

CABINET

6.00 P.M.

26TH OCTOBER 2021

PRESENT:- Councillors Caroline Jackson (Chair), Kevin Frea (Vice-Chair), Dave Brookes, Gina Dowding, Tim Hamilton-Cox, Tricia Heath, Erica Lewis, Sandra Thornberry and Anne Whitehead

Apologies for Absence:

Councillor Cary Matthews

Officers in attendance:

Kieran Keane	Chief Executive
Mark Davies	Director for Communities and the Environment
Paul Thompson	Chief Financial Officer (Head of Finance & Section 151 Officer)
Debbie Chambers	Head of Democratic Services and Deputy Monitoring Officer
Kathy Beaton	Housing Strategy Officer
Liz Bateson	Principal Democratic Support Officer, Democratic Services

33 MINUTES

The minutes of the meeting held on Tuesday 14 September 2021 were approved as a correct record.

34 ITEMS OF URGENT BUSINESS AUTHORISED BY THE LEADER

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

35 DECLARATIONS OF INTEREST

No declarations were made at this point.

36 PUBLIC SPEAKING

Members were advised that there had been no requests to speak at the meeting in accordance with Cabinet's agreed procedure.

37 BOILER REPLACEMENT - CITY MUSEUM, INCORPORATING LANCASTER LIBRARY

(Cabinet Member with Special Responsibility Councillor Hamilton-Cox)

Cabinet received a report from the Director for Economic Growth and Regeneration to request that funding be released from the capital budget in order to deliver a joint project between Lancaster City Council and Lancashire County Council that would see the replacement of essential boiler plant and equipment, housed in the City Museum but

servicing both this site and Lancaster Library.

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

	Option 1: Do nothing/wait for air source heat pump technology to advance	Option 2: Replace the gas boilers on a like for like basis but ensure mechanisms are in place to install air source heat pumps at a later date	Option 3: Carry out a like for like replacement of the gas boilers
Advantages	<p>The council does not spend the allocation of capital funds requested.</p> <p>It could lead to complete decarbonisation and potentially avoid any modifications or removal of newly installed gas heating systems further down the line.</p>	<p>The City Museum asset is protected, as is the County's asset.</p> <p>Reduced gas consumption and cost savings (gas and maintenance).</p> <p>Better working environment for staff.</p> <p>Better control over the environment for the benefit of the collections.</p> <p>The work is planned so costs associated with it can be known in advance.</p> <p>Costs can be split out accurately going forward.</p> <p>As air source heat pump technology evolves, we will be in a position to install retrospectively and realise the benefits associated with this.</p>	<p>The City Museum asset is protected, as is the County's asset.</p> <p>Reduced gas consumption and cost savings (gas and maintenance).</p> <p>Better working environment for staff.</p> <p>Better control over the environment for the benefit of the collections.</p> <p>The work is planned so costs associated with it can be known in advance.</p> <p>Costs can be split out accurately going forward.</p> <p>No changes are required to the existing scheme.</p>
Disadvantages	<p>The boiler plant will fail (become unrepairable), at which point emergency, temporary heating will need to be installed for both sites until a permanent replacement is organised. This will be a more costly option</p>	<p>The Council will need to expend the requested capital funds this financial year.</p> <p>The changes required to ensure air source heat pumps can be added on to the system at a later</p>	<p>The Council will need to expend the requested capital funds this financial year</p>

	<p>than the planned replacement.</p> <p>The current lack of accurate heating control is creating an uncomfortable working environment for staff.</p> <p>Loss of heating and/or the installation of temporary heating could cause damage to the Museums collections.</p> <p>Asbestos work would still be required imminently, whether the boiler replacement goes ahead or not.</p>	<p>date will mean a scheme revision and small additional costs</p>	
Risks	<p>Loss of heating and potential damage to collections could result in a reduction of visitor numbers or force a temporary closure of the Museum.</p> <p>If our lack of action impacts the Library as well as our own site, there could be significant reputational damage.</p>	<p>None.</p>	<p>This makes no allowance or acknowledgement towards the City Councils net zero ambitions.</p>

Facilities Management preferred option is Option 2. The condition of the boilers has been of concern for a number of years and considerable time and effort has been put in to ensuring they continue to function. However, they are inefficient and there is a real risk that they will become unrepairable, leaving both the City Museum and Lancaster Library at risk. With option 2, we remain open to introducing green alternatives at a time when the technology has evolved adequately enough.

