



Committee: CABINET

Date: TUESDAY, 23 JUNE 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, 2nd June, 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. Cabinet Appointments to Outside Bodies, Partnerships and Boards (Pages 1 - 4)

Report of the Chief Executive.

7. Performance Management Framework

(Cabinet Member with Special Responsibility Councillor Langhorn)

Report of the Corporate Director (Finance and Performance) to follow.

8. Revenue Budget Strategy 2010/11

(Cabinet Member with Special Responsibility Councillor Thomas)

Report of the Corporate Director (Finance and Performance) to follow.

9. Lancaster Square Routes (Pages 5 - 10)

(Cabinet Member with Special Responsibility Councillor Archer)

Report of the Head of Planning Services.

10. Reorganisation of the Facilities Management function (Pages 11 - 16)

(Cabinet Member with Special Responsibility Councillor Thomas)

Report of the Corporate Director (Regeneration).

11. Exclusion of the Press and Public

The following report containing exempt information is published as an Appendix for Members of Cabinet. Members will need to consider if they are able to make a decision in public, or exclude the press and public in order to refer to the information contained in the exempt report.

Should Cabinet decide to not make a decision in public, Cabinet is recommended to pass the following recommendation in relation to the following item:-

“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 3 of Schedule 12A of that Act.”

Members are reminded that, whilst the following items have 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.

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

12. Land at Aalborg Square, Lancaster

(Cabinet Member with Special Responsibility Councillor Thomas)

Report of the Corporate Director (Regeneration) to follow.

ADMINISTRATIVE ARRANGEMENTS

(i) Membership

Councillors Stuart Langhorn (Chairman), Evelyn Archer, June Ashworth, Jon Barry, Eileen Blamire, Abbott Bryning, Jane Fletcher, David Kerr, Roger Mace and Malcolm Thomas

(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,
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Published on Thursday, 11th June 2009

CABINET

Cabinet Appointments to Outside Bodies, Partnerships and Boards

23rd June 2009

Report of Chief Executive

PURPOSE OF REPORT				
To consider issues arising from the decisions made at Cabinet on 2 nd June 2009, regarding the appointment to the Lancaster and District Vision Board and named substitutes on the North Lancashire Local Action Group Executive Group and the Lancaster District Local Strategic Partnership (LDLSP) Thematic Groups.				
Key Decision		Non-Key Decision	X	Referral from Cabinet Member
Date Included in Forward Plan		N/A.		
This report is public.				

RECOMMENDATIONS OF COUNCILLOR LANGHORN

- (1) That Cabinet appoint the Leader of the Council to the Lancaster and District Vision Board, in line with the Vision Board Constitution.
- (2) That Cabinet consider appointing substitute Members to
 - the North Lancashire Local Action Group Executive Group
 - the LDLSP thematic groups

1. Introduction

- 1.1 At its last meeting, Cabinet considered appointments to outside bodies, partnerships and boards.
- 1.2 Since the meeting, it has been pointed out that the Leader of the Council is entitled to be appointed to the Lancaster and District Vision Board, as set out in the Vision Board Constitution (relevant extract attached). Members should note that Council has determined that the second City Councillor should be a Member of Overview and Scrutiny.
- 1.3 Also since the meeting, the North Lancashire Local Action Group has requested the name of a substitute Member for the Executive Group to

ensure that the Council has representation at all meetings. All bodies on the Group are required to name a substitute in the event that the named Member cannot attend and this has been requested in an effort to ensure that all meetings will be quorate.

- 1.4 It has also been noted that the LDLSP constitution requires any substitutes to be named. Although substitutes were named at the last meeting for the LDLSP Board and Management Group, there were no substitutes named for the Thematic Groups. Members may therefore wish to name substitutes to the Thematic Groups listed on the table below.
- 1.5 It should be noted that named substitutes for Thematic Groups are not Cabinet Members assigned to attend and work with the Thematic Group as non-voting co-optees, as provided for in the LDLSP Constitution.

