



**Committee: CABINET**

**Date: TUESDAY, 13 MARCH 2012**

**Venue: MORECAMBE TOWN HALL**

**Time: 10.00 A.M.**

**A G E N D A**

1. **Apologies**

2. **Minutes**

To receive as a correct record the minutes of Cabinet held on Tuesday, 14 February, 2012 (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. **Referral from Audit Committee - Council Housing RMS Partnering Contract (Pages 1 - 5)**

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

Report of the Internal Audit Manager

7. **Quarter 3 Corporate Performance and Financial Monitoring Report (Pages 6 - 29)**

**(Cabinet Members with Special Responsibility Councillors Blamire & Bryning)**

Report of the Head of Community Engagement

8. **Housing Regeneration Cabinet Liaison Group (Pages 30 - 34)**

**(Cabinet Members with Special Responsibility Councillors Leytham & Hanson)**

Report of the Heads of Health and Housing and Regeneration and Policy

**9. Exclusion of the Press and Public**

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

Cabinet is recommended to pass the following recommendation in relation to the following items:-

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

Members are reminded that, whilst the following items have been marked as exempt, it is for the Council itself to decide whether or not to consider each of them in private or in public. In making the decision, Members should consider the relevant paragraph of Schedule 12A of the Local Government Act 1972, and should balance the interests of individuals or the Council itself in having access to information. In considering their discretion Members should also be mindful of the advice of Council Officers.

**10. Canal Corridor Redevelopment**

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

Report of the Head of Property Services (Report to Follow)

**ADMINISTRATIVE ARRANGEMENTS**

**(i) Membership**

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

**(ii) Queries regarding this Agenda**

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

**(iii) Apologies**

Please contact Members' Secretary, telephone 582170, or alternatively email [memberservices@lancaster.gov.uk](mailto:memberservices@lancaster.gov.uk).

MARK CULLINAN,  
CHIEF EXECUTIVE,  
TOWN HALL,  
DALTON SQUARE,  
LANCASTER LA1 1PJ

Published on Thursday, 1 March, 2012.

<b>CABINET</b>
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## Referral from Audit Committee

13<sup>th</sup> March 2012

### Report of Internal Audit Manager

PURPOSE OF REPORT				
To request Cabinet to consider a recommendation from the Audit Committee in relation to the Council Housing RMS partnering contract and the Hala Flats pebbledashing project.				
Key Decision		Non-Key Decision		Referral from Audit Committee
				X
This report is public				

#### RECOMMENDATION OF AUDIT COMMITTEE

- (1) That having considered in detail a report to Audit Committee, and having had the opportunity to raise concerns with officers at the meeting, Members are satisfied that sufficient assurance has been provided regarding the RMS partnering contract and the outcome of the Hala Flats pebbledashing project, and that no further action or analysis is recommended to Cabinet.
- (2) That the Internal Audit Manager liaise with managers to develop an action plan arising from this report and that progress be reported to a future meeting of the Audit Committee in accordance with established procedures.

#### 1.0 Introduction

- 1.1 At its meeting on 6<sup>th</sup> December 2011 Cabinet considered a report by the Head of Environmental Services which provided information on the Council Housing Planned Maintenance Partnering arrangement.
- 1.2 The report was for noting and comment and provided information on:-
  - Experience of partnering to date
  - Hala rendering project
  - Leaseholder issues
- 1.3 It was noted that an internal audit report into the partnering agreement was due to be considered by the Audit Committee in January 2012.
- 1.4 Cabinet resolved: *That Cabinet notes the report and requests that the Audit Committee look more closely at the Hala project specifically and this may entail the need for expert independent advice with regard to the pricing of the Hala project.*

**2.0 Report**

- 2.1 In light of this resolution, internal audit undertook further work in connection with the Hala flats rendering project and produced a second report which was submitted to Audit Committee on 15<sup>th</sup> February 2012, the meeting scheduled for 18<sup>th</sup> January 2012 having been postponed.
- 2.2 The Internal Audit Manager's report, produced jointly with the Head of Environmental Services, sought to address those questions raised by Cabinet as well as further questions raised by Budget and Performance Panel Members, and points raised by other Councillors following the issuing of the initial internal audit report. . The agenda item and report is available for online viewing via the Mod.Gov system.
- 2.3 At the meeting on 15<sup>th</sup> February 2012, members of the Audit Committee considered an in-depth presentation of the internal audit report's findings and conclusions in the following areas:
- The form of partnering contract used;
  - Pricing and payment mechanisms;
  - The Hala pebbledashing project and leaseholder charges;
  - Training;
  - Quality of work;
  - Preliminary costs; and
  - Benefits of the partnership.
- 2.4 Following discussion, the Committee resolved as follows:
- (1) That, having considered the report and appendices in detail, and having had the opportunity to raise concerns with officers at the meeting, Members are satisfied that sufficient assurance has been provided regarding the RMS partnering contract and the outcome of the Hala Flats pebbledashing project, and that no further action or analysis be recommended to Cabinet.
  - (2) That the Internal Audit Manager liaise with managers to develop an action plan arising from this report and that progress be reported to a future meeting of the Audit Committee in accordance with established procedures.
- 2.5 A copy of the Audit Committee's full draft minute is attached to this report as Appendix A.

**RELATIONSHIP TO POLICY FRAMEWORK**

Not applicable

**CONCLUSION OF IMPACT ASSESSMENT**

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

None identified in relation to this report

**FINANCIAL IMPLICATIONS**

None directly arising from this report

**SECTION 151 OFFICER'S COMMENTS**

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

**LEGAL IMPLICATIONS**

None arising from this report

**MONITORING OFFICER'S COMMENTS**

The Monitoring Officer has been consulted and has no further comments

**BACKGROUND PAPERS**

Reports to Audit Committee, 15.02.12

**Contact Officer: Derek Whiteway**

**Telephone: 01524 582028**

**E-mail: [dwhiteway@lancaster.gov.uk](mailto:dwhiteway@lancaster.gov.uk)**

**Ref: aud/cttee/cabinet/120313 Audit Cttee**

**AUDIT COMMITTEE 15TH FEBRUARY 2012****Draft Minute****25 COUNCIL HOUSING CAPITAL PROGRAMME - HALA FLATS PEBBLEDASHING PROJECT**

Committee received the report of the Internal Audit Manager and Head of Environmental Services, which provided details into the conduct of the Hala Flats Pebble-dashing contract, with particular reference to the costs of the work and the value for money obtained.

The report had been prepared to address questions raised by Cabinet and members of Budget & Performance Panel (B&PP) and points raised by other Councillors following the issuing of the internal audit report.

Members were advised that in July 2007, Cabinet had given approval for Council Housing Services (CHS) to develop a three to five year partnership with an external partner for the delivery of the Council Housing Capital Programme. The work was to be split between the Council's in-house Repairs and Maintenance Service (RMS) and the external partner, Herbert T. Forrest (HTF), who had been appointed following a competitive tendering exercise to deliver the Council Housing Five-Year Capital Programme, commencing on 1<sup>st</sup> April 2010.

Committee considered the report's response to questions raised by Members in the following areas:

- The form of partnering contract used;
- Pricing and payment mechanisms;
- The Hala pebbledashing project and leaseholder charges;
- Training;
- Quality of work;
- Preliminary costs; and
- Benefits of the partnership.

Members were advised that the PPC2000 was a standard form of partnering contract already in use by the RMS for other programmes (Rota Painting and Gas Servicing), and provided an appropriate framework for the partnership. Whilst the PPC2000 was designed to cope with complex, project-based and multi-party arrangements, it was also suitable for a simpler client and constructor relationship. Regarding the scope of the agreement, Members were advised that HTF had not been required to carry out preconstruction work and had not been paid for any.

