

CABINET

10.00 A.M.

11TH NOVEMBER 2008

PRESENT:- Councillors Roger Mace (Chairman), Evelyn Archer, Jon Barry, Eileen Blamire, Abbott Bryning, Shirley Burns, Susie Charles, Jane Fletcher, John Gilbert and David Kerr

Also in attendance:-

Councillor Emily Heath (for Minute 82)

Officers in attendance:-

Mark Cullinan	Chief Executive
Peter Loker	Corporate Director (Community Services)
Heather McManus	Corporate Director (Regeneration)
Roger Muckle	Corporate Director (Finance and Performance)
Nadine Muschamp	Head of Financial Services and Section 151 Officer
Debbie Chambers	Principal Democratic Services Officer

77 MINUTES

The Minutes of the meeting held on 7th October 2008 were signed by the Chairman as a correct record.

78 ITEMS OF URGENT BUSINESS AUTHORISED BY THE LEADER

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

79 DECLARATIONS OF INTEREST

Councillor Barry declared a personal and prejudicial interest, as an allotment holder, with regard to the report concerning Allotments. (Minute 82 refers).

Councillors Blamire and Burns declared personal and prejudicial interests with regard to the report concerning Williamson Park, in view of their membership of the Williamson Park Board of Directors. (Minute 87 refers).

Councillor Bryning declared a personal and prejudicial interest with regard to the report concerning the Sport and Physical Activity Alliance Project, in view of his role as a Governor at Morecambe High School. (Minute 83 refers).

The Corporate Director (Finance and Performance) declared an interest with regard to the report concerning Williamson Park in view of his role as Secretary to the Williamson Park Board of Directors. (Minute 87 refers).

80 PUBLIC SPEAKING

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

81 MEDIUM TERM FINANCIAL STRATEGY UPDATE**(Cabinet Member with Special Responsibility Councillor Mace)**

The Head of Financial Services submitted a report providing updated financial projections for future years based on information currently available, to allow Cabinet to review the appropriateness of existing targets for Council Tax increases and make recommendations on to Council as appropriate.

The options, options analysis, including risk assessment on the key aspects, were set out in the report as follows:

Council Tax Targets:

- (a) Option 1 -retain the existing Council Tax target increases for future years
Current forecasts indicate that this would require net savings of £1,822K and £2,479K to be identified for 2009/10 and 2010/11 respectively.
- (b) Recommend an alternative Council Tax target increase for future years.
The level of any net savings requirement (and the associated risks) would depend on the tax level proposed.

The main risks attached to either option follow on from the assumptions and information underlying the revision of the financial projections and the ability of the Council to take decisions on matching service levels with the money available to fund them. In addition, the reputation and public perception of the Council may be affected. The key risks can be summarised as follows:

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

The report highlights that there is significant scope for the projections to change, as a result of both internal and external factors. To counter this, there will be further opportunities to review target increases during the forthcoming budget as more definite information becomes available on forecast spending.

With regard to capping, the report provides information on Government's actions this year and its commitment to using its capping powers in future. Should Cabinet wish to support spending levels that result in a Council Tax increase much higher than the current MTFS target, then there are strong indications that the Government is likely to challenge this course of action. This may well result in the Council's budget being capped – in such a

situation it would be forced to cut spending / services in an unplanned way and it would incur rebilling costs. Alternatively, if Cabinet wish to support a much lower increase, then future sustainability may become an issue. At present the financial projections for 2009/10 appear much worse than previously reported but they could change significantly, though on balance it is felt they are likely to get worse, rather than better.

In terms of options, the impact on Council Tax payers is key. Members should consider the balance between providing services that the local community needs and wants, against how much it is prepared to pay. There will be reputational, operational and financial risks, opportunities and trade-offs attached to whichever option Cabinet chooses.

Officer Preferred Option and Comments

There is no specific officer preferred option with regard to Council Tax levels. That said, the Head of Financial Services would advise against planning for a Council Tax increase of 5% or above at this time as it would in all likelihood be subject to capping, although the Council must also be in a position to set a robust, achievable budget in line with its priorities. Conversely, the Head of Financial Services would advise against aiming for too low a Council Tax level at this time if Members aim to continue to provide a wide range of services to the public and wish to avoid more potential for major service cuts in future years.

Whatever Council Tax targets are in place, Members need to have supporting plans in place to achieve a balanced budget.

(The meeting adjourned at 10.50am to allow those present to join the Mayor to observe a two minute silence in the Garden of Remembrance. The meeting reconvened at 11.10am.)

It was moved by Councillor Mace and seconded by Councillor Charles:-

- “(1) That Cabinet notes the revised financial projections at this stage and the assumptions underpinning them, and resolves that they be referred on to Council for information.
- (2) That, at this stage, Council be recommended in principle to retain the existing Council Tax target increase of no more than 4% for future years, but that this be reviewed at the budget develops.
- (3) That, in response to the deterioration in the financial outlook and in order to take forward the setting of a balanced revenue budget for future years, the following actions be taken forward as top priority:
 - Progressing the sale of land at South Lancaster to ensure completion is not delayed
 - Progressing current negotiations regarding Lancaster Market in order to reach a conclusion by 31st December, so that other alternative options for the future use of the building and/or the Council’s interests can be appraised, if a satisfactory outcome is not forthcoming
 - Bringing forward proposals for the future use of the Auction Mart site as an interceptor car park

- Progress Storey Institute Creative Industries Centre to a successful launch and a first year of operation that requires little or no revenue subsidy from the City Council.
- (4) That, in order to achieve item 3 above, and to avoid the Council taking on any further financial or other pressures at this time, Cabinet approves in principle that other initiatives be deferred, and that this be considered in detail by Star Chamber initially, in order that formal proposals can be considered at the next available meeting of Cabinet, for referral on to Council if appropriate.”

Members then voted as follows:-

Resolved unanimously:

- (1) That Cabinet notes the revised financial projections at this stage and the assumptions underpinning them, and resolves that they be referred on to Council for information.
- (2) That, at this stage, Council be recommended in principle to retain the existing Council Tax target increase of no more than 4% for future years, but that this be reviewed at the budget develops.

Resolved:

(8 Members (Councillors Archer, Blamire, Bryning, Burns, Charles, Gilbert, Kerr and Mace) voted in favour, 2 Members (Councillors Barry and Fletcher) voted against)

- (3) That, in response to the deterioration in the financial outlook and in order to take forward the setting of a balanced revenue budget for future years, the following actions be taken forward as top priority:
- Progressing the sale of land at South Lancaster to ensure completion is not delayed
 - Progressing current negotiations regarding Lancaster Market in order to reach a conclusion by 31st December, so that other alternative options for the future use of the building and/or the Council's interests can be appraised, if a satisfactory outcome is not forthcoming
 - Bringing forward proposals for the future use of the Auction Mart site as an interceptor car park
 - Progress Storey Institute Creative Industries Centre to a successful launch and a first year of operation that requires little or no revenue subsidy from the City Council.

