



**Committee: CABINET**

**Date: TUESDAY, 9 OCTOBER 2012**

**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 September 2012 (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 receive declarations by Members of interests in respect of items on this Agenda.

Members are reminded that, in accordance with the Localism Act 2011, they are required to declare any disclosable pecuniary interests which have not already been declared in the Council's Register of Interests. (It is a criminal offence not to declare a disclosable pecuniary interest either in the Register or at the meeting).

Whilst not a legal requirement, in accordance with Council Procedure Rule 10 and in the interests of clarity and transparency, Members should declare any disclosable pecuniary interests which they have already declared in the Register, at this point in the meeting.

In accordance with Part B Section 2 of the Code Of Conduct, Members are required to declare the existence and nature of any other interests as defined in paragraphs 8(1) or 9(2) of the Code of Conduct.

5. **Public Speaking**

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

Reports from Overview and Scrutiny

None

Reports

6. **Museums Service (Pages 1 - 10)**

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

Report of the Head of Community Engagement

7. **Performance Reward Grant Funding (Pages 11 - 19)**

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

Report of the Head of Community Engagement

8. **Storey Creative Industries Centre (Pages 20 - 21)**

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

Report of the Head of Resources

9. **Service Level Agreement Storey Gallery (Pages 22 - 24)**

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

Report of the Head of Community Engagement

10. **Corporate Plan 2012-15 - Half Yearly Monitoring at September 2012 (Pages 25 - 36)**

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

Report of the Head of Community Engagement

11. **Budget and Planning Process 2013/14 (Pages 37 - 46)**

**(Cabinet Members with Special Responsibility Councillors Blamire & Bryning)**

Report of the Head of Resources

12. **Morecambe Festival Market (Pages 47 - 64)**

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

Report of the Head of Environmental Services

13. **Waste Collection - Cost Sharing (Pages 65 - 69)**

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

Report of the Head of Environmental Services

14. **Council Housing - Rota Painting (Pages 70 - 75)**

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

Report of the Head of Environmental Services

15. **Exclusion of the 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 12 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.

16. **Community Development Initiative (Pages 76 - 81)**

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

Report of the Head of Community Engagement

**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](mailto:ebateson@lancaster.gov.uk).

**(iii) Apologies**

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

MARK CULLINAN,  
CHIEF EXECUTIVE,  
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Published on Thursday, 27 September, 2012.

<b>CABINET</b>
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## Museums Service 9 October 2012

### Report of Head of Community Engagement

<b>PURPOSE OF REPORT</b>			
To update members on the review of the Museums Partnership agreement with Lancashire County Council and agree future management responsibilities.			
<b>Key Decision</b>	<b>X</b>	<b>Non-Key Decision</b>	<b>Referral from Cabinet Member</b>
<b>Date Included in Forward Plan</b>	July 2012		
<b>This report is public</b>			

#### RECOMMENDATIONS OF COUNCILLOR SANDS

- (1) That Option 1 – the development of an enhanced partnership agreement with Lancashire County Council is pursued.
- (2) That the agreement be initially for a three year period in order to enable the new governance approach to take effect.
- (3) That the Chief Executive be delegated authority to establish the appropriate governance arrangements set out in the report.

#### 1.0 Introduction

- 1.1 The Museums Service in Lancaster has, since 2003, been the subject of a Partnership Agreement between Lancashire County Council and Lancaster City Council. The establishment of the Museums Service Partnership Agreement came about as a result of Lancaster City Council budget deliberations for 2003/04.
- 1.2 Lancaster City Council funds the management of the City, Maritime and Cottage museums in Lancaster. Two others, not funded by the City Council, are Lancaster Castle and the Judges' Lodgings Museum.
- 1.3 The City Council own and have maintenance responsibilities for Lancaster City Museum, Lancaster Maritime Museum and the Cottage Museum. All the collections prior to the Museums agreement and those collected on behalf of the City after that agreement, belong to Lancaster City Council. All Museum staff that previously worked for Lancaster City Council were transferred to Lancashire County Council in April 2003.

- 1.4 Cabinet, at its meeting on 19 January 2010, resolved that:

*Lancashire County Council be issued with 24 months notice to terminate the Museums Partnership Agreement from 1 April 2010 (i.e. to be implemented after 31 March 2012), and that officers of the City Council, over the ensuing period, examine options of future service provision, whilst examining cost savings. (Min No 113 refers).*

- 1.5 Cabinet, at a further meeting on the 14 February 2012, resolved that:

- (1) *That the City Council continues with the existing partnership agreement with Lancashire County Council for a further year in order to continue ongoing dialogue aimed at developing a new shared service arrangement for the Museums service in the district.*
- (2) *That further reports are brought back to members during 2012/13 presenting more detailed information that will form the basis of the new arrangements prior to their implementation.*

### **2.0 Proposal details**

- 2.1 Since the Cabinet meeting in February officers from the City Council have continued to meet with County Council officers to review the effectiveness of the partnership and understand the allocation of costs. In addition, a specialist museums consultancy Robert M Aitken Museum Design has continued to provide additional specialist advice.
- 2.2 In taking forward negotiations with Lancashire County Council, the main aim of the work was to provide an indication of how the current partnership could be improved in order to bring it more in line with modern thinking, attract more visitors and make a positive contribution to the cultural offer and economy of Lancaster District.
- 2.3 The CHS clearly set out Lancaster's potential as a visitor destination based on its wealth of heritage and cultural (arts) offerings. It also highlighted the number of challenges that needed to be met and delivered to meet this vision. There are a number of significant opportunities for the district over the next few years. The proposed development of the Canal Corridor North site, Lancaster Castle and Luneside East will create a new east-west emphasis to the city centre. This means that the City Museum and the Maritime Museum will occupy increasingly important locations as key elements of a much bigger cultural and heritage offer in Lancaster as envisaged in the Cultural Heritage Strategy. The Cultural Heritage Strategy also makes a series of recommendations around marketing of the city and its attractions and festivals. It is imperative that the future of these, and other key buildings and areas such as the Storey CIC, Market Square and Sun Street, are considered in this light if the benefits of these significant investments are to be maximised.
- 2.4 The way forward for the City's museums must be seen against this background: both the City and the County must move forward together, albeit with a revised arrangement – but in the spirit of partnership and mutual benefit.

- 2.5 A number of options have been considered during the period of discussions some in more detail than others. Each option raises issues and associated risks, some of which may be easier to deal with than others. Options which essentially represented closure or disposal to the County or third parties create significantly more problems than they present realistic, sustainable solutions and were discounted quite early on in the process.
- 2.6 The main aim of the work was to provide an indication of how the current partnership could be improved in order to bring it more in line with modern thinking, attract more visitors and make a positive contribution to the cultural offer and economy of Lancaster District with a particular emphasis on maximising value for money for both the City and the County.

The two options given detailed consideration and presented in this report are:

- Option 1** Enhancing the existing partnership arrangements with Lancashire County Council or
- Option 2** Repatriating the museums service back to the City Council.

### **Option 1 - Enhanced Partnership with Lancashire County Council**

- 2.7 This option proposes a revised enhanced partnership arrangement between the City and County Council. It proposes that the existing arrangements for the management of the City, Maritime and Cottage Museums in Lancaster on behalf of the City Council could be both improved and delivered at a reduced cost. The County Council have agreed that the present sum contributed annually by the City Council could now be reduced by £50,000 (to £500,000 a year) as a result of the savings made in the overall operating costs of the County's Museum Service due to restructuring and the creation of a Cultural Services 'block'.
- 2.8 This option proposes that an appropriate governing body (a Joint Museums Service Governance Group) involving elected members is needed to ensure "the alignment of the museums operations within the district (both City and County) with the priorities of both authorities". Option 1 recommends that a coordinated, strategic approach is delivered for the operation of the museums in the Lancaster District via a Joint Museums Service Governance Group comprising an appropriate number of councillors from both City and County. The proposed structure is set out in Appendix A.
- 2.9 There currently exists a productive and improving management approach to the partnership and officers have worked to ensure greater integration is provided within the partnership. It is envisaged that operational managers from County would contribute to business planning in particular at Williamson Park and Platform and additionally bring a new approach to delivering services to community facilities throughout the district (outreach work). There are possibilities to work with sport and physical activity officers who have built up a range of community / club / school contacts in recent years which in turn should help raise the profile of all three museums and enhance the cultural offer district wide. Opportunities exist to maximise partnership work with various arts organisations and such opportunities would be coordinated by City Council officers. Possibilities of linking outputs

delivered by the museums which are not currently recognised such as improved health (particularly mental health), improved education programme (links to ever expanding educational offers at Williamson Park which in turn generates revenue) and increased users of cultural facilities from hard to reach groups would be identified and reported.

- 2.10 The enhanced partnership would create the forum for officers to co-ordinate the development of the shared business plan and strategic plan for consideration by the Governance Group, which itself would not have decision making powers, as these would be subject to the normal processes of the two authorities. The Group would therefore advise their respective authorities on the operation of the museums and also on proposed development plans. Budgets would also continue to be agreed by the respective councils under their usual processes, but informed by the agreed ambitions of the Group, if accepted by the respective authorities.
- 2.11 If implemented and maintained – this option would give the City a greater involvement in the future of its museums at both member and officer level and the ability to influence and integrate the museums offer within the wider cultural offering of the district and wider region.
- 2.12 For the reasons set out in Paragraph 2.3, it is recommended that this enhanced agreement be initially for a period of three years to assess:
  - a) Whether the revised arrangements are delivering the intended benefits and offering a stronger contribution to the cultural offer and economy of the district and wider region and
  - b) The wider context in which the museums service would be offering including progress being made on the key initiatives described above.

Should option one be the preferred option an opportunity is created to reinvest some of the savings identified in to the enhanced partnership. A 50% assumption for reinvestment (£25k) could be allocated to areas most in need such as introducing new signs, banners to frontage of buildings and most importantly providing the opportunity for managers to improve exhibition displays as appropriate.

- 2.13 If this option is pursued the City council needs to develop clear negotiating positions particularly in the key areas of:
  - Creating a vision for the delivery of the City's heritage.
  - Management and governance, including the management of the contract by the City
  - Value for money considerations and their demonstration
  - Benchmarking and – crucially – the creation of performance indicators triggering either additional or reduced payments by the City to the County
  - Proper reporting arrangements by the County to the City on agreed benchmarks and performance indicators
  - The creation and delivery of capital investment strategies by both the City and the County

- The creation and delivery of commercial opportunities that are in the City's interest, including the City Museum's basement and potential catering and retail operations.

## **Option 2 - Repatriation of the Museums Service**

- 2.14 This option proposes that all the functions are managed in-house by the City, with four areas (specialist repair and restoration, specialist advice on object handling, the design and delivery of exhibitions and the upgrade of the permanent collections) being offered for tender by the City under its usual procurement procedures and practices to the County and, if thought necessary, to independent third parties.
- 2.15 This re-allocation of responsibilities would give the City freedom to develop the museums as it sees fit, with the County acting as a third party contractor for defined services, at an agreed fee, possibly in competition with other bodies or private contractors for services such as exhibition design and the upgrading of the permanent exhibits.
- 2.16 Following a transfer, the City would:
- have direct control over all the public-facing elements of the service
  - have a management contract with the County for clearly specified and costed activities that the County will perform under the contract
  - use staff transferred from the County under TUPE arrangements to manage the service
  - place external contracts for activities that it is financially prudent to do so, under briefs set and managed by the service, and produced under the usual tendering procedures operated by the City.
- 2.17 This option proposes a Museum Board for the express purpose of maintaining the museums' planning cycle and setting all policies for the future direction of the museums service. The structure of this Board is set out in Appendix 2.

## **General issues for consideration**

- 2.18 A key objective of any new arrangements must be to reduce the level of subsidy per visitor, thereby increasing value for money. The latter can be achieved (a) by reducing costs, and/or (b) by increasing visitor numbers.
- 2.19 Bearing in mind that the majority (72%) of the cost of running the service is either staff- or premises-related, or is concerned directly with point-of-delivery activities, reducing cost in any meaningful way may give the impression that the service is retrenching, and might actually reduce the current VfM. The second way – that of increasing visitor numbers – would appear to be the preferred route. A series of potential *Quick Wins*, have been identified:
- a new brand and associated marketing campaign
  - new signage, including banners to the front-of-house



- a new interpretive master plan for the Museum in the context of Lancaster district as a whole
- a master plan for the new museum offer, including the extension and basement
- consider the development of the basement by a third party commercial operator, the activity to be in keeping with both the history of the building and the spirit of the museum
- install new retail outlet on the Ground Floor of City Museum

### **3.0 Details of Consultation**

A stakeholder event took place on the 26 May 2011 and further discussions have followed

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

There are two options considered in this report:

#### **1. Negotiate an 'enhanced' partnership agreement with Lancashire County council effective from March 2013 for a period of three years.**

This option carries minimal risk, carries on an existing working relationship with a respected partner and requires that the City needs to do little to implement this proposal other than establishing appropriate governance arrangements and taking a more pro-active role in the future strategic direction of the museums service. This option is consistent with the decision of Cabinet taken on the 14 February 2012 (Para.1.5), offers an immediate financial saving to the council and is complementary to the city council's strategic direction to 'share' services with Lancashire County Council.

#### **2 Bring the Museums Service back 'in house.'**

This option brings with it the ability to have direct control over all public facing elements of the service working flexibly within its own budgets to support the Council's cultural heritage economic priority.

Whilst this option may be a desired outcome it would still leave two authorities running similar services in the district with separate decision making and budgetary provision, a potential risk of a divergence of opinion going forward and may not offer the maximum opportunity to generate efficiencies. In addition, there is a risk that the operation could cost more than it does under the current arrangements if the projected increases in visitor numbers do not materialise.

Currently the city is at a crucial if not pivotal moment in the development of the city's future development. Proposals such as the Castle will become the 'must see' visitor attraction. Although it is being suggested the development will include a strong museum offer detailed plans have yet to emerge. This, together with developments such as the Canal Corridor, Square Routes etc. are "once in a generation" opportunities and the museum offer has a key role to play in maximising the positive impacts of these. In this context, it is considered to be not the right time to take a long

term decision as to the future of the museums service and its contribution toward the cultural heritage offer of the district.

**Officer recommendation**

In the light of the above the officer preferred recommendation is Option 1 - Negotiate an 'enhanced' partnership agreement with Lancashire County council effective from March 2013 for a period of three years.

**5 Conclusion**

The Museums service has a key role to play in supporting the development of the Lancaster's wider cultural offer and in turn the future prosperity of the city centre. The opportunity for effective involvement by City Council officers with a proven track record of improving services delivered to the public is appealing. The recent award to Williamson Park as a quality accredited excellent facility to Visit Britain being a good recent example of City Council achievements when involved in facility management. The opportunity to revitalise the partnership and include officers from County within the business planning process of the City Council can only further a cohesive approach. This approach coupled with improved governance arrangements can be delivered within option one and affords the necessary review timescale within three years to assess performance.

<p><b>RELATIONSHIP TO POLICY FRAMEWORK</b></p> <p>Management of the Museums is an important element of the Council's priorities of Economic Regeneration – and is cited within the Corporate Plan 'An improved future for the district's museums is secured'.</p>
<p><b>CONCLUSION OF IMPACT ASSESSMENT (including Diversity, Human Rights, Community Safety, Sustainability and Rural Proofing)</b></p> <p>Will all be taken into consideration during the development of any new arrangements.</p>
<p><b>LEGAL IMPLICATIONS</b></p> <p>If option 1 is approved Legal Services would advise and assist in the preparation of the enhanced partnership agreement.</p> <p>In the event that option 2 is approved Legal Services would advise and assist in dealing with any issues arising from devolution from the County Council arrangements including TUPE issues.</p>
<p><b>FINANCIAL IMPLICATIONS</b></p> <p><b>Option 1</b></p> <p>The key advantage of this proposal to the Council is that the annual cost of the operation of its museums is known and fixed at £500,000 a year as at year 1, offering an instant saving of £50,000 a year, rising to over £54,000 a year if a 2% real year-on-year increase is assumed. This equates to a total saving over five years of just over £260,000. Consideration should be given as to whether further savings can be made by way of a detailed look at the workings of the City, County and Cottage museums (ie, at the operational level) to effect either further savings or increased income for the financial</p>

benefit of the City. This would be investigated further going forward if this option is selected.

## Option 2

The following table is based on assumptions regarding the initial set up costs of £239K to cover the cost of re-configuring the entrances to the City and Maritime museums, implementation of new systems, re-training of staff, re-brandings and re-launching the museums. It has been assumed that these costs would be funded from revenue for the purposes of this appraisal.

This option also assumes existing staff are transferred from the County to the City at current rates.

	2013/14	2014/15	2015/16	2016/17	2017/18	Totals
	£	£	£	£	£	£
<b>Initial Set Up Costs</b>						
Capital (Assumed to be financed from Revenue)	68,250					68,250
Revenue	140,490	30,135				170,625
<b>Total Set Up Costs</b>	<b>208,740</b>	<b>30,135</b>				<b>238,875</b>
<b>Annual Running Costs</b>						
Employees	418,833	430,383	442,721	446,790	446,790	2,185,515
Premises & Transport	55,366	56,473	57,602	58,754	59,929	288,125
Supplies and Services	147,273	150,219	153,223	156,288	159,413	766,416
Conservation, Marketing and Exhibitions	117,694	120,048	122,449	124,898	127,396	612,486
<b>Total Expenditure</b>	<b>739,166</b>	<b>757,123</b>	<b>775,995</b>	<b>786,730</b>	<b>793,529</b>	<b>3,852,542</b>
<b>Income</b> (see table below for details)	<b>(197,849)</b>	<b>(225,140)</b>	<b>(242,025)</b>	<b>(254,127)</b>	<b>(260,480)</b>	<b>(1,179,621)</b>
<b>Net Annual Running Cost</b>	<b>541,317</b>	<b>531,983</b>	<b>533,970</b>	<b>532,603</b>	<b>533,049</b>	<b>2,672,921</b>
<b>Total Annual Cost</b>	<b>750,057</b>	<b>562,118</b>	<b>533,970</b>	<b>532,603</b>	<b>533,049</b>	<b>2,911,796</b>
Cost of Current Annual Contract (2% compound)	559,980	571,180	582,603	594,255	606,140	2,914,158
<b>Annual Cost / (Saving)</b>	<b>190,077</b>	<b>(9,062)</b>	<b>(48,633)</b>	<b>(61,652)</b>	<b>(73,092)</b>	<b>(2,362)</b>
Cumulative Cost / (Saving)	190,077	181,015	132,382	70,729	(2,362)	

The initial investment of £239K would take 5 years to pay back.

