

CABINET

10.00 A.M.

12TH FEBRUARY 2013

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

Officers in attendance:-

Mark Cullinan	Chief Executive
Nadine Muschamp	Head of Resources and Section 151 Officer
Sarah Taylor	Head of Governance and Monitoring Officer
Suzanne Lodge	Head of Health and Housing
Mark Davies	Head of Environmental Services
David Lawson	Assistant Head (Policy and Delivery), Regeneration and Policy Service
Kate Smith	Regeneration Officer
Liz Bateson	Principal Democratic Support Officer

111 MINUTES

The minutes of the meeting held on Tuesday 22 January 2013 were approved as a correct record.

112 ITEMS OF URGENT BUSINESS AUTHORISED BY THE LEADER

The Chairman advised that there was one item of urgent business. This related to the proposed publication of a 2010 exempt report regarding Luneside East Regeneration Project (Minute 117 refers).

113 PUBLIC SPEAKING

Members were advised that there had been a request to speak at the meeting in accordance with Cabinet's agreed procedure, as set out in Cabinet Procedure Rule 2.7, with regard to the Land at the Former Shell ICI (Minute 115 refers). The Chairman invited David Evans and Dennis Volter to address the meeting and respond to any questions from Cabinet members in response to their presentation. Having responded to a number of questions David Evans and Dennis Volter then left the meeting.

The Chairman advised the meeting of a revision in the order of the agenda.

114 EXCLUSION OF THE PRESS AND PUBLIC

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

"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 it could involve the possible disclosure of exempt information as defined in paragraph 3 of Schedule 12A of that Act."

Members then voted as follows:-

Resolved unanimously:

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

115 LAND AT THE FORMER SHELL ICI SITE - PROPOSED OPTION AGREEMENT

(Cabinet Member with Special Responsibility Councillor Hamilton-Cox)

Cabinet received a report from the Head of Resources seeking authority to enter into an option agreement for the disposal of land forming part of the former Shell ICI site. The report was exempt from publication by virtue of paragraph 3, of Schedule 12A of the Local Government Act 1972.

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

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

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

Councillors then voted:-

Resolved:

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

- (1) That the principle of the Option Agreement is entered into for the disposal of land forming part of the land at the former Shell ICI site be agreed on the terms as set out in the exempt report, so that the company referred to in the exempt report commence site investigations following the necessary documentation being completed.
- (2) That the Head of Resources be granted delegated authority to complete the Option Agreement.
- (3) That a report be presented back to Cabinet setting out the proposed terms for sale of the site, prior to completion.
- (4) That should the Option Agreement require extending beyond the initial two year period, this would be subject to the company referred to in the exempt report showing that they had made adequate progress towards obtaining statutory consents, and a progress report being presented back to Cabinet prior to the extension being agreed.

Officers responsible for effecting the decision:

Head of Resources
Head of Governance

Reasons for making the decision:

Entering into an Option Agreement for the future disposal of the Council's freehold interest in the site would represent a good way forward, given the Council's aims for this site.

The press and public were readmitted to the meeting at this point.

116 DECLARATIONS OF INTEREST

No declarations were made at this point.

117 URGENT BUSINESS - PUBLICATION OF 2010 EXEMPT REPORT REGARDING LUNESIDE EAST REGENERATION PROJECT**(Cabinet Member with Special Responsibility Councillor Blamire)**

Cabinet received a report from the Monitoring Officer to enable Cabinet Members to consider 'unexempting' a Cabinet report of November 2010. The report was submitted as an item of urgent business as in order to comply with the Freedom of Information Act 2000, a decision was required prior to the next scheduled meeting of Cabinet.

No options were presented, as the Monitoring Officer was of the view that the information in the report and minute did not now fall within an exemption under the Freedom of Information Act, and that a request for disclosure could not reasonably be refused.

Cabinet was asked to formally "lift" the exemption, and to note that in order that similar future requests might be dealt with expeditiously, the Leader would be asked to consider amending the Scheme of Delegation to authorise the Head of Governance, as Monitoring Officer, to determine that exempt reports, minutes or background papers were no longer required to be treated as exempt.