A key feature of the PPC2000 contract was the integration of members of the partnership and a team-based approach to the project. The Audit review suggested that whilst the scope for integration and sharing was limited under a two party partnership, each team member had been given clearly defined roles and responsibilities.

Members were advised that Internal Audit had found no evidence that any of the circumstances applied under which the Council could contractually seek to terminate the agreement.

**AUDIT COMMITTEE 15TH FEBRUARY 2012**

Set out comprehensively in the report, and considered at length at the meeting, were details relating to the pricing mechanism for the partnership and leaseholder charges, together with information, which Members had requested, regarding costs per property for work carried out on the Kingsway Estate by VMC Developments Ltd. as part of the 2009/10 programme of works.

Members were advised that Internal Audit had not encountered any evidence to suggest there were any difficulties or shortcomings regarding the measurement and pricing of the Hala re-rendering project. Sufficient evidence had been produced for Internal Audit to conclude that the RMS officers' management of the projects demonstrated appropriate levels of diligence and professionalism to protect the Council's interests and secure value for money.

It was reported that training, including a workshop session, funded by HTF, had been scheduled for Council and HTF staff, and appropriate arrangements had been established to monitor the quality of the work and identify and remedy any defects. Working practices would be reviewed to ensure that future arrangements were as efficient and effective as possible.

It was proposed by the Chairman and seconded by Councillor Newman-Thompson:

- "(1) That, having considered the report and appendices in detail, and having had the opportunity to raise concerns with officers at the meeting, Members are satisfied that sufficient assurance has been provided regarding the RMS partnering contract and the outcome of the Hala Flats pebbledashing project, and that no further action or analysis be recommended to Cabinet.
- (2) That the Internal Audit Manager liaise with managers to develop an action plan arising from this report and that progress be reported to a future meeting of the Audit Committee in accordance with established procedures."

***Resolved unanimously:***

- (1) That, having considered the report and appendices in detail, and having had the opportunity to raise concerns with officers at the meeting, Members are satisfied that sufficient assurance has been provided regarding the RMS partnering contract and the outcome of the Hala Flats pebbledashing project, and that no further action or analysis be recommended to Cabinet.
- (2) That the Internal Audit Manager liaise with managers to develop an action plan arising from this report and that progress be reported to a future meeting of the Audit Committee in accordance with established procedures.

**CABINET**

**Quarter 3 Corporate Performance and Financial Monitoring Report  
13 March 2012**

**Joint Report of the Leader of the Council and Finance Portfolio Holder**

PURPOSE OF REPORT			
To present the corporate performance report for the 2 <sup>nd</sup> Quarter of the Performance Review Team Cycle for 2011/12			
Key Decision	<input type="checkbox"/>	Non-Key Decision	<input type="checkbox"/>
		Referral from Cabinet Member	<b>X</b>
Date Included in Forward Plan	N/A		
Project Appraisal Undertaken	N/A		
This report is public			

**RECOMMENDATIONS OF LEADER OF THE COUNCIL**

(1) That Cabinet considers and comments on the Quarter 3 Corporate Performance and Financial Monitoring Reports of the 2011/12 Performance Review Team Cycle

**1.0 Quarter 3 Performance Review**

- 1.1 Quarter three Performance Review Team (PRT) meetings with individual Cabinet members were held between 17 and 26 January 2012. These are presented by Service Heads covering each portfolio area and related corporate priorities.
- 1.2 PRT reports discussed at these meetings set out performance on service delivery (including corporate projects and programmes) using the following RAG (Red, Amber and Green) reporting system.
- 1.3 The Corporate Performance and Financial Monitoring report and appendices was considered by Budget and Performance Panel at their meeting held on 21 February 2012.

**Corporate/Service Plan Outcome Delivery**

Rating	Target for delivery	Description
<b>R(ed)</b>	Significantly behind target	We have either not achieved or do not expect to achieve what we set out to do
<b>A(mber)</b>	Slightly behind target	We are behind schedule but still expect to achieve what we set out to do through actions/plans within the Service
<b>G(reen)</b>	On target	We have either achieved / exceeded / expect to achieve what we set out to do



**Project and Programme Delivery**

Rating	Time	Cost	Benefits
<b>R(ed)</b>	<b>Significantly behind time</b>	<b>Significantly over budget</b>	<b>Significant action needed to realise stated benefit(s)</b>
<b>A(mber)</b>	<b>Slightly delayed</b>	<b>Slightly over budget</b>	<b>Some action needed to realise stated benefit(s)</b>
<b>G(reen)</b>	<b>On time</b>	<b>Within budget</b>	<b>On track to realise stated benefit(s)</b>

- 1.4 The PRT reports also highlight achievements against key work areas together with any problems/ opportunities encountered during the previous quarter or forecast in the future. This information helped to facilitate meaningful discussions on progress over the previous quarter and any action(s) needed to get delivery back on track.
- 1.5 Individual Cabinet Members were also provided with financial reports for Quarter 3 covering their portfolio and service areas and provided with reasons for any variances and actions being taken to address these.
- 1.6 The Corporate Performance Review report was considered by the Leader of the Council on Wednesday 08 February 2012 indicating **only** those activities with a R(ed) status where further corporate intervention was/is likely to be necessary to achieve the stated outcome or realise the benefits of projects/programmes.
- 1.7 This report is attached as **Appendix A** and indicates that at Quarter 3 there are **no** activities where performance on the delivery of planned outcomes have not, or are not expected to be, achieved within target without further intervention at a corporate level.
- 1.8 Only the realisation of potential benefits arising from the delivery of the proposed Lancaster Town Hall Secondary Glazing Project is currently indicating a Red Status. This is because a cost/benefit analysis has been commissioned which should provide the information needed to make an informed decision on the viability of such a project. The result of this analysis is expected soon.
- 1.9 Whilst the published Corporate Performance Report indicates only areas of work and projects that are forecast to, or are already experiencing difficulties, it is important to acknowledge that overall corporate priorities are on track to be achieved. Notable examples include:
- Ongoing involvement and support for the investment in the new energy infrastructure in the region, including the National Grid project and Heysham Power Station
  - Targeting action to build on the districts potential for tourism, including Williamson Park which has developed its retail offer and visitor service provision resulting in £16K increase in income compared to 2010/11
  - Developing plans for the increased provision of a housing offer that addresses the needs of vulnerable people

- Delivery of a suite of projects, such as the Solar PV Project, aimed at reducing the council's energy costs and increasing income
  - Ongoing delivery of the services that matter most to people including keeping our streets and open spaces clean and safe
  - Continuing to work with partners to reduce costs and make efficiencies through joint working and shared services
- 1.10 The *Qtr 3 Corporate Financial Monitoring* for General Fund and the Housing Revenue Account (HRA) was also considered at the Leaders PRT meeting. These are attached as **Appendix B and Annexe A** respectively. The main points to note from the report are as follows:
- General Fund revenue budget current underspend of £119K, projected to reduce to £59K by the end of the financial year.
  - HRA has no major variances to report.
  - Capital programmes for both General Fund and HRA have been updated as part of the current budget process. General Fund capital receipts have been reprofiled to allow for the anticipated delay in the sale of land at South Lancaster.
  - Revenue collection performance is still on target.
  - A small surplus of £73K is being projected on the Collection Fund account, of which the Council's share equates to £9K.
  - Sundry debt levels have reduced by almost £500K from the previous quarter down to £2.1M.
- 1.11 As a result of the meeting with the Leader an *Action Plan* has been produced, setting out the *Key Actions Agreed*. This is included at **Appendix C** together with information on progress to date on outstanding actions. The Action Plan that forms part of the Corporate PRT Reports outlines planned and ongoing actions that have been discussed in PRT meetings to deliver key areas of work. Service Heads were also asked to provide a more detailed briefing note on the actions identified and these are attached as **Appendix D** for additional information.
- 1.12 An analysis of progress towards the achievement of corporate plan priorities has been carried out, which provides a clear indication that, at the end of Quarter 3, positive action is being taken to ensure that the council delivers its corporate priorities over the lifetime of the 2011-2014 Corporate Plan.
- ## 2.0 Scrutiny of Corporate Performance
- 2.1 Over the last few years the timetabling of Cabinet and Budget Performance Panel meetings has meant that the Corporate Performance Report has been considered by Cabinet before being scrutinised by the Budget and Performance Panel, in line with their Terms of Reference.
- 2.2 In the 2011/12 municipal year it became apparent that the timetabling of both Cabinet and Budget Performance Panel meetings did not align well with Council's performance reporting cycle. With this in mind, Budget and Performance Panel considered a proposed Committee timetable that would afford them an opportunity to scrutinise corporate performance prior to Cabinet so that recommendations can be made for their consideration.