The income generation assumptions made in these projections are as follows:

Income Assumptions	2013/14	2014/15	2015/16	2016/17	2017/18
<b>Visitor/User Numbers</b>	<b>157,380</b>	<b>173,118</b>	<b>186,102</b>	<b>195,407</b>	<b>200,292</b>
<b>Annual Increase in Numbers Assumed</b>	<b>115.0%</b>	<b>10.0%</b>	<b>7.5%</b>	<b>5.0%</b>	<b>2.5%</b>
<b>Spend Per Customer</b>	<b>(£1.26)</b>	<b>(£1.30)</b>	<b>(£1.30)</b>	<b>(£1.30)</b>	<b>(£1.30)</b>
<b>Total Income</b>	<b>(£197,849)</b>	<b>(£225,140)</b>	<b>(£242,025)</b>	<b>(£254,127)</b>	<b>(£260,480)</b>

As can be seen from the table above, it is assumed that visitor numbers will increase by 115% in the first year, and a total increase of 140% over the 5 year payback period. In addition, spend per customer would increase from the current 53p to £1.26. These assumptions include removing admission fees, installing a new retail outlet in the City Museum and having a new interpretive master plan. Clearly, if these increases do not materialise then the payback period would be greater. In fact, anything less than an increase of 85% in the first 5 years would not achieve any payback as the net running costs would be the same as the current cost of the operation under the County agreement.

A comparison of the two options is shown in the following table:

	2013/14 £	2014/15 £	2015/16 £	2016/17 £	2017/18 £
<b>OPTION 1 : COUNTY PROPOSAL</b>					
Annual Saving	(50,000)	(51,000)	(52,020)	(53,060)	(54,122)
Cumulative Saving	(50,000)	(101,000)	(153,020)	(206,080)	(260,202)
<b>OPTION 2 : IN-HOUSE PROPOSAL</b>					
Annual Cost / (Saving)	190,077	(9,062)	(48,633)	(61,652)	(73,092)
Cumulative Cost / (Saving)	190,077	181,015	132,382	70,729	(2,362)

Clearly the County proposal will generate greater savings over a 5 year period, and it has been forecast to take 13 years before the cumulative savings for both options reach the same level.

In summary, from a financial point of view, the least risk option is Option 1 and this will also generate the greatest savings over the medium term.

#### **OTHER RESOURCE IMPLICATIONS**

##### **Human Resources:**

Officers from Human Resources have been included within dialogue with County Council and will prepare definitive implications relating to staff should any variation of the museums operation be agreed. At this stage it is too early to consider TUPE implications until a clear way forward has been agreed and staff informed of any changes.

##### **Information Services:**

None identified to date.

##### **Property:**

The three museums referred to above are owned by Lancaster City Council

##### **Open Spaces:**

No implications

#### **SECTION 151 OFFICER'S COMMENTS**

The s151 Officer has been consulted and has no further comments.

#### **MONITORING OFFICER'S COMMENTS**

The Deputy MO has been consulted and has no further comments.

#### **BACKGROUND PAPERS**

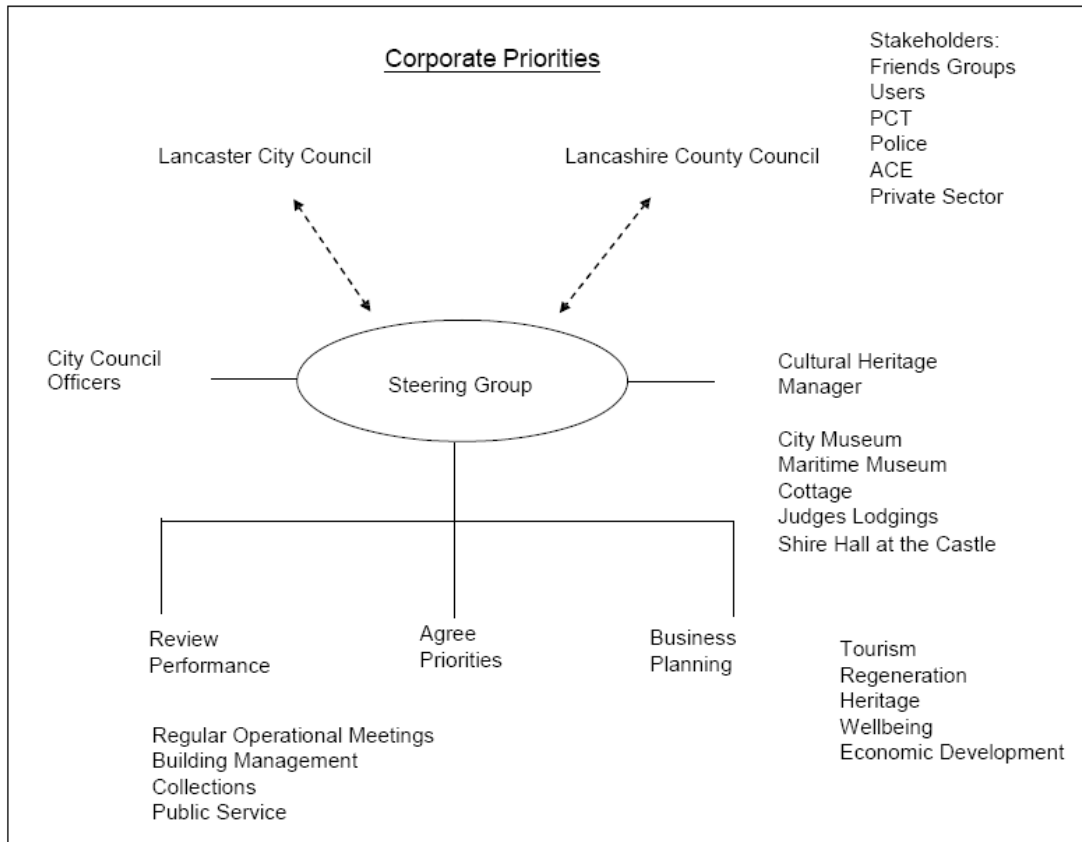
Robert M Aitken Museum Design - report

**Contact Officer:** Richard Tulej

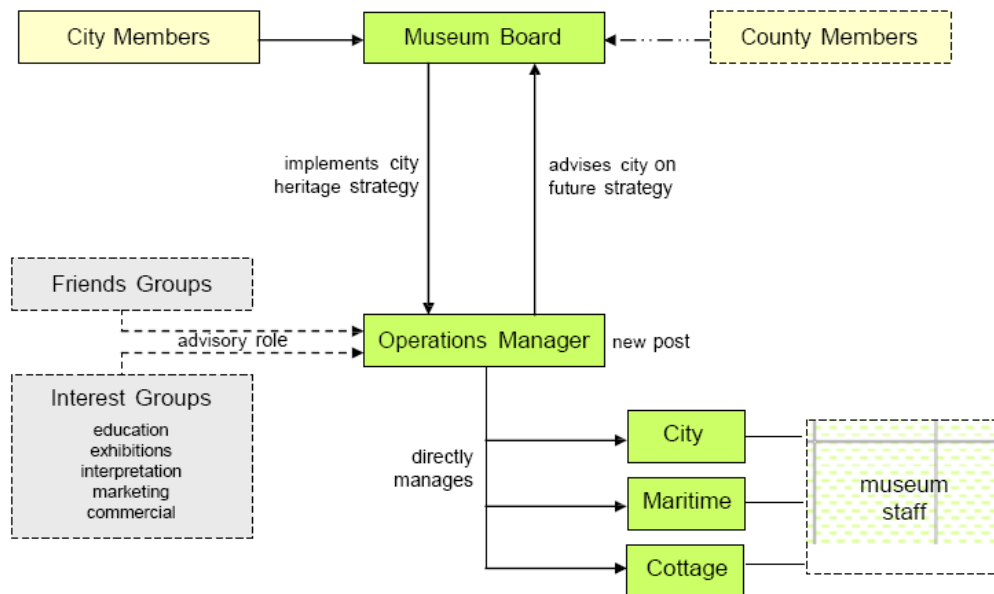
**Telephone:** 01524 582079

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## Appendix A



## Appendix B



**CABINET**

**Performance Reward Grant Funding  
9<sup>th</sup> October 2012**

**Report of the Head of Community Engagement**

<b>PURPOSE OF REPORT</b>			
To seek approval of members for amendments to the allocation of the Performance Reward Grant funding previously allocated towards the Warm Homes Scheme.			
<b>Key Decision</b>	<b>X</b>	<b>Non-Key Decision</b>	<b>Referral from Cabinet Member</b>
<b>Date Included in Forward Plan</b>		September 2012	
<b>This report is public</b>			

**RECOMMENDATIONS OF COUNCILLOR EILEEN BLAMIRE**

- (1) That Cabinet considers the options outlined in this report for the use of £96,521.00 available capital related Performance Reward Grant.
- (2) That any PRG funds allocated to the Affordable Warmth Improvement Programme are specifically used to support measures to reduce the level of excess deaths and avoid hospital admissions that are due to vulnerable people living in cold housing conditions.
- (2) That subject to Cabinet’s support for the Affordable Warmth Improvement Programme, the Home Improvement Agency (HIA) within Health and Housing be the delivery agent
- (3) That the authority to approve any further amendments specific to the Affordable Warmth Improvement Programme is delegated to the Leader of the council, ensuring that the council’s responsibilities for PRG are met.
- (4) That the General Fund Capital Programme be updated accordingly
- (5) That the Head of Health and Housing be authorised to apply for any suitable external funding to support the delivery of affordable warmth related activities, subject to a fit with corporate priorities and Financial Services confirming that there be no additional call on the City Council’s finances.

**1.0 Introduction**

- 1.1 Following a Cabinet meeting of the 26<sup>th</sup> July 2011, the Lancaster District Local Strategic Partnership (LDLSP) was allocated a share of the Performance Reward Grant (PRG) received from central government for the successful

delivery of the first Local Area Agreement (LAA) for Lancashire. The LDLSP Management Group created a Warm Homes Project which used £100,000 of capital PRG and £5000 of revenue PRG to attract matched CERT (Carbon Emissions Reduction Trading) funding from utility companies. This gave the LDLSP a fund to provide grants for insulating homes in the Lancaster District, reducing fuel poverty, excess winter deaths and CO<sub>2</sub> emissions.

- 1.2 The delivery partner chosen for this activity was the not-for-profit managing agent Tadea and on 9<sup>th</sup> September 2011, the Warm Homes Project commenced with an anticipated end date of 31<sup>st</sup> December 2012. During this period, a Service Level Agreement (SLA) between Lancaster City Council and Tadea requested that “at least 2000 residents must receive significant virgin loft insulation, loft top-up insulation and/or cavity wall insulation work by the end of the Initiative”.
- 1.3 However, since the commencement of the scheme, a large number of providers have begun to provide free loft insulation and cavity wall insulation to all customers regardless of their compliance with CERT Requirements. This has changed the circumstances in which the scheme was operating and has presented increased opportunities for residents of the Lancaster District to insulate their properties at no charge.
- 1.4 The prevalence of free insulation schemes has created an opportunity for the council to use PRG funding to provide additional services which add value to those currently available to residents of the Lancaster District for which there is limited provision. The remaining amount of PRG funding available is £96,521.00 and, as it is not time-limited, can be carried forward into future years without issue.
- 1.5 The Cabinet meeting of 26th July 2011 supported the recommendation that “approval for...amendments to [the Warm Homes initiative], is delegated to the Leader of the Council, as the City Council’s representative on the LDLSP Management Group”. However, due to the size of funds available, members are asked to provide approval for a revision to the allocation of the PRG funds.

## **2.0 Proposal Details**

- 2.1 To address the health related impacts associated with cold homes, the Warm Homes project initiated by the LDLSP had the overarching aim to “provide grants for insulating homes in the Lancaster district, reducing fuel poverty, excess winter deaths and CO<sub>2</sub> emissions”.
- 2.2 In light of these changes, an alternative delivery method is proposed which addresses the shortfall in existing provisions for vulnerable residents of the Lancaster District.

### *a) Evidence for scheme*

- 2.3 The health effects of living in cold homes have been highlighted by many recent reports. Cold homes lead to excess winter deaths, cardiovascular, respiratory and mental health problems [Marmot Review, 2011]. The excess winter mortality index figure (the measure of winter deaths compared with non-winter deaths) is high in Lancaster district; 19.3 compared to national average of 17 [North Lancs PCT, 2009 most recent figures available]. In

addition, the Lancashire Mental Health & Wellbeing Report [Joint Strategic Needs Assessment, 2011] identified that fuel poverty is increasing inequality in the county. Wellbeing of older residents is particularly affected and the report recognises that services need to be improved to 'make fuel bills less pressing'.

- 2.4 Recent figures produced by Department of Energy and Climate Change (2010) demonstrate that 24% of homes (approximately 14,300 households) in the Lancaster district are in fuel poverty, having to spend more than 10% of their income on fuel bills. Surrounding areas have even higher rates – 28% of households in Pendle (15th highest in UK). Rising fuel prices are the No1 concern for people in Britain today [Which? June 2011] and financial worries have an impact on wellbeing. 48% of people in Morecambe and Heysham, (low incomes wards), said their homes are too costly to heat [LCC Housing Needs Survey 2011].

*b) Affordable Warmth Improvement Programme*

- 2.5 Although home insulation services are now more readily available, the factors which impact on the warmth efficiency of a home can only be effectively addressed through undertaking more wide ranging home improvements.
- 2.6 The PRG funding which is available is strictly for capital costs with any additional costs to be met by alternative means. However, this funding is not time-limited and can be carried forward into future years without issue. Therefore, to ensure effective delivery, an alternative scheme to the Warm Homes scheme must remain efficient and complement existing delivery arrangements.
- 2.7 The HIA currently work with vulnerable groups and have the capacity to use the PRG funding to deliver an Affordable Warmth Improvement Programme without any further revenue costs. This Programme is intended to complement the existing range of HIA services available to enable elderly or disabled residents to remain safe, warm and independent in their own homes.
- 2.8 The property improvements provided through the Programme will be considered appropriate for enhancing a vulnerable resident's home with the aim of improving affordable warmth, preventing fuel poverty and reducing the number of deaths that are due to vulnerable residents living in cold housing. Examples of improvements which could be delivered through the Programme include the provision of secondary glazing, electrical improvements to enable the installation of heating systems, or enhanced insulation. Further details concerning how the Affordable Warmth Improvement Programme will operate are available in Appendix 1.
- 2.9 The proposed Affordable Warmth Improvement Programme will have an eligibility criterion that will enable the HIA to deliver a service which is over and above schemes currently available thereby providing an additional level of assistance to vulnerable residents of the Lancaster District.

*c) Future funding*

- 2.10 Considering the increased importance of the affordable warmth agenda, it is likely that future opportunities for external funding will arise. To maximise the financial resources available to the Lancaster district, officers will seek to take



advantage of those opportunities which fit with corporate priorities.

### 3.0 Details of Consultation

- 3.1 Allocations of the PRG funding have been discussed at the meetings of the Lancaster District Performance Group, which was set up to oversee the remaining LDLSP projects during 2012-13 and they are keen to see the PRG funds used in a manner which meets the original objectives of the warm homes project.
- 3.2 In addition, there has been consultation via the Lancaster District Affordable Warmth Group with the partners working with vulnerable people in the district to understand current needs and develop potential solutions. The discussions held in this forum have contributed to the development of the proposals in this report.

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

	<b>Option 1:</b> The council directs PRG funding to the HIA to deliver a Affordable Warmth Improvement Programme which is supportive of the original aims of the Warm Homes scheme	<b>Option 2:</b> Take back the funds to address other priorities within the capital programme
Advantages	<ul style="list-style-type: none"> <li>• Provides tangible benefits for vulnerable people</li> <li>• Contributes to the achievement of one of the Council's Corporate Priorities</li> <li>• Funds could be delivered as part of a capital programme through the HIA utilising their existing technical staff</li> <li>• The HIA have many years of experience delivering similar home improvement type grants utilising our directly employed handypersons and local approved contractors to carry improvements for vulnerable residents</li> </ul>	<ul style="list-style-type: none"> <li>• The council will be able to redirect the funds to meet alternative objectives</li> </ul>
Disadvantages	<ul style="list-style-type: none"> <li>• Some officer time required to administer funds and monitor progress</li> <li>• Fund will be unavailable to support other initiatives</li> </ul>	<ul style="list-style-type: none"> <li>• The council will have lost an opportunity to reduce mortality and help vulnerable groups increase their resilience to periods of cold weather</li> <li>• Council will have reduced capacity to achieve Health and Wellbeing success measures</li> </ul>

<p>Risks</p>	<ul style="list-style-type: none"> <li>• <b>Project outcomes not delivered</b> - low risk but could occur due to failure to reach relevant client groups</li> <li>• <b>Mitigation:</b> The HIA have an excellent track record of delivering similar schemes and have management arrangements in place to address any issues which may arise</li> <li>• <b>Priorities may change dependent on need</b> – Low risk but could change the type of assistance provided by the HIA</li> <li>• <b>Mitigation:</b> Delegated decision making to the Leader of the Council will allow for quick progress.</li> </ul>	<ul style="list-style-type: none"> <li>• Dependent on the alternative use of the funds</li> <li>• The PRG funding has been provided to support a range of partnership initiatives. Partners in the district have been engaged in the process of identifying priorities and will have expectations for the use of the funds</li> </ul>
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**5.0 Officer Preferred Option (and comments)**

5.1 The officer preferred option is Option 1 as this delivers the original objectives of the funding and supports Health and Wellbeing Outcomes and Success Measures in the council’s Corporate Plan.

