



Committee: CABINET

Date: TUESDAY, 16TH FEBRUARY 2010

Venue: LANCASTER 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, 19th January, 2010 (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. **Morecambe Meteorological Station (Pages 1 - 7)**

(Cabinet Member with Special Responsibility Councillor Thomas)

Report of the Corporate Director (Regeneration).

7. **Merger of the Lancaster and Morecambe Cabinet Liaison Group (Pages 8 - 10)**

(Cabinet Member with Special Responsibility Councillor Archer)

Report of the Head of Democratic Services.

8. **1, Dalton Square, Lancaster** (Pages 11 - 14)
(Cabinet Member with Special Responsibility Councillor Thomas)
Report of the Corporate Director (Regeneration).
9. **Auction Mart Car Park, Thurnham Street, Lancaster** (Pages 15 - 20)
(Cabinet Member with Special Responsibility Councillor Thomas)
Report of the Corporate Director (Regeneration).
10. **2009/10 3rd Quarter Corporate Performance Review** (Pages 21 - 23)
(Cabinet Member with Special Responsibility Councillor Langhorn)
Report of the Leader of the Council.
11. **Growth Bid for Reinstatement of Funding Levels for Arnside/Silverdale and Forest of Bowland AONBs and Warton Crag and Trowbarrow Local Nature Reserves**
(Pages 24 - 27)
(Cabinet Member with Special Responsibility Councillor Barry)
Report of the Corporate Director (Regeneration).
12. **Shared Services Programme** (Pages 28 - 35)
(Cabinet Member with Special Responsibility Councillor Langhorn)
Report of the Corporate Director (Finance and Performance).
13. **Treasury Management Strategy 2010/2011**
(Cabinet Member with Special Responsibility Councillor Thomas)
Report of the Corporate Director (Finance and Performance) and Head of Financial Services to follow.
14. **Budget & Policy Framework 2010/2011**
(Cabinet Member with Special Responsibility Councillor Thomas)
Joint report of the Corporate Director (Finance and Performance) and Head of Financial Services to follow.
15. **Exclusion of the Press and Public**
Members are asked whether they need to declare any further declarations of interest regarding the exempt report.

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 paragraphs 2 and 4 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.

16. Senior Management Restructure

(Cabinet Members with Special Responsibility Councillors Blamire and Thomas)

Report of the Chief Executive 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,
LANCASTER LA1 1PJ

Published on Thursday, 4th February, 2010.

CABINET

**Morecambe Meteorological Station
16th February 2010**

Report of Corporate Director (Regeneration)

PURPOSE OF REPORT			
To consider the future of Morecambe's Meteorological Station.			
Key Decision	X	Non-Key Decision	Referral from Cabinet Member
Date Included in Forward Plan		January 2010	
This report is public.			

RECOMMENDATIONS OF COUNCILLOR THOMAS

(1) To approve Option 3 and discontinue the existing meteorological service.

1.0 Introduction

1.1 Morecambe operates a Meteorological Station (Weather Station) and the current site is situated in the gardens of Morecambe Town Hall with equipment also located within the Town Hall. The service is provided by the City Council at a cost of approximately £1,500 per annum with equipment being provided by the Meteorological Office.

1.2 This report provides background information about the meteorological service and provides a number of options for maintaining, extending or terminating the provision of this service.

2.0 Background Information

2.1 Meteorological Service provided up to 2004

The station has never been involved in forecasting local weather conditions and has only been involved in collecting and maintaining meteorological observations more commonly known as weather readings. The following weather readings were undertaken 365 days per year until the service was reduced in 2004.

- Morning Readings

These were carried out for 'climatological' purposes and allowed information to be supplied to the Met Office, to maintain Morecambe's meteorological database and to supply a weekly report to The Visitor. Information was also supplied to a number of internal services for construction projects, sea and river defences and to verify abnormal microbiological results for shell fish samples and poor bathing water samples. Information was also supplied occasionally to assist members of the public with insurance claims for storm damage.

- Afternoon Readings

The same readings were also carried out every afternoon as part of the Met Office's 'Health Resort Scheme' and this allowed data to be sent to the Press Association. Morecambe then appeared in some daily national newspapers the following day and was occasionally mentioned on the national television weather summaries. This publicity has also been referred to as Morecambe's 'weather slot'

2.2 Cabinet 2004

The budget for carrying out the weather readings was held by the Economic Development and Tourism Service and Cabinet approved the deletion of the budget from 2004/05 as a budget saving. This was on the basis there was no tourism benefit in continuing the readings.

2.3 History of the Service since 2004

The morning readings continued in 2004 to evaluate their worth for coast protection purposes and to augment the weather data collected from an environmental monitoring station on the Stone Jetty. The reduced cost of operating the service was charged initially to Engineering Services.

The City Council indicated it was prepared to consider offering an honorarium to any local organisation that was prepared to undertake the readings. Cabinet subsequently approved the proposals and £3,100 was reinstated into the Economic Development budget for 2005/06. Efforts to find an organisation proved unsuccessful and the budget was removed again as the cost of providing the reduced service was already being charged to Planning Services – Sea and River Defences.

2.4 Current Position and Present Service

The morning readings are still being undertaken 365 days per year and the service outlined in the above paragraph (2.1) is being carried out by 2 members of staff from Property Services. Equipment and stationery are supplied free of charge by the Met Office who inspect the station every two years to check the accuracy and exposure of the instruments.

The Coastal Team in Planning Services do sometimes find uses for the rainfall data collected but the service provided is no longer essential for maintenance purposes as other data sources are available. Also various initiatives by national bodies in the field of emergency planning for flood and storm events are increasing the provision of weather related forecasting information to local authorities. In addition to this the team is intending to upgrade the environmental monitoring station on the Stone Jetty from existing budgets as the current equipment has been in place for some time and is becoming unreliable. The improvements would incorporate a system that is capable of displaying information on the web to enable remote monitoring at critical

times. The weather parameters of interest to the coastal team during storm events are wind speed and direction, tide heights and pressure and these services are not recorded on a continual real time basis by the current in house weather service.

Also as previously mentioned, data is occasionally supplied to verify abnormal microbiological results for shell fish samples. Although this data can be obtained from the Environment Agency the information supplied from the weather station is particularly useful as it is taken in close proximity to the shellfish sampling locations and is therefore more relevant and of greater accuracy.

2.5 Automated Weather Stations

An automated weather station could be installed to undertake the full range of weather readings. This would be a separate initiative to the environmental monitoring station due to the parameters required by the coastal team and the locations of the respective equipment.

The Met Office is upgrading many of its own automatic stations over the next 2-4 years and is keen to roll-out this technology to stations operating on the voluntary network such as Morecambe. However, this is subject to the Met Office's own funding bids and this is unlikely to happen in the near future. An automatic weather station could be purchased by the City Council for approximately £10,000 – £15,000. With both these options the City Council would have to provide an electrical supply at a cost of approximately £800 and there is no funding available for this within the current or future year's budgets.

Further detailed discussions with the Met Office would be required to fully appreciate the likely automation timetable and the feasibility of whether an automated station could be used to undertake the morning readings and/or the afternoon readings.

2.6 Information obtained from Meteogroup

A company called Meteogroup supply a 'health list' to the national newspapers based on afternoon readings taken from weather stations around the UK. The health list is only used by the newspapers whose page ready panels are produced by Meteogroup. Meteogroup cannot guarantee that any newspaper will use the information if Morecambe provided afternoon weather data. However, they offer a revised list of UK locations to the national newspapers twice per year and the newspapers choose which locations they want to use based on readership and other criteria. Bogner Regis and Hastings recently started providing data to Meteogroup and their data is now being used by a number of national papers.

2.7 Value of the 'Meteorological or Weather Slot'

In the past there has been concern about Morecambe losing its 'weather slot' and the valuable publicity that was generated from the daily entries in newspapers and the occasional billing as "the sunniest place in Britain" However, an alternative view from the Tourism Service is that there is no evidence that visitors will come to a destination because of the previous day's weather. If the cost of providing the present or even an extended service was charged to the tourism budget, their view is that funding could be better used on targeted marketing exercises with quantifiable results.

A further suggestion has been made relating to the use of webcams and some resorts are already using them to show weather conditions in real time. Discussions

have already been held with the Midland Hotel about placing two webcams on the hotel roof and linking them to the Council's website. If this was introduced potential visitors could check the weather conditions in real time before making a decision whether to visit the resort and the surrounding district. The provisional one-off cost of providing a webcam facility is estimated at £2,000 to £3,000 with some limited recurring costs and there is currently no specific budgetary provision for this.