LANCASTER DISTRICT LOCAL STRATEGIC PARTNERSHIP

Organisation	Current Appointment
LSP Partnership Board (+ substitute)	Councillor Mace Substitute: Councillor Langhorn
LSP Management Group (+ substitute)	Councillor Langhorn Substitute: Councillor Mace
LSP Children & Young People Thematic Group	Councillor Ashworth
LSP Economy Thematic Group	Councillor Archer
LSP Environment Thematic Group	Councillor Barry
LSP Safety Thematic Group	Councillor Blamire
LSP Health and Wellbeing Thematic Group	Councillor Kerr
LSP Education, Skills and Opportunities Thematic Group	Councillor Bryning
LSP Valuing People Thematic Group	Councillor Fletcher

2. Options and Options Analysis

2.1 The options regarding the Vision Board are:

- (a) To appoint the Leader of the Council to the Lancaster and District Vision Board, in line with the Vision Board Constitution.
- (b) To consider and approve, where appropriate, any other proposals from Cabinet Members, requesting a change to the Vision Board Constitution, if necessary.

2.2 The options regarding appointing substitutes are:

- (a) To name a substitute for the North Lancashire Local Action Group Executive Group and substitutes for any or all of the LDLSP Thematic Groups
- (b) Not to name substitutes for any or all of the above Groups. If this were the case, the Council would not be represented should the representative be unable to attend, as unappointed substitutes are not permitted.

3.0 Officer Preferred Option and Comments

3.1 It is recommended that the Leader be appointed to the Lancaster and District Vision Board, in line with the Board's Constitution, and that substitutes be named for the North Lancashire Local Action Group, as requested, and for the LDLSP Thematic Groups, in line with the LDLSP Constitution.

RELATIONSHIP TO POLICY FRAMEWORK Representation on Outside Bodies is part of the City Council's community leadership role.	
CONCLUSION OF IMPACT ASSESSMENT (including Diversity, Human Rights, Community Safety, Sustainability etc) The proposals provide clear focus, transparency, accessibility and inclusiveness in the Council's Executive decision-making processes.	
FINANCIAL IMPLICATIONS There are no significant financial implications with regard to the recommendations. Resources are available to provide the necessary level of support. Members of outside bodies are entitled to travel expenses which are currently being funded from within existing budgets.	
SECTION 151 OFFICER'S COMMENTS The Section 151 Officer has been consulted and has no further comments.	
LEGAL IMPLICATIONS There are no legal implications as a result of this report.	
MONITORING OFFICER'S COMMENTS The Deputy Monitoring Officer has been consulted and has no further comments.	
BACKGROUND PAPERS Council Agenda and Minutes.	Contact Officer: Debbie Chambers Telephone: 582057 E-mail: dchambersi@lancaster.gov.uk

The Vision Board Constitution

1. Introduction and purpose

The Lancaster & Morecambe Economic Development Partnership is the aggregate body for all those individuals and bodies who comprise the Vision Board, together with the 6 Vision Steering Groups of the Partnership. The Vision Board is the semi-executive vehicle through which the economic Vision and Strategy for Lancaster & Morecambe is initially devised, through which priorities are established and through which lobbying for funding and support takes place. It also acts as the co-ordination vehicle for the ongoing delivery of the different aspects and projects of the Vision. In doing so it acts in accordance with the terms of reference of the Vision Board which were agreed at its meeting on 24 November 2006.

2. Membership

The core membership of the Vision Board shall be a minimum of 20 people and a maximum of 30, as identified below and this may, as required, be supplemented by additional members, subject to the approval of the Vision Board. Additionally the Board may also, as appropriate, co-opt members on a time limited basis and also invite observers and participants to individual meetings.

