

CABINET

10.00 A.M.

24TH JUNE 2014

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

Apologies for Absence:-

Councillor Ron Sands

Also Present:-

Councillor Caroline Jackson – Vice- Chairman of Overview and Scrutiny (Minute 17)

Officers in attendance:-

Mark Cullinan	Chief Executive
Mark Davies	Chief Officer (Environment)
Andrew Dobson	Chief Officer (Regeneration and Planning)
Suzanne Lodge	Chief Officer (Health and Housing)
Derek Whiteway	Internal Audit Manager
Gary Watson	Senior Property Officer
Liz Bateson	Principal Democratic Support Officer

13 MINUTES

The minutes of the meeting held on Tuesday 27 May 2014 were approved as a correct record.

14 ITEMS OF URGENT BUSINESS AUTHORISED BY THE LEADER

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

15 DECLARATIONS OF INTEREST

Councillor Blamire declared an interest with regard to the Referral of Call-in Report (Request from Dukes and Grand Theatres for Grant Support) in her capacity as a member of the board of the Dukes and would not chair, speak or vote on this item.

16 PUBLIC SPEAKING

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

The Vice-Chairman took the chair at this point.

17 OVERVIEW AND SCRUTINY CALL-IN REFERRAL**(Cabinet Member with Special Responsibility Councillor Janice Hanson)**

The Vice-Chairman of the Overview and Scrutiny Committee presented a report that advised Cabinet of the outcome of the Call-in of the Cabinet Decision with regard to the request from Dukes and Grand Theatres for Grant Support (Cabinet Minute 6) and requested Cabinet to consider the recommendations of the Overview and Scrutiny Committee in relation to this matter.

Members considered the following recommendations which were agreed by the Overview and Scrutiny Committee at the call-in held on 18 June 2014.

- (1) *Overview and Scrutiny recommends that Cabinet reconsiders its decision on the basis of the officer briefing note provided to the Overview and Scrutiny Committee meeting held on 18 June 2014 and takes note of the recommendation in the original Cabinet report and the additional information supplied by the Grand Theatre at the Overview and Scrutiny Committee meeting in respect of the requests from Dukes and Grand Theatres for grant support - 27 May 2014 (Cabinet Minute 6).*
- (2) *Recommends that Cabinet takes steps to ensure that all parties share the Council's interpretation of the development brief for the Canal Corridor North, as set out in the General Comment Section of today's officer briefing note.*
- (3) *Recommends that Officers meet again with representatives of both theatres and consults with the Arts Council and British Land/Centros to provide clarity and openness for the way forward.*

After some discussion it was moved by Councillor Hanson and seconded by Councillor Leytham: -

- “(1) That Cabinet reaffirms its previous decision in relation to the Dukes on 27 May 2014, as set out in Minute 6 (1).
- (2) That in addition to supplying its most recent accounts, and in order for Cabinet to reconsider its decision with regard to the Grand, the Grand be requested to provide a business case for a grant, detailing why the grant is necessary, specifying the exact amount of money required and for what period of time.
- (3) That Cabinet accepts Recommendations (2) and (3) as set out in the Overview and Scrutiny Referral of Call-in Report.”

Councillor Blamire had declared an interest in this item and did not participate in the discussions or vote.

Resolved unanimously:

- (1) That Cabinet reaffirms its previous decision in relation to the Dukes on 27 May 2014:

That Cabinet recognises and supports the continued importance of The Dukes and The Grand as an essential part of the Arts provision in the district, with both theatres effectively being integral to any future redevelopment of the Canal Corridor North site. Accordingly, Cabinet agrees to the request from The Dukes for £12K as the money is required now to assist with the establishment of their business plan, with the additional £12K being allocated from the Performance Reward Grant Reserve.

- (2) That in addition to supplying its most recent accounts, and in order for Cabinet to reconsider its decision with regard to the Grand, the Grand be requested to provide a business case for a grant, detailing why the grant is necessary, specifying the exact amount of money required and for what period of time
- (3) That Cabinet takes steps to ensure that all parties share the Council's interpretation of the development brief for the Canal Corridor North, as set out in the General Comment Section of today's officer briefing note.
- (4) That Officers meet again with representatives of both theatres and consults with the Arts Council and British Land/Centros to provide clarity and openness for the way forward.

Officers responsible for effecting the decision:

Chief Officer (Regeneration & Planning)
Chief Officer (Resources)

Reason for making the decision:

The development of the district's arts offer is highlighted as a key economic development objective in the City Council's Cultural Heritage Strategy. This form of economic development activity aligns with the priority for economic growth in the Corporate Plan. The decision enables consideration of the Grand's request for funding on receipt of a detailed business plan. Reaffirming Cabinet's decision to provide the additional £12,000 funding requested by the Dukes enables the Dukes to prepare an appropriate capital funding bid, supported by architectural and specialist business expertise, to the Arts Council in the forthcoming bidding round.

Councillor Blamire took the chair at this point.

18 RENEWABLE ENERGY STRATEGY

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

Cabinet received a report from the Chief Officer (Environment) which provided an update on the Renewable Energy Strategy (RES) and sought input into the development of key areas of the strategy.

