

CABINET

10.00 A.M.

20TH JANUARY 2015

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

Officers in attendance:-

Mark Cullinan	Chief Executive
Nadine Muschamp	Chief Officer (Resources) and Section 151 Officer
Mark Davies	Chief Officer (Environment)
Andrew Dobson	Chief Officer (Regeneration and Planning)
Suzanne Lodge	Chief Officer (Health and Housing)
Liz Bateson	Principal Democratic Support Officer

69 MINUTES

The minutes of the meeting held on Tuesday, 2nd December 2014 were approved as a correct record.

70 ITEMS OF URGENT BUSINESS AUTHORISED BY THE LEADER

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

71 DECLARATIONS OF INTEREST

No declarations were made at this point.

72 PUBLIC SPEAKING

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

73 FEES AND CHARGES REVIEW - 2015/16

(Cabinet Member with Special Responsibility Councillor Bryning)

Cabinet received a report from the Chief Officer (Resources) to consider the annual review of fees and charges for 2015/16.

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

The Council's general fees and charges policy was last considered by Cabinet a year ago and in broad terms, the main principles are still considered relevant. During the last year, however, the Authority has adopted new Financial Regulations and also the Scheme of Delegations to Officers has been updated. The Fees and Charges Policy required updating to reflect these governance changes and the new draft is included at Appendix A to the report for Cabinet's endorsement.

Chief Officers have reviewed the fees and charges within their service areas, together with any associated concessions, and any proposals that differ to the general policy principles outlined in the report, or are otherwise outside of the budget, are set out for consideration in the later sections of the report.

Where fees and charges are to change in line with policy and/or the budget, these will be amended through existing Officer delegations and therefore no Cabinet decision is required and so no detail is provided within the report, unless any unusual circumstances justify otherwise. It should be noted that in exercising their delegated authority, Officers may well consider groupings of charges for similar or related activities and within those groupings, they may vary individual fees (or concessions) above or below inflation, for example but as long as in totality, it is reasonable to assume that the relevant income budget will be met and the variances do not go against any other aspect of policy, then no Cabinet decision is required.

Should Cabinet support any options contained later in the report that do not meet the draft budget assumptions, then they would need to go forward as growth, for consideration as part of Council's budget proposals. However, Members should be aware that in some instances the timescales for gaining Council approval may cause operational difficulties for implementing any new charges by 1st April 2015, taking account of any statutory notice periods required.

ENVIRONMENTAL SERVICES

Car Parking

This is the only area in which a number of options are presented and therefore for clarity, full information is included in Appendix C to the report.

Option 1A: Increase a range of charges to achieve the budget figure

This could be achieved by either a £0.10 increase on the 1hr short stay tariff or by a range of increases across less sensitive tariffs.

Advantages	Disadvantages	Risks
<p>Could achieve the Council's budget figure, and therefore fits with financial strategy.</p> <p>May help maintain the income base for future years and smooth future years' increases (or avoid above-inflation price increases).</p> <p>It requires less savings to be made from other areas.</p>	<p>Because of a number of factors and particularly the upheaval of the United Utilities work it has been difficult to arrive at meaningful analysis of the impact of last year's charge increase. Which means that whilst the figure can be achieved in theory it won't necessarily hold in practice.</p> <p>Increasing some parking charges in Lancaster could discourage shoppers and</p>	<p>The major risk of increasing parking charges would be that usage could reduce as a result.</p>

	<p>visitors after the long standing road works.</p> <p>Increasing parking charges in Morecambe could further discourage usage which is continuing to reduce despite two summers of good weather.</p> <p>Although parking charges are broadly comparable with surrounding towns increasing charges could create a perception that the Council is continually increasing parking charges.</p> <p>Increasing parking charges on the 1 hr tariff would remove the main cost differential with on-street parking charges in the event of the County Council not increasing its charges</p> <p>Unlikely to be welcomed by businesses and their representatives.</p>	
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Option 1B: Freeze charges

That for the reasons outlined in the report off street pay and display and permit charges are frozen for 2015/16.