3.0 Proposal Details

The options and options analysis section of this report outlines four options for the future of the Meteorological Station

4.0 Details of Consultation

The Met Office, The Visitor, Morecambe Town Council, the local Chambers of Commerce and of Trade, Morecambe Hotel and Tourism Association and Bay Tourism have been consulted over the future of the Weather Station. Various Heads of Service have also been consulted. Comments from the consultees will be made available at the meeting.

5.0 Options and Options Analysis (including risk assessment)

The following options are available based on the above information:-

5.1 Option 1 - Maintain the Existing Service

Maintaining the existing service will allow the continued collection of data from the morning readings taken throughout the year. Information could still be supplied to the Met Office and The Visitor. Information could also be supplied to internal services and members of the public on request.

This option would provide a further opportunity in the future for the Met Office's roll-out of automated stations. This would potentially automate the carrying out of the morning readings and might also allow the automation of the afternoon readings to reintroduce the 'weather slot' but this would all be subject to detailed discussions with the Met Office.

This would require the ongoing budget of £1,500 p.a. in Planning Services and ongoing access to the staffing resources required to undertake the manual readings. The City Council would have to finance the provision of an electrical supply for the automated equipment at a cost of approximately £800 p.a. although automation might reduce some of the ongoing staffing costs required for manual readings. It is possible therefore, that the cost for electrical supply will be contained within the existing budget.

5.2 Option 2 – Extend the Existing Service

This option is to extend the service to reintroduce the afternoon readings in order to try to secure the 'weather slot' through Meteogroup. As previously mentioned there is no guarantee that the information supplied to Meteogroup would be used by any

national newspapers. There is also the view that the value of the 'weather slot' is limited and that destination choices are based on more up to date information about local weather conditions.

This would require an additional budget of £1,500 p.a. (over and above the existing provision) and assumes that additional staffing resources would be available to carry out the afternoon readings every day of the year. The staff providing the extended service would find this very onerous as this would require them to undertake readings twice per day including weekends and bank holidays. A review would be required of the number of staff needed to deliver this service and the indications are that volunteers would be very difficult to recruit.

5.3 Option 3 – Discontinue the Existing Service

This option is to implement the decision previously approved by Cabinet and terminate the provision of the whole meteorological service. This would result in information no longer being provided to the Met Office, The Visitor, other services and members of the public.

Information is currently available from the following web sites that provide information on local weather conditions:-

<http://www.morecambe-weather.info/index.asp>

<http://www.wunderground.com/weatherstation/WXDailyHistory.asp?ID=ILANCASH5>

There is also a link on the tourism website www.citycoastcountryside.co.uk to the BBC weather forecast for the district.

The provision of data for the maintenance of sea and river defences is no longer essential as this is available from other data sources and improvements to the environmental monitoring station are planned that will include the facility to display information on the web for remote monitoring. As previously mentioned the weather parameters of interest to the coastal team are not recorded in real time by the in house weather service discussed in this report. The data supplied for shellfish and bathing water samples is available from the Environment Agency as previously mentioned.

The removal of the weather station from the front of Morecambe Town Hall would require discussions with United Utilities over their automated rain gauge that is also located within the weather station enclosure.

This option would save approximately £1,500 per annum in the 2010/11 Draft Budget and future years.

5.4 Option 4 – Discontinue the Existing Service and Install Web Cams

This option is to again terminate the provision of the whole meteorological service but to introduce the use of web cams as another alternative source of providing weather information.

Some resorts are already using webcams linked to local authority or local tourism web sites to show weather conditions in real time. Tourism officers believe this is a more appropriate method of promoting Morecambe and the surrounding district and some preparatory work has already been undertaken to determine the associated costs.

As previously mentioned there is no budgetary provision for the one-off purchase and installation of web cams and this would require a growth item in the 2010/11 Draft Budget. However, the £1,500 per annum revenue saving in 2010/11 from discontinuing the existing service could be re-allocated leaving a one-off shortfall in the region of £1,500. It is expected that there will be an annual revenue saving from 2011/12 onwards, however it is not possible to quantify what this will be until the ongoing annual running and ad-hoc maintenance costs associated with the web cams have been determined.

6.0 Officer Preferred Option (and comments)

The officer preferred option is Option 3 to discontinue the existing service.

The main beneficiary of the existing service is the Met Office due to the weather data that is supplied to them. The internal services who are supplied with information can obtain this from other sources and the coastal team are planning improvements to their environmental monitoring station for the weather parameters used for coastal monitoring. The methodology for collecting the manual data under the current arrangements is time consuming and is very onerous on the limited number of staff who provide the service.

The tourism benefits from the introduction of the afternoon readings and the 'weather slot' are not quantifiable as there is no evidence that visitors will visit a destination because of the previous day's weather. The decision to re-allocate the existing budget and to request a one-off growth item for 2010/11 for the installation of web cams is a matter for Cabinet to consider.

RELATIONSHIP TO POLICY FRAMEWORK

There are no links to the Council's Corporate Plan for 2009/10. However, local meteorological data extending over many years is currently available and this could be used to inform any studies that might be undertaken as part of the Medium Term Objective of developing responses to Climate Change.

CONCLUSION OF IMPACT ASSESSMENT

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

There are no impact assessment implications.

FINANCIAL IMPLICATIONS

Option 1 would result in a continuation of the £1,500 p.a. from the Planning Services - Sea and River Defences budget. However, should automation by the Met Office be forthcoming within the next 2-4 years this is likely to require the City Council to fund the electrical supplies for the automated equipment, estimated to be in the region of £800 per annum at current prices. Subject to whether or not automation leads to reduced staffing requirements this could be cost neutral, otherwise it will need to be treated as a growth item in a future year's budget, or savings made in other areas of activity to accommodate.

Option 2 would require an additional budget of £1,500 p.a. in 2010/11 and subsequent years and this would again need to be treated as a growth item. This assumes that staff would be available to undertake the afternoon readings on the same basis as the morning readings. This option might also lead to an automated station in the future and the points already raised concerning the electrical supplies as outlined within Option 1 could also apply under Option 2.

Option 3 would result in an annual saving of £1,500 from 2010/11 onwards and this would be taken from Planning Services – Sea and River defences budget.

Option 4 - should Members resolve for the webcam(s) to be installed, then Members are reminded that there is no budget currently available for the associated one-off installation cost. The revenue savings identified under Option 3 for 2010/11 could be re-allocated, however, leaving a one-off shortfall in the region of £1,500 to be treated either as growth or offset by savings made elsewhere. There may also be potential ongoing revenue implications for annual running and ad-hoc maintenance costs, which are still being investigated by Officers. It is not expected that these will be significant and are likely to be contained within the existing £1,500 budget from 2011/12 onwards, with potential for an overall annual saving arising.

SECTION 151 OFFICER'S COMMENTS

Whilst there are some issues regarding the history and how this has led to the current position, at this stage the s151 officer would comment only that any potential growth should be considered alongside other competing demands and in context of the Council's financial prospects, Cabinet's proposed priorities/non-priorities and the need to obtain value for money.

LEGAL IMPLICATIONS

There are no legal implications arising from this report.

MONITORING OFFICER'S COMMENTS

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

BACKGROUND PAPERS

Briefing Note to Chief Executive
Property Services working file

Contact Officer:

David Hopwood

Telephone: 01524 582817

E-mail: dhopwood@lancaster.gov.uk

Ref:

CABINET

**Merger of the Lancaster and Morecambe Cabinet
Liaison Groups
16th February 2010**

Report of the Head of Democratic Services

PURPOSE OF REPORT			
This report informs Members of progress with the merger of the Lancaster and District Chamber Liaison Group and the Morecambe Retail, Commercial and Tourism Cabinet Liaison Group. It requests approval of terms of reference for the newly merged Group, which will be known as the Business Cabinet Liaison Group.			
Key Decision	<input type="checkbox"/>	Non-Key Decision	<input type="checkbox"/>
		Referral from Cabinet	<input checked="" type="checkbox"/>
Date Included in Forward Plan			
This report is public.			

RECOMMENDATIONS OF COUNCILLOR ARCHER

- (1) That the merger of the Lancaster and District Chamber Liaison Group and the Morecambe Retail, Commercial and Tourism Cabinet Liaison Group, to become the Business Cabinet Liaison Group, be noted.
- (2) That it be noted that Morecambe Hotel and Tourism Association, the Bay Tourism Association, Carnforth and District Chamber of Trade and the Lancaster District Federation of Small Businesses have all been invited to participate in the Business Cabinet Liaison Group by the Cabinet Member for the Economy.
- (3) That the terms of reference for the Business Cabinet Liaison Group be approved as:-

“To enable the City Council and representatives from business organisations in the District to liaise and consider items affecting the local economy.”

