



Committee: CABINET

Date: TUESDAY, 21 APRIL 2009

Venue: MORECAMBE TOWN HALL

Time: 10.00 A.M.

A G E N D A

1. Apologies

2. Minutes

To receive as a correct record the minutes of Cabinet held on Tuesday, 17th March 2009 (previously circulated).

3. Items of Urgent Business Authorised by the Leader

To consider any such items authorised by the Leader and to consider where in the agenda the item(s) are to be considered.

4. Declarations of Interest

To consider any such declarations.

5. Public Speaking

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

Reports from Overview and Scrutiny

None.

Reports

6. Sale of 29 Castle Hill, Lancaster (Pages 1 - 3)

(Cabinet Member with Special Responsibility Councillor Archer)

Report of Corporate Director (Regeneration).

7. 2008/09 3rd Quarter Corporate Performance Review (Pages 4 - 30)

(Cabinet Member with Special Responsibility Councillor Charles)

Report of Corporate Director (Finance and Performance).

8. **Urgent Business Report** (Pages 31 - 34)

Report of the Head of Democratic Services.

9. **Exclusion of the Press and Public**

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

Cabinet is recommended to pass the following recommendation in relation to the appendix of the following report:-

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

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

10. **Employee Establishment - Vacancy Authorisation** (Pages 35 - 41)

Report of the Chief Executive.

ADMINISTRATIVE ARRANGEMENTS

(i) Membership

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

(ii) Queries regarding this Agenda

Please contact Debbie Chambers, Democratic Services, telephone 01524 582057 or email dchambers@lancaster.gov.uk.

(iii) Apologies

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

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

Published on Wednesday 8th April 2009

CABINET

Sale of 29 Castle Hill, Lancaster

21st April 2009

Report of Corporate Director (Regeneration)

PURPOSE OF REPORT			
To report on the implications of selling the above property by auction, and to obtain approval to sell the property as detailed below.			
Key Decision	X	Non-Key Decision	Referral from Cabinet Member
Date Included in Forward Plan			
This report is public			

RECOMMENDATIONS OF COUNCILLOR ARCHER

- (a) To sell 29 Castle Hill, Lancaster at auction.
- (b) To authorise the Head of Property Services to fix the auction reserve in conjunction with the Auctioneer, to agree to the payment of the auctioneers fees and to authorise the relevant officers to complete the sale.

1.0 Introduction

The property known as 29 Castle Hill comprises the former Tourist Information Centre and the Merchants Public House. Cabinet previously resolved at its meeting on the 21st of February 2006 to relocate the Lancaster Tourist Information Centre into the Storey Institute and declare the property surplus (Minute 148 refers) and place it in the General Fund Disposal schedule. The former Tourist Information Centre will be sold with vacant possession, however the Merchants public house is let to a third party on a 125 year lease and the property will be sold subject to that lease.

2.0 Proposal Details

To enable the sale to take place during the 2009/10 financial year, it is considered that the best method of sale for this property is by auction. This has the advantage of being binding on the bidders at the auction, when a contract has to be entered into and a deposit paid.

Pugh & Company is to be selected as auctioneers, as they are holding a commercial property auction on the 4th of June 2009. (They have been previously used with good results for the sale of a number of Council premises during recent years.) The basis for their fees is £1000 plus VAT per property for a page entry in the auction catalogue, plus a sale charge of £250 plus VAT for each property. It is suggested that the level of the auction reserve be delegated to the Head of Property Services, in consultation with the auctioneer. This needs to be set at a realistic level, to ensure a sale takes place. Occasionally properties entered for auction sell prior to auction, i.e. where the auctioneer receives a realistic offer, the auctioneer effectively acting as the Council's agent. There is also a risk that bids may not reach the reserve, and property may not sell. The reserve will be set nearer to the time of the auction, depending on the amount of interest experienced. Some flexibility may be needed at and immediately before the auction itself, so delegated authority is sought for the Head of Property Services in these circumstances.

3.0 Details of Consultation

No consultation has taken place.

4.0 Options and Options Analysis (including risk assessment)

- 4.1 Option 1 - To sell 29 Castle Hill, Lancaster by auction, to authorise the Head of Property Services to set the auction reserve in conjunction with the Auctioneer, to agree to the payment of his fees and to authorise the relevant officers to complete the sale. This would be in accordance with the Council's approval to dispose of surplus properties.
- 4.2 Option 2 - Sell the property by alternative methods e.g. private treaty. As similar sales have fallen through in the past, this could not guarantee a disposal.
- 4.3 Option 3 - Not to sell the property. This would not be in accordance with the Council's approval to dispose of the premises, the premises are listed in the General Fund Disposal schedule. The City Council would be left with recurring management liabilities and costs.

5.0 Officer Preferred Option (and comments)

Option 1 is preferred for the reasons outlined above and that Cabinet approves the disposal by auction and to authorise the relevant officers to complete the sale.

RELATIONSHIP TO POLICY FRAMEWORK

There is no specific reference to this sale within the Council's Corporate Plan. The sale would be in line with the Disposal Strategy approved by Cabinet on 17th March 2009.

CONCLUSION OF IMPACT ASSESSMENT

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

This report raises no implications

FINANCIAL IMPLICATIONS

Should the property be sold then it would generate a capital receipt for the City Council. The property is already included in the General Fund Disposal schedule, and when a receipt is received it will contribute to the overall financing of the general fund capital programme.

SECTION 151 OFFICER'S COMMENTS

The s151 Officer has been consulted and has no comments to add

LEGAL IMPLICATIONS

Legal Services have been consulted and would further advise that as the contract for sale is required to be signed away from Council offices, in accordance with Article 14 of the Constitution the Chief Executive will need to authorise two officers attending the auction to sign the contract of sale.

MONITORING OFFICER'S COMMENTS

The Monitoring Officer has been consulted and has no further comments

BACKGROUND PAPERS

None

Contact Officer: Ann Wood

Telephone: 01524 582506

E-mail: awood@lancaster.gov.uk

CABINET

**2008/09 3rd Quarter Corporate Performance Review
21 April 2009**

Report of Corporate Director (Finance and Performance)

PURPOSE OF REPORT			
To report on the third quarter of Performance Review Team meetings for 2008/09.			
Key Decision	<input type="checkbox"/>	Non-Key Decision	<input type="checkbox"/>
		Referral from Cabinet Member	<input checked="" type="checkbox"/>
Date Included in Forward Plan	N/A		
This report is public			

RECOMMENDATION OF COUNCILLOR CHARLES

- (1) That the report be noted.

REPORT

- 1 The third quarter of Performance Review Team (PRT) meetings for 2008/09 took place between 26 January and 6 February. Each meeting monitored progress against the action sheets drawn up for the previous round of meetings.
- 2 The corporate report was considered by the Cabinet portfolio holder on 3 March, Performance Management (Officer) Group on 6 March, and Budget and Performance Panel on 31 March.
- 3 Attached at **Appendix 1** for information are:
 - PRT meeting/attendance timetable
 - Updated (Escendency Action from 2008/09 Q2 meeting
 - Escendency report showing red indicators for Q3
 - Updated Finance Action 2008/09 Q2 meeting
 - Q3 Corporate Financial Monitoring Report
 - Treasury Management Monitoring Report
- 4 The outcome from the meeting with the Cabinet member was the action plan attached as **Appendix 2**. This plan identifies three issues that needed further explanation in respect of the Q3 Corporate Performance Monitoring report that officers are currently progressing.

6.0 Conclusion

6.1 The Council's Performance Management Framework now requires the regular reporting of performance into Cabinet as part of the Performance Review Team cycle of meetings.

RELATIONSHIP TO POLICY FRAMEWORK This report is a requirement of the Council's Performance Management Framework.	
CONCLUSION OF IMPACT ASSESSMENT (including Diversity, Human Rights, Community Safety, Sustainability and Rural Proofing) None arising from this report.	
FINANCIAL IMPLICATIONS As set out in the attached appendices.	
SECTION 151 OFFICER'S COMMENTS The Section 151 has been consulted and has no additional comments.	
LEGAL IMPLICATIONS Legal Services have been consulted and have no comments to add.	
MONITORING OFFICER'S COMMENTS The Monitoring Officer has been consulted and has no comments to add.	
BACKGROUND PAPERS 2008/09 Q3 PRT Reports	Contact Officer: Roger Muckle Telephone: 01524 582022 E-mail: rmuckle@lancaster.gov.uk Ref: RCM/JEB

**2008/09 3rd Quarter
CORPORATE PERFORMANCE REVIEW TEAM MEETING
11.00 am Tuesday 3 March 2009 – Roger Muckle's Office**

**In attendance: Councillor S Charles
 Roger Muckle
 Nadine Muschamp
 Richard Tulej**

The third round of Performance Review Team (PRT) meetings for 2008/09 took place between 26 January and 6 February 2009.

Each meeting monitored progress against the action sheets drawn up for the previous round of meetings.