A minimum of 13 and a maximum of 20 individuals from the independent sector, one of whom shall act as Chair of the Vision Board and Economic Development Partnership, the others shall each act as Chair, Co-Chair, Deputy Chair or member of one or other of the 6 Steering Groups:

Together with the following individuals from the public sector who are entitled but not obliged to be members:

- The Leader of Lancaster City Council
- A second Lancaster City Councillor
- The Leader of Lancashire County Council
- The Lancashire Area Manager of the NWDA or an alternative NWDA representative of similar influence and responsibility
- • The Director of Economic Development of Lancaster City Council
- • The Chief Executive of Lancaster City Council
- A director of the Lancashire Economic Partnership
- • The MP for Morecambe & Lunesdale) or in the event of boundary changes,
- The MP for Lancaster & Wyre) those MPs representing Lancaster &) Morecambe constituencies

Together with the Vision Board Manager who acts as Secretary to the Board.

In order to promote continuity of membership and attendance at meetings, no substitution shall be permitted in the event that a VB member is unable to attend meetings of the Board (or other events to which VB members are invited).

CABINET

Lancaster Square Routes 23 June 2009

Report of Head of Planning Services

PURPOSE OF REPORT			
To report on outline designs for the improvement of public spaces and routes within the city centre and on the outcome of public consultation and for Cabinet to decide on how the project should be taken forward.			
Key Decision	✓	Non-Key Decision	Referral from Cabinet Member
Date Included in Forward Plan	26 th May 09		
This report is public			

RECOMMENDATIONS OF COUNCILLOR ARCHER

- (1) To endorse the thematic approach to improving spaces and routes in the centre focusing on the themes of “Lancaster Lore and Legends”, “Georgian Gem” and “City Park”.
- (2) To endorse the outline concept designs for specific routes and spaces for further development by the design team
- (3) To note that Cabinet will receive a further report prior to the next stage of design development to direct the recommendations for each route or space and their priority for implementation
- (4) To update general fund revenue budgets to reflect the revised expenditure profile and external funding draw down, subject to authorisation by the external funders NWDA and Lancashire County Council

1.0 Introduction

- 1.1 The Corporate Director (Regeneration), reported on “Lancaster Square Routes” to Cabinet on 9 December 2008. Cabinet delegated to the Corporate Director authority to select and commission consultants for public realm design work - funded by the Northwest Regional Development Agency and Lancashire County Council. This work is advanced now in response to the widespread feeling that the city centre underperforms and that in part this is because public spaces have not been invested in and

are not of the quality required to help make the centre a vibrant and enjoyable place to be in.

- 1.2 Detailed design proposals must be brought forward to a set timetable if possible by the end of July 2009. This report advises on progress in bringing forward design proposals and advises on the options available to members in deciding on designs and how to proceed.
- 1.3 Design proposals are being prepared for:
 - Market Square – to transform this into a civic space that is definitively the heart of the city.
 - Market Street illumination – to create a stunning visual experience by using the latest lighting technologies to trace the 2000 years of history embodied in townscape along this route, linking the historic Castle precinct through to today's commercial centre.
 - Sun Street Square and Sun Street – to ensure that these historic spaces, only a short distance from Market Street, offer an enriching experience with a bright but serene continental ambience.
 - Horseshoe Corner – to establish this intersection of routes as a real place through ingenious urban design and stunning public art.
 - Castle and Quay green space – to reconnect the Castle precinct and the historic Quay so this half forgotten area becomes a unique place of attraction and interest to residents and visitors alike.
 - Castle Precincts (south and west) to create a fitting approach and setting to the John O' Gaunt Gateway.
 - Upper and Lower Church Street, Frances Passage and Gage Street – to reinforce the legibility and amenity of these key connectivity routes on the east-west axis.
- 1.4 Officers procured consultants via a competitive process and selected Gillespies, one of the leading urban and landscape design practices in the UK, specialising in design and development of high quality public open space in both urban and rural environments. Gillespies have been assisted by a multi-talented team, comprising of:
 - Amenity Space – architects, designers and artists
 - Atoll – arts consultancy
 - Buro Happold – lighting specialists/highways engineers
 - Davis Langdon – cost consultant
- 1.5 Gillespies were essentially given a two stage commission to wrap around an officer-led public consultation stage:
 - The first stage involved the preparation of outline design options in the form of pictorial visions suitable for stakeholder and community engagement together with some preliminary costings

- The second stage detailed design work, specification and costing work for preferred options after selection of these by Cabinet.