2.3 The Council Business Committee has delegated authority to agree the annual timetable of Committee meetings. Following their meeting on 21 February 2012, Budget and Performance Panel have made a recommendation – supported by the Leader of the Council - that the draft timetable for 2012/13 (*see Appendix E*) – be approved by Council Business Committee at their meeting on 15 March 2012.

**3.0 Conclusion**

3.1 The Council’s Performance Management Framework requires the regular reporting of operational and financial performance to Cabinet as part of the Performance Review Team cycle of meetings. The Corporate PRT report provides a summary of key matters and associated actions that have arisen in the quarter that have been escalated to the Leader of the Council and Finance Portfolio Holder for attention.

3.2 Overall the Corporate PRT report for this quarter demonstrates that positive action has/is being taken to manage corporate performance towards the achievement of stated outcomes and priorities within the Corporate Plan.

<b>RELATIONSHIP TO POLICY FRAMEWORK</b>	
This report is a requirement of the council’s Performance Management Framework in support of the council achieving its key tasks and objectives as reflected in its policy framework	
<b>CONCLUSION OF IMPACT ASSESSMENT (including Diversity, Human Rights, Community Safety, Sustainability and Rural Proofing)</b>	
None arising from this report	
<b>LEGAL IMPLICATIONS</b>	
None arising from this report	
<b>FINANCIAL IMPLICATIONS</b>	
As set out in the report and related appendices	
<b>OTHER RESOURCE IMPLICATIONS</b>	
<b>Human Resources / Information Services / Property / Open Spaces:</b>	
As set out in the report and related appendices	
<b>SECTION 151 OFFICER’S COMMENTS</b>	
The Section 151 Officer’s comments are reflected within the report and appendices	
<b>MONITORING OFFICER’S COMMENTS</b>	
The Monitoring Officer has been consulted and has no further comments	
<b>BACKGROUND PAPERS</b>	<b>Contact Officer:</b> Bob Bailey, Corporate Planning & Performance Manager; Andrew Clarke, Accountancy Services Manager
Individual Cabinet Member PRT Reports for Qtr 3 2011/12	<b>Telephone:</b> 01524 582018/ 582138
	<b>E-mail:</b> <a href="mailto:rbailey@lancaster.gov.uk">rbailey@lancaster.gov.uk</a> ; <a href="mailto:aclarke@lancaster.gov.uk">aclarke@lancaster.gov.uk</a>
	<b>Ref:</b> PRT 2011 Qtr 3

**CORPORATE PERFORMANCE REVIEW REPORT  
LEADER OF THE COUNIL: COUNCILLOR EILEEN BLAMIRE**

**PRT Quarter 3 meeting**

**Date of Leaders PRT meeting: Wednesday 8<sup>th</sup> February 2012 at 2.30pm**

Portfolio Holder	Portfolio Area(s)	Key Service Actions	Success Measures		Achievements and/or difficulties identified (significant ongoing issues and or forecasted risks)
			Description	R/A/G Status	

**There are no key areas or actions to report with a red (significantly behind target) status**

CORPORATE PERFORMANCE REVIEW – PROGRAMMES AND PROJECTS LEADER OF THE COUNCIL: COUNCILLOR EILEEN BLAMIRE							
Key Programmes/Projects	Lead Officer	Performance			Risk		
		Time (R/A/G)	Cost (R/A/G)	Benefits (R/A/G)	Comments	Risk (R/A/G)	Comments
Invest to Save – LTH Secondary Glazing	Graham Cox Property Services	A	A	R	Cost/benefit analysis has been carried out so that a decision can be made on the justification for the project. Results are expected in the second week of February	A	Scheme delays reduce chances for energy reductions

# Corporate Financial Monitoring

## December 2011 | Quarter 3

Report of the Head of Financial Services  
Corporate PRT meeting | 08 February 2012

<b>HEADLINE INFORMATION</b>			
<b>REVENUE (as at December 2011)</b>	<b>Current (Underspend) / + Overspend</b>	<b>Projected (Underspend) / + Overspend</b>	<b>Future Years Projection (Underspend) / + Overspend</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>General Fund</b>	<b>(119)</b>	<b>(59)</b>	<b>--</b>
<b>Housing Revenue Account (HRA)</b>	<b>+1</b>	<b>0</b>	<b>--</b>

## CORPORATE FINANCIAL MONITORING

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December 2011 | Quarter 3

### 1. INTRODUCTION

This monitoring report of expenditure and income for 2011/12 sets out an indicative corporate picture of the Council's financial performance relating to the period ending 31 December 2011.

The report summarises the variances reported through Services quarterly PRT meetings, and also identifies any omissions, updates and/or actions required. In addition there are specific sections for salary monitoring, capital expenditure and financing, Housing Revenue Account (HRA), revenue collection performance and Insurance and Risk Management.

It should be noted that this quarter's monitoring is based on the Revised Budget.

### 2. GENERAL FUND REVENUE MONITORING

#### 2.1 General Fund Summary Position

The current overall General Fund summary position shows that at the end of December there is a net underspend of **£119K** against the revised budget. This is currently forecast to reduce to **£59K** by the end of the year.

VARIANCES	Current £000's	Current Year Projection £000's	Future Years Projection £000's
Major Variances (see section 2.2)	(119)	(59)	--
Salaries (see sections 2.3)	--	--	--
<b>ESTIMATED OUTTURN / IMPACT ON FUTURE YEARS</b>	<b>(119)</b>	<b>(59)</b>	<b>--</b>

One of the key financial indicators is to keep any under or overspends within 2% of the overall net controllable revenue budget, and the following table shows that at the end of December this has been achieved.

<b>Net Controllable Budget</b>	£000's <b>22,608</b>
2% Target	+/( ) 452
<b>Provisional Controllable Net Underspend</b>	<b>(54)</b>
Percentage of Net Controllable Budget	0.23%

As set out in the Medium Term Financial Strategy, Cabinet has no authority to increase net spending above the net revenue budget. Whilst the overall position may not be projected to breach this position, this does not remove the need to consider specifically whether any actions can or should be taken to address particular areas of overspending that may be outlined in this report.

## 2.2 Major Budget Variances

**Appendix A** details the major true variances identified to date that have been included within individual Services' PRT reports. The variances reported are either +/- £5K in value and cover premises, transport, supplies and services and general income. A summary is provided in the following table.

