risks can be summarised as follows:

- Actual savings targets prove to be substantially different from those shown, due to changes in financial projections.
- Required savings targets can't be met, without having an unacceptable impact on service delivery – either from the Council's own viewpoint or from public perception.
- Government / the public perceive council tax levels to be too high, resulting in capping action being taken against the Council and/or a negative impact on public relations and the Council's reputation.
- Council tax targets are too low, resulting in them being unsustainable in the longer term, without having adverse effects on future service delivery and/or the Council's financial standing and reputation.

- 8.4 To counter these risks, there will be further opportunities to review target increases during the forthcoming budget as more definite information becomes available on forecast spending.

9 Conclusion

- 9.1 Although some progress has been made towards improving the Council's financial outlook, unfortunately additional cost pressures have arisen and therefore, overall, its prospects are broadly the same as they were at the start of the year. It is clear, however, that Cabinet is ambitious and wishes to pursue growth in some service areas but to make this possible, the focus must now be on how and where to make

savings. In terms of council tax, targets for next year are expected to have implications for subsequent years and this needs to be factored into Members' decision-making. It is impossible to get away from the fact that lower government funding and lower council tax increases ultimately mean more savings being needed – with more pressure therefore to reduce service provision.

RELATIONSHIP TO POLICY FRAMEWORK

The Medium Term Financial Strategy is the part of the current budget and policy framework.

CONCLUSION OF IMPACT ASSESSMENT

(including Diversity, Human Rights, Community Safety, Sustainability etc)

There is no direct, quantifiable impact arising at this stage, although the MTFs sets out the level of funding expected for the delivery of council services. As such, it will have a direct bearing on the level and impact of services provided in future.

FINANCIAL IMPLICATIONS

As referred to in the report; there are no other quantifiable financial implications at this stage.

SECTION 151 OFFICER'S COMMENTS

The s151 officer has produced this report.

LEGAL IMPLICATIONS

Legal Services have been consulted and have no observations to raise on this report.

MONITORING OFFICER'S COMMENTS

The Monitoring Officer has been consulted and has no comments to add.

BACKGROUND PAPERS

None.

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Summary of Known & Anticipated Budget Changes to Date

Cabinet 08 November 2011

	2011/12 £'000	2012/13 £'000	2013/14 £'000	2014/15 £'000
Original Revenue Budget Projections (Per Budget Council 02 March 2011)	21,481.0	21,131.0	21,726.0	-
TARGET REVENUE BUDGET (based on 2% Council Tax Increases annually from 2012/13)	21,481.0	20,140.0	20,088.0	-
ORIGINAL SAVINGS REQUIREMENT	0.0	991.0	1,638.0	-
Budget Approvals:				
Cabinet : Affirmed commitment to Youth Games (option to make savings not taken) Min 25		+0.0	+0.0	+0.0
Personnel Cttee : Community Engagement Restructure	-62.0	-34.0	-28.0	-28.0
Personnel Cttee : Information Services Restructure		-35.0	-33.0	-31.0
Cabinet : Public Realm Virements	+37.0			
Pending Budget Approvals:				
Personnel Cttee : Red Book Employees (subject to Council / Cabinet approval)	+9.5	+24.3	+30.1	+36.0
Cabinet : West End Local Centre Parking (subject to Council approval)		+2.0		
Expected Base Budget Changes:				
Vacant Post Deletions (to realign staffing needs)	-209.6	-185.3	-232.3	-232.3
Other Staff Turnover Savings	-100.0	?	?	?
Pay Award: no national award in current year	-97.2	-98.2	-99.1	-100.1
Insurance Savings	-40.0	-20.0	-20.0	-20.0
Lancaster Market Costs (current operation assumed: subject to Council's decision)	+74.0	+181.0	+216.0	+225.0
Quarter 1 Corporate Financial Monitoring (excluding staff savings)	+63.0	+137.0	+137.0	+137.0
Quarter 2 Corporate Financial Monitoring	?	?	?	?
Additional Capital Financing Costs (due to delayed capital receipts)		+50.0	+50.0	+50.0
Sub Total of Budget Changes (see analysis below)	-325.3	+21.8	+20.7	+36.6
Assumed additional transfers to (+) / from (-) Balances	+325.3	0.0	0.0	0.0
LATEST INDICATIVE SAVINGS REQUIREMENT	0.0	1,012.8	1,658.7	TBC