Resolved:

(8 Members (Councillors Archer, Blamire, Bryning, Burns, Charles, Gilbert, Kerr and Mace) voted in favour, 2 Members (Councillors Barry and Fletcher) voted against)

- (4) That, in order to achieve item 3 above, and to avoid the Council taking on any further financial or other pressures at this time, Cabinet approves in principle that other initiatives be deferred, and that this be considered in detail by Star Chamber

initially, in order that formal proposals can be considered at the next available meeting of Cabinet, for referral on to Council if appropriate.

Officers responsible for effecting the decision:

Corporate Director (Finance and Performance)
 Corporate Director (Regeneration)
 Head of Financial Services

Reasons for making the decision:

The decision is taken in response to the deterioration in the financial outlook and in order to take forward the setting of a balanced revenue budget for future years.

82 REFERRAL FROM THE ALLOTMENTS TASK GROUP

(Cabinet Member with Special Responsibility Councillor Archer)

(It was noted that Councillor Barry had previously declared a personal and prejudicial interest in the following item as an allotment holder. Councillor Barry left the meeting prior to consideration of this item).

Overview and Scrutiny submitted a report seeking Cabinet’s support for the recommendations of the Allotments Task Group regarding future management arrangements for allotments.

The Task Group’s options, options analysis, including risk assessment were set out in the report as follows:

1. Option 1- Status quo

	Pro	Con
Allotment associations	<ul style="list-style-type: none"> No change from current arrangements 	<ul style="list-style-type: none"> Unsustainable (see study)
Council	<ul style="list-style-type: none"> No change from current arrangements 	<ul style="list-style-type: none"> Unsustainable (see study)

2. Option 2- Responsibility for management of allotments returns to the Council

	Pro	Con
Allotment associations	<ul style="list-style-type: none"> Relieves allotment associations of a long list of duties 	<ul style="list-style-type: none"> Allotment associations have been used to self management Could result in increased costs for

		plots
Council		<ul style="list-style-type: none"> Using example of Preston would require additional revenue of around £30,000 to fund an allotments officer post Best practice is to devolve management of allotments

Option 3a - Partnership with Council (Peppercorn rent)

Partnership

Council

- Capital to improve basic infrastructure at allotment sites (initially 5 year programme is recommended).
- Strategic oversight of allotments
- Agreement with allotment associations as to priorities for officer time allocated to allotments
- Allotment sites provided at peppercorn rent to allotment associations
- Provides support in practical ways (e.g., insurance, access to compost, grass cutting, waste management etc)
- Review infrastructure needs on an annual basis and feed into capital programme

Allotment associations

- Self manage allotment sites on a day to day basis
- Seek external funding opportunities for their allotment sites
- Continue to contribute to Council priorities

Association of Lancaster and Morecambe Allotments Association (ALMA)

- Represent allotment associations when dealing with Council
- Seek external funding for allotment development

	Pro	Con
Allotment associations	<ul style="list-style-type: none"> • Continue to self manage allotments • Will continue to charge same level of rent to plot holders but will have a far greater amount to spend on day to day management and admin of the allotment site 	<ul style="list-style-type: none"> • No guarantee that this model would encourage the participation of plot holders in wider site management issues

	<ul style="list-style-type: none"> • Site infrastructure will be improved at the sites that need it which will encourage demand • Increased investment will raise morale of allotment association volunteers • Officer time utilised in way that meets agreed needs • Capital investment by Council may help attract some external funding 	
Council	<ul style="list-style-type: none"> • Management and administration of allotments is devolved to associations • Officer time utilised in way that meets agreed needs • Increased capital and revenue requirement is still an invest to save option when compared with costs of directly managing allotments • Capital funding by Council may help attract external capital funding 	<ul style="list-style-type: none"> • Need for capital investment in region of £80,000 over next 5 years • Reduction in revenue income • Existing Council policy would require amending to reflect the letting of the land at an amount which is less than market value

3. Option 3b - Partnership with Council (market rent)

Partnership

Council

- Capital to improve basic infrastructure at allotment sites (initially a 5 year programme is recommended).
- Agreement with allotment associations as to priorities for officer time allocated to allotments
- Strategic oversight of allotments
- Allotment sites provided at market rent to allotment associations
- Provides support in practical ways (e.g., insurance, access to compost, grass cutting, waste management etc)
- Review infrastructure needs on an annual basis and feed into capital programme

Allotment associations

- Self manage allotment sites on a day to day basis
- Seek external funding opportunities for their allotment sites
- Continue to contribute to Council priorities

ALMA

- Represent allotment associations when dealing with Council
- Gain registration as an environmental body
- Seek external funding for allotment development

	Pro	Con
Allotment associations	<ul style="list-style-type: none"> • Continue to self manage allotments • Site infrastructure will be improved at the sites that need it which will encourage demand • Increased investment will raise morale of allotment association volunteers • Officer time utilised in way that meets agreed needs • Capital investment by Council may help attract some external funding 	<ul style="list-style-type: none"> • No guarantee that this model would encourage the participation of plot holders in wider site management issues. • Will still only have same amount to spend on day to day maintenance and admin.
Council	<ul style="list-style-type: none"> • Management and administration of allotments is devolved to associations • Officer time utilised in way that meets agreed needs • Increased capital and revenue requirement still represent an invest to save option when compared with costs of directly managing allotments • No loss of income from allotments • Capital funding by Council may help attract external capital funding • This would be in line with existing Council policy on the letting of assets at market value 	<ul style="list-style-type: none"> • Need for capital investment in region of £80,000 over next 5 years • Revenue investment insufficient to meet need • Some allotment associations are struggling with resources for day to day maintenance and this proposal will not encourage self management.

Task Group Preferred Option (and comments)

The Task Group recommends to Cabinet that Option 3A is adopted by the Cabinet as the Council's future approach to the management of allotments. (Task group 10 September Min No. 5 refers). In doing so it recognises that the provision and use of allotments by local people supports many of the Council's Corporate Plan objectives and that the proposed change in these arrangements would support the Council's position to view allotments as essential community resources, not simply as property assets. In addition, it recognises that the Council policy on lettings at less than market value will require amendment

There is existing staffing capacity both to manage the capital programme and continue ongoing liaison with both ALMA and the allotment associations.

Officer comments were set out in the report as follows:

Relationship to Policy Framework:

Supports Council's Corporate Plan objectives:

- To provide value for money customer focused services.
- To make the district a cleaner and healthier place.
- To support sustainable communities.

To ensure local communities have more influence and involvement in the way services are delivered and decision that affect them are made.

Conclusion of Impact Assessment:

Growing of local good and the promotion of allotments as community resources impacts upon sustainability, health and community cohesion.

