



LANCASTER
CITY COUNCIL

Promoting City, Coast & Countryside

COUNCIL MEETING

**Wednesday, 14 September 2011 -
2.00 p.m.
Morecambe Town Hall**

Mark Cullinan,
Chief Executive,
Town Hall,
Dalton Square,
LANCASTER,
LA1 1PJ



LANCASTER CITY COUNCIL

Promoting City, Coast & Countryside

Sir/Madam,

You are hereby summoned to attend a meeting of the Lancaster City Council to be held in the Town Hall, Morecambe on Wednesday, 14 September 2011 commencing at 2.00 p.m. for the following purposes:

1. **APOLOGIES FOR ABSENCE**

2. **MINUTES**

To receive as a correct record the Minutes of the Meeting of the City Council held on 20th July, 2011 (previously circulated).

3. **DECLARATIONS OF INTEREST**

4. **ITEMS OF URGENT BUSINESS**

5. **ANNOUNCEMENTS**

To receive any announcements which may be submitted by the Mayor or Chief Executive.

6. **QUESTIONS FROM THE PUBLIC UNDER COUNCIL PROCEDURE RULE 11**

To receive questions in accordance with the provisions of Council Procedure Rules 11.1 and 11.3 which require members of the public to give at least 3 days' notice in writing of questions to a Member of Cabinet or Committee Chairman.

7. **PETITIONS AND ADDRESSES** (Pages 1 - 13)

To receive a Petition from Ms Denise Dowbiggin, notification of which has been received by the Chief Executive in accordance with the Council's Constitution, and to consider the joint report of the Head of Governance and Head of Regeneration and Policy in accordance with the Council's Petition Scheme.

8. **LEADER'S REPORT** (Pages 14 - 15)

To receive the Cabinet Leader's report on proceedings since the last meeting of Council.

REPORTS REFERRED FROM CABINET, COMMITTEES OR OVERVIEW AND SCRUTINY

9. **OUTTURN 2010/11 AND OTHER FINANCIAL REFERRALS TO COUNCIL** (Pages 16 - 51)

To consider the report of Cabinet following its meeting on 26 July 2011.

10. **LANCASTER MARKET** (Pages 52 - 65)

To consider the report of Cabinet following its meeting on 26 July 2011.
(Two Appendices are to follow, the Financial Options Appraisal and Legal Implications)

OTHER BUSINESS

11. **COMMUNITY SAFETY PLAN** (Pages 66 - 98)

To consider the report of the Community Safety Partnership/LDLSP Safety Thematic Group.

12. **APPOINTMENT TO AN OUTSIDE BODY** (Pages 99 - 102)

To consider the report of the Head of Governance.

13. **APPOINTMENTS TO OVERVIEW AND SCRUTINY** (Pages 103 - 106)

To consider the report of the Head of Governance.

14. **ALLOCATION OF SEATS TO POLITICAL GROUPS** (Pages 107 - 112)

To consider the report of the Head of Governance.

15. **QUESTIONS UNDER COUNCIL PROCEDURE RULE 12.2**

To receive questions in accordance with the provisions of Council Procedure Rules 12.2 and 12.4 which require a Member to give at least 3 working days notice, in writing, of the question to the Chief Executive.

16. **MINUTES OF CABINET** (Pages 113 - 135)

To receive the Minutes of Meeting of Cabinet held on 26th July, 2011.



.....
Chief Executive

Town Hall,
Dalton Square,
LANCASTER,
LA1 1PJ

Published on Tuesday 6 September, 2011.

COUNCIL

**Petition – Gibraltar Farm Caravan and Camp Site
Silverdale
14th September 2011**

**Report of Head of Governance and Head of
Regeneration and Policy**

PURPOSE OF REPORT

To enable Council to debate the petition in accordance with the Council's Petition Scheme.
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This report is public

RECOMMENDATIONS

- 1) That Council instructs the Heads of Regeneration and Policy and Health and Housing to conduct a detailed investigation into the allegations of unlawful activity at Gibraltar Farm contained in the petition documentation, and, in consultation with the Head of Governance, to consider the expediency case for enforcement or other regulatory action under the Planning Acts and other associated legislation, having regard to the impacts on the landscape and amenities of the Arnside/Silverdale AONB, the amenities of local residents, and any other material considerations.
- 2) That reports be prepared for Cabinet or the relevant Regulatory Committee, as appropriate, outlining the conclusions of those investigations to enable Members to consider recommendations on how to proceed.

1.0 Introduction

- 1.1 A petition containing more than 440 signatures has been received in respect of Gibraltar Farm Caravan and Camp Site. A copy of the documentation submitted with the petition is appended to this report. The full document, with the signatures, will be available for inspection at the meeting.
- 1.2 The Council's Petition Scheme is set out in Part 10 of the Constitution, and provides that if a petition relating to a local matter which affects no more than two wards, contains more than 200 signatures, it will be debated by the full Council. The petition organiser will be given five minutes to present the petition at the meeting, and the petition will then be discussed by councillors. Generally a maximum of 30 minutes will be allowed at any council meeting for debating petitions, but this can be extended by the Mayor and the meeting if appropriate. Ms Dowbiggin, the organiser of the petition has been invited to attend the meeting to present the petition.

- 1.3 The Petition Scheme further provides that “The Council will decide how to respond to the petition at the meeting. They may decide to take the action the petition requests, not to take the action requested for reasons put forward in the debate, or to commission further investigation into the matter, for example by a relevant committee. Where the issue is one on which the Council’s Cabinet is required to make the final decision, the Council will decide whether to make recommendations to inform that decision.”

2.0 Proposal Details

- 2.1 The background information relating to the Gibraltar Farm site is as follows:
- 2.2 In June 2010 the Regeneration and Policy Service responded to an application by the owners of Gibraltar Farm by issuing a Certificate of Lawfulness for an Existing Use or Development for a defined part of the site for use as a touring caravan site. Following an error in drafting, an attempt to correct and a subsequent legal challenge, officers had to concede that whilst they had contained the area of the farm certified as lawful to a specified area, they had not imposed further restraints on the intensity of caravanning in those areas as they had originally intended.
- 2.3 The position which this creates remains complicated. The areas certified as lawful do not relate to the whole of the Gibraltar Farm land. The failure to secure restrictions over the numbers of caravans in those areas is unfortunate, and is naturally a cause of disquiet amongst the local community. The matter is the subject of a formal complaint which is currently being dealt with under the Council’s complaints procedure. The disquiet felt by the community is exacerbated by concerns about the confidence recent events will have given the site owners to expand the activities even further across the rest of the land, and the widespread impact on amenity and the landscape of the AONB.
- 2.4 The Regeneration and Policy Service is aware of continuing complaints about the impact of caravan and camping activities on the farm outside the area which was subject to the Lawful Use Certificate. Rallies over the summer period have been a particular problem. Notwithstanding the issues which arose surrounding the Certificate, the landowners’ planning consultants were advised in writing by the Head of Regeneration and Policy in April 2011 that continuing caravan and camping activities outside the area certified as lawful were still cause for concern and that, if this continued, any complaints about those activities would be investigated by the Council.
- 2.5 The Council’s officers are resolved to investigate the extended activities which are the subject of complaints in order to determine whether they are unlawful, or whether they come under temporary use rights which can apply to some forms of caravan related activity. In planning terms, it is important to ensure that the right balance is struck between the need to support tourism in the rural areas of the district and the need to uphold the Council’s duties to protect the landscape of protected areas such as the Arnside/Silverdale AONB for its own sake.
- 2.6 The Regeneration and Policy Service has been delayed in commencing the investigations, not because of any weakening of resolve, but by a heavy

workload that includes the need to prepare for a number of major planning appeals, and cases making their way to Planning Committee. It is expected that investigations will commence shortly.

3.0 Details of Consultation

3.1 There has been no consultation. This report arises from the submission of a petition by interested parties.

4.0 Options and Options Analysis (including risk assessment)

4.1 In accordance with the Petition Scheme, Council is required to debate the petition, and decide how to respond to it. The officers' recommendation is that Council should request that the investigations referred to above should proceed, and that a report is then submitted to the appropriate member body, whether Cabinet or a regulatory Committee, to consider any action in the light of the outcome of those investigations.

5.0 Conclusion

5.1 Council is asked to debate the petition.

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

None arising directly from this report.

LEGAL IMPLICATIONS

None arising directly from this report. Following the investigations, Legal Services would advise on any proposed legal action in respect of the site.

FINANCIAL IMPLICATIONS

There are no direct financial implications at this stage. The possible costs and financial risks of any proposed enforcement, regulatory or other action would be considered following the investigations.

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 in her role as Head of Governance has been responsible for preparing this report, and has no further comments.

BACKGROUND PAPERS

Petition

Contact Officer: Mrs S Taylor

Telephone: 01524 582025

E-mail: STaylor@lancaster.gov.uk

Ref:

Ms Sarah Taylor
Head of Governance
Lancaster City Council

19 August 2011

Dear Ms Taylor

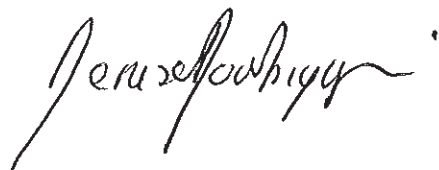
Petition to Lancaster City Council regarding Gibraltar Farm, Silverdale

Please find enclosed a letter regarding this petition, enclosing copies of over 440 signatures of Silverdale residents, together with some supporting documents.

We understand from a telephone call to the Council yesterday that protocol requires that this petition is delivered to you. However, it seemed appropriate for the covering letter on the substance of the issue to be addressed to Councillor Hanson, as the cabinet member responsible for planning. We have included labelled copies for all members of the planning committee, plus the committee's secretary, and some of the planning officers concerned. Planning Services know this petition is going to be delivered.

The copy documents intended for the cabinet member, the chairman and vice-chairman of the committee and the committee secretary include copies of all the signatures. For the time being, we have retained the original signature pages, simply because some of the record-keeping has been noted on the back of some of the sheets, and we wanted to keep those in case of any queries. However, if you need the originals, please telephone either 701573 or 701043 and we can deliver them very quickly.

Yours sincerely



Denise Dowbiggin, Wolf House, Lindeth Road, Silverdale



to Joy Sharp P.P.

Joy Sharp, The Tower House, Silverdale



Bob Hamnett, The Blossoms, 33 Stankeit Road, Silverdale

Councillor Janice Hanson
Cabinet Member for Economic Regeneration and Planning
Lancaster City Council

19 August 2011

Dear Councillor Hanson

Petition regarding Gibraltar Farm Caravan and Camp site, Silverdale

We enclose copies of over 440 signatures from Silverdale residents, calling on Lancaster City Council to apply local and national planning policy and prevent further unauthorised expansion of this site, and its over-use.

What's the problem? The owners of this site, which is in a coastal location in the Arnside and Silverdale AONB, have taken advantage of the Existing Lawful Development Certificate ('ELDC') system, the lack of monitoring by the City Council and an error by the City Council in the issue of an ELDC to drive a coach and horses through local planning policy. The site has got bigger and busier, especially since 2007. The Council intended to give it an ELDC for 34 caravans, for 8 months a year, but appears to have issued one for about 60, for 12 months a year. (Planning permission was originally granted for 15.) In addition, there is increasing use of surrounding fields for tents, more caravans and club events. There were some 170 caravans there over Easter. Other development has been carried out without planning permission. We are therefore concerned that history will repeat itself, that further ELDCs will be applied for and granted in future, and that the site will not only expand further but will be over-used.

Why a petition? There are two reasons. First, the enforcement process at the Council appears to have stalled. Second, because some people in the village, including some of our elected councillors who appear to support this unauthorised development, have been publicly and privately suggesting that it is only 'two or three' residents who are concerned. We knew this was wrong, but have felt required to prove it.

We have no confidence in the owners' restraint, or good faith on this subject. The owners' planning consultant has said that the owners have imposed on themselves a limit of 60 caravans, although they would be entitled to far more than that, and that there are no plans for expansion. Our response is that very little confidence can be placed on such a statement of 'no expansion plans', for the following reasons. 1) it is highly ambiguous and unspecific; 2) it commits the owners to nothing; 3) the site has a long history of exceeding the limits set for it and 4) factual statements made about the

site by the owners have varied enormously over the years, according to expediency. In 2004, when they were applying for an agricultural dwelling, the application said that when the caravan site was busy it had 15 caravans. In 2009, when they wanted an ELDC for 60 caravans, they claimed there had regularly been 55-70 caravans at busy times for the last 20 years or so. Both those statements cannot be true.

Complaint to Ombudsman. The error in the certificate and other apparent failures of process by the Council have already led to a complaint being made to the Council, as you are no doubt aware. If, as the Council seems to believe, the error in the certificate is irretrievable, that complaint is likely to go to the Ombudsman. The complaint also calls on the Council to:

- Take enforcement action along the lines envisaged in the original enforcement notices it issued, amended as necessary
- Consider removing permitted development rights and the right to hold club events outside the certificate area
- Ensure detailed and regular monitoring, including permitted development and club use
- Settle other outstanding planning issues
- Apply appropriate, mitigating conditions if any retrospective planning permission is granted for other development that has taken place
- Ensure waste is properly dealt with
- Ensure future planning policy protects the area from further development of this kind

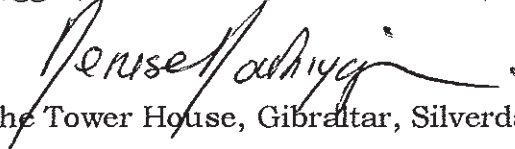
We repeat that call here. The Council should not compound the error on the certificate by failing to use the powers (both formal and informal) that it has to keep this site under proper control.

The petition suggests nothing outrageous or extraordinary. All it does is call on the Council to apply and enforce what has been, and can be expected to be, local and national planning policy and not allow unauthorised and inappropriate development, or over-use.

Yours sincerely



Denise Dowbiggin, Wolf House, Lindeth Road, Silverdale, LA5 0TX



Joy Sharp, The Tower House, Gibraltar, Silverdale, LA5 0TU

Bob Hamnett, The Blossom, 33 Stankelt Road, Silverdale, LA5 0TF



Enclosures:

Text of petition
Copy of leaflet distributed in village
Explanation of leaflet and petition process
Map of areas in now in use
Copies of signature pages

cc

Members of the Planning and Highways Committee (copy signature pages included for Chairman and Vice-Chairman)

Secretary to the Committee (with additional copies of signature pages)

Andrew Dobson, Mark Cassidy, Andrew Holden – Planning Services (w/o signature pages)

David Morris, MP (with signature pages)

Arnside/Silverdale AONB (w/o signature pages)

Arnside/Silverdale AONB Landscape Trust (w/o signature pages)

The National Trust, Silverdale (w/o signature pages)

We, the undersigned, are concerned about the increasing expansion of the caravan and camp site at Gibraltar Farm, Silverdale.

We recognise that a well-run site with an appropriate number of pitches (the current legal certificate is for about 60 caravans) benefits the economic life of Silverdale, helps the farm and attracts visitors. However, expansion beyond this will adversely affect an Area of Outstanding Natural Beauty and will, we fear, start to undermine the beauty and peace of the area - for residents and visitors alike.

We call upon the Council:

1. to ensure that the caravan and camp site at Gibraltar Farm is properly monitored;
2. to prevent further expansion and over-use; and
3. to ensure that all legal requirements as regards numbers, noise and environmental protection are met.

Have you visited Gibraltar Farm Caravan and Camp site recently?



We are concerned at the increase in area and intensity of use at the Gibraltar Farm camp site. We are even more concerned about how much bigger and busier it will get in future, if not controlled. This picture was taken at Easter - and it doesn't show all the tents and caravans that were there. There were some 170 caravans - about 60 on the approved site, over 100 at a 10-day club event (the club told Lancaster City Council there would be 30), plus caravans on other fields, plus tents. This could become the permanent state of things. Is that what you want?

Set out below are responses to comments we hear when this subject comes up in conversation.

There's been a campsite there for years, without any real problem. There are problems now. Many changes have been made, some of them without necessary planning permission. The site has become significantly bigger and busier since 2007. Several hundred people have an impact on the village as well as the immediate neighbourhood, and that impact should be properly considered, not imposed on others by a single family.

It supports a young family on a working farm. The Burrow family told the parish council last year that they wanted 'a traditional, simple caravan and camp site on their working farm'. Most residents would, we think, be happy for the farm to have that financial support. But there is a question of scale and balance. The picture looks more like a major commercial enterprise than a farmer's side line. The farm is now entitled to have 60 or so caravans on the approved part of the site for over 8 months a year (Lancaster City Council meant to approve 34, but made a mess of it). Those 60 caravans alone can produce a substantial income (individual touring caravans are charged £16/night minimum with hook-up).

It's good for village shops and businesses. Yes, it's part of the village's life and economy - but again there's a question of balance and appropriate scale. Residents have legitimate interests as well, and we spend money locally all year round.

Aren't you being alarmist? We don't think so. The site has a history of exceeding the limits set for it - it had planning permission for only 15 caravans. The family may say they want a 'simple site' but actions speak louder than words. When they sought planning permission for a second

farmhouse in 2004, supporting documents said that there was a 'full complement of 15 caravans'. In 2009, when a claim was made to be allowed 60 caravans on the basis of 10 years' use, the application said that there had consistently been 55-70 caravans at holidays and summer weekends for 20 years or so. The risk, of course, is that there will be further claims for even more caravans and tents, if the current level of activity continues without being challenged. So there could be 100 or 150 pitches in the foreseeable future. Even without such a claim, large areas in addition to the approved site are already being used for tents, more caravans, rallies, and private parties. Lancaster City Council has yet to make a decision on what action it will take on these.

The economy is more important than landscape. The local economy *benefits* from landscape. The opening sentence of the Gibraltar Farm website reads: 'Welcome to Gibraltar Farm, a traditional family run working farm situated in the heart of the Arnside and Silverdale Area of Outstanding Natural Beauty, surrounded by breathtaking scenery and views of Morecambe Bay.' In other words, it uses scenery, views, and the AONB to market the business, just like most other local tourist enterprises. The business gains a clear commercial benefit from these, so should (like the rest of us) accept some restrictions in return.

It's not really visible/it doesn't affect us. It is visible, and it could affect you. It's *very* conspicuous from viewpoints further round the Bay (e.g. Grange), and was visible from Lindeth Road at Easter. Everyone will know places which have become bywords for being surrounded and spoilt by extensive caravan development. Do you want Silverdale to become one of them?

'They' won't let it happen. It is happening already! Moreover, the perception in some official or semi-official quarters is that there is strong support in the village for continued expansion at Gibraltar and no widespread concern or opposition. We do not think that is true - but the concern and opposition need to be voiced.

Opposition is pointless, because of powerful local interests and ineffective councils. That is defeatist, and self-fulfilling! None of us wants to spend time arguing about caravan development, but we think it needs to be done. No one should feel intimidated.

What can I do? You can sign the petition we will soon be circulating, urging Lancaster City Council to apply its own policies, meet its legal obligations with regard to the AONB and keep Gibraltar properly controlled in future. And you could give us your contact details in case further action is needed.

Set out below are the names of some of those of us who are concerned about this. We are all Silverdale residents, many of whom have lived in the village for a long time. Some of us are, or have been, caravan owners.

Thank you for reading this.

Marie Atkinson

Barry Ayre and Monica Placzek

Pauline Beckford

Ann Bond

Joan Brindley

Major and Carol Brownhill

Roger and Nancy Cartwright

Denise Dowbiggin

John and Brenda Eden

June Greenwell

Bob and Val Hamnett

John and Jean Holland

Margaret Haworth

Stuart and Anne Imm

David Player

John Pritchard

Joy Sharp

Roger Spooner and Dorothy Bates

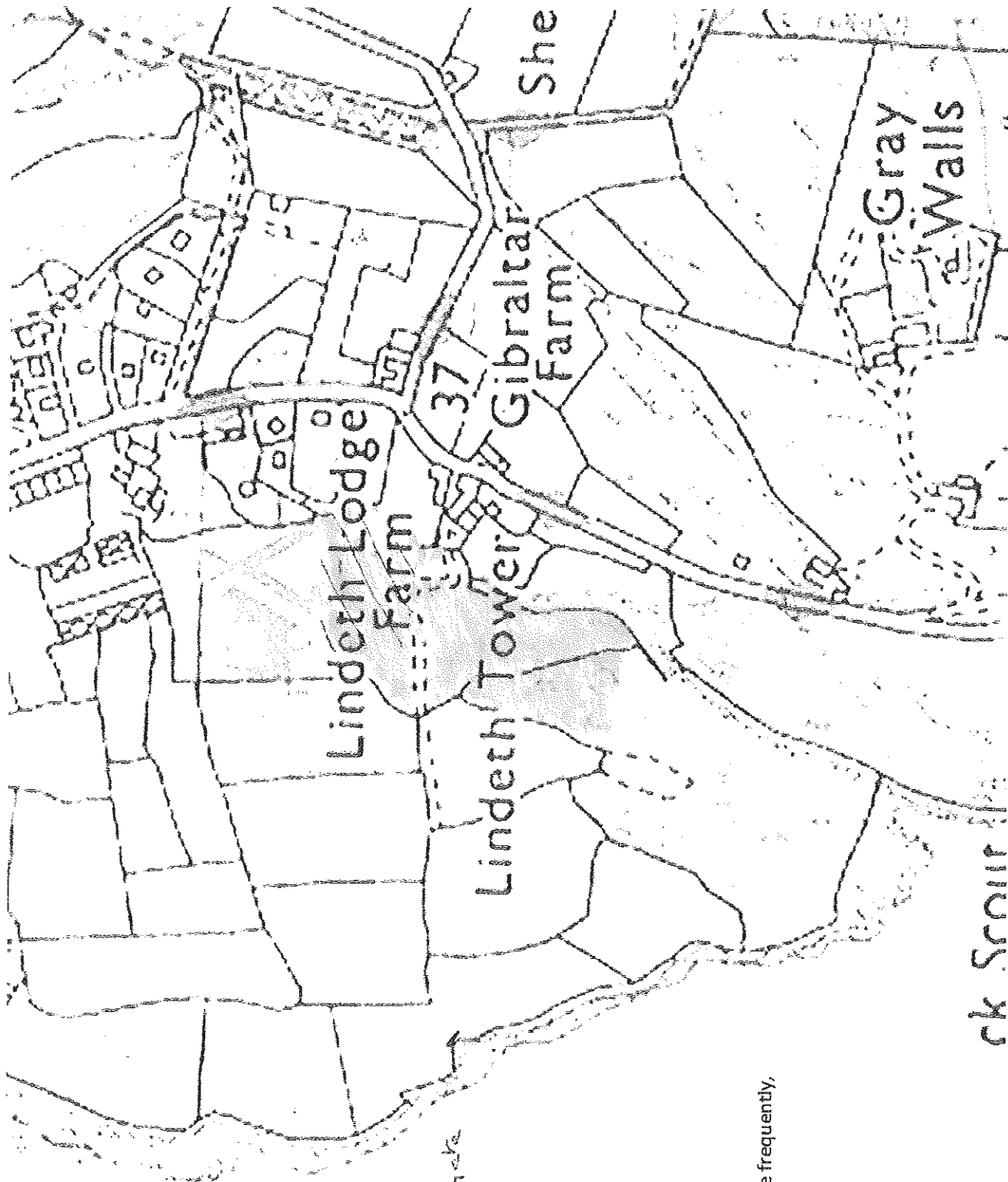
Gibraltar Farm petition - explanation of the process

The decision to invite residents of Silverdale to sign a petition was not taken lightly. We decided to embark on upon this course because:

- a) It had been suggested in some quarters that concerns about the caravan development at Gibraltar Farm were confined to a handful of individuals. We knew that was not the case;
- b) We wished to emphasise to Lancaster City Council that there was a strong body of local feeling expecting it to meet its legal and regulatory obligations;
- c) Other local bodies had apparently failed to act; and
- d) Generally, we wished to draw attention to the current most unsatisfactory state of affairs.

The petition was organised as follows:

1. After discussions among concerned individuals, an explanatory leaflet was prepared setting out the issues regarding development at Gibraltar Farm.
2. Some 25 village residents put their name to it. They represent a cross-section of the community, both old and relative newcomers.
3. Leaflets were distributed to homes in Silverdale. Some were handed over personally. Others were put through letterboxes, particularly if there were any concerns about cold calling.
4. A team of volunteers (all local residents) then visited homes about a week later. They were able to answer questions, or deal with any concerns and invited individuals to sign the petition. No attempt was made to pressure people into signing if they did not wish to. Signatures were restricted to Silverdale residents. Where individuals were out, the text of the petition was left with details of whom to contact. In some cases there was a second visit to collect signatures. In others, copies of the petition were signed, and delivered by residents to the volunteer.
5. At all times
 - a. the process was properly monitored and names and signatures checked
 - b. It was made clear that the petition would be presented to Lancaster City Council
6. The response to the petition was remarkable, and in some instances overwhelming. Silverdale is a modest-sized village, yet we have over 440 signatures of local residents. We call upon the City Council to take note of the strength of local feeling.



Know End
Point

no note

Lawful use area

Other areas being used, some frequently,
others less so

Lindeth Lodge Farm=
Wolf House

Gray Walls =
Ridgway Park

ck Scour

COUNCIL**Leader's Report****14 September 2011****Report of the Leader of the Council****PURPOSE OF REPORT**

To present the Leader's report to Council.

This report is public.

RECOMMENDATIONS

To receive the report of the Leader of Council.

REPORT**1.0 Cabinet**

Information on Cabinet matters is provided in the minutes from the Cabinet meeting held on 26 July 2011, later in this agenda.

2.0 Decisions required to be taken urgently

There are no decisions to report since the last Leader's Report on 20th July 2011.

3.0 Leader's Comments

The first quarter PRT reports were all on course for this time of year apart from some ongoing Regeneration issues which are being worked on. These were reported to Budget and Performance and were well scrutinised. I have suggested that in future a briefing sheet should accompany the brief reports so that newer members can see some of the background information on the content of the reports.

In early August I spent some time in Customer Services listening to the telephone queries that the staff receive every day. The huge number of calls and the professional but friendly responses of the staff; their knowledge, and the speed with which they dealt with calls was impressive.

The Leader and Chief Executive of South Lakeland District Council came to meet us on the 04 August. It was a friendly and useful meeting as we have many issues in common, especially cross border concerns. We agreed to meet regularly.

At the request of the Leader of the County Council, Councillor Hanson and myself met County Councillor Driver. It was an interesting meeting where we could ask questions and share mutual concerns. This was followed by a District Leaders' meeting.

Councillor Bryning and myself received a very thorough briefing on the proposed changes to Welfare Benefits and a general discussion on what the Localism Bill may mean for our area.

4.0 Other Matters

Cabinet minutes are attached at the end of this agenda.

BACKGROUND PAPERS

Cabinet agenda and minutes of the meeting on 26th July 2011.

COUNCIL

Outturn 2010/11 and other Financial Referrals to Council 14 September 2011

Report of Cabinet

PURPOSE OF REPORT
<p>This report seeks Council's consideration of various matters in connection with the overall outturn position for 2010/11 and updates Council on a matter that has arisen as part of Quarter 1 monitoring in the current year.</p>
<p>This report is public.</p>

RECOMMENDATIONS

1. That the requests for carry forward of underspent budgets as set out at Appendix A be approved.
2. That the Annual Treasury Management report as set out at Appendix B be noted and the supporting year end Prudential Indicators as set out at Appendix C be approved.
3. That Council's notes the position regarding works and costs in connection with Ashton Memorial Steps.

1 Introduction

- 1.1 At the Cabinet meeting held on 26 July, Members approved numerous recommendations regarding the revenue, capital and treasury outturn for last year. The following sections provide details of those aspects requiring Council approval, together with an issue that has arisen more recently and needs to be brought to the attention of Council.

2 Carry forward of Revenue Budgets

- 2.1 Various requests have been made by Service Managers where, for a variety of reasons, they did not spend the full budget allocations in last year and now wish to carry the funding forward, to support spending in this year. Any such requests that involve amounts greater than £10,000 must all receive full Council approval and therefore several items have been referred on from Cabinet.
- 2.2 Under current Financial Regulations, the aims of the Carry Forward Scheme are to:
 - provide some flexibility in delivering the Council's stated objectives

- remove the incentive to spend up budgets unnecessarily by year end, and
- promote good financial management.