Attached are:

- PRT meeting/attendance timetable
- Updated (Escendency) Action from 2008/09 Q2 meeting
- Escendency report showing red indicators Q3
- Updated Finance Action 2008/09 Q2 meeting
- Q3 Corporate Financial Monitoring Report
- Treasury Management Monitoring Report

JEB/27 February 2009

(SERVICE BASED) PERFORMANCE REVIEW TEAMS r 2008/09

Timetable for 3rd Quarter – 26 January to 06 February 2009

SERVICE	Meeting arranged	Cabinet Member(s)	Director (s)	Service Head	Paperwork Received (inc. updated action from previous meeting.)	Action Note received	Additional Info.
LEGAL AND HR	11 am 6 February	John Gilbert David Kerr	Mark Cullinan	Sarah Taylor	✓ [N/A – ie no action to update]	✓	HR Manager and Legal Services Manager also attended
DEMOCRATIC	12 noon 6 February	John Gilbert	Mark Cullinan	Gill Noall	✓	✓	
FINANCE	9.30 am 6 February	Roger Mace	Roger Muckle	Nadine Muschamp	✓	✓	
CORPORATE STRATEGY Roger Mace (Community Cohesion & LSP) Jon Barry (Climate Change) Jane Fletcher (C&YP) David Kerr (Community Safety) Eileen Blamire (Community Safety) John Gilbert (Community Engagement) Susie Charles (Performance Management)	2 pm 2 February	Roger Mace Jon Barry Jane Fletcher David Kerr Eileen Blamire John Gilbert Susie Charles	Roger Muckle Peter Loker	Richard Tulej	✓ [N/A]	✓	Cllr Barry had separate meeting with Service Head. Cllrs Fletcher and Kerr sent apologies.
INFORMATION AND CUSTOMER SERVICES	10.30 27 January	John Gilbert	Roger Muckle	Jane Alder	✓	✓	
REVENUES	9.30 27 January	John Gilbert	Roger Muckle	Richard Mason	✓ [N/A]	✓	
CITY COUNCIL (DIRECT) SERVICES	10.00 27 January	Jon Barry	Peter Loker	Mark Davies	✓	✓	
COUNCIL HOUSING	10.00 29 January	David Kerr	Peter Loker	Steven Milce	✓	✓	
HEALTH AND STRATEGIC HOUSING John Gilbert (Homelessness)	9.30 06 February	David Kerr John Gilbert	Peter Loker	Suzanne Lodge	✓	✓	
H&SH – CIVIL CONTINGENCIES	09.30 28 January	Eileen Blamire	Peter Loker	Suzanne Lodge Mark Bartlett	✓ [N/A]	✓	
CULTURAL	10.00 4 February	Susie Charles Jane Fletcher Shirley Burns	Heather McManus	David Owen	✓	✓	
PLANNING	10.00 3 February	Abbott Bryning Eileen Blamire Eve Archer Susie Charles	Heather McManus	Andrew Dobson	✓	✓	

SERVICE	Meeting arranged	Cabinet Member(s)	Director (s)	Service Head	Paperwork Received (inc. updated action from previous meeting.	Action Note received	Additional Info.
ECONOMIC DEVELOPMENT AND TOURISM	9:00 6 February	Abbott Bryning Eve Archer Shirley Burns Susie Charles	Heather McManus	Peter Sandford	✓	✓	
PROPERTY	12:00 5 February	Evelyn Archer Roger Mace	Heather McManus	Graham Cox	✓	✓	
NEIGHBOURHOOD MANAGEMENT	10:00 5 February	Roger Mace Evelyn Archer David Kerr	Peter Loker Heather McManus	John Deacon	✓		
Corporate PRT	11:00 3 March	Susie Charles	Roger Muckle	Richard Tulej Nadine Muschamp	✓		
PERFORMANCE MANAGEMENT GROUP	6 March	N/A	All	Nadine Muschamp Richard Tulej			
BUDGET AND PERFORMANCE PANEL	31 March	N/A					

Deadline to Mod.Gov 18 March

ACTION NOTE - 2008/09 Quarter 2 CORPORATE PERFORMANCE REVIEW TEAM MEETING






SERVICE AREA: PERFORMANCE – ALL SERVICES

DATE: 26 NOVEMBER 2008









PRESENT: COUNCILLOR S CHARLES, ROGER MUCKLE, NADINE MUSCHAMP, RICHARD TULEJ

NO	AGREED ACTION	RESPONSIBILITY	PROGRESS
	ESSENDENCY		UPDATED FOR Q3 MEETING:
1	Noted explanation for target variance. No further action.		
2	Noted explanation for minor target variance. No further action.		
3	Agreed action noted to address variance. No further action.		
4	Agreed actions noted to address variance. No further action.		
5	Action complete. No further action.		
6	Noted explanation for why target not met. No further action.		
7	Not clear if target on track. PRT action plan not available. Request update on latest position in meeting target. Targeted reviews.	HCultS	Programmes not due to start until January 09. Actual activity will be reported in Q4.
8	Explanation noted. Request why target set so high. Swimming development programme	HCultS	As this is a new indicator for this year we set an aspirational target of 95% for this programme. We have been consistently performing at the mid 70% mark over the year which will help inform the ongoing swimming review process to ensure we are providing the right lessons at the right levels based on customer demand. We will review the target for 09/10 to 80%.
9	Explanation noted. Request clarity about problem of meeting target. customer satisfaction	HCultS	Over-riden by the decision to close the Dome.
10	Explanation noted. No further action required.		
11	Explanation noted. No further action required.		
12	Explanation noted. No further action required.		
13	Explanation noted. No further action required.		
14	Explanation noted. No further action required.		




Corporate PRT Report
Quarter 3 2008/2009

Ref No.	Performance Indicator	Measure-ment Interval	Type Of Measure-ment	Outturn 07/08	Target 08/09	Good Is	Q1	Q2	Q3	Year To Date	Status	Performance Commentary
1	BV188a Length of stay in B&B	Quarterly	Snapshot	0.74	1.00	Low	2.5	0	1.43	1.43	 Failing	Failure occurred due to an unforeseen emergency case needing to be placed in B&B.
2	BV212 08-09 Average Time to Relet LA Housing	Quarterly	Snapshot	32.19Days	32.00Days	Low	45.1	47.43	43	43.00Days	 Failing	Q3 The average time to relet LA housing:: This has shown some signs of improvement and it is now taking an average of 43 days at the end of Q3 compared to 47.43 days at the end of Q2 and 45.1 days and the end of Q1. It is unlikely that we will be able to achieve our target of 32 days in 2008/2009. Actions will be maintained to continue to reduce the average time taken to relet. At the last PRT meeting it was agreed to undertake some additional analysis to look at the "within quarter" performance. This is set out below:Q1 42.75 daysQ2 48.87 daysQ3 36.11 days For further details see Action Plan.
3	CH11 08-09 Rent Lost Through Vacancies	Quarterly	Snapshot	1.20%	1.00%	Low	1.5	1.1	1.6	1.60%	 Failing	Q3 CH11 The percentage of rent loss through vacancies has increased at the end of Q3 and is now at 1.6% against a target of 1%. As has been commented on in previous PRT reports the increase in rent loss through vacancies is partly attributable to the losses caused through fire damaged properties notably the flats at Aldingham Court. We are now in the process of reletting those flats following extensive work. The other major factor is the continuing need of having to undertake significantly more work on empty properties to bring them back to our reletable standard. On average to date this year it is taking us 10 days longer to turn round properties compared with last year.
4	Cult01 Parks; Alternative management arrangements report	Quarterly	Snapshot	Yes	Yes	High	Yes	No	No	No	 Target Not Achieved	Service Head's Comments - PRT Q3: Due to other service commitment which have been undertaken such as involvement in Williamson Park, the deadline of March 2009 will not be met.
5	Cult04 Develop new SLA Models to support delivery of Arts Strategy	Quarterly	Snapshot	Yes	Yes	High	Yes	Yes	No	No	 Target Not Achieved	Service Head's Comments - PRT Q3: Unable to complete this work due to Star Chamber and a number of reports required by members/management team which took precedence. This is likely to continue throughout quarter 4 postponing completion until 09/10

Corporate PRT Report
Quarter 3 2008/2009

Ref No.	Performance Indicator	Measure-ment Interval	Type Of Measure-ment	Outturn 07/08	Target 08/09	Good Is	Q1	Q2	Q3	Year To Date	Status	Performance Commentary
6	Cult24 Produce a Dance Strategy - on target?	Quarterly	Snapshot		Yes	High	Yes	Yes	No	No	 Target Not Achieved	Service Head's Comments - PRT Q3: Work is progressing well, although we are slightly behind.
7	Cult26 Targeted Individuals engaged in diversionary activities?	Quarterly	Cumulative		300.00	High	0	0	0	0	 Failing	Service Head's Comments - PRT Q3: Programmes were not due to start until September 08, now delayed until January 09. Actual activity will be reported in quarter 4
8	Cult29 Effective swimming development programme	Quarterly	Snapshot		95.00%	High	74	72	73	73.00%	 Failing	Service Head's Comments - PRT Q3: As this is a new indicator for this year we set an aspirational target of 95% for this programme. We have been consistently performing at the mid 70% mark over the year which will help inform the ongoing swimming review process to ensure we are providing the right lessons at the right levels based on customer demand. We will review the target for 09 / 10 to 80%
9	Cult44 Dome feedback	Half-Yearly	Snapshot		95.00	High		0		0	 Failing	Service Head's Comments - PRT Q3: Over-ridden by the decision to close the Dome
10	DS02 08/09: % of Key Decisions included in Forward Plan	Quarterly	Snapshot		64.00%	High	50	85	60	60.00%	 Failing	The drop in performance was during December when several issues were highlighted through the Star Chamber process and the necessity for Cabinet to give prompt consideration to budget savings in 2008/9.
11	ICS06 Abandoned Calls	Monthly	Average		2.68	Low	2.81	6.63	11.7	7.05	 Failing	Staff sickness and unfilled vacancies have affected services.
12	ICS07 Ombudsman Responses (days)	Quarterly	Average		16.00Days	Low	0	24	0	24	 Failing	This reflects one case only - originally it was unclear whether the case has already been through our complaints procedures
13	ICS10 08/09 Progress Access to Services Programme	Quarterly	Snapshot		47.00%	High	20	27	28	28.00%	 Failing	Programme is severely delayed due to loss of Customer Services Project Manager and staff sickness in the IT team.