**6.0 Conclusion**

6.1 The council can demonstrate its strong commitment to health and wellbeing in the Lancaster district by directing the available PRG funding towards the proposed Affordable Warmth Improvement Programme. This will enable the HIA to offer support to vulnerable residents which is not available elsewhere. However, these initiatives are complex and amendments to the plans will certainly be required – by delegating authority to the Leader to approve those decisions Cabinet will ensure that approval is given in a timely manner

6.2 Through identifying and applying for additional external funding where opportunities may arise, Cabinet will be able to continue to add value to affordable warmth related activities operating in the district.

**RELATIONSHIP TO POLICY FRAMEWORK**

Health and Wellbeing is one of the key priorities within the Corporate Plan 2012-15 including “continuing work to improve the quality and availability of housing”. In particular, two of the Plan’s outcomes are to “enhanced quality of life of local residents through access to good quality housing” and “health and wellbeing improved and mortality rates reduced for vulnerable people in the district”. Furthermore, the Corporate Plan includes a success measure of the “number of vulnerable individuals benefiting from Warm Homes initiatives”. The provision of a Affordable Warmth Improvement Programme will allow Lancaster City Council to achieve these outcomes and deliver the success measure.

Affordable Warmth is also being considered as a priority in the emerging county wide Health and well being strategy being developed by the Shadow Health and well being Board and is also being targeted for intervention by our local clinical commissioning group.

**CONCLUSION OF IMPACT ASSESSMENT**

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

The funding available will support the needs of the most vulnerable, improving services across the district including in rural areas.

**LEGAL IMPLICATIONS**

There are no direct legal implications arising as a result of this report other than in relation to the requirement associated with managing external funds. These requirements are fully addressed by the council's agreed arrangements.

**FINANCIAL IMPLICATIONS**

The proposal is to use the unallocated £96,521 PRG grant to fund an affordable warmth improvement project. As stated in the report, these funds are currently unallocated having previously been awarded to fund the warm homes initiative which has now ceased.

As the funding was provided for capital purposes it cannot be used to cover any revenue costs, therefore these will have to be met from existing resources. At this stage it is anticipated that there will only be some staff time required to administer the scheme, which will be met from existing service budgets.

The actual scheme itself can only cover improvement works in order to qualify as capital expenditure, therefore any basic repairs will be ineligible.

Should Cabinet approve this option, controls will be put in place to ensure appropriate accounting treatment.

Alternatively, Cabinet could approve option 2 and this would allow the funds to be used to progress other new or existing capital investment needs. Cabinet is aware that various schemes are on hold pending funding becoming available and it is in this context that they are advised to consider the proposal – it is a question of what is the highest priority.

**OTHER RESOURCE IMPLICATIONS**

**Human Resources:**

There are no direct implications arising as a result of this report other than some use of officer time to progress and manage the project

**Information Services:**

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

**Property:**

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

**Open Spaces:**

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

**SECTION 151 OFFICER'S COMMENTS**

The s151 Officer has been consulted and her comments included in the report.

**MONITORING OFFICER'S COMMENTS**

The Monitoring Officer has been consulted and has no further comments

**BACKGROUND PAPERS**

Appendix 1: Overview of Affordable Warmth Improvement Programme

**Contact Officer:** Daniel Wood

**Telephone:** 01524 582061

**E-mail:** dwood@lancaster.gov.uk

**Ref:** n/a

## **APPENDIX 1: LANCASTER HOME IMPROVEMENT AGENCY (HIA)**

### **Affordable Warmth Improvement Programme**

#### **1. Overview**

- 1.1. The Affordable Warmth Improvement Programme will be utilised to undertake improvements to enhance the thermal efficiency of properties in the Lancaster district. This will enable elderly or disabled residents to remain safe, warm and independent in their own homes. It is a last resort form of property enhancement where all other sources of improvement and funding have been considered and will compliment the existing range of HIA services.
- 1.2. The measures provided through the Programme will be considered appropriate for enhancing a vulnerable resident's home with the aim of improving affordable warmth, preventing fuel poverty and reducing the number of deaths that are due to vulnerable residents living in cold housing.

#### **2. Application**

- 2.1. Property improvements provided through the Programme will be considered following an assessment by the HIA Caseworker and Housing Technician.
- 2.2. Referrals for assessment by the HIA will be made in the normal manner through a network of local partners or by the client direct. The HIA already has in place a well established referral process.
- 2.3. All HIA enquiries are visited by a Caseworker who undertakes an initial assessment of the clients needs, including a financial assessment, completion of any relevant application paperwork and verification of the client's age and receipt of qualifying benefits. If appropriate the case would then be forwarded to the HIA Housing Technician to determine the extent of any works required to the property.
- 2.4. At this stage the Caseworker and Housing Technician will work together to determine the most appropriate course of action available to assist the client to meet their individual needs. This may result in one of a number of solutions including applications for charitable assistance towards the cost of the work, a referral to the HIA's Handyperson Service or advice on re-housing.
- 2.5. If the improvements provided through the Affordable Warmth Improvement Programme are deemed the only or most appropriate form of assistance available to assist the applicant and they constitute capital expenditure as advised by Financial Services the Housing Technician will prepare schedules of work and assist the client to seek estimates from Safe Trader Approved contractors. Once a minimum of two reasonable estimates have been obtained a formal written grant approval is issued to the applicant who will then be responsible for appointing the lowest priced contractor. The amount of assistance will be based upon the reasonable cost of carrying out the necessary works based on the lowest estimate received less any amount the applicant is considered able to pay.
- 2.6. On completion of the work and receipt of an invoice the Housing Technician will visit to ensure the works have been completed satisfactorily. The grant applicant must also be satisfied with the finished works. Once the contractor

has completed any snagging work the grant is paid direct by the council to the contractor.

- 2.7. In order to maximise the number of clients that can be assisted with the limited funds available, the HIA will also give consideration, as an alternative to the provision of a grant, to purchasing the materials required and completing the work in-house through the HIA's existing delivery mechanisms. This will be decided on a case by case basis with approval of the HIA Manager and Financial Services and will take into account, the ability of the HIA to complete the work, current workload, capitalisation and VAT requirements and the potential savings to be made from completing the work in-house.

### **3. Eligibility**

- 3.1. To be eligible for the Affordable Warmth Improvement Programme an applicant must be an owner-occupier, or a private tenant with responsibility to carry out the necessary works. They must generally be aged 60 or over, or disabled, and must always be in receipt of a means tested benefit with savings less than £6,000.

### **4. Approvals and payments**

- 4.1. The HIA will provide all applicants benefiting from the Affordable Warmth Improvement Programme with a formal written approval. No work must begin until written confirmation of the assistance approved has been issued and received.

**CABINET**

**STOREY CREATIVE INDUSTRIES CENTRE  
9 OCTOBER 2012**

**Report of the Head of Resources**

<b>PURPOSE OF REPORT</b>			
To provide Cabinet with an update on the position regarding the Storey Creative Industries Centre following the decision of Council on the 12 September 2012			
<b>Key Decision</b>	<input type="checkbox"/>	<b>Non-Key Decision</b>	<input type="checkbox"/>
		<b>Referral from Officer</b>	<input checked="" type="checkbox"/>
<b>Date Included in Forward Plan</b>	N/A		
<b>This report is public</b>			

**RECOMMENDATION OF THE HEAD OF RESOURCES**

(1) That the report be noted.

**1.0 Introduction**

1.1 Council, at it's meeting on the 12 September 2012, resolved amongst other things:

- That subject to the outcome of the liquidation process for SCIC Ltd and assuming that the head lease be forfeit, or otherwise terminated, Council's preferred direction for the Storey Institute is to seek to continue operating as a Creative Industries Centre, without excluding other options, in order to make the building sustainable and that the Council works productively with the tenants and other stakeholders, to achieve these ends.
- That officers be authorised to investigate the details of the restrictive covenant and to develop proposals in support of (2) above
- That it be noted that future decisions regarding the Storey Institute will be taken by Cabinet, subject to them being in accordance with the direction set under (2) above and the existing budget framework but that any decision regarding the status of the building be brought to full Council, for example, if it were offered for sale.

**2.0 Report**

2.1 A meeting took place with the sub-tenants on the 18 September to explain the Council's decision and the next steps required.

Information in respect of spaces let is being gathered and draft terms supplied

to tenants in readiness for the head lease being returned to the Council

- 2.2 Until the building is returned to the City Council, the sub-tenants of SCIC Ltd are continuing to manage the building. However, this situation can only be managed in the short term (probably not beyond mid-October)
- 2.3 The Liquidator has confirmed that he agrees to the Council's proposal to forfeit the Head lease and arrangements are now being put in place to pursue this course of action to return the building to the Council's control.
- 2.4 Arrangements have been put in hand to return the VIC to the Storey once it can be guaranteed that the front doors will remain open.

<b>RELATIONSHIP TO POLICY FRAMEWORK</b>	
N/A	
<b>CONCLUSION OF IMPACT ASSESSMENT (including Diversity, Human Rights, Community Safety, Sustainability and Rural Proofing)</b>	
N/A	
<b>LEGAL IMPLICATIONS</b>	
None arising directly as a result of this report.	
<b>FINANCIAL IMPLICATIONS</b>	
None arising directly as a result of this report	
<b>OTHER RESOURCE IMPLICATIONS</b>	
<p><b>Human Resources:</b> None arising directly as a result of this report.</p> <p><b>Information Services:</b> None arising directly as a result of this report.</p> <p><b>Property:</b> None arising directly as a result of this report.</p> <p><b>Open Spaces:</b> None arising directly as a result of this report.</p>	
<b>DEPUTY SECTION 151 OFFICER'S COMMENTS</b>	
The Section 151 Officer is the report author; there are no further comments to add.	
<b>DEPUTY MONITORING OFFICER'S COMMENTS</b>	
None arising from this report.	
<b>BACKGROUND PAPERS</b>	<b>Contact Officer:</b> Nadine Muschamp <b>Telephone:</b> 01524 (58)2140 <b>E-mail:</b> <a href="mailto:nmuschamp@lancaster.gov.uk">nmuschamp@lancaster.gov.uk</a> <b>Ref:</b> NM/ES/Cttees/Cabinet/09.10.12
Council report and minute – 12 September 2012	



<b>CABINET</b>
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**Service Level Agreement  
Storey Gallery 2012 – 2013  
9<sup>th</sup> October 2012**

**Report of Head of Community Engagement**

<b>PURPOSE OF REPORT</b>			
To seek members views as to future arrangements regarding the Council's Service Level Agreement with the Storey Gallery			
<b>Key Decision</b>	<input type="checkbox"/>	<b>Non-Key Decision</b>	<input checked="" type="checkbox"/> <b>Referral from Cabinet Member</b>
<b>Date Included in Forward Plan</b>	n/a		
<b>This report is public</b>			

**RECOMMENDATIONS OF HEAD OF COMMUNITY ENGAGEMENT**

**That following consideration of the findings of the consultant appointed by the Storey Gallery company to develop an alternative business model for the company, Cabinet consider whether it wishes to continue its Service Level Agreement (SLA) with the Gallery company.**

**1.0 Introduction**

- 1.1 Responsibility for the management of the Storey Gallery (SG) is vested in its Board of Trustees, the membership and operation of which is laid down by a constitution of the Storey Gallery.
- 1.2 Lancaster City Council has an annual Service Level Agreement (SLA) with the Storey Gallery.
- 1.3 The Council has made provision within its revenue budget for the payment of the grant to the SG for the financial year 2012/13 subject to:-
- An agreed and signed SLA.
  - Payment of the grant will be given every quarter in advance, based on submission of an invoice or a claim. A formal activity report is required on a quarterly basis.
  - LCC expects the gallery to seek external funding
- 1.4 The SLA for this year has not yet been signed.

- 1.5 For the financial year beginning April 2012, the Council has made provision within its revenue budget for a grant of £10,700 to be paid to the Storey Gallery (£2,675 per quarter), for such items as staffing, equipment, materials, marketing and promotion and programming
- 1.6 The Council has also made provision for a ring fenced grant (to the Storey Gallery) to the value of £27,100 for the purpose of rent paid directly to the SCIC. This has, to date, been paid on a quarterly basis to the Storey Gallery, following the submission of an invoice from the Gallery.

## **2.0 Report**

- 2.1 On the 29 June 2012 cabinet members were sent a briefing note concerning the gallery's SLA and advice that that an announcement had been placed on the gallery's website advising that the "*Storey Gallery is currently closed while we undertake a period of research and development. We are re-thinking the way the Gallery operates, and the programme it delivers.*"
- 2.2 Following this announcement the briefing note sought members support to 'suspend' the SLA pending clarification of the gallery's position. Members were advised that the suspension was to be effective from the 1 July.
- 2.3 Notwithstanding the SLA suspension, the City Council has paid for the gallery's rent and service charges for the earlier period from 01 April to June 2012.
- 2.4 At a meeting held on the 6 July, the company was advised of the Council's decision regarding the suspension and they took the opportunity to update the Council on their current position. They advised that James Rebank Consulting had been appointed to research and develop an alternative business model for the gallery going forward. It was agreed that when available it would be presented to Cabinet to assist in consideration as to whether the current SLA should be reinstated in some form.
- 2.5 That report has been circulated to Cabinet members prior to the meeting.

## **3.0 Details of Consultation**

There has been no consultation on this matter.

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

The options are to:

- 1 No longer have an SLA with the Storey Gallery.
- 2 Reinstatement the SLA in full or in part. It is likely that the findings of the consultant would lead to a complete redrafting of the existing agreement if either of these options were selected.

In the light of the findings of the consultants report the officer recommendation is Option 1.

**5.0 Conclusion**

The City Council has had in place a long standing SLA with the Storey Gallery company. The current financial and operational difficulty the company is facing has led to the closure of the gallery space and a review of its current operational and financial arrangements.

<p><b>RELATIONSHIP TO POLICY FRAMEWORK</b></p> <p>Corporate Plan Economic Growth priority: Support arts in the district working with the Arts Partnership.</p>	
<p><b>CONCLUSION OF IMPACT ASSESSMENT</b> (including Diversity, Human Rights, Community Safety, Sustainability and Rural Proofing)</p> <p>Will all be taken into consideration during the development of any new arrangements</p>	
<p><b>LEGAL IMPLICATIONS</b></p> <p>There are no legal implications arising as a result of this report</p>	
<p><b>FINANCIAL IMPLICATIONS</b></p> <p>The Council has made provision within its revenue budget for a grant of £10,700 and a ring fenced grant to the value of £27,100 for the purpose of rent paid.</p>	
<p><b>OTHER RESOURCE IMPLICATIONS</b></p> <p><b>Human Resources:</b> None</p> <p><b>Information Services:</b> None</p> <p><b>Property:</b></p> <p>The Storey Gallery and company are housed within the Storey Creative Industries Centre; a building owned by the City Council</p> <p><b>Open Spaces:</b> None</p>	
<p><b>SECTION 151 OFFICER'S COMMENTS</b></p> <p>The Section 151 Officer has been consulted and has nothing further to add</p>	
<p><b>MONITORING OFFICER'S COMMENTS</b></p> <p>The Deputy Monitoring Officer has been consulted and has no comments to add to this report.</p>	
<p><b>BACKGROUND PAPERS</b></p>	<p><b>Contact Officer:</b> Richard Tulej  <b>Telephone:</b> 01524 582079  <b>E-mail:</b> rtulej@lancaster.gov.uk  <b>Ref:</b></p>

**CABINET**

**CORPORATE PLAN 2012 - 15  
HALF YEARLY MONITORING - SEPTEMBER 2012**

**09 OCTOBER 2012**

**Report of the Leader of the Council**

PURPOSE OF REPORT			
To report progress on actions in the Corporate Plan 2012 -15 at the half way point of 2012			
Key Decision		Non-Key Decision	Referral from Cabinet Member
			X
Date Included in Forward Plan	N/A		
This report is public			

**RECOMMENDATIONS OF LEADER OF THE COUNCIL**

(1) That Cabinet considers and comments on the progress being made on actions within the Corporate Plan 2012 - 15

**1.0 Report**

1.1 The Corporate Plan 2012 – 15 was approved by Council on 14 May 2012, setting the direction for the delivery of council services and the achievement of corporate priorities. The Corporate Plan brings together the council's strategic priorities, outcomes and actions that it wishes to deliver in the medium term, as part of the council's Policy Framework.

1.2 Actions in the Corporate Plan, together with the Medium Term Financial Strategy (MTFS), drive the allocation of resources included in the council's medium term budgets, capital programme, HR Strategy, IS Strategy and Medium Term Corporate Property Strategy as well as Service Business Plans.

1.3 Six months into the first year of the life of the current Corporate Plan a review has been undertaken of progress on actions that are necessary to deliver the priorities and outcomes that the council hopes to achieve for the district. Details of this review are set out in *Appendix A*.

**2.0 Conclusion**

2.1 The Council's Performance Management Framework requires the regular reporting of operational, as well as, financial performance. The review of progress on corporate plan actions at this early stage in the life of the 2012 - 2015 Corporate Plan clearly demonstrates that good progress is being made towards the achievement of the council's stated outcomes and priorities.

2.2 It is important that the council is able to adapt to changes in a planned and considered way. To facilitate this the Corporate Plan is refreshed annually in the context of changing needs and aspirations in the district, financial forecasts and desired council tax targets and any other relevant resource implications. Work on developing the 2013 – 2016 Corporate Plan will commence at the end of October and will be informed by ongoing monitoring and management of the council's performance during 2012 – 2013 using the new Performance Management Information system, CorVu.

**RELATIONSHIP TO POLICY FRAMEWORK**

This report is a requirement of the council's Performance Management Framework in support of the council achieving its key tasks and objectives as reflected in its policy framework

**CONCLUSION OF IMPACT ASSESSMENT**

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

None arising from this report

**LEGAL IMPLICATIONS**

None directly arising from this report

**FINANCIAL IMPLICATIONS**

None directly arising from this report

**OTHER RESOURCE IMPLICATIONS**

**Human Resources / Information Services / Property / Open Spaces**

None directly arising from this report

**SECTION 151 OFFICER'S COMMENTS**

The s151 Officer has been consulted. Any financial implications of this mid-year review will be fed into the forthcoming MTFs mid-year review.