<b>SUMMARY BY SERVICE</b>	<b>Current £000's</b>	<b>Current Year Projection £000's</b>	<b>Future Years Projection £000's</b>
<b>REPORTED VARIANCES :</b>	<b>( ) Favourable / + Adverse</b>		
Environmental Services	(67)	(67)	--
Financial Services	(68)	(13)	--
Regeneration and Policy	+16	+21	--
	<b>(119)</b>	<b>(59)</b>	<b>--</b>
<b>VARIANCES NOT REPORTED TO PRT MEETINGS :</b>	--	--	
None			--
<b>TOTAL VARIANCES</b>	<b>(119)</b>	<b>(59)</b>	<b>--</b>

As part of the 2010/11 outturn process Services were asked to identify the key factors influencing variances and this has now been continued into the PRT financial monitoring process. The following table provides an analysis of these variances and Appendix A shows how each variance has been initially categorised.

<b>FACTORS INFLUENCING VARIANCES</b>	<b>Variances to Date £000's</b>	<b>Current Year Projection £000's</b>	<b>Future Years Projection £000's</b>
Unforeseeable windfalls or costs	--	--	--
Demand led variances	(51)	(46)	--
Efficiency savings	--	--	--
Other service driven variances (incl delays)	--	--	--
Budget setting issues / errors	--	--	--
Other variances	(68)	(13)	--
<b>TOTAL</b>	<b>(119)</b>	<b>(59)</b>	<b>--</b>

## 2.3 General Fund Salary Monitoring

There are no variances to report at the end of December as the revised budgets have been profiled in accordance with actual spend. A full review of all staffing budgets has been undertaken as part of the budget process and all salary savings have been incorporated into the revised budget.

## 3 GENERAL FUND CAPITAL PROGRAMME

### 3.1 Capital Expenditure

At the end of December there was spend and commitments of £3.273M against the programme of £6.421M, which has been updated for slippage from 2010/11 (approved in July) and a number of new schemes. Details of the changes during the year are as follows:

<b>Approved Programme (Council 02 March 2011)</b>	<b>£000's</b>
	<b>5,765</b>



Slippage from 2010/11 (Cabinet 26 July 2011) 899

**New Schemes approved under S151 Officer delegation:**

Heysham Village Phase 2 Play Area – externally funded (April 2011)	46
White Lund transport link works – s106 payment to County Council (May 2011)	76
Clay Pitts Recreation / Play Facilities Development – s106 funded (July 2011)	140
Recycling at Mainway Estate (Sept 2011; following carry forward approval)	34
Salt Ayre Sports Centre – Swimming Pool Hydraulic Floors	45

**Cabinet Approvals**

Morecambe FC Footpath Works - s106 funded (26 July 2011)	69
Links to Schools - Sustrans Grant (26 July 2011)	146
Warm Homes Scheme – PRG (26 July 2011)	100
West End Temporary Car Park	19
Invest to Save – photovoltaic cells	750

**Budget Process Review (Subject to Cabinet Approval)**

Reprofiling of Schemes into 2012/13 (mainly municipal building works)	(1,668)
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**Updated Programme 6,421**

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### 3.2 Capital Financing

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#### Capital Receipts

A total of £7.627M is required to finance the 2011/12 capital programme with any additional receipts reducing the Council's underlying need to borrow. That being said, as previously reported to Members, due to a judicial review application on the planning decision associated with the sale of land at South Lancaster there is a possibility that this capital receipt may be delayed, which in turn would increase the Council's overall need to borrow to finance the capital programme. As a precaution, an estimate of the cost of this delay has been allowed for in next years budget but the exact impact will not be known until the result of the judicial review is known.

## 4 HOUSING REVENUE ACCOUNT (HRA) MONITORING

### 4.1 HRA Revenue Position

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At the end of December the position for the Housing Revenue Account shows a slight adverse variance of **£1K** against the profiled budget, which is in respect of housing rent collection as shown below.

### 4.2 Council Housing Rent Collection

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At the end of December rent income is slightly below the profiled estimate.

<b>Total Estimate for Year</b>	<b>£12,512,300</b>
Profiled Budget	£9,382,400
Actual to Date	£9,381,600
<b>Difference</b>	<b>+£800</b>

### 4.3 Council Housing Capital Programme

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This section analyses actual spend against the Council Housing Capital Programme at the end of December. To date spend and commitments total £2.637M against a budget of £3.760M (including 2010/11 slippage approved in July and a £20K increase to Boiler Replacement Scheme approved under S151 Officer delegation) leaving a balance of £1.123M.

	Current Approved Programme £000's	Spend & Commitments to Date £000's	Budget Remaining £000's
Adaptations	250	210	40
Energy Efficiency / Boiler Replacement	565	334	231
Bathroom / Kitchen Refurbishment	1,034	646	388
External Refurbishments	1,331	1,018	313
Environmental Improvements	421	321	100
Rewiring	85	55	30
Fire Precaution Works	7	7	0
Choice Based Lettings	67	46	21
<b>TOTAL</b>	<b>3,760</b>	<b>2,637</b>	<b>1,123</b>

## 5 REVENUE COLLECTION PERFORMANCE

### 5.1 Council Tax & Business Rates

In year collection performance for both Council Tax and NNDR compares favourably with the same period last year. It is still pleasing to report that overall performance is still being maintained, given the level of financial savings achieved in service delivery.

Percentage Collected	2010/11 %	2011/12 %	2011/12 Target %	2011/12 Actual %	Status
	<b>All Years</b>		<b>In Year</b>		
Council Tax	80.28	79.91	97.2	86.23	On Target
Business Rates	85.38	88.39	98.7	88.92	On Target

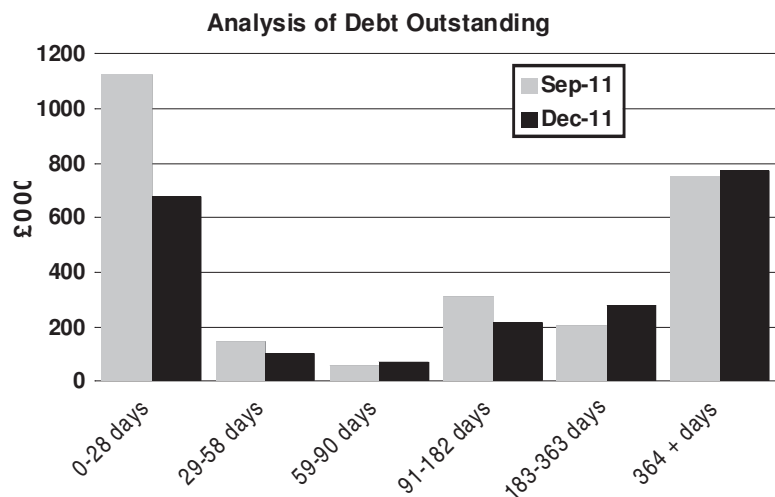
### 5.2 Collection Fund Monitoring

This section sets out the latest position on the Collection Fund, in particular in relation to Council Tax. Whilst the above section looks at collection performance, this section shows the current surplus or deficit on the Fund. It basically compares the amounts collectable with the Precepts levied by the relevant authorities after allowing for refunds, bad debt provisions, income collected and Council Tax benefits. The monitoring shows that as at the end of December the Fund was in surplus by £180K, but it should be noted that the surplus can fluctuate significantly month by month.

