



URGENT BUSINESS

FRIDAY, 6 FEBRUARY 2009

Please find enclosed Urgent Business Notices in connection with the following:

1. Award of Contract for ICON Card Payment Services (Pages 1 - 5)

The Chief Executive (in consultation with the Chairman of the Overview and Scrutiny Committee) has been asked to waive call-in in accordance with Overview and Scrutiny Committee Procedure Rule 17(a). The Chairman of the Overview and Scrutiny Committee was in agreement with the decision to waive call-in.

2. Heysham Mossgate Community Facilities (Pages 6 - 14)

The Chief Executive (in consultation with the Chairman of the Overview and Scrutiny Committee) has been asked to waive call-in in accordance with Overview and Scrutiny Committee Procedure Rule 17(a). The Chairman of the Overview and Scrutiny Committee was in agreement with the decision to waive call-in.

Queries regarding these documents

Please contact Tom Silvani, Democratic Services - telephone (01524) 582132 or email tsilvani@lancaster.gov.uk.

Gillian Noall,
Head of Democratic Services,
Town Hall,
Dalton Square,
Lancaster LA1 1PJ

Published on Friday, 6 February 2009

Contact: Gill Noall
Telephone: (01524) 582060
Fax: (01524) 582161
Minicom: (01524) 582175
E-mail: GNoall@lancaster.gov.uk
Our reference: GN/TS/UB64
Your reference:

Councillor Langhorn,
Chairman of the Overview
and Scrutiny Committee.

HEAD OF DEMOCRATIC SERVICES

Town Hall
Dalton Square
Lancaster
LA1 1PJ

DX 63531

06th February 2009

Dear Councillor Langhorn,

URGENT BUSINESS - Award of Contract for ICON Card Payment Services

You may have noted the publication on the Forward Plan of a Key Decision notice 'Award of Contract for ICON Payment Services' in January 2009.

A decision was subsequently taken by the Chief Executive on 6th February 2009 that Civica be awarded the 5 year contract for the provision of a hosted electronic payments service.

I am writing to request that you consider that the right to call in be waived, in accordance with Overview & Scrutiny Procedure Rule 17, to enable immediate implementation.

The reason for urgency is 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 has just been finalised yesterday (05 February), just missing the fortnightly Decision Notice deadline. In order to achieve implementation by the start of the new financial year or thereabouts, an urgent decision is sought. (If a decision is delayed, the implementation will need to be put back until well after year end, so as not to conflict with other workloads. This exposes the Council to further risks and costs potentially, as the Council's card services provider (currently Barclays) has sought assurances regarding what plans the Council has in place to address PCIDSS. These centre around compliance at the start of the new financial year.

I would therefore be grateful if you could consider the immediate implementation of this course of action and agree to waive the right to call-in, in accordance with Overview and Scrutiny Committee Procedure Rule 17(a). Please complete the attached slip signifying your decision and return it to the Town Hall as soon as possible. In the meantime, could you please telephone Tom Silvani on 582132, or e-mail tsilvani@lancaster.gov.uk, with your decision.

Yours sincerely,

HEAD OF DEMOCRATIC SERVICES

Enc.

URGENT BUSINESS - Award of Contract for ICON Card Payment Services

*I agree/~~do not agree~~ (***please delete as appropriate**)

To this matter being treated as a matter of urgency in accordance with Overview and Scrutiny Committee Procedure Rule 17(a) and therefore not being subject to call-in.

Signed: Councillor Stuart Langhorn

Dated: 06/02/09

Chief Executive Decision

*I agree/~~do not agree~~ (***please delete as appropriate**) to this matter being treated as a matter of urgency in accordance with Overview and Scrutiny Committee Procedure Rule 17(a) and therefore not being subject to call-in.

