

## CABINET

10.00 A.M.

17TH JANUARY 2012

**PRESENT:-** Councillors Eileen Blamire (Chairman), Janice Hanson (Vice-Chairman), Jon Barry, Abbott Bryning, Tim Hamilton-Cox, Karen Leytham, Ron Sands and David Smith

Officers in attendance:-

	Chief Executive
Mark Cullinan	
Heather McManus	Deputy Chief Executive
Nadine Muschamp	Head of Financial Services and Section 151 Officer
Richard Tulej	Head of Community Engagement Service (Minutes 75 & 76)
Graham Cox	Head of Property Services (Minute 77 & 82)
Mark Davies	Head of Environmental Services (Minute 82)
Suzanne Lodge	Head of Health and Housing (Minutes 78 & 80)
Andrew Dobson	Head of Regeneration and Policy Service (Minute 81)
Andrew Clarke	Accountancy Services Manager
Liz Bateson	Principal Democratic Support Officer

### 71 MINUTES

The minutes of the meeting held on Tuesday 6 December 2011 were approved as a correct record.

### 71 MINUTES

The minutes of the meeting held on Tuesday 6 December 2011 were approved as a correct record.

### 72 ITEMS OF URGENT BUSINESS AUTHORISED BY THE LEADER

The Chairman advised that there were no items of urgent business.

### 73 DECLARATIONS OF INTEREST

No declarations were made at this point.

### 74 PUBLIC SPEAKING

Members were advised that there had been no requests to speak at the meeting in accordance with Cabinet's agreed procedure.

### 75 EXCEPTIONAL EVENTS 2012

#### **(Cabinet Member with Special Responsibility Councillor Sands)**

Cabinet received a report from the Head of Community Engagement to update members and seek approval for plans and resources for events to celebrate and maximise the

economic impact of the Olympics.

The options, options analysis, including risk assessment and officer preferred option, were set out in the report as follows:

	<b>Option 1:</b> Notes the update, determines whether £40K or £50K is to be recommended, and seeks Council approval at the beginning of February, to allow earlier progress towards festivals and events for 2012 and 2013 – as set out in paragraph 3.3. above.	<b>Option 2:</b> Notes the update, determines whether £40K or £50K growth be proposed, but does not agree to seek early budget update and delays any decision until budget council at the end of February 2012.	<b>Option 3:</b> Notes the update and decides to provide some funding to cover the necessary health and safety costs associated with the torch passing through the district.
<b>Advantages</b>	<p>It will encourage visitors to the district at the time – supporting the regeneration priority. Unprecedented local, regional, national and international coverage of the district – raising the profile of Lancaster and Morecambe long term as an attractive place to visit/stay, supporting the regeneration of the district.</p> <p>It will help potential visitors to geographically locate Lancaster / Morecambe as a visitor destination close to the Lake District,</p> <p>It will demonstrate to other potential event organisers that this district is able to successfully host international scale events.</p> <p>This again supports the regeneration priority.</p> <p>It will be an enormous opportunity for the community to come together and enjoy a once in a lifetime</p>	<p>Council is able to make any decision within the overall context of setting its budget for 2012/13.</p>	<p>Allows the Torch to pass through the district safely.</p>

	<p>experience. It will also help to enhance the community's sense of pride in the district. It will raise the profile of sport amongst local people and provide a springboard to encourage regular exercise and sporting opportunities. Creates certainty and planning time for businesses who will benefit from the events Supports the council's priorities and a significant element of the council's Visitor Marketing Plan</p>		
<b>Disadvantages</b>	<p>Decision taken ahead of wider budget setting context.</p> <p>Resource implications – people and financial.</p> <p>Failure to realise the massive benefits this event might bring</p>		

Option 1 was the officer preferred option. Cabinet needed to take a decision with regard to the Council's commitment to this exceptional event in 2012. The earlier a decision could be made the more this would assist in planning for the event.

Councillor Sands proposed, seconded by Councillor Smith:-

- "(1) That at its next meeting, Council be recommended to establish a Reserve of £40K in 2012/13 for the Olympic Torch Event and the allocation of this funding be determined by Cabinet following the production of a detailed programme of events.
- (2) That subject to the approval of the Apprenticeship Growth Bid as part of the main budget process, this be used to provide assistance with the preparations for the Events, if required."

***Resolved unanimously:***

- (1) That at its next meeting, Council be recommended to establish a Reserve of £40K in 2012/13 for the Olympic Torch Event and the allocation of this funding be determined by Cabinet following the production of a detailed programme of

events.

- (2) That subject to the approval of the Apprenticeship Growth Bid as part of the main budget process, this be used to provide assistance with the preparations for the Events, if required.

**Officers responsible for effecting the decision:**

Head of Community Engagement

**Reasons for making the decision:**

The Council has a tradition of supporting festivals and events which directly support Council priorities and this fits with the priorities in relation to Economic Regeneration – Visitor Economy and Partnership Working and Community Leadership. An early decision from Cabinet with regard to the Council’s commitment would assist in planning for this exceptional event.

**76 CORPORATE REVIEW OF SERVICE LEVEL AGREEMENTS**

**(Cabinet Member with Special Responsibility Councillor Barry)**

Cabinet received a report from the Head of Community Engagement to update on progress in relation to the corporate review of Service Level Agreements and to make recommendations for future management arrangements, joint working and commissioning.

