



Committee: CABINET

Date: TUESDAY, 21 JANUARY 2014

Venue: MORECAMBE TOWN HALL

Time: 10.00 A.M.

A G E N D A

1. **Apologies**

2. **Minutes**

To receive as a correct record the minutes of Cabinet held on Tuesday, 3 December 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. **Sport England/British Cycling Grant Offer To Provide Lighting To The Cycle Circuit At Salt Ayre Sports Centre (Pages 1 - 6)**

(Cabinet Member with Special Responsibility Councillor Sands)

Report of the Chief Officer (Health & Housing)

7. **Corporate Fees and Charges Review – 2014/15 (Pages 7 - 46)**

(Cabinet Members with Special Responsibility Councillors Bryning, Hamilton-Cox, Leytham, Sands and Smith)

Report of the Chief Officer (Resources)

8. **Museums Service (Pages 47 - 72)**

(Cabinet Member with Special Responsibility Councillor Sands)

Report of the Chief Executive

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

This is to give further notice in accordance with Part 2, paragraph 5 (4) and 5 (5) of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 of the intention to take the following items in private. It should be noted that the reports for items 10, 11 and 12 are public reports but contain exempt appendices and it will only be necessary to exclude members of the press and public if it is necessary to refer to the exempt appendices during consideration of these items.

Cabinet is recommended to pass the following recommendation in relation to the following item(s):-

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

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

10. **Options for Service Reduction in a range of Discretionary Areas (Pages 73 - 113)**

(Cabinet Members with Special Responsibility Councillors Blamire, Hanson and Sands)

Report of the Chief Officer (Regeneration & Planning)

11. **Budget & Policy Framework Update 2014/15**
(Cabinet Member with Special Responsibility Councillor Bryning)
Report of Chief Officer (Resources) (Report to follow)
12. **Bold Street Housing Regeneration (Pages 114 - 123)**
(Cabinet Member with Special Responsibility Councillor Hanson)
Report of the Chief Officer (Regeneration & Planning)
13. **St. Leonard's House (Pages 124 - 144)**
(Cabinet Member with Special Responsibility Councillor Hamilton-Cox)
Report of the Chief Officer (Resources)

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.

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

Published on Thursday, 9 January 2014.

CABINET

Sport England/British Cycling grant offer to provide lighting to the cycle circuit at Salt Ayre Sports Centre

21 January 2014

Report of Chief Officer (Health & Housing)

PURPOSE OF REPORT				
To obtain the agreement of Cabinet for the city council to accept a grant of up to £150,000 to provide lighting around the cycle circuit at Salt Ayre Sports Centre. The grant is being offered by Sport England/British Cycling on an unsolicited basis as they have identified Salt Ayre as one of 3 priority sites nationally for lighting.				
Key Decision	X	Non-Key Decision		Referral from Cabinet Member
Date of notice of forthcoming decision			18 December 2013	
This report is public.				

RECOMMENDATIONS OF COUNCILLOR RON SANDS

- (1) That subject to receiving an offer of grant from the Sport England/British Cycling, the Chief Officer (Resources) be given delegated authority to accept the offer and to update the General Fund Revenue and Capital Budgets in order to allow the works as described to progress, subject to there being no further impact on City Council resources other than those set out in this report.

1.0 Introduction

- 1.1 Sport England / British Cycling have offered Lancaster City Council a grant of up to £150,000 to provide lighting around the cycle circuit at Salt Ayre Sports Centre. The grant is being offered on a unsolicited basis as British Cycling and Sport England have identified Salt Ayre as one of 3 priority sites nationally for lighting due to the council's relationship with local cycling clubs and our reputation for support for cycling.

The 100% grant is time limited. The installation needs to be in place by 31 March 2014 or the funding will be lost.

- 1.2 Cabinet are aware of the ongoing review of sport and leisure functions in the context of the council's budget position. Options for the longer term future of Salt Ayre range from sale to the private sector, or closure to partnership with a private developer, charitable trust or in house trust etc.
- 1.3 It is therefore important that Cabinet consider the proposals in this report in the wider context of the review and any potential future implications. Clearly there would be some reputational risks to the council and a risk of potential claw back of the grant if an option was chosen that resulted in closure of the sports centre soon after the installation of the lighting. Officers are investigating the detail of any claw back provisions.
- 1.4 The funding body is aware that a review of the longer term future of the sports centre is underway. Officers are of the opinion that the lighting installation would not have any impact on any of the other options (resulting in the sports centre continuing to operate but possibly under a different delivery model) from being considered.

2.0 Proposal Details

- 2.1 The grant award is for capital works including the installation of all columns, signage landscaping and some fencing, and includes the purchasing of 5 spare columns and lamps which will help reduce any early replacement costs. The additional income generated in future years would be sufficient to cover any ongoing maintenance.
- 2.2 All professional fees are to be included within the grant.
- 2.3 Colleagues from Regeneration & Planning have confirmed that the proposed scheme, which would use standard highway lighting columns and lamps, could be implemented under permitted development. The scheme does not require an Environmental Impact Assessment.
- 2.4 Competitive cycling has grown consistently at Salt Ayre since the 1980's. The benefits drawn for Lancaster being a cycling demonstration town have also helped to drive the success of this sport in the area. Salt Ayre Sports Centre is an integral part of the district's cycle network infrastructure. Lancaster City Council, in partnership with British Cycling and the local cycling clubs have developed the city centre cycle race as part of the Olympic legacy. The proposed lighting project further demonstrates the city council's commitment to promoting cycling as an opportunity for increased participation in sport and leisure activities.

The cycle circuit at Salt Ayre has a Cycling Association (SACA). This includes Cogset (juniors), Lancaster Cycling Club and Lune Racing Cycling Club who all use the facilities at various times during the week including evenings in summer. Associate members from Kent Valley Road Club and Lakes Road club also use the circuit.

SACA currently uses the facilities for club sessions during the week and Saturday mornings and pays £1000 per year for club use. SACA was instrumental in helping the City Council to secure £150,000 in 2008 to develop the race circuit and as part of the agreement a number of free weekly club sessions were built into the usage plan.

2.5 Running Costs

Indicative costs for the project have been based on similar schemes going ahead across the country.

Estimated running costs for the lights are based on a tariff of 10.268p per column per hour and is in line with the LCC electricity tariff.

SACA has indicated that they will use the facility during the winter evenings for 6 hours per week for 20 weeks. This equates to £700 in energy costs. Lights will be either on a timer or may be manually switched on and off in line with demand.

2.6 Ongoing Maintenance/Income

SACA have agreed to contribute £500 per year in addition to their annual club use fee of £1000. This will contribute towards the ongoing maintenance of the track and lighting.

SACA's winter use has been estimated at 50 riders per week, each paying £1 initially to use the facility. The £1 fee has been set to encourage and promote usage of the track in winter and is estimated to cover running costs however, this fee will be subject to regular review to ensure there are no additional financial implications for the Council.

This will potentially generate an additional £1000 in income.

Algae treatment on the track should reduce as a result of increased use in the winter as the track currently closes between October and February.

Lancaster and Morecambe Athletics Club and City of Lancaster Triathlon Club have also expressed an interest in using the additional space for training purposes.

2.7 Benefits

Lighting the track will provide a safe environment for local riders to train in the off season months and attract more cyclists from areas such as South Lakes, Lancashire, Barrow, Carlisle and North Yorkshire by providing a safe training facility during the winter months.

This is particularly important for the junior riders who currently have to use the open roads in winter to train and maintain fitness levels. In addition, some cyclists who currently travel to Blackpool to use a facility with lighting may use Salt Ayre instead, which would generate further income to offset future maintenance costs.

Improving the site will further raise the profile of the cycle circuit. It will also help to generate more club members, increase usage and attract additional events. This in turn will generate more income and sustain the development of the sport and will add to Salt Ayre's already recognised reputation as a venue for competitive cycling events.

3.0 Details of Consultation

- 3.1 Discussions have taken place with local cycling clubs and stakeholders and there is strong support for the scheme.

4.0 Options and Options Analysis (including risk assessment)

	Option 1: To accept the grant offered.	Option 2: Not to accept the grant offered.
Advantages	<p>Provides the opportunity for the council to provide a facility which has the potential to be used throughout the year rather than relying so much on seasonal influences.</p> <p>No match funding requirement.</p> <p>Ongoing running and maintenance costs met by additional income generated by charging clubs.</p> <p>Provides increased opportunities for healthy lifestyle activity choice by people of all ages and abilities.</p>	Continue as status quo with summer use of track.
Disadvantages		Missed opportunity to take advantage of a 100% grant from Sport England / British Cycling to improve the cycle circuit at no cost to the council.
Risks	<p>The predicted usage by clubs fails to reach expected levels (mitigation would be reviewing the charges to clubs to ensure cost recovery).</p> <p>No formal agreement is in place with the cycling clubs and therefore there is a risk that the lighting may not be used as much as predicted if demand is lower than expected.</p> <p>There are some reputational and possibly financial risks depending on the outcome of the review of the future of the sports centre particularly if an option is chosen that does not involve the continuation of Salt Ayre as a sports centre.</p>	Funding will probably not be available again in the future.

5.0 Officer Preferred Option (and comments)

- 5.1 Option 1 is the preferred option based on the opportunity to increase use of the track by the community at no additional cost to the Council and to take advantage of the 100% grant offer from Sport England. The lighting improvement would not prevent any options (other than any that involve the sports centre from ceasing to operate) for the long term alternative delivery models for Salt Ayre from being considered.

6.0 Conclusion

The installation of lighting at the cycle circuit at Salt Ayre funded wholly from a grant offer from Sport England/ British Cycling allows the council to improve the cycle circuit to the benefit of users, demonstrate the council's commitment to cycling and generate sufficient income for ongoing running and maintenance costs.

RELATIONSHIP TO POLICY FRAMEWORK

The corporate plan includes for an increasing number of people participating in sports and leisure activities (Health and Wellbeing) and increased number of diversionary activities for young people (Clean, Green & Safe Places & Community leadership)

CONCLUSION OF IMPACT ASSESSMENT

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

Lighting the track provides a safe cycling facility in the winter.

LEGAL IMPLICATIONS

Legal to be consulted over any terms attached to the grant before acceptance.

FINANCIAL IMPLICATIONS

The capital installation works must be complete by 31st March 2014 and will be fully funded by the £150K Sport England grant as set out in the report. It is not expected that there will be any additional revenue financial implications arising for the Council in the short to medium term as a result of the preferred Option 1 as illustrated in the table below. It should be noted however, that this will be subject to achieving enough income from the users of the improved cycle track to cover future maintenance costs.

Revenue Costs

Current Budget Profile	Year 1	Year 2	Year 3	Year 4
	£	£	£	£
Annual SACA Fee	(1,000)	(1,000)	(1,000)	(1,000)
Maintenance	200	200	200	200
Net (Surplus)/Deficit	(800)	(800)	(800)	(800)
Proposed Budget Profile				
Annual SACA Fee	(1000)	(1000)	(1000)	(1000)
SACA Maintenance Contribution	(500)	(500)	(500)	(500)
Additional income (£50 x 20 wks)	(1000)	(1000)	(1000)	(1000)
Energy Costs	700	700	700	700
Maintenance	500	500	500	500
Insurance	300	300	300	300
Net (Surplus)/Deficit	(1000)	(1000)	(1000)	(1000)
Variance to Budget	(200)	(200)	(200)	(200)

It should be further noted that lamp replacement will not be required within the first four years (tabled above) as each lamp has a life expectancy of approximately 2000 hours (equivalent to 16 years). Lamp replacement is currently estimated at £300 each and future replacement will need to be considered as part of the overall review of SASC.

Should Members approve Option 1, then the General Fund Capital Programme and Revenue Budget will need to be updated as appropriate.

OTHER RESOURCE IMPLICATIONS

Human Resources: None.

Information Services: None.

Property:

Open Spaces: The installation enables a greater use of the cycle track throughout the year.

SECTION 151 OFFICER'S COMMENTS

Subject to the confirmation of the clawback position and possible grant extension in the event that the scheme cannot be completed (and all costs incurred) by 31 March, the s151 Officer has no further comments.

MONITORING OFFICER'S COMMENTS

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

BACKGROUND PAPERS

none

Contact Officer: Simon Kirby

Telephone: 01524 582831

E-mail: skirby@lancaster.gov.uk

Ref: C119



**Corporate Fees and Charges Review – 2014/15
21 January 2014**

Report of Chief Officer (Resources)

PURPOSE OF REPORT				
To consider the annual review of fees and charges for 2014/15.				
Key Decision	X	Non-Key Decision		Referral from Cabinet Member
Date of notice of forthcoming key decision			18 December 2013	
This report is public				

RECOMMENDATION OF COUNCILLOR HAMILTON-COX

- (1) That based on the options outlined in the report, Members agree the proposed increases in car parking fees and charges.

RECOMMENDATION OF COUNCILLOR SMITH

- (2) That Members consider the introduction of charging for bins and boxes as set out in 2.11 of the report.

RECOMMENDATION OF COUNCILLOR LEYTHAM

- (3) That the Environmental Health and Private Sector Housing fees in Appendix D be increased by 2% with the exception of pest control fees where it is proposed to increase these by 5% as set out in the report and appendix.

RECOMMENDATION OF COUNCILLOR SANDS

- (4) That the charges for Salt Ayre Sports Centre, Community Pools, Williamson Park, Parks and Recreation Grounds be increased in line with the proposed percentages (rounded to nearest £0.10) and arrangements as set out in Appendix E.

RECOMMENDATION OF COUNCILLOR BRYNING

- (5) That Members note the Fees and Charges Policy as set out at Appendix A, subject to indicating whether there are any other areas of income generation that require further consideration, other than those included in the recommendations above.

1 INTRODUCTION

1.1 General Policy

- 1.1.1 This report sets out the proposed fees and charges increases for 2014/15 for a number of service areas. The current policy was approved by Members at their meeting on 04 December 2012 and a copy is attached at **Appendix A**. No updates of the policy are being proposed.
- 1.1.2 In addition, attached at **Appendix B** is a full listing of all the general fund fees and charges for 2012/13 actuals and 2013/14 and 2014/15 estimates. This shows that the total income generated from fees and charges is now projected to be £9.7M next year, although this report is only concerned with inflationary increases in respect of £4.2M of that total. The majority of the remaining income relates to statutory fees, commercial charges, general cost recovery or fixed contracts (ie trade refuse collections). As such these income areas allow for little or no discretion in setting fee increases. Furthermore, certain fees such as licensing fees (including animal licensing in Health and Housing) cannot by law be set by Cabinet.
- 1.1.3 Cabinet is also requested to indicate whether there are any other specific areas for income generation that it wishes to consider in developing its budget proposals. These may relate to existing fees and charges, potentially new areas, or proposals for changing the assumed annual inflationary increase.
- 1.1.4 In general terms, as part of the current budget process all relevant fees and charges have been increased by 2% in line with the provisional annual inflationary review. This represents an aggregate of a range of inflation increases covering employees, energy, repair and maintenance and general supplies and services. Given expected financial pressures, officers would advise against proposing to lower this general % increase - such a proposal would need to go forward to Council, as part of Cabinet's overall budget proposals.

1.2 Specific Fees and Charges

- 1.2.1 Members are now asked to consider various specific fees and charges increases to achieve the draft budget forecasts for 2014/15. If any recommendations do not meet the draft budget assumptions then savings elsewhere within the budget will need to be identified or a growth item submitted to Full Council in February for approval. However, Members should be aware that the timing of growth approvals may cause operational difficulties in terms of the statutory notice periods required to implement new charges by 01 April 2014.
- 1.2.2 In order to assist the decision making process the report will be structured into four main areas as follows:
- Environmental Services - Car Parking / Bins & Boxes
 - Health & Housing
 - Wellbeing
- 1.2.3 These will set out the key considerations for Members in context of the latest budget projections and list the relevant options, options appraisal and officer recommendations either in the body of the report or in the appendices. It is important to remember that income budgets have been set based on the best

information available at this time, but also that the impact of the current economic climate could continue to adversely affect income generation.

2 ENVIRONMENTAL SERVICES – CAR PARKING

2.1 Background

Parking fees and charges are reviewed annually to ensure the Council meets its transportation and budget commitments. Last year Members approved retaining the existing permit charges but increased pay and display charges as follows:

Increase the up to 1 hour charge on all Short Stay and Long Stay car parks from £1.20 to £1.30.

The above increases were approved despite Lancashire County Council not increasing their on-street pay and display charges to maintain the differential charge. The differential charge is setting 1 hour and 2 hour on-street charges higher than the equivalent car parks charges. This is to encourage greater use of car parks and to discourage customers from driving around the limited number of on-street parking spaces looking for a space and adding to congestion and increasing pedestrian safety issues.

The current on-street and car park charges are set out below-

Parking Charge	On-Street	Car Parks
Up to 1 hour	£1.20	£1.30
Up to 2 hours	£2.00	£2.20

The County Council is now reviewing its on-street charges as part of its 2014/15 budget plans. It is understood that County is likely to recommend that its charges are increased to £1.40 for Up to 1 hour and £2.30 for Up to 2 hours. It is further understood that in recommending these increases, County has a preference for the City Council not to increase its Up to 1 hour charge on car parks (this is part of Option 2 later in this report). The differential charge would be introduced if County increase their charges as indicated and the City Council does not approve Option 2.

The County Council's 2014/15 budget plans will not be approved until after Cabinet has considered this report but Cabinet will be advised of the latest position at the meeting.

2.2 Influencing Factors for 2014/15

There are a number of issues that need to be taken into account when looking at parking during 2014/15 and future years. These include the ongoing United Utilities works around the Bus Station, the issues highlighted in the recently approved Draft Parking Strategy and the current usage information which is included in this report.

United Utilities – these major works to improve bathing water quality started in February 2013 and are likely to extend until November 2014. These works are affecting Wood Street Car Park and access to and from St Nicholas Arcades Car Park is also affected. The Council will be compensated by United Utilities for the loss of income from Wood Street Car Park.

Approved Draft Parking Strategy – the recently approved draft strategy includes the broad aim of ensuring that parking charges reasonably reflect the shopper and visitor experiences in the various centres, whilst ensuring that the parking account is not adversely affected by any changes. The main parking charges are broadly the same

in Lancaster and Morecambe with the following exceptions:-

- All day long stay charges are £6.00 in Lancaster and £3.20 in Morecambe;
- Lancaster has an additional 5 hour long stay charge of £3.70;
- the 1 hour charge at the Morecambe Festival Market Car Park is £1.00 rather than £1.30;
- evening parking charges only apply in Lancaster;
- parking is free of charge on designated bank holidays in Lancaster;
- reduced parking charges on Morecambe's outer car parks.

Although the final version of the strategy has yet to be approved Cabinet can consider whether the existing differences in charges are still appropriate and this report includes some options in relation to these differences. Also, this report includes the potential income that could be raised from increased charges and for information, this has been split this year between implementing the increases on all car parks or just in Lancaster or Morecambe.

2.3 Current Usage and Financial Position

2.3.1 Usage Position

As part of the monthly corporate monitoring of parking income usage is also monitored and the following table shows the latest position.

	Lancaster		Morecambe		
	Short Stay	Long Stay	Short Stay	Long Stay	TOTALS
<u>Last Full Year Comparison</u>					
2011/12	753,640	127,141	349,299	168,702	1,398,782
2012/13	724,664	134,927	339,874	157,398	1,356,863
Variance	-3.84	6.12	-2.70	-6.70	-3.00
<u>Recent 6 month comparison</u>					
2012/13	365,798	65,306	178,370	97,787	707,261
2013/14	335,329	73,553	171,326	98,150	678,358
Variance	-8.33	12.63	-3.95	0.37	-4.09

The above information confirms that overall usage is reducing with the exception of Lancaster's long stay car parks. The increased reduction in Lancaster's short stay car parks in 2013/14 is partly due to the closure of Wood Street Car Park next to the Bus Station and the revised traffic route arising from the United Utilities works that has affected St Nicholas Arcades Car Park.

In terms of individual tariffs it should also be noted that the most popular tariff in Lancaster is the 2 hour charge and in Morecambe it is the 1 hour charge. This highlights longer visit times in Lancaster compared with Morecambe and this can be taken into account when considering the charging options included in this report.

2.3.2 Financial Position

The 2014/15 Draft Budget outlined in the following table assumes that income across

the three parking income headings will be similar to 2013/14 and inflationary increases of 2.0% have been added to the 2013/14 base budgets in line with the Council's existing policy on fees and charges.

	2013/14 Estimate	2013/14 Revised	2014/15 Estimate	Inflation Included
Fees	£2,093,600	£2,070,600	£2,135,500	£41,900
Evenings	£108,500	£101,500	£110,700	£2,200
Permits	£144,400	£141,400	£147,300	£2,900
TOTAL	£2,346,500	£2,313,500	£2,393,500	£47,000

The annual review needs to consider options for covering additional inflationary increases of £47,000 across the above headings.

As previously mentioned the Council will be compensated for the loss of income from the closure of Wood Street Car Park in 2014/15.

2.4 Proposal Details

2.4.1 **Appendix C** includes specific proposals for Cabinet to consider.

2.4.2 Following Cabinet's approval of the review of the Management of Parks, Open Space and Public Realm parking charges at the two car parks at Williamson Park are to be included in the Council's Off-Street Parking Places Order and will then be reviewed annually as part of this process. Details and specific proposals are included in **Appendix C**.

2.5 Details of Consultation

The local Chambers of Commerce and of Trade, the Federation of Small Businesses, Lancaster BID team, Morecambe Town Council, Festival Market Traders, Friends of Williamson Park and Heysham Neighbourhood Council have been consulted over the pay and display options included in the report and their comments will be made available at the meeting.

As previously mentioned the County Council are reviewing their on-street pay and display charges and further information will be provided prior to Cabinet considering this report.

One request to review parking charges has already been received from the businesses on Marine Road Central between Pedder Street and Green Street. The businesses have highlighted that residents only on-street parking restrictions are in place in the streets leading of Marine Road and customers are reluctant to pay £1.30 to park in the car parks opposite their businesses for 1 hour. A 2 hour on-street limited waiting seasonal restriction is currently in place between Clarence Street and Green Street.

The businesses have asked the Council to consider providing free parking for the first hour on Marine Road No 3 Car Park. The financial implications of agreeing to this request are approximately £9K per annum but this does not allow for any transfer of any other 1 hour customers from other car parks.

The businesses have also asked the County Council to review the seasonal restriction and to consider making this an all year round restriction. This would

provide shorter term parking in winter to help the businesses and would avoid all day parking. The County Council is currently dealing with this request and will consult with the City Council.

2.6 Option and Options Appraisal

All options and relevant analysis are set out in **Appendix C**.

2.7 Officer Preferred Option

Were parking charges seen as purely a way of generating income for the Council then **options 2 and 4** combined would be recommended as the way forward. However, this Council's view of parking and charges is that when properly managed they contribute to the wider traffic management, regeneration and public realm issues within the District. This approach is set out clearly in the Council's Parking Strategy which is further emphasised in the revised Parking Strategy currently out for consultation. With this in mind, **Option 4** is the preferred option as it is the one that is most likely to effectively support the Council's priorities.

In addition, the following sub-options are the preferred options:-

Sub - Option 5 to introduce 24 hour parking charges in Lancaster

Sub - Option 6 to increase parking charges at Williamson Park and to remove the Annual Permit

Sub - Option 7 b) to increase all car park permits by 2.5%

Sub - Option 8 a) to introduce parking charges on Bank Holidays in Lancaster

Sub - Option 8 c) to increase the 1 hour charge on the Festival Market Car Park by 10p

Sub – Option 8 d) to increase parking charges on Morecambe's outer car parks

In total the officer preferred options would generate an additional £47,900 above the estimated income for 2014/15.

2.8 Alternative Payment Methods

2.8.1 Introduction

Many local authorities have implemented alternative payment methods for parking including making payment by mobile phone and installing pay and display machines that accept debit and credit cards. Installing Pay on Foot systems (pay when leaving) is also popular in larger car parks that allow this to be installed as part of the initial construction or where the car park has sufficient parking capacity to justify the need to have on-site staff available.

2.8.2 Payment by Mobile Phone

Officers have been investigating a suitable pay by phone provider and have received an acceptable proposal from one of the leading suppliers who provide this service to 97 local authorities. The service operates in the following way:-

Customers initially register with the service provider and log their registration number and debit or credit card.

Customers then, and on subsequent occasions, enter the location code for the car park, confirm their registration number and purchase the amount of time required (the customer pays a 20p convenience charge for using the service).

Customers can choose to receive a text receipt at a cost of 10p although receipts are available free of charge on the service provider's web site.

Customers can choose to receive a text reminder at a cost of 10p to advise them their time is running out and giving them the option to purchase additional time and the customer pays a further 20p convenience charge.

The advantages of the system are that customers do not need change when arriving at the car park and they can extend their parking time by purchasing additional time via the text reminder option; this can be done remotely avoiding the need to return to the car park.

The system can be introduced at minimal cost to the Council. The only costs are providing the Civil Enforcement Officers with web enabled mobile phones to access the service provider's web site to check the details of the payments made for individual locations. The other costs are associated with transaction charges for taking payment by debit and credit card and officers are investigating the most economical solution for these charges. The service provider allows the Council unlimited access to their fully automated web based system to track all parking transactions in real time.

