



**LANCASTER**  
**CITY COUNCIL**

*Promoting City, Coast & Countryside*

# **COUNCIL MEETING**

**Wednesday, 3 February 2016 –  
6.00 p.m.  
Morecambe Town Hall**

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





# LANCASTER CITY COUNCIL

*Promoting City, Coast & Countryside*

Sir/Madam,

You are hereby summoned to attend a meeting of the Lancaster City Council to be held in the Town Hall, Morecambe on Wednesday, 3 February 2016 commencing at 6.00 p.m. for the following purposes:

1. **APOLOGIES FOR ABSENCE**

2. **MINUTES**

To receive as a correct record the Minutes of the Meeting of the City Council held on 13 January 2016 (previously circulated).

3. **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.

Members are further reminded that Section 106 of the Local Government Finance Act 1992 applies to any meeting where consideration is given to matters relating to, or which might affect, the calculation of Council Tax.

Any member of a local authority, who is liable to pay Council Tax, and who has any unpaid Council Tax amount overdue for at least two months, even if there is an arrangement to pay off the arrears, must declare the fact that he/she is in arrears and must not vote on any recommendation or decision which might affect the budget or council tax calculation. It is a criminal offence to fail to comply with this requirement.

4. **ITEMS OF URGENT BUSINESS**

5. **ANNOUNCEMENTS**

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

6. **QUESTIONS FROM THE PUBLIC UNDER COUNCIL PROCEDURE RULE 12**

To receive questions in accordance with the provisions of Council Procedure Rules 12.1 and 12.3 which require members of the public to give at least 3 days' notice in writing of questions to a Member of Cabinet or Committee Chairman.

7. **PETITIONS AND ADDRESSES**

To receive any petitions and/or addresses from members of the public which have been notified to the Chief Executive in accordance with the Council's Constitution.

8. **PETITION - MARKET SQUARE LANCASTER, TREES** (Pages 1 - 10)

To receive a petition and address to Council, notification of which has been received by the Chief Executive in accordance with the Council's Constitution.

Members are advised that the petition has in excess of 200 signatures and relates to a local matter which affects one ward. It has therefore been scheduled for debate at this meeting and a report of the Chief Officer (Governance) is attached, in accordance with the Council's Petition Scheme.

9. **PETITION - GREEN BELT LAND GB4** (Pages 11 - 15)

To receive a petition and address from Mr Allan Denham, notification of which has been received by the Chief Executive in accordance with the Council's Constitution.

Members are advised that the petition has in excess of 200 signatures and relates to a local matter which affects one ward. It has therefore been scheduled for debate at this meeting and a report of the Chief Officer (Regeneration and Planning) is attached, in accordance with the Council's Petition Scheme.

10. **LEADER'S REPORT** (Pages 16 - 18)

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

**REPORTS REFERRED FROM CABINET, COMMITTEES OR OVERVIEW AND SCRUTINY**

11. **BUDGET AND POLICY FRAMEWORK UPDATE 2016/17 TO 2019/20** (Pages 19 - 82)

Report of Cabinet.

**MOTIONS ON NOTICE**

12. **NOTICE OF MOTION - THE LANCASTER MUSEUMS** (Pages 83 - 96)

To consider the following motion submitted by Cllrs Nick Wilkinson Councillors, June Ashworth, Dave Brookes, Susie Charles, Tim Hamilton-Cox, Caroline Jackson, and Roger Mace:

That;

- 1) The Council asks the Chief Executive to write to the County Council by 12<sup>th</sup> February 2016 to request the following:
  - a) that the **County Council review the option of supporting the creation** of a financially sustainable Lancaster-wide museum organisation of some kind (for example a charitable Trust). This review should include appropriate consultation with partner organisations (including the City Council, the Duchy of Lancaster and existing Friends Groups) and a full review of the service model for the museums
  - b) to not dispose of the Judges Lodgings building or relocate its contents until this option has been fully investigated
- 2) The City Council **supports the principle of investigating** the creation of a financially sustainable Lancaster-wide museums organisation, initially to include the Judges Lodgings with the Maritime, City Museum and the Cottage Museum and to include when practicable such access to Lancaster Castle as may be negotiated with the Duchy.

**Letters of support (appended to this motion):**

Professor Mark E. Smith, Vice-Chancellor, Lancaster University  
Professor Peter Strike, Vice-Chancellor, University of Cumbria  
Ruth Connor, Chief Executive, Marketing Lancashire  
John Regan, Chair, Chamber of Commerce  
Paul Cusimano, Chair, Lancaster Business Improvement District  
Ivan Wadeson, Executive Director, the Dukes  
Jacqueline Greaves, Chair, Litfest  
Di Cumming, Chief Executive, Ludusdance

**1. Introduction**

- 1.1. The museums of Lancaster are all currently run by Lancashire County Council and comprise of the following museums:
  - The City Museum (Lancaster City Council owned) - attracts circa 50,000 visitors per annum
  - The Maritime Museum (Lancaster City Council owned)- attracts circa 12,000 visitors per annum
  - The Cottage Museum (Lancaster City Council owned) - attracts circa 7,000 visitors per annum
  - Lancaster Castle (Duchy owned but leased to Lancashire County Council)- attracts circa 50,000 visitors per annum
  - The Judges Lodgings (Lancashire County Council owned) - attracts circa 12,000 visitors per annum
- 1.2. The City Council entered into an agreement with the County Council to run the City Council's museums (City, Maritime and Cottage museums) from 31<sup>st</sup> March 2003. The contract currently has a value of around £500K per annum. Previous to this date the City Council had run its museums in house. It is understood that the aim of moving the City owned museums to the County Council was to ensure continued professional museums services are maintained (e.g. curator and conservation services etc.) at an affordable cost.

- 1.3. The County Council is having to make further budget cuts of £262m and has identified that, amongst others, the Judges Lodgings museum in Lancaster will need to close by 31<sup>st</sup> March 2016 and large cuts are planned in the County museums service which will impact on the other Lancaster museums. Essentially the County Council are stating that they will no longer be providing a comprehensive museum service.
- 1.4. These planned museum cuts will have a direct impact on the quality of the visitor experience in the District as well as impacting on the quality of service offered to the City Council's three museums under the existing management contract.
- 1.5. Neither the City Council nor the County Council has assessed the potential impact on Lancaster as a tourist destination if the Judges Lodgings is closed and the central services presently available to the District's other museums are withdrawn.
- 1.6. As it stands the museums of Lancaster District have the potential to be a far more exciting visitor attraction than what is currently available. Five museums with a single management structure could operate under a single purpose umbrella organisation with the aim of providing quality visitor focused museums services for Lancaster. This organisation could be operationally independent of both the County Council and the City Council and could be setup with the aim of being financially and to run the museums in a more commercial manner.

## **2. The long term impacts on Lancaster District**

- 2.1. At this stage the key impact to the Lancaster District is the threatened closure of the Judges Lodgings museum on 31<sup>st</sup> March 2016, which was decided upon by the County Council on 26<sup>th</sup> November 2015.
- 2.2. The Lancaster City Council Corporate Plan identifies the City Council's vision for Lancaster as a prosperous historic city noting that the City Council will work to improve the District's heritage assets to ensure the City will be a recognised visitor attraction. The loss of any of the District's museums will erode this potential for Lancaster to attract and sustain tourist visitor numbers.
- 2.3. No options appraisal has been undertaken for the Lancaster District's museums as a whole, despite the opportunities for joint working that arose following the transfer of the management of the City Council's museums to the County Council in 2003. This is a key opportunity for the District which should be appraised in detail.

## **3. Problems to be faced and the way forward**

- 3.1. As a major customer of the County Council museums service and custodian of the economic and cultural wellbeing of the District the City Council should be expressing its concerns that the County Council has not looked at the options available for the museums of Lancaster or at the impacts on Lancaster City of closing one of its major visitor attractions.
- 3.2. The County Council have not delivered on the potential to create an integrated museums service for the Lancaster District. The current museums of Lancaster are very poorly coordinated. All the museums (including the Judges Lodgings) have world class exhibits, which tie directly back to the story of Lancaster and are showcased in heritage buildings. However the overall 'Lancaster story', as told through the five museums, is disjointed at best with little or no linkage between the

various museums. The museums are currently stifled by bureaucracy, making it very difficult for local museum staff to be enterprising. Apparently, they cannot advertise events or even put a "tweet" out without going through the County press team. The current museum service is very much exhibit focused which has led to a lack of story and excitement within the museums. There is therefore massive potential for improvement. An exciting visitor focused service needs to be created which focuses on sustainable long term funding, that makes use of local volunteers, promotes and tells the fascinating story of our City and adds to the overall brand of 'Lancaster Small City Big Story'.

#### **4. Conclusion**

4.1. It would be prudent to review the option of a Lancaster wide Museum organisation before any museum closures took place. Supporting this motion would provide the County Council with a clear steer that Lancaster City Council would like this option to be reviewed before any museums buildings or exhibits are sold or relocated.

4.2. For the avoidance of doubt, it is not being proposed within this motion that the City Council would take on the management/ownership of the Judges Lodgings Museum or that the current financial input from the City Council to the Museum Service would be increased.

An officer briefing note is attached.

#### **13. NOTICE OF MOTION - FLOODING (Pages 97 - 98)**

To consider the following motion submitted by Cllrs Rob Devey, Cllrs David Whitaker, Richard Newman-Thompson, Colin Hartley and Karen Leytham:

This council:

- Expresses its thanks to everyone involved in the response to December's floods, including the emergency services, businesses, council officers and members of the community.
- Welcomes the efforts currently underway by the council to assist in identifying what improvements can be made to help prevent the flooding and power cuts experienced in the Lancaster district in December from happening again – and asks officers for an overview of these and a further update by July.
- Affirms this council's commitment to continuing to work with lead flood authority Lancashire County Council, the Environment Agency and other agencies to secure funding for the necessary improvements.
- Agrees that flood defences should be designed to cope with much greater unprecedented volumes of rainfall given the evidence of new volatility in British weather conditions.
- Recognises that investment to prevent flooding in the first place is a better use of taxpayers money than the huge financial and human costs involved in dealing with the aftermath of flooding.
- Urges the Government to ensure that necessary funding is provided to implement recommended improvements to flood defences in the Lancaster district.

An officer briefing note is attached.

## **OTHER BUSINESS**

### **14. APPOINTMENT OF MAYOR ELECT**

To appoint a Mayor Elect to be put forward for election by the City Council in May 2016, for the municipal year 2016/17.

### **15. ALLOCATION OF SEATS TO POLITICAL GROUPS (Pages 99 - 109)**

Report of the Chief Executive.

### **16. REQUEST FOR CHANGE OF CABINET MEETING DATE AND PROPOSAL FOR ADDITIONAL COUNCIL MEETING (Pages 110 - 111)**

Report of the Chief Officer (Governance).

### **17. REVIEW OF PART 3 SECTION 2 OF THE CONSTITUTION (Pages 112 - 115)**

Report of the Monitoring Officer.

### **18. DESIGNATION OF MONITORING OFFICER**

Report of the Chief Executive to follow.

### **19. QUESTIONS UNDER COUNCIL PROCEDURE RULE 13.2**

To receive questions in accordance with the provisions of Council Procedure Rules 13.2 and 13.4 which require a Member to give at least 3 working days notice, in writing, of the question to the Chief Executive.

### **20. MINUTES OF CABINET (Pages 116 - 130)**

To receive the Minutes of Meeting of Cabinet held on 19 January 2016.

### **21. EXCLUSION OF THE PRESS AND PUBLIC**

Council is recommended to pass the following recommendation in relation to the following item:-

“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 item(s) of business, on the grounds that they could involve the possible disclosure of exempt information as defined in paragraph 5 of Schedule 12A of that Act.”

Members are reminded that, whilst the following item has been marked as exempt, it is for Council itself to decide whether or not to consider it 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.

22. **LOCAL PLAN - LEGAL ADVICE** (Pages 131 - 143)

Report of the Chief Officer (Regeneration and Planning) and Chief Officer (Governance).



.....  
Chief Executive

Town Hall,  
Dalton Square,  
LANCASTER,  
LA1 1PJ

Published on 26 January 2016.

**COUNCIL****Petition: Market Square, Lancaster - Trees  
3 February 2016****Report of Chief Officer (Governance)****PURPOSE OF REPORT**

To enable Council to debate a petition which has been received requesting that the City Council rejects the proposal to cut down the mature lime trees in Market Square, Lancaster.

**This report is public**

**RECOMMENDATIONS**

- (1) **That Council debates the issue and, if so minded, makes recommendations to inform the Cabinet decision.**

**1.0 Background**

- 1.1 On 19 January 2016, the Chief Officer (Environment) submitted a report to Cabinet with a recommendation that seven lime trees in Market Square be removed. A copy of the report is attached.

- 1.2 It was reported to Cabinet at the meeting that a petition had been received, with over 1600 signatures, objecting to the proposal to fell the trees:-

*“We, the undersigned people of Lancaster, oppose cutting down the mature lime trees in Market Square. We call upon Lancaster City Council to reject this proposal.”*

- 1.3 The petition had sufficient signatories to trigger a debate at full Council, in line with the requirements of the Petition Scheme in the Council’s Constitution.

- 1.4 In view of the petition and the forthcoming debate, Cabinet chose to defer consideration of the Market Square Trees report to a later date to enable Council, in accordance with the Petition Scheme, to debate the matter and decide whether to make recommendations to inform the Cabinet decision.

**2.0 Proposals**

- 2.1 The proposals, details of consultation and options appraisal are all set out in the original report to Cabinet attached.

**3.0 Conclusion**

- 3.1 Council is asked to debate this issue, as required by the Petition Scheme, and, if so minded, to make recommendations to Cabinet.

**CONCLUSION OF IMPACT ASSESSMENT**

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

See report attached.

**LEGAL, FINANCIAL AND OTHER IMPLICATIONS ARE SET OUT IN THE ORIGINAL REPORT TO CABINET, ATTACHED**

**STATUTORY OFFICER COMMENTS ARE SET OUT IN THE ORIGINAL REPORT TO CABINET, ATTACHED**

**BACKGROUND PAPERS**

None.

**Contact Officer:** Debbie Chambers

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**E-mail:** [dchambers@lancaster.gov.uk](mailto:dchambers@lancaster.gov.uk)

**Ref:**

<b>CABINET</b>
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## Market Square Lancaster - Trees 19<sup>th</sup> January 2015

### Report of Chief Officer (Environment)

<b>PURPOSE OF REPORT</b>			
To review the future of the lime trees in Market Square and request a decision.			
<b>Key Decision</b>	<input type="checkbox"/>	<b>Non-Key Decision</b>	<input type="checkbox"/>
		<b>Member Referral</b>	<input checked="" type="checkbox"/>
<b>Date of notice of forthcoming key decision</b>	N/A		
<b>This report is public</b>			

#### RECOMMENDATIONS OF CHIEF OFFICER (ENVIRONMENT)

- (1) That the Cabinet authorises removal of the 7 lime trees in Market Square and subsequent reinstatement to match the existing paved surfaces.
- (2) That in accord with the Council's tree policy 7 new trees will be planted on an appropriate piece of Council land.
- (3) That once removed, consideration is given to whether to provide some replacement trees (in planters). However, before doing that a period of time should be allowed to elapse to assess how the 'new space' best works.

#### 1.0 Introduction and background

- 1.1 Lancaster Square Routes is a programme of activity to invest in improving streets and spaces and to better manage the city centre for the benefit of pedestrians, social activity and business trading. The aspiration is for higher quality, less cluttered streets and spaces that are more pleasant and enjoyable to be in, animated by activity and better for trading to contribute to economic growth objectives.
- 1.2 This report concerns the future of the seven trees in Market Square. These are *Tilia x europaea* (European Lime). In December 2009 (Item 95) Cabinet considered project designs to improve streets and spaces as part of Lancaster Square Routes. The recommended design for Market Square was to remove all the trees and plant with a different species into a changed layout. Cabinet approved a redesign of the Square but directed that all the trees be kept.
- 1.3 Later, in September 2011, Cabinet agreed to remove one tree (that by the entrance to Marketgate) to facilitate the improvement works. Subsequently, the council delivered a full uplift of the Square in two phases: in autumn/winter 2011

and spring to autumn 2014. The crowns of the trees were lifted and heavily pruned and the removed tree was not replaced (see Individual Cabinet Member Decision May 2014).

- 1.4 The Lancaster Square Routes improvements have been very well received and Market Square now presents much better with new surfaces, seating and lighting and the new centrepiece. The retained trees, however continue to present problems that are increasingly challenging to deal with.
- 1.5 Historically, Market Square did not contain trees. The current specimens were planted some 40 years ago.

### **2.0 Proposal Details**

- 2.1 In the right location, one with plenty of space, lime trees can be a good choice for urban planting. They tolerate much stress, grow strongly, give good autumn colour and have many environmental benefits. Lime trees, however, are a big species, they have grown to become a major feature in the Square and it is estimated that they will continue to grow for a number of decades yet. The large tree crowns cast a heavy shade in Spring and Summer, obscure trading fronts, restrict light to and views from upper floor windows and impede street lighting and CCTV. Cutting back and thinning is needed with increasing frequency to keep the crowns from buildings, to keep views through to business fronts relatively clear and to assure street lighting is reasonably effective.
- 2.2 An issue with lime trees is 'honeydew'. This is a sugar rich sticky liquid that aphids secrete when feeding on leaf sap. This drops and makes street surfaces beneath very grimy and, at certain times of year slippery in wet weather. At these times people can be observed slipping in areas underneath the trees. In autumn leaf fall is very heavy and, as the crowns grow, this is increasing. All this increases the resources required by the Council to clean the area and, as the trees grow further, problems can only heighten and the costs to the council in tree maintenance and street cleansing can only rise. As things stand cleansings schedules have been adjusted to allow for jet washing of this area on a regular basis, which has helped. It is estimated that in order to keep on top of this if the trees remained the area would need to be jet washed more frequently when the trees are in leaf which would require an additional budget provision of £9500 per annum, or equivalent reductions in cleansing elsewhere. This is all at a time when resources available to the Council are reducing at an unprecedented rate.
- 2.3 Pollarding or hard pruning of the trees is not desirable. The trees are not an ideal species for pollarding. The trees may not regrow given their age but, if they did, the regrowth would be strong. Regular pruning of the trees would help but there would be increased costs in tree care of £1500 per annum
- 2.4 Direct replacement of the trees with new would be possible in theory but in practice would be very difficult. The rootball would need to be removed to allow the new trees to grow. Removing the rootball would risk damaging cabling / services. Attempting to do so would be expensive and then there is no guarantee the new trees would thrive.
- 2.5 In this context it is only right to review the future of the trees. Section 4 details the options.
- 2.6 Cabinet should note that the 2 options in the report are the ones that based on the Council's financial position are considered the most realistic. Clearly there are a whole range of 'sub-options', some of which would require additional upfront and then ongoing resources, which would of course create further budgetary pressures.

**3.0 Details of Consultation**

- 3.1 The designed improvements to the Square were the subject of extensive consultations as part of Lancaster Square Routes between 2008 and 2010 but no public consultation has been undertaken at this time about the trees.
- 3.2 The County Council as Highway Authority has confirmed that decisions on the trees are for the city council.
- 3.3 The Lancaster BID team has communicated concerns from some businesses at the size and growth of the trees and impacts on business trading.
- 3.4 The Chamber of Trade as representatives of the city centre business community has been consulted and any comments will be provided to the decision maker for consideration.
- 3.5 Ward Cllrs have been consulted and their comments are provided.
- 3.6 The council's Senior Conservation Officer supports removal of the trees to better reveal the historic Square and his comments have been built into the options analysis in the report.
- 3.7 The council's Tree Officer advises strongly against removing the trees and her comments have been built into the options analysis in the report.
- 3.8 Sending out the draft report for consultation meant that already views on this subject have been widely expressed on social media and in the local press.

**4.0 Options and Options Analysis (including risk assessment)**

	<b>Option 1: Make no changes and retain all trees.</b>	<b>Option 2: Remove all trees and reinstate surfaces using appropriate materials. Allow time to elapse to consider how the square best works and then consider whether to put in place planters with an appropriate tree species.</b>
Advantages	<p>The option retains established trees and safeguards these for future generations, conserves biomass and carbon capturing capacity, gives local benefits to wildlife and for shade and cooling and means no upfront costs to the council in tree removal and replanting / reinstatement. The trees provide green infrastructure in a built environment that would otherwise appear monotone. They cool hot streets during summer months through the release of moisture with pleasant shading generated by their canopies. They support wildlife in the heart of the built up area that otherwise without mature trees would be absent. They have an important function in reducing particulate and gaseous pollution, generated by the heavily congested highways around the city. Context for this is increased</p>	<p>Removing the trees would make the Square much more open with buildings and business fronts much more visible and, at night the Square would be lighter with street lighting not impeded. There would be more space to locate seating, to permit more use for street cafes and for the Charter Market.</p> <p>Removal would allow the intensive levels of resource that are currently deployed in cleansing the area to be distributed elsewhere within the City Centre.</p> <p>Removal would reduce the ongoing tree maintenance resource required.</p> <p>Tree removal would help safeguard any Roman archaeological remains beneath the ground that would be risked by tree roots.</p> <p>7 new trees will be planted (in accord</p>

	<p>occurrence of respiratory disease, and rates of asthma associated with people living and working around heavily congested city centres.</p> <p>In addition, the trees have an important role in continuing to sequester and store carbon. These trees have already been responsible for the storage of tonnes of carbon during their lifetimes, thus far. This stored carbon is re-released to the environment every time a tree is felled. This means not only the re-release of carbon stored over decades, but also a permanent loss of its capacity to store carbon in the future. These benefits cannot be replaced with new tree planting except over the long term and may be permanently lost.</p> <p>The health and environmental benefits of the trees will only increase with time, as the global climate and local weather conditions are set to change, as a direct result of continued rising carbon dioxide levels.</p> <p>Establishing new trees and retaining them in good health, in what is a challenging city centre environment is difficult and can be unsuccessful. Where mature trees already exist and are performing significant social, and environmental functions, they take on additional significance.</p>	<p>with the Council's tree policy on an appropriate piece of Council land)</p>
<p>Disadvantages</p>	<p>There is no historic precedent for trees in Market Square, within the Lancaster Conservation Area. The existing trees are out of scale to the historic setting and impair views to business frontages.</p> <p>The trees, as with all trees established within a built environment require regular inspections and maintenance and so incur costs for the council.</p> <p>Lime trees have a specific impact in how the aphids that feed on the leaves secrete 'honeydew' that then coats surfaces beneath, at times makes these slippery and increases the need for street cleansing.</p> <p>Increase in ongoing maintenance costs for cleansing / pruning of £11,000 per annum.</p>	<p>Market Square with the trees removed would be very different in character. All the benefits of the trees as set out under option 1 (advantages) would be lost including for biomass conservation, carbon capturing capacity, for wildlife and for shade and cooling.</p> <p>In addition, this option means one off upfront costs to the council in tree removal and surface reinstatement.</p>

<p>Risks</p>	<p>Risks continuing detriment to trading conditions with business frontages obscured or in limited view and continuing shade and shadow making conditions conducive for anti-social activities.</p> <p>The species and the size of the trees in the location increasingly impact on the council's costs at a time when budgets are tightening. The need for tree care is increasing as the trees mature.</p>	<p>This change option may not be well received by some people.</p> <p>Should mean trading benefits with improved visibility through to business frontages and with more light to upper floors enhanced prospects that more might be brought into beneficial use.</p> <p>A more open and lighter Square should reduce the scope for anti-social activity and so assist policing and community safety.</p> <p>Does not preclude placing trees in planters in the Square at a future date.</p> <p>Until two years ago Christmas lights were put in the trees. There will be no facility to do this if the trees are removed.</p>
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**5.0 Officer Preferred Option (and comments)**

- 5.1 This is clearly a decision that needs to be considered from a number of angles. The trees present city centre management and maintenance issues but are established features in the Square. To consider removing trees such as these that are well on their way to maturity is exceptional. It wastes years of growth and the beneficial effects of the trees will be lost.
- 5.2 Conversely, the trees are out of scale to the location and this will only get worse. As will the costs to the council in maintaining both the trees and the immediate impact of the trees on the square below.
- 5.3 Consideration needs to be given to the main uses of Lancaster city centre and the aims of the Square Routes project. The aspiration is for higher quality, less cluttered streets and spaces that are more pleasant and enjoyable to be in, animated by activity and better for trading to contribute to economic growth objectives.
- 5.4 Clearly with an issue like this it is highly unlikely that a consensus view will be reached. This is a unique situation and it is for the council as stewards of the District to make a decision that will best achieve what it's aspirations for the City Centre are.
- 5.5 The options essentially are to remove the trees or to retain them. Based on the information provided and the Council's bleak financial position removing them would seem the best way forward and as such is the Officer preferred option. However it is also recognised that there are a number of other angles to this. If Cabinet decide that the trees should remain Cabinet need to ensure that appropriate resources are made available for the ongoing maintenance of the trees and cleansing around the trees. Cabinet would need to either find an additional £11,000 per annum to ensure better maintenance of the trees and cleansing in the immediate area or request Officers to make equivalent savings by reducing cleansing levels in other parts of the District.
- 5.6 Following the rationale outlined above the officer preferred option is Option 2. This will allow time to assess how the 'new space' best works in terms of movements and maintenance. Once time has elapsed recommendations to



provide some replacement trees (in planters) may be brought forward, if considered appropriate.