Signed: Mark Cullinan -----
Chief Executive

Dated: 06/02/09-----

Please return to: Tom Silvani
Democratic Services,
Town Hall,
Dalton Square,
LANCASTER. LA1 1PJ
Ref: UB64

**EXECUTIVE DECISIONS TAKEN BY CABINET PORTFOLIO HOLDER OR DELEGATED OFFICER
NOTICE OF DECISION**

THIS SECTION TO BE COMPLETED BY THE PORTFOLIO HOLDER AND CONTACT OFFICER

TITLE OF DECISION:	
AWARD OF CONTRACT FOR ICON CARD PAYMENT SERVICES	
NAME OF DECISION TAKER:	MARK CULLINAN
POSITION AND RESPONSIBILITY HELD:	CHIEF EXECUTIVE
CONTACT OFFICER:	NADINE MUSCHAMP
TELEPHONE:	01524 582117
E-MAIL:	nmuschamp@lancaster.gov.uk
Details of Decision:	
Award of 5 year contract to Civica for the provision of a hosted electronic payments service.	
Reasons for the decision (continue on separate sheet or append relevant papers as necessary):	
<p>As an organisation that takes payments from individuals by debit / credit cards, the Council is required to meet the requirements of the Payment Card Industry Data Security Standards (PCIDSS). The most cost effective way of achieving this is by procuring a 'hosted' service, whereby the bulk of card information is held by the service provider. Effectively this means that the bulk of responsibility for meeting the Standards is transferred to the external provider.</p> <p>This service has been considered informally by Star Chamber and is built into the base budget and approved Revised Budget for the current year, as considered by Cabinet in January (and Council on 04 February). Procuring an external service allows savings in other related budgets during the current year – and these have already been built into the budget position. In future years, costs have been met from other existing budgets.</p> <p>The choice of service provider has been informed by existing suppliers and some market testing, but a full tender exercise is not required (see exception form attached).</p> <p>Should an external provider not be procured, the Council would have to invest heavily in both staff resource and capital terms, to ensure its own IT infrastructure is PCIDSS compliant. Furthermore, it would need to retest & update its infrastructure etc on an ongoing basis, as systems & other changes were introduced. This is impractical, expensive, and would not represent value for money.</p> <p>It is acknowledged that there may be opportunities for greater economies of scale should other Lancashire districts procure the service from Civica – and provision has been made in the contract to secure discounts accordingly.</p>	

Is the decision URGENT Yes. Please delete as appropriate and give reasons for urgency below:

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 has just been finalised yesterday (05 February), just missing the fortnightly Decision Notice deadline. In order to achieve implementation by the start of the new financial year or thereabouts, an urgent decision is sought. (If a decision is delayed, the implementation will need to be put back until well after year end, so as not to conflict with other workloads. This exposes the Council to further risks and costs potentially, as the Council's card services provider (currently Barclays) has sought assurances regarding what plans the Council has in place to address PCIDSS. These centre around compliance at the start of the new financial year.

**To be completed in the case of URGENT decisions*

I CONFIRM THAT I HAVE BEEN CONSULTED ON THE ABOVE DECISION AND THAT IT IS URGENT AND REASONABLE IN ALL THE CIRCUMSTANCES. (IN ACCORDANCE WITH SECTION 17 OF THE OVERVIEW AND SCRUTINY COMMITTEE PROCEDURE RULES)

SIGNATURE OF THE OVERVIEW AND SCRUTINY COMMITTEE CHAIRMAN:

Councillor Stuart Langhorn

I confirm that I have taken account of the options proposed by officers, the various implications set out in the report and the comments of the Monitoring and Section 151 Officers and am authorising the decision as set out above.

SIGNATURE OF DECISION TAKER: Mark Cullinan

DATE: 6th February 2009

<i>THIS SECTION TO BE COMPLETED BY DEMOCRATIC SERVICES</i>		REF NO.	UB65
DATE DECISION TAKEN:	06/02/09	DATE RECEIVED BY DEMOCRATIC SERVICES:	06/02/09
DATE DECISION PUBLISHED:	06/02/09	IMPLEMENTATION DATE:	06/02/09

A copy of the report considered by the decision taker should be appended to this form and forwarded immediately to Democratic Services on completion.

Contact: Gill Noall
Telephone: (01524) 582060
Fax: (01524) 582161
Minicom: (01524) 582175
E-mail: GNoall@lancaster.gov.uk
Our reference: GN/TS/UB65
Your reference:

Councillor Langhorn,
Chairman of the Overview
and Scrutiny Committee.

HEAD OF DEMOCRATIC SERVICES

Town Hall
Dalton Square
Lancaster
LA1 1PJ

DX 63531

6th February 2009

Dear Councillor Langhorn,

URGENT BUSINESS – Heysham Mossgate Community Facilities

Members are requested to consider the attached report, advising of the need to seek an urgent business 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 Facilities Company Limited.