Councillor Hanson proposed, seconded by Councillor Bryning:-

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

Councillors then voted:-

Resolved unanimously:

(1) That the report to Cabinet on the 9th November 2010 regarding the Luneside East Regeneration Project, and relevant minute (Minute 73 of 2010/11) be no longer exempt.

- (2) That in view of the need for Freedom of Information requests to be dealt with in a timely manner, Cabinet notes that the Leader has agreed to the Scheme of Delegation being amended to authorise the Head of Governance, as Monitoring Officer, to determine that exempt reports, minutes or background papers are no longer required to be treated as exempt.

Officer responsible for effecting the decision:

Head of Governance

Reasons for making the decision:

When dealing with exempt information, and requests under the Freedom of Information Act 2000, it was inevitable that, over time, circumstances would change, and that information that might have been sensitive when a decision was being taken, might no longer be so after a period of time when events may have moved on.

That was the case with this particular report and minute. However, the Council's requirements with regard to confidential and exempt information currently provided that any information which had been treated by a member body as exempt should remain so until the member body "lifts" the exemption. Accordingly, Cabinet agreed to "lift" the exemption in respect of the November 2010 Luneside East report and minute.

**118 BUDGET AND POLICY FRAMEWORK UPDATE 2013/14 - GENERAL FUND
REVENUE BUDGET AND CAPITAL PROGRAMME**

(Cabinet Member with Special Responsibility Councillor Bryning)

Cabinet received a report from the Head of Resources to inform Cabinet of the latest position following Council's initial consideration of the Budget and Policy Framework, and to make recommendations back to Council in order to complete the budget setting process for 2013/14.

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

Cabinet was requested to finalise its preferred revenue budget and capital programme proposals for referral on to Council, using the latest information as set out in the supplementary agenda.

Revenue Budget

As Council had now determined the City Council tax rate for 2013/14, there were no options to change the total net revenue budget for next year (recommended at £19.819M) but Cabinet now needed to put forward detailed budget proposals that added back to that amount. The Head of Resources (as Section 151 Officer) continued to advise that wherever possible, emphasis should be on reducing future years' net spending.

Capital Programme

Cabinet might adjust its capital investment and financing proposals to reflect spending commitments and priorities but overall its proposals for 2012/13 and 2013/14 must

balance. Whilst there was no legal requirement to have a programme balanced over the full 5-year period, it was considered good practice to do so, or at least have clear plans in place to manage the financing position over that time.

In deciding its final proposals, Cabinet was asked also to take into account the relevant basic principles of the Prudential Code, which were:

- *that the capital investment plans of local authorities are affordable, prudent and sustainable, and*
- *that local strategic planning, asset management planning and proper options appraisal are supported.*

Budget Framework (Reserves and Provisions / MTFS)

Given known commitments, risks and approved council tax targets there was little flexibility in financial terms, but Cabinet could consider different arrangements for approving the use of various reserves, or consider different approaches for addressing the medium term budget deficit.

For General Fund, proposals to be put forward by Cabinet should fit with any external constraints and the budgetary framework already approved. The recommendations as set out met these requirements; the detailed supporting budget proposals were then a matter for Members. The report outlined the actions required to complete the budget setting process for 2013/14 and put in place plans for tackling 2014/15 and beyond.

Councillor Bryning proposed, seconded by Councillor Hanson:-

- “(1) That the recommendations, as set out in the report, be approved with the following wording added to ‘the budget proposals as summarised at Appendix A’ on recommendation (1) – “but giving further consideration in relation to three stream waste charging for bins and boxes, prior to Budget Council.”

Councillors then voted:-

Resolved unanimously:

- (1) That subject to confirmation of the Local Government Finance Settlement, the associated Local Referendum Thresholds and any budget amendments arising in the Cabinet meeting, Council be recommended to approve:
- a General Fund Revenue Budget of £19.819M for 2013/14, resulting in a Council Tax Requirement of £7.274M excluding parish precepts.
 - the budget proposals as summarised at Appendix A to the report; but giving further consideration in relation to three stream waste charging for bins and boxes, prior to Budget Council.
 - the resulting policy on provisions and reserves as included at Appendix B to the report; and
 - the resulting Capital Programme as set out at Appendices C and D to the

report.