- 5.7 Reinstatement of surfaces would utilise appropriate materials fitting to the redesign achieved through Lancaster Square Routes.
- 5.8 7 new trees will be planted as replacements on an appropriate piece of Council land.

**6.0 Conclusion**

- 6.1 The trees in Market Square are established and have very many beneficial effects. But they are out of scale to the location, need regular care and have consequences for street cleansing and costs to the council that can only increase as the trees mature. A decision is required whether to retain the trees and budget for this properly or, to remove them and return the Square to a much more open aspect in keeping with historical precedents.

**RELATIONSHIP TO POLICY FRAMEWORK**

The Corporate Plan aims for Economic Growth and Clean and Green Places relate..

**CONCLUSION OF IMPACT ASSESSMENT**

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

Sustainability

Removal of established trees is counter to environmental objectives as part of sustainability but in this location will give some economic benefits.

**LEGAL IMPLICATIONS**

Legal Services have been consulted and have no observations.

**FINANCIAL IMPLICATIONS**

**Option 1**

Under this option, there is an increasing likelihood for the council to need to absorb rising costs in tree care as the existing trees mature as well as additional associated street cleaning from within existing budgets, estimated at £11,000 per annum. This would either require additional savings to be made from the Council's overall budget or require Officers to make equivalent savings by reducing cleansing levels in other parts of the District.

**Option 2**

Under this option, the costs of removing trees and grinding out the stumps would be met from existing Environmental Services' budgets, including appropriate materials for surface reinstatement which are already in stock. Other materials and specialist external labour costs for surface reinstatement are estimated at £5K and can be met from the Highways Reserve. Although this option would reduce ongoing revenue costs within street cleaning in particular and periodic tree care for this particular area of activity, this is not expected to be significant overall and any existing resources would be re-directed to similar activity elsewhere within the District.

It is estimated that the cost of replacement tree planters would be in the region of £5K each and would need to be met from within existing budgets should it be determined that replacement trees are needed for this space following an appropriate assessment period.

**OTHER RESOURCE IMPLICATIONS**

**Human Resources:**

None

**Information Services:**

None

**Property:**

None – the trees are sited within adopted highway but managed by the city council.

**Open Spaces:**

The options analysis covers the implications of removing trees.

**SECTION 151 OFFICER'S COMMENTS**

Whilst there have been no insurance claims as yet in respect of related slips, trips and falls, this is expected to be only a matter of time. There are therefore other financial and reputational risks attached to not taking action.

Overall, Cabinet is advised to consider carefully the financial implications of the options, in context of the budget update elsewhere on the agenda, its proposed priorities, the need to make savings and other competing spending pressures.

**MONITORING OFFICER'S COMMENTS**

The Monitoring Officer has been consulted and has no further comments

**BACKGROUND PAPERS**

None

**Contact Officer:** Mark Davies

**Telephone:** 01524 582401

**E-mail:**mdavies

**Ref:** LSR

**APPENDIX- Comments directly received by Chief Officer (Environment) from consultation to 30 Dec 2015**

**Cllr Nick Wilkinson (Ward Councillor)** - Having read the paper, studied the trees and spoken to lots of people I'm afraid I can't support the decision to remove the trees unless they were immediately replanted with a more suitable 'permanent' (i.e. planted in the ground rather than planters) tree type. Unfortunately you have not listed this as an option. Having spoken to a horticulturist I believe it is possible to do this with a little work to either remove some of the tree roots or planting the trees in a new location.

**Cllr Dave Brookes (Ward Councillor)** - My very strong preference would be for the existing trees to remain in situ. I understand that there will be a cost to maintaining mature trees in this most urban of settings, but I don't think said cost is a valid reason to remove them. In any case, cost needs to be set against the wide range of benefits that street trees provide, including summer shade, improved air quality, rainwater detention, aesthetic appeal, and an injection of life into what would otherwise be a fairly sterile environment, pigeons excepted.

Whilst immediate replanting may seem like a reasonable compromise position, you will no doubt be aware that it isn't a trivial matter to get street trees well established, and it seems to me to be an unnecessary risk to remove well established thriving trees to replace them with smaller trees that would never get close to providing the same level of benefits as the existing trees, and most likely have some fail to establish thus starting a cycle of further replanting and eventual giving up, as has happened in other parts of the city centre.

I consider it to be completely unacceptable to remove the trees and only have a vague consideration that they could be replaced with planters at some undefined point in the future.

**BID-** I spent some time yesterday talking to some of the businesses around Market Square to gauge their views on the trees as they are in the square. In some cases, people simply see the trees as immovable and haven't ever actually considered the benefits or negatives relating to their placements. This led to some discussion and many could see reasons why they should be replaced. Others were immediately supportive of their immediate removal due to the slip hazards that they see and experience daily. One business owner suggested that we ask the ambulance service to release their log of accidents that they have attended due to slips in the Square under the trees. This individual has personally provided first aid to a significant number of incidents and he was specific in pointing out that it was the secretions beneath the trees in front of TKMaxx and Vodafone that were the worst. Everyone supported replacing the trees with a suitable species.

I have also been looking at the scale of the trees in Dalton Square which I understand are the same species. It may be worth pointing out that although the Market Square trees currently stand at approximately roof height of a two storey building, those in Dalton Square are at approximately six storeys in height. How would Market Square feel if they were left in situ and allowed to grow to their potential?

The following comment was also put forward-

**Cllr Andrew Kay (Bulk Ward)** - I disagree strongly with the removal of trees from Market Square which in my view would result in an unattractive, sterile environment. Most successful town Squares do have trees -and notably part of the attraction of continental squares. While noting that this would entail the cost of pruning, and of cleaning the square pavements -perhaps a contribution from BID could be requested. I would specify that the trees are indeed part of the economic value to local traders - as part of the visitor offer.

**COUNCIL****Petition – Green Belt Land, GB4****3 February 2016****Report of Chief Officer (Regeneration and Planning)****PURPOSE OF REPORT**

To advise members of the receipt of a petition, with more than 1,000 signatures, urging the council not to allocate Green Belt land at Manor Lane, Slyne-with-Hest/Bolton-le-Sands parishes for development purposes.

**This report is public**

**RECOMMENDATIONS**

- (1) **That, although the petition contains sufficient signatures to trigger a Council debate in accordance with the Petition Scheme, Council should, in order to avoid prejudicing the preparation of a Local Plan for Lancaster District, defer full consideration of the issue until a draft Local Plan is debated in due course.**

**1.0 Introduction**

- 1.1 The Council has received a petition regarding the identification of an area of land as a potential development site as part of a recent local plan consultation. This area of agricultural land is partly within Slyne-with-Hest Parish and partly within Bolton-le-Sands Parish and is identified in the consultation as site “GB4”. The area falls within the City Council ward of Bolton and Slyne.

**2.0 Proposal Details**

- 2.1 Between the 19<sup>th</sup> October and the 30<sup>th</sup> November 2015 the Council held a Local Plan consultation called “*People, Homes and Jobs: How should we plan for our district’s future?*” The consultation identified a number of potential new strategic development sites, including urban extensions in Lancaster and sites in the Green Belt between Lancaster and Carnforth. The Council consulted on these potential sites to help it determine if these areas are suitable, available and achievable for development. The council will use the information from the consultation to help it prepare a local plan that allocates enough land to meet identified development needs.
- 2.2 As part of the response to this consultation the council received a petition with over 1,000 signatures which states:

“We the undersigned support the campaign to urge Lancaster City Council not to build on Green Belt Land GB4 (land between Manor Lane, Slyne-with-Hest and Greenwood Avenue, Greenwood Drive, Greenwood Crescent and Pinewood Avenue, Bolton-le-Sands) as outlined in the recent leaflet “Developing a Local Plan for Lancaster District 2011-2031.”

2.3 In accordance with the Council’s constitution a petition of 200 signatures relating to a local matter which affects no more than two wards is sufficient to trigger a debate at full Council.

2.4 However, Members are advised the Council will have to consider and debate the content of a draft local plan once it has been prepared, potentially later this year. That debate will have to consider the allocation of many development sites, potentially including sites in the Green Belt. Further petitions may well be submitted as the local plan is prepared. It is advised that any detailed consideration of individual sites should only be as part of that wider debate. The council will then need to consult on the draft Local Plan.

**3.0 Details of Consultation**

3.1 This petition has been received in response to the Local Plan “*People, Homes, and Jobs*” consultation of October/November 2015. A further Local Plan consultation will be arranged once a local plan has been approved for consultation by council.

**4.0 Options and Options Analysis (including risk assessment)**

	<b>Option 1:</b> Hold a full debate now on the Slyne/Bolton-le-Sands GB4 site in advance of considering the content of a draft local plan.	<b>Option 2:</b> Defer a detailed consideration of this site until a draft local plan is prepared and brought to council for consideration.
Advantages	None	Presently the council does not know if the GB4 site is either needed or developable. Much work has still to be undertaken. A debate on the draft local plan document later this year will allow all potential development site options to be given parity of consideration and informed by the work that the council’s officers will do over the next six to nine months in determining the suitability, availability and achievability of potential site options.
Disadvantages	At this point in time the council does not know if this land is either needed for development or is actually developable. Thus should a full debate be held now then it could not meaningfully be concluded that the site	None

	should or should not be identified for development in the local plan, particularly as a Review of the Green Belt has not yet been undertaken.	
Risks	Should the outcome of a full debate be that the council decides that the land should not be identified in the forthcoming local plan then, by removing a potential development option that decision <i>may</i> mean that the council cannot evidence that sufficient allocations are available <b>in total</b> to meet the total identified need. This would have very serious implications for the ability of the council to prepare and submit a plan to Examination. Importantly, the exclusion of this site in advance of a wider local plan debate may mean that alternative sites need to be identified to meet the total housing requirement. A debate now that results in the scoping out of one site in advance of a debate on other sites could be subject to a serious legal challenge from a disadvantaged land owner or from other parties who might take issue with one potential site being excluded from consideration before a properly informed local plan debate takes place as such a decision may increase the need for other sites.	None

**5.0 Conclusion**

5.1 A petition has been received in respect of one of the potential sites identified in the Council’s “People, Homes and Jobs” Local Plan consultation. Currently it is not known if the “GB4” Green Belt site is either needed for development or is developable. Should the site be needed and be developable it may feature as one of many sites identified in a forthcoming draft local plan. That plan will be the subject of a debate at council and published for consultation. A full debate on one single site cannot be properly informed at this point in time. A decision to scope out one site in principle at this stage could well result in legal challenges from the owners of this site, or from other parties who later object to the need to identify other alternative development sites which have not had the benefit of such prior consideration.

- 5.2 Members are therefore recommended to defer detailed consideration of this site until a draft Local Plan is prepared and brought to council for consideration. A full debate at this meeting would be inappropriate, not properly informed, and introduce a significant risk to the prospects of a sound local plan being subsequently achieved.

**CONCLUSION OF IMPACT ASSESSMENT**

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

The council has a duty to prepare a local plan to address the housing and other development needs of the community. Parity of consideration of all prospective development sites through a rational approach that allows for the comparison of alternative options is a significant concept in local planning.

The council needs to identify development sites that provide opportunities for meeting the district's overall housing needs in both urban and rural areas.

**LEGAL IMPLICATIONS**

A debate in principle that leads to a decision to scope out an individual development site in advance of considering a draft local plan could well result in cost and delay through consequent legal challenges on the basis that due process was not followed. Challenge could arise from land owners, who may be aggrieved that proper consideration was not given to the potential developability of their asset, or, alternatively from parties aggrieved that the outcome of a prior debate on one site means that alternative development sites, which have not had the benefit of such consideration, may need to be identified for development instead of this site.

**FINANCIAL IMPLICATIONS**

Actions that lead to legal challenge and further delay in advancing a local plan could result in significant direct costs as the council defends its actions. Furthermore, there is also the potential that any delays could adversely affect the Council's future awards of New Homes Bonus (NHB) – this is not certain, but Government is currently consulting on this issue, as part of its overhaul of the NHB scheme.

**OTHER RESOURCE IMPLICATIONS**

**Human Resources:**

There are no direct implications.

**Information Services:**

There are no implications.

**Property:**

There are no implications.

**Open Spaces:**

The site is in private ownership and is in use for agricultural purposes. There are no implications for the management of public open space or play facilities.

**SECTION 151 OFFICER'S COMMENTS**

The s151 Officer has been consulted and has no further comments.

**MONITORING OFFICER'S COMMENTS**

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

**BACKGROUND PAPERS**

*"People, Homes and Jobs: How should we plan for our district's future?"* Public consultation 19<sup>th</sup> October to 30 November 2015. Available in "closed consultations" at:

[www.lancaster.gov.uk/planningpolicy](http://www.lancaster.gov.uk/planningpolicy)

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**Ref:** LDLP





## Leader's Report

3<sup>rd</sup> February 2016

### Report of the Leader of the Council

PURPOSE OF REPORT
To present the Leader's report to Council.
This report is public.

#### RECOMMENDATIONS

To receive the report of the Leader of Council.

#### REPORT

##### 1.0 Cabinet

Information on Cabinet matters is provided in the minutes from the Cabinet meeting held on 19<sup>th</sup> January 2016, later in this agenda.

##### 2.0 Decisions required to be taken urgently

There are no decisions to report since the last Leader's Report on 16<sup>th</sup> December 2016.

##### 3.0 Leader's Comments

Happy New Year to everyone. My last report was in late December so there have been very few meetings.

On 2<sup>nd</sup> December, the Appraisal Panel met. This is a Group of 7 that meets each quarter to appraise the C.E.O. A number of objectives are set out and Performance Measures and he informs us of the Actions Taken. We are then able to discuss future objectives.

On 18<sup>th</sup> January, the Lancaster Museums Joint Steering Group met. The meeting focussed on the County Budget changes and their impact on museums in Lancaster and on service delivery. The Arts Council England have notified us

that the Accreditation process has been experiencing some slippage and therefore we will now be receiving their “invitation” to submit on 15<sup>th</sup> June until 14<sup>th</sup> December 2016 to present our review reports. After the flooding and the changes to come, this gives us more time. Our review has involved well-qualified consultants looking at all our museums. Their report is expected by 31<sup>st</sup> January and will be coming to Cabinet. They will be appraising our plans.

Work on the leaking gutters at the City Museum has begun. The Maritime Museum suffered serious flooding. Up to two feet of water covered significant areas of the ground floor, affecting both the shop, public toilet and gallery spaces. Carpets and other floor coverings were destroyed along with large amounts of shop stock, fixtures and fittings. Fortunately, few museum objects were directly affected by the flood but subsequent rises in the humidity of these areas has led to some objects requiring conservation intervention. Humidity levels remain high and the conservation team are involved in work required in the galleries. A small group of Councillors and an officer went to Rossendale Museum before Christmas to look at the changes that they have made. This will help us in our review.

Our thanks go out to all those who worked so hard during the flooding. Some businesses are still closed and householders are dealing with the after effects. The Council worked with County and all the agencies and keeping Salt Ayre open 24 hours a day was wonderful. The Environment Agency, the Council and partners are inviting residents to have their say on flooding and find out more about the support available at a Community Roadshow on Tuesday 26<sup>th</sup> January at Our Lady’s Catholic College from 4.00 pm to 8.00 pm. It is important that we learn as many lessons as we can to ensure that we are as prepared as possible in the future. I would encourage anyone who was affected by flooding to go along.

Our main task in the last few weeks has been in looking at the Budget proposals. None of us want to make cuts but the threat of the loss of £5 million in the next four years hangs over us. I know that members will not always agree with the changes but unless they can find alternatives, these have been carefully thought through so that we can maintain our services and our environment as well as the heritage assets that we all value.

#### **4.0 Other Matters**

Cabinet minutes are attached at the end of this agenda

#### **5.0 Key Decisions**

The following Key Decisions were taken by Cabinet on 19<sup>th</sup> January 2016:

- (1) Morecambe Business Improvement District (BID) – Draft Proposal Document
- (2) Salt Ayre Sports Centre Development Project
- (3) Budget & Policy Framework Update 2016/20

**Background Papers**

Cabinet agenda and minutes of the meetings held on 19<sup>th</sup> January 2016.

**COUNCIL****Budget and Policy Framework Update 2016/17 to  
2019/20****03 February 2016****Report of Cabinet****PURPOSE OF REPORT**

To update Council and gain its feedback on the latest position regarding the development of the budget and policy framework for 2016/17 to 2019/20 and in that context, to seek approval of the level of council tax increase for 2016/17 together with targets for subsequent years, subject to local referendum thresholds.

**This report is public.**

**RECOMMENDATIONS:**

- (1) That Council considers the information provided at Annexes A and B in respect of the budget and:
- approves the 2015/16 Revised Budget, with the net underspending of £503K reducing the in-year call on Balances from £1M to £497K.
  - approves a City Council tax increase of 1.99% for 2016/17, together with a year on year target of 1.99% for future years, subject to local referendum thresholds;
  - provides any other feedback as appropriate, to inform Cabinet's final budget proposals.

**1 INTRODUCTION**

- 1.1 Under the Constitution, Cabinet has responsibility for making proposals to Council each year in respect of the Budget and Policy Framework. In recent months much work has been done to progress this, in what are very challenging times.
- 1.2 Whilst this report seeks final decisions on council tax increases and this year's Revised Budget, Cabinet's detailed supporting proposals in respect of 2016/17 onwards are presented for initial consideration only. This is so that Council can

feed its views and suggestions on budget matters back to Cabinet. Final proposals will be presented to Budget Council on 02 March.

- 1.3 To assist Council in its deliberations, the following are attached:
  - The General Fund Budget update report as considered by Cabinet at its January meeting is attached in full at **Annex A**.
  - Extracts from the relevant resolutions arising from that Cabinet meeting are included at **Annex B**.
- 1.4 It should be noted from the attachments that various budget figures for 2016/17 onwards are still provisional. In particular, the Local Government Finance Settlement has not been finalised, nor has the review of Provisions, Reserves and Balances been completed.
- 1.5 At its meeting in January Cabinet also determined its budget proposals for the provision of council housing (as accounted for in the Housing Revenue Account or HRA). Subject to the enactment of the Welfare Reform and Work Bill currently passing through Parliament, in general terms council housing rents must reduce by 1% year on year and whilst that is good for tenants, it does not help the longer term financial viability of the service and it may well prevent the Council from progressing its new build plans. A fuller update will be provided at Budget Council.

## 2 DETAILS OF CONSULTATION

- 2.1 Cabinet's General Fund budget proposals are to be considered by Budget and Performance Panel at its open meeting on 26 January. Any feedback will be fed into Council and Cabinet.

## 3 OPTIONS AND OPTIONS ANALYSIS

- 3.1 Options are very much dependent on Council's views regarding spending priorities balanced against council tax levels and what is affordable.
  - Regarding the current year's budget (see section 2 of the report at Annex A), the recommendation reflects the culmination of work done to date, and so no alternative options are put forward.
  - Regarding council tax, the main options are set out at section 7 of the report at Annex A.
  - Regarding Cabinet's other budget proposals as reflected throughout Annex B, Council is requested to give feedback at this stage. No final decisions are sought. As such, Council may indicate general support or otherwise for the proposals, and/or request Cabinet to consider other specific proposals or alternatives, having regard to preferred council tax levels, affordability, prudence, financial sustainability and what is actually deliverable.

- 3.2 Depending on the nature of any alternative proposals put forward, Officers may need additional time to assess them fully prior to detailed consideration by Members. This is to ensure that relevant considerations are taken into account, to support informed and lawful decision-making.