This option is presented in light of most parking charges being increased in 2014/15, the extensive works carried out by United Utilities in Lancaster and the ongoing reductions in usage in Morecambe. This option may help promote increased use of car parks in the district and in Lancaster following completion of the United Utilities road works. This option would not meet the inflationary impact already included within the draft revenue budget, however, and therefore results in a growth budget proposal that does not fit with current financial strategy. However, it is hoped that if promoted positively, usage would be increased to some degree, helping to reduce the overall budget growth needs, and should Members decide upon this proposal then it is estimated that £18,400 would need to be added to the General Fund net position as a consequence (rather than the full £38,400 inflationary provision).

Advantages	Disadvantages	Risks
Not increasing parking charges could promote greater use of car parks and	Not increasing parking charges means that estimated income from car	The major risk of not increasing parking charges

<p>avoid any further negative impacts on businesses and traders.</p> <p>Not increasing parking charges in Lancaster could encourage shoppers and visitors after the long standing road works.</p> <p>Not increasing parking charges in Morecambe could encourage greater usage which is continuing to reduce despite two summers of good weather.</p> <p>Although parking charges are broadly comparable with surrounding towns not increasing charges may help address any concerns about the level of charging.</p> <p>Not increasing parking charges would maintain the main cost differential with on-street parking charges in the event of the County Council not increasing its charges.</p>	<p>parking will be reduced, assumed to be on an ongoing basis to some extent – this goes against current approved financial strategy.</p> <p>It requires more savings to be made from other areas.</p>	<p>would be that usage might not increase, could remain the same or continue to reduce and the adverse impact on the budget could be greater than the amount that has been allowed for in the 2015/16 draft revenue budget.</p>
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Option 2

This option is to reconsider the introduction of Bank Holiday parking charges in Lancaster. This was originally considered in view of shopping on Bank Holidays become a regular feature of retailing. Introducing parking charges on the eight Bank Holidays in Lancaster throughout the year would align parking charges with Morecambe and could raise potential additional income of £5,000 per annum.

Advantages	Disadvantages	Risks
<p>Introducing charges on Bank Holidays would align parking charges with Morecambe.</p> <p>Introducing charges would adopt consistent charges across the district and avoid customers being unsure of the charging arrangements</p>	<p>BID are likely to schedule and fund further events etc. in 2015/16 to increase visitor numbers in Lancaster on public holidays. Introducing charges could be seen as conflicting with that, by some.</p>	<p>Further objections from Lancaster Chamber of Commerce and Lancaster BID will be received.</p>

<p>in Lancaster</p> <p>In the event of Option 1B (above) being approved also, introducing charges on Bank Holidays would help to offset the adverse impact on the City Council's budget.</p>		
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Option 3

This option is to increase the cost of an annual resident permit in all zones where the charge is less than £40 by £5 for 2015/16 with incremental increases of £5 in future years. This will generate £3,200 in 2015/16 and address the estimated deficit on the cost of administering residents parking on an ongoing basis. Future increases will achieve consistency and ensure the cost of administering and managing the scheme is properly covered.

Advantages	Disadvantages	Risks
<p>Increasing the cost of annual resident permits in some zones (where the current charge is less than £40) will address the deficit in 2015/16 and ensure the cost of administering and managing the schemes is covered.</p> <p>Future increases will allow a uniformed charge to be introduced across all parking zones in the district, promoting fairness in line with charging principles.</p>	<p>Residents in zones where the charge is currently less than £40 will have annual price increases for permits following a long period of no price increases.</p>	<p>The increases could lead to objections and a decrease in the demand for permits (although if this option is not approved, there would still be the risk of complaints and challenge, linked to inconsistency and unfairness.</p>

The Officer Preferred Option is Option 1B (freeze off street parking charges in 2015/16), Option 3 (increase costs of some residents permits) and for Cabinet to confirm its policy on the implementation of Bank Holiday parking charges in Lancaster.

The officer preferred options, as set out in the report, would generate a net cost of between £13K and £18K depending on the option approved for bank holiday parking. However, in general, the setting of fees and charges 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.

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

“That the decision with regard to recommendation (3) in the report be deferred until the report referred to in recommendation (4) had been considered so that the increase in zone charges is brought in at the same time as the increase in visitors permits.”