Corporate PRT Report
Quarter 3 2008/2009

Ref No.	Performance Indicator	Measure-ment Interval	Type Of Measure-ment	Outturn 07/08	Target 08/09	Good Is	Q1	Q2	Q3	Year To Date	Status	Performance Commentary
14	NI158 08/09 % non decent homes	Half-Yearly	Snapshot	.00	.00	Low		1		1	 Failing	Q3 NI 158 – percentage of decent council homes: As previously reported at the Q2 PRT the recent stock condition survey has highlighted that only 1% of the housing stock does not meet the new Decency Standard. The updated information from the stock condition survey will be used to inform our capital and planned maintenance programmes and any necessary adjustments will be made to bring all the stock back into decency.
15	NI188 Planning to adapt to climate change (Half yearly)	Half-Yearly	Snapshot		1.00	High		0		0	 Failing	Q3 Performance Commentary: Long term sickness absence has affected progress with this indicator. A graduate placement has been recruited to contribute to this work but it is unlikely we will be able to reach level one by the end of the year.
16	PROP01 Reduce overall energy use 08/09	Quarterly	Snapshot	9014278	8720000.00	Low	1950125	3211811	5928052	5928052	 Failing	Q3 Performance Commentary: Reduce overall energy use: This target is currently failing and will not be achieved by the end of the year. A budget of £20k has been allocated to energy efficiency schemes in 08/09, which will be used to install a voltage optimiser (Powerperfector) system within Lancaster Town Hall which will reduce energy consumption in this building during the months of February and March 2009. A further small reduction may be achieved with staff co-operation through housekeeping initiatives (such as turning off computers, lights and photocopyers) however this would only result in a small reduction in energy use and would require additional resources in the form of staff time to raise awareness/enforce. A further contributory factor in the failure of this target is the current weather conditions; we are experiencing a cold winter with extreme temperatures. Without further investment in technology/buildings it will not be possible to reduce energy consumption and this will also impact on CO2 emissions.

Corporate PRT Report
Quarter 3 2008/2009

Ref No.	Performance Indicator	Measure-ment Interval	Type Of Measure-ment	Outturn 07/08	Target 08/09	Good Is	Q1	Q2	Q3	Year To Date	Status	Performance Commentary
17	PROP02 Reduce CO2 Emissions	Quarterly	Snapshot		0.10	Low	0.02	0.04	0.07	0.07		<p>Q3 Performance Commentary: Reduce CO2 Emissions: This target is also failing and again will not be achieved by the end of the year. A budget of £20k has been allocated to energy efficiency schemes in 08/09, which will be used to install a voltage optimiser (Powerperfactor) system within Lancaster Town Hall which will reduce energy consumption in this building during the months of February and March 2009. A further small reduction may be achieved with staff co-operation through housekeeping initiatives (such as turning off computers, lights and photocopiers) however this would only result in a small reduction in energy use and would require additional resources in the form of staff time to raise awareness/enforce. A further contributory factor in the failure of this target is the current weather conditions; we are experiencing a cold winter with extreme temperatures. Without further investment in technology/buildings it will not be possible to reduce CO2 emissions.</p>
												Failing
18	SH13 08/09: Number of properties in which serious hazard eliminated	Quarterly	Cumulative		120.00	High	20	25	27	72		<p>Performance has been affected by capacity in the Housing standards team. The Housing Act 2004 introduced new statutory duties for which the team does not have the capacity to undertake adequately.</p>
												Failing
19	SH25 08/09 No. of properties accredited	Quarterly	Cumulative		30.00	High	2	1	5	8		<p>The council has little control over how may Landlords request accreditation but capacity issues in the team mean that no proactive work can be carried out</p>
												Failing

ACTION NOTE - 2008/09 Quarter 2 CORPORATE PERFORMANCE REVIEW TEAM MEETING

SERVICE AREA: FINANCIAL MONITORING – ALL SERVICES

DATE: 26 NOVEMBER 2008

PRESENT: COUNCILLOR S CHARLES, ROGER MUCKLE, NADINE MUSCHAMP, RICHARD TULEJ

Updated showing progress for Q3

NO	AGREED ACTION	RESPONSIBILITY	PROGRESS
	PROGRESS FROM THE LAST MEETING WAS NOTED AND THERE WAS NOTHING TO BRING FORWARD.		
1	Property Services more robust in PRT monitoring following issues in SLH. Major variance not reported in PRT.	HPropS	<p>Revised income budget has been amended. Whilst the variances were reported and commented on in the background papers at PRT1 and PRT 2, this information was not transposed onto the summary sheet.</p> <p>The take up of rooms and offices, and hence rental income has been less than expected after larger tenants vacated last year. Some of these tenants have taken up space in CityLab thereby ensuring budgets for that property have been maintained/improved.</p>
2	With reduced search activity, request options for service management efficiencies.	HL&HR	Options presented as part of Star Chamber budget exercise. No further action needed.
3	Request report back why postage costs have exceeded budget. Are the savings from the TNT contract being achieved?	HPropS	At the time of reporting, the budget was showing a deficit. It has since been identified that this is because there has been increased postage through the new TNT system with the Revenues Service using the system rather than dealing with their own postage. Arrangements have now been made to merge the budget figures and the outcome is showing postage to be on target and savings being achieved as anticipated.

NO	AGREED ACTION	RESPONSIBILITY	PROGRESS
4	Request report back on Salt Ayre income projection for Reflexions.	HCS	The report on income projections for Reflexions, was incorporated into the Salt Ayre Sport Centre/Community Swimming Pools Savings Options Cabinet report of the 17 February 2009, which ultimately recommended a total budget reduction in 2009/10 of £119,000 for Salt Ayre Sports Centre.
5	Request report back on Planning Service staffing levels due to downturn. Less applications, opportunities for reduced capacity.	HPlanS	Options presented as part of Star Chamber budget exercise. No further action needed.

RCM/JEB/27 Nov 2008



Corporate Financial Monitoring December 2008 | Quarter 3

Report of the Head of Financial Services
 Corporate PRT meeting | 03 March 2009

HEADLINE INFORMATION

REVENUE	Current (Underspend) / + Overspend	Projected (Underspend) / + Overspend
General Fund	(£24,000)	(£7,000)
Housing Revenue Account	+£109,000	(£28,000)

CORPORATE FINANCIAL MONITORING

December 2008 | Quarter 3

1. INTRODUCTION

This monitoring report of expenditure and income for 2008/09 sets out an indicative corporate picture of the Council's financial performance relating to the period ending December 2008.

The report summarises the variances reported through Services quarterly PRT meetings, and also identifies any omissions, updates and/or actions required. In addition there are specific sections for salary monitoring, capital expenditure and financing, Housing Revenue Account, revenue collection performance and Insurance and Risk Management.

It should be noted that this quarter's monitoring is based on the Revised Budget as approved by Council 04 February 2009.

2. GENERAL FUND REVENUE MONITORING

2.1 General Fund Summary Position

The current overall general fund summary position shows that at the end of December there is a net underspend of **£24K** against the revised budget. This is expected to reduce to £7K by the end of the year, i.e. based on current forecasts, net spending is broadly in line with the budget.

VARIANCES	Current £000	Projected £000
Major Variances (see section 2.3)	+17	+63
Salaries (see section 2.4)	(41)	(70)
Total	(24)	(7)

One of the key financial indicators is to keep any under or overspends within 2% of the overall net controllable revenue budget, and the following table shows that at the end of quarter 2 this has been achieved.

	£000
Net Controllable Budget	23,934
2% Target	+/() 478
Provisional Controllable Net Overspend	(38)
Percentage of Net Controllable Budget	0.16%

2.2 Actions Arising from Previous Quarter

All actions from the previous quarter have been dealt with through the budget process, either by corrective action or presenting options to Star Chamber.

2.3 Major Budget Variances

Appendix A details the major true variances that have been included within individual Services' PRT reports. The variances reported are either +/- £5K in value and cover premises, transport, supplies and services and general income.

SUMMARY BY SERVICE	Current £000	Projected £000
REPORTED VARIANCES :		
Democratic Services	0	(15)
Legal & Human Resources	+1	+5
Information & Customer Services	(7)	(7)
Financial Services	(60)	(75)
CC(D)S	(11)	(10)
Property Services	+30	(6)
Econ Development & Tourism	(2)	(10)
Cultural Services	+33	+103
Health & Strategic Housing	+1	+6
Planning Services	+6	+40
Revenue Services	+40	+46
	+31	+77
VARIANCES NOT REPORTED :		
Planning Services	(14)	(14)
TOTAL NET OVERSPEND	+17	+63

There is one area where a variance has not been reported, and this relates to additional planning income (a licence application).