1.6 Officers have worked closely with the design team to assure that Gillespies brought forward proposals / options that fit to the design framework and brief. The proposals / options for consideration are now in outline.

2.0 Proposal Details

2.1 As explained in the December 2008 Cabinet report, designs proposals are concerned to improve and enhance the centre for residents and visitors to create a more enjoyable place in which to work, shop and visit, to make the centre a more vibrant place with more vitality and drive up expenditure in shops and on services.

2.2 It is now accepted that investing in quality public spaces generates economic benefits; it enhances visitor experiences, stimulates growth in the visitor economy, raises property values and helps to increase income and profit for local business.

2.3 Gillespies have prepared outline design proposals / options. Designs are focused around three main themes 1. "Lancaster Lore and Legends", 2. "Georgian Gem" and 3. "City Park".

2.4 Lancaster "Lore and Legends" is the overarching key theme for the project as it links all the routes and spaces. To enable legibility and wayfinding small subtle interventions or larger more noticeable public art will tell the lost tales of Lancaster eg up at the Castle subtle floor markings or audio or the art installation at Horseshoe Corner.

2.5 Lancaster has a clearly defined history of fine architecture. Georgian buildings and landmarks are the most notable, hence the 'Georgian Gem' theme although it must be recognised that Lancaster's heritage draws on many other periods also and therefore the theme should be not lead to an over-focus on the one style. The theme includes for improving the setting of historic buildings and landmarks, promoting high quality public realm, cultural activities, restaurants/cafes, evening activities and market spaces alongside encouraging new architectural interventions of the highest quality.

2.6 The "City Park" theme aims to build upon the city's natural assets and resource of greenspace, cycleways and walkways and create a new green focus for the city centre on the existing parkland resource of Vicarage Fields / Quay Meadow.

3.0 Details of Consultation

3.1 A consultation regarding the future of Market Square was undertaken in June 2007 with the assistance of the Storey Gallery. At the end of last year Council Officers invited residents, visitors and traders to give their view on a wider number of spaces and routes and how these might be improved. These responses assisted officers in producing a design framework and brief for consultants in producing outline design options for each space.

3.2 Gillespies presented initial options for consideration by a Places Matter! Design Review panel, following NWDA best practice guidance. Design Review is a respected method of improving the quality of new built environment development proposals by offering constructive, impartial and expert advice to developers, planning authorities and regional agencies on development schemes. The design

team then worked to accommodate Design Panel recommendations in the options brought forward for public consultation.