#### 4 **CONCLUSION**

- 4.1 As concluded in the attached report, the Council's financial challenges continue to escalate and in order to protect its future viability, it has no real choice other than to focus on balancing its budget for the medium term.
- 4.2 This aim has been central to Cabinet's budget strategy. By keeping with steady annual increases in council tax, and proposing almost £2.8M of net annual savings from a range of income generation and invest to save schemes, as well as efficiency measures and some reductions in services, Cabinet is in a position to present (broadly) balanced budget proposals for the next two years – allowing too for some modest growth. Furthermore, it has also identified a number of other reviews that will help to tackle the £2.8M estimated annual savings that are still needed.
- 4.3 These savings come on top of almost £5M of other net spending cuts that have already been made since 2010.
- 4.4 It is an almost impossible position – Council is no doubt faced with decisions that it would prefer not to have to make. But with relentless cutbacks by the Government, effectively Cabinet has been forced to propose cutting some services and bring in higher charges for others.
- 4.5 Cabinet does not want to do this and whilst it has done its best to limit the impact on communities, the reality is that the Council has to find savings from somewhere.
- 4.6 Over the last five years the Council has been able to make many savings by restructuring and changing the way it delivers services and by becoming more efficient. That can only be taken so far and there comes a point where there just isn't enough money to continue running all the services that communities want. The Council is at that point now.

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

No additional impact identified – any specific issues have been (or will be) considered as part of the relevant aspect of the policy framework or individual budget proposals, etc.

**LEGAL IMPLICATIONS**

Legal Services have been consulted and have no further comments.

**FINANCIAL IMPLICATIONS**

As referred to in the report.

**OTHER RESOURCE IMPLICATIONS**

**Human Resources / Information Services / Property / Open Spaces:**

Various budget proposals have resource implications and these have been taken account of in Cabinet's consideration of budget options. Their implementation would be in accordance with council policies and procedures, as appropriate.

**SECTION 151 OFFICER'S COMMENTS**

The Local Government Act 2003 placed explicit requirements on the s151 Officer to report on the robustness of the estimates included in the budget and on the adequacy of the Council's reserves. Previous Cabinet reports have already included some relevant details of this advice, together with the risks and assumptions underpinning the budget process so far.

Once full budget proposals are known, full formal advice on these aspects will be provided to Budget Council; this will allow the s151 Officer to consider whether there are any major shifts in the financial risks attached. In particular, attention is drawn to the chance of the s151 Officer advising on an increase in minimum Balances, to some degree.

In addition, the s151 Officer is responsible for ensuring that when setting and revising Prudential Indicators, including borrowing limits, all matters to be taken into account are reported to Council for consideration. This too will be covered in the report to Budget Council.

**MONITORING OFFICER'S COMMENTS**

The Monitoring Officer advises that, in accordance with Council Procedure Rule 19.7, (which reflects the legal requirements), a recorded vote should be taken in respect of recommendation 2, as this is a "budget decision" within the terms of the relevant legislation.

**BACKGROUND PAPERS**

None. Any public background information is already available through previous reports or the Government website.

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**CABINET**

**Budget and Policy Framework Update 2016 to 2020 –  
General Fund Revenue Budget and Capital Programme  
19 January 2016**

**Report of Chief Officer (Resources)**

PURPOSE OF REPORT			
To provide 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 2016/17.			
Key Decision	<b>X</b>	Non-Key Decision	Referral
Date of notice of forthcoming key decision	18 December 2015		
This report is public.			

**OFFICER RECOMMENDATIONS:**

1. That the 2015/16 Revised Budget be referred on to Budget Council for approval, with the net underspending of £503K reducing the in-year call on Balances from £1M to £497K.
2. That Cabinet makes recommendations to Council regarding City Council tax increases for 2016/17 and targets for future years, subject to local referendum thresholds.
3. That Cabinet makes recommendations regarding its initial budget proposals for the period from 2016/17 to 2019/20.
4. That the resulting budget position for 2016/17 onwards, together with Cabinet's detailed proposals, be referred on to Council for initial consideration as well as being presented for scrutiny by Budget and Performance Panel, in order that any feedback can be provided to Cabinet at its February meeting.

**1 INTRODUCTION AND STRATEGIC CONTEXT**

- 1.1 In strategic terms, the main challenge of budget setting is to match priorities and corporate planning objectives against what is affordable financially. Local Government continues to face major funding reductions year on year, meaning that a lesser range of services will be provided in future.



- 1.2 This report picks up on the financial implications of that work to date and the recent announcement of the provisional Local Government Finance Settlement, and gives an update on other key elements of budget setting in order that Cabinet can develop further its budget proposals.

## 2 GENERAL FUND BUDGET: SUMMARY POSITION

- 2.1 The table below pulls together the draft budget position, allowing for various base budget changes, inflation assumptions and expectations for 2016/17 and beyond, as outlined in sections 3 to 7 of this report. Figures for future years are still subject to change. A more comprehensive budget summary is included at **Appendix A**.

	2015/16 £'000	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000
<b>Net Spending / draft budget forecasts as reported in December:</b>	<b>16,444</b>	<b>17,035</b>	<b>17,209</b>	<b>18,659</b>	<b>18,790</b>
<b>Further Base Budget Changes:</b>					
Flood Recovery: estimated unfunded costs	35	-	-	-	-
Housing Benefit Administration Grant Reductions	-	125	162	198	231
New Homes Bonus Assumed Grant (Increases) or Reductions	-	(20)	243	1,122	1,291
Reduction in Contribution from Balances (down from £1M to £497K)	503	-	-	-	-
Other Net Changes	70	30	(57)	(84)	(100)
<b>Updated Draft Budget Forecasts (Prior to any savings or growth proposals)</b>	<b>17,052</b>	<b>17,170</b>	<b>17,557</b>	<b>19,895</b>	<b>20,212</b>
<b>Resulting in:</b>					
<b>Estimated Budget Deficits (or Savings Requirements)</b>	<b>-</b>	<b>949</b>	<b>2,449</b>	<b>5,005</b>	<b>5,592</b>

- 2.2 A number of key points are highlighted:

- The projections take account of the latest information or assumptions on various Government funding streams, such as Housing Benefit administration grant and New Homes Bonus. The latter is expanded on later in section 3.2 below. Housing benefit administration grant continues to fall each year, but as yet there is little reduction in workload from the implementation of Universal Credit, as an example.
- With regard to the recent floods, Government operates a Bellwin Scheme, to provide additional funding to cover relevant additional costs incurred by councils (in addition to the various funding packages available for giving support to affected residents and businesses). A threshold applies to the Bellwin Scheme, however, and an estimate of this has been allowed for above. That said, actual guidance

for the operation of the scheme has not yet been announced and therefore there is a risk that by outturn, the financial consequences of the flooding are somewhat different.

- Various other base budget adjustments have been made, to reflect the estimated costs and income for current operations and policies.
- No assumptions have been made regarding Cabinet's proposals for balancing the budget.
- In the current year, the use of Balances has been reduced by £503K (down from £1M to £497K) as a result of the forecast net underspending. No use of Balances is provided for in years 2016/17 onwards.

2.3 Cabinet is requested to refer the resulting Revised Budget to Budget Council for approval, with the underspending reducing the call on General Fund Balances. The net underspending of £503K represents 2.9% of the overall net revenue budget of £17.052M.

2.4 In terms of council tax, a 1.99% year on year increase is assumed in line with current approved strategy. Options for council tax are set out in section 7 of this report.

2.5 The draft budget for 2016/17 currently stands at £17.170M, which requires estimated savings of £949K to be identified.

2.6 There is a four year focus for this budget strategy, however; it is not simply about balancing next year. Despite the continuing progress in identifying savings and refining budget projections, as a result of the provisional Local Government Settlement the budget shortfalls in subsequent years are now even higher. In 2017/18 there is a still a huge estimated budget shortfall of over £2.4M, rising to an enormous £5.6M by 2019/20.

2.7 Budget deficits of that magnitude will not be addressed simply through efficiencies and trimming of services. Fundamental changes and very difficult decisions are needed, focusing on what really is of high priority - and what isn't.

2.8 Whilst the Council does currently have a number of significant reserves and Balances available to it, these can only help during the period of transition and they do not provide a medium term or permanent solution. The Balances position is outlined later in section 5.3.1 of this report.

### **3 LOCAL GOVERNMENT FINANCE SETTLEMENT**

#### **3.1 General Matters**

3.1.1 Further to the Chancellor's Autumn Statement published on 25 November, the provisional Local Government Finance Settlement was announced on 17 December 2015 for consultation until 15 January. Detailed information and briefings are available on the various websites ([www.gov.uk](http://www.gov.uk) or [www.lga.gov.uk](http://www.lga.gov.uk)).

3.1.2 The Settlement provides provisional funding figures for 2016/17. It also provides provisional figures for the next three years up to 2019/20, for those authorities who wish to take up Government's offer of a multi-year Settlement. The exact details of this offer (and the implications of not accepting it) are not yet clear. It is expected to

involve the production of an efficiency plan of some sort; the Government Minister has indicated a light touch approach and there is some speculation as to whether Councils' existing financial strategies will be sufficient or not. Further information is awaited.

3.1.3 Nonetheless, the offer covers the longest Settlement period ever. This move back to multi-year Settlements fits with the Council's own financial planning horizons and in principle it is very much welcomed as it should give much greater certainty with which to plan.

3.1.4 The combined total funding from baseline Business Rates and Revenue Support Grant is known as the Settlement Funding Assessment (SFA). The following table provides a comparison of the Settlement with the Council's most recent forecasts:

<b>Funding Assumptions</b>	<b>2015/16 £000's</b>	<b>2016/17 £000's</b>	<b>2017/18 £000's</b>	<b>2018/19 £000's</b>	<b>2019/20 £000's</b>
<b>Provisional Settlement:</b>					
Revenue Support Grant (RSG)	3,861	2,652	1,605	941	200
Business Rates (Baseline Funding)	5,207	5,250	5,353	5,511	5,688
<b>Settlement Funding Assessment</b>	<b>9,068</b>	<b>7,902</b>	<b>6,958</b>	<b>6,452</b>	<b>5,888</b>
<b>As Compared To:</b>					
<b>Updated MTFS (September 2015)</b>	<b>9,068</b>	<b>8,220</b>	<b>7,824</b>	<b>7,733</b>	<b>7,895</b>
<b>Year on Year Reductions in SFA (per Settlement):</b>		<b>£1.166M</b> <b>12.9%</b>	<b>£944K</b> <b>11.9%</b>	<b>£506K</b> <b>7.3%</b>	<b>£564K</b> <b>8.7%</b>
<b>Total Reduction over the Review Period:</b>					<b>£3.180M</b> <b>35.1%</b>

3.1.5 It is clear that Government has sought to redirect funding into social care and as a result, shire districts such as the City Council have been adversely affected; they will experience the greatest reductions (proportionately) over the next four years.

3.1.6 With regard to any additional income becoming available through the local retention of business rates, this will be addressed prior to February Cabinet, in line with statutory requirements. There are still significant risks around appeals and power station rating income over the next few years, however. For this reason, from 2017/18 onwards the budget projections currently assume that business rate income will fall to safety net levels (the minimum that the Council could receive in any year), rather than using the higher baseline figures announced through the Settlement.

3.1.7 Acknowledging the current retention scheme, there is nothing to indicate that the Council could (prudently) assume that its business rate yield will experience any net growth over the medium term. To highlight this, Heysham 1 Power Station is currently scheduled to be decommissioned in 2019. If so, this is expected to wipe out other growth coming through from other opportunities, such as the opening of the M6 link road and the proposed Innovation Campus at Lancaster University.

3.1.8 On a slightly more positive note though, Government has committed to engage and consult with local authorities on developing new arrangements for implementing 100% business rates retention in 2020. This presents the best opportunity to address complexities linked to the power stations and other distorting factors. The 100% rates retention proposals should not be viewed as a panacea however. They are to be 'revenue neutral' overall, in that local government will have to take on new powers, and alongside the business rate proposals Revenue Support Grant will disappear

completely - Cabinet will see from the table above that very little RSG is expected by 2019/20 in any event.

3.1.9 As a final point to highlight, developing a national distribution mechanism that balances local authorities' relative spending needs, as well as their tax raising capacity, poses an almighty headache. Inevitably there will be winners and losers.

### 3.2 New Homes Bonus

3.2.1 In terms of other Government grant funding, alongside the main Settlement Government has announced the 2016/17 New Homes Bonus provisional allocations, as well as a consultation on reforms to the New Homes Bonus (NHB) Scheme from 2017/18 onwards. It is good news that the scheme is to continue, as there was no absolute certainty over this. Rather than the future Scheme working on a six-year award cycle, however, it would work on a four-year cycle.

3.2.2 Government is also seeking to redirect into social care around £800M of the total NHB funding currently available. This is not good news for district councils.

3.2.3 The consultation involves various options, with a strong message that the Government is considering linking the award of NHB to a council's progress in submitting a Local Plan. The consultation states that 'given the importance of a Local Plan in identifying housing needs in an area and setting the options for decisions on individual planning applications, the Government is considering options for withholding some or all of the bonus from authorities that have not yet produced a Local Plan'.

3.2.4 There are various other matters covered in the consultation, which runs until 10 March. Given its nature, it is not possible to do any detailed modelling but the Government has provided indicative authority allocations from 2017/18 onwards, as well as the firmer figures for next year. These are shown below and the draft budgets have been updated accordingly.

	<b>NHB Estimate per MTFS £000's</b>	<b>NHB Provisional Settlement £000's</b>	<b>Difference  £000's</b>
<b>2016/17</b>	1,896	1,916	(20)
<b>2017/18</b>	2,143	1,900	243
<b>2018/19</b>	2,322	1,200	1,122
<b>2019/20</b>	2,491	1,200	1,291

### 3.3 Core Spending Power

- 3.3.1 Members may have noticed that Government has once again retained the concept of 'spending power', but it has changed the calculation and now calls it 'core spending power'. Essentially this gives an annual comparison of the combined total of general Government funding and assumed income from council tax. Given that the measure includes council tax income, which is forecast to increase, the headline year on year reductions are lower overall, than those for Settlement funding and New Homes Bonus. The City Council's figures as produced by Government are as follows:

<b>Core Spending Power</b>	<b>2015/16 £M</b>	<b>2016/17 £M</b>	<b>2017/18 £M</b>	<b>2018/19 £M</b>	<b>2019/20 £M</b>
Settlement Funding Assessment	9.2	7.9	7.0	6.5	5.9
Assumed Council Tax Income (Allowing for estimated tax base growth and inflationary tax rate increases)	7.9	8.1	8.4	8.7	9.1
Assumed New Home Bonus Grant	1.3	1.9	1.9	1.2	1.2
<b>Total: Core Spending Power</b>	<b>18.3</b>	<b>17.9</b>	<b>17.3</b>	<b>16.4</b>	<b>16.1</b>
<b>Reduction over the Review Period:</b>					<b>£2.2M</b>
					<b>11.9%</b>

## 4 COLLECTION FUND POSITION

- 4.1 The Collection Fund is the account into which all council tax and business rate income is payable, and from which precepts and other relevant payments are made to the County, Police, Fire and the City Council's own General Fund, as well as to Government for its share of business rates.
- 4.2 Legislation now requires that separate estimates of any surpluses or deficits on the Collection Fund are made each year for council tax (15 January) and business rates (by 31 January).
- 4.3 In respect of council tax, the review of the Collection Fund's financial position is still expected to result in a surplus of £460K being declared. This surplus will be shared with major precepting authorities, with the City Council's share being £60K. This is already built into the draft budget.
- 4.4 It is well documented that for business rates, the calculation of any surplus or deficit is more complicated primarily because of the impact of appeals. The final position will be determined in line with the 31 January deadline for reporting to Cabinet in February.
- 4.5 At this stage, therefore, Cabinet is asked simply to note the position, acknowledging that further budget changes may be needed in due course, particularly as a result of the business rates position.

## 5 PROVISIONS AND RESERVES (INCLUDING UNALLOCATED BALANCES)

- 5.1 Provisions and reserves (as set out at **Appendix B**) help the Council to deliver against its corporate priorities and manage the many financial risks it faces. A summary of these funds is shown below.

	31 March 15 £'000	Net Movements £000's	31 March 16 £'000	Net Movements £000's	31 March 17 £'000
General Fund Balances	4,625	-497	4,128	-	4,128
Earmarked Reserves	6,160	-161	5,999	-260	5,739
<b>TOTAL</b>	<b>10,785</b>	<b>-658</b>	<b>10,127</b>	<b>-260</b>	<b>9,897</b>

- 5.2 Under current legislation the Section 151 Officer is required to give explicit advice to Council on the minimum level of reserves and balances. This will be formalised in February, once full budget proposals are known. This will allow the s151 Officer to consider fully whether there are any major shifts in financial risk attached.

- 5.3 In terms of the budget position to date, key points are as follows.

### 5.3.1 General Fund Balances

After allowing for this year's forecast net underspending, balances would amount to £4.128M by 31 March 2016. If the existing minimum balance of £1M remained unchanged and the current year's outturn is as expected, surplus balances of just over £3.1M would be available to support future years' budgets. It should be expected, however, that given the extent of savings needed over the next four years and the increased level of risk inherent in delivering major changes to balance the budget, the s151 Officer is likely to advise an increase in minimum Balances, to some degree. She cannot finalise her advice until Cabinet has presented its budget proposals, however.

These matters will be explored further in the coming weeks. As a recap and drawing on the Council's existing Medium Term Financial Strategy (MTFS), in broad terms the working principle is that surplus Balances would be used to help manage the risks, lead-in times and up-front investment costs associated with implementing savings measures.

### 5.3.2 Earmarked Reserves

Various changes have been made to the transfers to and from these reserves in line with their current authorised use and as such, they are budget neutral. More substantial changes may be made in February. In particular, the Authority continues to hold substantial balances in the Invest to Save (£1.461M) and Restructuring (£603K). Advice and the adequacy and use of such reserves will also be influenced by Cabinet's budget proposals.

## 6 GENERAL FUND CAPITAL PROGRAMME

- 6.1 Since December Cabinet, the only change to the gross capital programme relates to a funding adjustment for the Lancaster Square Routes scheme. This has reduced the underlying need to borrow slightly.
- 6.2 The resulting draft capital position is summarised as follows and a more detailed statement is included at **Appendix C**, for Cabinet's consideration.
- 6.3 In due course, there will be other changes to consider with regard to the capital programme, linked to the consideration and development of potential budget proposals (for example, Salt Ayre redevelopment). Some such proposals may be incorporated prior to Budget Council, but some may well be for consideration and updating during the next financial year.

	Gross Programme	Change in Underlying Borrowing Need: CFR
	£000	£000
<b>Original Approved Programme (2015/16 to 2019/20)</b>	<b>29,786</b>	<b>+13,049</b>
Changes report to Cabinet 01 December	+4,159	+2,057
Further Changes: Lancaster Square Routes – Additional External Funding	--	-11
<b>Resulting Draft Capital Programme (to 2019/20)</b>	<b>33,945</b>	<b>+15,095</b>

## 7 COUNCIL TAX: OPTIONS

- 7.1 Under the Localism Act, if an authority's council tax increase exceeds the principles set by the Secretary of State, then it must hold a local referendum.
- 7.2 Government has announced as part of the provisional Settlement that a general threshold of 2% will still apply for most local authorities. For those shire districts whose council tax currently falls within the lowest quartile, they may increase their Band D tax rate by £5 – slightly more than the standard threshold. Furthermore, those authorities that have social care responsibilities may increase their council tax rate by a further 2%. Neither of these conditions apply to the City Council, however. This means that provisionally the Council's maximum permissible increase without needing to hold a referendum remains at 1.99%, which fits with approved strategy.
- 7.3 This assumed increase of 1.99% would increase the City Council's tax rate of £203.97 to £208.03 for a Band D property. The increase amounts to around £4.06 per year or 8 pence per week.
- 7.4 Government has not continued with its previous offer of compensation grant if Councils choose to freeze their council tax rates next year. Alongside the changes outlined on referendum thresholds, this marks a significant change in Government policy with regard to council tax. Whilst local authorities do not have complete autonomy in terms of tax setting, there is now apparent recognition by Government

that increasing tax to some degree may be a reasonable way to help protect service delivery.

7.5 Drawing on the above factors, two basic options for council tax are presented, to demonstrate the impact of tax changes. A 1% change in council tax would generally have around an £81K impact on the budget.

Council Tax Scenarios	Estimated Budget Impact			
	2016/17	2017/18	2018/19	2019/20
<b>Option 1:</b> Retain existing strategy: maintain a steady increase to help protect service delivery, taking account of referendum thresholds  <b>1.99% assumed in all years, subject to local referendum thresholds</b>	£949K net savings requirement	£2.449M net savings requirement	£5.005M net savings requirement	£5.592M net savings requirement
<b>Option 2:</b> Freeze council tax year on year, increasing the pressure to make savings on service delivery.  <b>0% change year on year</b>	£1.110M net savings requirement	£2.779M net savings requirement	£5.513M net savings requirement	£6.287M net savings requirement
<b>Net Impact on Savings Requirement between the two options</b>	<b>£161K</b>	<b>£330K</b>	<b>£508K</b>	<b>£695K</b>

7.6 In reality there are numerous other targets that may be considered for the period, but for simplicity the options presented just include the current MTFS assumptions of an annual 1.99% increase, and the impact of freezing council tax year on year.

7.7 The table shows that an additional savings requirement of £161K in 2016/17 would need to be met if council tax was frozen, and this is estimated to rise to almost £700K by 2019/20.

7.8 Cabinet is now requested to decide what level of council tax increase to recommend for next year and what targets to propose for 2017/18 onwards. In doing so, Cabinet is advised to consider:

- the council tax threshold, above which a local referendum must be held;
- subsequent years' general Government funding reductions and the need to make huge savings in future;
- financial sustainability. In short, it is not possible to keep tax increases lower than planned, without increasing the budget shortfalls in 2016/17 and beyond. More savings cannot be delivered without having greater adverse impact on services and communities.



- 7.9 Cabinet is reminded that its council tax recommendation for 2016/17 will be final (subject to the threshold), for subsequent consideration by Council. Targets for 2017/18 and beyond will be reviewed in future years, in accordance with the Medium Term Financial Strategy (MTFS).

## 8 **BALANCING THE BUDGET: CABINET'S BUDGET PROPOSALS**

- 8.1 Alongside council tax, Cabinet is also requested to make recommendations regarding its supporting budget proposals for initial consideration by Council. Officers were tasked by Cabinet Members to identify savings options; this has been achieved and they have been presented informally to the Leader's Briefings. Whilst the provisional Settlement has resulted in an even higher level of savings being needed by 2019/20, Officers have identified other areas in which savings can be made, on top of the savings options already quantified and these will be developed for further consideration as appropriate, in due course.
- 8.2 Ideally Cabinet's budget proposals should seek to balance the medium term budget as far as possible, but there will be another opportunity at the February meeting to make some further changes. Importantly, the Council has a statutory obligation to set a balanced budget for 2016/17, and its proposals for the years up to 2019/20 could well influence the Council's ability to take up the Government's offer of a multi-year Settlement.
- 8.3 It is also important to appreciate that any decisions taken during this budget on recurring items will have a bearing in future years; emphasis should be on securing recurring annual savings, rather than one-off measures. This is reflected in the current financial strategy, as is the Council's position on growth, which is quoted below. Cabinet is advised to take account of this in deciding on whether to consider any growth requests.