Upon being put to the vote 1 Member (Councillor Hamilton-Cox) voted in favour of the proposition, 6 Members (Councillors Blamire, Bryning, Hanson, Leytham, Sands and David Smith) voted against and 1 Member (Councillor Barry) abstained, whereupon the Chairman declared the motion to be lost.

Councillor Bryning proposed, seconded by Councillor Hanson:-

- “(1) That the updated Fees and Charges Policy as set out at Appendix A to the report be endorsed.
- (2) That it be noted that Cabinet agrees not to explore other areas of income generation for future years at this time.
- (3) That information be sent out to estate agents etc. to confirm that the bins and recycling boxes are the property of the City Council and request that they make tenants/housebuyers aware of the need to regard these items as part of the fixtures and fittings.
- (4) That for the reasons outlined in the report, Cabinet approves that off street pay and display and permit charges be frozen for 2015/16, subject to consideration by Council as part of the budget process.
- (5) That Cabinet agrees not to introduce a charge for off street car parking on public holidays in Lancaster for 2015/16.
- (6) That with regards to resident parking zones, it be noted that:
 - the cost of managing and administering them is broadly the same in each zone;
 - some of the older zones have, however, benefitted from a long period of no price increases;
 - in all the more recent zones the price of an annual resident permit is £40;and therefore to achieve consistency and to ensure that the cost of administering and managing the schemes is properly covered, it be approved that in zones where the charge is currently less than £40:
 - a. the charge for 2015/16 be increased by £5
 - b. that incremental increases of £5 be made in future years (until consistency is achieved); and
 - c. that Cabinet requests the County Council to amend the Traffic Regulation Order to achieve these changes.
- (7) That Officers bring back a further report, following consultation, setting out how visitor parking should be best managed in the future.”

By way of a friendly amendment, it was proposed by Councillor Hamilton-Cox and agreed as a friendly amendment that the following wording be added to recommendation (7):

“and that officers give consideration to how parking permits aimed at commuters can be made easier to obtain including on a monthly basis, by telephone or online.”

Councillors then voted:-

Resolved unanimously:

- (1) That the updated Fees and Charges Policy, as set out at Appendix A to the report ,be endorsed.
- (2) That it be noted that Cabinet agrees not to explore other areas of income generation for future years at this time.
- (3) That information be sent out to estate agents etc. to confirm that the bins and recycling boxes are the property of the City Council and request that they make tenants/housebuyers aware of the need to regard these items as part of the fixtures and fittings.
- (4) That for the reasons outlined in the report, Cabinet approves that off street pay and display and permit charges be frozen for 2015/16, subject to consideration by Council as part of the budget process.

Resolved:

(6 Members (Councillors Blamire, Bryning, Hanson, Leytham, Sands and David Smith) voted in favour, and 2 Members (Councillors Barry and Hamilton-Cox) voted against.)

- (5) That Cabinet agrees not to introduce a charge for off street car parking on public holidays in Lancaster for 2015/16.

Resolved unanimously:

- (6) That with regards to resident parking zones, it be noted that:
 - the cost of managing and administering them is broadly the same in each zone;
 - some of the older zones have, however, benefitted from a long period of no price increases;
 - in all the more recent zones the price of an annual resident permit is £40;and therefore to achieve consistency and to ensure that the cost of administering and managing the schemes is properly covered, it be approved that in zones where the charge is currently less than £40:
 - a. the charge for 2015/16 be increased by £5
 - b. that incremental increases of £5 be made in future years (until consistency is achieved); and
 - c. that Cabinet requests the County Council to amend the Traffic Regulation Order to achieve these changes.
- (7) That Officers bring back a further report, following consultation, setting out how visitor parking should be best managed in the future and that officers give

consideration to how parking permits aimed at commuters can be made easier to obtain including on a monthly basis, by telephone or online.

Officers responsible for effecting the decision:

Chief Officer (Resources)
 Chief Officer (Environment)

Reasons for making the decision:

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.

74 POTENTIAL OPTIONS FOR SALT AYRE SPORTS CENTRE

(Cabinet Member with Special Responsibility Councillor Sands)

Cabinet received a report from the Chief Officer (Health & Housing) which informed Cabinet of the potential options for Salt Ayre Sports Centre (SASC) and sought approval to undertake further work to explore a development partner.