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

The report provided an update on the development of the RES and sought Cabinet's preferred direction in a number of key areas that would determine the extent of delivery of the RES. The development of the RES to date had seen the identification of the following priority areas where it was felt that the city council's efforts were needed to ensure the greatest benefits:

- *Energy reduction and efficiency* – Actions required to improve general energy efficiency across the council's operations and any technological improvements which may be available to assist that aim;
- *The council's buildings* – Opportunities within both municipal buildings and council housing properties where energy improvements may be achieved;
- *Private sector properties* – Opportunities where Lancaster City Council can help improve the energy efficiency of private homes in the district;
- *Transport* – Opportunities for reducing the cost and also carbon emissions of transport required to deliver the full range of Council services
- *Large-scale renewables* – Opportunities for engaging in commercial-scale renewable energy projects, which will generate income and reduce energy costs.

Discussions have taken place across all Services within the city council to identify how to address these priority areas. However, Cabinet's input was required to help inform key aspects of the RES namely: aims and targets, the Action Plan, renewable energy projects, and resources.

For the RES to have any real purpose it was essential that it:-

- Has political ownership.
- Has aims and targets that can be realistically delivered.
- Has appropriate resources attached to it.
- Has a clear business case for the individual elements of it.
- Is clearly linked with the Corporate Plan and the Medium Term Financial Strategy

In order to achieve this it is first of all necessary for Cabinet to define the extent of their ambition for the RES. In order to achieve this Cabinet's direction in the following areas is requested:

a) *Aims and Targets*

To ensure that officers are clear of the intended ambition for the RES, it is necessary that Cabinet confirm the required objectives in terms of the overall aim and the targets that it wants to achieve through the RES's delivery.

At this stage, Officers have proposed the following principal aim:

- "The Council's impact on the environment will be minimised by reducing energy consumption and using renewable energy generation technologies"

Officers have also identified the following headline target areas:

- To reduce energy consumption by 20% by 2020 against a baseline year of 2012/13
- To reduce the council's carbon dioxide emissions by 20% by 2020 against a baseline year of 2012/13
- xx% of the councils energy needs will be generated from renewable sources

by 2020

- xx% of the council's mileage will be covered by electric vehicles or Ultra-Low Emissions Vehicles by 2020 against a baseline year of 2012/13.
- New build Council social housing will be as energy efficient as possible aiming for carbon neutrality

The extent to which targets for the xx% can be set will be determined by the priority Cabinet places on the RES.

Action 1: Cabinet is asked to agree in principle the headline aims and targets of the strategy. Those not yet proposed will be brought back for Cabinet to agree at a later stage.

b) Action Plan

To tackle the priority areas discussed above, the RES will contain an *Action Plan* of required tasks which will range from ensuring a greater understanding of the council's position, through to implementing direct action. The RES will be a working document so as actions are undertaken and new processes established, the Council will be able to ensure that the identification and implementation of energy saving projects becomes an integral part of the council's operations.

At this stage the contents of the *Action Plan* will remain high level with a view to developing more detailed plans as appropriate to aid delivery.

Action 2: Appendix 1 of the report contains a draft *Action Plan* which is in line with the aforementioned priority areas. At this stage Cabinet is asked to approve the *Action Plan* in principle and identify any additions or amendments as appropriate. Delivery of the action plan will obviously be subject to establishment of business case and further Cabinet reports where required.

Renewable energy projects

Whilst significant successes in reducing the council's energy consumption have been achieved through recent actions it is important to recognise that as the number of opportunities for improved efficiencies declines, a greater focus on the development of renewable energy generation will be required to maximise the potential gains for the council.

The council's successful installation of solar PV at a number of its properties has demonstrated the successes that can be achieved. However, the RES provides an opportunity to take the next step in using renewable energy technologies as a means of generating income, reducing the Council's reliance on non-renewable energy and reducing energy bills.

There are a number of potential projects which Lancaster City Council could realistically seek to undertake and these include the following:

- *Installing biomass boilers* – The replacement of existing boilers in the larger council properties, e.g. Salt Ayre Sports Centre, with biomass boilers would provide environmentally sustainable heating in addition to generating significant income through the Renewable Heat Incentive scheme.
- *Develop a biomass supply chain* – The development of a biomass supply chain in conjunction with appropriate partners could be used by the council, external organisations, and individuals alike, and would help to secure supply

and control costs.

- *Develop a solar farm* – A commercial scale ground-based solar installation positioned on appropriate council land would provide significant amounts of the council's total energy requirements in addition to generating income through the Feed-in Tariff scheme.
- *Partnership project* – Work with a partner authority to deliver a renewable energy project with both authorities sharing the financial investment and returns.
- *Undertake a wind turbine project* - Technically this would be the most challenging and would require the greatest investment. However, Cabinet may feel that this represents the best way forward.

The identification and prioritisation of preferred renewable energy projects would enable officers to include appropriate action points in the *RES* which would seek to develop robust business plans that illustrate clearly what the proposed costs and expenses are in pursuing a particular project, as against the proposed income generation, to show the payback time on a 'whole life cost' basis. Cabinet should note, however, that it is not realistic to expect that all options could be taken forward, at least in the medium term, given all other competing demands and constraints on the Council's reducing resources.