### ***Growth (Redirection of Resources)***

*Growth in a particular area will only be considered if it meets either of the following conditions:*

- *it is needed to meet statutory service standards; or*
- *it is essential to meet a key objective within Corporate Plan proposals, for which there are no alternative providers or sources of funding available **and** sufficient progress has been made in adopting plans for addressing the medium term budget deficit, so as to consider any growth proposal affordable and sustainable in the medium to long term. This applies particularly to any recurring or high cost one-off growth proposals.*

- 8.4 Taking account of current strategy and the enormous financial challenges ahead, at present the s151 Officer's provisional advice is that any recurring discretionary growth is unaffordable and unsustainable in the medium to longer term, but there may be some limited scope for some one-off redirection of resources, taking account of priorities and subject to enough savings being identified to balance the medium term budget.
- 8.5 Once Cabinet's budget proposals are determined they will be reflected in the draft Corporate Plan as well as the draft budget framework, for Council's due consideration. Similarly the s151 Officer's formal advice will be finalised.

**9 DETAILS OF CONSULTATION**

9.1 Cabinet's budget proposals are due to be considered by Budget and Performance Panel at its meeting on 26 January, prior to February Council.

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

10.1 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.

10.2 Under the 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.

**11 OFFICER PREFERRED OPTION AND COMMENTS**

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

11.2 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 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.

**12 CONCLUSION AND IMPLICATIONS FOR THE FUTURE**

12.1 The Council's financial challenges continue to escalate and in order to protect its future viability, it has no real choice other than to focus on balancing its budget for the medium term.

**RELATIONSHIP TO POLICY FRAMEWORK**

The budget should represent, in financial terms, what the Council is seeking to achieve through its Policy Framework.

**CONCLUSION OF IMPACT ASSESSMENT**

**(including Diversity, Human Rights, Community Safety, Sustainability etc)**

There are no other implications directly arising in terms of the corporate nature of this report – any implications would be as a result of specific decisions on budget proposals affecting service delivery, etc.

**FINANCIAL AND OTHER RESOURCE IMPLICATIONS**

As set out in the report.

**SECTION 151 OFFICER’S COMMENTS**

The section 151 Officer has prepared this report, and her comments and advice are reflected accordingly. Attention is drawn to two specific areas in the report, in which the s151 Officer has set out some provisional advice.

In section 5.3.1, it is highlighted that the s151 Officer is likely to advise an increase in minimum Balances, to some degree.

In section 8.4, it is highlighted that at present the s151 Officer’s provisional advice is that any recurring discretionary growth is unaffordable and unsustainable in the medium to longer term, but there may be some limited scope for some one-off redirection of resources, taking account of priorities and subject to enough savings being identified to balance the medium term budget.

Her advice on all relevant matters will be expanded upon once Cabinet’s budget proposals are known.

**LEGAL IMPLICATIONS**

Legal Services have been consulted and have no further comments to add.

**MONITORING OFFICER’S COMMENTS**

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

**BACKGROUND PAPERS**

None. Any public background information is already available through previous reports or the Government website.

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# GENERAL FUND REVENUE BUDGET 2015/16 TO 2019/20

For Consideration by Cabinet 19 January 2016

	2015/16	2016/17	2017/18	2018/19	2019/20
	£000	£000	£000	£000	£000
<b>Original Revenue Budget &amp; Projections</b>	<b>17,052</b>	<b>18,218</b>	<b>18,590</b>	<b>0</b>	<b>0</b>
<i>Allowing for budgeted use of Balances</i>	<i>(1,000)</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
Changes to Budget Projections - <i>Cabinet 01 December</i>	(608)	(1,183)	(1,381)	18,659	18,790
<b>Base Budget Changes after Cabinet 01 December</b>					
Emergency Flood Recovery (unfunded costs)	35	0	0	0	0
HB Admin Grant reduction	0	125	162	198	231
VAT on Search Fees	5	31	32	32	33
Employees / Consultancy / Living Wage Increase	67	74	10	(9)	(9)
Income Projections Updated	8	(49)	(58)	(66)	(73)
Other Minor Net Changes	(10)	(26)	(41)	(41)	(51)
<b>New Homes Bonus changes</b> (subject to consultation)	<b>0</b>	<b>(20)</b>	<b>243</b>	<b>1,122</b>	<b>1,291</b>
Reduced Contribution from Balances	503	0	0	0	0
<b>Latest Net Revenue Budget Forecast</b>	<b>17,052</b>	<b>17,170</b>	<b>17,557</b>	<b>19,895</b>	<b>20,212</b>
<b>Provisional Finance Settlement:</b>					
<b>Revenue Support Grant</b>	<b>(3,861)</b>	<b>(2,652)</b>	<b>(1,605)</b>	<b>(941)</b>	<b>(200)</b>
<b>Retained Business Rates</b>	<b>(5,207)</b>	<b>(5,250)</b>	<b>(5,353)</b>	<b>(5,511)</b>	<b>(5,688)</b>
Business Rates - Safety Net Adjustment			401	413	427
<b>Estimated Collection Fund Surplus</b>	<b>(131)</b>	<b>(60)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Current Council Tax Funding Requirement</b>	<b>7,853</b>	<b>9,208</b>	<b>11,000</b>	<b>13,856</b>	<b>14,751</b>
Target Council Tax Requirement <i>(To fit with a council tax increase of 1.99% per year)</i>	7,853	8,259	8,551	8,851	9,159
<b>Estimated Budget Deficit / Savings Requirement</b>	<b>0</b>	<b>949</b>	<b>2,449</b>	<b>5,005</b>	<b>5,592</b>

## Comparison of Indicative Funding Shortfalls (i.e. Savings Requirements)

Updated MTFS (Sept 2015)	496	836	2,076	1,736
Projected Worse Case	898	1,533	3,307	3,146
Provisional Settlement	949	2,449	5,005	5,592

	2015/16	2016/17	2017/18	2018/19	2019/20
	<b>Impact on Council Tax</b>				
<i>Tax Base Projections</i>	38,500	39,700	40,300	40,900	41,500
<b>Band D City Council Tax Rate - MTFS Targets</b>	<b>£203.97</b>	<b>£208.03</b>	<b>£212.17</b>	<b>£216.39</b>	<b>£220.70</b>
<i>Percentage Increase Year on Year</i>	1.99%	1.99%	1.99%	1.99%	1.99%
<b>Current Council Tax Projections</b>	<b>£203.97</b>	<b>£231.94</b>	<b>£272.94</b>	<b>£338.76</b>	<b>£355.46</b>
<i>Percentage Increase Year on Year</i>	1.99%	12%	15%	19%	5%

	£M
	<b>General Fund Unallocated Balances</b>
<i>Budgeted Position</i>	
<b>Original projected balance as at 31 March 2015</b>	<b>4.071</b>
Add: 2014/15 Underspend	0.554
Less: Budgeted Contribution for 2015/16	(1.000)
Add: Current Projected Underspend for 2015/16	0.503
<b>Latest Projected Balance as at 31 March 2016</b>	<b>4.128</b>
Less: Current Minimum Level	(1.000)
<b>Amount Available to Support Budgets 2016/17 onwards</b>	<b>3.128</b>

# RESERVES AND PROVISIONS STATEMENT (INCLUDING BALANCES)

For consideration by Cabinet 19 January 2016

GENERAL FUND	2015/16				2016/17				2017/18				2018/19				2019/20			
	Balance ast at 31/03/15 £	Contributions to Reserve		Balance ast at 31/03/16 £	Contributions to Reserve		Balance ast at 31/03/17 £	Contributions to Reserve		Balance ast at 31/03/18 £	Contributions to Reserve		Balance ast at 31/03/19 £	Contributions to Reserve		Balance ast at 31/03/20 £				
		From Revenue £	To Capital £		To Revenue £	From Revenue £		To Capital £	To Revenue £		From Revenue £	To Capital £		To Revenue £	From Revenue £		To Capital £	To Revenue £		
<b>General Fund Balance</b>	4,625,207		(497,000)	4,128,207			4,128,207			4,128,207			4,128,207			4,128,207				
<b>Earmarked Reserves:</b>																				
Apprenticeships	38,054	21,200	(19,600)	39,654			39,654			39,654			39,654			39,654				
Business Rates Retention	381,458	To be confirmed		381,458			381,458			381,458			381,458			381,458				
Capital Support	298,767			298,767			298,767			298,767			298,767			298,767				
Elections	0			0	40,000		40,000	40,000		80,000	40,000		120,000	40,000	(160,000)	0				
Highways	279,390			279,390			279,390			279,390			279,390			279,390				
Homelessness Support	16,285		(1,200)	15,085		(10,200)	4,885			4,885			4,885			4,885				
Invest to Save	1,501,412		(10,000)	1,491,412		(30,000)	1,461,412			1,461,412			1,461,412			1,461,412				
Local Plan	42,167	12,800		54,967		(16,400)	38,567		(38,600)	(33)			(33)							
Markets	59,599		(5,000)	54,599			54,599			54,599			54,599			54,599				
Morecambe Area Action Plan (MAAP)	223,803		(90,000) (37,900)	95,903			95,903			95,903			95,903			95,903				
Corporate Property	342,585		(59,300)	283,285			283,285			283,285			283,285			283,285				
Open Spaces Commuted Sums	128,448		(24,400)	104,048		(22,500)	81,548		(20,900)	60,648		(16,600)	44,048		(15,600)	28,448				
Performance Reward Grant	19,000		(19,000)	0			0			0			0			0				
Renewals (all services)	707,601	605,400	(271,000) (295,100)	746,901	402,800	(477,000) (69,500)	603,201	402,300	(230,000) (43,100)	732,401	402,300	(280,000) (48,300)	806,401	402,300	(120,000) (44,800)	1,043,901				
Restructuring	602,922			602,922			602,922			602,922			602,922			602,922				
S106 Commuted Sums - Affordable Housing	614,632	184,100	(130,000)	668,732		(93,000)	575,732			575,732			575,732			575,732				
S106 Commuted Sums - Highways, crossing & cycle paths	504,729		(117,000)	387,729			387,729			387,729			387,729			387,729				
Welfare Reforms	307,996	102,700	(18,900)	391,796			391,796			391,796			391,796			391,796				
Youth Games	21,514	15,000	(3,600)	32,914	15,000		47,914	15,000	(41,800)	21,114	15,000		36,114	15,000		51,114				
<b>Reserves Held in Perpetuity:</b>																				
Graves Maintenance	22,201			22,201			22,201			22,201			22,201			22,201				
Marsh Capital	47,677			47,677			47,677			47,677			47,677			47,677				
<b>Total Earmarked Reserves</b>	<b>6,160,241</b>	<b>941,200</b>	<b>(667,300) (434,700)</b>	<b>5,999,441</b>	<b>457,800</b>	<b>(600,000) (118,600)</b>	<b>5,738,641</b>	<b>457,300</b>	<b>(230,000) (144,400)</b>	<b>5,821,541</b>	<b>457,300</b>	<b>(280,000) (64,900)</b>	<b>5,933,941</b>	<b>457,300</b>	<b>(120,000) (220,400)</b>	<b>6,050,841</b>				

Note - For various provisions and reserves, not all spending needs are reflected and so over the period their balances will reduce from the levels shown above, as and when spending commitments and their timing are confirmed.

Provisions	Balance ast at 31/03/15 £
Bad Debts	1,174,523
Legal	175,000
Insurance	359,608
<b>Total Provisions</b>	<b>1,709,131</b>



**Budget and Policy Framework 2016/17 to 2019/20****Extract from Resolutions of Cabinet: 19 January 2015**

1. That the 2015/16 Revised Budget be referred on to Budget Council for approval, with the net underspending of £503K reducing the in-year call on Balances from £1M to £497K.
2. That Council be recommended to approve a City Council tax increase of 1.99% for 2016/17, together with a year on year target of 1.99% for future years, subject to local referendum thresholds.
3. That Cabinet approves its initial budget proposals as set out in the following Appendices .....
- Appendix A:** Savings approved for inclusion into the base budget for implementation immediately, using delegated powers.

**Appendix B:** Savings and limited growth for implementation following approval at Budget Council.

**Appendix C:** Savings options to be explored further, with detailed reports being considered during 2016/17.
4. That the above proposals and the resulting Revenue Budget position and Capital Programme for 2016/17 onwards, as set out at **Appendices D and E** .... respectively, be referred on to Council for initial consideration as well as being presented for scrutiny at the open meeting of Budget and Performance Panel, in order that feedback can be provided to Cabinet at its February meeting.
5. That as a result of the above, it be noted that:
  - a. once fully implemented, the proposals at Appendix B .... would generate annual net estimated savings of £2.784M;
  - b. currently the revenue budget proposals for 2016/17 and 2017/18 are more or less balanced, allowing for a relatively small contribution to Balances in 2017/18, but some significant figures (such as the provisional Settlement) are still subject to change;
  - c. there is still a need to make cumulative estimated savings of £5.183M over the period 2018 to 2020 (with £2.846M of this ongoing thereafter) from the outline savings options included at Appendix C .... and any other options to be identified in future budget reviews.
6. That the draft Corporate Plan 2016 to 2020 be updated to reflect the above proposals for initial consideration by Cabinet, prior to being referred on to Budget Council, on the basis that the Council's existing priorities of
  - d. Clean, Green and Safe Place
  - e. Health and Wellbeing
  - f. Community Leadership
  - g. Sustainable Economic Growth

be retained but clearly the scope and nature of the activities in support of those priorities is changing and/or reducing, and this will continue in future as the Council strives to balance its budget to 2020.

7. That Cabinet supports in principle Government's offer of a four year finance settlement and this principle be reflected within financial strategy, but it be subject to review once the details of the offer are known.
8. That at its February meeting Cabinet considers the use of available Reserves and Balances in support of finalising its Budget and Medium Term Financial Strategy (MTFS) proposals to 2020, having regard to the advice of the section 151 Officer and the need to make further substantial savings from 2017/18 onwards, on top of the significant programme of budget savings measures already proposed.



**Notes and Conditions to the Savings and Growth Proposals at Appendix B**

a. The new charging policies for:

- Splash Park admission
- Event applications
- Green Waste collection
- Electric Car charging points
- Local Elections (Parish and Town Councils)
- Credit Card payments

would be incorporated into the Council's Fees and Charges Policy, with the detailed arrangements for implementation being delegated to the relevant Chief Officer in consultation with the relevant Portfolio Holder/s, and with the agreement of the Chief Officer (Resources).

b. Other changes to existing fees and charges would also be implemented by Chief Officers under existing delegated powers.

c. In implementing (a) and (b) above, Officers would consider the exercising of appropriate discretions and concessions in charging, to help ensure fairness and accessibility of services to all.

d. With regard to CCTV, notice would be given as soon as possible to terminate the relevant services contracts, but within the notice period and prior to actual decommissioning of the equipment any approaches made by organisations interested in taking on the operation (at no cost to the Council) would be appraised and considered.

Cabinet recognises that at a time of Government cuts, this Council cannot continue to provide the existing funding required to maintain and/or renew the existing CCTV system in the Lancaster district from April 2017, but asks Officers to make enquiries with other organisations to see if they may be in a position to get involved in maintaining either an externally staffed or volunteer-led CCTV system.

e. Alongside ceasing winter bedding, the Council would provide an opportunity for others to become involved in the maintenance of flower beds, where operationally practical and appropriate, and would consider providing winter bedding plants to such organisations where reasonable and practical to do so.

f. In reducing (by 50%) the contributions made to parishes in respect of public toilet provision, a review would be undertaken after the first year, to help inform whether any further policy changes should be made from 2017/18 onwards.

g. An evaluation would be required of the pilot for Litter Enforcement Services, ahead of any decision regarding its future beyond 2017/18.

- h. With regard to Community Pools, notice would be given as soon as possible that the City Council is to hand back management responsibility to the County Council, acknowledging that there would be a notice period of up to 12 months. On giving notice, the County Council be encouraged to work with community groups and organisations to help secure the pools' future (at no cost to the City Council).
- i. The Council would withdraw its involvement from the Youth Games from next year. In doing so, it would again invite organisations to take on the role/provide sponsorship (at no cost to the Council).
- j. A review of the staffing needs of the Development Management service is currently being finalised, to determine to what extent a permanent increase in staffing is needed to maintain service and income levels (and so whether the proposal constitutes Investing to Save). Ahead of that review report being issued, the budget proposal is shown simply as growth.
- k. In time the Digital Workplace initiative should represent an Invest to Save initiative, but before any savings can be identified, extra capacity and resources are required to develop future plans and proposals. Therefore, at this stage only the initial up-front up investment is provided for, under growth.

**Notes to the Savings Options to be Explored Further as set out in Appendix C**

- a. A future report on room hire policy is to be considered during next year, to promote greater consistency and transparency, as well as increasing income.
- b. A report on three weekly collection of waste will be prepared. This would be a matter for consideration for much later implementation however, i.e. not before 2019/20 onwards in all likelihood. In addition the financial viability of replacing the current recycling boxes with bins will be appraised.
- c. Options for the funding of Voluntary, Community and Faith Sectors (VCFS) will be considered during next year, to apply from 2017/18 onwards, taking account of statutory consultation needs.
- d. Council Business Committee would be requested to review the Council's civic regalia, to make recommendations on what is essential to keep, what is desirable to keep, and what could be disposed of, in some form. Insurance arrangements would also be reviewed.
- e. Whilst there is commitment to retaining a performance venue in Morecambe, ways to improve the Platform's financial performance (and reduce/negate its net operating costs) will be developed and considered during next year.
- f. A review of the grants provided to the Arts will also be undertaken, to determine options for 2017/18 onwards.
- g. The future of the Maritime and Cottage Museums will be reviewed, alongside moves to encourage the County Council to explore community running of its museums provision (potentially through a Trust), with the aim of securing the museums' future in this district. That said, the aim will be to significantly reduce or negate operating costs of all museums, and mothballing of the Maritime and Cottage Museums will also be an option for consideration.
- h. Options to withdraw or rationalise Visitor Information Centres (VICs) will also be developed.
- i. Public consultation on the Localised Council Tax Support Scheme options for 2017/18 onwards would be undertaken during summer 2016, to meet legal requirements, ahead of a report being considered by Council.
- j. A full report on options for rationalising (reducing) the Council's office accommodation will be produced. Specifically, this will cover Lancaster Town Hall, Morecambe Town Hall, and Palatine Hall. Should disposal of any of these properties be recommended, public consultation would be undertaken regarding their future.

- k. A report on other corporate property disposal (and acquisition) policy will be considered. Under financial strategy, any resulting receipts will be used to reduce the Council's capital financing costs, to generate revenue budget savings.
- l. External advice has been commissioned, to help ascertain whether there is scope to reduce the City Council's pension contribution costs for three-year period from 2017/18 to 2019/20. The outcome of this will be known during next year. The work has been commissioned jointly with various other Lancashire districts.

### **Additional Comments regarding Potential Budget Options**

- m. The concept of a discount/concession card for residents will be explored (potentially to apply to a variety of services), drawing on other authorities' schemes.
- n. As well as the specific reviews mentioned above, there will be the need to ensure that the Council has sufficient capacity to deliver its programme of budget savings measures, and any interim need to boost capacity in the interim will be covered through use of Reserves. In the longer term, however, there is an expectation that support service capacity will need to be reassessed, to reflect further reductions in the Council's service delivery, as well as any increased demands through innovation and commercialisation, for example.