2.8.3 Payment by Pay and Display Machines accepting debit and credit cards

The Council's existing pay and display machines cannot be upgraded to accept debit and credit cards. The cost of installing these machines on all car parks would require a substantial capital investment of approximately £200K. Although sales through debit and credit card could potentially be higher than mobile phone payments officers are investigating the exact costs of installing a limited number of these machines at busier car parks.

2.8.4 Pay on Foot Parking Systems

Pay on Foot was the subject of a report to Budget and Performance Panel in 2008. Again Pay on Foot is very expensive to install and can only be fitted to existing car parks where there is sufficient room for the payment machines, ticket issuing and acceptance machines and barriers; and adequate traffic lane space for vehicles entering and exiting the car park at peak times. Staff also need to be available on site to attend to any problems with the equipment and this would not be offset by the savings generated from not requiring enforcement staff.

2.8.5 Officer Preferred Option

To implement Payment by Mobile Phone as the most suitable alternative payment method, subject to addressing the ICT and banking arrangements.

2.9 Charging for Bins and Boxes

Council (27th Feb 2013) resolved that Cabinet give further consideration to charging for delivery of waste/recycling bins and/or boxes. A charge for delivery of bins and boxes to residents moving into houses that require them has recently been introduced. Cabinet are however requested to consider whether it is now appropriate to introduce a delivery charge for replacement bins and/or boxes to all householders. As discussed in previous reports on this subject the proposed delivery charge would be £15+VAT for replacement bins and £4+VAT for replacement boxes. Previous estimates indicate that the introduction of a charge for delivery of replacement bins and boxes for all would result in a net saving of around £80,000 per annum. If agreed work would then start to address the customer services /systems / IT aspects which in turn would inform the actual implementation date.

The budgets for 2014/15 onwards already include the additional income, in line with the original resolution, therefore if Members wish to withdraw from charging, then this would need to be reflected in Cabinet's budget proposals (for approval by Council).

3 HEALTH & HOUSING

3.1 Proposal Details

Set out in **Appendix D** are the current charges and options for increases for 2014/15. The charges are rounded to the nearest 10p. The proposals take account of the Council's stated intention to try to protect the most vulnerable in our community by keeping increases to a reasonable level and retaining the reductions for those in receipt of council tax/housing benefit. This has been balanced against the need to generate additional income.

3.1.1 Pest Control Fees

A review of pest control fees has been undertaken with the aim of making this discretionary activity as close to full cost recovery as possible whilst retaining fees at a level that is affordable for those citizens wishing to access the service. For this reason a fee increase of 5% is proposed for most pest control fees and this is shown in Appendix D. The exceptions to this are wasp treatments where the proposal is a 2% increase only as there is evidence that competitors are much cheaper than the council for this service and any further increase on the current price is likely to have an adverse impact on demand. It is further proposed that wasp treatments for commercial premises are set at the same price as domestic premises for the same reasons. In relation to moles and squirrel treatments, the proposal is to charge the full cost recovery on a case by case basis.

3.1.2 HMO licence fees

House in Multiple Occupation (HMO) fees have been reviewed in line with Government legislation which dictates that the fee charged must only seek to recover the costs of processing an application. Good practice that has developed since licensing was first introduced has also been incorporated into the revised fee structure. This means that the standard fee for a licence has been kept down, but weighted costs have been applied to those applicants who cause the council more work, e.g. late applications, incomplete applications etc. The revised fees are based upon an application being complete and on time, which would include the majority of the licence holders in Lancaster. The revised fee structure is laid out in Appendix D which also includes the penalty fees mentioned above.

3.1.3 General Fees and Charges

Most of the fees and charges covered in this report relate to the provision of statutory services. The following table shows which services are statutory and which are discretionary.

	Statutory	Discretionary
Cemeteries	✓	
Dog Warden Service (except sale of dog bags)	✓	
Pest Control		✓
Health & Safety	✓	
Port Health	✓	
Private Water Supplies	✓	
Accredited Property Scheme		✓
Immigration Inspection Charges		✓
HMO fees	✓	

Although the majority of services provided are statutory, the council does have

flexibility in setting fees for these services. Our research has shown that our fees are comparable with other neighbouring authorities.

For the discretionary services, the council is at discretion to set its own level of fee provided that the fees remain competitive and affordable to retain customers. The pest control service is estimated to operate at a loss of £98,500 inclusive of recharges, and £19,500 excluding recharge in 2014/15, based on the latest draft budget which includes an inflationary increase of 2%. If Option 2 (5% increase) is approved the deficit will be reduced by £3,000.

3.2 Financial Position

The following table shows the overall impact of the proposals:

	2014/15 Draft Budget (Including 2% inflation) Option 1 £	2014/15 Projected Increase of 5% Option 2 £
Cemeteries	265,000	272,800
Dog Warden Service	6,600	6,800
Pest Control	103,500	106,500
Private Housing	2,600	2,700
Public/Port Health	32,000	32,900
	409,700	421,700

The table shows that Option 1 is in line with the current draft budget including the 2% inflationary increase, whereas Option 2 would generate a further £12,000 more than this.

3.3 Options and Options Appraisal

Option 1 is the officer preferred option, with the exception of Pest Control fees (excluding wasps) where **Option 2** is the officer preferred option. This is to maintain a balance between cost recovery and affordability for users of the services.

4 WELLBEING

4.1 Proposal Details

Set out in **Appendix E** are the current charges and proposed increases for 2014/15. The charges are rounded to the nearest 10p where appropriate. The setting of charges within each facility is very much demand led and as such is a simple flat inflationary increase does not always work. Indeed, there is evidence to suggest that certain activities would suffer a dramatic reduction in throughput and therefore income if increases were applied.

Appendix E sets out a range of price increases which will generate the overall 2% inflationary increase already built into the draft budget for 2014/15. The range of increases are based on officers knowledge of market demand and supply, factors such as inflation and VAT and the need for the Council to operate services which provide value for money. The prices are the maximum charge and officers retain the

flexibility to reduce charges in line with market demand or specific schemes such as the £1 swim sessions at Salt Ayre Sports Centre

4.2 Financial Position

The table below shows the overall impact of the proposals:

	2014/15 Draft Budget (Including 2% inflation) £	2014/15 Draft Budget with Proposed Increases £
Community Pools	355,300	359,100
Salt Ayre Sports Centre	890,800	896,500
Rec Grounds / Open Spaces	19,900	19,900
Williamson Park	160,600	163,100
	1,426,600	1,438,600

Overall, if the proposed increases are approved they will generate £12,000 more than the draft budget which equates to an average increase of 2.9%.

The opportunity to increase prices above inflation for certain activities enables officers to maximise the potential income generation on those activities and at the same time enables price freezes on other activities that would otherwise see a drop in customer demand.

4.3 Health and Wellbeing Benefits

Salt Ayre Sports Centre is the main revenue earning facility within Wellbeing and is integral to the Health and Fitness Referral programme offered by the Active Health Team which provides all surgeries within the district the opportunity to “refer” patients for sport and physical activity exercise as part of a health improvement scheme.

Access to facilities at Salt Ayre and the Community Pools continues to provide opportunities for people to participate in sport and physical activities at reduced rates without requiring a membership fee. In addition, all facilities are integral to work with partner agencies such as the Police and County Council when offering diversionary activities particularly for children and young people. Various schemes are in place which are aimed at encouraging people who may not normally access opportunities to sport and physical exercise to take part in activities in a safe and controlled manner.

4.4 Officer Preferred Options

The proposed increases are those set out in Appendix E and are the officer preferred option. These will generate more than the overall 2% inflationary increase by some £12,000.

5 CONCLUSION

The officer preferred options set out in this report will exceed the required inflationary increases already built into the 2014/15 draft budget by some £62,900. They take on board the need to generate income in line with the requirements of the Medium Term Financial Strategy and the Fees and Charges Policy, whilst endeavouring to ensure customer demand for services is not adversely impacted upon.

RELATIONSHIP TO POLICY FRAMEWORK

Fees and charges form an integral part of the budget setting process, which in turn relates to the Council's priorities. Under the Medium Term Financial Strategy (MTFS), income generation is a specific initiative for helping to balance the budget.

CONCLUSION OF IMPACT ASSESSMENT

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

The proposed increases are considered to be fair and reasonable.

LEGAL IMPLICATIONS

There are no legal implications arising this report.

FINANCIAL IMPLICATIONS

Detailed financial implications are set out in the body of the report.

In summary, the officer preferred options will generate additional income of £62,900 (£47,900 for Car Parking, £3,000 for Health & Housing, and £12,000 for Wellbeing) over and above the current 2014/15 draft budget.

OTHER RESOURCE IMPLICATIONS

Human Resources / Information Services / Property:

ICT implications are as referred to in the report.

Open Spaces:

None specifically, other than income generation as referred to in the report.

SECTION 151 OFFICER'S COMMENTS

The Section 151 Officer has been consulted and she has no further comments, other than highlighting that this report is in her name – in her capacity as Chief Officer (Resources).

MONITORING OFFICER'S COMMENTS

The Monitoring Officer has been consulted and has no further comments

BACKGROUND PAPERS

None

Contact Officer:

Andrew Clarke

Telephone: 01524 582138

E-mail: aclarke@lancaster.gov.uk

Ref:



LANCASTER CITY COUNCIL
Promoting City, Coast & Countryside

FEES AND CHARGES POLICY

JANUARY 2014

1. INTRODUCTION

- 1.1. The decisions made by councils about charging for local public services affect everyone. Where councils charge for services, users pay directly for some or all of the costs of the services they use. Where no charges are made, or where charges do not recover the full cost of providing a service, council taxpayers subsidise users.
- 1.2. Fees and charges represent an important source of income, providing finance to assist in achieving the corporate objectives of Lancaster City Council. The purpose of this policy is to establish a framework within which fees and charges levied by the council are agreed and regularly reviewed.
- 1.3. The decision on whether to make a charge (and the amount to charge) is not always within the control of the council. But where it is, it is important that the implications of the charging decisions being taken are fully understood and that the appropriate information is available for the council to make informed decisions.
- 1.4. The policy therefore provides clear guidance to service heads and service managers on;
 - The setting of new fees and the policy context within which existing charges should be reviewed.
 - How fees and charges can assist in the achievement of corporate priorities.
 - The council's approach to cost recovery and income generation from fees and charges.
 - Eligibility for concessions.
- 1.5. The policy should allow the council to have a properly considered, consistent and informed approach to all charges it makes for its services. This will in turn, support the delivery of corporate objectives.

2. GENERAL POLICY

- 2.1. This policy relates to fees and charges currently being levied by the council and those which are permissible under the wider general powers to provide and charge for discretionary services included within the Local Government Act 2003.
- 2.2. Statutory charges also fall within the scope of the policy, even though their level may not be determined by the council. This ensures clarity and consistency and allows subsequent reviews of the policy to be comprehensive. It also enables changes to the national legislative charging framework, and any other situations that may arise in the future, to be addressed.

Council policies, strategies and priorities

- 2.3. Specific decisions and charging policies should support delivery of the council's Corporate Plan and other local strategies and service objectives.

Charging decisions will take account of the council's corporate priorities and have regard for the potential impact on other service areas.

Basis of charging decisions

- 2.4. The council will charge for all services where it is appropriate and cost-effective to do so, unless there are contrary policies, legal or contractual reasons.
- 2.5. When discretionary charges are set, the general aim shall be to cover the cost of the service or, where legally possible, the council may charge on a commercial basis. Charges will reflect the full cost of provision, unless covered by subsidies/concessions designed to meet corporate priorities or there are contrary policies or legal reasons.

Concessions

- 2.6. Subsidies and concessions should be used to help achieve specific targets or objectives. Concessions should be awarded and reviewed in relation to each service. Where subsidies and concessions are applied there should be an evaluation process in place to measure levels of success in meeting these objectives. Definitions and qualifying criteria for concessionary target groups should be consistent across the council.

Surplus Income

- 2.7. Income derived from charging will be used to offset the costs of providing the service being charged for, including support service costs. Where a surplus, over budget, is generated from charges 50% of this surplus will be considered as a corporate resource and transferred to unallocated balances. This is on the provision that this is not prohibited by other statutory requirements or government guidance.
- 2.8. However, it is acknowledged that the ability to use charges to deliver the corporate priorities of the Council requires a degree of freedom and corporate controls (as expressed through this policy) need to avoid imposing unnecessary restrictions. Therefore, proposals for re-investing any additional income raised from charging in the expansion and development of a particular service will need to be considered as part of the annual review of charges. Each proposal will therefore be considered on its own merit and in light of financial planning process.

Efficient Administration

- 2.9. Arrangements for charging and collecting fees should be efficient, practical and simple to understand by users. The reasons behind any significant changes to charges should be communicated to residents and service users. The impact of charging decisions on service users and local residents will need to be taken into account.

Regular Review

- 2.10. Charges, and decisions not to charge, will be reviewed annually in sufficient time for the impact of any revisions to be included in the budget setting process.

Policy Implementation

- 2.11. The policy will encompass decisions made as part of the annual fees and charges review process, where new charges are introduced or where existing charges are removed or amended.
- 2.12. The policy is undertaken in accordance with the council's Constitution (Financial Regulations). These put the responsibility with Service Heads, for recommending the level of existing or new charges, to the Council.

3. CHARGING POLICY

- 3.1. Within the service and financial planning process, each fee or charge should be identified to one of the categories in the following table and the appropriate charging policy adopted in establishing and reviewing charging rates / levels. This will be subject to approval through the budget process or, for in-year changes, subject to approval by Cabinet or Service Heads under delegated authority. In all cases, in determining an appropriate charging policy, proper consideration should be given to the wider equalities implications which may be involved affecting full accessibility of all groups to council services.

CHARGING POLICY	POLICY OBJECTIVE
Full commercial	The council seeks to maximise revenue within an overall objective of generating as large a surplus (or a minimum loss) from this service.
Full commercial with discounts	As above, but with discounted concessions being given to enable disadvantaged groups to access the service.
Fair charging	The council seeks to maximise income but subject to a defined policy constraint. This could include a commitment made to potential customers on an appropriate fee structure. Alternatively, a full commercial rate may not be determinable or the council may be a monopoly supplier of services.
Cost recovery	The council wishes to make the service generally available, but does not wish to allocate its own resources to the service.
Cost recovery with discounts	As above, but the council is prepared to subsidise the service to ensure disadvantaged groups have access to the service.
Subsidised	Council policy is to make the service widely accessible, but believe users of the service should make some contribution from their own resources. Could also be due to the adverse impact a cost recovery or commercial charging policy would have on other council services.
Nominal	The council wishes the service to be fully available, but sets a charges to discourage frivolous usage.
Free	Council policy is to make the service fully available.
Statutory	Charges are set in line with legal obligations.

- 3.2. In applying the appropriate charging policy, the issues which may need to be considered in setting the level of fee and charge for any particular service include typically those set out below:

CHARGING POLICY	POLICY OBJECTIVE
Full commercial	<ul style="list-style-type: none"> • Are the charges high enough for the service to be profitable? If not, consider whether the service should be provided. • Are competitors charging similar prices? • Does the council offer any premium in terms of service levels that customers would be prepared to pay more for? • How would changes in pricing structures affect demand for the service and potentially its profitability? • How does the proposed fee structure fit in with the long-term business plan for the service?
Fair charging	<ul style="list-style-type: none"> • How do the charges compare to other providers of similar services? • Has the loss of income from not charging on a commercial basis been evaluated? • Is the policy constraint justifying this charging policy still valid?
Cost recovery	<ul style="list-style-type: none"> • Do charges recover the full costs, including overheads, capital charges and recharges? • Is it possible to charge on a full commercial basis and if so has the loss of income from not charging on a full commercial basis been evaluated? • Are Members aware of the effect on demand for this service from this charging policy? • What would be the effect of changing the policy to a different one e.g. subsidised?
Subsidised	<ul style="list-style-type: none"> • Has the cost of the subsidy been evaluated? • What has been the impact on demand and on service levels from adopting this approach? • Does this approach fit in with the requirements of other funding streams i.e. grants? • Is this approach legally required? • Is there a problem of frivolous use of the service?
Nominal	
Free	
Statutory	<ul style="list-style-type: none"> • Are charges in line with statutory requirements? • Are they set at the maximum permitted levels?

4. SUBSIDIES AND CONCESSIONS

4.1. It might be appropriate to consider subsidising some services, particularly if this helps to achieve corporate priorities and supports local strategies and policies. The main reasons for charging less than full cost are set out below;

- There is a sound financial and policy justification for the council tax payers subsidising this service.
- The desire to encourage particular sections of the community to use specific services, and they could not afford, or might otherwise be deterred by, full cost charges.
- Charging full cost discourages or prevent uptake, which may have a detrimental impact on the council's finances in the long run.

- Use of the service is sensitive to a change in price – an increase in charges reduces demand and income.
 - The council incurs higher costs than other providers because the service is provided in a way that is appropriate and accessible for all sectors of the community.
- 4.2. When considering using a subsidy, the following points should be taken into account;
- That it supports a corporate priority, objective, or policy.
 - There is evidence to suggest that the impact of the policy can be measured.
 - The cost of the subsidy can be estimated and accommodated within the council's budget.
 - That the proposal is the most effective approach available to deliver the policy objective.
- 4.3. It is recognised that in some circumstances discounts may not be appropriate and that, in all cases, it will be necessary to carefully consider the impact on income before introducing discounts or concessions to service areas which do not currently offer them.

5. NEW FEES AND CHARGES

- 5.1. Proposals for new fees and charges must be considered within the financial planning process or, where necessary, submitted to Cabinet for approval as an in-year change.
- 5.2. Proposals for new fees and charges should be analysed using the guidance in the appendix to this policy. This effectively provides a brief rationale and business case for the proposed charge.
- 5.3. The effects of any new charge on service usage and income generated will be monitored regularly over the first 12 months and reviewed within the Performance Management framework.

6. REVIEWING FEES AND CHARGES

- 6.1. Service Heads must consider charging policies and current levels of charge each year as part of the service and financial planning process. The presumption is that the value of fees and charges will be maintained in real terms over time and increased annually in line with inflation as set within the service and financial planning process.
- 6.2. If there are any significant changes in the course of a year, such as in cost, market forces or service levels, which materially affect current charges and revenues, then that charge should be reviewed and any change approved by Cabinet or through delegated authority as an in-year change.

Annual review of fees and charges

- 6.3. Service Heads should review the charge and anticipated yield from fees and charges in sufficient time to be able to influence the annual budget process.

- 6.4. As part of this process, the Head of Resources will determine the percentage rate for “typical” fees and charges increases. Additionally, Cabinet may decide to set income targets for specific service areas as part of an effort to identify efficiencies and/or generate additional income.
- 6.5. Service Heads will review existing fees and charges in line with this policy and the financial planning process. Any proposal to significantly amend an existing fee or charge will require a full justification and explanation to be provided.

7. COLLECTION OF FEES AND CHARGES

- 7.1. In line with the Debt Management Policy, wherever it is reasonable to do so, charges will be collected either in advance or at the point of service delivery. Where charges are to be collected after service delivery has commenced, invoices will be issued promptly, and as necessary appropriate recovery procedures followed.

8. RECORDING OF FEES AND CHARGES

- 8.1. Each service should maintain a schedule of fees and charges levied. This schedule should include, but identify separately, those charges where there are national / external procedures or other specific procedures for determining and reviewing rates of charge.
- 8.2. The council’s fees and charges are set prior to each financial year. They are widely published including the council’s website, and consist of a schedule of charges across each service area.
- 8.3. Reasonable notice should be given to service users before any decisions to amend or introduce new fees and charges are implemented, together with clear advice on VAT, together with any discounts or concessions available. Reasonable notice is defined as one calendar month.

GUIDANCE FOR NEW FEES AND CHARGES

Charging Policy

The charging policy objectives must be stated here, together with why this policy (Full Commercial or Fair Charging etc.) has been adopted. The intended aims of the charges should also be clearly thought out and explained. Any legal issues should be identified.

Comparative Information

Include here details of comparative information collected from other authorities or competitors etc.

Financial

Information Required	Description
Level of charge	Recommended or proposed new level of charge.
Start date	Proposed implementation date for new level of charge, although it could be related to a future event.
Budgeted income	Level of income to be generated from the new charge.
Surplus / deficit as a percentage of cost	The total cost of supplying the service (including recharges and other overheads) should be calculated and deducted from the income generated. This surplus or deficit should then be compared to the total cost as a percentage. Calculating total cost may require the use of judgement and reasonable assumptions. This is acceptable, so long as a clear audit trail of those assumptions is maintained.
Surplus / deficit per usage	The difference between income generated and the total cost of providing that service, divided by the expected number of users of that service.

Impact Assessment

Any proposals must identify likely impact on the service's users including; who currently benefits from the service, the effects on them of any changes and who will benefit from new exemptions and discounts together with how demand and usage is expected to change. Equality issues must specifically be considered and reported.

Impact on Other Areas

The likely consequences in terms of reduced or increased demand for other council services must be identified here as well as any extra costs to other services. Equality issues must specifically be considered and reported.

Method of Collection

Proposals for new charges must identify what collection methods will be used. If this is a change in current arrangements it will need to identify the following:

- What the likely impact is on the rate and costs of collection;
- What account has been taken of how long low income users can pay; and
- How cost effective will the new methods be?

Alternatives

Explain here the other measures that have been considered instead of, or as well as, the proposed charge (cost cutting, reducing charges, sponsorship etc.).

Consultation

Include here the extent of consultation conducted, which will be dependent upon the impact of fee and/or charge, and the results of that consultation.

				Total Income	-9,311,971	-9,533,000	-9,735,300			
Service	Service Area	Cost Centre Area	Detail Code	2012/13 Actual	2013/14 Revised	2014/15 Estimate				
Environmental Services	Environmental Services - Mgmt	Environmental Services - M & A White Lund Depot	Private Telephone Income	-118	-100	-100				
			Feed In Tariff Credits	-11,653	-12,400	-13,900				
	Maintenance	Nurseries Small Parks & Open Spaces	Rents - General	-13,835	-13,800	-13,800				
			Sales - Goods Resold	-2,050	-4,500	-4,600				
			General Fees & Charges	-74,318	-75,600	-77,100				
			General Fees & Charges	-60,597	-400	-400				
			Markets	City Centre Markets & Traders	General Fees & Charges	-9,385	-9,400	-9,600		
					Market Tolls	-62,394	-63,900	-63,900		
					Rents - Market Stalls	-19,536	-20,000	-20,400		
					Morecambe Market	Advertising - Hoardings Etc	-1,351	-1,000	-1,000	
						Rents - Market Stalls	-300,439	-280,000	-280,000	
					Service Charges Recovered	-13,574	-14,000	-14,000		
	Parking	Off Street Car Parks	Storage	-13,115	-13,800	-13,800				
			Car Parking Fees	-2,048,903	-2,070,600	-2,135,500				
			Car Parking Fees - Evening Charges	-102,001	-101,500	-110,700				
			Car Parking Permits	-140,520	-141,400	-147,300				
			Fines	-135,586	-139,600	-139,600				
			Rents - General	-35,075	-33,500	-33,500				
			On-Street Parking Services	-11,542	-15,000	-3,200				
			Residents On-Street Parking	-60,287	-60,000	-60,000				
			Street Cleaning	Public Conveniences Street Cleaning	General Fees & Charges	-20,061	-19,100	-19,500		
					Fines	-3,272	-3,300	-3,400		
	General Fees & Charges	-34,547			-28,300	-28,900				
	Waste Collection	Bulky Waste Collection Recycling - Bring Sites Three Stream Waste Collection	Domestic Collections	-44,506	-45,500	-46,400				
			Sales - Goods Resold	-29,782	-30,600	-31,200				
			Sales - Scrap	-1,746	-2,000	-2,000				
			Sale of Recycling Material	-105	-200	-200				
			Domestic Collections	-7,825	-5,300	-5,400				
			General Fees & Charges	0	0	-15,300				
			Trade Refuse	-972,190	-1,034,300	-1,090,700				
			Trade Refuse Collections	-972,190	-1,034,300	-1,090,700				
			Democratic Services	Electoral Registration Legal Services Mgt & Admin Searches Administration	Sales - Publications & Data	-1,749	-2,100	-2,100		
					General Fees & Charges	-121,548	-131,600	-129,700		
	Search Fees	-180,374			-207,800	-195,800				
	Licensing	Gambling Act 2005 Hackney Carriage Licences Licensing Act 2003 Miscellaneous Licences			Amusement Machines	-3,000	-6,300	-6,400		
					Licences - Betting Shops	-10,800	-11,000	-11,200		
					Licences - Bingo Establishments	-1,800	-1,800	-1,800		
					Licences-Gaming Machines	-1,550	-2,000	-2,000		
					Licences - Lotteries	-2,760	-3,200	-3,300		
					Dual Drivers Badge	-16,312	-20,700	-17,000		
					H.C. Driver Licence	-12,934	-12,700	-9,900		
			H.C. Inspection Fees	-9,355	-10,200	-10,400				
			H.C. Taxi Plates	-1,613	-1,500	-1,500				
H.C. Transfer Of Ownership			-200	-500	-500					
H.C. Vehicle Licence	-22,968	-22,000	-30,000							
P.H. Drivers Licence	-18,712	-17,800	-16,100							
P.H. Inspection Fees	-20,300	-23,500	-24,000							
P.H. Operators Licence	-5,841	-6,100	-6,200							
P.H. Taxi Plates	-4,187	-4,300	-4,400							
P.H. Transfer of Ownership	-246	-400	-400							
P.H. Vehicle Licence	-46,589	-44,900	-45,800							
Licensing Act 2003 - Personal	-7,689	-7,900	-8,100							
Licensing Act 2003 - Premises	-115,089	-126,300	-128,800							
Temporary Event Notices	-7,163	-6,300	-6,400							
Licences - Motor Salvage Operators	0	-7,400	0							
Licences - Second Hand Dealers	-375	-500	-500							
Licences - Sex Shops	-2,500	-2,600	-2,700							
Licences-Skin Piercing\Tattoos	-1,345	-1,500	-1,500							
Licences - Street Cafes	-5,020	-4,600	-5,200							
Health & Housing Services	Environmental Health	Cemeteries - General Dog Warden Service Environmental Protection Health & Safety Enforcement Lancaster Port Health Authority	Burial Of The Dead	-3,220	-4,000	-4,100				
			Hire Of Chapels	-4,773	-3,500	-3,600				
			Interment Fees	-130,523	-129,700	-132,300				
			Memorial Fees	-19,338	-19,300	-19,700				
			Rents - General	-600	-600	-600				
			Rents - Grazing Rights	-308	-400	-400				
			Sale Of Grave Spaces	-71,544	-77,900	-79,500				
			Sale Of Memorial Benches	-908	-1,300	-1,300				
			Sale Of Memorial Plaques	-15,195	-23,000	-23,500				
			Collections and Kennelling	-5,436	-4,500	-4,600				
			Fines	-510	-2,000	-2,000				
			Sales - General	0	-700	-700				
			EPA Authorisation Fees	-19,306	-15,800	-15,800				
			Income - Works In Default	-717	-3,400	-3,500				
			Water Sampling Fees	-2,895	-6,900	-7,000				
			Fines	0	-200	0				
			General Fees & Charges	-4,054	-2,700	-2,800				