1.0 Introduction

Members will recall that at the Cabinet meeting on 8 December, Members approved the merger of the Lancaster and District Chamber Liaison Group

and the Morecambe Retail, Commercial and Tourism Cabinet Liaison Group, subject to the agreement of mutually convenient meetings times.

A meeting had already been agreed for the Morecambe Retail Commercial and Tourism Cabinet Liaison Group on 11 January 2010 at Morecambe Town Hall. Members of the Lancaster and District Chamber Liaison Group were therefore invited to that meeting to discuss meeting times and other issues related to the merger.

2.0 Issues related to the merger

As well as meeting start times, the Group also discussed the name of the new Cabinet Liaison Group; its terms of reference; frequency and venues for meetings. The Cabinet Member for the Economy also consulted the Group about inviting other organisations to participate.

Following the discussion it was agreed that the newly merged Group should be called the "Business Cabinet Liaison Group" and that the following terms of reference should be submitted to Cabinet for approval:-

"To enable the City Council and representatives from business organisations in the District to liaise and consider items affecting the local economy."

Participants of Cabinet Liaison Groups are by invitation from the Cabinet Member who chairs the meetings, in line with the Council's Constitution (Part 4, Section 4, Paragraph 2.9(b)). Following consultation with the Group, the Cabinet Member for the Economy asked Democratic Services to write to the following organisations to invite them to participate in the Business Cabinet Liaison Group:-

- Morecambe Hotel and Tourism Association
- Bay Tourism Association
- Carnforth and District Chamber of Trade
- Lancaster District Federation of Small Businesses

Those organisations have since been contacted accordingly.

It was also agreed that meetings would be held quarterly on Mondays at 6.30pm. The venues would alternate between Morecambe and Lancaster, or on a rota to include Carnforth, should the Carnforth Chamber of Trade accept the invitation to participate in the Group.

The Cabinet Member has considered the size of the new Group and the practicalities of holding meetings with several representatives from each organisation present. Membership of the Business Cabinet Liaison Group will therefore be limited to six City Council Members (one from each political group), two representatives from the Lancaster and District Chamber, two representatives from the Morecambe and District Chamber of Trade and Commerce and two representatives from each of the organisations listed above, should they wish to participate.

3.0 Conclusion

Cabinet is asked to note the issues that have been resolved to facilitate the merger of the two Liaison Groups, and to approve the new Business Cabinet Liaison Group's terms of reference.

RELATIONSHIP TO POLICY FRAMEWORK

As consultative bodies which inform the Cabinet Member for Economy, the Cabinet Liaison Groups relate to Corporate Plan Objective 1 "Work in partnership to ensure a strategic approach to economic development and regeneration", and the Sustainable Community Strategy Priority regarding economy which includes "To establish and maintain management and delivery arrangements to ensure economic priorities for the district are achieved".

CONCLUSION OF IMPACT ASSESSMENT

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

No implications.

FINANCIAL IMPLICATIONS

The merger of the two groups will result in fewer meetings, but it is expected that these would be longer in duration so that there would be no costs saving overall.

SECTION 151 OFFICER'S COMMENTS

The Section 151 Officer has been consulted and has no further comments.

LEGAL IMPLICATIONS

The proposals in this report conform to the requirements within the Council's Constitution.

MONITORING OFFICER'S COMMENTS

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

BACKGROUND PAPERS

Constitution, Part 4, Section 4, Paragraph 2.9: Cabinet Liaison Groups.
 Cabinet Agenda and Minutes 1 September 2009 and 8 December 2009.
 Agenda and Minutes of Morecambe Retail, Commercial and Tourism Cabinet Liaison Group, 22 September 2009 and 11 January 2010.
 Agenda and Minutes of Lancaster and District Chamber Liaison Group, 19 October 2009.

Contact Officer: Debbie Chambers
Telephone: 01524 582057
E-mail: dchambers@lancaster.gov.uk
Ref:

CABINET

1, Dalton Square, Lancaster

16th February, 2010

Report of Corporate Director (Regeneration)

PURPOSE OF REPORT			
To consider the terms for the disposal of 1, Dalton Square, Lancaster.			
To report on the implications of selling the above property through an agent by informal tender 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		7th January 2010	
This report is public.			

RECOMMENDATIONS OF COUNCILLOR THOMAS

- (1) To declare the property surplus to council requirements and sell 1, Dalton Square, Lancaster through a property agent by informal tender.
- (2) If an acceptable offer is not received prior to the cabinet meeting, to authorise the Head of Property Services to agree the sale price with the property agent; to agree to the payment of the property agent's fees and to authorise the relevant officers to complete the sale.

1.0 Introduction

The property known as 1 Dalton Square has been vacant since the lease ended in July 2002. At that time the council's Access to Services Review identified that the property could be retained as part of an amalgamation with Palatine Hall which is the next door property. Further work on the review identified that Palatine Hall would not be retained, and therefore this property is not required to accommodate council services and is surplus to requirements. It was initially envisaged that both properties could be sold together, thereby maximising their value. However, the Access to Services Review has been delayed due to inadequate funding and as a result; the property has been advertised for sale.

2.0 Proposal Details

To enable the sale to take place during the 2009/10 financial year, discussions were held with a number of local commercial property agents and when asked how they would dispose of the property they advised by private treaty rather than by auction. This is a relatively small but prominent property which has already generated local interest. Selling the property by informal tender has the advantage of the property agent being able to negotiate with tenderers as part of the process.

Fisher Wrathall has been selected as the selling agent based on information that they provided. The freehold interest in the property is being marketed with informal tenders to be received by noon on Monday 15th February, 2010 with a guide price of £170,000. Fisher Wrathall's fees are £1,550 plus VAT, plus £75 plus VAT for the for sale board. If an acceptable offer is received, this will be verbally reported to cabinet for approval. However, if there needs to be further negotiations to achieve an acceptable price, it is suggested that the final sale price be delegated to the Head of Property Services, in consultation with the property agent.

3.0 Details of Consultation

The ward councillor has been consulted. She is very much in favour of the property being sold, and brought back into use on the basis that the council should not be hanging on to empty property.

4.0 Options and Options Analysis (including risk assessment)

4.1 Option 1 - To sell 1, Dalton Square, Lancaster by tender, with a guide price of £170,000 agreed with the property agent and to agree to the payment of the property agent's 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. The sale of the property would result in an empty property being brought back into use and the council receiving a capital receipt. This would also prevent the property deteriorating further whilst avoiding further expenditure in retaining the building.

4.2 Option 2 - Not to sell the property. This would not be accordance with the Council's approval to dispose of surplus premises, as the premises are listed in the General Fund Disposal schedule. The City Council would be left with recurring management liabilities and costs as the condition of the property deteriorates further.

5.0 Officer Preferred Option (and comments)

Option 1 is preferred for the reasons outlined above and that Cabinet approves the disposal by informal tender 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. There is an associated revenue cost of holding the property. This was in the region of £900 during 2008/09 and covered electricity, building insurance and legionella monitoring. The ongoing annual cost of retaining this property until such time it is disposed is unlikely to be more than £1,000.

SECTION 151 OFFICER'S COMMENTS

The S151 Officer has been consulted and has no further comments.

LEGAL IMPLICATIONS

Legal Services have been consulted and will prepare the necessary documentation for the sale of these premises.