Financial Implications:

The preferred recommendation, if adopted, would potentially add an additional £80,000 over 5 years to the Council's capital programme and if approved a bid would need to be submitted as part of the process for the 2009/10 Capital Programme.

There is currently a forecasted amount of £10,500 for rental income for Allotments in 2009/10. If the recommendations are approved and only a peppercorn rent charged in the future this reduction in income will need to be built into the estimates as part of the 2009/10 budget process.

Section 151 Officer:

Any potential growth should be considered in context of Cabinet's proposed priorities/non-priorities and alongside other competing demands, as part of the 2009/10 budget process.

Legal Implications:

Legal Services would be required to develop new lease arrangement for allotments should the recommendations be adopted.

Monitoring Officer's Comments:

Section 10 of the Allotments Act 1950 provides that land let by a Council for use as an allotment shall be let at such rent as a tenant may reasonably be expected to pay for the land if let for such use on the terms (other than terms as to rent) on which it is in fact let. The section further provides that land may be let by a Council to a person at a less rent if the Council is satisfied that there exist special circumstances affecting that person which render it proper for it to let the land to him at a less rate. This suggests that a judgement should be made in respect of each tenant, and it is arguable that a blanket policy for the Council to let all allotments at a peppercorn rent, even to allotment associations, would not be lawful. However, the Act does not appear to recognise the possibility of a Council letting to an association rather than direct to an allotment plot holder, and this may account for the wording of the legislation.

The Monitoring Officer would reiterate that any proposals must be consistent with the Council's Budget and Policy Framework for 2009/10.

It was moved by Councillor Mace and seconded by Councillor Charles:-

"(1) That Cabinet recognises that the proposals set out in this report have manpower and financial implications and that these are brought forward in terms of the budget and policy framework proposals for 2010/11"

Members then voted as follows:-

Resolved:-

(8 Members (Councillors Archer, Blamire, Bryning, Burns, Charles, Gilbert, Kerr and Mace) voted in favour, and 1 Member (Councillor Fletcher) abstained.

(1) That Cabinet recognises that the proposals set out in this report have manpower and financial implications and that these are brought forward in terms of the budget and policy framework proposals for 2010/11.

Officers responsible for effecting the decision:

Corporate Director (Finance and Performance)
Head of Corporate Strategy

Reasons for making the decision:

The decision is made in recognition of the resource implications and in light of the earlier resolution regarding the Medium Term Financial Strategy (Minute 81 refers).

(Councillor Barry returned to the meeting).

83 **SPORT & PHYSICAL ACTIVITY ALLIANCE (SPAA) PROJECT DEVELOPMENT UPDATES**

(Cabinet Member with Special Responsibility Councillor Fletcher)

(It was noted that Councillor Bryning had previously declared a personal and prejudicial interest in the following item as a Governor of Morecambe High School. Councillor Bryning left the meeting prior to consideration of this item).

The Corporate Director (Regeneration) submitted a report seeking Cabinet's approval for two further projects being jointly developed following the adoption of the Sports and Physical Activity Strategy.

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

Options regarding the Cardiac Rehabilitation Project:

Option	Advantages	Disadvantages	Risks
1, Accept the responsibility to act as accountable body and deliver the Cardiac Phase 4 Project	<p>Structure and process (externally funded) to deliver this is already in place, no further resources required from the Council.</p> <p>Lead the district in developing new methods and opportunities for increasing participation in sport & physical activity by those most in need</p> <p>Contribute to the health agenda which could lead to further substantial investment by the PCT</p> <p>Contribute to LAA targets</p>	Additional work for the Active Health Team	Targets are linked to this funding, possible claw back if targets not met
2, Not accepting this funding	<p>No additional targets or responsibility for additional funding</p> <p>No additional work for the Active Health Team</p>	<p>Loss of additional funding</p> <p>Needs of the most in need not met</p> <p>Possibility that this could lead to loss of further investment from the PCT</p>	Damage to reputation with funders, partners and the community

		Loss of opportunity to contribute to the LAA targets	
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Options regarding the Morecambe High School Community Use Agreement:

Option	Advantages	Disadvantages	Risks
3, Enter into the agreement	<p>Provides additional opportunities for people to participate in sport and physical activities and improve their health and wellbeing</p> <p>Address the sport & physical activity needs of children, young people and adults in Lancaster District, specifically the community of Poulton</p> <p>Funding is in place to deliver this project</p> <p>Provides training opportunities for young people and adults</p>	<p>Possible increase in insurance claims</p>	<p>Conflicting priorities – Council unable to allocate sufficient resources to support this work, without cutting other service areas. (this would be managed internally by Cultural Services</p> <p>Unsuccessful implementation – failure to meet objectives</p>
4, Not entering into the agreement	<p>No resources required to oversee the project</p> <p>No increase in insurance claims</p>	<p>Loss of some of the (£30,000) Sport England Community Investment Fund allocation and a further substantial amount of match funding (£30,000)</p> <p>Loss of opportunity to increase participation in sport and physical activity and improve the health and wellbeing of our community</p> <p>Loss of training opportunities for young people and adults</p>	<p>Not being able to achieve the targets set out in the agreement with Sports England, leading to possible claw back of funding</p> <p>Damage to reputation with funders, partners and the community</p>

Options 1 and 3 is the Officer preferred option.

This would allow the Council to access additional funding £60,000 from the PCT to deliver a new scheme aimed at a hard to reach group (patients involved in cardiac rehabilitation) and contribute to improving and maintaining their health. This will also contribute to meeting LAA targets around tackling obesity.

This would also allow the Council to provide much needed community facilities in an area of deprivation that will lead to improvements in people's health and contribute to a reduction in crime and the fear of crime.

It was moved by Councillor Fletcher and seconded by Councillor Kerr:-

- "1) That approval be given for Lancaster City Council's Cultural Services to act as the accountable body for £60,000 funding from the North Lancashire Primary Care Trust, in respect of the Cardiac Rehabilitation scheme.
- (2) That approval be given for Lancaster City Council's Cultural Services, to enter into a Community Use Agreement with Morecambe High School for the Community Activity Programme.
- (3) That approval be given for Lancaster City Council's Cultural Services (as part of the Sport and Physical Activity Alliance) to manage both the above schemes, to be funded by the external income.
- (4) That the Head of Financial Services be authorised to update the General Fund Revenue Budget in 2008/09 to 2010/11."

Members then voted as follows:-

Resolved unanimously:

- (1) That approval be given for Lancaster City Council's Cultural Services to act as the accountable body for £60,000 funding from the North Lancashire Primary Care Trust, in respect of the Cardiac Rehabilitation scheme.
- (2) That approval be given for Lancaster City Council's Cultural Services, to enter into a Community Use Agreement with Morecambe High School for the Community Activity Programme.
- (3) That approval be given for Lancaster City Council's Cultural Services (as part of the Sport and Physical Activity Alliance) to manage both the above schemes, to be funded by the external income.
- (4) That the Head of Financial Services be authorised to update the General Fund Revenue Budget in 2008/09 to 2010/11.