The options, options analysis, including risk assessment and officer preferred option, were set out in the report as follows:

	<b>Option 1</b> Introduce a commissioning framework	<b>Option 2</b> Do nothing – retain existing arrangements
<b>Advantages</b>	Opportunity to use the commissioning approach to reinforce positive engagement with partners  Potential for improved value for money  Improved opportunity to align council investment with delivery of corporate priorities  Increased flexibility to focus funds on current high priority service areas  Longer term planning opportunities for delivery partners	Officer time not required to develop commissioning arrangements

	Development of staff expertise and capacity to take commissioning forward in other areas of work	
<b>Disadvantages</b>	Officer time required to develop commissioning arrangements	<p>Funding may not be closely aligned to current priorities</p> <p>Current agreements limit the council's ability to steer funding towards priority activities that offer maximum return</p> <p>Best possible value for money may not be achieved</p> <p>Current arrangements not consistently supported by agreed priorities and transparent criteria for funding</p> <p>Lost opportunity to strengthen engagement with partners via commissioning processes</p>
<b>Risks</b>	Possible concerns on the part of current delivery organisations – can be mitigated by communications and fair, transparent processes	Possible risks to high priority services if funding is already fully allocated and flexibility is not available to shift funding priorities over time

The officer preferred option was Option 1. The Council has supported a number of organisations to deliver services in the district for some years. Funding has been provided as part of Service Level Agreements with the relevant organisations. Over the last year the Council has reviewed these arrangements in detail and, following the review, the report made some recommendations to ensure that the Council's investment was in line with corporate priorities, that collaboration was supported and other requirements including value for money, quality standards, sustainability were met.

Councillor Barry proposed, seconded by Councillor Hamilton-Cox:-

- “(1) That the Council continues to develop joint approaches with other funding partners, where possible, including Lancashire County Council, to achieve efficiencies and maximise impact of funding.
- (2) That a request is made to Lancashire County Council that the Council is able to use any Second Homes funding that may be available to support the Council's agreements with the Arts and Voluntary, Community, Faith sectors.
- (3) That the Council continues to develop partnership working arrangements with the Arts and the Voluntary Community, Faith sectors, to support service delivery in the district and to achieve efficiencies.

- (4) That the Council works with Arts and Voluntary, Community, Faith sector partners to develop commissioning frameworks to secure important services for the district and to provide robust arrangements for management of the related funding provided by the council.
- (5) That the Council's funding for the Arts and the Voluntary, Community, Faith sectors is aligned with other initiatives including the Strategic Funding and Social Enterprise projects that have been initiated by the LDLSP, and also to help achieve collaboration between partners, efficiencies, sharing of resources and development of opportunities for joint working.
- (6) That existing Service Level Agreements are continued at current levels for the financial year 2012/ 13, whilst longer term commissioning arrangements are developed with partners, but that in the budget process Cabinet members consider the option not to include an inflationary element."

Councillors then voted:-

***Resolved unanimously:***

- (1) That the Council continues to develop joint approaches with other funding partners, where possible, including Lancashire County Council, to achieve efficiencies and maximise impact of funding.
- (2) That a request is made to Lancashire County Council that the Council is able to use any Second Homes funding that may be available to support the Council's agreements with the Arts and Voluntary, Community, Faith sectors.
- (3) That the Council continues to develop partnership working arrangements with the Arts and the Voluntary Community, Faith sectors, to support service delivery in the district and to achieve efficiencies.
- (4) That the Council works with Arts and Voluntary, Community, Faith sector partners to develop commissioning frameworks to secure important services for the district and to provide robust arrangements for management of the related funding provided by the council.
- (5) That the Council's funding for the Arts and the Voluntary, Community, Faith sectors is aligned with other initiatives including the Strategic Funding and Social Enterprise projects that have been initiated by the LDLSP, and also to help achieve collaboration between partners, efficiencies, sharing of resources and development of opportunities for joint working.
- (6) That existing Service Level Agreements are continued at current levels for the financial year 2012/ 13, whilst longer term commissioning arrangements are developed with partners, but that in the budget process Cabinet members consider the option not to include an inflationary element.

**Officers responsible for effecting the decision:**

Head of Community Engagement

**Reasons for making the decision:**

The decision is consistent with current corporate priorities as identified within the council's Corporate Plan 2011 to 2013:

- Work to develop resilience and capacity in the Voluntary Community Faith Sector and to maximize the benefits achieved from the council's investment in Voluntary Community Faith Sector.
- Development of a thriving Arts and Cultural sector supported by a stronger Arts and Cultural partnership for the District
- Protecting the most vulnerable in our society

**77 REVIEW OF PARKING FEES AND CHARGES 2012-13**

**(Cabinet Member with Special Responsibility Councillor Hamilton-Cox)**

Cabinet received a report from the Head of Property Services to consider the Annual Review of Parking Fees and Charges for 2012/13.