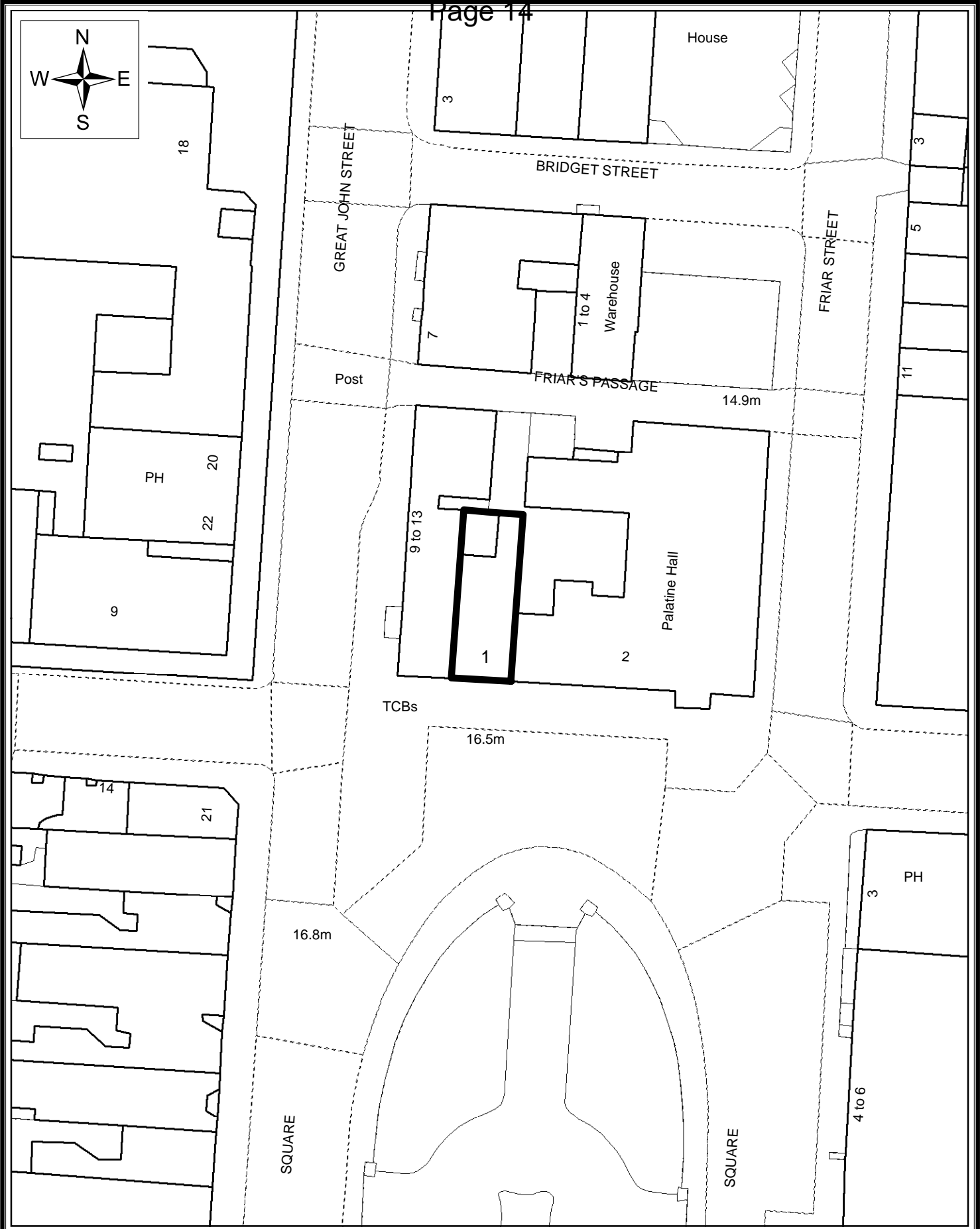
MONITORING OFFICER'S COMMENTS

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

BACKGROUND PAPERS

None.

Contact Officer: Julia Greenwood
Telephone: 01524 582507
E-mail: jgreenwood@lancaster.gov.uk



Property Services
 Town Hall
 Dalton Square
 Lancaster
 LA1 1PJ

Telephone: (01524) 582967
 Email: property@lancaster.gov.uk

Title: 1 Dalton Square, Lancaster.

Scale: 1:500

Date: 19/01/2010

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CABINET**Auction Mart Car Park, Thurnham Street, Lancaster****16th February 2010****Report of Corporate Director (Regeneration)**

PURPOSE OF REPORT			
To seek Members approval for officers to work up a scheme with University Hospitals of Morecambe Bay NHS Trust for the development of an interceptor car park on NHS land and report back to Members on the outcome of this work.			
Key Decision	X	Non-Key Decision	Referral from Cabinet Member
Date Included in Forward Plan		June 2009	
This report is public			

RECOMMENDATIONS OF COUNCILLOR THOMAS

- (1) That Members consider the information outlined in this report and instruct officers to work with the NHS to develop a scheme for an interceptor car park on their own land on the basis that if a suitable scheme can be prepared, then the council's Auction Mart car park could sold for future development.

1.0 Introduction

- 1.1 The City Council owns the Auction Mart car park, Thurnham Street, Lancaster, which is located adjacent to Lancaster Canal at the southern end of the one way system as shown on the attached plan. The Auction Mart is a long stay pay and display car park which is unsurfaced and not formally marked out, with a nominal capacity for around 100 cars, but is generally based on 110 as a result of the lack of marked spaces.
- 1.2 Previous reports were submitted to Cabinet on this site, firstly on the 10th of October 2006 when it was resolved that the Auction Mart car park be marketed as a development opportunity which would also allow the provision of a new car park as part of that scheme. The result of this process was reported to Cabinet at its meeting on the 22nd of April 2008. In addition the Vision Board and the County Council considered the site as part of their long term and visionary improvements to the transport in Lancaster and jointly commissioned a report from transport consultants Faber Maunsell which indicated a need for a southern interceptor car park which require up to 750 – 800 spaces.

- 1.3 Cabinet noted the expressions of interest and the parking requirement in the City Centre during the Centros scheme. They also recognised that preventing congestion in the City Centre is a significant priority and resolved that the car park is retained in its existing format and a further options report was requested once more information is available on the possible use of the site as an interceptor car park as suggested by the Vision Board.
- 1.4 Cabinet considered an updated report at its meeting on the 28th of July 2009 and requested that further consultation takes place with County Council Highways, Lancaster District Local Strategic Partnership and the North Lancashire Teaching Primary Care Trust. The results of that subsequent consultation are outlined below.

2.0 Proposal Details

- 2.1 The County Council Highways section have commented as follows:
“Interceptor car parks are useful in managing local movement efficiently within town and city centres. The Auction Mart site is close to a primary route into Lancaster and could have positive influence on movement by reducing the number of trips circulating on the gyratory system. At present there is little car parking at the South end of the City Centre therefore we would see the provision of public car parking on this site as likely to benefit the traffic situation. However, the County Council does not have any resources for off street car parking, which is a City Council responsibility and we recognise this is an important commercial site within the City. We would therefore recommend that the City Council seeks a development of the site which provides a good use of this site whilst also providing as much public car parking as is practical.

The access to the development and car park must satisfy standards, with vehicles using appropriate routing that does not promote rat running through residential streets or compromise safety (for all modes). The car park should conform to a city centre car parking management strategy with pricing at an appropriate level. Real-time car park information that indicates the number of spaces available should be provided to ensure efficient use of the car park and prevent problems of circulating traffic when the car park is full.

Lancashire County Council would be willing to work closely with a developer in drawing up proposals for access and egress and the provision of real time car parking information for the site.”

- 2.2 Consultation also took place with the Economy Thematic Group (ETG) of the Lancaster District Strategic Partnership and a response has been received from Lancaster District Chamber of Commerce which is a member of the ETG. In it they state that “Disposal and regeneration of this site should be considered as part of an overall longer term strategy for the redevelopment of other sites within the City.”
If the site is remarketed the chamber feels that the successful development should “incorporate sufficient public car parking to enable its use as an interceptor car park for traffic from the south”. In addition “car parking should not be restricted to short-term but allow for longer term parking to support the needs of businesses on the White Cross Industrial Estate and to encourage leisure and tourism associated with development of the canal in that area.” At its subsequent meeting on the 13th of November 2009, the Thematic Group resolved that “Cabinet were asked to recommend that the City Council do not sell the land until the ETG Transport Working Group has investigated all the options including the long term implications and impact of the M6 Link”.

As part of the proposals for the M6 link, it is planned that there will be a Park and Ride facility (approx 500 spaces); this would have a direct impact on the number of spaces required for a northern interceptor car park.

- 2.3 The North Lancashire Teaching PCT indicated that they are considering, along with the local GP's, the business case of a health care facility in this area of Lancaster and can not commit to any specific sites at this time.
- 2.4 In addition to the formal consultation requested by cabinet, informal discussions have taken place with University Hospitals of Morecambe Bay NHS Trust and they have indicated that they have various development plans, one of which relates to the development of a multi-storey car park on their land close to the Pointer roundabout. During discussions it was highlighted that this could possibly act as an interceptor car park at the southern end of the City. However plans are still in an embryonic stage and more work is required to work up a scheme which would work for both the NHS and meet the needs for an interceptor car park as highlighted as part of the Faber Maunsell report. An interceptor car park in this location could possibly go some way to negate some of the concerns put forward by both the County Council and the Thematic Group, as well as having the positive effect of taking a considerable number of cars out of the gyratory system.
- 2.5 The 750 – 800 space “requirement” for a southern interceptor car park quoted earlier in the report was arrived at by roughly dividing the total number of City Council controlled car parking spaces serving the city centre by 50% i.e. approximately half would be located in a northern interceptor and half in a southern one. However, in reality, there are currently 580 spaces which could be reasonably described as serving the southern end of the City. Of these, it is unlikely that purpose built car parks such as Marketgate (115 spaces) and Charter House (50 spaces) would be available for re-development. With this in mind, and in the hope that improving the provision of non-car modes of transport will reduce car parking demand, it may be reasonable to consider a smaller requirement of around 400 spaces for an interceptor car park at the southern end of the City.
- 2.6 As indicated in previous reports, the future parking arrangements in Lancaster are affected by the proposals put forward in the Canal Corridor North development scheme. Due to the outcome of the planning inquiry, the future of this scheme is uncertain at the time of writing this report. However the planning inspector as part of his findings did not query the concept of a car parking as part of the redevelopment. If planning permission was ever submitted again, it is likely that any new redevelopment plans would include an appropriate interceptor car park which would serve the northern end of the City, along with the M6 park and ride scheme referred to above.