Officers responsible for effecting the decision:

Corporate Director (Regeneration)
Head of Cultural Services

Head of Financial Services

Reasons for making the decision:

The decision allows the Council to access additional funding £60,000 from the PCT to deliver a new scheme aimed at a hard to reach group (patients involved in cardiac rehabilitation) and contribute to improving and maintaining their health. It will also contribute to meeting LAA targets around tackling obesity.

The decision also allows the Council to provide much needed community facilities in an area of deprivation that will lead to improvements in people's health and contribute to a reduction in crime and the fear of crime.

Councillor Bryning returned to the meeting.

84 STAR CHAMBER

(Cabinet Member with Special Responsibility Councillor Mace)

The Corporate Director (Finance and Performance) submitted a report updating the Cabinet on the Star Chamber meetings held since the last report to Cabinet of 2nd September 2008.

It was moved by Councillor Mace and seconded by Councillor Charles:-

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

Members then voted as follows:-

Resolved unanimously:

(1) That the report be noted.

Officers responsible for effecting the decision:

Corporate Director (Finance and Performance)
Head of Financial Services

Reasons for making the decision:

The decision is in line with the requirement for Cabinet to receive regular updates on Star Chamber meetings.

85 2009/10 CORPORATE PLAN REFRESH - UPDATE

(Cabinet Member with Special Responsibility Councillor Mace)

The Corporate Director (Finance and Performance) submitted a report requesting Cabinet to note progress made since the last Cabinet meeting in bringing forward options to refresh the 2009/10 Corporate Plan. The report also provided information on progress made in delivering the current Corporate Plan and asked Cabinet to determine any actions that might be required.

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

Options Analysis

Refresh of Corporate Plan

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| Option 1 | to note progress made on refreshing the Corporate Plan and to agree any actions that might be required to meet the agreed deadlines as set out in the Budget and Policy framework timetable. |
| Option 2 | to note progress and determine an alternative process for refreshing the Corporate Plan. |

Corporate Plan Monitoring

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| Option 1 | To note progress to date in delivering the 2008/09 Corporate Plan priorities and to determine any action required. |
| Option 2 | To note progress to date in delivering the 2008/09 Corporate Plan and review the need for action through future quarterly Performance Review Team meetings. |

The officer preferred option in both cases is option 1.

Councillor Mace presented his latest considerations for the 2009/10 Corporate Plan.

It was moved by Councillor Mace and seconded by Councillor Charles:-

- “(1) That Cabinet notes the latest position on delivering the 2008/9 Corporate Plan targets
- (2) That Cabinet notes the latest position in refreshing the 2009/10 Corporate Plan and that the further development of the Plan be undertaken within the context of the Council’s financial position as reported in the latest Medium Term Financial Strategy report and that a further report be given to the next Cabinet meeting including the comments of the 3 Statutory Officers of the City Council, identifying the implications.”

Members then voted as follows:-

Resolved:

(7 Members (Councillors Barry, Blamire, Bryning, Charles, Fletcher, Gilbert and Mace) voted in favour, 1 Member (Councillor Burns) voted against and 2 members (Councillors Archer and Kerr) abstained.

- (1) That Cabinet notes the latest position on delivering the 2008/9 Corporate Plan targets

- (2) That Cabinet notes the latest position in refreshing the 2009/10 Corporate Plan and that the further development of the Plan be undertaken within the context of the Council's financial position as reported in the latest Medium Term Financial Strategy report and that a further report be given to the next Cabinet meeting including the comments of the 3 Statutory Officers of the City Council, identifying the implications.

Officers responsible for effecting the decision:

Corporate Director (Finance and Performance)

Reasons for making the decision:

The decision will allow Cabinet to take account of developments with the 2009/10 Corporate Plan at its next meeting within the context of the Council's financial position, with comments on implications provided by the Council's Statutory Officers.

86

YPO GAS CONTRACT

(Cabinet Member with Special Responsibility Councillor Archer)

The Head of Property Services submitted a report asking Cabinet to consider the procurement of a new Gas contract for a four year period up to and including 31st May 2013.

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

Option 1 (Fixed Rate) – This option would result in no change, with the Council continuing to acquire gas under the same sort of contract as now. The YPO will buy the Council's total Gas requirement on one day, when the market conditions are favourable for the period 1st June 2009 to 31st May 2010. Each year thereafter, the same process would be followed to the end of the contract in 2013. The Council will shortly receive from the YPO a cost schedule showing the fixed charges for both options in both pence per kWh and per therm.

Within the recent tender for fixed cost elements it emerged that British Gas and Corona Energy impose certain restrictions. Both will impose additional costs for late payment of invoices and will adjust the contract prices in the event of a shortfall in gas usage. Corona did not quote for all Authorities.

E.ON Energy offer fixed costs with no penalties for late payment and do not require an estimate of usage for the term of the contract. Full details can be found on Page 8 of the main Confidential Report to Members Appendix 1.

Due to the volatility of the market and strong bullish trends there are risks associated with option 1. For example the Council are currently fixed until 31st May 2009 at 78 pence per therm. The wholesale market at 15th October gas was trading at 70.4 pence per unit. Conversely should North Sea production reduce further and if winter weather conditions are colder than usual the market may rise again.

Option 2 (Flexible Rate) - Move to a flexible purchasing option. The YPO will buy the Council's Gas requirements over several transactions. Within this option the Council will still know the Gas price for the full 12 months.

This option will allow the Council to purchase flexibly within the contract period in 5,000 therm clips. The Council can trade live market prices; settlement prices, day ahead and month-ahead index prices, with all purchases made before the 24th of Month i.e. before the month of delivery. For example for August, purchases must be made on or before the 24th of July.

E.ON Energy submitted their General Terms and Conditions of Supply and agreed to give the YPO the ability to do everything outlined in the original tender guidance documents, which were forwarded to all prospective bidders prior to the Tender, these included,

- The ability to fix all non-energy costs prior to contract start up.
- The ability to fix all volume prior to the start of this contract year.
- The ability to purchase in multiple quantities to fulfil the total volume requirement as appropriate.

An important part of the E.ON Energy offer is that they would not impose cash out (take or pay) and therefore under any Contract with E.ON Energy there is absolutely no pressure on members to accurately nominate any likely consumption values for any contract year.

Acceptances for this option should be logged with YPO by Friday 28th November 2008. Any received after that date will not have the opportunity to move to a flexible option and will have to remain on a fixed profile until the next anniversary which will be 1st June 2010.