## GENERAL FUND REVENUE BUDGET - 2016/17 TO 2019/20

## BASE BUDGET CHANGES

For consideration at Council on 03 February 2016

	2016/17	2017/18	2018/19	2019/20
	£	£	£	£
<b>BASE BUDGET CHANGES</b>				
<b>Environmental Services</b>				
<b>Reduce seasonal gardeners' weeks by 5</b>	(24,500)	(25,000)	(25,500)	(26,000)
<i>The number of contracted weeks will reduce to 21. Mowing schedules will not be met for the last 5 weeks of the season, but this will be at a time when typically, grass is growing slowly.</i>				
<b>Convert permanent post to seasonal at Williamson Park</b>	(8,100)	(8,300)	(8,500)	(8,700)
<i>Recruitment on a part-time basis (22 hours per week) to a currently vacant full time grounds maintenance operative. This will result in a minor reduction in the level of horticultural maintenance.</i>				
<b>Creation of a Meerkat enclosure at Williamson Park</b>	(25,500)	(26,000)	(26,500)	(27,000)
<i>Development of a meerkat enclosure within the zoo area to continue the growth in visitor numbers and generate additional income for the park.</i>				
<b>Use of Vehicles</b>	(10,000)	(15,300)	(15,600)	(15,900)
<i>Use of the fleet tracking system to improve the management of the Council's fleet. Savings relate to a reduction in fuel usage levels and car allowances paid.</i>				
<b>Deliver HGV driver training in-house</b>	0	(1,000)	(1,000)	(1,000)
<i>The training is currently delivered by an external company but can be delivered by the Safety Manager in future, following some initial training (£1K cost netted off in 2016/17).</i>				
<b>Resources</b>				
<b>Printing Review</b>	(2,500)	(12,000)	(14,000)	(16,000)
<i>A review of printing needs and habits (and distribution) with education for users on how to reduce printing and when to outsource to secure VFM. (Initial consultancy support of £7.5K netted off in 2016/17).</i>				
<b>Mobile Phone Review</b>	(10,000)	(10,200)	(10,400)	(10,600)
<i>Review of the use of mobile phones and consolidation of mobile phone contracts.</i>				
<b>Multi Functional Devices (MFD) Renewals</b>	(11,500)	(11,700)	(11,900)	(12,100)
<i>MFDs are large printing/photocopying/scanning machines located in offices. Replacement &amp; renewal of MFD fleet using a procurement framework.</i>				
<b>Reduction in Network Contract</b>	(6,500)	(8,000)	(8,200)	(8,400)
<i>Renewing contracts for the ICT connections between buildings, at the same time as increasing the ability for "multi-pathing" to improve resilience / disaster recovery. (Initial £1.5K for consultancy netted off in 2016/17).</i>				
<b>Corporate</b>	0	63,300	64,200	64,800
<i>Estimated Impact of Apprenticeship Levy, from 2017/18 onwards.</i>				
<b>TOTAL</b>	<b>(98,600)</b>	<b>(54,200)</b>	<b>(57,400)</b>	<b>(60,900)</b>

**GENERAL FUND BUDGET - 2016/17 TO 2019/20**  
**CABINET'S PROPOSED SAVINGS & GROWTH**

For consideration at Council on 03 February 2016

Up Front  
Investment  
/ Cost

		2016/17	2017/18	2018/19	2019/20	Capital
		£	£	£	£	£
<b>SAVINGS PROPOSALS (Allowing for estimated inflation)</b>						
<b>Income Generation</b>	<b>No.</b>					
<b>Environmental Services</b>						
Charging for Splash Park Admission	1	0	(56,500)	(57,900)	(59,400)	
Charging for Event Applications	2	(2,000)	(2,000)	(2,000)	(2,000)	
Charter Market	3	(2,700)	(2,800)	(2,900)	(3,000)	
Festival Market	3	(10,000)	(10,200)	(10,400)	(10,600)	
Bulky Waste	3	(10,000)	(10,200)	(10,400)	(10,600)	
Bins and boxes (current policy)	3	(9,000)	(9,200)	(9,400)	(9,600)	
Extending Charging Policy for bins and boxes (all households)	4	(92,300)	(94,100)	(96,000)	(97,900)	
Green Waste - charging for Collection	5	(505,000)	(870,000)	(887,400)	(905,100)	
Electric Car Charging Points - Introduction	6	0	(10,000)	(10,200)	(10,400)	
<b>Governance</b>						
Local Elections - Charging Cost to Parish Councils	7	0	0	0	(14,100)	
<b>Health &amp; Housing</b>						
Disabled Facilities Grant Admin. Fees - Increase to 18%	8	(14,400)	(14,700)	(15,000)	(15,300)	
Pest Control - Additional Contracts	9	2,500	(25,000)	(50,000)	(51,000)	
HMO Licence Fees - Cease Refunds	10	(1,000)	(1,000)	(1,000)	(1,000)	
Cemetery Fees - Increase by additional 3%	11	(6,900)	(7,000)	(7,100)	(7,200)	
Statutory Notices (Housing Act 2004) Fee Increase	12	(1,000)	(1,000)	(1,000)	(1,000)	
<b>Resources</b>						
Charging for Credit Card Payments	13	10,000	(25,000)	(25,000)	(25,000)	
<i>Sub Total</i>		(641,800)	(1,138,700)	(1,185,700)	(1,223,200)	
<b>Invest to Save Schemes</b>						
<b>Health &amp; Housing</b>						
Salt Ayre Sports Centre - Developer Partnership	14	110,000	(400,000)	(450,000)	(500,000)	5,000,000
<b>Resources</b>						
Corporate Property - Energy Efficiency Works	15	(69,700)	(40,100)	(45,400)	(53,000)	1,376,000
<i>Sub Total</i>		40,300	(440,100)	(495,400)	(553,000)	
<b>Service Efficiencies and Reductions</b>						
<b>Environmental Services</b>						
Management & Administration Restructure	16	(40,000)	(100,000)	(210,000)	(210,000)	
Building Cleaning Review	17	0	(10,000)	(10,100)	(10,200)	
CCTV - Termination of Contracts	18	0	(167,000)	(170,300)	(173,700)	
Cease Winter Bedding	19	(45,000)	(45,900)	(46,800)	(47,700)	
Parish Toilets - 50% Reduction in Contributions	20	(14,300)	(14,650)	(14,900)	(15,200)	
Litter Enforcement Services - 12 Month Pilot	21	(60,000)	(60,000)	?	?	
<b>Governance</b>						
Grants to VCFS - LESS Grant Funding Withdrawal	22	(4,300)	(4,300)	(4,400)	(4,500)	
<b>Health &amp; Housing</b>						
Community Pools - Termination of Management Responsibility	23	157,800	(175,500)	(179,000)	(182,600)	
Sports Development - Reduction in Service	24	(9,300)	(50,500)	(51,500)	(52,500)	
International Youth Games - Withdrawal	25	(59,700)	(26,800)	(27,300)	(27,800)	
Marsh Community Centre - Grant Funding Cessation	26	(13,700)	(14,000)	(14,300)	(14,600)	
<b>Regeneration &amp; Planning</b>						
Events - Funding Reductions	27	0	(22,700)	(23,200)	(23,700)	
<b>Resources</b>						
Finance Section - Restructuring	28	(23,300)	(24,300)	(25,400)	(27,100)	
Internal Audit - Restructuring	29	(21,700)	(21,900)	(22,100)	(22,300)	
<i>Sub Total</i>		(133,500)	(737,550)	(799,300)	(811,900)	
<b>Re-Financing Options</b>						
Capital Programme Financing (MRP) - Policy Update required	30	(375,000)	(343,000)	(314,000)	(284,000)	
		(375,000)	(343,000)	(314,000)	(284,000)	
<b>TOTAL</b>		<b>(1,110,000)</b>	<b>(2,659,350)</b>	<b>(2,794,400)</b>	<b>(2,872,100)</b>	<b>6,376,000</b>
<b>GROWTH PROPOSALS</b>						
<b>Environmental Services</b>						
Cashless Parking	31	5,000	5,000	5,000	5,000	
<b>Regeneration &amp; Planning</b>						
Development Management Capacity	32	69,900	72,200	74,500	76,600	
Capital Growth - Capital Financing Costs						
MAAP - Euston Rd, Marine Rd Central, Queen St, Victoria St.	33	0	3,000	6,000	6,000	511,000
<b>Resources</b>						
Digital Workplace	34	100,000	?	?	?	
<b>TOTAL</b>		<b>174,900</b>	<b>80,200</b>	<b>85,500</b>	<b>87,600</b>	<b>511,000</b>
<b>NET TOTAL</b>		<b>(935,100)</b>	<b>(2,579,150)</b>	<b>(2,708,900)</b>	<b>(2,784,500)</b>	

**GENERAL FUND BUDGET - 2016/17 TO 2019/20**  
**SAVINGS OPTIONS TO BE CONSIDERED DURING 2016/17**

For consideration at Council on 03 February 2016

	2016/17	2017/18	2018/19	2019/20
	£	£	£	£
<b>Income Generation</b>				
<b>Resources</b>				
<b>Room Hire Policy</b>	?	?	?	?
<i>Development of a comprehensive Council wide room hire policy, to provide a more consistent and transparent approach whilst seeking to maximise income generation.</i>				
<i>Sub Total</i>	0	0	0	0
<b>Service Efficiencies and Reductions</b>				
<b>Environmental Services</b>				
<b>Refuse Collection</b>	0	0	0	?
<i>Consideration of moving from fortnightly collections to three weekly across all streams. Also, to consider replacing existing recycling boxes with bins.</i>				
<b>Governance</b>				
<b>Grants to Voluntary, Community and Faith Sectors (VCFS)</b>	0	(257,500)	(262,700)	(267,900)
<i>Review of all grants given to the VCFS.</i>				
<b>Civic Regalia - Rationalisation</b>	?	?	?	?
<i>Review all Civic Regalia currently held by the Council to identify potential surplus items.</i>				
<b>Regeneration &amp; Planning</b>				
<b>The Platform - Improve Net Operating Position</b>	?	(85,300)	(87,000)	(88,700)
<i>Review options to improve the current net operating position.</i>				
<b>Review of Grants to the Arts</b>	0	(217,000)	(221,300)	(225,700)
<i>Review of Arts investment currently provided through Service Level Agreements (SLAs).</i>				
<b>Maritime / Cottage Museums</b>	0	0	?	?
<i>Future of these museums to be reviewed, alongside encouraging the County Council to explore community running of its local museums. Mothballing of Maritime/Cottage Museums also to be considered.</i>				
<b>Visitor Information Centres (VIC) Review</b>	?	?	?	?
<i>Review of VIC operations to include consideration of having one centre instead of two or another organisation providing the service.</i>				
<b>Resources</b>				
<b>Local Council Tax Support Scheme</b>	0	(110,000)	(112,000)	(114,000)
<i>Consider options to reduce the level of LCTS provided through the Council's scheme for working age claimants, from 2017/18 onwards.</i>				
<b>Corporate Property - Disposal Programme (Revenue Impact)</b>	?	?	?	?
<i>Review of property portfolio, including identification of disposal opportunities and overall policy .</i>				
<b>Corporate Property - Office Rationalisation</b>	?	?	?	?
<i>Review of office accommodation (two Town Hall, and Palatine Hall) with the intention of rationalising property usage to generate savings, through operating more efficiently.</i>				
<i>Sub Total</i>	0	(669,800)	(683,000)	(696,300)
<b>Re-Financing Options</b>				
<b>Pension Contributions</b>	0	(350,000)	(350,000)	(350,000)
<i>Investigation of options to reduce pensions deficit funding contributions and standard contribution rate for 2017/18 to 2019/20, following 2016 Pension Fund Triennial Review. Involves seeking Pension Fund / Actuary agreement to reduce or remove 'prudence margin' from contribution rates, to bring them down to 'best estimate'.</i>				
<i>Sub Total</i>	0	(350,000)	(350,000)	(350,000)
<b>MAXIMUM VALUE OF QUANTIFIED OPTIONS</b>	<b>0</b>	<b>(1,019,800)</b>	<b>(1,033,000)</b>	<b>(1,046,300)</b>

# GENERAL FUND REVENUE BUDGET 2015/16 TO 2019/20

For consideration at Council on 03 February 2016

	2015/16	2016/17	2017/18	2018/19	2019/20
	£000	£000	£000	£000	£000
<b>Original Revenue Budget &amp; Projections</b>	<b>17,052</b>	<b>18,218</b>	<b>18,590</b>	<b>0</b>	<b>0</b>
<i>Allowing for budgeted use of Balances</i>	<i>(1,000)</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
Changes to Budget Projections - <i>Cabinet 01 December</i>	(608)	(1,183)	(1,381)	18,659	18,790
<b>Base Budget Changes after Cabinet 01 December</b>					
Emergency Flood Recovery (unfunded costs)	35	0	0	0	0
HB Admin Grant reduction	0	125	162	198	231
VAT on Search Fees	5	31	32	32	33
Employees / Consultancy / Living Wage Increase	67	107	43	25	26
Income Projections Updated	8	(24)	(32)	(39)	(46)
Other Minor Net Changes	(10)	3	(4)	(4)	(14)
<b>Additional Base Budget Changes</b> (see Appendix A)	<b>0</b>	<b>(99)</b>	<b>(54)</b>	<b>(57)</b>	<b>(61)</b>
<b>Provisional New Homes Bonus changes</b>	<b>0</b>	<b>(20)</b>	<b>243</b>	<b>1,122</b>	<b>1,291</b>
<b>Cabinet's Savings Proposals</b> (see Appendix B)	<b>0</b>	<b>(1,110)</b>	<b>(2,659)</b>	<b>(2,794)</b>	<b>(2,872)</b>
<b>Cabinet's Growth Proposals</b> (see Appendix B)	<b>0</b>	<b>175</b>	<b>80</b>	<b>86</b>	<b>88</b>
Reduced Contribution from Balances	503	0	0	0	0
Assumed Contributions to Balances	0	0	88	0	0
<b>Latest Net Revenue Budget Forecast</b>	<b>17,052</b>	<b>16,223</b>	<b>15,108</b>	<b>17,227</b>	<b>17,466</b>
<b>Provisional Finance Settlement:</b>					
<b>Revenue Support Grant</b>	<b>(3,861)</b>	<b>(2,652)</b>	<b>(1,605)</b>	<b>(941)</b>	<b>(200)</b>
<b>Retained Business Rates</b>	<b>(5,207)</b>	<b>(5,250)</b>	<b>(5,353)</b>	<b>(5,511)</b>	<b>(5,688)</b>
Business Rates - Safety Net Adjustment			401	413	427
<b>Estimated Collection Fund Surplus</b>	<b>(131)</b>	<b>(60)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Current Council Tax Funding Requirement</b>	<b>7,853</b>	<b>8,261</b>	<b>8,551</b>	<b>11,188</b>	<b>12,005</b>
Target Council Tax Requirement <i>(To fit with a council tax increase of 1.99% per year)</i>	7,853	8,259	8,551	8,851	9,159
<b>Estimated Budget Deficit / Savings Requirement</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>2,337</b>	<b>2,846</b>

	2015/16	2016/17	2017/18	2018/19	2019/20
	<b>Impact on Council Tax</b>				
<i>Tax Base Projections</i>	38,500	39,700	40,300	40,900	41,500
<b>Band D City Council Tax Rate - MTFS Targets</b>	<b>£203.97</b>	<b>£208.03</b>	<b>£212.17</b>	<b>£216.39</b>	<b>£220.70</b>
<i>Percentage Increase Year on Year</i>	1.99%	1.99%	1.99%	1.99%	1.99%
<b>Current Council Tax Projections</b>	<b>£203.97</b>	<b>£208.09</b>	<b>£212.17</b>	<b>£273.52</b>	<b>£289.29</b>
<i>Percentage Increase Year on Year</i>	1.99%	2.02%	1.96%	21.21%	5.76%

<b>General Fund Unallocated Balances</b>	
	£M
<b>Original Projected Balance as at 31 March 2015</b>	<b>4.071</b>
Add: 2014/15 Underspend	0.554
Less: Budgeted Contribution for 2015/16	(1.000)
Add: Current Projected Underspend for 2015/16	0.503
<b>Latest Projected Balance as at 31 March 2016</b>	<b>4.128</b>
Add: Additional Contribution 2016/17	0.000
Add: Additional Contribution 2017/18	0.088
<b>Latest Projected Balance as at 31 March 2018</b>	<b>4.719</b>
Less: Current Minimum Level	(1.000)
<b>Amount Available to Support Budgets 2018/19 onwards</b>	<b>3.719</b>





**DETAIL IN SUPPORT OF APPENDIX B****2016 to 2020 BUDGET PROCESS – BUDGET OPTIONS (SAVINGS)**

1

Service: Environmental Services

**Service / Policy Area**

Environmental Services - Public Realm/Happy Mount Park

**Brief Description of Budget Option**

To levy a £1 charge for admission for all entrants of the splash park area at Happy Mount Park.

Proposed Implementation Date

July 2016

Estimated Lead-In

4 months

**Nature of Option**Efficiency Saving  Service Reduction  Income Generation  Other  *Specify above***Service Impact, internally and externally (including impact on draft Corporate Priority list)****External / Community Impact**

Customer dissatisfaction by introducing a charge for an attraction that is currently free.

**Other Impact (Internal / Other Services etc.)**

The admission system to be implemented is intended to be cashless and therefore there should be no need to increase staffing. Implementation will require liaison with ICT and Financial Services to ensure the new system is compliant with all network and income management security requirements.

**Upfront Investment Needed**

£50,000 (est.)

Turnstiles, admission terminals, software etc. Renewals of £17,500 would be required every 4 years thereafter.

**Estimated Savings (excluding inflation)**

	2016/17 £	2017/18 £	2018/19 £	2019/20 £
Income Projections (net of other costs)	50,000	55,000	55,000	55,000
Upfront Investment (see above)	-50,000			
<b>Total</b>	<b>0</b>	<b>55,000</b>	<b>55,000</b>	<b>55,000</b>

## 2016 to 2020 BUDGET PROCESS – BUDGET OPTIONS (SAVINGS)

2

Service: Environmental Services

## Service / Policy Area

Environmental Services - Public Realm Events

## Brief Description of Budget Option

To levy a charge to contribute to the officer cost of dealing with event applications. The level of charge would need some consideration but could be done on a sliding scale relating to type/size of event.

Proposed Implementation Date

April 2016

Estimated Lead-In

nil

## Nature of Option

Efficiency Saving  Service Reduction  Income Generation  Other  *Specify above*

## Service Impact, internally and externally (including impact on draft Corporate Priority list)

## External / Community Impact

Could be met with resistance by some event organisers possibly leading to the event not taking place. There needs to be a clear communication plan in place.

## Other Impact (Internal / Other Services etc.)

None

## Upfront Investment Needed

£0

None

## Estimated Savings (excluding inflation)

	2016/17 £	2017/18 £	2018/19 £	2019/20 £
Additional Income	2,000	2,000	2,000	2,000
<b>Total</b>	<b>2,000</b>	<b>2,000</b>	<b>2,000</b>	<b>2,000</b>

## 2016 to 2020 BUDGET PROCESS – BUDGET OPTIONS (SAVINGS)

3

Service: Environmental Services

## Service / Policy Area

Environmental Services - Fees &amp; Charges

## Brief Description of Budget Option

To apply a further 3.5% inflationary increase in 2016/17 to charges in the following areas :-

- Charter Market pitch fees
- Festival market rents
- Bulky waste collection
- Delivery of replacement bins and boxes

Proposed Implementation Date

April 2016

Estimated Lead-In

nil

## Nature of Option

Efficiency Saving  Service Reduction  Income Generation  Other  *Specify above*

## Service Impact, internally and externally (including impact on draft Corporate Priority list)

## External / Community Impact

Will be met by resistance from service users/market traders. With regard to bulky waste this could potentially lead to increased levels of fly-tipping in the district.

## Other Impact (Internal / Other Services etc.)

None

## Upfront Investment Needed

£0

None

## Estimated Savings (excluding inflation)

	2016/17 £	2017/18 £	2018/19 £	2019/20 £
Charter market pitch fees	2,700	2,700	2,700	2,700
Festival market rents	10,000	10,000	10,000	10,000
Bulky waste collection	10,000	10,000	10,000	10,000
Delivery of bins and boxes	9,000	9,000	9,000	9,000
<b>Total</b>	<b>31,700</b>	<b>31,700</b>	<b>31,700</b>	<b>31,700</b>

## 2016 to 2020 BUDGET PROCESS – BUDGET OPTIONS (SAVINGS)

4

Service: Environmental Services

## Service / Policy Area

Environmental Services - Waste &amp; Recycling

## Brief Description of Budget Option

Introduce a delivery charge for replacement and new containers. Currently a subsidised delivery charge is applied only for new dwellings and dwelling with new occupants. The proposal is to apply a subsidised delivery/administration charge for all containers, including replacements (with the exception of damaged containers). The figures below are based on 2014/15 where 3,829 bins (£15 per bin) and 6,773 boxes (£4 per box) were delivered - less an assumed 31% reduction in requests.

Proposed Implementation Date

April 2016

Estimated Lead-In

3 months

## Nature of Option

Efficiency Saving  Service Reduction  Income Generation  Other  *Specify above*

## Service Impact, internally and externally (including impact on draft Corporate Priority list)

## External / Community Impact

Dissatisfaction amongst residents.

## Other Impact (Internal / Other Services etc.)

Initial administration and Customer Services burden.

## Upfront Investment Needed

£0

None

## Estimated Savings (excluding inflation)

	2016/17 £	2017/18 £	2018/19 £	2019/20 £
Income Generation	58,300	58,300	58,300	58,300
Reduction in replacement costs	34,000	34,000	34,000	34,000
<b>Total</b>	<b>92,300</b>	<b>92,300</b>	<b>92,300</b>	<b>92,300</b>

## 2016 to 2020 BUDGET PROCESS – BUDGET OPTIONS (SAVINGS)

5

Service: Environmental Services

## Service / Policy Area

Environmental Services - Waste &amp; Recycling

## Brief Description of Budget Option

Charge for collection of Green Garden Waste Containers. The Controlled Waste Regulations 1992 allows a Collection Authority to make a charge to collect garden waste from domestic properties. However, no disposal charge can be applied. The charge is suggested to be in the region of £30 per container per year.

Proposed Implementation Date

August 2016

Estimated Lead-In

5 months

## Nature of Option

Efficiency Saving  Service Reduction  Income Generation  Other  *Specify above*

## Service Impact, internally and externally (including impact on draft Corporate Priority list)

## External / Community Impact

May impact on tonnage of both green and dry materials and our ability to reach 50% recycling rate by 2020.

## Other Impact (Internal / Other Services etc.)

Initial administration and Customer Services burden, setting up payment system and dealing with customer complaints. Further savings would be expected from rescheduling existing rounds from second year of scheme. Potential impact on street cleaning, fly tipping.

## Upfront Investment Needed

£75,000

Implementation costs and additional marketing of scheme

## Estimated Savings (excluding inflation)

	2016/17 £	2017/18 £	2018/19 £	2019/20 £
Additional income (based on 50% take-up of 58,000 properties)	580,000	870,000	870,000	870,000
Upfront Investment (see above)	-75,000			
<b>Total</b>	<b>505,000</b>	<b>870,000</b>	<b>870,000</b>	<b>870,000</b>

## 2016 to 2020 BUDGET PROCESS – BUDGET OPTIONS (SAVINGS)

6

Service: Environmental Services

## Service / Policy Area

Environmental Services - Electric Car Charging Points

## Brief Description of Budget Option

To install electric car charging points in specific car parks within the district and levy a charge for their use by external users. The basis of charging has yet to be considered but it is estimated that the income figures below could be achieved after maintenance and electricity costs are taken into account; conditions of any grant funding would also be addressed, if that route is taken. Should the Council choose to purchase any electric vehicles in future then the points could also be utilised for our own purposes.

Proposed Implementation Date

April 2017

Estimated Lead-In

12 months

## Nature of Option

Efficiency Saving  Service Reduction  Income Generation  Other  *Specify above*

## Service Impact, internally and externally (including impact on draft Corporate Priority list)

## External / Community Impact

Helps promote the use of electric cars which contributes to a cleaner, greener, safe environment.

## Other Impact (Internal / Other Services etc.)

Administration of scheme would be met from existing resources.

## Upfront Investment Needed

£0

There are currently grants available etc. to cover the installation costs so this may be nil.

## Estimated Savings (excluding inflation)

	2016/17 £	2017/18 £	2018/19 £	2019/20 £
Additional Income	0	10,000	10,000	10,000
<b>Total</b>	<b>0</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>

## 2016 to 2020 BUDGET PROCESS – BUDGET OPTIONS (SAVINGS)

7

Service: Governance

## Service / Policy Area

Governance - Democratic Services (Elections)

## Brief Description of Budget Option

To charge Parish Councils for the costs of the ordinary 4 yearly elections.

Proposed Implementation Date

May 2019

Estimated Lead-In

Over 2 years

## Nature of Option

Efficiency Saving  Service Reduction  Income Generation  Other  Specify above

## Service Impact, internally and externally (including impact on draft Corporate Priority list)

## External / Community Impact

Resistance from parishes. May have to raise their precept to cover costs, but long lead in time to allow them to consider this and prepare. Rise in precept may cause discontent from residents in parished areas.

## Other Impact (Internal / Other Services etc.)

Recharging/calculating split of costs would take up Elections Manager's time. Chasing payment may take up staff time in finance and elections. These implications are considered manageable, operationally.