Summary of Above Movements:

Budget Reductions	-508.8	-372.5	-412.4	-411.4
Budget Increases	+183.5	+394.3	+433.1	+448.0
Net Impact on Budget Position	-325.3	+21.8	+20.7	+36.6

POTENTIAL SAVINGS AND GROWTH OPTIONS (see following page)

Potential Savings Options	SERVICE	NOTES	-150.0	-150.0	-150.0
EFFICIENCY SAVINGS					
Service Restructures	Various Services	<i>New: Indicative estimate only</i>	-150.0	-150.0	-150.0
Vehicles - review of replacement programme	Environmental Services	<i>Approved 2011/12 Budget</i>	<i>To be addressed through updating base budget</i>		
Review of management of parks and open spaces (including grounds maintenance)	Environmental Services / Community Engagement	<i>Cabinet : 04 October 2011</i>	?	?	?
Museum Partnership - withdraw from current agreement	Community Engagement	<i>Approved 2011/12 Budget</i>	?	?	?
Vehicle Maintenance - review shared service opportunities	Environmental Services	<i>Approved 2011/12 Budget</i>	<i>Reviewed but savings opportunities are unlikely</i>		
CCTV - review of operations	Property Services	<i>Approved 2011/12 Budget</i>	?	?	?
Business Travel mileage and expenses	All services	<i>New</i>	?	?	?
Procure to Pay (P2P) processing savings	All services	<i>New</i>	?	?	?
HR / Payroll processing savings	All services	<i>New</i>	?	?	?
INVEST TO SAVE					
Lancaster Market - subject to Council 16 November 2011	Property Services	<i>New</i>	?	?	?
INCOME GENERATION					
Replacement Waste Bins & Boxes - further consideration of charging	Environmental Services	<i>Approved 2011/12 Budget</i>	<i>Direction required from Cabinet</i>		
Bulky Matters - consider options to expand / review charges	Environmental Services	<i>Approved 2011/12 Budget</i>	<i>Reviewed but savings opportunities are unlikely</i>		
Waste Collection - consider bidding for other contracts	Environmental Services	<i>Approved 2011/12 Budget</i>	<i>Reviewed but no savings opportunities exist</i>		

Potential Growth Options	SERVICE	NOTES	+117.0	+74.5	+74.8
Apprenticeship Scheme	Governance	<i>New</i>	?	?	?
PCSO's : Continuation of funding	Environmental Services	<i>New</i>	+100.0	-	-
Public Realm : Enhancing promenade grounds maintenance	Environmental Services	<i>Cabinet : 04 October 2011</i>	+17.0	+10.0	+10.0
BID schemes : Lost interest and actual levy for Council properties	Financial Services / Property Services	<i>Cabinet : 26 July 2011</i>	-	+17.0	+17.3
CAPITAL RELATED GROWTH - REVENUE IMPLICATIONS					
Williamson Park : Ashton Memorial Steps	Community Engagement	<i>Cabinet : 06 September 2011</i>	?	?	?
Morecambe Area Action Plan : £200K for New Town Square and Euston Rd in 2012/13 - associated borrowing costs	Financial Services / Regeneration & Policy	<i>Cabinet : 04 October 2011</i>	-	+19.0	+19.0
Lancaster Square Routes : £300K for City Centre Investment Fund in 2012/13 - associated borrowing costs	Regeneration & Policy	<i>Cabinet : 04 October 2011</i>	-	+28.5	+28.5

Other Options	SERVICE	NOTES	-41.8	+171.0	+171.0
Council Tax Freeze Grant	Corporate	<i>New</i>	-41.8	+171.0	+171.0

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

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