The options, options analysis, including risk assessment and officer preferred option, were set out in the report as follows:

	<b>Option 1:</b> This option is to do nothing and to retain the existing fees and charges	<b>Option 2:</b> This option is to reduce some charges in a bid to increase usage	<b>Option 3:</b> This option is to approve increases to some fees and charges to achieve the 2012/13 Draft budget
Advantages	<p>This option limits the impact on parking usage and town centre businesses and trading</p> <p>This option is likely to receive the most support through the consultation process</p> <p>This option has the potential to reduce any further reductions in usage</p>	<p>Depending on the range of reduced prices this option could encourage greater use of car parks and increased use of local businesses and traders</p> <p>This option is likely to receive the greatest support through the consultation process</p>	<p>This option allows parking fees and charges to meet the financial target and to also potentially make an additional contribution to the 2012/13 budget process through surplus income</p>
Disadvantages	<p>This option is unlikely to achieve the required budget contribution through</p>	<p>This option is unlikely to achieve the required budget contribution as</p>	<p>This option could have a negative impact on short stay parking and town</p>

	increased usage	considerable additional usage would be required	centre trading This option is likely to receive the least support through the consultation process
Risks	This option increases the budget preparation difficulties at a time when additional income or major savings are required	It is extremely difficult to predict customer reaction to any reduced prices and the financial impact for the council. There are substantially increased risks associated with this option	This option could lead to further reductions in usage and the consequential risk of this could be that the estimated level of additional income may not be achieved

The officer preferred option was Option 3: to increase pay and display charges and to consider the two sub-options summarised as follows:-

Increase the Up to 1 hour charge on all car parks from £1.20 to £1.30

Increase the Evening charge from £1.20 to £1.40, or

(b) Increase Short Stay Up to 2 hours from £2.00 to £2.20

Increase Short Stay Up to 3 hours from £2.70 to £2.80

Increase Short Stay Up to 4 hours from £3.40 to £3.50

That Cabinet approves allowing resident permit holders from Bulk Zone C to use Upper St Leonardsgate Car Park, Monday to Saturday before 10.00am and after 4.00pm and all day Sunday and that the Off-Street Parking Places Order is only amended when other substantive changes are required.

That Cabinet approves adding Marine Road No 5 and No 6 to the list of car parks that Morecambe General Permit holders and other car park permit holders can use and that the Off-Street Parking Places Order is only amended when other substantive changes are required.

Councillor Hamilton-Cox proposed, seconded by Councillor Barry:-

“(1) That all parking fees and charges remain unchanged with the exception of the evening charge which is increased from £1.20 to £1.40 and the 2 hour short stay charge which is increased from £2.00 to £2.20.

(2) That Cabinet approves allowing resident permit holders from Bulk Zone C to use

Upper St Leonardsgate Car Park, Monday to Saturday before 10.00am and after 4.00pm and all Sunday but that this arrangement be on a temporary basis and terminate in the event of any development to the area and that the Off-Street Parking Places Order is only amended when other substantive changes are required.

- (3) That Cabinet approves adding Marine Road No 5 and No 6 Car Parks to the list of car parks that Morecambe General Permit holders and other car park permit holders can use and that the Off-Street Parking Places Order is only amended when other substantive changes are required.”

Councillors then voted:-

***Resolved unanimously:***

- (1) That all parking fees and charges remain unchanged with the exception of the evening charge which is increased from £1.20 to £1.40 and the 2 hour short stay charge which is increased from £2.00 to £2.20.
- (2) That Cabinet approves allowing resident permit holders from Bulk Zone C to use Upper St Leonardsgate Car Park, Monday to Saturday before 10.00am and after 4.00pm and all Sunday but that this arrangement be on a temporary basis and terminate in the event of any development to the area and that the Off-Street Parking Places Order is only amended when other substantive changes are required.
- (3) That Cabinet approves adding Marine Road No 5 and No 6 Car Parks to the list of car parks that Morecambe General Permit holders and other car park permit holders can use and that the Off-Street Parking Places Order is only amended when other substantive changes are required.

**Officers responsible for effecting the decision:**

Head of Property Services

**Reasons for making the decision:**

The decision is consistent with the Parking Strategy:-

Aim 3 – in areas where the demand for residents’ parking spaces exceed the supply, make provision for certain resident permit holders to use designated car parks for overnight parking

Aim 5 - to set charges to meet the Council’s transportation policy objectives and budget commitments

Aim 5 – ensure the cost differential between on and off-street charges is maintained

The decision links with the Corporate Plan Priorities – Economic Regeneration and Climate Change and is consistent with the aims and objectives of the Medium Term Financial Strategy.

## 78 HEALTH AND HOUSING FEES &amp; CHARGES 2012/13

**(Cabinet Member with Special Responsibility Councillor Leytham)**

Cabinet received a report from the Head of Health & Housing which had been prepared as part of the 2012/13 estimate procedure and set out options for increasing the level of fees and charges.