- 3.3 Earlier this year, designers Amenity Space worked with a group of local Year 9 students from four schools to review Market Square and develop proposals for it. Amenity Space were then drawn into the design team and have used their earlier experience and consultation to help develop designs that have been incorporated into the overall scheme.
- 3.4 Officers received the concept designs in the week beginning the 18th May in preparation for an organised period of stakeholder and public consultation. The consultation focused on the thematic approaches devised by the design team and outline design proposals and options for the spaces and routes. The consultation involved:
- Public display in Market Square over five days including market days (two Wednesdays and a Saturday) and non-market days (two Thursdays), both during the school term and during the half term vacation and one early evening consultation. During the consultation the public were able to view all display boards, see a collection of potential stone samples, discuss the proposals with officers, gain information about where and how they could access further information online and advice on how to respond either at the consultation via a postcard, or electronically. Two postcards were provided at the consultation for feedback, one depicting the sketch proposal for Market Square, the other depicting Sun Square. This was provided so that comments could be collected either verbally or pictorially and appeal to the widest audience.
 - An e-mail advertising the event and a follow up email with a copy of the proposals attached was sent to everyone on the planning and corporate consultation database and arts and access organisation contacts.
 - General press release with a feature in the Lancaster Guardian, also featured on the BBC news website and featured in the national 'Planning' magazine.
 - Direct consultation with key stakeholders including the Lancaster Chamber of Commerce
 - A dedicated facebook profile and group page, which has currently attracted over 100 'friends and members'.
 - A specific webpage www.lancaster.gov.uk/squareroutes which was featured as the main news item on the Council website and special email address squareroutes@lancaster.gov.uk.
 - A further video and podwalk were produced by Amenity Space to encourage people to look at the current spaces and talk them through the development of the proposals to date. Both were made available to download with links from the website. The video has received 100 'hits' to date and the podwalk over 50 hits. The video and the consultation events have also been played/advertised on the customer service screens in the Tourist Information Centre
 - Early liaison with the Highway Authority
 - The students from the four local schools involved earlier on in the project attended the consultation and are taking the design boards back to their schools to allow fellow students to comment.

- 3.5 The response to the consultation has far exceeded officer's expectations and it is felt that this is due in part to the variety of consultation methods and opportunities provided which has enabled a wider demographic to access and become engaged in the scheme.
- 3.6 Officers are delighted at the level of interest and the mainly positive responses to the scheme and the concept ideas and are keen to use this attention and response to develop the proposals further.
- 3.7 Given the level of response, officers have not yet had opportunity to fully digest all of the comments and suggestions submitted. In order to do justice to the feedback and ensure that the design team can take into account as many considerations as possible in the more detailed design stage, officers are proposing, subject to authorisation by the NWDA and Lancashire County Council and acceptance by the design team, to delay the commencement of the next stage of the commission. On the assumption that this is acceptable to all, officers will thereafter provide the design team with an updated brief outlining the main consultation findings and any suggested amendments for each of the identified spaces and routes as noted in 1.3 (CHECK numbering AT END). This brief will then govern the production of the more detailed designs.

4.0 Options and Options Analysis (including risk assessment)

- 4.1 Officers, supported by Gillespies, propose to present and explain the outline design options for each space and route at the meeting. The available options are to:
- Option 1 - to endorse the thematic approach to the outline design options, noting that in September 2009 Cabinet will be presented for approval with a) an updated brief which will enable the design team to produce more detailed designs based on wider consultation and investigation and b) a recommendation as to what order of priority should be given to each space and route for implementation. Notwithstanding this, to endorse / reject any option or, alternatively, element of an option for more detailed development.
 - Option 2 not to endorse the thematic approach being taken, nor the detailed development of the outline design options as presented, but, notwithstanding this, to direct how the design work should progress for each space and route drawing on the Gillespies proposals and options as appropriate.

5.0 Officer Preferred Option (and comments)

- 5.1 Officers consider that the Gillespies proposals fit well to the brief given and are innovative and well considered. Option 1 will ensure that the full benefits of the consultation and stakeholder engagement can be taken into account and that officers can investigate potential synergies for the delivery of these proposals both in terms of the physical development and for the longer term management and opportunities for these spaces and routes, including for cultural and social activity and market trading for example. This will ensure that a holistic approach to the management of the town centre will be captured. On this basis officers prefer option 1.

6.0 Conclusion

- 6.1 Gillespies' design team have prepared exciting concept design proposals / options for spaces and routes in the city centre. These provide a sound basis for further consultation and investigation before committing to more detailed designs and the priority in which these spaces should be brought forward for implementation.