The urgency for this decision is that the bid for funding must be made by 6th February 2009.

The recommendations are:-

- (1) That Accountable Body status should 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 HMCFLtd should be informed of this, and advised to explore the possibility of another partner being Accountable body for the funds.**
- (3) That the Overview & Scrutiny Chairman be consulted with a view to waiving call in, in accordance with Overview & Scrutiny Procedure Rule 17, to enable immediate implementation.**

The approval of the Chief Executive, in consultation with the Leader and relevant Cabinet Member has been sought to this action.

Subject to this approval, I would be grateful if you could consider the immediate implementation of this course of action and agree to waive the right of call-in, in accordance with Overview and Scrutiny Committee Procedure Rule 17(a). Please complete the attached slip signifying your decision and return it to the Town Hall as soon as possible. In the meantime, could you please telephone Tom Silvani on 01524 582132, or e-mail tsilvani@lancaster.gov.uk, with your decision.

Yours sincerely,

HEAD OF DEMOCRATIC SERVICES

Enc.

URGENT BUSINESS – Heysham Mossgate Community Facilities

*I agree/~~do not agree~~ (***please delete as appropriate**)

To this matter being treated as a matter of urgency in accordance with Overview and Scrutiny Committee Procedure Rule 17(a) and therefore not being subject to call-in.

Signed: Councillor Stuart Langhorn

Dated: 06/02/09

Chief Executive Decision

*I agree/~~do not agree~~ (***please delete as appropriate**) to this matter being treated as a matter of urgency in accordance with Overview and Scrutiny Committee Procedure Rule 17(a) and therefore not being subject to call-in.

Signed: Mark Cullinan-----
Chief Executive

Dated: 06/02/09-----

Please return to: Tom Silvani
Democratic Services,
Town Hall,
Dalton Square,
LANCASTER. LA1 1PJ
Ref: UB65

**EXECUTIVE DECISIONS TAKEN BY CABINET PORTFOLIO HOLDER OR DELEGATED OFFICER
NOTICE OF DECISION**

TITLE OF DECISION:			
HEYSHAM MOSSGATE COMMUNITY FACILITIES			
NAME OF DECISION TAKER:	COUNCILLOR ABBOTT BRYNING		
POSITION AND RESPONSIBILITY HELD:	LEADER OF LANCASTER CITY COUNCIL		
CONTACT OFFICER:	HEATHER MCMANUS		
TELEPHONE:	582301		
E-MAIL:	hmcmanus@lancaster.gov.uk		
Details of Decision:			
<p>(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.</p> <p>(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.</p> <p>(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 Mossgate Community.</p> <p>(4) That the Overview & Scrutiny Chairman be consulted with a view to waiving call in, in accordance with Overview & Scrutiny Procedure Rule 17, to enable immediate implementation.</p>			
Reasons for the decision (continue on separate sheet or append relevant papers as necessary):			
<p>Since the scheme was resurrected by the newly formed North Lancashire PCT in July 2008, officers have been working alongside the HMCFC Ltd. Board to try and produce a development scheme that would bring the appropriate benefits to both the PCT and the Board. Unfortunately, due to the timescales set by the external funders, it has not been possible to draw together sufficient information to enable a decision to be taken to agree to the Council being Accountable body for the new-build scheme.</p>			
IS THE DECISION URGENT - YES			
YES – THE BID MUST BE MADE BY 6 TH FEBRUARY 2009.			
I CONFIRM THAT I HAVE BEEN CONSULTED ON THE ABOVE DECISION AND THAT IT IS URGENT AND REASONABLE IN ALL THE CIRCUMSTANCES. (IN ACCORDANCE WITH SECTION 17 OF THE OVERVIEW AND SCRUTINY PROCEDURE RULES)			
SIGNATURE OF OVERVIEW AND SCRUTINY CHAIRMAN:	Councillor Stuart Langhorn		
I confirm that I have taken account of the options proposed by officers, the various implications set out in the report and the comments of the Monitoring and Section 151 Officers and am authorising the decision as set out above.			
SIGNATURE OF DECISION TAKER:	Councillor Abbott Bryning		
DATE:	6 th February 2009		
<i>THIS SECTION TO BE COMPLETED BY DEMOCRATIC SERVICES</i>			REF NO.
DATE DECISION TAKEN:	06/02/09	DATE RECEIVED BY DEMOCRATIC SERVICES:	06/02/09
DATE DECISION PUBLISHED:	06/02/09	IMPLEMENTATION DATE:	06/02/09

A copy of the report considered by the decision taker should be appended to this form and forwarded immediately to Democratic Services on completion.