- (2) That should any minor changes arise as part of Government approving the Settlement, the Leader and Finance Portfolio Holder be given delegated authority to update the budget proposals accordingly.
- (3) That the Leader and Finance Portfolio Holder be given delegated authority to update the Medium Term Financial Strategy based on the principles outlined in section 8 of the report, for referral on to Budget Council.

Officer responsible for effecting the decision:

Head of Resources

Reasons for making the decision:

The decision enables Cabinet to make recommendations back to Council in order to complete the budget setting process for 2013/14.

119 BUDGET AND POLICY FRAMEWORK UPDATE - HOUSING REVENUE ACCOUNT AND CAPITAL PROGRAMME

(Cabinet Member with Special Responsibility Councillor Leytham)

Cabinet received a joint report from the Head of Resources and Head of Health & Housing which provided an update on the council housing budgetary position and sought Cabinet's decisions on council housing rent levels for 2013/14 together with targets for future years. It also sought approval of Cabinet's supporting revenue budget and capital programme proposals for referral on to Council, in order to complete the HRA budget setting process for 2013/14.

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

With regard to the revenue budget generally, Cabinet could consider other proposals that might influence spending in current and future years, as long their financing was considered and addressed.

The options available in respect of the minimum level of HRA balances were to set the level at £350,000 in line with the advice of the Section 151 Officer, or to adopt a different level. Should Members choose not to accept the advice on the level of balances, then this should be recorded formally in the minutes of the meeting and it could have implications for the Council's financial standing, as assessed by its external auditors.

The most obvious options available in respect of the 2013/14 rent increase were set out in section 6 of the supplementary report. That section also highlighted the intrinsic link between rent levels and scope for future investment.

The options available in respect of the Capital Programme were:

- i) To approve the programme in full, with the financing as set out;

- ii) To incorporate other increases or reductions to the programme, with appropriate sources of funding being identified.

Any risks attached to the above would depend very much on what measures Members proposed, and their impact on the council housing service and its tenants. As such, a full options analysis could only be undertaken once any alternative proposals were known, and Officers might require more time in order to do this.

The Officer preferred options were to:

- approve/ refer on the provisions, reserves and balances position as set out;
- set rent levels that would provide sufficient flexibility for future investment, as well as sufficient headroom to address any future accounting / regulatory / welfare reform changes. Officers would advise against longer term rent freezes or below inflation increases, for these reasons. If future investment opportunity was to be maximised, then the Officer preferred option would be for a 3% annual increase.
- approve / refer on the revenue and capital budget proposals as set out, as adjusted to fit with rents levels mentioned above.

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

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

Councillors then voted:-

Resolved unanimously:

- (1) That the Housing Revenue Account Revised Budget for 2012/13, as set out at Appendix A to the report, be referred on to Council for approval.
- (2) That the minimum level of HRA unallocated balances be retained at £350,000 from 01 April 2013, and that the full Statement on Reserves and Balances be endorsed and referred on to Council for approval, taking into account the changes as outlined in section 3 of the report.
- (3) That Option 5 be adopted as rent setting policy for the medium term, in that:
 - an average rent of £69.22 for 2013/14 be approved, representing an increase of 0%, and the resulting Housing Revenue Account budget for 2013/14 be recommended to Council for approval; and
 - for years 2014/15 to 2016/17 target rent increases be set at 1%, 2% and 3% respectively, and the revenue budget forecasts be updated accordingly.
- (4) That the Capital Programme as set out at Appendix D to the report be referred on to Council for approval and in addition:
 - Cabinet approves in principle to invest in new one-bedroom accommodation within the district using funding from the Business Support Reserve, and that detailed proposals be brought back to Cabinet following input from the Housing Regeneration Cabinet Liaison Group.

- (5) That the above recommendations for the Housing Revenue Account be reflected within the Council's draft Medium Term Financial Strategy as appropriate, ensuring clarity in Cabinet's responsibilities regarding the setting of rent levels.