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

	Option 1: Continue to invest in line with current budgets with replacement and repair as necessary but with no major improvements.	Option 2: Seek a development partner to invest and improve SASC in the short and medium term.
Advantages	None	<p>Provides a planned programme of works over a period of years which could include for example refurbishment/expansion of the gym, change of use to half the sports hall to provide activities that would result in greater occupancy levels, spa facilities and an outdoor ropes course.</p> <p>Provides facilities which meet current customer expectations as well as all H&S standards.</p> <p>Would position Salt Ayre sports centre as a premier sport and leisure facility in the North West providing a diverse range of activities on one site whilst retaining a community hub for continuation of active health and other targeted health</p>

		<p>programmes for more vulnerable citizens.</p> <p>Position the council well for delivery of public health commissioned activities that cut across a range of council delivered services such as leisure, housing and environmental health.</p> <p>Provides a sounder financial footing for the sports centre.</p> <p>Is a good example of the municipal entrepreneurialism theme of the ensuring council ethos enabling the council to translate its policy objectives into practice.</p>
<p>Disadvantages</p>	<p>Opportunity to reduce operating subsidy missed.</p>	<p>Upfront investment is required to facilitate these improvements. Officer capacity to oversee the programme is required. Some external specialist legal advice may be required.</p>
<p>Risks</p>	<p>Operating costs increase to such a point that the facility becomes no longer viable to subsidise in the context of reducing resources. This could lead to decisions about closure.</p> <p>Lack of investment in new facilities will increase the repair costs and potentially lead to unforeseen costs due to meeting health and safety standards.</p>	<p>Failure to secure a suitable development partner – this risk is mitigated by the fact that our soft market testing has shown there are a few experienced companies with a track record of success.</p> <p>The investment required is substantial and the affordability, financial sustainability and prudence of this is not yet known – detailed analysis of the financial model and robust due diligence processes will allow the council to ensure the best option of financing the improvements is chosen.</p> <p>Officer capacity to oversee the programme may be insufficient – this risk is mitigated by the fact that the sport and leisure restructure built in some capacity to progress projects such as this as well as day to</p>

		day management. In addition, the council adopts a cross service project team approach to large scale projects such as this similar to the solar PV project.
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Option 2 is the officer preferred option. Seeking a development partner will give the Council the opportunity to assess how a partner could improve the facilities, enable a more secure financial operation and prepare the council for a more sustainable model of sport and leisure provision for the future. Improving the offer will further enhance the district as a place to live and visit whilst remaining entirely well placed to deliver on our health and wellbeing objectives particularly still providing for our more vulnerable citizens.

There is a clear requirement to address the medium and long term future of SASC. The report set out that to continue as now with limited investment will lead to reduced occupancy levels, reduced gym memberships, increased subsidy as income decreases and ultimately unaffordable facilities. Having seen refurbished facilities in other parts of the country and spoken to officers at these councils/trusts, officers believe that the development partner option to invest and improve SASC is a financially attractive option and is a good example of the municipal entrepreneurialism strand of the ensuring council ethos.

Councillor Sands proposed, seconded by Councillor Leytham:-

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

Councillors then voted:-

Resolved unanimously:

- (1) That Cabinet approve in principle to seeking a development partner to invest and improve facilities at Salt Ayre Sports Centre in the short and medium term.
- (2) That the outcome of this piece of work be reported back to Cabinet with more detailed proposals, associated financial implications and to seek authority to proceed prior to entering into any contractual agreement.

Officer responsible for effecting the decision:

Chief Officer (Health & Housing)

Reasons for making the decision:

The decision supports the Council's ensuring Council ethos, particularly relating to municipal entrepreneurialism as well as being directly related to the health and wellbeing corporate plan priority and aligns with the Council's key objective to ensure value for money in delivering services.

75 DEVELOPMENT OF THE 2015/16 FESTIVAL PROGRAMME

(Cabinet Member with Special Responsibility Councillor Sands)

Cabinet received a report from the Chief Officer (Regeneration & Planning) which sought a decision as to whether to submit applications for external funding for the Light Up Lancaster and Vintage by the Sea Festivals.