Individual Cabinet Member Decision

Heysham Mossgate Community Facilities 04 February 2009

Report of Corporate Director (Regeneration)

PURPOSE OF REPORT				
To seek an urgent business 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.				
Key Decision		Non-Key Decision		Referral from Cabinet Member
				X
Date Included in Forward Plan				
This report is public				

RECOMMENDATIONS OF OFFICER:

That Accountable Body status should not be accepted by the Council at this time, given that there is insufficient information available at this time to support such an acceptance.

That the Board of HMCFLtd should be informed of this, and advised to explore the possibility of another partner being Accountable body for the funds.

1.0 Introduction

- 1.1 The provision of a community Facilities scheme at Heysham Mossgate has been the subject of previous reports to Cabinet. A summary of the project background is included in Appendix A.
- 1.2 In July 2008, the newly formed North Lancashire Primary Care Trust (PCT) approached the Heysham Mossgate Community Facilities Company Limited [HMCFLtd] to provide a new polyclinic, as part of a NHS initiative to provide additional GP practices in key locations, through the "Equitable Access Programme". Within the above, Heysham has been identified by the NHS as being under-resourced in terms of GP practices.
- 1.3 The process of taking forward the "Equitable Access Programme" is being undertaken jointly by the North Lancashire PCT and the NHS, using a fast-track approach, whereby the PCT undertakes a commissioning role in both the provision of premises and thereafter the GP services. Initial discussions indicate that the facility

will comprise a 4 GP practice and significant dental services, with the whole service operating on extended hours.

- 1.4 Officer discussions took place at that time as the provision of the Heysham Health Centre project gave the opportunity to build a sports hall provision, alongside the centre, using funds had by HMCFLtd, and in July 2008, the HMCFLtd Board requested that officers submit a report to Cabinet, setting out the options for the future management of the proposed sports facilities.
- 1.5 Such a scheme would allow HMCFLtd to achieve their wider community aspirations of providing joint health and sports facilities, which was part of their original 2006 scheme.

2.0 Issues

- 2.1 In order to provide for capital funding to deliver the revised PCT scheme, City Council officers have been requested by the HMCFLtd Board to submit a report to Cabinet setting out options for future management. The Board also requested that officers pursued funding options via a formal capital bid to Sport England and the Football Foundation. In order to do this, the funders will require for one of the partners, e.g. PCT, Lancashire County Council, or Lancaster City Council, to take on the "Accountable Body" role for this funding.
- 2.2 In deciding whether to take on this role, Members need to be confident that the following requirements can be met:

Accountable body role

The Accountable body takes responsibility for the legal and financial management of the grant disbursed to the project and for ensuring the delivery of agreed benefits and outputs to the quality required. As the organisation receiving the funding, the Accountable body is therefore responsible for:-

- Putting in place appropriate financial management, project appraisal, monitoring and evaluation processes.
- Ensuring that a full appraisal and risk assessment is undertaken and recommendations are considered in line with appropriate decision making procedures.
- Advising on eligibility, quality requirements, performance and risk at all stages.
- The setting up and recording of an audit trail.
- Taking an overview of contract management arrangements with suppliers.
- Ensuring that the project has sufficient grant cashflow to operate.
- Reporting progress, outputs and expenditure to the grant funding body.
- Establishing and maintaining an inventory of assets.
- The recovery of any ineligible or unused grant from the project and repayment of this to the grant funder.

Failure to clearly demonstrate that the above requirements are met in full places the Accountable body at risk of clawback or non-payment of all grant.

- 2.3 Following discussion with the City Council's Section 151 Officer, Head of Cultural Services and Head of Property Services, it is clear that, at the present moment in time, insufficient information is available to the Corporate Director (Regeneration) to formally put forward a recommendation for Members to consider Accountable body status. The bid to the funders needs to be submitted by 6 February 2009, and will

need Cabinet approval to take on the “Accountable Body” role. However, before Members can consider such a proposal, the following issues need to be resolved:

- 2.3.1 What is the agreed “Business Plan” for the scheme, and what future requirements are there regarding the “sustainability” of the project? Will the project have sufficient grant cashflow to operate?