Service	Service Area	Cost Centre Area	Detail Code	2012/13 Actual	2013/14 Revised	2014/15 Estimate	
Health & Housing Services	Environmental Health	Pest Control	Insect Control Charges	-19,288	-25,100	-25,600	
			Pest Control Contracts	-39,659	-45,400	-46,300	
			Rodent Control Charges	-28,232	-31,000	-31,600	
		Public Health Services	Licences-Animal Boarding	-1,485	-5,400	-5,400	
			Licences - Dog Breeding	-549	-500	-500	
			Licences - Pet Shops	-1,699	-1,500	-1,500	
			Licences-Riding Estabs	-1,574	-800	-800	
			Vets Fees Recovered	-118	-1,000	-1,000	
		GF Housing	Mellishaw Park	Rent - Houses	-50,609	-53,200	-53,700
				Service Charges Recovered	-8,638	-10,200	-10,400
		Strategic Housing	Home Improvements	Administration Charges	-80,466	-79,000	-72,500
				General (CR) - Miscellaneous	-28,579	-28,300	-28,300
			Private Rented Sector Activity	Admin-Works In Default	-2,766	-1,000	-1,000
	APS Fees			-3,820	-2,300	-2,300	
			Fines	-3,300	-2,700	-1,200	
			HMO License Fees	-77,887	-17,000	-6,900	
			Immigration Inspection Fees	-363	-300	-300	
	Wellbeing		Bull Beck Picnic Site	Rents - General	-6,175	-5,500	-5,600
			Carnforth Swimming Pool	Fees and Charges	-111,697	-114,000	-116,300
		Heysham Swimming Pool	Fees and Charges	-144,274	-152,000	-160,500	
		Hornby Swimming Pool	Fees and Charges	-74,524	-77,000	-78,500	
		Community Leisure Projects	Admission Fees	-4,000	-4,100	-4,200	
		Giant Axe Field	Rents - General	-807	-800	-800	
			Service Charges Recovered	-1,179	-1,200	-1,200	
		Grass Pitches	Receipts Non-Vatable	-13,299	-13,200	-13,500	
		Greaves House & Gardens	Rents - General	-331	-300	-300	
		Happy Mount Park	Bowling	-563	-800	-600	
			Rents - Concessions	-3,500	-3,500	-3,600	
			Rents - General	-18,726	-19,200	-19,600	
			Service Charges Recovered	-447	-500	-500	
			Tennis	-403	-600	-600	
		Aquarius Health & Beauty	Fees and Charges	-2,638	-2,600	-2,700	
		Athletics Track	Fees and Charges	-14,235	-13,500	-13,800	
		Heatwaves	Fees and Charges	-5,872	-5,500	-5,600	
		Holiday Activities	Fees and Charges	-2,515	-2,200	-2,200	
		Holiday Activities Programme	Admission Fees	-11,580	-10,200	-10,400	
		Main Hall	Fees and Charges	-155,196	-155,300	-158,400	
		Outdoor Synthetic Pitch	Fees and Charges	-9,723	-9,500	-9,700	
		Projectile Hall	Fees and Charges	-15,920	-16,500	-16,800	
		Reflexions	Fees and Charges	-307,766	-323,700	-330,200	
		Salt Ayre Mgt & Admin	Feed In Tariff Credits	-1,791	4,100	-13,900	
			Fees and Charges	-3,695	-4,100	-4,200	
		SASC Cafe	Fees and Charges	-111,648	-117,200	-119,500	
		Shop	Fees and Charges	-8,289	-8,200	-9,400	
		Sports & Physical Activity	Admission Fees	-13,205	-13,000	-11,200	
	Studio	Fees and Charges	-43,470	-46,000	-46,900		
	Swimming	Fees and Charges	-289,154	-300,700	-306,700		
	King George V Field Lcr	Rents - General	-2,050	-2,100	-2,100		
		Service Charges Recovered	-174	-200	-200		
King George V Field Mbe	Rents - General	-1,075	-1,100	-1,100			
Non-Resort Parks & Open Spaces	Rents - General	-2,900	-4,500	-4,600			
Open Spaces	Rents - General	-1,977	-2,000	-2,000			
Promenade Management	Rents - Concessions	-8,990	-9,100	-9,300			
	Rents - General	-25,285	-24,600	-25,100			
	Sales - Promenade Passes	-1,553	-2,100	-2,100			
	Service Charges Recovered	-649	-700	-700			
Recreation Grounds	Bowling	-1,622	-2,300	-2,300			
Regent Park - Income	Rents - Concessions	-7,283	3,800	-3,700			
	Service Charges Recovered	-82	0	-100			
Stone Jetty	Rents - Concessions	-7,600	-7,300	-7,400			
	Service Charges Recovered	-499	-800	-800			
Williamson Park Butterfly House	Admission Fees	-68,152	-70,000	-68,300			
	Educational Usage	-9,730	-9,000	-11,500			
	Family Tickets	-17,004	-19,000	-16,100			
Williamson Park Cafe	Sales - General	-173,356	-204,000	-178,500			
Williamson Park Events	Special Events	-20,557	-14,700	-15,000			
	Venue Hire	-39,824	-34,100	-43,400			
Williamson Park Grounds Maintenance	Sale Of Memorial Plaques	-1,012	-2,000	0			
Williamson Park Ice Cream Concession	Sales - General	-10,023	-13,000	-16,500			
Williamson Park Lodges	Rents - General	-5,712	-5,700	-12,500			
Williamson Park Mngmt & Admin	Car Parking Fees	-21,688	-25,000	-20,900			
	Sales - General	-300	-600	-600			
Williamson Park Reception & Retail	Sale of Recycling Material	0	-1,000	-1,000			
	Sales - General	-30,976	-34,500	-31,300			
	Sales - Publications & Data	-198	-400	-400			

Service	Service Area	Cost Centre Area	Detail Code	2012/13 Actual	2013/14 Revised	2014/15 Estimate		
Regeneration & Planning	Communications	Lancaster V.I.C.	Commission - Accom Bookings	-321	-200	-200		
			Commission - Concerts/Discount Ticket	-612	-700	-700		
			Commission - National Express	-215	-100	-200		
			Commission - Self Catering Accommodation	-121	-100	-100		
			Sales - Publications & Data	-5,906	-6,800	-6,900		
			Sales - Souvenirs	-14,809	-15,700	-16,000		
			Travel Tickets	-264	0	-500		
		Marketing & Communications Morecambe V.I.C.	Sales - Council Magazine	-150	-100	-100		
			Commission - Accom Bookings	-360	-400	-400		
			Commission - Coach Travel Tickets	-679	-100	-600		
			Commission - Concerts/Discount Ticket	-375	-500	-500		
			Commission - National Express	-811	100	-600		
			Commission - Sea Cat	-583	0	-300		
			Sales - Publications & Data	-6,510	-7,900	-8,100		
		Platform	Sales - Souvenirs	-16,132	-15,800	-16,100		
			Travel Tickets	-4,608	-400	-2,800		
			Admission Fees	-81,858	-87,500	-89,300		
			Bar	-46,840	-45,900	-46,800		
			Cafe	-5,946	-5,300	-5,400		
			Private Hire	-16,171	-30,800	-31,400		
			Venue Hire	-23,213	-32,000	-34,800		
	Tourism & Events		General (CR) - Miscellaneous	0	-17,500	-15,000		
			Bldg Regs - Application Fees	-111,402	-80,000	-83,800		
			Planning Application Fees	-487,839	-450,000	-450,000		
	Management		Sea Defence Works	Service Charges Recovered	-1,235	-1,500	-1,500	
			Policy & Delivery	Bold Street Property Account	Rents - Commercial Properties	-2,600	-8,700	-6,000
	Local Plan			Sales - Publications & Data	-70	-200	-200	
	Middleton Nature Reserve	Rents - General		-875	-900	-1,000		
		Rents - Grazing Rights		0	0	-900		
		Rents - Wayleaves & Titles		-1,666	-9,800	-500		
	Winning Back West End Property A/C	Rents - Commercial Properties		-16,000	-16,000	-16,000		
	Resources	Finance Property		Management & Admin	Administration Charges	-2,974	-3,100	-3,200
					Commercial Land & Buildings	Hire Of Premises	-10,741	-27,700
				Cultural & Recreational Areas Municipal Buildings	Sales - Refreshments	-41	-100	-100
					Rents - General	-800,342	-780,200	-928,200
			Sales - Refreshments		-257,883	-305,400	-326,000	
			Rents - General		-600	-600	-600	
			Rents - General		-3,769	-4,000	-4,100	
			Hire Of Premises		-41,993	-39,800	-40,600	
			Sales - Refreshments		-4,675	-4,000	-4,100	
			Miscellaneous Land	Rents - General	-3,570	-3,000	-3,000	
Rents - Grazing Rights		-4,295		-5,500	-5,500			
Rents - General		-12,800		-12,800	-12,800			
Old Mans Rest		Service Charges Recovered	-2,439	-1,200	-2,800			
		Property Services Mgmt & Admin	General Fees & Charges	0	-72,500	0		
			Town Hall Tours	Admission Fees	-97	-100	-100	

Parking Fees and Charges 2014/15

Appendix C

Option 1

This option is to retain the existing charges to promote increased use of car parks. If usage remains the same this option could result in a negative forecast of £47,000 in the 2014/15 Draft Budget and further impacts on other service areas of the Council and on future year's budgets.

NOTE

Options 2, 3 and 4 are the main income generating options for Cabinet to consider.

Option 2 could be implemented in addition to Option 3 or Option 4. Option 3 and 4 are essentially the same option with the exception of the 2 hour tariff where this increases by 10p under Option 3 and by 20p under Option 4.

Option 2

The forecast for this option is that it will achieve the income levels forecast in the 2014/15 Draft Budget and generate an additional £7,000.

Parking Charge	Current Tariff	Proposed Tariff	Lancaster	Morecambe	Total Income
a) Increase Up to 1 hour	£1.30	£1.40	23,500	24,000	47,500
b) Increase Lancaster evening charge	£1.40	£1.50	6,500	-	6,500
TOTAL					54,000

Option 3

The forecast for this option is that it will generate an additional contribution of £11,700 to the 2014/15 draft budget.

Parking Charge	Current Tariff	Proposed Tariff	Lancaster	Morecambe	Total Income
Short Stay					
Up to 2 hours	£2.20	£2.30	18,000	5,000	23,000
Up to 3 hours	£2.70	£2.80	8,500	1,300	9,800
Up to 4 hours	£3.40	£3.50	3,500	700	4,200
Long Stay					
Up to 3 hours	£2.20	£2.40	10,000	6,500	16,500
Up to 5 hours (L)	£3.70	£3.90	2,500	-	2,500
Up to 10 hours (L)	£6.00	£6.50	2,700	-	2,700
TOTAL			45,200	13,500	58,700

Option 4

The forecast for this option is that it will generate an additional contribution of £34,700 to the 2014/15 draft budget. This option is very similar to Option 3 apart from the up to 2 hour charge on all car parks increasing from £2.20 to £2.40 rather than from £2.20 to £2.30.

Parking Charge	Current Tariff	Proposed Tariff	Lancaster	Morecambe	Total Income
Short Stay					
Up to 2 hours	£2.20	£2.40	36,000	10,000	46,000
Up to 3 hours	£2.70	£2.80	8,500	1,300	9,800
Up to 4 hours	£3.40	£3.50	3,500	700	4,200
Long Stay					
Up to 3 hours	£2.20	£2.40	10,000	6,500	16,500
Up to 5 hours (L)	£3.70	£3.90	2,500	-	2,500
Up to 10 hours (L)	£6.00	£6.50	2,700	-	2,700
TOTAL			63,200	18,500	81,700

IN ADDITION TO THESE FOUR MAIN OPTIONS THERE ARE A NUMBER OF SUB OPTIONS THAT CAN BE CONSIDERED.

Sub - Option 5

This is aimed at introducing an additional 24 hour charge in Lancaster to assist customers who are arriving before the evening charge starts at 6.00pm and want to stay until after the following day's charges have started at 8.00am. This option is for improved customer convenience and is estimated to be cost neutral.

The following charges are suggested having regard to the current all day and overnight charges:-

	Proposed Tariff
Short Stay	
Up to 24 hours	£10.00
Long Stay	
Up to 24 hours	£8.00

Sub - Option 6

This increases car parking charges at the two car parks at Williamson Park and removes the option of an annual permit.

Daily Charges 10.00am to 5.30pm including Sundays and Bank Holidays.

Car Park	Current Tariff	Proposed Tariff	Total Income
Up to 1 hour	0.80p	0.90p)
Full Day	£1.40	£1.50) 500
Evening after 5.30pm	£1.00	No Change	-
Annual Permit	£25.00	REMOVE	-

Sub - Option 7 - Permits

This option is to determine the level of car park permit charges and the levels of potential additional income that could be generated.

As previously shown in the usage data the only increased usage on pay and display tariffs is on Lancaster long stay and this could suggest that both these long stay charges and permit changes should be increased.

However, public permit sales have been reducing in recent years due to the economic downturn and have only now remained the same in 2012/13 compared with 2011/12. Staff, Partner and Member permits have reduced by 6.2%.

The following table shows the potential revenue that could be raised from some % increases with the resistance shown for additional information.

Option/ Heading	a)	b)	c)	d)	e)	f)
Increase Resistance	2.5% 1.25%	5% 2.5%	10% 5%	15% 10%	20% 12.5%	25% 15%
Public	2,494	4,927	9,619	13,772	17,955	21,956
Staff	981	1,939	3,785	5,420	7,066	8,641
TOTAL	3,475	6,866	13,404	19,192	25,021	30,597

Sub - Option 8

Although the Draft Parking Strategy refers to ensuring that parking charges reasonably reflect the shopper and visitor experiences in the various centres, it is equally possible to align the parking charges in Lancaster and Morecambe more closely in general terms.

The following additional sub options are therefore put forward for consideration:-

(a) Introducing parking charges on Bank Holidays in Lancaster.

In recent years retailing in the district and in the rest of the country has changed and shops are open on Bank Holidays on a regular basis. Introducing charges in Lancaster on designated Bank Holidays could raise a potential additional **£5,000 per annum**.

(b) Introducing evening parking charges in Morecambe.

The evening parking charge in Lancaster was introduced in 2005 after extensive consultation and was set at a flat rate of £1.00. Since then this charge has been increased twice and has been £1.40 since 2012/13. The income was originally used to improve the standard and frequency of city centre cleansing although this specific link is no longer made.

Introducing evening parking charges in Morecambe could raise a potential additional **£5,000 per annum**.

(c) Increasing the 1 hour parking charge on the Festival Market Car Park .

When Cabinet increased the 1 hour parking charge on all car parks from £1.00 to £1.20 in 2011/12 it agreed to keep this charge at £1.00 on the Festival Market Car Park following representations made by traders and their employees. This charge has remained at £1.00 although a further price increase up to £1.30 was implemented on all other car parks in 2012/13. The potential additional income that could be generated by increasing this charge by 10p, 20p, or 30p is shown in the following table.

Car Park	Current Tariff	Proposed Tariff	Total Income
(i) Up to 1 hour	£1.00	£1.10	2,850
(ii) Up to 1 hour	£1.00	£1.20	5,700
(iii) Up to 1 hour	£1.00	£1.30	7,850

(d) Increasing all parking charges on some of Morecambe's outer Car Parks.

These parking charges have not been increased since 2004

Car Park	Current Tariff	Proposed Tariff	Total Income
<i>Battery Breakwater Heysham Village Coastal Road</i>			
Up to 4 hours	0.80p	£1.00	3,500
Up to 10 hours	£1.20	£1.40	500
<i>Back Brighton</i>			
Up to 24 hours	0.50p	£1.00	1,350

Increasing these charges in line with the above table could generate potential additional income of **£5,350 per annum**.

Options Analysis

The following risk assessment is based on the general issues of maintaining existing parking charges and increasing parking charges rather than providing a detailed risk assessment of each of the above options and sub options.

Advantages	Disadvantages	Risks
<p>Maintaining existing parking charges could promote greater use of car parks and avoid any negative impacts on businesses and traders.</p>	<p>Usage would have to increase to meet the budget commitments.</p>	<p>The major risk of not increasing parking charges would be that usage would not increase and there would be a substantial negative variance on the car parking budget and this could affect other service areas of the Council.</p>
<p>Increasing parking charges could meet the budgetary target and ensure car parking continues to make a contribution to a balanced budget.</p>	<p>Parking charges have to be carefully balanced with ensuring city and town centre viability and increasing parking charges too high can impact on businesses.</p>	<p>The major risk of increasing parking charges is that greater customer resistance is experienced and the estimated additional income is not achieved.</p>
<p>This option avoids the need for additional savings or income from other functions of the Council.</p>	<p>Increasing parking charges, particularly Option 1, would potentially increase the price differential between on and off street parking charges depending on the County Council's approach to parking charges in 2014/15.</p>	<p>Increasing parking charges particularly long stay parking charges and permit charges could lead to displaced parking in residential areas with no parking restrictions.</p>
<p>Increasing charges either as proposed or selectively can help to achieve some of the objectives outlined in the draft parking strategy.</p>		
<p>Some of the options allow the review of some long term and short term differences between parking charges in Lancaster and Morecambe.</p>		

Health and Housing: Fees and Charges 2014/15

	2013/14	2014/15	2014/15
	Current Fee	Option 1 Proposed Fee @ 2% (Inflation)	Option 2 Proposed Fee @ 5%
Exclusive Burial Rights			
i) For the exclusive right of burial for a period of 75 years from the date of purchase, of a single earthen grave, walled grave or vault.	676.60	690.10	710.40
ii) Exclusive right of burial in a woodland area : 1 space	296.90	302.80	311.70
Transfer of Grave Deed	Legal Costs	Legal Costs	Legal Costs
Duplicate Grave Deed	87.30	89.00	91.70
Searches – hourly rate	39.10	39.90	41.10
Interment Charges			
(a) For the interment in a grave or woodland site either where the exclusive right of burial HAS or HAS NOT been granted:-			
i) of the body of a child whose age at the time of death exceeded one year but did not exceed 16 years.	179.10	182.70	188.10
ii) of the body of a person whose age at the time of death exceeded 16 years.	604.90	617.00	635.10
iii) interment of cremated remains	145.10	148.00	152.40
iv) interment of cremated remains under headstone	221.10	225.50	232.20
(b) There is no charge for the interment or burial of cremated remains of a non-viable foetus, the body of a still-born child or a child whose age at the time of death did not exceed one year.			
Scattering of Cremated Remains	38.00	38.80	39.90
Use of Cemetery Chapel	99.30	101.30	104.30
Walled Graves & Vaults:			
For one person	1,974.10*	2,013.60*	2,072.80*
For two persons	2,741.80*	2,796.60*	2,878.90*
For opening and resealing vault	352.30	359.30	369.90
Garden of Remembrance Memorials			
(a) Aluminium Plaque – Carnforth	120.30*	122.70*	126.30*
(b) Torrisholme, Scoforth, Skerton, Hale Carr, Carnforth:			
Old Style:			
i) Granite memorial incorporating flower vase and inscription up to 3 lines	504.70*	514.80*	529.90*
ii) Each additional line (up to 6 in total)	48.80*	49.80*	51.20*
iii) For cleaning and repainting following second inscription.	42.80*	43.70*	44.90*
New Style:			
i) Granite memorial incorporating flower vase and full inscription	535.20*	545.90*	562.00*
ii) Deed of grant fee	35.70	36.40*	37.50
iii) New inscription	107.10*	109.20*	112.50*
iv) Motif	11.70*	11.90*	12.30*
* = PLUS VAT			

	2013/14	2014/15	2014/15
	Current Fee	Option 1 Proposed Fee @ 2% (Inflation)	Option 2 Proposed Fee @ 5%
Vault Memorial			
i) Granite memorial for up to 4 plastic urns, including first interment and flower vase (25 year lease)	696.20*	710.10*	731.00*
ii) Back to back vault for up to 2 plastic urns including first interment inscription, flower vase for a 25yrs lease	552.60*	563.70*	580.20*
iii) Additional inscribed plaque for second interment	160.10*	163.30*	168.10*
iv) Renewal of lease period	138.10	140.90	145.00
The Neptune Baby and Young Child Memorial Garden			
Burial Options			
Purchased Grave, headstone, plaque with up to 6 lines of text. Plus Exclusive Right of Burial	890.46* 330.48	908.30* 337.10	935.00* 347.00
Public Grave	Free of Charge	Free of Charge	Free of Charge
Cremated Remains			
Niche Wall Plaques including up to 4 lines of text	208.80*	213.00*	219.20*
10 year lease for external niche wall	93.70	95.60	98.40
10 year lease for internal altar niche	187.40	191.10	196.80
Scattering of ashes	Free of Charge	Free of Charge	Free of Charge
Memorial Plaques			
Perimeter plaque including up to 4 lines of text	208.80*	213.00*	219.20*
10 year lease for perimeter plaque	80.30*	81.90*	84.30*
Centre feature plaque including up to 6 lines of text	369.40*	376.80*	387.90*
10 year lease for centre plaque	187.40	191.10	196.80
Charges for Extras			
Additional line of inscription	32.10*	32.70*	33.70*
Posy holders for niche wall	10.70*	10.90*	11.20*
Motifs	32.10*	32.70*	33.70*
Custom Motif	POA.	POA	POA
Oval Ceramic Photo Plaque 5cm x 7cm (Colour)	69.50*	70.90*	73.00*
Oval Ceramic Photo Plaque 5cm x 7cm (Black & White)	37.40*	38.10*	39.30*
Memorial Fees			
A memorial not exceeding 6' (1800 mm) in height	104.40	106.50	109.60
Kerb or border stones not exceeding 2' 6" (750 mm) in height:			
(a) enclosing a space not exceeding 7' 9" (2325 mm) in length by 3' 3" (975 mm) in width	140.00	142.80	147.00
(b) enclosing a space not exceeding 7' 9" (2325 mm) in length by 7' 3" (2175 mm) in width.	280.90	286.50	294.90
A tablet or footstone not exceeding 1' 6" (450 mm) by 1'(300mm)	64.00	65.30	67.20
Additional charge for exceeding above size	40.20	41.00	42.20
An inscribed vase	34.60	35.30	36.30
Temporary marker	15.00	15.30	15.80
Woodland Burial Memorial Plaque	187.40*	191.10*	196.80*
Memorial Tower	214.20*	218.50*	224.90*

Lawn Sections			
A memorial not exceeding 4' (1200 mm) in height, 2' 6" (750mm) in width and 1' 6" (450 mm) in depth from front to back.	104.40	106.50	109.60
The charges indicated include one inscription (name)			
For each additional inscription (name)	34.60	35.30	36.30
Annual registration fee for memorial mason	44.20*	45.10*	46.40*
* = PLUS VAT			

DOG WARDEN SERVICE CHARGES

	2013/14	2014/15	2014/15
	Current Fee	Option 1 Proposed Fee @ 2% (Inflation)	Option 2 Proposed Fee @ 5%
Kennelling charge per day	11.50	11.70	12.10
Detention Fee	9.60	9.80	10.10
Dog faeces bags	1.60/100	1.60/100	1.70/100
Return of stray dog from dog warden service (prior to kennelling)	38.30	39.10	40.20