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

“That the recommendation, as set out in the report, be approved.”

Councillors then voted:-

Resolved unanimously:

- (1) That Option 2 be approved and that the allocated capital budget be released in order for the essential boiler plant to be replaced, before equipment failure

occurs.

Officer responsible for effecting the decision:

Director for Economic Growth & Regeneration

Reasons for making the decision:

The decision is consistent with the Council priority of a Sustainable District taking action to meet the challenges of a climate emergency. The new technology (more efficient boilers, working and well-placed thermostats and heat meters) will generate savings with reduced gas consumption and impact on carbon emissions and will enable retrofitting of air source heat pumps in the future. The decision will also ensure a fairer split of the costs between the County (58%) and City (42%) councils as opposed to the existing 50/50 arrangement.

38 HEAT NETWORKS FEASIBILITY

(Cabinet Member with Special Responsibility Councillor Frea)

Cabinet received a report from the Director for Communities & the Environment to outline that heat networks can play a role in the route to heat decarbonisation and set out the potential for thermal energy networks in the District. The report also sought support for a funding bid to BEIS for the delivery of a detailed feasibility study and informed Cabinet that should a Heat Network prove to be feasible, further decisions may need to be made on how such a system is implemented i.e. direct delivery by the Council or through amendments to the Local Plan.

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

Option 1: To support the approach to undertake feasibility work

Advantages:

- It will allow the Council to explore the feasibility for heating networks with potential opportunities for the delivery of heat networks more widely in the District
- If feasible, there is potential for wider benefits as set out in this report in relation to addressing the Climate Emergency and fuel poverty.
- There is currently funding available from Government to support the feasibility work.
- Can provide the groundwork for heat network development which would allow the Council to capitalise on an opportunity to address the Climate Emergency and lead to a potential saving of 100,000 tonnes of domestic CO₂e emissions.

Disadvantages: None.

Risks:

- Financial. £40k 'at risk' if feasibility determines that no realistic or viability opportunities exist.

Option 2: To delay a decision whether to take forward an application to future funding routes in 2022 or beyond.

Advantages: None apparent

Disadvantages:

- Deferring any decision of investigating heating networks delays our understanding over how and where networks could be established.
- Such delays may result in losing opportunities to implement projects in the future particularly in new developments.

Risks:

- The level of funding support available to the Council at present is significant. There are no assurances that in delaying such a decision that the same levels of funding support will be available in future years.
- As a result, a decision to defer may incur greater costs in the future should the Council wish to explore the feasibility of heat networks.

Option 3: To not carry forward any investigation into heating networks

Advantages: None apparent

Disadvantages:

- Fails to explore the opportunity for district heating networks closes the opportunity to secure more sustainable forms of heating for the district and would be a lost opportunity in seeking to tackle the Climate Emergency.
- The Council would fail to investigate opportunities to deliver greener, more sustainable forms of energy in the district and fail to capitalise on opportunity to address the Climate Emergency and a potential saving of 100,000 tonnes of domestic CO₂e emissions.

Risks: • Longer-term funding opportunities are unknown.

The officer preferred option is Option 1: Carry out detailed techno-economic feasibility Initial feasibility provides an interesting insight as to what heat network clusters may be viable. Should some of the clusters prove feasible, this could provide opportunities to support the decarbonisation of the council's estate, as well as businesses and residents within the catchment areas. The study would support officers with strategic decisions around the council's roadmap to 2030 of which heat decarbonisation plays a significant (and challenging) part. Revenue generating opportunities from the sale of low carbon heating may also exist. The potential funding opportunity from BEIS to explore Heat Networks greatly subsidises the costs of the study and there are no assurances over future levels of funding support available.

Councillor Frea proposed, seconded by Councillor Dowding:-

“That the recommendation, as set out in the report, be approved.”

Councillors then voted:-

Resolved unanimously:

- (1) That Cabinet recognise the value in exploring the opportunities for heating networks within the district and support the approach to submit a bid in order to undertake feasibility, whilst recognising that this may lead to future decisions around the

instillation of heat networks across the district.