2.3 **Appendix A** sets out the requests requiring Council approval and in total, these amount to £398,400 for General Fund and £30,000 for Housing Revenue Account (HRA). The carry forward requests as attached are either tied in with existing contractual or statutory commitments, or they are requesting a change in use of the original budget underspend or for it to be applied to new schemes or anticipated commitments. All requests have been supported by Cabinet.

2.4 Assuming that all requests are approved as set out, this would have the following effect on revenue balances at the end of the current year:

Fund	Estimated Balances as at 31 March 2012			Basic Minimum Balances Level
	Per Approved Budget	Assuming all requests approved	Variance (Surplus Balances)	
	£'000	£'000	£'000	£'000
Housing Revenue Account (HRA)	350	407	(57)	350
General Fund	1,326	1,984	(658)	1,000

2.5 It can be seen that even after allowing for the carry forward requests, as a result of net underspending in last year there would still be some surplus resources available for both the HRA and General Fund. These balances will be taken into account in the forthcoming review of the Council's Medium Term Financial Strategy and the budget process generally.

3 Treasury Management and Prudential Indicators

3.1 The annual treasury management report is attached at **Appendix B** and sets out the performance of treasury operations for 2010/11 in terms of long and short term borrowing, investment activities and relevant borrowing limits and prudential indicators. Under the Code of Practice on Treasury Management in Local Authorities, it is a requirement that an information report on these matters be presented to Council as well as Cabinet.

3.2 In addition to the treasury related prudential indicators, there are others that draw on the capital outturn for the year. A full schedule is attached at **Appendix C** for Council approval, in accordance with the Prudential Code for Capital Investment. Only those indicators relating to out-turn (as highlighted) require approval, all other indicators having been approved by Council previously.

4 Reporting of Urgent Works (in accordance with Financial Regulations)

4.1 Separate to the outturn but as highlighted in the first quarter's formal monitoring to Cabinet this year, a further issue is brought to Council's attention:

- A partial collapse of a section of the lower steps below the Ashton Memorial has necessitated some urgent technical support to be commissioned. This is to inform what works are needed and any associated options; in the meantime

the steps have been blocked off to prevent public access. A separate report is being produced on this matter, but for now Council is requested to note that structural engineering and stone mason costs totalling £6,200 have been committed to date. Whilst no specific budget exists, the provisions within Financial Regulations have been relied upon (to allow expenditure to be incurred where there is the threat of major structural damage etc). Specific financing will be addressed in the separate report but in the interim, it is assumed that other underspendings in this year will be used to cover the technical support costs incurred. There is clearly the risk, however, that further significant expenditure will be needed in due course.

5 Details of Consultation

- 5.1 No specific external consultation has been undertaken. The outturn was considered by Budget and Performance Panel at its meeting on 30 August.

6 Options and Options Analysis (including risk assessment)

- 6.1 In respect of Carry Forward Requests, the basic options available to Council are either:

- To approve any number of the items / requests, in full or part; or
- To refuse any number of the requests and if commitments have already been incurred, require alternative funding options to be identified. Council should note, however, that in all likelihood this would impact adversely on other areas of service delivery. Whilst this risk would need acknowledging, clearly it is not possible to assess the full potential impact at this stage.

No other options are put forward given timescales and it being well into the current financial year.

- 6.2 No options are put forward in respect of the treasury management report and prudential indicators, and the position regarding Ashton Memorial steps. This is because they are predominantly for information only, or based on past events.

7 Conclusion

- 7.1 As a result of underspending in last year it is felt appropriate to support the carry forward requests attached, to support service delivery, but this still ensures that surplus balances will be available to help fund future years' budgets or other liabilities arising. The consideration of treasury matters will take the Council one step closer to completing the reporting of its outturn for last year.

CONCLUSION OF IMPACT ASSESSMENT

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

Any specific key issues arising are reflected in the individual carry forward requests.

FINANCIAL IMPLICATIONS

As set out in the report.

SECTION 151 OFFICER'S COMMENTS

The s151 Officer has no further comments to add.

LEGAL IMPLICATIONS

There are no legal implications arising from this report.

MONITORING OFFICER'S COMMENTS

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

BACKGROUND PAPERS

None

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Ref:

Requests to Carry Forward 2010/11 Revenue Budgets

For consideration by Council 14 September 2011

General Fund

Number	Service	Budget	Carry Forward Request
Requests in line with original budget purpose			£
1	Community Engagement	Climate Change - vehicle telematics	16,500
2	Community Engagement	Salt Ayre Sports Centre - maintenance	30,000
3	Corporate	Revenue financing of capital schemes	26,500
4	Governance	Corporate Training	11,000
5	Regeneration & Policy	Local Development Framework - Special Burdens	12,700
6	Regeneration & Policy	Local Development Framework - Special Burdens	17,100
7	Regeneration & Policy	Morecambe Area Action Plan	37,400
8	Regeneration & Policy	Sea Defence Works - repair and maintenance	39,000
9	Regeneration & Policy	Lancaster Square Routes - BID feasibility study	40,000
10	Regeneration & Policy	Morecambe THI2 - BID feasibility study	40,000
Requests to change use of original budget underspend			
11	Environmental Services	Communal recycling facilities	34,000
12	Environmental Services	Replacement bins and boxes	60,000
13	Regeneration & Policy	New Cycle Paths & Bike It Project	34,200
			398,400

Housing Revenue Account

Requests in line with original budget purpose			
14	Health & Housing	Planned Maintenance	30,000
			30,000

Further details relating to each request are attached.....

2010/11 REQUESTS FOR CARRY FORWARD

SERVICE	Community Engagement – Partnerships
BUDGET HEADING	Climate Change
AMOUNT	£16,500

1

The reasons why the spend didn't occur during 2010/11 and why we are still committed to doing this work in 2011/12.

The funding is to install vehicle telematics for our commercial fleet of small vans as part of the Climate Change Strategy and Energy Saving Trust Green Fleet Review. The project was planned in 2010/11 but the software was unable to be procured in that year due to the need to gather data from a trial system. In addition, there was further delay due to the YPO setting up a procurement framework for tendering the project, which will hopefully reduce the overall cost. The framework was only finalised in February 2011 and procurement was unable to take place before the end of the financial year.

We are still committed to the project as an action in our Climate Change Strategy and through the delivery of our corporate priority on climate change; to save energy and generate income.

What the implications for service delivery will be if the carry forward is not approved.

Without procuring telematics for our commercial fleet of small vans we will not be able to effectively monitor mileage, fuel use and journey efficiency. Without telematics, the Council would lose out on vital carbon, fuel and money savings in this area.

There is no scope to fund telematics from 2011/12 as the budget is already earmarked for delivery of other projects under the Climate Change Strategy.

Financial Services Comments

There was a total underspend of £19,600 during 2010/11 for this area for the reasons stated above. The request is only for £16,500 as a result of benefitting from YPO procurement. As the request is in excess of £10,000 then Full Council approval will be required.

2010/11 REQUESTS FOR CARRY FORWARD

SERVICE	Community Engagement
BUDGET HEADING	Wellbeing (Salt Ayre Sports Centre) Equipment and Maintenance
AMOUNT	£30,000

2

The reasons why the spend didn't occur during 2010/11 and why we are still committed to doing this work in 2011/12.

As a result of the ongoing savings requirement for 2010/11 and the additional £22,700 savings roll forward from the previous year, spending in these areas was held to an absolute minimum.

The rolling programme of planned maintenance was suspended pending the savings outcome. Equipment that would have been routinely replaced last year was held over in case of a shortfall in the savings required. Expenditure on routine maintenance such as painting and decorating, replacement of worn flooring and repairs to the fabric of the building were all held back in order to ensure the savings target would be met.

What the implications for service delivery will be if the carry forward is not approved.

There is now a backlog of general maintenance works. The carry forward request is to ensure the general maintenance can be brought back up to date and replacement equipment can be purchased. This avoids a negative 'knock on' impact to the current year's plan.

If this request is refused, it will have a detrimental effect on the customer experience. In order to secure future income, the sports centre must be well maintained and well equipped.

Costs are likely to escalate further if this carry forward is not approved. Scheduled repairs in the annual maintenance plan that were postponed will cause a further slip into future budgets. This delay will also accelerate the downward spiral of decline which will be more expensive to address if not carried out in a timely manner.

In the current economic climate contractors are willing to respond well and price competitively for this type of work.

The cost of replacement equipment rises every year so the delay in replacing equipment causes a double negative. On the one hand service deteriorates and on the other renewal costs increase each year. Both factors ultimately influence income negatively.

Financial Services Comments

The combined underspend on equipment and maintenance budgets at outturn was £47,100 which covers this carry forward request.

A full breakdown of routine and planned maintenance and R&M for SASC can be provided if required.

As the request is in excess of £10,000 then Full Council approval will be required.

2010/11 REQUESTS FOR CARRY FORWARD

SERVICE	Corporate
BUDGET HEADING	Direct Revenue Financing
AMOUNT	£26,500

3

The reasons why the spend didn't occur during 2010/11 and why we are still committed to doing this work in 2011/12.

The carry forward request relates to the revenue financing of two capital schemes which have been completed:

Performance Management system - £17,000

Hala playground - £8,500

Officers are currently in the process of selecting a performance management system, although no procurement has yet taken place, whereas the Hala playground works are currently ongoing.

What the implications for service delivery will be if the carry forward is not approved.

If the carry forward of funding for performance management system was not approved then it is likely the purchase of the new system would not go ahead as there are no other funds identified. This would mean the council would not benefit from the streamlining of processes and reporting in respect of programme management and operational performance management that a new system could bring.

In terms of Hala playground other funding would need to be identified from within Environmental Services budgets as the scheme is currently underway.

Financial Services Comments

The carry forward request is for the full underspend on the revenue financing budget and relates to specific schemes within the capital programme.

As the request is in excess of £10,000 then Full Council approval will be required.

2010/11 REQUESTS FOR CARRY FORWARD

SERVICE	Human Resources - Governance
BUDGET HEADING	Corporate Training
AMOUNT	£11,000

4

The reasons why the spend didn't occur during 2010/11 and why we are still committed to doing this work in 2011/12.

The spend did not occur in 2010/11 due to three main factors:-

1. Due to the availability of the Management Team towards the end 2010 and the early part of 2011, the development programme and coaching support commenced later than expected. Therefore there is a slippage in the events into 2011/12.
2. A set of Health & Safety (H&S) training events were delayed due to the availability of staff and the training provider. The corporate programme has therefore been reprogrammed in 2011/12 to ensure we meet our statutory obligation in relation to H&S Management.
3. The management training for operational managers has been re-defined, however the pilot programme was delayed to ensure staff identified for the training could attend all three phases. The post programme review was therefore delayed which has led to elements of the training, that would have taken place in 2010/11, being moved into 2011/12. This programme of "Management Essentials" is critical in the development of core competencies/behaviours across various levels of management. This action is seen as a key component in the objective to lever change in management practice across the organisation.

What the implications for service delivery will be if the carry forward is not approved.

The objectives within the three areas above will have to be changed, with a lower level of outcome being achieved.

Each of the above activities is seen as real catalyst for change. Failure to address these areas within 2011 will leave the Council short of its desired outcomes in relation to H & S competence and general management knowledge/practice.

Financial Services Comments

The Corporate Training budget for 2010/11 was increased as part of the budget process to include an additional £9,000 towards Management Development training taking the budget to £41,000. Due to the reasons listed above there was an underspend of £11,000 and it is requested that this balance is carried forward to 2011/12. As the request is in excess of £10,000 then Full Council approval will be required.

2010/11 REQUESTS FOR CARRY FORWARD

SERVICE	Regeneration & Policy Service
BUDGET HEADING	Local Development Framework – Special Burdens Grant
AMOUNT	£12,700

5

The reasons why the spend didn't occur during 2010/11 and why we are still committed to doing this work in 2011/12.

Spending has been delayed due to progress on LDF being behind schedule. We now have a new Local Development Scheme and are on track to complete most of the work during 2011/12 with a smaller element of work due in 2012/13.

The main call on money is formal sustainability appraisal and habitats regulations screening of LDF documents, most of which will take place in 2011/12. Therefore, the budget needs to be slipped into 2011/12.

The request is to carry forward the grant monies received and use them to fund consultancy work on the LDF which will need to be split between the years 2011/12 and 2012/13 at half year budget revision to reflect the current LDF programme.

What the implications for service delivery will be if the carry forward is not approved.

The work covered by the money is mandatory given the European nature designations in the area. If the money is not rolled forward, it will still have to be paid from mainstream budgets.

Financial Services Comments

A carry forward of £28,200 into 2010/11 for special burdens was approved as part of the 2009/10 outturn, of which £24,300 has subsequently been reprofiled into 2011/12 as part of the recent budget process. The request is for an element of the third and final allocation of £16,800, which was received in March 2011, to be carried forward on the basis of £5,100 for 2011/12 and £7,600 for 2012/13.

It should be noted that the planning for climate change grant is not a ringfenced grant.

As the request is in excess of £10,000 then Full Council approval will be required.

2010/11 REQUESTS FOR CARRY FORWARD

SERVICE	Regeneration & Policy Service
BUDGET HEADING	Local Development Framework - General Services
AMOUNT	£17,100

6

The reasons why the spend didn't occur during 2010/11 and why we are still committed to doing this work in 2011/12.

The budget relates to work on monitoring and preparing the policies for the Districts Local Development Framework. The Council is currently preparing three Development Plan Documents (DPD), along with undertaking to monitor the various areas the Framework covers such as Housing Need and preparing and producing formal Proposal Maps. These three documents are:

- Land Allocations,
- Development Management Policies
- Morecambe Area Action Plan

The budget needs to be carried forward to align with the current timetable for the development and adoption of these DPDs as per the revised Local Development Scheme.

What the implications for service delivery will be if the carry forward is not approved.

The Service would not be able to produce sound Development Plan Documents or undertake the statutory steps to maintain the Local Development Framework.

Financial Services Comments

There was a total underspend of £20,500 on this budget at the year end which covers this carry forward request.

As the request is in excess of £10,000 then Full Council approval will be required.

2010/11 REQUESTS FOR CARRY FORWARD

SERVICE	Regeneration & Policy Service
BUDGET HEADING	Morecambe Area Action Plan
AMOUNT	£37,400

7

The reasons why the spend didn't occur during 2010/11 and why we are still committed to doing this work in 2011/12.

The budget relates to the preparation of the Development Plan Documents (DPD) Area Action Plan for the Centre of Morecambe, associated feasibility work and any engagement the council might undertake separately as land owner with the development industry. The plan is being developed in tandem with other DPD's as per the revised Local Development Scheme.

Plan Making Budget Carry Forward £19,100

Officers have been involved in extensive community engagement as part of the issues and options stage work. Due to the iterative nature of this work it is difficult to programme. The main focus has been to engage fully and thoroughly with the community which has taken longer than anticipated. Work is now at an advanced stage with officers preparing a report to outline preferred options for public consultation in the autumn. The budget needs to be carried forward to align with the current timetable for the development and adoption of the DPD as per the revised Local Development Scheme.

Developer Engagement Carry Forward £10,000

This budget relates to the separate activity of engagement and potential procurement of development partner(s) to deliver the Area Action Plan. The plan making timetable has seen some delays in the spending for this area.. Once the plan reaches a position where the council can engage with the development industry, the budget will be required to procure the necessary legal and technical advice to assist the council in the engagement process. The carried forward will align with budgets with the current timetable.

Feasibility Studies Carry Forward £8,300

Spend in 2010/11 related solely to the undertaking of a feasibility study into the potential for a marina in the area. As plans for other areas develop and options for other sites are considered further feasibility studies for other forms of development will need to be undertaken. The carry forward will align with budgets with the current timetable.

What the implications for service delivery will be if the carry forward is not approved.

The Service would not be able to undertake the necessary work to ensure a viable, sustainable and sound DPD was prepared for public examination.

Financial Services Comments

The carry forward requests are for the full value of the underspends in all three areas at 2010/11 outturn. Whilst they could be taken individually all three elements are integral to the delivery of the Morecambe Area Action Plan and have therefore been combined into one request.

As the request is in excess of £10,000 then Full Council approval will be required.

2010/11 REQUESTS FOR CARRY FORWARD

SERVICE	Regeneration & Policy Service
BUDGET HEADING	Sea Defence Works : Repair & Maintenance
AMOUNT	£39,000

8

The reasons why the spend didn't occur during 2010/11 and why we are still committed to doing this work in 2011/12.

The City Council has a duty of care to users of Morecambe Promenade to provide a safe pedestrian and cycling environment. The promenade seafront railings are in some areas over 100 years old and have over the years deteriorated beyond their serviceable life and now fall short of current safety standards in respect of the spacing and height of rails and are therefore in need of wholesale replacement.

The Environmental Management team has been replacing the posts and rails, either as part of major coastal defence projects or through the R&M budget, on a phased programme of work in order to spread the cost over a number of years. Works due to be carried out in 2010/11 between Thornton Road and Broadway were delayed, initially in part to staff shortages through prolonged sickness absence, other priorities and due to an unexpected lengthy lead in time for the manufacture and supply of the posts which has led to the works moving into 2011/12.

The outstanding posts are currently on order with delivery expected soon, works to install the posts and rails will commence shortly thereafter.

The request is to carry forward £39,000 to pay for the supply of posts for the next phase of promenade railing replacement.

What the implications for service delivery will be if the carry forward is not approved.

Failure to comply with current design standards and meet expectations in terms of providing a safe environment.

A further final phase of railing replacement, between Scalestones point and Teal Bay, is due to be carried out alongside that which has been delayed during 2011/12 - this would be compromised and further delayed, with potentially increased costs, should the carry forward be refused.

Other commitments throughout 2011/12 may also be compromised.

Financial Services Comments

Long term sickness in the Environmental Management Team greatly affected the teams ability to complete all intended works during 2010/11, resulting in underspends across several different areas. In addition to this the manufacturing problems mentioned above created further delays with the sea defence works.

If the carry forward request is not approved the purchase of the remaining posts and rails can be funded from the 2011/12 budget but the resulting delays to other works planned for 2011/12, and subsequently future years works, could increase costs if defences deteriorate further or prices increase. The total underspend on this budget was £76,400 in 2010/11 but only £39,000 of this would need to be carried forward to complete the outstanding works.

As the request is greater than £10,000 then Full Council approval will be required.

2010/11 REQUESTS FOR CARRY FORWARD

SERVICE	Regeneration & Policy Service
BUDGET HEADING	Lancaster Square Routes
AMOUNT	£40,000

9

The reasons why the spend didn't occur during 2010/11 and why we are still committed to doing this work in 2011/12.

October 2010 Cabinet approved £40,000 to investigate the feasibility and, if appropriate, subsequent development of a BID for Lancaster. Officers are in discussion with the Lancaster Chamber of Trade and Commerce on the arrangements for leading the work. This will probably involve using support from the North West Lancashire Chamber of Commerce who were responsible for the BID proposal development, ballot administration and service delivery for the Preston BID.

The Council will draw up a Service Level Agreement with the Chamber to enable them to access the money and for the Council to ensure that the budget is spent in a proper and timely manner.

A BID is governed by statutory procedure and the initial BID proposal development will require considerable work to be undertaken in the 2011/2012 financial year. Therefore it is requested that this budget to be carried forward to reflect the current workplan and timetable.

What the implications for service delivery will be if the carry forward is not approved.

Work into the feasibility of a Business Improvement District in Lancaster would not be able to be undertaken. This would create reputational damage for the council given its commitment to support BIDs. It was not possible to spend the money in the 2010/11 financial year but the majority of funds allocated will be spent in 2011/12.

Financial Services Comments

Delays have meant that this budget could not be spent in 2010/11. There is no further budget for the BID Feasibility Study in 2011/12, therefore if this carry forward request is not approved the study will not take place.

A separate carry forwards request has been submitted for the Morecambe BID.

As the request is in excess of £10,000 then Full Council approval will be required.

2010/11 REQUESTS FOR CARRY FORWARD

SERVICE	Regeneration & Policy Service
BUDGET HEADING	Morecambe Townscape Heritage Initiative 2
AMOUNT	£40,000

10

The reasons why the spend didn't occur during 2010/11 and why we are still committed to doing this work in 2011/12.

October 2010 Cabinet approved £40,000 to investigate the feasibility and, if appropriate, subsequent development of a BID for Morecambe. The discussion into the development of a Business Improvement District Proposal in Morecambe is on-going between the Lancaster District Chamber and the local Morecambe trade associations.

Once agreement has been reached on who will lead the work a Service Level Agreement will be entered into between the Council and the BID proposer (the lead body who will carry out the work) to ensure that the budget is utilised in a proper and timely manner.

A BID is governed by statutory procedure and the initial BID proposal development will require considerable work to be undertaken in the 2011/12 financial year. Therefore it is requested that this budget be carried forward to reflect the current workplan timetable.

What the implications for service delivery will be if the carry forward is not approved.

Work into the feasibility of a Business Improvement District in Morecambe would not be able to be undertaken. This would create reputational damage for the council given its commitment to support BIDs. It was not possible to spend the money in the 2010/11 financial year but the majority of funds allocated will be spent in 2011/12.

Financial Services Comments

Delays have meant that this budget could not be spent in 2010/11. There is no further budget for the BID Feasibility Study in 2011/12, therefore if this carry forward request is not approved the study will not take place.

A separate carry forwards request has been submitted for the Lancaster BID.

As the request is in excess of £10,000 then Full Council approval will be required.

2010/11 REQUESTS FOR CARRY FORWARD

11

SERVICE	Environmental Services
GENERAL UNDERSPENDING ON PROPOSED USE	Three Stream Waste Collection
AMOUNT	Communal Recycling Facilities
	£34,000

The reasons why the spend didn't occur during 2010/11 and why we are still committed to doing this work in 2011/12.

The Corporate Plan states that on the next 3 years we will 'deliver the objectives of the Lancashire Waste Strategy 2008-2020...'

In practical terms our aim is to provide an efficient waste collection / recycling service throughout our district. We are continually exploring options and methods of how we operate and deliver our collection services in the most efficient, effective and economic ways.

This policy of continual improvement has allowed us to significantly reorganise our operational practices (eg co-mingling, food waste collection). In turn the Council has benefitted by making significant ongoing financial savings in waste collection these have been built into the Council's budget. Furthermore they have been delivered ahead of schedule and this is reflected in the 2010/11 outturn position for waste collection.

This request seeks how to meet 100% coverage of our waste collection scheme- which on an ongoing basis is financially advantageous to the Council because of the County Council's cost sharing arrangement.

What the implications for service delivery will be if the carry forward is not approved.

Whilst 97% of the district is covered by kerbside recycling we need to maintain an upward momentum in line with our strategy aim to provide kerbside recycling to 100% of the district.

There are inconsistencies in frequency and method of collection throughout the district with some areas being harder to reach than others. To ensure that services are accessible to all residents' individual arrangements for properties some requiring communal recycling are being negotiated. For areas such as Mainway, communal recycling has been identified as a suitable option ensuring accessibility for all residents. This type of collection method is more expensive than the normal kerbside collection because of the containers type and hard standing required. The costs for supplying containers, communication and associated works would be approximately £34,000.

In order to reach our targets we need to maximise the amount of waste that is recycled and composted, including food waste.

Lancashire County Council provides financial support in the form of cost sharing. Continuing our programme of kerbside recycling will provide us with £11,022 per annum of additional income. This one off request should therefore be seen as an

2010/11 REQUESTS FOR CARRY FORWARD

invest to save initiative.

By providing Mainway with recycling facilities we will reduce the frequency of residual collection from 4 to 3 times a fortnight. Achieve a minimum of 12% recycling rate for dry recyclables. Achieve a minimum 10% reduction of residual waste helping us to achieve our NI 192 Household Waste Reuse/ Recycle / Compost target of 48% for 2011/12.

Financial Services Comments

In 2010/11 the waste collection service was underspent by £145,000 through efficiency savings and unforeseeable windfalls. As detailed in the report, £34,000 is required for extending the scheme to include hard to reach areas, including Mainway. By doing this work, the grant we receive from Lancashire County Council in respect of cost sharing arrangements is estimated to increase by £11,000. Therefore, by investing in this scheme, the payback period of the initial outlay is 3 years and 2 months.

However, it should be noted that the request is not in respect of a specific budget commitment but seeks to apply an element of the underspend for a new scheme.

As the request is in excess of £10,000 then Full Council approval will be required.

2010/11 REQUESTS FOR CARRY FORWARD

SERVICE	Environmental Services
GENERAL UNDERSPENDING ON PROPOSED USE	Three Stream Waste Collection
AMOUNT	Replacement Bins and Boxes
	£60,000

12

The reasons why the spend didn't occur during 2010/11 and why we are still committed to doing this work in 2011/12.

The Corporate Plan states that on the next 3 years we will 'deliver the objectives of the Lancashire Waste Strategy 2008-2020...'

In practical terms our aim is to provide an efficient waste collection / recycling service throughout our district. We are continually exploring options and methods of how we operate and deliver our collection services in the most efficient, effective and economic ways.

This policy of continual improvement has allowed us to significantly reorganise our operational practices (eg co-mingling, food waste collection). In turn the Council has benefitted by making significant ongoing financial savings in waste collection these have been built into the Council's budget. Furthermore they have been delivered ahead of schedule and this is reflected in the 2010/11 outturn position for waste collection.

As part of the 2010/11 budget exercise we reported to Cabinet on the issue of charging for replacement bins and boxes. The report did highlight that Council spending on replacement bins and boxes was growing faster than the available budget. Cabinet requested further updates on this issue ahead of the 2011/12 budget. This request seeks to ensure that in 2011/12 there is sufficient budget for replacement bins and boxes.

What the implications for service delivery will be if the carry forward is not approved.

The current budget does not support the number of replacement bins and boxes required to operate the three stream waste collection scheme and there is no indication that there will be a reduction in the number of replacement containers this year. Since April 2011 to date we have had 2089 requests for replacement bins and boxes compared with 1803 request for the same period last year.

The prices of plastic polymers have increased by 7%, due to the rise in oil prices.

Based on last year's figures we expect that a further £80,000 will be required to meet demand for bins and boxes in 2011/12.

Introducing a system to ration demand is difficult without a charging mechanism.

It is proposed that a further report be brought to Cabinet as part of this year's budget process to establish how we deal with this growth in future years.

2010/11 REQUESTS FOR CARRY FORWARD

Financial Services Comments

When approving the various stages of the waste strategy, a 2% provision was included for the replacement of bins and boxes – in 2010/11 6,452 bins, 7,412 boxes and approximately 8,000 lids were issued as replacements which is far in excess of the 2% provision. In previous years there have been surplus bins and boxes from the rolling-out of the waste strategy but now stocks are running at low levels. Alongside the budget (albeit with a £2,300 overspend in 10/11) this has been sufficient to deal with demand in previous years.

The 2011/12 budget includes an amount of £81,700 for replacement bins, boxes and lids. Using the latest usage and costing information available it is likely that this will be exceeded by approximately £60,000.

In 2010/11 the waste collection service was underspent by £145,000 through efficiency savings and unforeseeable windfalls. By not approving the carry forward request of £60,000 and should policy not change to introduce charging then the service will find it difficult not to continue to spend at current levels resulting in an overspent budget. Therefore a base budget adjustment will be required within the forthcoming budget process to counter-act the additional expenditure.

It should also be noted that the request is not in respect of a specific outstanding budget commitment but seeks to apply an element of the underspend for an anticipated overspend in 2011/12.

As the request is in excess of £10,000 then Full Council approval will be required.

2010/11 REQUESTS FOR CARRY FORWARD

SERVICE	Regeneration & Policy Service
BUDGET HEADING	Public Realm Repair & Maintenance
PROPOSED USE	New Cycle Paths & Bike It Project
AMOUNT	£34,200

13

The reasons why the spend didn't occur during 2010/11 and why we are still committed to doing this work in 2011/12.

Expenditure throughout 2010/11 on the Public Realm R&M was significantly lower than expected, particularly on the TERN element of the budget - this was due in part to staff shortages through prolonged sickness absence and other priorities.

This request to carry the balance of £34,200 forward into 2011/12 is two fold.