**DEPUTY MONITORING OFFICER'S COMMENTS**

The deputy monitoring officer has been consulted and has no comments to add to this report.

**BACKGROUND PAPERS**

CorVu Management Information System –  
Corporate Plan 2012-2015 Actions Progress  
Report

**Contact Officer:** Bob Bailey, Corporate  
Planning & Performance Manager

**Telephone:** 582018

**E-mail:** [rbailey@lancaster.gov.uk](mailto:rbailey@lancaster.gov.uk)

**Ref:** CP Actions Progress Sept 12

Action	Comments
<b>Priority: Clean, Green and Safe Places</b>	
<b>Outcome: Council's energy usage is reduced</b>	
Implement energy efficiency measures for council buildings, housing and vehicles	A number of schemes are underway to improve energy efficiency across the council including the implementation of solar panels on council-owned buildings and the capital programme
Complete council buildings improvement programme	Progress being made against current improvement programme but importantly, conditions surveys now underway to inform scope and prioritisation of works needed in future
Consider how best to manage the council's future energy requirements	Being appraised through Property shared service arrangements and in conjunction with other services
Deliver the energy efficiency measures within the planned and capital programme for council housing	Budget for 2012/13 is £460,000. Replacement of gas central heating boilers that are coming to the end of their useful life, where breakdowns are frequent and parts are difficult to obtain. Budget £400,000; Spend @ 11/09/212 £113,558. Replacement of communal boilers with high efficiency boilers at Kingsway Sheltered Housing Scheme. Budget £60,000, work progressing. Programme on track
Deliver energy efficiency works at Salt Ayre Sports Centre	Solar panels installed and continued reduction in energy consumption
Deliver actions to reduce the fuel consumption of council fleet	Work is ongoing to ensure waste collection rounds are planned in the most efficient way. Trial of tracking system taking place
<b>Outcome: Income generated from energy, including solar technology</b>	
Deliver opportunities arising from Government "green deal" scheme, including solar technology	The Green Deal as it is currently configured does not present any opportunities to the council as a housing landlord properties with high levels of energy efficiency measures already in place with an average SAP (2005) rating of 71.5. Current programme of installation of solar panels of blocks of council flats coming to completion
<b>Outcome: Income generated through climate change mitigation and adaptation projects for reinvesting into the invest to save fund</b>	
Deliver the objectives of the Lancashire Waste Strategy 2008 – 2020 to increase amount of household waste re-used, recycled and composted	2011/12 41.6% of all household waste collected was reused, recycled or composted. A comprehensive recycling scheme is available district-wide. Over 60% of bulky household waste collected is reused or recycled. Work is taking place to ensure that householders make full use of the arrangements that are in place
<b>Outcome: Our district is safe</b>	
Fund Police and Community Support Officers (PCSOs) for 2012/13	9 PCSOs part-funded for 2012/13

Action	Comments
<b>Priority: Clean, Green and Safe Places</b>	
<b>Outcome: Our streets and public spaces are clean</b>	
Work with partners to deliver services that keep our streets clean and safe	Street pride programme agreed for 2012/13 Public realm agreement with County is in place Council contributes to community payback scheme Council contributes to funding of PCSOs and contributes funding and support to the Community Safety Partnership Council funds CCTV in town centres
Implement agreed actions for public realm with an emphasis on street cleansing and improvement of open spaces	The agreed actions have been implemented
Improvements to parks and open spaces	Williamson Park cafe redecorated including externally with new menu and longer opening. Use of memorial more diverse. A new attraction introduced at Happy Mount park and improvements made to splash park. Excellent links are in place with volunteers at Williamson Park and Regent Park, where increased involvement of staff saw new activity sessions introduced
<b>Outcome: Residents have pride in their local area</b>	
Support the provision of more allotment plots	Policy and allocations included in Draft Local Plan published for public consultation in October 2012
Deliver positive leisure activities for young people	Central to programme of sport and physical activity team - impact of Olympics has helped - similarly with relationship with schools and clubs
Through Take Pride and marketing activity, increase awareness of social responsibility and opportunities to contribute to our clean, green and safe places	The litter and dog fouling campaigns as well as Street Pride all come under the Take Pride banner. Listening Days have been held and Phil the Bin character has been out at a range of events to raise awareness

Action	Comments
<b>Priority: Community Leadership</b>	
<b>Outcome: Increased participation in public consultations</b>	
Review the council's use of customer insight to inform and shape services and create efficiencies	An update report will be presented to Management Team in October
Work to develop increased online service delivery options and engagement via social media	The online service delivery group is currently focussing on the following projects: <ul style="list-style-type: none"> <li>• Online ticketing and booking</li> <li>• CRM developments</li> <li>• Increasing use of online payments</li> </ul> Management Team have approved development of a mobile website The council is broadening its use of social media and web channels to inform and communicate with individuals and communities. Partners continue to contribute to the council e- newsletter. A tourism businesses e-newsletter, Platform and Holiday activity e-newsletter and Salt Ayre Facebook Page. Tweeting and Facebook are used as standard now
Work with public sector partners to communicate key messages and information locally	The communications function continues to work closely with partners on key messages eg Family engagement; via e-newsletter, via website. This summer produced a joint holiday activity programme in partnership with the Childrens' Trust
<b>Outcome: Better understanding of communities and needs so that services that matter most to our communities will be prioritised</b>	
Develop a programme around the community leadership role of councillors	KEEP IT REAL steering group established now. Commenced with first meeting held on 2 July 2012. Next meeting to be held on 4 October 2012
Develop and implement 2012 engagement plan in partnership, where appropriate, to inform member decision making	The joint engagement exercise has been agreed and a joint questionnaire focusing on family was published on 17 September. The results will be used to inform budget setting
<b>Outcome: Council's financial standing maintained to support future service delivery and planning</b>	
Maintain resilience in emergency planning	All actions on target. All services business continuity plans have been recently reviewed.
Review local tax collection and recovery arrangements in response to welfare reforms and BID proposals	Awaiting outcome of welfare changes and BID proposals - nothing further to progress at this stage
Meet all accountability and transparency requirements	Statement of Accounts and Annual Governance Statement approved at Audit Committee on 19th September
Consider the implications of Council tax, benefits and business rates proposals	Underway - will be addressed as part of 2013/14 budget



Action	Comments
<b>Priority: Community Leadership</b>	
<b>Outcome: Efficiency savings and service improvements achieved through joint working and shared services</b>	
Implement and develop shared Property Service with Lancashire County Council	Underway
<b>Outcome: Local communities will be actively working with partners to improve where they live, in ways that matter to them</b>	
Work with public sector partners to deliver a range of innovative approaches to communicate and engage with our communities	<p>The joint public sector family engagement project is underway and will inform budget making and inform decision making within and between organisations.</p> <p>A number of Take Pride campaigns have been developed in partnership – see Take Pride action below</p> <p>The council is broadening its use of social media and web channels to inform and communicate with individuals and communities. Partners continue to contribute to the council e- newsletter. A tourism businesses e-newsletter, Platform and Holiday activity e-newsletter and Salt Ayre Facebook Page. Tweeting and Facebook are used as standard now.</p>
Through Take Pride and marketing activity, increase awareness of social responsibility and opportunities to contribute to their communities and the district as a whole	<p>A number of Take Pride projects have been taken forward by the city council and, in some cases its partners, including:</p> <ul style="list-style-type: none"> <li>• Voluntary sector awards with the CVS</li> <li>• Take Pride listening days, held jointly with a range of organisations, have taken place across the district.</li> <li>• Take Pride promoted at festivals</li> <li>• Take Pride Community Fund</li> <li>• Take Pride - Just Bin It</li> <li>• Take Pride in Family - joint public sector engagement project</li> <li>• Take Pride in where you live (Visit Card)</li> <li>• Take Pride page established on council website directing people to ways in which they can get involved</li> <li>• Meetings held with a number of partners to encourage support including Chamber, arts partners and university</li> </ul>
Ensure our key partnerships are working effectively	Partnership Evaluation Toolkit has been streamlined for easier use. Scorecards developing for existing partnerships. Evaluations of the Council's key partnerships will be undertaken in early 2013

Action	Comments
<b>Priority: Community Leadership</b>	
<b>Outcome: The voluntary, community and faith sector (VCFS) have capacity to deliver services for the district</b>	
Work to develop the resilience and capacity of the VCFS to deliver sustainable local services	Take Pride Community Fund, which supports a range of VCFS sustainable activities is launched and bidding underway. Commissioning arrangements for the council's investment in VCFS are underway with engagement work taking place currently. Outline proposals for VCFS infrastructure partnership are being consulted upon with partners. Ongoing engagement with the Voluntary Sector Forum has begun
<b>Outcome: The Children's Trust, Community safety and the Arts and Culture Partnerships in place and working effectively</b>	
Work with partners to support the Children's Trust Board and partnership and develop a Children and Young People's Plan for the district	Children's Trust Board and Partnership in place and working effectively. Children and Young People Action Plan 2012 - 2013 developed and agreed. City Council produced holiday activity programme on behalf of itself and Children's Trust Board providing customers with a one stop shop at a glance guide to what's on for young people
Support Community Safety Partnership and new arrangements around Police and Crime Commissioners (PCC's)	Community Safety Partnership and supporting groups in place and working effectively. Monitoring of policy of expected impact of changes relating to PCC's ongoing with detailed information expected following November elections

Action	Comments
<b>Priority: Economic Growth</b>	
<b>Outcome: Lancaster district's recognition as a visitor destination is enhanced</b>	
Support arts in the district working with the Arts Partnership	Officers continue to attend Lancaster Arts Partnership meetings and work closely with partners over Service Level Agreements and as importantly, the general arts development work. From a tourism and events perspective, working alongside partners in the development of a range of events and tourism marketing opportunities to meet the objectives set out in the Corporate Plan, including Arts City and Light up Lancaster, Lancaster Unlocked and funding for Kite
Complete the review of the Museums Partnership	Review of partnership complete - report to Cabinet meeting in October expected
<b>Outcome: Local Authority partners will be working together to develop plans for economic growth aligned to nationally important energy and Heysham/M6 transport links</b>	
Develop and deliver planned elements of the Project Management Plan for the national grid infrastructure project	Decision due on strategic route options shortly. Work commencing on environmental scoping for route corridors
Develop proposals for Connecting the Heysham Gateway	Further investment dependent on positive decision for Heysham/M6 Link
Develop a framework for Community Infrastructure Levy to secure funding contributions for local infrastructure	Initial work finds Community Infrastructure Levy non viable in current economic circumstances
<b>Outcome: More tourists coming to the district and tourist income is maximised</b>	
Work with the private sector to develop proposals for city centre development in Lancaster	Development agreement extended for Canal Corridor North
Prepare and agree an Area Action Plan for central Morecambe	Part of Draft Local Plan published for consultation in October 2012
Work with partners to develop and deliver events and festivals throughout the district	Success of olympic torch relay also enabled city centre cycle race and various aquatic sports to take place for the first time. The Seaside Festival was a huge success with more than 25,000 people attending, with funding support from MTC and support from the emergency services before and on the day. Working with Duchy and arts partners to develop and extend Fireworks Spectacular into a multi day event. Currently developing Visitor marketing Plan and working with partners in the development of a range of festivals and events for 2013 that will support the objectives of increasing visitor numbers, spend, bed nights and reputation

Action	Comments
<b>Priority: Economic Growth</b>	
<b>Outcome: The attractiveness of the district as a place to visit is improved</b>	
Develop and deliver a campaign to encourage film and broadcast companies to the district	Williamson Park received national television coverage as did HMP. Morecambe promenade and the Platform featured strongly in a major television drama documentary. Other successes include Turn Back Time. Press office continues to coordinate and take advantage of all opportunities. A dedicated campaign will be undertaken when resources allow
Work in partnership to develop and deliver a tourism marketing plan for the district and its attractions, particularly focused on staying visitors	2013 Visitor Marketing Plan in development with input from partners including Marketing Lancashire, Museums, LAP, AONBs, Duchy, and university
Continue to deliver Lancaster Square Routes scheme	Projects on hold whilst capital programme frozen due to Judicial review of Booths decision
<b>Outcome: The district's cultural, retail and tourism offer is maximised</b>	
Develop and agree a tourism marketing brand for the district	Lancashire County Council have agreed to jointly fund and we will be invited tenders of interest with a view to the engagement exercise beginning late Autumn
Continue to develop and market Happy Mount park as a key visitor attraction	Dialogue with a concessionaire has resulted in the development of a new major attraction which has proved extremely successful this summer. The splash park has had improvements to filtration system installed. Customer feedback surveys in place. Some issues with volunteers and maintenance of park. Happy Mount Park continues to be marketed as a key visitor attraction within the district Visitor Marketing Plan, including Visitor Information Centre support
Develop retail and visitor service provision at Williamson's Park	Retail sales continue to increase as does sales in the cafe. Despite structural issues with buildings the park continues to attract high numbers of visitors and locals alike. Popular wedding destination and has received national television coverage
<b>Outcome: Local authority partners working together to develop plans for economic growth aligned to nationally important energy and Heysham M6 transport links</b>	
Develop a framework for Community Infrastructure Levy to secure funding contributions for local infrastructure	Initial work finds Community Infrastructure Levy non viable in current economic circumstances

Action	Comments
<b>Priority: Economic Growth</b>	
<b>Outcome: Employment opportunities are created by development of energy infrastructures which may include offshore wind, renewables and bio-mass</b>	
Develop clear land allocation and development management policies for a new nuclear power station at Heysham	Draft Local plan published for public consultation in October 2012
Promote offshore wind, renewable energy and bio mass opportunities in the district	Full engagement in Walney Extension project has begun
Work with strategic partners to bring forward proposals for a science park adjacent to Lancaster University	Consultants engaged for viability assessment work with Lancashire County Council and University
Develop apprenticeship programmes	<p>5 apprentices have now been appointed with a further two posts in the recruitment phase. The apprenticeship programme is also augmented by the 6 craft Apprentices which the Council is joint funding as part of the partnership with HT Forrest. The apprenticeships are :</p> <ul style="list-style-type: none"> <li>• Marketing/Events</li> <li>• Vehicle Maintenance</li> <li>• Human Resources</li> <li>• Grounds Maintenance x 2</li> </ul> <p>The other 6 Craft Apprenticeships are:</p> <ul style="list-style-type: none"> <li>• Plumbing x 2</li> <li>• Joinery x 2</li> <li>• Plastering x2</li> </ul>
<b>Outcome: The district's local heritage is protected</b>	
Commence delivery of Townscape Heritage Initiative 2	Project underway
Work with the Duchy to consider options for the long term use of Lancaster Castle	Officers from across Regeneration and Tourism/Events have met with the Duchy and those discussions will continue. The Duchy are expected to be a partner in this year's Fireworks Spectacular and regeneration, tourism marketing and events are working closely with them on a range of projects including branding, events and visitor marketing

Action	Comments
<b>Priority: Health &amp; Wellbeing</b>	
<b>Outcome: Enhanced quality of life of local residents through access to good quality housing</b>	
Bring empty properties back into use	14 empty properties returned into use to date via intervention by Health & Housing Service
Planning for sufficient, good quality housing across the district	Draft Local Plan published for public consultation in October 2012
Deliver social and affordable housing schemes	Green field sites included in Draft Local Plan with capacity to deliver more affordable contributions
Work with the voluntary sector to reduce rough sleeping in the district	In conjunction with Faith/Voluntary Sector organizations a Complex Needs Panel is being established and the National initiative 'No Second Night Out' is being launched in Lancaster on 12 November. It is anticipated that this will reduce number of rough sleepers across the district
Undertake measures to tackle homelessness	Prevention initiatives continue to be very successful. This has resulted in Homeless acceptances being 60% ahead of target for this year
Complete housing schemes in the West End	Project devised and in process of being costed. Funding allocation from HCA required match which is not currently available
Deliver the council housing planned maintenance and capital programme	The 2012/2013 programme includes kitchen/bathroom refurbishment; electrical rewiring; boiler replacements; fire precaution works; and disabled adaptations; external refurbishment; re-roofing; environmental improvements. Budget £3.8m; Committed £2m; Spend @ 11/09/2012 £637,000. Programme on track
Deliver improvements in private sector housing via enforcement and support	The delivery of all initiatives covering both the owner occupied and private rented sectors continue to be very successful. Total number of improved homes is currently 50+% ahead of this year's target
<b>Outcome: Health and wellbeing improved and mortality rates reduced for vulnerable people in the district</b>	
Work with partners to develop an air quality strategy for the district	Air quality officer in post and working to progress project plan for the strategy.
Deliver effective environmental health services	On target to achieve business plan objectives. Some high profile enforcement work has been very resource intensive this summer
Develop strategic health and wellbeing arrangements in the district	The local health and wellbeing partnership is awaiting publication of the county wide strategy, which has been slightly delayed and is expected by December 2012. Therefore, the district strategy is now unlikely to be in place until March 2013

Action	Comments
<b>Priority: Health &amp; Wellbeing</b>	
<b>Outcome: Impact of welfare reforms managed well so to avoid any unnecessary impact on local communities</b>	
Work with partners to prepare for Government's welfare reforms	Public consultation underway (as reported to Cabinet in September).
<b>Outcome: The health and wellbeing of local residents of all ages is improved by participating in sports and leisure activities</b>	
Work with public sector partners to deliver health and leisure activities for children and young people and older people	Maximum numbers of attendance at revised approach to providing holiday programmes and success of Active health programmes accommodates well the need of the elderly. Again, efficient programming enables inclusive participation
Provide leisure and entertainment facilities	Sports Centre and three swimming pools. museums, parks, entertainment venue and as importantly the effective programming behind these facilities continue to draw success - recognised good practice as referred to by neighbouring authority
Through the Take Pride campaign and opportunities arising from the Olympic year, raise the profile and importance of involvement in sport and leisure activities	Marketing to support this objective continues including development of a Go Card to encourage involvement

**CABINET**

**Budget and Planning Process 2013/14  
09 October 2012**

**Report of Chief Executive**

<b>PURPOSE OF REPORT</b>			
To agree a process for reviewing the Council’s Budget and Policy Framework for 2013/14.			
Key Decision	<input type="checkbox"/>	Non-Key Decision	<input type="checkbox"/>
		Referral from Officers	<input checked="" type="checkbox"/>
Date Included in Forward Plan	N/A		
This report is public.			