PEST CONTROL CHARGES

Common Insects : Domestic Premises			
- Cockroaches	Free of Charge	Free of Charge	Free of Charge
- Bedbugs (up to one hour of treatment)	42.80	43.70	44.90
- Bedbugs (subsequent complete or part hours)	26.70/hr	27.20/hr	28.00/hr
- Fleas	42.80	43.70	44.90
- Standard charge re bedbugs and fleas for those in receipt of Housing and/or Council Tax benefits.	21.40	21.80	22.50
- All other insects (excluding wasps)	42.80	43.70	44.90
- Wasp treatment (domestic and commercial)	42.80	43.70	44.90
Multiple nests at same property at one visit.	Half full price/ treatment	Half full price/ treatment	Half full price/ treatment
- Moles and squirrels	29.70/hr	Full cost recovery	Full cost recovery
Common Insects : Business Premises			
- All visits (minimum 1 hour)	82.70*/hr	84.40*/hr	86.80*/hr
Rodents:			
- Domestic premises	29.50	30.10	31.00
- Those in receipt of Housing and/or Council Tax benefits.	14.70	15.00	15.40
- Business premises (minimum 1 hour)	75.80*/hr	77.30*/hr	79.60*/hr
Emergency Callouts:			
- Weekday (outside 0800-16.30 hrs)	Standard Rate x 1.5	Standard Rate x 1.5	Standard Rate x 1.5
- Saturday	Standard Rate x 1.5	Standard Rate x 1.5	Standard Rate x 1.5
- Sunday and Bank Holidays	Standard Rate x 2	Standard Rate x 2	Standard Rate x 2
Miscellaneous Charges			
- Drain camera surveys	(New Fee for 2012/13) 81.00*	82.60*	85.10*
Disclosure of information on Health & Safety matters:			
- Full factual statement which may also include sketches, copy of F2508, witness statements, etc.	140.80	143.60	147.80

- Brief statement where the information may be of limited use to the recipient.	49.30	50.30	51.80
- Photographs & an administration charge	2.70 each & admin charge to be 13.40	2.80 each & admin charge to be 13.70	2.80 each & admin charge to be 14.10
- Photocopying	15p/sheet	15p/sheet	16p/sheet
Contaminated Land Information:			
- Domestic enquiry	108.10*	110.30*	113.50*
- Industrial enquiry	137.90*	140.70*	144.80*
* = PLUS VAT			

PORT HEALTH CHARGES

	2013/14	2014/15	2014/15
	Current Fee	Option 1 Proposed Fee @ 2% (Inflation)	Option 2 Proposed Fee @ 5%
Ship Inspection Charges			
Gross Tonnage:			
Up to 3,000	116.00	118.30	121.80
3,001-10,000	174.00	177.50	182.70
10,001-20,000	231.80	236.40	243.40
20,001-30,000	265.60	270.90	278.90
Over 30,000	348.00	355.00	365.40
With the exception of:			
• Vessels with the capacity to carry between 50 and 1000 persons -	348.00	355.00	365.40
• Vessels with the capacity to carry more than 1000 persons -	580.20	591.80	609.20
Water Sample Charges:			
Water sample as part of sanitation certificate	87.30	89.00	91.70
Water sample from Heysham Port	96.10	98.00	100.90
Water sample from Glasson Dock	110.30	112.50	115.80

PRIVATE WATER SUPPLY CHARGES

Risk assessment (each assessment) ‡	Up to maximum of £500	Up to maximum of £500	Up to maximum of £500
- Flat rate including travel and one hour on site	96.40	98.30	101.20
- Hourly rate (up to maximum £500 minus flat rate) for subsequent hours	38.30‡	39.10‡	40.20‡
Sampling (each visit) ** (Up to a maximum of £100) ‡	53.60‡	54.70‡	56.30‡
Investigation (each visit) ‡	Up to a maximum of £100	Up to a maximum of £100	Up to a maximum of £100
- Flat rate including travel and one hour on site	96.40	98.30	101.20
- Time on site exceeding one hour	10.70	10.90	11.20
Granting an authorisation (Each authorisation) ‡ (Up to a maximum of £100)	76.30‡	77.80‡	80.10‡
Analysing a sample:			
- under Regulation 10 (Up to a maximum of £25) ‡	Actual laboratory costs up to max.‡	Actual laboratory costs up to max.‡	Actual laboratory costs up to max.‡

- taken during check monitoring (Up to a maximum of £100) ‡	Actual laboratory costs up to max. ‡	Actual laboratory costs up to max. ‡	Actual laboratory costs up to max. ‡
- taken during audit monitoring (Up to a maximum of £500) ‡	Actual laboratory costs up to max. ‡	Actual laboratory costs up to max. ‡	Actual laboratory costs up to max. ‡
** No fee is payable for repeat sampling/analysis solely to clarify the results of a previous sample			
‡ Subject to a maximum permissible fee.			

PRIVATE SECTOR HOUSING:

	2013/14	2014/15	2014/15
		Option 1	Option 2
	Current Fee	Proposed Fee @ 2% (Inflation)	Proposed Fee @ 5%
- Immigration Inspection Charges	62.60	63.90	65.70
- Accredited Property Scheme	58.10	59.30	61.00

Options Analysis (2014/15)

	Option 1 To approve an inflationary increase of 2% in fees.	Option 2 To approve a 5% increase.
Advantages	<p>This option allows for increased fee revenue of £8,000 in line with the current budget projections whilst retaining fees at competitive levels.</p> <p>The increase in pest control fees reduces the council's subsidy of this service by a substantial amount whilst retaining pest control fees affordable compared to some private sector providers.</p>	<p>This option would generate additional income of £12,000</p>
Disadvantages		<p>Any increase in fees is likely to be unpopular with customers.</p>
Risks	<p>There is always a risk that customers will choose not to access services if fees are too high.</p> <p>However, evidence gathered shows core fees and charges are comparable to other nearby local authorities.</p>	<p>There is always a risk that customers will choose not to access services if fees are too high.</p> <p>There is a risk that even current income levels will fail to be achieved if fees are perceived to be too high.</p>

Wellbeing Fees and Charges 2014/15

	Current Price	Proposed Price	Percentage Increase
	£	£	%
Community Pools (Carnforth, Heysham and Hornby)			
Swimming			
Adult	3.70	3.80	3%
Junior	2.10	2.20	5%
Senior Citizen	2.70	2.80	4%
Senior with card	2.40	2.50	4%
Family Swim	9.75	9.95	2%
Swim Passes			
Early Bird	82.00	84.00	2%
Adult	149.00	150.00	1%
Senior	118.00	120.00	2%
Junior	77.50	80.00	3%
Classes			
Adult	4.50	4.60	2%
Senior Citizen	4.00	4.10	2%
Prospect Referral – Active Health Heysham	2.20	2.30	5%
Parent & Child (inc Instruction)	3.40	3.50	3%
Pool Hire (ex VAT)			
Hornby	43.00	44.00	2%
Heysham	43.00	44.00	2%
Carnforth	43.00	44.00	2%
Swimming Lessons			
Swimming Tuition per Lesson	4.50	4.70	4%

	Current Price	Proposed Price	Percentage Increase
	£	£	%
Salt Ayre Sports Centre			
Main Hall			
Court Hire per 55 mins - per person			
Adult Peak	3.25	3.30	2%
Adult Off Peak	3.00	3.00	0%
Junior Peak	2.60	2.70	4%
Junior Off Peak	2.25	2.25	0%
Early Bird per person (2 hrs)	5.00	5.20	4%
Main Hall Sports Hire per 55 mins			
½ Hall Sport	50.00	51.00	2%
½ Hall Events	35.00	35.00	0%
Gymnastics (per lesson)	4.70	4.80	2%
Fitness Classes Peak	5.20	5.30	2%
Reflexions (priced monthly)			
Membership – Full	35.00	35.50	1%
Membership – Off Peak	27.00	27.50	2%
Membership – Monthly	46.00	46.50	1%
Membership – 55+	23.00	24.00	4%
Membership – Corporate	30.00	30.50	2%
Membership – Junior	17.50	18.00	3%
PAYG	6.75	6.90	2%
Swimming			
Adult	3.70	3.80	3%
Junior	2.10	2.20	5%
Senior Citizen	2.70	2.80	4%
Senior Citizen with Card	2.40	2.50	4%
Family Swim	9.75	9.95	2%
Parent & Toddler	2.10	2.20	5%
Spectators (all)	1.60	1.70	6%
Special Price Swims	1.00	1.00	0%
Medical Referral Members	2.20	2.30	5%
Shower	3.50	3.60	3%

	Current Price	Proposed Price	Percentage Increase
	£	£	%
Salt Ayre Sports Centre			
Swimming Lessons			
Swim Tuition per lesson	4.50	4.70	4%
Adult One to One	12.50	13.00	4%
Early Bird Memberships			
Early Bird 6 Month	82.00	84.00	2%
Early Bird Adult 6 Month	149.00	150.00	1%
Early Bird Senior 6 Month	118.00	120.00	2%
Early Bird Junior 6 Month	77.50	80.00	3%
Early Bird Adult 1 Month	41.50	42.50	2%
Early Bird Junior 1 Month	22.50	23.00	2%
Pool Hire			
Learner Pool	26.00	27.00	4%
Main Pool	50.00	52.00	4%
Whole Pool	80.00	85.00	6%
Clubs Non Vat	50.00	52.00	4%
Heatwaves			
Casual	6.25	6.40	2%
Studio			
Fitness Classes	5.20	5.30	4%
Projectile Hall			
Fitness Classes	5.20	5.30	2%
Athletics Track			
School Events	300.00	310.00	3%
Hourly Rate non vat	42.00	44.00	5%
Outdoor Hire (Per Hour)			
Full Synthetic Pitch	34.00	34.00	0%
½ Synthetic Pitch	18.00	18.00	0%

	Current Price	Proposed Price	Percentage Increase
	£	£	%
Salt Ayre Sports Centre / Community Pools			
“Go Card” Pricing <i>(Replacing PTL)</i>			
Annual Fees			
Annual Adult Fee	N/A	10.00	
Annual Junior Fee	N/A	5.00	
Swimming All Pools			
Swimming Adult	N/A	2.50	
Swimming Junior	N/A	1.00	
Classes / Activities per person Salt Ayre			
Exercise Classes	N/A	2.50	
Early Bird Badminton (2hrs)	N/A	2.50	
Table Tennis Adult	N/A	2.30	
Table Tennis Junior	N/A	1.00	
Racquet sports Adult	N/A	2.00	
Racquet sports Junior	N/A	1.00	
Reflexions Gym Induction	N/A	10.00	
Reflexions Gym Only	N/A	5.50	
Sauna	N/A	3.00	
Athletics Track	N/A	1.00	

	Current Price	Proposed Price	Percentage Increase
	£	£	%
Recreation Grounds/Parks & Open Spaces			
Grass Pitches			
Adult Game	43.50	45.00	3%
Junior Game	22.50	23.50	4%
Cricket Club per season			
Adult with changing	421.00	425.00	1%
Junior	196.00	200.00	2%
Football Club per season			
Adult with changing	421.00	425.00	1%
Adult without changing	225.00	230.00	2%
Junior	200.00	202.00	1%
Cricket per match			
Adult	62.00	64.00	3%
Junior	34.00	35.00	3%
Bowls (Summer Season Ticket)			
Adult	48.00	49.00	2%
Senior Citizen/Junior	24.50	25.00	2%
Bowls (Winter Season Ticket)			
Adult	33.00	34.00	3%
Senior Citizen/Junior	17.00	17.50	3%
Clubs per Season/Team			
Adult	232.00	238.00	3%
Senior Citizen/Junior	121.00	125.00	3%
Bowls Casual per Hour (HMP)			
Adult	3.70	3.80	3%
Senior Citizen/Junior	1.90	2.00	5%
Exclusive Green Use			
Half Day 3 hours	36.00	37.00	3%
Full Day 6 hours	53.00	54.00	2%

	Current Price	Proposed Price	Percentage Increase
	£	£	%
Recreation Grounds/Parks & Open Spaces			
Tennis Casual per hour			
Adult	3.00	3.10	3%
Senior Citizen/Junior	1.50	1.60	7%
Lost Ball	2.60	2.70	4%
2 Adult 2 Children	6.00	6.20	3%
Tennis Season Ticket			
Adult	50.00	51.00	2%
Senior Citizen/Casual	20.00	21.00	5%
Multi Use Games Areas (MUGA)			
Happy Mount Park			
55 mins with lights	20.00	21.00	5%
Adult without lights	10.00	11.00	10%
Junior without lights	10.00	11.00	10%
10 x 1hr Sessions			
Adult/Junior with lights 12 sessions (2 free)	200.00	205.00	3%
Adult without lights 12 sessions (2 free)	100.00	102.00	2%
Junior without lights 12 sessions (2 free)	100.00	102.00	2%
Launching Permits			
Powered Craft	16.50	20.00	21%
Datatag (one off charge)	53.00	55.00	4%
Non Powered Vessel	16.50	20.00	21%
Quad Bike Access Permits for Shellfish	60.00	70.00	17%
Day Permits – All Vessels	12.00	12.00	0%
Moored Vessel Registration			
Stone Jetty Permits – Disabled Anglers Vehicles	13.50	20.00	48%
Grosvenor Access Permits – Disabled Anglers Vehicles	7.00	8.00	14%

	Current Price	Proposed Price	Percentage Increase
	£	£	%
Williamson Park			
Butterfly House			
Adult Admission	3.60	3.70	3%
Child Admission	2.60	2.70	4%
Concession Admission	3.20	3.30	3%
Family Admission (2 x Adult 2 x Children)	11.50	11.80	3%
School Booking Half Tour	4.40	4.40	0%
School Booking Full Tour	3.60	3.60	0%
Birthday Party Tour	30.00	30.00	0%
Events			
Wedding Hire	440.00	450.00	2%
Wedding Corkage – Alcohol	5.50	5.50	0%
Wedding Corkage – Soft Drinks	3.50	3.50	0%
Evening Hire	375.00	375.00	0%
Ashton Memorial Day Hire	180.00	180.00	0%
Ashton Memorial Half Day Hire	90.00	90.00	0%
Art Exhibition (1 week)	28.00	30.00	7%
Car Parks			
Car Parking Permits	25.00	25.00	0%
Short Stay Car Park	0.80	0.90	13%
Long Stay Car Park	1.40	1.50	7%
Gift Shop			
Orienteering Map purchase	1.80	2.50	39%

CABINET

**MUSEUMS SERVICE
21 January 2014**

Report of the Chief Executive

PURPOSE OF REPORT			
To present to Cabinet, for its consideration, a shared service proposal for the future management of the City Council’s Museums Service.			
Key Decision	<input type="checkbox"/>	Non-Key Decision	<input type="checkbox"/>
		Officer Referral	<input checked="" type="checkbox"/>
Date of notice of forthcoming key decision	N/A		
This report is public			

RECOMMENDATIONS OF COUNCILLOR SANDS

- (1) That Cabinet notes the progress made concerning the future of the City Council’s Museums Service.
- (2) That progress towards the development of a shared service proposal is routinely reported back to Cabinet.

1.0 Introduction

- 1.1 The City Council’s museums are currently managed by Lancashire County Council through the Museums Partnership.
- 1.2 The City Council shares a number of services and is committed to exploring opportunities for further sharing of services.
- 1.3 An opportunity exists to share museums services in a partnership with both the County Council and Preston City Council.
- 1.4 The Local Government Association (LGA) was commissioned to provide a workshop to ‘test’ the feasibility of a shared approach across the three councils. As a result, a report has been produced and is attached at **Appendix A**.
- 1.5 The workshop was attended by representatives from the City Council, Preston City Council and Lancashire County Council.

2.0 Proposal Details

- 2.1 That a shared service is created to manage the museums located in the western half of Lancashire that are owned by Lancashire County Council, Lancaster City Council and Preston City Council.
- 2.2 The shared service will enable shared management and expertise. However, governance arrangements will enable each authority to determine the overall scope of service provision for their museums.

3.0 Options and Options Analysis (including risk assessment)

	Option 1: Work towards creating a shared service with Preston City Council and Lancashire County Council	Option 2: Cease working on a shared service and begin to work towards direct management of Lancaster City Council's Museums by Lancaster City Council
Advantages	The ability to share expertise and management costs	None identified
Disadvantages	None identified	An increase in management costs
Risks	The development of a shared service across three Councils may not come to fruition	The Museums become a bigger draw on City Council resources.

4.0 Officer Preferred Option

- 4.1 Option 1

RELATIONSHIP TO POLICY FRAMEWORK

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

CONCLUSION OF IMPACT ASSESSMENT

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

None arising directly as a result of this report

LEGAL IMPLICATIONS

There are no legal implications directly arising from this report.

FINANCIAL IMPLICATIONS

There are no direct financial implications as a result of this report at this stage. However, for information the 2014/2015 budgeted cost for management of the City Council's museums is £510,000. Any financial implications arising would be presented for consideration in future reports.

OTHER RESOURCE IMPLICATIONS

Human Resources:

None arising directly as a result of this report

Information/Property Services:

There are no direct implications as a result of this report at this stage. Any implications arising would be presented for consideration in future reports.

Open Spaces:

None arising directly as a result of this report

SECTION 151 OFFICER'S COMMENTS

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

MONITORING OFFICER'S COMMENTS

The Monitoring Officer has been consulted and, on the basis that details of the proposed governance arrangements will be developed as work on the shared service progresses, has no further comments at this stage.

BACKGROUND PAPERS

none

Contact Officer: Chief Executive

Telephone: 01524 582011

E-mail: chiefexecutive@lancaster.gov.uk

Ref: CE/ES/Cttees/Cabinet/21.01.14

The future of museum services in Lancashire



Workshop report
4 September 2013

Contents

1. Background	3
2. Key issues	4
3. What values do museums/art gallery currently deliver?	6
4. What do we want to see in five years time?	7
5. Key ways in which museums could collaborate across the county	9
6. What are the delivery options?	10
7. Next steps	11
Annexes	12

1. Background

Museum services (as well as other arts, sports and cultural services) are facing the challenge of reduced budgets and having to find further ways to be more efficient and effective.

Lancaster, Preston and Lancashire County Council have political support to explore different options for delivering museum services within the context of an integrated cultural offer and which contributes to wider council priorities, for example economic growth, public health.

As a first step the LGA provided peer support for a workshop held in Preston on 4 September 2013.

Attendees

Lancaster City Council

Mark Cullinan, Chief Executive
Simon Kirby, Assistant Head (Wellbeing)
David Lawson, Assistant Head (Regeneration and Planning)

Preston City Council

Lorraine Norris, Chief Executive
Bernard Hayes, Deputy Chief Executive
Alex Walker, Head of Arts and Heritage

Lancashire County Council

Ian Watson, Head of Cultural Services
Bruce Jackson, County Heritage Manager

LGA

Pam Booth, NW Senior Advisor

Facilitators

Iain Rutherford, Museums Worcestershire
Vanessa Trevelyan, LGA Associate

Participants at the workshop considered:

- Existing and potential roles for the museum services. What is working well, what are the challenges and what would success look like?
- What are the advantages and disadvantages of cross-border working?
- Opportunities and constraints of pursuing different models of the delivery.

The following notes summarise the discussion together with some of the briefing notes circulated in advance to inform discussion.

2. Key issues

2.1 Delivery model

It was agreed that stopping providing museum services was not an option. Officers wanted a realistic and workable model for partnership collaboration that delivered efficiencies and maintained high quality museum services. The model should be applicable to the three authorities initiating this discussion (Lancashire County Council, Lancaster and Preston City Councils) and the venues in question (Annex 1), but scalable to include other authorities in the future as appropriate.

2.2 Governance

There is a range of governance models employed within the local authority sector (see Annex 2) and officers discussed the pros and cons. They were clear that they wanted a governance model that ensures compliance with local authority priorities but is not too arduous and time consuming. Officers did not feel it was appropriate to consider models that would be perceived as reducing democratic control over museums unless there were major financial benefits in outsourcing in some form.

Lancashire receives some short-term funding from Arts Council England (ACE), but it was been made clear that ACE would like to see more partnership working, and more coherent management/governance arrangements before more substantial or sustained investment is agreed. (See Annex 2 for descriptions of local authority consortia that are supported by ACE).

2.3 Impact

It was agreed that all options must be outcome based. Ideally, officers want to identify some short-term wins that can be delivered in the next financial year, together with a long-term strategy that sees the development of partnership working.

Museums are multi-faceted and can support a wide range of agendas. However, it was felt that sustainability would be best supported by concentrating on a few key policy areas that supported the local authorities' improvement agendas. This would have the added advantage of presenting a clearer message to potential funders, such as Arts Council England and the Heritage Lottery Fund.

Much of this thinking has already been done. Notably:

- Cultural Framework for Preston 2013-18, which sets out a positive approach to museums and culture and identifies a range of outcomes.
- Lancaster Cultural Heritage Strategy, 2011, is an extensive and analytical report with key messages about investment and branding.
- Lancashire County Council strategy for Culture and Sport 2010 – 2014, which is due for a refresh to be commenced shortly.
- Lancashire Chief Cultural and Leisure Officers Group (LCCLOG) Draft Business Plan, which identifies three areas for work by the County, Unitary and District Councils:
 - Health
 - Inward investment
 - The visitor economy

This will be going before the end of this year to a meeting of council Chief Executives for discussion (and it is hoped) endorsement.

2.4 Partnership

It was felt that partnerships between authorities to share skills, knowledge and resources in order to deliver a joined up museums service was the favoured option.

As a first step it was thought desirable to undertake an audit of heritage assets and resources (staffing, budgets etc) as a start to creating a joint strategy and service plan.

2.5 Challenging the status quo

It was agreed that current delivery needed to be challenged to ensure that it was appropriate and could support long-term sustainability, for instance additional payments for weekend working if that applied.

3. What value do museums/art gallery currently deliver?

3.1 Essential local service

Museums provide an essential service for local residents. Buoyant visitor figures demonstrate that they are respected, loved and cherished. Museums cater for all ages and provide constructive opportunities for volunteering and community engagement. As a result, museums have cross-party political support. Museums in Lancashire represent good value for money with 325,000 visits to museums managed by the County Council and 215,000 visits to the Harris Museum & Art Gallery., but revenue costs are still significant.

3.2 Social capital

Museums contribute to an area's social capital providing attractive meeting places and introducing people to a range of cultural experiences. Museums engender a sense of local pride, representing what is the best about a city or an area. Museums bring people together and support community identity and cohesion.

3.3 Economic development

Museums can be the stimulus and focus for economic development and regeneration. This can be by bringing historic buildings back into use or by attracting visitors into the locality, thereby supporting local businesses. Museums can often provide the lynchpin for major redevelopment. An excellent example is the location of Tate in the North in the Albert Dock in Liverpool. This was a lone initiative in a wind-swept abandoned area but, 20 years on, it is the thriving location of a conference centre, a concert hall, more museums, hotels, bars and waterside walks. Tate showed that the area was viable and gave confidence to other businesses and investors.

3.4 Health and education

All agree that museums are essential to support formal and informal learning by people of all ages. Museums also help people live healthy lives by providing enjoyable experiences, a safe environment to socialise, and therapeutic opportunities, such as reminiscence sessions for people with dementia.

3.5 Stewardship

Museums are preservers of Lancashire's heritage, its history and knowledge of its unique culture. Museums occupy landmark buildings and ensure their preservation. However, this does come at a cost as heritage buildings are costly to maintain and make accessible.

3.6 Creating the brand/tourism

Museums are regularly cited as a key factor in determining where tourists visit. Museums provide an enjoyable and unique experience that brings visitors into an area and contributes to the local economy. They can also be crucial to determining the brand and shaping the identity of a city or an area.

The Preston Museums Group is planning to include work on developing a Preston's Museums brand and joint promotions as part of the 2014/15 SSF bid. (As an example we will be having a PMG heritage bus tour doing a circular trip around 4 of the venues during October half term.)

3.7 Supporting partnerships

Museums work with a range of partners. They are part of broader cultural group comprising libraries, archives and arts. But there are disparate views amongst the arts and cultural community which would benefit from a clearer strategy for museums.

In Lancaster extensive partnership working of different types is undertaken with, among others, RVBC, Pennine Museums, conservation facilities, National Trust, Duchy. The Preston Museums Group is well established. This year it shares a Renaissance Strategic Support Fund grant and is planning another joint bid for 2014-15.

Museums Development NW has been working with the Harris recently on how they can work with other museums on the central and west of Lancashire. There is an existing Pennine Lancashire group of museums, which includes some Lancashire County Museums service venues, but the museum sector in the rest of the county is more fragmented. Initially it is planned that the Harris will support several venues on front of house development and the group expect (pending board decision) to receive a SIF grant to enable this to happen on a small scale initially. Although the scope of the work is quite discrete it is envisaged this may enable the group to develop closer knowledge and understanding of the other venues which could be expanded into other areas of work.

4. What do we want to see in five years time?

4.1 A strategic approach

All agree they would like to see heritage maintained as a corporate priority with a countywide local authority approach. Museums should contribute to the local authority's key priorities, notably the health and wellbeing agenda.

4.2 Clear way forward

All agree they want to see the future of museums resolved. This means creating a stronger development plan for museums and moving from being reactive to proactive. Museums need to be agile and capable of change.

4.3 Inspiration

It was felt that museums need to inspire more people. There needs to be established a clear brand so that people understand our cultural heritage offer. But there also needs to be collections for the future through contemporary collecting and providing a modern offer. It goes without saying that all that is done should be of high quality. This needs to tap into popular pastimes, such as researching family history, although museums should also be the spiritual home or hub for arts and cultural activity generally, though not necessarily hosting everything on site.

4.4 A major attractor

The visitor economy is of great importance to Lancashire and museums must become a key reason for people to visit Lancashire/Lancaster/Preston. There needs to develop the heritage tourism offer (working with Marketing Lancashire). It was felt that the Castle could become that iconic attractor for people thinking of coming to Lancashire, which could then provide the gateway to other museums in the county.