1. The final outstanding balance of the Cycling Demonstration Town budget infrastructure element was to be spent by the end of 2010/11 - The only scheme of sufficient size to utilise the value of this funding was an extension of the cycle path along the river frontage of St Georges Quay/New Quay Road. The scheme cost however exceeded the available budget by approx £7,500 therefore this carry forward is required to defray this final expenditure, without compromising the 2011/12 R&M budget.

2. A report updating Members on the Cycling Initiatives in the Lancaster and Morecambe District is included as a separate item on the agenda including;

- i. The end of the Cycling Demonstration Town Project.
- ii. Joint working with Lancashire County Council on future cycling initiatives.
- iii. Success of a bid to Sustrans for funding for a cycling scheme from their Links to Schools budget.
- iv. Partial success in a joint project with Sustrans and Devon County Council in a themed bid to the Department for Transport's Local Sustainable Transport Fund.
- v. Proposals to extend the ongoing 'Bike It' project.

The report highlights two areas where funding from the public realm R&M budget would provide financial support to the success and delivery of two of these projects i.e.

iii. Success of a bid to Sustrans for funding for a cycling scheme from their Links to Schools budget.

A bid was put together and submitted to the Sustrans Links to Schools Fund for a cycle route scheme comprising conversion of footways on Westgate to shared use between the Globe Arena and Buckingham Road, upgrade of the existing footpath to the rear of Heysham High School to a shared use path and development and introduction of a signed on road cycle route between Heysham High School and Morecambe town centre and the Greenway. The scheme is to include the delivery of the already proposed section 106 funded scheme associated with the Globe Arena development.

A sum of £10,000 was identified from the public realm R&M budget to increase the amount of match funding that could be allocated against the project. Whilst the total match funding offered fell short of that which Sustrans normally expect, the proposed match demonstrated sufficient commitment to the aims and objectives of the project and therefore contributed to the success of the bid.

2010/11 REQUESTS FOR CARRY FORWARD

- vi. Proposals to extend the ongoing 'Bike It' project.

The Bike It project has been running alongside the Cycling Demonstration Town project since 2005 and currently employs two part time Bike It officers. The scheme has historically been part funded by Sustrans (who employ the BI officers) and external grants i.e. the CDT funding. The current round of Sustrans Bike It funding expires at the end of July 2011. Sustrans have expressed a desire and commitment to continue the Bike It project in Lancaster & Morecambe but only have sufficient funds to extend it to the end of March 2012. Sustrans have requested that Lancaster City Council provide funds equivalent to £16,700 in order to extend this period to the end of July 2012 after which it is anticipated the project will continue further with funding from the joint thematic bid to the Local Sustainable Transport fund referred to in iv. above.

The Bike It project works in up to 12 selected schools throughout the school year to promote and encourage cycling to and from the school, both staff and pupils, by delivering skills and maintenance training, carrying out events and activities and occasional financial support through grants for such things as secure cycle parking. The project has been hugely successful during the Cycling Demonstration Town project and made a considerable contribution to its success.

What the implications for service delivery will be if the carry forward is not approved.

1. The Additional funding required will have to be found from the 2011/12 R&M budget and may compromise other commitments during the year
2. By not identifying any financial commitment to either the Sustrans Links to Schools bid or the Sustrans Bike It project the offers of external grants may be withdrawn with a resultant loss in momentum in the delivery of cycling projects in the district. In the case of the Bike It project it would also result in the loss of two valued colleagues from the Service (although they are not directly employed).

Financial Services Comments

The Public Realm R&M budget covers TERN, River Lune Millennium Park and Cycle Track maintenance across the district. Long term staff sickness in the Environmental Management Team, along with less deterioration in infrastructure than anticipated, resulted in an underspend of £34,200 in 2010/11.

The majority of this carry forward request supports initiatives going forward in a Cabinet Report to build on the success of the Cycling Demonstration Town Initiative now that funding from the Dept of Transport has ended.

If the carry forwards request were not approved it is felt that the contributions of £10,000 in 2011/12 to the Links to Schools Project and £16,700 in 2012/13 could still be made but with increased pressure on the revenue budget. This could cause delays to work schedules and result in increased costs in the long term.

It should be noted that whilst it was planned for this budget to be used to support the above initiatives the request is not for repair and maintenance, for which the budget was established, and therefore this constitutes a change in use.

As the request is greater than £10,000 then Full Council approval will be required.

2010/11 REQUESTS FOR CARRY FORWARD

SERVICE	Health and Housing
BUDGET HEADING	HRA Planned Maintenance
AMOUNT	£30,000

14

The reasons why the spend didn't occur during 2010/11 and why we are still committed to doing this work in 2011/12.

Work was planned to be carried out toward the end of the financial year. However due to an increase in insurance works arising from the inclement weather conditions during the winter period the preparation of the specification for the concrete repair works was delayed. Therefore the works were unable to be carried out during 2010/11.

What the implications for service delivery will be if the carry forward is not approved.

Temporary repair work was carried out initially to prevent any health and safety implications arising. However if the work is not completed the concrete will deteriorate further and may become hazardous possibly resulting in claims against the Council for personal injuries.

Financial Services Comments

The overall net underspend on Planned Maintenance in 2010/11 was £73,000. The carry forward request can be accommodated within this.

As the request is in excess of £10,000 then full Council approval will be required.

APPENDIX B

Annual Treasury Management Report 2010/11

For consideration by Council 14 September 2011

1 Introduction

1.1 The Council's Treasury Management Strategy for 2010/11 was approved by Council on 03 March 2010. This report sets out the related performance of the treasury function by providing details of:

- a) long term and short term borrowing (i.e. debt that the Council owes)
- b) investment activities
- c) relevant borrowing limits and prudential indicators.

It is a requirement of the CIPFA (Chartered Institute of Public Finance and Accountancy) Code of Practice on Treasury Management in Local Authorities that such a report be made to the Cabinet within six months of the end of the financial year, and that it also be reported to Council for information.

1.2 The aim of the Treasury Management Policy and associated activity is to ensure that the investment of surplus cash is managed in line the guidance issued by both CIPFA and Government, as well as in line with the Council's appetite for risk. For 2010/11 the appetite for risk remained low following the collapse of the Icelandic banks and resulting volatility in the wider economy.

1.3 Treasury management is a technical area. Training has been provided in the past to Members and this continues to be an important part of the updated CIPFA code of practice (November 2009) covering strategies from 2010/11 onwards. To assist with the understanding of this report, a glossary of terms commonly used in Treasury Management is attached at **Annex A**. In addition, the Councillor's Guide to Local Government Finance also has a section on treasury and cash management, and this is available through the Member Information section on the Intranet. Member training has been organised with the Council's Treasury Management consultants, Sector, for later in the 2011/12 financial year.

2 Summary: Headline Messages for 2010/11

2.1 The key points arising from this report are as follows:

- There is still a great deal of uncertainty in the economy with a number of competing factors in the balance as to whether interest rates may increase and the timing of any increase. Credit worthiness is still a key issue.
- Although there is reason for optimism in relation to Icelandic investments, the judgement to award preferential creditor status for Glitnir and Landsbanki has yet to be passed irrefutably. However, a concrete decision should be known before the end of the calendar year.
- Payments have continued against the KSF deposit which is now up to 53% repayment against a total predicted settlement of 82%.
- No new long term debt has been taken on in the year. The Council has not breached any Treasury Management Indicators relating to debt in the year.

Borrowings were in line with the Council's Capital Financing Requirement (CFR). They have not been above either the Operational or Authorised limits and the maturity profile/variable rate exposure on borrowings has also stayed within the approved limits, although the change to IFRS accounting has brought some very long term liabilities onto the Council's balance sheet, and these are longer than the range previously used in the maturity of debt indicator.

- Although the capital programme increased the amount of prudentially funded expenditure in year, this was offset by provision for repayment of principal so that the net underlying need to borrow was static in year.
- No long term loans have been repaid in the year and no temporary borrowings have been required to support day to day cash flow. The portfolio will be monitored going forward with an eye on the potential requirement to finance a buy out of the HRA subsidy system.
- The Council has stayed within its Prudential limits for investments and has not breached any of the criteria set out in the approved strategy. As was the case in 2009/10, funds have been kept either on instant access or within short fixed term deposits at the Debt Management Office (part of Her Majesty's Treasury).
- Outturn on investment interest was £271K, which was £17K above the revised budget. This is largely due to higher cash balances in the year than anticipated and slightly higher rates of return on the call accounts and money market funds.

3 Economic background

2010/11 proved to be another watershed year for financial markets. Rather than a focus on individual institutions, market fears moved to sovereign debt issues, particularly in the peripheral Euro zone countries.

UK growth proved mixed over the year. The first half of the year saw the economy outperform expectations, although the economy slipped into negative territory in the final quarter of 2010 due to inclement weather conditions. The year finished with prospects for the UK economy being decidedly downbeat over the short to medium term. The Japanese disasters in March and the crisis in Libya caused an increase in world oil prices, which all combined to dampen international economic growth prospects.

The cost of the UK Government's borrowing (Gilt yields) fell for much of the first half of the year as financial markets drew considerable reassurance from the Government's debt reduction plans, especially in the light of Euro zone sovereign debt concerns. However, this positive performance was mostly reversed in the closing months of 2010 as sentiment changed due to sharply rising inflation pressures. These were also expected to cause the Monetary Policy Committee (MPC) to start raising the Bank Rate. Although this did not happen in 2010/11, it remains a continuing pressure on the MPC. However, in March 2011, slowing actual growth, together with weak growth prospects, saw consensus expectations of the first UK rate rise move back from May to August 2011 despite high inflation.

The developing Euro zone peripheral sovereign debt crisis caused considerable concerns in financial markets. First Greece (May 2010), then Ireland (December), were forced to accept assistance from a combined EU / IMF rescue package.

Subsequently, fears steadily grew about Portugal, although it managed to put off accepting assistance till after the year end. These worries caused international investors to seek safe havens in investing in non-Euro zone government bonds.

Risk premiums were also a constant factor in raising money market deposit rates beyond 3 months. Although market sentiment has improved, continued Euro zone concerns, and the significant funding issues still faced by many financial institutions, mean that investors remain cautious of longer-term commitment. The European Commission did try to address market concerns through a stress test of major financial institutions in July 2010. Although only a small minority of banks “failed” the test, investors were highly sceptical as to the robustness of the tests, as they also are over the further tests now taking place. Results for these are due in mid-2011.

Overall then, there is still a great deal of uncertainty in the economy with interest rates still at historically low levels. There are a number of competing factors in the balance as to whether rates may increase and if so, what the timing of any increase might be. Credit worthiness is still a key issue.

4 Icelandic Investments

There is still significant uncertainty over the position on the Council’s Icelandic investments. Although the Council has had a favourable verdict on its creditor status for both Landsbanki and Glitnir, these rulings have been appealed and so, as yet, there is no definitive outcome. The high court ruling is expected some time in late Summer or Autumn 2011 which may, or may not, be in time for the final accounts being signed off.

Although CIPFA revised its accounting guidance, removing the worst case scenario from its recommended range of values, the Council has not adjusted the impairment on these investments, keeping them at a value that was half way between best and worst case. This is because revising the value upwards in line with CIPFA’s recommended values would expose the Council to a potentially large revenue cost if the appeal led to the Council losing its preferential creditor status.

KSF are still making repayments and as at the end of the year, 53% of the claim (£1,082K including £22K of interest) had been paid. The latest prediction as per CIPFA (update 4) is that in total 82% of the claim should be refunded to the Council (£1,640K of principal and £39K of interest), which is an increase on the prior year.

As was reported in the prior year, there is an exchange rate risk linked to the Icelandic deposits. The claims with Glitnir and Landsbanki were converted to Icelandic Krona (ISK) on 22 April 2009. Repayments by the banks will be based on the value of the deposit in ISK so the sterling value received by authorities will depend on the prevailing exchange rate which may be lower than the equivalent value on 22 April 2009 (190.62 ISK/£, the rate as at 31/3/2011 was 183.4 ISK/£). However, as previously reported by CIPFA, this is not expected to be material, although it is possible that this could change in the future.

The Government allocated a £2.1M capitalisation order to the Council, all of which was used in 2009/10. Due to the upwards re-measurement of the KSF investment, £223K of the capitalisation has been reversed but the remainder is in place covering the recognised impairment on Glitnir and Landsbanki. Once a conclusive valuation for these two assets is available, the impairment and its financing will be reviewed.

5 Borrowing and capital expenditure.

5.1 Longer Term Borrowing and Funding of Capital.

Long term borrowing is an important part of the Council's capital financing. Under the Prudential Code a key indicator is the Capital Financing Requirement (CFR). This figure is calculated from the Council's balance sheet and represents, in broad terms, the gap between the value of fixed assets and that of capital reserves. In essence, this gap may be viewed as the cumulative amount of capital investment that may need to be funded through external borrowing (i.e. the amount of capital investment that hasn't been funded from other sources such as grants, revenue contributions and capital receipts). Borrowing should not then exceed the CFR on a long term basis, as this would indicate that borrowing is being used to fund expenditure other than capital. For 2010/11 the figures were as follows:

	£000
Opening CFR	50,810
Closing CFR	50,819
Average CFR	50,815
Weighted average borrowings	39,215
Weighted average finance lease liability	4,187
Weighted average investments*	18,805
Net borrowings	24,597

From this it is clear that net borrowings are well below the Council's CFR, and average gross borrowings are comfortably below, even adjusting the CFR down for the balance sheet adjustments relating to finance lease liabilities. This shows that that long term borrowing has not been used to fund revenue activities.

In terms of capital expenditure and funding in the year, this can be summarised as follows:

	2009/10 (restated)	2010/11
	£000	£000
Opening Capital Financing Requirement	50,398	50,810
<i>Capital investment</i>		
Property, Plant and Equipment	9,066	8,397
Investment Properties	39	12
Intangible Assets	27	90
Revenue Expenditure Funded from Capital Under Statute	4,228	2,197
<i>Sources of financing</i>		
Capital receipts	(1,409)	(718)
Government Grants and other contributions	(5,660)	(3,258)
Direct revenue contributions	(1,499)	(1,823)
Minimum Revenue Provision	(2,076)	(2,121)
Major Repairs Reserve	(2,304)	(2,767)
Closing Capital Financing Requirement	50,810	50,819

This shows little movement in the CFR over the year. The capital programme was budgeted to have a borrowing requirement of £1.1M for 2010/11. The actual out-turn was £2.13M of prudentially funded expenditure. This increase was due to the decision to acquire vehicles and waste receptacles through capital expenditure rather than through sale and lease back agreements, on value for money grounds. Under the newly introduced international financial reporting standards (IFRS) many of these sale and lease back arrangements end up counting towards the Council's capital expenditure anyway, so future capital budgets will need to be adjusted to reflect this change in treatment and the impact on the CFR. This also explains why the 2009/10 figures have been restated as lease arrangements that were previously treated as revenue costs have been capitalised under IFRS accounting.

Although there was an increase to the Council's prudentially funded capital expenditure, this was offset by the reduction in capitalisation directive required for the impairment on the Council's investment with the Icelandic bank KSF (£223K) and through the statutory provision for repayment of principal (MRP). In summary, there has been little change in the underlying need to borrow, over the year.

To control the actual level of borrowing indicators are set on both the absolute allowable amount of debt (the Authorised limit) and expected gross debt allowing for day to day cash management (Operational Boundary). This is summarised below:

	Actual Debt 31/03/11	Operational Boundary	Authorised Limit
	£000's	£000's	£000's
Deferred Liabilities	223		
Long term Finance lease liability	3,433		
PWLB Debt	39,215		
Total	42,871	48,100	53,100

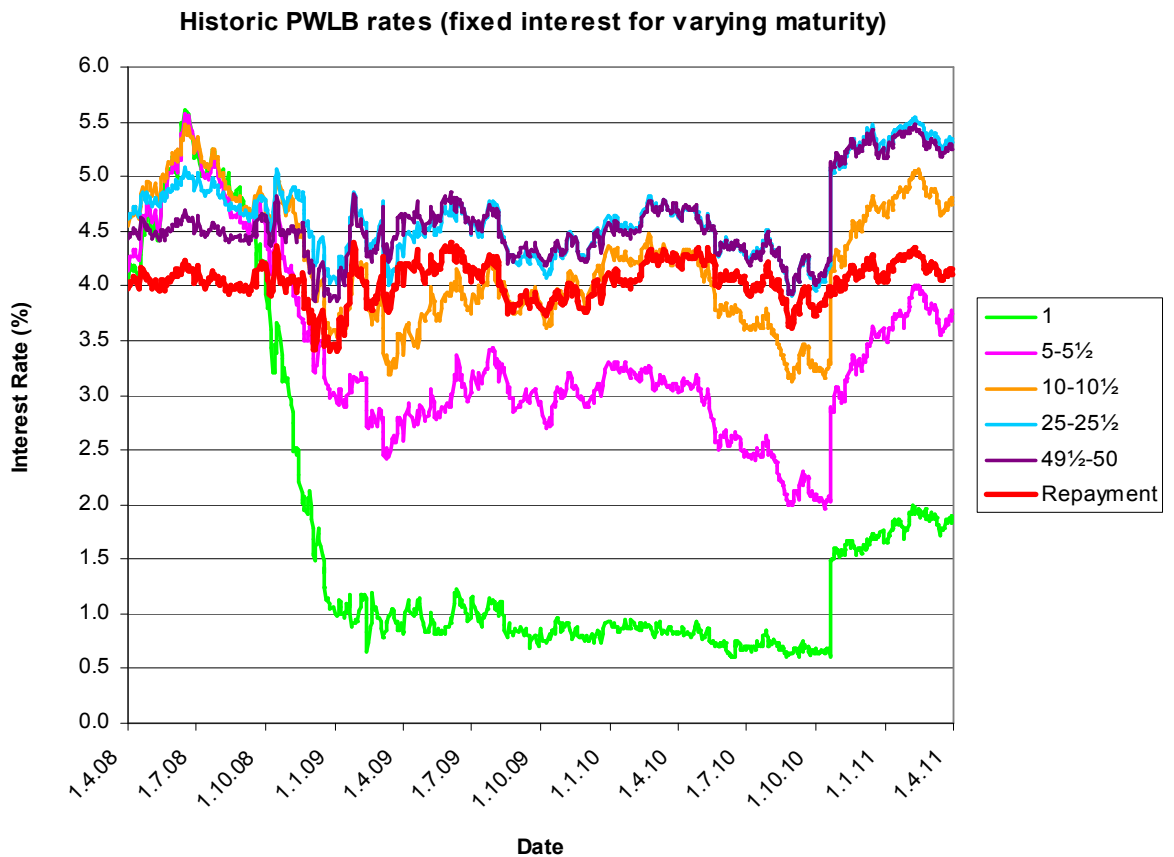
It can be seen that the Council was well below the Authorised Limit and Operation Boundary throughout the year. The debt boundaries appear high in relation to the level of debt actually incurred, but these were originally set to provide flexibility for some potentially large liabilities within the capital programme arising in connection

with matters such as Luneside East land acquisitions. These have not resulted in a direct impact on capital expenditure or income in 2010/11 and following the successful result in the first round of the Lands Tribunal, a smaller contingency is required in future years. However, other issues such the timing and likelihood of some major capital receipts still mean that flexibility is required in terms of future years' borrowing limits.

The Council's debt figure also includes the long term element of finance lease liabilities, in line with the Prudential Code. Although these are not strictly borrowings, they are included to reflect the capital substance of some lease contracts.

5.2 PWLB Interest Rate Movements

All of the Council's long term borrowings are held with the Public Works Loan Board (PWLB). During the course of 2010/11 the spread in rates which started in 2008/09 has remained, with a much lower rate for short term loans than those for longer periods. The Government did however raise rates in October 2010, adding 1% across the board on PWLB rates:



Repayment of PWLB debt is still an attractive option in the current climate, as investment returns remain far lower than the interest payable on existing debt. However, the rates during 2010/11 did not allow this without inhibitive early repayment penalties. Opportunities to make repayments will be reviewed throughout 2011/12 although this will be done with an eye on the possible need to take on more debt should HRA self financing become a reality. In this case it may make sense to keep hold of existing loans if these are below the projected market rates.

5.3 Debt Maturity (or Repayment) Profile

The Council is exposed to “liquidity” risks if high value loans mature (i.e. become due for repayment) at the same time, making a large demand on cash. One Treasury Indicator which is used to manage this risk is the maturity structure of borrowing. This indicator introduces limits to help reduce the Council’s exposure to large fixed rate sums falling due for repayment (and potentially re-financing) all at once. The table below shows these profiles at the beginning and end of the year against the indicator. The portfolio has not moved during the year.

None of the Council’s current longer term borrowing is due for scheduled repayment in the next ten years, although, as noted above, there may be some large changes to the debt portfolio going forward, in relation to HRA self financing.

	Treasury Indicator	Actual (restated) 31/3/10	Actual 31/3/11
Under 12 months	0-35 %	1%	1%
12 – 24 Months	0 – 20%	1%	1%
24 – 5 years	0 – 20%	1%	2%
5 – 10 years	0 – 20%	0%	0%
10 -15 years	0 – 50%	0%	0%
15 – 25 years	0 - 100%	0%	0%
25 – 50 years	50 – 100%	92%	91%
50 years and upwards		5%	5%

In line with the Prudential Code, these figures now include the finance lease liabilities brought onto the balance sheet under IFRS during 2010/11. As one of these leases is for longer than 50 years (Lancaster Market), the accounting adjustments result in a long term liability greater than 50 years in length which is outside the range of the indicators set for 2010/11. This is not judged to alter the liquidity risk of the debt portfolio which is otherwise well within the approved limits.

5.4 Interest Payable on Longer Term Borrowing

The average rate of interest payable on PWLB debt in 2010/11 was 5.68% which is identical to 2009/10 and was on budget.

	£'000
2010/11 Estimate	2,227
2010/11 Actual	2,227 (of which £724K was re-charged to the HRA)
Variance	0

There was also £429K of interest in relation to finance leases under IFRS accounting. This is a cost that in previous years has been presented within service expenditure. It is purely a presentational change with no impact on the bottom line.

Prudential Indicators also provide exposure limits that identify the maximum limit for variable / fixed interest rate exposure, based upon the debt position. The table below shows that the outturn position was within the limits set by Members at the beginning of the year. The Council currently only has fixed interest rate maturity debt, although again this could change in future if market conditions warrant or facilitate it.

	Prudential Indicator	Actual
	%	%
Fixed Rate	100	100
Variable Rate	30	0

Accounting for finance leases has not altered this as the interest rates implicit in the leases are fixed at their inception date.

6 Investment Activities

5.1 Performance against Prudential Indicators

In 2010/11 all investments were placed in accordance with the approved Investment Strategy; there have been no breaches of the investment criteria.

The Council has made no investments and held no investments with a maturity of longer than 365 days from the end of 2010/11; the investment strategy prohibited such long term investments. All deposits have been made either to instant access call accounts and money market funds or have been placed as term deposits with the Debt Management Office (DMO), part of Her Majesty's Treasury.

Details of deposits are included in **Annex B**.

5.2 Performance against budget and external benchmarks.

In terms of performance against external benchmarks, the return on investments (not including notional Icelandic interest) compared to the LIBID and bank rates over the year to date is as follows:

Indicator (mean value)	2009/10	2010/11
Base Rate	0.50%	0.50%
3 Month LIBID	0.83%	0.74%
Lancaster CC investment	0.86%	0.53%

The return is just above base but well below 3 month LIBID. This is because the Council has focussed on secure and highly liquid deposits which have mainly been on instant access, hence the relatively poor rate of return.

In terms of performance against budget, the details are as follows:

Annual budget	£254K
Actual to date	£99K (see details in Annex B)
"Icelandic" to date	£172K (see details in Annex B)
Total	£271K
Variance	£17K favourable

There is a £17K favourable variance. This is largely due to higher cash balances in the year than anticipated and slightly higher rates of return on the call accounts and money market funds. The Icelandic income is a real credit to the general fund, unlike in previous years when this 'accounting' interest had to be reversed out to the

Financial Instrument Adjustment Account to net off against the deferred impairment charge.

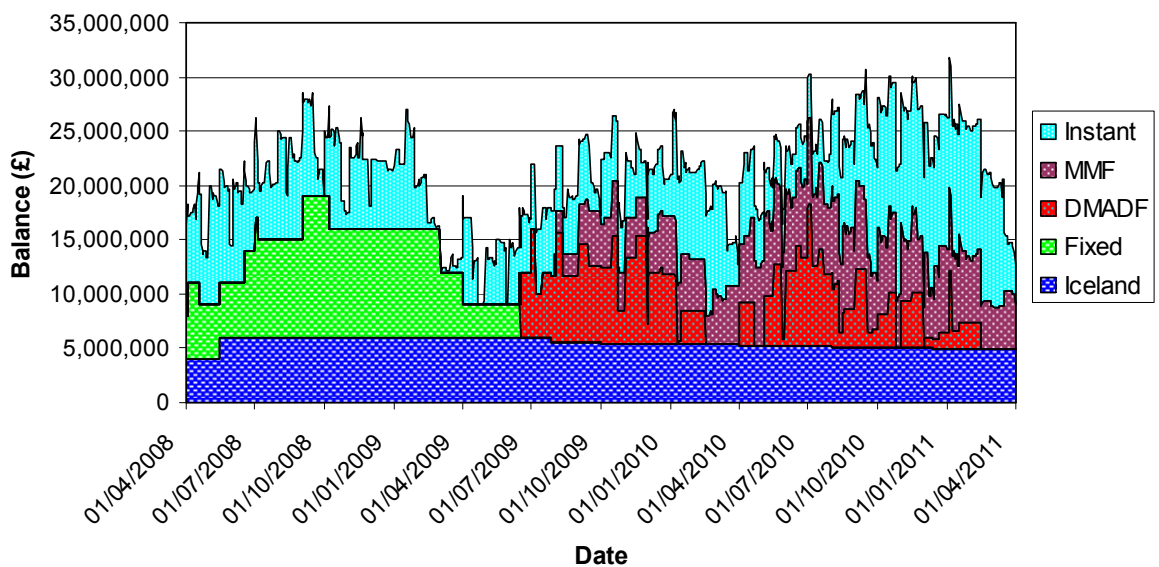
Overall, the investment returns were within the range limited by the base rate and LIBID (London Inter-bank Bid) rate. In comparison to the prior year, the overall rate of return is worse although the absolute amount of ‘real’ interest (not including Iceland) is similarly low (£99K vs £108K), which reflects the consolidation of the downturn which started in 2008/09. It is anticipated that returns may double over the year but as can be seen from the table below, these predictions are still cautious and are well below the high rates of investment interest being earned during 2007/08.

Date	3 month LIBID projection (%)
01/06/2011	0.80
01/09/2011	0.90
01/12/2011	1.25
01/03/2012	1.50
01/06/2012	1.75

Source: Sector, June 2011

The Investment Strategy for 2010/11 continued with the more cautious approach to managing surplus cash which has been in place since the banking crisis. This has restricted the term of deposits to a maximum of 1 year, reduced the counterparty limits and removed the option to make non EU deposits. In practice, deposits were placed on instant access in either call accounts or Money Market Funds (MMFs), or were placed on term deposit in the DMO account. The pattern of these investments over 2010/11 and the prior year can be seen in more detail below (the reduction in Icelandic balances represents the repayments made by KSF).

Investment values over the prior 2 years



Similar to the borrowing comparators, there is currently no information available regarding other Local Authorities’ investment performance during 2010/11.

7 **Other Risk Management Issues**

Many of the risks in relation to treasury management are managed through the setting and monitoring performance against the relevant Prudential Indicators and the approved investment strategy, as discussed above.

The risk management framework within treasury management has been recently updated within the new codes of practice from CIPFA and the new investment guidance due from the DCLG. Since 2007/08 the environment has changed from a relatively stable economy with investment returns that were higher than the cost of much of the Council's debt, to one where investment returns have slumped and the credit worthiness of counterparties is paramount. The Authority's Investment Strategy is designed to engineer risk management into investment activity largely by reference to credit ratings and length of deposit to generate a pool of counterparties, together with consideration of non credit rating information to refine investment decisions. This strategy is required under the CIPFA Treasury Management Code, the adoption of which is another Prudential Indicator. The strategy for 2010/11 complied with updated code of practice and DCLG investment guidance.

8 **Other Prudential Indicators**

As required under the Prudential Code, certain other year end Prudential Indicators must be calculated. A full list of these including those indicators presented in the body of this report are presented at **Appendix C** for approval by Council. Only those elements relating to out-turn (highlighted) require approval, all other elements having been approved previously.