There are risks associated with purchasing gas on a flexible basis. If for example gas prices increase further and the YPO have not locked onto a fixed rate period the council could be paying more for their gas for a period. For example on 1st June 2007 the council locked on at 63 pence per therm for a twelve month period. Wholesale prices continued to rise throughout the year. As at 1st June 2008 the Council locked on at 78 pence per therm for a twelve month period. Wholesale prices now seem to be falling. As at the 15th October 2008 gas prices were trading at 70.4 pence per therm.

Option 3 do nothing - The existing four-year Gas supply Contract EN48GS/096 with the (YPO) expires on the 31st May 2009. Should the Council chose not to purchase gas on a fixed or flexible basis then the rates charged by the current gas supplier (npower) will go variable until a contract is sought. We are advised by the YPO that the current fixed rate could double under the variable option. Within such a volatile market it is uncertain whether wholesale prices will increase or decrease.

Option 2 is the officer preferred option at this stage. It would be to permit the YPO to purchase Gas on a flexible basis from June 1st 2009 to 31st May 2013 with the supplier E.ON Energy.

It was moved by Councillor Archer and seconded by Councillor Kerr:-

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

Members then voted as follows:-

Resolved unanimously:

- (1) To move towards a flexible method of purchasing gas energy through the Yorkshire Purchasing Organisation (YPO). The YPO will buy the Council's Gas requirements over several transactions from 1st June 2009 to 31st May 2013.

Officers responsible for effecting the decision:

Corporate Director (Regeneration)
Head of Property Services

Reasons for making the decision:

The decision allows the Council to purchase flexibly within the contract period in 5,000 therm clips. The Council can trade live market prices; settlement prices, day ahead and month-ahead index prices, with all purchases made before the 24th of Month i.e. before the month of delivery. For example for August, purchases must be made on or before the 24th of July.

(The meeting adjourned for lunch at 1.10pm and resumed at 1.35pm.)

87 WILLIAMSON PARK - UPDATE

(It was noted that Councillors Blamire and Burns had previously declared personal and prejudicial interests in the following item in view of their role as members of the Williamson Park Board of Directors. Councillors Blamire and Burns left the meeting prior to consideration of this item. It was further noted that the Corporate Director (Finance and Performance) had also declared an interest as Secretary to the Williamson Park Board of Directors. He also left the meeting prior to consideration of this item.)

The Corporate Director (Regeneration) submitted a report updating members about Williamson Park, as requested at the last Cabinet meeting.

It was moved by Councillor Fletcher and seconded by Councillor Archer:-

- “(1) That Cabinet notes the update and that a further report be presented at the next Cabinet meeting to include, if possible, the long term future viability of the Company for consideration as part of the 2009/10 budget process, pending the outcome of the reviews approved by Cabinet on the 7th October 2008 (Minute 76 refers).
- (2) That the Williamson Park Board be requested to support proactive action being taken to minimise the Company's spending during this interim period, pending its long term future viability being determined.
- (3) That Cabinet notes that the involvement of various City Council Services, as outlined in the report, who are supporting the Williamson Park Board will have an impact on their abilities to deliver against each of their respective Business Plans and Performance targets.”

Members then voted as follows:-

Resolved unanimously:

- (1) That Cabinet notes the update and that a further report be presented at the next Cabinet meeting to include, if possible, the long term future viability of the Company for consideration as part of the 2009/10 budget process, pending the outcome of the reviews approved by Cabinet on the 7th October 2008 (Minute 76 refers).
- (2) That the Williamson Park Board be requested to support proactive action being taken to minimise the Company's spending during this interim period, pending its long term future viability being determined.
- (3) That Cabinet notes that the involvement of various City Council Services, as outlined in the report, who are supporting the Williamson Park Board will have an impact on their abilities to deliver against each of their respective Business Plans and Performance targets.

Officers responsible for effecting the decision:

Corporate Director (Regeneration)
Head of Cultural Services

Reasons for making the decision:

The decision will ensure that Cabinet Members remain informed about the position with Williamson Park, pending a further report on the long term future viability of the Williamson Park Company.

(Councillors Blamire and Burns and the Corporate Director (Finance and Performance) all returned to the meeting).

88 PROPOSALS TO FORM A MORECAMBE BAY AND DUDDON REGIONAL PARK

(Cabinet Member with Special Responsibility Councillor Archer)

The Head of Planning Services submitted a report informing members of the conclusions of the scoping study commissioned by the Morecambe Bay Partnership and to obtain approval to support the creation of the designation and take part in its implementation.

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

Option 1 To support the concept of a Regional Park and to allocate Officer and Member time to working with adjoining local authorities and other partners to develop it to designation. This option has the benefit of identifying a clear spatial network of local authority areas with shared interests and challenges, and to demonstrate to Government and funding agencies a joined up approach to regeneration. It would also demonstrate to Government that the local authorities in the North Lancashire and Cumbria sub region know how to work together to achieve the greatest benefits for their communities and the economy of their area.

Option 2 Not to support the concept and to take no further part in discussions with the Morecambe Bay Partnership. Whilst this option would not directly harm the existing levels of progress that the City Council is achieving with its LDF and other regeneration strategies, it would lose the opportunity for the City Council to take a leading role in improving cross boundary cooperation in the sub region, and could reduce the potential for external funding for schemes and projects in the future. It would also remove the potential for a realistic Multi Area Agreement based on recognisable geographical links, and leave Lancaster District appearing as a lone District operating beyond other emerging partnerships in an insular manner.

Officer Preferred Option (and comments)

The Officer preferred option is Option 1. Lancaster City Council has an opportunity to take a leading role in the development of the Morecambe Bay Regional Park and to use its experience and reputation with various Government Agencies to strengthen the level of external investment in the economy around the Bay. The Park would also help to strengthen the hierarchical status of the District in the Sub Region and create opportunities to share workload and resources in tackling shared challenges such as Affordable Housing, regenerating low demand settlements, and managing sensitive conservation assets.

It was moved by Councillor Archer and seconded by Councillor Burns:-

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

By way of amendment to recommendation 2, which was accepted as a friendly amendment by the mover and seconder of the original proposition, it was moved by Councillor Kerr and seconded by Councillor Mace:-

“That Cabinet recommends to Council that Councillor Archer be the lead Cabinet Member appointed to sit on developmental working groups or Committees in the event that adjoining authorities agree to pursue designation”.

Members then voted as follows:-

Resolved:

(9 Members (Councillors Archer, Blamire, Bryning, Burns, Charles, Fletcher, Gilbert, Kerr and Mace) voted in favour, 1 Member (Councillor Barry) voted against)

- (1) That Cabinet resolves to support the designation of a Morecambe Bay and Duddon Regional Park.
- (2) That Cabinet recommends to Council that Councillor Archer be the lead Cabinet Member appointed to sit on developmental working groups or Committees in the event that adjoining authorities agree to pursue designation.
- (3) That the Chief Executive be authorised to pursue the designation in cooperation with other partner authorities.