**RECOMMENDATIONS OF COUNCILLORS BLAMIRE AND BRYNING:**

- 1 That the reported be noted and the outline budget and planning timetable set out at Appendix A be approved.

**REPORT**

**1 Introduction**

- 1.1 The Council’s Constitution requires Cabinet to bring forward each year recommendations for updating the Budget and Policy Framework. This report proposes an outline timetable for doing so and it covers four main aspects, namely:
  - the Corporate Plan
  - other plans and strategies in the Policy Framework
  - other key plans and strategies supporting the Policy Framework
  - the Budget and Medium Term Financial Strategy (MTFS).
- 1.2 The draft budget and planning timetable for 2013/14 is set out in **Appendix A**. The timetable must remain flexible, however, to ensure that the Council can take account of changing circumstances and prospects.



## 2 Corporate Plan

- 2.1 The Corporate Plan brings together the Council's plans and strategies, focusing on its medium term priorities to be progressed over a three-year period and drawing on its key themes of working in partnership, managing resources well and operating in an environmentally sustainable way.
- 2.2 The process for updating the Corporate Plan has varied over the years depending on the extent of change needed. The aim in last year was to strengthen the focus of the Corporate Plan and simplify its presentation, to give a clearer message on what the Council's core purpose, values and vision are. This will continue for 2013/14 onwards.
- 2.3 In terms of reviewing and refreshing Plan, it is envisaged that no fundamental review is required unless Cabinet or Council indicates otherwise. Nonetheless, the proposed timetable needs to make provision for considering and responding to the following:
- Legislative and regulatory changes
  - National policy changes and funding prospects
  - Changing needs of the district and its residents and visitors
  - Recent performance and experience
  - Local views and perceptions

## 3 Other Policy Framework Documents

- 3.1 In addition to the Corporate Plan, the Policy Framework includes various other strategies and plans, a number of which were required as a result of government Regulations or other drivers. An updated schedule will be reported to Cabinet for consideration in due course but for now, Cabinet is requested to note the following points :

### (a) Housing Strategy and Regeneration Strategy

The need to prepare a new form of Regeneration Strategy has previously been reported to Cabinet, to match the Council's approach to regeneration given the current economic climate and public funding prospects. It was also envisaged that the revised strategy would incorporate housing and any other relevant strategies within it as an integral part; the housing aspects are particularly relevant given the work underway in finding a solution for Chatsworth Gardens and in developing an empty homes strategy, as examples. The aim is to present the new draft regeneration strategy to Cabinet in February.

### (b) Local Plan

Further to Council on 12 September, the Draft Local Plan was approved for the purposes of public consultation and therefore arrangements are already in hand to review this aspect of the policy framework. Following consultation, responses will be carefully considered and the Council will be asked to decide on the form of a final version of the plan to be placed on deposit with the Secretary of State. A full public examination will take place before the Council can decide on whether to adopt the Plan.

(c) **Community Safety Plan**

It is anticipated that a refresh of the three-year Plan will be presented initially to Cabinet in January, allowing some time for review following the Police Commissioner elections in November.

**4 Other Supporting Plans and Strategies**

4.1 In recent months Cabinet has considered various strategic developments; direction on areas such as tackling empty homes and markets provision are the subject of reports elsewhere on this agenda. The section below outlines other planned areas for review.

(a) **Corporate Property and ICT Strategies**

These aspects are currently being reviewed for presenting to Cabinet as part of the 2013/14 budget process. At this point, it is unlikely that any aspects need to be incorporated into the policy framework for approval by Council, but this will be appraised fully in due course.

(b) **Climate Change Strategy**

The Climate Change Cabinet Liaison Group's terms of reference include "consider and make recommendations for the ongoing development of the Council's Climate Change Policy – Vision for 2020." Given the shift in emphasis in recent years, it is planned to update the Council's related strategies, with a strong focus on reducing energy usage, being more efficient in what we do use, and finally on generating income – but also taking account of the resource needs involved.

**5 Budget Framework**

5.1 The crux of the Budget Framework is the Medium Term Financial Strategy (MTFS) and the half-yearly review is scheduled for the November Cabinet meeting. Typically it is then that Cabinet is requested to review council tax targets, although nationally there is much concern and uncertainty surrounding funding prospects and the implications of the Local Government Finance Bill – as far as possible, an update will be included in the November report. That report will also cover General Fund capital investment priorities, which drive future capital spending and financing plans.

5.2 Underpinning the MTFS is the detail of the 3-year Revenue Budget and 5-year Capital Programme. Again the key milestones for preparing these budgets are included in the appendix and work is already underway.

5.3 Cabinet will again provide the forum for developing a full set of proposals to balance the budget and it is proposed that the budget process runs in much the same way as last year. Key points to note are:

- The Local Government Finance Settlement is expected to be later this year – perhaps around the middle of December.
- Detailed budget review meetings with Service Heads and Portfolio Holders are scheduled to take place before Christmas.

- Potential savings options will be developed by Service Heads alongside the preparation of the current year’s revised and future years’ base budgets.
- Informal Cabinet Budget Briefings will be held, to report on progress overall and to provide direction on specific aspects of budget development, including potential areas for redirection of resources. At present the timetable include only the usual scheduled briefing but more will be arranged as need be.

5.4 A flexible approach is required, to respond to information from Government as well as more local matters including public consultation.

## 6 Options and Option Analysis

6.1 The following options are available to Cabinet.

- (1) Approve the proposals and timetable set out in the report for reviewing and revising the Council’s Budget and Policy Framework.
- (2) Approve an amended version of the proposals, drawing on any specific issues that Cabinet have.

## 7 Details of Consultation

7.1 General consultation surrounding supporting families and more specific consultation in connection with council tax / welfare reforms is reflected in the proposed timetable. Furthermore, provision is made for consultation with Budget and Performance Panel and other stakeholders in the usual way.

## 8 Officer Preferred Option

8.1 Assuming that Cabinet has no other specific issues to address, Option 1 is the Officer preferred option, as it sets out a structured approach for Cabinet to review the existing Budget and Policy Framework, to identify savings/efficiency options, and for it to bring forward its budget and policy framework proposals for 2013/14 and beyond, within the statutory timescales. As usual, the consideration and management of risk forms a key part of the process.

### **RELATIONSHIP TO POLICY FRAMEWORK**

The plans and strategies outlined in the report together make up the Council’s Budget and Policy Framework.

### **CONCLUSION OF IMPACT ASSESSMENT**

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

The annual review of the budget and policy framework ensures that the Council’s plans and strategies are kept up to date and compliant with the above criteria for assessing their impact on local communities.

### **FINANCIAL IMPLICATIONS**

None directly arising from this report, at this time.

**SECTION 151 OFFICER'S COMMENTS**

The S151 Officer has contributed to the production of this report.

**LEGAL IMPLICATIONS**

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

**MONITORING OFFICER'S COMMENTS**

The Deputy Monitoring Officer has been consulted and has nothing to add to this report.

**BACKGROUND PAPERS**

None.

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## Budget and Policy Framework Timetable 2013/14

	Services	Scrutiny & Consultation	Cabinet	Council
<b>2012</b>				
<b>October</b>				
01 onwards	<p>Revision of current year's budget and future years' draft base budgets underway (in context of service plans).</p> <p>Alongside, development of savings options:</p> <ul style="list-style-type: none"> <li>- efficiencies</li> <li>- income generation</li> <li>- service reductions</li> </ul> <p>Identification of potential growth / redirection of resource needs.</p>	Council tax support consultation underway.		
02			Cabinet Briefing.	
09	Take forward decisions of Cabinet, subject to call-in.		<p>Half Yearly Corporate Plan Review.</p> <p>Approve 2013/14 Budget &amp; Policy Framework timetable.</p> <p>Consider various reports with budget / policy implications (eg. Museum Partnership, Tackling Empty Homes etc).</p>	
15		'Supporting families' consultation-closing date for questionnaire responses.		

	Services	Scrutiny & Consultation	Cabinet	Council
23		Budget and Performance Panel (B&PP). Consider any budget & policy framework matters as appropriate.		
30		Consultation ends on council tax support scheme (26 Oct).	Cabinet Briefing – general update on progress and options. Report on headline results from supporting families consultation.	
<b>November</b>				
06	Take forward decisions of Cabinet, subject to call-in.	Council tax technical changes – consultation planned.	<p>Receive Budget and Policy Framework Updates:</p> <ul style="list-style-type: none"> <li>– MTFS half year review, including council tax targets</li> <li>– capital investment priorities</li> </ul> <p>Receive report on results of supporting families consultation process.</p> <p>Corporate Fees and Charges Policy Review.</p> <p>Receive any recommendations from October's B&amp;PP.</p> <p>Receive any other Budget or Policy Framework updates.</p>	
14	Take forward decisions of Council.			Receive any Budget or Policy Framework updates. Consider City Council response to Lancaster BID proposals.
26				

	Services	Scrutiny & Consultation	Cabinet	Council
<b>December</b>				
04	<p>Receive and appraise provisional Local Government Finance Settlement (for General Fund) sometime after 05 December.</p> <p>Take forward decisions of Cabinet, subject to call-in.</p>		<p>Receive Budget and Policy Framework updates (General Fund and Council Housing):</p> <ul style="list-style-type: none"> <li>- Draft revenue budget</li> <li>- Capital Programme update</li> <li>- Council tax technical changes, together with consultation feedback.</li> </ul> <p>Consider other budget proposals (savings/efficiencies/redirection/ growth) in context of any emerging policy or priority changes.</p> <p>Make recommendations to Council on new Council Tax Support Scheme.</p>	
11		<p>B&amp;PP consider any budget &amp; policy framework matters as appropriate.</p>		
12	<p>Take forward decisions of Council.</p>			<p>Approve MTFs review (including Capital Investment) and any changes to council tax targets.</p> <p>Approve new Council Tax Support Scheme.</p> <p>Receive any other Budget or Policy Framework updates.</p>
By 31	<p>Tax base calculated and notified to other councils, taking account of any approved technical changes.</p>		<p>Detailed budget reviews undertaken by Service Heads and Cabinet Portfolio Holders.</p>	

	Services	Scrutiny & Consultation	Cabinet	Council
<b>2011</b>				
<b>January</b>				
22	Take forward decisions of Cabinet, subject to call-in.		<p>Consider results of municipal buildings conditions survey and investment needs arising.</p> <p>Receive any recommendations from December's B&amp;PP.</p> <p>Consider draft 2013/14 Corporate Plan, ICT Strategy, Corporate Property Strategy and any other updates.</p> <p>Agree Housing Rents and recommend Housing Revenue Account (HRA) budget / MTFs proposals for Council.</p> <p>Agree Council tax, General Fund Revenue Budget and Capital Programme proposals for initial consideration by Council.</p>	
29		Leader presents budget proposals to B&PP, other Members, economic stakeholders.		
<b>February</b>				
06				<p>Consider Cabinet's initial proposals regarding the Budget and Policy Framework:</p> <ul style="list-style-type: none"> <li>- Capital and Revenue Budget proposals for General Fund and Housing Revenue Account</li> <li>- Draft Corporate Plan</li> <li>- Any other Policy Framework Updates (following review)</li> </ul> <p>Approve City council tax increase.</p>



	Services	Scrutiny & Consultation	Cabinet	Council
12	<p>Implement resolutions of Cabinet and produce referral reports for Council.</p> <p>Update service business plans accordingly.</p>		<p>Consider Regeneration Strategy and make recommendations to Council.</p> <p>Reconsider Budget and other Policy Framework proposals in light of feedback from Council, Budget and Performance Panel and any further consultation undertaken.</p> <p>Make full recommendations back to Council to complete the Budget and Policy Framework update.</p>	
27	<p>Implement decisions of Council.</p>			<p><b>Approve Budget:</b></p> <p>3yr Revenue Budget and 5yr Capital Programme for both General Fund and Housing Revenue Account (latter if not approved already)</p> <p>Council Tax 2013/14</p> <p>Treasury Management Framework including Prudential Code Limits</p> <p>Medium Term Financial Strategy (including future years' Council Tax Targets and incorporating future years' housing rent targets)</p> <p>Approve full Council Tax rates</p> <p><b>Approve Policy Framework:</b></p> <p>3yr Corporate Plan</p> <p>Any other Policy Framework Updates (following review, such as Regeneration Strategy).</p>
<b>March</b> By 31	<p>Update service business plans to fit with approved Budget and Policy Framework. Establish financial and performance reporting arrangements.</p>			

**CABINET**

**Festival Market Morecambe  
9<sup>th</sup> October 2012**

**Report of Head of Environmental Services**

<b>PURPOSE OF REPORT</b>			
To provide information to Cabinet in order to agree a direction for improving market provision in Morecambe and also Lancaster.			
<b>Key Decision</b>	<b>X</b>	<b>Non-Key Decision</b>	<b>Referral from Cabinet Member</b>
<b>Date Included in Forward Plan</b>	6 September 2012		
<b>This report is public</b>			

**RECOMMENDATIONS OF COUNCILLOR BARRY**

**To be made at the Cabinet Meeting**

**1.0 Introduction**

1.1 Lancaster City Council currently operates three markets within the District. These are-

- Assembly Rooms- Lancaster
- Charter Market- Lancaster
- Festival Market – Morecambe

This report does focus on Morecambe’s Festival Market, because there are some matters that need to be brought to the attention of Cabinet. However, it does also indentify that a strategic view of the Council’s market provision needs to be taken in order to ensure the sustainability of the three existing markets.

1.2 The Festival Market in Morecambe was originally designed, following consultation with traders and other stakeholders, as a covered outdoor facility that could double up as a market and a venue for events and festivals.

1.3 The original intention for the market was that it would operate as a traditional ‘outdoor’ market, albeit with cover from the rain. As such traders would remove their goods at the end of each trading day. This would then allow for its other use as an events venue.

1.4 In the last few years the Festival Market itself has been rarely used for events. Effectively the Festival Market is now solely a market (with an outdoor events

programme).

- 1.5 Also the nature of the Festival Market has changed. Over a period of time many of the stalls have become permanent features with traders leaving goods overnight. This combined with the fact that the facility is covered understandably has resulted in the perception amongst both traders and shoppers that the Festival Market is an indoor market or market hall. When actually it was designed to be a covered facility that could host an 'outdoor' market.
- 1.6 In developing the Morecambe Area Action Plan (MAAP) consideration was given to the Festival Market and surrounding area. What the MAAP says about this is critical to this report in terms of setting the context.
- 1.7 In terms of location of the market and the general issues affecting the market the MAAP says-

*The town centre can be anchored at its western end by an "entertainment hub". This can be grown from the existing complex of buildings around the old railway station ('The Platform') and the Festival Market and focus on this latter rejuvenated as a true indoor destination. This complex of buildings though very centrally located is paradoxically quite isolated and for pedestrians the various buildings relate very poorly to each other. The buildings and public entrances present to the main roads adjoining and so face away from each other. In addition, in form and design the complex appears somewhat incongruous in the context of the Midland Hotel across the seafront opposite. For various reasons pedestrian footfall here is constrained.*

*Following consultation with traders at the time, the Festival Market was designed as a covered outdoor facility capable of hosting festivals and events. In practice neither of these aspects has assisted trading particularly well. The market is a facility that is well liked by many local people and has a visitor function but trading is constrained and the ambience is deficient. In particular, the structure not being wind tight provides little protection from the cold and this makes trading quite challenging and impairs the experience it is possible to offer customers. Whilst the stalls were envisaged as being semi-transient and capable of moving out for a fortnight each year, in practice the stalls are well established units operated by a mixture of loyal and long-standing stall holders together with newer tenants helping to diversify the market's offer. Despite this, the centralised location offers an easily accessible location and the potential for a much higher profile and role in the town centre.*

*Development of the extensive areas of land west of Northumberland Street and to the rear of the Winter Gardens (and other properties fronting to Marine Road Central) is vital to knit the town centre together as one. This development must be properly structured to routes for pedestrian movement. Over time, development here and a town centre that is strengthening should support trading in premises fronting to Marine Road and thereby make investment in these and including the Winter Gardens more attractive to investors.*

- 1.8 The MAAP development policy for this area (DO5) is –

*The council identifies particular opportunities for investment and development of main town centre uses within the area defined on the Local Plan Proposals Map as Development Opportunity Site DO5.*

*The council will consider proposals for development within this Site in accordance with MAAP Spatial Policies 1 and 4, Policy EC1.1 of the Development Management DPD and all other relevant policies in this excepting for Policy EC 1.2 which will not apply.*

*In addition development should –*

- relate well in urban design terms to the rear elevations of the Winter Gardens, those of the other premises fronting to Marine Road Central and those residential and other properties fronting to Northumberland Street*
- enable satisfactory access and servicing arrangements to the rears of all premises fronting to Marine Road Central*
- improve passive surveillance and overlooking of the train station*
- improve the legibility of pedestrian routes to and from the train station and onward*

*In addition, any proposals involving changes to or the removal of existing facilities including any public realm, the existing skatepark and / or the bus station should either make satisfactory alternative provision or include a financial contribution to cover the full costs of this.*

1.9 The action set identified in the MAAP is-

*The Platform / Festival Market / Superbowl complex of buildings is an important area on and close to the central seafront. It is the interface between several quarters yet footfall is much lighter than the location would suggest and trading here is consequently challenging.*

*The location affords much potential as a leisure and entertainment hub and as an anchor to the town centre. There is scope for investment and development to improve and extend what is on offer in this area and to increase vitality and activity. But there are difficult issues. There are issues with property and premises and how fit for purpose these are and how well the various elements relate to each other and the wider surroundings.*

*As example, the Visitor Information Centre (VIC) offers a high quality and award winning service but is not readily found from main points of arrival or easily accessed direct from the seafront. The Festival Market has a loyal custom base but the building relates poorly to its surroundings and the offer needs to be invigorated.*

*The council working in partnership with private organisations with a stake in this complex of buildings to study investment and development potentials and options including to –*

- provide for a stronger offer complementary to the main draws of the Cinema and Festival Market e.g. the food and drink offer in the vicinity and new retail*
- refurbish and redevelop buildings and premises as appropriate to improve these as premises for trading*
- improve the setting of the complex, pedestrian connections to and from and arrangements for coach drop off and pick up.*

- *rejuvenate the Festival Market, potentially in a reconfigured and upgraded building, possibly focused on a marketplace and festival area at its centre and, via introducing new management approaches*
- *support the cinema offer and improve its presentation, quality and ambience*
- *make more of the currently council led entertainment offer and the visitor services as presently at the Platform*

*Subject to the outcome of the study the council and its partners to consider the options.*

*Complementary with the above actions the city council to work with those others with interests in land west of Northumberland Street to help facilitate beneficial investment and development and including for the Winter Gardens and the Winter Gardens arcade.<sup>7</sup>*

- 1.10 In asset terms the land, facility and surrounding car park are all owned by the Council. In financial terms the market costs approx £250,000 per annum to run and is expected to generate £350,000 per annum of income.
- 1.11 The market has capacity for 93 stalls with a trading area of 9.29 square metres and 15 lock-up shop units with a trading area of 13.37 square metres. The charges to traders are shown below and the rates are based on it being an outdoor market.