3.0 Details of Consultation

- 3.1 Consultation has taken place with a number of interested parties including Property Services parking section and Lancashire County Council, Lancaster District LSP Economy Thematic Group, the North Lancashire Teaching PCT and University Hospitals of Morecambe Bay NHS Trust.

4.0 Options and Options Analysis (including risk assessment)

In light of the above comments received and the consultation process, the following options are proposed:

- 4.1 Option 1 – Officers work with the University Hospitals of Morecambe Bay NHS Trust to work up a scheme on NHS land which would serve the needs of both the hospital and act as an interceptor car park to meet the need highlighted through the Faber Maunsell report. The outcome of this work will be reported back to Members and into the decision making process of the NHS Trust. Further consultation will be required on this proposal with the parties mentioned earlier in this report. An interceptor car park close to the Pointer roundabout would in turn negate the need to provide a similar facility on City Council land and remove a larger number of vehicles from the gyratory system. This scheme would be an opportunity to work in partnership with the Health Authority and potentially reduce costs for both parties. If an interceptor car park on NHS land is a possibility and after a review of long stay car parking in the City is complete, then the result may be that the Auction Mart car park could be declared surplus and a redevelopment proposal is sought which would fit with the local development plan whilst producing best value.
- 4.2 Option 2 – Officers do not work with the Health Authority and each party works in isolation. This would be a missed opportunity to develop an alternative interceptor car park at the southern end of the City. Building a multi storey car park requires a large capital input. An estimated build cost of £15,000 per car parking space has previously been obtained which would require capital input of around £11,250,000 on a 750 space car park or £6,000,000 on a 400 space car park. As outlined in previous reports the City Council would have to use prudential borrowing to finance an interceptor car park, which would have revenue impact on the City Council budgets, but there are real concerns regarding the affordability, sustainability and prudence of the Council considering such an option, given current and expected financial pressures.

5.0 Officer Preferred Option (and comments)

- 5.1 Option 1 is preferred for the reasons outlined above. Working with the NHS Trust to explore ideas may bring benefits to both parties and develop a scheme which will benefit the City. In addition it may produce new options for the Auction Mart site.

RELATIONSHIP TO POLICY FRAMEWORK

Working in partnership with other organisations, such as the Morecambe Bay NHS Trust to ensure sustainable economic development and regeneration meet the objectives set down in the Corporate Plan.

The Corporate Property Strategy indicates the need to Challenge and review the use, provision and performance of property and is seen as a positive approach to ensuring that assets are fit for purpose and that retention, investment and utilisation is focused on the needs of the customer and the achievement of the Council's corporate objectives.

The provision of improved facilities is in line with the Parking Strategy aim of providing Quality Parking Management. Although increasing long stay parking capacity is contrary to the strategy, an interceptor car park on a different location would allow the Council to review the future use of other car parks as part of the proposed review of long stay parking in the district.

CONCLUSION OF IMPACT ASSESSMENT

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

This report raises no implications but any development will need to reflect sustainability issues

FINANCIAL IMPLICATIONS

If the Council continues to hold the car park in the current condition there are no capital implications, the Council will continue to receive revenue income from the car park, which for the financial year 2008/09 was approximately £92K (approx. split £52K pay and display income and £40K parking permits). Based on takings so far this year, projections show a slight increase for pay and display income for 2009/10 to be around £60K.

Pay and display income had previously reduced on this car park due to the completion of a large apartment development adjoining the car park and the introduction of a new 4 hour tariff on short stay car parks. Reduced permit sales have also had an effect although these figures are only estimated as income is not allocated to specific car parks.

In context of a future fully costed proposal the above income figures are purely indicative based on the limited information available for the preferred option and potential impact on parking provision generally within the City. This also assumes that the car park would remain long stay with a similar tariff for pay and display and permits with similar levels of throughput.

No proper assessment of the financial implications of the preferred option can be made at this stage until more information on the scheme is available. If the scheme proceeds, however, there is likely to be an impact on the Council's current revenue position and the implications of this will need to be set out clearly in any subsequent report in order for Members to make an informed decision prior to contractual engagement with the NHS.

SECTION 151 OFFICER'S COMMENTS

The s151 Officer has been consulted and her comments reflected within the report.

LEGAL IMPLICATIONS

There are no direct legal implications arising from this report.

MONITORING OFFICER'S COMMENTS

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

BACKGROUND PAPERS

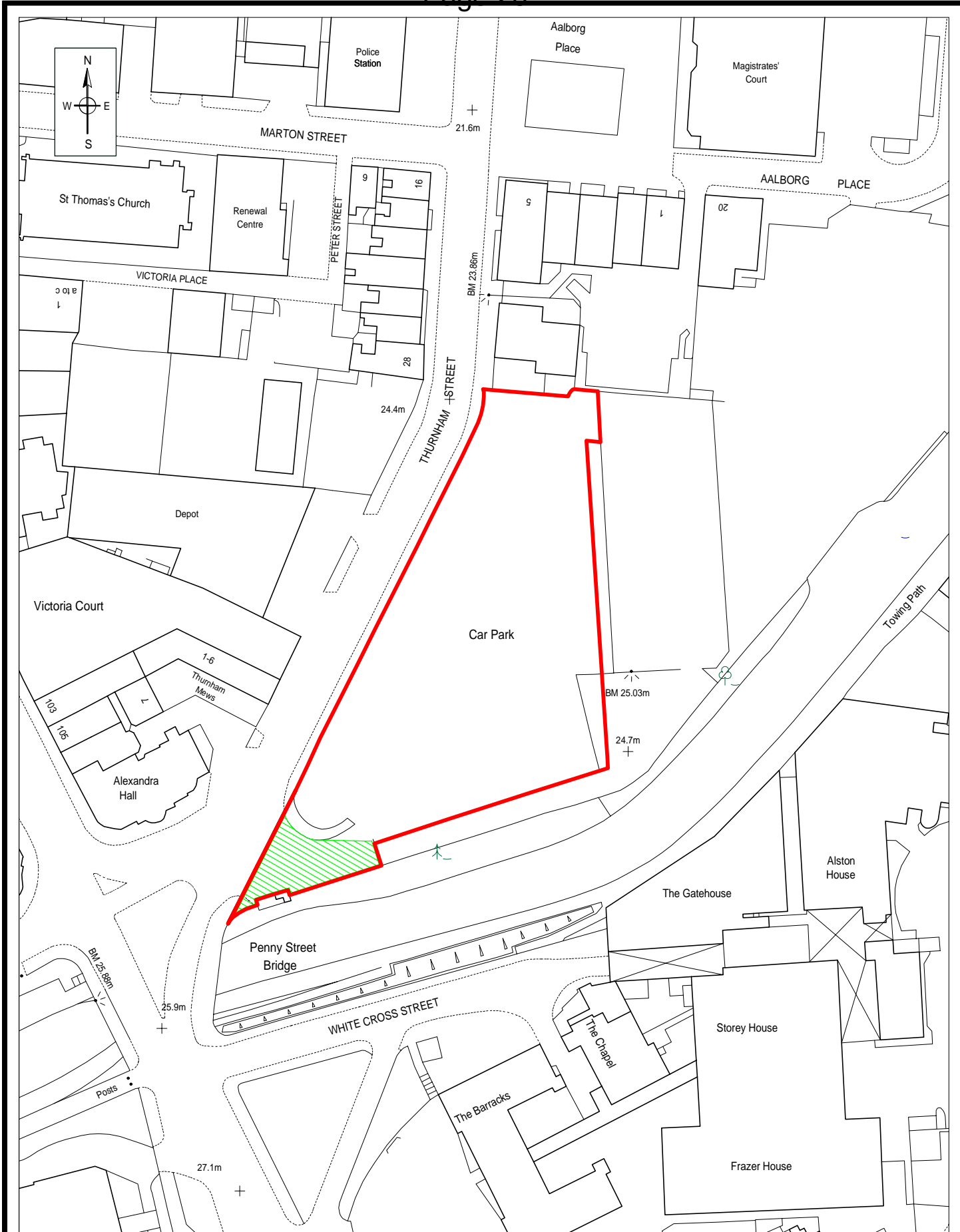
Exempt

Contact Officer: Ann Wood

Telephone: 01524 582506

E-mail: awood @lancaster.gov.uk

Ref: L6620



Property Services
 Town Hall
 Lancaster LA1 1PJ
 Telephone: (01524) 582967

Title: Auction Mart Car Park, Lancaster.