Other iconic castles worth considering include:

- *Dover Castle – wonderful recreation of a medieval castle where people can almost literally step back in time. Academically sound but great fun.*

<http://www.english-heritage.org.uk/daysout/properties/dover-castle/>

- *Warwick Castle – part of the Tussauds group so much more commercial*

<http://www.warwick-castle.com/>

4.5 Sweating the assets

Are there ways in which our museums could use their premises more effectively, such as using cellars as event spaces, possibly with commercial partners? Are there ways of providing a joined-up offer with other cultural services such as libraries or archives? All potential income generators should be maximised – commercial, philanthropic and fundraising. There are a range of complementary income streams which museums could be exploiting including retail, licensing, added-value events, catering, celebration hires (weddings, birthdays, wakes).

4.6 Improving partnership working

There should be greater clarity with partnership arrangements with achievable and deliverable outcomes. Partnerships should be more visible, participative and collaborative. All councils should attract partnerships with national institutions to strengthen the local museum brand. Not least, partnership working amongst local authorities in Lancashire should be supported by the most effective governance model.

5. Key ways in which museums could collaborate across the County

The following ways could deliver the best and quickest returns:

5.1 Marketing

- Developing a strong and consistent brand
- Joint promotion/campaigns
- Joint programming to create something that is greater than the sum of its parts
- Cross marketing – the person most likely to visit your museums is someone that has already visited another museum
- Being strategic across the county in identifying and communicating with target audiences
- Making it easier for the visitor by promoting itineraries, such as clusters of museums to create a full day visit. Within cities museums should be key stops on the tourism bus tours
- A consistent approach to pricing, multi-museum passes and complementary
- However, museums' marketing budgets are always woefully inadequate compared to commercial leisure attractions. There is a need to prioritise a budget for marketing and work together with maximise its impact.

5.2 Sharing expertise

Across the county there is a wide range of knowledge and expertise within museums, although no one museum could be said to have a full complement of skills. Working together and sharing expertise could improve the quality of service provision in areas such as site operations, curation, back office, and the use of volunteers. Working together will have a beneficial effect on staff morale and provide opportunities for joint training and networking.

The Preston Museums Group (PMG) is sharing skills through fixed term contract staff this year. They have appointed a Community Engagement Broker to work across all the venues, and three trainees who are 'shared'. They also have a part time Volunteer Co-ordinator who is doing advisory work with the other venues, and a fundraising officer does advisory work across the group. However, these are project posts and end in March. The PMG could build similar roles and/or similar model of working cross venues into the proposed SSF bid, and possibly include Lancaster City Museums.

6. What are the delivery options?

Delivery mechanism	Pros	Cons
Service Level Agreements between local authorities	Provides clarity	But time consuming to negotiate each year, more 'ad hoc' and less strategic
Joint committee with each authority delegating its museum powers.	Sense of shared responsibility. Clear democratic accountability.	Can become too complex and cumbersome if too many people want to be part of the decision-making process.
Single management arrangement for "clusters" of museums. Could include LA and independent museums.	Manageable clusters who share geographic proximity and characteristics can create efficiencies of scale and synergy.	If the clusters are too large they will create bureaucracy.
Shared services. Options: <ul style="list-style-type: none"> • One provider of complete service • Different authorities provide elements of the service 	LAs retain control over "their" services	What happens if one LA pulls out leaving gaps in service provision?
Sharing services , eg <ul style="list-style-type: none"> • Retail/catering • Marketing • Training 	Strategic approach Efficiency of scale Beneficial contact between staff	There needs to be demonstrable value for money and benefit for each partner.
Independent charitable trust	Clarity of purpose. Speediness of decision-making. Some financial benefits.	Perception of less democratic control. Financial benefits not necessarily that large. LA still responsible for heritage assets in the long term.

External provider	Reduce LA's financial risk. Benefit of experienced commercial approach.	There is no proven successful commercial provider of a fully functioning museums service. Loss of democratic control. Loss of services that are not capable to generating income.
Commercial partnerships, such as concessions and franchises (shops, cafes, events?)	Assured income (assuming contract is right). Working with specialists in their field.	Need to enquire that the quality and ethos of commercial operators is right for museums.
Community ownership	Attractive option for small community museums where local people want to take more responsibility for museums.	Unlikely to be scalable upwards to cover whole county.

7. Next steps

The three councils will look to continue the discussions on the way forward for the museums service in Lancashire.

Lancashire venues under consideration

Clitheroe Castle Museum - 350 Million Years of History. Cost: £3.85



Helmshore Mills Textile Museum - Bringing the Spinning Industry to Life. £4.00



Queen Street Mill Textile Museum - Bringing Steam Powered Weaving to Life, Burnley. £3.00



Museum of Lancashire - Bringing Lancashire's History to Life, Preston. Free



Lancaster Maritime Museum - Discover more about the City's golden age and maritime past, Lancaster. £3.00



Fleetwood Museum - A Voyage of Discovery. Morecambe. £3.00



Lancaster City Museum - Lancaster City Museum and The King's Own Royal Regiment Museum. Free



Judges' Lodgings - Discover the Treasures of Lancaster's Oldest Town House, Lancaster. £3.00



Lancaster Castle - Discover one of the most important historic monuments in the North West. £?



The Cottage Museum - Intriguing museum housed in a tiny 18th Century cottage, Lancaster £1.00



Gawthorpe Hall - An Elizabethan Gem, Burnley. £4.00



Harris Museum & Art Gallery, Preston
A striking Grade I listed building, the Harris houses an extensive library, museum and art gallery. Free



What do other authorities do – what governance/management models are there?**Joint local authority management committees****Norfolk**

The Norfolk Museums and Archaeology Service (NMAS) is a multi-award winning service comprising ten museums and a study centre. The Service aims to inform and inspire people's interest in the cultural and natural heritage of Norfolk, and address relevant contemporary issues. In 2011/12 over 350,000 visits were made to the museums, and 43,000 schoolchildren participated in formal learning events.

The Norfolk Museums Service was established in 1974 when the County and District Councils in Norfolk agreed to delegate their museum powers to a Joint Committee to manage museums through a county-wide Museums Service managed by the County Council. The relationship between, and commitment of, the partners is enshrined in the Norfolk Museums & Archaeology Agreement. The Joint Committee comprises 18 members (9 nominated by the county and 9 by the Districts). The museums in each district are managed by local Area Museum Managers who liaise closely with each District and ensure that the museums support local strategies and initiatives. Each District has an Area Museums Committee, which scrutinises local museum delivery.

Since 1974 the Joint Service has achieved a high profile and a good reputation nationally through the excellence of its collections and services, the quality of its staff, and the Joint Agreement itself, which is widely regarded as an example of good practice. NMAS is one of 16 Major Partner Museums receiving some £1.4m a year from Arts Council England.

Colchester & Ipswich

In 2007 the two councils of Colchester and Ipswich came together in a partnership arrangement that combined their respective museum services under a new organisation called Colchester and Ipswich Museum Service. This was a brave decision, as both towns had museum services with long and proud histories and museum collections and buildings of outstanding importance that up until that point had operated independently. The main objectives in creating the combined museum service, in summary, were to:

- Increase customer satisfaction and use
- Bring about step change improvement to museum services at Ipswich and further continue the development at Colchester
- Have an organisation that could react to challenges more effectively and quickly
- Increase the opportunities of partnership working and enhance the ability to lever in external funding

- Create more development opportunities for staff leading to improved job satisfaction and customer service
- Further the broader agendas of the parent bodies and others, such as that of the Haven Gateway Partnership
- Increase status and influence both regionally and nationally
- Lead to a reduction in the net cost of the combined service, through increased income and shared and more efficient use of resources

The Joint Committee is made up of two executive councilors from each of the partner Local Authorities. The committees meetings are timed to allow critical decisions to be made that fit in with key organisational needs of both parent bodies, such as the annual budget setting process. The chair of the committee alternates, on an annual basis, between the two Councils and the meetings alternate between Colchester and Ipswich.

The majority of strategic decisions relating to the delivery and development of the museum service are now taken through the Joint Museum Committee. However, matters such as budget setting and some collections decisions are passed, with recommendations, to the respective Councils for formal endorsement.

Tyne & Wear Archives & Museums

www.twmuseums.org.uk/tyne-and-wear-archives.html

Tyne & Wear Archives & Museums (TWAM) is a joint service of the four local authorities on Tyneside: Newcastle (which acts as lead authority and legal body), South Tyneside, North Tyneside, and Gateshead, with additional support and contributions from the Arts Council England (ACE). TWAM has separate agreements with Sunderland City Council to manage its archives, and with Newcastle University, to manage the Great North Museum.

The relationship between, and commitment of, the partners is enshrined in the Tyne & Wear Archives & Museums Joint Agreement. The Joint Agreement lays out the terms and conditions of the relationship and the involvement of central government. Policy and decision making is undertaken by the [Joint Committee](#) and key decisions are outlined in the [Core Plan](#). A considerable degree of consultation takes place about budget priorities and budget proposals, which shapes the budget decisions that are made. The Joint Committee has delegated certain responsibilities to the Director, which are set out in the Financial Handbook.

TWAM has also established an Audit Committee, which is separate from the Joint Committee. It includes an independent chair and vice-chair. The Audit Committee provides an essential challenge, monitoring and scrutiny role in relation to governance and internal control issues, helping to provide assurance and the early identification and resolution of weaknesses in arrangements.

TWAM is also supported by the [Tyne & Wear Archives & Museums Development Trust](#), which was established on 1 December 2010 to raise funds from individual donors, trust and foundations to support a wide variety of archives and museum activities. Over the years the Trust's predecessor, the Tyne & Wear Museums Development Trust helped to raise more than £1.5 million from charitable sources for a wide range of museum activities.

Working in partnership - project by project collaboration

Preston Museums Group

Preston Museums Group comprises Harris – Preston City Council, Museum of Lancashire – Lancashire County Council, Lancashire Infantry Museum – Regimental, Ribble Steam Railway Museum – independent trust). South Ribble Museum was included in PMG in 2013 but the p/t curator has been ill which has limited their involvement.

PMG have worked together for about 5 years and was initiated when the Harris was part of the NW Renaissance Hub. The original areas of service delivery focussed on the family offer, learning and marketing, but this was expanded in 2013 to include employing trainees, providing advisory services to smaller museums, support community engagement.

The network has been in place for about 5 years and it has taken this amount of time to develop effective relationships that can deliver. This follows the management performance steps to achievement – **Storming, Forming, Norming, and Performing**.

High Peak Borough Council and Derbyshire County Council

High Peak Borough Council, in partnership with Derbyshire County Council, are developing its distinctive Georgian spa town of Buxton. The scheme will focus on refurbishing Buxton Crescent, and the adjoining Natural Baths and Pump Room, into a luxury five star 79-bedroom hotel and spa with accompanying visitor centre, shops and restaurant. This is an investment in a town's unique selling point, in this case Buxton's rich architectural legacy and its source of thermal natural mineral water. The £35 million project which is a public/private partnership also involves funding from the Heritage Lottery Fund and English Heritage.

The project is forecast to increase visitor spend in Buxton by 7% per annum and will bring in a new upscale market for spa treatment which is already well developed in continental Europe and elsewhere. The new visitors, many from overseas, will be able to combine the attractions of the spa with actively enjoying the surrounding Peak District countryside. It is hoped this will encourage overnight visitor stays because this has been a constant challenge for the Peak District. This is because many visitors just make day trips from the urban centres such as Manchester, Birmingham, Derby and Sheffield which are just a short distance away.

This development is the culmination of a programme of heritage led regeneration in the town totalling over £70 million. The project plans to increase productivity in the area and generate spending not just in the new shops and restaurant but in existing attractions such as the

Pavilion Gardens venue which holds over 75 fairs, events and markets a year, Pavilion Arts Centre and Buxton Opera House. It is estimated that the wider programme will have created over 650 jobs in Buxton once the Buxton Crescent and thermal spa project is completed.

Independent charitable museum trust

York Museums Trust

York Museums Trust is an independent charity which manages York Castle Museum, Yorkshire Museum and Gardens, York Art Gallery and York St Mary's. The buildings and their contents are owned by the City of York Council, which has agreed to long-term funding of the Trust. In 2002 the Council entered into a partnership agreement with the newly constituted York Museums Trust (YMT) to turnaround the business performance of the museums which had been losing an average of 37,000 visits every year over the previous ten years and were costing around £120,000 more to run each year.

The museums are now central to the City of York Council's ambition to be a world class city recognises as a great place to invest, visit and do business.

- They attract over 600,000 visits every year and make a significant contribution to growth
- YMT brings £6.4 million annually into the regional economy
- This supports 100 full time equivalent jobs for York people
- The economic impact of visits to YMT venues is worth at least £15.5 million per year to the York economy
- This is the equivalent of 196 full time jobs supported in the York economy and represents a 'return on investment' of around £10 of impact for every £1 invested by City of York Council.

Cultural services trust

Luton Culture

<http://www.lutonculture.com/>

Luton Culture is an independent charity that opens up cultural opportunities in Luton for everyone by:

- Delivering quality cultural events
- Supporting artists and musicians
- Encouraging reading
- Providing sources of information
- Providing educational activities and support
- Conserving local history, and much more...

It comprises:

All Luton libraries

The Hat Factory – contemporary exhibition and performance space

Stockwood Discovery Centre
Wardown Park Museum
Luton Library Theatre

Luton is unique in being able to divert surplus from Luton Airport to cultural activities.

Wigan Leisure and Culture Trust

<http://www.wlct.org/about/>

WLCT is a registered charity that works on behalf of Wigan Council, Selby District Council and Cannock Chase District Council to manage and support leisure and cultural events, services and facilities. As part of our contracts with local authorities, we deliver a wide range of management services, activities and events each dependent on the types of services a particular local authority wants us to deliver. As a charitable organisation we operate those services at a reduced cost to the taxpayer but because we are a social enterprise any surpluses generated, as a result, are invested back into improving facilities and services for the benefit of the society in which we work - allowing us to “add-value” to the leisure and cultural offer where we work.

WLCE - Wigan Leisure and Culture Enterprise Ltd - is our trading arm and exists for services that are deemed non-charitable. Income generated by this section of the business is “gift aided” back to our charitable body and is, once again, invested in leisure and cultural services on top of those already paid for as part of the contract with the local authority. A board of Trustees has the legal responsibility for ensuring that the Trust is managed appropriately.

Consortia

Cumbria Museums Consortium (Tullie House, Wordsworth Trust and Lakeland Arts Trust)

Funded by the Arts Council England for 3 years as a Major Partner Museum through the Renaissance programme, the consortium aims to deliver exciting and innovative programmes celebrating excellence and ensuring more people experience and are inspired by the richness of Cumbria’s museums.

www.tulliehouse.co.uk, www.wordsworth.org.uk, www.lakelandartstrust.org.uk

Manchester Museums Partnership (Manchester City Galleries, Manchester Museum and Whitworth Art Gallery)

The Manchester Partnership includes:

- **Manchester City Galleries (local authority)**
Manchester City Galleries operate two venues in the city: Manchester Art Gallery and Gallery of Costume, Platt Hall. They care for the city's internationally renowned and designated collections of fine art, decorative art and costume. Manchester Art Gallery was opened in 1824 and today occupies three buildings, the oldest of which, designed by Sir Charles Barry, is Grade I listed and was originally home to the Royal Manchester Institution. The gallery is free to enter and houses the civic art collection, which includes works of local and international significance. The Gallery of Costume based at Platt Hall in Rusholme houses designated collections of clothing and fashion accessories, one of the largest collections in Britain.
- **Manchester Museum and Whitworth Art Gallery (University of Manchester).**

Cultural Partnerships

Manchester Cultural Partnership

The Cultural Partnership is responsible for the delivery of the city's cultural strategy as described in Manchester's Cultural Ambition. The Cultural Partnership aligns its work to achieving the priorities set out in the local Community Strategy and Manchester City Council values. It reports to the Neighbourhood Partnership Board, which is one of the five thematic partnerships that are accountable to the Manchester Partnership.

The Cultural Partnership Board brings together all the main strategic and funding bodies for culture to provide an overview of cultural activity in the city. It looks at the investment that is being made through a wide range of programmes and how these contribute to the Cultural Ambition.

Board Membership

- Executive Member for Culture and Leisure
- Manchester Art Gallery and Whitworth Art Gallery, Joint Director
- Manchester City Council, Head of Culture
- Manchester City Council, Director of Neighbourhood Services
- Manchester City Council, Head of Community and Cultural Services
- Arts Council England
- Sport England
- Commission for the New Economy
- English Heritage
- Heritage Lottery Fund
- Marketing Manchester

The Cultural Partnership is associated with a wide number of networks, forums and support organisations that inform its work, including:

- CVAM (Contemporary Visual Arts Manchester)
- FOG (Festival Organisers Group)
- MAST (Manchester Arts Sustainability Team)
- Talent and Development Group
- Manchester Dance Consortium
- Manchester Museums Partnership
- Valuing Older People Cultural Offer
- The Audience Agency
- GMCVO (Greater Manchester Council for Voluntary Organisations)
- Macc (Manchester's third sector support organisation)
- Local Universities
- And others

Commercial operator

There is only one museum run by a commercial operators currently in the UK as far as we are aware.

- Museum of Kent Life run by the Continuum Group based in York. <http://www.continuum-group.com/our-attractions/kent-life.htm>

The museum provides a limited range of heritage services. Continuum also run:

- The Canterbury Tales
 - Spinnaker Tower
 - Oxford Castle Unlocked
 - Real Mary Kings Close
 - York's CHOCOLATE Story
- It is understood that a contract to run the Corinium Museum in Cirencester is about to be let to Sports and Leisure Management Ltd, based in Leicestershire. According to their website, SLM Ltd are award winning leisure operators managing over 60 leisure centres and swimming pools throughout the UK for over 20 local authority partners. www.everyoneactive.com

Various other experiments in have been tried:

- Royal Armouries in Leeds was initially set up as a PFI arrangement in 1980s (?), but subsequently had to be bailed out by the government.
- Poole Museum was transferred to a commercial operator under Compulsory Competitive Tendering in the 1980s(?), but subsequently taken back into local authority control.

Fundraising charitable trust

Tyne & Wear Archives and Museums has set up a fundraising trust to generate income for the service in the most tax efficient way.

The Charity's objects (**Objects**) are:

1. to advance the education of the public (particularly, but not limited to those within, the metropolitan county of Tyne & Wear) by encouraging them to participate in and contribute to the activities of an archive and museum service managed by Tyne & Wear Archives and Museums (**TWAM**) and to value it for the positive impact that it makes upon their lives;
2. to advance art, culture, heritage and science by supporting TWAM to establish and maintain a world class archive and museum service that is accessible and enlightening;
3. to contribute to the advancement of civic responsibility and good citizenship by supporting TWAM to help to equip people with the capacity to understand and operate successfully in society; and
4. such other charitable purpose beneficial to the community consistent with the Objects above as the trustees shall in their absolute discretion determine.

Powers

In addition to any other powers it may have, the Charity has the following powers in order to further the Objects (but not for any other purpose):

5. to raise funds and invite and receive contributions. In doing so, the Charity must not undertake any substantial permanent trading activity and must comply with any relevant statutory regulations;
6. to accept gifts of money, shares, land, property and works of art in furtherance of any of the charitable purpose included in the Objects

Trading company

V&A Enterprises is the business face of the V&A. Its activities are many and various, from publishing, product design and licensing to digital development and film. All profits are returned to the V&A, helping to maintain its position as the world's leading museum of art and design, and funding exhibitions, research, and collecting for the future.

There are four different profit streams generating revenue: Retail, Publishing, Licensing, and Digital. The company is organised into eight departments, designed to link and support all four streams. The structure allows for flexibility and collaboration in the way we approach projects, and a joined-up approach to all its partnerships. Each function contributes to the whole, playing its part in the overall business of building both reputation and income for the V&A.

http://www.vandashop.com/info/Company_Information

Useful policy documents

- The LGA has recently produced two reports containing useful information on how cultural services contribute to wider council priorities:
 - The visitor economy: a potential powerhouse of local growth
http://www.local.gov.uk/web/guest/publications/-/journal_content/56/10171/4039242/PUBLICATION-TEMPLATE
 - Driving growth through local government investment in the arts
http://www.local.gov.uk/web/guest/publications/-/journal_content/56/10171/3917456/PUBLICATION-TEMPLATE
- The Museums Association has also published 'Museums Change Lives' about the importance of museums
<http://www.museumsassociation.org/download?id=1001738>
- Preston City Council, Cultural Framework for Preston 2013-18
This sets out a positive approach to museums and culture and identifies full range of soft outcomes.
- Lancaster City Council, Lancaster Cultural Heritage Strategy, 2011
An extensive and analytical report. Key findings:
 - Lancaster needs to be promoted as a must see destination, providing a fully satisfying customer experience.
 - Closer working with Blackpool, universities and tourist board.
 - But need to be cautious about putting too much faith in heritage to attract tourists and be sustainable.
 - Very thorough SWOT analysis of current state of heritage assets and potential.
 - Heritage and cultural tourism identified as priority areas for investment.
 - Identified priorities for capital investment.
 - Flagged up need for a feasibility plan on rationalising the museum service and its buildings.
 - Mixed use of Castle recommended – sweating the assets.
 - Could smaller museums be closed and buildings used for other purposes?
 - Considered options for museums management/governance.

For more information on this report, please contact:

Vanessa Trevelyan
LGA Associate
Telephone: 01603 663583
enquiries@vanessatrevelyan.co.uk



Contact the Local Government Association

Telephone: 020 7664 3000

Email: info@lga.gov.uk

Website: www.local.gov.uk

© Local Government Association

For a copy in Braille, Welsh, larger print or audio, please contact us on 020 7664 3000.
We consider all requests on an individual basis.

CABINET

OPTIONS FOR SERVICE REDUCTION IN A RANGE OF DISCRETIONARY AREAS

21st January 2014

Report of Chief Officer (Regeneration and Planning)

PURPOSE OF REPORT			
To provide Cabinet with options for service reductions in discretionary areas to address the potential budget deficits for 2015/16. To enable Cabinet to give direction in advance of the need to remove posts and budgets and to enable any operational closure of service areas to take place before year end 2014/15 in preparation for the challenges of budget setting for 2015/16.			
Key Decision	X	Non-Key Decision	Referral from Cabinet Member
Date of notice of forthcoming key decision		18 th December 2013	
This report is public			

RECOMMENDATIONS OF COUNCILLORS EILEEN BLAMIRE, JANICE HANSON AND RON SANDS

- 1) That Cabinet considers the options available for reducing services and instructs officers to work up detailed proposals for any reduction/withdrawal to be implemented by year end 2014/15.
- 2) That the Chief Officer (Resources) be authorised to update the General Fund Revenue Budget to reflect the management changes set out in Appendix A, and should Members opt to implement some or all of the short term savings options identified within the report.

1.0 Introduction

1.1 On 5th November 2013, Cabinet agreed that the areas to be considered for reduction in the Regeneration and Planning Service are :-

- Strategic management of the visitor economy
- Commissioned activity supporting the visitor economy
- Provision of events
- Visitor Information Centres

- Council operated venues
 - Communications and marketing
- 1.2 A number of organisational changes are taking place which have enabled the re-alignment of visitor economy, arts and delivery of culture under an economic development banner, which will also source external regeneration funding for the authority. This follows the instructions in minute 55(2) from Cabinet on 5 November 2013 which instructed officers to position resources to maximise external investment opportunities through economic and housing regeneration. A description of how this is being effected is contained in **Appendix A**.
- 1.3 For the purposes of clarity, commissioned activity largely relates to financial contributions to arts organisations within the district.
- 1.4 Members should familiarise themselves with **Appendix B** to this report which sets out the full context of the business environment which has led to this report. All of the areas to be considered for reduction play a valuable role in the local economy and after relocation into the Regeneration and Planning Service are being fine tuned to the clear economic needs of the district. The Council, in the severe budgetary environment which has been created, has the option, however, to reduce or cease providing all or some of these discretionary activities and this report outlines options available to Members.

3.0 Options for Consideration

- 3.1 Strategic Management of the Visitor Economy - this could involve retreating to taking an economic development role. Making sure that economic and planning policy maintains the importance of the visitor economy in key documents and steers the delivery of direct marketing by others to deliver a consistent message. This is most likely to involve commissioning Visit Lancashire to provide a reduced level of marketing at district level. Staffing numbers could be reduced. There would be no production by the City Council of an annual tourism brochure. (**Appendix C**)
- 3.2 Commissioned Activity - the Council could reduce or discontinue making significant annual grants to arts organisations which subsidise their operations and enable them to make further bids to organisations such as the Arts Council. Based on 2014/15 draft estimates these grants total £191K, split as follows:-
- Ludus £22,500 (including £9,500 in lieu of rent)
 - Litfest £9,700
 - Morecambe Music Residency £10,800
 - Dukes £148,000 (including £12,500 in lieu of rent).

Members would have to take into account the probability that removing or even reducing funding would have other effects such as prejudicing Arts Council funding and could, in a number of cases, result in the close down of some of those arts organisations, but the Council might have to balance such

potential consequences against cuts to other services. It should also be noted that the County Council intends to reduce grants to arts organisations in the short/medium term, although it is not known by how much at this stage.