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

	Option 1: Seek and accept external funding for both festivals	Option 2: Do not seek external funding for either festival
Advantages	<p>Opportunity to secure funding for one or both major festivals for 2015/16 and potential to enter into a 'Northern Lights' partnership to develop funding bids for Light up Lancaster from 2016/17 onwards</p> <p>Enhancing the district's festival programme and significantly contribute to the visitor and night time economy</p> <p>The proposed 'signature' events would fit and raise the profile of the new approved destination brands developed for Lancaster and Morecambe Bay</p> <p>Fits well with the emerging arts strategy for the district and the aims of Marketing Lancashire</p> <p>The 'Northern Lights' partnership should result in raising Lancaster's profile regionally, nationally and internationally as a key visitor destination and lead to an increase in visitor numbers</p>	<p>No officer time required to seek, secure and manage external funding</p> <p>No need to redirect the entire arts development budget, therefore a number of smaller arts projects could be delivered in 2015/16, or savings could be taken`</p> <p>No requirement to undertake the role of accountable body for external funding</p>
Disadvantages	Officer time is required to seek, secure and manage external funding	Without external funding the festivals would have to be significantly scaled down

	<p>Council would be required to provide match funding at the same levels as 2014/15</p> <p>Redirection of Council resources from the arts development budget in its entirety for 2015/16 to deliver Light up Lancaster</p>	<p>Reduction in visitor numbers and visitor spend from scaled down festivals</p> <p>Might not achieve aims of arts strategy or Marketing Lancashire in terms of promoting the District as a key visitor destination</p> <p>Might prevent the Council from being involved in the 'Northern Lights' partnership and gaining numerous benefits including longer term funding for a Lancaster based event</p>
Risks	The Council would be the accountable body for some or all external funding	Significant lack of additional economic impact from scaled down festivals

Councillor Sands proposed, seconded by Councillor David Smith:-

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

Councillors then voted:-

Resolved unanimously:

- (1) That Cabinet gives delegated authority to relevant Chief Officers to bid for external funds (where relevant) for the Light up Lancaster and Vintage by the Sea Festivals, to take place in 2015/16, subject to them being within the Budget and Policy Framework.
- (2) That, subject to (1) above being successful in securing funding, the Council acts as accountable body where necessary, subject to being within the Budget and Policy Framework.
- (3) That Cabinet notes that due to urgent timescales a bid for £18,000 has already been submitted to Morecambe Town Council for the Vintage by the Sea Festival and has been successful. The City Council will be expected to take on the role of accountable body for this funding should they accept this offer of funding.
- (4) That delegated authority be given to the Chief Officer (Resources) to update the General Fund Revenue Budget in 2015/16 as and when funding offers are accepted, subject to there being no additional call on City Council resources.
- (5) That Cabinet gives officers delegated authority to research and develop proposals for a 'Northern Lights' partnership, with the aim of seeking funding from the Arts Council Strategic Touring Fund for 2016/17 onwards, and with any proposals being brought back to Cabinet for consideration as part of the

2016/17 budget prior to any such funding bids being submitted.

Officers responsible for effecting the decision:

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

Reasons for making the decision:

The decision provides officers with a clear indication of which option to proceed with given the timescales involved with applying for external funding and subsequent planning time required to arrange the festivals themselves. It is consistent with the following Council priority: Sustainable Economic Growth and the following success measures: Economic Impact of the Arts in the District will be measured with the City Council moving towards an ensuring role to support a range of delivery partners; visitor numbers and spend will be increased and cultural, retail and tourism offer will be improved. It also contributes to the Council's Heritage Strategy and Arts Framework.

76 GRAND THEATRE GRANT AID - CAPITAL WORKS

(Cabinet Member with Special Responsibility Councillor Sands)

Cabinet received a report from the Chief Officer (Regeneration & Planning) which sought a decision as to whether to offer the Grand Theatre grant support towards long term maintenance costs of this Grade II listed theatre.