The options, options analysis, including risk assessment and officer preferred option, were set out in the report as follows:

	<b>Option 1</b> To approve an inflationary increase of 2.6% in fees.	<b>Option 2</b> To approve a 5% increase.	<b>Option 3</b> To do nothing and retain the existing fees and charges.
Advantages	This option allows for increased fee revenue whilst retaining fees at competitive levels.  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.	This option allows for a greater increase in revenue..	This option would mean no price increases for customers.
Disadvantages		Any increase in fees is likely to be unpopular with customers.	No opportunity to raise additional revenue through fees and charges.
Risks	There is always a risk that customers will choose not to access services if fees are too high.  However, evidence gathered shows core fees and charges are comparable to	There is always a risk that customers will choose not to access services if fees are too high.  There is a risk that even current income levels will fail to be achieved if fees are	This option increases the difficulties of securing a viable budget at a time when additional income and savings are required.

	other nearby local authorities.	perceived to be too high.	
--	---------------------------------	---------------------------	--

There was no officer preferred option.

Councillor Leytham proposed, seconded by Councillor Hanson:-

“(1) That the recommendations, as set out in the report, be approved.”

Councillors then voted:-

***Resolved unanimously:***

- (1) That the Environmental Health & Private Sector Housing fees in Appendix 1 to the report be increased by 5%.
- (2) That the 50% discounts in qualifying cases (fleas, bedbugs, rodents) for those in receipt of Council Tax and/or Housing Benefit is retained.
- (3) That the fees and charges for the Neptune Baby and Young Child Memorial Garden are not increased for 2012/13.
- (4) That last years approved reduction of 50% for the lease of memorial plaques in the Neptune Baby area is retained for this and future years and forms the base fee for any proposed increases.
- (5) That a new fee of £80.00 (plus vat) be introduced for drain camera surveys as detailed in the report.

**Officers responsible for effecting the decision:**

Head of Health & Housing

**Reasons for making the decision:**

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

**79 BUDGET AND POLICY FRAMEWORK UPDATE - GENERAL FUND REVENUE  
BUDGET AND CAPITAL PROGRAMME**

**(Cabinet Member with Special Responsibility Councillor Bryning)**

Cabinet received a report from the Head of Financial Services to provide information on the latest budget position for current and future years, to inform Cabinet's budget and policy framework proposals and to allow it to make final recommendations to Council regarding council tax levels for 2012/13.

The options, options analysis, including risk assessment and officer preferred option, were set out in the report as follows:

Options were 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 were known and it should be noted that Officers may require more time in order to do this. Outline options were highlighted below, however.

- Regarding council tax, various options were set out at section 8 of the report attached to the agenda. 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 public engagement. Emphasis should be very much on the medium to longer term position.
- In terms of the reassessment of reserves and the initial priorities for allocating surplus balances, given circumstances it was considered that there were no real alternatives. Cover for such liabilities and risks would need to be made from somewhere.

With regard to the more specific recommendations, options were outlined below:

- For the revenue growth to support development of the funding bids for the Science Park and Heysham Gateway, Cabinet could choose to consider them as part of their budget proposals or reject them. If rejected, although it avoids some extra pressure to make savings, it also meant that an opportunity to attract significant investment and deliver against existing priorities was lost.
- For the Community Capital Fund, Cabinet could choose to confirm or reject the allocation of funding, or defer a final decision and consider it as part of its overall budget proposals. This allocation would support purely discretionary spending and there were no detailed proposals available at this stage. Members were advised to consider the LSP's recommendations and assumed commitments, against other potential uses for these funds given the capital position.

Under the Constitution, Cabinet was required to put forward budget proposals for Council's consideration, in time for them to be referred back as appropriate. This is why recommendations were required to feed into the Council meeting in early February, prior to the actual Budget Council later that month. Officer preferred options were reflected in the recommendations.

Councillor Bryning proposed, seconded by Councillor Smith:-

- “(1) That Cabinet notes the current budgetary position and prospects for future years and in particular, the progress made in identifying savings.

- (2) That Cabinet approves the reassessment of reserves and provisions as set out in section 3 of the supplementary report.
- (3) That subject to (2) above, Cabinet approves the 2011/12 Revised Budget of £21.444M for referral on to Council, with the net underspending of £37K being transferred into Balances.
- (4) That Cabinet approves not to allocate the £100K of remaining capital related Performance Reward Grant for the Community Capital Fund, and approves instead that it be used to help support capital growth proposals for next year onwards, reflecting higher priority investment needs.
- (5) That taking account of the proposals above, Cabinet recommends Council Tax Scenario (C) to Council namely that:
  - City Council tax rates be frozen for 2012/13 to benefit from tax freeze compensation, and
  - For 2013/14 and 2014/15 target City Council tax increases of up to 3.5% per year be approved, to help protect service delivery and subject to future local referendum thresholds.
- (6) That Cabinet:
  - Further reviews the existing Corporate Plan priorities and its more recently identified fourteen priority areas to fit with the above targets at its February meeting;
  - considers the savings and growth proposals set out at Appendix B and makes initial recommendations regarding its budget proposals for 2012/13 onwards, together with proposals for balancing the 5-year capital programme.

and that all the above be referred on to Council for its initial consideration in early February, as well as being presented for scrutiny by Budget and Performance Panel.”

By way of an amendment, which was accepted as a friendly amendment by the proposer and seconder of the motion, Councillor Barry proposed:

“That the second bullet point on recommendation (6) be amended with the words “*makes initial recommendations regarding its budget proposals for 2012/13 onwards*”, deleted and replaced with, ‘will make detailed proposals at the February Cabinet meeting.’”