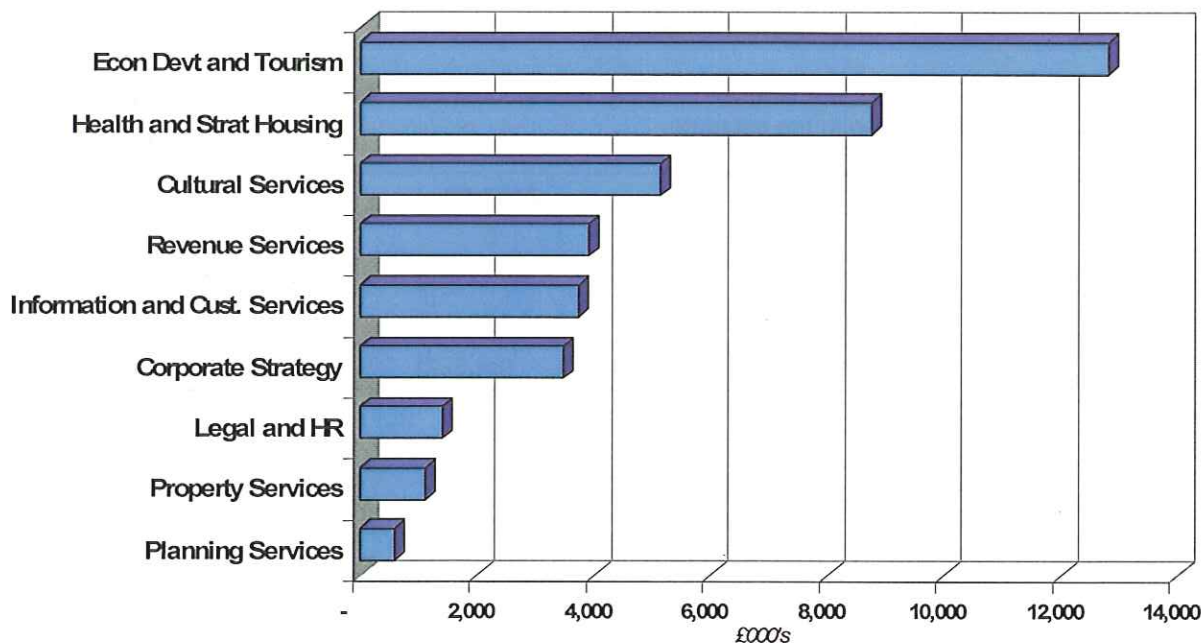
The variances listed in *Appendix A* show that there are a number of significant overspends relating to Salt Ayre Sports Centre and Heysham Pool energy costs, in addition to increased costs of Rent Allowances and delayed Planning Application fee income.

2.4 General Fund Salary Monitoring

Salary monitoring has been reported separately as there are a number of small variances that fall below the threshold for major items, however their aggregate effect is fairly significant.

To date savings of £41K have been achieved against the revised salary budget, which is anticipated to increase to a total saving of £70K by the year end.

The following graph shows the savings on a Service by Service basis.



3 GENERAL FUND CAPITAL PROGRAMME

3.1 Capital Expenditure & Financing

The capital programme has been revised as part of the current budget process and reported through to Cabinet accordingly. At present, there are no variances to report in respect of the approved revised programme.

At the end of December there was spend of £6.836M against the revised programme of £11.653M, leaving a balance of £4.817M still to spend by the end of the year.

4 HOUSING REVENUE ACCOUNT (HRA) MONITORING

4.1 HRA Revenue Position

At the end of December the position for the Housing Revenue Account shows an overspend of £109K against the revised budget, which is currently projected to change to an overall net underspend of £28K by the end of the year. The level of current overspend is predominately due to outstanding claims relating to insurance repairs as shown below.

	Variances to Date	Project to Yr End	Comments
	£000	£000	
Estates : electricity	(7)	0	Actuals to date based on estimated usage – to be reviewed and based on actuals.
Rechargeable Repairs	+28	0	Previous years debtors to be charged to Responsive Repairs.
R&M Mgt and Admin : salaries	(5)	(7)	Savings due to maternity leave
R&M : contracted services	+5	+15	Increase in demand on Void properties resulting in increased work required.
Responsive Maintenance : fees & charges	(14)	(16)	Additional contributions from owner/occupiers relating to septic tanks.
Council Hsg Mgt and Admin : electricity	(10)	(20)	Charges included in rental agreement therefore budget no longer required.
Council Hsg Mgt and Admin : Stock survey	(8)	0	Previous years debtor currently in dispute due to outstanding work awaiting completion.
Insurance Repairs	+120	--	Major incidents recoverable by claims
Total	+109	(28)	

4.2 Council House Rent Collection

This section analyses the Council Housing rent income due, and shows that the income collected for the year is in line with the estimate.

	2007/08	2008/09
	£	£
Estimate	7,744,200	8,307,375
Actual	7,778,722	8,307,243
Difference	(34,522)	132

4.3 Council Housing Capital Programme

This section analyses actual spend against the Council Housing Capital Programme to the period ended December 2008. Overall, there has been spend of £1.793M against the approved revised programme of £3.877M.

	Current Approved Programme £000	Spend to Date £000	Budget Remaining £000
Adaptations	250	167	83
Bathroom / Kitchen Refurbishment	705	475	230
External Refurbishment	915	446	469
Rewiring	281	0	281
Renewal of Heaters	251	0	251
Environmental / Crime Prevention	430	286	144
Re-roofing / Window Renewals	152	101	51
Energy Efficiency Works	478	315	163
Ryelands Development	1	1	0
Housing Office Alterations	3	2	1
Non Sheltered Housing Scheme	60	0	60
IT Replacement	60	0	60
TOTAL	3,586	1,793	1,793

5 REVENUE COLLECTION PERFORMANCE

5.1 Council Tax & Business Rates

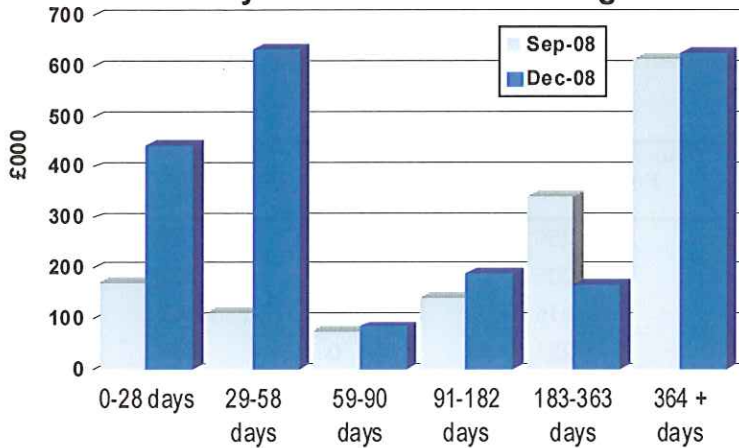
This section analyses the Council Tax and Business Rate collection statistics. Performance against the in-year collection targets is slightly down, being down 0.1% for Council Tax and down 1.56% for Business Rates. The latter has declined due to increases in the overall amounts collectable and the impact of new Empty Property Rate legislation, as well as the economic downturn.

Percentage Collected	2007/08	2008/09	2008/09	2008/09	Status
	%	%	Target	Actual	
			%	%	
	All Years		In Year		
Council Tax	80.26	80.52	97.10	85.48	On Target
Business Rates	89.11	87.93	99.20	88.37	On Target

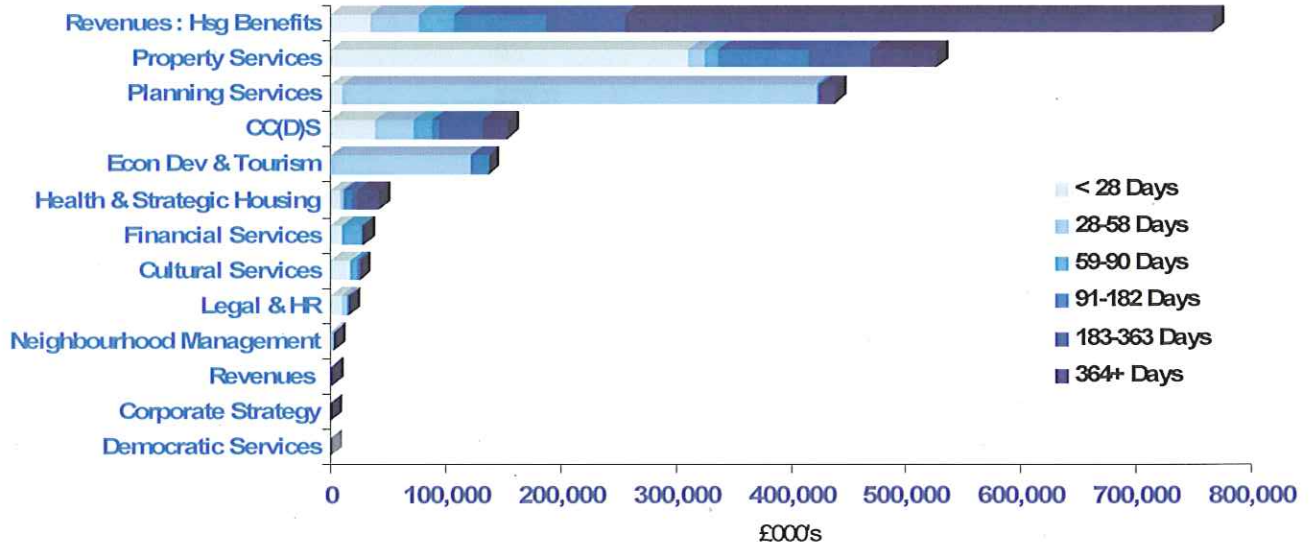
5.2 Sundry Debts

This section sets out the latest position on the level of outstanding sundry debts (excluding Council Housing). At the end of December the total debt outstanding was £2.1M, which is over £0.4M more than the same period last year. The analysis shows that the overall level of debt has increased by £600K from the previous quarter. This is mainly due to quarterly rents being raised by Property Services (175 invoices with a value of £310K) and three invoices raised by Planning with a value of £408K, the main one relating to the Cycle England scheme. This is currently being pursued.