## Upfront Investment Needed

£0

Explain:

## Estimated Savings (excluding inflation)

	2016/17 £	2017/18 £	2018/19 £	2019/20 £
Nomination stage				6,100
Elections (estimate is a minimum)				8,000
<b>Total</b>				<b>14,100</b>



## 2016 to 2020 BUDGET PROCESS – BUDGET OPTIONS (SAVINGS)

8

Service: Health &amp; Housing

## Service / Policy Area

Health &amp; Housing - Disabled Facilities Grants

## Brief Description of Budget Option

Increase the admin fee charged against Disabled Facilities Grants (DFG). Since 2012 this fee has been set at 15%, at that time the highest amongst all districts in Lancashire. It is proposed to increase the fee charged to 18% in future.

Proposed Implementation Date

April 2016

Estimated Lead-In

n/a

## Nature of Option

Efficiency Saving  Service Reduction  Income Generation  Other  Specify above

## Service Impact, internally and externally (including impact on draft Corporate Priority list)

## External / Community Impact

The works required for eligible service users on their homes is a statutory duty for the Council and any increase in administration charges would reduce the grant available for service users.

## Other Impact (Internal / Other Services etc.)

None

## Upfront Investment Needed

£0

None

## Estimated Savings (excluding inflation)

	2016/17 £	2017/18 £	2018/19 £	2019/20 £
Admin fee raised to 18%	14,400	14,400	14,400	14,400
<b>Total</b>	<b>14,400</b>	<b>14,400</b>	<b>14,400</b>	<b>14,400</b>

## 2016 to 2020 BUDGET PROCESS – BUDGET OPTIONS (SAVINGS)

9

Service: Health &amp; Housing

## Service / Policy Area

Health &amp; Housing - Pest Control service (Environmental Health)

## Brief Description of Budget Option

Looking back over the last 5 years the average net cost to the council has been £68k excluding central recharges. The pest control service has three income streams: (1) individual on-demand pest treatments for residents/businesses, (2) annual pest contracts for businesses, farms, etc., and (3) ad-hoc jobs such as filthy property hygiene works and sewer rat baiting under contract to United Utilities. Contract services alone are now bringing in £54k p.a. We propose to double this contract service income by working more commercially and substantively operating in South Lakeland area.

Proposed Implementation Date

April 2016

Estimated Lead-In

3 months Jan-Mar'16

## Nature of Option

Efficiency Saving  Service Reduction  Income Generation  Other  *Specify above*

## Service Impact, internally and externally (including impact on draft Corporate Priority list)

## External / Community Impact

Pest infestations carry a range of social and economic impacts to our residents, businesses and visitor economy. Maintaining an effective pest control service whilst increasing income will ensure continued control of pest populations that otherwise would grow largely uncontrollably. It will also prevent the need for increases in costly enforcement action.

## Other Impact (Internal / Other Services etc.)

The council's Pest Control service has exceptional (99.7%) customer satisfaction ratings and is very popular. Maintaining this service at a much reduced cost through greater income generation will be publicly well received. Obtaining legal advice on extent of permissible trading and developing the service more commercially will strongly benefit other services.

## Upfront Investment Needed

£2,500

This is for professional standard contract materials. Commercial trading legal advice funded from elsewhere.

## Estimated Savings (excluding inflation)

	2016/17 £	2017/18 £	2018/19 £	2019/20 £
Indicative increase pest control contract income reflecting legal advice on the extent of permissible trading	0	25,000	50,000	50,000
Upfront Investment (see above)	-2,500			
<b>Total</b>	<b>-2,500</b>	<b>25,000</b>	<b>50,000</b>	<b>50,000</b>

## 2016 to 2020 BUDGET PROCESS – BUDGET OPTIONS (SAVINGS)

10

Service: Health &amp; Housing

## Service / Policy Area

Health &amp; Housing - Private Sector Housing

## Brief Description of Budget Option

Stop refunding HMO licence fees.  
 When a licensed HMO changes ownership or ceases to be licensed the fee paid is refunded on a pro-rata basis (a licence runs for 5 years). Many other authorities already adopt a policy of not paying refunds and this is justified by the fact that the fee paid is to cover all the administration costs to prepare and approve the licence in the first instance. Although this situation is not a common event, this small change in policy will, never the less, produce a small amount of savings each year.

Proposed Implementation Date

April 2016

Estimated Lead-In

n/a

## Nature of Option

Efficiency Saving  Service Reduction  Income Generation  Other  *Specify above*

## Service Impact, internally and externally (including impact on draft Corporate Priority list)

External / Community Impact

None

Other Impact (Internal / Other Services etc.)

None

## Upfront Investment Needed

£0.00

None

## Estimated Savings (excluding inflation)

	2016/17 £	2017/18 £	2018/19 £	2019/20 £
Non refund of HMO licence fees	1,000	1,000	1,000	1,000
<b>Total</b>	<b>1,000</b>	<b>1,000</b>	<b>1,000</b>	<b>1,000</b>

## 2016 to 2020 BUDGET PROCESS – BUDGET OPTIONS (SAVINGS)

11

Service: Health &amp; Housing

## Service / Policy Area

Health &amp; Housing - Cemeteries

## Brief Description of Budget Option

This proposal is to increase all cemetery fees in 2016/17 at a higher rate than the estimated inflationary increase. The estimated additional income is based upon the average income received over the last six years (using the 3 main income headings of sale of graves, interment fees, and sale of memorial plaques).

Proposed Implementation Date April 2016

Estimated Lead-In n/a

## Nature of Option

Efficiency Saving  Service Reduction  Income Generation  Other  Specify above

## Service Impact, internally and externally (including impact on draft Corporate Priority list)

## External / Community Impact

Whilst this proposal will increase costs to the bereaved, cemetery fees are a comparatively small element of overall funeral costs.

## Other Impact (Internal / Other Services etc.)

None

## Upfront Investment Needed

£0.00

None

## Estimated Savings (excluding inflation)

	2016/17 £	2017/18 £	2018/19 £	2019/20 £
Annual increase plus 3% (rounded)	6,900	6,900	6,900	6,900
<b>Total</b>	<b>6,900</b>	<b>6,900</b>	<b>6,900</b>	<b>6,900</b>

## 2016 to 2020 BUDGET PROCESS – BUDGET OPTIONS (SAVINGS)

12

Service: Health &amp; Housing

## Service / Policy Area

Health &amp; Housing - Private Sector Housing

## Brief Description of Budget Option

Increase charges for the service of statutory notices under the Housing Act 2004. For some time now this charge has been capped at £300 per notice. It is proposed to increase this to £400 which will bring us into line with most of our neighbouring LA's. Although the savings will be minimal, recent changes in legislation means that it is likely that more notices will be issued in the future. It is estimated that 10 notices per year will be issued from 2016/17 onwards. In future, any options for maximising such income will be explored, subject to any legal charging constraints.

Proposed Implementation Date

April 2016

Estimated Lead-In

n/a

## Nature of Option

Efficiency Saving  Service Reduction  Income Generation  Other  Specify above

## Service Impact, internally and externally (including impact on draft Corporate Priority list)

## External / Community Impact

None

## Other Impact (Internal / Other Services etc.)

None

## Upfront Investment Needed

£0.00

Explain:

## Estimated Savings (excluding inflation)

	2016/17 £	2017/18 £	2018/19 £	2019/20 £
Service of 10 notices / yr @ £400 each (additional income)	1,000	1,000	1,000	1,000
<b>Total</b>	<b>1,000</b>	<b>1,000</b>	<b>1,000</b>	<b>1,000</b>

## 2016 to 2020 BUDGET PROCESS – BUDGET OPTIONS (SAVINGS)

13

Service: Resources

## Service / Policy Area

Resources - Financial Services

## Brief Description of Budget Option

To implement charging for customers who pay for services via credit cards. At present, the Council is charged 1.75% by Visa and MasterCard for every payment made by credit card. On average 16,000 payments are made by credit card at a cost to the Council of £29,000. It has been assumed that the introduction of a charge would result in a switch from credit to debit card payments, therefore, the potential income has been estimated at £25,000.

Proposed Implementation Date

2017/18

Estimated Lead-In

12 months

## Nature of Option

Efficiency Saving  Service Reduction  Income Generation  Other  *Specify above*

## Service Impact, internally and externally (including impact on draft Corporate Priority list)

## External / Community Impact

Customer dissatisfaction. Payment methods may change.

## Other Impact (Internal / Other Services etc.)

Changes will be required to income receipting systems and automated payment processes. Services taking payments from customers either face to face or over the telephone will need to notify customers of the charges.

## Upfront Investment Needed

£10,000

Costs will be incurred for consultancy time to amend systems and subsequent testing and training.

## Estimated Savings (excluding inflation)

	2016/17 £	2017/18 £	2018/19 £	2019/20 £
Annual Income Generated		25,000	25,000	25,000
Upfront Investment (see above)	-10,000			
<b>Net Income</b>	<b>-10,000</b>	<b>25,000</b>	<b>25,000</b>	<b>25,000</b>

## 2016 to 2020 BUDGET PROCESS – BUDGET OPTIONS (SAVINGS)

14

Service: Health &amp; Housing

## Service / Policy Area

Health &amp; Housing - Sport &amp; Leisure (Salt Ayre Sports Centre)

## Brief Description of Budget Option

A phased programme of developments at Salt Ayre Sports Centre aimed at improving the facilities and offering to the public. This is to be delivered in conjunction with the newly appointed Sport and Leisure Development Partner. The proposals aim to increase the number of customers and therefore income being generated, and will be phased in over the next 2 years.

Proposed Implementation Date

From 2016/17

Estimated Lead-In

6 months

## Nature of Option

Efficiency Saving  Service Reduction  Income Generation  Other  *Specify above*

## Service Impact, internally and externally (including impact on draft Corporate Priority list)

## External / Community Impact

Links to the Health & Wellbeing corporate priority by increasing the number of people participating in sports and leisure activities.

## Other Impact (Internal / Other Services etc.)

Increased revenue as a result of new developments.

## Upfront Investment Needed

£110,000

Total cost of capital works £5M. In addition, there will be an estimated cost of £110K in year 1 as a result of lost income, promotions and marketing and back-filling key posts involved in the development.

## Estimated Savings (excluding inflation)

	2016/17 £	2017/18 £	2018/19 £	2019/20 £
<b>Capital Investment (Indicative Profiling)</b>	<b>3,000,000</b>	<b>2,000,000</b>		
<b>Revenue Implications</b>				
Additional net income		643,000	792,000	842,000
Cost of financing capital spend		-243,000	-342,000	342,000
Initial cost (see above)	-110,000			
<b>Net Income</b>	<b>-110,000</b>	<b>400,000</b>	<b>450,000</b>	<b>500,000</b>

## 2016 to 2020 BUDGET PROCESS – BUDGET OPTIONS (SAVINGS)

15

Service: Resources

## Service / Policy Area

Resources - Property Group

## Brief Description of Budget Option

A programme of energy efficiency works at a number of corporate properties. The initial investment of £1.4M would have a payback of just over 9 years. Works range from boiler replacements, insulation and lighting improvements.

Proposed Implementation Date

From 2016/17

Estimated Lead-In

6 months

## Nature of Option

Efficiency Saving  Service Reduction  Income Generation  Other  *Specify above*

## Service Impact, internally and externally (including impact on draft Corporate Priority list)

## External / Community Impact

None.

## Other Impact (Internal / Other Services etc.)

Reduced corporate property operating costs; works will be scheduled to minimise operational disruption as far as possible (or to fit with other developments). Over half the savings (£100K) will be achieved at Salt Ayre Sports Centre, £23K at Williamson Park and the remaining £27K at other properties such as Lancaster Town Hall, City Lab, Old Fire Station and Ryelands House.

## Upfront Investment Needed

£1,376,000

Total estimated capital cost of programme.

## Estimated Savings (excluding inflation)

	2016/17 £	2017/18 £	2018/19 £	2019/20 £
<b>Capital Investment</b>	<b>1,376,000</b>			
<b>Revenue Implications</b>				
Net annual energy saving	74,600	153,200	153,200	153,200
Annual maintenance cost	-4,900	10,000	10,000	10,000
Annual financing cost	0	-103,100	-103,100	-103,100
<b>Total</b>	<b>69,700</b>	<b>40,100</b>	<b>40,100</b>	<b>40,100</b>



## 2016 to 2020 BUDGET PROCESS – BUDGET OPTIONS (SAVINGS)

16

Service: Environmental Services

## Service / Policy Area

Environmental Services - Succession Planning

## Brief Description of Budget Option

This is provided to give the estimated financial implications of a number of structural changes in line management/admin that are anticipated over the next 4 years. It is expected that some will be as a consequence of retirements etc and some as a consequence of positive managerial action. It is proposed to manage workloads within existing resources albeit with marginal replacement costs where required. In some cases there may also be one-off employment costs.

Proposed Implementation Date

Ongoing

Estimated Lead-In

Nil.

## Nature of Option

Efficiency Saving  Service Reduction  Income Generation  Other  Specify above

## Service Impact, internally and externally (including impact on draft Corporate Priority list)

## External / Community Impact

None.

## Other Impact (Internal / Other Services etc.)

In short terms there will be a loss of experience, knowledge.

## Upfront Investment Needed

£0

Some employment costs (ER/VR) unknown yet.

## Estimated Savings (excluding inflation)

	2016/17 £	2017/18 £	2018/19 £	2019/20 £
Revenue Savings	40,000	100,000	210,000	210,000
<b>Total</b>	<b>40,000</b>	<b>100,000</b>	<b>210,000</b>	<b>210,000</b>

## 2016 to 2020 BUDGET PROCESS – BUDGET OPTIONS (SAVINGS)

17

Service: Environmental Services

## Service / Policy Area

Environmental Services - Building Cleaning

## Brief Description of Budget Option

To review how building cleaning is delivered to municipal buildings. A full review of cleaning schedules and standards is expected to result in efficiency savings.

Proposed Implementation Date

April 2017

Estimated Lead-In

12 months

## Nature of Option

 Efficiency Saving  Service Reduction  Income Generation  Other  Specify above

## Service Impact, internally and externally (including impact on draft Corporate Priority list)

## External / Community Impact

None.

## Other Impact (Internal / Other Services etc.)

None.

## Upfront Investment Needed

£0

None.

## Estimated Savings (excluding inflation)

	2016/17 £	2017/18 £	2018/19 £	2019/20 £
Revenue savings	0	10,000	10,000	10,000
<b>Total</b>	<b>0</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>

## 2016 to 2020 BUDGET PROCESS – BUDGET OPTIONS (SAVINGS)

18

Service: Environmental Services

## Service / Policy Area

Environmental Services - Public Realm/CCTV

## Brief Description of Budget Option

Cease to provide CCTV. Technologically the current system is reaching the point of becoming obsolete and we are faced with several options :-

- no longer provide a public CCTV system
- look at sharing with someone else. There is lots of talk about this but currently no tangible options.
- Invest in the existing system. This will require a one off investment of £150-200K and then the ongoing revenue amount already allocated.

Proposed Implementation Date

April 2017

Estimated Lead-In

12 months

## Nature of Option

Efficiency Saving  Service Reduction  Income Generation  Other  Specify above

## Service Impact, internally and externally (including impact on draft Corporate Priority list)

## External / Community Impact

Police are the main recipients of the service. The direct impact of public CCTV is very difficult to actually quantify. Many locations are covered by in-house systems. Many events of note end up on Facebook / YouTube etc as nearly everybody has their device (phone etc) with them, with video recording capabilities.

## Other Impact (Internal / Other Services etc.)

None.

## Upfront Investment Needed

£0

None.

## Estimated Savings (excluding inflation)

	2016/17 £	2017/18 £	2018/19 £	2019/20 £
Revenue savings		167,600	167,600	167,600
<b>Total</b>		<b>167,600</b>	<b>167,600</b>	<b>167,600</b>

## 2016 to 2020 BUDGET PROCESS – BUDGET OPTIONS (SAVINGS)

19

Service: Environmental Services

## Service / Policy Area

Environmental Services - Public Realm/Grounds Maintenance

## Brief Description of Budget Option

To cease providing winter bedding within the urban core and at Happy Mount Park.

Proposed Implementation Date

April 2016

Estimated Lead-In

4 weeks

## Nature of Option

Efficiency Saving  Service Reduction  Income Generation  Other  Specify above

## Service Impact, internally and externally (including impact on draft Corporate Priority list)

## External / Community Impact

Fallow beds during winter likely to lead to some complaints. Negative impact on Britain-in-Bloom plus unsightly weeds in the winter and spring seasons.

## Other Impact (Internal / Other Services etc.)

Impact on plant/training centre which can be managed.

## Upfront Investment Needed

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## Estimated Savings (excluding inflation)

	2016/17 £	2017/18 £	2018/19 £	2019/20 £
Savings on materials	35,000	35,000	35,000	35,000
Savings on utilities	5,000	5,000	5,000	5,000
Savings on staffing/agency working	5,000	5,000	5,000	5,000
<b>Total</b>	<b>45,000</b>	<b>45,000</b>	<b>45,000</b>	<b>45,000</b>

## 2016 to 2020 BUDGET PROCESS – BUDGET OPTIONS (SAVINGS)

20

Service: Environmental Services

## Service / Policy Area

Environmental Services - Public Realm/Public Conveniences

## Brief Description of Budget Option

To reduce the amount that the council currently contributes to 6 Parish Councils and a village hall towards the maintenance and running costs of public toilets within their parish. The current contribution is £28,700 per annum. The proposal is to reduce the funding by 50%.

Proposed Implementation Date

April 2016

Estimated Lead-In

3 months

## Nature of Option

Efficiency Saving  Service Reduction  Income Generation  Other  *Specify above*

## Service Impact, internally and externally (including impact on draft Corporate Priority list)

## External / Community Impact

This would have an adverse impact on Parish Councils and potentially lead to the closure of public toilet blocks in rural areas.

## Other Impact (Internal / Other Services etc.)

None.

## Upfront Investment Needed

£0

None.

## Estimated Savings (excluding inflation)

	2016/17 £	2017/18 £	2018/19 £	2019/20 £
Revenue Savings	14,300	14,300	14,300	14,300
<b>Total</b>	<b>14,300</b>	<b>14,300</b>	<b>14,300</b>	<b>14,300</b>

## 2016 to 2020 BUDGET PROCESS – BUDGET OPTIONS (SAVINGS)

21

Service: Environmental Services

## Service / Policy Area

Environmental Services - Waste &amp; Recycling

## Brief Description of Budget Option

Litter Enforcement Services. Employ an organisation to recruit and manage litter patrol officers (similar to Parking Wardens) to issue on the spot fixed penalty notices for litter and dog fouling offences (EPA 1990) across the district, in streets, parks and open spaces. The FPN's are issued at £80 of which the Council would receive £35 so based on 4 officers issuing 4 FPN's per day (based on 215 working days per year) the additional income below could be achieved. An initial 12 month trial period would be introduced, spread over two years.

Proposed Implementation Date

October 2016

Estimated Lead-In

6 months

## Nature of Option

Efficiency Saving  Service Reduction  Income Generation  Other  Specify above

## Service Impact, internally and externally (including impact on draft Corporate Priority list)

## External / Community Impact

Promotes cleaner, greener, safe environment. Supports Street Cleaning, but maybe interpreted as oppressive by the public and impact on the council's reputation so would have to be managed sensitively.

## Other Impact (Internal / Other Services etc.)

Increase in administration and legal services (chasing up payments) however this is expected to be managed within existing workloads.

## Upfront Investment Needed

£0

None

## Estimated Savings (excluding inflation)

	2016/17 £	2017/18 £	2018/19 £	2019/20 £
Additional Income	60,000	60,000	?	?
<b>Total</b>	<b>60,000</b>	<b>60,000</b>	<b>?</b>	<b>?</b>

## 2016 to 2020 BUDGET PROCESS – BUDGET OPTIONS (SAVINGS)

22

Service: Governance

## Service / Policy Area

Governance/HR&amp;OD/Partnerships

## Brief Description of Budget Option

VCFS (Voluntary, Community and Faith Sector) funding - to withdraw the grant to LESS following their decision to wind up provision of Energy Services from 31 March 2016. This included the Home Energy Advice Services, the outcomes and success measures of which form a significant part of the current contract.

Proposed Implementation Date

April 2016

Estimated Lead-In

## Nature of Option

Efficiency Saving  Service Reduction  Income Generation  Other  Specify above

## Service Impact, internally and externally (including impact on draft Corporate Priority list)

## External / Community Impact

It is not considered that the community impact will be significant. The funding was a relatively small part of the overall VCFS funding, and as LESS has indicated that it will no longer provide Energy Services, it would not be appropriate to continue the funding. It is anticipated that advice on the availability of grants and managing fuel bills can be provided by the CAB, who already receive a significant amount of VCFS funding.

## Other Impact (Internal / Other Services etc.)

None

## Upfront Investment Needed

£0

Explain:

## Estimated Savings (excluding inflation)

	2016/17 £	2017/18 £	2018/19 £	2019/20 £
Withdrawal of Funding	4,300	4,300	4,300	4,300
<b>Total</b>	<b>4,300</b>	<b>4,300</b>	<b>4,300</b>	<b>4,300</b>

## 2016 to 2020 BUDGET PROCESS – BUDGET OPTIONS (SAVINGS)

23

Service: Health &amp; Housing

## Service / Policy Area

Health &amp; Housing - Sports and Leisure

## Brief Description of Budget Option

To hand back the operational responsibilities of the three community pools to Lancashire County Council.

Proposed Implementation Date

April 2017

Estimated Lead-In

12 months

## Nature of Option

 Efficiency Saving  Service Reduction  Income Generation  Other  Specify above

## Service Impact, internally and externally (including impact on draft Corporate Priority list)

## External / Community Impact

Reduction of swimming provision to general public if the County Council does not continue to operate the pools. Reduced opportunities to learn to swim. Reduced opportunities for people to undertake physical activity.

## Other Impact (Internal / Other Services etc.)

Staff - possible transfer to County should they wish to operate the pools, or redundancy costs may apply.

## Upfront Investment Needed

£157,800+

Redundancy may be applicable. Figures shown do not include possible pension strain for 3 staff members.

## Estimated Savings (excluding inflation)

	2016/17 £	2017/18 £	2018/19 £	2019/20 £
Closure/handing back of Comm Pools	0	175,500	175,500	175,500
Upfront Investment (see above)	-157,800			
<b>Total</b>	<b>-157,800</b>	<b>175,500</b>	<b>175,500</b>	<b>175,500</b>



## 2016 to 2020 BUDGET PROCESS – BUDGET OPTIONS (SAVINGS)

24

Service: Health &amp; Housing

## Service / Policy Area

Health and Housing - Sports Development

## Brief Description of Budget Option

To reduce the sports development team from 5.5 to 3 full time equivalents, taking into account salary and running cost savings and loss of income from the reduction.