At present the revenue costs associated with the sports facilities included in the above development will be for the HMCFLtd Board to consider and determine, although it would become an issue for the City Council, in considering whether to take on the role of Accountable body. There are a number of options for the Heysham Mossgate Community Facilities Company Ltd [HMCFLtd] to consider, ranging from:-

- themselves becoming the direct management/operators of the facility, via a Community Board or Trust arrangement
- or
- seeking a third-party (private or public sector) to manage and operate the facility on behalf of the Board of HMCFLtd.
- or
- make a future request to the City Council to take on responsibility, including revenue liability, for the management and operation of the facility with effect from 2010/2011 onwards.

Unfortunately, to take on Accountable body status will require for the above issues to be addressed. If the City Council is asked to take on such revenue liabilities, then a further Cabinet resolution will be needed.

- 2.3.2 If the PCT have “fast-tracked” its programme and selected developer partners, is this procurement route considered acceptable by the funders, and the City Council?
- 2.3.3 It is currently unclear what the VAT implications would be for the City Council in taking on any possible partnership agreement.
- 2.3.4 It is currently unclear what the partnership agreement would be between the PCT and Lancaster City Council in delivering this project, and no draft agreement or Heads of Terms are currently in place.
- 2.3.5 The City Council currently has ownership of the land required to access any proposed PCT/Leisure facility (see Appendix A, cross-hatched area). No agreement, or Heads of Terms are in place to advise how such a possible land transaction would affect the Business Plan for the scheme.

- 2.4 Considering all the above issues, it is clear that there is insufficient information available for Members to consider agreeing to “Accountable body status”, and as it is impossible to have the issues clarified in the timescales being set, officers cannot provide a recommendation to proceed with Accountable body status.

3.0 Options

3.1 Option 1

The only option available is to take the view that due to timescales being set by the funders, there is insufficient information available at the present time, to recommend that the Council take on the Accountable body role for this project.

The Board of HMCFCLtd should be informed of this, and advised to explore the possibility of another partner being Accountable body for the funds.

4.0 Officer Preferred Option

4.1 The officer preferred option is Option 1.

5.0 Conclusion

5.1 Since the scheme was resurrected by the newly formed North Lancashire PCT in July 2008, officers have been working alongside the HMCFCLtd. Board to try and produce a development scheme that would bring the appropriate benefits to both the PCT and the Board.

Unfortunately, due to the timescales set by the external funders, it has not been possible to draw together sufficient information to enable a decision to be taken to agree to the Council being Accountable body for the new-build scheme.

RELATIONSHIP TO POLICY FRAMEWORK

The proposal to develop Community Facilities as planned at Heysham Mossgate would see public agencies working together to provide top quality joined up services from one location. This proposal is at the heart of the Community Strategy and aims to improve community safety, leisure and health facilities within the Heysham area. This would contribute to meeting a number of targets included in the Corporate Plan/LAA.

The City Council, however, is currently reviewing its existing sports provision as part of the current budgetary process.

CONCLUSION OF IMPACT ASSESSMENT

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

The proposal would help to ensure that a sustainable state of the art Health and Leisure Centre could be developed within the Heysham area. The proposals are in accord with the views expressed in two prior public consultations. A further public consultation would be undertaken as part of planning process.

FINANCIAL IMPLICATIONS

There are no financial implications directly arising for the Council in terms of the option put forward.

SECTION 151 OFFICER'S COMMENTS

In taking on the accountable body role and supporting such a project, it is essential that the issues outlined above are addressed; these requirements are reflected within the Council's Financial Regulations. For these reasons, the s151 Officer advises against taking on the accountable role for this project, and she is in full support of the Officer recommendations.

LEGAL IMPLICATIONS

There are no legal implications directly arising from this report.

MONITORING OFFICER'S COMMENTS

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

BACKGROUND PAPERS

Contact Officer: Heather McManus
Telephone: 01524 582301
E-mail: hmcmanus@lancaster.gov.uk
Ref: CD(Reg)/DP/CAR/06