Analysis of Debt Outstanding



	Sept 08	Dec 08
	£000	£000
0-28 days	173	442
29-58 days	112	633
59-90 days	76	84
91-182 days	142	190
183-363 days	342	167
364+ days	613	626
	1,458	2,142
Previous Year	2,047	1,755



6 INSURANCE & RISK MANAGEMENT

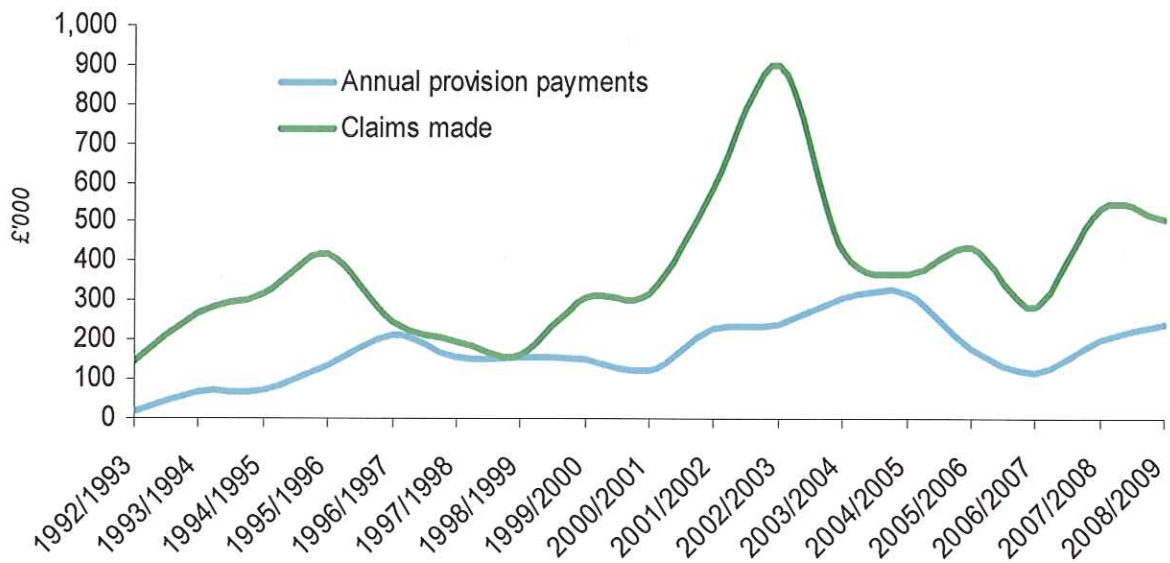
6.1 Insurance Monitoring

The current balance on the insurance provision is £277K, after making payments of £240K in settlement of claims made, and receiving £70K as credits from the insurers in respect of claims above the excess.

At present, our insurers estimate that the value of claims outstanding is £546K, which relate to a total of 248 claims made over a 13 year period. This estimate assumes that all these claims will be settled at the maximum reserve limit; however, recent statistics show that, on average, only 56% of the total reserve will be paid. The estimated cost of claims outstanding could therefore reasonably be valued at around £306K, which is £29K above the current provision.

It is highly unlikely that all these outstanding claims will fall due for payment in the same financial year. For 2008/09 it is anticipated that claims paid will amount to approximately £340K, which means a further £100K in payments, which is well within the current provision. The uncertain nature of insurance claims payments, however, means that accurate predictions are difficult and, as such, the balance will continue to be closely monitored.

Analysis of claims made, paid and outstanding by year.



6.2 Other Risk Management

The Council's existing risk management procedures are currently undergoing a substantial review.

The Council's first Risk Management Policy and Strategy were adopted on 16 December 2003. Since that date, the Strategy has been reviewed and updated three times; namely, July 2005, June 2007 and May 2008. These amendments to the Strategy were fairly minor, involving changes to phraseology and reporting procedures etc. However, although these minor amendments were introduced, the procedures relating to the management of risk itself have remained largely unaltered for 5 years. There is now a need to review the effectiveness of these procedures and introduce improvements, calling on lessons learnt in the last 5 years.

The review will consider if any improvements can be made to the way that risk is managed in several key areas, namely; strategic planning, business planning & performance management, project management, decision making, partnerships and business continuity. The main objectives in looking at each of these key areas will be;

- to provide assurance as to the effectiveness of Services' current risk management arrangements, particularly focussing on risks associated with business objectives (i.e. via the Corporate Plan and Service Business Plans).
- to assist with the development and streamlining of current risk management arrangements, particularly focussing on integration with the Performance Management Framework (PMF).
- where possible, to help the Council improve on its Use of Resources assessment.

Full details of the review, together with the revised Risk Management Strategy, will be reported back to the next meeting of Audit Committee and approval to implement any changes/improvements will be sought.

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SUMMARY OF MAJOR VARIANCES (Qtr 3 2008/09)

APPENDIX A

(Not included elsewhere in the report)

Service	Service Area	Reason for Variance & Action being taken	Variance to Date	Projected Variance to Year End
			£	£
			+ = Adverse () = Favourable	
VARIANCES REPORTED THROUGH PRT PROCESS (SERVICE HEAD COMMENTS)				
Democratic Services	Electoral Registration	Underspend resulting from efficiencies in implementation of Electoral Administration Act.	+0	(15,000)
Legal & HR	Search Fees	Reduction in income due to decline in housing market. Whilst it is impossible to predict, it has been assumed that this will continue in future months. The position is being closely monitored.	+4,800	+15,000
	Licensing Act 2003 Premises Fees	More income than anticipated from new and variation applications. The annual fees are all payable in November and have now been received.	(3,700)	(10,000)
Information & Customer Services	Printing / copying equipment	Savings due to moving away from desk top printers to Multi Functional Devices.	(6,900)	(6,900)
Financial Services	Investment Interest	Re-assessment of budget following further reduction in Bank of England rate.	+17,000	+42,000
	Debt Repayment : Minimum Revenue Provision	Re-assessment of minimum statutory requirement.	+0	(117,600)
CC(D)S	Transport Costs : Fuel	Savings due to reduction in oil prices.	(12,000)	(24,000)
	Recycling Income	The market for recyclables collapsed (as widely reported in the media) in the autumn.	+6,000	+19,000
	Trade Refuse - Waste Disposal Costs	Tonnage down therefore costs reduced.	(20,000)	(20,000)
	Trade Refuse Income	Latest predictions suggest a fall in trade refuse income.	+15,000	+15,000
Property Services	Storey Institute - hire of premises	Windfall income for room hire.	+0	(16,000)
	Off Street Car Parks : Fees	Whilst current income levels are broadly in line, it is anticipated that the budget will be exceeded by the year end.	+0	(20,000)
	Repair and Maintenance	Additional costs due to buildings deteriorating faster resulting in more emergency repairs - officers looking at whether certain costs should be capitalised.	+30,400	+30,400
Economic Development & Tourism	Business Development Grants	Underspend on Business Development scheme.	(1,700)	(10,000)
Cultural Services	The Dome	Three events all with estimated secondary income of £20k have been cancelled.	+12,900	+20,000
	Heysham Pool - Energy Costs	Additional energy costs resulting from energy supplier undercharging error.	(6,300)	+28,800
	Heysham Pool - Private Hire	Loss of private hirers.	(1,600)	+10,000
	Heysham Pool - Junior Lessons	Additional course hire fees.	(4,200)	(6,000)
	Salt Ayre Sports Centre : Electricity	Increase in consumption and significant increase in charge rate - officer currently investigating.	+15,700	+30,000
	Salt Ayre Sports Centre : Gas	Small increase in consumption due to cold weather. N.Power now charging transportation costs - additional £5k at end of December.	+16,200	+20,000
Health & Strategic Housing	Management & Admin : Income	Additional admin fee income due to increased DFG allocation.	(9,000)	(10,000)
	Pest Control - Insect Control Charges	Demand for treatments fallen due to adverse weather conditions affecting insect populations.	+2,200	+6,000
	Pest Control - Rodent Control Charges	Demand for treatments has fallen.	+7,700	+10,000
Planning Services	Building Regulation Fees	Downturn in economic activity and application numbers. Revised estimate should however be met.	+5,600	+0
	Development Control : Fees	Continued downturn in economic activity resulting in reduced applications. Several major applications with large fees, at pre-app discussion stage but submissions likely 2009/10.	+0	+50,000
	Capital Salaries Income	Anticipated additional capital salary income at year end.	+0	(10,000)
Revenue Services	Benefits - Rent Allowances	Increase in spend due to more claimants in last 2-3 months together with introduction of Local Housing Allowance has produced an overall reduction in income, partially offset by increases in overpayment recoveries.	+40,000	+46,000

VARIANCES NOT REPORTED THROUGH PRT PROCESS

Planning Services	Sea & River Defences : Income	Additional income received in respect of Wind Farm Cable Licence.	(13,700)	(13,700)
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TOTAL VARIANCES

+94,400

+63,000

PERFORMANCE REVIEW TEAM

2008/09 Treasury Management Progress Report to 31 December 2008

Report of Head of Financial Services

1. Introduction

It is a requirement of the CIPFA Code of Practice on Treasury Management that regular monitoring reports are presented to Members on treasury activities. These reports will normally be presented soon after the end of June, September, December and March.