- 3.3 Provision of events - this proposal could reduce or phase out funding, organising and delivering events throughout the year (**Appendix D**). This would have to be phased through 2014/15 as there are important commitments to assist with the delivery of the Vintage by the Sea festival next summer and the second funded Light Up Lancaster event in November. Similarly, it is recommended that funding for the Bands in the Park series and More Music's Catch the Wind festival continue to be made available for 2014 but discussion be held with both bodies regarding funding thereafter. Full operational delivery could cease by December 2014. These latter events are mainly delivered by private sector organisations and the opportunity could still exist for the private sector to take over this area of activity. An alternative would be for the Council to continue, but not necessarily leading these activities. A reduced role within events safety co-ordination could maintain two major partnership events per year, but if the whole function were removed, the overall savings would be in the region of £90,100 based on 2014/15 draft estimates, accounting for direct staff costs and the core events budget; a reduced role would generate savings, but not to this level. A role in events safety co-ordination might still need to be identified somewhere in the organisation to facilitate private sector events. It should be noted that other staff outside of the core events team regularly support the creative and strategic development, resilience, planning and training for events as well as delivery for the bigger events, e.g. Fireworks. In 2013 the cost of this has been estimated at around £56,100 (including the equivalent of £9,500 for time off in lieu for delivery 'on the day'). Although not a direct saving to the council due to the percentage of time undertaken by any one individual being less than 50%, resources could be redirected to support other council priorities or further savings potentially achieved as part of other service reviews.
- 3.4 Visitor Information Centres - a two phased approach is possible. In 2014/15, the aim could be to make efficiency savings of around £24,000 by reducing opening hours for both Lancaster and Morecambe VIC's. In addition, in the interim it might be possible to rationalise space used by Lancaster VIC (LVIC), subject to being financially viable in terms of whether fits with the longer term options still to be explored and noting there is still a potential budget risk for the Council, which would have to be managed, i.e. re-letting space to an alternative tenant, albeit within a different service area. Beyond that, a wider range of options could be considered, with the potential to generate much further savings. The detailed options are included in **Appendix E** to this report. A more radical option, to discontinue the provision of Visitor Information Centres and leave this to the private sector, would save the Council £168,900 per annum based on 2014/15 draft estimates increasing to £216,600 once respective lettable space within the Storey and the Platform can be relet, noting that the Council is tied into a lease at the Platform until 30th November 2022 costing £25,700 per annum and should at least be considered.
- 3.5 The Platform - The Platform costs the Council money to run and is significantly under used as a building. Tied with the opportunity to withdraw

from Morecambe Town Hall as the demand for office accommodation reduces in line with reduced staffing numbers, The Platform, as a Council run premises, could potentially become more efficiently used by filling vacant office space and amalgamating the VIC and Customer Service facilities. Whilst the programme of performances generates valuable income for the Council, the operational costs of staging them, including staffing costs, means that a running loss of around £91,600 per annum (£173,100 including internal recharges and notional capital charges) is expected based on 2014/15 draft estimates. The Council may need to carefully examine the affordability of providing this service in the future.

3.6 Communications and Marketing - the option is to reduce the level of activity to the minimum the Council needs to operate following the sort of reduction in services outlined above and to work with others on the Morecambe Bay and Historic Lancaster brands. The Council will continue to need an effective interface with the press and to undertake some level of marketing its own sports and leisure activities although, until reviews are completed, the actual level of activity is unclear. The removal of events and a lesser role in marketing the visitor economy, reduces the need to maintain capacity in this area throughout the year. Where one off specific activities emerge requiring marketing by the Council, the use of external marketing would need to be considered, costed and funded from savings arising above. A phased approach is suggested allowing for immediate savings in the region of £33,800 per annum from 1st April 2014 (**Appendix F**) and allows time for a base line level of marketing support to be determined and understood along with an appreciation of developing business areas, such as wedding venues.

3.7 There is no assessment in this report of staff post savings for the areas identified above including the Visitor Information Centres or The Platform at this time, as Cabinet’s decision will direct this work taking place.

2.0 Details of Consultation

2.1 The trade union has been consulted on the proposals. Affected staff have also been advised that these service areas are being considered for reduction.

3.0 Options and Options Analysis (including risk assessment)

	Option 1: Make none of the service reductions suggested in the report.	Option 2: Make all of the reductions suggested in the report	Option 3: Make only some of the reductions suggested in the report
Advantages	Such an option would be popular with the public, visitor and arts community	Provides an opportunity to make significant year on year savings	Enables some functions to remain or partial service provision
Disadvantages	The opportunity to make major savings from discretionary areas would be lost	Removes areas of service provision which are popular, add to the quality of life of citizens and	The level of savings may not reach those needed to balance the budget and cuts have to be made to

		employers, attracts visitors and loses the ability for making improvements in the arts at this time	other service areas.
Risks	The need to make compensatory savings from other budget areas may affect statutory areas.	That the opportunity to support economic change in the district will be impeded by removing this area of activity	In areas poorly supported, there would be disappointment about capacity and resources which questions the rationale of continuing to engage in activity, unless properly communicated and accepted by stakeholders

4.0 Officer Preferred Option (and comments)

4.1 The officer preferred option is Option 3. If a balance can be gained between making savings elsewhere within the Council's operations and this sector there will remain the ability to support a more limited intervention in the visitor economy and the districts cultural offer.

5.0 Conclusion

5.1 Cabinet is asked to give officers a clear indication of the service areas which they have the option to reduce in the service areas outlined in paragraph 1.1 above. This will then enable steps to be taken to work up the detail of those reductions, consult with Trade Unions and the staff affected, and prepare a report for Personnel Committee to implement the changes.

RELATIONSHIP TO POLICY FRAMEWORK

The functions referred to in the report relate closely to the economic growth priority in the Corporate Plan. The Local Development Framework Core strategy and the Cultural Heritage Strategy are also relevant policy documents.

CONCLUSION OF IMPACT ASSESSMENT

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

Maintaining a vibrant visitor economy and developing the arts is deemed important to ensure a thriving local economy which is attractive to visitors and a diverse working population alike. Halting improvements in this part of the local economy may have an impact on the districts ability to sustain economic growth for a time.

LEGAL IMPLICATIONS

The options may have employment and contractual implications

FINANCIAL IMPLICATIONS

The areas to be considered relate to the General Fund Revenue Budget in the main, although there may be some impact on the Capital Programme (relating to a proportion of capital salaries, ineligible for grant funding) as a result of potential future capacity requirements for the Coastal Protection Team.

Regarding Appendix A, the net saving from the overall reduction in management costs is estimated at approximately £15K per year. This is after making provision for engineering capacity for implementing a 5-year flood and coastal erosion risk management capital works programme, subject to the confirmation of Environment Agency funding, which is expected around February 2014.

Regarding Commissioned Activity, specific budgetary provisions are set out in section 3.2 for consideration.

To summarise all other areas, latest 2014/15 draft estimates include the following amounts for the areas identified in the report and appendices:

Area	Appendix C	Appendix D	Appendix E	Appendix F
	Destination Marketing	Festivals & Events	VIC's	Marketing & Coms
	£	£	£	£
Expenditure				
Staffing	91,100	44,600	162,000	173,000
Core delivery	87,400	49,300	113,600	93,600
Total expenditure (excl notional charges)	178,500	93,900	275,600	266,600
Income	(15,000)	(3,800)	(59,000)	(100)
Net (Surplus)/Deficit	163,500	90,100	216,600	266,500

The preferred options identified in the Appendices would result in numerous operational and financial changes arising over the coming 12 months, to be implemented prior to year end 2014/15, therefore further reports will be required for Cabinet and/or Personnel Committee and budgets updated as appropriate.

If, in the interim Members opt to implement some or all of the short term savings identified in Appendices D, E and F there is the potential for immediate savings of up to £62,600 to be made from 1st April 2014.

Potential longer term savings to be investigated may also relate to grants and subsidies provided to other bodies for the provision of services and activities in the district and as such may consequently affect the viability of those organisations (as referred to in section 3.2).

OTHER RESOURCE IMPLICATIONS**Human Resources:**

The options will have an impact on a number of posts within the service which may have to be deleted from the establishment or redeployed.

Information Services:

The options may have significant implications for this service area especially if relocation of VIC's and Customer Contact Centres is involved.

Property:

The options could have property implications especially in relation to the Storey Institute and the Platform

Open Spaces:

None

SECTION 151 OFFICER'S COMMENTS

There are many options presented for Cabinet's consideration and Cabinet is advised to consider carefully the information contained within the Appendices, as well as section 3.2, to ensure that it understands fully the options available in making any decisions.

Should Cabinet approve any of the short term savings measures, at present the wording of the recommendation would result in their immediate implementation where possible, subject to call-in, rather than them being subject to approval at Budget Council. Clearly, however, some would be subject to further operational considerations (such as the relocation of VICs, as an example).

To ensure that in the medium term, the Council has a balanced sustainable budget (without reliance on using revenue balances), it should be expected that substantial savings will need to be made in due course from these and other discretionary service areas, with the actual allocation of such savings being informed by Members' prioritisation. At this stage, the s151 Officer would advise to keep options for making savings as wide as possible. Whilst this may create more work and uncertainty, it would mean that in due course, Cabinet would have a wider set of options with which to prioritise services and activities, for determining the subsequent allocation of resources through budget setting.

MONITORING OFFICER'S COMMENTS

The monitoring officer has been consulted and her comments included in the report.

BACKGROUND PAPERS

none

Contact Officer: Andrew Dobson Chief Officer (Regeneration and Planning)
Telephone: 01524 582303
E-mail: adobson@lancaster.gov.uk
Ref:

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

Document is Restricted

APPENDIX B

SERVICE AREA REVIEW : FORMER COMMUNITY ENGAGEMENT FUNCTIONS

Contextual background

1. Context

1.1 Cabinet, on 5th November, agreed that areas to be considered for service reductions in the Regeneration and Planning Service are :

- Strategic Management of the visitor economy
- Commissioned activities supporting the visitor economy
- The provision of events
- Visitor Information centres
- Council operated venues
- Communications and marketing.

1.2 The overall aim of the review in the context of the Council's need to find £2.3M in revenue savings for 2014/15 has been to present members with options for ongoing savings through service reduction. The service areas under consideration are all discretionary activities despite their popularity with the community and local businesses. In the leaner public services environment which the Government has created for the Council, however, it can no longer afford to continue to engage in all of these activities. Government emphasis is on a reduced public sector with growth in the private sector.

1.3 The Cabinet decision asked that the review focus on reducing costs in all the service areas, transforming service delivery of visitor information and increasing income from Council operated venues and events. Whilst cost reduction and transformation can be applied across the range of this service area, it is impractical to achieve realistic savings of the magnitude required by 2014/15 by trying to reduce even further the level of resources in each area and maintaining a degree of service provision. In most of the service areas, years of ongoing budget reductions and efficiencies have pared the resources available to deliver to a very basic level. Continuing viability of operation is a benchmark which has been reached in those areas.

1.4 A second and very important consideration has to relate to public expectations for continuing operations if a bare minimum level of service retention is attempted. It is the very nature of the customer for public services to expect a comprehensive service level even if resources are so stretched that only sparse cover can be given. The management view is that it is better to desist from attempting to provide a discretionary service and remove or significantly adjust the expectation of provision, than to continue to try and provide a service which falls short of expectation.

2. Corporate Priorities

2.1 The visitor economy is an integral part of the district's wider economy. Investment in the visitor economy also benefits residents through improved facilities, jobs and access to a wide range of leisure opportunities. It also plays an important part in attracting inward investors to the area. Major

regeneration initiatives are planned for the next five – 10 years and present a significant opportunity to transform the district and grow the market share for visitors. A branding exercise has been undertaken in order to support partners and enable them and the city council to work together to ensure the district is best placed to deliver a cohesive branding implementation plan and thereby attract growing numbers of people who wish to visit, work or invest here.

- 2.2 Notwithstanding the above, there is a strong argument which demonstrates that this area of work is effectively public sector intervention in the absence of an effective level of private sector provision. In a successful market, one would not expect a local authority to have to stimulate interest in the visitor economy by either running the marketing activities or staging and managing festivals and events. That might be considered to be properly provided by the private sector. Where the Council provides these activities it rarely receives direct returns other than through local taxes and business rates. It is the local business sector which directly benefits from increased visitor spending. It is a high risk strategy in business terms leaving strategic marketing in a discretionary area of a financially vulnerable public sector body. Successful business does provide jobs for local citizens and the Council's support for the visitor economy is primarily aimed at maintaining jobs.
- 2.3 Both the Council's Corporate Plan and its Local Development Framework Core Strategy recognise that the visitor economy is one of the key economic drivers for the District. Research undertaken has established that it is still responsible for employing high levels of people in the district and makes a considerable contribution to the local economy in monetary terms. When looking at the improving economic conditions in the district and the ambitions for growth in the local economy, the key role to be played by improving the visitor economy is easy to identify. It is as important as growth derived from the Energy Coast and growth in the knowledge based sector.
- 2.4 When evaluating the challenge of why should the Council intervene in an area which the private sector might be expected to lead upon, the officers came up with the following headline reasons :
- A local authority is the only body at local level capable of taking a strategic overview of the visitor economy and at the same time ensuring that a sub county or sub regional area has an appropriately high profile.
 - A local authority is the only body prepared to take a long term view on visitor economy matters.
 - There has been a traditional expectation in this district that this is a local authority's role.
 - A local authority is the only body able to act as an Accountable Body for external finance and assistance from the public sector.
 - The Government acknowledges that the care of the local economy is not simply a private sector activity, but a partnership between the public and private sector.
 - There are insufficient capabilities within the local visitor economy to step up and undertake the role a local authority takes in marketing and managing the visitor economy.
 - There is an expectation amongst major investors (eg British Land, The Duchy) that the public sector will lead, champion and co-ordinate the wide range of activities that underpin the visitor economy.

- There are key symbiotic benefits for the resident population in terms of quality of life and access to employment arising from a healthy visitor economy.
- 2.5 For these reasons, officers take the view that the City Council should not withdraw entirely from engaging in the visitor economy and leave it to the private sector to engage in strategic tourism activities such as branding and marketing. It follows, therefore, that even in a review of the corporate priorities, responsibility for strategic policy relating to the local visitor economy would be expected to remain with the City Council (working with the County Council and Marketing Lancashire) in a largely economic development and policy role.
- 2.6 Allied to the above, officers also acknowledged that the special environment, attractions and facilities provided to support the visitor economy had an equal value in enhancing the quality of life for citizens in the area, which is essential to counter balance our size and remoteness. This, in turn, will help encourage inward investment and address the problems highlighted in the Strategic Housing Market Assessment with graduate retention and our population profile.

3. Breaking down how the Council engages in the visitor economy

- 3.1 The City Council currently engages in tourism, marketing and events through the following areas of activity/expenditure:
- Partnership funding to Marketing Lancashire (the main tourist board for Lancashire).
 - Direct marketing of the district's visitor offer, including development and maintenance of the visitor facing website, preparation of brochures/accommodation guide, attractions leaflets and what's on and provision of leadership on marketing matters.
 - Information and advice for visitor facing business, from start up advice to communicating relevant information to existing businesses, eg events programme, training opportunities
 - Closely connected to the above, is the operation of Visitor Information Centres
 - The running of events and major festivals both on our own and in partnership with other bodies and encouraging partnership working amongst others.
 - Supporting and advising festival co-ordinators on all aspects of putting on a safe and successful event (including our membership of the Event Safety Advisory Group, required of all councils).
 - Engaging in strategic overview activities under a regeneration banner (including accessing external funding, arts development)
 - The Council owns venues which contribute to the visitor economy such as its parks, museums; The Platform; The Storey and the Dukes Theatre.
 - Management of key areas of public realm and countryside; Morecambe/Heysham Promenade and two Areas of Outstanding Natural Beauty.
- 3.2 Partnership funding in key areas, strategic review activities, managing the public realm and AONBs are all activities which officers conclude to be core to the Council's wider statutory, trustee landowner and economic development activities. This means that discretionary areas, although valuable, may have

to be considered as the Council can no longer afford to provide them. These are:-

- Direct marketing and visitor business communication and advice
- The operation of Visitor Information Centres in their current form
- Delivery and ongoing development of district wide events
- The provision of significant revenue funding for the arts
- The operation of City Council venues in a loss making form

APPENDIX C

Review of Destination Marketing of the District

1. Background/Context

As part of the outline review of services provided by the Regeneration and Planning Service, Cabinet (5th November 2013) resolved to review council's approach to the Strategic Management and marketing of the district in support of the visitor economy.

This report has been prepared by the Assistant Head (Communications) and is structured along the following lines:

- Summary of the role the visitor economy plays in Lancaster District and how this could develop in the next few years;
- An analysis of the strategic destination management and visitor marketing role
- Outline options for change within this context.

2. The visitor economy in the Lancaster District

Both the Council's Corporate Plan and its Local Development Framework Core Strategy recognise that the Visitor Economy is one of the key economic drivers for the District. Our district's visitor economy is worth more than £300 million, brings in more than six million visitors annually and supports over five thousand jobs (STEAM data).

Major regeneration initiatives are planned for the next 5 – 10 years and present a significant opportunity to transform the district and grow the market share for visitors.

The city council's destination strategy and destination marketing function is responsible for working with partners, including Marketing Lancashire, the universities, BID, LAP and others, to market the district. Whereas some of these organisations have traditionally marketed aspects of the district to their target audiences, the city council has provided holistic destination wide marketing, promoting the full mix of offer, including service providers as well as what to do/see/go. Importantly too the city council has taken the lead in encouraging and facilitating partnership working and approaches, which in turn have led to more joined up and effective results.

Recognising the significant opportunities for the district to benefit further from the visitor market, a branding exercise has been undertaken in order to support partners and enable them and the city council to work together to ensure the district is best placed to deliver a cohesive branding implementation plan and thereby attract growing numbers of people who wish to visit, work or invest here.

3. To what extent does the Council engage in destination marketing?

Core areas of work are:

- Community leadership on destination marketing matters
- Liaison and communication with existing businesses to capture and address issues where appropriate
- Share opportunities for tourism businesses to support initiatives and drive up own business
- Information and advice for start ups
- Research/ Monitoring and collecting visitor economy statistics
- Identifying potential areas of visitor development
- Liaising with partners on tourism infrastructure issues such as signage
- Destination marketing (inc Visitor Guide, Attractions, Visitor Website, LOIS)
- Specific 'campaigns to target staying visitors, eg events, attractions, things to do, student open days
- Thematic campaigns (inc Festivals by the Sea, Guided Walks)
- Partnership programming/marketing (WW1, Lancaster Unlocked, Witches, Event Forums)
- Marketing the Visitor Information Centres
- Management of the online shop for the VICs.
- Various marketing support (ad hoc e.g TERN, Way of the Roses)
- Industry liaison

The destination marketing team work closely with VICs on a range of areas including campaign fulfilment (mail shots responding to enquiries), product knowledge (businesses using their customer facing centres for updating), updating the Destination Management System (which powers CCC and VL websites, support with staffing for consumer travel shows or pop up information stands (eg Uni Visit Days and staff resource is equivalent to 2 FTEs).

5. Net Costs

Staffing Costs £92K

Destination marketing budget:

This budget is used to support the development and delivery of a range of destination and thematic marketing campaigns aimed at attracting visitors to the different parts of the district, in line with the themes emerging from the branding exercise. Some are done solely by the city council and some in partnership. Main areas of activity include the main accommodation and attractions guides, to what's on, specific attractions and events, partnership projects and product promotion, as well as supporting activities such as photography, distribution, internet provision, traditional advertising and online advertising and is approximately £62,400K in total as per the 2014/15 draft estimates). This budget also includes a £10,500 contribution to Marketing Lancashire activity.

Research and destination and benchmarking budget: This is used for subscriptions to bodies, payment for destination research and benchmarking and is £10,000 as per the 2014/15 draft estimates.

Options

The options presented take the following factors into consideration:

- The Council's financial challenges;
- The emerging branding strategy and need to be cognisant with plans for the two emerging destinations; and
- Opportunities for a more joined up partnership approach to destination marketing arising from the branding strategy and for increased partnership with Marketing Lancashire.

At this stage no short term/immediate savings have been identified, which can be implemented from 1st April 2014. It is proposed instead to use the coming months to examine more radical longer term options that could be implemented from 1st April 2015 and which could affect significantly the type of service and who provides it.

6. Option 1 – short term

The outcome of the brand engagement work and newly formed steering groups is already facilitating a stronger public/private sector partnership with a shared vision. This in turn should enable a shared approach to destination marketing and a shared responsibility in terms of delivery and evaluation. It will inevitably mean a review of what all providers currently deliver and each of their roles going forward.

In time it may be that those resources are no longer directly managed by the city council – discussions are being undertaken with partners about other approaches - but at this early stage in the emerging branding approach it is recommended that they are.

To help facilitate and support this approach it is recommended that the city council continue its partnership direct marketing approach, realigning its staff resources and marketing budgets to support the two brands. It is recommended that this area of work continue to be closely aligned to those responsible for arts and events commissioning and/or delivery, venue programming and ticketing provision, visitor information provision, visitor attraction marketing, as well as the council's economic development and regeneration and policy functions that support the visitor economy and corporate communications.

Therefore option 1 includes:

- continuing to provide the strategic and co-ordinating functions to encourage and support the development and effective implementation of a range of branding projects, whilst alongside delivering targeted marketing campaigns to encourage increased visitor awareness and spend
- working more closely with Marketing Lancashire to ensure Lancaster/Morecambe Bay gets maximum support to ensure growth in visitor numbers in support of the new branding and examining opportunities for a more collaborative approach.
- Aligned to this will be delivering online visitor information via the Visit Lancashire website instead of the existing citycoastcountryside site. This will potentially enable the district to reach many thousands more visitors and take

advantage of enhanced online functionality, at no additional cost to the council. NB the council would continue to be responsible for inputting the data to support this. A report detailing this option will be shared with MT for consideration.

Option 1 – short term

Advantages	Disadvantages	Risks
Maintains strategic direction and expertise to support major regeneration initiatives and significant opportunity to transform the district and grow the market share for visitors.	No saving at this stage	Prospective partners are unable to deliver
Acknowledges the already reduced council resources available to deliver destination marketing.		
Encourages and supports partners in the delivery of destination marketing and secures external funding, match funding and resource		
Continued support and confidence to local businesses and potential investors		
Supports opportunity for private sector support eg BID and potential new partners		

7. Option 2 – longer term

Use the coming months to examine, with partners where appropriate, more radical longer term options that could be implemented from 1st April 2015 and which could affect significantly the type of service and who provides it.

Options could include:

- a) No provision of destination marketing;
- b) Strategic event support only;
- c) Strategic and commissioning;

Options Analysis (including risk assessment)

- a) No provision of destination marketing;

Advantages	Disadvantages	Risks
Staff and budget savings c£164.4K pa less redundancy costs in year 1.	Potential to destabilise branding projects and strategic direction and expertise to support major regeneration initiatives and miss significant opportunity to transform the district and grow the market share for visitors.	Uncertainty as to whether the joined up work between partners will continue or will fragment without city council as driver.
	Potential negative impact on wider regeneration plans	
	Could reduce confidence of potential tourism business investors and potential to attract external and match funding reduced.	
	Potential one off redundancy costs for current staff subject to redeployment	
	Negative publicity	

b) Strategic only;

Advantages	Disadvantages	Risks
As 2a, although reduced	As in 2a	As in 2a

c) Strategic and commissioning;

Advantages	Disadvantages	Risks
As in option 1 but with some savings	Reduced savings	

8. Officer Recommendation

The officer recommendation is to adopt the two stage approach outlined above. The district now has two strong and committed groups who will work together under one vision with the potential to help significantly raise the profile of both Lancaster and Morecambe Bay as valuable visitor destinations. The city council's contribution both in strategic, resource and management terms is critical in this formative stage. To withdraw would risk destabilising the entire project. The benefit of this approach is to encourage the continuation of this joined up and therefore jointly resourced approach

with the ambition of the district developing a joined up visitor marketing strategy, budget and resources.

Longer term it may be the city council's approach can adapt, with other partners eg Marketing Lancashire, taking a stronger lead in the district. Discussions are being underway with Marketing Lancashire to examine various aspects, with a report regarding the destination website due to be considered early in the new year.

It is also recommended that this area of work continue to be closely aligned to those responsible for arts and events commissioning and/or delivery, venue programming and ticketing provision, visitor information provision, visitor attraction marketing, as well as the council's economic development and regeneration and policy functions that support the visitor economy and corporate communications.

APPENDIX D

Organised Festivals and Events Review

1. Background and context

As part of the outline review of services provided by the Regeneration and Planning Service, Cabinet (5th November 2013) resolved to review the provision of the council's festivals and events. This report has been prepared by the Assistant Head (Communications) and covers two main areas:

- An analysis of the Council's role in festivals and events and the rationale for this involvement;
- Consideration of how this could change given the council's financial position; and
- Outline options for change.

The report assumes that there is no disagreement that the visitor economy is an integral and growing part of the district's wider economy and should be supported and developed wherever possible.

2. Festivals and Events Role and Contribution

Quality festivals and events are seen as a key element of the district's tourism offer. Extensive research has identified the importance of cultural events and activities to add vibrancy to places and provide reasons for people who might otherwise shop online to come into towns and cities. It is becoming increasingly clear that people come to towns now because they want an experience which includes cultural as well as retail and catering experiences.

It is clear from other successful visitor destinations e.g. Durham, York, Lincoln, Carlisle, Lytham etc that festivals and events are an important part of the visitor offer. Many local authorities continue to play a key role in leading the overseeing and festival provision and are increasingly working alongside the private sector, arts partners and other stakeholders.