9 **Conclusion**

As for 2009/10, the main issue for 2010/11 treasury management relates to Icelandic investments although progress with the legal claims is being made to the extent that, within months, the Council should have a concrete figure in terms of the amounts to be recovered from Glitnir and Landsbanki.

Due to the ongoing impact of Iceland on the Council's risk appetite and the ongoing economic malaise, all other Treasury management activity has continued within a very narrow band of low risk products and counterparties maintaining the trend of relatively low investment returns compared to the pre Iceland years.

PRUDENTIAL INDICATORS - LANCASTER CITY COUNCIL

For approval by Council 14 September 2011

		2009/10*	2010/11	
		£'000	£'000	
AFFORDABILITY				
PI 1: Estimates of ratio of financing costs to net revenue stream	Non - HRA	12.4%	12.1%	
	HRA	8.5%	8.1%	
	Overall	11.1%	10.8%	
PI 2: Actual ratio of financing cost to net revenue stream	Non - HRA	15.4%	16.0%	
	HRA	8.4%	7.4%	
	Overall	13.2%	13.2%	
PI 3: Estimates of the incremental impact of new Capital Investment decisions on the Council Tax This includes the impact of all elements of funding, including any increase in the need to borrow, required to finance new schemes added to the Capital Programme	2.81%	0.87%	-1.22%	
	£5.41	£1.74	-£2.54	
PI 3A: Illustrative Impact of Additional Borrowing £1 million	Repayment Period			
		5 Years	10 Years	25 Years
	Increase in Council Tax (£)	£4.90	£2.73	£1.54
	Increase in Council Tax (%)	2.54%	1.41%	0.80%
PI 4: Estimates of the incremental impact of Capital Investment on Housing Rents	Nil	Nil	Nil	
PRUDENCE				
PI 5: Estimates of capital expenditure	Non - HRA	14,185	15,572	
	HRA	3,547	3,685	
	Total	17,732	19,257	
PI 6: Actual capital expenditure	Non - HRA	9,852	6,511	
	HRA	3,508	4,185	
	Total	13,360	10,696	
PI 7: Estimates of Capital Financing Requirement	Non - HRA	27,702	32,090	
	HRA	15,303	15,303	
	Total	43,005	47,393	
PI 8: Actual Capital Financing Requirement	Non - HRA	35,507	35,516	
	HRA	15,303	15,303	
	Total	50,810	50,819	
EXTERNAL DEBT				
PI 9: Authorised Limit	Authorised Limit for Borrowing	57,710	52,820	
	Authorised Limit for Other Long Term Liabilities	290	280	
	Authorised Limit for External Debt	58,000	53,100	
PI 10: External Debt: Operational Boundary		56,000	48,100	
PI 11: Actual external debt	PWLB loans	39,215	39,215	
	Long term Finance lease liability	3,938	3,433	
	Short term finance lease liability	498	504	
	Other long term liability	223	223	
TREASURY MANAGEMENT				
PI 12: Fixed Interest Rate Exposure The Authority will limit its exposure to fixed interest rate costs to the amounts payable on the following amount of outstanding debt.		100%	100%	
PI 13: Variable Rate Interest Rate Exposure The Authority will limit its exposure to variable interest rate costs to the amounts payable on the following amount of outstanding debt.		30%	30%	
PI 14: Maturity Structure of Borrowing	Upper and Lower Limits	Under 12 months	0% to 35%	0% to 35%
		12 months and within 24 months	0% to 20%	0% to 20%
		24 months and within 5 years	0% to 20%	0% to 20%
		5 years and within 10 years	0% to 20%	0% to 20%
		10 years and within 15 years	0% to 50%	0% to 50%
		15 years and within 25 years	0% to 100%	0% to 100%
		25 years and within 50 years	50% to 100%	50% to 100%
	Maturity Profile of Current Outstanding Debt	Under 12 months	1%	1%
		12 months and within 24 months	1%	1%
		24 months and within 5 years	1%	2%
		5 years and within 10 years	0%	0%
		10 years and within 15 years	0%	0%
		15 years and within 25 years	0%	0%
		25 years and within 50 years	92%	91%
More than 50 years	5%	5%		
PI 15: Investments for periods longer than 364 days The Authority will not invest for periods of longer than 364 days.		Nil	Nil	
PI 16: Adoption of CIPFA Code of Practice	The Council adopted the CIPFA code of practice for Treasury Management at its meeting of 13 March 2002.			

*Some elements of the 2009/10 indicators have been re-stated under IFRS to reflect the impact of finance leases. This also explains the variance between PI1 and PI2.

Treasury Management Glossary of Terms

- **Annuity** – method of repaying a loan where the payment amount remains uniform throughout the life of the loan, therefore the split varies such that the proportion of the payment relating to the principal increases as the amount of interest decreases.
- **CIPFA** – the Chartered Institute of Public Finance and Accountancy, is the professional body for accountants working in Local Government and other public sector organisations, also the standard setting organisation for Local Government Finance.
- **Counterparty** – an institution (e.g. a bank) with whom a borrowing or investment transaction is made.
- **Credit Rating** – is an opinion on the credit-worthiness of an institution, based on judgements about the future status of that institution. It is based on any information available regarding the institution: published results, Shareholders' reports, reports from trading partners, and also an analysis of the environment in which the institution operates (e.g. its home economy, and its market sector). The main rating agencies are Fitch, Standard and Poor's, and Moody's. They analyse credit worthiness under four headings:
 - **Short Term Rating** – the perceived ability of the organisation to meet its obligations in the short term, this will be based on measures of liquidity.
 - **Long Term Rating** – the ability of the organisation to repay its debts in the long term, based on opinions regarding future stability, e.g. its exposure to 'risky' markets.
 - **Individual/Financial Strength Rating** – a measure of an institution's soundness on a stand-alone basis based on its structure, past performance and credit profile.
 - **Legal Support Rating** – a view of the likelihood, in the case of a financial institution failing, that its obligations would be met, in whole or part, by its shareholders, central bank, or national government.

The rating agencies constantly monitor information received regarding financial institutions, and will amend the credit ratings assigned as necessary.
- **DMADF and the DMO** – The DMADF is the 'Debt Management Account Deposit Facility'; this is highly secure fixed term deposit account with the Debt Management Office (DMO), part of Her Majesty's Treasury.
- **EIP** – Equal Instalments of Principal, a type of loan where each payment includes an equal amount in respect of loan principal, therefore the interest due with each payment reduces as the principal is eroded, and so the total amount reduces with each instalment.
- **Gilts** – the name given to bonds issued by the U K Government. Gilts are issued bearing interest at a specified rate, however they are then traded on the markets like shares and their value rises or falls accordingly. The Yield on a gilt is the interest paid divided by the Market Value of that gilt.

Eg. a 30 year gilt is issued in 1994 at £1, bearing interest of 8%. In 1999 the market value of the gilt is £1.45. The yield on that gilt is calculated as $8\%/1.45 = 5.5\%$.

See also PWLB.

- **LIBID** – The London Inter-Bank Bid Rate, the rate which banks would have to bid to borrow funds from other banks for a given period. The official rate is published by the Bank of England at 11am each day based on trades up to that time.
- **LIBOR** – The London Inter-Bank Offer Rate, the rate at which banks with surplus funds are offering to lend them to other banks, again published at 11am each day.
- **Liquidity** – Relates to the amount of readily available or short term investment money which can be used for either day to day or unforeseen expenses. For example Call Accounts allow instant daily access to invested funds.
- **Maturity** – Type of loan where only payments of interest are made during the life of the loan, with the total amount of principal falling due at the end of the loan period.
- **Policy and Strategy Documents** – documents required by the CIPFA Code of Practice on Treasury Management in Local Authorities. These set out the framework for treasury management operations during the year.
- **Public Works Loans Board (PWLB)** – a central government agency providing long and short term loans to Local Authorities. Rates are set daily at a margin over the Gilt yield (see Gilts above). Loans may be taken at fixed or variable rates and as Annuity, Maturity, or EIP loans (see separate definitions) over periods of up to fifty years. Financing is also available from the money markets, however because of its nature the PWLB is generally able to offer better terms.
- **Butlers** – Butlers Treasury Services are the City Council's Treasury Management advisors. They provide advice on borrowing strategy, investment strategy, and vetting of investment counterparties, in addition to ad hoc guidance throughout the year.
- **Yield** – see Gilts

Members may also wish to make reference to *The Councillor's Guide to Local Government Finance*.

INVESTMENT INTEREST EARNED TO 31 March 2011

Icelandic investments	No	Start	End	Rate %	Principal £	Cumulative Interest* £
Deposited 2007/08						
Landsbanki Islands	004	31-Mar-08	22-Apr-09	6.25	1,000,000	35,000
Glitnir	F102/023	31-Mar-08	22-Apr-09	5.76	3,000,000	107,000
Deposited 2008/09						
Kaupthing, Singer & Friedlander	06/07-I29	16-May-08	07-Oct-08	6.00	940,000	30,000
Sub total					4,940,000	172,000

Other Investments	opening	Min	Max	closing	Indicative rate	Cumulative Interest £
Call: Abbey National	3,300,000	0	4,000,000	2,400,000	0.75%	17,560
Call: Yorkshire bank	2,000,000	0	2,000,000	0	0.50%	8,849
Call: RBS	400,000	400,000	2,000,000	1,300,000	0.70%	13,338
Call: Lancashire County Council	0	0	4,000,000	0	0.70%	17,481
DMADF	4,000,000	0	12,950,000	0	0.25%	9,214
Government Liquidity MMF	1,600,000	0	4,000,000	100,000	0.39%	11,003
Liquidity First MMF.	3,700,000	1,000,000	4,000,000	4,000,000	0.65%	21,751
Sub-total	15,000,000			7,800,000		99,196

TOTAL Interest						271,196
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* Under the 2009 SORP, interest continues to be accrued whilst Icelandic investments are on the Council's balance sheet. As the full impairment on the investments was recognised in the 0910 accounts, this interest will be credited to the General Fund.

COUNCIL**Lancaster Market
14 September 2011****Report of Cabinet****PURPOSE OF REPORT**

To consider options regarding the future of Lancaster Market and the associated recommendations of Cabinet.

This report is public.

RECOMMENDATIONS:

1. That Council considers the following recommendations of Cabinet:
 - i. That all market traders be moved onto the ground floor and rents or service charges not be increased at this point.
 - ii. That legal agreement be reached with traders on the move to the bottom floor and to costs that traders would pay for moving and fitting out.
 - iii. That the move in (i) above be done with some urgency to protect existing businesses on the top floor and to protect the Council's future rental income.
 - iv. That alternative tenants be sought for the upper floor.
 - v. That the recommendations in terms of improved marketing and management recommended to Council in the NCS report received in December 2010 be carried out.
 - vi. That the Council's costs of running the market be examined and it be considered whether these can be reduced.
2. That the above be subject to the outcome of a financial appraisal of all relevant options for Lancaster Market, now attached at Appendix B, to reflect the Council's fiduciary responsibilities to council taxpayers as a whole, and that this appraisal be considered by Council to inform its final decision-making.

1 INTRODUCTION

- 1.1 At the meeting on 26 July 2011, Cabinet considered a report on Lancaster Market covering, amongst other things, whether it was feasible to move the market into the museum. The public Cabinet report and associated minute are attached at **Appendix A** for reference.

- 1.2 At that meeting, Cabinet resolved that in view of the consultant's report the market should not be moved to the museum, but in addition it also made various other recommendations on the market's future, as reflected above.
- 1.3 In making its recommendations, however, Cabinet acknowledged that no final decision could be made on whether to move tenants to the ground floor or what level of rent and service charge to pay until a full financial appraisal had been undertaken. In addition, in reaching any final decision, it was recognised that whilst market traders would be most (or directly) affected by any decision, the Council has a much wider financial duty to council taxpayers as a whole. The market is a costly operation and therefore any decision to invest in the market must stack up financially.
- 1.4 Accordingly, a full financial appraisal of various options is now attached at **Appendix B** to inform Council's decision-making. This has been prepared by Financial Services with significant input from Property and Legal in particular. To help Members in understanding the specific legal position and considerations, a briefing is attached at **Appendix C**.

2 **OPTIONS AND OPTIONS ANALYSIS (INCLUDING RISK ASSESSMENT)**

- 2.1 The full range of options and their analysis are set out in Appendix B. In essence, Council could:
 - a. Approve the recommendations of Cabinet. In this case the Council's financial and other plans would be updated accordingly and the capital investment required would be financed from General Fund Balances; these are higher than expected following the net underspending in last year (see separate item elsewhere on the agenda).
 - b. Approve an alternative option as set out in the Appendix. Any particular financial implications or subsequent decisions required would then be factored into the Council's financial and other planning as appropriate.
 - c. Seek further information and defer any decision. Given the need to gain certainty one way or another on the market operation, however, this option is to be avoided, unless it becomes apparent that additional essential information is needed to inform Members' deliberations.

3 **CONCLUSION**

- 3.1 A clear way forward needs to be determined for Lancaster market. In doing so, however, Council needs to ensure that its decision-making is based on appropriate consideration and with due regard to all relevant factors.

CONCLUSION OF IMPACT ASSESSMENT

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

It is considered that there is no such direct impact arising.

LEGAL IMPLICATIONS

As set out in the appendices.

FINANCIAL IMPLICATIONS

As set out in Appendix B.

OTHER RESOURCE IMPLICATIONS

Human Resources / Information Services / Property / Open Spaces:

As set out in the appendices.

SECTION 151 OFFICER'S COMMENTS

Generally Council is advised to consider all proposals for capital or other growth alongside each other, to allow for prioritisation in context of all other competing demands. The need to determine a way forward for Lancaster market is recognised, however, and so this means that a decision is being sought now. If Council approves the capital investment, the £270K of funds clearly cannot be used for any other purpose.

The financial appraisal indicates that over the longer term, considerable financial savings would be expected if the market operation was to close and an alternative future for the building secured.

Other aspects of the appraisal, including the points raised in the July Cabinet report, have indicated that the benefits to be gained from continuing the market operation in some form, with the associated capital investment, are comparatively small.

Council is advised to scrutinise and challenge these conclusions, but then use the outcome of this challenge to inform its decision-making. This supports rational, lawful decision-making.

She reiterates that in considering options and as in previous years Members are advised to consider whether and to what extent the market facility achieves (or could achieve) value for money for local taxpayers as a whole. From an accounting viewpoint, markets are currently classed as a trading undertaking, albeit that Lancaster market operates at a substantial deficit.

MONITORING OFFICER'S COMMENTS

The Monitoring Officer's comments have been incorporated in the report and its appendices. The Monitoring Officer would emphasise that any decision taken must be reasonable and rational, and must take account of all relevant considerations.

BACKGROUND PAPERS

Background papers are exempt.

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Ref:

APPENDIX A

Extract from Cabinet minutes 26 July 2011 (No. 21)

Resolved unanimously:

- (1) To not move the market to the museum.
- (2) To move all market traders onto the ground floor and not to increase rents or service charges at this point.
- (3) That legal agreement be reached with traders on the move to the bottom floor and to costs that traders would pay for moving and fitting out.
- (4) That the move in (2) be done with some urgency to protect existing businesses on the top floor and to protect the Council's future rental income.
- (5) To seek alternative tenants for the upper floor.
- (6) To carry out the recommendations in terms of improved marketing and management recommended to Council in the NCS report received in December 2010.
- (7) To examine the Council's costs of running the market and to consider whether these can be reduced.
- (8) That all recommendations with the exception of recommendation (1) be referred on to Council for consideration, and that they also be subject to the outcome of a financial appraisal of all relevant options to reflect the Council's fiduciary responsibilities to council tax payers as a whole, and that this appraisal be reported to Council for consideration to inform its final decision-making.



**LANCASTER
CITY COUNCIL**

Promoting City, Coast & Countryside

SUPPLEMENTARY INFORMATION

Cabinet

Tuesday, 26 July 2011

Agenda Item Number	Page	Title	Officer Responsible For Late Report
6	1 - 9	LANCASTER MARKET	HEAD OF PROPERTY SERVICES
		A public report was produced following publication of the exempt report on Lancaster Market. The public report was circulated prior to the Cabinet meeting in order that the item could be considered in public. The public report is attached.	

CABINET

**Lancaster Market
26 July 2011**

Report of Head of Property Services

PURPOSE OF REPORT			
To consider options for the future of Lancaster Market including the opportunity to integrate with the City Museum.			
Key Decision	X	Non-Key Decision	Referral from Cabinet Member
Date Included in Forward Plan		6 July 2011	
This report is public			

RECOMMENDATIONS OF COUNCILLOR JON BARRY

- (1) To not move the market to the museum.
- (2) To move all market traders onto the ground floor and not to increase rents or service charges at this point.
- (3) That the move in 2. be done with some urgency to protect existing businesses on the top floor and to protect the Council's future rental income.
- (4) To seek alternative tenants for the upper floor.
- (5) To carry out the recommendations in terms of improved marketing and management recommended to Council in the NCS report received in December 2010.
- (6) To examine the Council's costs of running the market and to consider whether these can be reduced.
- (7) That recommendations 2 to 4 above be referred on to Council for consideration and that they be subject to the outcome of a financial appraisal which would also be reported to Council for consideration to inform its final decision making.

1.0 Introduction

1.1 At their meeting on 15 February 2011, Cabinet resolved:

- (a) That approval be granted to undertake further investigations into the conversion of the City Museum to accommodate Lancaster Market and that a further report is made to cabinet in due course with the costs being funded from the proposed reserve.

- (b) To confirm the importance of the King's Own Royal Regimental Museum in the heritage offer of the district and to seek to improve that offer as part of any change to the City Museum.
 - (c) That officers be instructed to enter into leases with traders at Lancaster Market Hall that would allow for the potential relocation to new premises or a break or redevelopment clause for the purpose of refurbishing and revitalising the market hall (should transfer into alternative premises not prove feasible).
 - (d) That whilst investigations are undertaken into the conversion of the City Museum, measures continue to be implemented within Lancaster Market to improve its appearance and to continue with improved management and marketing of the market, with any costs funded from the proposed reserve.
- 1.2 Since that meeting various items of work have been undertaken to provide a report to members on the options involved.

2.0 Issues

Museum report

- 2.1 As a consequence of the consultancy work carried out in accordance with the resolution of cabinet identified in 1.1 (a) and 1.1 (b) above, the consultants have now reported the findings of their work which are summarised via the executive summary in **Appendix A**.
- 2.2 The report clearly identifies the important role that the museum provision can contribute to the heritage offer of the city centre, and that it is currently not being utilised to its full capacity. It also identifies that the retail offer could be improved, however, this could be accommodated within the square and complement the existing 'outdoor' market.
- 2.3 There is clearly further discussion needed on the outcomes of the museums report, and this will be reported to members in early autumn as part of the museum partnership review and implementation of the cultural strategy.
- 2.4 With regard to the future of the market, clarity has now been sought that it would not be possible to move the existing market offer and upgrade the museum.

Market issues

- 2.5 Members are also advised that with regard to resolution (3) of the 15 February report (see 1(c) above), traders have now been offered new four year leases, with a break clause to allow for potential relocation to new premises or redevelopment of the existing market which would require relocation.
- 2.6 Members should note that whilst this offer has been put to the tenants, not all the tenants are prepared to accept the break clause for relocation, and have subsequently referred the new leases to the courts for determination.
- 2.8 A further issue which needs to be addressed is the level of rent that members

agree to set for the units. At a previous cabinet meeting in June 2010, members resolved to set a rent at the previous level plus 2.5% and to leave the service charge at the previous level. The proposal was that this would be reviewed 12 months into the lease arrangements on 1 April 2012 (or such other date as may be determined by the courts). Due to the amount of time that has elapsed, and the information now available, members may wish to review this position.

- 2.9 In addition, it should be noted that if traders were to move to the ground floor as referred to in option 2, new leases would need to be provided for those traders that take new spaces and in such circumstances the leases determined by the courts would be redundant.
- 2.10 Members will be aware that in considering the future direction of the market, the Lancaster Market Cabinet Liaison Group considered evidence from other markets in the region where total occupation costs were generally higher than adjacent commercial premises because of the additional services required. Such information could be produced for the court to consider, but the conclusion is entirely in the hands of the courts.
- 2.11 In considering the options set out below, it would be necessary to consider what the council wishes to achieve. Although the council has a further 84 years to run on its lease from the owner of Marketgate, the council is now committed to operating the existing market in the building for a further period until at least 31 March 2015. This follows the council resolution from March 2010 as reinforced by the cabinet resolution of February 2011 (see paragraph 1.1 above). In accordance with those resolutions the council has served notice on the traders to terminate their leases and to offer them new lease terms. The council cannot unilaterally withdraw those notices.
- 2.12 As a result, the council has options below under which it could consider investing in the market as per the NCS review (option 1); relocating the traders within the market (option 2); leaving the market as it is and renewing leases at existing levels (option 3); leave the market as it is but increase rents and service charge levels (option 4). It should be noted that options 1 and 2 support the Council resolution from March 2010 to refurbish and revitalise the market. Regardless of which option is chosen, the rent and service charge levels on a per square foot basis relating to each individual stall would not reduce, although it should be pointed out that there is a high chance that the council's overall income would reduce if the council does not invest in the market or chooses to increase rents and service charges – see the details of each option in section 3 below.
- 2.13 Dependent on the option chosen, a further appraisal can be undertaken if required. However, it should be noted that in any further option appraisal, it is not possible to undertake any meaningful assessment of the future income to set against the capital costs of works.

3.0 Options and Options Analysis (including risk assessment)

- 3.1 Considering all the above issues the council has several options on how it might move the market forward. These options are based on the decision taken by Council in March 2010 to retain a refurbished and revitalised market in Lancaster.

	<p>Option 1:</p> <ul style="list-style-type: none"> To implement the finding of the NCS review which would require the following investment <table border="1"> <thead> <tr> <th></th> <th>Budget Figure (£)</th> </tr> </thead> <tbody> <tr> <td>Entrance doors</td> <td>40K per entrance</td> </tr> <tr> <td>Internal layout changes</td> <td>400K</td> </tr> <tr> <td>Drop down banners</td> <td>1K</td> </tr> <tr> <td>External glazing vinyl transfers</td> <td>12K (+ original images)</td> </tr> <tr> <td>Demountable stalls</td> <td>1K each</td> </tr> <tr> <td>Part-time business development manager</td> <td>20K per annum</td> </tr> </tbody> </table> <ul style="list-style-type: none"> Review the rents to market value once the refurbishment works are completed 		Budget Figure (£)	Entrance doors	40K per entrance	Internal layout changes	400K	Drop down banners	1K	External glazing vinyl transfers	12K (+ original images)	Demountable stalls	1K each	Part-time business development manager	20K per annum
	Budget Figure (£)														
Entrance doors	40K per entrance														
Internal layout changes	400K														
Drop down banners	1K														
External glazing vinyl transfers	12K (+ original images)														
Demountable stalls	1K each														
Part-time business development manager	20K per annum														
Advantages	<ul style="list-style-type: none"> The NCS proposals would provide an opportunity to reinvigorate the market and potentially bring in new tenants. 														
Disadvantages	<ul style="list-style-type: none"> There would be a substantial cost to the council and no guarantee that the scheme would be a success or that the existing deficit, currently estimated at £619,500 for 2011/12 would be reduced. 														
Risks	<ul style="list-style-type: none"> There is a risk that reduced number of traders would continue in the market as a result of the increased rents. This could lead to a further spiralling down of the market prior to refurbishment works being undertaken. 														

	<p>Option 2:</p> <p>As a consequence of discussions held with the market traders there is a proposal to move all tenants down to the ground floor, and retain first floor accommodation for either a single let or a let at some other use, e.g. exhibition space. Costs of the works, including a plan of the proposal, are show at Appendix B.</p> <ul style="list-style-type: none"> The costs of refurbishing the ground floor to accommodate such usage, with minimal refurbishment to the first floor are estimated at £270K including fees. However, it should be noted that this does not include the cost of any particular fitting out requirements in individual stalls other than specialist works to relocate café kitchen equipment. Market traders have expressed the view that the council should be responsible for all costs of any move, although cabinet may wish to indicate whether they feel that traders should contribute to fit out costs as part of this agreement Consideration could be given under this arrangement to increase rents to full market value on completion of works.
Advantages	<ul style="list-style-type: none"> The move of all units to the ground floor will give the traders more visibility and create a greater sense of vitality to the market Traders appear to be in agreement with the option, and

	<p>this cooperation of the traders may well encourage a quicker resolution to current underutilisation.</p> <ul style="list-style-type: none"> • The option would cost less than full refurbishment
Disadvantages	<ul style="list-style-type: none"> • There would still be a substantial cost to the council, with no guarantee that the scheme would be a success • There would be limited assurance that the deficit would be reduced as there is currently no confirmed tenant to take the upper floor at a market rent and no absolute guarantee that all existing traders would remain in the market after a move to the ground floor. • Tenants may find the new rents and service charges on the ground floor unaffordable, and the council would still have a significant deficit, currently estimated at £619,500 for 2011/12, with reducing numbers of stalls
Risks	<ul style="list-style-type: none"> • Increased rents and service charges may reduce stall holder numbers • Significant investment with no guaranteed return • The Landlord and Tenant process will result in new leases being granted, without a break/redevelopment clause, and if this was to happen, any move by the tenant would need to be by agreement of <u>all</u> the tenants. Should a single tenant not wish to relocate, the proposal could not be implemented.

However, should the council wish to consider the option of not retaining a refurbished and revitalised market in Lancaster, the following options are appropriate:

	<p>Option 3:</p> <ul style="list-style-type: none"> • To renew the existing tenancies on a four year lease (subject to the outcome of the application to court) • Not to invest any further funds in remodelling the market building • Keep rents at the level set by cabinet on the 22 June 2010. (subject to court determination)
Advantages	<ul style="list-style-type: none"> • Certainty will be given to the tenants regarding the future of the indoor market, which may encourage new tenants to take units and prevent stall holders leaving • No capital allocations will be required other than the repair and maintenance funds needed to implement the conditions of the lease.
Disadvantages	<ul style="list-style-type: none"> • Stall holders will continue to leave because no investment has been made • The market will continue to run at a significant financial loss to the council, which may increase should further stall holders leave • There will be no significant change programme for the market, and as identified in the NCS report, such change is required to try and achieve a vibrant and vital market for the future.
Risks	<ul style="list-style-type: none"> • Ongoing general deterioration of the market hall • Tenants will continue to leave • Landlord/Headlease costs are fixed, and the revenue losses to the market, currently estimated at £619,500 for

	2011/12, may increase
	Option 4: <ul style="list-style-type: none"> • Renew the existing tenancies on a four year lease (subject to the outcome of the application to court) • Provide no further investment in to the premises for remodelling purposes • Increase the rent and service charges to the full market value (subject to court determination)
Advantages	<ul style="list-style-type: none"> • Certainty will be given to the tenants regarding the future of the indoor market, which may encourage new tenants to take units and prevent stall holders leaving • No capital allocations will be required other than the repair and maintenance funds needed to implement the conditions of the lease.
Disadvantages	<ul style="list-style-type: none"> • Tenants may continue to leave due to lack of investment • The increased rent may encourage tenants to leave at a greater pace • The 'net' cost of holding the building will increase and revenue/rent decreases.
Risks	<ul style="list-style-type: none"> • Ongoing general deterioration of the market hall • Tenants will continue to leave • Landlord/Headlease costs are fixed, and the revenue losses to the market, currently estimated at £619,500 for 2011/12 may increase

5.0 Officer Preferred Option (and comments)

- 5.1 In light of the findings of this report, and on the assumption that the council still desires a thriving indoor market in line with cabinet and council decisions, it is evident that investment of some sort is needed in the market but achieving that desire is by no means guaranteed. It would be normal to carry out some form of cost benefit analysis to determine the benefits of investment in the market. However, it is impossible to predict the future income of the market due to the uncertainty of whether all existing traders would remain in the market and whether there would be any additional take up of stalls. As a result, whilst the main conversion cost for the ground floor of the market is known, any meaningful assessment of future income is not possible. However, the council is committed to the market until at least March 2015 and a view needs to be taken as to the operation of the market during that period.
- 5.2 It is considered that, taking into account all known risks, option 2 would provide the best resolution to the very difficult, complicated and complex issues that surround the market.