Cabinet approved the Treasury Strategy for 2008/09 on 19 February 2008 and the Investment Strategy was approved by Council at its meeting on 27 February 2008. This report outlines activities undertaken in pursuance of those strategies during the financial year.

Please note that colour copies of the graphs contained in this report are available on request.

2. Progress to 31 December 2008

2.1 Long Term Debt Portfolio

The amount that the Council can borrow from the Public Works Loan Board (PWLB) in 2008/09 is dependent upon the Prudential Indicators set by the authority.

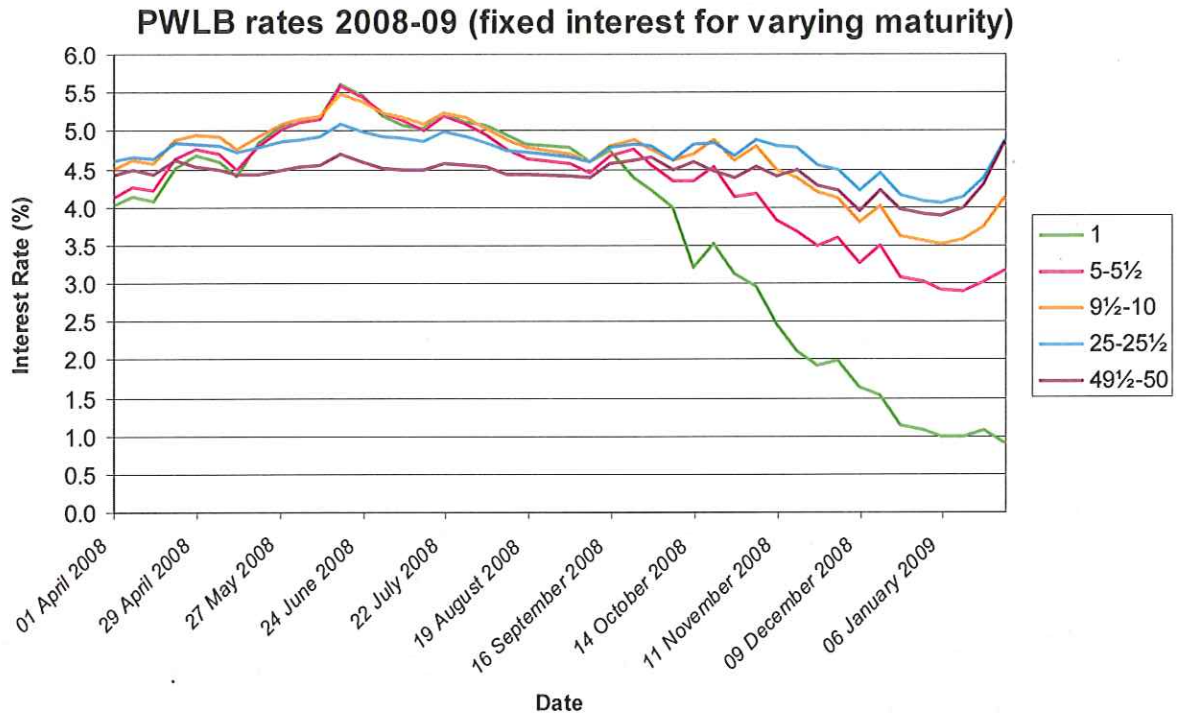
The forecast position on external borrowing remains static despite the fact that by the end of 2008/09 there will be a cumulative increase in the underlying need to borrow of £3.370M (2006/07 £1.608M, 2007/08 £1.762M, 2008/09 £0.214M, 2009/10 -£0.214M) for which no actual additional borrowing has been taken up. This is because the twin issues of the amounts set aside for the future repayment of debt, and a cashflow position which is forecast to remain strong, mean that there is no immediate need to take out new loans.

There was no change to the level of external debt outstanding at the end of Quarter 3 (£44.8M). This is comfortably within both the Operational Boundary (£49.1M) and the Authorised Limit (£56.3M) for external borrowing (see **Appendix A** for definitions of the above). This would have remained the case even if the full balance of approved additional borrowing shown above had to been taken up.

As at the end of quarter 3 no debt rescheduling had occurred. The Head of Financial Services, in conjunction with the Council's treasury management consultants, will continue to monitor prevailing rates to identify any potential opportunities during the final quarter of the year.

As can be seen on the graph below, the rates for shorter term borrowing have seen a sharp decline whilst the 50 year rates had come down from 4.5% to 4% at the end of December but are increasing toward 5% going into quarter 4. Looking forward, this potentially reduces the cost of paying debts off early. This is an attractive option given the multiple factors of low

investment yields, volatility in the credit rating of counterparties and the ability to obtain good value, short term borrowing.



2.2 Short Term (Temporary) Borrowing

Although the Council's cash flow position has remained strong, short term factors such as the exact timing of major cash receipts and the main payments to Central Government etc., can always create a requirement for temporary borrowing. No such requirement has yet arisen during 2008/09, although as can be seen from the PWLB data, should the need arise, the price of short term borrowing is currently very low.

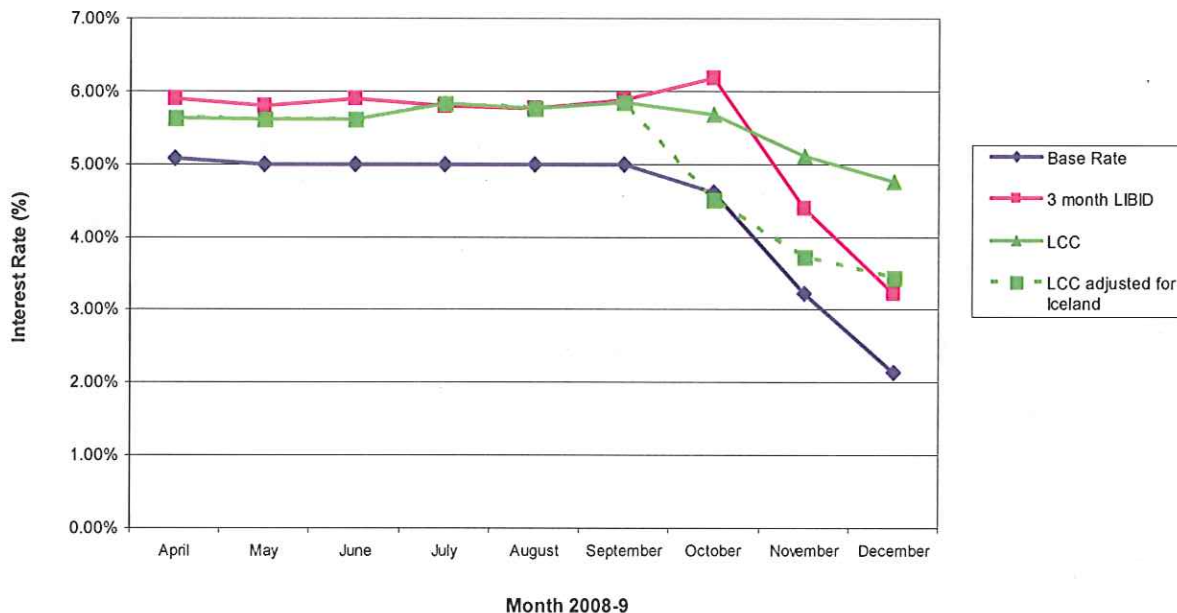
2.3 Investing Activities

All investments have been placed in accordance with the approved Investment Strategy. A full list of the investments placed during the year is enclosed at **Appendix B**. Given the current economic situation, no further fixed term investments have been made since the Quarter 2 update.

It should be noted, however, that the £6M limit on short term investments was exceeded on one call account on 23 December. £900k was requested back from the Abbey National to prevent a breach of its £6M limit, but unfortunately this was repaid into the wrong account. This was then returned to the Council's Abbey account the next day, leading to a breach of the £6M counterparty limit. Whilst this is predominantly an administration error by the bank, a review of controls has been conducted and a new reconciliation process on the call accounts is to be implemented.

Setting performance targets for investment interest is difficult as short term money market rates fluctuate daily. Previously, the rates achieved on new investments have been compared with the Base Rate and with the 3 month LIBID (a benchmark adopted by some Council's as it reflects the balance between short term cashflow-dictated deposits and longer term 'core' deposits). These comparisons are shown below:

Analysis of Interest Rates vs investment return



In summary, the Council has been successful in achieving a return on its investments just over 1.1% higher than Base Rate and a 0.1% above the 3 month LIBID. The average rates over the first three quarters were as follows:

Base Rate	4.45%
3 Month LIBID	5.43%
Lancaster CC Investments	5.54%

Lancaster CC investments adjusted 5.11%

Quarter 3 has seen a sharp drop in interest rates following moves by the Bank of England to help stimulate the economy. As the Authority still holds a number of fixed term investments that were deposited prior to the drop in interest rates, the Council's portfolio is out-performing both the base rate and the LIBID rate. This, however, does not reflect the fact that as of 08 October 2008 the Council effectively has £6M of investments (in Icelandic banks) with a 0% return. When this is adjusted for, the average rate over the first 3 quarters is 5.11%, which still compares favourably with the base rate and is only 0.3% below LIBID.

