



Committee: CABINET

Date: TUESDAY, 8 OCTOBER 2013

Venue: LANCASTER TOWN HALL

Time: 10.00 A.M.

A G E N D A

1. **Apologies**

2. **Minutes**

To receive as a correct record the minutes of Cabinet held on Tuesday, 3 September, 2013 (previously circulated).

3. **Items of Urgent Business Authorised by the Leader**

To consider any such items authorised by the Leader and to consider where in the agenda the item(s) are to be considered.

4. **Declarations of Interest**

To receive declarations by Members of interests in respect of items on this Agenda.

Members are reminded that, in accordance with the Localism Act 2011, they are required to declare any disclosable pecuniary interests which have not already been declared in the Council's Register of Interests. (It is a criminal offence not to declare a disclosable pecuniary interest either in the Register or at the meeting).

Whilst not a legal requirement, in accordance with Council Procedure Rule 10 and in the interests of clarity and transparency, Members should declare any disclosable pecuniary interests which they have already declared in the Register, at this point in the meeting.

In accordance with Part B Section 2 of the Code Of Conduct, Members are required to declare the existence and nature of any other interests as defined in paragraphs 8(1) or 9(2) of the Code of Conduct.

5. **Public Speaking**

To consider any such requests received in accordance with the approved procedure.

Reports from Overview and Scrutiny

None

Reports

6. **Funding and Provision of Community Alarm and Telecare Services (Pages 1 - 6)**

(Cabinet Member with Special Responsibility Councillor Leytham)

Report of the Chief Officer (Health & Housing)

7. **Budget Update – Funding Prospects 2014/15 Onwards (Pages 7 - 18)**
(Cabinet Member with Special Responsibility Councillor Bryning)
Report of the Chief Officer (Resources)
8. **Wind Turbine Developments and Separation Distances (Pages 19 - 23)**
(Cabinet Member with Special Responsibility Councillor Hanson)
Report of the Chief Officer (Regeneration and Planning)
9. **Urgent Business Report (Pages 24 - 25)**
(Cabinet Member with Special Responsibility Councillor Blamire)
Report of the Chief Officer (Governance)

ADMINISTRATIVE ARRANGEMENTS

(i) Membership

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

(ii) Queries regarding this Agenda

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

(iii) Apologies

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

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Published on Thursday, 26 September 2013.

CABINET

**Funding and Provision of Community Alarm and
Telecare Services
8 October 2013**

Report of Chief Officer (Health and Housing)

PURPOSE OF REPORT			
The purpose of this report is to outline the impact of changes to Lancashire County Council's funding and provision of community alarm and telecare services on the services provided by Lancaster City Council.			
Key Decision	X	Non-Key Decision	Referral from Cabinet Member
Date of notice of forthcoming key decision		5 August 2013	
This report is public.			

RECOMMENDATIONS OF COUNCILLOR LEYTHAM

- (1) That the impact of the announcements of the county council regarding the provision of telecare and community alarm services on the future viability on maintaining the emergency call centre is noted.
- (2) The council reviews the services provided by the emergency call centre and considers how they could be provided in the future.
- (3) That officers are authorised to take action to ensure appropriate arrangements are in place to ensure business continuity is maintained pending the outcome of the review.

1.0 Introduction

- 1.1 The council provides community alarm and telecare services on behalf of Lancashire County Council through contracts awarded by Lancashire Supporting People and Lancashire Telecare. These services are provided through the council's emergency call centre, and staff within the council housing section.
- 1.2 The county council were in the process of bringing these services "in-house" and delivering them through their strategic partner, One Connect Limited, and other suppliers. The council had been advised that this would occur during 2013/14.

- 1.3 The county council were awarding the monitoring element of the services to One Connect Limited. The county had also recently announced that they had appointed a national company to manage the overall Lancashire Telecare Service which included assessment, installation, monitoring, and response in conjunction with One Connect Limited; we had also been advised that the telecare response services had been subcontracted to a national company. The existing Lancashire Supporting People and Lancashire Telecare providers had not been allowed to compete for this work or for these contracts. There was a likelihood that the provision of Lancashire Supporting People was to follow a similar delivery model.
- 1.4 However, on the 6 August 2013 the county council announced that they were no longer pursuing this procurement route. The county council have advised that they are to review the approach to the proposed policy and provision of telecare. The county council have also given notice that they are reviewing their position in relation to the procurement of community alarm services.
- 1.5 The county council have indicated that they will be tendering out the telecare service though a competitive tendering process. The timing and lotting of the tender is not clear but it is likely to be at a Lancashire area level or pan – Lancashire. It is unlikely that the council would be able to compete on that basis.
- 1.6 The future procurement position for Lancashire Supporting People community alarm services is also not clear. At a meeting on the 11 September, with the existing providers, including the council, the county council confirmed that a further review was to be undertaken. This should be concluded in December 2013 with further consultation.
- 1.7 The county council have now asked the existing Lancashire Telecare providers to consider extending the current Lancashire Telecare contract to the 31 March 2014, with an option for a further six month period to the 30 September 2014 by mutual agreement pending their decisions on future procurement. They have also indicated that they wish to discuss the price of the contract extension. These announcements continue the uncertainty about the future viability of the emergency call centre and the council remaining a future provider of telecare and community alarm services. It also continues the anxiety of the staff over their future employment.