Councillors then voted:-

***Resolved unanimously:***

- (1) That Cabinet notes the current budgetary position and prospects for future years and in particular, the progress made in identifying savings.

- (2) That Cabinet approves the reassessment of reserves and provisions as set out in section 3 of the supplementary report.
- (3) That subject to (2) above, Cabinet approves the 2011/12 Revised Budget of £21.444M for referral on to Council, with the net underspending of £37K being transferred into Balances.
- (4) That Cabinet approves not to allocate the £100K of remaining capital related Performance Reward Grant for the Community Capital Fund, and approves instead that it be used to help support capital growth proposals for next year onwards, reflecting higher priority investment needs.
- (5) That taking account of the proposals above, Cabinet recommends Council Tax Scenario (C) to Council namely that:
  - City Council tax rates be frozen for 2012/13 to benefit from tax freeze compensation, and
  - For 2013/14 and 2014/15 target City Council tax increases of up to 3.5% per year be approved, to help protect service delivery and subject to future local referendum thresholds.
- (6) That Cabinet:
  - Further reviews the existing Corporate Plan priorities and its more recently identified fourteen priority areas to fit with the above targets at its February meeting;
  - Further considers the savings and growth proposals set out at Appendix B to the supplementary report and makes detailed proposals at the February Cabinet meeting together with proposals for balancing the 5-year capital programme.

and that all the above be referred on to Council for its initial consideration in early February, as well as being presented for scrutiny by Budget and Performance Panel.

**Officers responsible for effecting the decision:**

Head of Financial Services

**Reasons for making the decision:**

Under the Constitution, Cabinet was required to put forward budget proposals for Council's consideration, in time for them to be referred back as appropriate. The decision will ensure that the policy and budget proposals are fed into the Council meeting in early February, prior to the actual Budget Council later that month.

***The meeting adjourned at 11.25am and reconvened at 11.40pm.***

**80 BUDGET AND POLICY FRAMEWORK UPDATE - HOUSING REVENUE ACCOUNT AND CAPITAL PROGRAMME****(Cabinet Member with Special Responsibility Councillor Leytham)**

Cabinet received a report from the Heads of Health & Housing and Financial Services which updated the Housing Revenue Account (HRA) revised budget position for the current year and set out the recommended budget for 2012/13 and future years under the new self-financing regime. It also set out the updated Capital Programme for 2011/12 and a proposed programme to 2016/17.

The options, options analysis, including risk assessment and officer preferred option, were set out in the report as follows:

With regard to the Revised Budget, Cabinet could consider other proposals that may influence the Revised Budget for the year and the call on revenue balances.

The most obvious options available in respect of the 2012/13 rent increase were to:

- i) Set the average housing rent at £69.22 i.e. an increase of 7.82%. The benefit of this option would be that the Authority would be in line with the Government's proposals to achieve convergence with no negative financial implications to the HRA. Whilst this increase may appear large, this is only because currently, average council housing rents are below those of other social housing providers.
- ii) Set the rent increase at a minimum level of 4.75%, broadly in line with previous projections. This would mean an actual average rent of £67.25, which would result in a total loss of income of £1.67M, over 5 years, when compared with Option 1. With no other compensating factors from the Government to offset the loss of income, the shortfall would have to be met from savings within the HRA or funded from Reserves. This option would also considerably delay the Authority in achieving convergence, and may not support sustainability of the HRA in the longer term.
- iii) Set the rent increase different to either of the proposed options above.

The options available in respect of the minimum level of HRA balances were to set the level at £350,000 in line with the advice of the Section 151 Officer, or to adopt a different level. Should Members choose not to accept the advice on the level of balances, then this should be recorded formally in the minutes of the meeting, and could have implications for the Council's financial standing, as assessed by its external auditors.

The options available in respect of the revenue budget projections and assumed rent levels for 2013/14 to 2014/15 were to recommend those as set out, or to consider other proposals for incorporation. It should be noted that if Cabinet did not go with option 1 and decided on option 2 or other alternative rent levels for 2012/13 or future years', these would alter the budget projections.

The options available in respect of the Capital Programme were:

- i) To approve the programme in full, with the financing as set out;

- ii) To incorporate other increases or reductions to the programme, with appropriate sources of funding being identified.

Any risks attached to the above would depend very much on what measures Members proposed, and their impact on the council housing service and its tenants. As such, a full options analysis could only be undertaken once any alternative proposals were known. It should be noted that Officers may require more time in order to do this. The risks attached to the provisional nature of current subsidy determinations will be managed through future reporting arrangements, as set out in the report attached to the agenda.

The Officer Preferred options were to:

- approve the 2012/13 revised Revenue Budget as set out;
- approve the provisions, reserves and balances positions as set out;
- set a 7.82% increase in average rents, and to approve the draft revenue and capital budgets as set out in the appendices, for referral on to Council as appropriate.

Councillor Leytham proposed, seconded by Councillor Hanson:-

- (1) “That the recommendations, as set out in the report, be approved.”