Proposed Implementation Date

April 2016

Estimated Lead-In

## Nature of Option

Efficiency Saving  Service Reduction  Income Generation  Other  *Specify above*

## Service Impact, internally and externally (including impact on draft Corporate Priority list)

## External / Community Impact

Reduction in community outreach work to nil, losing all contact with community groups, clubs, volunteers and education sector. Reduction in 10,000 annual contacts with people of varying ages and abilities across the district.

## Other Impact (Internal / Other Services etc.)

Focus on delivering core programme and holiday activity offer at SASC. VR costs have been calculated and are included below showing the worst case scenario.

## Upfront Investment Needed

£0

None

## Estimated Savings (excluding inflation)

	2016/17 £	2017/18 £	2018/19 £	2019/20 £
Savings	38,000	50,500	50,500	50,500
Indicative Voluntary Redundancy Cost	-28,700			
<b>Total</b>	<b>9,300</b>	<b>50,500</b>	<b>50,500</b>	<b>50,500</b>

## 2016 to 2020 BUDGET PROCESS – BUDGET OPTIONS (SAVINGS)

25

Service: Health &amp; Housing

## Service / Policy Area

Health &amp; Housing - Sports and Leisure

## Brief Description of Budget Option

To withdraw from involvement in the International Youth Games (IYG) held at three of our twin cities and hosted every four years by Lancaster City Council.

Proposed Implementation Date

April 2016

Estimated Lead-In

None

## Nature of Option

Efficiency Saving  Service Reduction  Income Generation  Other  *Specify above*

## Service Impact, internally and externally (including impact on draft Corporate Priority list)

## External / Community Impact

Withdrawal of opportunities for young people aged from 14 to 16 to take part in sporting and cultural (dance / music) activities with council twin cities - Almere, Rendsburg and Aalborg. Similarly for Lancaster to no longer host the IYG.

## Other Impact (Internal / Other Services etc.)

Reduction in officer time primarily from Sport and Leisure but also Property, ICT and Democratic Services when hosting the IYG.

## Upfront Investment Needed

£0

None

## Estimated Savings (excluding inflation)

	2016/17 £	2017/18 £	2018/19 £	2019/20 £
Annual Budget	11,800	11,800	11,800	11,800
Reserve contribution	15,000	15,000	15,000	15,000
Reserve balance	32,900			
<b>Total</b>	<b>59,700</b>	<b>26,800</b>	<b>26,800</b>	<b>26,800</b>

## 2016 to 2020 BUDGET PROCESS – BUDGET OPTIONS (SAVINGS)

26

Service: Health &amp; Housing

## Service / Policy Area

Health &amp; Housing - Sports and Leisure

## Brief Description of Budget Option

Do not renew the Service level agreement (SLA) to the Marsh Community Centre on termination of the current SLA on 31st March 2016.

Proposed Implementation Date

April 2016

Estimated Lead-In

None

## Nature of Option

Efficiency Saving  Service Reduction  Income Generation  Other  *Specify above*

## Service Impact, internally and externally (including impact on draft Corporate Priority list)

## External / Community Impact

The SLA funds project workers to deliver sessions for young people at the community centre several evenings per week. The sessions are not specifically related to sport or physical activity but are around engagement of young people in the community, volunteering, facilitating access training or employment etc. Without the funding these sessions may have to cease. The reduction in this type of outreach is consistent with the proposed reduction in the sports development service whereby outreach type work will cease in favour of focussing on the core offer for young people at SASC.

## Other Impact (Internal / Other Services etc.)

None

## Upfront Investment Needed

£0

None

## Estimated Savings (excluding inflation)

	2016/17 £	2017/18 £	2018/19 £	2019/20 £
Grant	13,700	13,700	13,700	13,700
<b>Total</b>	<b>13,700</b>	<b>13,700</b>	<b>13,700</b>	<b>13,700</b>

## 2016 to 2020 BUDGET PROCESS – BUDGET OPTIONS (SAVINGS)

27

Service: Regeneration &amp; Planning

## Service / Policy Area

Regeneration and Planning, Economic Development - Organised Events

## Brief Description of Budget Option

Reduce funding for events to which the Council still makes a financial contribution. These include brass bands in Happy Mount Park, plus reduction in funding for 2 major festivals per annum, namely Vintage by the Sea (Morecambe) and Light Up/Fireworks (Lancaster). Review of festivals and events currently underway.

Proposed Implementation Date

April 2017

Estimated Lead-In

12 months

## Nature of Option

Efficiency Saving  Service Reduction  Income Generation  Other  *Specify above*

## Service Impact, internally and externally (including impact on draft Corporate Priority list)

## External / Community Impact

Expectation that events will continue to run in future, with sponsorship and other support etc, but potentially affects scale of events, visitor numbers, economic impact etc. After the reductions, the Council will continue to provide specific funding of £2K for Catch the Wind Festival, £3K for Brass Bands, £10K for Vintage by the Sea and £12K for Lancaster Fireworks (as may be added to from other marketing/ arts budgets, for the wider Light Up Lancaster event).

## Other Impact (Internal / Other Services etc.)

None.

## Upfront Investment Needed

£0

None

## Estimated Savings (excluding inflation)

	2016/17 £	2017/18 £	2018/19 £	2019/20 £
Brass Bands	0	700	700	700
Vintage By the Sea	0	10,000	10,000	10,000
Fireworks/LUL	0	12,000	12,000	12,000
<b>Total</b>	<b>0</b>	<b>22,700</b>	<b>22,700</b>	<b>22,700</b>

## 2016 to 2020 BUDGET PROCESS – BUDGET OPTIONS (SAVINGS)

28

Service: Resources

## Service / Policy Area

Resources - Financial Services

## Brief Description of Budget Option

Review the staffing requirements within accountancy, procurement, risk management and insurance, and exchequer. Staff resources within accountancy and procurement need to be increased to meet the demands of services and also meeting the shorter statutory deadline for closure of accounts for 2017/18. This is offset by a reduction in the number of posts within exchequer which have become vacant through natural wastage. Overall there is a net saving.

Proposed Implementation Date

April 2016

Estimated Lead-In

3 months (from Jan)

## Nature of Option

 Efficiency Saving  Service Reduction  Income Generation  Other  *Specify above*

## Service Impact, internally and externally (including impact on draft Corporate Priority list)

## External / Community Impact

None.

## Other Impact (Internal / Other Services etc.)

Improved provision of support, advice and financial management training to all services. The increase in resources in accountancy specifically will ensure we meet statutory deadlines.

## Upfront Investment Needed

£0

None

## Estimated Savings (excluding inflation)

	2016/17 £	2017/18 £	2018/19 £	2019/20 £
Net reduction in posts	23,300	23,300	23,300	23,300
<b>Total</b>	<b>23,300</b>	<b>23,300</b>	<b>23,300</b>	<b>23,300</b>

## 2016 to 2020 BUDGET PROCESS – BUDGET OPTIONS (SAVINGS)

29

Service: Resources

## Service / Policy Area

Internal Audit and Assurance

## Brief Description of Budget Option

Restructuring of the Internal Audit section from current 3.81 FTE posts to 3.0 FTE posts. Includes a reappraisal and realignment of the services and activities provided by Internal Audit staff and recognises additional workload and resource pressures generated by the introduction of the shared Corporate Fraud Team, the establishment an Information Governance function and adoption of a corporate role in Risk Management. This is essentially a service reduction, but proposes some elements of efficiency in the future in relation to the development of a corporate assurance framework and more targeted IA and assurance work.

Proposed Implementation Date

April 2016

Estimated Lead-In

1 Month

## Nature of Option

Efficiency Saving  Service Reduction  Income Generation  Other  Specify above

## Service Impact, internally and externally (including impact on draft Corporate Priority list)

## External / Community Impact

No direct community impact. Potential for an impact on the expectations and workload of other external assurance providers, e.g. the External Auditor.

## Other Impact (Internal / Other Services etc.)

The impact on levels of assurance will be a matter for the Audit Committee to consider on behalf of full Council. Additional pressure on IA officers to adopt new approaches to their work, develop new skills and work more efficiently. The option may require whole or partial transfer of some current activities to elsewhere in the organisation.

## Upfront Investment Needed

£0

None

## Estimated Savings (excluding inflation)

	2016/17 £	2017/18 £	2018/19 £	2019/20 £
Staffing (incl Oncosts)	21,700	21,700	21,700	21,700
<b>Total</b>	<b>21,700</b>	<b>21,700</b>	<b>21,700</b>	<b>21,700</b>

## 2016 to 2020 BUDGET PROCESS – BUDGET OPTIONS (SAVINGS)

30

Service: Resources

## Service / Policy Area

Resources - Corporate (Minimum Revenue Provision)

## Brief Description of Budget Option

The charge to revenue (Minimum Revenue Provision) in respect of capital expenditure incurred prior to 2008 is currently based on a 4% annual charge. However, latest guidance does allow for the charge to be matched to the life of the asset, up to a maximum of 60 years. A review of all relevant expenditure and asset lives has been undertaken resulting in the savings shown below. This proposal is in accordance with Government guidance, however, regulations require an amendment to the Council's Treasury Management Strategy to reflect the change. This will be reported to Budget Council for approval in March.

Proposed Implementation Date

April 2016

Estimated Lead-In

## Nature of Option

Efficiency Saving  Service Reduction  Income Generation  Other  Specify above

## Service Impact, internally and externally (including impact on draft Corporate Priority list)

## External / Community Impact

None

## Other Impact (Internal / Other Services etc.)

None

## Upfront Investment Needed

£0

None

## Estimated Savings (excluding inflation)

	2016/17 £	2017/18 £	2018/19 £	2019/20 £
Annual saving	375,000	343,000	314,000	284,000
<b>Total</b>	<b>375,000</b>	<b>343,000</b>	<b>314,000</b>	<b>284,000</b>

## 2016 to 2020 BUDGET PROCESS – BUDGET OPTIONS (REDIRECTION/GROWTH)

31

Service: Environmental Services

### Service / Policy Area

Environmental Services/Public Realm - Off Street Car Parking

### Brief Description of Budget Option

To continue offering a cashless parking service to customers following the current 12 month trial.

Proposed Implementation Date Estimated Lead-In 

### Service Impact, internally and externally (including impact on draft Corporate Priority list)

#### External / Community Impact

Supports developments in cashless parking allowing more user friendly and market driven payment options.

#### Other Impact (Internal / Other Services etc.)

Minimal. The supplier provides a fully hosted web based system which meets industry standard security requirements and includes full management and operational information.

### Estimated Costs (excluding inflation)

	2016/17 £	2017/18 £	2018/19 £	2019/20 £
Additional Expenditure (Hosting Fee)	5,000	5,000	5,000	5,000
<b>Total</b>	<b>5,000</b>	<b>5,000</b>	<b>5,000</b>	<b>5,000</b>



## 2016 to 2020 BUDGET PROCESS – BUDGET OPTIONS (REDIRECTION/GROWTH)

32

Service: Regeneration &amp; Planning

### Service / Policy Area

Development Management

### Brief Description of Budget Option

Increasing workload in business area associated with economic recovery. Steady increase in fee income from planning fees and major planning applications. Additional income from charging for pre application advice. Proposal is to make two temporary posts permanent to address workload issues and ensure additional income levels are maintained.

Proposed Implementation Date

April 2016

Estimated Lead-In

None

### Service Impact, internally and externally (including impact on draft Corporate Priority list)

#### External / Community Impact

Ability to reinvest in service delivery to maintain performance in making of planning decisions and restore a realistic caseworker/casework ratio. Improvement in customer service expectations and reputation for inward investment. The council is now subject to national performance measurement targets with potential sanctions. Improved housing delivery will also benefit the council through New Homes Bonus.

#### Other Impact (Internal / Other Services etc.)

Currently budgeting for increased fee income of £200K per annum, however if the posts are not made permanent there is a significant risk that this could reduce by £100K.

### Estimated Costs (excluding inflation)

	2016/17 £	2017/18 £	2018/19 £	2019/20 £
Permanent establishment of 2 posts	69,900	69,900	69,900	69,900
<b>Total</b>	<b>69,900</b>	<b>69,900</b>	<b>69,900</b>	<b>69,900</b>

## 2016 to 2020 BUDGET PROCESS – BUDGET OPTIONS (REDIRECTION/GROWTH)

33

### Service / Policy Area

Regeneration and Planning

### Brief Description of Budget Option

Morecambe Area Action Plan (Capital project) - Euston Road & New Town Square / Marine Road Central / Queen Street & Pedder Street / Victoria Street.

Benefits include - pavement renewal, wayfinding, new LED lighting, new street furniture, higher specification materials and improved parking.

All MAAP proposals to be treated as one programme to enable delivery flexibility in working with the County Council. It should be noted that this growth proposal is dependent upon the County Council approving their highways budget allocations for these schemes, and for section 106 agreements being agreed in relation to Marine Road Central and Town Centre wayfinding elements.

Proposed Implementation Date

October 2016

Estimated Lead-In

6 months

### Service Impact, internally and externally (including impact on draft Corporate Priority list)

#### External / Community Impact

Improving key pedestrian area and creating key public space as set out in the Morecambe Area Action Plan. Will support private investment by owners of Arndale Centre and English Lakes, and improve the setting for further investment and trading at the heart of the town centre.

#### Other Impact (Internal / Other Services etc.)

No additional impact for existing maintenance budgets as will be easier to clean environment, easier maintenance, de-cluttered environment, less scope for anti-social activities. Would support plans to better manage on-street parking and better integrate the seafront with the town centre. Improve setting for trading to assist business and job growth.

### Estimated Costs (excluding inflation)

Capital costs	2016/17 £	2017/18 £	2018/19 £	2019/20 £
Total Expenditure (including Engineers Fees)	529,000	202,000	150,000	150,000
County Council funding	-320,000	0	0	0
S106 Public Realm Funding	0	-50,000	-75,000	-75,000
<b>Net Total (City Council Growth)</b>	<b>209,000</b>	<b>152,000</b>	<b>75,000</b>	<b>75,000</b>
<b>Note: Associated MRP Implications on GF Revenue Budget</b>	<b>0</b>	<b>3,000</b>	<b>6,000</b>	<b>6,000</b>

## 2016 to 2020 BUDGET PROCESS – BUDGET OPTIONS (REDIRECTION/GROWTH)

34

Service: Resources

### Service / Policy Area

ICT (Information and Communications Technology)

### Brief Description of Budget Option

Research into improvements and efficiencies that can be made through exploiting the digital workplace. Review all Services' needs and what they are trying to achieve and fit the use of digital to these. This makes use of business processing re-engineering and systems analysis skills available within the current ICT team.

Proposed Implementation Date 2016/17

Estimated Lead-In

### Nature of Option

 Efficiency Saving  Service Reduction  Income Generation  Other  *Specify above*

### Service Impact, internally and externally (including impact on draft Corporate Priority list)

#### External / Community Impact

More modern services

#### Other Impact (Internal / Other Services etc.)

Reductions in time wasted on non-value adding processes

### Upfront Investment Needed

£100,000

Explain: Back-fill for ICT resources. Software tools.

### Estimated Savings (excluding inflation)

	2016/17 £	2017/18 £	2018/19 £	2019/20 £
Upfront Investment (see above)	100,000	?	?	?
<b>Total</b>	<b>100,000</b>	<b>?</b>	<b>?</b>	<b>?</b>

**NOTICE OF MOTION The Lancaster Museums****OFFICER BRIEFING NOTE**

*The notice of motion submitted by Cllrs Nick Wilkinson Councillors, June Ashworth, Dave Brookes, Susie Charles, Tim Hamilton-Cox, Caroline Jackson, and Roger Mace is set out on the front of the agenda.*

**Introduction**

This briefing note is to provide relevant information and context to inform consideration of the Council Motion “Working in Partnership – Reviewing Options for the Lancaster Museums”.

**Background**

Lancaster City Council has three museums, all based in Lancaster City Centre. **The City Museum** is located in Market Square in the Old Town Hall and is primarily focused on the history and heritage of Lancaster. **The Kings Own Regimental Museum**, although owned by the regimental trustees, is situated within the City Museum where the Council has hosted and provided management for many years. **The Maritime Museum** is situated on St George’s Quay within the Old Customs House and, as its name suggests focuses on maritime history of the area, including the Port of Lancaster and its trading history but with many links to Morecambe and the Bay. **The Cottage Museum** lies within the conservation area on Castle Hill and is effectively a simple, 18<sup>th</sup> century cottage providing a glimpse of early Victorian life.

The Council also owns and operates a number of other heritage buildings, all of which, in different ways, add value to the current museums offer. These include the Storey, the Town Hall and the Ashton Memorial. The Council’s buildings, including its museums, sit alongside a number of other heritage buildings as part of the wider heritage of the city of Lancaster. These include Lancaster Castle, which currently operates in part as a museum, the Priory, and the Judges Lodgings, a County Council museum which has been identified for closure.

Lancashire County Council manage and operate the City Council’s museums under a Museums Service Partnership Agreement, which was agreed in 2003 and that is currently holding over. This agreement has allowed a continuing arrangement to remain in place whilst the two Councils consider options for museums delivery in the context of large scale change across their operations. The agreement requires a review during the early part of 2016 to ensure that the museums accreditation, which is due for renewal during 2016, is continued.

The Museums Agreement currently costs the Council £505k per annum and includes on site operational costs for all three museums, overall management, administration, financial and marketing support and access to centralised services to provide specialist collections management, conservation and curatorial expertise.

**Museums development**

Over the last three to four years, the Council, working with the County Council, has undertaken a number of pieces of work that have provided useful information and analysis on the current museums arrangements. This includes specialist studies, engagement with the Local Government Association and consultation. A better overall understanding of the museums has been achieved and broader discussions with both County Council and Preston City Council have explored joint working opportunities. New governance arrangements have been developed and there has been a re-emphasis of the museums as

part of the visitor economy as well as a recognition that there are opportunities to increase the sustainability of the museums to improve the ongoing and longer term financial position.

In the context of significant budget pressures affecting both Councils, these discussions have been progressed and the City Council has now commissioned a high level study to examine its collections, museums buildings and spaces, identifying potential linkages with other building and spaces as part of the wider offer. Opportunities to increase long term sustainability are also being reviewed. For clarity, the study currently being undertaken does not include the Judges Lodgings.

A report will be provided to Cabinet on the outcome of this study during early 2016 and will outline a number of options which, if supported, can be further developed to allow the Council to be in a position to consider an overall strategy and detailed proposals during the next municipal year. It is expected that a recommendation to develop detailed options for future management arrangements will be specifically included as part of the report, although this will relate to Council's own museums rather than an extended arrangement that includes the Judges Lodgings.

### **Long term management arrangements**

There are various options which the Council can consider if it wishes to wholly or partially devolve its museums service. These include, for example, a trust or charitable company, a joint committee, private sector management and outsourcing to existing museum or heritage organisations.

In terms of assessing any options the Council would no doubt wish to consider the impact on service delivery, wider outcomes to be achieved, financial viability, sustainability, risks and opportunities. It would also be important for the Council to meet requirements for fairness and transparency in the way that any services are secured.

Although a review of management options could well lead to an agreement in principle to some sort of devolved museums service, it would be essential that any future management model is fit for purpose and financially realistic as well as able to deliver any agreed services and outcomes. There would be challenges in terms of investment and business planning, staffing, specialist expertise, resourcing and service development. However, a well designed model with sufficient financial backing and access to the skills, expertise and resources required, could potentially offer some benefits for both the museums and the Council.

It is worth noting that, although devolved services may be a useful option for the Council to consider, this is unlikely to deliver short term savings as it is usual for financial handover for such arrangements to take a number of years. Commonly, Local Authorities remain as key investors, providing an up-front premium to kick start the transfer and retaining some form of financial commitment in the longer term. Given the Council's financial outlook therefore, there is currently no guarantee that such options will prove financially viable or affordable.

It should be noted that this document is set in the context of Cabinet's budget proposals, to be considered elsewhere on Council's agenda for the 3<sup>rd</sup> February, as follows:

*"The future of the Maritime and Cottage Museums will be reviewed, alongside moves to encourage the County Council to explore community running of its museums provision (potentially through a Trust), with the aim of securing the museums' future in this district. That said, the aim will be to significantly reduce or negate operating costs of all museums, and mothballing of the Maritime and Cottage Museums will also be an option for consideration."*

## **County Council initial comments**

Initial officer comments have been requested from County Council and it is advised that:

### *Regarding Part 1 of the Motion*

If the Motion is agreed, a letter to County Council in advance of the County budget meeting on the 11<sup>th</sup> February could be added to other considerations that will be taken into account.

The County is currently seeking Expressions of Interest for the 5 museums identified for closure across the county on the 31<sup>st</sup> March. If Lancaster City Council wishes to write to the County Council with in principle support for the investigation into a Lancaster Trust that would support any potential Expression of Interest submitted by a Trust, or people speaking on its behalf.

### *Regarding Part 2 of the Motion*

The County Council is likely to assist in exploring the option of a Trust, if requested. However, a fair and equitable approach will be required regarding any Expressions of Interest that are submitted. The process of supporting and evaluating Expressions of Interest has not yet been agreed.

## **Summary and Conclusions**

In considering the Motion, Council may wish to take into account the following points:

- The proposal to review the option of supporting the creation of a financially sustainable Lancaster wide museum organisation is premature, as the City Council's current high level review of the current museums service is expected to recommend that detailed options for future management of the museums are developed.
- The City Council's current museums review has not yet been received and whilst it is expected to recommend detailed options are developed, the details are currently unavailable.
- During the coming municipal year, the Council will have the opportunity to consider a number of options to reduce its current costs for its museums. Potentially, therefore, alternative arrangements could be agreed that will change the way in which the service is delivered at present.
- Although any work undertaken by County Council will be valuable, the City Council will be required to directly consider any proposals that may arise for a review of its own museums on its own behalf, in order to evaluate financial, legal, service delivery implications, risk and opportunities in detail. This should normally also include an appraisal of any other potential and reasonable options.
- Although a review of the option proposed, as well as other potential options, could take place in the first few months of 2016/17, it is important to recognise the timescales required to undertake planning and implementation work and to transfer management functions and financial responsibilities, if a new arrangement is agreed. Typically this process takes place over a number of years so, if successful, delivers benefits in the longer term rather than the short term.
- It is extremely likely that County Council will withdraw revenue support from the Judges Lodgings in the near future. Unless clear alternative support, investment or revenue income is available, any new arrangement with shared risks and responsibilities will potentially create additional liabilities for the City Council at a time when its own budgets have significantly reduced.

**Statutory Officer comments:**

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

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

19<sup>th</sup> January 2016

Cllr. Nick Wilkinson  
Lancaster City Council  
Dalton Square  
Lancaster LA1 1PJ

Dear Cllr. Wilkinson,

I write on behalf of Lancaster University in support of the motion to Council 'Working in Partnership - Reviewing Options for Lancaster Museums'.