2.0 Impact

- 2.1 **Emergency Call Centre** – The council's emergency call centre provides the monitoring services for a range of community alarm and telecare services. This includes: approximately 1,916 community alarm users (884 council housing and 1,032 private sector) of which 1,204 are commissioned by and receive funding from Lancashire Supporting People; and approximately 142 telecare alarm users of which 132 are funded by Lancashire Telecare.
- 2.2 The Lancashire County Council contracts account for over 50% of the monitoring services provided, both in terms of volume and finance. The loss of these contracts would present significant financial issues and would make the provision of the emergency call centre unsustainable.

- 2.3 **Other services** – The council uses the spare capacity within its emergency call centre to provide a range of other services including responding to out of office hours emergency call relating to council services, and lone worker monitoring. The emergency call centre also plays a part in emergency planning. The loss of the community alarm and telecare contracts would mean that the future provision of these services will need to be reviewed and procured.
- 2.4 **Disaster Recovery and Business Continuity** - The current arrangements for the emergency call centre are robust and are provided by another community alarm provider. The disaster recovery and business continuity arrangements for the emergency call centre will need to be reviewed in the light of the county council announcement.
- 2.5 **Installation and Response** – The council also provides an installation and response service for community alarms and telecare, and these elements of the community alarm and telecare services are also affected by the decision of the county council.
- 2.6 **Staffing** - Staff have been aware of the county council intentions and this obviously has led to uncertainty and anxiety within the workforce about their future employment. The county council had already been advised that the council considers that TUPE would apply at the point of any transfer. The announcement by the county council on the 6 August continues this uncertainty.
- 2.7 Given the county council are now seeking to extend the existing contracts for potentially up to 12 months we will need to review our staffing arrangements. One member of staff has already confirmed that they will be leaving in November 2013 with potential for other staff turnover. With the extended uncertainty this situation could get progressively more difficult to manage over the coming months.
- 2.8 **Summary** – The council needs to manage the impact of the continuing uncertainty the announcement the county council has made. The priority in the short term will be to decide how the council can continue to operate the emergency call centre and the services it provides, and whether or not the council wishes to extend its existing contracts with the county council for both telecare and community alarm provision.
- 2.9 In the medium to long term, ultimately, with the potential loss of the county council contracts for telecare and for community alarms the remaining services are not sufficient to justify maintaining the emergency call centre in its current form.
- 2.10 The services that would remain include 1,032 private sector community alarm customers which sit outside any county council contract and is a service directly provided by the council. These users will need to transfer to an alternative provider should the council cease to be a community alarm provider.

- 2.11 A service provider will also need to be found for the emergency out of office hours services provided by the council, and also to provide lone worker monitoring.
- 2.12 The county council were looking to provide additional services through One Connect Limited including an offer of a free service to district councils to provide out of office hours emergency contact but the extent of this offer is still not clear.
- 2.13 There has also been an approach from the emergency call centre's disaster recovery and business continuity provider who has expressed an interest in taking on the council's private sector community alarm customers, and also provide out of office hours emergency contact for the services the council provides and also lone working.

3.0 Proposal Details

- 3.1 It is proposed that the council reviews the provision of services provided by the emergency call centre and considers how they could be provided in the future including the consideration of alternative providers for the services and functions that would remain should the council lose the Lancashire County Council contracts. Officers will continue in the discussions with the county council and the provider of the emergency call centre's disaster recovery and business continuity services to further report on the options for future service provision.

4.0 Details of Consultation

- 4.1 There will need to be detailed consultations with customers and staff.

5.0 Options and Options Analysis (including risk assessment)

	Option 1: The council seeks to maintain an emergency call centre to provide the services that remain following the loss of the Lancashire Telecare and Supporting People contacts	Option 2: The council reviews the services provided by the emergency call centre and considers how they could be provided in the future; including the consideration of alternative providers for the services and functions that would remain following the loss of the Lancashire Telecare and Supporting People contacts
Advantages	Local, flexible, responsive service delivered through a valued local knowledge base	Services provided to a specified standard, and achieves value for money Reduction in costs.
Disadvantages	Service would be provided at a loss and the council would have to fund any deficit - expectation that financial costs of running the emergency call centre would not meet value for money principles.	Potential loss of flexibility and knowledge

	Does not provide for considering a wider range of options.	
Risks	The volume of work would not be sufficient to warrant maintaining the emergency call centre, and its infrastructure. The loss of income from the contacts could not be replaced, and equivalent cost reduction could not be achieved. The overall financial costs of running the emergency call centre would not meet value for money principles, and so would not be in the best interests of housing rent payers in particular. Ultimately, risk of failure in the Council's fiduciary duties, leading to challenge.	Control of future quality and cost of services. The contractual arrangements will need to be robust and clear to ensure that future costs are controlled

6.0 Officer Preferred Option (and comments)

6.1 The officer preferred option is option 2 to ensure that an appropriate service provision is maintained to the standard the council requires, achieving value for money and that future costs are controlled.

7.0 Conclusion

7.1 The loss of the Lancashire Telecare and Supporting People contacts would leave the council's emergency call centre in an unsustainable position, and maintaining the centre would not represent value for money. For this reason it is necessary to consider alternative provision for the service areas and work that would remain.

RELATIONSHIP TO POLICY FRAMEWORK

This report support two key themes that underpin the Council's stated priorities: Working Together in Partnership and Managing the Council's Resources.

CONCLUSION OF IMPACT ASSESSMENT

(including Health & Safety, Equality & Diversity, Human Rights, Community Safety, HR, Sustainability and Rural Proofing)

None directly arising out of this report

LEGAL IMPLICATIONS

Legal Services have been consulted and should option 2 be approved would advise on all matters of a contractual nature arising from such a decision.