Looking at these 9 months in isolation, the relationship between the levels of 3 month LIBID and Base Rate appears stable. However, this disguises the fact that the gap between the two is actually unusually wide. This has been the case for several months now and is another reflection of the ongoing uncertainties in the financial markets.

From a budgetary point of view, it was assumed that base rates would have fallen to at least 5.25%, and perhaps to 5%, by the beginning of April, with a further fall to 4.50% by the end of the calendar year. Recent events have significantly changed this view with the base rate at the end of December being 2%. Going forward into January, this was cut further to 1.5%. This will have a serious impact on investment returns going forward, once the current fixed rate deposits have matured. This reduced income has been reflected in the 2009/10 budget process. Furthermore, as any call account returns are directly linked to the base rate, the Council will see a drop in the returns on those accounts, the full impact of which will only be fully seen in quarter 4.

There is little further information in relation to Icelandic investments since the Medium Term Financial Strategy update. The future of the £6M currently invested plus interest due up to the date the banks went into administration, is subject to settlement with all creditors through the relevant administration processes here in the UK and in Iceland. Summary updates have

continued to be provided through to Council, however, linked to the development of the 2009/10 budget.

2.4 Prudential Indicators

The Prudential Code for Capital Investment introduced a number of Prudential Indicators, some of which replace the borrowing/variable interest limits previously set each year by councils. Reference has already been made to certain indicators and other relevant monitoring information is also set out at **Appendix A**.

2.5 Summary of Budget Position at 31 December 2008

The investment interest budget for 2008-09 was originally as follows:

Total investment interest £1,113k

Split out:

HRA £254k

General fund £859k

This was amended to a gross budget of £1,003K following the Icelandic banks going into administration. The simple profiled budget is £752K vs actual to date of £812K (see appendix B) but it is anticipated that this position will deteriorate going into quarter 4 given the sharp reduction in base rates, and will result in a budget shortfall of £42K for the year.

2.6 Approved Investment Counterparties

The criteria for inclusion in the Council's list of approved investment counterparties underpin the Investment Strategy. The criteria seek to minimise the risk involved in placing investments, by setting time and volume limits to an institution through an analysis of its credit ratings. The list was updated as part of the 2008/09 Treasury Management Strategy (and will be updated for 2009/10, at Council on 04 March).

No forward deals were being entered into as a result of the increasing crisis affecting the banking sector. This limit is still in place.

The full list of current approved investment counterparties is available on request.

3. Treasury Management Consultancy Service

Officers have continued to consult with Butlers, the authority's Treasury Management consultants, during 2008/09.

4. Conclusion

There has been no activity in respect of long-term borrowings. No rescheduling opportunities have arisen and the continuing strength of the cash flow position has meant that no new borrowings have been required. The recent upturn in long term PWLB rates means that there may be some opportunity to reschedule debt in quarter 4.

There have been no new fixed term investments made in Quarter 3. Although the Council's portfolio is performing well in %age terms against prevailing interest rates, the original investment interest budget has been reduced following on from Iceland, and the reduction in rates etc. is predicted to cause further budgetary pressure going into Quarter 4.

PRUDENTIAL INDICATORS - LANCASTER CITY COUNCIL
Quarter 3 Update on Treasury Management activities, Performance Review Team,
31 December 2008

2008/09
£'000

AFFORDABILITY

PI 1: Estimates of ratio of financing costs to net revenue stream	Non - HRA	13.4%
	HRA	9.4%
	Overall	12.1%
PI 3: Original estimate of impact of Capital Investment decisions on the Council Tax This includes the impact of all elements of funding, including any increase in the need to borrow, required to finance new schemes added to the Capital Programme		£0.28
		0.16%
PI 4: Estimates of impact of Capital Investment on Housing Rents		Nil

PRUDENCE

PI 6: Original estimates of capital expenditure	Non - HRA	31,133
	HRA	3,280
	Total	34,413
PI 8: Original estimates of Capital Financing Requirement	Non - HRA	30,642
	HRA	15,363
	Total	45,945
PI 10: Authorised Limit	Authorised Limit for Borrowing	56,280
	Authorised Limit for Other Long Term Liabilities	310
	Authorised Limit for External Debt	56,600
PI 11: External Debt: Operational Boundary		49,100

TREASURY MANAGEMENT

PI 13: Treasury Management: adoption of CIPFA code of Practice	The Council adopted the CIPFA code of Practice for Treasury Management at its meeting on the 13th March 2002	
PI 14: Fixed Interest Rate Exposure The Authority will limit its exposure to fixed interest rate costs to the amounts payable on the following proportion of its outstanding debt At 31 March 2008 the Council was exposed to fixed interest rate costs on 100% of its outstanding debt		100%
PI 15: Variable Rate Interest Rate Exposure The Authority will limit its exposure to variable interest rate costs to the amounts payable on the following proportion of its outstanding debt. At 31 March 2008 the Council was exposed to variable interest rate costs on 0% of its outstanding debt		30%
PI 16: Maturity Structure of Borrowing	Upper and Lower Limits	
		Under 12 months 0% to 35%
	12 months and within 24 months 0% to 5%	
	24 months and within 5 years 0% to 10%	
	5 years and within 10 years 0% to 20%	
	10 years and above 60% to 100%	
Maturity Profile of Current Outstanding Debt at 31 March 2008	Under 12 months	0%
	12 months and within 24 months	0%
	24 months and within 5 years	0%
	5 years and within 10 years	0%
	10 years and above	100%
PI 17: Investments for periods longer than 364 days		
Maximum principal sum to be invested		6,000
The above limit does not include sums for forward deals placed up to six months in advance for periods of 364 days or less		
At 31 June 2008, the total amount of investments placed by the Council during the year, for periods of greater than 364 days, was £3m (see Appendix B)		

AUTHORISED LIMIT - The maximum amount of external debt, including both borrowing and other long-term liabilities, into which the Council may enter in the specified period.

OPERATIONAL BOUNDARY - The working boundary of total external debt, including both borrowing and other long-term liabilities, which will provide the day-to-day focus for Treasury Management activities. Unlike the Authorised Limit, it is not an absolute limit. It provides a mechanism to highlight whether or not external debt is being managed within the expected levels. The Operational Boundary can be exceeded if developing circumstances require, but if this happens then it will be the trigger for either corrective action or a revision of the relevant indicators.

APPENDIX B

INVESTMENT INTEREST EARNED TO 31 December 2008

Name	Start	End	Rate %	Days up to 31/12/08	Principal £	Interest £
Fixed term investments						
Deposited 2007/08						
Northern Rock (1 Yr Fwd Deal)	01-Apr-08	18-Apr-08	4.98	17	2,000,000	4,639
Landsbanki Islands	01-Apr-08	08-Oct-08	6.25	190	1,000,000	32,534
EBS B.S.	01-Apr-08	03-Apr-08	5.90	2	2,000,000	647
Glitnir	01-Apr-08	08-Oct-08	5.76	190	3,000,000	89,873
Deposited 2008/09						
Bradford & Bingley	04-Apr-08	04-Jul-08	6.05	91	2,000,000	30,167
EBS B.S.	04-Apr-08	06-Oct-08	6.02	185	3,000,000	91,537
Kaupthing, Singer & Friedlander	16-May-08	08-Oct-08	6.00	145	2,000,000	47,671
Anglo Irish Bank Corporation	17-Jun-08	17-Jun-09	6.56	197	3,000,000	106,218
Irish Permanent Plc	02-Jul-08	02-Apr-09	6.31	182	3,000,000	94,391
Scarborough BS	02-Sep-08	02-Mar-09	5.98	120	2,000,000	39,321
Kent Reliance	02-Sep-08	02-Mar-09	6.02	120	2,000,000	39,584
Sub total						576,581
Call accounts						
Abbey National						171,783
Allied Irish						63,611
Subt total						235,394
TOTAL						811,975

For investments highlighted, the counterparties have since been downgraded and removed from the counterparty list as noted in the quarter 2 report.

Re Bradford & Bingley, the investment has now matured & monies returned to the Council.

Icelandic banks have been accounted for up to 8/10/08, the point at which they went into administration.

As at 25 November, no monies are held in the Allied Irish Call Account.

PERFORMANCE REVIEW TEAM MEETING – Q3 2008/09

SERVICE AREA: CORPORATE

DATE: 3 March 2009

PRESENT: NADINE MUSCHAMP, RICHARD TULEJ
COUNCILLOR SUSIE CHARLES (PERFORMANCE MANAGEMENT)

APOLOGIES ROGER MUCKLE

NO	AGREED ACTION	RESPONSIBILITY	PROGRESS
	Actions brought forward from Corporate PRT Q2 08		None
1	£56K of external funding has been secured to develop a dance strategy for the district but further funding is required. Information is requested as to the potential impacts upon the Council's budget (and other resources) for 2009/10 and future years.	DO	
2	In view of the continuing staffing issues in Information / Customer Services and its impacts upon Service performance, information is requested as to what actions are being put in place to address these issues.	JA	
3	Development Control - the continuing decline in fee income is noted. Information is requested as to how the situation is being managed and what level of resource is being transferred from development control work to Local Development Framework activity and for what period.	AD	

CABINET

Urgent Business Report

21st April 2009

Report of Head of Democratic Services

PURPOSE OF REPORT			
To advise Members of actions taken by the Chief Executive, in consultation with the relevant Cabinet Members and the Chairman of the Overview and Scrutiny Committee.			
Key Decision		Non-Key Decision	Referral from Officers
			X
This report is public.			