Officers responsible for effecting the decision:

Corporate Director (Regeneration)
Head of Planning Services

Reasons for making the decision:

With this decision, Lancaster City Council has an opportunity to take a leading role in the development of the Morecambe Bay Regional Park and to use its experience and reputation with various Government Agencies to strengthen the level of external investment in the economy around the Bay. The Park will also help to strengthen the hierarchical status of the District in the Sub Region and create opportunities to share workload and resources in tackling shared challenges such as Affordable Housing, regenerating low demand settlements, and managing sensitive conservation assets.

89 CHATSWORTH GARDENS WEST END HOUSING EXEMPLAR PROJECT – DEED OF VARIATION TO FUNDING AGREEMENT

(Cabinet Members with Special Responsibility Councillors Archer and Kerr)

The Corporate Director (Regeneration) submitted a report updating members about the delivery of the Chatsworth Gardens West End Housing Exemplar Project.

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

Option 1

The City Council has already started a process of acquisition in line with the 2005 funding agreement and the 2005 funds have now been fully drawn down by the City Council. In accordance with the (Plan A) proposals of the original scheme, the City Council could seek to work with English Partnerships to identify how a partial demolition/refurbishment scheme could progress, and identify future funding needs to deliver such a project. At this stage, it is impossible to assess whether such a scheme would be financially viable and whether funds could be made available. Further work will be required to draw up a (Plan A) option and it is recommended that officers are instructed to start early negotiations with funders to seek an “acceptable” funding package for further consideration by Members.

Operated Risk	Financial Risk	Legal Risk	Benefits
<ul style="list-style-type: none"> English Partnerships would not agree to such a proposal as their existing analysis on the refurb/demolition option (Plan A) was originally considered by the funder as not to be a cost effective option. Bearing in mind current market conditions, it is 	<p>In the absence of a full commitment from English Partnerships and on a fully committed developer partner, there would probably be an increase in the financial contribution required from the Council sufficient to rule this option out.</p>	<p>All options have legal implications in terms of our contractual relationship with English Partnerships and at this stage it would be premature to observe what these implications would be prior to further discussions with</p>	<ul style="list-style-type: none"> The City Council is seen to be proactive with the community and its funders to finding a positive solution in current economically challenging times.

<p>difficult to see how this analysis would significantly change to provide a positive cost effective outcome.</p> <ul style="list-style-type: none"> • A developer partner cannot be found to deliver such a scheme. This is of particular concern as the Plan A scheme was the proposal that was originally tested with developers. • The community within the West End will consider the consultation exercise for the Exemplar Scheme to have been “ignored”, and they may raise concerns that a “step change” project has not been achieved. • Further design work/appraisal work will take time, and we currently have empty properties within the scheme awaiting demolition. We are also holding all costs of staff and security as a City Council cost, which is outside budget provision. 	<p>There is also the risk that while a certain level of commitment might be obtained from English Partnerships and / or a developer partner could be secured under certain conditions, the increase burden would still be greater than the Council could afford.</p> <p>Further costs that would be incurred will be, in the absence of any additional funding, represent an additional cost to the Council which will increase steadily with time.</p>	<p>the funding body.</p>	
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Option 2

The City Council seeks to re-negotiate the current “variation to funding agreement” document with English Partnerships to reflect the funding gap, and seek possible options on how this funding gap should be addressed, for further consideration by Members.

Operated Risk	Financial Risk	Legal Risk	Benefits
<ul style="list-style-type: none"> • Insufficient funds will be made available to bridge the gap, causing a delay in delivery for any 	<p>There is no specific financial risk in that if sufficient funds are not made available the scheme will simply not proceed.</p>	<p>All options have legal implications in terms of our contractual relationship with English Partnerships and at this stage it</p>	<ul style="list-style-type: none"> • The City Council is seen to be proactive with the community and its funders to finding a positive

possible alternative options.	There will be some residual costs but this is dealt with in option 4.	would premature to observe what these implications would be prior to further discussions with the funding body.	solution in current economically challenging times.
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Option 3

That the City Council seek to implement both Option 1 and Option 2, ensuring that a full report is submitted to Members, providing for:

- a) Possible options for partial demolition/refurbishment.
- b) Options for implementing a full scale demolition/re-build for the Exemplar site.

Operated Risk	Financial Risk	Legal Risk	Benefits
<ul style="list-style-type: none"> • See Options 1 and 2. 	See options 1 & 2	All options have legal implications in terms of our contractual relationship with English Partnerships and at this stage it would premature to observe what these implications would be prior to further discussions with the funding body.	<ul style="list-style-type: none"> • The City Council is seen to be proactive with the community and its funders to finding a positive solution in current economically challenging times.

Option 4

The City Council no longer proceed with the Exemplar scheme, and either offer the properties acquired back to the original owners, or dispose of the assets on the open market, in their current condition.

Operated Risk	Financial Risk	Legal Risk	Benefits
<ul style="list-style-type: none"> • The City Council may be subject to claw-back provision with EP, for the funding already spent on the scheme. Due to current market conditions, it is unclear whether the subsequent sale of these properties on the open market will release sufficient capital to re-pay the funding drawn-down. It is also uncertain whether the City Council 	<p>The maximum amount that is potentially subject to claw-back is £4.5M. Though, if the full amount were required this would be offset by receipts from the sale of the properties currently held.</p> <p>A more likely outcome is that EP would require that the properties be sold and the proceeds be remitted to them, though any</p>	All options have legal implications in terms of our contractual relationship with English Partnerships and at this stage it would premature to observe what these implications would be prior to further discussions with the funding body.	

<p>could sell these properties taking into account current market conditions.</p> <ul style="list-style-type: none"> • The delivery of the objectives of the West End Masterplan would be significantly affected, as the original proposals for the project was to reduce the large numbers of rented accommodation and HMOs, and replace with family sized owner occupied/part ownership accommodation. • The future relationship with our funding partner, English Partnerships, could be damaged due to the Exemplar Scheme not proceeding in some form. 	<p>such arrangement would be subject to negotiation.</p> <p>There would be some additional revenue cost to the Council incurred in the maintenance and security of properties pending sale. These are estimated at approximately £32K per annum.</p> <p>The Delivery Team is subject to a separate funding agreement of £277K and there is sufficient funding to finance the team for another 9 – 12 months, if it isn't subject to claw-back. Provision.</p>		
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Officer Preferred Option

The preferred option is Option 3 in the report. This will hopefully find an early solution to an issue that has been created by a recession in the markets, and will work with funders to ensure that we retain good partnership working, which is essential during the current financial crisis.

The recommendations of Councillors Archer and Kerr were set out in the report as follows:

"That Cabinet:

- (1) Notes (a) the need to provide quality family accommodation on a key gateway site into the West End, and (b) the current position regarding delivery of the Chatsworth Gardens Housing Scheme.
- (2) Requests full independent legal advice as to the status of and enforceability by or against the Council of "the 2005 funding agreement" and all the subsequent development and other related agreements, whether signed or not, and the continuing or future legal and financial implications of all those agreements.