FINANCIAL IMPLICATIONS

The ultimate loss of both the Lancashire Telecare (£89,400 for 2014/15) and the Lancashire Supporting People (£127,100 for 2014/15) Contracts would have a significant financial impact resulting in the residual service running at an unacceptable deficit of £239,500 in

2014/15. This assumes both contracts come to an end on 31 March 2014, but clearly any extension would reduce this position.

Both these services come under the Housing Revenue Account and therefore do not impact financially on the General Fund. However, there is a contribution of £29,800 (2014/15) from the General Fund towards the central control section in respect of private sector clients. This again would need to be factored into any future detailed financial appraisal of the viability of the section.

OTHER RESOURCE IMPLICATIONS

Human Resources:

Structured consultation is vital to ensure the affected staff are fully aware of the proposals and potential impact on their ongoing employment.

Although the council believes that TUPE would apply more detailed information is needed from the county council to fully assess the impact any changes will have on our staff that are directly engaged in delivering services and those whose duties are linked to service delivery.

Information Services:

None directly arising out of this report.

Property:

None directly arising out of this report.

Open Spaces:

None.

SECTION 151 OFFICER'S COMMENTS

The S151 Officer has been consulted and her comments reflected in the report.

MONITORING OFFICER'S COMMENTS

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

BACKGROUND PAPERS

None

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CABINET

**Budget Update –
Funding Prospects 2014/15 Onwards
08 October 2013**

Report of Chief Officer (Resources)

PURPOSE OF REPORT			
To provide an outline update on future funding prospects for General Fund services, in light of recent consultation being undertaken by Government.			
Key Decision	<input type="checkbox"/>	Non-Key Decision	<input type="checkbox"/>
			Referral from Officer
			X
Date of notice of forthcoming key decision	N/A		
This report is public.			

RECOMMENDATIONS OF COUNCILLOR ABBOTT BRYNING:

1. That the estimated budgetary implications (for General Fund services) arising from the latest Government consultation be noted.
2. That the approach set out in section 3 be adopted for identifying budget savings, but it be kept under review as the budget develops.

REPORT

- 1 **Government Proposals: Future Years' Funding**
 - 1.1 Towards the end of July, Government issued a technical consultation on the Local Government Finance Settlement for 2014/15 and 2015/16. The consultation sets out proposals regarding the funding reductions announced by Government so far this year.
 - 1.2 A briefing by the Local Government Association is attached at **Appendix A**. At the time of writing this report, a countywide response to the consultation was being prepared.
 - 1.3 If the Government proposals are adopted, they would have major implications for the Council's already bleak funding prospects, for General Fund services. An indicative summary is attached at **Appendix B**. In very simple terms, the outcome could be as follows:

- In next year, the savings target could increase by a little over £100K, raising it to around £1.2M. This is linked to the Chancellor's Budget back in March, which made reference to a further 1% funding reduction for Local Government.
- In 2015/16, the Council could see its savings target increase to £3.5M, allowing for a 15.3% cash reduction in its funding. Cabinet will be aware that the current Financial Strategy is based on an indicative savings target of £2.3M, which subsequently increased to £2.7M drawing on the 10% headline funding reduction quoted in June's Spending Review. It is now clear, however, that the headline translates into a much bigger reduction for authorities, with district councils being worst affected.

1.4 As well as presentational factors, proposed distribution changes also account for some of the movement:

- In 2015/16 total New Homes Bonus is now proposed to be topsliced – 35% of the Council's allocation may have to be passed on to the Local Enterprise Partnership, to help finance the Local Growth Fund.
- Also worthy of note is, in effect, a proposal to extend council tax freeze compensation for 2013/14 tax decisions, for at least a year longer. This also skews the distribution of funding.

1.5 In short, Government is proposing fairly fundamental changes to previous funding arrangements and this is of real concern. It does not help promote sound planning and decision-making.

1.6 Although there are signs that the national economy is picking up, there is nothing to indicate that this will translate into a fundamentally different funding outlook for local authorities, and more particularly, for district councils.

1.7 Finally, it should be noted that for simplicity, these very high level updates to the Council's indicative financial prospects do not consider the impact of changing the Council's council tax increase assumptions (currently set at 2% year on year), nor do they allow for any changes in tax yields from business rate income for the district. Aspects such as these will be covered in later reports.

2 **Tackling the Challenges: Reserves and Balances**

2.1 Councils nationally will need to draw on their balances and reserves to tackle the challenges ahead. Much has been made of this by Government in recent weeks but invariably, delivering major change and service reduction programmes will:

- incur up front costs, and
- take significant time to deliver.

2.2 The Council's Financial Strategy reflects this reality. Available unallocated balances (above the current minimum of £1M) are in the region of £2.5M, but may increase slightly depending on current year spending. In simple terms, it could be viewed that balances give the Council only until mid-2015 to balance the annual budget.

2.3 Other reserves could be reduced to some degree if circumstances warrant it - Invest to Save being a potential example - but this could restrict other opportunities for their use. To make best use of reserves and balances, the key is to take budget decisions early and plan out the associated service changes. Again, this underpins existing Financial Strategy.

3 **Tackling the Challenges: Identifying Savings**

3.1 Chief Officers are in the process of identifying many potential areas for saving and these will be reported to Members in due course.

3.2 Whilst it is considered likely that some could be implemented without having significant impact on services to the public, in total they would not address the Council's budget deficit. In order to balance the Council's books, there will need to be reductions and other changes in services that will have direct, adverse impact on the district and its residents and visitors. For such areas, therefore, Member prioritisation and direction is required – decisions will not be easy.