Festival Market Summer (1st May to 31st October) Daily charges

<b>Shops</b>	<b>Stalls</b>
Tuesday/Thursday £17.25	Tuesday/Thursday £14
Saturday £19.75	Saturday £14
Sunday £22.25	Sunday £22

Festival Market Winter (1st November to 30th April) Daily charges

<b>Shops</b>	<b>Stalls</b>
Tuesday/Thursday £14.75	Tuesday/Thursday £10
Saturday £14.75	Saturday £12
Sunday £17.25	Sunday £17

- 1.12 Following the closure of Lancaster's indoor market Morecambe market will act as the base from which Lancaster's charter market and Assembly Rooms are managed. This will ensure a more consistent approach and a more efficient one.
- 1.13 Generally the market offering provided in the District has the potential to make a significant contribution towards the delivery of the Council's corporate plan in the following ways-
- Increase visitors coming to the District
  - Increase visitor spend in the District
  - Enhance recognition of the District as a visitor destination
  - Protect the district's local heritage
  - Reduce CO2 emissions from council activities

- Reduce Council's energy usage
- 1.14 Besides the MAAP the following significant contextual issues also need to be considered-
- Square Routes Project
  - Duchy's plans for the Castle
  - Private market provision within the District
  - Impact of M6 link
- 1.15 To ensure the Council's markets fit within this context and contribute to the Council's aims it is important that a strategic view of the market offering in the District is taken.
- 1.16 In doing so it is obviously important to engage with relevant stakeholders. Already traders at Morecambe Market have expressed concerns about a number of issues. These include-
- The Council's commitment to markets.
  - In winter the facility is very cold and traders say that this puts off their regular customers.
  - Traders say that actually the majority of their trade takes place in the summer months. They feel that the majority of their shoppers are visitors to the District and people who live on nearby caravan parks during the summer. Therefore they feel that more could be done encourage more visitors during the summer and more locals during the winter.
  - Traders feel the structure of the facility could be better maintained (eg the sliding doors, problems with electricity supply) and that generally the facility needs some investment.
  - Traders would like to see expansion of existing Council markets (eg extra days) but not in a way where markets are competing against one another.
  - Car parking charges at the Festival Market. Traders feel that because the adjacent supermarket car park is free shoppers are more inclined to go to the supermarket rather than the market.
  - Coach parking. There has been an increase in coach parties visiting the market. Many of the visitors prefer to be dropped off immediately outside the entrance to the building as opposed to having to walk from the coach stop which is about 30metres away.
  - Visibility of the market- traders do not feel that visitors realise that there is a market as it is not clearly visible from the Promenade. The way the entrances are located does not help with this and creates a disconnect with the surrounding area.
  - Marketing of the market. Traders feel more could be done to promote the market more widely.
  - Some traders think that a different location for the market could benefit trade. All traders think that having a market in Morecambe is essential.
  - A private market operates nearby this creates issues for traders.
  - Traders express a particular concern with regard to rent payments. Following recommendations from Audit Committee traders can no longer pay their rent in cash at the market. This is a positive step forward as it improves safety for staff, reduces handling charges, is fully auditable etc. Clearly the onus is on traders to keep up to date with their rental payments but some fell in significant arrears. In turn they blamed this on no longer

being able to pay cash on the day. The Council has in place a clear policy for management of debtors. This policy had not been fully applied and the situation worsened. Officers have now taken action to ensure that Traders who have built up arrears are now being dealt with in accord with the Council's policy. The arrears situation is now improving significantly. And further work is being undertaken by Internal Audit to ensure these improvements are sustained.

## 2.0 Proposal Details

- 2.1 The above can be distilled in to the following main points-
- 2.2 **BUILDING ISSUES-** The Festival Market was originally designed to be an 'outdoor' market. The perception now is that is an 'indoor' market. The design of the building means that to convert it into an indoor market with heating, structural improvements, insulation, different doors etc would require significant investment. Some initial investigation works took place and suggested that to make the needed improvements that would be needed to heat the building the building in a sustainable way would require between £200-300K of investment. Detailed condition surveys of all Council buildings have been commissioned and are currently taking place. It is expected that these will provide much more detailed information, that could be used to provide more detailed costings.
- 2.3 Traders have asked if a temporary heating solution could be put in place. The existing electricity supply to the building needs upgrading and will not cope with industrial electrical heaters and these would be very expensive to run in any case. Gas heaters have also been investigated but there are a number of safety and operational issues associated with these which mean that this would not be a practical solution.
- 2.4 **COACH / CAR PARKING-** The County Council will not permit an additional entrance to the market car park for coaches, because of valid safety concerns. Another option would be to remove a number of parking spaces in the car park to safely facilitate coach access (approximately 15). This would mean coach parties could be dropped off at the entrance of the building. This would obviously impact on revenue generated from car parking, particularly on summer Sundays when the car park is full. Any changes to existing parking fees for market shoppers would also impact on revenue generated from car parking. Options can however be considered by Members when the annual car parking fees and charges report is considered, as part of this year's budget.
- 2.5 **MARKET LOCATION-** the land and facility belongs to the Council. The work done in developing the Morecambe Action Plan highlights that in some ways the Market is well located, in some ways it isn't. Traders generally feel the location of the market is good but needs to be better connected to the centre of Morecambe. To ensure that all avenues are explored consideration could be given to whether locating the market elsewhere, in Morecambe, would address some of the issues raised above and then the area occupied by the market be used for something else. Clearly an option like this would require a detailed business case and consultation. There is no guarantee though that the Council could afford this option, even if there was a case for doing so.
- 2.6 **MARKET OFFERING-** it is clear that Morecambe's market is valued and is well used. The Council currently provides two other markets. Managed effectively

these markets can make a significant contribution to the delivery of the Council's corporate plan, and are potentially key to complementing the aims of projects like Square Routes and the Morecambe Area Action Plan. In order to ensure the ongoing sustainability of the Council's markets it is essential that we gain an understanding of what the needs of existing market users are. Even more importantly we also need to understand the needs of those who currently don't use the markets but would if the offering was right. Once understood we will then be in a position to manage the markets in a more effective way.

- 2.7 **CONSULTATION-** In preparing this initial report is very clear that there are many people who have a genuine desire to ensure the prosperity of the Council's markets. Engaging the views of these people will be vital. In developing the report consultation has taken place with representatives traders from Morecambe Festival Market- a document from one of the traders is attached and this sets out preliminary views (APPENDIX 1).
- 2.8 **CHARGES TO TRADERS-** currently the charges made by the Council to traders (as set out in para 1.11) reflect that the market is basically a covered outdoor market. Improvements to the building would obviously require a reappraisal of the charges that the Council makes to traders.
- 2.9 In terms of strategic options there are in outline basically three-
- 2.10 **STRATEGIC OPTION 1- DO NOTHING (MAINTAIN EXISTING FACILITY) -** the fabric of the facility will still need some investment to maintain it and address any existing problems; the extent will be informed by the conditions survey. This may have some impact on the financial standing of the market and the contribution that the market can make towards the Council's corporate plan. It may mean a lost opportunity to take advantage of the much greater sum of the parts that adopting a strategic view to market provision could offer. This option may also be inconsistent with the MAAP, but it may prove to be the only affordable option. It would still involve appraisal of current rents.
- 2.11 **STRATEGIC OPTION 2- CONSIDER OPTIONS FOR IMPROVING THE EXISTING FACILITY AT MORECAMBE-** based on the condition survey currently being undertaken a range of costed solutions for improving the current facility in Morecambe could be brought forward. These would be combined with realistic plans for ensuring the sustainability of the Council's markets as a whole. It is expected that to implement these considerable investment would be required and market rents would need to increase, so ultimately any options may prove financially unworkable. This option assumes that the best place for a market in Morecambe is the existing location. Development of this option would need to take into account the MAAP.
- 2.12 **STRATEGIC OPTION 3- CONSIDER ALL OPTIONS-** this differs from OPTION 2 in that it does not assume that the only location for a market in Morecambe is where it currently is. In preparing this option consideration would be given not just to how the current Festival Market could be improved (as per OPTION 2) but to what other options there could be for providing a sustainable market in Morecambe. As with OPTION 2 realistic plans for ensuring the sustainability of the Council's markets as a whole would also be developed. This option is most consistent with the MAAP, but again it may prove unworkable financially.
- 2.13 Both options 2 and 3 would require an officer working group to develop the



options. It is expected that in developing the options consultation would take place with a wide range of stakeholders, obviously including traders, Elected Members, Morecambe Town Council, business representatives, shoppers etc.

**2.14** To take forward options 2 and 3 thoroughly and within existing resources, it is expected that reports would be available in order to inform the 2014/15 budget process.

**2.15** Options 2 and 3 will clearly take some time to develop and implement, if approved. Besides the 3 strategic options outlined above Cabinet may wish to consider some short term options for the Market. These include-

**2.16 SHORT TERM OPTION 1- Provision of coach drop off point-** this would require the removal of approx 15 car parking spaces and associated revenue and some lining work to be undertaken. Traders feel it will increase the amount of coach parties that visit the market and there is anecdotal evidence to suggest that coach companies also agree this would be advantageous. If Cabinet wishes to consider this option it could be appraised more fully and implemented if appropriate, from within existing budgets.

**2.17 SHORT TERM OPTION 2- Amendment of car parking charges for the Festival Market car park.** This would have a much more significant budgetary impact than the provision of a coach drop off point. It would also be likely to increase the amount of vehicles in the area, require new car park equipment and create other unintended consequences. If Cabinet wishes to consider this option again it could be built in as an option in the car parking fees and charges report that will be considered as part of the budget process.

**2.18 SHORT TERM OPTION 3- Look at different ways of marketing the market.** This would require a look at how best to promote the market(s). Consideration would need to be given to the resource required to undertake the work as it couldn't be done from within existing resources. The resource implications would be brought in through the budget process.

**2.19 SHORT TERM OPTION 4- Look at some short term practical ways of improving the insulation of the market.** The aim of this would be to reduce the winter extremes of temperature. Additional resource would be required to establish what the option were and further additional resource would be required were any of the options to be implemented. The risk of this though is that adopting a piecemeal approach to the maintenance issues affecting to the market becomes more costly in the medium / long term.

**2.20** Overview and Scrutiny Committee have formed an informal task group to also consider the Festival Market. At its meeting on 10<sup>th</sup> September 2012 Members of the group requested that the following be considered by Cabinet-

(1) options for insulating the Market's roof particularly with polystyrene materials.

**OFFICER COMMENT-** See SHORT TERM OPTION 4 and STRATEGIC OPTIONS 2 and 3 above

(2) wind protection and draft stopping, particularly around the Market's doors including the possibility of installing barriers in front of each door.

**OFFICER COMMENT-** See SHORT TERM OPTION 4 and STRATEGIC OPTIONS 3 above

(3) installing a coach drop off in the Market car park.

**OFFICER COMMENT-** See SHORT TERM OPTION 1 above

(4) marketing (including coach companies) and the signage of the Market.

**OFFICER COMMENT-** See SHORT TERM OPTION 3 above

(5) the cost of re-wiring introducing 3 phase electric in the Market.

**OFFICER COMMENT-** See STRATEGIC OPTIONS 2 and 3 above

### **3.0 Details of Consultation**

As outlined within the report.

### **4.0 Officer Preferred Option (and comments)**

4.1 The officer preferred strategic option is STRATEGIC OPTION 3. The options that come forward are likely to provide the best strategic options for delivery of a market within Morecambe, will take account of the MAAP, and will be designed to complement market provision as a whole, but it must also be recognised that it may still prove financially unworkable. It is also envisioned that in developing this option Officers will bring forward the building issues identified within the commission survey and costed options for resolving them. This option will avoid a piecemeal approach to the dealing with the maintenance issues affecting the building.

4.2 The officer preferred short term options are SHORT TERM OPTION 1 and SHORT TERM Option 3.

### **5.0 Conclusion**

5.1 The report provides options for the future of the Council's provision of markets

<b>RELATIONSHIP TO POLICY FRAMEWORK</b>
As outlined within the report
<b>CONCLUSION OF IMPACT ASSESSMENT (including Diversity, Human Rights, Community Safety, Sustainability and Rural Proofing)</b>
Markets are a facility available to all
<b>LEGAL IMPLICATIONS</b>
There are no legal implications at this stage.

## **FINANCIAL IMPLICATIONS**

In accounting terms, markets are a trading undertaking. The asset management requirements of operating a market (e.g maintenance, return through rents chargeable) will have direct bearing on its trading position and financial objectives.

Morecambe Market is a well established market facility. The 2012/13 current revenue budget assumes a net surplus of £102K for 2012/13, £94K for 2013/04 and £85K for 2014/15, but these do not currently provide for any support services charges.

The report seeks direction for the future of market provision in Morecambe and Lancaster and whilst there are no direct financial implications at this present time, Members should be mindful that the development of each of the options could ultimately result in costs, which ultimately would be passed onto the tenants through increased charging.

STRATEGIC OPTION 1 to do nothing comes with inherent risk. The fabric condition of the building is in high need of reinvestment if the Council are to continue gaining existing rent levels. Whilst there are maintenance budgets available within Morecambe Market, it might be these are insufficient in the future to cope with the level of repair required. Any programme of works will need to be financially appraised.

STRATEGIC OPTIONS 2 or 3 would require the establishment of an officer working group featuring a diverse membership of senior managers from across the council. It is hoped that their time could be accommodated within service business plans and therefore managed from within existing budgets, however there may be a need for specialist advice to support the group. It is likely that once developed, either of these options will result in the need for significant capital investment, and whilst unquantifiable at the moment, a further report would be required to Cabinet to report the recommendations of the working group in operational and financial terms.

SHORT TERM OPTION 1 requires the removal of approximately 15 car parking spaces and the provision of new lining. The car park operates to capacity on very few occasions therefore it is expected that this will have minimal financial impact due to displacements. The provision of lining can be managed from within existing budgets.

SHORT TERM OPTION 2, as discussed in the report, if Cabinet wish to make any changes to the car parking tariffs operating in the car park, then any recommendations will be included as part of the forthcoming car parking fees and charges report which is considered as part of the budget process.

SHORT TERM OPTION 3 discusses additional marketing to promote the market. There are no resources available for this so compensating savings would need to be found prior to this taking place.

SHORT TERM OPTION 4 looks at short term practical ways of improving the insulation of the market. Inevitably there will be some financial consequence to this option where again no resources are available so compensating savings would need to be found. There is also the possibility that this work could be wholly abortive should members choose to approve either of Strategic Options 2 or 3.

**OTHER RESOURCE IMPLICATIONS****Human Resources:**

NA

**Information Services:**

NA

**Property:**

As outlined in the report

**Open Spaces:**

NA

**SECTION 151 OFFICER'S COMMENTS**

The s151 Officer has been consulted. The Council already has competing demands for capital investment and should not expect to be able to afford to do all it might want to – prioritisation is needed and savings will be needed in various service areas. Cabinet is advised, therefore, to consider where market improvements may fit in priority terms and this should inform whether it is worth Officers spending time in pursuing Strategic Options 2 and 3. The risk is that time and money is spent in developing options and expectations are raised, only for them to prove unworkable financially. Managing expectations will be crucial if these options are taken forward.

**MONITORING OFFICER'S COMMENTS**

The Deputy Monitoring Officer has been consulted (in the absence of the Monitoring Officer) and has no observations to make on this report.

**BACKGROUND PAPERS****Contact Officer:** Mark Davies**Telephone:** 01524 582401**E-mail:** Mdavies@lancaster.gov.uk**Ref:**

Kay's Cards Ltd.  
Morecambe Festival Market  
Morecambe  
LA4 4DW

11.09.2012

Dear Sirs/Madams,

**RE: Morecambe Festival Market Cabinet Meeting**

My Husband and I have been a Market Trader on Morecambe Festival Market for the last seven years and before us, my Father owned it for twenty-eight years. I worked with my Dad on the Poulton site and remember the hustle and bustle of customers, many arriving by coach. As people's shopping expectations and habits changed, L.C.C. built Morecambe Festival Market which has served us well for approximately the last seventeen years. However, once again we are at a point where customers love shopping in markets but expect more from the experience as they are so accustomed to what supermarkets have to offer.

If you go into Morrisons the fruit and vegetable area is called "Market Place"; subconsciously the customer is in a market but they have been greeted by heating, free parking, automatic doors and free toilets.

If we are going to be part of Morecambe's future we have to move with the times and match the competition.

The question has been posed; where shall a new market be situated?

We have thought long and hard over this and after visiting other markets and comparing them to ourselves, we strongly believe we should remain in our current location and refurbish the existing building for the following reason.

The majority of Morecambe Festival Market's trade comes in summer from holiday makers. Few locals in comparison support us in winter (this may be because of the cold). We believe when a customer sits at home wondering where to go for a run out, they think they are going to a 'seaside' market, where if for example the market is moved next to the Arndale Centre we become 'just another shop', not a day out. We would then lose our important summer trade and the reason the coach companies use to encourage passenger numbers. Moving us could be the death of Morecambe Festival Market.