RELATIONSHIP TO POLICY FRAMEWORK

Economic Regeneration – supporting our economy is one of the City Council's key priority areas. It includes heritage and cultural tourism for the district including creative industries and employment.

The improvement of the Lancaster indoor market could attract more food-based businesses

(particularly local food), attracting key businesses, such as a bakery, and marketing the market as a visitor attraction for the city centre. Looking at improving the provision of the market could therefore be aligned to supporting our local economy and the cultural agenda, depending on the retail offer made available within the market.

Nonetheless, as well as being in line with priorities the Council's Medium Term Financial Strategy (MTFS) requires that options for capital investment must be appraised to meet the requirement of the Prudential Code namely that investment is affordable, prudent, and sustainable, and that such investment represents real value for money for people in the district.

CONCLUSION OF IMPACT ASSESSMENT

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

The City Council wishes to maintain an economically sustainable city centre and retaining and improving the provision of the indoor market can help to facilitate this.

LEGAL IMPLICATIONS

Legal Services have been consulted and option 2 could only be implemented by agreement unless the courts rule in the council's favour and approves the break clause for relocation/refurbishment.

Should the court approve the council's request for a break clause, the council would have to take further steps to bring this into effect. If all the tenants agree to move to the ground floor then it may not be necessary for a redevelopment/relocation break clause to be inserted into the new lease. Members may wish to stipulate whether such a break clause will be required in the event that all the tenants agree to the move. Without the break clause the Council would not be able to bring the lease to an end (other than in the event leading to forfeiture) until the stipulated end term date.

As this report highlights, all of the remaining tenants have brought a claim for lease renewal. The Council has filed with the court its acknowledgement of services setting out the basis on which it will agree to a new lease.

It is expected that the Court will list the cases for a directions hearing shortly. At the directions hearing it is expected that the Court will set the matter down for trial. It is difficult to give a precise indication of when the matter will finally be resolved by the Court. However, as a rough estimate (and bearing in mind the number of claims issued and the arguments in dispute) one would expect the Court to set the matter down for a final hearing within three to four months after a directions hearing has been heard.

FINANCIAL IMPLICATIONS

All the costings identified within this report are 'estimated' costs and they are by no means complete. Should Cabinet wish to take forward any option involving capital investment, this would require consideration by Council as it would fall outside of the current budget framework. Any such Council referral report would include a full capital investment appraisal and estimated revenue implications together with associated sensitivity analysis.

Members are reminded that the current market is being operated at an estimated annual deficit of £619,500 subject to the number of vacant stalls arising during any given year.

Should members wish to invest capital into this scheme, this must be balanced against other priorities the council may have for its capital expenditure or other council priorities.

OTHER RESOURCE IMPLICATIONS

Human Resources:

There are no direct implications within this report although depending on the resolution of cabinet, consideration does need to be given to future management of the market in line with the NCS report

Information Services:

There are no IS implications within this report.

Property:

The property implications are included within the body of the report.

Open Spaces:

Not applicable.

SECTION 151 OFFICER'S COMMENTS

Members need to ensure that their decision-making is based on appropriate consideration of relevant factors, including cost, risk, value for money and other finance related matters as outlined in the report. This is in recognition of their fiduciary duties to local taxpayers as a whole.

Clearly at this stage the options presented do not take account of any investment appraisal and therefore information is incomplete.

Should Cabinet wish to take forward any capital investment options therefore, at this stage this would be in principle only, subject to further consideration and a final decision by Council. A full options appraisal would be produced and included in the referral report. To ensure appropriate comparison, this may include options that are not necessarily preferred by Cabinet at this stage. This is to protect the Council in its future decision-making; care needs to be taken in the reasoning for discounting any potentially viable options at this stage, given that full information is not currently available. In the body of this report references are made to the difficulties in undertaking cost benefit analyses and it being impossible to predict future income levels etc. Nonetheless, officers have responsibilities to make reasonable estimates based on a range of potential outcomes or scenarios using sensitivity analysis and other techniques, as well as highlighting the inherent risks attached.

Should Cabinet wish to take forward options not involving capital investment (such as options 3 and 4), clearly the financial implications and the extent of any discretion available to Members in terms of setting rents and service charges would be dependent on the decision of the court.

Overall, in considering outline options and as in previous years the s151 Officer would advise Members to consider whether and to what extent the market facility achieves (or could achieve) value for money for local taxpayers as a whole. From an accounting viewpoint, markets are currently classed as a trading undertaking, albeit that Lancaster market operates at a substantial deficit.

In addition it should be noted that recommendations 2 to 4 above should be referred on to Council for consideration and that they be subject to the outcome of a financial appraisal which would also be reported to Council for consideration to inform its final decision making.

Any further comments will be fed into the meeting.

MONITORING OFFICER'S COMMENTS

The Monitoring Officer concurs with the views of the Section 151 Officer, and would reiterate the need to take into account all relevant considerations in making a decision. In this respect a full financial appraisal will be essential. The Monitoring Officer is also mindful that because of the current court proceedings, the final terms of any lease may be ordered by the court and would thus be outside the control of the Council. Further, any move to the ground floor relies on the consent of all tenants, which again is outside the control of the Council.

BACKGROUND PAPERS

Previous council and cabinet reports and minutes

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Ref:

Council

Lancaster District Community Safety Plan 2011/2012

Report of Community Safety Partnership/LDLSP Safety Thematic Group

PURPOSE OF REPORT

To enable Council to endorse the Lancaster District Community Safety Plan 2011-2012.
--

This report is public

RECOMMENDATION

- (1) **That Council endorses the Community Safety Plan 2011/12 so that it forms part of the Policy Framework.**

1.0 Introduction

- 1.1 The attached Community Safety Plan 2011-12 has been agreed by the Community Safety Partnership. The plan is developed from a strategic assessment which is a statistical and analytical document which sets out the overall picture of crime, disorder and antisocial behaviour levels across the district in the previous year (2010-11). This document is also attached for information. The Council, as part of its statutory duties under the Crime and Disorder Act 1998 has to produce a district multi agency Community Safety Plan. This plan dovetails with and supports the Council's Corporate Plan, in particular its aim to 'work with partners to reduce costs, make efficiencies and create resilience across the district.

The plan usually spans a three year period. However, it is possible that the CSP will see changes over the next year which may affect its priorities and chosen actions. This being so this Plan spans the year April 2011 to March 2012.

2.0 Proposal Details

- 2.1 The proposal is that Council endorses the Community Safety Plan 2011-12 so that it forms part of the Policy Framework..

3.0 Details of Consultation

- 3.1 This plan has been developed from a Strategic Assessment which has been based not only on statistical evidence but also on consultations which have been carried out within the community. The writing and development of this plan has been done in consultation with the other statutory agencies of the Community Safety Partnership and in dialogue with the LSP.

4.0 Options and Options Analysis (including risk assessment)

- 4.1 Option 1 – Endorse the Community Safety Plan.
- Option 2 – Do not endorse the Community Safety Plan.

5.0 Officer Preferred Option (and comments)

- 5.1 Option 1 – This plan has been written in partnership and within the boundaries of the LSP. This plan also supports the Council's Corporate Plan.

6.0 Conclusion

- 6.1 The District Community Safety Plan is set before Council for endorsement.

CONCLUSION OF IMPACT ASSESSMENT

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

This plan will influence Community Safety within the district for the time period 2011-2012.

FINANCIAL IMPLICATIONS

There are no additional financial or resource implications for the council as a result of endorsing the Lancaster District Community Safety Plan.

SECTION 151 OFFICER'S COMMENTS

The s151 Officer has been consulted and has no comments to add.

LEGAL IMPLICATIONS

There are no legal implications arising from this report.

MONITORING OFFICER'S COMMENTS

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

BACKGROUND PAPERS

Lancaster District CSP Strategic Assessment

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Lancaster District Community Safety Plan – 2011/2012



1. Legislation

The production of a Community Safety Plan is a legislative requirement of all Community Safety Partnerships (CSPs) as part of the Crime and Disorder Review. Its purpose is to provide a plan of action for work to be carried out by the CSP for the year. It is based on the Strategic Assessment¹ which is in turn based on statistical analysis across the district.

2. Current Landscape

Many partner organisations have been under review during the development of the Plan and will continue to be during the forthcoming year. Partner organisations may be affected by public sector cuts.

To this end this Plan has been written with a view to prioritizing those areas of most concern and where the CSP can work together to make a difference. There is much work taking place throughout the district on Community Safety activity. It is not the remit of this plan to set out all this work, instead this plan sets out those activities which come directly as a result of the Lancaster District CSP working together in partnership.

2. Key Priorities

The key priorities of the CSP for the forthcoming year are:-

- **Domestic Violence/Abuse**
- **Violence against the person**
- **Road Safety**
- **Antisocial Behavior**
- **Serious Acquisitive Crime**

¹ Available by contacting the Community Safety Team at Lancaster City Council.

3. Community Safety Action Plan

3.1 Reduce Domestic Violence

Lead: Helene Cooper, Lancashire County Council

Outcome: Reduce the number of repeat referrals to MARACS

Outcome: Increase reporting of domestic violence incidences

Action	Activity	Resources Required	Timescale	Lead Agency and others responsible	Targets
Maintain existing service provision i.e. IDVA and MARAC	Support Lancashire-wide IDVA bid Support additional Lancaster IDVA bid	Match-funding for IDVA & MARAC service	April 2011	Probation All	
DV Prevention campaign	Link in with school PHSE relationship work Create links with universal children & family services	PCSOs to deliver messages in schools and engagement PCSOs to provide visible presence through targeted patrol in communities identified with high incidence of DV	End Date 31 st March 2012	Probation - Gemma Burton (DV Group Chair) DV Group	
DV Awareness campaign	Funding for promotional materials of helplines etc. Zero tolerance campaigns Support children & family counselling services			Probation - Gemma Burton (DV Group Chair) DV Group	
DV risk profiling including mapping / analysis and MARAC improvements	Mapping of all current service provision. Analysis of DVA need – area mapping/analysis victim analysis Training (DV & MARAC) for all front-line staff and services Increase partner referrals to MARAC Appropriate partnership engagement in MARAC	Analyst time for DVA need	Mapping 31 May 11 MARAC Review 30 Sept 11	Probation - Gemma Burton (DV Group Chair) DV Group DI Phil Jones (Chair of Marac) DV Group	

3.2 Reduce Violence Against the Person

Lead: Chief Inspector Tracie O'Gara, Lancashire Constabulary

Outcome: Reduce Alcohol Related Violent Crime

Action	Activity	Resources Required	Timescale	Lead Agency and others responsible	Targets
<p>Devise an Alcohol Campaign that addresses</p> <p>1/ The pre loading aspect with young people and include new residents entering the district ie new students.</p> <p>2/ address violent crime where alcohol is a factor in the crime.</p>	<p>Distribution of posters and leaflets throughout the districts. Promotional DVD to be made by students Multi-agency visits into universities. Run three campaigns at key times during the year PCSO to deliver key messages and conduct visits PCSO to provide visibility during campaigns and assistance as required PCSOs to link with FE colleges</p>	<p>Funding for promotional materials Lanpac funding for promotional DVD.</p>	To March 2012	<p>Police Students Union CBM Licensing PCT</p>	Reduction in the number of students involved in alcohol related crime and incidents.
Alcohol PCSO	<p>Assist in CSP activities such as ASBRAC and Maps. Identify vulnerable people and refer to services. Patrol hot spot areas and link to young people at risk of harm from substance misuse. PCSO to visit off license and hot spot areas where alcohol related ASB/violent crime is problem, either perceived or real.</p>		To March 2012	<p>Police CSP Alcohol PCSO / PCT</p>	<p>Number of individuals subject to ASBRACs to be monitored with a view to setting targets. Increase in the number of licensed premises subject to enforcement activity. (Increased compliance following activity in Q1 and Q2) Reduction in the number of licensing breaches</p>
Review current taxi stewarding schemes to reduce numbers of drunken individuals on the street leading to violent crime.	PCSO to patrol areas around taxi ranks and gather intelligence to feed back to agencies.		To March 2012	<p>Council Licensing / Police Licensing (MALT) Security Industry / Police / City council</p>	Reduce overall alcohol fuelled street violence

3.3 Reduce Road Safety Collisions

Lead: Kyran Ronson, Lancashire Fire and Rescue

Outcome: Reduction in casualties from collisions involving vehicles

Outcome: Reduction in casualties from collisions involving pedestrians

Outcome: Reduction in casualties from collisions involving cyclists

Action	Activity	Resources Required	Timescale	Lead Agency and others responsible	Targets
Work with LCC to ensure county strategy is implemented effectively in the District	Regular meetings with county reps Support delivery of educational packages into priority schools, including via PCSOs Support delivery of cycle training packages to priority schools	Staff/volunteer time; PCSOs time; training,	To March 2012	Fire and Rescue Paul Binks, LCC; Police; PCT	
Examine district level evidence to ensure specific district road traffic casualty issues are being addressed by the appropriate agencies	PCSOs to assist with delivery of Operation PATHWAY targeting identified road safety issues. PCSOs to work with schools to tackle local issues such as parking outside schools and develop education packages with the schools to tackle specific issues as they arise – e.g. cycle helmets for primary school	PCSO time Staff time	To March 2012	Fire and Rescue Paul Binks, LCC; Police; PCT	

3.4 Reduction in incidences of Antisocial BehaviourLead: Michelle Emery, Lancaster City Council

Outcome: Reduction in incidences of environmental antisocial behavior

Outcome: Reduction in incidences of disorder

Outcome: Reduction in repeat referrals to ASBRAC

Action	Activity	Resources Required	Timescale	Lead Agency and others responsible	Targets
Develop Street Pride events as a multi-agency response to dealing with low levels of environmental antisocial behaviour and building community capacity.	12 Street Pride events held and publicized Make best use of the PCSOs to ensure community engagement. Involve voluntary sector Annual evaluation	£1000 budget. PCSO assistance	To March 2012	M Emery, Lancaster City Council A wide range of agencies, community as required, in particular making use of Community Payback	Reduction in ASB on the areas where Street Pride events were held.
Develop ASBRAC cases management processes in line with best practice and by making best use of the ASB PCSO post.	PCSO patrols and to identifying vulnerable people and submit referrals and assist the ASBRAC process. Monthly multi-agency ASBRAC meetings in place chaired by Lancaster City Council and Police. Multi agency awareness raising campaign around ASBRAC process (linked to the awareness raising programme taking place at county level). Annual evaluation of ASBRAC process.	PCSO assistance	To March 2012	City Council M Emery Police A Hills Other agencies as required	Reduction in repeat referrals to ASBRAC.
Positive activities (ongoing activities) for young people	Agencies work together to secure funding and plan activities. PCSOs signpost to activities which are managed by agencies.	Budget up to £40,000	To March 2012	City Council/County Council and a wider range of partners	Reduction in ASB involving young people.

3.5 Reduction in Serious Acquisitive Crime

Lead: Chief Inspector Ian Dawson, Lancashire Constabulary

Outcome: Reduction in incidences of vehicle crime

Reduction in burglary in dwellings

Reduction in reoffending by PPOs/Revolution

Action	Activity	Resources Required	Timescale	Lead Agency and others responsible	Targets
Reducing Reoffending					
To establish and promote recovery pathways for those misusing drugs and alcohol. ²			To March 2012	LDAAT N Lancs Joint Commissioning Group TEG	Reduction in repeat referrals to substance misuse services.
Review the Prevent and Deter structure and process for young offenders, ensuring PCSOs support the process.			To March 2012	YOT	Deter reoffending rate Revolution nominal reoffending rate if available.
Reduction in Burglary					
Improvements to the CSP's response to burglary	Use of PCSOs to identify and provide advice, reassurance and signposting to vulnerable people. Use of PCSOs to provide the link between those experiencing burglary and the agency activities.		To March 2012	Police Other agencies as identified	

² This activity has resulted from the findings and recommendations of the Breaking Through report (baseline research 2010).

As stated above this is not the sum total of work around community safety in the Lancaster district, but the action plan of the CSP. Appendix 1 gives details of community safety work which does take place throughout the district but is not managed within the CSP.

4. Monitoring

Monitoring and evaluation will take place in the quarterly CSP meetings. Concentration will be given to direction of statistics against the key priorities and progress against the action plans.

5. Review

Agencies and organizations at the present time are facing changes and reductions in staffing and resources. This has been taken into account in the creation of this plan. The action plan takes the form of a range of prioritized activities which is a realistic account of activities to be undertaken within the CSP.

This action plan will be reviewed quarterly throughout the year within the CSP's monitoring process.

Appendix (1)

2.1 Domestic Violence/Abuse

- A multi agency group meets to deliver a wide range of activities around domestic violence/abuse.
- Lancaster District Womens' Aid (LDWA) supports victims by counseling and advocacy.
- PCSOs provide links to services for vulnerable people and those experiencing domestic abuse.
- Activities take place to reduce reoffending.
- The CSP has developed a PCSO role which focuses on alcohol related harm.

2.2 Violence against the person

- Prevention takes place around re-offending with work around prolific offenders.
- Multi-agency licensing operations and awareness raising, assisted by Police Community Support Officers (PCSOs).

Road Safety

- PCSOs link to the Lancashire Safer Travel Unit.

Antisocial Behaviour (ASB)

- Multi agency problem solving (Maps) meetings take place to solve particular cases of antisocial behaviour. The PCSOs play a pivotal part with the community in bringing issues to Maps and finding solutions.
- The CSP links to the County ASB group to ensure best practice is followed and agreed standards are met.
- Development of the ASB/PCSO role.
- Community engagement takes place to build confidence. PCSOs link the CSP to the community.
- Preventing reoffending takes place with young people and in particular to prolific offenders.
- The CSP embraces the proposals of the 'new streamlined approach to ASB' by Crime Prevention Minister, James Brokenshire.
- PCSOs play a key role in tackling signal crime such as criminal damage, graffiti and fly tipping by problem solving.
- PCSOs patrol key ASB hotspots as well as visiting licensed premises which are selling to underage children.

Serious Acquisitive Crime

- Multi agency work around prolific offenders and into treatment services.
- PCSOs are used to assist in Police operations around serious acquisitive crime as well as patrolling key areas.

2010/11

Lancaster Strategic Assessment



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EXECUTIVE SUMMARY

DOMESTIC VIOLENCE / ABUSE

Domestic abuse continues to be a priority for the Lancaster Community Safety Partnership. Domestic abuse is a hidden harm which disproportionately affects one sector of our society. On average only one in four domestic abuse incidents get reported. Therefore an identified increase in reporting can also be considered to be a positive as we have aim to achieve an increase in reporting. Domestic Abuse is a complex area; Lancaster District Women's Aid and the Probation Trust continue to report that their clients both have complex dual needs ranging from mental health, substance misuse and housing. Funding for the domestic abuse services is always at risk, particularly the Independent Domestic Violence Advisor (IDVA). This is of concern to the Partnership as this service is pivotal to the success of protecting high risk victims of abuse and also for justice outcomes for perpetrators. Without this service the co-ordinated response to other provisions such as the Multi-Agency Risk Assessment Conference (MARAC) process will fall down.

VIOLENCE AGAINST THE PERSON

Violence has been identified as a Community Safety priority and accounts for just under a quarter of all crime recorded across the district, of which alcohol is a key driver. Violence is a district wide problem and from recent research carried out, findings show that a higher proportion of offences happen within the home. Evidence suggests that the problem is worsening slightly which is also in-line with the domestic abuse priority; highlighting the strong links between the two community safety priorities.

ROAD SAFETY

Road safety concerns remain a district wide problem, which feature highly on the community agenda, with speeding vehicles and inappropriate parking consistently raised at PACT meetings across the district. The Lancaster district continues to rank relatively high when comparing numbers of collisions with other areas of Lancashire and evidence suggests the problem is worsening slightly. The Partnership needs to continue with a proactive approach to preventing road traffic collisions, to protect the people of the Lancaster district.

ANTI-SOCIAL BEHAVIOUR

Anti-social behaviour (ASB) continues to be a priority for the Community Safety Partnership. ASB is a very broad and complex issue and the Partnership should consider the multiple drivers of ASB, when dealing with such issues, as these can make it much more challenging to target and implement permanent solutions. Rowdy-inconsiderate behaviour, neighbour nuisance, vehicle nuisance and environmental crime (such as damaging or littering) are the most reported issues across the district and cause real concern within our communities. The Partnership also needs to be proactive in terms of improving public confidence and perception levels (one of the multiple drivers of ASB) in respect of anti-social behaviour.

SERIOUS ACQUISITIVE CRIME

Serious acquisitive crime has been identified as a Community Safety priority due to a recent spate in offences of burglary and vehicle crime across the district and the fact that during an economic downturn, acquisitive crime normally increases. The main threat to community safety is burglary and vehicle crime offences which are regarded as serious types of acquisitive crime and which can ultimately have the biggest impact on members of our communities within the Lancaster district.

The Partnership is aware that the priorities identified consist of similar drivers/root causes, all of which were taken into consideration throughout the early stages of the Strategic Assessment process. The key drivers/root causes identified, the majority of which fall into each priority, are substance misuse (alcohol and drugs), community cohesion (engagement, fear of crime, perception of crime) and economic factors. The identified drivers/root causes will be focused upon within all relevant action plans. Prevention of offenders and pre-venting re-offending factors has also been taken into consideration.

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INTRODUCTION

The Strategic Assessment is a legislative requirement of all Community Safety Partnerships, as part of the Crime and Disorder Review (of which all responsible authorities have a legal obligation to comply with). Its purpose is to present and interpret the summary findings of an intelligence analysis, and provide knowledge and understanding of community safety problems that will inform and enable the partners to;

- ▶ Understand the patterns, trend and shifts relating to crime and disorder and substance misuse.
- ▶ Set clear and robust priorities for the partnership.
- ▶ Develop activity that is driven by reliable intelligence and meets the needs of the local community.
- ▶ Deploy resources effectively and present value for money and undertake annual reviews and plan activities, based on a clear understanding of the issues and priorities.

The Strategic Assessment will inform the Partnership Plan and will become a key document in the allocation of resources and achieving the partnerships outcomes. The following chart details what action the Community Safety Partnership has taken and what will take place over the coming months.



In relation to the current economic status, the Partnership has noticed that as the funding pots get tighter and public services start to cut back, the projects that rely on 'agency contributions' suffer. Services now have to look for alternative sources of funding, but these sources are also diminishing. Many services/partners have been under review during the process of this Strategic Assessment and will continue to be during the forthcoming year. Many of the services/partners are affected by the public sector cuts. As the current economic status is likely to get much worse before it gets any better, the Partnership will do its utmost to minimise the impact of these changes and aim to work smarter together as a Partnership.

METHODOLOGY

Aim

The aim of the Strategic Assessment is to provide the Community Safety Partnership with an assessment of current, emerging and potential issues affecting the levels and community concerns about crime and disorder in the area. It will offer opportunities for enforcement, prevention and reassurance as well as identifying gaps in intelligence, capacity and social capital.

Purpose

The purpose of the assessment is to provide the Community Safety Partnership with a summary of the key threats/issues that Lancaster may face over the next 18 months, in respect of the priorities identified. The assessment will provide evidence and justification for strategic decision making.

Scope

The Strategic Assessment process is managed by a 'core group' with representation from each of the responsible authorities; including the Lancaster City Council, Lancashire County Council, Police Authority, Primary Care Trust, Probation Trust, Lancashire Fire and Rescue Service and the Lancashire Constabulary. The purpose of the core group is to plan the delivery of the Strategic Assessment and ensure that the partnership priorities are determined. The partnership also manages a 'Strategic Assessment Implementation Team', which consists of a broad range of organisations, identifying the importance of a broader input, together with input from the wider community.

We are heavily reliant on police data to provide a central framework for the strategic assessment; however, further information has been obtained from a modest range of other organisations as additional supporting evidence. Where possible various opinion surveys have been utilised to ensure that the perceptions and feelings of the local communities are reflected within the report.

The initial part of the Strategic Assessment process is to complete a 'priority matrix' which assists the partnership in identifying the districts community safety priorities. A list of identified problems are assimilated by members of the partnership and analysed within the matrix. Evidence is gathered in relation to; the geographic extent of the problem, the scale relative to other areas, direction of travel, level of harm, threat level and community concerns. In addition to the above categories it was decided by the core group that the matrix would include a 'CSP added value' column, in order to provide a purpose and a realistic view of what the CSP can achieve and/or have an impact on. The problems have been scored using the evidence provided in consultation with our partners and using a format based on Home Office recommendations; resulting in the districts top five priorities. An additional column was also added, at the request of the core group to help identify the drivers/root causes of the problems – in order to focus the partnership more proactively when trying to achieve their outcomes.

Data was collated between April 2009 and September 2010 and references have been made when this was not possible. Comparisons have been made with the same time the previous year.

PRIORITIES MATRIX

Each of the problems within the priorities matrix were scored and ranked according to a scoring system, detailed in appendix three. The table below shows the summary priority matrix, ranked according to their overall score.

Partner consultation has taken place throughout each stage of the strategic assessment process.

Summary Priorities Matrix for **Lancaster District**

Problem	Geographic Extent	Scale Relative to Other Areas	Direction of Travel	Level of Harm	Threat Level	Community Concerns Expressed	Local / National Strategies & Targets	CSP Added Value	Overall Score	Rank
Domestic Violence-Abuse	3	3	3	3	2	1	0	3	18	1
Violence Against the Person	2	3	2	3	2	2	0	3	17	2
Sexual Violence	2	3	2	3	1	2	0	0	13	4
Serious Acquisitive Crime	2	3	3	2	2	2	0	2	16	3
Road Safety	3	3	2	3	1	3	0	2	17	2
Fire Safety	3	1	0	1	1	0	0	1	7	7
Anti-Social Behaviour	3	2	0	3	3	3	0	3	17	2
Criminal Damage	2	3	0	2	2	3	0	1	13	4
Arson	3	2	0	2	1	0	0	1	9	6
Hate Crime	2	2	2	3	1	1	0	1	12	5

Individual Score	Overall	Colour	
0	0 - 4		this is not at all the case in our area
1	5 - 9		there is some small evidence that this is the case in our area
2	10-14		there is moderate evidence that this is the case in our area
3	15 - 19		there is substantial evidence that this is the case in our area

LANCASTER'S PRIORITIES

PRIORITY ONE – DOMESTIC VIOLENCE-ABUSE

Domestic abuse continues to be a priority for the Lancaster Community Safety Partnership. The problem is district wide, with some certain areas of concern e.g. the Morecambe area consistently records a higher proportion of domestic related police incidents. As stated in the executive summary, domestic abuse is a complex area. 75% of domestic abuse goes unreported; therefore the high levels of reporting in Morecambe may be due to an increased awareness or understanding of domestic abuse amongst the community and services, but as Morecambe also has numerous pockets of deprivation they may also be due to economic factors or demographics. However, the link between the higher levels of reporting domestic abuse in areas of high deprivation may be due to a lack of resources means a need for more service intervention.

The extent of the problem becomes more apparent when the Lancaster district is consistently ranked second in Lancashire (excluding the two unitary districts) when recording domestic related police incidents; and continues to be above the Lancashire average. From some specific analysis that has previously been carried out in respect of the location for 'assault with less serious injury offences within Northern Division (Lancaster & Wyre districts), the results for a two month period showed that 43% of offences happen within the home, 31% of offences take place in the street and 10% take place on licensed premises¹.

Recorded levels of domestic related incidents and crimes have increased, referrals and numbers of calls made to Lancaster District Women's Aid (LDWA) have increased and also referrals made to the Independent Domestic Violence Advisor (IDVA)². Domestic violence-abuse remains a common feature in two of the districts volume crime types, criminal damage and violence against the person. In 2009/10 domestic related violence³ accounted for 26% of all violence recorded across the district; three percentage points higher than the same time the previous year. Nationally, an average of two women per week are killed by a current or former male partner.