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

	Option 1: Provide grant support to the Grand Theatre	Option 2: Do not provide grant support to the Grand Theatre
Advantages	<p>Supports the Grand Theatre and places the theatre on a more secure short term financial footing.</p> <p>Protects an important grade II list building.</p> <p>Supports an important attraction in the centre of Lancaster that contributes to the night-time and visitor economy</p>	<p>No further call on City Council Resources at a time of increasing budgetary pressure.</p> <p>May help or encourage financial independence.</p>
Disadvantages	<p>The grant has not been budgeted for at a time of increasing budgetary pressure, although can be funded from 2014/15</p>	<p>Could have a negative impact on the city's night-time and visitor economy</p> <p>A missed opportunity to</p>

	corporate underspends identified during the budget process.	financially support the Grand Theatre. A grade II listed building could fall into further disrepair resulting in increasing maintenance/repair costs over the medium to longer term.
Risks	Could lead to other similar applications for grant aid, or perceived unfairness.	Could be perceived as showing a lack of support for a well known cultural facility in the area.

A successful Grand Theatre benefits the District in artistic, cultural, regeneration and community development terms. In reputational terms it is probably one of our strongest attractions. It is also a key element in the Canal Corridor scheme. However, providing grant support for the Grand Theatre would also put further pressure on the Council's resources, albeit only in the short term if given as a one-off award.

Councillor Sands proposed, seconded by Councillor Blamire:-

"That a one-off grant totalling £15k in 2014/15 be made to the Grand Theatre to cover the cost of the theatre's priority (non-routine) maintenance programme."

Councillors then voted:-

Resolved unanimously:

- (1) That a one-off grant totalling £15k in 2014/15 be made to the Grand Theatre to cover the cost of the theatre's priority (non-routine) maintenance programme.

Officers responsible for effecting the decision:

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

Reasons for making the decision:

The decision is consistent with the Cultural Heritage Strategy as a successful Grand Theatre benefits the District in artistic, cultural, regeneration and community development terms.

77 BUDGET AND POLICY FRAMEWORK UPDATE 2015/16

(Cabinet Member with Special Responsibility Councillor Bryning)

Cabinet received a report from the Chief Officer (Resources) which provided information on the latest budget position for current and future years to inform Cabinet's budget and policy framework proposals and to allow it to make final recommendations to Council regarding council tax levels for 2015/16.

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

Options are dependent very much on Members' views on spending priorities balanced against council tax levels. As such, a full options analysis could only be undertaken once any alternative proposals are known and it should be noted that Officers may require more time to do this. Outline options are highlighted below, however.

- Regarding council tax, two options are set out at section 7 of the report.
- With regard to including savings and growth options to produce a budget in line with preferred council tax levels, any proposals put forward by Cabinet should be considered affordable, alongside the development of priorities. Emphasis should be very much on the medium to longer term position.

Under the City Council's Constitution, Cabinet is required to put forward budget proposals for Council's consideration, in time for them to be referred back as appropriate. This is why recommendations are required to feed into the Council meeting in early February, prior to the actual Budget Council in March 2015.

Generally Officer preferred options are reflected in the recommendations, with the exception of council tax.

In view of the level of savings still needed in future years, the ongoing impact that council tax freezes have, the Council's current financial strategy, the reliance on use of Balances, and the fact that the Council is not yet clear about how and when it will achieve a financially sustainable budget, the Officer preferred option for council tax is to retain the existing 1.99% year on year increase, subject to confirmation of local referendum thresholds. This preferred option would change only if the Council fundamentally reduces its ambitions regarding service delivery, evidenced through the adoption of a clear statement and strategy for doing so.

From the report, it is clear that good progress has been made in balancing next year's budget.

Following the local and national elections this year, however, attention will have to focus on addressing the Council's medium to longer term financial position. This will be reflected in the review of the current medium term financial strategy, for consideration by Cabinet next month.

Councillor Bryning proposed, seconded by Councillor Leytham:-

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

Councillors then voted:-

Resolved unanimously:

- (1) That following Cabinet's decision to approve The Grand Theatre's funding request included elsewhere on the agenda, the resulting 2014/15 Revised Budget be referred on to Budget Council for approval, with the net underspending transferring into Balances.

- (2) That Cabinet recommends to Council a 1.99% City Council tax increase for 2015/16, together with a year on year target increase of 1.99% being retained for future years, subject to local referendum thresholds.
- (3) That the provisional growth items listed at Appendix A to the report be taken forward as part of Cabinet's budget proposals.
- (4) That the resulting budget position for 2015/16 onwards, as updated for items elsewhere on the agenda, be referred on to Council for initial consideration as well as being presented for scrutiny by the Budget and Performance Panel, in order that any feedback can be provided to Cabinet at its February meeting.