Heating

Rightly or wrongly, customers believe they are in an indoor market and as such they are shocked when entering and find it colder inside than out. You can debate all you like about it being an indoor or outdoor market on paper, but the important point is the customers think it is an indoor (roof/walls) and expect a certain level of warmth. As traders we understand we sometimes have to suffer working conditions of -2 to -8°C for ten hours a day, four days a week, for three to four months of the year in order to earn a living, customers don't and they are taking their money elsewhere. Thus making it harder for us to make a living and even harder for L.C.C. to keep the market full, losing rent as a result. With

the changing climate we firmly believe we need temporary heating in for this winter and permanently fitted heating as soon as financially possible.

Trade lines have changed over the years e.g. you don't buy a watch, you check the time on your mobile. Children's toys have to be branded or computerised and books come on tablets not on paper. This is another reason for heating; the stalls left vacant by watch and toy stalls etc need to be filled by new products, for example hairdressers/nail bar (which has just opened) but how is she going to wash hair when the only thing coming out of her taps in winter is ice.

### Free Parking

This is something that could be sorted very quickly. A lot of Councils have already implemented this and are now advertising it. It would be good P.R. for L.C.C. to get in there early and get it on the radio/television etc on how they are helping Morecambe traders. There are several options:

1. First hour free
2. Token 10p for one hour
3. Free after 3pm or 9-10am on market days.

We feel the best would be first hour free; this would encourage the locals to shop with us. At the moment is they go to the Arndale Centre they pay, then they move the car to us because they can't carry their heavy shopping from Tesco, then they have to pay again. This is the reason they all use one of us, resulting in low footfall. Nobody is going to pay twice to shop in the same town.

We did debate about first half hour free instead of first hour, but this would result in customers running in and using one or two stalls then straight out again. To keep the stalls full the customers need time to circulate around the whole market, ensuring its future.

Personally, we sell cards from 45p each, wrapping paper – four sheets for 50p, making us one of the best value retailers in the area however not when you incorporate the £1.20 per hour car parking charge.

Free parking would encourage more to use us, increasing the market footfall. Whatever is lost in parking charges would be offset by the rent i.e. ten empty stalls equals a £30,000 a year loss.

### Coach Parking

Most passengers on a coach trip are of a mature age, because of this we need to make changes to coach drop off and pick up point. I have rung and spoken to several coach companies and they all say the same thing. Older people, some with walking difficulties need dropping preferably next to the toilets or as close to the market as possible. If they are dropped or picked up close to Next they either lose sense of direction, being in a strange town, or physically cannot walk across Morrisons car park and back (taking their life in their hands).

The loss of five car parking spaces in order to build a coach lay by seems a small price to pay when balanced against the increased footfall that coach companies will provide on a daily basis.

### Signage/Advertisement

L.C.C. could spend £500,000 refurbishing the market but without plenty of road signs from a few miles outside the market in all directions, people still won't know where we are until they arrive in our car park. This has been pointed out by customers on many occasions when talking with them.

A lot of our customers travel from Wigan/Burnley etc, if they don't listen to Bay Radio or get The Visitor they don't know the Kite Festival or Seaside weekends are on. Morecambe desperately needs advertising boards on lamp posts coming into Morecambe as well as on the prom with 'where we are' and 'what's on'. The Council is doing a lot of work to stage events yet failing to advertise them visually.

Rent payments

As traders we would also like to bring to your attention the issues we are facing regarding the new rent collection process.

We know no matter what we say this issue will not be changed. L.C.C. will continue to collect payment for rent as they see fit even though they broke a system that worked and replaced it with one that has lots of problems. The staff collecting rent do not work in the market so there are constant mistakes on invoices. Traders continually have to check mountains of paperwork L.C.C. send us, then we have to ring [REDACTED] who is never in, before being told someone will get back to us when they have checked the 'problem' out. Previously, any query could be sorted at the office window within minutes, now it can take three to four days of ringing backwards and forwards. To add to this, I'm sure the new system must be costing L.C.C. far more to maintain with the amount of man hours and paperwork that is required as opposed to the old system.

# Parking fees costs are costing the high street



Mary Portas' report criticised councils for killing off high streets with car parking charges.

CONGRATULATIONS on winning the £100k, but while councillors celebrate the Portas money, I wonder how many of them have actually read the Portas Report which strongly criticises councils for killing off the high street with car parking charges and the efforts they go to, to enforce them. It recommends innovative tariffs whereby the first one or two hours are free, or schemes where you can redeem the cost of your parking fee when spending money in the town. This is the sort of thing that would bring people back to the high street, and in turn, there will be less and less empty shops. What they lose on car parking charges will be made up over time by the additional rent and rates. Portas also venomously slams councils and planners for allowing a proliferation of supermarkets sound like anywhere you know? To be honest, I'm surprised the MBIs haven't suggested another supermarket for

the contentious former Dome area, it seems to be the limit of their vision. Finally, while they have been chasing this £100,000, who in the council has been fighting for a good slice of the £60m under spent for the North West in European funding? Lancaster City Council have confirmed it to me that they are aware of this massive pot, yet their Morecambe Area Action Plan says there is no money. Perhaps they just mean there is no money for Morecambe as Lancaster wants it for their Williamson and Ryelands Parks regeneration, city centre regeneration, Science Park, the new East regeneration and the new Heritage Park they want to create below the priory and castle. We are just plainly living on the wrong side of the river.

Ian Hughes  
Morecambe  
Full address supplied

Don't let us go the way of Lancaster Market.

## Way forward agreed for Lancaster Indoor Market Hall

COUNCILLORS have agreed the next steps to be taken on the future of the Lancaster Indoor Market Hall, which is due to be vacated this autumn.

This follows a decision last year that talks should take place to negotiate with the council's landlord for the surrender of its lease, and with the traders for vacant possession of the market building by the end of 2012.

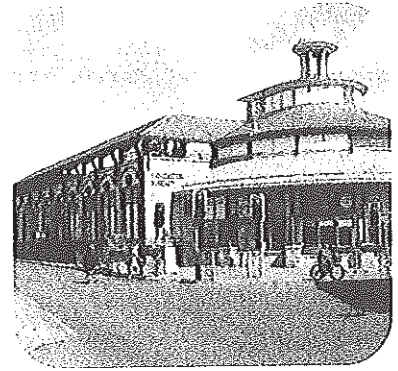
Since this decision was taken, negotiations have continued with both Allied, owner of the market building and the council's landlord, and market traders.

While further negotiations need to take place with Allied to

secure the best possible terms in respect of the market building, the council recognises that the continued uncertainty on the future of the market has caused great difficulties for traders.

Councillors therefore agreed that as a next step, traders should be compensated, with a view to them leaving the building over the next few months. It provides traders with certainty over their futures and provides for them to find alternative premises and keep their businesses running.

This decision was taken following valuation, legal and accountancy advice that it was the best way forward to put the



council in the best possible position to safeguard the interests of taxpayers in the long term.

Negotiations with Allied – owner of the market building and the council's landlord – will continue.

The outcome of these negotiations will be brought back to councillors for further consideration.



# Morecambe Action Plan Recommendation



## THE HEART

### Festival/ Central Drive

One way and another many people who come to central Morecambe arrive at the western end of Central Drive - whether by car, foot, cycle, bus or train.

However there is little sense of arrival or direction as to where to go and what to do. This area is very much part of the town centre yet it feels lacking, hollowed out. Here we need to carve out the basis for a new draw landward of the seafront. It must attract and hold people, including in poor weather. The places and routes for pedestrians should connect well to Victoria Street, surrounding areas and the seafront via

an improved poem path and a refurbished Winter Gardens Arcade. The Festival Market is part of this. This would mean changing parking here, perhaps narrowing Central Drive in parts to provide new parking and new servicing for the Festival Market. It would mean change and redevelopment of land to the rear of the Winter Gardens. Structuring development to encourage pedestrian movement and creating good spaces will be critical. Public and private investment will be required.

**'Much of the excess parking lies along the (somewhat mis-named) Central Drive, which also houses the (equally mis-named) Bus Station.'**  
P Brown

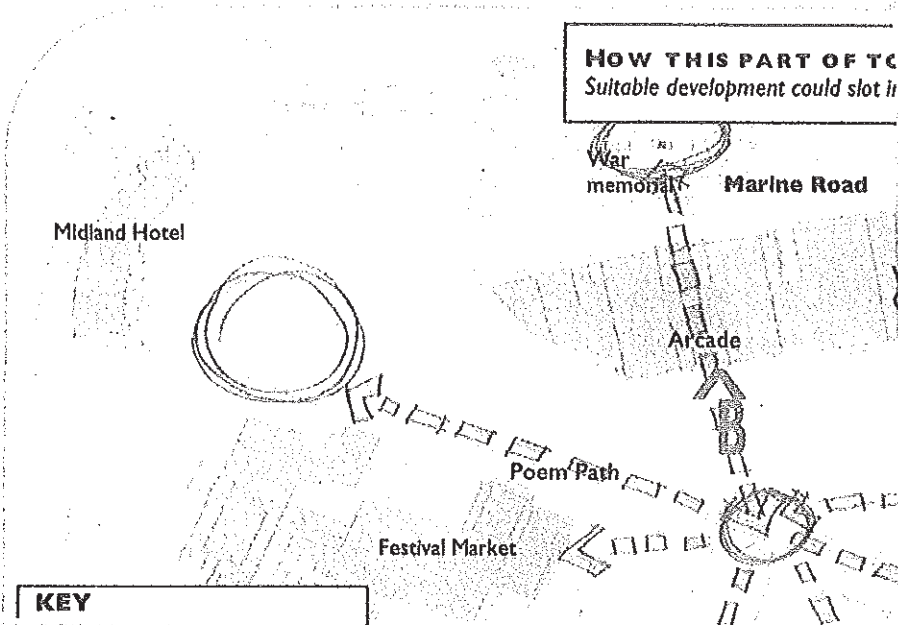
## A long road to travel

The issues of public transport and parking are critical to the success of any town centre. This is particularly true of Morecambe, a town and resort gradually climbing it's way back up the ladder from the ravages of recession and lack of investment, plus the unique difficulties experienced by a seaside town forced to compete against cheap flights to the sun and the idiosyncratic trends of the 'staycation' holiday makers and daytrippers.

So as we celebrate the fantastic news the town has, against the odds, secured Portas funding, we need to make sure any decisions that are made regarding transport and parking are sound - and not made without careful consideration. The Hackney Carriage Association proposal to eliminate free parking on a roadside with the creation of a taxi rank solves, perhaps a taxi issue, but this has left traders fuming at the loss of up to 600 potential passing parking trade customers every week. The move would perhaps push shoppers toward paying for parking - or would it push them out of Morecambe altogether? The issue is an unexpectedly thorny one and one that needs looking at from every angle. There is no easy answer and we have a long road to travel before we solve all the issues.

As Ian Hughes points out ( see letter to right) It is the Mary Portas report itself that insists free parking, or incentive schemes, are the way forward in getting bums on seats in our cash strapped retail centres. Public transport, including taxis, is also critical and it is these decisions right now that will allow us to get the mix right. Challenges, including the taxi rank debate featuring on today's Visitor page one, must not be addressed in isolation and the residents, the business chiefs, the movers and shakers and politicians of this town must put the pursuit of short term victories aside to ensure the future of Morecambe.

HOW THIS PART OF THE Sutable development could slot in



MARKETS are important to Morecambe and in most towns are part of what makes a place busy. The City Council owned Festival Market in Morecambe has been described by market traders as 'technically a covered outdoor market' with temperatures dropping significantly in the winter which is a problem for both traders and customers.

Into the future the Festival Market would benefit from a partial redevelopment and refresh to tackle some of the deficiencies outlined.

Ways need to be found to let management be innovative and re-brand its offer. The building issues need addressing. It should certainly front more closely and actively to the Poem Path and needs much better signage and linkages from and to other parts of the town.

The privately operated Sunday Market is a significant draw valued by many. Ways to sustain and improve this into the future and the benefits it gives are to explored.

For bus and rail travel see pages 16

Morecambe Action Plan 13  
have highlighted the problems we see hear about everyday.

IF parking L.C.C. is better off with a rise in car they need to re-invest some of it back into the market to keep the car park full.

# Council £1m better off

by Greg Lambert

**CAR** parking charges are set to rise by 20p to earn the Town Hall an extra £186,000 – even though Lancaster City Council has underspent this year by £1.12m.

The pay and display price hike is among fundraising ideas to be discussed at the next council cabinet meeting on January 18.

The suggestions are to increase charges by 20p in short-stay car parks for stays of up to one hour, two hours, three hours, four hours and evenings, and in long-stay car parks for stays of up to one hour and evenings.

The £186,600 this could raise is £76,300 more than the amount the council had

## ...but car park fees set to rise

targeted to achieve from increasing car parking income.

The cabinet will also consider reducing parking permit costs for the public by five per cent while increasing council staff and members' permits for 2011/12 by six per cent.

### Staff

But council staff and councillors will still pay about 75 per cent less than the general public for car parking permits. Council workers pay £210 for a 24/7 permit, which normally costs about £800.

At the same meeting at Lancaster Town Hall, cabinet will also be asked to rubber-stamp plans to increase some pest control charges and introduce new fees for some memorial plaques in council cemeteries.

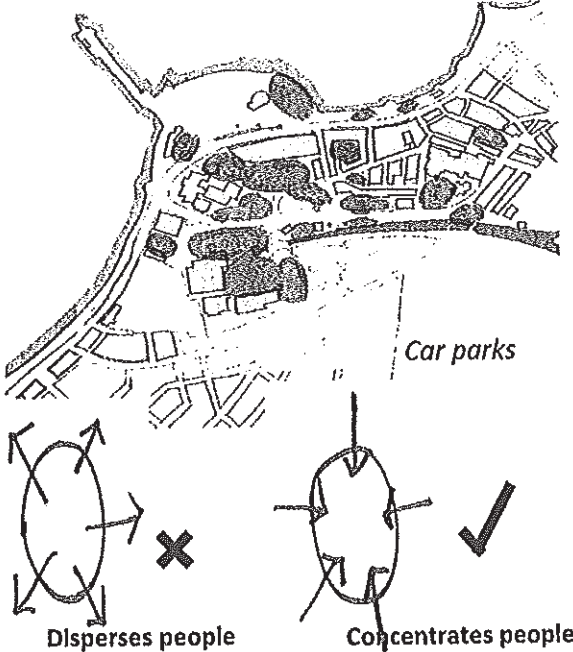
The council is projecting a £1.12m underspend for the current financial year.

The savings include £410,000 on waste collection, £215,000 on the concessionary travel scheme for the elderly and £191,000 on restructuring senior council management over the past 12 months.

This extra money could be put into the council's balance account, increasing it to £2.36m.

A council report says: "It would mean the council has increased flexibility to manage its future position".

■ See Town Crier – Page 8.



### Car parking

Sufficient well located, well managed car parking is essential to any town centre but it should not define the place. Unfortunately for Morecambe, in the eyes of many it largely does. The very central part of the town at Central Drive is largely given over to car parking. Further, while the central location of much of the parking is undoubtedly convenient the location of much of it is actually counter to what is needed to make for the strong and vibrant town centre that people want. In most successful centres people park on the edge and walk in. In Morecambe the location of some of the parking has the opposite effect. People park and walk out from these, they disperse and in any one visit many people perhaps only experience a very small part of what is on offer. This pattern of movement is exacerbated by the charging regimes for much of the parking - on and off street - that largely encourages only short stay visits. All this limits pedestrian movements and constrains footfall and in turn expenditures.

It may not be a bad thing to lose some parking spaces for a coach drop off.

We need to stay <sup>Page 64</sup> the same location so we can benefit from any development of the seafront.

# Fronting it up

## Plans for new indoor entertainment arena at the former Frontierland site

**AMBITIOUS** plans have been revealed for a new 2,000 seater entertainment arena and indoor ice rink at the former Frontierland.

The ex-fairground could also become home to a sculpture gallery, 50 apartments, shops and cafes and a spectacular walkway, linking the site to the railway station and the seafront.

InsideLA, a Lancaster-based group of designers, project managers and tradesmen, have unveiled their 'Morecambe Central' project hoping the public will get behind it.

Gary Lightfoot, project manager, called it "potentially the most important development for Morecambe in decades".

The InsideLA team also includes James Halliday, CEO of Lancaster-based digital marketing company 21EV, and Lancaster architect Shaun Graham.

**by Greg Lambert**

"This proposal would enhance Morecambe's desirability as a tourist destination," said Mr Lightfoot. "With the demise of The Dome a few years ago, Morecambe now has no purpose-built, large auditorium and we think this is a serious hindrance to Morecambe's weekend festival ambitions."

The blueprint for the Frontierland site comes hot on the heels of plans to revolutionise the Polo Tower.

Robert Aitken, an international museum designer from Bare, recently unveiled his vision for a one-of-a-kind 'Digital Tower' to replace the disused former fairground ride.

Mr Halliday said InsideLA would be interested in working with Mr Aitken to make both schemes happen.

InsideLA, who have spent three years developing their

concept, are also in talks with site owners Morrisons.

The land is believed to be available for around £3m. They would also have to obtain planning permission from Lancaster City Council before work could begin.

A spokesman for Morrisons said: "We are continuing our discussions with the council planning department about the future use of the (Frontierland) site and will be considering all options."

"We will be meeting with the planners shortly to consider how the site can be integrated as part of the council's intention for links to the town centre."

Following the closure of The Dome and The Carleton, the Platform is the town's sole remaining purpose-built live entertainment venue. The 1,000-capacity former railway station is operated by Lancaster City Council.



### THE PROPOSAL:

- An entertainment arena hosting everything from pop concerts, with up to 2,000 seated and 1,000 standing, to banqueting. Plans include an elevated café/bar and a flat roof with a lido, fully wind-protected by surrounding roof cowling, and with uninterrupted sea views.
- A stylish seafront row of café/gallery/retail units on the ground floor for lease.
- An indoor, recreational ice rink with sea views. InsideLA say they are in talks with an ice rink developer and operator.
- A terraced row of units to be operated as exhibition space, particularly for touring sculpture exhibitions.