Scale : 1:1000

Date : 31/5/2007

LANCASTER
 CITY COUNCIL

Promoting City, Coast & Countryside

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CABINET

2009/10 3rd Quarter Corporate Performance Review 16th February 2010

Report of Leader of the Council

PURPOSE OF REPORT				
To receive the Leader's highlight report in respect of the third quarter of Performance Review Team meetings for 2009/10 recently undertaken by individual cabinet members.				
Key Decision		Non-Key Decision		Referral from Leader
				X
Date Included in Forward Plan			N/a	
This report is public				

RECOMMENDATIONS OF COUNCILLOR LANGHORN

- (1) That Cabinet consider the report and comment accordingly.

REPORT

- 1 The third quarter of individual Cabinet member Performance Review Team (PRT) meetings for 2009/10 took place between 25th January and 5th February 2010. Each meeting monitored progress against the action sheets drawn up for the previous round of meetings.
- 2 The Corporate PRT highlight report will be considered by the Leader on 12th February, and by the Budget & Performance Panel on 23rd February 2010. As a consequence, not all the paperwork is available at the time of writing this report.
- 3 **Appendices** that are either attached or that will be circulated prior to the meeting to support this report are:
 - PRT meeting/attendance timetable (**attached**)
 - Performance exception report showing indicators for Q3 that are behind target
 - Q3 Corporate Financial Monitoring Report including progress on outstanding issues from previous meetings
 - Treasury Management Monitoring Report

4 Progress on actions agreed at quarter 2, and those actions agreed for quarter 3 by the Leader, will also be circulated.

5 **Conclusion**

The Council's Performance Management Framework now requires the regular reporting of performance into both the Budget & Performance Panel and Cabinet as part of the Performance Review Team cycle of meetings. This report provides a strategic summary of how the council is performing in delivering its Corporate Plan targets using the information from the quarter 3 PRT meetings with individual cabinet members.

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 comments to add.

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

2009/10 Q3 PRT Reports.

Contact Officer: Roger Muckle

Telephone: 01524 582022

E-mail: rmuckle@lancaster.gov.uk

Ref: RCM/JEB

PORTFOLIO BASED PERFORMANCE REVIEW TEAMS

Timetable for 3rd Quarter 09/10 – 25 January to 05 February 2010

PORTFOLIO	Meeting arranged	Cabinet Member(s)	Director (s)	Service Head	Paperwork Received (inc. updated action from previous meeting]	Action Note received	Additional Info.
Economy	09.00 02 February	Cllr Archer	Heather McManus	Peter Sandford Andrew Dobson			
Environment (Waste)	10.00 03 February	Cllr Barry	Peter Loker	Mark Davies			
Environment (Climate change)	09.30 03 February	Cllr Barry	Roger Muckle	Richard Tulej Andrew Dobson			
Finance	10.00 04 February	Cllr Thomas	Roger Muckle Heather McManus	Nadine Muschamp Graham Cox			
Internal Affairs	10.00 05 February	Cllr Mace	Mark Cullinan Roger Muckle	Jane Allder Sarah Taylor Gill Noall Richard Mason			Debbie Chambers deputising for Gill Noall
Safety	2.00 04 February	Cllr Blamire	Roger Muckle Peter Loker	Richard Tulej			
Culture/Children and Young People	11.30 05 February	Cllr Ashworth	Roger Muckle Heather McManus	Richard Tulej David Owen			
Education, Skills and Opportunities	TBC	Cllr Bryning	Heather McManus	Peter Sandford			
Health and Wellbeing	2.30 01 February	Cllr Kerr	Peter Loker Heather McManus	Suzanne Lodge Steven Milce Andrew Dobson David Owen			
Valuing People	TBC	Cllr Fletcher	Roger Muckle	Richard Tulej			
Leader	16.00 12 February	Cllr Langhorn	Roger Muckle	Richard Tulej Nadine Muschamp			
PERFORMANCE MANAGEMENT GROUP	Virtual		All	Nadine Muschamp Richard Tulej			
CABINET	16 February		All				
BUDGET AND PERFORMANCE PANEL	23 February		Roger Muckle	Richard Tulej Nadine Muschamp			

[Reminder: Annual report to PMG in March/April each year: PRT Quarterly Reports Timetable – report of CD(F&P)]

CABINET

GROWTH BID FOR REINSTATEMENT OF FUNDING LEVELS FOR ARNSIDE/SILVERDALE AND FOREST OF BOWLAND AONBs AND WARTON CRAG AND TROWBARROW LOCAL NATURE RESERVES

16th FEBRUARY 2010

Report of Corporate Director (Regeneration)

PURPOSE OF REPORT			
The Cabinet Member has requested this report to seek agreement to reinstate the planned contributions to the running of the Arnside/Silverdale AONB, and Forest of Bowland AONB Units, and the Countryside Projects budget for wardening services at the Council's Local Nature Reserves.			
Key Decision		Non-Key Decision	X
		Referral from Cabinet Member	
Date Included in Forward Plan			
This report is public.			

RECOMMENDATIONS OF COUNCILLOR JON BARRY

- (1) That the contribution to the operation of the Arnside/Silverdale AONB Unit be reinstated to £14,300 in 2010/11 with normal increases for inflation in subsequent financial years, and the resulting growth be included in Cabinet's budget proposals.
- (2) That the contribution to the operation of the Forest of Bowland AONB Unit be reinstated to £6,900 in 2010/11 with normal increases for inflation in subsequent financial years, and the resulting growth be included in Cabinet's budget proposals.
- (3) That the Countryside Projects budget for wardening at Warton Crag and Trowbarrow Local Nature Reserves be increased to £9,900 for 2010/11 with normal increases for inflation in subsequent financial years, and the resulting growth be included in Cabinet's budget proposals.

1.0 Introduction

- 1.1 The Arnside/Silverdale AONB Unit comprises an arms length unit of four staff operating on behalf of a partnership between the City Council, Cumbria and Lancashire County Councils and South Lakeland District Council. The funding of the unit is made up of contributions from the four local authorities (25%) and match funding (75%) from Natural England. There is an incentive to ensure that AONB Partnerships secure the full 25% contribution from the local authorities, as the Natural England Contribution decreases by 5% as a penalty if the local authorities' contribution is less.
- 1.2 For 2009/10 the City Council decided to make a saving on its contributions to other bodies and reduced the contribution to Arnside/Silverdale from £13,700 to £11,400 and for Forest of Bowland from £6,900 to £6,000. In addition it reduced the budget for countryside projects from £9,500 to £6,600. These actions could have an adverse effect on the ability of the Unit to operate and meet the standards expected of the four partner authorities by Natural England.
- 1.3 The budget saving has not had an adverse effect on the Natural England contribution this year (£123,171 core funding) because they have been prepared to accept a further contribution from the Parish Councils' as cushioning the City Council's reduction for this year only. It has been made clear to the City Council, however, that a failure to return its contribution to the normal level will result in a reduction of 5% in core funding from Natural England. This reduction in funding, alongside the reduced contribution, would begin to have an adverse impact on operational matters.
- 1.4 Members should also be aware of the direct impact of the reduction in funds for countryside projects has been upon wardening and Health and Safety duties relating to the Council's Local Nature Reserves at Trowbarrow and Warton Crag. The management of the reserves is made up of stewardship funding from DEFRA for physical works such as plantation thinning and grassland maintenance. The Council's contribution under Countryside Projects funds a wardening contractor who's role is primarily to make regular visits to the sites, especially during school holidays, to ensure that safety warnings relating to the site's rock climbing facilities are properly in place and to ensure that young people using the site for mountain biking and other activities are doing so safely and without constructing jumps and other structures which could have legal implications for the City Council under Health and Safety legislation.
- 1.5 The reduction in funding for this wardening service has meant that visits to the site and overall supervision has reduced to a level where a higher risk to the City Council in terms of breaches of its Health and Safety responsibilities has occurred. Members will be only too aware of the need to maintain the highest standard of health and safety procedures for public access land in their ownership, and it is strongly recommended that the funding be returned to normal levels.
- 1.6 The operation of the AONB Units also fits closely with two of the key priorities in the Corporate Plan. By the cross boundary working with the Cumbria authorities and promoting social, economic and sustainable tourism initiatives, the statutory duties support the local economy within the district and around Morecambe Bay. By implementing management plans for protected landscapes covering almost two thirds of the district, the activities enhance the environment and the district's clean green spaces.