Officer responsible for effecting the decision:

Chief Officer (Resources)

Reasons for making the decision:

In accordance with the Constitution, Cabinet is required to put forward budget proposals for Council's consideration, in time for them to be referred back as appropriate. The decision will ensure that Cabinet's policy and budget proposals are fed into the Council meeting in early February 2015, prior to the Budget Council in March 2015. Even a 1.99% increase in council tax will require £1m to be transferred from balances to help fund the City Council's budget.

78 CORPORATE PLAN 2014 16 - HALF YEARLY PERFORMANCE

(Cabinet Member with Special Responsibility Councillor Blamire)

Cabinet received a report from the Chief Officer (Governance) which provided an update on progress towards the delivery of the 2014-16 Corporate Plan as at 30th September 2014. As the report was primarily for noting, no options were provided. In addition, Cabinet was requested to consider the outcome of the Investors in People Assessment undertaken in July/August 2014 and note the plans to take this forward.

Councillor Blamire proposed, seconded by Councillor Leytham:-

"That the report be noted."

Councillors then voted:-

Resolved unanimously:

- (1) That the report be noted.

Officers responsible for effecting the decision:

Chief Executive
Chief Officer (Governance)

Reasons for making the decision:

The report is a requirement of the Council's Performance Management Framework in support of the delivery of key priorities and outcomes as set out in the overall policy framework and specifically in the Corporate Plan 2014-16.

79 INFORMATION GOVERNANCE AND ASSURANCE UPDATE**(Cabinet Members with Special Responsibility Councillors Blamire and Bryning)**

Cabinet received a joint report from the Chief Officer (Resources) & Chief Officer (Governance) which sought approval for strengthening the Council's information governance and other assurance arrangements (covering Information and Communications Technology (ICT), information management, corporate anti-fraud and internal audit generally), using budgetary growth approved in February 2014.

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

ICT/Information Governance

- Option 1 –** Approve Officer proposals (covering ICT and Corporate Information Governance).
- Option 2 –** Do not approve Officer proposals and require alternatives to be developed.

	Option 1 – Approve Officer Proposals to develop functions as proposed	Option 2- Do not approve proposals: require Officers to develop alternative proposals.
Advantages	<p>Will enable and support better service provision through the development of ICT, corporate policies, procedures and standards of information governance.</p> <p>Will enable exploration of options for better use and sharing of information.</p> <p>Provision of greater assurance regarding information management and security; reduce the risks of inappropriate disclosure and any associated penalties.</p>	None identified.
Disadvantages	Costs associated with additional resources (although these are already budgeted for.)	<p>Further delays in improving service areas.</p> <p>Inability to develop standards and respond to</p>

		<p>future development challenges in the interim.</p> <p>Unable to provide assurance regarding the security and effective management/use of information.</p> <p>No suitable alternatives identified to date.</p>
Risks	Inability to recruit the requisite resources.	<p>Increasing risk of information security incidents and associated penalties/adverse publicity.</p> <p>Inability to respond to change and to take advantage of opportunities for better information sharing arrangements.</p> <p>Risk of wasting time and resources, with no prospect of identifying a better solution for the medium term.</p>

Option 1 is the officer preferred option. Dedicated resources are required to provide the expertise, capacity, and guidance necessary to enable the Council to fulfil its information governance responsibilities and to make the best possible use of ICT and information in service delivery.

Corporate Anti-Fraud Arrangements

Option 1: To approve the proposals for establishing a Corporate Fraud Team on a collaborative basis with the Council’s partners (Preston CC and Fylde BC).

Option 2: Not to approve the proposal, and require Officers to develop alternative proposals for meeting the Council’s residual obligations for tackling fraud, on transfer of staff to SFIS in June 2015.

	Option 1 – Approve the establishment of a Corporate Fraud Team on a collaborative basis with Preston CC and Fylde BC	Option 2- Do not approve the proposal / seek alternatives.
Advantages	<p>Objective would be for the team to be self-financing.</p> <p>Opportunity to make use of existing staff capacity and expertise.</p> <p>Benefits from larger scale of operation.</p>	None identified.