3.3 For these reasons, the following approach is proposed:

- Management Team be tasked with an initial target of £1M recurring savings, from service restructuring, streamlining and any efficiency related proposals – i.e. those that would not have a marked bearing on front line or other service delivery standards. At this stage, it is considered unfeasible to increase this target any further. Furthermore, it should be recognised that even these measures will result in some delays in dealing with various work requests, and may well give rise to more complaints. Whilst the risks attached can be managed to some degree, they cannot be avoided entirely.
- Cabinet be tasked with prioritising service reductions and other similar annual savings in the order of at least £2.5M. Members are encouraged to identify key areas for saving early on, to give more time to plan and develop options for service withdrawal.

3.4 Regarding income generation, the introduction of new charges is one area that Members may wish to consider. Alongside this, reviews of existing charges will be undertaken by Officers in the normal way, where there is expected to be continuity of service. The Officers' aim will be to achieve (at least) a break-even position where there is discretion to do so, or review the service provision further. Overall however, the scope for increasing income generation is thought to have only limited impact on addressing the budget deficit.

3.5 For invest to save ideas, with the exception of renewable energy, this needs no other specific consideration as inevitably, many savings options will involve up front costs anyway.

- 3.6 Arrangements are in hand to ensure that all associated budget proposals are developed and appraised in a robust manner, drawing on management and other information as appropriate.

4 **Options and Option Analysis**

- 4.1 The following options are available to Cabinet

- (1) Approve the proposals set out in section 3 for identifying savings proposals.
- (2) Identify and adopt an alternative approach, with the aim of achieving the indicative savings targets as outlined.

5 **Details of Consultation**

- 5.1 Consultation will be undertaken and developed as set out in the Budget and Policy Framework Timetable reported to Cabinet in September.
- 5.2 Arrangements are in hand to brief all staff on the latest budget outlook. Member briefings and other stakeholder communications can be arranged in due course. Managing customer, Member, staff and other stakeholder expectations is a difficult but important task in itself.
- 5.3 Alongside the Council developing its budget reduction plans, other public service providers are going through similar exercises. Although there is no real comfort in this, at some level there is a need to understand and recognise the knock on implications of decisions and their collective impact.

6 **Officer Preferred Option**

- 6.1 Option 1 – to adopt the proposals set out in section 3 for identifying savings proposals – is the Officer preferred option, to give structure to identifying reasonable savings from streamlining services, whilst also ensuring that Members focus on prioritising where to remove or significantly reduce service provision and other Council activities.

RELATIONSHIP TO POLICY FRAMEWORK

The proposals outlined in the report are in support of reviewing and updating the Council's Budget and Policy Framework.

CONCLUSION OF IMPACT ASSESSMENT (including Diversity, Human Rights, Community Safety, Sustainability etc)

The annual review of the budget and policy framework ensures that the Council's plans and strategies are kept up to date and compliant with the above criteria for assessing their impact on local communities.

FINANCIAL IMPLICATIONS

As outlined in the report, although there are no direct implications at this point in time.

SECTION 151 OFFICER'S COMMENTS

The S151 Officer has produced this report, as part of her responsibilities.

LEGAL IMPLICATIONS

Legal Services have been consulted and have no observations to add to this report.

DEPUTY MONITORING OFFICER'S COMMENTS

The Deputy Monitoring Officer has been consulted and has nothing to add to this report.

BACKGROUND PAPERS

Government Technical Consultation: Local Government Finance Settlement 2014-15 and 2015-16.

Addendum to the above consultation.

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Local government finance

Briefing for Leaders, Lead Members and Chief Executives

31 July 2013



On Thursday the 25 July 2013 the Department for Communities and Local Government (DCLG) published consultations on the local government finance settlement for 2014-15 and 2015-16; the New Homes Bonus; and the funding of transformation costs through application of capital receipts.

The *Local Government Finance Settlement 2014-15 and 2015-16: technical consultation* is available via this [link](#). Since the consultation is detailed and technical, a separate briefing with more detail is being circulated for local government finance officers. This briefing contains the main highlights for Leaders, Lead Members and Chief Executives.

The LGA would like to invite our members to share their responses with us so that we can best reflect your concerns to the Government. Please send your response or any queries you might have to lgfinance@local.gov.uk

FUNDING SETTLEMENT CONSULTATION

- The Spending Round announced a 10% real terms cut in overall funding for local government from the DCLG. The settlement consultation confirms that the total amount received by local government for 2015/16 will reduce by this amount. The latest settlement makes it clearer how this will feed through to local authorities.
- It is now clear from the latest consultation paper that £1 billion has been set aside from the settlement for allocation outside the main business rates retention system to some authorities but not others. It emerges that this includes much of the new money announced in the Spending Round. Therefore underlying the headline 10% real terms cut in funding announced by the Government at the Spending Round lies a 15% real terms reduction in the basic allocation affecting all authorities, the Settlement Funding Assessment or SFA (which comprises local business rates and Revenue Support Grant and is broadly analogous to the old Formula Grant). Authorities that do not get an allocation of any of the new money will suffer cuts on this scale.
- The difference, amounting to just under £1 billion, is explained by two key things:

1) Firstly, an amount of £800 million has been set aside by the Government for grants and other allocations included in the headline Local Government Departmental Expenditure Limit (DEL) figure, some of which involve extra costs to local authorities. These are listed in below in the table and detailed

Briefing

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in the technical briefing. This is effectively money that the Government has set aside for other priorities and that will not be allocated to all authorities.