- (3) Requests the Corporate Director (Regeneration) to enter into urgent discussions with English Partnerships as the funding body, to clarify the legal implications of our relationship, and to pursue the potential for options to be placed before Cabinet in place of a complete new-build which would be more economical and more environmentally sustainable than the current scheme, would not be subject to the risk of claw-back, and would deliver quality family accommodation in partnership with one or more developers over a period of time.
- (4) Subject to the advice received in (2) above, and the outcome of discussions in (3) above, requests a report setting out alternative options for the council, in place of a complete new-build.”

It was moved by Councillor Kerr and seconded by Councillor Archer:

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

Members then voted as follows:-

Resolved unanimously:

That Cabinet:

- (1) Notes (a) the need to provide quality family accommodation on a key gateway site into the West End, and (b) the current position regarding delivery of the Chatsworth Gardens Housing Scheme.
- (2) Requests full independent legal advice as to the status of and enforceability by or against the Council of “the 2005 funding agreement” and all the subsequent development and other related agreements, whether signed or not, and the continuing or future legal and financial implications of all those agreements.
- (3) Requests the Corporate Director (Regeneration) to enter into urgent discussions with English Partnerships as the funding body, to clarify the legal implications of our relationship, and to pursue the potential for options to be placed before Cabinet in place of a complete new-build which would be more economical and more environmentally sustainable than the current scheme, would not be subject to the risk of claw-back, and would deliver quality family accommodation in partnership with one or more developers over a period of time.
- (4) Subject to the advice received in (2) above, and the outcome of discussions in (3) above, requests a report setting out alternative options for the council, in place of a complete new-build.

Officers responsible for effecting the decision:

Corporate Director (Regeneration)

Reasons for making the decision:

The decision will hopefully find an early solution to an issue that has been created by a recession in the markets and will work with funders to ensure that the City Council retains good partnership working, which is essential during the current financial crisis.

90 PAY AND GRADING STRUCTURE**(Cabinet Member with Special Responsibility Councillor Kerr)**

The Chief Executive submitted a report advising Cabinet of progress with the development of a pay and grading structure since its last meeting on 7th October 2008. The Chief Executive updated Cabinet on the decision taken by Personnel Committee held on the previous day.

It was moved by Councillor Kerr and seconded by Councillor Archer:-

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

Members then voted as follows:-

Resolved unanimously:

(1) That progress be noted.

Officers responsible for effecting the decision:

Chief Executive
Head of Legal and Human Resources

Reasons for making the decision:

Regular update reports on the development of a pay and grading structure are noted by Cabinet to ensure that Cabinet is kept informed of progress.

91 COMMUNITY COHESION**(Cabinet Member with Special Responsibility Councillor Mace)**

The Chief Executive submitted a report updating Members on how community cohesion is being taken forward within Lancaster District in the context of the Area Based Grant (ABG) allocation.

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

Option 1 To make allocations from the ABG for community cohesion based on the current information available to it

Option 2 To defer making any allocations from the ABG for community cohesion at this time pending a further progress report back to Cabinet later in the year

There is no officer preferred Option.

Councillor Mace tabled his recommendations, as follows:

- (1) That Cabinet notes how community cohesion is being taken forward within the Lancaster District in the context of Area Based Grant
- (2) That Cabinet defers making any allocations from the Area Based Grant for community cohesion at this time pending a further progress report to Cabinet later in the financial year
- (3) That Cabinet notes the priority outcome to “work to maintain a cohesive community where respect for all is valued and celebrated” and agrees to ringfence the 2008/9 Area Based Grant awarded for community cohesion for supporting specific actions within Corporate Plan Priority 16.

It was then moved by Councillor Mace and seconded by Councillor Fletcher:-

- “(1) That Cabinet notes how community cohesion is being taken forward within the Lancaster District in the context of the Area Based Grant
- (3) That Cabinet defers making any allocations from the Area Based Grant for community cohesion at this time pending a further progress report to Cabinet later in the financial year
- (3) That Cabinet notes the priority outcome to “work to maintain a cohesive community where respect for all is valued and celebrated” and agrees to ringfence the 2008/9 Area Based Grant awarded for community cohesion for supporting specific actions within Corporate Plan Priority 16.”

Members then voted as follows:-

Resolved unanimously:

- (1) That Cabinet notes how community cohesion is being taken forward within the Lancaster District in the context of Area Based Grant
- (4) That Cabinet defers making any allocations from the Area Based Grant for community cohesion at this time pending a further progress report to Cabinet later in the financial year
- (3) That Cabinet notes the priority outcome to “work to maintain a cohesive community where respect for all is valued and celebrated” and agrees to ringfence the 2008/9 Area Based Grant awarded for community cohesion for supporting specific actions within Corporate Plan Priority 16.

Officers responsible for effecting the decision:

Chief Executive
Head of Corporate Strategy

Reasons for making the decision:

The decision will allow Cabinet to consider a further progress report later in the financial year before taking a decision of making any allocations for the Area Based Grant for Community Cohesion.

92 FUNDING OF THE EMPLOYEE ESTABLISHMENT**(Cabinet Member with Special Responsibility Councillor Mace)**

The Chief Executive submitted a report asking Cabinet to consider the funding of the employee establishment.

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

Option 1 - That the status quo is maintained (as set out in paragraph 1.2 above)

Option 2 - That Cabinet identifies which Service areas are considered to be a lower priority for the filling of vacancies. In doing so, Cabinet should consider the Council's statutory responsibilities, Corporate Plan and Service Business Plan priorities and to what extent particular posts are externally funded. Having identified which Service areas are considered to be a lower priority, there is an expectation that only Cabinet could approve the funding required to fill any vacancies which occur within these Service areas during the remainder of this financial year. Cabinet would need to determine whether this is a decision to be taken at a Cabinet meeting or delegated to Portfolio Holders.

Option 3 - That all vacancies which occur in those Service areas which are discretionary rather than statutory are referred to Cabinet to consider whether the funding should be provided for those posts to be filled within these Service areas during the remainder of the financial year. A high level summary of statutory and non-statutory service activities for each Service is attached at Appendix A. As above, Cabinet would need to determine whether this would be a decision of full Cabinet or delegated to Portfolio Holders.

Option 4 - Combined with options 4.2 or 4.3 above, Cabinet could decide that all vacancies go through an internal only recruitment exercise prior to a decision on external recruitment.

Option 5 - Combined with any of the options above, Cabinet could require any consideration of funding agency, contractor or consultants as an alternative to direct employment to be formally considered either by individual Cabinet portfolio holders or full Cabinet.

Officer Preferred Option (and comments)

The preferred Officer option is Option 2.