Action 3: Cabinet is requested to identify and rank in priority order those renewable energy projects which are preferable and could be included in the *RES* for further investigation.

c) *Resources required for delivery of the RES*

Whilst agreement of a *RES* is a positive step, without any further resources it obviously cannot be fully delivered.

Clearly some of the proposed actions can and will be delivered within existing resources. However most of the actions cannot be. Many of the actions fall potentially under the definition of 'invest to save'. However, there are 'prudence' constraints on how the Council's underlying borrowing requirements for capital investment, and to even develop the business case for the options requires both officer time and the input of external assistance, due the specialised nature of the subject areas.

Delivery of the proposed action plan will require allocation of both capital investment and ongoing revenue, and clearly there are competing pressures for both these sources of funding.

As stated it is expected that the actions will generate ongoing and significant savings. However, there are clearly significant risks attached as well. As an example the development of a business case for an item will require resources but might also reveal that an item cannot be realistically be delivered.

Therefore, Cabinet need to consider where the *RES* ranks in relation to other priorities and where in terms of timescales it fits.

Based on this Officers can then start to develop firm proposals that can be included for consideration within the Council's policy /budget setting processes.

In order to provide direction in this regard and help Officers start to consider capacity and resource requirement Cabinet is requested to consider where the delivery of the *RES* ranks in relation to some of other 'big ticket' items in the Corporate Plan. These include-

- Council Housing building program
- Work to improve quality and availability of housing.
- Maintaining / investing in sports / leisure facilities
- Maintaining welfare benefits
- Supporting voluntary, community, faith, arts and culture groups
- Delivery of public realm projects (e.g. Square Routes, MAAP)
- Managing / maintaining the Council's buildings and assets

Action 4: Cabinet is requested to consider where delivery of the RES ranks in relation to other priorities and where in terms of timescales it fits so that officers can develop firm proposals for consideration within the wider budget.

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

- “(1) That the Renewable Energy Strategy’s overall aims and targets be agreed in principle.
- (2) That the Renewable Energy Strategy’s Action Plan be agreed in principle.
- (3) That Cabinet confirms its preferences for renewable energy projects being biomass boilers, biomass supply chains, small scale solar farms and exploring the potential through partnership for a wind turbine at Middleton; and that consideration be given to the most advantageous way of delivering these projects.
- (4) That Cabinet confirms that delivery of the Renewable Energy Strategy is a priority and in view of this approves the proposed use of the Invest to Save Reserve (for the General Fund) and the Business Support Reserve (for Council Housing) to meet the costs of consultants and in-house provision, as necessary, to allow proposals to be developed and brought forward for consideration and final approval.”

Councillors then voted:-

Resolved unanimously:

- (1) That the Renewable Energy Strategy’s overall aims and targets be agreed in principle.
- (2) That the Renewable Energy Strategy’s Action Plan be agreed in principle.
- (3) That Cabinet confirms its preferences for renewable energy projects being biomass boilers, biomass supply chains, small scale solar farms and exploring the potential through partnership for a wind turbine at Middleton; and that consideration be given to the most advantageous way of delivering these projects.
- (4) That Cabinet confirms that delivery of the Renewable Energy Strategy is a priority and in view of this approves the proposed use of the Invest to Save Reserve (for the General Fund) and the Business Support Reserve (for Council Housing) to

meet the costs of consultants and in-house provision, as necessary, to allow proposals to be developed and brought forward for consideration and final approval.

Officers responsible for effecting the decision:

Chief Officer (Environment)
Chief Officer (Health & Housing)
Chief Officer (Resources)

Reasons for making the decision:

The City Council has long recognised its commitment to the environment and the current draft Corporate Plan (2014-16) outlines the ethos, vision and priorities of the Council with a specific priority of 'Clean, Green and safe Places'. One of the desired outcomes of this priority is that 'the Council's impact on the environment' will be minimised. The Renewable Energy Strategy contributes to achieving this outcome.

19 CORPORATE PERFORMANCE MONITORING QUARTER 4 - 2013-14

(Cabinet Member with Special Responsibility Councillor Eileen Blamire)

Cabinet received a report from the Chief Officer (Governance) which presented the corporate performance reports for Quarter 4 of the 2013/14 performance monitoring cycle.

The report was for comments and noting.

Councillor Blamire proposed, seconded by Councillor Leytham:-

"That the report be noted."

Councillors then voted:-

Resolved unanimously:

That the report be noted.

Officer responsible for effecting the decision:

Chief Officer (Governance)

Reasons for making the decision:

The City Council's Performance Management Framework requires the regular reporting of operational, as well as financial performance.

Chairman

(The meeting ended at 11.20 a.m.)

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

MINUTES PUBLISHED ON THURSDAY 26 JUNE, 2014.

**EFFECTIVE DATE FOR IMPLEMENTING THE DECISIONS CONTAINED IN THESE MINUTES:
FRIDAY 4 JULY, 2014.**