	Amount £m	Note
Collaboration and Efficiency Fund	100	Announced in the Spending Round. Allocation will be to participating authorities on a basis to be determined
Fire transformation fund	30	Announced in the Spending Round. Allocation will be to fire authorities on a basis to be determined
Social care new burdens-(Dilnot)	335	Announced in the Spending Round. Allocation to social care authorities. £50m of this is capital
Independent Living Fund	188	Transfer from DWP to fund the costs of closing down the ILF.
	653	

The difference between this figure and the £800m, Government advises, is for allocations yet to be determined, including some of the additional funding for Troubled Families announced in the Spending Round.

It is evident that much of the 'new funding' announced in the settlement is contained within LG DEL resulting in a deduction in local business rates and Revenue Support Grant.

In particular the figure includes new burdens funding for Dilnot which, by definition, comes with additional costs for local authorities. Indeed it is anticipated that most of the allocations from these pots will come with some extra spending. Local government will argue that funding that comes with extra burdens should not be taken into account in reducing the calculation of a 'real terms' cut.

It is evident that new money for Troubled Families, which was said to have been drawn from across Government, is being met at least in part from local government's own settlement.

2) Secondly, additional funding is also being withheld for New Homes Bonus and business rates retention safety nets. The safety net in is the funding that Government sets aside to fund payments to authorities whose local business rates income reduces by more than 7.5%. The amounts held back in 2014/15 and 2015/16 are set out below in the table.

Holdbacks	2014/15 Original £m	2014/15 Revised £m	2015/16 £m
New Homes Bonus	800.0	800.0	1100.0
Capitalisation	100.0	50.0	
Safety Net	25.0	120.0	50.0
Total holdbacks	925.0	970.0	1150.0
Change in holdbacks		45.0	180.0

It is understood that the increase in safety net holdbacks is due to concern over the impact of successful rates appeals on a few authorities. We would argue that this risk is created by long drawn-out process for appeals operated by the Valuation Office Agency (VOA) and that is a problem for the Government to fix. This is not therefore a risk that local government should be required to fund.

In addition, it is understood that there may be a final surplus on the former national business rates scheme. The backdated impact of business rates appeals before April 2013 should be charged to that pot, and any balance should then be allocated back to local government via the settlement.

Any funding held back but not allocated to authorities will be redistributed later to all authorities but not until later in the planning process. The New Homes Bonus holdback figure for 2015/16 in the settlement paper and reflected in the table above is £210m higher than the one quoted in the New Homes Bonus consultation. Local government should ask for a consistent figure to be used, returning £210m to the settlement for 2015/16.

Taking these two changes together (the £800m in allocations outside SFA and the holdbacks), the actual reduction in Revenue Support Grant and the local share of business rates (known together as the Settlement Funding Assessment) is 13.1% or 15% in real terms.

	2014/15 £bn	2015/16 £bn	Cut £bn	Cash reduction	Real terms reduction %
Figures as per the Spending Round (Local Government DEL)	25.6	23.5	2.1	8.2%	10%
Consultation figures (Settlement Funding Assessment) after holdbacks	23.6	20.5	3.1	13.1%	15%
Difference	2.0	3.0	1.0		

In the absence of further information on the allocation of £800m and the holdbacks, authorities are in the position of having to plan for a share of the 15% real terms reduction in SFA in 2015/16.

The Government has also been quoting a 2.3% real terms reduction in 'Local Government Spending' which we understand includes £3bn of the £3.8bn NHS Social Care money negotiated and announced as part of the

settlement. The Government has been unable to explain this figure but in any case it is now clear that the headline SFA figure for many authorities at 15% will be very much higher than people have been led to understand.

The Settlement Funding Assessment is the funding which is analogous to Formula Grant under the older system, so it a share of this pot that is distributed to all authorities. The impact will therefore vary between authorities.

The following table is summarised from DCLG exemplifications on its website, accessible via this [link](#).

Local Authority	Settlement Assessment		Funding	% cash reduction
	2014-15 Settlement	2015-16 Settlement (including 2013-14 Council Tax Freeze)		
	(£ million)	(£ million)		
England	23,614.095	20,693.383		-13.0%
London area	5,486.898	4,899.548		-11.3%
Metropolitan areas	6,356.737	5,480.434		-14.1%
Shire areas	11,767.159	10,310.101		-13.3%
Inner London boroughs incl. City	2,147.116	1,838.247		-14.7%
Outer London boroughs	2,182.650	1,895.069		-13.8%
London boroughs	4,329.766	3,733.316		-14.3%
GLA - all functions	1,157.131	1,166.232		0.0%
Metropolitan districts	6,068.799	5,216.279		-14.4%
Metropolitan fire authorities	287.937	264.155		-8.3%
Shire unitaries with fire	420.649	365.906		-14.0%
Shire unitaries without fire	4,480.147	3,875.184		-13.9%
Shire counties with fire	2,165.802	1,927.593		-12.1%
Shire counties without fire	3,162.789	2,796.342		-12.9%
Shire districts	1,082.596	923.688		-15.3%
Combined fire authorities	455.176	421.387		-8.2%

A real terms reduction can be arrived at by adding 1.8% to these figures

Key points to raise:

1. The process has been opaque so far. To aid transparency and decision-making, Government should explain that the initial impact of 2015/16 cuts on most authorities will be in the region of 15%. This will help people understand the actions authorities will need to take. Expressing the real terms cut as 10%, let alone 2.3%, is misleading for the majority of authorities. It is particularly misleading that some of the funding taken into account is matched by new burdens of

expenditure. It is wrong in principle that new burdens funded should be presented as if it is real terms funding growth.