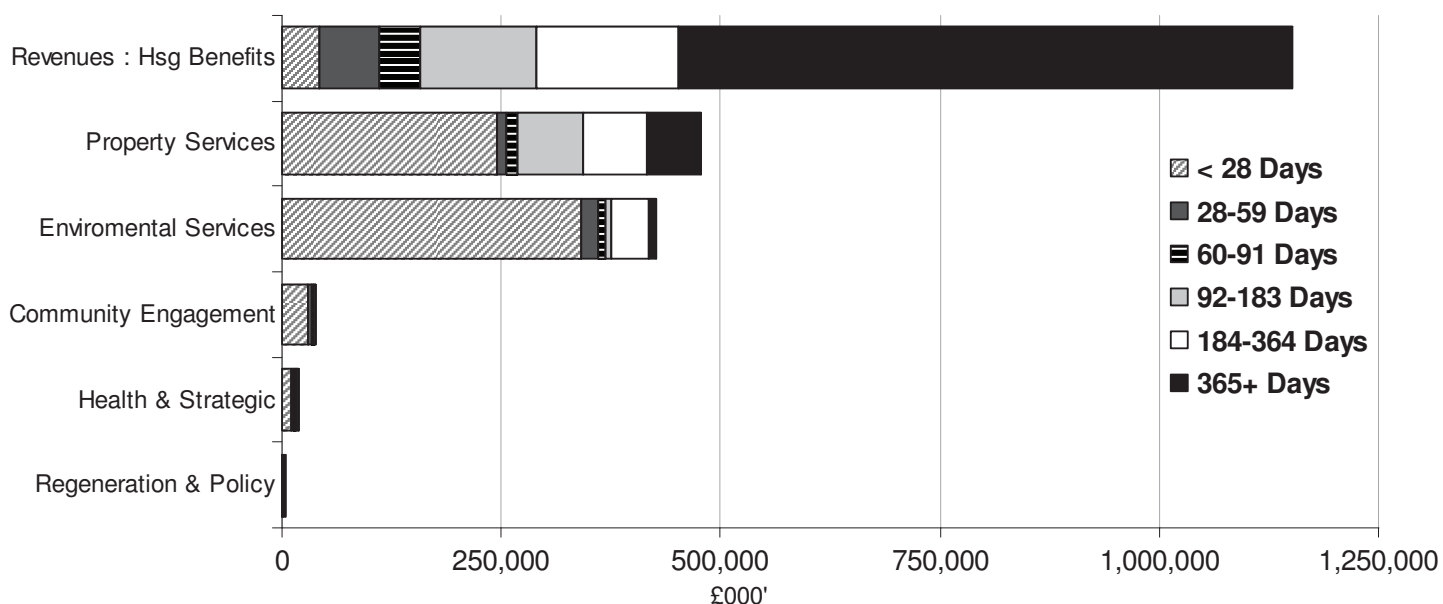
Any surplus or deficit is shared between the relevant precepting bodies and the City Council's element equates to 13% and would therefore be £23K. However, the position has formally be assessed in January, when the Council Tax base for 2012/13 was set, and a surplus of £72K has been forecast for 2011/12 which equates to £9K for the City Council. This surplus has been built into the Council Tax projections for 2012/13.

### 5.3 Sundry Debts

This section sets out the latest position on the level of outstanding sundry debts (excluding Council Housing). At the end of December the total debt outstanding was just over £2.1M, which is £478K less than the previous quarter. The level of debt over 1 year old has increased in the last quarter to 36% (29% last quarter) of the total outstanding debt.



	Sept 11	Dec 11
	£000's	£000's
0-28 days	1,125	675
29-58 days	147	105
59-90 days	60	72
91-182 days	312	215
183-363 days	204	283
364+ days	755	775
	<b>2,603</b>	<b>2,125</b>
Previous Year	1,961	2,028



## 6 PROVISIONS AND RESERVES

This section provides and update on key provisions and reserves.

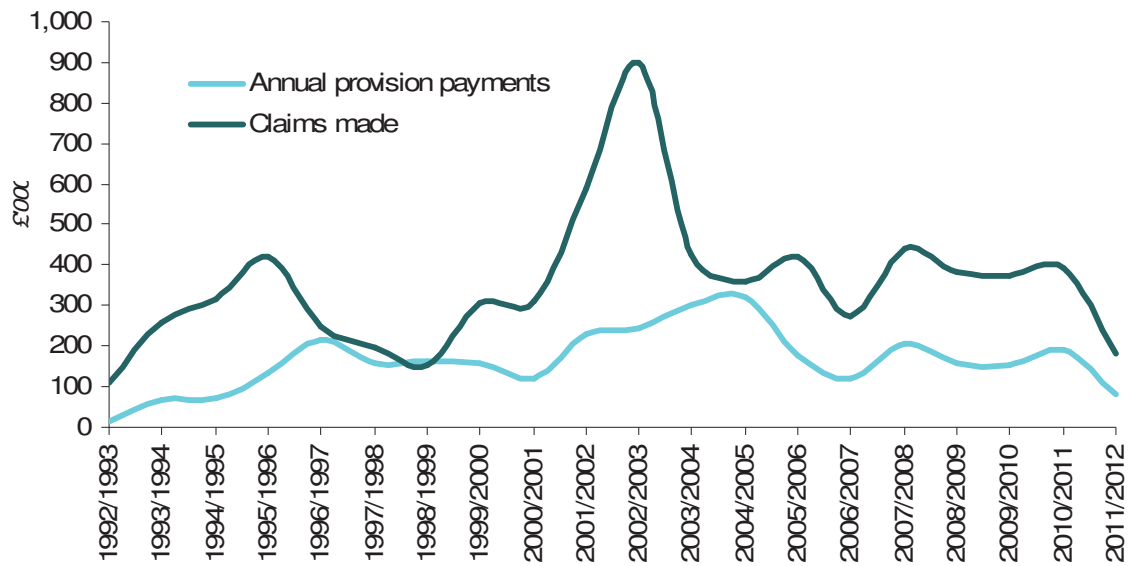
### 6.1 Insurance Provision

The current balance on the insurance provision is £306K, after making net payments of £106K in settlement of claims made.

At present, the Council's insurers estimate that the value of claims outstanding is £300K, which relates to a total of 212 claims made over a 13 year period. This estimate assumes that all these claims will be settled at the maximum reserve limit; however, recent statistics show that, on average, only 58% of the total reserve will be paid. The estimated cost of claims outstanding could therefore reasonably be valued at around £174K, which is £132K less than the current provision. There are no proposals to reduce the provision at this stage until the outcome of the current insurance retendering exercise is completed as it is anticipated premiums will increase significantly. Therefore the next formal review will be undertaken as part of the 2011/12 closedown process.

It is highly unlikely that all these outstanding claims will fall due for payment in the same financial year, but the uncertain nature of insurance claims payments means that accurate predictions are difficult. Nonetheless, the overriding principle is that the Council must make reasonable provision for all its known liabilities.

### Analysis of claims made, paid and outstanding by year.



## 6.2 Bad Debt Provision

The Bad Debt provision is formally reviewed half yearly at revised estimate time and closedown. In addition, quarterly updates are now provided as part of the Corporate Monitoring process.

The level of the provision has been assessed based on assumed levels of write-off as a proportion of debt outstanding. Based on the figures shown in section 5.3 the level of provision would be as follows:

Period	Debt £000's	% Cover Required	Value £000's
Up to 1 Month	675	1%	7
1 Month to 3 Months	177	5%	9
3 Months to 365 Days	498	10%	50
Over 365 Days	775	50%	387
<b>TOTAL</b>	<b>2,125</b>		<b>453</b>

The current balance on the General Fund Bad Debt provision is £484K which is £31K above the requirement indicated, but that is after allowing for this year's contribution of £100K. Given that the majority of sundry debts relate to housing benefit overpayments, the planned welfare reforms could well have a major bearing in future. There are no proposals to amend the current level of the provision.

## 6.3 Other Major Reserves

As part of the budget process all reserves have been (or will be) reviewed and the outcome reported to Members. There are no other issues to highlight.

## 7 RISK MANAGEMENT

All known financial risks have been covered through the budget process to date. At this stage there are no other new risk areas to report on.