1.0 RECOMMENDATION

That the actions taken by the Chief Executive, in consultation with the relevant Cabinet Members and the Chairman of the Overview and Scrutiny Committee in accordance with the Scheme of Delegation, in respect of the following, be noted;-

1.1 Award of Contract for ICON Card Payment Services

- (1) That Civica be awarded the 5 year contract for the provision of a hosted electronic payments service.
- (2) That the call in be waived, in accordance with Overview & Scrutiny Procedure Rule 17, to enable immediate implementation.

1.2 Heysham Mossqate Community Facilities

- (1) That Accountable Body status not be accepted by the Council at this time, given that there is insufficient information available at this time to support such an acceptance.
- (2) That the Board of HMCFC Ltd be informed of this, and advised to explore the possibility of another partner being Accountable body for the funds.
- (3) That officers are reminded of the Cabinet resolution in December 2006 to continue to assist the Board in delivering a leisure scheme for the Heysham Mossqate Community.

- (4) That the call in be waived, in accordance with Overview & Scrutiny Procedure Rule 17, to enable immediate implementation.

1.3 Arnside/Silverdale AONB Management Plan Review

- (1) That the City Council adopts the revised Arnside and Silverdale AONB Management Plan.
- (2) That the City Council, in co-operation with the partner Authorities and guided by the AONB Executive Committee, take the necessary steps to implement the Plan.
- (3) That a request be made that the call in be waived in accordance with Overview and Scrutiny Procedure Rule 17 to allow immediate implementation.

2.0 Background

2.1 Award of Contract for ICON Payment Services

This decision was taken as an Officer Delegated Decision on 6th February 2009, to award the five year contract for ICON card payment services to Civica for the provision of a hosted electronic payments service.

The reason for urgency was that the decision was due to be taken by 31 January, to allow implementation of the service by 01 April (there is a long lead in time as detailed bank testing must be completed – this can take as long as 6 weeks, and scheduling can be difficult). There have been various amendments made to the contract however, in order to tighten it up, and this has resulted in some delays – the contract documentation was only finalised on 05 February, just missing the fortnightly Decision Notice deadline. In order to achieve implementation by the start of the new financial year or thereabouts, a request was made that the call in be waived in accordance with Overview and Scrutiny Procedure 17 to allow immediate implementation.

2.2 Heysham Mossgate Community Facilities

A report was submitted to Cabinet on 6th February 2009, to seek a decision on whether the City Council wishes to accept Accountable Body status for a capital bid proposal being made to Sport England and the Football Foundation by Heysham Mossgate Community Facilities Company Limited. A decision was taken by Individual Cabinet Member Decision that due to the timescales set by the external funders, it had not been possible to draw together sufficient information and that the City Council could not accept accountable body status at the time.

The urgency for this decision was that the deadline for the bid to be made to Sport England and the Football Foundation by Heysham Mossgate Community Facilities Company Limited was the 6th February 2009. As such, a request was made that the call in be waived in accordance with Overview and Scrutiny Procedure 17 to allow immediate implementation.

2.3 Arnside/Silverdale AONB Management Plan Review

The Countryside and Rights of Way Act 2000 places a duty on Local Authorities to prepare and implement Management Plans for any parts of their administrative area which are

designated as Areas of Outstanding Natural Beauty. There are AONB Partnerships between the various Local Authorities, both County and District Councils, across which the designation lies. For Arnsdale/Silverdale it is the City Council who acts as the lead Authority which manages the AONB Unit. The AONB Unit prepares and reviews the AONB Management Plans on behalf of the Local Authorities in the partnership.

The Management Plan Review has examined the most current issues impacting on the management of this sensitive environment, and the communities which live within it. An Action Plan has been prepared from the review and this will be implemented by the members of the partnership of organisations represented on the AONB Executive Committee, and by the AONB Unit, which for this AONB is managed by Lancaster City Council.

The urgency for this decision was that the reviewed Management Plan for the Arnsdale/Silverdale AONB was required to be submitted to the Secretary of State by 31st March 2009. Failure to do so could have prejudiced the future operation of the AONB unit.

3.0 Conclusion

Approval was given to the above actions, which are reported to this meeting in accordance with the City Council's Constitution.

RELATIONSHIP TO POLICY FRAMEWORK This is in accordance with the Constitution.
CONCLUSION OF IMPACT ASSESSMENT (including Diversity, Human Rights, Community Safety, Sustainability etc) Not applicable.
FINANCIAL IMPLICATIONS Comments were contained in the original reports.
SECTION 151 OFFICER'S COMMENTS Comments were contained in the original reports.
LEGAL IMPLICATIONS Comments were contained in the original reports.

MONITORING OFFICER'S COMMENTS

Comments were contained in the original reports.

BACKGROUND PAPERS

1. Letters to the Leader of the Council, Cabinet Member with Special Responsibility and Chairman of the Overview and Scrutiny Committee.

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UB65/HM

UB67/AD

CABINET

**Employee Establishment - Vacancy Authorisation
21 April 2009**

Report of Chief Executive

PURPOSE OF REPORT			
To seek Cabinet's approval to the filling of established vacancies where recommended.			
Key Decision	<input type="checkbox"/>	Non-Key Decision	<input type="checkbox"/>
		Referral from Chief Executive	<input checked="" type="checkbox"/>
Date Included in Forward Plan	N/A		
This report is public			

RECOMMENDATIONS OF THE CHIEF EXECUTIVE

- (1) That Cabinet Members agree that the vacancies recommended for filling by Service Heads are filled as soon as possible.
- (2) That the action taken by the Corporate Director (Community Services) on behalf of the Chief Executive, in consultation with the relevant Cabinet Member and the Chairman of the Overview and Scrutiny Committee in accordance with the Scheme of Delegation, in respect of the following vacancy, be noted:-
 - (a) That the Conditions of Employment for Posts EH0193 and EH0194 in Health & Strategic Housing Services be amended from fixed term posts to permanent posts with effect from the 01 April 2009.
 - (b) That the Conditions of Employment for Post EH0038 in Health & Strategic Housing Services be amended to increase the hours from 22.2 to 37 on a temporary basis from 01 April 2009 to 06 July 2009.
 - (c) That the call in be waived in accordance with Overview and Scrutiny Procedure Rule 17 to allow immediate implementation.
- (3) That the Revenue Budget be updated accordingly, for any deleted or deferred posts.
- (4) That Cabinet Members note Resolution (5) below from the Cabinet Meeting held on the 12 November 2008 as this is the last Cabinet meeting before the end of the current municipal year.

1.0 Introduction

1.1 Cabinet, at its meeting on the 12 November 2008, resolved, amongst other things:

That Cabinet

- (5) Resolves that this process be reviewed following the next annual Council meeting in May 2009.

1.2 As determined by Cabinet, an appropriate Vacancy Authorisation form has been produced identifying employee vacancies. The form identifies where the post concerned contributes to a Council statutory responsibility, the fulfilment of a Corporate Plan Priority, Service Business Plan objective, income generation/collection or is financed by external funding. The forms will be circulated prior to the meeting.

2.0 Proposal Details

2.1 Cabinet is requested to consider the recommendations of Service Heads and comments from the Human Resources Manager and Corporate Directors. Cabinet are advised to identify which Service areas are considered to be a higher priority for the filling of vacancies and, therefore, approving expenditure.

3.0 Details of Consultation

3.1 None.

4.0 Options and Options Analysis (including risk assessment)

4.1 The information contained within each form provides details related to the risks of not filling the related vacancy. Cabinet has the option of releasing funding on either a time limited or permanent basis or withholding funding. If funding is not released, there will be an impact on Service provision. If funding is time limited, it will be more difficult and possibly more expensive to fill a post.

5.0 Officer Preferred Option (and comments)

5.1 To fill those posts as recommended by Service Heads unless Cabinet identifies the work as being of a low priority

6.0 Urgent Business

6.1 Cabinet of 17 February 2009 resolved to retain a two person team (Min 147 refers) resulting in the deletion of the Memorial Supervisor Post No EH0192. The existing Memorial Safety Team were on temporary contracts due to end on the 31 March 2009.

6.2 The increase in hours for the maternity cover post (EH0038) is required from 01 April 2009.

6.3 Approval for these changes was sought under the urgent business procedure due to the fact that they need to become operative on the 01 April 2009 and, therefore, could not wait until this Cabinet meeting. There has also been some misunderstanding from officers in the Service about the process that needs to be followed to effect these changes which officers found confusing and time-consuming.

RELATIONSHIP TO POLICY FRAMEWORK

Effective management of the council's establishment will help to meet the financial efficiency targets included in the Medium Term Financial Strategy. Care must be exercised however to ensure that the process allows the filling of vacant posts that contribute to the delivery of the Council's corporate priorities and statutory responsibilities.

CONCLUSION OF IMPACT ASSESSMENT

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

The process allows for an impact assessment of not filling a post to be made in respect of each vacant post as it is considered

FINANCIAL IMPLICATIONS

As set out on each Vacancy Authorisation form.

SECTION 151 OFFICER'S COMMENTS

The Section 151 Officer has no comments at this stage, but will comment at the meeting if necessary.

LEGAL IMPLICATIONS

There are no legal implications.

MONITORING OFFICER'S COMMENTS

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

BACKGROUND PAPERS

Funding of the Employee Establishment Report to Cabinet and Minute from the 12 November 2008.

Report to Cabinet and Minute 147 from 17 February 2009.

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Ref:CE/ES/Cttees/Cabinet/Vacancy Authorisation/21.04.09

By virtue of paragraph(s) 1, 2 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted