



Committee: CABINET

Date: TUESDAY, 18 JANUARY 2011

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 7 December (reconvened on 14 December 2010) and (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. **Review of Parking Fees and Charges 2011/12 (Pages 1 - 19)**

(Cabinet Member with Special Responsibility Councillor Langhorn)

Report of the Head of Property Services

7. **Health and Housing Fees and Charges 2011/12 (Pages 20 - 36)**

(Cabinet Member with Special Responsibility Councillor Kerr)

Report of the Head of Health & Housing Services

8. **Policy Framework, General Fund Revenue Budget and Capital Programme Update**
(Pages 37 - 63)

Cabinet Member with Special Responsibility Councillor Langhorn)

Report of the Deputy Chief Executive and Head of Financial Services

9. **2011/12 Budget Update - Housing Revenue Account and Capital Programme**

(Cabinet Member with Special Responsibility Councillor Kerr)

Report of the Head of Housing and Health and Head of Financial Services (Report to follow)

Please note this report is to follow, because at the time of publishing this agenda information on housing subsidy for 2011/12 had not been received from the Government.

10. **Shared Services Programme** (Pages 64 - 74)

(Cabinet Member with Special Responsibility Councillor Langhorn)

Report of the Chief Executive

11. **Safeguarding Vulnerable Adults Policy** (Pages 75 - 85)

(Cabinet Member with Special Responsibility Councillor Kerr)

Report of the Head of Community Engagement

12. **Universities Cabinet Liaison Group** (Pages 86 - 91)

(Cabinet Member with Special Responsibility Councillor Robinson)

Report of the Head of Governance

13. **Lancaster Market**

(Cabinet Member with Special Responsibility Councillor Barry)

Update from the Lancaster Market Cabinet Liaison Group.

14. **Canal Corridor Redevelopment** (Pages 92 - 102)

(Cabinet Member with Special Responsibility Councillor Langhorn)

Report of the Deputy Chief Executive

ADMINISTRATIVE ARRANGEMENTS

(i) Membership

Councillors Stuart Langhorn (Chairman), June Ashworth, Jon Barry, Eileen Blamire, Abbott Bryning, Jane Fletcher, David Kerr, Peter Robinson, and 2 Conservative vacancies.

(ii) Queries regarding this Agenda

Please contact Liz Bateson, Democratic Services - telephone (01524) 582047 or email ebateson@lancaster.gov.uk.

(iii) Changes to Membership, substitutions or apologies

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

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CABINET

**Review of Parking Fees and Charges 2011/12
18 January 2011**

Report of Head of Property Services

PURPOSE OF REPORT			
To consider the Annual Review of Parking Fees and Charges for 2011/12.			
Key Decision	X	Non-Key Decision	Referral from Cabinet Member
Date Included in Forward Plan	September 2010		
This report is public			

RECOMMENDATIONS OF COUNCILLOR LANGHORN

- (1) That Cabinet approves 0.20p increases on the pay and display tariffs highlighted in the table at paragraph 3.1 for 2011/12 to generate additional income of £186,600 (exceeding the financial target of £110,300 by £76,300).
- (2) That Cabinet approves a 5% reduction in the level of public permit charges for 2011/12 generating additional income of £2,400.
- (3) That Cabinet approves the conversion of Lucy Street Car Park to a short stay pay and display car park generating additional income of £10,000.
- (4) That Cabinet approves the conversion of Bulk Street Car Park to a specific permit holders' car park generating a nil impact on the total income.
- (5) That Cabinet approves a 6% increase to Staff and Members permit charges for 2011/12 generating additional income of £3,100.
- (6) That Cabinet approves extending the existing Staff and Member permit arrangements to partnering organisations employing staff that are based in City Council buildings and to implement the same charges as the Staff and Member permit charges for 2011/12.

1.0 Introduction

- 1.1 The City Council reviews parking fees and charges annually to meet its transportation policy and budget commitments. Cabinet has previously been advised that parking charges have provided a predictable stream of income but in recent years parking patterns and overall usage have become more difficult to predict following price increases with the potential for the total income generated to be affected.
- 1.2 This report provides background information on recent annual reviews of parking fees and charges, sets the policy context of the parking strategy, provides information on usage levels of car parks in the district, confirms the current financial position and includes options on how parking charges could be increased to meet the financial target that has been included in the 2011/12 Draft Budget.
- 1.3 The report also identifies other options that will generate further additional income that Cabinet may wish to consider in light of the recommended revised priorities as a result of the Comprehensive Spending Review (CSR) announcements.

2.0 Background Information

2.1 Parking Strategy and Policy Context

The parking strategy should now form the policy context for the annual review of parking fees and charges. The strategy confirms the parking hierarchy of residents, closely followed by visitors, shoppers and local business needs and finally commuters. The strategy also includes various aims and objectives and a summary of the issues most relevant when considering this review is provided below:-

- Shifting the balance of use from long stay to short stay
- Charges should be used to encourage alternative modes of transport
- Charges should not undermine the vitality of other town centres
- Use parking charges as a demand management tool to support wider objectives
- Pricing policies to assist the reduction in commuter parking
- On-street parking charges set at a level to encourage the use of off-street car parks
- Set charges to maintain 85% occupancy at busy times in short stay car parks
- Use charges to deter long stays in short stay car parks
- Ensure local Chambers of Commerce and of Trade views are taken into account

2.2 Recent Annual Reviews of Fees and Charges and Charging Amendments

The following changes have been approved in the last three years:

2008/09	
Short Stay	Up to 2 hours £1.60 to £1.70* New Up to 4 hours at £3.20 Amend Over 3 hours to Over 4 hours & increase to £8.00

	*Up to 2 hours reduced to £1.60 in June 2008
Permits	Increase all permits by 5%

September 2008 - Cabinet Member decision approved to extend free Christmas Parking to all car parks in Morecambe (previously only 3 car parks in Morecambe but all car parks in Lancaster)

2009/10	
All car parks	Up to 1 hour 90p to £1.00
Main long stay car parks	Up to 3 hours £2.00 to £2.20 Over 3 hours (Morecambe) £3.00 to £3.20 Up to 5 hours (Lancaster) £3.50 to £3.70
Permits	Introduction of 24-5 permits for all types of permit at 24-7 2008/09 prices, therefore no increased income. Increase all 24-7 permits by 5%

2010/11	
Short Stay	Up to 2 hours £1.60 to £1.80 Up to 3 hours £2.40 to £2.50

2.3 Current Usage Position

2.4 ***Pay and Display***

The following table shows the current usage position for the first seven months of 2010 compared with 2009.

TICKET SALES APRIL - OCTOBER			
	2009	2010	%
<u>Short Stay</u>			
Up to 1 hour	323,527	323,204	-0.01
Up to 2 hours	222,647	204,868	-8.00
Up to 3 hours	74,598	73,985	-0.08
Up to 4 hours	31,367	32,137	2.45
Up to 10 hours	3,893	3,730	-4.20
Evening Parking	41,971	42,668	1.02
Sub Total	698,003	680,592	-2.50
<u>Long Stay</u>			
Up to 1 hour	68,878	69,061	0.26
Up to 3 hours	66,559	64,160	-3.60
Over 3 hours (Mcbe)	19,073	19,337	1.14
Up to 5 hours (Lanc)	7,778	8,123	4.44
Over 5 hours (Lanc)	3,243	2,991	-7.78
Evening Parking	6,397	6,970	8.96
Back Brighton Terrace	2,282	2,396	5.00
Coaches SLG	274	200	-27.01
Coaches BBT/HV	34	30	-11.77

Up to 4 hours CR/HV/BB	15,637	21,976	40.54
Over 4 hours CR/HV/BB	2,855	2,997	4.97
Sub Total	193,010	198,241	2.71
Total	891,013	878,833	-1.37

A similar comparison was shown in last year's report and this confirmed a reduction in short stay usage of 1.47% and an increase in long stay usage of 1.15% with an overall reduction of 0.88% compared with 2008. The above comparison shows a further reduction in short stay of 2.50% and an increase in long stay of 2.71% with an overall reduction of 1.37%. The most significant reduction this year is on the Up to 2 hour short stay tariff where sales have reduced by 8%. This is a major part of the adverse variance of £26,300 that has been included in the Revised Budget for the current year. Evening parking has again remained consistent.

Although usage has reduced over the last two years the CSR announcement on rail fares might have a positive affect on parking usage. The changes will see the formula for setting rail fares increased from RPI plus 1% to RPI plus 3% for three years from January 2012.

2.5 *Permit Sales*

The following table shows a comparison of permit sales at the end of the 2009/10 and at November 2010.

PERMIT SALES AT MARCH & NOVEMBER 2010

PERMIT TYPE	ISSUED TO 31/03/2010	ISSUED AT 17/11/2010	%
Public Permits			
General Permits -			
7 day Lancaster and Morecambe	100	96	
5 day Lancaster and Morecambe	120	84	
7 day Morecambe	28	26	
5 day Morecambe	4	6	
Specific Permits -			
7 day Lancaster	28	30	
5 day Lancaster	1	0	
TOTAL	281	242	-14%
Member/Staff Permits			
General Permits -			
Members 7 day	22	22	
Members 5 day	2	0	
Staff 7 day	226	216	
Staff 5 day	25	17	
Specific Permits -			

Staff	6	2	
TOTAL	281	257	-8%

The above table shows an ongoing reduction in permit sales. In 2009/10 compared with 2008/09 there was a reduction in sales of 18% in public permit sales and 4% in staff and member permits. The reduced public permit sales were primarily due to less permits being sold to individual customers. This equated to an adverse variance of £43,300 that was included in the 2009/10 Revised Budget. This has been followed by further reductions this year of 14% in public permits and 8% in staff and members. The reduced public permit sales this year is largely due to less permits being sold to corporate business customers. Overall this has resulted in an adverse variance of £14,900.

Whilst the reduction in permit sales could be seen as achieving one of the parking strategy's objectives of reducing commuter parking the impact on the budget and other parking charges has to be considered. This report includes a range of proposals on permit charges that address the budget implications of the ongoing reductions in permit sales.

2.6 Additional Residents Parking Scheme

Three new residents parking schemes are being introduced in the Dallas Road area in Lancaster in February 2011 following a lengthy consultation period. The on-street parking capacity in these areas is currently used by commuters who will be displaced when the schemes are introduced. Further information on the implications of these new schemes is included in section 3.4.

2.7 Current Financial Position

The current 2011/12 Draft Budget outlined in the table below assumes that both Permit and Fee income will continue at the same level as has been projected for 2010/11, i.e. reduce by £14,900 and £26,300 each per annum respectively. The 2011/12 draft figures have therefore been adjusted to reflect the current downturn in usage. An inflationary increase of 2.4% has also been added in line with the Council's existing policy on fees and charges.

Heading	2010/11 Estimate	2010/11 Revised	2011/12 Estimate	Inflation Included
Fees	1,964,300	1,938,000	1,984,500	46,500
Evenings	71,500	71,500	73,200	1,700
Permits	230,700	215,800	221,000	5,200
TOTAL	2,266,500	2,225,300	2,278,700	53,400

The annual review therefore needs to consider options for covering additional inflationary increases of £53,400 across the three headings highlighted above.

Increase in VAT rate from 4th January 2011

The Chancellor of the Exchequer has announced an increase in the standard VAT rate from 17.5% to 20% with effect from 4th January 2011. The implications for parking charges are that charges are set by Cabinet without reference to VAT and these are subsequently incorporated into the Off Street Parking Places Order with VAT being declared by the Council at the appropriate rate. The potential effect on the council's budget for parking fees if the increase in VAT is not passed onto the customer across the three headings is an estimated reduction on the council's net budget of £56,900. The effect of the increase in VAT has also been taken into account in developing the options included in this report.

The overall impact of inflation and VAT on the parking fees and charges budgets in 2011/12 is £110,300

2.8 Parking Charges in Lancashire and Cumbria

This section provides information about the current charges in nearby authorities. These charges vary according to local traffic and parking policies and each authority is currently looking at their charging levels. The following table also shows the City Council's parking charges in Lancaster and Morecambe and at Marketgate and Parksafe in Lancaster, which are privately operated.

City/Town	0-1	1-2	2-3	3-4	4-5	5-8	8-10
Lancaster	1.00	1.80	2.50	3.20	3.70	6.00	6.00
Morecambe	1.00	1.80	2.50	3.20	3.20	3.20	3.20
Marketgate	1.00	2.00	2.50	10.00	10.00	10.00	10.00
Parksafe	1.20	2.00	3.00	4.00	7.00	7.00	7.00
Carlisle*	1.00	2.00	3.00	4.00	5.40	5.40	5.40
Barrow	0.90	1.80	2.70	3.50	4.50	4.50	4.50
Kendal**	1.20	2.20	3.20	3.90	5.00	6.00	6.00
Blackpool	1.30	2.30	3.40	4.50	9.00	9.00	9.00
Preston – Avenham***	1.20	1.80	2.50	3.30	4.00	4.00	4.00
Hill St.***	1.30	2.50	3.30	4.70	9.20	9.20	9.20
St George's (private)	1.20	1.50	2.20	3.10	4.50	8.00	8.00
Lytham****	1.20	2.40	3.60	3.60	4.30	4.30	4.30

Note: Short Stay tariffs up to 4 hours
Long Stay tariffs over 4 hours

* Carlisle – charges shown are to be implemented in April 2011

** Kendal – likely charges from April 2011

*** Preston – charges shown are being implemented in January 2011

**** Lytham – charges shown are being implemented in January 2011

2.9 On-Street Pay and Display Charges

The Review of Parking Fees and Charges for 2009/10 approved increases in

the Up to 1 hour tariff on all car parks from 0.90p to £1.00. This resulted in Cabinet also approving a recommendation to confirm that the City Council recommended that Lancashire County Council increased the Lancaster on-street pay and display charges for 2009/10 in order to maintain differential charging. This was to ensure that on-street charges were higher than off-street charges to reduce on-street traffic circulation from customers looking for parking places and to encourage greater use of off-street car parks.

This recommendation was passed to the County Council but the charges have never been increased due to concerns about the economic climate. Officers have been making representations to County Council officers since January 2009 about realigning the charges. This work also included briefing the Lancaster District Chamber of Commerce, Trade & Industry in February 2010 on the justification for having on-street charges higher than off-street charges and this resulted in the Chamber subsequently withdrawing their objection to the price increases.

The latest position is the County Council is proposing to increase their on-street pay and display charges from 1st January, 2011 or as soon as possible thereafter in line with the following table:-

Charges	Current	Recommended
Tariff 1 Castle Hill (spaces for TIC)	Up to ½ hour – 50p	Up to ½ hour – 60p
Tariff 2 e.g. Dalton Square/ Church Street	Up to ½ hour – 50p Up to 1 hour - £1.00	Up to ½ hour – 60p Up to 1 hour - £1.20
Tariff 3 e.g. Robert street/ Quarry Road	Up to 1 hour - £1.00	Up to 1 hour - £1.20
Tariff 4 e.g. High Street/ Queen Street	Up to 1 hour - £1.00 Up to 2 hours - £2.00	Up to 1 hour - £1.20 Up to 2 hours - £2.00 (No change)

Members need to consider the implications of the County Council taking nearly 2 years to review these charges when considering the level of off-street charges for short stay parking of up to 1 hour and 2 hours. This is due to the fact that depending on any approved increases approved by the City Council, the off-street charges could almost immediately be the same as the on-street charges and this would not meet the wider objectives of traffic management.

3.0 Proposal Details

3.1 Pay and Display Charges

The following table **highlights** the potential income that could be generated from various 0.20p tariff increases for day time and evening parking. Nearly 80% of total ticket sales are on short stay car parks and these tariffs

represent the greatest potential for generating additional income. The tariffs increased in April 2010 have been shown in bold and underlined e.g. **1.80**

	Existing	10p increase	20p increase	30p increase	50p increase
Short Stay					
Up to 1 hour	1.00	43,000	<u>86,000</u>	129,000	180,000
Up to 2 hours	<u>1.80</u>	21,000	<u>44,000</u>	65,000	100,000
Up to 3 hours	<u>2.50</u>	9,500	<u>20,000</u>	28,500	42,000
Up to 4 hours	3.20	4,000	<u>8,000</u>	12,000	18,000
Over 4 hours	8.00	500	1,000	1,500	2,200
Evenings	1.00	5,000	<u>10,000</u>	15,000	22,000
Long Stay					
Up to 1 hour	1.00	8,500	<u>17,000</u>	25,500	30,000
Up to 3 hours	2.20	8,000	16,000	24,000	35,000
Over 3 hours (Morecambe)	3.20	2,200	4,400	6,600	9,600
Up to 5 hours (Lancaster)	3.70	900	1,800	2,700	3,600
Over 5 hours (Lancaster)	6.00	350	700	1,050	1,400
Evenings	1.00	800	<u>1,600</u>	2,400	3,800
Other Car Parks –					
Up to 4 hours*	0.80	1,500	3,000	4,500	6,000
Over 4 hours*	1.20	200	400	600	1,000
Up to 24 hrs**	0.50	200	400	600	1,000

* These tariffs are for Coastal Road and Battery Breakwater in Morecambe and Heysham Village car park.

** This tariff is for Back Brighton Terrace Car Park in Morecambe.

Please note the above figures allow for reduced sales due to customer resistance to tariff increases and overpayments.

Recommendation:

That Cabinet approves 0.20p increases on the pay and display tariffs highlighted in the above table for 2011/12 to generate additional income of £186,600 (exceeding the financial target of £110,300 by £76,300).

3.2 Public Permit Charging and Parking Arrangements

3.3 In the current financial year the estimated income generated from permit sales is £173,800 from public permits and £42,000 from staff and members.

3.4 **Public Permits**

Permits charges were increased by 30% in 2007/08 and by 5% in 2008/09. However, despite the introduction of 24-5 permits and 5% increases to 24-7

permit charges in 2009/10 and no prices increases in 2010/11, permit sales have reduced over the last two years. The option for customers to pay by direct debit on a monthly basis was also extended to all customers in April 2010 to promote other forms of payment.

The current charging levels are discouraging commuter parking but are also adversely affecting the budget. It is therefore proving very difficult to predict sales and income and although this has been taken into account in the current financial position as outlined in 2.6 there is still the possibility of further reduced permit sales in 2011/12. This is probably particularly relevant to corporate business customers who are likely to be looking to reduce expenditure in the current economic climate.

In view of the above information it is appropriate to consider future public permit charges and arrangements. The opportunity also exists to potentially utilise existing long stay parking capacity in view the major redevelopment proposals in Lancaster being delayed. Although a joint partnership statement was issued in May about a partnership agreement to develop further options for the Canal Corridor North redevelopment site, the loss of long stay parking capacity that was originally anticipated is now likely to be delayed for some time. This provides the opportunity to review the current arrangements.

As previously mentioned the introduction of the new residents parking schemes in the Dallas Road area in Lancaster in February 2011 will result in commuters looking for alternative parking. In the short term the utilisation of spare off-street parking capacity by commuters is preferred to the further displacement of parking into streets adjacent to the new parking zones although using other modes of transport should be the longer term priority.

In addition to the above information, sales of specific permits for a reserved space on Lucy Street, Bridget Street and Windy Hill car parks in Lancaster have reduced from being full and having a waiting list in 2007 to only being 50% sold in the current year. This provides a further opportunity to review these parking facilities to ensure they are fit for purpose and providing the best financial return.

The following table illustrates the additional income that could be generated from both increased and decreased public permit prices. The table shows the estimated reduction or increase in permit sales. However, it should be noted that the assumptions are based on the following :-

Permit sales increasing by a greater % than the % price reduction
 Permit sales decreasing by a lower % than the % price increase

Permit Type	Present Charge	-10% decrease rounded	-5% decrease rounded	+5% increase rounded	+10% increase rounded
Sales		+15%	+7.5%	-2.5%	-7.5%

General L&M 24-7	£880	£790	£835	£925	£968
Income		2,700	1,400	1,100	1,300
General L&M 24-5	£770	£695	£730	£810	£850
Income		2,100	1,100	700	1,200
General Mcbe 24-7	£500	£450	£475	£525	£550
Income		200	-100	100	200
General Mcbe 24-5	£475	£430	£450	£500	£525
Income		-200	-100	-300	-200
Specific 24-7	£1,290	£1,160	£1,225	£1,355	£1,420
Income		100	100	-100	-300
Specific 24-5	£1230	£1,110	£1,170	£1,290	£1,355
Income		0	0	0	0
Totals		4,900	2,400	1,500	2,200

The above table excludes Lucy Street Car Park which has a separate proposal

Recommendation:

That Cabinet approves a 5% reduction in the level of public permit charges for 2011/12 generating additional income of £2,400.

3.5 Lucy Street Car Park

Lucy Street car park is situated off Thurnham Street in Lancaster and consists of 21 reserved parking spaces and in the current financial year only 11 spaces have been sold. This car park is conveniently situated for the city centre and converting it to short stay pay and display parking will provide additional short term parking capacity and additional income. This additional short stay parking capacity during the day and in the evening would be useful throughout the year and particularly at peak times such as Christmas. It would also compensate for the loss of 10 spaces on Spring Garden Street Car Park due to United Utilities extending the electricity sub-station into the car park.

Conversion of Lucy Street to pay and display would cost approximately

£5,000 and this can be included in this year's repair and maintenance budget. The estimated income that could be generated when pay and display was fully established would be approximately £20,000 per annum. Some of this income could be displaced from other car parks but it is estimated that around £10,000 would be additional income.

Recommendation:

That Cabinet approves the conversion of Lucy Street Car Park to a short stay pay and display car park generating additional income of £10,000.

3.6 *Bulk Street Car Park*

This car park is situated at the corner of Bulk Street and Nelson Street in Lancaster and consists of 9 parking spaces. Again this car park is conveniently situated for the city centre but is presently used for long stay parking by general permit holders. It is suggested that this car park remains a permit holders car park but is converted into a specific permit car park. This would provide an alternative car park close to Dalton Square for the displacement of the Lucy Street car park permit holders and this would help to retain their custom. In the longer term this car park may also be suitable for conversion to short stay pay and display. Existing permit holders who use this car park have a choice of 4 alternative car parks on the east side of the city and 1 on the west side.

Recommendation:

That Cabinet approves the conversion of Bulk Street Car Park to a specific permit holders' car park generating a nil impact on the total income.

3.7 *Staff and Member Permits*

The current arrangements for staff and members parking were approved in 1999. Staff are able to park on the same car parks as public general permit holders i.e. the majority of long stay car parks. Members have a similar permit but are also allowed to use short stay car parks. The level of discount when compared to the cost of a public permit is 75% in most cases. Reviews of the arrangements were undertaken in 2006, 2007 and 2008 but no substantive changes were made. The 2008 review introduced increased permit charges from 1st April, 2009 by a percentage no higher than the rate of inflation since the previous setting of the charge for that permit. If this approach was taken in this review permit charges would need to increase by 6%.

A suggestion has been received through the Staff Suggestion Scheme regarding the entitlement of staff essential and casual car users to permits through the staff discount parking scheme. It has been agreed that this issue should be addressed by the Officer Working Group that is preparing a Green Fleet Review that includes reviewing the existing essential and casual car user system.

Cabinet may also wish to consider at this stage whether it is appropriate to allow the existing staff parking scheme to be extended to staff working for organisations that are either working in partnership with the Council or through shared service arrangements. Although any such initiative is encouraging further commuter parking, the wider efficiencies and savings the Council could generate from new working arrangements and the additional income that could be generated could potentially outweigh the disadvantages of extending the current system.

The following paragraphs provide further information for Members to consider.

3.7.1 Maintaining the existing arrangements and increase prices

For comparison some information has been obtained from nearby authorities on staff parking charges and this is summarised as follows:

Lancashire County Council - £2.50 per day or £550.00 p.a. The annual permits can be paid through a salary sacrifice scheme reducing the cost to staff by around 25%.

Preston City Council – No charges are made to staff. Staff can only use the Bus Station and Market car parks and Services pay Parking for the permits at the full public rate.

South Lakeland District Council – Essential car users are issued with free permits and are asked to pay £70.00 p.a. if they use the permit at weekends and when they are on annual leave. Casual users pay £70.00 p.a. but are not able to use the most convenient car park adjacent to Lakeland House.

Blackpool Council – No charges made to staff except for West Street car park in the town centre. Proposals for staff parking charges are likely in 2011.

The following table shows the additional income that could be generated from increased permit prices. Resistance factors have been used for illustrative purposes only and the actual permit sales resulting from any price increases could be different from those assumed in the table.

Permit Type	Present Charge	6% increase rounded	15% increase rounded	50% increase rounded	100% increase rounded
Sales		No change	- 7.5%	-25%	-40%
Staff- General 24-7	£200	£210	£230	£300	£400

Income		2,100	2,300	4,300	6,800
Staff- General 24-5	£190	£200	£220	£285	£380
Income		200	100	200	300
Member 24-7	£200	£210	£230	£300	£400
Income		200	200	300	700
Member 24-5	£190	£200	£220	£285	£380
Income		0	0	0	0
Totals		3,100	3,200	5,700	8,100

3.7.2 Extending the existing arrangements to allow partnering organisations to take advantage of the Staff Discount Parking Scheme

Due to existing partnership and shared service arrangements a limited number of staff have been allowed to take advantage of the staff discount parking scheme on a temporary basis. The current arrangements include the following staff:-

3 staff – Preston City Council Shared Service with Revenues

1 person – Preston City Council Shared Service with Regeneration and Policy

1 person – Temporary Research Assistant with Regeneration and Policy

1 person – County Partnership Office with Community Engagement

1 person – Lancashire Cricket Board with Wellbeing

The move towards more shared service working and the transfer of an existing building to the County Council allows Members to consider whether a formal policy should be approved to allow these organisations to take advantage of the existing discount parking scheme. With up to 130 County staff likely to be based in Palatine Hall in the near future the potential for generating additional income can be considered. If Cabinet approved an extension to the discount parking scheme to partnering organisations the Council would need to consider how to deal with requests from other public sector organisations in the future. Also, the longer term issues of sustainability and promoting other forms of transport need to be considered along with the long stay parking implications if major redevelopment takes place in the future.

The following table illustrates the potential income that could be generated from additional permit sales over a range of discounted prices and assuming an uptake from 80 staff. The price increase options used for a staff 24-5 general permit shown in 3.7.1 above have been used with a further option priced at £600. Again these are for illustration purposes only as it is very

difficult to predict the uptake for these permits.

General 24-5	£200	£220	£285	£380	£600
Income	13,300	14,700	19,000	25,300	40,000

Recommendations:

(1) That Cabinet approves a 6% increase to Staff and Members permit charges for 2011/12 generating additional income of £3,100.

(2) That Cabinet approves extending the existing Staff and Member permit arrangements to partnering organisations employing staff that are based in City Council buildings and to determine the permit charge generating additional income ranging between £13,300 and £40,000.

3.8 Traffic Regulation Orders

The above proposals if approved need to be incorporated into the Off-Street Parking Places Order to allow enforcement of the charge and regulations. Increased or decreased charges are dealt with through a Notice of Variation procedure and an existing advertising budget is available to cover this. More substantive changes such as new permit types and the re-designation of car parks would require a formal Amendment Order at an estimated cost of £5,000, which would either need to be met from within other existing car parking budgets and/or as a one-off covered by additional income generated as a result of the proposed changes.

4.0 Details of Consultation

The local Chambers of Commerce and of Trade, the Federation of Small Businesses and Morecambe Town Council have been consulted over the pay and display and permit options included in the report and their comments will be made available at the meeting. Trade Unions and Group Administrators will be consulted over the staff and Member permit proposals. Customers currently using Lucy Street car park will also be consulted over the specific proposals relating to this car park.

On-Street pay and display charges are the responsibility of Lancashire County Council and discussions have already been held with County Council officers over previous year's recommendations not being implemented and the potential impact this has on traffic management issues in Lancaster city centre.

5.0 Options and Options Analysis (including risk assessment)

	Option 1: This option is to approve increases that meet the financial target of £110,300	Option 2: This option is to approve the majority of the recommendations including in this report and to exceed the financial target of £110,300	Option 3: This option is to do nothing, retain the existing fees and charges and the likelihood of not contributing to the financial target
Advantages	<p>This option meets the financial target for parking fees and charges taking into account inflation and the implications of the increase in VAT.</p> <p>This option is likely to provide less price increases and limits the impact on usage and the potential for adverse variances in the 2011/12 budget.</p>	<p>This option allows parking fees and charges to meet the financial target and to also make an additional contribution to the 2011/12 budget process.</p> <p>A further contribution could be made depending on the level of charge introduced for partner permits.</p>	<p>This option limits the impact on parking usage and town centre vitality and trading.</p> <p>This option is likely to receive the greatest support through the consultation process</p>
Disadvantages	<p>This option does not maximise the contribution that parking fees and charges could make to the 2011/12 budget preparation process.</p>	<p>Depending on the range of increases approved this option could have a negative impact on short stay parking and town centre trading.</p> <p>This option is likely to receive the most objections through the consultation process.</p>	<p>Apart from the possibility of increased income arising from no fee increases this option will result in a significant budget problem requiring additional income or savings to be generated from other activities / services undertaken by the council.</p>
Risks	<p>This option still has inherent risks associated with price increases as customers may choose other modes of transport or use other car parks in the district.</p>	<p>This option will have a significant risk of customer resistance to additional fee increases with a corresponding substantially increased risk of adverse variances</p>	<p>This option increases the budget preparation difficulties at a time when additional income or major savings are required.</p>

		with the 2011/12 budget.	
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6.0 Conclusion/Preferred Option

6.1 The preferred option is Option 2 which is summarised below:

That Cabinet approves 0.20p increases on the pay and display tariffs highlighted in the table at paragraph 3.1 for 2011/12 to generate additional income of £186,600 (exceeding the financial target of £110,300 by £76,300).

That Cabinet approves a 5% reduction in the level of public permit charges for 2011/12 generating additional income of £2,400.

That Cabinet approves the conversion of Lucy Street Car Park to a short stay pay and display car park generating additional income of £10,000.

That Cabinet approves the conversion of Bulk Street Car Park to a specific permit holders' car park generating a nil impact on the total income.

That Cabinet approves a 6% increase to Staff and Members permit charges for 2011/12 generating additional income of £3,100.

That Cabinet approves extending the existing Staff and Member permit arrangements to partnering organisations employing staff that are based in City Council buildings and to determine the permit charge generating additional income ranging between £13,300 and £40,000.

CONCLUSION OF IMPACT ASSESSMENT (including Diversity, Human Rights, Community Safety, Sustainability and Rural Proofing)

Direct links with the Lancaster District Local Strategic Partnership (LSP) – Travel and Access and indirect links with Using Resources Wisely and Economy and Work. Off-street and on-street parking charges can contribute to community safety in terms of road safety. Also the off-street parking service is involved with various vehicle and personal security initiatives with partners and stakeholders.

In terms of sustainability the long term implications of making greater use of the spare capacity on long stay car parks as mentioned in the report needs to be considered.

LEGAL IMPLICATIONS

There are no legal implications arising from this report.

FINANCIAL IMPLICATIONS

The financial consequences and risks associated with parking income are included in this report and have also been reported in previous reviews. Inflationary increases totalling £53,400 and reduced permit income of £14,900 and reduced fee income of £26,300 arising in 2010/11 have been included as part of the 2011/12 Budget Process. The increase in the standard VAT rate from 17.5% to 20% from 4th January 2011 announced by the Chancellor of the Exchequer (totalling £56,900) has also been taken into account in preparing the options contained within this report.

The report sets out a number of scenarios for Members consideration, which not only meet the draft budget but also gives the flexibility to consider setting fees and charges over and above those currently projected.

	Option 1	Option 2	Option 3
Budgetary Requirement (Inflation/VAT Shortfall)	(110,300)	(110,300)	(110,300)
Pay & Display Income	110,300	186,600	-
Public Permit Income	-	2,400	-
Staff & Members Permit Income	-	3,100	-
Lucy Street Conversion	-	10,000	-
Bulk Street Conversion	-	-	-
Partnering Organisations	-	40,000	-
Total Budget Shortfall/(Surplus)	-	(131,800)	110,300

NB: The surplus for Option 2 reduces to £105,100 if the minimum £200 priced permit is implemented for Partnering Organisations i.e. if the permits are priced at the same level as the recommended charge for Staff and Members.

Option 1 offers Members a series of increases that meet the budgetary requirement of £110,300. This option has an inherent risk associated with it as any increases could impact on usage, although resistance factors have been built in to help mitigate this risk as indicated within the report.

Option 2 offers Members the option to choose a range of fee increases that will not only meet the budgetary requirement of £110,300 but will also allow an additional maximum contribution of £131,800 to be made to the 2011/12 Draft Budget. Depending on the number of increases chosen this option clearly has increased risks associated with in terms of customer resistance and any differing trend will inevitably impact on the actual income raised, although subject to whether this option includes conversion of Lucy Street and/or partnering/shared services this may help mitigate such risk to some extent.

With Option 3 there is no evidence to suggest that car park usage would increase and there is a very strong possibility that income would be very similar to 2010/11, therefore not meeting the budget commitment included in the 2011/12 Draft Budget, which could result in a potential shortfall of £110,300 (split £53,400 inflation and £56,900 VAT). In effect, the VAT increase from 4th January 2011 reduces further the flexibility to meet the current target through alternative means other than increasing tariffs as outlined in Options 1 and 2.

Members are reminded, that if Option 3 is taken forward, then as it falls outside of the current budget framework and it will impact on the need to make more savings in other areas of activity, that it would need to form part of Cabinet's proposals, for further consideration and approval by full Council.

The implementation of increased on-street pay and display charges by the County Council is primarily a traffic management issue. However, the on and off-street charges will still be misaligned if Cabinet approves 0.20p increases on the 1 and 2 hour tariffs. If this was to be the case this would not necessarily encourage customers to use the Council's off-street car parks although it is not possible to quantify any potential loss in financial terms at this stage.

OTHER RESOURCE IMPLICATIONS

Human Resources:

There are no specific HR implications arising out of this report.

Information Services:

There are no IS implications arising out of this report.

Property:

Property Services has prepared this report and have no further comments to add.

Open Spaces:

There are no open space implications arising out of this report.

SECTION 151 OFFICER'S COMMENTS

Members are advised to consider the proposals in context of the Council's draft priorities and its financial prospects, as well as service objectives and value for

money.

MONITORING OFFICER'S COMMENTS

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

BACKGROUND PAPERS

None

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CABINET

**Health and Housing
Fees & Charges 2011/12
18 January 2011**

Report of Head of Health & Housing

PURPOSE OF REPORT			
This report has been prepared as part of the 2011/12 estimate procedure and sets out options for increasing the level of fees and charges.			
Key Decision	X	Non-Key Decision	Referral from Cabinet Member
Date Included in Forward Plan	September 2010		
This report is public.			

RECOMMENDATIONS OF COUNCILLOR KERR

- (1) That the Health & Strategic Housing fees in Appendix 1 be increased by 2.40% (inflation) subject to deciding pest control fees as per recommendations 2, 3 and 4.
- (2) That the current fees for rodent and insect treatments and hourly pest control rates be increased by 10% as set out in Appendix 1, retaining 50% discounts in qualifying cases (fleas, rats) for those in receipt of Council Tax and/or Housing Benefit.
- (3) That charges are introduced at the standard rodent/insect treatment rate for advisory visits together with chargeable cases where, upon visiting, pest control officers are not in a position to provide or complete treatments.
- (4) That a charge is introduced for bed bug treatments at the standard insect treatment rate plus a new domestic hourly rate for every subsequent complete or part hour required to finish a treatment, with 50% discounts in qualifying cases for those in receipt of Council Tax and/or Housing Benefit.
- (5) That the fees and charges for the Neptune Baby and Young Child Memorial Garden are not increased for 2011/12 and that the cost of a purchased grave includes the Exclusive Right of Burial.
- (6) That the current costs of memorial plaques in the Neptune Baby area are reduced by 50%.

- (7) That a new fee of £175.00 plus VAT be introduced for woodland burial plaques.
- (8) That a new fee of £200.00 plus VAT be introduced for tower memorial plaques.
- (9) That a new fee of £40.00 plus VAT be introduced for the cleaning and re-gilding of existing old style garden of remembrance plaques when a second inscription is required.
- (10) That new fees be introduced for private water supplies risk assessment, investigation, sampling, analysis and granting of authorisations as detailed in Appendix 1.

1.0 Introduction

Fees and charges for Health & Strategic Housing Services are reviewed every year and Members set fee levels as part of the budget process.

2.0 Proposal Details

2.1 Appendix 1 details the current charges and the options for increases. The charges are rounded to the nearest 25p.

2.2 Pest control fees

The council's pest control services are provided at affordable, competitive rates. Officers consider that there is present scope for moderate increases without rendering these services unaffordable. However increasing prices could put off customers with pest infestations which could go untreated and pose increased regulatory burdens on the council. Taking a balanced view, officers recommend a 10% increase in standard charges and pest control officer hourly rates (where charged) for 2011-12. Approval of these increases would provide a substantial contribution towards making the Pest Control Service cost-neutral to the council whilst keeping pest control fees and charges to affordable levels.

On-demand rodent and insect treatments

For on-demand rodent and insect treatments it is proposed to increase both domestic and business charges and hourly rates (where charged) by 10%. This would generate an estimated additional income of approximately £7,000 per year assuming there is no decrease in the current demand for treatments.

Advisory visits and paying cases where no pest treatment is carried out

Currently the council does not make a charge where in response to a paid treatment request it turns out on arrival that one is unnecessary or not possible. This mainly happens when a customer has wrongly identified their pest problem (e.g. they have mistaken woodlice for cockroaches or bees for wasps), alternatively when a customer has not completed the necessary preparations to enable treatment. Similarly, the council does not charge for advisory visits (where no materials are used) even though staff time and travel costs are incurred. The service already advises customers free of charge by telephone and maintains self-help information on the website. If a customer offered those alternatives persists with a request for a pest control officer to visit and advise in person, it would be reasonable to introduce an affordable charge. It is proposed that such advisory visits and cases where no treatment is carried out should be charged at the standard rates. This would generate an estimated additional income of £9,000 per year assuming there is no decrease in the current demand for these visits. There is a risk that introducing a charge for this service would result in some customers choosing not to request this service and therefore the estimated additional income could vary considerably.

Bed bug treatments

Treatments for bed bug infestations – currently free of charge – are time consuming. Whilst there are only for several tens of service requests per year, they pose a disproportionate impact on staffing availability for chargeable work. Bed bugs are a pest of public health significance. However in the current economic climate officers consider that it would be reasonable to impose an affordable charge for this service. It is proposed that domestic bed bug treatments are charged at the standard insect treatment rate plus an hourly charge after the first hour. This would generate an estimated additional income of £1,000 per year.

2.3 Cemetery Fees

Torrisholme Woodland Burial Area

Options for memorialisation in this particular area usually involve purchase of a tree with hardwood stake and plaque; however, there is no room for further tree plantings but there is still a demand for some form of memorialisation. It is therefore proposed to purchase an artificial tree “stump” carved so that it would accommodate 8 plaques. The income derived from the sale of plaques will more than cover the initial purchase costs.

The proposed new fee for such a plaque is £175.00 plus VAT.

Memorial Tower

It is proposed to install a memorial tower in the newly formed Compass Garden of remembrance to provide a memorial facility following the scattering of ashes. The tower would accommodate 28 plaques and the proposed fee per plaque is £200.00 plus VAT. The income derived from the sale of plaques will more than cover the initial purchase costs.

Neptune Baby and Young Child Memorial Garden

Uptake of memorial options within this area has been limited and feedback from funeral directors is that the fees and charges are too high. Therefore, it is proposed not to increase the fees and charges for 2011/12 for this sensitive area and also consider the following changes to make the memorial options more affordable.

(a) Purchased Grave:

Include the Exclusive Right of Burial fee within the purchased grave cost.

(b) Lease Period Costs:

Reduce the current lease costs by 50%.

To date, despite many enquiries, only 3 memorial plaque options have been sold. Therefore, the impact of these proposals should be positive on future income generation.

Garden of Remembrance Memorials – Old Style

The Council was notified in December 2010 that the supplier of the old style memorials was to cease trading with immediate effect. The Council still has an obligation to source and engrave plaques for those memorials purchased in reserve and for second inscriptions.

A new supplier has been found; however, for second inscriptions there will be an additional charge for cleaning and re-gilding the existing plaque, whereas the previous supplier provided this service at no extra cost. Therefore, a new charge of £40.00 plus VAT is proposed for cleaning and re-gilding.

Also, as the new supplier is local, the carriage fee for returning memorials for additional inscriptions is no longer necessary and will therefore be deleted.

2.4 Private Water Supply Fees

There are over 200 private water supplies in the Lancaster district drawing water for human consumption from springs, wells and boreholes. On occasion these supplies can become polluted, for example by waste from farm animals or naturally occurring chemicals underground, so as to pose a threat to human health.

The Private Water Supplies Regulation 2009 which came into force during 2010-11 place a duty on the council to carry out activities to ensure that private water supplies are wholesome and do not present a potential danger to human health. The council's duties include conducting initial risk assessments, investigations, and taking and analysing samples. There will be a rolling requirement for periodic 'check sampling'. The focus of the regulations for smaller private supplies is now on risk assessment to enable local authorities to deal effectively with those supplies where remedial action is needed to prevent a risk to human health. Where a risk to human health is identified then this risk must be mitigated against and some sampling and analysis may be required to confirm that there is no residual risk to human health.

The Regulations permit the council to recover from private supply owners/operators the costs associated with providing these services. Schedule 5 of the Regulations details these services and the maximum fees that can be charged. However, the regulations only permit the council to charge the reasonable cost of providing the service subject to the specified maximum amounts.

Taking into account predicted workloads of risk assessments and sampling in 2011-12, the charges detailed in Appendix 1 are proposed. These are typically (a) flat rates covering mileage rates, one hour of preparation/travel time, and the first hour on site, and (b) hourly rates for subsequent hours on site. Sampling will not normally exceed one hour on site, however risk assessments and investigations into failures probably will. Members are advised that there would be legal implications if decisions were taken to set higher charges than the costs reasonably incurred by the council.

3.0 Options and Options Analysis

3.1

	Option 1 To approve the increase in fees as recommended in the report	Option 2 To approve a different percentage increase.	Option 3 To do nothing and retain the existing fees and charges.
Advantages	<p>This option allows for increased fee revenue whilst retaining fees at competitive levels.</p> <p>The increase in pest control fees reduces the council's subsidy of this service by a substantial amount whilst retaining pest control fees affordable compared to some private sector providers.</p>	<p>This option potentially allows for a greater increase in revenue if an increase of greater than 2.4% is approved.</p>	<p>This option would mean no price increases for customers.</p>
Disadvantages	<p>Any increase in fees is likely to be unpopular with customers.</p>	<p>An increase in fees above the recommended amount is likely to prove unpopular with customers.</p>	<p>No opportunity to raise additional revenue through fees and charges.</p>
Risks	<p>There is always a risk that customers will choose not to access services if fees are too high.</p> <p>However, evidence gathered shows core fees and charges are comparable to other nearby local authorities.</p>	<p>There is always a risk that customers will choose not to access services if fees are too high.</p> <p>There is a risk that even current income levels will fail to be achieved if fees are perceived to be too high.</p>	<p>This option increases the difficulties of securing a viable budget at a time when additional income and savings are required.</p>

4.0 Officer Preferred Options

4.1 The officer preferred option is Option 1. This option allows for increased revenue whilst retaining fees at affordable and competitive levels.

RELATIONSHIP TO POLICY FRAMEWORK

Fees and charges form an integral part of the budget setting process, which in turn relates to the Council's priorities.

CONCLUSION OF IMPACT ASSESSMENT

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

Large increases in fees can disadvantage those residents least able to pay. However any of the proposed increases are considered to be fair and reasonable and in the case of pest control fees are less expensive or equal to that charged by most commercial companies.

FINANCIAL IMPLICATIONS

The 2011/12 latest draft budget includes an inflationary increase of 2.40% in respect of fees and charges, the report also sets out a number of proposed changes to current fee structure which have not been included in the latest draft budget 2011/12.

These proposed fees are detailed in Appendix 1, the impact of which is summarised in the table below:-

Fee Charging Area	2010/11 Working Budget	2011/12 Proposed Estimate (2.4%)	Proposed Increase in 2011/12 Draft Budget	Recommended Additional Increase / New Charges for 2011/12
Cemeteries	239,500	245,200	5,700	0
Dog Warden Service	4,800	4,900	100	0
Pest Control	88,200	90,300	2,100	6,700
<i>Advisory visits and paying cases where no pest treatment is carried out</i>	0	0	0	6,900
<i>Bed Bug Treatments</i>	0	0	0	1,000
Private Housing	9,900	10,100	200	0
Public/Port Health	6,400	6,600	200	0
<i>Private Water Supply Fees</i>	0	0	0	2,200
Total	348,800	357,100	8,300	16,800

Pest Control Fees

Advisory visits and paying cases where no pest treatment is carried out

The introduction of charges for advisory visits and paying cases where no pest treatment is carried out, is estimated to generate an additional income of £9,000 in 2011/12, if there is no decrease in the current demand for these visits. However it would be prudent to assume that when the customer is informed that there will be a charge for the visit, the demand for the call out will drop and therefore the additional income estimates be reduced by 30%, to £6,900 in 2011/12, £5,300 and £4,100 in subsequent years. These estimates are based on reasonable assumptions and the income generated could vary considerably.

Bed Bug Treatments

The introduction of a charge for bed bug treatment based on current demand is expected to generate recurring additional income of £1,000. It is unlikely that a customer would choose to not use the service because of the charge, therefore a drop in the demand is not expected.

Cemetery Fees

Torrisholme Woodland Burial Area and Memorial Tower

The introduction of two new plaque areas is expected to generate income of £7,000, the cost of purchasing the artificial tree stump and the tower is £2,200, which provides the Council with a potential net income of £4,800 over the life of the project. Though there is a demand for the service, it is not possible to estimate when the sale of the memorial plaques will occur, therefore because the initial cost will be met from the 2010/11 budget, it could be sometime before the Council will recover this cost and start to generate income.

Neptune Baby and Young Child Memorial Garden

Demand for the Young Child Memorial Garden has been very low and has not been included within the income estimates. No adjustments will be needed if the recommendation is approved. It is therefore proposed that any income received during the year will be highlighted if the recommendation for the introduction of new plaque areas and the reduction of fees for Young child memorial gardens are approved and will be reported as part of the corporate monitoring process during the year.

Garden of Remembrance Memorials

The introduction of a charge for inscriptions would not generate additional income as this will just recover the cost. All other fees for cemeteries are in line with inflation and have been included within the draft budget.

Public Health/Port Health

Private Water Supply Fees

Under new regulation, the Council are required to carry out a risk assessment on approximately a third of the 200 private water supplies in the Lancaster District. These risk assessments are to be carried out within a 5 year rolling programme and will generate additional income of £6,000 in this period. It is estimated that 25 risk assessments will be carried out in 2011/12, 25 in 2012/13 and 17 in 2013/14, but this will depend on the teams capacity and the demand of other higher priority statutory services. Based on this additional income projections are £2,200 in 2011/12 and £2,200 and £1,500 in subsequent years.

It is likely that following the risk assessments further income will be generated from sampling and investigation works, however it is not possible to project the level of income until the risk assessments have been carried out.

Should members approve a different percentage than the option with in the report, the impact on the base budget will be unknown until new financial implications are assessed based on the new percentage proposed.

SECTION 151 OFFICER'S COMMENTS

Members are advised to consider the proposals in context of the Council's draft priorities and its financial prospects, as well as service objectives and value for money.

LEGAL IMPLICATIONS

The legal duties are contained within the report and there are no further comments to make

MONITORING OFFICER'S COMMENTS

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

BACKGROUND PAPERS

Fees & Charges 2010/11 report to Cabinet
19 January 2010.

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HEALTH AND HOUSING**FEES AND CHARGES FOR THE YEAR 2011/12****CEMETERY CHARGES**

	2010/11 Current Fee	2011/12 Proposed Fee @ 2.40%
Exclusive Right of Burial:		
i) For the exclusive right of burial for a period of 75 years from the date of purchase, of a single earthen grave, walled grave or vault	617.00	631.75
ii) Exclusive right of burial in a woodland area - 1 space	270.75	277.25
iii) Exclusive right of Burial in Baby area	50% of adult fee	50% of adult fee
Transfer of Grave Deed	Legal Costs	Legal Costs
Duplicate Grave Deed	79.50	81.50
Searches – hourly rate	35.75	36.50
Interment Charges		
(a) For the interment in a grave or woodland site either where the exclusive right of burial HAS or HAS NOT been granted:-		
i) of the body of a child whose age at the time of death exceeded one year but did not exceed 16 years.	163.25	167.25
ii) of the body of a person whose age at the time of death exceeded 16 years.	551.50	564.75
iii) interment of cremated remains	132.25	135.50
iv) interment of cremated remains under headstone	201.50	206.50
(b) There is no charge for the interment or burial of cremated remains of a non-viable foetus, the body of a still-born child or a child whose age at the time of death did not exceed one year.		
Scattering of Cremated Remains	34.50	35.50
Use of Cemetery Chapel	90.50	92.75

	2010/11 Current Fee	2011/12 Proposed Fee @ 2.40%
Walled Graves & Vaults:		
For one person	1800.00*	1843.25*
For two persons	2500.00*	2560.00*
For opening and resealing vault	321.25	329.00
Garden of Remembrance Memorials		
(a) Aluminium Plaque – Carnforth	109.50*	112.25*
(b) Bronze plaque – Price on Application		
(c) Torrisholme, Scotforth, Skerton, Hale Carr, Carnforth		
Old Style:		
i) Granite memorial incorporating flower vase and inscription up to 3 lines	460.25*	471.25*
ii) Each additional line (up to 6 in total)	44.50*	45.50*
iii) For cleaning and re-gilding following second inscription.		40.00*
New Style:		
i) Granite memorial incorporating flower vase and full inscription	488.00*	499.75*
ii) Deed of grant fee	32.50	33.25
iii) New inscription	97.50*	100.00*
iv) Motif	10.75*	11.00*
Vault Memorial		
i) Granite memorial for up to 4 plastic urns, including first interment and flower vase (25 year lease)	634.75*	650.00*
ii) Back to back vault for up to 2 plastic urns including first interment inscription, flower vase for a 25yr lease	503.75*	516.00*
iii) Additional inscribed plaque for second interment	146.00*	149.50*
iv) Renewal of lease period	126.00	129.00
* = PLUS VAT		

	2010/11 Current Fee	2011/12 Proposed Fee @ 2.40%
The Neptune Baby and Young Child Memorial Garden		
Burial Options		
Purchased Grave including EROB, headstone and plaque with up to 6 lines of text.	1,140.00*	No increase
Public Grave	Free of Charge	Free of Charge
Cremated Remains		
Niche Wall Plaques including up to 4 lines of text	195.00*	No increase
10 year lease for external niche wall	175.00	Reduction to £87.50
10 year lease for internal altar niche	350.00	Reduction to £175.00
Scattering of ashes	Free of Charge	No increase
Memorial Plaques		No increase
Perimeter plaque including up to 4 lines of text	195.00*	No increase
10 year lease for perimeter plaque	150.00	Reduction to £75.00
Centre feature plaque including up to 6 lines of text	345.00*	No increase
10 year lease for centre plaque	350.00	Reduction to £175.00
Charges for Extras		No increase
Additional line of inscription	30.00*	No increase
Posy holders for niche wall	10.00*	No increase
Motifs	30.00*	No increase
Custom Motif	P.O.A.	No increase
Oval Ceramic Photo Plaque 5cm x 7cm (Colour)	65.00*	No increase
Oval Ceramic Photo Plaque 5cm x 7cm (Black & White)	35.00*	No increase

	2010/11 Current Fee	2011/12 Proposed Fee @ 2.40%
Memorial Fees		
A memorial not exceeding 6' (1800 mm) in height	95.25	97.50
Kerb or border stones not exceeding 2' 6" (750 mm) in height:		
(a) enclosing a space not exceeding 7' 9" (2325 mm) in length by 3' 3" (975 mm) in width	127.75	130.75
(b) enclosing a space not exceeding 7' 9" (2325 mm) in length by 7' 3" (2175 mm) in width	256.00	262.25
A tablet or footstone not exceeding 1' 6" (450 mm) by 1' (300 mm)	58.25	59.75
Additional charge for exceeding above size	36.50	37.50
An inscribed vase	31.50	32.25
Temporary marker	13.75	14.00
Woodland Burial Memorial Plaque	-	175.00*
Memorial Tower	-	200.00*
Lawn Sections		
A memorial not exceeding 4' (1200 mm) in height, 2' 6" (750mm) in width and 1' 6" (450 mm) in depth from front to back.	95.25	97.50
The charges indicated include one inscription (name)		
For each additional inscription (name)	31.50	32.25
Annual registration fee for memorial mason	40.25*	41.25*
* = PLUS VAT		

DOG WARDEN SERVICE CHARGES

	2010/11 Current Fee	2011/12 Proposed Fee @ 2.40%
Kennelling charge per day	10.50	10.75
Detention Fee	8.75	9.00
Dog faeces bags	1.50/100	1.50/100
Return of stray dog from dog warden service (prior to kennelling)	35.00	35.75

PEST CONTROL CHARGES

	2010/11 Current Fee	2011/12 Proposed Fee @ 2.40%	2011/12 Proposed Fee @ 10%
Common Insects:			
Domestic Premises			
- Cockroaches	FREE	FREE	FREE
- Bedbugs (up to one hour of treatment)	FREE	37.00	40.00
- Bedbugs (subsequent hours)	FREE	25.00/hr	25.00/hr
- Fleas	36.25	37.00	40.00
- Those in receipt of Housing and/or Council Tax benefits.	18.25	18.75	20.00
- All other insects (excluding wasps)	36.25	37.00	40.00
- Wasp treatment	36.25	37.00	40.00
Multiple nests at same property at one visit.	Half full price treatment	Half full price treatment	Half full price treatment
- Moles and squirrels	25.25/hr	26.00/hr	27.75/hr
Business Premises			
- All visits (including wasps) (minimum 1 hour)	70.25*/hr	72.00*/hr	77.25*/hr
Rodents:			
- Domestic premises	25.00	25.50	27.50
- Those in receipt of Housing and/or Council Tax benefits.	12.50	12.75	13.75
- Business premises (minimum 1 hour)	64.25*/hr	65.75*/hr	70.75*/hr

* = PLUS VAT

All charges inclusive of VAT where appropriate.

	2010/11 Current Fee	2011/12 Proposed Fee @ 2.40%
Emergency Callouts:		
- Weekday (outside 0800-16.30 hrs)	Standard Rate x 1.5	Standard Rate x 1.5
- Saturday	Standard Rate x 1.5	Standard Rate x 1.5
- Sunday and Bank Holidays	Standard Rate x 2	Standard Rate x 2

Disclosure of Information on Health & Safety matters:		
- Full factual statement which may also include sketches, copy of F2508, witness statements, etc.	128.25	131.50
- Brief statement where the information may be of limited use to the recipient.	45.00	46.00
- Photographs & an administration charge	2.50 each & admin charge to be 12.50	2.50 each & admin charge to be 12.50
- Photocopying	14p/sheet	14p/sheet

Contaminated Land Information:		
- Domestic enquiry	98.75*	101.00*
- Industrial enquiry	125.75*	128.75*

PORT HEALTH CHARGES

	2010/11 Current Fee	2011/12 Proposed Fee @ 2.40%
Ship Inspection Charges		
Gross Tonnage:		
Up to 3,000	105.75	108.25
3,001-10,000	158.75	162.50
10,001-20,000	211.50	216.50
20,001-30,000	243.25	248.00
Over 30,000	317.50	325.00
With the exception of:		
• Vessels with the capacity to carry between 50 and 1000 persons -	317.25	325.00
• Vessels with the capacity to carry more than 1000 persons -	529.00	541.75
Water Sample Charges:		
Water sample as part of sanitation certificate	79.50	81.50
Water sample from Heysham Port	87.50	89.75
Water sample from Glasson Dock	100.50	103.00

PRIVATE WATER SUPPLY CHARGES

Note: these are new charges

	2011/12 Proposed Fee	Maximum permissible fee
Risk assessment (each assessment)		500
- Flat rate including travel and one hour on site	90	-
- Hourly rate (up to maximum £500 minus flat rate) for subsequent hours	35.75	-
Sampling (each visit) *	50	100
Investigation (each visit)		100
- Flat rate including travel and one hour on site	90	
- Time on site exceeding one hour	10	
Granting an authorisation (each authorisation)	71.25	100
Analysing a sample:		
- under Regulation 10	Actual laboratory costs up to maximum	25
- taken during check monitoring	Actual laboratory costs up to maximum	100
- taken during audit monitoring	Actual laboratory costs up to maximum	500
* <i>no fee is payable for repeat sampling/analysis solely to clarify the results of a previous sample</i>		

STRATEGIC HOUSING:

	2010/11 Current Fee	2011/12 Proposed Fee @ 2.40%
- Immigration Inspection Charges	57.00	58.50
- Accredited Property Scheme	53.00	54.25
- HMO Licence Fees:		
Discounted Rate (Renewal within 2 months)	423.25 (Fee per additional unit) £63.50	433.50 (Fee per additional unit) 65.00
Basic Rate	529.00 (Fee per additional unit) £74.00	541.75 (Fee per additional unit) 75.75
Admin Fee	63.50	65.00
* = PLUS VAT		

CABINET

**Policy Framework, General Fund Revenue Budget and
Capital Programme Update
18 January 2011**

**Report of the Deputy Chief Executive and
Head of Financial Services**

PURPOSE OF REPORT					
To provide information on the policy framework and latest budget position for current and future years, to inform Cabinet’s budget proposals and to allow it to make final recommendations on to Council regarding Council Tax levels for 2011/12.					
Key Decision	X	Non-Key Decision		Referral	X
This report is public.					

RECOMMENDATIONS OF COUNCILLOR LANGHORN:

1. That Cabinet notes the provisional priorities as agreed at the Cabinet meeting in November 2010 and that these are now recommended to full Council to develop the policy framework for the three year period from 2011 to 2014, as follows:
 - Economic Regeneration – Energy Coast and Visitor Economy
 - Climate Change – Prioritising reducing the council’s energy costs and increasing income
 - Statutory responsibilities – fulfilling at least our minimum statutory duties - focus on keeping the streets clean and safe
 - Partnership working and Community Leadership – working with partners to reduce costs, make efficiencies and create resilience within the district
 - That Cabinet notes the intension to protect the most vulnerable in our society should also be a thread that runs through all our priorities

2. That the council bring together all partnership working, including work relating to the Lancaster District Local Strategic Partnership, in order to protect key services and provide a single corporate approach to partnership working.

3. That the decision to withdraw from the agreement with Lancashire County Council to manage the community pools on their behalf be rescinded and that Lancaster City Council continues to manage the pools on behalf of Lancashire County Council with the costs being funded from ongoing savings already approved in developing the budget.

4. That Cabinet approves the draft 2010/11 Revised Budget of £23.616M for referral on to Council, with the net underspending of £1.124M being transferred into Balances.
5. That Cabinet approves the reassessment of other earmarked reserves and provisions as set out in section 4 of the report and that in principle, future surplus Balances be used to support invest to save schemes, subject to this being considered by Council in due course as part of the Medium Term Financial Strategy.
6. That Cabinet notes the position regarding the Local Government Finance Settlement and capping, together with prospects for future years.
7. That subject to all the above, Cabinet notes the resulting draft 2011/12 General Fund Revenue Budget of £21.331M, and the indicative spending projections of £21.315M for 2012/13 and £22.047M for 2013/14, excluding savings and growth options.
8. That Cabinet notes the draft capital investment position from 2010/11 onwards.
9. That Cabinet considers the draft budget information and options as set out in the report in context of its proposed draft priorities and:
 - recommends to Council that City Council Tax rates be frozen for 2011/12, subject to Government confirming Council Tax Freeze Grant entitlement (equivalent to a 2.5% tax increase);
 - indicates its preferred savings and growth options at this stage, with any surplus resources in 2011/12 being transferred into Revenue Balances, and
 - refers the budget information on (as updated) for Council's initial consideration.

1 INTRODUCTION

- 1.1 In June 2010 Lancaster City Council published its Corporate Plan 2010-13. Within the Plan four Corporate priorities were identified. These are set out in detail in **Appendix A**.
- 1.2 At the time of the publication of the Plan it was recognised that the City Council faced a number of enormous challenges with the very real prospect of a reduction in the funding the authority received from Government to help deliver services.
- 1.3 Given that context, the Corporate Plan was intended to focus on those areas which the Council believed were of the greatest benefit to the community.
- 1.4 This report provides Cabinet with a summary of the provisional priorities as agreed at its November meeting and recommends efficiencies and some growth items that reflect the current policy context and priorities.
- 1.5 Over the last few months Members have approved various proposals and considered much information associated with developing the 2011/12 Budget and Policy Framework. This report, together with the separate item on the Housing Revenue Account, provides a full update in support of budget setting. In particular this report seeks Cabinet's final recommendations regarding Council Tax increases

for 2011/12 for referral on to Council. In making recommendations, Members are advised to consider the strategic context and associated risks, particularly regarding public spending, together with the outcome of recent public consultation.

2. POLICY FRAMEWORK

- 2.1 The challenge facing the Council has been and continues to be to ensure that it is structured in the right way to deliver the agreed priorities, whilst responding to the financial difficulties it continues to face.
- 2.2 In May 2010 a revised senior management structure for Lancaster City Council was agreed by Personnel Committee and came into being on the 01 October 2010.
- 2.3 In November 2010 Cabinet set out the provisional priorities that it was considering recommending to full Council. Cabinet agreed to amend the current priorities in the Corporate Plan as set out below:
 - Economic Regeneration – Energy Coast and Visitor Economy
 - Climate Change – Prioritising reducing the council’s energy costs and increasing income
 - Statutory responsibilities – fulfilling at least our minimum statutory duties - focus on keeping the streets clean and safe
 - Partnership working and Community Leadership – working with partners to reduce costs, make efficiencies and create resilience within the district
- 2.4 Cabinet further stated its intention that protecting the most vulnerable in our society should also be a thread that runs through all of the priorities.
- 2.5 Cabinet requested officers to bring forward proposals for both generating further income from services and reduce expenditure on services which do not meet the current priorities outlined above and/or to meet these priorities more efficiently.
- 2.6 These priorities have provided officers with the broad framework on which to base options in respect of service provision.
- 2.7 Appendix F (2011/12 Revenue Budget – Savings and Growth) identifies a range of proposals aimed at reducing costs and increasing income over the next three years.
- 2.8 These proposals include both income generation options, savings and efficiency options and provisional growth items.
- 2.9 The efficiency options focus upon a range of restructuring proposals across a number of council service areas (Community Engagement, Financial Services, Property Services and Health and Strategic Housing) as well as general efficiency savings.
- 2.10 The policy framework combined with requirements to steer and direct service delivery within this context has provided opportunities to look again at some of the council’s key services. Included in this report are additional recommendations that require Cabinet’s support relating to changes in the Community Engagement areas of work, specifically partnership working and Community Pools.
- 2.11 Regarding partnership working arrangements, it is recommended that the council looks to bring together all its partnership working activity, e.g. Community Safety, Children’s Trust, Lancaster District Local Strategic Partnership, to provide a single corporate approach to partnerships. The council currently funds the LSP from its second homes fund, and partnership working through a variety of funds. The new approach will provide efficiency savings of £26Kpa

- 2.12 With reference to the Community Pools, in February 2010 Cabinet took the decision to give notice to Lancashire County Council of its intention to withdraw from managing the Community Pools on the County's behalf.
- 2.13 Following that decision both authorities agreed to work together during the following twelve months to explore options with a view to finding a way to ensure that the Community Pools could remain open for the benefit of local residents under the management of the City Council.
- 2.14 Both authorities have been working together to develop local shared services and various other joint initiatives. The vacation of Palatine Hall and its subsequent occupation by the County, the delivery of County services through the City Council's Customer Service Centres coupled with the efficiency savings currently identified have meant that sufficient resources have been realised to enable the Community Pools to remain under the management of the City Council should Members choose to support this.

3. GENERAL FUND REVENUE BUDGET – CURRENT YEAR

- 3.1 At Council on 03 March Members approved the current year's budget at £25.268M, of which £24.740M related to the City Council and £528K related to parish precepts.
- 3.2 Since then, various efficiency measures and other adjustments have been approved and other changes have become apparent through the monitoring process, linked to changes in the demand for services, or through amendments to Government funding.
- 3.3 To draw together such changes, an in-depth analysis of all current year budgets has now been undertaken in conjunction with Service Managers. This resulted in a draft revised budget of £23.616M for the City Council, representing a projected underspending of £1.124M or 4.5%. This does include some fairly large specific variances, though many of these have arisen as a result of proactive management. In particular:
- Around £410K underspending is forecast across environmental services, with the largest savings arising through efficiency measures on waste collection.
 - Around £215K underspending is expected on concessionary travel, based on the most recent monitoring information.
 - Senior management restructuring has resulted in in-year savings of £191K.
 - Some areas of spend have been delayed until next year and the draft budgets reflect this. In particular, a total of around £120K in connection with the Local Development Framework and Morecambe Area Action Plan is proposed to slip into 2011/12.
 - Investment interest is around £103K under budget, primarily because of the changes made at outturn regarding Icelandic investments. Capital financing costs are also under budget by £76K, because of associated capital spend and financing being later than planned, though these cost pressures will slip into next year.
 - There are also some areas of net overspending or reduced income.

- 3.4 Summary information on variances is set out at **Appendix B**. At this stage it is assumed that the underspending will simply transfer into General Fund Balances.

4. PROVISIONS AND RESERVES

- 4.1 Under current legislation the Section 151 Officer is required to give explicit advice to Council on the minimum level of reserves and balances.
- 4.2 Generally advice has been that balances should be kept at £1M. After transferring in this year's forecast underspending of £1.124M, balances would reach £2.356M by 31 March 2011, as shown at **Appendix C(i)**. Should the outturn prove in line with this forecast, it would mean that the Council has increased flexibility to help manage its future position. In the past, policy has been to use any such surpluses either on a one-off basis to support invest to save or similar initiatives, or on a phased basis to support the budget generally and give more time to plan.
- 4.3 At this stage though, future years' budgets do not allow for any contributions to or from Revenue Balances, even to allow for proposed slippage in some areas of spending as mentioned earlier. Formal advice regarding the level of balances will be provided at February Cabinet; at that stage options regarding any use of surplus balances will also be presented for inclusion within the MTFs.
- 4.4 For other earmarked reserves, a small number of proposed changes have been assumed:

Concessionary Travel

With responsibility for the function transferring to the County Council from April 2011, the £200K recurring contribution to this reserve has been removed, although the current balance is to be retained pending resolution of reimbursement rates with bus operators (for the period to 31 March 2011).

Risk Management

The call on this reserve has been low in recent years, and therefore the recurring contribution of £10K has also been removed from the draft budgets.

- 4.5 The use of various other reserves has been re-profiled to fit with expected spending patterns. This includes the use of the Restructuring and Revenue Support Reserves to meet one-off costs arising from staffing reductions.
- 4.6 The net impact from the various changes to date is reflected in the statement attached at **Appendix C(ii)** and the draft budget figures. A full review will be reported into February Cabinet, together with an updated policy on provisions, reserves and balances. It is highlighted that the Council has potentially a significant amount of funds available to support revenue and capital or cover various financial risks. Options for the retention or use of such amounts needs to be factored into corporate planning.

5. LOCAL GOVERNMENT FINANCE SETTLEMENT

- 5.1 The provisional Local Government Finance Settlement was announced on 14 December 2010, somewhat later than originally expected. As usual the provisional Settlement is now out to consultation and this ends on 17 January. Detailed information and briefings are available on the various websites (www.local.communities.gov.uk or www.lga.gov.uk). The following points are highlighted:

- i. The provisional Settlement is far better than recently thought, although it only covers a two-year period rather than four years as was hoped. Based on the information provided to date, the Council would receive £1.103M more Government support in next year than was recently assumed. For 2012/13 Government support is around £760K higher than was previously estimated.
- ii. The settlement allows for the transfer of concessionary travel responsibilities away from districts and grant levels have been reduced to reflect this. The methodology to achieve this has changed from that used as the basis for consultation over the summer, however, and this has benefited the City Council. It had been assumed that the City Council would lose around £2.5M in formula grant to give an 'adjusted' baseline of £13.877M for 2010/11, with which to compare future years' settlements on a like for like basis. From the provisional Settlement, however, it would seem that the 2010/11 baseline has reduced by only £1.2M, to £15.124M.
- iii. The provisional amounts of Government support are also set out below, together with the recent assumptions for comparison:

Year	Formula Grant	Year on Year (YoY) Reduction		Recent Assumptions:	
				Assumed Grant	YoY Reductn.
	£'000	£'000	%	£'000	%
2010/11:					
Actual	16,377			16,377	
Adjusted Baseline	15,124			13,877	
2011/12	13,037	2,087	13.8	11,934	14.0
2012/13	11,620	1,417	10.9	10,860	9.0

- iv. Other than the adjustments for concessionary travel, which have such a marked effect, the general assumptions made regarding year on year % reductions seem broadly in line with expectations. There are new aspects in the methodology for distributing support, however:
 - Government has introduced bandings, through which those councils that are more reliant on Government support receive lower year on year grant reductions. The City Council falls into Band 1, i.e. the group most dependent on support, with therefore the lowest general year on year reductions, e.g. 13.8% for 2011/12. For comparison, reductions of 16.8% apply to Band 4 for that year.
 - Other transitional measures have been introduced that limit the amount of overall funding reductions that councils face based on their 'spending power', i.e. income from Council Tax and other grants as well as formula grant, but the City Council is unaffected by these proposals.
- v. The Government has reaffirmed its plans to provide financial assistance for those Councils that approve a Council Tax freeze for 2011/12, and the Settlement also allows for the removal of most ring-fenced or specific grant funding streams, with only a few exceptions.

- vi. Overall though, the resulting distribution system is considered even more complex and therefore it is not surprising that another Finance Review is planned. This also fits with aspects of the Localism Bill.

6. COUNCIL TAX CAPPING

- 6.1 For 2011/12 “the Government will take capping action against councils that propose excessive rises”. This is an interim measure, pending the introduction of powers for residents to veto excessive council tax increases through local referendums, as was consulted on last autumn.
- 6.2 There is one change for next year, however, in that capping principles for 2011/12 are to be set out when the final Settlement is to be announced. This is much earlier than in the past, and should at least allow councils to have a clear understanding of capping criteria prior to finally setting their council tax levels.

7. 2011/12 DRAFT REVENUE BUDGET

- 7.1 The first draft of the 2011/12 budget has also now been completed. Details of inflation assumptions are set out in **Appendix D** and a summary schedule of the main variances analysed over service areas is attached at **Appendix E**. In due course the budget will be analysed further against draft priorities but for now, the key points are as follows:
 - i. Many efficiency savings or other service changes have either already been implemented by Officers or approved by Members where appropriate; in total these amount to £1.446M with the majority being recurring.
 - ii. The Council has now been advised of its new pension contribution rate for the next three years and this will increase from 19.1% to 20.6%. Whilst this is 0.5% lower than had previously been assumed, it still represents an additional cost of over £200K per year. The Council has no discretion with regard to this rate.
 - iii. A New Homes Bonus general grant is to be introduced from next year; provisional allocations are shown below and the 2011/12 figures are due to be finalised in early February, at the same time as the Settlement. It is intended that the scheme will be based on year on year increases in an authority’s Council Tax Base, eventually on a rolling 6 year period. The provisional income estimates for the next three years are as follows:

Year	Estimated Allocation £’000
2011/12	231
2012/13	289
2013/14	347

The overall aim of the New Homes Bonus is to “create a powerful, simple, transparent and permanent incentive which rewards local authorities that deliver sustainable housing development.” It is “set to be funded primarily by taking money out of the formula grant settlement”, however, and therefore may be regarded as an adjustment to the grant distribution system.

It is also designed to be flexible, in that “local authorities can decide how to spend the funding in line with local community wishes. The Government expects local councillors to work closely with their communities – and in

particular the neighbourhoods most affected by growth – to understand their priorities for investment and to communicate how the money will be spent and the benefits it will bring. This may relate specifically to the new development or more widely to the local community. For example, they may wish to offer council tax discounts to local residents, support frontline services like bin collections, or improve local facilities like playgrounds and parks. This will enable local councillors to lead a more mature debate with local people about the benefits of growth, not just the costs.”

Accordingly, Cabinet is advised to consider its use as part of the budget and planning process.

- iv. In line with the transfer of concessionary travel responsibilities and associated funding to the County Council, both statutory and discretionary costs of the scheme have been removed from the draft budgets, but the extent and funding of any discretionary elements have not yet been fully resolved.
 - v. The Capital Programme section later in this report outlines the current position in reviewing investment plans. As a result of changes in the profiling of capital spend and financing as referred to earlier, capital financing costs for 2011/12 are higher than originally budgeted but they are based on the Council generating £9M of capital receipts in next year, predominantly from the sale of land at South Lancaster and Heysham Mossgate. If these are not completed then this will add further pressure onto the revenue budget. As an indication, £1M of additional borrowing need could result in extra revenue costs of £70K per year, but exact figures would depend on various factors.
- 7.2 Currently the draft budget for 2011/12 stands at £21.331M, as shown in **Appendices F and G**. This allows for the estimated costs of continuing to manage the Community Pools, as referred to earlier.
- 7.3 If no further changes were made, the current draft budget would translate into around a 0.7% Council Tax reduction for next year; the Band D amount payable would be £190.89. This is before considering any other savings and growth and is as a result of the net budget savings already made. Any reduction in Council Tax would be short-term and represents an unsustainable position, however, as it is already known that further budget savings will be needed in future years – these savings targets would increase further, should the Council consider reducing Council Tax in 2011/12.

8. RE-DIRECTION OF RESOURCES (SAVINGS & GROWTH)

- 8.1 As set out earlier, Cabinet approved four draft priorities to form the basis of its budget proposals and corporate planning for 2011 to 2014. These, together with any other statutory changes, should be the main drivers in identifying savings and any potential growth requirements over the next three years, to fit with the Council's financial targets.
- 8.2 In recent weeks various budget options have been developed and these are set out at **Appendix F**, for Cabinet's consideration. There are some points to highlight on this:
- Several budget proposals arise from items elsewhere on the Cabinet agenda, or relate to items due to be considered by Council Committees. For now, the schedule assumes that any specific recommendations on those reports will be approved as set out.

- Various other savings proposals affecting 2011/12 are operational in nature and require no further specific consideration by Members.
- For many items, these have not yet been fully developed or costed and therefore no values are given.

8.3 In total, the schedule includes quantified savings proposals of over £750K per year. Quantified growth proposals amount to over £250K per year.

9. 2011/12 COUNCIL TAX PROJECTIONS AND SAVINGS REQUIREMENTS

9.1 At Council in December, Members approved at that stage “that Council approves a Council Tax freeze for 2011/12 and target increases of between 0 and 2% for future years...”

9.2 To assist Cabinet in making final recommendations with regard to 2011/12 Council Tax, the following table has been prepared. The savings requirements are shown both before and after the savings and growth options contained in Appendix F. Clearly should Cabinet choose not to support all such proposals, or should further changes come forward, this would affect the figures.

	DRAFT REVENUE BUDGET	COUNCIL TAX		AVAILABLE RESOURCES / SAVINGS REQUIREMENTS (-)	
		Band D	Change	Before App. F proposals	After App. F Proposals
	£000	£	% / £	£000	£000
2010/11 Council Tax		£192.25			
2011/12 Original Projection (MTFS)	25,323	£217.19	+13.0%		
2011/12 Current Projection	21,331	£190.89	-0.7% or		
			-£1.36		
Other Options based on a Tax increase of:					
0%	21,390	£192.25	0	59	555
1%	21,474	£194.17	+£1.92	-66	430
2%	21,558	£196.10	+£3.85	18	514

9.3 In total, if all the potential quantified savings and growth options were ultimately approved, this would reduce next year’s budget by a further £496K to £20.835M. Assuming that Members wished to retain a freeze in Council Tax, this would mean that resources of £555K would be available in next year, albeit that savings would be needed in subsequent years. Members are advised to consider this in context of the financial risks and pressures facing the Council, particularly future years’ prospects. Advice is that as far as possible, next financial year should be very much about creating sufficient flexibility to respond to such challenges and taking a medium to longer term view.

- 9.4 Accordingly, Cabinet is requested to make final recommendations to Council regarding Council Tax for 2011/12, also bearing in mind the comments on capping as set out earlier.

10. COUNCIL TAX BASE

- 10.1 Work on the Tax Base has now been completed and parishes and precepting authorities have been notified accordingly. The total tax base for next year stands at 43,450 Band D properties, which represents a year on year increase of only 50 (or 0.1%). This is in line with previous forecasts, and it also ties in with the assumptions on which future years' proposed New Homes Bonuses are based, as referred to earlier.

11. BUDGET PROSPECTS FOR FUTURE YEARS (BEYOND 2011/12)

- 11.1 As part of the Council's financial planning, indicative revenue spending and Council Tax forecasts for 2012/13 and 2013/14 have continued to be updated and are summarised at **Appendix G**.
- 11.2 The appendix also shows the provisional Council Tax implications for the future. The Tax implications will continue to fluctuate depending on the nature of other budget proposals, i.e. whether they are one-off items or recurring.
- 11.3 At present, future years' projections are based on a 2% year on year increase in Council Tax, it being the maximum target supported by Members at present. Also a 2% year on year cash reduction in Government support is assumed for 2013/14, in the absence of any better information. No provision has been made regarding any reduction in funding for Council Tax Benefit in 2013/14; in essence, this assumes that any reduction in funding would result in changes to the benefits scheme itself, to offset the loss of income.
- 11.4 Assuming that the Government's plans for reforming local government finance are ultimately implemented, the Council could see major changes in its financial position in future, though exactly what those changes might mean will depend on the detail of such reforms. Clear communication and early consultation will be needed for any such proposals, if they are to assist with medium-term planning.

12. GENERAL FUND CAPITAL PROGRAMME

- 12.1 As part of the Spending Review, Government made it very clear that they expected capital investment to reduce over the next few years, but they have introduced (or are planning) various measures that may offer some alternative funding sources for priority areas, albeit that overall, available financing will reduce.
- 12.2 It is in this context that a limited review of the capital programme and investment priorities has been undertaken. Key points to note are as follows:
- Service Managers have reviewed and updated, where necessary, their projected outturn on schemes in this year. Some schemes are still not yet being progressed, pending other service options and developments, and around £3.6M will slip from this year into next.
 - The Head of Property Services has reviewed potential property disposals for future years, in line with the Medium Term Property Strategy and Cabinet's draft

priorities. As referred to earlier, key asset sales are programmed in 2011/12 and therefore the associated risks are a very real consideration for next year.

- For regeneration, certain growth proposals have already been considered by Cabinet and the draft programme includes these. A further report is planned to bring together the overall revenue and capital resource implications, as well as highlighting the funding options that will be pursued to progress the strategy further.
- Regarding climate change and energy efficiency, specific growth / invest to save proposals are currently being developed so at this stage, only the original outline budgets are included. These will need to be considered at February Cabinet if they are to be included in the budget proposals for next year.
- In terms of housing, Government will continue to provide capital grant funding towards Disabled Facilities Grants, although decisions on the basis for distribution will not be made until into the New Year. For now, the programme makes a broad assumption on the estimated level of funding receivable over the next five years but this will need updating in due course. The other housing related matter relates to Chatsworth Gardens, but at the time of writing this report a decision from the funder (Homes and Communities Agency) had not been received. In any event, the basis on which to budget will still need to be determined, in accordance with draft priorities. Currently the draft Capital Programme has no budget provision for this scheme.
- In connection with the refurbishment and improvement of existing property and infrastructure, there are no major changes at this stage. Municipal Buildings Works estimates need updating to reflect recent developments, however, and some updated survey information has been requested to facilitate this. Also, various Information Technology (IT) provisions may change in due course, in light of any further developments regarding Lancashire County Council's Strategic Partnership, or use of open source software in line with the recent Council motion.
- There are still some other aspects of the programme to consider, including potential use of the Renewals and Capital Support Reserves where appropriate, and concluding the Luneside East project.
- Whilst last year's outturn and the above points change the profiling of the Council's underlying need to borrow (known as Capital Financing Requirement: CFR) to 2015/16, there are no other changes built in at this stage.

12.3 Taking account of information received to date, the latest capital position is summarised below and a more detailed statement is included at **Appendix H**. Overall, at present a £290K shortfall is shown for the 5 year period, although there is much further information needed to complete the picture.

General Fund Programme	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	5 Year Total
	£'000	£'000	£'000	£'000	£'000	£'000	
Total Provisional Programme	6,183	6,177	3,804	1,709	1,444	678	13,812
Estimated Financing	6,183	6,177	3,804	1,709	1,444	388	13,522
Cumulative Shortfall	--	--	--	--	--	290	290

- 12.4 Cabinet is due to have an informal meeting on the Capital Programme and this will be arranged in due course.

13. DETAILS OF CONSULTATION

- 13.1 Cabinet has previously considered information arising from the earlier public consultation exercise; this report provides an updated financial context in which to reconsider proposed priorities and any resulting service reductions or other changes. Cabinet's budget proposals are also due to be considered by Budget and Performance Panel at its meeting on 25 January, prior to February Council.

14. OPTIONS AND OPTIONS ANALYSIS (INCLUDING RISK ASSESSMENT)

- 14.1 Options are dependent very much on Members' views on spending priorities balanced against Council Tax levels. As such, a full options analysis could only be undertaken once any alternative proposals are known and it should be noted that Officers may require more time in order to do this. Outline options are highlighted below, however.

- Regarding Council Tax, various options are set out at section 8 of the report. In considering these, Members should have regard to the impact on service delivery, the need to make savings or provide for growth, the impact on future years and the likelihood of capping.
- With regard to considering or developing savings and growth options to produce a budget in line with preferred Council Tax levels, any proposals put forward by Cabinet should be considered alongside the development of priorities and in light of the public consultation. Emphasis should be very much on the medium to longer term position, given that further reductions in revenue funding are expected in future, in line with Government's Spending Review.
- With regard to items for noting, no options are presented.

- 14.2 Under the Constitution, Cabinet is required to put forward budget proposals for Council's consideration, in time for them to be referred back as appropriate. This is why recommendations are required to feed into the Council meeting in February, prior to the actual Budget Council in March.

15. OFFICER PREFERRED OPTION AND COMMENTS

- 15.1 Officer preferred options are reflected in the recommendations, where appropriate.

16. CONCLUSION

- 16.1 The provisional Settlement is much better than expected, albeit that the Council will still face significant year on year funding reductions; this highlights how much expectations have shifted in recent months. The Council has been successful in achieving major budget reductions and therefore in the short-term, the Council's revenue prospects may be easily managed but the medium to longer term must not be overlooked; the challenge of balancing the Council's budget beyond 2011/12 to deliver its corporate priorities still remains. With regard to capital, the key risks still

centre on completing land sales and reaching decisions on stalled regeneration schemes.

RELATIONSHIP TO POLICY FRAMEWORK The budget should represent, in financial terms, what the Council is seeking to achieve through its Policy Framework.	
CONCLUSION OF IMPACT ASSESSMENT (including Diversity, Human Rights, Community Safety, Sustainability etc) None directly arising in terms of the corporate nature of this report – any implications would be as a result of specific decisions on budget proposals affecting service delivery, etc.	
FINANCIAL IMPLICATIONS As set out in the report.	
SECTION 151 OFFICER'S COMMENTS The section 151 Officer has been involved in the preparation of this report, and her comments and advice are reflected accordingly.	
LEGAL IMPLICATIONS Legal Services have been consulted and have no further comments.	
MONITORING OFFICER'S COMMENTS The Monitoring Officer has been consulted and has no further comments.	
BACKGROUND PAPERS Provisional Finance Settlement 2011/12	Contact Officer: Nadine Muschamp Telephone: 01524 582117 E-mail: nmuschamp@lancaster.gov.uk

Cabinet 18 January 2011

1. ECONOMIC REGENERATION –SUPPORTING OUR ECONOMY

a) Energy Coast and Environmental Technology

- Lancaster Science Park - creation of a new, regionally important science park to support and create businesses and jobs
- Nuclear Energy - working to ensure the creation of local jobs, supplies of local goods and services and network capacity from the Energy Coast initiatives.
- Renewable Energy - detailed plans for the development of renewable energy sources along the coast
- Employment sites - bringing brownfield and derelict land in the district back into use, particularly with improved access from the new M6 link road
- Worklessness- identify, and work with key partners to develop programmes and training opportunities to address the Worklessness issues around the District, linking closely to future jobs growth within the Energy and environmental technology sectors.

b) Heritage and Cultural Tourism for the district, including creative industries and employment

- Morecambe Area Action Plan - a comprehensive plan for investment in Morecambe, including the central promenade area and the retail centre
- Lancaster Square Routes - programme of improvement to Lancaster's public areas to enhance the city's valuable heritage and create a more vibrant city centre
- Morecambe Townscape Heritage Initiative - improvements to retail premises
- Cultural Heritage Investment Strategy - development of a planned programme of activities to improve the offer of the district's heritage assets, including museums, retail offer, and the castle
- Luneside East - to support the development of an urban village in Lancaster to provide additional quality business space and housing
- Carnforth-to establish Carnforth as a commercial/service centre for the rural hinterland via the local action group (LAG) programme

2. CLIMATE CHANGE

The City Council is committed to implementing its 5 year Climate Change Strategy focusing on energy savings and carbon emission reduction to generate efficiencies and environmental improvements.

The City Council is also committed to working with its partners to help deliver the community climate change actions through the Lancaster District Local Strategic Partnership and Lancashire Local Area Agreement. By working in partnership with other agencies, the city council believes it can significantly help to reduce the overall level of CO2 emissions in our local area.

3. STATUTORY SERVICES – MEETING OUR RESPONSIBILITIES

For some statutory services, the legal requirement may include a minimum standard of service which must be met. In others there is more flexibility. In some statutory services,

Lancaster City Council has chosen to use that flexibility in determining service standards and to provide services above the minimum to reflect the community's wishes. In particular, this concerns our "*clean and green*" services – that is our commitment to achieve at least the minimum statutory standards of delivery for services such as planning, housing, environmental health, community safety, street cleaning, and refuse collection.

However, if the council wishes to continue to provide services above the minimum, we will only do so if we can justify the following:-

- Does providing the statutory service above minimum levels help meet the economic regeneration or climate change priorities?
- Is it a high priority for local citizens?
- Is it a high priority within the local Sustainable Community Strategy?
- Does it represent value for money?

4. PARTNERSHIP WORKING & COMMUNITY LEADERSHIP

The City Council will continue to work with our partners, particularly those in the Lancaster District Local Strategic Partnership (LDLSP), to help the District to deliver the Sustainable Community Strategy priorities and target outcomes, and to also provide services currently contributing to the quality of life in the district that are not the District Council's main function or priority.

By working within the partnerships already established within the district, and through the development of new ones, the Council can make a meaningful and telling contribution to delivering the priorities of the district's community strategy and the county wide Local Area Agreement.

2010/11 VARIANCE ANALYSIS

For consideration by Cabinet 18 January 2011

	<i>Favourable (-) / Adverse</i>		Qtr 2 PRT Projection £
	£	£	
2010/11 ORIGINAL BUDGET REQUIREMENT		24,740,000	
SERVICE / SERVICE AREA & MAIN REASONS FOR VARIANCE			
CORPORATE VARIANCES			
Senior Management Restructure		-191,300	
Capital Financing cost - reduced charge due to change in unsupported borrowing		-76,000	
Miscellaneous Items - all Services		-33,600	
COMMUNITY ENGAGEMENT			
Happy Mount Park - new waste water run-off charge	18,600		
Non-Resort Parks - additional rental income	-6,500		-6,400
Parks Patrol - salary savings	-8,700		
The Dome - residual costs mainly from utilities and R&M	22,700		22,800
Platform - numerous variances	-9,100		-11,000
Promenade Management - additional rental income	-12,500		-13,900
Salt Ayre Sports Centre -£48K re salaries, +£67K reduced income, +£23K additional NNDR cost	33,700		69,800
Customer Services - salary savings	-6,900		
Leisure Development - salary savings	-20,500		
Community Pools - net increased operating costs	34,300		7,600
Community Engagement Mgt & Admin teams -£116K re salaries, +£181K reduced grant income	49,300	94,400	
ENVIRONMENTAL SERVICES			
Open Spaces Commuted Sums	37,500		
Highways Verge Maintenance	-6,800		
Grounds Maintenance -£39K re salaries, -£27K re plant & vehicles, -£10K re waste disposal charges	-81,000		-32,400
Lancashire Highways Partnership - net surplus	-73,000		-43,600
Management & Admin - +£25K re salaries	18,100		
Street Cleansing -£38K re salaries, -£32K re vehicles, -£23K re additional income	-93,600		
Trade Refuse -£30K re salaries, +£59K re reduced income from collections	15,100		43,600
Public Conveniences - mainly salary savings	-25,000		
Three Stream Waste -£60K re salaries, -£146K re vehicles	-201,600	-410,300	
FINANCIAL SERVICES			
Benefits Administration +£11K re salaries	25,400		
Council Tax Administration -£40K re salaries, +£20K reduced legal costs recovery	-16,900		
NNDR Administration +£4K re salaries, -£21K govt grants, -£30K legal & court costs	-44,700		-13,000
Benefits and Allowances - net reduction in cost	-48,900		
Financial Services Mgt & Admin -£37K re salaries	-41,900		
Audit Fees - increased cost due to various elector challenges	35,000		27,000
Project Implementation Reserve	-88,600		
Interest and Investment Income	-102,800		-105,000
HRA charges (Item 8)	29,100		
Treasury Management	-7,000	-261,300	
GOVERNANCE SERVICES			
Democratic Representation - Member Allowances	-25,500		-18,300
City Council Elections - additional costs	15,800		15,000
Democratic Mgt & Admin accounts -£22K re salaries	-22,300		
HR Mgt & Admin -£22K re salaries, +£6K medical fees	-8,100		
Legal Mgt & Admin +£9K re salaries	10,200		
Search Fees net reduced income	37,700	7,800	30,000
HEALTH & HOUSING			
Cemeteries - mainly additional interment fees	-13,800		
Health & Safety -£10K re salaries	-15,300		
Housing Advice -£21K re salaries	-18,900		
Private Rented Sector Activity -£5K re salaries	-4,200		
Env Health Mgt & Admin -£17K re salaries	-20,700		
Pest Control -£3K re salaries	-5,300		
Strategic Housing Mgt & Admin +£11K re salaries, +£30K re admin charges for DFG's	39,800	-38,400	30,500

Continued on next page

APPENDIX B

INFORMATION SERVICES		
Management & Admin -£42K re salaries, -£10K re printing & copying equipment	-58,100	-58,100
PROPERTY SERVICES		
Commercial Land & Buildings - reduced rental income and additional R&M costs	85,300	38,700
CCTV - hire of equipment	-8,300	-9,500
Concessionary Travel Expenses	-214,900	
Property Mgt & Admin -£7K re salaries, -£7K re consultants	-15,200	
Office Support -£21K re salaries	-21,700	
Lancaster Market -£11K re salaries, +£59K re income, -£17K re NNDR, +£5K re building cleaning	26,300	191,300
Municipal Buildings - energy savings and R&M savings	-49,500	-33,700
Off Street Car Parks - +£20K income, +£20K NNDR less -£9K electricity saving	27,900	-22,100
Lancaster Bus Station - service charges mainly	-14,500	-17,200
Other Land & Buildings - R&M at resort parks mainly	12,500	-172,100
REGENERATION AND PLANNING		
Building Regulations	-45,300	
Development Control - additional income less legal costs and reduced discharge conditions income	46,000	15,300
Luneside Regeneration project costs - uncertainty over receipts from other bodies re previous years	78,300	78,300
Regeneration Team -£17K re salaries, +£83K re reduced grant income	66,700	
Lancaster Square Routes - consultancy (Cabinet 05 Oct 2010)	40,000	
THI 2 - "A View for Eric" - consultancy (Cabinet 05 Oct 2010)	40,000	
Land Drainage - R&M	-18,500	
Winning Back West End Property Account -£69K recovery of costs from sale of properties	-72,500	-69,000
Local Development Framework - consultancy spend delayed until 2011/12	-25,200	-23,700
Morecambe Area Action Plan - spend delayed until 2011/12	-95,000	14,500
2010/11 DRAFT REVISED BUDGET		23,615,600
NET UNDERSPEND		-1,124,400

APPENDIX C(i)

GENERAL FUND BALANCES SUMMARY

For Consideration by Cabinet 18 January 2011

	Per Council 03 March 2010	Per 2009/10 Outturn	Per December Draft Budget
	£	£	£
Balance as at 31st March 2009	1,400,070	1,400,070	1,400,070
Budgeted Contribution to Revenue Budget	(400,000)	(400,000)	(400,000)
2009/10 Net Underspend		244,643	244,643
Balance as at 31st March 2010	1,000,070	1,244,713	1,244,713
Budgeted Contribution to Revenue Budget	70,000	70,000	70,000
Spending of Carry Forward Approvals (Cabinet 27 July 10)		(105,000)	(105,300)
Contribution re Carry Forward of Overspend (Cabinet 27 July 10)			22,700
2010/11 Projected Net Underspend			1,124,400
Balance as at 31st March 2011	1,070,070	1,209,713	2,356,513
Budgeted Contribution to Revenue Budget	0	0	0
Balance as at 31st March 2012	1,070,070	1,209,713	2,356,513
Budgeted Contribution to Revenue Budget	0	0	0
Balance as at 31st March 2013	1,070,070	1,209,713	2,356,513
Budgeted Contribution to Revenue Budget	0	0	0
Balance as at 31st March 2014	1,070,070	1,209,713	2,356,513

APPENDIX C(ii)

PROVISIONS AND RESERVES STATEMENT : For consideration by Cabinet 18 January 2011

	31/03/10		Contributions to Provision		31/03/11		Contributions to Reserve		31/03/11		Contributions to Reserve		31/03/12		Contributions to Reserve		31/03/13		Contributions to Reserve		31/03/14	
	£		£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£
PROVISIONS																						
B&D Debts-General Fund	370,510																					
Provision for Stock Write Off	26,560																					
Derelict Land Clawback	56,932																					
Insurance Excess	273,417																					
Vehicle Provision	94,998																					
Williamson Park	100,000																					
TOTAL	922,417	0	-151,930	770,487																		
RESERVES																						
Allotment Improvements	5,305		-5,300	5																		
Building Regulation Account	0			0																		
Business Continuity	17,199			17,199																		
Capital Support	507,000		-115,000	392,000																		
City Lab	53,011		-12,800	40,211																		
Community Cohesion	14,000			14,000																		
Concessionary Travel	100,000		200,000	300,000																		
Connecting Communities	58,000		-58,000	0																		
Every Child Matters	20,000		-20,000	0																		
Graves Maintenance	22,201			22,201																		
HMO Registration Fees	20,785			20,785																		
Housing Benefit Administration	48,000		-48,000	0																		
Impairment Reserve	1,363,493			1,363,493																		
Job Evaluation	610,797		-271,200	339,597																		
Marsh Capital	47,677			47,677																		
Open Spaces Commuted Sums	215,953		-61,100	192,353																		
Other Commuted Sums	1,155,315		-40,000	1,525,415																		
Performance Reward Grant	239,192			239,192																		
Planning Delivery Grant	89,682		-57,200	32,482																		
Priv.Hsg-Rental Deposit Guarantee	2,000			2,000																		
Project Implementation	88,633		-88,600	33																		
Renewals (all services)	258,755		-208,300	152,455																		
Restructuring	673,800		-463,000	210,800																		
Revenue Support	800,000		-139,000	661,000																		
Risk Management	15,983			15,983																		
Vacant Shops Fund	52,631		-52,600	31																		
TOTAL	6,479,412	759,600	-1,640,100	5,598,912	154,700	-516,300	5,237,312	155,700	-198,700	5,194,312	100,900	-144,200	5,151,012	2,356,513	2,356,513							
General Fund Unallocated Reserve	1,244,713		-105,300	2,356,513																		

APPENDIX D

2011/12 Budget – Inflation & Other Price Factors As Reported to Cabinet 18 January 2011

The preparation of the base budget has been prepared in line with Financial Regulations. In particular, this includes:

- (a) Inclusion of all Council commitments to date;
- (b) Exclusion of fixed term or one-off items of expenditure or income that “fall out” in each year;
- (c) Re-pricing of each year’s base budget outturn basis using the factors shown below.

Where the authority is tied into differential contractual price increases, however, the contractual rates will be used. The table below covers all other scenarios. The factors are based on the Bank of England Inflation Report (November 2010), Ofwat Charges Report (February 2010), HM Treasury economic forecast (August 2010), Office of Budget Responsibility inflation forecast (August 2010), consultation with other Lancashire Authorities and City Council services. It should be noted that for some cost areas there is still little or inconsistent information available regarding future price movements and that certain costs, such as fuel, have been subject to significant price volatility in prior years. The position will continue to be monitored and if changes are necessary, these will be reported during the budget process.

	2011/12 %	2012/13 %	2013/14 %
General Inflation (CPI)	2.4	1.8	2.0
Pay Award	See note	1.0	1.0
Members Allowances (RPIX)	2.7	2.7	2.8
Energy	10.0	5.0	5.0
Water	4.0	4.0	3.7
Transport	4.0	5.0	2.0
Insurance	10.0	10.0	10.0
Building Repairs	5.0	5.0	5.0
Business Rates	1.4	1.4	1.4
Council Tax	0.0	0.0	0.0
Landfill Tax	14.3	12.5	11.1
Housing Rents	5.0	5.0	5.0
Interest Rates	0.8	1.3	1.5
Fees & Charges	2.4	1.8	2.0

Estimated Impact of Pay & Inflation Assumptions on the General Fund:

	2011/12 £000's	2012/13 £000's	2013/14 £000's
General	198.4	136.4	163.4
Pay Award	See note	206.4	212.1
Energy	73.1	37.3	35.7
Water	8.4	8.8	9.3
Transport	26.6	33.8	13.3
Insurance	38.1	37.9	39.1
Building Repairs	67.9	68.1	67.5
Business Rates	11.5	11.7	11.7
Landfill Tax	26.5	26.5	26.4
Fees & Charges	-142.1	-139.3	-148.7
TOTAL	308.4	427.6	429.8

*the figures above are on a non cumulative basis.

Note that some of the values shown above will cover increases tied into contractual agreements.

Information on other budget factors is given below:

Pay award

It has been assumed that there will be a flat £250 increase for employees earning less than £21K in 2011/12, and thereafter there will be a 1% pay rise in 2012/13 and a further 1% in 2013/14.

National Insurance

Based on bandings effective from 1 April 2011, NI is in the range 0% to 13.8% (average rate being 7.2%).

Superannuation

For 2011/12 to 2013/14 the rate payable is 20.6%.

Fees and Charges

Fees and charges increases are grouped into three main categories for the purposes of budgeting for pricing increases, these being Prescribed & Regulated, General, and Cost Recovery.

Prescribed / Regulated Fees & Charges:

This covers fees and charges that are either set by central government or an external agency, or are similarly regulated – as such, the City Council has little or no discretion with regard to actual fee levels and charges. Examples of these include **licensing** application fees and **planning fees**. The base budgets will be based on known set fee levels, or on expected levels across the three year period.

Fees & Charges linked to Cost Recovery:

These fees and charges will be budgeted for on the basis that the related activity will achieve any pre-determined financial objective for the year, e.g. breaking even by way of recovering the running costs of the service. Examples of these are **Building Regulation fees** (this is also a statutory requirement) and various **Service Charges**.

General

Other general fees and charges have been linked to the CPI rate of inflation.

2011/12 VARIANCE ANALYSIS : For consideration by Cabinet 17 January 2011

APPENDIX E

SUMMARY	TOTAL £
2011/12 Base Line Budget	+24,717,100
Incremental Progression	+392,500
Pension Contribution Changes (1.5%)	+209,200
Net Inflation	+308,400
Member Approved Savings	-723,000
Efficiency / Operational Savings	-735,400
Other Base Budget / Demand Led Changes	-2,354,300
Internal Recharges & Notional Charges	+0
Latest 2011/12 Budget	+21,814,500
Original 2011/12 Forecast	+25,323,000
Change from original Forecast	-3,508,500

Community Engagement £	Environmental Services £	Financial Services £	Governance £	Health & Housing £	Information Services £	Office of Chief Executive £	Property Services £	Regen & Policy £	Corporate Accounts £
+5,233,500	+6,781,000	+3,836,700	+1,875,800	+2,730,100	+112,500	-4,800	+1,938,500	+4,245,400	-2,031,600
+72,800	+136,900	+58,900	+23,900	+43,900	+4,500	+700	+17,800	+33,100	+0
+25,200	+62,900	+39,200	+14,600	+20,800	+7,000	+3,800	+10,400	+25,300	+0
+34,500	+125,400	+13,100	+11,400	+4,800	+10,700	+300	+56,900	+35,700	+15,600
+9,400		-420,600	-65,000	-35,900		-210,900			
-80,300	-262,100	-84,200	-23,100	-42,500	-75,600		-142,700	-24,900	+0
+56,300	-137,300	-124,000	+84,900	+112,500	-21,100		-2,642,400	+125,300	+191,500
+275,500	+90,900	-21,400	-230,800	-65,800	+256,800	+211,300	+14,200	+394,900	-925,600
+5,626,900	+6,797,700	+3,297,700	+1,691,700	+2,767,900	+294,800	+400	-747,300	+4,834,800	-2,750,100

Service Analysis

Note : £2.6M of this saving relates to Concessionary Travel

APPENDIX F

2011/12 Revenue Budget : Savings & Growth Options

For Consideration by Cabinet 18 January 2011

	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000
Original Revenue Budget Projection (Per Budget Council 03 March 2010)	24,740.0	25,323.0	25,678.0	0.0
UPDATED BUDGET PROJECTIONS AS AT JANUARY 2011	23,615.6	21,814.5	21,852.3	22,639.1
Further Provisional Base Budget Changes :				
2010/11 Estimated Surplus to be transferred to Balances	1,124.4			
Community Pools (as referred to in this report)		+182.7	+189.4	+195.6
Palatine Hall (Cabinet 07 December)		-163.0	-165.9	-169.2
Council Tax leaflet - incorporated into Your District Council Matters		-6.0	-6.1	-6.2
Information Services - review of staffing		-56.9	-56.9	-57.5
Additional Government funding for setting a 0% Council Tax increase		-208.8	-208.8	-208.8
New Homes Bonus (Grant Income)		-231.4	-288.9	-346.5
LATEST BASE BUDGET PROJECTIONS	24,740.0	21,331.1	21,315.1	22,046.5
TARGET REVENUE BUDGET (for a 0% increase in Council Tax for 2011/12, then 2% thereafter)		21,390.0	20,150.0	20,098.0
NET SURPLUS RESOURCES (-) / SAVINGS REQUIREMENT		-58.9	1,165.1	1,948.5
Budget Options to be considered further (see schedules on next page) :				
Income generation options		-124.3	-123.5	-124.8
Savings options in service areas not linked to draft priorities		-70.8	-46.0	-46.2
Efficiency options linked to draft priorities		-587.1	-591.0	-590.0
Growth options and proposals		+286.2	+258.2	+261.6
Net Total		-496.0	-502.3	-499.4
POTENTIAL SURPLUS RESOURCES (-)/ REMAINING SAVINGS REQUIREMENT		-554.9	662.8	1,449.1

Details of Budget Options on next page

APPENDIX F

Budget Options to be considered

INCOME GENERATION OPTIONS	SERVICE	NOTES	-124.3	-123.5	-124.8
Wellbeing fees and charges	Community Engagement	Not yet determined	??	??	??
Environmental Health fees and charges	Health & Housing	Cabinet 18 Jan	-19.2	-16.5	-15.8
Car Parking fees and charges	Property Services	Cabinet 18 Jan	-105.1	-107.0	-109.0
Charging for replacement waste collection bins / boxes	Environmental Services	Report required	??	??	??

SAVINGS OPTIONS FOR SERVICES NOT LINKED TO DRAFT PRIORITIES	SERVICE	NOTES	-70.8	-46.0	-46.2
Children and Young People - budget reduction	Community Engagement	Operational	??	??	??
Access for the Disabled - removal of non-statutory element	Regeneration & Policy	Personnel (Delegated)	-33.8	-33.8	-33.8
Homeless Prevention - saving due to additional Government grant allocation	Health & Housing	Operational	-25.0	+0.0	+0.0
Environmental Services Admin / Support staff - review of staffing	Environmental Services	Not yet determined	??	??	??
Bus shelter cleaning - take back in-house and use existing capacity	Environmental Services	Operational	-12.0	-12.2	-12.4
Vehicles - review replacement programme	Environmental Services	Not yet determined	??	??	??

EFFICIENCY OPTIONS LINKED TO DRAFT PRIORITIES	SERVICE	NOTES	-587.1	-591.0	-590.0
Wellbeing Function - restructure	Community Engagement	Subject to Personnel Cttee	-121.7	-117.4	-120.7
Partnerships Function - restructure	Community Engagement	Subject to Personnel Cttee	-26.0	-26.3	-26.6
Children's Trust - shared support with County Council	Community Engagement	Operational	-20.0	-20.0	-20.0
Museum Partnership - withdraw from shared service	Community Engagement	Not yet determined	0	??	??
Community Safety - develop shared service arrangement with Wyre BC	Community Engagement	Operational	??	??	??
Economic Development - reduction in business support	Regeneration & Policy	Personnel (Delegated)	-48.0	-48.0	-48.0
Financial Services - restructure	Financial Services	Personnel 01 Feb	-77.3	-78.0	-78.8
Financial Services - Revenues & Benefits Shared Service	Financial Services	Council 02 Feb	-43.0	-46.0	-46.0
Health & Housing - restructure	Health & Housing	Personnel 01 Feb	-97.3	-100.4	-102.1
CCTV - review of operations	Property Services	Not yet determined	??	??	??
Facilities Management & Property Services - restructure	Property Services	Not yet determined	??	??	??
Waste Collection - reduction in staffing but would require changes in fleet	Environmental Services	Operational/Delegated	-81.0	-64.5	-55.9
Waste Collection - enforcement / performance review	Environmental Services	Personnel 01 Feb	-52.8	-70.0	-71.1
Waste Collection - consider bidding for other contracts	Environmental Services	Not yet determined	??	??	??
Building Cleaning - option of working with County Council	Environmental Services	Not yet determined	??	??	??
Grounds Maintenance - community payback work during summer	Environmental Services	Operational	-20.0	-20.4	-20.8
Vehicle Maintenance - review shared service opportunities	Environmental Services	Not yet determined	??	??	??
Bulky Matters - consider options to expand / review charges	Environmental Services	Not yet determined	??	??	??
Environmental Enforcement - review of enforcement levels	Environmental Services	Not yet determined	??	??	??

GROWTH OPTIONS AND PROPOSALS	SERVICE	NOTES	+286.2	+258.2	+261.6
Partnership Team - removal of external grant funding	Community Engagement	Cabinet 05 Oct	+172.8	+172.0	+175.4
Regeneration Team - removal of external grant funding	Regeneration & Policy	Cabinet 05 Oct	+84.9	+86.2	+86.2
Temporary Planning Assistant - 12 months contract	Regeneration & Policy	Subject to Approval	+28.5	+0.0	+0.0
Private Sector Housing Standards - to meet statutory requirements	Health & Housing	Not yet determined	??	??	??
Establishment of Lord Mayoralty - subject to submitting successful bid	Governance	Council Business 14 Jan	+0.0	??	??

NOTE : For items marked "Operational" or "Personnel (Delegated)", no separate Member approval is required.

APPENDIX G

Future Years' Budgets, Provisional Settlements and associated Council Tax Rates
For consideration by Cabinet 18 January 2011

	2010/11 Budget £000	2011/12 Estimate £000	2012/13 Projection £000	2013/14 Projection £000
Original Revenue Budget Projection (Per Budget Council 03 March 2010)	24,740	25,323	25,678	0
Latest Projection December 2010	23,616	21,815	21,852	22,639
Further Provisional Base Budget Assumptions :				
Expected Base Budget Adjustments		-483	-537	-593
Review of Provisions and Reserves	+1,124			
Current Net Revenue Budget	A 24,740	21,331	21,315	22,047
Budget Options to be considered further				
Income Generation		-124	-124	-125
Savings options not linked to draft priorities		-71	-46	-46
Efficiency options linked to draft priorities		-587	-591	-590
Growth options and proposals		+286	+258	+262
Resulting Net Revenue Budget	B 24,740	20,835	20,813	21,547
Provisional Government Support	16,377	13,037	11,620	11,388
Collection Fund Deficit / (-) Surplus	-19	+0	+0	+0
Amount met by Council Tax	8,344	7,798	9,193	10,160

Latest Tax Base Estimates	43,400	43,450	43,500	43,550
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COUNCIL TAX IMPLICATIONS :**A : Excluding Budget Options**

Band D Basic Council Tax (across district)	£192.25	£190.89	£222.88	£244.75
Percentage Increase Year on Year	3.75%	-0.7%	16.8%	9.8%

B : Including Budget Options

Band D Basic Council Tax (across district)	£192.25	£179.47	£211.33	£233.28
Percentage Increase Year on Year	3.75%	-6.65%	17.75%	10.39%

Target Year on Year Basic Council Tax Increase	In % terms	0.0%	2.0%	2.0%
	In £ terms (Band D)	£0.00	£3.85	£3.92
Target Basic City Council Tax Rate across the District		£192.25	£196.10	£200.02
Budget assumptions to achieve these targets:		£'000	£'000	£'000
Current Revenue Budget Projection ('A' from above table, excluding budget options)		21,331	21,315	22,047
Target Revenue Budget Requirement		21,390	20,150	20,098
POTENTIAL SURPLUS RESOURCES (-) / REMAINING SAVINGS REQUIREMENT		-59	1,165	1,948

Note - A 1% reduction in Council Tax equates to £84K.

**General Fund Draft Gross Capital Programme
For consideration by Cabinet 18 January 2011**

Service / Scheme	2010/11 £	2011/12 £	2012/13 £	2013/14 £	2014/15 £	2015/16 £	5 year Total £
Environmental services							
District Playground Improvements	96,000	60,000					60,000
Greaves park resurfacing	16,000						0
Ryelands Park improvements	24,000						0
Cedar Park Playground Improvements	13,000						0
Hala Park Playground Improvements (subject to external funding)	9,000						0
Toilet Works	125,000	90,000	90,000	60,000	90,000		330,000
Allotment Improvements (subject to expenditure plan)	16,000	16,000	16,000	16,000	16,000		64,000
Community Engagement							
Energy Efficiency Schemes	22,000	20,000	20,000				40,000
The Platform Improvements (subject to business case)	0	108,000					108,000
Happy Mount Park Natural Adventure	31,000						0
Williamson Park Developments	0	75,000					75,000
Salt Ayre Athletics Track Security Fencing	20,000						0
Salt Ayre Reception Refurbishment	40,000						0
Salt Ayre Synthetic pitch	25,000						0
Salt Ayre Reflexions changing rooms	30,000						0
Salt Ayre Replacement of pool filters	18,000						0
Health and Housing							
YMCA Places of Change	783,000						0
Impact Housing association	50,000						0
RHP and Government funding (subject to allocations)	0	653,000	653,000	653,000	653,000	653,000	3,265,000
Disabled Facilities Grants	753,000						0
Information Services							
I.T. Infrastructure	26,000	10,000		35,000			45,000
I.T. Application Systems Renewal	267,000	143,000		230,000			373,000
I.T. Desktop Equipment	25,000	110,000	70,000	70,000	70,000		320,000
Electronic Room Hire Booking System	13,000						0
Regeneration & Policy							
Cycling England	409,000						0
Toucan Crossing-King Street	70,000						0
Artle Beck Improvements (Flood Defences)	91,000	241,000					241,000
Christmas Lights Renewals	31,000						0
Strategic Monitoring (River & Sea Defences, subject to EA funding)	96,000	113,000	113,000	113,000	113,000		452,000
Denny Beck Bridge Improvements	139,000						0
Mill Head Warton (Flood Defences)	120,000	8,000					8,000
Wave Reflection Wall Refurbishment (subject to EA funding)	53,000	507,000	507,000	507,000	477,000		1,998,000
Slynedale Culvert project	26,000						0
The Dome (Demolition)	140,000						0
Amenity improvements	10,000	34,000					34,000
Luneside East - Land Acquisition & Associated Fees	150,000	235,000					235,000
Luneside East Compensation Claims	230,000	68,000	35,000				103,000
Poulton Public Realm-Edward St, Union St, Church Walk	25,000						0
Bold Street Renovation Scheme	908,000						0
Clarendon/West End Rd Rear Yard Wall	0						0
Marlborough Road Redevelopment	200,000						0
Lancaster Square Routes	0	220,000					220,000
Frances passage (Square routes S106)	0	73,000					73,000
Morecambe TH12: A View for Eric	0	25,000	25,000	25,000	25,000	25,000	125,000
Poulton Pedestrian Route	0	160,000					160,000
Public Realm Works	13,000						0
Storey Institute Centre for Industries	45,000						0
Port of Heysham Sites 1&4 (Payment of Clawback)	0	328,000					328,000
Property Services							
Car Park Improvement Programme	0	50,000					50,000
Corporate and Municipal Building Works	1,025,000	2,830,000	2,275,000				5,105,000
GENERAL FUND CAPITAL PROGRAMME	6,183,000	6,177,000	3,804,000	1,709,000	1,444,000	678,000	13,812,000
Financing :							
Grants and Contributions	3,698,000	1,722,000	1,255,000	1,255,000	1,225,000	653,000	6,110,000
Usable Capital Receipts (see table below)	612,000	8,989,000	314,000	65,000	64,000	20,000	9,452,000
Revenue Financing	379,000	214,000	95,000	45,000	0	0	354,000
Sub-total	4,689,000	10,925,000	1,664,000	1,365,000	1,289,000	673,000	15,916,000
Increase / Reduction (-) in CFR (Underlying Change in Borrowing Need)	1,494,000	-4,748,000	2,140,000	344,000	155,000	-285,000	-2,394,000
TOTAL FINANCING	6,183,000	6,177,000	3,804,000	1,709,000	1,444,000	388,000	13,522,000
Shortfall / Surplus (-)	0	0	0	0	0	290,000	290,000
Cumulative Shortfall / Surplus (-)	0	0	0	0	0	290,000	290,000
Capital Receipts Summary	2010/11	2011/12	2012/13	2013/14	2014/15	2014/15	Total
	£	£	£	£	£	£	£
Balance Brought Forwards:	150,000	1,000	1,000	1,000	0	0	150,000
Receipts Due In Year:	463,000	8,989,000	314,000	64,000	64,000	20,000	9,914,000
In Year Capital Programme Financing:	-612,000	-8,989,000	-314,000	-65,000	-64,000	-20,000	-10,064,000
Balance Carried Forwards :	1,000	1,000	1,000	0	0	0	0

CABINET

Shared Services Programme 18 January 2011

Report of Chief Executive

PURPOSE OF REPORT				
To report to Cabinet on progress made in developing a shared services programme for the Council as requested as an action from the Corporate Performance Monitoring Report Quarter 1 2010, since the last progress report presented to Cabinet on the 5 October 2010.				
Key Decision		Non-Key Decision		Referral from Officers
				X
Date Included in Forward Plan		N/A		
This report is public				

OFFICER RECOMMENDATIONS :

- (1) That Cabinet note the progress made in developing a Shared Services Programme for the Council, since the last progress report presented to Cabinet on the 5 October 2010.
- (2) That officers continue to develop shared service partnership opportunities for achieving service improvements and efficiencies with a view to reporting back as determined by Cabinet to allow proposals to be considered as part of the budget exercise.

REPORT

1 Introduction

- 1.1 At its meeting on 16th February 2010, Cabinet received an update report on progress made to date in developing a Shared Service Programme. Cabinet authorised officers to continue to develop opportunities across the full range of council services and to report back to Cabinet on progress.

- 1.2 In particular, meetings have continued to take place with officers from the County Council with a view to developing joint working opportunities across a range of services that would deliver efficiencies and improved services for local communities. As an initial guide, an efficiency target of £300,000 has been set for this package of works. This target was agreed in the context of discussions around community pools and other local services as it should be noted that the budget for 2011/12 onwards includes no provisions for the Council operating the 3 community pools at Heysham, Hornby, and Carnforth. This issue is included elsewhere on the Cabinet agenda.

In the current financial year, one off savings have already been achieved by not recruiting to the post vacated by the Head of Information Services and Transformation. Interim arrangements, that include the secondment of a county council officer for 3 days a week, are estimated to make savings in 2010/11 of approximately £25,000. Further savings have also been achieved through the vacating of Palatine Hall.

- 1.3 At its meeting on the 5 October 2010, amongst other things Cabinet resolved that shared accommodation, customer contact services, strategic partnership and winter maintenance services be identified as the four priority areas for the Shared Services Programme.
- 1.4 The full range of shared services opportunities that are on-going are set out in the attached as **Appendix A** which provides the latest position on each.
- 1.5 Cabinet are asked to note the progress made to date on each shared service opportunity.

2.0 Options and Options Analysis (including risk analysis)

Option 1

To note the progress being made in respect of the service areas identified in the Appendix and to receive reports back to Cabinet as appropriate to ensure that any service improvements and efficiencies are considered as part of the budget exercise.

Option 2

To note the progress being made in respect of the service areas identified in the Appendix

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

Although there are none specifically arising from this report, an efficiency target of £300,000 has been set to be generated from the overall package of joint working opportunities with the County Council. It is anticipated that this overall package will generate sufficient savings and efficiencies that will more than offset the costs of operating the 3 community pools and this is included elsewhere on the Cabinet agenda.

OTHER RESOURCE IMPLICATIONS

Human Resources:

N/A

Information Services:

N/A

Property:

N/A

Open Spaces:

N/A

SECTION 151 OFFICER'S COMMENTS

The S151 Officer has been consulted and would highlight that since the Council set its budget (and took the decision regarding community pools), future financial prospects have changed significantly. She would advise that the use of any savings arising from the shared service programme, or any other source, should be considered corporately as part of the budget process.

LEGAL IMPLICATIONS

Legal Services have been consulted and there are no legal implications directly arising from this report.

MONITORING OFFICER'S COMMENTS

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

BACKGROUND PAPERS

None.

Contact Officer: Chief Executive

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Ref: CE/ES/Committee/Cabinet/Shared Services/January 2011

SHARED SERVICES PROGRAMME
Update for Cabinet Meeting – 18 January 2011

PARTNER	SERVICE ACTIVITY - CURRENT POSITION
	<p data-bbox="539 465 895 499">PROPERTY SERVICES</p> <p data-bbox="539 517 890 551">Facilities Management</p> <p data-bbox="539 591 1453 770">Specifications have been prepared for either advising the shared services process or putting out to tender. This is also to be supported by proposals to restructure the service. It is anticipated that a report will be available following the results of the Govt spending review in October.</p> <p data-bbox="539 810 1445 882">Efficiencies From Proposal:- These will need to be quantified as the process is developed.</p> <p data-bbox="539 922 1294 956"><i>Update: Report considered by Cabinet in December.</i></p> <p data-bbox="539 996 1182 1030">Shared Accommodation - County Council</p> <p data-bbox="539 1070 1453 1285">The County Council are looking for significant office requirement in the district. Details have been provided of the council's accommodation in St Leonards House and Palatine Hall, which under the Access to Services programme, would no longer be occupied by the city council. At this stage the timing of this work is unclear.</p> <p data-bbox="539 1326 1453 1541">Efficiencies From Proposal:- This would result in savings for the council in terms of the operating costs of buildings although these would be offset to a degree by the loss of income received from third parties. It would potentially remove the liabilities of outstanding repair backlogs that exist on the council buildings if those buildings were sold.</p> <p data-bbox="539 1581 1437 1727"><i>Update: Palatine Hall was vacated on target on 1 December 2010 to allow occupation by County Council. Final terms being negotiated with County to whom access has been given to prepare the building for occupation early in the New Year.</i></p> <p data-bbox="539 1767 1134 1800">COMMUNITY ENGAGEMENT SERVICE</p> <p data-bbox="539 1818 967 1852">Customer Contact Services</p> <p data-bbox="539 1892 1398 1964">(1) County officer presence in both Lancaster & Morecambe customer service centres.</p> <p data-bbox="539 2004 983 2038">Efficiencies From Proposal:-</p>

	<p>Negotiations are continuing with the County Council about the fee arrangements for their presence in the centres</p> <p><i>Update: Discussions ongoing and cross training plan under development to enable delivery of high demand County Council customer service five days a week.</i></p> <p>(2) Opportunities to provide shared telephony service. Officers from both councils are progressing options on this.</p> <p>Efficiencies From Proposal:- Discussions on the efficiency benefits to be achieved from a shared telephony service are continuing.</p> <p><i>Update: Discussions ongoing.</i></p>
	<p>Children & Young People</p> <p>The County Council has brought forward proposals for opportunities to share staff and pool resources to deliver more effective local children’s priorities through the Local Children’s Trust. Conversations have taken place between County Council and City Council officers and portfolio holders.</p> <p>Efficiencies From Proposal:- No firm proposals at this stage</p> <p><i>Update: Agreed to accept County Council’s offer of £25K to provide support to new Children’s Trust arrangements. Restructuring of the ‘Partnerships’ service will formalise these arrangements. Restructuring proposals to be brought to Cabinet in January.</i></p>
	<p>Community Pools</p> <p>Efficiency measures are currently being considered with a view to reporting back as part of the budget process</p> <p>Efficiencies From Proposal:- Will depend on the outcome of the discussions referred to above</p> <p><i>Update: Officers are currently in the process of introducing a restructure which could save some costs in relation to the operation of the Community Pools. However, costs associated with dealing with contractual issues of staff (moving from ‘casual’ to permanent) needs further consideration. It is anticipated that joint working arrangement with the County to date will generate up to the £300K target designed to support future operation of the pools and other priorities.</i></p>

Museums

No firm proposals at this stage.

Efficiencies From Proposal:-

No firm proposals at this stage

Update: Discussions are ongoing with both parties engaging positively in developing options for next year. Efficiencies likely to form part of 2012/13 budget

ENVIRONMENTAL SERVICES

Public Realm - Grounds Maintenance Services

This Public Realm Integration Project is led by the 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. Since then officers from County and City Council have met on several occasions to consider the implications of County's proposals for this District. Work is currently taking place to assess the business case for the City Council to take over a range of grounds maintenance activities (mowing, weed spraying, out of hours work, tree works) outside of the urban core from April 2011.

Efficiencies From Proposal:-

Will be identified within the business case but focussed around more joined up approach to service delivery and the customer benefits that will result from that.

Update: Report considered by Cabinet in December.

Public Realm – Winter Maintenance Services

Ahead of this winter County have requested a response from Districts with regards to how winter maintenance could be better delivered by working more closely together.

The City Council has indicated in it's response to the County that we believe that working together to deliver winter maintenance services will result in a better service for residents of the District. Furthermore the City Council has indicated how in practical ways we would propose to work with the County.

Efficiencies From Proposal:-

No firm proposals at this stage in terms of savings, but an improved service to local residents.

Update: Shared approach to winter maintenance now in operation and providing an improved service to residents'

Depot Relocation

There may be mutual advantages to the depot at White Lund Depot relocating to land owned by County adjacent to the Middleton transfer station. Resources are required to assess the feasibility of such a move.

Efficiencies From Proposal:-

No firm proposals at this stage

INFORMATION SERVICES

Strategic Partnership

County are undertaking an exercise to procure a strategic partner for ICT & Customer Services. The exercise will be concluded with a report to the County Council's cabinet on the 7th of October 2010. It is understood that if the report recommends creation of the partnership it will be in place in early 2011. Lancaster City Council has agreed to add its name to the OJEU notice.

Efficiencies From Proposal:-

The benefits from the Strategic Partnership could be significant and an early appraisal of potential benefits should be available. In the interim, until there is some certainty as to what benefits there could be from participating in the County Council's Strategic Partnership, it has been possible to operate without replacing the previous Head of IT Services following their departure to another council. This arrangement will save the council approximately £50k In 2010/11.

Update: Discussions with the County Council are continuing and will be broadened out beyond Information Services.

REGENERATION & POLICY SERVICES

Land Drainage (Pitt Report)

A county wide working group has been assembled to address how best to progress.

	<p>Efficiencies From Proposal:- No firm proposals at this stage</p> <p><i>Update: Restructuring of funding through DEFRA will inform how County Council intend to lead in this area. City Council resource maintained to support new initiatives</i></p> <hr/> <p>National Infrastructure Projects for National Grid Upgrade and Nuclear New Build</p> <p>The City Council has agreed to work in partnership with the Cumbrian local authorities, Lancashire County Council and the affected districts in Lancashire to act as a consortium of local authorities responding to these major national projects.</p> <p>Efficiencies from Proposal:- The local authorities have to submit Local Impact Statements and analyse Community Consultation in relation to these major projects. These are equivalent to considering major planning applications with a resultant public inquiry for each district area. Major duplication is avoided by establishing a central team for the consortium to deal with process and secure funding through a Planning Performance agreement with the developer.</p> <p><i>Update : Discussions taking place to secure a Memorandum of Understanding with National Grid at the present time.</i></p>
<p>PRESTON CITY COUNCIL</p>	<p>FINANCIAL SERVICES</p> <hr/> <p>Revenues And Benefits Shared Service</p> <p>Cabinet at its meeting in August gave officers approval to develop a business case for progressing Phase 2 of this initiative, which would consider amongst other things issues in respect of shared accommodation, systems, service standards, and governance arrangements.</p> <p>Efficiencies From Proposal: As reported to December Cabinet estimated efficiencies from the full shared service proposals amount to £46K per full year, over and above other service efficiencies being taken forward in the lead up, but excluding any one-off costs of transition. These figures will be reviewed and updated during the budget.</p> <p><i>Update: The business case has now been approved by both authorities' Cabinet's and work is underway on the governance arrangements, for consideration by each Council. The arrangements for the proposed transfer of staff are also being taken forward, for consideration by Personnel Committee.</i></p>

	<p style="text-align: center;">INFORMATION SERVICES</p> <p>Disaster Recovery</p> <p>Joint arrangements for provision of disaster recovery provision have been concluded</p> <p>Efficiencies From Proposal:- Savings of approximately £10k have been achieved and have been included in the draft revenue budget for 2011/12 onwards</p> <p><i>Update: Completed.</i></p> <p style="text-align: center;">REGENERATION & POLICY SERVICES</p> <p>Economic Development</p> <p>Joint Integrated Support Team Manager to deliver LDLSP project on worklessness and vulnerable households.</p> <p>Efficiencies From Proposal:- No direct savings for the Council from these arrangements as this is a LDLSP funded scheme.</p> <p><i>Update: In place and completed.</i></p>
OTHER PARTNERS	<p style="text-align: center;">FINANCIAL SERVICES</p> <p>Payroll:</p> <p>The existing payroll system was due for replacement in 2011. There is a mature market for the provision of payroll / HR systems and services and therefore an open EU tender exercise was to be undertaken; this would have allowed other local authorities to bid, as well as the private sector, and a decision on the outcome was expected before 31 December. In view of recent potential changes on the way forward regarding HR, however, the tender exercise was put on hold to allow consideration of potential options available through the Strategic Partnership.</p> <p>Efficiencies From Proposal:- These will be determined through the assessment of viable options.</p> <p><i>Update: Arrangements are in hand to allow consideration of viable options, and reassess likely implementation dates. This</i></p>

will inform any changes needed to current budget assumptions.

Audit :-

Opportunities for sharing audit services are being considered within the Mid Lancs Cluster of Team Lancashire

Efficiencies From Proposal:-

Update: This option is not being taken forward at the present time as it is not considered cost-effective in its current form. Alternative options to make savings on audit provision have been developed and these are included in the budget proposals.

PROPERTY SERVICES

Shared Accommodation - Other Partners

The council is in discussions with HMRC to provide a front desk facility within the customer service centre at Lancaster Town Hall when they close down their existing premises on Dalton Square.

Efficiencies From Proposal:- This would result in the council recouping some of its costs of operating the CSC and would enable a greater variety of services to be provided from a central point for the public.

Update: HMRC have agreed terms to occupy space in CSC with a likely occupation date of March 2011 when existing facility closes. Minor adaptations required prior to occupation.

LEGAL & HR

Human Resources

See comments above under the Payroll section.

Update: HR will be added to the discussions with the County Council regarding the Strategic Partnership.

Other City Council Back Office Support Services

To be discussed at some later stage or as other opportunities arise

Efficiencies From Proposal:-

No firm proposals at this stage

Lancaster District Local Strategic Partnership

	<p>Joint officer working groups have been established amongst partners to review opportunities in respect of developing;-</p> <ul style="list-style-type: none">• A districtwide Arts Strategy• Joint Asset Management arrangements• Joint Marketing and PR <p>Efficiencies From Proposal:- No firm proposals at this stage</p> <p><i>Update: No change.</i></p>
	<p>University Hospitals of Morecambe Bay NHS Trust</p>
	<p>Opportunities for developing an interceptor car park for South Lancaster following Cabinet's consideration of this in February 2010</p> <p>Efficiencies From Proposal:- No firm proposals at this stage</p> <p><i>Update: No change.</i></p>

23 November 2010
Revised December 2010



**SAFEGUARDING ADULTS
POLICY AND PROCEDURE**

January 18 2011

Report of Head of Community Engagement

PURPOSE OF REPORT			
To seek Cabinet's approval of a Safeguarding Adults Policy and Procedure			
Key Decision	<input type="checkbox"/>	Non-Key Decision	<input checked="" type="checkbox"/>
		X	Referral from Cabinet Member
Date Included in Forward Plan			
This report is public			

RECOMMENDATIONS

- (1) That Cabinet approve the policy and procedure set out in Appendix A to this report and that staff and Members are made aware of the new policy.

1 INTRODUCTION

- 1.1 In July 2007 Cabinet approved a Child, Young Person and Vulnerable Adults Protection Policy. It was recognised at that time that whilst there are similarities with arrangements for safeguarding and protecting children and young people (hence a joint policy), there are also differences not just in terms of legal and policy frameworks, but also in terms of approach.
- 1.2 Adults have fundamental rights to determine how they want to live their lives. So there needs to be a balance of arrangements that support an individual's right to make choices and be independent (with specialist support when this is needed).
- 1.3 By 2009 the policy was out of date with many new initiatives and processes introduced both nationally and across Lancashire. A comprehensive review was undertaken resulting in a policy that took account of a broader definition of 'safeguarding' and gave guidance on new processes and procedures.
- 1.4 As a result of this review the Cabinet Member with Portfolio responsibility for Children and Young People approved a revised Safeguarding Children and Young People Policy which did not contain within it policy in relation to vulnerable adults. As a result the Council no longer has a policy in relation to the safeguarding of vulnerable adults.

2 REPORT

- 2.1 Reports of harm, abuse or exploitation are most frequently associated with children or young people. But increasingly there is public recognition and reporting of adults who have been victims of abuse because their circumstances have made them vulnerable. Recent reports have included accounts of people being abused in hospitals, care homes, supported housing settings, or their own homes. Reports have also highlighted cases where disabled people have been subjected to domestic violence, or targeted as victims of hate crime or sustained antisocial behavior.
- 2.2 The current safeguarding framework was set out in *No Secrets: the development of multi-agency responses to the abuse of vulnerable adults*, issued as statutory guidance by the Department of Health in 2000. In October 2008 the government issued a consultation on the review of *No Secrets*.
- 2.3 In January 2010 the government announced its intention to introduce legislation to put Safeguarding Adults Boards on a statutory footing and issue new multi-agency guidance in the autumn. The new government is yet to announce its intentions with regard to policy in this area.
- 2.4 At present, there is no specific piece of legislation relating to safeguarding adults. This does not mean that there are no powers to act – rather that the legislation is fragmented; a wide range of legislation, applicable to adults who may be vulnerable, has been developed over a number of years. It includes laws about adult care services, where upper-tier councils have the statutory lead, and laws about crime, contracts and property, human rights, and mental health and capacity.
- 2.5 *No Secrets* requires council social services departments to take the role of lead agency when developing and implementing multi-agency policies, procedures and codes of practice. This is to ensure an effective response to safeguarding issues. However, key organisations involved more broadly in supporting community health and wellbeing, have particular roles to play.
- 2.6 For district councils, this will include people working in:
- housing
 - benefits
 - environmental health
 - alarm call
 - support or personal services funded through Supporting People
 - leisure services
 - licensing
- key local initiatives such as community safety (including domestic violence and abuse, hate crime and anti-social behavior work).
- 2.7 It should be also be recognised that there are areas of activity that specifically require the Council to have in place a vulnerable adults policy:

The outreach work undertaken by the Integrated Support Team (Vulnerable Households and Worklessness) in Regeneration & Policy. This is particularly important for the Vulnerable Households/Family Intervention Project funded under the County Council's Supporting People programme and was picked up in a review of the project earlier in the year as an issue that needed to be addressed.

Wellbeing services within Community Engagement have been and continue to be commissioned by NHS North Lancashire to deliver services on their behalf. NHS North Lancashire has a responsibility for ensuring that all services commissioned have comprehensive policies, procedures and systems in place that safeguard and promote the welfare of children and vulnerable adults. NHS North Lancashire is now seeking interim assurance that Lancaster City Council has in place the appropriate arrangements for safeguarding children and vulnerable adults.

- 2.8 The policy and guidance is in line with Lancashire County Council processes, but gives a city council perspective and details reporting routes and appropriate contacts.

3 OPTIONS

There are three options presented:

- 1 To agree the draft Safeguarding Vulnerable Adults policy and procedure
- 2 To agree the draft Policy and Procedure with amendments
- 3 To not agree the new policy and procedure and have no policy place in respect of vulnerable adults

4 OFFICER PREFERRED OPTION

The officer preferred option is option 1. The revised policy and guidance provides the Council with up to date information and procedures that are necessary to fulfill the council's responsibilities.

5 DETAILS OF CONSULTATION

The draft policy has been the subject of internal consultation with those areas of service who most frequently come into contact with vulnerable adults, Council Housing, Regeneration and Policy and Community Engagement.

6 SUMMARY

The draft Safeguarding Adults policy is a new policy developed in line with Lancashire County Council guidance and reporting procedures. It provides guidance to staff who may come into contact with vulnerable adults regarding the identification of different types of abuse and also what to do if they have concerns relating to a vulnerable adult.

RELATIONSHIP TO POLICY FRAMEWORK

CORPORATE PLAN

Partnership working and Community Leadership – working with partners to reduce costs, make efficiencies and create resilience within the district.

- The intention to protect the most vulnerable in our society should also be a thread that runs through all our priorities.

CONCLUSION OF IMPACT ASSESSMENT

Adoption of the policy will have a positive impact in terms of providing support to the most vulnerable members of our community.

FINANCIAL IMPLICATIONS

There are no financial implications arising as a result of this report.

SECTION 151 OFFICER'S COMMENTS

The section 151 officer has been consulted and has no comments.

LEGAL IMPLICATIONS

At present, there is no specific piece of legislation relating to safeguarding adults. This does not mean that there are no powers to act – rather that the legislation is fragmented; a wide range of legislation, applicable to adults who may be vulnerable, has been developed over a number of years.

Local authorities and other agencies involved with adults who might be at risk of abuse have a duty of care to ensure that procedures are in place, that encourage reporting of suspected abuse, and take action to stop the abuse.

MONITORING OFFICER'S COMMENTS

The Monitoring Officer has been consulted and has no comments.

BACKGROUND PAPERS

Contact Officer: Richard Tulej
Telephone: 01524 582079
E-mail: rtulej@lancaster.gov.uk

APPENDIX A

Safeguarding Adults Policy & Procedure

Contents

1. Policy Statement
2. Who does the policy apply to?
3. Identifying Abuse
4. Different Types of Abuse
5. Where does abuse take place?
6. What to do if you have concerns
7. Allegations of abuse against employees
8. Confidentiality
9. Data Protection Act 1998

Appendix A

Appendix B

1. Policy Statement

1.1 Lancaster City Council is committed to safeguarding and promoting the welfare of vulnerable adults and to delivering services that promote good practice. The welfare of the vulnerable adult is paramount and is always the primary concern of the Council who recognise the need to ensure the welfare of vulnerable adults whatever their age, gender, sexual orientation, race, religion or belief, gender reassignment, disability, culture or circumstance.

The Council is committed to the following principles and actions:

- The Council will ensure that a protective safeguarding culture is in place and is actively promoted within the Council and will work together with other agencies to safeguard vulnerable adults.
- The Council will implement procedures to safeguard vulnerable adults and take all reasonable steps to protect them from harm, discrimination and to respect their rights, wishes and feelings.
- All employees of Lancaster City Council who work with vulnerable adults will be recruited with regard to their suitability for that responsibility. Employees who have substantial access to vulnerable adults are subject to an enhanced Criminal Records Bureau check prior to appointment, which includes a check against the vetting and barring scheme in line with the Safeguarding Vulnerable Groups Act 2006.
- All employees/volunteers will be required to adopt and abide by this policy and procedures there in and will be provided with supervision, guidance and/or training in good practice and reporting procedures to ensure that they are properly equipped to:
 - identify where there may be a problem
 - know how to obtain advice
 - refer concerns to relevant specialists

All employees have a responsibility to report concerns of suspected abuse or poor practice and the Council will provide designated points of contact to deal with such reports.

Council employees are expected to work in an open and transparent way avoiding any conduct that may cause a reasonable person to question their motives and intentions.

The Council will promote good practice that encourages a safe environment, protects all parties and avoids mistaken allegations of abuse.

The Council will take all incidents of poor practice and allegations or suspicions of abuse seriously and these will be responded to swiftly and appropriately.

The Council will respond promptly to suspicions or allegations involving employees and appropriate disciplinary and appeals procedures will be implemented.

This policy will be reviewed every three years or whenever there is a change in the relevant legislation or any other adopted standard of best practice.

Confidentiality shall be upheld in line with current data protection and human rights legislation.

2. Who does the policy apply to?

2.1 The policy applies to Members, employees, volunteers, contractors and everyone working on behalf of or representing the Council. For the purpose of this policy the term “employee” relates to any person paid or unpaid working on behalf of the Council.

3. Identifying Abuse

3.1 Some adults (aged 18 and over) due to age, disability, illness or lifestyle may not be able to protect themselves against significant harm or exploitation.

Abuse occurs when someone’s human and civil rights are violated by someone else.

This can be:

- A single or series of actions of abuse.
- Deliberately or unknowingly causing harm.
- Failure to protect people from abuse.

Anyone can abuse, often it can be the person you least expect, such as:

- Spouse/partner.
- Carers and care worker.
- Family member/relative.
- Friend.
- Neighbour.
- Volunteer helper.
- Someone not known to the person.

Things to look out for:

- Possible changes in the person’s behaviour or mood/personality.
- Unexplained injury or a series of injuries.
- Signs of fear or distress.
- Signs of neglect.
- Theft, fraud or unexplained financial worries.

4. Different Types of Abuse

4.1 Abuse can take many forms, including the following:

Physical abuse such as hitting, pushing, pinching, shaking, misusing medication, withholding food or drink, force-feeding, scalding, restraint and hair pulling, failing to provide physical care and aids to living.

Sexual abuse such as rape, sexual assault or sexual acts to which the person has not or could not have consented, or pressurising someone into sexual acts they don’t understand or feel powerless to refuse.

Psychological or emotional abuse such as threats of harm or abandonment, being deprived of contact with others, humiliation, blaming, controlling, intimidation, harassment, verbal abuse and being prevented from receiving services or support

Financial or material abuse such as theft, targeted scams, fraud or exploitation, pressure in connection with wills, property, or inheritance, misuse of property, possessions or benefits.

Neglect or Acts of Omission such as ignoring medical or physical care needs; or preventing access to health, care or educational services or withholding the necessities of life such as food, drink and heating; or failing to ensure adequate supervision which exposes a person to unacceptable risk.

Discriminatory abuse such as that based on race or sexuality or harassment, slurs or maltreatment because of someone's race, gender, disability, age, faith, culture or sexual orientation.

Institutional abuse can sometimes happen in day services residential homes, nursing homes or hospitals when people are mistreated because of poor or inadequate care or neglect and poor practice that affect the whole of that service.

5. Where does abuse take place?

Abuse can take place anywhere, including:

- In the person's own home.
- In the homes of their family or friends.
- In the public places/the community.
- Place of work.
- Colleges of further education.
- In hospitals, GP surgeries, or other health centres.
- Care settings.
- Police station.

Abuse may result from a deliberate intention to cause harm but may also occur where a provider of care lacks the necessary knowledge or skills to respond to the individual's needs.

6. What to do if you have concerns regarding abuse of a vulnerable adult (see flow chart Appendix A)

6.1 Employees or representatives of Lancaster City Council may become aware of possible abuse in various ways:

- See the abuse happening;
- Suspect or have concerns because of signs of abuse, or
- Have concerns reported to them by a third party.

It is not the responsibility of employees to decide that abuse is occurring, but it is their responsibility to act on any concerns by reporting any suspicions they have.

If a vulnerable adult indicates that he/she is being abused, or information is obtained which raises concern of abuse immediate action must be taken.

In the first instance employees should report or discuss their concern with their line manager and complete the Vulnerable Adult Incident Reporting Form (Appendix B).

This form should always be completed as soon as possible after disclosure, incidents or concerns. To ensure that information is as accurate and helpful as possible, a detailed record should always be made at the time of disclosure/incident or concern.

Following initial discussion with your manager, concerns should be reported to Adult Social Care Services on 0845 053 0028. They have the lead responsibility in safeguarding adults who may be at risk and will determine what action to take next.

If employees are unable to speak in the first instance with their line manager or another suitable manager or if they have serious concerns about someone's safety they should contact Adult Social Services direct or Lancashire Police on 0845 1 25 35 45 and report to their manager at the first opportunity..

If employees believe a vulnerable adult to be in immediate danger they should contact the Police by calling 999.

When speaking to the Adult Social Care Services, Council employees should:

- give their name and details of their role within the Council.
- obtain and record the social worker's name and the time the call was made.
- explain their concerns, giving as much clear and concise information as possible, based on their professional judgement.
- The social worker will assess the situation and if required initiate the appropriate procedures to protect the vulnerable adult.

Once the incident has been reported any associated paperwork including the Vulnerable Adult Incident Reporting Form should be stored securely by the individual reporting the incident or their line manager in line with Data Protection legislation.

Reporting of incidents or concerns can also be done online via the Partner Agency Alert Form at www.lancashire.gov.uk/safeguardingadults.

7. Allegations of abuse against employees

7.1 If an allegation of abuse is made against an employee, the HR Manager must be informed immediately. They will inform the relevant Director and consideration will be given to suspending the employee from work or moving them to alternative duties not involving contact with vulnerable adults – in accordance with the Council's Disciplinary

Policy and Procedure

If it is necessary to conduct an investigation into events surrounding the complaint, this Disciplinary Policy and Procedure.

The consideration of suspension in such circumstances does not imply guilt but is a neutral course of action, which is designed to ensure that both employees and complainants are protected during the investigation.

8. Confidentiality

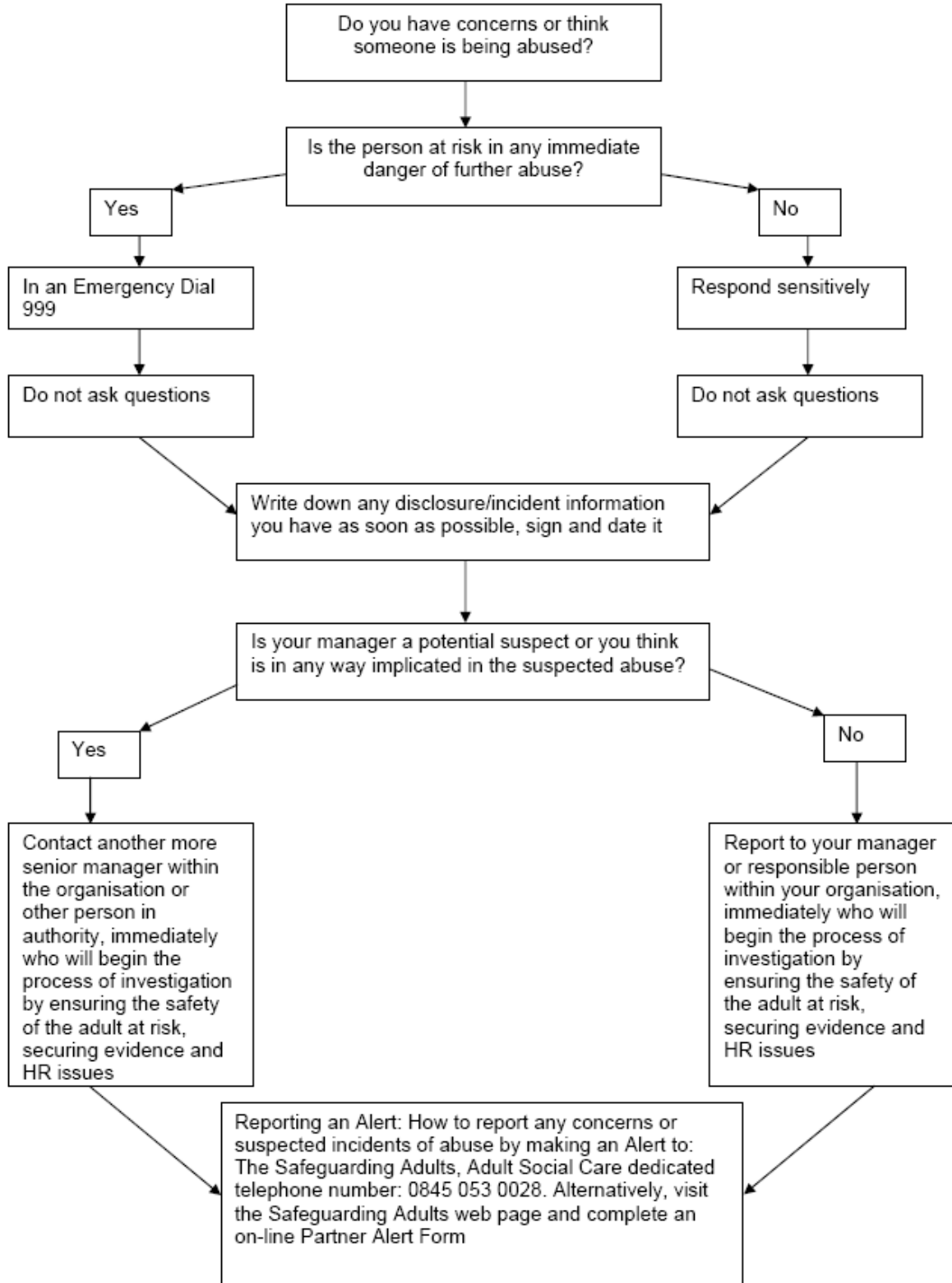
8.1 Personal information about service users held by professionals is confidential and should not normally be disclosed without the consent of the person involved. The law does however permit disclosure of confidential information without permission if it is necessary to safeguard a vulnerable adult.