Officer responsible for effecting the decision:

Director for Communities & the Environment

Reasons for making the decision:

The decision is consistent with the Council's Plan: Climate Emergency: To ensure that in the area of thermal energy delivery, the Council's ambitions around Climate Change are delivered, greater cognisance with the actions of the Council's Climate Emergency Declaration of January 2019 are provided and the Council's Corporate Priorities are supported. Delivery of a feasibility study will help to strengthen the Council's approach and strategic planning in a range of matters which will assist in it achieving its ambitions, for instance around supporting a green local economy, delivering sustainable energy, and addressing fuel poverty.

39 PLAN 2030: PRIORITIES AND OUTCOMES

The Chair advised the meeting that this item had been deferred to December's Cabinet in order that a further proposal could be considered.

40 TREASURY MANAGEMENT MID YEAR REVIEW

(Cabinet Member with Special Responsibility Councillor Whitehead)

Cabinet received a report from the Chief Finance Officer which sought Cabinet's consideration of various matters in connection with the Treasury Management Mid-Year Review 2021/22.

As the report is for consideration and progressing to Budget and Performance Panel and Full Council, no alternative options were put forward.

Councillor Whitehead proposed, seconded by Councillor Brookes:-

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

Councillors then voted:-

Resolved unanimously:

- (1) That the various matters in connection with the Treasury Management Mid-Year Review 2021/22 be noted.
- (2) That the Mid-Year Review 2021/22 be forwarded on to Budget & Performance Panel and Full Council for consideration in accordance with CIPFA Code of Practice on Treasury Management (the Code) and the CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code.)

Officer responsible for effecting the decision:

Chief Finance Officer

Reasons for making the decision:

Effective Treasury Management and use of the Councils' resources is fundamental to the delivery of its priorities and outcomes. Consideration of Treasury Management Mid-Year Review and presentation to Full Council will ensure the Council complies with CIPFA's Code of Practice on Treasury Management (the Code) and the CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code).

41 PROVISION OF INTERNAL AUDIT

The Chief Finance Officer provided a verbal update in relation to the provision of Internal Audit. It was reported that resources and staffing capacity had now been procured which will be sufficient to deliver the work in the Audit Plan. A draft Plan was now being considered which the Chief Finance Officer would be discussing with the Chair of Audit Committee prior to a report to the Audit Committee at which the Plan would be formally approved.

42 EXCLUSION OF THE PRESS AND PUBLIC

It was moved by Councillor Brookes and seconded by Councillor Dowding:-

"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.

43 SOLAR ARRAY INSTALLATION (Pages 10 - 11)**(Cabinet Member with Special Responsibility Councillor Frea)**

Cabinet received a report from the Director for Communities & the Environment with regard to Solar Array installation. 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.

It was proposed by Councillor Frea proposed, seconded by Councillor Hamilton-Cox and

Resolved unanimously:

- (1) The resolution is set out in a minute exempt from publication by virtue of paragraph 3 of Schedule 12A of the Local Government Act, 1972.

Officer responsible for effecting the decision:

Director for Communities & the Environment

Reasons for making the decision:

The decision is consistent with Council priorities. Exactly how the decision fits with Council priorities is set out in the exempt minute.

44 PROPOSED PROPERTY ACQUISITION (Pages 12 - 14)

(Cabinet Member with Special Responsibility Councillor Matthews)

Cabinet received a report from the Director for Communities and the Environment with regard to a proposed property acquisition which 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.

It was proposed by Councillor Caroline Jackson, seconded by Councillor Heath and :-

Resolved unanimously:

- (1) The resolution is set out in a minute exempt from publication by virtue of paragraph 3 of Schedule 12A of the Local Government Act, 1972.

Officers responsible for effecting the decision:

Director for Communities & the Environment
Chief Finance Officer

Reasons for making the decision:

The decision is consistent with Council priorities. Exactly how the decision fits with Council priorities is set out in the exempt minute.

Chair

(The meeting ended at 7.56 p.m.)

**Any queries regarding these Minutes, please contact
Liz Bateson, Democratic Services - email ebateson@lancaster.gov.uk**

MINUTES PUBLISHED ON WEDNESDAY 3 NOVEMBER 2021.

**EFFECTIVE DATE FOR IMPLEMENTING THE DECISIONS CONTAINED IN THESE MINUTES:
THURSDAY 11 NOVEMBER , 2021.**

Document is Restricted

Document is Restricted