Officers responsible for effecting the decision:

Head of Resources
Head of Health & Housing

Reasons for making the decision:

The Council was required under statutory provisions to maintain a separate ring-fenced account for all transactions relating to the provision of local authority housing, known as the Housing Revenue Account (HRA). This covered the maintenance and management of the Council's housing stock. It was necessary to prepare separate revenue and capital budgets for the HRA each year, and to set the level of housing rents in sufficient time for the statutory notice of rent variations to be issued to tenants by 01 March 2013. The decision to set the rent increase for 2013/14 enables the deadline to be met, and enables Cabinet to recommend a balanced budget and fully financed Capital Programme for referral on to Council.

120 TREASURY MANAGEMENT STRATEGY 2013/14

(Cabinet Member with Special Responsibility Councillor Bryning)

Cabinet received a report from the Head of Resources which set out the 2013/14 Treasury Management Framework for Cabinet's approval and referral on to Council.

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

Cabinet might put forward alternative proposals or amendments to the proposed Strategy in Appendix B to the report, but these would have to be considered in light of legislative, professional and economic factors, and importantly, any alternative views regarding the Council's risk appetite. As such, no further options analysis was available at this time. Furthermore, the Strategy must fit with other aspects of Cabinet's budget proposals, such as investment interest estimates and underlying prudential borrowing assumptions, feeding into Prudential and Treasury Management Indicators.

The officer preferred option was to approve the framework as attached to the report, allowing for any amendments being made under delegated authority prior to referral to Council. This was based on the Council continuing to have a low risk appetite regarding investments. It was stressed in terms of treasury activity, there was no risk free approach. It was felt though that the measures set out in the report provided a sound framework within which to work over the coming year.

Councillor Bryning proposed, seconded by Councillor Barry:-

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

Councillors then voted:-

Resolved unanimously:

- (1) That the Finance Portfolio Holder be given delegated authority to finalise the Treasury Management Framework, as updated for Cabinet’s final budget proposals, for referral on to Council.

Officer responsible for effecting the decision:

Head of Resources

Reasons for making the decision:

As part of the adoption of the CIPFA Code of Practice on Treasury Management it was a statutory requirement that the authority had a Treasury Management Strategy Statement and Investment Strategy. The decision based on the Council continuing to have a low risk appetite regarding investments took into account the requirements of the Code.

121 TRANSFER OF CHARITY FUNDS

(Cabinet Member with Special Responsibility Councillor Barry)

Cabinet received a report from the Head of Governance which provided an update on the establishment of a Lancaster Community Fund, and sought to determine the composition of the Fund’s Grants Panel.

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

	Option 1: Establish the Grants Panel with an all-councillor membership	Option 2: Establish the Grants Panel with a mixture of councillors and community representatives	Option 3: Cabinet to determine an alternative composition
Advantages	<p>This would enable members to ensure that the Council’s priorities were strongly reflected in the grants criteria.</p> <p>It would also give councillors ultimate control over which applications to recommend for funding to the CFL.</p>	<p>This option would produce a mix of panel members with different backgrounds and areas of expertise, which could help to improve the group’s decision making.</p>	n/a

Disadvantages	The Panel may regret the absence of community representatives, who could provide a useful perspective on current work going on in the local voluntary sector.	No known disadvantages.	n/a
Risks	In the absence of local representatives from the voluntary sector, the Panel may not have access to a lot of relevant information on which to base decisions.	No known risks	n/a

Cabinet was requested to note the progress made in bringing the Council's dormant charity funds back into active use, and determine the composition and membership of the Grants Panel. There was no officer preferred option, although it was suggested that option 2 might offer the Panel a particularly strong range of knowledge and experience.

Councillor Barry proposed, seconded by Councillor Smith:-

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

Councillors then voted:-

Resolved unanimously:

- (1) That the transfer of dormant charity funds to the Community Foundation for Lancashire in order to establish the Lancaster Community Fund be noted.
- (2) That the membership of the Lancaster Community Fund Grant Panel consist of four members, two City Council members and two community representatives.

Officer responsible for effecting the decision:

Head of Governance

Reasons for making the decision:

Bringing the Council's dormant charity trusts into active use would support the Council's community leadership role, and have a beneficial impact on charitable organisations within the district which successfully bid for funding.

The Lancaster Community Fund will support the Council's priority of providing strong community leadership and promoting partnership working to address local needs, including housing, health, children and young people, environment, education, social care and crime and disorder.