Domestic violence/abuse is a precursor to more serious crime and incidents and cross cuts many issues, for both the victim and perpetrator including; alcohol and/or substance misuse, mental and/or general health, employment, social services intervention and civil/criminal interventions. LDWA report that approximately 75% of all their clients have complex dual needs; domestic abuse and mental health problems, alcohol problems and less so, substance misuse problems. In addition, of those Probation clients who are domestic violence perpetrators, 73% have alcohol misuse issues. There is no doubt that there are links between domestic violence and alcohol use but the exact nature of these links remains complex. Alcohol use cannot cause a person to be violent or abusive, more simply, the majority of domestic violence is perpetrated in the absence of alcohol and the majority of higher level alcohol users do not abuse their partners (Strauss & Gelles, 1990). However, there

¹ Lancashire Constabulary, Level 1 - Scoping Report, Assault with Less Serious Injury, September 2010 – Intelligence Analysts, Phil Wilson & Louise Mullen.

² Holden, S (2010) Lancaster District Women's Aid Co-Ordinator.

³ The term violence accounts for violence against the person.

is some evidence to suggest that domestic violence can cause alcohol use in those on the receiving end of domestic violence or exacerbate existing use⁴.

Both the Probation Trust and LDWA continue to report that there is severe lack of housing within the district for both the perpetrator and victim; Probation report that one of the criminogenic factors for just under half of the perpetrators is accommodation.

In November 2010 a Home Office strategy 'call to end violence against women and girls' declared that tackling all violence against women and girls will remain a key objective. Domestic abuse is one of the many areas of violence that predominantly impact on women and girls. Consequently, they declared that they will provide £3.3m of stable Home Office funding for the IDVA specialist service provision and to support MARACs to ensure there is a consistent delivery of service nationally⁵. However, nationally this is not nearly enough to support the needs of high risk victims.

The IDVA service reflects the following principles; safety, risk, diversity, dynamics of domestic violence, independence, accountability, co-ordination and respect. It has been identified that the IDVA is key to the SDVC and MARAC process. From analysis of a recent CPS survey, not only was there a successful outcome in 73% of the domestic violence cases where an Independent Domestic Violence Advisor supported the victim but also 66% of all victims supported, regardless of the outcome of the case, reported a cessation or reduction of domestic violence as a result⁶.

Domestic abuse does not just impact on the adult victim. 75% of children living in the household witness the abuse. 50% of children under a child protection order are living in households where domestic abuse is also a factor. Growing up in a violent household, violence becomes normalised behaviour, and they often go on to commit other violent crimes or become domestic abuse perpetrators later in life themselves.

Emerging Threat(s) : as the Independent Domestic Violence Advisor (IDVA) service and Multi-Agency Risk Assessment Conference (MARAC) are a multi-agency provision, they are totally dependent on being funded from external sources. The key aspect to the success of the IDVA service is in the independence of the support. The victim's needs are the priority, therefore finding secure funding for this from mainstream budgets is difficult. Without an IDVA, the co-ordinated response to the Specialist Domestic Violence Court (SDVC) and the will fall down.

Recommendation : for the Partnership to continue to encourage reporting of domestic violence-abuse across the district.

Recommendation : to attempt to secure funding for the Independent Domestic Violence Advisor(s) who deliver specialist support to victims of domestic violence-abuse.

Recommendation : to consider more joined up working across the thematic groups; along with creative working procedures to tackle the drivers/core issues of domestic violence-abuse as it feeds into crime, in particular violence.

⁴ Domestic Violence & Alcohol Briefing – Nina George (November 2007).

⁵ HM Government - Call to End Violence against Women and Girls.

⁶ Domestic Violence: the facts, the issues, the future – Speech by the Director of Public Prosecutions, Keir Starmer QC.

Recommendation : to focus on reducing re-offending behaviour, particularly in respect of drivers/core issues.

PRIORITY TWO – VIOLENCE AGAINST THE PERSON

During this year's refresh, violence against the person has been identified as a priority for the Community Safety Partnership. On the whole, violence is a district wide problem with some areas of concern, identified from the data available to us; particularly areas with a high concentration of licensed premises such as the City Centre of Lancaster (Dukes) and the Town Centre of Morecambe (Poulton). However, it is worth bearing in mind that these locations are heavily resourced, particularly at peak times.

The extent of the problem becomes more apparent when the Lancaster district is ranked second in Lancashire (excluding the two unitary districts) when recording violence against the person offences and features above the Lancashire average. A similar statement features above, under domestic violence-abuse, which clearly highlights the strong link between both priorities; domestic violence-abuse and violence against the person. Evidence suggests that the problem is worsening slightly, in that recorded levels of violence have increased, however attendances to the Royal Lancaster Infirmary Emergency Department have reduced, albeit over a slightly shorter period.

Violence against the person accounts for just under a quarter of all crime recorded across the district. Alcohol is a key driver of violence and features within approximately 37% of all violence recorded. Alcohol isn't a stimulant, but a depressant; which is why too much alcohol can often lead to impaired judgement, a tendency to violent behaviour and a loss of short-term memory⁷. Cocaine use in the UK is also increasing, along with steroid use, which has links in respect of violence, causing an impact on community safety. Violence against the person is also within the top five offences for Youth Offending Team (YOT) clients across the district.

Organised Crime Groups⁸ are also of some concern throughout the Lancaster district and are responsible for some of the violence occurring across the district along with the fear of crime that some of our residents experience. Violence can have a massive impact on its victims, along with other members of the community in terms of the perception of their safety.

Recommendation : to focus on preventing offending and reducing re-offending behaviour through enforcement and education.

Recommendation : to continue with multi-agency licensing operations and initiatives and raising awareness.

⁷ www.drinkaware.co.uk

⁸ Organised Crime Group – any group that engages in continuing organised criminality. This definition of an Organised Crime Group was decided upon with a rationale that it was able to be applied at all levels of criminality; from neighbourhood to international, covering all levels of the National Intelligence Model. The term group involves two or more individuals.

PRIORITY TWO – ROAD SAFETY

Collisions on the road, involving those killed or seriously injured (KSI) remain a priority for the Community Safety Partnership. The road safety concerns remain district wide, with no identified hotspots. The Lancashire Fire and Rescue Service (LFRS) record the more rural locations as their hotspots, when attending road traffic collisions that require their specialist services. The Lancaster district consistently records the highest number of recorded fatalities within the whole of Lancashire. The district also consistently ranks second, in terms of recorded road traffic collisions (KSI), when compared with other Lancashire districts. The road injuries/death rate (per 100,000 population), as recorded by the National Health Service (NHS), continues to be significantly worse in Lancaster, than the England average.

Evidence suggests the problem is worsening slightly within the district, due to low reductions and/or very little change with previous time periods. Both the injury rate and death rate, as a result of a road traffic collision, continue to be above the Lancashire average. Findings from the Road and Transport Safety Group (2005/2009) identified a number of areas of concern across the district, all of which are detailed within the detailed priorities matrix. However, school children aged 6-15 inclusive are of some concern in terms of road safety. Pedal cycle casualty involvement rates are above the County expected rates and Casualty Severity rates are higher for 6-10 year olds than expected. Overall casualty severity rates for 11-15 year olds are second highest in the County. These patterns lead to the assumption that vehicle occupant casualties are relatively high in Lancaster.

Road safety is high on the community agenda with speeding vehicles and inappropriate parking consistently raised at PACT meetings across the district. Road traffic collisions are a signal incident in that when a collision is witnessed or experienced it can generate and/or increase fear and concern, within our communities; so much so that they may change their behaviour as a result. The partnership should continue with a focused approach to preventing road traffic collisions and the fear within our communities that surrounds this problem, along with protecting the people of the Lancaster district.

Threat : collisions on the road, involving a motorcycle are a priority for the Community Safety Partnership. The Lancaster district has a frequent influx of motorcyclists visiting beauty spots such as 'Devil's Bridge' at Kirkby Lonsdale; and passing through the district to visit the Lake District. A number of which pass through the Lancaster district, via rural routes and on their two wheeled vehicles, whilst making their way to Heysham Port; which is one of four mainland ports. An additional threat has been identified as young drivers, along with the children and young people who use our roads across the Lancaster district.

Recommendation : for the CSP to conduct a multi-agency approach in delivering Enforcement, Education and Engineering in respect of road safety issues across the district.

Recommendation : for the CSP to utilise the local media and raise awareness, improve local knowledge and promote road safety advice.

PRIORITY TWO – ANTI-SOCIAL BEHAVIOUR

Anti-social behaviour (ASB) continues to be a priority for the Community Safety Partnership. *Anti-social behaviour is any aggressive, intimidating or destructive activity that damages or destroys another person's quality of life. It holds back the regeneration of disadvantaged areas and creates an environment where more serious crime can take hold*⁹. Anti-social behaviour is a very broad and complex issue which can be challenging to target and implement permanent solutions for all problems identified. In addition, there are multiple drivers of anti-social behaviour including, low tolerance levels, high perception levels, location of incidents, opportunities, alcohol misuse and offender(s) attitude/action at scene; thus making it very difficult to target.

Anti-social behaviour is spread district wide with the majority of areas suffering from some form of ASB. The overall level of anti-social behaviour has improved within the Lancaster district, recording a 15% reduction during the last 18 months. However, the rate of incidents in the Lancaster district continues to be above the Lancashire average and consistently ranks third, when compared with the twelve non-unitary districts within Lancashire. The police report rowdy-inconsiderate behaviour as the most reported problem followed by incidents of neighbour and vehicle nuisance and the local authority report environmental crime such as damaging or littering as the most reported.

A range of ASB issues are persistently raised at PACT meetings across the district. Anti-social behaviour can have a massive impact on the members of our communities, particularly in terms of the perception of their safety. The extent of the problem becomes more apparent when the Place Survey identified that the perception of drunk and rowdy behaviour is the same now as it was in 2006/07; when in fact rowdy or inconsiderate behaviour incidents within Lancaster have reduced consecutively during the last four years. The partnership recognises the link between anti-social behaviour, hate crime and criminal damage, i.e. a lot of hate crime is anti-social behaviour - the incident could be a hate crime, but people are being targeted through acts of anti-social behaviour. In order to monitor these types of incidents and those high risk victims, who are persistently troubled by anti-social behaviour, procedures under the ASBRAC (Anti-Social Behaviour Risk Assessment Conference) process are firmly in place across the district. This process allows a multi-agency approach to protecting our communities.

Partners will need to work differently when implementing the 'new streamlined approach to anti-social behaviour' proposed by the Crime Prevention Minister in February 2011. Councils, police and other local agencies are required to support victims of persistent anti-social behaviour, as part of the plans to provide better tools and powers. This follows a review which found that there are too many tools for practitioners to tackle ASB – some of which are too bureaucratic, too costly and do not address underlying problems. A public consultation has proposed a number of new measures to better protect communities from the serious harm caused by criminal and anti-social behaviour. The proposals include, community triggers,

⁹ www.homeoffice.gov.uk – Anti-Social Behaviour.

criminal behaviour orders, crime prevention injunctions, community protection orders and police direction powers¹⁰.

The home office has also initiated a new approach for handling complaints of anti-social behaviour¹¹. Since the 1st April 2011 the National Standards for Incident Recording (NSIR) categories, for classifying anti-social behaviour, have changed. The 14 categories we have used for the past five years have changed to three; personal, nuisance and environment¹². The simplified categories change the emphasis from merely recording and responding to incidents to identifying those vulnerable individuals, communities and environments most at risk¹³.

Emerging Threat : intelligence suggests that members from identified Organised Crime Groups (OCGs)¹⁴ carry out or administer acts of anti-social behaviour across the district. Reported incidents consist of rowdy-behaviour, vehicle nuisance, groups of youths/undesirables congregating and openly carrying out dealings with drugs.

Emerging Threat : social networking sites are rapidly becoming a huge target from preying cyber criminals. These sites are very popular with young people and adults alike and for young people in particular social networking sites can bring together many of the risks associated with being online i.e. online bullying, disclosure of private information and cyber-stalking¹⁵.

Recommendation : to identify and support those people who are most vulnerable and most at risk of anti-social behaviour.

Recommendation : to engage with the community as much as possible, via regular media releases, promoting good news stories, building confidence and reassurance. To also involve communities and encourage them to take ownership of the areas where they live via initiatives such as Street Pride under the 'Big Society' agenda.

Recommendation : to focus on preventing offending and reducing re-offending behaviour through enforcement and education; and to utilise initiatives such as Restorative Justice to encourage positive community cohesion.

Recommendation : to support initiatives that engage young people in positive activities in their locality.

Recommendation : to continue the multi-agency approach at preventing environmental disorder in order to protect the members of our community through multi-agency operations such as the Multi-Agency Problem Solving team (MAPS) and Street Pride.

Recommendation : for the Partnership to embrace the proposals of the 'new streamlined approach to anti-social behaviour' – administered by the Crime

¹⁰ Consultation On New Powers To Replace And Streamline Existing Powers – Crime Prevention Minister James Brokenshire (February 2011).

¹¹ <http://www.homeoffice.gov.uk/media-centre/news/asb-victims>

¹² <http://sherlock/latestnews/march2011/Pages/ChangestoAntiSocialBehaviourcategories.aspx>

¹³ National Standard for Incident Recording 2011 – National Policing Improvement Agency (NPIA)

¹⁴ Organised Crime Group – any group that engages in continuing organised criminality. This definition of an Organised Crime Group was decided upon with a rationale that it was able to be applied at all levels of criminality; from neighbourhood to international, covering all levels of the National Intelligence Model. The term group involves two or more individuals.

¹⁵ www.getsafeonline.org

Prevention Minister James Brokenshire; to monitor the districts performance against the anti-social behaviour standards and support our victims of anti-social behaviour.

PRIORITY THREE – SERIOUS ACQUISITIVE CRIME

Burglary dwelling, vehicle crime and robbery are regarded as serious types of acquisitive crime; which can ultimately have the biggest impact on members of the communities within the district. This year's refresh has identified serious acquisitive crime as a priority for the Community Safety Partnership. It is a district wide problem, but with a slightly higher proportion of offences in the Morecambe section of the district, accounting for approximately 57%. The hotspots include, Skerton East, Skerton West, Town Centre (Poulton) and Westgate – all of which suffer with pockets of deprivation; thus the high proportion of crime within these areas of the district could be linked to demographics.

Acquisitive crime is a signal offence and is a strong precursor to more serious crime. 'Some' drug dependant individuals are known to commit a large volume of acquisitive crime throughout the district. It is without doubt that these acquisitive crimes have an impact on our communities. The evidence, shown clearly within the priorities matrix suggests that the problem is improving or at least staying the same, however a recent spate of burglaries and vehicle crime would suggest that the problem is worsening substantially. Research however, has shown that during an economic downturn, acquisitive crime normally increases¹⁶. This is due to higher unemployment rates, higher prices in general for various goods and utility bills and alongside issues of motivation. When people feel better off financially, as indicated by their spending, they are less likely to be attracted to criminal methods of obtaining goods, however this presents the potential for a reverse opportunity effect when times are more difficult. The findings of the research were that economic trends can have a powerful effect on crime.

Serious acquisitive crime accounts for approximately 11% of all crime recorded across the district. The main threat, in terms of volume is vehicle crime and in particular theft from a vehicle; which accounts for 77% of all serious acquisitive crime. However, the main threat to our communities, in relation to fear of crime is burglary dwellings which account for 33% of all serious acquisitive crime. The district ranks third, in terms of serious acquisitive crime, when compared with other Lancashire districts (excluding the two unitary districts). Serious acquisitive crime is however, below the most similar group average and ranked 11th out of the 15 most similar groups (MSG).

Emerging Threat : although the UK economy should avoid a double-dip recession, the outlook will remain uncertain until the end of 2011¹⁷ and as previously mentioned, research has shown that during an economic downturn, acquisitive crime normally increases.

¹⁶ Trends in Crime Revisited – Simon Field – Home Office Research Study 195 published 1999 revisiting research published by the Home Office in 1990 (Field 1990).

¹⁷ <http://www.financeweek.co.uk/fw-comment/uk-economy-should-avoid-double-dip-recession-outlook-remains-uncertain>

Recommendation : to focus on preventing offending and reducing re-offending behaviour through enforcement and education.

Recommendation : to continue to support the links between offender management and available treatment systems.

Recommendation : to continue to strengthen the communication links with the communities, providing reassurance and offering crime prevention advice on personal and property safety.

REVIEW OF CSP ACTIVITY 2010-2011

CRIME AND DISORDER

Serious Acquisitive Crime - the Revolution Project targets Prolific and Priority Offenders (PPOs) and other offenders responsible for the commission of serious acquisitive crime and/or serious ASB. A mapping exercise has resulted in the development of an action plan which has formed the basis of partnership work. Governance and strategic direction is now provided by the North Lancashire Revolution Board with appropriate representation from all agencies. Fortnightly multi-agency panels have been established with increased focus on the accommodation and ETE pathways as well as substance misuse treatment which remains central.

A broader performance framework is being developed but reoffending rates for PPOs remain significantly below the target reduction set. In 2009/10 there was a 45% reduction in reoffending against a target of 13%.

SUBSTANCE MISUSE

Drug and Alcohol Misuse – the new National Drug Strategy (NDS) was published in December 2010 promoting three key themes:

- Reducing supply
- Reducing Demand
- Promoting Recovery.

Lancashire Drug and Alcohol Action Team (LDAAT) is the body responsible for the implementation of the National Drug Strategy in the county.

Reducing supply - through LDAAT devolved commissioning budgets the North Lancashire Joint Commissioning Group (NLJCG) has agreed a funding contribution towards 2 PCSO's countywide for the NIMROD programme.

Reducing Demand - through LDAAT devolved commissioning budgets the North Lancashire Joint Commissioning Group has funded the highly successful Northern Beat competition and Up front theatre productions in schools across North Lancs. over the last 3 years which deliver education and drama opportunities around substance misuse and linked themes in line with the expectations in the NDS.

The Community Safety Partnership has appointed an Alcohol Harm PCSO, who has been effective in tackling diverse issues, in relation to alcohol related harm, across the district.

Promoting Recovery - LDAAT and NHS North Lancashire have re commissioned adult substance misuse treatment services via the North Lancashire Joint Commissioning Group (NLJCG) with the Journey to Recovery service going live in October 2009. The contract is now well embedded in local partnerships. This is a £1.8 million contract that provides recovery focussed drug and alcohol treatment at tiers 2 and 3.

The Drugs Intervention Programme is delivered by Addaction in North Lancashire; linking closely with Lancashire Constabulary and Lancashire Probation Service and the Revolution Board.

Heroin and alcohol are the main areas of substance misuse seen in adults, with alcohol and cannabis the most common in young people. The last 18 months has seen a significant growth in emerging psychoactive substances, 'legal highs'. Recent research commissioned into emerging trends in the night time economy in Lancashire has shown that mephedrone and 'bubble' are most common in Lancaster (Lancaster, Preston, Chorley and Burnley were the sites in the study).

A number of challenges exist in North Lancashire for treatment services going forward. Following lower than expected numbers of problematic drug users accessing treatment a report, 'Breaking Through' identified issues about service provision and other key areas facing problematic drug users. The results of this report will be utilised by the NLJCG during 2011-12 to drive improvements to local treatment services and improve further the chances to recover from substance misuse.

DOMESTIC VIOLENCE/ABUSE

The Community Safety Partnership supports the Independent Domestic Violence Advisory (IDVA) Service by part-funding the resource. This service provides independent support to high risk and very high risk victims of domestic abuse by providing crisis intervention and support for the victim and their children. The advice; information and support provided by the IDVA also includes working closely with other agencies, to ensure the safety of the victim is the priority. The service is pivotal to the risk-management approach of a Multi-Agency Risk Assessment Conference (MARAC) process and also supports victims through the criminal justice process when cases go to a Specialist Domestic Violence Court.

The MARAC and SDVC process is supported by the domestic abuse reduction group, which is a multi-agency sub-group of the community safety partnership. This group look at all aspects of domestic abuse, from preventative work through to working with perpetrators to reduce re-offending. Awareness raising is a key part of the work, both amongst victims to feel able to come forward and know what support, options and help is available, and also for services to recognise the hidden aspects of domestic abuse, so they can refer the victim to appropriate support services.

The Local Strategic Partnership (LSP) currently funds a Domestic Violence Outreach service provided by Lancaster District Women's' Aid (LDWA). This service provides a

range of support (e.g. counselling; advice) for all victims of domestic abuse to ensure that a victim and their children's safety is paramount.

ANTI-SOCIAL BEHAVIOUR / QUALITY OF LIFE

The Community Safety Partnership (CSP) has a process in place for dealing with high-risk cases/victims of anti-social behaviour (ASB). These cases involve people who are vulnerable and suffering repeat ASB. The ASBRAC (ASB Risk Assessment Conference) process is based on a risk management approach, where victims who are assessed with a high score enter the process. Multi-agency meetings are held in order to combat the problem – in the hope that the victim will be reassessed at a lower risk. In theory, once the problem is solved, the progress of the victim is managed and problems monitored to ensure the problem does not escalate once again.

The Community Safety Partnership has appointed an Anti-Social Behaviour PCSO who has been effective in dealing with case management of ASB.

The MAPS (Multi-Agency Problem Solving) team / process has been in place across the district for a number of years. The team deal with lower risk cases of ASB and wider community safety issues, impacting on the district, by using a multi-agency tasking approach. The team has been very successful in combating a number of different issues raised by various partner agencies - ensuring that our communities feel safe and reassured.

The CSP understand that one way of preventing ASB is by building stronger communities. On a regular basis, the CSP administer 'Street Pride' events across the district, which concentrates on cleaning an area, making it safer and building community capacity within the area.

The CSP also supported the 'Bright Sparx' partnership campaign in October and November of this year, which is aimed at reducing ASB around Bonfire Night.

APPENDIX 1 – PRIORITY SCORING SYSTEM

Each problem identified has been scored according the following criteria:

Category	Description	Scoring System	
Geographic extent of the problem	Is this problem confined to one small area or is it widespread across the borough?	0	This is not a problem in our area
		1	The problem occurs in only one or two confined locations
		2	The problem occurs in less than half of the wards in the borough
		3	The problem is borough wide.
Scale relative to other areas	Compared to other parts of Lancashire as reported on MADE or the tracker tool; is the problem worse, the same as or better than other areas?	0	This is better than other parts of Lancashire (or other equivalent comparator)
		1	This is the same as other parts of Lancashire (or other equivalent comparator)
		2	This is slightly worse than other parts of Lancashire (or other equivalent comparator)
		3	This is substantially worse than other parts of Lancashire (or other equivalent comparator)
Direction of Travel	Is the problem getting worse, getting better or staying the same?	0	Improving
		1	Staying the same
		2	Worsening slightly
		3	Worsening substantially
Level of Harm	Is this problem a signal crime? Is it a precursor to something more serious? Does it disproportionately affect one sector of society?	0	This is not a problem in our area
		1	There is some small evidence that this is the case in our area
		2	There is moderate evidence that this is the case in our area
		3	There is substantial evidence that this is the case in our area.
Threat level	What is the probability of this problem occurring?	0	There is little chance of the event/outcome predicted, probability $\leq 10\%$
		1	There is some chance of the event/outcome predicted, probability $\leq 50\%$
		2	There is a better than even chance of the event/outcome predicted, probability $\geq 51\%$
		3	There is an almost certain chance of the event/outcome predicted, probability $\geq 90\%$
Of Community Concern	Does community consultation indicate that this is a real concern?	0	This is not a problem in our area
		1	There is some small evidence that this is the case in our area
		2	There is moderate evidence that this is the case in our area
		3	There is substantial evidence that this is case in our area
Local	Is this included in a number of local	0	It is not included in any local strategies or plans.

Category	Description	Scoring System	
Strategies/Targets	partner strategies and plans? For example, community plans, LAA, police control strategy, IRMP, health plans	1	One partner includes it in a local strategy
		2	Two partners include it their local strategies
		3	More than two partners include it in their local strategy or plans
National Strategies/Targets	Is this problem included in national strategies or plans? For example the Respect Agency or National Drugs Strategy.	0	It is not included in any national strategies or plans.
		1	It is a small element of a national strategy
		2	It is a key or primary element of a national strategy
		3	It is covered in several national strategies.
Other	Is there anything else important which should be scored, and if so, please ensure that all problems are scored against this to ensure consistency when scores are ranked. This should be suitably evidenced. Examples could be – cross-border issues, links with other cross-cutting issues	0	This is not a problem in our area
		1	There is some small evidence that this is the case in our area
		2	There is moderate evidence that this is the case in our area
		3	There is substantial evidence that this is the case in our area.

APPENDIX 2 – DATA SOURCES

Alcohol Profile 2010 – Public Health
Anti-Social Behaviour – Multi-Agency Data Exchange

C3PO Custody – Lancashire Constabulary
Command & Control – Lancashire Constabulary
CORA – Lancashire Constabulary
Crime2 – Lancashire Constabulary

Domestic Abuse – Lancashire Constabulary
Domestic Abuse – Lancaster District Women's Aid
Domestic Abuse – Multi-Agency Data Exchange
Domestic Abuse Related Successful Outcomes at Court – Crown Prosecution Service

Environmental Information – Lancaster City Council
Environmental – Multi-Agency Data Exchange

Fire & Road Safety Information – Lancashire Fire & Rescue Service

Health Profile 2010 – Public Health
Housing Information (inc. Tenant's Survey) – Lancaster City Council

Most Similar Groupings – IQuanta

Road Safety Information – Lancashire Safer Travel Unit

MARAC Information – Lancashire Constabulary
Multi-Agency Data Exchange (MADE)

OASys (Risk & Need Offender Profiles) – Probation Trust
Offending Types/Behaviours – Youth Offending Team
Opinion Wave 18 (2008) – Lancashire Constabulary

PACT – Lancashire Constabulary
Place Survey (2008)
Public Confidence – Lancashire Constabulary

Road & Transport Safety Group - Lancashire County Council
Road Traffic Collision System – Lancashire Constabulary

Substance Misuse Information - Lancashire Drug & Alcohol Action Team

Trauma Injury Intelligence Group (TIIG) – Public Health

APPENDIX 3 – ACRONYMS INCLUDED

ASB	Anti-Social Behaviour
ASBRAC	Anti-Social Behaviour Risk Assessment
CSP	Community Safety Partnership
DA	Domestic Abuse
DV	Domestic Violence
IDVA	Independent Domestic Violence Advisor/Advocate
ISVA	Independent Sexual Violence Advisor/Advocate
KSI	Killed or Seriously Injured
LCC	Lancaster City Council
LDAAT	Lancashire Drug & Alcohol Action Team
LDWA	Lancaster District Women's Aid
LFRS	Lancashire Fire & Rescue Service
LSP	Local Strategic Partnership
MADE	Multi-Agency Data Exchange
MAPS	Multi-Agency Problem Solving
MARAC	Multi-Agency Risk Assessment Conference
MSG	Most Similar Groups
NDS	National Drug Strategy
NHS	National Health Service
NLJCG	North Lancashire Joint Commissioning Group
OCG	Organised Crime Group
PACT	Police and Communities Together
PCSO	Police Community Support Officer
PCT	Primary Care Trust
PPO	Prolific Priority Offender
RLI	Royal Lancaster Infirmary
SDVC	Specialist Domestic Violence Court
YOT	Youth Offending Team

APPENDIX 4 – EVIDENCE

Evidence for the nature and characteristics of the problems identified i.e. all the work for the scanning and analysis phases is available to partners upon request.

COUNCIL**Appointment to Outside Bodies
14 September 2011****Report of the Head of Governance****PURPOSE OF REPORT**

This report enables Council to determine the basis for appointments to the Furness Line Community Railway Partnership, and to the Lancashire Tourism Forum.

This report is public

RECOMMENDATIONS

- (1) **That Council agree the basis for an appointment to serve as a Council representative on the Furness Line Community Railway Partnership, and for an appointment to serve as the Council representative on the Lancashire Tourism Forum.**
- (2) **That, should Council decide that either appointment should be made by way of nominations voted on by full Council, the nominations be made and voted upon at this meeting.**

1.0 Introduction

- 1.1 In October 2003 it was agreed that Council would determine the basis on which all appointments to outside bodies and partnerships are made. Unless otherwise requested by the outside body concerned, appointments are made to the date of the next City Council elections, subject to confirmation at each Annual Council meeting.
- 1.2 Members are reminded that the protocol for appointments to outside bodies allows for Council to determine whether the appointment should be made by virtue of a Councillor's position, such as a Cabinet Member or Ward Councillor or whether nominations should be invited for the appointment to be voted on by full Council

2.0 Proposal**The Furness Line Community Rail Partnership**

- 2.1 The Partnership Officer for the Furness Line Community Rail Partnership Officer for the Furness Line (Lancaster-Carnforth-Barrow) has contacted the Chief Executive to ask for Councillor representation on the Partnership.
- 2.2 The Furness Line Community Rail Partnership was set up in 2010 and the partnership first met on 3 November in Barrow in Furness. The membership

is being finalised during 2011 and, as well as representation from the City Council, the partnership hopes to include representatives from Cumbria County Council, South Lakeland District Council, Barrow Borough Council, Lancashire County Council, TransPennine Express, Northern Rail, Network Rail, FLAG, TravelWatch North West (TWNW), the Morecambe Bay Partnership (MBP) the Arnsdale & Silverdale AONB and the RSPB (Leighton Moss). Input will also be sought from the Carnforth Station and Railway Trust and from the Cumbrian Railways Association. The Partnership will also seek to include representation from the relevant parish and town councils and to draw in expertise where needed.