2.0 Details of consultation

- 2.1 The Arnside/Silverdale AONB Executive Committee made representations to the then Cabinet Member about the serious implications of reducing funding to the AONB Operation. Similar representations have also been made by the Forest of Bowland Executive Committee. In both cases link contact officers from Natural England have confirmed that a failure to raise 25% of contributions from the respective local authorities would unfortunately result in a 5% budget cut from core funding.

3.0 Options analysis

- 3.1 Option 1: Not to make any changes to the reduced budgets. This would result in a subsequent reduction in funding from Natural England for core activities and hence a need to reduce progress in implementing the two AONB Management Plans. This would conflict with the Councils vision and stated aims to manage the environment in the district to the highest standards. It would also create a considerable risk for the authority in corporate management terms by increasing the risk of an adverse Health and Safety incident on either of the Local Nature Reserves.
- 3.2 Option 2 : To reinstate the planned contributions to the AONB operations and the Countryside Projects budget, for consideration as growth as part of the 2010/11 budget. This would avoid a cut in future contributions from Natural England, and enable the AONB Units to continue implementing the local authorities management plans for the AONB's to current timescale. It would also reduce the risk of Health and Safety incidents at the Local Nature Reserves to a mitigated level.

4.0 Officer Preferred Option.

- 4.1 The officer preferred option is Option 2.

CONCLUSION OF IMPACT ASSESSMENT

(including Diversity, Human Rights, Community Safety, Sustainability and Rural Proofing) The management of the two AONB's through the special arrangements described in this report enables large parts of the district to be managed in a manner appropriate for protected landscapes. It accords fully with the objectives of the Sustainable Community Strategy and the Local Development Framework and is a legislative requirement of duties given to the City Council under the Countryside and Rights of Way Act 2000.

The operation of the AONB Units also fits closely with two of the key priorities in the Corporate Plan.

By the cross boundary working with the Cumbria authorities and promoting social, economic and sustainable tourism initiatives, the statutory duties support the local economy. By implementing management plans for protected landscapes covering almost two thirds of the district, the activities enhance the environment and the district's clean green spaces.

FINANCIAL IMPLICATIONS

Option 1 will lead to a further reduction of core funding in this area from Natural England from 2010/11 onwards, currently estimated at £6,200 and is likely to have further negative impact on the current operation.

The preferred option 2 will increase the 2010/11 revenue budget by a total of £6,700 plus inflation for future years thereafter for contributions to the Arnside/Silverdale AONB Unit (£2,700), the Forest of Bowland AONB Unit (£800), and the Countryside Projects Budget (£3,200).

This should be balanced against the Council continuing to secure a 75% contribution to funding from Natural England for the operation of the AONB Units, and mitigating the risk of claims for breaches of Health and Safety responsibilities in relation to activities at the Local Nature Reserves.

Option 2 will either need to be treated as a growth item during the 2010/11 Process or as a reduction in another service provided elsewhere as no other budget has been identified.

SECTION 151 OFFICER'S COMMENTS

Any potential growth should be considered in context of the Council's financial prospects, Cabinet's proposed priorities/non-priorities and alongside other competing demands, as part of the 2010/11 budget.

LEGAL IMPLICATIONS

None arising from the report.

MONITORING OFFICER'S COMMENTS

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

BACKGROUND PAPERS

The Forest of Bowland and Arnside/Silverdale AONB Management Plans.

Contact Officer: Andrew Dobson

Telephone: 01524 582303

E-mail: adobson@lancaster.gov.uk

Ref:

CABINET

**Shared Services Programme
16th February 2010**

Report of Corporate Director (Finance & Performance)

PURPOSE OF REPORT			
To report to Cabinet on progress made to date in developing a shared services programme for the Council and to seek agreement to proposals regarding the management for Revenues and Benefits.			
Key Decision	X	Non-Key Decision	Referral from Officers
Date Included in Forward Plan	February 2010		
This report is public.			

OFFICER RECOMMENDATIONS :

- 1 That Cabinet note the progress made to date in developing a Shared Services Programme for the Council.
- 2 That Cabinet approves the arrangements for the provision of management services from Preston City Council for Revenues and Benefits, as outlined in the report.
- 3 That officers continue developing partnership opportunities for achieving service improvements and efficiencies as set out in section 3 below with a view to reporting back to a future meeting of Cabinet as appropriate.

REPORT

- 1 Introduction
 - 1.1 At its meeting on 1st September 2009, Cabinet agreed the framework for developing a Shared Service Programme and authorised officers to continue to research opportunities across the full range of council services, noting that initial work would concentrate on a shared service for the Revenues and Benefits service.

1.2 Subsequently, progress on developing a programme has continued within the framework previously agreed and in tandem with the budget setting exercise. Progress to date has centred on two specific strands:-

- establishment of a shared Revenues & Benefits Service with Preston City Council
- options for other services with local authorities and other partners.

2.0 Revenues & Benefits Shared Service

2.1 A joint Project Board made up of officers from both Preston and Lancaster City Councils is now in place and has met on two occasions. Work has progressed on this project in line with the Cabinet's previous decision to develop a Shared Service on a phased approach.

2.2 The first phase of the project would see the establishment of a shared senior management arrangement which itself is divided into two parts. Phase 1a is to establish an arrangement for a shared Head of Service. Once this has been completed, Phase 1b will take place to recruit 2 senior managers: a shared Benefits Manager, and a shared Local Taxation Manager.

2.3 The Project Board has made good progress in moving forward with developing Phase 1a, and consideration has been given to the procurement arrangements. Cabinet will recall that at its January meeting, it was reported that both councils were in the process of managing the recruitment to the shared Head of Service within the conditions of their own HR policies. Pursuing this has now resulted in an application for VR/ER from this council's Head of Revenues and Benefits. This application is due to be considered at the next meeting of the Personnel Committee. Consideration of this application will be dependent upon Cabinet endorsing this report's recommendations.

2.4 Should Cabinet approve the proposals, the next step will necessitate the Council agreeing a process for buying back managements services from Preston, i.e. a proportion of the shared Service Head. The Project Board has considered this carefully and has agreed that the most effective framework would be to enter into a simple "Contract for Services" with Preston with a memorandum of intent to pursue further options in the future for sharing Revenue and Benefits services if there is a valid business case.

2.5 Following the completion of Phase 1a, the two further appointments referred to above in 2.2 would be completed on a similar basis as for the Head of Service, also using a "Contract for Services" agreement.

2.6 The Project Board has further considered the methodology for the buy back of management services under the agreement. Initially, it is proposed that the Council would buy back the equivalent of 2 days each week, although the actual arrangements will be flexibly applied by both councils to ensure effectiveness.

2.7 Following the conclusion of Phase 1, the Project Board has decided that the shared arrangements would need time to establish an effective way of operating. Consequently, they have decided that for the next financial year, ie up to 31st March 2011, there will be a time of transition that will allow the new management appointments to settle in, provide both councils with an opportunity to review the

effectiveness of each of their existing revenue and benefits structures, and also allow officers time to develop a business case for any further sharing of revenue and benefits services.

- 2.8 Following the period of transition, it is likely that there will be opportunities to progress the development of a shared service by bringing the two services together but only if supported by a proven business case. Review of the options for this progression will be researched during the transition period and reported back to Cabinet as and when appropriate. Evidence from other councils where this has been implemented show that there are significant improvements and efficiencies to be made from moving to a full shared service, although clearly there are risks involved.
- 2.9 It is important to note that at this stage, this report is only seeking Cabinet to endorse the Phase 1 arrangements as outlined above.

3.0 Options for other shared services/joint working with local authorities and other partners

- 3.1 Since the September Cabinet meeting, officers have been meeting informally with a range of organisations to develop opportunities for shared services or improved joint working, in addition to the work being progressed with Preston City Council as outlined above.

Lancashire County Council

- 3.2 Good progress has been made with the County Council in identifying opportunities for improved two tier working within the Lancaster District. A draft programme has been agreed (see attached **Appendix A**) that is to be used for further discussions with a view to developing service improvements and/or service efficiencies on a phased approach over the medium term.
- 3.3 More recently, this schedule of options was discussed at Chief Executive level and subsequently prompted the circulation of an internal working paper from the County Council to their local Lancaster district members which was shared with City Council Cabinet members.
- 3.4 The next stage will be to set up officer teams to scope the projects and develop proposals for members' consideration.