2. Where money has been held back, the amounts held back should not be too cautious on the Government's part. Authorities cannot budget for redistributions of unspent contingencies they may not receive. The NAO's estimate of New Homes Bonus for 2015/16 should be used, allocating an extra £210m to local authorities at the outset.
3. The Government should carry the financial risk of appeals where these are due to the long-winded VOA appeals system because only the Government is in a position to manage this risk by fixing the system. Backdated appeals before 2013/14 should be charged to the pre 2013 business rates pot.

NEW HOMES BONUS CONSULTATION

The Government has also published a consultation on passing £400m to Local Enterprise Partnerships from the New Homes Bonus.

The consultation which closes on 19 September 2013 can be accessed via [this link](#).

Implementing the £400 million transfer

DCLG announced that £400m (estimated at 35%) of all New Homes Bonus will be given to the lead authority for the LEP in the area. In London this will go to the Greater London Authority.

The Government proposes two options for mechanism to be used to pool New Homes Bonus. In the first, all authorities would have their New Homes Bonus reduced by the same proportion (35% in the estimate). In two tier areas this would mean Districts providing 80% of the pooled amount with counties providing 20%, in accordance with the New Homes Bonus split.

In the second option, in two tier areas the first call for the pool would be from counties, with districts making up the difference. On the basis of a 35% topslice, counties would lose all of their New Homes Bonus in 2015/16, with the remainder coming from districts (approximately 19% of their allocation). Where an authority belongs to more than one LEP, DCLG proposes to split their share equally between the LEPs to which they belong; no choice is offered to individual authorities on this point.

The Government suggests that LEPs should take into account committed spending out of New Homes Bonus for 2015-16 by authorities in their area.

All authorities affected by this are encouraged to fill in a survey.

PROPOSALS FOR THE USE OF CAPITAL RECEIPTS FROM ASSET SALES TO INVEST IN REFORMING SERVICES

The Government is consulting on the proposals for the use of capital receipts from asset sales to invest in reforming services and responses need to be submitted by the 24 September 2013. This is an opportunity to comment on and shape the Government's proposal to allow some one-off "transformational" revenue expenditure, which will deliver longer term savings, to be funded through the use of capital receipts. The

documentation can be accessed via this [link](#).

Latest Funding Projections based on Government Consultation Data

As reported to Cabinet 08 October 2013

	2013/14		2014/15			2015/16		
	Final	£'000	Provisional per MTFS	Latest Provisional	Difference	Indicative per MTFS	Latest Indication	Difference
Revenue Support Grant		7,533	5,753	5,627	-126	10,179	3,774	-1,085
Retained Business Rates		5,012	5,165	5,175	10	10,179	5,320	-1,085
Total "Settlement Funding Assessment" **		12,545	10,918	10,802	-116	10,179	9,094	-1,085
New Homes Bonus **		771	886	886	0	944	808	-136
Total Funding		13,316	11,804	11,688	-116	11,123	9,902	-1,221
Year on Year Reduction***		£526K 4.2%	£1,512K 11.4%	£1,628K 12.2%	-116	£681K 5.8%	£1,786K 15.3%	
Indicative Savings Requirements			£1,121K	£1,237K		£2,343K	£3,564K	

*The Settlement Funding Assessment has Homelessness Prevention and 2011/12 Tax Freeze Compensation Grants rolled in.

**2013/14 New Homes Bonus is final and allows for an Adjustment Grant; future years are estimated.

No allowance has been made as yet for any Collection Fund surplus or budget savings generated in this year (2013/14).

CABINET

08 October 2013

WIND TURBINE DEVELOPMENTS AND SEPARATION DISTANCES

Report of Chief Officer (Regeneration & Planning)

PURPOSE OF REPORT			
To enable Cabinet to consider the petition submitted to Annual Council asking that the City Council as Local Planning Authority introduce a revised Development Management policy relating to wind turbines which introduces a minimum safeguarding distance between turbines and dwellings.			
Key Decision	<input type="checkbox"/>	Non-Key Decision	<input type="checkbox"/>
		Referral from Council	<input checked="" type="checkbox"/>
Date Included in Forthcoming Key Decision			n/a
This report is public			

RECOMMENDATIONS OF CHIEF OFFICER (REGENERATION AND PLANNING)

- (1) That Cabinet notes the new guidance from DCLG on renewable and low carbon energy and that its revised policy in the publication version of the Development Management Development Plan Document complies with that guidance. Furthermore it does not take steps to introduce separation distances between wind turbines and residential properties as to do so would be to ignore published national planning guidance.

1.0 Introduction

- 1.1 At Council on **13th May 2013** a petition was received from Mr Phil Storer , as follows:.

“We have read the letter dated **16 April 2013** from the Chief Planning Officer at Milton Keynes to the Chief Planner at the CLG. We have also read the Joint Press Release from FELLs and FORCE dated 18 April 2013.

We note that the judgement has been interpreted as confirming that local authorities can set exclusion zones to protect local people from inappropriate development and we petition Lancaster City Council to amend Lancaster City Council’s Core Strategy as adopted by Lancaster City Council on 23 July 2008, (or such other planning document as may be appropriate) so as to include a minimum separation distance as a safeguard to protect the amenity of wind turbine neighbours.”

In accordance with the Constitution, the petition was referred to Cabinet for consideration.