2.3 The aims of the partnership include increasing the usage of the line and to achieve line designation for the line. Designation not only brings additional project funding but also helps to protect the line from any proposed downgrading in the future. The line is not a formally designated community railway but that may become a long term aspiration as Line Designation opens up new channels of project funding.

2.4 The partnership usually meets quarterly at various locations along the line and meetings are normally timed to fit in with train arrival times. The Group has met in Barrow, Grange and Carnforth so far. The date of the Autumn meeting had not been confirmed at the time of drafting this report but would probably be in Barrow in late October/early November.

The Lancashire Tourism Forum

2.5 A letter has recently been received from the County Council indicating that at a recent meeting of councillors from local authorities across Lancashire it was agreed that a Lancashire Tourism Forum be established to consider local authority tourism related issues. The Forum would comprise one Councillor from each of the County Council, the District Councils and the two Unitary Authorities across Lancashire.

2.6 A request has been received for the Council to nominate a councillor to attend the Forum. County Councillor Lawrenson, the County Council's lead Cabinet member for Tourism, whilst recognising that nominations are a matter for the Councils concerned, has asked that, given the remit of the group, where possible, those nominated should have a similar influential role with their respective Councils.

2.7 The date of the first meeting is the 16th September 2011.

3.0 Options

3.1 The options for Council in respect of each body are to:-

- (a) Make the basis for each appointment by virtue of a Councillor's position such as Cabinet Member
- (b) Base each appointment on nominations made and voted upon at full Council.
- (c) Decide not to make an appointment.

In the case of option (a), the appointment would then be referred to the

relevant body, such as Cabinet and in the case of (b) Council would then seek nominations for an appointment to be made at this meeting.

4.0 Conclusion

4.1 Annual Council agreed the basis of all appointments to Outside Bodies, Partnerships and Boards either by virtue of a Member's role such as Ward Councillor, Cabinet member, Overview & Scrutiny member, etc., or by nomination to full Council.

4.2 Appointments were made at the Council meeting held on 15 June 2011 to those places to be filled by nomination and Council bodies such as Cabinet and Overview & Scrutiny have since made their appointments.

4.3 This report sets out requests to make new appointments.

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

There are no direct implications as a result of this report.

LEGAL IMPLICATIONS

There are no legal implications arising from this report.

FINANCIAL IMPLICATIONS

Members of Outside Bodies are entitled to travel expenses. Any cost resulting from this appointment would be met from democratic representation budgets.

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

None

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Ref:

Council

Appointments to Overview and Scrutiny 14 September 2011

Report of the Head of Governance

PURPOSE OF REPORT

To approve a change of membership of the Overview and Scrutiny Committee and to consider removing the Constitutional requirement to have at least one Member of the Overview and Scrutiny Committee on the Budget and Performance Panel.

This report is public

RECOMMENDATIONS

- (1) That Council approves the Conservative group appointment of Councillor Parkinson to the Overview and Scrutiny Committee in place of Councillor James.**
- (2) That Council considers removing the constitutional requirement that at least one Member of the Budget and Performance Panel is also a Member of the Overview and Scrutiny Committee.**

1.0 Introduction

- 1.1 At the last Council meeting, the Conservative Group appointed Councillor James to its vacancy on the Overview and Scrutiny Committee. The Group has now requested that Councillor Parkinson be appointed in place of Councillor James.
- 1.2 At the time of her appointment, Councillor James became the link Member between the two bodies and the change of appointment would require a further change of Membership to comply with the Constitutional requirement. in Part 3, Section 13 of the Council's Constitution. This stipulates that the 9 Members appointed to the Budget and Performance Panel on a PR basis must include at least one Member of the Overview and Scrutiny Committee.
- 1.3 Following the July Council meeting a request was received from a Member to review the requirement for at least one Member of the Budget and Performance Panel to be a Member of the Overview and Scrutiny Committee. Should Members wish to remove the requirement, it would necessitate a change to Part 3 of the Constitution, which may only be made by full Council.
- 1.4 The rationale for including the requirement in the Constitution was to provide a link between the Committee and the Panel and for feedback on the work of the Panel to the Committee. During the Municipal Year 2010/11 the link was the Chairman of the Budget and Performance Panel.

2.0 Proposals

2.1 Council is asked to

- (a) approve the appointment of Councillor Parkinson to the Overview and Scrutiny Committee and;
- (b) review the requirement in the Constitution Part 3, Section 13, for at least one Member of the Budget and Performance Panel to be a Member of the Overview and Scrutiny Committee.

3.0 Options and Options Analysis (including risk assessment)

3.1 The options regarding (b) are as follows:-

	Option 1: To remove the requirement for at least one Councillor on the Overview and Scrutiny Committee to be a Member of the Budget and Performance Panel.	Option 2: No change to the Constitution.
Advantages	This would end the risk of the Panel being incorrectly constituted. This is the second time so far this Municipal year that the Panel has been without a link Member and a report to Council has been necessary to correct the issue.	Members of each overview and scrutiny body remain informed of the work of the other through the 'link' Member. Lower risk of duplication of work or of one body straying into the work area of the other.
Disadvantages	Should a query arise at an O&S meeting about an issue being dealt with by B&P (or vice-versa) this may take more time to resolve.	It has proved very difficult so far this year to satisfy this particular Constitutional requirement. The Panel has met three times this year so far. The link Member role was unfilled for the first two meetings and is now vacant again.
Risks	Duplication of work between the two bodies (risk will be minimised by officer support and guidance from Democratic Support). Members of O&S lacking knowledge of the work of B&P and vice versa (again this is minimal, as other mechanisms could be explored to update Members on both bodies).	Risk of the Panel being without a link member and not meeting its Constitutional requirements.

3.2 The Officer preferred option is Option 1, to remove the membership requirement in the Constitution. The risks associated are minimal and there would no longer be a risk of breaching a requirement in the Council's Constitution.

3.3 If Option 2 is chosen and Councillor Parkinson's appointment is approved, Council would have to replace one of the Members of the Budget and Performance Panel with a Member of the Overview and Scrutiny Committee (or vice versa). Removal and

replacement of Members must accord with the PR requirements, therefore the change must be contained within one of the groups with Members on both bodies (Labour, Conservative, Independent or Green). As nominations to Committees are made by the groups, any proposed change must be put forward by the relevant group.

- 3.4 For ease of reference regarding Option 2 the memberships of both bodies, assuming Councillor Parkinson's appointment, are shown below for reference:-

Overview and Scrutiny Committee

David Kerr (Chairman)
David Whitaker
Ian Pattison
Mark Bevan
Pam Pickles
Jane Parkinson
Emma Smith
Roger Dennison
Ceri Mumford

(Substitutes: Janet Hall, Margaret Pattison, Alycia James, Richard Rollins, Mike Greenall, June Ashworth, Dave Brookes.)

Budget and Performance Panel

Susan Sykes (Chairman)
Janet Hall
Elizabeth Scott
Richard Newman-Thompson
Richard Rollins
Alycia James
Tony Anderson
Dave Brookes
Keith Sowden

(Substitutes: Roger Sherlock, Roger Mace, Emma Smith, Mike Greenall, Chris Coates, Paul Woodruff.)

4.0 Conclusion

- 4.1 Council is asked to approve Councillor Parkinson's appointment to the Overview and Scrutiny Committee and to consider removing the requirement that at least one Member of the Budget and Performance Panel must be a Member of the Overview and Scrutiny Committee for the reasons outlined in this report.

CONCLUSION OF IMPACT ASSESSMENT

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

There are no direct implications as a result of this report.

FINANCIAL IMPLICATIONS

There are no implications as a result of this report.

SECTION 151 OFFICER'S COMMENTS

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

LEGAL IMPLICATIONS

There are no implications as a result of this report.

MONITORING OFFICER'S COMMENTS

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

BACKGROUND PAPERS

Minutes of Council 23 May 2011 and 20 July 2011.

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COUNCIL

**Allocation of Seats to Political Groups
14 September 2011**

Report of the Head of Governance

PURPOSE OF REPORT

To advise Council of the calculations relating to the allocation of seats in accordance with the Local Government and Housing Act 1989 and the Council's agreed protocol following the resignation of a Member from a political group.

This report is public

RECOMMENDATIONS

- (1) That in accordance with Section 15 of the Local Government and Housing Act, 1989 and Part 4 of the Local Government (Committees and Political Groups) Regulations, 1990, the City Council approves the calculations and allocation of seats set out in paragraph 2 of the report.
- (2) That nominations for appointment to Committees be approved.

1.0 Introduction

- 1.1 Councillor Val Histed advised of her resignation from the Conservative group on 18 July 2011 and her intention to be an independent, non-aligned Member.
- 1.2 This causes a change to group numbers and requires a report on the recalculation of the proportional representation arrangements to the first available Council meeting in accordance with the Local Government and Housing Act 1989.
- 1.3 The revised calculations in relation to numbers from 1 to 20 are attached at Appendix A for information. Details of the effect of these calculations in respect of the current decision-making structure and agreed groupings of committees are set out in paragraph 2 below.
- 1.4 Members are requested to approve the calculation in order to enable adjustments to be made to appointments to committees to reflect the revised make-up of the Council.

2.0 Calculations

2.1 Compilation of the Council

Labour	24
Conservative	15
Independents	10
Green	8
Free Independents	2
Non-aligned independent	<u>1</u>
	60

2.2 Overview and Scrutiny

The PR calculations for a single 9 Member Committee remain unchanged at 4:2:2:1:0. The overall grouping of Overview and Scrutiny Committee and Budget and Performance Panel also remains unchanged as:-

2 x 9 Members = 18 (-:- 60) = 0.3 seats per Member

L	24	x 0.3	=	7.2	=	7
C	15	x 0.3	=	4.5	=	5
I	10	x 0.3	=	3.0	=	3
G	8	x 0.3	=	2.4	=	2
FI	2	x 0.3	=	0.6	=	1
NAI	1	x 0.3	=	0.3	=	<u>0</u>
						<u>18</u>

The adjustment made by Council on 23 May 2011, whereby the Labour Group gave up a place on the Budget and Performance Panel to the Conservative Group and the Independent group gave up a place on the Panel to the Free Independent Group, should therefore remain in place.

2.3 Regulatory and Standing Committees of Council Grouping

The PR calculations for the individual Committees are shown below:

a) 20 Members (Planning and Highways Regulatory)

L	24	(x20/60)	=	8	=	8
C	15	(x20/60)	=	5	=	5
I	10	(x20/60)	=	3.3333	=	3
G	8	(x20/60)	=	2.6666	=	3
FI	2	(x20/60)	=	0.6666	=	1
NAI	1	(x20/60)	=	0.3333	=	<u>0</u>
						<u>20</u>

b) 15 Members (Licensing Act)

L	24	(x15/60)	=	6	=	6
C	15	(x15/60)	=	3.75	=	4
I	10	(x15/60)	=	2.5	=	2
G	8	(x15/60)	=	2	=	2
FI	2	(x15/60)	=	0.6666	=	1
NAI	1	(x15/60)	=	0.25	=	<u>0</u>
						<u>15</u>

c) 9 Members (Licensing Regulatory)

L	24	(x9/60)	=	3.6	=	4
C	15	(x9/60)	=	2.25	=	2
I	10	(x9/60)	=	1.5	=	2
G	8	(x9/60)	=	1.2	=	1

FI	2	(x9/60)	=	0.3	=	0
NAI	1	(x9/60)	=	0.15	=	<u>0</u>
						9

d) 7 Members x2 (Personnel and Audit)

L	24	(x7/60)	=	2.8	=	3
C	15	(x7/60)	=	1.75	=	2
I	10	(x7/60)	=	1.1666	=	1
G	8	(x7/60)	=	0.9333	=	1
FI	2	(x7/60)	=	0.2333	=	0
NAI	1	(x7/60)	=	0.1166	=	<u>0</u>
						7

The total seats to be allocated for the grouping comprising Planning and Highways Regulatory, Licensing Act, Licensing Regulatory, Personnel and Audit Committees is as follows:

$20+15+9+7+7=58$ (-:- 60) = 0.9666 seats per Member.

L	24	x 0.9666	=	23.1984	=	23
C	15	x 0.9666	=	14.499	=	14
I	10	x 0.9666	=	9.666	=	10
G	8	x 0.9666	=	7.7328	=	8
FI	2	x 0.9666	=	1.9332	=	2
NAI	1	x 0.9666	=	0.9666	=	<u>1</u>
						58

This is a change from 23:15:10:8:2 to 23:14:10:8:2:1 i.e. the Conservative group must pass one seat from the above grouping to the non-aligned independent Member. The Labour group also owe one seat from this grouping to the Independent group, as is explained further in 2.4 below.

2.4 Erratum – Regulatory and Standing Committees Grouping

In compiling the figures for this report, a typing error on one page of the calculations approved by Council on 23 May 2011, has come to light. The page is appended to this report for reference and the error is in the last sentence. The words “Free Independent group” should have read “Independent group” and this resulted in a seat on the Licensing Act Committee being wrongly apportioned to the Free Independent group. The calculations above the mistake illustrate that the adjustment required should, in fact, have been for Labour to lose 1 seat and the Independents to gain 1 seat. To correct this error, the Free Independent group is asked to relinquish one of its seats on the Licensing Act Committee to the Independent Group.

The Independent Group is therefore asked to make a further nomination to the Licensing Act Committee, to increase its Membership of that Committee from two to three Members.

2.5 Other Standing Committees

Remaining Standing Committees currently constituted with a PR of 7 are the Appeals, Council Business and Standards Committees. The PR calculation is

now 3:2:1:1:0:0 and does not require any changes of membership.

The Appraisal Panel is a Member Panel (not a formal committee) of seven Members appointed on a PR basis to fulfil the Council's obligations under its contract of employment with the Chief Executive. The PR calculation for the Panel is now 3:2:1:1:0:0 and does not require any changes of membership.

3.0 Conclusion

Members are requested to approve the calculations, in order to enable appointments to be made to the grouping of Regulatory and Standing Committees.

<p>CONCLUSION OF IMPACT ASSESSMENT (including Diversity, Human Rights, Community Safety, Sustainability and Rural Proofing)</p> <p>There are no direct implications as a result of this report.</p>	
<p>LEGAL IMPLICATIONS</p> <p>This report has been prepared in accordance with the provisions of Section 15 of the Local Government and Housing Act, 1989 and Part 4 of the Local Government (Committees and Political Groups) Regulations 1990.</p>	
<p>FINANCIAL IMPLICATIONS</p> <p>The reduction in numbers within the Conservative Group has led to a corresponding reduction in the special responsibility allowance to the Leader of the Opposition Group, so has created a small saving for the remainder of 2011/12 (approximately £65).</p>	
<p>OTHER RESOURCE IMPLICATIONS</p> <p>Human Resources; Information Services; Property and Open Spaces: None.</p>	
<p>SECTION 151 OFFICER'S COMMENTS</p> <p>The Section 151 Officer has been consulted and has no further comments.</p>	
<p>MONITORING OFFICER'S COMMENTS</p> <p>The Monitoring Officer has been consulted and has no further comments.</p>	
<p>BACKGROUND PAPERS</p> <p>Proportional Representation calculation file.</p>	<p>Contact Officer: Debbie Chambers Telephone: 01524 58 E-mail: dchambers@lancaster.gov.uk Ref:</p>

P.R. LIST

		Lab	Cons	Indep	Green	Free Indep	Non – aligned Indep
1	=	1	0	0	0	0	0
2	=	1	1	0	0	0	0
3	=	1	1	1	0	0	0
4	=	2	1	1	0	0	0
5	=	2	1	1	1	0	0
6	=	2	2	1	1	0	0
7	=	3	2	1	1	0	0
8	=	4	2	1	1	0	0
9	=	4	2	2	1	0	0
10	=	4	3	2	1	0	0
11	=	4	3	2	2	0	0
12	=	5	3	2	2	0	0
13	=	5	3	2	2	1	0
14	=	6	3	2	2	1	0
15	=	6	4	2	2	1	0
16	=	6	4	3	2	1	0
17	=	7	4	3	2	1	0
18	=	7	5	3	2	1	0
19	=	8	5	3	2	1	0
20	=	8	5	3	3	1	0

Labour	24
Conservative	15
Independent	10
Green	8
Free Independent	2
Non-aligned Independent	1
TOTAL	60

As at 25 July 2011

(Extract from the Allocation of Seats to Political Groups report 23 May 2011)

Regulatory and Standing Committees of Council Grouping

5.3.1 The PR Calculation for individual 20 Member (Planning & Highways Regulatory), 15 Member (Licensing Act), 9 Member (Licensing Regulatory and 7 Member x 2 (Personnel and Audit) Committees is as follows:

i) 20 Member

L	24	(x 20/60)	=	8	=	8
C	16	(x 20/60)	=	5.3333	=	5
I	10	(x 20/60)	=	3.3333	=	3
G	8	(x 20/60)	=	2.6666	=	3
FI	2	(x 20/60)	=	0.6666	=	1
						<u>20</u>

ii) 15 Member

L	24	(x 15/60)	=	6	=	6
C	16	(x 15/60)	=	4	=	4
I	10	(x 15/60)	=	2.5	=	2
G	8	(x 15/60)	=	2	=	2
FI	2	(x 15/60)	=	0.5	=	1
						<u>15</u>

iii) 9 Member

L	24	(x 9/60)	=	3.6	=	4
C	16	(x 9/60)	=	2.4	=	2
I	10	(x 9/60)	=	1.5	=	2
G	8	(x 9/60)	=	1.2	=	1
FI	2	(x 9/60)	=	0.3	=	0
						<u>9</u>

iv) 7 Member (x2)

L	24	(x 7/60)	=	2.8	=	3
C	16	(x 7/60)	=	1.8666	=	2
I	10	(x 7/60)	=	1.1666	=	1
G	8	(x 7/60)	=	0.9333	=	1
FI	2	(x 7/60)	=	0.2333	=	0
						<u>7</u>

5.3.2 Total seats to be allocated per Group

$20 + 15 + 9 + 7 + 7 = 58$ (:- 60) = 0.9666 seats per member

L	24	x 0.9666	=	23.1984	=	23
C	16	x 0.9666	=	15.4656	=	15
I	10	x 0.9666	=	9.666	=	10
G	8	x 0.9666	=	7.7328	=	8
FI	2	x 0.9666	=	1.9332	=	2
						<u>58</u>

5.3.3 Adjustments required:

Labour lose 1 seat and the Free Independent Group gain 1 seat.

CABINET

10.00 A.M.

26TH JULY 2011

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:-

Mark Cullinan	Chief Executive
Nadine Muschamp	Head of Financial Services and Section 151 Officer
Graham Cox	Head of Property Services
Andrew Dobson	Head of Regeneration and Policy Service
Richard Tulej	Head of Community Engagement Service
Sarah Taylor	Head of Governance and Monitoring Officer (Minute 21)
Liz Bateson	Principal Democratic Support Officer

17 MINUTES

It was proposed by Councillor Hamilton-Cox, seconded by Councillor Barry and resolved unanimously:

“That the exempt minute in relation to the Former Shell/ICI Site (Minute 16) be made public and that the minutes of 5 July 2011 be revised accordingly.”

Resolved:

That the exempt minute in relation to the Former Shell/ICI Site (Minute 16) be made public and that the minutes of 5 July 2011 be revised accordingly.

18 ITEMS OF URGENT BUSINESS AUTHORISED BY THE LEADER

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

19 DECLARATIONS OF INTEREST

No declarations were made at this point.

20 PUBLIC SPEAKING

Members were advised that there had been a request to speak at the meeting from a member of the public in accordance with Cabinet's agreed procedure, as set out in Cabinet Procedure Rule 2.7, with regard to Lancaster Market (Minute 21 refers).

Peter Corke, Chairman of Lancaster Market Trader's Association spoke to this item.

21 LANCASTER MARKET

(Cabinet Member with Special Responsibility Councillor Barry)

Cabinet received a report from the Head of Property Services to consider options for the future of Lancaster Market including the opportunity to integrate with the City Museum.

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

The Council had several options on how it might move the market forward. These options were based on the decision taken by Council in March 2010 to retain a refurbished and revitalised market in Lancaster.

	<p>Option 1:</p> <ul style="list-style-type: none"> To implement the finding of the NCS review which would require the following investment <table border="1"> <thead> <tr> <th></th> <th>Budget Figure (£)</th> </tr> </thead> <tbody> <tr> <td>Entrance doors</td> <td>40K per entrance</td> </tr> <tr> <td>Internal layout changes</td> <td>400K</td> </tr> <tr> <td>Drop down banners</td> <td>1K</td> </tr> <tr> <td>External glazing vinyl transfers</td> <td>12K (+ original images)</td> </tr> <tr> <td>Demountable stalls</td> <td>1K each</td> </tr> <tr> <td>Part-time business development manager</td> <td>20K per annum</td> </tr> </tbody> </table> <ul style="list-style-type: none"> Review the rents to market value once the refurbishment works are completed 		Budget Figure (£)	Entrance doors	40K per entrance	Internal layout changes	400K	Drop down banners	1K	External glazing vinyl transfers	12K (+ original images)	Demountable stalls	1K each	Part-time business development manager	20K per annum
	Budget Figure (£)														
Entrance doors	40K per entrance														
Internal layout changes	400K														
Drop down banners	1K														
External glazing vinyl transfers	12K (+ original images)														
Demountable stalls	1K each														
Part-time business development manager	20K per annum														
Advantages	<ul style="list-style-type: none"> The NCS proposals would provide an opportunity to reinvigorate the market and potentially bring in new tenants. 														
Disadvantages	<ul style="list-style-type: none"> There would be a substantial cost to the council and no guarantee that the scheme would be a success or that the existing deficit, currently estimated at £619,500 for 2011/12 would be reduced. 														
Risks	<ul style="list-style-type: none"> There is a risk that reduced number of traders would continue in the market as a result of the increased rents. This could lead to a further spiralling down of the market prior to refurbishment works being undertaken. 														

	<p>Option 2:</p> <p>As a consequence of discussions held with the market traders there is a proposal to move all tenants down to the ground floor, and retain first floor accommodation for either a single let or a let at some other use, e.g. exhibition space. Costs of the works, including a plan of the proposal, are show at Appendix B.</p> <ul style="list-style-type: none"> The costs of refurbishing the ground floor to
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	<p>accommodate such usage, with minimal refurbishment to the first floor are estimated at £270K including fees. However, it should be noted that this does not include the cost of any particular fitting out requirements in individual stalls other than specialist works to relocate café kitchen equipment. Market traders have expressed the view that the council should be responsible for all costs of any move, although cabinet may wish to indicate whether they feel that traders should contribute to fit out costs as part of this agreement</p> <ul style="list-style-type: none"> • Consideration could be given under this arrangement to increase rents to full market value on completion of works.
Advantages	<ul style="list-style-type: none"> • The move of all units to the ground floor will give the traders more visibility and create a greater sense of vitality to the market • Traders appear to be in agreement with the option, and this cooperation of the traders may well encourage a quicker resolution to current underutilisation. • The option would cost less than full refurbishment
Disadvantages	<ul style="list-style-type: none"> • There would still be a substantial cost to the council, with no guarantee that the scheme would be a success • There would be limited assurance that the deficit would be reduced as there is currently no confirmed tenant to take the upper floor at a market rent and no absolute guarantee that all existing traders would remain in the market after a move to the ground floor. • Tenants may find the new rents and service charges on the ground floor unaffordable, and the council would still have a significant deficit, currently estimated at £619,500 for 2011/12, with reducing numbers of stalls
Risks	<ul style="list-style-type: none"> • Increased rents and service charges may reduce stall holder numbers • Significant investment with no guaranteed return • The Landlord and Tenant process will result in new leases being granted, without a break/redevelopment clause, and if this was to happen, any move by the tenant would need to be by agreement of <u>all</u> the tenants. Should a single tenant not wish to relocate, the proposal could not be implemented.

However, should the council wish to consider the option of not retaining a refurbished and revitalised market in Lancaster, the following options are appropriate:

	<p>Option 3:</p> <ul style="list-style-type: none"> • To renew the existing tenancies on a four year lease (subject to the outcome of the application to court) • Not to invest any further funds in remodelling the market building • Keep rents at the level set by cabinet on the 22 June
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	2010. (subject to court determination)
Advantages	<ul style="list-style-type: none"> • Certainty will be given to the tenants regarding the future of the indoor market, which may encourage new tenants to take units and prevent stall holders leaving • No capital allocations will be required other than the repair and maintenance funds needed to implement the conditions of the lease.
Disadvantages	<ul style="list-style-type: none"> • Stall holders will continue to leave because no investment has been made • The market will continue to run at a significant financial loss to the council, which may increase should further stall holders leave • There will be no significant change programme for the market, and as identified in the NCS report, such change is required to try and achieve a vibrant and vital market for the future.
Risks	<ul style="list-style-type: none"> • Ongoing general deterioration of the market hall • Tenants will continue to leave • Landlord/Headlease costs are fixed, and the revenue losses to the market, currently estimated at £619,500 for 2011/12, may increase

	<p>Option 4:</p> <ul style="list-style-type: none"> • Renew the existing tenancies on a four year lease (subject to the outcome of the application to court) • Provide no further investment in to the premises for remodelling purposes • Increase the rent and service charges to the full market value (subject to court determination)
Advantages	<ul style="list-style-type: none"> • Certainty will be given to the tenants regarding the future of the indoor market, which may encourage new tenants to take units and prevent stall holders leaving • No capital allocations will be required other than the repair and maintenance funds needed to implement the conditions of the lease.
Disadvantages	<ul style="list-style-type: none"> • Tenants may continue to leave due to lack of investment • The increased rent may encourage tenants to leave at a greater pace • The 'net' cost of holding the building will increase and revenue/rent decreases.
Risks	<ul style="list-style-type: none"> • Ongoing general deterioration of the market hall • Tenants will continue to leave • Landlord/Headlease costs are fixed, and the revenue losses to the market, currently estimated at £619,500 for 2011/12 may increase

In light of the findings of the report, and on the assumption that the Council still desired a thriving indoor market in line with Cabinet and Council decisions, it was evident that investment of some sort was needed in the market but achieving that desire is by no means guaranteed. It would be normal to carry out some form of cost benefit analysis to determine the benefits of investment in the market. However, it was impossible to predict

the future income of the market due to the uncertainty of whether all existing traders would remain in the market and whether there would be any additional take up of stalls. As a result, whilst the main conversion cost for the ground floor of the market was known, any meaningful assessment of future income was not possible. However, the Council was committed to the market until at least March 2015 and a view needs to be taken as to the operation of the market during that period.

It was considered that, taking into account all known risks, option 2 would provide the best resolution to the very difficult, complicated and complex issues that surround the market.

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

- (1) "That the recommendations, as set out in the report be approved with the addition of a further recommendation: 'that legal agreement be reached with traders on the move to the bottom floor and to costs that traders would pay for moving and fitting out.'"

By way of an amendment to recommendation (7), which was accepted as a friendly amendment by the mover and seconder of the proposal, Councillor Bryning proposed:

"That all recommendations with the exception of recommendation (1) be referred on to Council for consideration, and that they also be subject to the outcome of a financial appraisal of all relevant options to reflect the Council's fiduciary responsibilities to council tax payers as a whole, and that this appraisal be reported to Council for consideration to inform its final decision-making."