Councillors then voted:-

**Resolved:**

**(6 Members (Councillors Blamire, Bryning, Hanson, Leytham, Sands & Smith) voted in favour, 2 Members (Councillors Barry & Hamilton-Cox) voted against.)**

- (1) That the Housing Revenue Account Revised Budget for 2011/12, as set out at Appendix A of the report, be recommended to Council for approval.
- (2) That the Housing Revenue Account Budget for 2012/13, also as set out at Appendix A, be recommended to Council for approval.
- (3) That Cabinet recommends to Council that the minimum level of HRA unallocated balances, be retained at £350,000 from 01 April 2012, and that the Statement on Reserves and Balances be noted and referred to Council for information.
- (4) That average council housing rents for the year commencing 01 April 2012 be set at £69.22, representing an increase of 7.82% in line with the Government’s assumptions in the national social rent restructuring policy.
- (5) That future year budget projections also be set in line with the national social rent restructuring policy with average rent increases of 4.64% for 2013/14 and 4.61% for 2014/15, and the resulting budget projections as set out at Appendix A be referred on to Council for approval.
- (6) That the Capital Programme as set out at Appendix D be referred on to Council for approval.

- (7) That Cabinet notes that the proposed revenue budgets and capital programme have been referred to the District Wide Tenants Forum and that any issues arising will be fed back directly to Cabinet.

**Officers responsible for effecting the decision:**

Head of Health & Housing  
Head of Financial Services

**Reasons for making the decision:**

The Council is required under statutory provisions to maintain a separate ring-fenced account for all transactions relating to the provision of local authority housing, known as the Housing Revenue Account (HRA). This covers the maintenance and management of the Council's housing stock. It is necessary to prepare separate revenue and capital budgets for the HRA each year, and to set the level of housing rents in sufficient time for the statutory notice of rent variations to be issued to tenants by 01 March. The decision to set the rent increase for 2012/13 enables the deadline to be met, and enables Cabinet to recommend a balanced budget and fully financed Capital Programme for referral on to Council.

**81 MORECAMBE BAY NATURE IMPROVEMENT AREA**

**(Cabinet Member with Special Responsibility Councillor Hanson)**

The Head of Regeneration and Policy Service presented a report to obtain the agreement of cabinet for the City Council as managing authority for the Arnside/Silverdale AONB to act as accountable body for the Morecambe Bay Nature Improvement Area (NIA) in the event of the funding bid being successful.

The options, options analysis, including risk assessment and officer preferred option, were set out in the report as follows:

Option 1 was for the Council to agree to act as accountable body, and to proceed with the bid for funding and in doing so aim to secure three years external funding for project work which could not normally be undertaken either in the AONB or outside the designated area. Insofar as the AONB is concerned project work would help to implement the local authority partners adopted Management Plan. In other areas improvements to the natural environment have been restricted due to reduction in public funding across a wide range of agencies and the success of this bid would help to replace some of those funds.

Option 2 was for the Council not to agree to act as accountable body, and therefore not to proceed with the application for funding. This would lose the opportunity to obtain external funding for the partnership bodies to invest in improvements to the natural environment. It would mean that the AONB Management Plan's objectives would continue to be harder to achieve in the current financial climate.

Option 1 was the preferred option as this presented a unique opportunity in the current financial climate to obtain external funding for projects to improve the very special areas

which the City Council has a responsibility to manage, without any match funding burden on the council itself. It would therefore be in the City Council's best interests to attempt to secure these funds and agreeing to act as accountable body was a reasonable action which reflected its leading role within the AONB partnership.

Councillor Hanson proposed, seconded by Councillor Leytham:-

“(1) That the recommendations, as set out in the report, be approved.”

Councillors then voted:-

***Resolved unanimously:***

- (1) That Cabinet agrees to Lancaster City Council acting as accountable body for the Morecambe Bay NIA and signs the required Memorandum of Agreement by 31<sup>st</sup> January 2012.
- (2) That the revenue budget and capital programme be updated accordingly in the event that the Stage 2 application is successful, subject to there being no impact on City Council resources and subject to detailed monitoring arrangements being agreed with the Head of Financial Services.

**Officers responsible for effecting the decision:**

Head of Regeneration and Policy Service  
Head of Financial Services

**Reasons for making the decision:**

Management of the Arnside/Silverdale AONB is a statutory function for the City Council and partnership working to share facilities and access new areas of funding is a clear corporate priority for the council. The enhancement of the high quality environments in the district is important for the districts visitor economy and the Council's reputation as a trusted custodian of the special landscapes around Morecambe Bay.

**82 COMMUNITY SAFETY 2012/13**

**(Cabinet Members with Special Responsibility Councillors Hamilton-Cox and Smith)**

Cabinet received a report from the Head of Property Services and the Head of Environmental Services to provide information to allow consideration of priorities for the Council's contribution to community safety in 2012/13. The report covered the specific areas of CCTV, PCSOs and other contributions to safety.

The options, options analysis, including risk assessment and officer preferred option, were set out in the report as follows:

It was clear that greatly reduced budgets available to the public sector would have an impact on the amount that the Council and its partners were able to deliver.

The report clearly set out that with regard to community safety there were a number of

conflicting priorities. The information in the report was provided to help Cabinet decide which activities were the ones which would have the greatest impact on the Corporate Plan and Cabinet's priorities.