Locally, in 2012 the three core council organised and funded events (Sandcastle, Seaside and Fireworks) attracted a total of 47,000 visitors generating £355,341 of additional income (figures exclude local spend from those within district and visitors already on holiday here). These events also result in significant positive publicity both within and outside the district.

3. To what extent does the Council engage in events?

This can be broken down into two main headings – Strategic and Funding/Delivery

Strategic

In terms of strategic activities the council currently does the following:

- i) Leads the strategic overview of district wide festival provision and requirements, working alongside partners and stakeholders.

- ii)* Identifies and attracts funding to support these and partner events
- iii)* Liaises with partners to co-ordinate events that complement the brand (What's On marketing campaign) and chairing partnerships. The marketing and events team also connect partners to support event delivery.
- iv)* Ensures that appropriate marketing is undertaken.
- v)* Work with other agencies to provide expert safety advice for festival co-ordinators.
- vi)* Supports other council services to develop and (in some cases) deliver events. This includes venues such as The Storey and The Platform and major activities such as The International Youth Games and forthcoming 20:20 Vision exhibition in Morecambe.

Directly funds and delivers events

- i)* Co-ordinates and provides £3,200 funding for the Bands in the Park (series of Brass Bands in Happy Mount Park).
- ii)* Provides £2k funding to the Catch the Wind Festival.
- iii)* Through marketing budgets, advice and operational expertise, supports other events e.g. Vintage by the Sea (Midland Hotel's 80th celebrations), Lancaster Music Festival, Lancaster Unlocked.
- iv)* Directly delivers a small number of high profile events;
 - Sandcastle
 - Seaside
 - Fireworks
 - Heritage Open Days
 - Velocity
- iv)* Leads national events in the district e.g. Olympic Torch.

4 The net cost of running events is detailed below

The draft net core event delivery budget for 2014/15 is £45,500 and the cost for the 1.5 fte staff directly involved is £44.6k in 2014/15 (including on costs).

In addition, other members of staff regularly support the creative and strategic development resilience, planning and training for events. . For the bigger events, e.g. Fireworks, a range of officers get involved in the planning and delivery. All receive TOIL for this work. In total, in 2013/14, officer time spent developing and delivering events was estimated at £56,100 (including £9,500 for TOIL). Based on Option 1, below, this could potentially reduce to somewhere in the region of £32,500 (including £3,400 for TOIL).

5. Options

The options presented take the following factors into consideration:

- The Council's financial challenges;
- That changes need to be cognisant of plans for the two centres; and
- Already reduced staffing resources, skills and expertise

Short term options

This option identifies immediate/short term savings which could be implemented from 1st April 2014

Longer term options

This option uses the coming months to examine more radical longer term options that could be implemented from 1st April 2015 and which could affect significantly the type of service and who provides it.

6. Option 1 – short term

This option includes:

- continuing to provide the strategic and co-ordinating functions to encourage and support the development and effective delivery of events within the district and within services; and
- reducing the number of events the council delivers and, where it continues to deliver, it does so in partnership, reducing the amount of staff resource required.

Essentially this would be two core events for the district that will be delivered and funded in partnership. These are the events that will create the biggest profile, fit closely with the destination brands, raise the profile of each destination, attract new and staying visitors that match the visitor profile we seek to attract, have the greatest economic impact and minimise the amount of staff resource required from the city council:

Hemmingway's Vintage by the Sea (replacing Morecambe Seaside Festival). A strong and popular branded festival that will be delivered in partnership with Hemmingway Design and creative company, Deco Publique and supported with £15,000 of MTC funding.

Light Up Lancaster (currently including fireworks). A significant and multi day arts and cultural festival bringing Lancaster's heritage to life, delivered in partnership with County, Lancaster University, Lancaster Arts Partners, BID and others.

As part of the funding bids submitted for match funding the city council has already given its commitment to support both these events (£20k for Vintage and £20k for Light Up) and match funding and grant funding may be lost if the city council withdrew.

For 2014 it is anticipated the overall amount of officer time required for the

Morecambe event will reduce further as the event is being delivered in partnership.

Light Up Lancaster was an incredibly successful event overall. Evaluation between partners will take place to ensure the 2014 event capitalises further. As part of this, consideration will be given to the fireworks element of the festival as part of the overall event.

It is also recommended, as part of option 1, funding for the Bands in the Park series (c£3,200) and More Music's Catch the Wind Festival (£2,000) be made available for 2014 but that discussions be held with both bodies regarding funding for 2015 and beyond.

Therefore, for 2014, Option 1 would not deliver the following:

- the event associated with the Heritage Open Days as this will fall too close to Vintage by the Sea
- Sandcastle Festival but instead look to work with partners to develop a programme of activities around a major outdoor exhibition coming to Morecambe and profiling the Bay.

This would allow a budget reduction for 2014/15 of £4,800. it would also reduce the costs of 'other' officer support and time to a value of approximately between £28,500 to £32,500.

Given the staff reductions that have already occurred in the Communications Team it would also slightly reduce the pressure on the current level of staff resources.

Options Analysis (including risk assessment)

Advantages	Disadvantages	Risks
Makes savings but maintains strategic direction and expertise to support events.	Small reduction in the number of festivals taking place	Potential adverse local PR
Acknowledges the already reduced council resources available to deliver events.	Potential for a small reduction in the profile for the district as a place to visit/stay	Potential perceived lack of support for destinations by partners
Encourages and supports partners in the delivery of events and secures external funding, match funding and resource		
Supports the delivery of effective and safe events		
Continued support and confidence to local businesses and potential investors		
Secures support of private events promoters such as Hemmingway Design and match and partner funding for other events.		

7. Option 2 – longer term

Use the coming months to examine more radical longer term options that could be implemented from 1st April 2015 and which could affect significantly the type of service and who provides it.

Options could include:

- a) No provision of events support or delivery;
- b) Strategic event support only;
- c) Strategic event support and commissioning;
- d) Strategic event support, commissioning and direct event delivery for ticketed events e.g. fireworks (covering cost of delivery).

a) No provision of events support or delivery

Advantages	Disadvantages	Risks
Potential staff and events budget savings subject to redundancy costs.	As in option 1 plus:	As in option 1
	Could deter private events promoters such as Hemmingway Design due to lack of professional support and funding	Ability to synchronise events and branding/regeneration activities reduced.
	Potential to attract external and match funding reduced.	
	Could have safety implications for non council run events	
	Potential negative impact on wider regeneration plans	
	Could reduce confidence of potential tourism business investors	
	Potential one off redundancy costs for current staff subject to redeployment	
	Negative publicity	

b) Strategic event support only

Advantages	Disadvantages	Risks
As 2a plus supports the delivery of effective and	As in 2a	As in 2a

safe events		
-------------	--	--

c) Strategic event support and some commissioning

Advantages	Disadvantages	Risks
As in option 1	As in option 1	As in option 1

d) Strategic event support, commissioning and direct event delivery for ticketed events eg fireworks (covering cost of delivery)

Advantages	Disadvantages	Risks
As I option 1 plus some savings if events ticketed/paid for	Limited resources stretched further	Stretched resource and reduction in number of trained officers available brings risk to quality and safety of the event
	Ticketing would increase costs that might not be offset by income	Risk that even if charged for tickets, may not cover costs
		If done badly potential for some adverse PR for the council.
		If done badly potential for risk to health and safety

8. Officer Recommendation

The officer recommendation is to adopt the two stage approach outlined above. The benefit of this approach is to enable short term continued support for the provision of key events that most strongly reflect the branding, buy partnership support and assist wider services e.g. Platform, Storey. At the same time they would achieve a small amount of savings whilst developing options for for 2015 and beyond. The option avoids the potential risks to the wider economic development of the district.

In addition officers should be tasked with examining options around the delivery of Light Up Lancaster for 2014, particularly to support increased income and decrease the amount of staff resource required via the retained events.

APPENDIX E

Visitor Information Centres Review

1. Background/Context

As part of the outline review of services provided by the Regeneration and Planning Service, Cabinet (5th November 2013) resolved to consider whether to reduce provision of the district's Visitor Information Centres or provide any visitor support facilities.

This report is structured along the following lines:

- Summary of the role the visitor economy plays in Lancaster District and how this could develop in the next few years;
- An analysis of the VICs role in this and an assessment of how this could change;
- Outline options for change within this context.

2. The Visitor Economy in Lancaster District

The visitor economy is an integral and growing part of the district's wider economy. Our district's visitor economy is worth more than £300 million, brings in more than six million visitors annually and supports over five thousand jobs (STEAM data).

Investment in the visitor economy benefits residents and businesses through improved facilities, jobs and access to a wide range of leisure opportunities. In addition it plays an important part in attracting investment to the area. The visitor economy is now recognised as a key growth sector by the Government and the Lancashire Enterprise Partnership. In turn, Lancaster district is seen as the major growth opportunity in the sector for Lancashire as a whole.

Within Lancaster district, a number of major regeneration initiatives are planned over the next five years which present a once in a generation opportunity to radically improve the district's offer and grow our visitor market share. Implementing the Morecambe Area Action Plan and regenerating central Lancaster (Canal Corridor, Castle, Square Routes etc.) will physically transform our two major centres, especially when combined with the effect of the M6 link road.

To support this physical intervention, a branding exercise has been undertaken to ensure that future marketing and promotion is up-to-date and relevant. This is already enabling the city council and its partners to work together to ensure the district is best placed to deliver a cohesive branding implementation plan and thereby attract the growing numbers of people who wish to visit, work or invest here.

3. VIC Role and Contribution

Visitor information centres are a common feature of centres throughout the country. Most successful tourist locations, eg Windsor, Lincoln, Chester, Carlisle, Scarborough, Blackpool, have a presence of this type. However, the means by which this function is delivered varies: VICs can be run by the public or private sector, in combination or by

trusts/charities. The balance between having a physical and virtual presence also varies and this is an area that is changing rapidly.

This review has proceeded on the basis that not providing some form of visitor information service is considered a last resort, particularly given the many initiatives described above.

In Lancaster District, Morecambe VIC is situated within the Platform Arts Venue whilst Lancaster VIC is located within The Storey venue adjacent to Lancaster Castle. Both venues were corporate choices, placing VICs as anchor tenants to wider regeneration objectives for the buildings concerned.

Details of the current VIC offer and financial performance are contained in the report. However, it is necessary to look beyond the bare statistics to understand the wider role the VICs play. Examples are given below

- Morecambe VIC also acts as the box office for The Platform and Williamson Park, providing 7 day a week service for half the year and 6 day a week service the other half.
- As part of the Storey management arrangements, staff at Lancaster VIC have subsumed the reception service for building and its tenants and also support the on-site room booking facility and, where appropriate, set up arrangements.
- VICs offer a booking service for a range of other partners, including the recently introduced sales of tickets for Lancaster Castle tours, reflecting good partnership working and a visitor focussed approach.
- Since the VICs launched online ticket sales on behalf of Platform, Williamson Park event tickets, The Dukes, Leighton Hall, Southport Flower Show and garden festival tickets for Holker Hall in February 2010 the service has proved extremely popular with both locals and visiting customers.
- The recent developments at Lancaster Castle have had a positive effect on the Lancaster VIC and its location, with the centre opening extended hours when events are taking place at the Castle – this resulted in the centre opening 7 days a week during the summer months contributing to support for tourism partners.
- Working to help enhance other information providers such as Williamson Park and Happy Mount Park.
- Hosting events which support the branding, increase awareness and support income eg Lancashire Day, St George's Day to the recent launch of Discover Lancaster book. Morecambe VIC hosted the launch of Cedric Robinson's new book which resulted in an increased income in book sales.
- Support events, including VIC presence and services at major festivals and University Open Days and Freshers' Fairs, promoting events, what to see and do, where to stay, selling tickets etc.
- VICs issue wristbands, handle hundreds of on the day enquiries and bookings around events. For example, Light Up Lancaster was the Lancaster VIC's busiest week since moving to the Storey.
- The VICs have a successful partnership with Lancashire County Council around delivery of travel and visitor services at Morecambe VIC this year, a service that is well appreciated by residents and visitors alike. In return for this the County Council supply 2 members of staff at MVIC.

4. The net cost of running the VIC's is tabled below

Draft 2014/15 budget	LVIC	MVIC	Total
Expenditure	£	£	£
Employee Related	95,800	66,200	162,000
Premises Related	29,400	33,000	62,400
Transport Related	200	200	400
Supplies & Services	22,500	28,300	50,800
Total Expenditure	147,900	122,700	275,600
Income			
Shop Sales	22,900	28,700	51,600
Ticket/Commission	2,100	5,300	7,400
Total Income	25,500	34,000	59,000
Total	122,900	93,700	216,600

It should be noted that the above are draft figures not yet approved by members. The above includes all income/expenditure but excludes internal recharges (MVIC £15k)

5. Options

In line with the Council's financial challenges, and in recognition that changes need to be cognisant of plans for the two centres, a two stage approach to identifying potential savings has been adopted.

Both approaches are expanded in section 6 however a summary of each is set out below:

5.1. Identify immediate/short term savings which could be implemented from 1st April 2014 and which retain as best we can the current levels of service.

This could include:

- options for savings generated by reducing/changing opening hours

LVIC - reducing the opening hours by 1.5 hours per day, plus closing to the public for half an hour at lunch time and closing Sundays and all bank holidays achieving savings in the region of £12K per annum.

An additional LVIC option of sharing the current location with other retail facing tenants may also offer an opportunity for further staff reductions/costs.

MVIC - closing to the public for half an hour at lunch time and closing one day a week and all bank holidays achieving savings in the region of £12K per annum. As the MVIC staff are largely funded by Lancashire County Council there is no financial benefit to reducing opening hours to the same extent as LVIC. In terms of closing one day a week in the summer months (to mirror winter opening) the preference would be for a weekday as least footfall / impact on current service provision, however this would be subject to existing County terms and conditions of employment.

It should be noted that the savings identified above are based on an estimate for reduced casual staffing costs and does not impact on the core team. It also excludes any potential loss of net income from Sunday/Bank holiday closing (mainly on MVIC) not yet quantified.

There may also be scope for further reducing costs and/or increasing income from things like shop and ticket sales for both centres.

- moving the Lancaster VIC into a smaller space within the Storey/or sharing current location with other retail facing tenants (subject to being financially viable in terms of how best fits with longer term plans for the LVIC and its role within the Storey, etc) and re-letting the existing space for commercial purposes;
- rationalise use of space in the Platform and try to re-use/re-let freed up space.

There are a number of options with potential to be investigated here. Savings arising through reduced rent and service charges could be in the region of £14k p/a for LVIC. It is also possible that savings could arise from MVIC should the back offices at the Platform be vacated and let to a third party. Property Services have advised that at this stage the space would only be suitable for office let due to its location. Any savings would be reduced in year 1 to reflect one-off relocation / refit costs associated with the moves, noting that these costs have not yet been appraised.

As the Council owns the Storey it is assumed that the current occupied space is let to a third party at the same rate. It should be noted that we are tied into a lease with 9 years remaining for the Platform which expires on 30 November 2022. There is a high risk that the space in either site (more so at the Platform) will not be let or will return a lower income than currently having an adverse impact on the savings to be made. New rental charges have been based on square footage occupation and advice as supplied by Property Services.

5.2. Use the coming months to examine more radical longer term options that could be implemented from 1st April 2015 and which could affect significantly the type of service and who provides it.

This could include all the above plus:

- As part of the review of the future of Morecambe Town Hall, look at options to provide a combined customer services/VIC operation in central Morecambe;
- Options for this would include utilising surplus space in the Platform (at least in the short/medium term) together with the possibility of providing a new purpose built facility within the Morecambe centre redevelopment;
- Explore different locations in central Lancaster for a new VIC (possibly combined with a CSC) as part of the review of council office space provision and decisions on the museum/library offer;
- Work up potential different delivery models with the Duchy, British Land, Lancaster BID, the University etc. in the light of proposed physical changes to Lancaster centre;
- Look in detail at options to maximise the use of on-line/virtual means of providing information for visitors;

- In the light of the above, come to a final decision over whether the Council should continue to provide the VIC service in the context of what we are trying to achieve economically.

Should the VIC function be removed in full annual savings in the region of £168,900k could be achieved from year two i.e. after allowing for one-off redundancy costs in year one. Total annual savings could increase to £216,600 however, on the assumption that the respective spaces at the Storey and Platform can be relet. This saving would reduce however, depending on the final option(s) chosen as staffing may still be required to cover storey reception and the ticketing facilities currently undertaken by VIC staff; to man an online function or potential grant / management fee associated with alternative third party delivery models.

The review also needs to take into consideration emerging management plans for the Storey where it is becoming clear that in order to maximise opportunities for the building to break even, or better, a flexible and dependable presence is required. Current consideration is therefore being given to the expanded support role VICs can play in that within existing resources.

Grant funding arrangements agreed at the time of the Storey capital refurbishment and LVIC re-locating to the Storey in 2009 also need to be fully investigated to ensure there are no unexpected one-off costs as a result of either relocating the LVIC out of the Storey or closing altogether, e.g. potential grant clawback, although this is not expected to be a significant risk at this stage.

6. Options Analysis (including risk assessment)

6.1 Short Term Option

Option 1 : Identify immediate/short term savings which could be implemented from 1st April 2014 and which retain as best we can the current levels of service.

This option includes reducing opening hours as per section 5.1 and potentially relocating to smaller office accommodation in the interim, subject to whether financially viable in light of the longer term options still to be considered . This option allows a phased approach where initial savings are delivered during a transitional period towards Option 3 which allows the aforementioned regeneration actions to develop. Current opening hours are 9.30am to 5pm Monday to Saturday with reduced opening hours on Sundays during the summer in line with demand.

NB. Depending on the 'shop' model for LVIC, further staff savings may be achievable

Advantages :

- Allows a saving to be made while continuing service provision including ancillary services to other parts of the council (e.g. Storey reception duties, Platform box office).
- This option can be treated as a minor restructure with no need to change existing LCC staff contracts which enables early adoption of the new hours.
- Limited change to the provision of two staff at MVIC paid for and employed by Lancashire County Council as part of a longstanding agreement for us to deliver various County services on their behalf including promotion of use of public transport via provision of bus timetable and travel pass sales.

- By relocating to smaller spaces within existing premises a saving might be achieved (subject to re letting the existing occupied space and prior to taking one-off relocation / refit costs into account)
- Continues to provide point of contact face to face service for visitors
- Enables VIC staff to 'sell' district attractions and assets, promoting longer stays, re-visits, increased spend.
- Continued support and confidence to local businesses and potential investors
- They continue to support the wider programme of activities in the district and add to the reputation and perception of the destinations

Disadvantages:

- Accommodation cost savings to the council are dependent on ability to rent existing space to a new tenant
- Closing on Sundays and bank holidays will reduce support for the local tourism economy and partners.

Risks:

- Very small risk of lack of sickness/absence cover due to reduced use of casual staff
- Loss of some customers as a result of reduced opening hours
- Reduced net income, although not expected to be significant.

6.2 Longer Term Options

Option 2 : Online delivery only. This would mean provision of visitor information online only. No face to face or telephone service would be available. This could include online ticketing and booking however this would need to be resourced in some way.

Advantages:

- Potential saving on premises with caveat that unless spaces currently occupied by MVIC and LVIC can be let these savings would not materialise.
- Reduction in running costs.
- Staff savings may be possible in longer term. Exact figures need to be calculated taking into account one-off redundancy costs to establish length of time it would take for savings to be achieved.

Disadvantages:

- Provision of Storey reception and mail duties and on site Storey room booking service currently absorbed by LVIC would need to be resourced for elsewhere in the council.
- Provision of Platform box office currently absorbed by MVIC would need to be resourced elsewhere. The new online booking system due to be introduced shortly will be more efficient however still requires resource to fulfil orders.
- Potential one off redundancy costs for current staff subject to redeployment.
- Additional resources required to maintain online offer to ensure fit for purpose.
- Cost to upgrade current web offer – likely to be in the region of £20k as a one off cost plus ongoing annual development costs although further investigation required to confirm this.
- Timing – seems counterintuitive to reduce support for visitor economy before Lancaster and Morecambe are established as tourist destinations via branding and other regeneration activities.
- Likely to lose Lancashire County Council funding for MVIC

- Small reduction in net income due to lack of retail offer.
- Need to relocate Platform back office which currently occupies some of the areas MVIC pays rent for.
- No face to face service for visitors and opportunities to 'sell' district attractions and assets, promoting longer stays, re-visits, increased spend.

Risks:

- MVIC premises on long lease and risk it may not be able to be sublet, thereby continued cost of £25.7k per annum to the council until the lease expires in 2022.
- Perceived lack of support for The Storey.
- Adverse PR for the council.
- Reliance on other organisations to present the district in a way that fits with the evolving branding work and other regeneration activities.
- Potential reduction in commission income depending on whether online ticket sales are included.
- Loss of confidence to local businesses and potential investors

Option 3 : Private/public sector partnership delivery of Visitor Information.

This would be provision of visitor information in partnership with other organisations. There are two options here:

- Grant aided delivery of visitor information by a private or public sector third party. Likely to be more than one partner due to Lancaster and Morecambe localities.
- Shared premises and staffing for delivery of visitor information between the City Council and another organisation.

Advantages:

- Potential saving on premises with caveat that unless spaces currently occupied by MVIC and LVIC are able to be let these savings would not materialise.
- Staff savings may be possible in longer term. Exact figures need to be calculated taking into account one-off redundancy costs (subject to successful redeployment) to establish length of time it would take for savings to be achieved.

Disadvantages:

- Timing – slightly early in the evolution of Lancaster and Morecambe as key visitor destinations to attract potential partners. In addition no scope for now to enter into discussions around sharing City Museum premises/staffing.
- Potential locations and partners unknown.
- Potential TUPE arrangements or redundancy costs for current staff depending on nature of agreed partnership. May be need for compromise agreements leading to additional costs if council hands over provision of visitor information in full as third parties likely to wish to avoid TUPE arrangements.
- Evidence from other authorities shows that any third party is likely to need a grant / management fee for at least 5 years to agree to deliver visitor information. Savings will be more limited therefore during this period, subject to level of subsidy required.
- FTE cost to provide alternative provision of Storey reception and other related duties.
- Small reduction in net income due to lack of existing retail offer.

- Provision of Storey reception duties and on site Storey room booking service currently absorbed by LVIC would need to be resourced for elsewhere in the council.
- Provision of Platform box office currently absorbed by MVIC would need to be resourced elsewhere. The new online booking system due to be introduced shortly will be more efficient however still requires resource to fulfil orders.
- Need to relocate Platform back office which currently occupies some of the areas MVIC pays rent for.

Risks:

- MVIC premises on long lease and risk it may not be able to be sublet, thereby continued cost to the council.
- Perceived lack of support for the visitor economy and The Storey.
- Adverse PR for the council.
- Reliance on other organisations to present the district in a way that fits with the evolving branding work and other regeneration activities.
- Loss of Lancashire County Council funding for MVIC which currently pays for 2 members of staff in exchange for provision of travel information services and travel ticket sales in central Morecambe location.

Option 4 : Online delivery and CSC delivery. This option would include provision of visitor information online and basic visitor information via other channels. Could include online ticketing and booking however back office tasks for this would need to be resourced in some way. Could include Platform box office subject to expertise, systems and FTE.

Advantages:

- Potential saving on premises with caveat that unless spaces currently occupied by MVIC and LVIC were able to be let these savings would not materialise.
- Some staff savings may be possible in longer term. Exact figures need to be calculated taking account which roles would be retained or redundant to establish length of time it would take for savings to be achieved. Likely could achieve management savings for centres however may need to retain Visitor Services Officer and a number of VIC Assistants.

Disadvantages :

- Location of town halls away from main town centres.
- Lack of weekend opening at town halls which is busiest time for tourism activity.
- Potential one off redundancy costs for current staff subject to redeployment.
- Additional resources required to maintain online offer to ensure fit for purpose.
- FTE cost to provide alternative provision of Storey reception and other related duties.
- Timing – seems counterintuitive to reduce support for visitor economy before Lancaster and Morecambe are established as tourist destinations via branding and other regeneration activities.
- Additional FTE provision to provide alternative to Platform box office.
- Need to relocate Platform back office which MVIC currently pays rent on.

Risks:

- Risk of loss of Lancashire County Council funding for MVIC .
- MVIC premises on long lease and risk it may not be able to be sublet.
- Perceived lack of support for The Storey due to lack of reception and on site room booking facility.

- Adverse PR for the council.
- Small reduction in net income due to lack of retail offer.
- Potential reduction in commission income depending on whether ticket sales are included.
- Dilution of specialist visitor information knowledge.
- Issues around how to retain enough critical mass of specialist staff while still achieving savings.
- Issues of impact of mixing customers

6. Officer Recommendation

The officer recommendation is to adopt the two stage approach outlined above. The benefit of this approach is to enable short term continued provision of visitor information and support to wider services eg Platform, Storey and Visitor Website, while achieving savings in advance of a larger step change where greater savings can be delivered. The option avoids the potential risks to the wider economic development of the district.

APPENDIX F

Communications and Marketing Review

Background

Prior to 2010 the council operated a centralised communications team which comprised corporate internal and external communications, with some individual services handling their own marketing.

At this stage the council employed the equivalent of 10.25 FTE on marketing related activity. This included dedicated officers (including the communications team and web officer) and other staff for whom marketing formed part of the 'day job'.

This was reviewed in 2010 and the current number of FTE has reduced to 5.4 (including a vacant post).