Councillors then voted on the amended proposition:-

Resolved unanimously:

- (1) To not move the market to the museum.
- (2) To move all market traders onto the ground floor and not to increase rents or service charges at this point.
- (3) That legal agreement be reached with traders on the move to the bottom floor and to costs that traders would pay for moving and fitting out.
- (4) That the move in (2) be done with some urgency to protect existing businesses on the top floor and to protect the Council's future rental income.
- (5) To seek alternative tenants for the upper floor.
- (6) To carry out the recommendations in terms of improved marketing and management recommended to Council in the NCS report received in December 2010.
- (7) To examine the Council's costs of running the market and to consider whether these can be reduced.
- (8) That all recommendations with the exception of recommendation (1) be referred on to Council for consideration, and that they also be subject to the outcome of a financial appraisal of all relevant options to reflect the Council's fiduciary responsibilities to council tax payers as a whole, and that this appraisal be reported to Council for consideration to inform its final decision-making.

Officers responsible for effecting the decision:

Head of Property Services
Head of Financial Services

Reasons for making the decision:

The City Council wishes to maintain an economically sustainable city centre and retaining and improving the provision of the indoor market can help to facilitate this. Members need to ensure that their decision-making is based on appropriate consideration of relevant factors, including cost, risk, value for money and other finance related matters as outlined in the report. This is in recognition of their fiduciary duties to local taxpayers as a whole. Clearly at this stage the options presented did not take account of any investment appraisal and therefore information was incomplete. The decision will enable a full options appraisal to be produced and included in the referral report to Council.

**22 PROVISIONAL REVENUE, CAPITAL AND TREASURY MANAGEMENT OUTTURN
2010/11**

(Cabinet Member with Special Responsibility Councillor Bryning)

Cabinet received a report from the Head of Financial Services which provided summary information regarding the provisional outturn for 2010/11 and the timetable for completion of the closure of accounts process. It also set out information regarding the carry forward of underspent/overspent revenue budgets and capital slippage for Members' consideration, and sought approval of various Prudential Indicators for last year for referral on to Council. The Treasury Management Outturn report (previously reported separately) was also included.

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

The City Council has a legal requirement to ensure that its expenditure is fully funded and to produce a Statement of Accounts in accordance with proper accounting practice. In addition, the Prudential Indicators are a statutory requirement linked to the budgetary framework. For these aspects, therefore, there were no alternative options for Cabinet to consider. Members were asked to endorse certain actions taken by the Head of Financial Services, however. Cabinet were requested to consider whether it had sufficient information to do so or whether it required any further justification. With regard to reserves contributions, there would be opportunities for these to be amended during the current financial year, as part of the usual arrangements.

The report requested Cabinet to consider a number of revenue budget carry forward matters and capital slippage. The framework for considering these was set out in the report but basically Cabinet could:

- Approve any number of the items / requests, in full or part.
- Refuse any number of the requests and if commitments have already been incurred, require alternative funding options to be identified. Cabinet was requested to note, however, that this might impact on other areas of service delivery.

- Request further information regarding them, if appropriate. Cabinet was asked to bear in mind any work required against the value of the individual bids.

Officer recommendations regarding any carry forward of overspendings were set out in Appendix F, to the report. Where there were alternative options for other aspects of the outturn, in view of the comments made above there were no specific officer preferred options put forward.

Although 2010/11 has been an uncertain year financially, as at 31 March the Council had improved its financial standing overall by generating net efficiency savings and through other underspendings. Balances were significantly higher than forecast. Whilst there were still uncertainties surrounding the outcome of Icelandic investments, the Council had retained its provisions to cover 'worse case' estimated losses and therefore potentially there was scope for its financial position to improve further, should a positive ruling be forthcoming. Looking forward, the Council had earmarked further reserves to help respond to the ongoing financial challenges expected over the coming years. Given funding prospects the Council must continue to reduce costs wherever possible – substantially more efficiency and other savings initiatives would be needed in future in order to ensure a balanced annual budget and financial stability.

Councillor Bryning proposed, seconded by Councillor Smith:-

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

Councillors then voted:-

Resolved unanimously:

1. That the provisional outturn for 2010/11 be noted.
2. That Cabinet notes the transfers to provisions and reserves actioned by the Head of Financial Services as set out in section 4.2 of the report.
3. That Cabinet approves the recommendations regarding carry forward of overspendings as set out at Appendix F in the report.
4. That Cabinet approves the requests to carry forward underspent General Fund revenue budgets numbered 1 to 14 and the Housing Revenue Account request numbered 19 all as set out at Appendix G, with referral on to Council where appropriate.
5. That Cabinet approves the remaining General Fund carry forward requests numbered 15 to 18, which involve some change of use from the original budget purpose, with referral onto Council where appropriate.
6. That Cabinet approves the requests for capital slippage as set out at Appendix J.
7. That the timetable for completion and reporting of the closure of accounts be noted, as set out in section 8 of the report.
8. That the Annual Treasury Management report as set out at Appendix K be noted

and referred on to Council.

9. That the Prudential Indicators as at 31 March 2011 as set out at Appendix L be approved for referral on to Council.

Officers responsible for effecting the decision:

Head of Financial Services

Reasons for making the decision:

The City Council has a legal requirement to ensure that its expenditure is fully funded and to produce a Statement of Accounts in accordance with proper accounting practice. In addition, the Prudential Indicators are a statutory requirement linked to the budgetary framework. The decision enables Members to endorse certain actions taken by the Head of Financial Services, and, with regard to reserves contributions, there will be opportunities for these to be amended during the current financial year, as part of the usual arrangements.

23 SHARED SERVICES PROGRAMME

(Cabinet Member with Special Responsibility Councillor Blamire)

Cabinet received a report from the Chief Executive to report on progress made in developing a shared services programme for the Council as requested as an action from the Corporate Performance Monitoring Report Quarter 1 2010, since the last progress report presented to Cabinet on the 19 April 2011.

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

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

Councillor Blamire proposed, seconded by Councillor Hanson:-

“To approve the recommendations as set out in the report with a further two recommendations with regard to establishing a Shared Services Cabinet Liaison Group and inviting a representative from Liverpool Council to discuss their experience in relation to shared services with members.”

Councillors then voted on the amended proposals:-

Resolved unanimously:

- (1) That Cabinet notes the progress made in developing a Shared Services Programme for the Council, since the last progress report presented to Cabinet on the 19 April 2011.

- (2) That officers continue to develop shared service partnership opportunities for achieving service improvements and efficiencies with a view to reporting back as determined by Cabinet and as appropriate to achieve any decision-making deadlines.
- (3) That a Shared Services Cabinet Liaison Group be established.
- (4) That a representative from Liverpool Council be invited to discuss their experience in relation to shared services with members.

Officers responsible for effecting the decision:

Chief Executive

Reasons for making the decision:

The efficiencies delivered from developing a shared service programme will greatly assist in achieving the outcomes of the Council's savings and efficiency programme and targets included in the Medium Term Financial Strategy. The decision also supports the Council's Corporate Plan priorities for working closely with other partner organisations to deliver improved benefits for the Lancaster district community. Establishing a Cabinet Liaison Group will enable members to get more involved in the details.

24 CYCLING - FUTURE ACTIONS FOLLOWING CYCLING DEMONSTRATION TOWN PROJECT

(Cabinet Member with Special Responsibility Councillor Hanson)

Cabinet received a report from the Head of Regeneration and Policy with regard to proposed future actions following on from the Cycling Demonstration Town Project.

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

	Option 1: That the grant offer be accepted and approval given for a procurement process for this works in combination with the Section 106 funds from the Globe Arena.	Option 2: Not to accept the offer of the funding.	Option 3: None
Advantages	Increased amenities for cycling to schools. Builds on the skills and infrastructure developed in	None	

	delivering the CDT project.		
Disadvantages	None	THIS WOULD MISS THE OPPORTUNITY TO ENCOURAGE MORE SUSTAINABLE TRAVEL OPTIONS FOR SCHOOL PUPILS AND STAFF AS WELL AS OTHER MEMBERS OF THE COMMUNITY.	
Risks	There is a small element of risk that costs could exceed the budget but robust estimates have been used for the bid and additional funding from our revenue budget would be available.	Reputational risk that the Lancaster City Council is not taking opportunities to promote sustainable transport measures	

Local Sustainable Transport Fund

	Option 1: THAT THE COUNCIL NOTE THE BID IN CONSORTIUM WITH SUSTRANS , DEVON COUNTY COUNCIL AND 36 OTHER LOCAL AUTHORITIES AND AUTHORISE OFFICERS TO WORK UP THE BID IF SUCCESSFUL IN THE FIRST ROUND AND REPORT FURTHER DETAILS WHEN AVAILABLE.	Option 2: That the council do not take forward this bidding process.	Option 3: None
Advantages	Further funding to promote cycling	None	
Disadvantages	None	Missed opportunity for funding to	

		promote sustainable transport within the district	
Risks	None	Without continued funding the infrastructure and initiatives already in place from the CDT Project could go into decline and suffer	

Partnership working with the County Council

	Option 1: That the Head of Regeneration & Policy be given delegated authority to agree partnership work with the County Council to deliver cycling schemes, subject to there being no additional call on City Council budgets	Option 2: Do not work in partnership with the County.	Option 3: None
Advantages	Builds on existing partnering experience and provides fee income for work.	None	
Disadvantages	None	Missed opportunity for funded partnership working and loss of fee income for staff time	
Risks	None	Reputational	

Support for the Continuation of the Bike it Officer

	Option 1: That the Council continue to work in partnership with Sustrans and support the Bike it Officer with £16.7k from Public Realm revenue budget.	Option 2: Do not offer this support	Option 3: None
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Advantages	Builds on existing partnering and continues valuable work to encourage school pupils to cycle safely and responsibly. Supports other proposed works (Links to Schools at Westgate & Heysham)	None	
Disadvantages	Commits City Council revenue budget	Local schools will lose the resource to encourage their pupils to use bicycles safely and responsibly	
Risks	None	Reputational	

The officer preferred option in each of the above was option 1. Sustainable methods of transport such as cycling are increasingly important for health, environmental and wider economic reasons. All of these initiatives improve the provision and encourage the use of cycling as a means of transport. In addition, as they are mainly aimed at educational establishments, they help to establish a healthy culture in young people which hopefully will last throughout their lives.

Councillor Hanson proposed, seconded by Councillor Barry:-

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

Councillors then voted:-

Resolved unanimously:

- (1) That the Memorandum of Understanding with Sustrans which allocates £136,000 funding for cycling links to schools at Westgate and Heysham, in combination with the Section 106 contribution from the Globe Arena, be approved and officers authorised to undertake a procurement process for these works.
- (2) That Cabinet notes Lancaster City Council’s participation in a thematic bid for the Department for Transport’s Local Sustainable Transport Fund in partnership with Sustrans and 36 Local Authorities and endorses officers pursuing this initiative if the bid reaches the second stage when a business plan will be required.
- (3) That the Head of Regeneration and Policy be given delegated authority to agree works in partnership with Lancashire County Council to deliver cycling schemes, subject to there being no additional call on City Council Resources.

- (4) That Cabinet approve the use of Public Realm revenue budget to support the continuation of the “Bike It Officer” employed by Sustrans.
- (5) That the General Fund Revenue and Capital Budgets be updated accordingly.

Officers responsible for effecting the decision:

Head of Regeneration & Policy
Head of Financial Services

Reasons for making the decision:

The decision fits with the Corporate Plan priorities in relation to Partnership Working and Climate Change as well as the Sustainable Community Strategy priorities of promoting and enhancing sustainable forms of transport and providing positive activities for children and young people. Having successfully completed the Cycling Demonstration Town (CDT) project over the last six years the decision endorses proposals to continue to progress the promotion of cycling as a healthy, economic and environmentally friendly means of transport.

25 INTERNATIONAL YOUTH GAMES 2012/13

(Cabinet Member with Special Responsibility Councillor Sands)

Cabinet received a report from the Head of Community Engagement in order to seek members’ views regarding hosting of the International Youth Games in 2013.

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

	Option 1 To send teams to Rendsberg 2012 and to host the International Youth Games in 2013	Option 2 To send teams to Rendsberg in 2012 and not to host in 2013.	Option 3 To withdraw from both Rendsberg 2012 and the hosting opportunity in 2013
Advantages	Continue to shape the benefits of the Games beyond those of sport and more strongly align with corporate priorities as referred to within this report. Exploration of tourism opportunities that may exist between	Financial savings to the Council in 2013/14 – in the region of £53k.	Financial savings to the Council in 2012/13 in the region of £5k and £53k in 2013/14.

	<p>the countries.</p> <p>Provide opportunities for partners to become involved particularly with the hosting – maximising the diverse and unique offer the district provides.</p> <p>Opportunities to develop the role of the civic delegation.</p>		
Disadvantages	<p>In order to host the games staff resources will need to be maximised and work commence as soon as possible in order to put arrangements in place.</p> <p>Significant cost to the Council</p>	<p>Missed opportunity to showcase the district to the region on a sporting and cultural front.</p> <p>Missed opportunities to further develop other potential (as yet unexplored) benefits taking part in the games might provide.</p> <p>Potential negative impact upon the Council's reputation</p>	<p>Missed opportunity to showcase the district to the region on a sporting and cultural front.</p> <p>Missed opportunities to further develop other potential (as yet unexplored) benefits taking part in the games might provide.</p> <p>Potential negative impact upon the Council's reputation</p>
Risks	<p>An early decision is required with respect to attendance at Rendsberg and also hosting. Delay could increase the risk of venues not being available nearer the time.</p>	<p>There is a risk that the invitation to Rendsberg may be withdrawn.</p> <p>There is a possibility (although unlikely) that the invitation to Aalborg this year could be withdrawn.</p>	<p>Unlikely that any future invitation to participate in the Games would be received.</p>

Following the recent elections, this report provided an opportunity for the new Cabinet to reaffirm (or otherwise) its commitment to continue to take part in the International Youth Games in the light of the ongoing difficult financial climate and the Council's current priorities. The Officer preferred option was Option 1. Taking part in future International Youth Games provided an opportunity to showcase the district to the region on a sporting and cultural front in addition to other potential benefits which could be developed to offer more support to the Council's corporate priorities.

Councillor Blamire proposed, seconded by Councillor Bryning:-

- "(1) That Cabinet reaffirms the Council's commitment to participate in the International Youth Games in Rendsberg in 2012 and to act as host to the Games in 2013.
- (2) That arrangements be made to set aside funds from the previous year's underspending to assist with the costs incurred in hosting the Games and these be factored into the next MTFS update."

Councillors then voted:-

Resolved unanimously:

- (1) That Cabinet reaffirms the Council's commitment to participate in the International Youth Games in Rendsberg in 2012 and to act as host to the Games in 2013.
- (2) That arrangements be made to set aside funds from the previous year's underspending to assist with the costs incurred in hosting the Games and these be factored into the next MTFS update.

Officers responsible for effecting the decision:

Head of Community Engagement
Head of Financial Services

Reasons for making the decision:

An early decision prior to the main budget process will provide sufficient time to plan and organise the hosting of the Games in 2013. Attendance and hosting of the International Youth Games helps support Council priorities including visitor economy and partnership working and an opportunity to showcase the district to the region on a sporting and cultural front in addition to other potential benefits which could be developed to offer more support to the Council's corporate priorities.

26 LDLSP PERFORMANCE REWARD GRANT

(Cabinet Member with Special Responsibility Councillor Blamire)

Cabinet received a report from the Head of Community Engagement to seek approval for the latest proposals from the Lancaster District Local Strategic Partnership (LDLSP) Management Group for the allocation of the one-off Performance Reward Grant (PRG).

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

	Advantages	Disadvantages	Risks
Option 1: Approve the proposals	<p>Key priorities for the LDLSP and the City Council will be addressed, including the Climate Change, Economic Regeneration and Partnership Working corporate plan priorities</p> <p>A significant amount of matched funding will be secured for the district</p> <p>Delegation of authority to agree the specific domestic abuse activities will ensure no delay in decision-making</p>	<p>There will be no PRG revenue funding available to address any future issues that arise</p>	<p>Financial and reputational risks: The initiatives are complex and will require strong leadership and management to ensure they are successful. If this is not achieved then any delays or failures could result in a waste of public funds, and reputational risk to the LDLSP and its partners, including the City Council.</p>
Option 2: Do nothing	<p>The PRG funding would be available for other initiatives.</p>	<p>The proposed initiatives will not go ahead, leading to missed opportunities to deliver better services and outcomes for local people.</p> <p>Matched funding via the CERT and FITs schemes will be lost.</p>	<p>Reputational risk: there is the potential for a loss of trust between the City Council and other LDLSP partners</p>

The LDLSP has finalised proposals for the proposed PRG initiatives and approval from Cabinet was required to ensure that these benefits were now realised:

- The focus on hydroelectricity would facilitate the development of long-term renewable energy initiatives that would leverage initial investment AND provide a long-term benefit for local communities.
- The 'Warm Homes' initiative would insulate 2000 homes, many occupied by households at risk of fuel poverty, with matched funding maximising the

LSP's investment.

- The social enterprise initiative would help to create self-sustaining service delivery and will enhance the potential of local organisations in supporting their local communities.
- The fund finder initiative will not only bring at least £1 million of new strategic investment into the district, but would improve the ability of organisations to successfully bid for their own funds in future.
- The domestic abuse initiative would provide direct and immediate support to some of the district's most vulnerable families, as well as helping to ensure a sustainable future for domestic abuse services beyond 2012.

These initiatives were complex and amendments to the plans would certainly be required – by delegating authority to the Leader to approve those decisions Cabinet would ensure that approval was given in a timely manner.

PRG was a one-off opportunity and these initiatives would ensure that it would meet partner expectations and deliver a lasting legacy in the district. Further initiatives that would benefit from the unallocated capital PRG monies were currently being considered by the LSP. Authorisation for any proposed use of this would be sought in a subsequent report to Cabinet - there was no deadline by which the PRG must be spent.

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

- (1) "That the recommendations, as set out in the report, be approved with the following amendment to recommendation (3): 'That the LDLSP be asked whether the figure of £35K for advice within the Social Enterprise Initiative would be better spent on direct funding to organisations and that the Leader of the Council be requested to make a decision based on their response.'

Councillors then voted on the amended proposition:-

Resolved unanimously:

- (1) That Cabinet notes the requirements of the Performance Reward Grant protocol with Lancashire County Council that "*LSP's shall make recommendations to the District Councils as to the allocation of the PRG and all funding decisions shall be made via this route*" and that "*councils have the responsibility for the proper use of the funds and therefore for formally approving the allocation of the funds.*"
- (2) That Cabinet notes the progress made with the Performance Reward Grant initiatives and the formation of an LDLSP Performance Management Sub-Group to ensure outputs and outcomes are delivered.
- (3) That, in line with Recommendation 1, that the LDLSP proposals for allocation of Performance Reward Grant are approved as follows, subject to the council's accountable body requirements, including appropriate financial procedures and performance management and the LDLSP be asked whether the figure of £35K for advice within the Social Enterprise Initiative would be better spent on direct

funding to organisations and that the Leader of the Council be requested to make a decision based on their response.

- £15k revenue funding to support the development of further hydroelectricity initiatives, via an open, competitive bidding process
 - £100k capital and £5k revenue funding to support the Warm Homes scheme
 - £120k revenue funding to support the Social Enterprise Initiative
 - £100k revenue to support the Cooperative Fund Finding Initiative
 - £70k revenue to support services for the victims of domestic abuse
- (3) That approval for the specific allocations within the domestic abuse initiative, and any further amendments to any of the other initiatives, is delegated to the Leader of the Council to ensure that the council's responsibilities for Performance Reward Grant are fully met.
- (4) That the Council's General Fund (GF) Capital Programme and GF Revenue Budget are updated as appropriate across 2010/11 and 2011/12 in line with expected spending profiles.

Officers responsible for effecting the decision:

Head of Community Engagement
Head of Financial Services

Reasons for making the decision:

The initiatives proposed would impact on the Corporate Plan priorities as follows:

- Climate Change – the Hydroelectricity and Warm Homes schemes will reduce CO₂ emissions in the district
- Economic Regeneration - The Social Enterprise Initiative will increase the number of financially sustainable small businesses in the area
- Partnership Working and Community Leadership: all the initiatives will be delivered in partnership, and the Cooperative Fund Finder initiative will help increase the resources available for key partnership projects
- Protecting the most vulnerable in society: those at risk of fuel poverty will be supported through the Warm Homes scheme, and vulnerable individuals and families will be supported through the Domestic Abuse scheme

27 BUSINESS IMPROVEMENT DISTRICTS FOR LANCASTER AND MORECAMBE

(Cabinet Member with Special Responsibility Councillor Hanson)

Cabinet received a report from the Head of Regeneration and Policy to provide background information on the concept of Business Improvement Districts (BIDs) and update members on work towards the establishment of BIDs in Lancaster and

Morecambe.

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

Although the report was primarily provided to update Members the following options could be considered:

	Advantages	Disadvantages	Risks
Option 1: Do nothing	No advantages.	Loss of credibility with business community. No contribution to council's Corporate objectives.	Council may be in breach of statutory duties to support BID proposer as defined in BID legislation.
Option 2: Continue with preparations for introduction of BIDs in partnership with Lancaster Chamber in Lancaster and with the local trade associations in Morecambe	Successful BID should have benefits for the local authority as well as the business community. Clear and credible leadership for the business community to identify with. Potential for more effective use of council resources and innovation in town centre service delivery. Should engender a closer relationship between business community and statutory service providers. Fosters improved and clearer communication and genuine partnership with business Effective opportunity for local businesses to have a voice on subjects relating to the environment in which they trade.	No guarantee that BID ballot in Lancaster or Morecambe would ultimately be successful. Allocated resource for BID proposer/partnership to move to 'BID readiness' will need to be supplemented by council officer resources. Relatively long lead in period to ensure best possible chance of success.	Council and officer resources required pre and post ballot which need to be fully defined and understood. Implications for council and other statutory services of committing to 'baseline' service provision over BID lifetime may reduce flexibility.
Option 3: Explore alternative routes / partnerships for introduction of BIDs in Lancaster and Morecambe	Could have same benefits as Option 2 although development could take longer.	As Option 2 but with the addition that it is difficult to see an alternative partnership/route to BID implementation that has credibility in the business community.	As Option 2 but even more difficult and time consuming to get to ballot stage

Option 2 was the Officer preferred option. There was a clear way forward for Lancaster BID and emerging consensus for progression of the Morecambe BID. The BID officer working group should ensure that any issues arising from BID Proposal development

and pre/post ballot resource implications for both Lancaster and Morecambe were addressed in partnership with the BID proposer.

The Lancaster Chamber and NWLCC had confirmed that the resources agreed for the Lancaster BID were sufficient for the purposes of BID Proposal development. This follows the experience of NWLCC in successfully progressing the Preston BID through both proposal and implementation stages. The outcome of a BID ballot could not be guaranteed but officers believed the relationships being built and the direction emerging gave the best chance of a successful outcome.

Councillor Hanson proposed, seconded by Councillor Smith:-

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

Councillors then voted:-

Resolved:

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

- (1) Members note the preparations for the introduction of Business Improvement Districts (BIDs) in partnership with Lancaster District Chamber and the local trade associations in Morecambe.
- (2) Members support the intention of Lancaster District Chamber to lead on BID Proposal development in Lancaster city centre.
- (3) Members approve the allocation of £40K (subject to carry forward approval) for Lancaster town centre BID development to the Lancaster Chamber via a formal funding agreement administered through the Regeneration & Policy service.
- (4) That Councillor Hanson be appointed as Cabinet's nomination to sit on the Lancaster Bid Steering Group.
- (5) Future decisions in respect of BID Proposal lead, the use of allocated funds and Cabinet nominee to sit on a Steering Group (or similar body) for Morecambe town centre is dealt with via an Individual Cabinet Member Decision.

Officers responsible for effecting the decision:

Head of Regeneration and Policy

Reasons for making the decision:

It is accepted by most local authorities active in this field that BIDs create an effective opportunity for local businesses to have a voice and direct impact on subjects relating to the environment and circumstances in which they trade. Development of BIDs has been proven to help build business and encourage local economic growth. In working towards implementation of Business Improvement Districts the council will be achieving

and/or reviewing and improving upon a number of its corporate objectives/outcomes as defined in the Corporate Plan 2011-14 in relation to Economic regeneration (Visitor Economy), Statutory responsibilities, Partnership working and community leadership. Additionally, the implementation of BIDs is a key priority of the recently approved Lancaster Cultural Heritage Strategy.

28 EXCLUSION OF THE PRESS AND PUBLIC

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

“That the following item (Minute 29 refers) be considered in the public part of the meeting and that the report be made available to the press and public.”

29 PROPERTY SERVICES RESTRUCTURE

Cabinet resolved unanimously not to exclude the press and public at this point

(Cabinet Member with Special Responsibility Councillor Hamilton-Cox)

Cabinet received a report from the Chief Executive to advise of the current position of creating a shared service with the Property Service function of the Council and to provide direction to enable discussions to be concluded with a single authority.

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

Although a full costing analysis had not been completed officers were coming to the conclusion that a decision on a preferred partner was the most logical next step. The two options were set out below.

	Option 1: Shared Service with the County Council	Option 2: Shared Service with SLDC/NPS
Advantages	<p>Improved district wide asset management leading to potential revenue savings and capital receipts for the City and County through property rationalisation delivered through the new function.</p> <p>Offers an opportunity to redefine standards with a more robust resource to manage the joint portfolio of the city and county councils.</p> <p>Allows for the potential benefits of being part of larger contracts with possible cost reductions.</p> <p>Potential cost reductions through shared management and</p>	<p>Allows the authority to take advantage of alternative resources and management expertise.</p> <p>Offers the opportunity to redefine standards & possibly reduce service costs</p> <p>Increase the pace of change & innovation</p>

	reduced establishment.	
Disadvantages	<p>Not all costs have been identified at this stage until the city council's direction is more clear.</p> <p>Both councils would potentially have differing aims & objectives.</p> <p>Differing schemes of delegation and ways of working</p>	<p>This is an unknown cost until final agreement is reached</p> <p>There would be a need for a client officer with appropriate funding.</p> <p>Internal 'notional' recharges (based on time spent by staff within other support services, e.g. Financial, Governance Services, etc) replaced by actual management costs charged by NPS, but not necessarily offset by corporate corresponding saving from reduced staffing levels in other support services</p>
Risks	<p>There would be a need to ensure that the aims of the shared service are brought together to ensure that all local objectives are achieved to the satisfaction of both authorities.</p> <p>Failure to achieve the local objectives of both authorities could lead to a reduced level of service provision with delays likely in undertaking work</p>	<p>Costs still need to be determined.</p> <p>Provider may not be able to respond as quickly to local objectives due to reduced local knowledge of the Lancaster district or where there are specific areas of difference despite having similar requirements</p> <p>Public procurement rules, i.e. failure of the 'client function' meeting the legal definition of a shared service agreement</p>

Option 1 was the officer preferred option. To make further progress in this review it was advisable to make a decision on a preferred partner to allow that option to be worked up in more detail. It was unreasonable to continue working up proposals with other organisations if there is potentially little likelihood of further progress. The County Council proposal provided the potential for much improved asset management for the district as a whole and our shared citizens and actual cost savings.

Formal consultation with employees and trade unions should commence immediately.

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

"That the recommendations, as set out in the report, be approved."

Councillors then voted:-

Resolved unanimously:

- (1) That the County Council be identified as the preferred partner for a shared property service.
- (2) That Cabinet be kept informed of progress.
- (3) That formal consultation commence with staff and trade unions.

Officers responsible for effecting the decision:

Chief Executive
Head of Property Services

Reasons for making the decision:

The provision of property services affects the operation of all the Council's buildings and therefore any future provider of these services will need to be conscious of the need to reflect sustainable practices in their work. The Corporate Plan refers to "Partnership Working and Community Leadership" within which it is identified that we should work with partners to reduce costs, make efficiencies and create resilience within the district. Specifically reference is made to "develop a programme with Lancashire County Council to reduce costs by sharing more of our services." The efficiencies delivered from developing a shared service will assist in achieving the outcomes of the Council's savings and efficiency programme and targets outlined in the Medium Term Financial Strategy and Medium Term Property Strategy.

Chairman

(The meeting ended at 12.30 p.m.)

**Any queries regarding these Minutes, please contact
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MINUTES PUBLISHED ON MONDAY 1ST AUGUST, 2011.

**EFFECTIVE DATE FOR IMPLEMENTING THE DECISIONS CONTAINED IN THESE MINUTES:
TUESDAY 9TH AUGUST, 2011.**