122 STOREY CREATIVE INDUSTRIES CENTRE: PROGRESS UPDATE

(Cabinet Member with Special Responsibility Councillor Hanson)

Cabinet were advised that there was nothing further to report since the last update to Cabinet on 22 January 2013.

123 EXCLUSION OF THE PRESS AND PUBLIC

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

“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 it could involve the possible disclosure of exempt information as defined in paragraph 3 of Schedule 12A of that Act and that in accordance with Section 100A(2) of that Act the press and public be excluded from the next following item of business on the grounds that it could involve the possible disclosure of confidential information as defined in Section 100 A(3).”

Members then voted as follows:-

Resolved unanimously:

- (1) That, in accordance with Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting for the following item of business, on the grounds that it could involve the possible disclosure of exempt information as defined in paragraph 3 of Schedule 12A of that Act and that in accordance with Section 100A(2) of that Act the press and public be excluded from the next following item of business on the grounds that it could involve the possible disclosure of confidential information as defined in Section 100 A(3).

124 HOMELESSNESS CHANGE PROGRAMME

(Cabinet Member with Special Responsibility Councillor Leytham)

Cabinet received a report from the Head of Health & Housing which advised members of the grant funding secured under the Homelessness Change Programme to fund a new service for rough sleepers and single homeless households, progress made to date and the options for delivering the proposed service. The report was exempt from publication by virtue of paragraph 3, of Schedule 12A of the Local Government Act 1972.

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

Councillor Leytham proposed, seconded by Councillor Sands:-

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

Councillors then voted:-

Resolved unanimously:

- (1) That Cabinet approve the necessary savings to be made from Lancaster district's existing and ongoing allocation of funding through Lancashire County Council's Supporting People Programme in order to provide the revenue funding for the proposed service.
- (2) That Cabinet delegates to the Head of Health and Housing the authority to select a suitable Registered Provider partner to build the project who would draw down the capital grant directly (without Lancaster City Council being the accountable body), undertake more detailed investigations to identify the most suitable and deliverable project of the two options identified and then bring a further report back to Cabinet.

Officer responsible for effecting the decision:

Head of Health & Housing

Reasons for making the decision:

The proposed scheme will meet the needs of the intended client group that were identified and consulted upon by each district/locality within Lancashire which highlighted a need for supported accommodation for single homeless households over 25 and is consistent with the following:

- Section 8 of the Council's Corporate Plan 2012 - 2015 which seeks to improve the health and wellbeing of vulnerable people, reduce the number of homeless people in the district and reduce the number of people sleeping rough in the district.
- Lancaster District Homelessness Strategy 2008 – 2013 which aims to reduce the number of vulnerable groups becoming homeless including young people, those affected by domestic violence and offenders/rough sleepers.
- "No Second Night Out" – Government initiative to end rough sleeping nationally, leading to a Lancashire NSNO strategy and policy, and local policy and protocols.
- Supporting People Commissioning Plans 2010/2011.

125 LANCASTER CENTRE - PUBLIC REALM (Pages 15 - 18)**(Cabinet Member with Special Responsibility Councillor Hanson)**

Cabinet received a report from the Head of Regeneration & Planning which was confidential by virtue of Section 100A (2) of the Local Government Act 1972.

The options, options analysis, including risk assessment and officer preferred option, were set out in the confidential report.

Councillor Hanson proposed, seconded by Councillor Sands:-

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

Councillors then voted:-

Resolved unanimously:

- (1) The resolution is set out in a confidential minute in accordance with Section 100A (2) of the Local Government Act 1972.

Officers responsible for effecting the decision:

Head of Regeneration & Planning
Head of Resources

Reasons for making the decision:

The reasons for making the decision are set out in a confidential minute in accordance with Section 100A (2) of the Local Government Act 1972.

Chairman

(The meeting ended at 12.00 p.m.)

**Any queries regarding these Minutes, please contact
Liz Bateson, Democratic Services - telephone (01524) 582047 or email
ebateson@lancaster.gov.uk**

MINUTES PUBLISHED ON THURSDAY 14 FEBRUARY, 2013

**EFFECTIVE DATE FOR IMPLEMENTING THE DECISIONS CONTAINED IN THESE MINUTES:
FRIDAY 22 FEBRUARY, 2013.**

Document is Restricted