- A large, sheltered outdoor area to be used as a weekend festival and events site.
- Fifty first-floor apartments, some of which could be offered as short-term accommodation for event operators and their staff, and ground-floor workshops for lease to local craftspeople and artists. Some could also be provided as housing for residents.
- A spectacular walkway originating at the railway station and leading along the back of the Morrisons supermarket, rising around the south side of the Arena and extending over the seafront to a new pier at the high tide line. This walkway could draw pedestrians from the railway station and the Arndale Centre.

**CABINET**

**WASTE COLLECTION- Cost Sharing  
Oct 9<sup>th</sup> 2012**

**Report of Head of Environmental Services**

<b>PURPOSE OF REPORT</b>			
To seek Cabinet's agreement for entry into a revised cost sharing agreement with the County Council from April 1 <sup>st</sup> 2013.			
<b>Key Decision</b>	<b>X</b>	<b>Non-Key Decision</b>	
		<b>Officer referral</b>	<b>X</b>
<b>Date Included in Forward Plan</b>	26 <sup>th</sup> Sept 2012		
<b>This report is public</b>			

**RECOMMENDATIONS OF HEAD OF ENVIRONMENTAL SERVICES**

- (1) That Lancaster City Council agrees to entry into the revised cost sharing agreement with the County Council from April 1<sup>st</sup> 2013.
- (2) That Lancaster City Council indicates that it's preference is to have the contribution from the cost sharing agreement spread evenly over the 5 year period (Sub-option 1a).
- (3) That the Head of Environmental Services informs County of the above and is delegated to agree the precise operational details of the agreement.
- (4) That budget projections are updated accordingly

**1.0 Introduction**

- 1.1 The Lancashire Waste Partnership (LWP) consists of the Lancashire County Council (waste disposal authority), twelve District Council (waste collection authorities) and the two unitary authorities. Through a jointly agreed waste strategy the LWP has set ambitious targets for managing household waste produced within the County of Lancashire.
- 1.2 The Council's corporate plan includes as an aim delivery of the objectives of the Lancashire Waste Strategy 2008-2020. This strategy contains challenging targets for reduction, reuse, recycling and composting of household waste
- 1.3 In terms of contribution towards implementation of this strategy Lancaster City Council has over a period of years rolled out waste collection arrangements that

contribute significantly to the aims of the LWP waste strategy.

- 1.4 In 2002/3 9.7% of all household waste was recycled / reused / composted. In 2011/12 this figure had risen 41.6%. There is still scope for this figure to rise much further within existing arrangements.
- 1.5 In order to achieve this the City Council has invested significantly. Compared with other similar Authorities the City Council performance is in the top quartile for its low cost of waste collection / recycling per household (based on APSE Performance Networks comparative data).
- 1.6 The required investment has come through a variety of sources. Particularly relevant to this report is the contribution Lancashire County Council provides through its cost sharing agreement.
- 1.7 The current cost sharing agreement is due to end in 2013/14. Under the agreement the County Council provides an amount for every household that is provided with the waste collection / recycling arrangements that the City Council currently has in place. The value of this contribution to Lancaster City Council in 2012/13 is £1,283,600.
- 1.8 In the years since the introduction of the cost sharing agreement the economic situation has changed considerably. Local Authorities are under huge pressure to reduce budgets. In 2012/13 the County Council expects to spend across the County over £94million on waste recovery / disposal. Lancaster City Council expects to spend £3.1million on waste collection.
- 1.9 Through the LWP the County Council have discussed ways of providing revised options for cost sharing that meet the County Council's budget arrangements but also attempt to mitigate the financial impact on District Councils.
- 1.10 An offer has now been formally received from the County Council.

## **2.0 Proposal Details**

- 2.1 The County Council is essentially proposing the following-
- 2.2 **PROPOSAL-** To accept a revised cost sharing agreement from 2012/13 (one year ahead of the termination of the current arrangement). This agreement would provide the City Council with a contribution of £6,099,594 over a 5 year period from April 2013. The amount also includes payments for loss of recycling income as are currently provided. The amount offered is less than the amount offered under the current agreement. Two sub-options are presented to provide choice as to the contribution is received. Sub- option 1a sees the contribution spread equally over the over the 5 year period. In 2012 /13 this option would mean that approximately £104,000 extra savings would have to be made by the Council. Sub- option 1b sees the contribution front loaded in profile. Based on the financial appraisal (see financial implications) it appears that Sub-option 1a would be the easier option to manage.
- 2.3 Acceptance of the cost sharing agreement requires a commitment to provide at least 90% of households with three- stream waste collection arrangements (which Lancaster City Council has already achieved). Increasing of collection frequencies of residual waste (grey bins) to less than fortnightly would not be acceptable. If the City Council wishes to accept the County Council have

requested for budgeting purposes that we inform them by October 31<sup>st</sup>.

2.4 If the City Council does not wish to accept the revised offer it would remain within the current cost sharing agreement until its end in 2013/14. At this point there is no indication that any further financial support would be provided by the County Council. In theory this would allow Lancaster City Council greater freedom as to collection arrangements eg reintroduction of weekly grey bin collections. In practice the combined cost of the loss of cost sharing (£1.2million / year) and the increased cost of reintroduction of weekly bin collections (£1- 1.5 million / year) would make this option unrealistic from a financial perspective. It would also be contrary to the aims of the Council's corporate plan.

### **3.0 Details of Consultation**

3.1 Following discussions through the LWP. The County Council have formally written to all Districts and requested a view on each Districts preferred option by 31<sup>st</sup> October 2012. This will allow for certainty in terms of financial planning.

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

4.1 Essentially there are two choices-

- Accept the revised cost sharing agreement
- Not accept the revised cost sharing agreement

4.2 For the reasons outlined above the only realistic option is to accept the County Council's proposal of entry into a revised cost sharing agreement from April 1<sup>st</sup> 2013. The most preferable sub-option from both an operational and financial perspective is to accept the contribution spread equally over the 5 year period of the agreement (Sub – option 1a).

### **5.0 Officer Preferred Option (and comments)**

5.1 As set out above.

### **6.0 Conclusion**

6.1 The report seeks Cabinet's approval to enter into a revised cost sharing agreement from April 1<sup>st</sup> 2013.

<b>RELATIONSHIP TO POLICY FRAMEWORK</b>
As set out in the report
<b>CONCLUSION OF IMPACT ASSESSMENT (including Diversity, Human Rights, Community Safety, Sustainability and Rural Proofing)</b>
Waste collection / recycling is provided to all households in the District and is a statutory service

**LEGAL IMPLICATIONS**

None

**FINANCIAL IMPLICATIONS**

The 2012/13 General Fund Budget as approved by Council on 29<sup>th</sup> February 2012 includes the following amounts in relation to cost sharing income :-

2012/13	£1,284K
2013/14	£1,323K
2014/15	£1,366K

Under the existing arrangements, the annual amount is currently subject to inflationary increases in line with the Retail Price Index forecast (RPI) at the time the budget is set. County Council's proposed contribution of £6,099,594 over the five years commencing 1<sup>st</sup> April 2013 is a flat amount and as such will not be subject to any inflationary increase. Therefore, the will place additional pressure on the general fund budget. The following table illustrates the financial impact (where known) of each of the options and for the purpose of the exercise inflation has been assumed to continue in future years of the approved budget.

	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>
	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>
	<b>£K</b>	<b>£K</b>	<b>£K</b>	<b>£K</b>	<b>£K</b>
Latest Approved Budget	1,323	1,366	1,409	1,452	1,495
<b>ACCEPT REVISED COST SHARING AGREEMENT</b>					
<u>Sub- Option 1a (spread equal)</u>					
Proposed Contribution	1,220	1,220	1,220	1,220	1,220
Budgetary Shortfall	103	146	189	232	275
<u>Sub -Option 1b (front loaded)</u>					
Proposed Contribution	1,267	1,244	1,220	1,196	1,173
Budgetary Shortfall	56	122	189	256	322
<b>DON'T ACCEPT REVISED COST SHARING AGREEMENT</b>					
Proposed Contribution	1,323	??	??	??	??
Budgetary Shortfall	0	??	??	??	??

Whilst the table illustrates option 1b is more attractive than option 1a in the short term, the later years see a decrease to the contribution. Over the duration of the five years the shortfall is identical and due to its consistent nature, option 1a would be easier to manage and assist officers in more effective budgetary planning.

Non acceptance of the revised cost sharing agreement sees no budgetary shortfall in 2013/14 however the future implications of not accepting are unquantifiable at this point in time but it is generally accepted that this would have a detrimental impact both operationally and financially.

Whichever option Cabinet decides to pursue, the associated budgets will be updated as part of the forthcoming budget process.

#### **OTHER RESOURCE IMPLICATIONS**

**Human Resources:**

None

**Information Services:**

None

**Property:**

None

**Open Spaces:**

None

#### **SECTION 151 OFFICER'S COMMENTS**

The report sets out the position regarding financial risk associated with accepting or not accepting the revised cost sharing proposals. Not accepting the proposal would provide continuity of the current agreement and existing funding levels for a further year, but it provides no certainty for the funding position beyond 2013/14. Accepting the proposals will require the Council to consider potential savings and efficiencies as part of the forthcoming MTFs and budget review, but this option provides a clearer and less risky picture for the future.

Within the overall 5 year proposals, instalment sub-option 1a provides for greater stability in year-on-year operational and financial planning.

#### **MONITORING OFFICER'S COMMENTS**

The deputy monitoring officer has been consulted and has no observations to make on this report.

#### **BACKGROUND PAPERS**

Letter to Chief Executive from County Council 19<sup>th</sup> Sept 2012

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**Ref:**



<b>CABINET</b>
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## Council Housing Rota Painting 9<sup>th</sup> Oct 2012

### Report of Head of Environmental Services

<b>PURPOSE OF REPORT</b>			
To outline options for the way the rota painting of Council houses is undertaken and request an 'in principle decision'.			
<b>Key Decision</b>	<b>X</b>	<b>Non-Key Decision</b>	<b>Referral from Cabinet Member</b>
<b>Date Included in Forward Plan</b>	Aug 2012		
<p>This report is public.  Appendix A is exempt from publication by virtue of paragraph 3, of Schedule 12a of the Local Government Act 1972</p>			

#### RECOMMENDATIONS OF COUNCILLOR DAVID SMITH

- (1) That the rota painting contract for Council Housing is not retendered.
- (2) That in order to deliver the service an in principle decision is taken to deliver in-house via expansion of the Council's repairs and maintenance team.
- (3) In taking this decision the assumption is made that the service can be delivered at less than the amount currently budgeted and to a suitable level of service. Otherwise a further report will be brought back to Cabinet.
- (4) That the Cabinet Member with responsibility for Environmental Services monitors the performance of the in-house service via the quarterly Performance Review Meetings for the service area.

#### 1.0 Introduction

- 1.1 Rota painting is the term used to describe a range of cyclical maintenance jobs that are carried out on Council houses to ensure they are well maintained. These tasks include painting (external / communal areas), cleaning of upvc joinery etc.
- 1.2 The Council currently has in place a partnering arrangement for the delivery of this work on Council houses. All Council housing properties are painted etc to the specified standard over a six year period.

- 1.3 The partnering arrangement is due to end on March 31<sup>st</sup> 2013.
- 1.4 At the time it was agreed that delivering the service in this way would be the most effective and efficient way of delivering this programme of works.
- 1.5 The last 18 months or so have seen a number of significant changes in the way the Council's approach to delivery of repairs and maintenance. The aim of these changes is to ensure that the service is delivered in a way that best meets the needs of both the Council and its tenants. This programme of change is still very much a work in progress and is focussing not just on improving systems, processes and working practices but also on changing the culture within the service.
- 1.6 At this stage what has been identified is that in order to make improvements in critical areas like decreasing the time taken to turnover void properties greater flexibility in terms of use of staff is required. The fact that the Council delivers some of its works via an in-house team and some via partners / contractors whilst being advantageous in some respects does cause significant problems in terms of operational flexibility.
- 1.7 As the partnering arrangement for rota painting is due to end in March 31<sup>st</sup> 2013 this does present an opportunity to reassess how we deliver the service.

## **2.0 Proposal Details**

- 2.1 It is essential that the scheduled rota painting works continue as this will maintain the Council's housing stock.
- 2.2 It is not essential that the works continue to be delivered by a third party through a contract or partnership arrangement.
- 2.3 Another option would be to not undertake a tendering exercise and instead deliver the service directly through expansion of the existing in-house team, utilising the budget that is currently allocated to the Council's rota painting partner. This option would provide for much greater operational flexibility and control, and potentially provide an apprenticeship opportunity.
- 2.4 Initial work shows that the current level of service could be delivered within the existing rota painting budget. At this stage an 'in principle' decision on Cabinet's preferred option is requested. Once this has been made a fully detailed plan for delivery of the service will be developed which will clearly identify the levels of service, budgetary requirement, and desired outcomes. As is the case for any Council service performance management measures would be clearly defined to ensure value for money and quality of service. The intention of this approach would be to design and deliver a suitable level of service within the existing budget for rota painting. The level of service to be delivered would be agreed with relevant stakeholders, including tenant representatives.
- 2.5 If it became apparent that for some unforeseen reason it was not possible to achieve this then a further report would be brought back to Cabinet.
- 2.6 As mentioned in para 2.4 ensuring value for money is essential for the repairs and maintenance, as indeed it is for any Council service. Within the repairs and

maintenance service value for money is established via a number of means including benchmarking, direct comparison with other providers, tendering exercises for certain services, tenant satisfaction surveys etc. To allow for any meaningful demonstration of value for money actual costs of the various functions provided by repairs and maintenance need to be accurately apportioned. As part of the programme of change referred to in para 1.5 work is taking place to ensure that budgets reflect accurately the levels of service that are provided across the functional areas.

- 2.7 As well as this, were the service to be delivered ‘in-house’ this would certainly create, at least initially, additional work in terms of ensuring the in-house team was fully staffed and trained, and were provided with the appropriate materials, equipment and vehicles etc.
- 2.8 Achieving this would require input from a number of services and as part of the delivery plan referred to in para 2.4 the capacity required to make the initial change would need to be considered and factored into the initial costs.

**3.0 Details of Consultation**

- 3.1 Subject to Cabinet’s preferred option it may be that TUPE applies. In which case consultation would take place with affected staff and their representatives. Consultation would also take place with relevant stakeholders including tenant representatives.

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

	<b>Option 1:</b> Deliver rota painting via 3 <sup>rd</sup> party – through a tendering exercise	<b>Option 2:</b> Seek an ‘in principle decision’ to develop a business plan to deliver rota painting directly via expansion of the Council’s in-house team
Advantages	<ul style="list-style-type: none"> <li>• Once tendered requires less ongoing management input.</li> </ul>	<ul style="list-style-type: none"> <li>• Increased flexibility</li> <li>• Increased control</li> <li>• Ability to align more with corporate objectives (eg apprenticeships)</li> <li>• Consistent with objectives of the RMS change programme</li> <li>• Will be delivered within existing budgets</li> </ul>
Disadvantages	<ul style="list-style-type: none"> <li>• Reduction in flexibility</li> <li>• Reduction in control</li> </ul>	<ul style="list-style-type: none"> <li>• Requires more ongoing management input</li> <li>• Requires significant initial input from a number of Council services to ensure the transition goes as intended.</li> </ul>
Risks	<ul style="list-style-type: none"> <li>• TUPE may apply</li> <li>• A tendering exercise</li> </ul>	<ul style="list-style-type: none"> <li>• Detailed business case may identify some</li> </ul>

	may result in an increase in costs	unforeseen issues
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## 5.0 Officer Preferred Option (and comments)

5.1 Changing the means of delivering the service will generate, at least initially, significant extra work. However, within the context of the change programme that is underway the effort involved will result in sustained improvements. Therefore, the officer preferred option is Option 2.

## 6.0 Conclusion

6.1 The report outlines options for the delivery of the rota painting programme.

### RELATIONSHIP TO POLICY FRAMEWORK

The Council has its own Council Housing stock which it has a duty to maintain.

### CONCLUSION OF IMPACT ASSESSMENT

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

Provision of the service contributes to ensuring the Council's housing stock is maintained to a suitable standard.

### LEGAL IMPLICATIONS

Legal to advise on all contractual procedures in relation to this matter

### FINANCIAL IMPLICATIONS

The annual planned maintenance revenue programme includes £320K for the delivery of rota painting under the existing arrangements which are due to end on 31<sup>st</sup> March 2013. Although the management of RMS is primarily a general fund function its cost is ultimately recharged to the housing revenue account.

This report seeks direction on how Members wish to address the future delivery of rota painting and therefore they need to be mindful of the two options available :-

Option 1 – to continue to deliver rota painting through a third party. This will require a full tendering exercise of which the costs are unquantifiable at this point in time. However, should the costs exceed the current budgets then it may require a revision to the tender specification document in order to reduce costs.

Option 2 – to explore the delivery of rota painting internally by the expansion of the in-house team. An initial financial appraisal has been included as Appendix A. Whilst it should be noted that this is an initial appraisal, the estimated cost of the internal team is significantly below the budgeted contribution resulting in savings of £120K which could be utilised elsewhere in the delivery of planned maintenance throughout the district. A further full financial appraisal is required to support its validity and therefore an in-principle decision is sought for this option.

**OTHER RESOURCE IMPLICATIONS**

**Human Resources:**

As outlined in the report

**Information Services:**

None

**Property:**

As outlined in the report

**Open Spaces:**

None

**SECTION 151 OFFICER'S COMMENTS**

Should Cabinet approve Option 2, a key part of the work involved would be to ensure appropriate costing / VFM arrangements as referred to in paragraphs 2.4 and 2.6. These aspects would be addressed in determining any new in-house service set up. If they cannot be adequately addressed, a further report would be brought back to Cabinet (as reflected in the recommendations).

**MONITORING OFFICER'S COMMENTS**

The Monitoring Officer has been consulted and has no further comments

**BACKGROUND PAPERS**

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**Ref:**

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of the Local Government Act 1972.

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of the Local Government Act 1972.

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