## SUMMARY OF GENERAL FUND MAJOR VARIANCES (Qtr 3 2011/12)

(Not included elsewhere in the report - excluding salaries for example)

FACTORS INFLUENCING VARIANCES		Variance to Date £	Current Year Projection £	Future Years Projection £
1.	Unforeseeable windfalls or costs	+0	+0	+0
2.	Demand led variances	(51,400)	(45,600)	+0
3.	Efficiency savings	+0	+0	+0
4.	Other service driven variances (incl delays)	+0	+0	+0
5.	Budget setting issues/errors	+0	+0	+0
6.	Other variances	(67,400)	(13,000)	+0
<b>TOTAL VARIANCES</b>		<b>(118,800)</b>	<b>(58,600)</b>	<b>+0</b>

Service	Variance Type	Service Area	Variance to Date	Current Year Projection	Future Years Projection	Reason for Variance & Action being taken
			£	£	£	
<b>VARIANCES REPORTED THROUGH PRT PROCESS (SERVICE HEAD COMMENTS)</b>						
Env Services	2	Highways	(67,000)	(67,000)	+0	The unplanned surplus to date is as a result of delays in determining the future arrangements for the delivery of Highways coupled with additional work from Council Housing compensating for the loss of drainage work.
	6	Investment Income	(13,600)	+0	+0	Investment interest is currently up on profiled budget. This is jointly due to the improved cash flow and the impact of Icelandic Investments. The cash flow is expected to fall back over the last quarter of the year.
Financial Services	6	Revenues & Benefits Shared Service	(53,800)	(13,000)	+0	Based on latest revised estimate. Future years savings are already built into the latest budget projections.
	2	Planning application fee income	+9,100	+25,000	+0	Continued reduced application numbers due to current economic climate. Continuing effects of "permitted development" changes has resulted in reduced income. New flat fees for renewal of planning permission applications has further decreased income.
Regeneration & Policy	2	Building Reg Application fee income	+6,500	+7,300	+0	Reduction in number of potential fee bearing applications coupled with private sector competition taking a greater share of the available work. Further vacancy will arise in March 12 and a member of staff will take flexible retirement at end of January.
	2	Conservation Environment Grant - Historic Buildings	+0	(10,900)	+0	Take up of grant scheme slower than anticipated in current financial year. A carry forward request will be submitted at year end for the budget to be moved in 2012/13
<b>TOTAL VARIANCES</b>			<b>(118,800)</b>	<b>(58,600)</b>	<b>+0</b>	

<b>VARIANCES NOT REPORTED THROUGH PRT PROCESS</b>			
<b>TOTAL VARIANCES</b>		<b>+0</b>	<b>+0</b>






  

<b>OVERALL VARIANCES</b>	<b>(118,800)</b>	<b>(58,600)</b>	<b>+0</b>
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**CORPORATE PERFORMANCE REVIEW - ACTION PLAN  
LEADER OF THE COUNCIL: COUNCILLOR EILEEN BLAMIRE**

**PRT Quarter 3 meeting(s)**


**Date of Leaders PRT meeting: Wednesday 8<sup>th</sup> February 2012**

Portfolio Holder	Portfolio Area	Key PRT Actions Agreed	Status	Origin	Comments on progress
<b>Cllr Hanson</b>	Economic Regeneration - Morecambe Area Action Plan	Examine alternative means to deliver Morecambe Area Action Plan		Qtr 3 PRT meetings	Statutory Plan or planning permission normally essential to deliver any CPO requirement as has been demonstrated in the Luneside East CPO and Lands tribunals. Full risk assessment needed for alternative options
	Economic Regeneration - Morecambe Business Improvement District	Reinstate funding in budget		Qtr 3 PRT meetings	Updated comments from Lancaster and District Chamber and Morecambe Chamber have been supplied for members to consider
	Housing Regeneration - Chatsworth Gardens	Consider new affordable lifetime homes models as alternative option		Qtr 3 PRT meetings	Draft Cabinet report already advanced and does not currently include full acquisition and demolition option. Further delay anticipated
	Energy Coast - General schemes	Apply for second round Regional Growth Fund after announcement of availability.		Qtr 3 PRT meetings	Regeneration and Policy staff have examined criteria and they have not changed from the time of the first bid
	Planning Applications	Determine planning applications against government performance targets		Qtr 3 PRT meetings	Temporary measures to increase staff capacity being pursued – funding secured and recruitment to take place

## Appendix C

Portfolio Holder	Portfolio Area	Key PRT Actions Agreed	Status	Origin	Comments on progress
<b>Cllr Ron Sands</b>	Culture & Tourism - Tourism and marketing	To arrange for an updated condition survey of Williamson Park		Qtr 3 PRT meetings	Surveys yet to be arranged
		To review the proposals for the repair of the Ashton Memorial steps		Qtr 3 PRT meetings	Currently reviewing submitted tenders from a technical and financial perspective
	Children & Young People	Cabinet member to receive formal briefing prior to each Children and Young People Trust Board meetings		Qtr 3 PRT meetings	Arrangements now in place
		Investigate installation of biomass boiler in Williamson Park		Qtr 3 PRT meetings	Ongoing over the next financial year
<b>Cllr Hamilton -Cox</b>	Climate Change – Renewable energy options	Salt Ayre Sports Centre - Investigate cost of replacement floodlighting with energy efficiency bulbs		Qtr 3 PRT meetings	Proposals from perspective suppliers being reviewed. Briefing Note for Cabinet member being prepared
		Complete the review of St Leonards House		Qtr 3 PRT meetings	Review to be completed as soon as possible and the rent owing by health occupiers to be identified
	Corporate Performance - To ensure that revenue income is maintained	Advise on the outcome of the expressions of interest for the sale of land at Middleton		Qtr 3 PRT meetings	Official closing date was 6.1.12 although other expressions of interest are still coming in. Meeting with planning w/c 6.2.12 to discuss further
	Climate Change - Invest to Save LTH Boiler Replacement	Advise on the outcome of the Lancaster TH boiler tender process		Qtr 3 PRT meetings	All tenders are in. Came in at £100,000 above budget. Meeting with Finance 3.2.12 to discuss extra finance or reducing tender
	Corporate Performance - To undertake an annual review of parking fees & charges	Identify costs of adapting P&D machines to accept card payments		Qtr 3 PRT meetings	Chamber of Commerce to be advised on the cost of adapting P&D machines to accept card payments. Also a review of change in size of coinage and card security will be carried out

## Appendix C

Portfolio Holder	Portfolio Area	Key PRT Actions Agreed	Status	Origin	Comments on progress
<b>Cllr Karen Leytham</b>	Housing - Council Housing (Tenancy) Re-letting	Action plan to try to reduce re-let times developed		Qtr 3 PRT meetings	Ongoing - -- plan to be monitored with RMS to ensure that it is effective in addressing the issue

**Key:**  **Completed**  
  **In Progress**  
  **Not Started**  
  **Continuous or multi-year activity**  
  **Abandoned**



## **Community Engagement**

### **Briefing note to Budget and Performance Panel meeting 21 February 2012**

This Briefing note provides additional information to members regarding the actions identified in the most recent round of Performance Review Team meetings.

#### **Action: To arrange for an updated condition survey of Williamson Park.**

During the recent severe weather damage occurred to a number of buildings in Williamson Park – the Butterfly House, shop and the Ashton Memorial. This damage gave concern that there might be other problems associated with the fabric of these buildings. The last condition survey was carried out in 2008 and a reserve budget was established to carry out any necessary repairs. Before carrying out repairs to recent damage it is considered prudent to arrange for an up to date condition survey in order to take a comprehensive approach to any repairs that may be required. The buildings have been made safe.

#### **Action: To review the proposals for the repair of the Ashton Memorial steps**

During the summer of 2011 the steps to the front (fountain side) of the Ashton Memorial began to sag and move out of alignment. On public safety grounds the steps were closed off and a firm of structural engineers was commissioned to examine the structure. They found the steps were laid upon an intricate arrangement of steel and wooden beams and that the area underneath the steps is in effect a large void. The beams had sagged causing the steps to move.