<p>RELATIONSHIP TO POLICY FRAMEWORK</p> <p>The proposal fits to the Council's Policy Framework, specifically the City Centre Strategy (2003) and Core Strategy (2008).</p>	
<p>CONCLUSION OF IMPACT ASSESSMENT (including Diversity, Human Rights, Community Safety, Sustainability and Rural Proofing)</p> <p>Community safety , access requirements and the needs of disabled people inform the design proposals and proposals will be the subject of consultation with relevant organisations both at outline and detailed stages.</p>	
<p>FINANCIAL IMPLICATIONS</p> <p>The design work by Gillespies is fully funded from external sources and there are no financial implications at this stage. However the general fund revenue budgets will need to be updated to reflect the revised expenditure profile and external funding draw down, subject to authorisation by the external funders NWDA and Lancashire County Council.</p>	
<p>SECTION 151 OFFICER'S COMMENTS</p> <p>The Section 151 Officer has been consulted & has no comments to add</p>	
<p>LEGAL IMPLICATIONS</p> <p>There are no legal implications.</p>	
<p>MONITORING OFFICER'S COMMENTS</p> <p>The Monitoring Officer has been consulted and has no further comments.</p>	
<p>BACKGROUND PAPERS</p> <p>Planning Services Files Gillepsies outline design proposals</p>	<p>Contact Officer: Julian Inman Telephone: 01524 582336 E-mail: jinman@lancaster.gov.uk</p>

CABINET

Reorganisation of the Facilities Management function 23 June 2009

Report of Corporate Director (Regeneration)

PURPOSE OF REPORT				
To provide a new corporate approach to Facilities Management across the Council.				
Key Decision	X	Non-Key Decision		Referral from Cabinet Member
Date Included in Forward Plan		June 2009		
This report is public				

RECOMMENDATIONS OF CORPORATE DIRECTOR (REGENERATION):

- (1) That officers are instructed to prepare a draft specification for the provision of facilities management functions on behalf of the City Council.

1.0 Background

- 1.1 Lancaster City Council currently has within its property portfolio, which includes leisure facilities, over 120 buildings with a Gross Internal Area (GIA) of approximately 65,000 square metres. The city council also has a large residential portfolio, managed through the housing revenue account.
- 1.2 The management of council assets has been the subject of much scrutiny over the past 5 years and asset management now forms part of the use of resources assessment within the former CPA process.
- 1.3 Members will also note that, as part of the budget process for 2009/10, a request has been made for savings within the facilities management of our buildings and this report brings together proposals by which such savings could be achieved.
- 1.4 It should also be noted that the city council will have significant statutory requirements to comply with under the carbon management programme and it is essential that any proposals regarding our corporate buildings help to facilitate the carbon management plan.

2.0 Issues

- 2.1 Over recent years the Council has been fully aware of its asset management responsibilities and has centralised much of the property portfolio within Property Services, where a single maintenance budget exists. There are however some operational buildings that have remained within the Services that have the management of the operation that takes place from that building e.g. Salt Ayre and public toilets. In those cases there is an arrangement where Property Services manage the structure and external fabric of the buildings whilst the operational Service maintains the internal fabric and equipment. Services provided to our buildings include:
- Repairs and maintenance including:
 - help desk
 - Management of Statutory Compliance
 - Service Contract Management
 - Delivery of the Planned and Capital works programme
 - Contractor Management.
 - Budget management
 - Energy management in a limited form
- 2.2 This work is undertaken within Property Services by just the Premises Manager (as part of his wider duties), a maintenance officer and support from a small administration team who deal with the wider administration for whole property team. External consultants are used to provide more detailed technical support that is required (see paragraph 2.4) and a large number of contractors are used to undertake actual works to the premises including the Council Housing Repairs and Maintenance Service (RMS). Management information is held within a system called Technology Forge or via local spreadsheets and databases.
- 2.3 For clarification, the Council Housing services are managed by a separate function and systems. However, members may consider that at the same time there is also an opportunity to consider a review of the repair and maintenance function of the housing stock. However, Cabinet has already agreed that in respect of Council Housing RMS a procurement exercise should be undertaken to find a partner to deliver part of that service with a partnering contract aimed to start in April 2010.
- 2.4 Historically, more than ten years ago, the Council had its own technical team of architects, quantity surveyors and engineers in what was known as the Design Service, but a falling workload resulted in those staff being outsourced to Cumbria County Council's in house team. In turn that team was "privatised" and taken over by Capita Symonds. A contract was in place with Capita to provide support services to the Council and whilst this has technically now expired, Capita continue to be the main, although not exclusive, provider of those services.
- 2.5 Members will be aware from previous reports and budget debates, that the condition of the Council's property portfolio is quite poor due to a lack of investment over many years which has led to an undue risk liability for the council. This lack of funding has resulted in insufficient resource to deliver a quality, proactive and cost effective facilities management service. The lack of long term "intelligent investment" within the portfolio has resulted in projects and initiatives sometimes being implemented in a reactive manner as an effort to manage immediate risk e.g. ceiling collapses in both Town Halls, and this results in a greater reduction in the limited resources being available to sufficiently consider long term maintenance strategies.