9 Data Protection Act 1998

9.1 In implementing this policy, the Council will ensure that any personal data relating to the application of this policy will be obtained, processed and destroyed in line with the requirements of the Data Protection Act 1998.

Appendix A

Safeguarding Adults Procedures for Recording and Reporting Abuse



CABINET

**Universities Cabinet Liaison Group
18 January 2011**

Report of the Head of Governance

PURPOSE OF REPORT				
To consider the future of the Universities Cabinet Liaison Group.				
Key Decision	<input type="checkbox"/>	Non-Key Decision	<input checked="" type="checkbox"/>	Referral from Cabinet Member
Date Included in Forward Plan	N/A			
This report is public				

RECOMMENDATIONS OF COUNCILLOR ROBINSON

- (1) That Cabinet stand down the Universities Cabinet Liaison Group

1.0 Introduction

- 1.1 Cabinet, at its meeting held on 1 June 2010, considered, amongst other things, the reconstitution of Cabinet Liaison Groups. It agreed that the Universities Cabinet Liaison Group be re-constituted for the 2010/11 municipal year with the following terms of reference:

- (1) To consider matters of mutual interest.

- 1.2 Upon being appointed as the new portfolio holder for Education, Skills and Opportunities, and also the Chairman of the Universities Cabinet Liaison Group, Councillor Robinson requested that Democratic Services contact members of the group from both Lancaster University and the University of Cumbria, to ascertain their views regarding the future of the group.
- 1.3 Responses were received from Neil Harris, Registrar and University Secretary of the University of Cumbria, and Fiona Aiken, Secretary of Lancaster University, these are attached at Appendix A and B respectively. In addition, an oral response was received from Peter Elliot, Chief Executive of Lancaster University Students' Union, which is transcribed at Appendix C.
- 1.4 The consensus which emerged from the responses was that although the group served as a valuable mechanism when it was established, its role had now been superseded by other groups, as the City Council had invited the university to join bodies where they could add value. Responses also expressed that both the universities had good officer to officer relations with

the City Council, and that it would be a more effective use of time to develop and maintain these relationships.

- 1.5 Having considered the consultation responses, the portfolio holder for Education, Skills and Opportunities concluded that it was appropriate to recommend to Cabinet to stand down the group. Cabinet is now asked to consider the portfolio holder's recommendation..

2.0 Details of Consultation

- 2.1 Consultation was carried out with members of the Universities Cabinet Liaison Group representing Lancaster University and the Lancaster Campus of the University of Cumbria.

3.0 Options and Options Analysis (including risk assessment)

	Option 1: Stand down the Universities Cabinet Liaison Group	Option 2: To note existing arrangements and make no amendments
Advantages	This would be in accordance with the consultation undertaken with members of the group.	No advantages have been identified for this option.
Disadvantages	None. Cabinet Liaison Groups assist Cabinet in the discharge of executive functions, however they are purely consultative and non-decision making and may be time limited according to purpose. Those consulted feel that there are other mechanisms for considering matters of mutual interest so it would appear that the Group is no longer necessary.	This would not be in accordance with the consultation undertaken with members of the group.
Risks	No risks have been identified with either proposal. Both options provide ways to consider matters of mutual interest.	

There is no officer preferred option.

4.0 Conclusion

- 4.1 There appears to be a consensus among members of the Universities Cabinet Liaison Group that the Group is no longer required, as its function is now covered by other groups and working relationships. It is therefore recommended by the portfolio holder that Cabinet resolve to stand down the Group.

RELATIONSHIP TO POLICY FRAMEWORK

Cabinet Liaison Groups assist the Cabinet in the discharge of executive functions.

CONCLUSION OF IMPACT ASSESSMENT

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

Cabinet liaison groups help provide clear focus, transparency, accessibility and inclusiveness in the Council's Executive decision-making process.

LEGAL IMPLICATIONS

Cabinet liaison groups are established or stood down in accordance with the City Council's constitution.

FINANCIAL IMPLICATIONS

There are no significant financial implications with regard to the recommendations. Resources are available to provide the necessary level of support.

OTHER RESOURCE IMPLICATIONS

Human Resources:

N/A

Information Services:

N/A

Property:

N/A

Open Spaces:

N/A

SECTION 151 OFFICER'S COMMENTS

The section 151 officer has been consulted and has no further comments.

MONITORING OFFICER'S COMMENTS

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

BACKGROUND PAPERS

Cabinet minutes 1 June 2010

Contact Officer: Tom Silvani

Telephone: 01524 582132

E-mail: tomsilvani@lancaster.gov.uk

Ref:

Telephone via (01524) 384562
Email: Neil.Harris@Cumbria.ac.uk

11 November 2010

Tom Silvani
Democratic Support Officer
Lancaster City Council
Town Hall
Dalton Square
Lancaster
LA1 1PJ

Dear Tom,

RE: Lancaster City Council Universities Cabinet Liaison Group

Thank you for your letter of 28 October 2010 re: the above.

My view is that while it was a good idea to establish the group at the time, it has not in practice had a clear role and purpose. The fact that it has not met for a year tends to support this view.

Since its establishment we have formed other links with the council and are involved in other groups such as the community leaders' forum. Given this, while Cumbria of course would be willing to contribute if that is the prevailing view, we would not advocate continuation of this group.

Yours sincerely



Neil Harris
Registrar and University Secretary
University of Cumbria

LANCASTER
UNIVERSITY

Secretary of the University



SEC/2010/2/1267

11 November 2010

Mr T Silvani
Democratic Support Officer
Lancaster City Council
Town Hall
Dalton Square
LANCASTER
LA1 1PJ

Dear Mr Silvani

Lancaster City Council Universities Cabinet Liaison Group

Thank you for your letter of 28 October 2010 about the future of this Group. While there was a need for the Group a few years ago, I do not believe that need still exists and the value of the Group is therefore limited. Both the universities have good officer to officer relations with the City Council and with each other, and I believe it is a more effective use of time and effort to maintain and develop those, rather than spend time in committee. (This is a principle that Lancaster University has adopted internally, and has seen a modest reduction in the number of committees.) In addition, the City Council has kindly invited us to join bodies where you feel we can add value.

If there are particular issues which need to be addressed, it may be better to establish specific, and tightly defined, project groups to resolve issues, which are laid down on completion of their tasks.

I hope that this is helpful, and look forward to hearing the outcome.

Yours sincerely

Universities CLG

Phone call from Peter Elliot, Lancaster Student Union

The group has met so infrequently that it has lost its purpose. Either it needs to meet more with a clearer purpose or it shouldn't bother. It hasn't worked well for around 3 years. When it worked well it was chaired by Ian Barker, The Leader of the Council, who prioritised the group. To work well it needs to be prioritised by senior people at both the Universities and the Council. If the University and Council leadership both think there is a clear purpose for the group then please continue it otherwise it should be put out of its misery! There are big issues to be discussed – the Universities are major employers in the district. However the big issues are not discussed at the CLG meetings. They talk about Carnage if there has been one recently but they don't touch the big issues (housing, for example) because there aren't the senior people from both the Council and the University to discuss those issues.

The Student Union has links with people in Planning, Licensing, Housing, and ward councillors, so they do have contacts with people at the City Council. For example in a conversation with Planning, they discussed the policies for student housing, which seem out of date. So there does need to be a conversation between the University and the City, on issues such as housing for example, but it needs to be between the right (senior) people.

CABINET

Canal Corridor Redevelopment 18 January 2011

Report of Deputy Chief Executive

PURPOSE OF REPORT			
To consider the Development Agreement for the development of the City Council's land for the proposals contained within the Lancaster Canal Corridor Development Brief.			
Key Decision	X	Non-Key Decision	Referral from Cabinet Member
Date Included in Forward Plan		04 January 2011	
This report is public			

RECOMMENDATIONS OF COUNCILLOR STUART LANGHORN:

- (1) To extend and amend the existing Development Agreement with Centros and bring back to Council with proposed terms and conditions.
- (2) That the Head of Property Services obtains independent valuation advice from the District Valuer (or their appointed professional), funded through the Development Agreement, to ensure that it can be seen to be acting properly and prudently throughout all its dealings.
- (3) That, in negotiating the Development Agreement, specific reference is made to Centros carrying out comprehensive consultation with communities as part of the planning process.

1.0 Introduction

Background

- 1.1 In March 2005, Cabinet approved Centros to be preferred Developer Partner for the Canal Corridor North site, with detailed terms and conditions of the Development Agreement being approved in July 2006.
- 1.2 As a condition of the Development Agreement, Centros submitted a formal planning application for the comprehensive redevelopment of the site and, following a call-in request made by the Secretary of State, this application was refused in December 2009.

Issues

- 1.3 Since the refusal of consent by the Secretary of State, officers of the Council, Centros, English Heritage and the adjoining landowners, have held several

meetings to see if the issues raised by the Secretary of State regarding the heritage assets/listed buildings and financial viability could be amicably addressed and, whilst there is currently no formal agreement, assessment of the heritage assets and the informal discussions are progressing in a positive manner.

- 1.4 A useful outcome from the Secretary of State’s decision was that clarity was given to the City Council that it was considered acceptable for a mixed use retail scheme to be developed out on the canal corridor site (albeit at a smaller scale if the development proceeds before 2015) and that the assumptions outlined in the development brief and Local Development Framework were acceptable.
- 1.5 The existing Development Agreement has a “long stop” date of October 2011 by which time the conditions within the Agreement must be completed. The main condition is to obtain a suitable planning permission for an approved form of development. Given the current situation, it is clear that it will not be possible to obtain a suitable planning permission by October 2011. It is also clear that Centros are keen to take forward the redevelopment of the site.
- 1.6 As a consequence of the positive discussions to date, the City Council has now been approached by Centros and the adjoining land owner with a request to extend the Development Agreement agreed in 2006 by Cabinet for a further 5 years to reflect the above. However, due to current market conditions, the extended contract would need to be renegotiated by the District Valuer (or their appointed professional) to ensure all terms of contract remain appropriate. This would be needed as "special purchaser" arrangements and the disposal must be facilitated in accordance with Section 123 in the Local Government Act 1972.

2.0 Proposal Details

- 2.1 As detailed above, Centros have formally requested an extension of the existing contract, due to the difficulties they would have in re-submitting a planning application, with the time limits set out in the original agreement (see Appendix A).

3.0 Details of Consultation

- 3.1 As stated above, discussions have taken place with English Heritage, Centros and the adjoining land owner. However, it has remained premature to consult publically at this stage.

4.0 Options and Options Analysis (including risk assessment)

	Option 1:	Option 2:	Option 3:	Option 4:
	Terminate the Development Agreement with Centros (due to there being insufficient time to process an acceptable planning application by	Extend/Revise the Development Agreement with Centros, subject to revised terms and conditions being negotiated by the District Valuer (or their appointed professional) to	Terminate the Development Agreement and retain all existing uses on the Council owned land	Terminate the Development Agreement and dispose of the Council owned land on the open market

	<p>October 2011) and seek to carry out a community based masterplanning process</p>	<p>comply with S123 of the Local Government Act 1972 due to the special purchaser arrangements that are in place</p>		
<p>Advantages</p>	<p>Such a process will engage with all the communities who have an interest in the process, including the residents associated with "Its Our City".</p> <p>The outcome could also inform the Local Development Framework Land Allocations process for Members to consider.</p>	<p>As detailed in Appendix B, the adjoining land owner has agreed to enter into a land sale agreement with Centros to dispose of their interests in the land. Considering this, the Council would not need to consider acquiring the land, nor would it need to consider the cost of submitting a planning application as these would all be covered in the Development Agreement with the adjoining land owner, Centros.</p> <p>It would not be considered to be economically value for money to consider acquiring land from a developer where that developer is willing to undertake development themselves. Such an option of "special purchaser" is considered acceptable on the proviso that the disposing authority ensure it receives market value for the asset and to facilitate this, it is</p>	<p>None</p>	<p>The Council would obtain a capital receipt, but this would be lower than that received if planning approval is sought first.</p>

		<p>proposed that the District Valuer will be appointed to agree suitable terms and conditions of the proposed Development Agreement.</p> <p>The Council would retain ownership of the site, up until the point when the site is developed, thus maintaining control over the development process.</p> <p>Should members approve working with Centros, this would allow an early start on the planning process, maximising on the positive progress made to date.</p>		
<p>Disadvantages</p>	<p>Although a community based process would result in a masterplan being produced, there would be no developer on board to implement the scheme.</p> <p>Because the scheme in question is strategic and will affect the total population of the district (over 140,000) and communities</p>	<p>None</p>	<p>Such an option would be contrary to the current Development Brief for the site and the principles of the Council's approved Local Development Framework.</p>	<p>The Council would have no trustee land owner control over the form that the planning process would take as a development partner. It would only have control through its regulatory function. And hence could be overridden by the Secretary of</p>

	<p>from South Lakes and Wyre, it is difficult to identify how a community based process would comprehensively capture and balance all views of the community. Because of the strategic nature of the project, it would probably be best to leave such engagement with the community to the developer and have a robust engagement strategy through the planning process.</p>			<p>State.</p>
<p>Risks</p>	<p>There can be no assurances that a private sector developer would accept a community led development and the City Council would then need to fund the cost of carrying out the masterplanning process which could run into hundreds of thousands of pounds.</p> <p>A community led approach could also raise the expectations of the community and may create</p>	<p>There is a risk that the Developer will not carry out community consultation to a satisfactory level. However, this can be mitigated through phrasing within the revised Development Agreement.</p>	<p>None</p>	<p>None</p>

	<p>a plan which is undeliverable in commercial terms. A formal land allocation in the LDF could not be made if practical delivery were questionable.</p>			
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5.0 Officer Preferred Option

5.1 Officers advise that Option 2 is the preferred option; to extend and amend the existing Development Agreement with Centros and bring back to Council with proposed terms and conditions. Officers also recommend that the Head of Property Services obtains independent valuation advice from the District Valuer (or their appointed professional), funded through the Development Agreement, to ensure that it can be seen to be acting properly and prudently throughout all its dealings.

6.0 Conclusion

6.1 That negotiations take place to extend and amend the Development Agreement, and prepare Heads of Terms for the Council’s consideration.

RELATIONSHIP TO POLICY FRAMEWORK

One of the Council’s key priorities in economic regeneration is improving the heritage and visitor offer of the district. The recent cultural heritage strategy clearly identified enhancing Lancaster City Centres retail offer as fundamental to improving the overall tourism package offered by the district. The Local Development Framework Core Strategy identifies the Canal Corridor site as a planned expansion of Lancaster’s primary shopping area and this aim has been strengthened by much of the substance of the Secretary of States decision relating to the earlier planning applications. The site is still the subject of a Development Brief adopted in 2004 for the Canal Corridor North which identifies mixed use development including retailing as being appropriate for the site, and is also identified in the Lancaster City Centre Strategy of 2004. A review of the Lancaster Conservation Area has taken place and there is a strong likelihood that the whole of the site will become part of the extended city centre Conservation Area.

**CONCLUSION OF IMPACT ASSESSMENT
(including Diversity, Human Rights, Community Safety, Sustainability and Rural Proofing)**

The expansion of Lancaster City centre’s retail offer has the potential to have considerable impacts for the communities in the district. The City Centre is one of the largest concentrations of employment in the area, at the hub of the sub regional transport network. The development of the site for an expanded retail area would contribute to the creation of a considerable growth in employment opportunities, enhancement of the cultural offer in the city and provide new homes in a proven sustainable location. Improving accessibility to higher order retailing would mean that the many rural communities in North Lancashire and South Cumbria would have to travel far less distance for quality shopping and potential employment, and could assist in encouraging young people to stay living in the communities around the Lancaster

district and Morecambe Bay, rather than being attracted away to metropolitan areas. Lancaster University also considers that an improved retail offer will help increase the attractiveness of Lancaster and Morecambe for students outside the area.

LEGAL IMPLICATIONS

In the event of either options 1,3 or 4 being recommended Legal Services would be required to serve the appropriate termination notice in accordance with the provisions of the Development Agreement. If the preferred option is approved Legal Services would be required to advise on and agree the terms of the approved extension of the Agreement and also ensure appropriate documentation was in place to reflect such amended terms.

FINANCIAL IMPLICATIONS

There are no immediate financial implications arising from the principles of this report. The Council continues to receive a variety of incomes from the site, which will need to be taken into account in extending/revising the current Development Agreement, subject to revised terms and conditions being negotiated by the District Valuer should option 2 be agreed.

The Council's Financial Regulations identify that on disposal of assets, the maximisation of benefits is achieved. In addition, under S123 of the Local Government Act 1972, the Authority is under a similar requirement to achieve the best consideration reasonably obtainable on the disposal of an interest in land. By continuing to work in a form of Partnership with Centros, maximisation of income could be achieved whilst still retaining control over the development that takes place, which may not necessarily be the case with options 1 and 4; any decision on pursuing either of these options would need to be in principle, subject to consideration of a further report setting out all implications, not just financial aspects.

It is re-iterated also that option 2 is not without financial risks, depending on the actual profitability of the development and the structuring of the financial aspects of the revised heads of terms. A full appraisal of this would need to be included in a future report to Cabinet prior to entering into any further financial/contractual commitment.

Option 3 would raise no new financial or budget implications.

OTHER RESOURCE IMPLICATIONS

Human Resources:

None

Information Services:

None

Property:

As detailed in the report and background papers

Open Spaces:

As detailed in the report and background papers

SECTION 151 OFFICER'S COMMENTS

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

MONITORING OFFICER'S COMMENTS

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

BACKGROUND PAPERS

Cabinet report 22 March 2005 – Canal Corridor, Lancaster, Development Options.

Contact Officer: Heather McManus

Telephone: 01524 582301

E-mail:

deputychiefexecutive@lancaster.gov.uk

Ref: DCE/DP/CAR/2011/01

APPENDIX A**Proto, Dominique**

From: Richard Wise [Richard.Wise@centros.co.uk]
Sent: 10 December 2010 14:53
To: McManus, Heather
Cc: David Lewis
Subject: Castle View, Lancaster.

Dear Heather,

I refer to our meeting last Wednesday 1st December. I am pleased to confirm that we have agreed revised terms with Mitchells Brewery to purchase their property interests. Solicitors have been instructed to complete the contract. We have asked Andrew Barker to confirm to you by separate letter that this is true.

For obvious reasons, our revised contract with Mitchells is conditional upon the Development Agreement between the Council and Centros being extended by a minimum of 5 years from the current expiry date (October 2011). I would therefore be grateful to receive confirmation from you as to the proposed timetable to complete the extension documentation. As discussed last week, Centros remains fully committed to delivering a successful retail scheme in Lancaster. We have spent considerable time, effort and money working in partnership with you over the past 4 years and despite the credit crunch and previous issues with English Heritage, we believe wholeheartedly that our proposals are viable and that they will deliver very significant economic benefits to the city.

As an example, the development we have most recently finished in Bury St Edmunds (arc) has delivered huge economic benefits within a very short period since opening in March 2009. Not only is trading very strong in the new shopping centre, but existing independent retailers are reporting strong growth following the opening of arc. Some have experienced in excess of 35%. The increase in visitors to the town has also been dramatic, leading to significant revenue growth across all car parks. The dwell time for visitors has also improved materially and trading for local restaurants, cafes, hotels has increased throughout the week and at weekends. We strongly believe a similar success story can be created in Lancaster.

The mix of uses within the scheme will be vitally important as we will need to cater for both convenience and comparison shopping. Our revised designs address this issue very well and I look forward to discussing these with you and your colleagues in the near future.

I look forward to hearing from you as soon as possible

Regards,

Richard

Richard Wise
Chief Executive

PA - Zoe Preston
Tel: 0207 499 3917
Email: zoe.preston@centros.co.uk

05/01/2011

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APPENDIX B**Proto, Dominique**

From: Jonathan [Jonathan@mitchellspubs.co.uk]
Sent: 04 January 2011 15:38
To: McManus, Heather
Cc: Andrew Barker
Subject: mitchells brewery and centros.

Dear Heather,

I write to yourself and relevant colleagues at Lancaster City Council to inform you of the following in relation to our land insofar as it relates to the Canal Corridor North development:

1. Mitchells have an Option Agreement with Centros.
2. Over the past year we have been approached by other developers expressing strong interest in the site. This has meant that we were able to discuss the commercial and cultural aspects with experienced developers other than Centros.
3. Following these discussions we selected Centros and have entered into an Option agreement with them.

Should you require any further information please don't hesitate to contact me.

Kind regards.

Jonathan Barker
 Joint Managing Director

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