Once that had been determined Cabinet could then determine within the context of statutory responsibilities, the Corporate Plan, Cabinet's priorities and the Council's budget what level of resources to allocate to them. Because the CCTV system was directly provided and managed by the Council the report detailed very specific options for future provision set out below.

#### *Specific Options for CCTV*

**No change** – this would result in the budget remaining the same for the time being. There would be a need to enter a tender process for the staffing and maintenance functions of the operation and depending on the specification set out, the costs may or may not vary. For the purposes of this report, it has been assumed that costs for this option would remain static and that the contractual obligation for the tender would be three years.

There were no specific advantages, disadvantages or risks associated with this option as it retains the status quo.

**Reduction in the number of operating cameras** – to achieve this, a view would have to be taken on the areas that would have fewer cameras. This could be based on consultation with the police about those areas that have least crimes and it could for example be geographically based or perhaps based on the cover provided for certain types of property, for example car parks or shopping streets as opposed to residential areas.

Reducing camera numbers would not result in a reduction of staffing unless the cameras which were to be removed were in the busiest urban areas which may therefore reduce the need for double manning on Friday/Saturday evenings, but it would result in a reduction of the maintenance costs. At present this is based on approximately £1,000 per camera and is based on a new for old replacement basis if it is not possible to repair the cameras. Each camera removed from the system would therefore result in a saving of approximately £1,000.

However, it should be noted that the existing maintenance contract was due for immediate renewal if the council decided to retain the system. This might lead to a variation of the contract terms and prices.

Each camera has to be connected to the BT fibre optic network to enable the camera to operate and transmit pictures and in that respect the council is committed to the existing BT contract which runs to 31 March 2013. Even if cameras are taken out of the system, or the system is used less frequently, the contract cost remains payable at the sum of £31,250pa until 31 March 2013.

The advantage of this option was that there could be a small reduction in the council's costs. However, the potential disadvantage would be that there would be a perception that the fear of crime could increase. It was also possible that crime rates could increase once the knowledge is spread that there are no longer CCTV cameras in the vicinity. A further disadvantage is that detection rates would fall in those areas where

cameras were no longer to be in operation.

The risks associated with this option were largely as set out in the above paragraph relating to a potential increase in crime rates and a reduction in detection rates.

**Reduction in operating hours** – the current system is operated every day of the year from 8.00a.m. each day until 3.00a.m. Working with the police, an analysis of crime patterns in the areas covered by CCTV has been undertaken, and it has been identified that the following hours could be considered for future staffing of the control room:

Monday 12 noon - 8 pm  
Tuesday 12 noon - 8 pm  
Wednesday 12 noon - 4 am  
Thursday 12 noon - 4 am  
Friday 12 noon - 4 am  
Saturday 9 am - 4 am  
Sunday 9 am - 1 am

It should be noted that this was based on single manning of the system at all times rather than having double staff at peak times on Friday/Saturday evenings.

Such a change in working hours would result in potential cost reductions from the current budget of £121,000pa to approximately £74,500pa. This figure could rise to approximately £84,500pa if the view was taken that there should be double staffing at the peak times on Friday/Saturday evenings. In addition to this annual figure, the reduction in staff would also result in potential one-off redundancy costs of between £6K and £27K over the life of any contract. (The variation in redundancy costs would depend upon which operators were made redundant reflecting that we cannot pre-select who would be chosen and therefore the best and worst case scenarios have been identified by Remploy).

In considering this proposal, it was likely that there could be some operational problems identified which could result in the need for operators to be called in to allow police to access information in emergency situations. If that had to be covered by CCTV operators, it was estimated that the additional costs would be approximately £25 per required day plus £21/hr actual call out with a minimum of 4 hours.

The advantages of this option were that the geographic coverage of the CCTV operation remained and the hours of operation were focussed on the main times that crimes were currently committed. The disadvantages were that there could be an increase in crime rates in those hours when the CCTV system was not manned. Similarly detection rates could fall.

The risks associated with this option will again relate to the potential for crime increases and detection rate decreases.

**Reduction in camera numbers and operating hours** – this option would draw together the detail set out above. The actual savings made would largely depend on the number of hours for which the system operated.

The advantages, disadvantages and risks were as set out in the individual options for reducing camera numbers and reducing operating hours.

**Closure of the system** – This would result in the termination of all three contracts referred to in the budget.

In terms of the BT contract, as indicated previously, the council would be committed to the payments due until 31 March 2013. In terms of the maintenance contract, it was anticipated that this could be terminated at the end of the financial year or such date that the council determined.

The staffing contract with Remploy could also be terminated at the end of the year provided sufficient notice was given. In this situation, Remploy would be responsible for meeting the entire costs of the redundancies.

However, it would not be possible to leave the cameras “in situ” as the public would be given a false sense of security with the expectation that the cameras were operating when in reality they were not. The cost of camera removal has been estimated at approximately £200 per camera which includes disconnection costs and reinstatement of the surface, provided that there were no unforeseen issues underground. In addition, the entire control room would require dismantling and the space returning to the police for their use. It is estimated that this could cost in the region of £3K. Total costs of this aspect would therefore be £11,400.

The advantages of this option were that there would be a budget saving for the council. However, it should be noted that there would be some ongoing costs due to the timing of the BT contract as referred to above.