The advice of the Council's Conservation Officer was taken to put together a design solution and tenders were sought from three specialist heritage restoration companies. Two tenders were returned. Analysis of those tenders suggested that each tenderer had approached the reconstruction in a different way making it difficult to compare like with like and thus the risks associated with carrying out this extremely complex major work had been approached differently. It was felt that there was a risk to the Council going forward with either tender on that basis and so it has been agreed to retender the work on a different basis. The steps have been sealed off and the impact of the sealing off will be mitigated until construction work can begin later in the year following a retendering exercise.

#### **Action: Investigate installation of biomass boiler in Williamson Park**

Biomass boilers offer an environmentally sound, heating solution. Burning biomass, such as wood pellets or logs, emits the same amount of carbon dioxide as is absorbed while the plants were growing. Therefore, biomass is classed as carbon-neutral/renewable energy.

In the Williamson Park Asset replacement register it has been highlighted that the main boilers will be replaced in 2015/16 assuming that there are no major problems between now and then. Investigations into the feasibility of a biomass boiler at Williamson's Park are at the preliminary stage.

However, these investigations are suggesting that Lancaster City Council may be able to receive payments for the heat produced from a biomass wood boiler through the government's Renewable Heat Incentive (RHI) which opened for applications on 28<sup>th</sup> November 2011.

The RHI provides a continuous income stream for twenty years to any organisation that installs an eligible renewable heating system, ensuring that renewable heat is commercially attractive when compared to fossil fuel alternatives.

**Action: Salt Ayre Sports Centre - Investigate cost of replacement floodlighting with energy efficiency bulbs.**

To date there has been £27,500 capital investment into the centre which has resulted in projected savings up to £240,000 by 2013. Using 2008 as a benchmark year, the SASC has shown a reduction of its electricity bill of 41.7% which has been estimated equating to a £92,131 saving on the associated costs.

SASC has two external areas which currently use floodlights; the Astro turf pitch, and the Athletics arena. A proposal has therefore been made to investigate the cost of replacement floodlighting with energy efficient bulbs.

The lights currently used for both the Astro turf and Running Track areas are of an outdated design which does not concentrate the light on the sports surface. The proposed replacement lights produce a more targeted beam therefore producing more useful light.

The proposal would comprise the replacement of the existing 32 lights with 20 new lights at the Astro turf pitch and the replacement of 32 existing lights with 32 new lights at the running track.

This investigation is still at an early stage and will be reported back to members when complete.

## Brief - PRT Q3 2011/2012 Housing - Council Housing (Tenancy) Re-letting

Council housing monitor the average time taken to relet properties as one of their key performance indicators. The average time taken to relet local authority housing is the time in calendar days from the day after tenancy is terminated up to and date when the new tenancy agreement starts. Over the last year there has been deterioration in performance in this area. The average relet time at the end of Q3 was 49.89 days against a target of 38 days.

The major contributor to this deterioration on performance on the overall time taken to relet properties has been a significant increase the time taken to undertake repairs to empty properties by RMS.

2010/2011	Q1	Q2	Q3	Q4
Average time taken to complete void repair works	26.04	22.08	21.33	21.82

2011/2012	Q1	Q2	Q3	Q4
Average time taken to complete void repair works	33.06	33.83	32.70	

If RMS's performance had been maintained at the levels achieved in 2010/2011 there would be no significant concerns. The repairs and maintenance service of the council is in the process of being reviewed and restructured. To improve the performance in relation to the repairs to empty council housing properties the function is being moved from the responsive repairs team to the planned maintenance team and this should lead to significant performance improvements. This restructuring has still to be completed. Following the transfer from Council Housing to Environmental Services and a subsequent review of RMS, it was always anticipated that it would take a period of time to get the right structure in place and for improvements to be made. Officers are still confident that we can deliver an excellent repairs and maintenance service and have taken immediate steps to address the void repair issues with an action plan already in place.

In addition a review has been undertaken of the whole of the reletting process which identified other areas that were affecting performance, and these have been built into the action plan:

- Low number of pre-void inspection being undertaken
- Ensuring that adequate resources are available and targeted to reduce the time taken to undertake void work
- Properties not being effectively highlighted as being available for early viewing
- Installation of new kitchens having an effect on a number of voids
- Maintenance of common areas to flats affecting prospective tenants opinions on the desirability of property

**Chris Hanna**  
Principal Housing Manager  
10 February 2012

**PRT Report – Property Services**

The following table relates to the items that are contained within Leader's Corporate PRT report

<b>Key PRT Actions Agreed</b>	<b>Comments on progress</b>	<b>Additional comments</b>
Complete the review of St Leonards House	Review to be completed as soon as possible and the rent owing by health occupiers to be identified	The building is in very poor condition with 11.37% of the building unlettable & of the remainder only 29.4% is currently occupied. Part was occupied by the NHS foundation Trust who left owing £32k in rent. Maintenance costs are significant. An asset management report is being prepared to allow the council to determine what the future of the building should be. Lack of resource within the service is delaying the report.
Advise on the outcome of the expressions of interest for the sale of land at Middleton	Official closing date was 6.1.12 although other expressions of interest are still coming in. Meeting with planning w/c 6.2.12 to discuss further	Cabinet indicated that the council should seek expressions of interest for the disposal of part of the former Shell/ICI site at Middleton. Four expressions have been received and the details are being analysed and further information requested where necessary.
Advise on the outcome of the Lancaster TH boiler tender Process	All tenders are in. Came in at £100,000 above budget. Meeting with Finance 3.2.12 to discuss extra finance or reducing tender	This scheme will provide a new boiler including the associated building works, thermal radiator valves, ventilation works, & building energy management system. The Head of Finance has indicated that finance is available for the scheme to proceed. It is expected that the boiler will be installed at the end of the heating season.
Identify costs of adapting P&D machines to accept card payments	Chamber of Commerce to be advised on the cost of adapting P&D machines to accept card payments. Also a review of change in size of coinage and card security will be carried out	As part of the consultation prior to cabinet considering the parking fees & charges report, the Chamber asked for information on adapting pay & display machines to take card payments. This information will be sent to them when available. It is likely that there will be a significant cost in adapting the machines. The Royal mint is to issue new coins in the near future which will be a slightly different size to existing coins. As a result the P&D machines are being adapted to receive the new coins.

## REGENERATION AND POLICY SERVICE

### PRT 3 Actions Councillor Hanson.

**Morecambe Area Action Plan:** The Area Action Plan has reached the stage of exhibiting the clear visions the community has for the central area. It has got there after extensive rounds of consultation. The next stage is to prepare draft proposals and consult with the community again, and the commercial sector to see if the parties who have engaged with the council so far consider the proposals commercially realistic.

The Deputy Chief Executive wishes to raise with Cabinet the option of taking an alternative approach. This might involve using the vision which has emerged through the Area Action Plan to date and attempting to secure a development partner through the County Councils selected development partner list. If such a partner felt the vision could be turned into viable schemes the DCE thinks there is a possibility that they could be persuaded to submit planning applications straight away giving the same strong basis for site acquisition through CPO if required. Alternatively a development partner at this stage might be able to assist the City Council in drafting detailed site allocations for the Area Action Plans.

There is a risk with considering this approach in that progress on the next stage of the Area Action Plan could be delayed, alternatively the sourcing of an enthusiastic development partner could advance matters at a greater pace. All risks need to be considered. The deputy Chief executive has undertaken to prepare a report to Cabinet to enable them to consider the options.