2.6 The key areas of risk to the authority as they currently stand are:

- There is a lack of robust/consistent up to date information, which, coupled with lack of funds, restricts strategic decision making and prevents optimisation of the capital programme or use of maintenance budgets. This results from the fact that the condition surveys which inform the maintenance and capital programme are three years old. In the meantime the buildings have deteriorated further leading to rising costs.
- The current use of technology is limited, which along with the processes and procedure that go with such technology, creates inefficiency of service. For example, the Technology Forge system is separate from that used by the Council's in-house contractor which creates problems in the transfer of information and is reflected in budget management.
- The limited resources available restrict the ability to fully manage statutory compliance issues such as fire safety, Legionella and asbestos. Specialist consultants/contractors are employed to assist in these areas.
- The limited resources result in a work plan that delivers a disjointed service, which makes it difficult to prioritise workloads as there is a need to react to urgent works.
- Historically, the majority of repair works were undertaken by the Council's own direct labour force. Over time, the understandable prioritisation of works on behalf of the Council Housing Service has resulted in the need to use alternative contractors. This has fragmented the management of the supply chain which can increase the commercial risk within our operations. It can also lead to increased administration costs and also increases the risk exposure with the control of sub-contractors and permit to work systems. Alternatively, the use of a wider supply chain can potentially lead to greater cost competitiveness with reduced costs for the Council. In this respect a suitable balance is required.
- The management of energy is very limited. Transaction details are obtained and recorded, but the lack of expertise in this field does not allow for the development of energy/cost saving initiatives. Specific advice is obtained from the Carbon Trust on schemes to be undertaken, but those do require a resource to undertake this increasingly important area of work. The Carbon Trust recommended that the Council employ an energy manager but this has not yet been funded with a view to this report being forthcoming.
- A further review of the repair and maintenance function of the housing stock would be needed to identify the current areas of risk affecting that Service.

3.0 Proposal Details

3.1 Considering all the above issues and risks, it is imperative that the City Council reconsiders its current capacity to deliver effective facilities management.

3.2 As indicated in paragraph 2.3 above, the result of historic staff changes at the Council has meant that Capita Symonds currently provide ad hoc advice in the following areas:

- Building surveying
- Architectural advice
- Quantity surveying

- Mechanical and electrical services
- Energy management

- 3.3 Fees are arranged for the various services provided and are linked to the initial arrangement put in place when the City Council's Design Service staff were outsourced. With the passage of time and the change in the type of work required new fees are agreed in line with market forces. It is clear, however, that there would be benefits in renegotiating the fee arrangement to reflect the range of services that are currently provided.
- 3.4 However, Capita are not alone in providing this type of service within the local authority area. South Lakeland District Council work with Norfolk Property Services who are a part of Norfolk County Council and can provide the sort of services that are of interest to the City Council. In addition, Lancashire County Council has previously provided building surveying services and some energy management services for the City Council. When the Customer Service Centres were built, the Council used 20:20 Liverpool who acts on behalf of Liverpool City Council to provide architectural services. There are also other providers that are known to operate elsewhere in the region.
- 3.5 Alternatively, the Council could consider recruiting its own staff, but this would need to be carefully considered to see whether the right skills could be provided in circumstances that are sufficiently flexible for the Council.
- 3.6 As an indication of current cost, the Council's General Fund maintenance budget for 2008/09 Revised was set at £644,300 (including one-off areas) and is £560,300 in 2009/10, from which the majority of consultants' fees are covered. In addition, there are staffing costs which form part of the Council's establishment. When capital schemes are undertaken, specific fee costs are added to the cost of the works based on a standard percentage basis. Clearly there is significant expenditure in the facilities management process and the staff costs associated with this process.
- 3.7 Financial regulations require the Council to consider carefully how to procure its services and where the total fee exceeds £139,893 this may involve EU regulations and the need for a widely advertised tender process. There are exceptions to this, but to ensure that due process is followed, a detailed specification of what is required by the Council should be prepared. This is of course a time consuming exercise
- 3.6 Before any further detailed work is carried out on this regarding the financial implications, officers wish to seek members' views on whether the principles on such a new partnership framework would be considered acceptable.
- 3.7 Subject to a positive decision by Cabinet, it would be the intention that officers prepare a fully detailed specification that meets the Council's procurement rules, for further consideration.

4.0 Options and Options Analysis (including risk assessment)

4.1 Option 1

Officers are instructed to prepare a draft specification for the provision of facilities management functions on behalf of the City Council. This specification should reflect the issues and risks identified in the report. Failure to consider a remodelling of the existing provision leaves the Council at risk of failing to provide the most effective and

efficient maintenance service and not achieving any progress in implementing its carbon management policies.

4.2 Option 2

That the existing level of service provision is maintained. This will leave the Council at risk of failing to provide the most effective and efficient maintenance service and not achieving any progress in implementing its carbon management policies.

5.0 Officer Preferred Option (and comments)

5.1 The officer preferred option is Option 1.

RELATIONSHIP TO POLICY FRAMEWORK

There are no direct links to the Corporate Plan, but the provision of efficient and effective facilities management services underpin the provision of many services of the Council.

CONCLUSION OF IMPACT ASSESSMENT

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

The provision of facilities management services affect the operation of all the Council's buildings and therefore any future provider of these services will need to be conscious of the need to reflect sustainable practices in their work

FINANCIAL IMPLICATIONS

There are no immediate financial implications arising from this report. If Members resolve to go with Option 1, Property Services will need to undertake further analysis/work in conjunction with Financial Services to determine the full financial and operational implications. The outcome of which will need to be included within the draft specification and will be reported back to Cabinet before any formal contractual commitment is entered into with a third party.

The report acknowledges also that there will be a need to consider the matter further in accordance with the Council's financial regulations and procurement rules.

Similarly, if Members wish to include the Council's current housing stock within this exercise, further detailed work will need to be undertaken, including a full review of the current arrangements before inclusion within the draft specification. Any cost implications arising from such a review would need to be met from within existing Housing Revenue Account resources.

SECTION 151 OFFICER'S COMMENTS

The s151 Officer has been consulted and would add that for the future, the financial information, management and programming surrounding facilities management (particularly regarding building works and repairs) will need to inform the accounting arrangements regarding property to a far greater degree. New, more onerous accounting requirements are coming into force over the coming year or so, linked to the adoption (in part) of International Financial Reporting Standards (IFRS). In addition, a far more rigorous assessment of the Council's asset management arrangements (both strategically and operationally) will feature in its Use of Resources assessment from 2009/10 onwards. Meeting these requirements would be factored into any future specification for facilities management, thereby assisting the Council in meeting its accounting requirements and in demonstrating better value for money.

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

None

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