	<p>Would enable links and collaboration to be maintained with Internal Audit.</p> <p>Flexibility and responsiveness to changing levels of demand/need within the partner organisations.</p> <p>Benefits from Central Government funding which has been awarded.</p> <p>Has the resource to engage with other interested parties.</p>	
Disadvantages	Additional managerial oversight to ensure that partners' priorities and calls on the team are managed effectively.	<p>Shortage of specialist anti-fraud skills within current Internal Audit resource.</p> <p>Lost opportunity for tackling fraud in a cost-effective, collaborative manner.</p>
Risks	<p>Failure to achieve self-financing objective.</p> <p>Success dependent on retaining / recruiting suitably experienced skilled staff.</p>	<p>Linked to uncertainty. In the interim:</p> <p>Inability to respond effectively to a significant incident.</p> <p>May not be able to provide an effective level of deterrence.</p> <p>High demand on anti-fraud matters could adversely affect core audit work, or incur more costs.</p> <p>Reputational risks with partners.</p>

Option 1 is the officer preferred option. This provides a number of opportunities to take advantage of existing strengths and expertise within the current Revenues and Benefits Shared Service and the availability of external funding. It is stressed that the overall financial objective of the proposal is that the corporate team would be self-financing and this must be regarded as an immutable principle. Arrangements would be put in place for ongoing monitoring and review of performance.

Given that the formation of a Corporate Fraud Team requires decisions from other partners and recruitment arrangements being resolved before 1st June 2015, a final decision is being sought now, rather than it being subject to the budget process. This fits with financial strategy, given that no additional budgetary pressures are involved.

Councillor Blamire proposed, seconded by Councillor Bryning:-

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

Councillors then voted:-

Resolved unanimously:

- (1) That Cabinet approves the development of the ICT service and the corporate information governance function as outlined in the report, to be financed from within existing budgets.
- (2) That Cabinet supports the setting-up of a corporate anti-fraud team in collaboration with Preston City Council and Fylde Borough Council on the basis outlined in the report, subject to it being at least cost neutral.
- (3) That Cabinet notes the proposed widening of the Internal Audit service's remit, subject to consideration by Audit Committee at its next meeting.

Officers responsible for effecting the decision:

Chief Officer (Resources)
Chief Officer (Governance)

Reasons for making the decision:

Much work has been done to develop proposals that strengthen the Council's service provision, whilst containing costs within existing budgets and/or providing opportunities to secure savings. Whilst the service areas may not necessarily be appreciated directly by the public, nonetheless they are essential for effective service delivery and the safeguarding of resources. A key element in ensuring the successful delivery of the Corporate Plan is having sound governance arrangements in place. The proposals also fit with the Council's ethos.

80 URGENT BUSINESS REPORT

(Cabinet Member with Special Responsibility Councillor Blamire)

Cabinet received a report from the Chief Officer (Governance) to advise members of actions taken by the Chief Executive, in consultation with the relevant Cabinet Members.

Councillor Barry proposed, seconded by Councillor Leytham:-

"That the recommendation, as set out in the report, be noted."

Councillors then voted:-

Resolved:

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

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

VARIATION TO CONTRACTUAL TERMS FOR CHATSWORTH GARDENS HOUSING REGENERATION PROJECT

- (1) *That a working amendment to the Heads of Terms for the project be agreed and incorporated in the final contract documentation, so as to provide for the transfer of the freehold ownership of the Phase 1 properties to PlaceFirst to occur once the developer has incurred expenditure of £1.25M in relation to the project, rather than upon the completion of the refurbishment works.*
- (2) *That consultation is undertaken with a view to waiving call-in, in accordance with Overview and Scrutiny procedure rule 17, to enable the decision to be implemented immediately.*

Officer responsible for effecting the decision:

Chief Officer (Governance)

Reasons for making the decision:

The decision fulfils the requirements of the City Council's Constitution in advising Cabinet of urgent decisions taken by the Chief Executive in accordance with the City Council's Scheme of Delegation.

Chairman

(The meeting ended at 11.35 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 22ND JANUARY, 2015.

**EFFECTIVE DATE FOR IMPLEMENTING THE DECISIONS CONTAINED IN THESE MINUTES:
FRIDAY 30TH JANUARY, 2015.**