As well as highlighting areas of high activity and spend, the review also identified cases where there was little or no budget for priority areas of work, many of which link directly to customer satisfaction drivers. The merged centralised unit addressed this issue to ensure activity and spend is more closely aligned to council priorities.

In restructuring the marketing function into one team the following benefits were achieved:

- Financial savings (£61,000)
- Less duplication and greater value for money
- A unified one council approach to marketing and consultation
- Rise in customer satisfaction levels
- Strategically driven campaigns, projects and consultation aligned to corporate priorities
- Common systems and support and consistent standards
- A strong and consistent brand
- Pooled experience/critical mass of skills

The Corporate Communications and Marketing team works closely with the rest of the function (destination marketing, events, VICs, Customer Service and corporate consultation), and across services, to carry out a number of functions that support all council priorities. This includes the development and implementation of all (non tourism) council marketing and communications plans to support the delivery of service objectives. Specific business areas include:

- The Platform
- Williamson Park
- Happy Mount Park
- Markets
- The Storey
- Inward Investment
- Filming
- Waste and recycling (production of annual calendars, customer information)

- Corporate campaigns (eg Take Pride)
- Salt Ayre Sports Centre
- Leisure development
- Press and PR
- Online service delivery (website, development of online opportunities etc to improve customer service and income generation)
- Marketing support (adhoc support for areas without dedicated marketing plans such as licensing)
- Internal Communications (incl News & Views)
- Corporate publications (YDCM etc)

The 2014/15 draft estimates total £266,500 split as follows:-

Staffing costs: £173,000

Marketing costs: £93,500

Review Options

In line with the Council's financial challenges, and in recognition that the results from the service reviews will likely lead to a reduction in service provision that requires marketing support, a two stage approach to identifying savings is suggested.

Stage 1

Identify immediate/short term savings which could be implemented from 1st April 2014 and continue to work towards moving more services online.

In total the budget for marketing purposes is £93,400.

Reductions to the overall marketing budget of £17,100 have been identified, primarily by identifying efficiencies and moving away from the 'traditional' to online forms of marketing.

In addition to the savings outlined above, reducing the council's residents' magazine to one edition a year would produce savings of £9,000. This would leave one edition a year (March edition) which also contains the annual Council Tax leaflet.

The deletion of a vacant post would produce additional savings of £7,700.

Together, if all taken forward, this would mean savings of £33,800.

Further savings will also be identified through the increased use of online technologies, particularly the introduction of the new Platform box office system, which enable marketing aims to be achieved at a lower cost.

Advantages	Disadvantages	Risks
This option achieves greater value for money while maintaining the ability to meet marketing aims, contributing towards	Smaller reduction in the savings available	Resources to support council services are already tight. Any further reduction in the marketing budget would have a

<p>the council's business objectives and priorities.</p> <p>A unified one council approach to marketing</p>		<p>knock-on effect to other areas of the council and increase overall costs.</p> <p>The Platform, for example, relies on marketing to drive ticket sales. Spend on advertising, production of the brochure and other marketing activities support the delivery of the service. Further reductions would lead to fewer ticket sales, reducing income. Costs would therefore simply transfer from one centre to another.</p>
<p>A unified one council approach to marketing</p>	<p>Potential for a small reduction in the profile for the council and its services</p>	
<p>Strategically driven campaigns and projects aligned to corporate priorities</p>		
<p>Common systems and support and consistent standards</p>		
<p>A strong and consistent brand</p>		
<p>Pooled experience/critical mass of skills and flexible workforce</p>		

Stage 2

As the outcomes of the service reviews become known, develop further options which reflect any reductions in service provision.

Fewer services will have a commensurate effect on the resources allocated to their marketing. By reviewing them in line with any change/narrowing of the council's priorities a measured reduction can be achieved, reducing the potential effects on these services and any income they derive.

Options could include:

- i) No provision of communications and marketing

This option would mean the discontinuation of the communications and marketing function in its entirety.

Advantages	Disadvantages	Risks
Savings could be circa £266,500.	Loss of the press office could have potential reputational issues with no specialist capacity to deal with media related issues and therefore risks to council reputation.	Reputational risk to the council both in terms of not being able to respond to negative issues in the press but also on social media.
	Those services which remain would have no support for communications or marketing related activity potentially leading to a reduction in take-up, loss of income, reduced viability in the long run, potentially impacting on revenue or actually increasing costs elsewhere in the system	Reduction in the provision of information to customers risks reducing income and the viability of services that rely on marketing to attract paying customers (eg Platform, Williamson Park, Storey).
	Loss of the website would mean the inability to exploit online channels, leading to increased costs across the council.	
	Social media – increasingly customers are seeking their information via social media channels. With no staff council unable to reach these growing audiences	
	Back office functions would be severely effected and would require additional capacity to deal with additional enquiries from the public. This would effect both discretionary and statutory services.	
	The intranet would also effectively cease, meaning less information to staff, hampering business functions and staff dissatisfaction.	
	Customer dissatisfaction	

	Reduction in support for internal communications – employees feel less involved, reducing motivation	
--	--	--

ii) Online only function

The website and other online channels are key to the council's future business needs. With more and more services moving online, and thereby reducing costs, online provision and related specialist advice is one area that is not recommended to remove. The current web budget is adequate, but does not provide for any future development, and there are therefore no additional savings.

Advantages	Disadvantages	Risks
Retains an inhouse web function to support existing and develop/exploit future areas for online delivery. There would be savings on all other areas of communications and marketing. Savings could be circa £219,600.	As above, save those related to the website	As above

iii) Retention of core communications function

Under this option the corporate communications, including press office and web function, would be retained to provide corporate communications.

There would also be limited capacity and expertise to advise and support council services with communications/marketing related activity, subject to business need.

Advantages	Disadvantages	Risks
Retains core communications function to deal with media related issues and also some support for council services on communications related issues which support service business plans	With a reduction in marketing staff, experience and expertise will be lost which helps support and deliver the council's priorities and services.	As above, save risk to reputational risks regarding media issues.
Retains an inhouse web function to support existing and develop/exploit future areas for online delivery.	Knock on effect for income opportunities eg Storey, Platform, Williamson Park, Salt Ayre	

There would be savings on all other areas of communications and marketing.		
Exploitation of social media channels (including free marketing) would continue	Reduction in take-up, loss of income, reduced viability in the long run, potentially impacting on revenue or actually increasing costs elsewhere in the system	
Limited marketing support and expertise for services on an ad hoc basis, mainly focussing on statutory areas.	Customer dissatisfaction	
Savings would be circa £149,600.	Services competing for support and undue pressure on limited resources	

iv) – Ensure resources reflect business needs now and in future.

As the council begins to slim its services a commensurate reduction in resources dedicated to communications and marketing those areas will take place. While budgets for some service areas would reduce significantly, staff resource would reduce accordingly.

Under this option the savings would relate directly to those business areas which have reduced. For example, if the council decides to reduce provision of Salt Ayre/Platform/Storey etc there would be a reduction in resources (both staff and budgetary) to reflect this reduction.

Advantages	Disadvantages	Risks
Retains marketing experience and expertise to help deliver the council's priorities in relation to marketing needs, increasing footfall/income for those services which remain.	Amount of savings dependant on service reviews	Some staff will leave as uncertain about their futures, reducing capacity
Strategically driven campaigns and projects aligned to corporate priorities		
Common systems and support and consistent		

standards		
Pooled experience/critical mass of skills and flexible workforce		
Strong and consistent brand		
Negates risk of loss of income for some service areas		

Conclusion

There are opportunities to make savings now which, while impacting on the provision of communications and marketing, will allow the continuation of a service to meet the council's current business needs.

As the outcome of service reviews becomes clearer these resources can be further reviewed to ensure the service continues to reflect the council's business needs and priorities.

Therefore the officer recommendation is to make the savings identified under Stage 1, while awaiting the outcome of the service reviews.

CABINET

**Bold Street Housing Regeneration
21 January 2014**

Report of Chief Officer Regeneration and Planning

PURPOSE OF REPORT			
To consider the options for making further progress on the unfinished Bold Street housing regeneration scheme in the West End. The report considers the opportunities to make positive progress and the financial implications for the council.			
Key Decision	X	Non-Key Decision	Referral from Cabinet Member
Date Included in Key Decision Notice		18 December 2013	
This report is public, but Appendix 2 is exempt from publication by virtue of paragraph 3, of Schedule 12A of the Local Government Act 1972.			

RECOMMENDATIONS OF COUNCILLOR JANICE HANSON

- (1) That Cabinet includes capital growth of £391K within its proposed General Fund Capital Programme, in order to fund further property acquisitions, demolition and temporary re-surfacing on Bold Street, to deliver a cleared site for marketing.
- (2) That subject to capital funding approval, Officers are authorised to conduct a new preferred developer tender exercise to test all private and Registered Social Landlord interest in the site, with the outcome being reported to Cabinet for decision.

1.0 Introduction

1.1 This report outlines potential next steps for the Bold Street housing project in the West End. The area in and around Bold Street is identified in the West End Masterplan as an area for high intervention. The completed schemes on the “odd numbered” side of Bold Street (face-lifting and remodelling led by the city council) and neighbouring Marlborough Road (Adactus led development) represent considerable improvements.

1.2 The Masterplan also recommended a housing remodelling and improvement project involving the acquisition of the Bold Street “even numbered” properties along with property at the back of Winterdyne Terrace. The intention was to

clear the site and offer the plot to developers for the construction of private sector housing for sale on the open market. The council was part way through an acquisition programme when the project stalled due to the withdrawal of external funding opportunities, specifically the Regional Housing Board (RHB) funds that provided £2M annually for private housing projects. The loss of funding also coincided with the recession and withdrawal of interest in West End sites from private developers.

- 1.3 This outstanding part of Bold Street therefore continues to present some of the poorest property conditions in the District and the site is not contributing positively to the area. There are also ongoing Health and Safety risks associated with a part demolished row of terrace houses and ongoing holding costs associated with the council owned properties. In addition, due to the lack of interest in the site from private developers, the council has to reframe its aspirations around the potential tenure and types of homes that may be achievable and acceptable on the site.
- 1.4 At October 2011 Cabinet, Members reaffirmed strategic housing regeneration as a priority for the foreseeable future specifically highlighting Bold Street as a focus (minute ref: 48). Although future corporate priorities are under consideration as a result of more recent pressures, nonetheless there is a need to address the Council's existing interests in Bold Street properties.

2.0 Background

- 2.1 The site and the current ownership / demolition situation is shown in Appendix 1. Originally the site comprised:
- a single terrace of 17 houses on the even-numbered side of Bold Street,
 - a triangle of land directly behind containing a number of commercial workshops, garages, redundant disconnected strips of garden and a sub-station
 - at the very farthest 'tip' of the triangle, a single detached house.
- 2.2 Piecemeal acquisitions were made up until the ending of RHB. Some further progress was made when at May 2012 Cabinet Members agreed to re-use income from the sale of 9 & 11a Bold Street to fund further property acquisitions, demolitions and temporary resurfacing along "even numbered side" of Bold Street (Minute ref: 11). This allowed the council to demolish 6-10 and 28-38 Bold Street (working from the ends to the middle). For health and safety reasons one of the two large workshops on the back-land area was also demolished. The remaining workshop is currently temporarily occupied under licence and generating a rental income of approximately £5K per annum.
- 2.3 Of the 8 terraced houses remaining, the council owns 3 with 5 in private ownership. Only 2 of the remaining houses are occupied. Completing acquisition of the remaining private interests, meeting other miscellaneous capital liabilities, demolition and site treatment is currently estimated at a cost

of £391K (Appendix 2). This excludes revenue holding costs of up to £5K pa which are also being incurred and there is a need to continue to budget for these costs in future years (up to the point of demolition) regardless of the option selected (refer to Financial Implications). These costs are currently offset by a rental income in the region of £5K pa from the workshop.

3.0 Proposal Details

Implementing the planned strategy for Bold Street requires an estimated £391K additional funds to secure and clear the site for marketing and disposal for housing development.

City Council Capital Programme

- 3.1 Adding this project to the Capital Programme will give flexibility in securing a site end user and a cleared site could be marketed for development following demolition or even prior to demolition being completed.

Other External Funding / Tenure Opportunities

- 3.2 The prospect of securing external funds to complete acquisitions is poor. This is principally due to the Homes and Communities Agency's policy to move its funds away from demolition of existing homes. There is no indication this will change, although policy and opportunities around housing funding can be fluid.
- 3.3 Officers have seen that interest in developing new build private housing on local sites is limited and has marginal viability. It is likely only a relatively modest capital receipt would be offered. Private finance is therefore not a viable consideration for financing the Bold Street site acquisition/clearance cost, although a cleared site could be marketed to the private sector to explore development interest.
- 3.4 The council had previous interest in the site from a Registered Social Landlord (RSL) for development of either social or market rent housing. Due to marginal viability the RSL did not offer a capital receipt for the cleared site and this situation is unlikely to have changed. A cleared site could be marketed to an RSL to explore development interest if there is no private development interest.

4.0 Details of Consultation

- 4.1 Bold Street is a longstanding council project that has been the subject of extensive consultation since 2004 and there has been consistent support for the redevelopment of Bold Street from Members, local stakeholders and the community.

5.0 Options and Options Analysis (including risk assessment)

- 5.1 The Options are outlined in the table overleaf.

Options	Advantages	Disadvantages	Risks
Option 1: Do Nothing	No further acquisition costs.	Negates any benefit arising from investment made to date in site. Ongoing revenue liability for rates, dilapidations, security, insurance etc. Poor condition properties and vacant site continue to detract from regeneration investment on surrounding streets.	Ongoing and increasing management costs and staff resources from properties in poor condition that will dilapidate further. Complaints from remaining private owners due to change in project, possibly leading to claims. Adverse impacts likely to be caused resulting in negative regeneration effect. Open ended risk as no telling when sufficient external funding will be secured.
Option 2: Seek capital growth to achieve cleared site through adding the project to the capital programme.	Aims to achieve positive (cleared site) outcome in the medium to long-term. Allows for the greatest range of housing tenures as final redevelopment of site can be marketed for private, social or council housing. Supports completed regeneration of surrounding properties.	Uncertainty/delays in the acquisition of the privately owned properties lead to ongoing revenue liability for rates, dilapidations, security and insurance. Ongoing poor condition of properties and vacant lots continue to detract from regeneration investment on surrounding streets. There is also uncertainty over the future receipt of the cleared site. Requires an increase in either the need to borrow or the use of reserves to finance the project, which may have an impact on other future priorities (see Financial Implications).	Ongoing and increasing management costs and staff resources from properties in poor condition that will dilapidate further. Subject to Council approval as part of budget process. Delays and other factors may result in increased capital costs of acquisition, demolition and site reinstatement – there are risks attached to gaining possession of the whole site.

6.0 Officer Preferred Option (and comments)

6.1 **Option 1** 'Do nothing' is discounted for the reasons set out in the table overleaf and because:

- Members have to date given consistent policy and financial support for continued positive intervention in Bold Street.
- There is a lack of a viable exit strategy in a 'do nothing' option: there is unlikely to be a buyer for the properties in their current condition and they are not suitable for refurbishment, so the council cannot easily withdraw from its interest in the site.
- There are increasing issues with vandalism and anti-social behaviour in and around the properties.
- There are ongoing revenue costs associated with these properties such as council tax and security and dilapidations.

6.2 **Option 2** is based around the potential for the council to apply its own finances to the issue, through the budget process. This allows consideration of relative priorities and affordability, and is therefore the preferred option.

7.0 Conclusion

7.1 There is an immediate and pressing need for further positive action on Bold Street. Adding this project to the Capital Programme enables further progress to be made. Officers advise that greater certainty of outcome can only be achieved by adding the total costs to deliver a cleared site for housing development to the capital programme.

Appendices

Appendix 1 – Bold Street Current City Council Ownership

Appendix 2 – Bold Street Acquisition/Clearance Capital Costs (**exempt from publication**)

RELATIONSHIP TO POLICY FRAMEWORK

Regenerating the West End of Morecambe is a long-standing corporate priority, subject to funding being identified, and is central to the council's health and well being and economic growth aspirations as set out in the Corporate Plan and Local Development Framework.

Bold Street is identified in the Masterplan as an area for high intervention. The progressed schemes for Marlborough Road and the odd numbered side of Bold Street are a partial solution for this area. The remainder of Bold Street (even numbered side) exhibits some of the poorest property conditions in the district. The Masterplan recommends a housing remodelling and improvement project to acquire and demolish the even numbered side of Bold Street and back Winterdyne Terrace to develop, as an initial aspiration, new private housing.

At October 2011 Cabinet, Members reaffirmed strategic housing regeneration as a priority

for the foreseeable future specifically highlighting Bold Street as a focus.

CONCLUSION OF IMPACT ASSESSMENT

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

The West End Masterplan has carefully considered issues of sustainability and is based on sustainable principles. Human rights and diversity issues are given special consideration as owner interests are acquired. The proposal would have local community safety benefits by removing derelict properties which are susceptible to illegal and anti-social activities.

LEGAL IMPLICATIONS

Generally, Legal Services have been consulted and their comments inserted within the body of the report where appropriate.

However, specifically in relation to the Options would make the following further observations:-

Option 1

In the event of this being the preferred option under the terms of the funding agreement it would be at the discretion of the HCA to determine whether they wish to attempt to recoup some of their costs incurred in this aborted scheme by requiring the Council to sell off the acquired property.

Option 2

If this preferred option is approved Legal Services would assist in all matters appertaining to the acquisition of the remaining site by private treaty and thereafter agree suitable Heads of Terms for a Development Agreement to ensure that the Council retains control over this major scheme and that the Council satisfies the requirements of section 123 of the Local Government Act 1972 in achieving "best consideration" on any such disposal.

FINANCIAL IMPLICATIONS

Option 1 to withdraw from the project could appear attractive as further acquisition costs to the council could be avoided, but there is little to no prospect of selling the existing council owned properties in the short to medium term – with the associated costs and risks attached in the interim. The estimated £5K pa holding costs as well as the potential for claims against the council for adverse effects would be ongoing risks and may increase over time as the properties deteriorate. The estimated £5K pa current income from the workshop currently offsetting the holding costs may also cease.

Option 2. Current holding costs of around £5K pa being incurred in relation to the existing council owned properties would still be incurred for a period as not all properties owned could be immediately demolished, and these costs may increase over time (up to £12K) as the properties deteriorate and additional properties are acquired. The majority of this cost would relate to empty homes council tax liability. The estimated £5K pa income from the workshop would cease, in due course.

Given that the amounts involved are comparatively small, however, for ease of budgeting it is assumed that there would be no net impact on the revenue budget.

A capital budget of £391K is required to finance the planned capital works. If added to the capital programme this would need to be financed either from reserves/balances, additional capital receipts, or from borrowing. If financed from borrowing, further revenue provisions would have to be made to repay the cost (in the form of an MRP charge). This would have a revenue impact of £19.6K per annum. It is more likely, however, that any such growth would be financed through the use of reserves/balances, with only minimal revenue implications arising through the loss of investment interest. This would be the starting assumption.

Should a developer be secured for immediate disposal there may be a saving as the temporary surface and securing of the area would not be required.

Revenue holding costs are anticipated to increase by potentially up to £7K pa, although the period over which such costs would be incurred depends on how long properties are held prior to demolition works commencing.

The demolition costs are capitalised based on the assumption that the site is being reconditioned to aid marketability.

The existing properties were purchased through a combination of HCA and RHB funding. Under HCA funding agreement we may be required to repay/reinvest funding on disposal of a HCA property. Demolition does not count as disposal but if the land was transferred for development a % of sale would be applied. It is anticipated that 23% of any receipt received for the frontage strip and 10% of the backland workshops area would be repayable to HCA. However HCA have agreed to recycle any value to bring forward the Bold Street development site.

There is no requirement for RHB funding to be repaid upon disposal of the properties funded from RHB monies.

It is likely that the current carrying value (based on original acquisition costs) on the council's balance sheet will need to be reduced in line with the expected demolitions and site clearance.

A future Cabinet report will cover the outcome of the developer tender exercise and draft proposed heads of terms.

Should Cabinet approve Option 2, the proposals would be reflected within Cabinet's budget proposals, for consideration by Council in due course.

The progression of a site development scheme would impact positively on the council tax yield and New Homes Bonus funding, although it is not possible to forecast this at present because of the uncertainty in type and volume of development. The impact is not considered to be a material consideration.

OTHER RESOURCE IMPLICATIONS

Human Resources:

Internal human resources will be needed to deliver any projects in future and although these are principally from Regeneration and Planning, other services support is required, including Financial, Property and Legal.

Information Services:

There are no Information Services Implications.

Property:

The project involves the acquisition, disposal and management of residential and some commercial property. It will also involve the marketing and proposed sale of development plot once the site is cleared. The proposals are in line with key principles of the Council's Corporate Property / Disposal Strategies, which are currently under review.

Open Spaces:

There are no open space implications.

SECTION 151 OFFICER'S COMMENTS

The proposal would allow Members to consider the growth bid in light of other competing priorities and spending needs, with the aim of gaining a resolution to this longstanding issue.

MONITORING OFFICER'S COMMENTS

The Monitoring Officer has been consulted and has no further comments

BACKGROUND PAPERS

Winning Back Morecambe's West End Masterplan - available on Lancaster City Council Website:
<http://www.lancaster.gov.uk/planning-environment/regeneration/morecambe-s-west-end/>

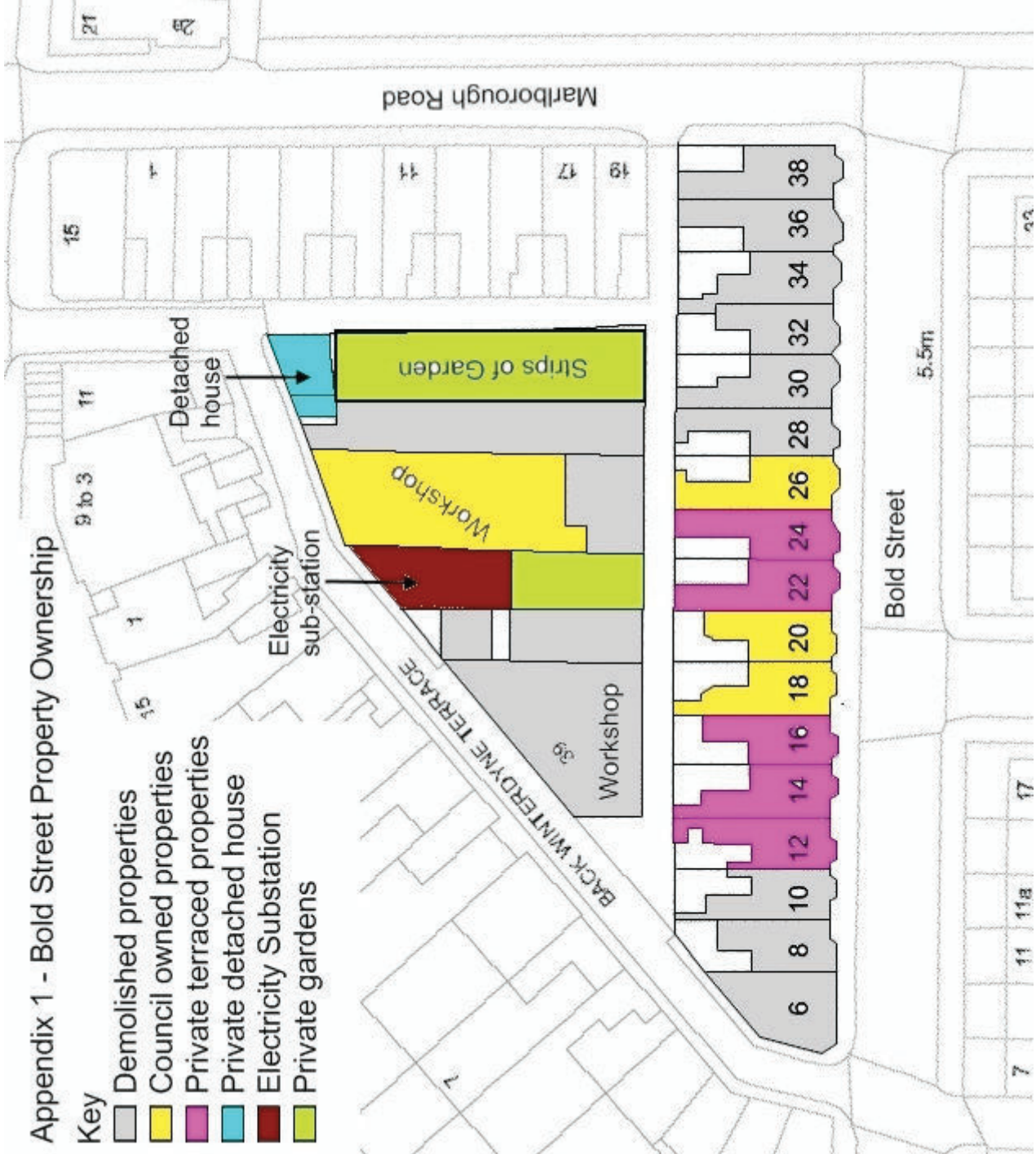
Contact Officer: Paul Rogers / Tom Brown

Telephone: 01524 582326 / 01524 582334

E-mail: progers@lancaster.gov.uk

tbrown@lancaster.gov.uk

Ref:



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

Document is Restricted

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

Document is Restricted

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

Document is Restricted

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

Document is Restricted

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

Document is Restricted

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

Document is Restricted

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

Document is Restricted