The risks of this option were higher than other options which involve a reduction in the operation of the system, but are still related to the potential for crime increases and reductions in crime detections.

The purpose of this report was to provide information to allow consideration of priorities for the Council’s contribution to community safety in 2012/13. Therefore, there were no officer preferred options.

Councillor Smith proposed, seconded by Councillor Sands:-

- “(1) That within the context of statutory responsibilities, the corporate plan, Cabinet priorities and the available budget Cabinet recommends the inclusion of one-off growth for up to 9 PCSOs in its budget proposals, assumed to be funded from surplus Balances.
- (2) That with regard to CCTV arrangements be made for appropriate Cabinet Members to attend a site visit to the operating centre and Cabinet give further consideration to funding following on from this visit.”

Councillors then voted:-

***Resolved unanimously:***

- (1) That within the context of statutory responsibilities, the corporate plan, Cabinet

priorities and the available budget Cabinet recommends the inclusion of one-off growth for up to 9 PCSOs in its budget proposals, assumed to be funded from surplus Balances.

- (2) That with regard to CCTV arrangements be made for appropriate Cabinet Members to attend a site visit to the operating centre and Cabinet give further consideration to funding following on from this visit.

**Officers responsible for effecting the decision:**

Head of Property Services  
Head of Financial Services

**Reasons for making the decision:**

Deferring a decision regarding funding for CCTV to enable a site visit will enable Cabinet members to make a more informed decision regarding possible impact on quality of service that may result from revisions to funding.

**83 SHARED SERVICES PROGRAMME - ONECONNECT LIMITED**

**(Cabinet Member with Special Responsibility Councillor Blamire)**

Cabinet received a report from the Chief Executive to advise on progress and proposals for shared services with Oneconnect Limited (OCL - the strategic partnership established between Lancashire County Council and BT) around Information Services and Customer Services.

Cabinet were requested to note the progress being made for shared services in respect of Information Services and Customer Services and support further development of the proposals on that basis.

Councillor Hanson proposed, seconded by Councillor Leytham:-

- “(1) That Cabinet notes the progress and proposals for shared services with OneConnect Limited in respect of Information Services and Customer Services and supports further development of the proposals on that basis. “

Councillors then voted:-

**Resolved:**

***(7 Members (Councillors Blamire, Bryning, Hamilton-Cox, Hanson, Leytham, Sands & Smith) voted in favour, and 1 Member (Councillor Barry) abstained.)***

- (1) That Cabinet notes the progress and proposals for shared services with OneConnect Limited in respect of Information Services and Customer Services and supports further development of the proposals on that basis.

**Officers responsible for effecting the decision:**

Chief Executive

**Reasons for making the decision:**

The efficiencies delivered from developing a shared service programme would greatly assist in achieving the objectives in the Council's Corporate Plan, particularly in terms of efficiencies and working closely with other partner organisations to deliver improved benefits for the Lancaster district community.

***Councillor Bryning left the meeting at this point.***

**84 EXCLUSION OF THE PRESS AND PUBLIC**

The Chairman asked for any further declarations of interest from Cabinet Members regarding the exempt report.

It was moved by Councillor Hamilton-Cox and seconded by Councillor Hanson:-

"That, in accordance with Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting for the following item of business, on the grounds that it could involve the possible disclosure of exempt information as defined in paragraphs 2 and 3 of Schedule 12A of that Act."

Members then voted as follows:-

***Resolved unanimously:***

- (1) That, in accordance with Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting for the following item of business, on the grounds that it could involve the possible disclosure of exempt information as defined in paragraphs 2 and 3 of Schedule 12A of that Act.

**85 SHARED SERVICES - PROPERTY SERVICES (Pages 1 - 2)**

**(Cabinet Member with Special Responsibility Councillor Hamilton-Cox)**

Cabinet received a report from the Deputy Chief Executive which was exempt from publication by virtue of paragraphs 2 and 3, of Schedule 12a of the Local Government Act 1972.

The options, options analysis, including risk assessment and officer preferred option, were set out in the exempt report:

Councillor Hamilton-Cox proposed, seconded by Councillor Hanson proposed the recommendations as set out in the exempt report.

Councillors then voted:-

***Resolved unanimously:***

- (1) The resolution is set out in a minute exempt from publication by virtue of

paragraphs 2 & 3 of Schedule 12a of the Local Government Act 1972.

**Officers responsible for effecting the decision:**

Chief Executive  
Deputy Chief Executive

**Reasons for making the decision:**

The reasons for making this decision are set out in a minute exempt from publication by virtue of paragraphs 2 & 3 of Schedule 12a of the Local Government Act 1972.

---

Chairman

(The meeting ended at 1.05 p.m.)

**Any queries regarding these Minutes, please contact  
Liz Bateson, Democratic Services - telephone (01524) 582047, or email  
ebateson@lancaster.gov.uk**

**MINUTES PUBLISHED ON FRIDAY 20 JANUARY, 2012.**

**EFFECTIVE DATE FOR IMPLEMENTING THE DECISIONS CONTAINED IN THESE MINUTES:  
MONDAY 30 JANUARY, 2012.**

By virtue of paragraph(s) 2, 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

Document is Restricted