- 1.2 The petitioners referred to a recent High Court decision made on **15th April 2013** which related to a legal challenge by RWE and NPower Renewables against Milton Keynes Council.
- 1.3 The petitioners may have read commentary on the decision, but such commentary is not wholly accurate. In fact the decision says that Local Planning Authorities are within their rights to prepare planning policy which does not mirror Government advice on any particular area of planning, but it also goes on to explain what steps the Secretary of State might take to block the adoption of such policies through the current processes for the formal adoption of plans and policies. However, it does not say, as suggested by the petitioners, that councils can set exclusion zones which the Government cannot overrule.
- 1.4 This report provides Members with advice on the current position and the implications for changing the Council's current policy approach to planning applications for wind farms. It is a matter for Members then to consider whether in the light of that advice they want to pursue a change to their current policy position. They must however take account of what the implications might be for the Council in defending such an approach at appeal, and in particular in relation to the issue of costs awards.

2.0 Material Considerations

- 2.1 The emerging draft Local Plan policy (DM18 Development Management DPD) has been formulated in the light of the Government's consistent advice on the use of buffer zones. It adopts a criteria based approach which can be applied to the particular circumstances of any given case and updates the existing adopted policies in the Local Development Framework Core Strategy and the saved Lancaster District Local Plan policies, against which current planning applications are determined. The emerging policy as drafted appears to mirror exactly what the Government's latest position advocates. In short this Council has always understood that there was an appropriate balance to be considered. It has never seen the Government's targets for renewables as an absolute consideration.
- 2.2 As Lancaster District is geographically quite different from the landscape in and around Milton Keynes there would be a need to demonstrate a rationale for introducing spacing criteria between turbines and housing which could be practically and consistently applied and reasoned. This is much easier in a generally flat landscape, but difficult in one characterised by upland areas and rolling valleys. Difficulties with objective interpretations would occur when a spacing distance, which might be suitable in flatter locations such as the coastal plain, had to be applied in hillier locations such as the Lune Valley.
- 2.3 The High Court judgement relating to the issue of spacing distances suggests that any council could consider introducing spacing distances provided they can produce a clear and objective reason for doing so. However, this needs to be balanced against the views expressed by Mark Prisk MP (Minister for Housing – DCLG) prior to the issuing of the latest guidance.

"We have made it clear in Parliament that fixed separation distances nationally would cut across our localist approach. Speaking generally, fixed separation distances could automatically rule out locations which would otherwise be suitable for wind turbines. It is much better for local councils to use their local plans to help shape

where development should and should not take place, as the (National planning Policy) Framework encourages”.

- 2.4 The High Court decision does not simply concern itself with the rights and wrongs of spacing distances. The High Court decision considers in detail issues surrounding the status of and the procedures for adopting Development Plan Documents and Supplementary Planning Guidance. It also highlights the Secretary of State’s ability to intervene and apply national planning policy through the examination processes undertaken by the Planning Inspectorate. In short Councils cannot introduce a set of policies which are not judged to be sound by the Secretary of State.
- 2.5. Since the High Court decision and the ministerial statements, the Government has clearly given full consideration to the issue of spacing distances. In the revised practice guidance issued on **29th July 2013** the position is made clear.

Para 16. Local Planning Authorities should not rule out otherwise acceptable energy developments through inflexible rules on buffer zones or separation distances. Other than dealing with set back distances for safety, distance of itself does not necessarily determine whether the impact of a proposal is unacceptable. Distance plays a part, but does so in the local context including factors such as topography, the local environment and near-by land uses. This is why it is important to think about in what circumstances proposals are likely to be acceptable and plan on this basis.

3.0 Conclusions

- 3.1 The publication of the new practice guidance makes it clear that any attempt by local authorities, inspired by the Milton Keynes decision to introduce buffer zones or spacing distances will be blocked by the Secretary of State and the Planning Inspectorate through the appeals and Local Plan Adoption process. The Council’s current policy in the draft version of its Development Management DPD is, however, entirely in line with the latest Government guidance.

4.0 Details of Consultation

- 4.1 There has been no external consultation at this stage other than that which has taken place in relation to the current drafting of the proposed Local Plan policy.

5.0 Options and Options Analysis (including risk assessment)

- 5.1 **Option 1** Not to introduce an amended policy. This option may still be challenged by groups opposing wind turbine development through the examination of the Development Management Development Plan Document, but is more likely to be found as a favourable approach by the Secretary of State. The approach would be unpopular with some local communities including some Parish Councils as the view may be taken that the Council has declined to tighten the constraints imposed on wind farm developments. This option would however be expected to receive support from the Secretary of State and the Planning Inspectorate, and avoid costs awards against the Council at appeal if it ignores national policy guidance.
- 5.2 **Option 2** To undertake a revision to the existing Development Management policy, as advocated by the petitioners, (and not by officers) to aim to include a minimum separation distance. This option would in principle seek to satisfy the pressures being applied on the City Council to take this action, but will not be found acceptable

by the Secretary of State. Equally opposition groups to turbine developments are not guaranteed to be satisfied if any spacing distances are not perceived by them to be adequate. The creation of an appropriate evidence base will take time and impose a further funding burden on the existing Local Plan budget. It would need a decision from Council to amend the policy and delay the progress of the Development Plan Document to adoption and place the Council at risk of costs awards against it at appeal. for ignoring national policy guidance.

6.0 Officer preferred option

6.1 Following the publication of the most recent guidance from the Government on 29th July 2013 the Officer recommendation is Option 1.