University Hospitals of Morecambe Bay NHS Trust

- 3.5 In addition to the work being progressed with the County Council, a report on this agenda seeks member approval to continue discussions with the University Hospitals of Morecambe Bay NHS Trust to develop options for an interceptor car park for South Lancaster. Consideration of this proposal will assist the Council determine how it wishes to proceed with any redevelopment for the Auction Mart Car Park on Thurnham Street.

Lancaster District Local Strategic Partnership (LDLSP)

- 3.6 The Council are also progressing joint working with partners within the LDLSP on 3 strands of work. These are :-

Developing a Lancaster district wide Arts Strategy
Reviewing opportunities for improved Asset Management arrangements

Promotion of joint marketing and PR opportunities.

- 3.7 Three project groups have now been established within the LDLSP to develop how each of the above can be progressed to help meet the priorities included in the Sustainable Community Strategy.

Other Initiatives

- 3.8 In addition to the shared Revenues and Benefits arrangements, the council is also working closely with Preston City Council on progressing ICT options for efficiencies. In particular, good progress has been made in developing shared disaster recovery arrangements to strengthen business continuity planning, and a joint approach to council tax billing is being considered.
- 3.9 The Council continues to play a key role in the Team Lancashire Procurement Hub. Opportunities for improved procurement of goods and services are considered on their merits and where appropriate the council will participate. An example of this is that the council will participate in a Team Lancashire E Auction for ICT equipment in March this year.
- 3.10 Cabinet are asked to note the progress being made in developing a shared service / joint working programme as outlined above.

4.0 Options and Options Analysis (including risk analysis)

In respect of the proposed shared Revenues and Benefits arrangements

4.1 Option 1

To endorse the framework agreed by the joint officer Project Board to develop shared services arrangements as set out in the report. Whilst there are risks attached that could impact on the performance of the service, it is felt that these can be managed and the proposal overall represents a way of achieving greater value for money in this service area.

4.2 Option 2

Not to endorse the framework. This would lose a potential opportunity and other options would need to be explored.

4.3 Option 3

To recommend to the Project Board an alternative framework. Again, any alternatives would need further consideration.

4.4 Preferred Option

The preferred option is option 1. This would provide a mutually acceptable framework for progressing and implementing the shared Revenues and Benefits service project. This would deliver efficiencies and savings for both council's to the extent already provided in the draft revenue budget and offer opportunities for further savings and improvement

In respect of Options for other shared services/joint working with local authorities and other partners

4.5 Option 1

Option 1 is to note the progress being made as outlined in section 3 above and request officers to continue to develop shared service /joint working opportunities

4.6 Option 2

Option 2 is note progress made to date but request officers to continue developing an amended or revised schedule of opportunities

4.7 Preferred Option

The preferred option is option 1. This would allow officers to continue developing efficiency opportunities within the service activities already identified with a view to bringing forward further options for meeting the council's medium term financial strategy's targets

5.0 Conclusion

5.1 Much work has been undertaken in identifying and developing opportunities that would see the Lancaster District benefit from shared services/joint working with partner organisations. Concluding the programme of opportunities so far identified is likely to offer realistic choices for the Cabinet to achieve further significant improvements and efficiencies to help the council meet the challenges and financial targets that it will face in the immediate future and beyond.

RELATIONSHIP TO POLICY FRAMEWORK

The efficiencies delivered from developing a shared service programme will greatly assist in achieving the outcomes of the council's savings and efficiency programme and targets included in the Medium Term Financial Strategy.

It will also support the council's Corporate Plan priorities for working closely with other partner organisations to deliver improved benefits for the Lancaster District community.

CONCLUSION OF IMPACT ASSESSMENT

(including Diversity, Human Rights, Community Safety, Sustainability etc)

The use of business cases to develop options will ensure that benefits identified for introducing shared services will be sustainable and achievable.

FINANCIAL IMPLICATIONS

Revenues & Benefits Arrangements with Preston City Council

Whilst the arrangements for buying in management services would be phased (i.e. 1a and 1b), the financial implications need to be considered as a package. There would be one-off costs involved, which are expected to be in the region of £222K, which would be met from the Restructuring Reserve. The proposals would result in estimated savings of approximately £65K in 2010/11, £91K in 2011/12, and £91K in 2012/13. Overall therefore, in simple terms the payback period is expected to be around 2 years 9 months (which is within current policy) but the detail of any termination of employment issues would be considered by Personnel Committee. Savings would continue for future years. Moreover, it is expected that other efficiency savings would be achieved under the new management arrangements.

Regarding any future shared service proposals, the financial implications would be assessed in developing any proposals for consideration by Cabinet, in future reports.

Other shared services/joint working with local authorities and other partners

At this stage, it is not possible to identify any costs or the potential savings from any of the initiatives set out in section 3 of the report. Further reports will be brought back to Cabinet as and when appropriate to consider any financial implications from developing proposals.

Regarding procurement matters generally for any future shared service developments, the European Commission will look at agreements between two or more parties to ensure that a shared service has been adopted. In order for an arrangement to be considered as a 'Shared Service' there has to have been consideration given by both parties. In the opinion of The European Commission it is not regarded as a shared service where one party pays the other to provide a service; this would be regarded as a procurement and as such would be required to be tendered. (An exception to tendering regarding Revenues and Benefits management has been considered and would be approved by the Corporate Director, assuming Cabinet agree to the proposals in this report). The council needs to be aware of these implications though when discussing with other parties the opportunity for Shared Services.

SECTION 151 OFFICER'S COMMENTS

The s151 Officer has been consulted and has no further comments.

LEGAL IMPLICATIONS

Legal Services are represented on the joint Shared Service Project Board for Revenues and Benefits. They are assisting in the development of the "Contract for Services" and providing advice as appropriate.

As other projects develop, the appropriate legal advice will be provided.

MONITORING OFFICER'S COMMENTS

The Monitoring Officer has been consulted and has no comments to add.

BACKGROUND PAPERS

None.

Contact Officer: Roger Muckle

Telephone: 01524 582022

E-mail: rmuckle@lancaster.gov.uk

PARTNERSHIP WORKING – CITY & COUNTY

SERVICE ACTIVITY	CURRENT POSITION	RESPONSIBILITY
Property Services		
Facilities Management	Report on a shared service for Facilities Management considered by Cabinet on Jan 19 th . To be progressed.	Corporate Director Regeneration
Shared Accommodation	Opportunities for shared accommodation being progressed with County officers	Corporate Director Regeneration
ICT & Customer Services	<p><u>Customer Services :-</u> County officer presence in both Lancaster & Morecambe customer service centres on Mondays. Opportunities to provide permanent presence.</p> <p>Opportunities to provide shared telephony service. IT officers from both councils have begun discussions on this.</p> <p>County are undertaking an exercise to procure a strategic partner for ICT & Customer Services & hope to complete the exercise by Sept 2010. Lancaster has agreed to add its name to the OJEU notice. The partnership's first task will be to implement an integrated HR/Payroll system.</p>	<p>Corporate Director Finance & Performance</p> <p>Corporate Director Finance & Performance</p> <p>Corporate Director Finance & Performance</p>
HR/Payroll	<p><u>Payroll:-</u> Lancaster plan to replace existing payroll system in 2011. Officer project team about to start commissioning process.</p> <p><u>HR :-</u> Options for any shared service to be pursued at some later date</p>	<p>Corporate Director Finance & Performance</p> <p>Chief Executive</p>

Streetscene/Highways/Grounds Maintenance : covered by the County	Public Realm Integration Project led by County. County Cabinet on 08 October agreed a phased approach with roll-out across Districts in two work streams. Lancaster is in the second stream programmed to start in June 2010.	Corporate Director Community Services
Land Drainage (Pitt Report)	A county wide working group is being assembled to address how best to progress	Corporate Director Regeneration
Children & Young People	Local Children's Trust offering opportunities to share staff and pool resources. Conversations taken place between officers Meetings to take place between C&YP politicians from both councils	Corporate Director Regeneration
Museums	Report on current partnership arrangement considered by Cabinet on January 19 th . Discussions to identify efficiencies to take place	Corporate Director Regeneration
Community Pools	Report on current arrangements considered by Cabinet on January 19 th . Further discussions to take place	Corporate Director Regeneration
Economic Development & Regeneration	Proposed development of new Science Park adjacent to Lancaster University.	Corporate Director Regeneration
Grounds M'tce	Link with Street Scene and rename Public Realm Project	Corporate Director Community Services
Other Back Office Support Services	To be discussed at some later stage	Corporate Management Team