**Business Improvement District Morecambe:** Consideration of removing the £40K allocated for development of the project was based on the understanding that little progress was being made on developing the Morecambe BID. Since then the Lancaster and District Chamber have confirmed in writing their support for a Morecambe BID and a willingness to share their experiences in the preparation of the Lancaster BID. The Morecambe Chamber have taken steps to constitute a group to work on BID preparation. It would appear therefore that progress is being made and that the removal of the funding would be very unpopular.

**Housing Regeneration Chatsworth Gardens :** Officers in the Regeneration and Policy service have prepared a report to consider options for preparing a viable scheme to regenerate the properties on the Chatsworth Gardens Housing Exemplar site. It considers options and costs but does not identify funding to implement the scheme. The Deputy Chief Executive after attending a recent LGA conference which introduced a new model for affordable homes has asked for consideration to be given to a new option which might include acquisition of all the properties in the scheme and total demolition to provide a site capable of delivering this new form of housing model. Evaluation of this, and the request to include a much wider range of

Housing Regeneration initiatives in the report will create a delay in that particular item coming to Cabinet.

**Regional Growth Fund :** Although a new round of funding has been identified the criteria has not changed. It is largely targeted to private sector schemes where a developer is in place and has approval to proceed. There are no projects immediately available to secure this funding in Lancaster District at this time.

**Planning Applications:** Recent steps to bolster capacity through temporary posts have been hindered by inability to recruit a major applications Officer and a temporary contractor having given notice. A solution to the Major Applications Officer post has been found and the vacant contract post is being advertised. Steps are also being considered to redeploy another member of staff to act as service Complaints Officer to remove the burden from the Assistant Head (Development Management) and enable him to concentrate on his primary operational role. This should also enable the Service Head to reduce the amount of hands on support he is having to give to Development Management activities.

Andrew Dobson  
Head of Regeneration and Policy



**CABINET**

**Housing Regeneration Cabinet Liaison Group**

**13 March 2012**

**Joint report of Head of Health and Housing  
and Head of Regeneration and Policy**

<b>PURPOSE OF REPORT</b>				
To consider the establishment and terms of reference of a Housing Regeneration Cabinet Liaison Group.				
<b>Key Decision</b>	<input type="checkbox"/>	<b>Non-Key Decision</b>	<input type="checkbox"/>	<b>Referral from Cabinet Member</b> <b>X</b>
<b>Date Included in Forward Plan</b>	N/A			
<b>This report is public.</b>				

**RECOMMENDATIONS OF COUNCILLORS LEYTHAM AND HANSON**

- (1) That Cabinet approves the establishment and terms of reference of a housing regeneration Cabinet Liaison Group as set out in the report.

**1.0 Introduction**

1.1 During the 2012/13 corporate planning and budget process, Members have been considering their priorities to inform the adoption of a corporate plan for 2012 – 2015. Housing regeneration is one of those priorities and at Cabinet in October 2011 (Minute 48 refers), members reaffirmed their strategic housing regeneration priorities as:

- a) To increase the supply and delivery of affordable housing schemes
- b) To complete the existing unfinished schemes in the west end.
- c) To bring empty properties back into use and

That having reaffirmed the strategic housing regeneration priorities further reports be prepared for Cabinet to consider examining the potential of affordable housing provision for each of those categories through (a) to (d) below which are set out in order of priority:



- a) Options for the completion of outstanding housing regeneration projects at Chatsworth Gardens and Marlborough Road/Bold Street along with the report to include financial options in relation to the Council borrowing to complete the schemes if there is no other external funding available- also that negotiations are entered into with the HCA to agree a change of direction/contractual agreement based upon the possibility that the Council are able to fund completion of the scheme.
- b) The self financed Housing Revenue Account coming into effect from April 2012.
- c) Allocating land in the Local Development Framework and securing contributions from Section 106 agreement and eventually through Community Infrastructure Levy.
- d) The provision of a Lend a Hand mortgage support scheme.

1.2 In addition, the council has been preparing for the implementation of the new self financing regime for council housing which comes into force on 1<sup>st</sup>April. This will mean the Housing Revenue Account taking on a debt of just over £31m but the current housing subsidy arrangements will cease, giving the council greater autonomy in future. It is in this context that the council will be able to make decisions on investing in its existing housing stock, on enabling any new stock to be built and formulating its own policy around rent levels.

1.3 In recognition of the challenges facing the Council in delivering housing regeneration, the Cabinet Members for Housing and Environmental Health, and Economic Regeneration and Planning consider a Cabinet Liaison Group for Housing Regeneration would assist them in carrying out their roles.

## **2.0 Proposal Details**

### **2.1 Membership**

The group would be chaired by one of the Cabinet Members and in accordance Cabinet Procedure Rule 2.9 in Part 4, Section 5 of the Council's Constitution, participants will be invited by the chairman and could comprise any or all of the following;

- Other Members of the Cabinet
- Other non executive Members of the Council
- Others from outside the Council
- Council officers

It is anticipated that this will include tenant representatives.

2.2 Terms of reference

The purpose of the group would be to assist the Cabinet Members in overseeing implementation of options for housing regeneration priorities including:

- To examine the options for delivering and financing affordable housing schemes through the HRA (including schemes in the West End)
- To examine the viability of building new council homes with a particular focus on meeting the housing needs of the growing population of older people in the medium to long term.
- The adoption of a rent policy for council housing
- Consideration of an empty homes strategy
- Opportunities for affordable housing schemes through the land allocations in the LDF
- The potential impact on residents and the Council of the changes to the welfare reform system
- The adoption of a tenancy strategy for the district
- Any other funding opportunities to support housing regeneration priorities, including any through the council’s General Fund.
- To consider housing regeneration related reports prior to being presented to Cabinet, Individual Cabinet Member Decisions or other council committees.

The terms of reference are deliberately wide ranging to enable full consideration of all issues connected with housing regeneration.

3.0 Details of Consultation

3.1 N/A

4.0 Options and Options Analysis (including risk assessment)

	<b>Option 1:</b> To establish a CLG with the terms of reference as proposed in this report	<b>Option 2:</b> To establish a CLG as proposed but with different TOR	<b>Option 3:</b> Not to establish a CLG
Advantages	Will allow for comprehensive consideration of housing regeneration issues.	Would allow for the widening or reducing of the proposed TOR.	Small saving of officer time.
Disadvantages	None.	Substantially different TOR may not provide the Cabinet Members with the information and detail needed to assist them with their portfolio areas.	Missing an opportunity to more systematically discuss housing regeneration issues to support Council objectives.
Risks	None.	Some key issues could be missed.	Housing regeneration issues would be discussed on a more ad hoc basis.

**5.0 Conclusion**

5.1 Option 1 is the preferred option to support the Cabinet Members in undertaking their roles.

**RELATIONSHIP TO POLICY FRAMEWORK**

Economic regeneration including housing regeneration. Corporate plan 2012 – 2015 Health and well being and Economic growth. Improving housing supply, the west end schemes, empty properties and use of the HRA have all been identified as priorities for the coming years.

**CONCLUSION OF IMPACT ASSESSMENT**

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

The proposed CLG should help facilitate sustainable housing regeneration which will improve outcomes for residents of our district.

**LEGAL IMPLICATIONS**

Legal have been consulted and have no comments to make

**FINANCIAL IMPLICATIONS**

Financial implications regarding the establishment of a Cabinet Liaison Group will involve the usual costs; that is officer time in administering and supporting the Group, room hire and refreshment costs for meetings and any travel costs for officers and members undertaking any site visits to successful housing regeneration schemes. These costs will be met from within existing budgets and resources.

**OTHER RESOURCE IMPLICATIONS**

**Human Resources:**

None

**Information Services:**

None

**Property:**

None

**Open Spaces:**

None

**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**

**Contact Officer:** Suzanne Lodge  
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**E-mail:** slodge@lancaster.gov.uk  
**Ref:** C102