Councillor Mace tabled his recommendations, including the comments of the Head of the Paid Service and Section 151 Officer Comments, as follows:

That Cabinet

- (1) Notes the recent agreement of the Leaders of the Conservative, Green, Independent, Labour and Liberal Democrat Groups that in present circumstances of the credit crunch and impending recession the City Council should be giving reassurances to local people that:-

- Everything possible will be done to maintain essential services
- There is a recognition that local taxpayers are unlikely to be in a position to fund extra services from additions to Council Tax

...and resolves to introduce a presumption that staffing vacancies are not filled, in place of the current presumption that vacancies are filled.

- (2) Notes the responsibility of Cabinet for the funding of the employee establishment and until further notice, determines to withdraw funding in respect of all posts becoming vacant below the level of Service Head, subject to the outcome of 3 below.
- (3) Requests that the Chief Executive, upon any post becoming vacant, submits an appropriate form to Cabinet for its consideration, to determine if the funding of the post is considered essential for delivering the Council corporate priorities/statutory responsibilities.
- (4) Requests the Chief Executive to develop the appropriate internal procedures to manage this process.
- (5) Resolves that this process be reviewed following the next annual Council meeting in May 2009.
- (6) Requests officers to review the effectiveness of existing Human Resources policies relevant to managing the Council's establishment and workforce planning issues.
- (7) Authorises the Head of Financial Services to update the Revenue Budgets for any post reductions as a result of 2 and 3 above.

Comments of the Head of the Paid Service:

If it is intended to review HR policies during the current financial year it will be necessary to either put the Fairpay process on hold for a further 3 months or to provide additional resources to undertake such a review. I could not recommend putting the Fairpay process on hold for a further 3 months.

Section 151 Officer comments:

The Financial Regulations require "that an appropriate staffing strategy and policy exists, in which staffing requirements and budget allocations are matched". This control is in context of there being an annual planning and budget setting process.

Very broadly, the above is in line with that control, but as an interim measure whilst the Council updates its priorities and budget targets for 2009/10 onwards.

It was then moved by Councillor Mace and seconded by Councillor Charles:-

"That Cabinet

- (1) Notes the recent agreement of the Leaders of the Conservative, Green, Independent, Labour and Liberal Democrat Groups that in present

circumstances of the credit crunch and impending recession the City Council should be giving reassurances to local people that:-

- Everything possible will be done to maintain essential services
- There is a recognition that local taxpayers are unlikely to be in a position to fund extra services from additions to Council Tax

...and resolves to introduce a presumption that staffing vacancies are not filled, in place of the current presumption that vacancies are filled.

- (2) Notes the responsibility of Cabinet for the funding of the employee establishment and until further notice, determines to withdraw funding in respect of all posts becoming vacant, apart from Refuse Collection or where a service is facing severe disruption where temporary arrangements be put in place. It should be noted that health and safety is a priority and supersedes all other requirements. This is all subject to the outcome of (3) below.
- (3) Requests that the Chief Executive, upon any post becoming vacant, submits an appropriate form to Cabinet for its consideration to determine if the filling of the post is considered essential for delivering the Council priorities/statutory responsibilities.
- (4) Requests the Chief Executive to develop the appropriate internal procedures to manage this process.
- (5) Resolves that this process be reviewed following the next annual Council meeting in May 2009.
- (6) Requests officers to review the effectiveness of existing Human Resources policies relevant to managing the Council's establishment and workforce planning issues.
- (7) Authorises the Head of Financial Services to update the Revenue Budgets for any post reductions as a result of 2 and 3 above.
- (8) Asks for a report identifying the costs of implementing Recommendation 6."

By way of an amendment, Councillor Barry proposed, and Councillor Fletcher seconded, the following changes to recommendations 2 and 3:-

- "(2) Notes the responsibility of Cabinet for the funding of the employee establishment and until further notice, determines to withdraw funding in respect of all posts becoming vacant subject to the outcome of (3) below.
- (3) Requests that Directors determine if the filling of a post is considered essential for delivering the Council priorities/statutory responsibilities. If not, to put through to Cabinet for consideration."

Members voted on the amendment:-

Resolved:

(4 Members (Councillors Barry, Burns, Fletcher and Gilbert) voted in favour, 5 Members (Councillors Blamire, Bryning, Charles, Kerr and Mace) voted against and 1 Member (Councillor Archer) abstained)

Members then voted as follows on the original proposition:-

Resolved:

(5 Members (Blamire, Bryning, Charles, Kerr and Mace) voted in favour, 4 Members (Councillors Barry, Burns, Fletcher and Gilbert) voted against and 1 Member (Councillor Archer) abstained)

That Cabinet

- (1) Notes the recent agreement of the Leaders of the Conservative, Green, Independent, Labour and Liberal Democrat Groups that in present circumstances of the credit crunch and impending recession the City Council should be giving reassurances to local people that:-
 - Everything possible will be done to maintain essential services
 - There is a recognition that local taxpayers are unlikely to be in a position to fund extra services from additions to Council Tax

...and resolves to introduce a presumption that staffing vacancies are not filled, in place of the current presumption that vacancies are filled.
- (2) Notes the responsibility of Cabinet for the funding of the employee establishment and until further notice, determines to withdraw funding in respect of all posts becoming vacant, apart from Refuse Collection or where a service is facing severe disruption where temporary arrangements be put in place. It should be noted that health and safety is a priority and supersedes all other requirements. This is all subject to the outcome of (3) below.
- (3) Requests that the Chief Executive, upon any post becoming vacant, submits an appropriate form to Cabinet for its consideration to determine if the filling of the post is considered essential for delivering the Council priorities/statutory responsibilities.
- (4) Requests the Chief Executive to develop the appropriate internal procedures to manage this process.
- (5) Resolves that this process be reviewed following the next annual Council meeting in May 2009.
- (6) Requests officers to review the effectiveness of existing Human Resources policies relevant to managing the Council's establishment and workforce planning issues.
- (7) Authorises the Head of Financial Services to update the Revenue Budgets for any post reductions as a result of 2 and 3 above.

(8) Asks for a report identifying the costs of implementing Recommendation 6.

Officers responsible for effecting the decision:

Chief Executive
Head of Legal and Human Resources
Head of Financial Services

Reasons for making the decision:

The decision is taken in light of the present circumstances of the “credit crunch” and impending recession and removes the delegated decision making to fill employee vacancies away from Service Heads to Cabinet.

Chairman

(The meeting ended at 4.30pm)

**Any queries regarding these Minutes, please contact
Debbie Chambers, Democratic Services, telephone 01524 582057 or email
dchambers@lancaster.gov.uk**

MINUTES PUBLISHED ON: THURSDAY 13TH NOVEMBER 2008.

**EFFECTIVE DATE FOR IMPLEMENTING THE DECISIONS CONTAINED IN THESE MINUTES:
FRIDAY 21ST NOVEMBER 2008.**