RELATIONSHIP TO POLICY FRAMEWORK

The development of renewable energy is supported in the Council's Corporate Plan and the Local Development Framework Core Strategy. The Emerging Local Plan Development Management Document currently includes Policy DM18 which relates to Wind Turbines.

CONCLUSION OF IMPACT ASSESSMENT

(including Diversity, Human Rights, Community Safety, Sustainability and Rural Proofing) Wind turbine developments have significant impacts predominantly on rural communities and require careful balance between the national and local community interests as well as the impact on landscape and ecology in areas such as Lancaster District which have a significant number of areas of special environmental protection.

FINANCIAL IMPLICATIONS

The creation of an evidence base to support any change in policy would incur additional expenditure, which could not be justified following the publication of new national guidance. The risk of legal challenge through Judicial Review or costs at appeal also has to be acknowledged and the assumption is that any related costs arising would fall on reserves or balances, rather than them being met from existing revenue budgets.

SECTION 151 OFFICER'S COMMENTS

The s151 Officer has been consulted and she reiterates the need to give careful consideration to the financial implications of the options presented.

LEGAL IMPLICATIONS

The establishment of Development Plan policy which achieves full legal weight is beneficial to the district because it enables development to be controlled in an effective manner. There is a risk to be attached to a strategy which promotes new policy in conflict with the Government's new policy guidance. That risk comes in two forms. On the one hand full legal weight could not be delivered for such a policy contrary to the Secretary of States latest guidance. On the other hand the emerging use of such a policy before being examined by the Secretary of State could lead to a risk of costs being incurred at appeal or the same legal challenge faced by Milton Keynes Council. Members need to consider these potential implications.

MONITORING OFFICER'S COMMENTS

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

BACKGROUND PAPERS

Milton Keynes Council
Wind Turbines Supplementary Planning
Document and Emerging Policy July 2012

R(RWE Npower renewables) V Milton
Keynes Council [2013] EWHC 751; 15 April
2013.

Ministerial Statements by the Secretary of
State for Communities and Local
Government, and Minister of State for
Business, Innovation and Skills and
Department of Energy and Climate Change.
6th June 2013.

Planning practice Guidance for renewable
and low carbon energy 29th July 2013

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CABINET

**Urgent Business Report
8 October 2013**

Report of Chief Officer (Governance)

PURPOSE OF REPORT				
To advise Members of actions taken by the Chief Executive, in consultation with the relevant Cabinet Members.				
Key Decision	<input type="checkbox"/>	Non-Key Decision	<input type="checkbox"/>	Referral from Officers
				X
Date of notice of forthcoming key decision			n/a	
This report is public				

RECOMMENDATION

1.0 That the actions taken by the Chief Executive, in consultation with the relevant Cabinet Members in accordance with the Scheme of Delegation, in respect of the following, be noted:-

1.1 REQUEST FOR THE CITY COUNCIL TO GIVE AGREEMENT FOR AN APPLICATION TO BE MADE TO THE DCLG TO FUND A PROJECT TO TACKLE PROBLEMATIC HOUSES IN MULTIPLE OCCUPATION

- (1) That the Chief Executive under urgent business agrees to Lancaster City Council submitting an application to the DCLG Rogue Landlords funding, subject to there being no additional cost implications for the City Council.
- (2) That the General Fund Revenue Budget is updated accordingly, split across relevant financial years, in the event that the application is successful.
- (3) That consultation is undertaken with a view to waiving call in, in accordance with Overview & Scrutiny Procedure Rule 17, to enable the decision to be implemented immediately.

2.0 Background

In July 2013 the Housing Minister announced that £3 million was being made available to help Local Authorities tackle acute and complex problems with rogue landlords in their area and details were received on 12th August. Initially it was perceived that the funding was aimed at authorities in the south of England to deal with the "beds in sheds" landlords. On further reflection after returning from annual leave in the first week of September, the Housing Standards Officer thought that a good business case for a project similar to one carried out in the west end a few years ago could be made.

Notice of this key decision (in accordance with the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012, Part 3, was provided on 11 September 2013 under regulation 11 enabling the decision to be taken on 19 September. However, as the deadline for the application was 20 September 2013, the Chairman of the Overview and Scrutiny Committee (in accordance with Overview and Scrutiny Procedure Rule 17) was consulted and agreed to waive the five day call-in period in order for the decision to be implemented immediately.

After consulting with the Leader and the Cabinet Member with Responsibility for Health and Housing, and with the Chairman of Overview and Scrutiny, the Chief Executive took the decision.

3.0 Conclusion

Approval was given to the above action, which is reported to this meeting in accordance with the City Council's Constitution, Part 4, Section 4, Cabinet Procedure Rule 1.10(b).

RELATIONSHIP TO POLICY FRAMEWORK	
Comments were contained in the original report.	
CONCLUSION OF IMPACT ASSESSMENT (including Health & Safety, Equality & Diversity, Human Rights, Community Safety, HR, Sustainability and Rural Proofing)	
Comments were contained in the original report.	
LEGAL IMPLICATIONS	
Comments were contained in the original report.	
FINANCIAL IMPLICATIONS	
Comments were contained in the original report.	
OTHER RESOURCE IMPLICATIONS	
Comments were contained in the original report.	
SECTION 151 OFFICER'S COMMENTS	
Comments were contained in the original report.	
MONITORING OFFICER'S COMMENTS	
Comments were contained in the original report.	
BACKGROUND PAPERS	Contact Officer: Liz Bateson Telephone: 01524 582047 E-mail: ebateson@lancaster.gov.uk
none	