The motion calls for the City and County Councils to work together to investigate and appraise the option to create a Lancaster wide organisation for Museums. We understand the current budgetary situation that Councils currently face, but note the importance of the Lancaster museums from a cultural perspective as well as a potential driver for economic development through tourism.

The principle of Lancaster museums working under a single umbrella organisation and in partnership with business, community, education and arts institutions should be explored fully as a potential opportunity to increase income from sources beyond this grouping, improve the museum offerings and improve the overall visitor experience of Lancaster.

From a Lancaster University perspective a rich cultural offering that raises the profile of Lancaster as a City and makes it more attractive for internationally excellent staff is vital. We already have an excellent partnership with the Dukes, working collaboratively to engage our students better with the cultural assets of the City and provide improved opportunities around the arts as part of our widening access actions. We also make a significant financial contribution directly into this programme in the Dukes. Moreover, we provide a substantial investment and subsidy from our own resources to the cultural network of the City via the Regional Heritage Centre, Peter Scott Gallery and the Ruskin Library.

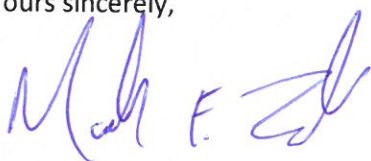
In addition, as part of the wider cultural offer we provide to the community through Lancaster Arts in terms of our music, theatre and artistic events programme and we are existing custodians of collections containing significant heritage artefacts, sculptures, ceramics, paintings and more including Ruskin, Hepworth and Pilkington's Lancastrian Pottery. We would want our current investments to stand alongside other museum offerings. In this context we are uneasy that aspects of the city's heritage offer, for example, the Judges' Lodgings, are at risk.



Page 2

To confirm our position, we would support the review of the option for a Lancaster wide museums organisation and feel that it would be an opportunity missed if this option was not assessed in detail before any Lancaster wide museum buildings or exhibits were sold or transferred. If an options appraisal goes ahead the University would certainly be happy to provide a person to sit on and take part in any group.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Mark E. Smith', with a stylized flourish at the end.

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Tel: 01228 888882  
peter.strike@cumbria.ac.uk

18 January 2016

Dear Cllr. Wilkinson

I write on behalf of the University of Cumbria in support of the motion to Council 'Working in Partnership - Reviewing Options for Lancaster Museums'.

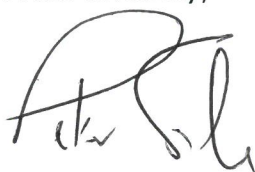
The motion calls for the City and County Councils to work together to investigate and appraise the option to create a Lancaster wide organisation for Museums. We understand the current budgetary situation that Councils currently face but note the importance of the Lancaster museums from a cultural perspective as well as a potential driver for economic development through tourism.

The principle of Lancaster museums working under a single umbrella organisation and in partnership with business, community, education and arts institutions should be explored fully as a potential opportunity to increase income, improve the museum offerings and improve the overall visitor experience of Lancaster.

To confirm we would support the review of the option for a Lancaster wide museums organisation and feel that it would be an opportunity missed if this option was not assessed in detail before any Lancaster wide museum buildings or exhibits were sold or transferred.

The University of Cumbria would, in principle, explore and encourage the new organisation to work with us on a number of knowledge exchange opportunities to support business development, commercial sustainability, cultural heritage, learning resources provision and tourism opportunities.

Yours sincerely,



Professor Peter Strike  
**Vice Chancellor**

University of Cumbria, Fusehill Street, Carlisle CA1 2HH  
t. 01228 616234 f. 01228 616235  
[www.cumbria.ac.uk](http://www.cumbria.ac.uk)



Farington House  
Lancashire Enterprise Business Park  
Centurion Way, Leyland, PR26 6TW  
Tel. 01772 426 465  
Web. [marketinglancashire.com](http://marketinglancashire.com)  
Email: [enquiries@marketinglancashire.com](mailto:enquiries@marketinglancashire.com)  
Twitter. @MarketingLancs

Cllr Nick Wilkinson  
Lancaster City Council  
Dalton Square  
Lancaster  
Lancashire LA1 1PJ

Dear Cllr Wilkinson,

### **Lancaster Museums**

I write further to your discussions regarding the feasibility of establishing a Lancaster wide organisation to develop and manage the museums offering across the city centre.

The Lancaster district receives over 7 million visitors annually (Source: STEAM 2014), making the second highest contribution to the total number of visitors (63 million) welcomed across Lancashire. It performs equally as high in terms of visitor spend, generating £415 million in economic impact (11% of the Lancashire total) and supporting 5,878 FTE jobs (10% of all visitor related jobs across the county). Web statistics for [Visitlancashire.com](http://Visitlancashire.com) also demonstrate a strong visitor interest in the district with annual page views for the Lancaster district having nearly doubled over the last year to reach over 1.2 million page views between April – December 2015. The district is clearly a key contributor to the prosperity of the county's visitor economy, playing an important role in bringing visitors to Lancashire.

The historic county town of Lancaster, a small city with a built heritage that puts it in England's top flight, potentially, provides a heritage centre for the county. The city offers product experiences that have national standout e.g. the UK's largest walkabout theatre in the England at Williamson Park, Lancaster Castle and a top 10 university and provides a quality environment for visitors interested in its history, independent shopping and a range of cultural experiences. Indeed, the city's cultural offering has a key role to play in helping to establish the county as a recognised, year round cultural destination through our plans to deliver an Arts Council funded initiative in 2016 that will closely integrate arts and culture within the visitor economy and amplify Lancashire's cultural voice to engage and develop wider audiences.

Marketing Lancashire has helped to strengthen Lancaster's positioning as an historic city by securing its membership of England's Heritage Cities Group alongside leading visitor destinations such as Durham, Chester, York and Bath. The group collaborate, share best practice and raise the profile of the cities to secure funding, recently being awarded monies

from the UK Challenge Fund to develop promotional campaigns targeting overseas visitors (French and German) with a heritage interest.

Alongside discussions around future development of the castle and continued investment in the city's cultural offering, including leading events such as Light Up Lancaster, now part of a wider 'Lighting Up the North' series of light festivals featuring seven festivities across the north of England, the city is one of the county's biggest opportunities for driving growth. However, the city's future growth potential is limited by a number of challenges, in particular a lack of accommodation options and its heritage offer is dispersed and in need of interpretation.

The Lancashire Visitor Economy Strategy 2015-2020 and accompanying destination management plan sets out to determine how sector growth can be supported over the next five years, with a primary focus on consolidating and strengthening Lancashire's positioning as a short breaks destination. It recommends that a specific development plan for the city is considered to evaluate how Lancaster can drive its role as one of England's Heritage Cities and as a leading visitor destination within Lancashire for short breaks.

To this effect, Marketing Lancashire is sponsoring the process of producing a Destination Development Plan (DDP) specifically for Lancaster; this will be led by a designated Steering Group and involves working very closely with the stakeholders in the city including the business community, particularly businesses involved in the visitor economy, community groups, the public sector and the voluntary sector. With this in mind, we would encourage the future role of Lancaster's museums, as a key element of the city's cultural heritage offer, to be reviewed as part of wider stakeholder discussions. This includes the potential for greater collaboration and co-ordination in building resilience and growing audiences through a visitor focused approach to development.

We look forward to hearing of your progress in reviewing management of the city museums and to understanding how the visitor experience can be further developed to help realise the wider goals and aspirations for Lancaster as a leading visitor destination within the county.

Yours sincerely,



Ruth Connor  
Chief Executive

# Chamber of Commerce

Cockerham • Carnforth • Hornby • Glasson Dock • Heysham Lancaster District Morecambe • Caton • Galgate • Silverdale • Wray • Cowan Bridge

Cllr. Nick Wilkinson  
Lancaster City Council  
Dalton Square  
Lancaster  
LA1 1PJ

18/01/2016

Dear Cllr. Wilkinson

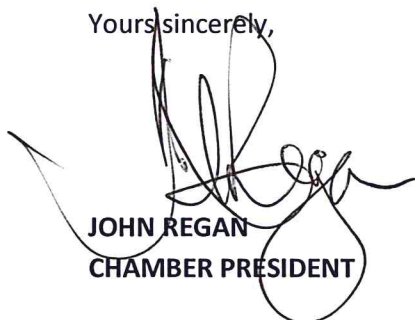
I write on behalf of Lancaster District Chamber of Commerce in support of the motion to Council 'Working in Partnership - Reviewing Options for Lancaster Museums'.

The motion calls for the City and County Councils to work together to investigate and appraise the option to create a Lancaster wide organisation for Museums. We understand the current budgetary situation that Councils currently face but note the importance of the Lancaster museums from a cultural perspective as well as a potential driver for economic development through tourism.

The principle of Lancaster museums working under a single umbrella organisation and in partnership with business, community, education and arts institutions should be explored fully as a potential opportunity to increase income, improve the museum offerings and improve the overall visitor experience of Lancaster.

To confirm we would support the review of the option for a Lancaster wide museums organisation and feel that it would be an opportunity missed if this option was not assessed in detail before any Lancaster wide museum buildings or exhibits were sold or transferred.

Yours sincerely,



**JOHN REGAN**  
**CHAMBER PRESIDENT**

Cllr. Nick Wilkinson  
Lancaster City Council  
Dalton Square  
Lancaster  
LA1 1PJ

CityLab, 4-6 Dalton Square,  
Lancaster LA1 1PP  
Telephone 01524 590650  
Email [info@lancasterbid.org](mailto:info@lancasterbid.org)

20 January 2016

Dear Cllr. Wilkinson

I write on behalf of Lancaster Business Improvement District (BID) in support of the motion to Council 'Working in Partnership - Reviewing Options for Lancaster Museums'.

The motion calls for the City and County Councils to work together to investigate and appraise the option to create a Lancaster wide organisation for Museums. We understand the current budgetary situation that Councils currently face but note the importance of the Lancaster museums from a cultural perspective as well as a potential driver for economic development through tourism.

The principle of Lancaster museums working under a single umbrella organisation and in partnership with business, community, education and arts institutions should be explored fully as a potential opportunity to increase income, improve the museum offerings and improve the overall visitor experience of Lancaster.

To confirm we would support the review of the option for a Lancaster wide museums organisation and feel that it would be an opportunity missed if this option was not assessed in detail before any Lancaster wide museum buildings or exhibits were sold or transferred.

Yours sincerely,



Liz Hickingbotham, Lancaster BID Manager

On behalf of Paul Cusimano, Lancaster BID chair

Cllr. Nick Wilkinson  
Lancaster City Council  
Dalton Square  
Lancaster  
LA1 1PJ

19 January 2016

Dear Cllr. Wilkinson

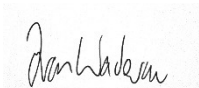
I write on behalf of The Dukes Playhouse Ltd in support of the motion to Council 'Working in Partnership - Reviewing Options for Lancaster Museums'.

The motion calls for the City and County Councils to work together to investigate and appraise the option to create a Lancaster wide organisation for Museums. We understand the current budgetary situation that Councils currently face but note the importance of the Lancaster museums from a cultural perspective, being part of the Lancaster: City of Heritage and City of Arts branding as well as a potential driver for economic development through tourism.

The Dukes has worked on joint projects with Lancaster museums and with the County Museums services previously to engage residents and visitors and to unlock stories from our rich, local heritage. The principle of Lancaster museums working under a single umbrella organisation and in partnership with business, community, education and arts institutions should be explored fully as a potential opportunity to increase income, improve the museum offerings and improve the overall visitor experience of Lancaster.

To confirm we would support the review of the option for a Lancaster wide museums organisation and feel that it would be an opportunity missed if this option was not assessed in detail before any Lancaster wide museum buildings or exhibits were sold or transferred.

Yours sincerely,



**Ivan Wadeson**  
Executive Director

The Storey • Meeting House • Lane Lancaster •  
Lancashire • LA1 1TH  
+44 (0)1524 62166 • www.litfest.org

The logo for Litfest, featuring the word "litfest" in a white, lowercase, sans-serif font against a solid red rectangular background.

Cllr. Nick Wilkinson  
Lancaster City Council  
Dalton Square  
Lancaster  
LA1 1PJ

17<sup>th</sup> January 2015

Dear Cllr. Wilkinson

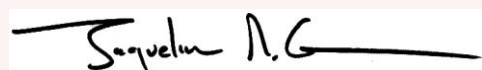
I write on behalf of Litfest in support of the motion to Council  
'Working in Partnership - Reviewing Options for Lancaster Museums'.

The motion calls for the City and County Councils to work together to investigate and appraise the option to create a Lancaster wide organisation for Museums. Whilst we fully understand the current budgetary situation that Councils currently face, we are concerned at the lack of imagination being displayed by the proposed deployment of the 'usual' solution i.e cuts. The importance of the Lancaster museums as a potential driver for economic development through tourism, for employment and student retention, as well as from a cultural perspective, cannot be underestimated. We believe potential closure is a short-sighted and fear-driven response to the current challenges.

The principle of Lancaster museums working under a single umbrella organisation and in partnership with business, community, education and arts institutions should be explored fully as a potential opportunity to increase income, improve the museum offerings and improve the overall visitor experience of Lancaster.

To confirm we would support the review of the option for a Lancaster wide museums organisation. We believe that this would be an enormous missed opportunity if this option was not assessed in detail before any Lancaster wide museum buildings or exhibits were sold or transferred.

Yours sincerely

A handwritten signature in black ink that reads "Jacqueline A.G." with a long horizontal line extending to the right.

Jacqueline Greaves  
Chair, Litfest





Cllr. Nick Wilkinson  
Lancaster City Council  
Dalton Square  
Lancaster  
LA1 1PJ

Dear Cllr. Wilkinson

I write on behalf of Ludus Dance and as a Lancaster resident in support of the motion to Council 'Working in Partnership - Reviewing Options for Lancaster Museums'. The motion calls for the City and County Councils to work together to investigate and appraise the option to create a Lancaster wide organisation for Museums. We understand the current budgetary situation that Councils currently face but note the importance of the Lancaster museums from a cultural perspective as well as a potential driver for economic development through tourism.

The principle of Lancaster museums working under a single umbrella organisation and in partnership with business, community, education and arts institutions should be explored fully as a potential opportunity to increase income, improve the museum offerings and improve the overall visitor experience of Lancaster.

I strongly feel that it would be crucial to review the option of a Lancaster wide Museum organisation before any museum closures took place.

To confirm we would support the review of the option for a Lancaster wide museums organisation and feel that it would be an opportunity missed if this option was not assessed in detail before any Lancaster wide museum buildings or exhibits were sold or transferred.

Yours sincerely,

A handwritten signature in black ink that reads "Di Cumming".

Di Cumming  
Chief Executive

**NOTICE OF MOTION - Flooding****OFFICER BRIEFING NOTE**

Motion submitted by Cllrs Rob Devey, Cllrs David Whitaker, Richard Newman-Thompson, Colin Hartley and Karen Leytham:

*This council:*

- *Expresses its thanks to everyone involved in the response to December's floods, including the emergency services, businesses, council officers and members of the community.*
- *Welcomes the efforts currently underway by the council to assist in identifying what improvements can be made to help prevent the flooding and power cuts experienced in the Lancaster district in December from happening again – and asks officers for an overview of these and a further update by July.*
- *Affirms this council's commitment to continuing to work with lead flood authority Lancashire County Council, the Environment Agency and other agencies to secure funding for the necessary improvements.*
- *Agrees that flood defences should be designed to cope with much greater unprecedented volumes of rainfall given the evidence of new volatility in British weather conditions.*
- *Recognises that investment to prevent flooding in the first place is a better use of taxpayers money than the huge financial and human costs involved in dealing with the aftermath of flooding.*
- *Urges the Government to ensure that necessary funding is provided to implement recommended improvements to flood defences in the Lancaster district.*

The City Council provides support to the Environment Agency and the County Council as Lead Flood Authority, who hold the statutory responsibilities for responding to flooding and flood risk management, through the Regeneration and Planning Service. The Engineering Team alongside its duties managing and maintaining the sea defences at Morecambe assists in the design and implementation of flood management solutions from time to time. It also provides local knowledge and monitoring capability for local flooding hot spots.

City Council Officers have already been working with the Environment Agency during 2015 to provide support to a potential bid by the Environment Agency to improve defences along the River Lune in the Caton Road area. Concerns about the vulnerability of the electricity sub-station had already been highlighted before Storm Desmond. The impacts of the storm have as one would expect accelerated the commitment to design further flood resilience improvements and a formal project team has now been established.

In addition to the River Lune a range of other vulnerable locations where further work may be necessary to address flooding have been identified and made known to the Environment Agency.

The City Councils ability to continue to support the Environment Agency and the Lead Flood Authority is highly dependent on retaining capacity and skills in the Engineering Team. It is a small team with only 5 posts and there remain difficulties in recruiting to a vacant post at this time. An internal Audit is currently taking place to address the issue of succession planning in this team to ensure that the council maintains this capability. The outcome of the audit and any implications or options regarding resourcing would be considered in the context of statutory responsibilities.

**Statutory Officer comments:**

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

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

**COUNCIL**

**Allocation of Seats to Political Groups  
3 February 2016**

**Report of Chief Executive**

**PURPOSE OF REPORT**

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

This report is public

**RECOMMENDATIONS**

- (1) That in accordance with Section 15 of the Local Government and Housing Act, 1989 and Part 4 of the Local Government (Committees and Political Groups) Regulations, 1990, the City Council approves the calculations and allocation of seats set out in Appendices B and C of the report.
- (2) That the Green Group inform Council of the names of their members to be removed from the Budget and Performance Panel and the Licensing Regulatory Committee, and that the Labour Group inform Council of the names of their members to be appointed to those bodies (as detailed in paragraph 3.1 of the report).
- (3) That the Green Party appoints to its vacant place on the Council Business Committee and appoints a substitute member for each of the Budget and Performance Panel and the Licensing Regulatory Committee.

**1.0 Introduction**

- 1.1 Councillor Sam Armstrong changed his political affiliation from the Green Group to the Labour Group on 21 January 2016. This causes a change to the political composition of the council and requires a report on the recalculation of the proportional representation arrangements to the first available Council meeting in accordance with the Local Government and Housing Act 1989.
- 1.2 Members are requested to approve the calculation in order to enable adjustments to be made to appointments to committees to reflect the revised make-up of the Council.

**2.0 Adjustments Required to Committees**

- 2.1 The political composition of the Council is now as shown below:-

Labour	30
Conservatives	19
Green	8
Independent	2
Free Independent	1
	<hr/>
	60
	<hr/>

2.2 Various appendices give full details of the calculations: **Appendix A** shows the methodology of Council's agreed calculation of PR; the revised calculations in relation to numbers from 1 to 20 are attached at **Appendix B**; **Appendix C** gives the grouping calculations used in this report, and **Appendix D** shows the list of committee Members prior to this recent change.

### 3.0 Required Adjustments

3.1 Two adjustments are required, as follows:-

- For the Overview and Scrutiny grouping, the Labour Group gain a seat on the Budget and Performance Panel from the Green Group\*
- For the Regulatory and Standing Committees of Council Grouping, the Labour Group gain a seat on the Licensing Regulatory Committee from the Green Group\*.

\* the Budget and Performance Panel and the Licensing Regulatory Committee are specified for these adjustments because the Green Group should have a place on the Overview and Scrutiny Committee and the Budget and Performance Panel so must give up their extra place, which is on the Budget and Performance Panel. The Green Group's extra place on the Regulatory and Standing Committees of Council grouping is on the Licensing Regulatory Committee, so that is the place that must be given up.

### 4.0 Green Party Vacancies

4.1 Councillor Armstrong was the Green group member on Council Business Committee and a substitute member on the Budget and Performance Panel and Licensing Regulatory Committee. The Green group is asked to make new appointments to those places now vacant.

### 5.0 Conclusion

5.1 Members are requested to approve the calculations and the adjustments required as set out in paragraph 2.3 and 3.1 of this report, in order to enable the required changes to appointments to be made at this meeting.

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

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

**FINANCIAL IMPLICATIONS**

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

**LEGAL IMPLICATIONS**

This report has been prepared in accordance with the provisions of Section 15 of the Local Government and Housing Act, 1989 and Part 4 of the Local Government (Committees and Political Groups) Regulations 1990.

**SECTION 151 OFFICER'S COMMENTS**

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

**MONITORING OFFICER'S COMMENTS**

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

**BACKGROUND PAPERS**

**Contact Officer:** Debbie Chambers  
**Telephone:** 01524 582057  
**E-mail:** dchambers@lancaster.gov.uk

**METHOD OF CALCULATION**

- 1 The following is provided as a reminder for Members of the method used to calculate proportional representation (PR) at Lancaster City Council:-
- 2 At its meeting on 11<sup>th</sup> May 2006 Council agreed the following protocol and groupings for the calculation of PR on the Council's Cabinet\*, Overview & Scrutiny and Committees:
  - (i) the calculation be undertaken using 4 decimal places;
  - (ii) the allocation of a final seat to a Group with the same residual be to the largest under-represented Group provided that this does not result in the largest over-representation; and
  - (iii) In the event that the foregoing rules do not resolve the situation, either because of a tie, or because the allocation would result in the largest over-representation, the seat be allocated by drawing lots under the supervision of the Mayor.
  - (iv) the calculation should be undertaken in relation to the following groupings:
    - Overview and Scrutiny (2 x 9)
    - Regulatory and other timetabled Committees (1 x 20(Planning)\*, 1 x 15 (Licensing Act), 1 x 9 (Licensing Regulatory) and 2 x 7 (Personnel and Audit)
    - Remaining Standing and Joint Committees to be calculated separately and individually.

*\*The Cabinet is no longer a PR Cabinet, and the composition of the Planning Committee has since reduced to 15 Members.*

## PR CALCULATION

		Labour	Conservative	Green	Independent	Free Independent
1	=	1	0	0	0	0
2	=	1	1	0	0	0
3	=	2	1	0	0	0
4	=	2	1	1	0	0
5	=	2	2	1	0	0
6	=	3	2	1	0	0
7	=	4	2	1	0	0
8	=	4	3	1	0	0
9	=	5	3	1	0	0
10	=	5	4	1	0	0
11	=	6	4	1	0	0
12	=	6	4	2	0	0
13	=	7	4	2	0	0
14	=	7	4	2	1	0
15	=	7	5	2	1	0
16	=	8	5	2	1	0
17	=	9	5	2	1	0
18	=	9	6	2	1	0
19	=	9	6	3	1	0
20	=	10	6	3	1	0

Labour	30
Conservative	19
Green	8
Independent	2
Free Independent	1
<b>TOTAL</b>	<b>60</b>

As at 21 January 2016



## COMMITTEE GROUPING CALCULATIONS

### 1 OVERVIEW AND SCRUTINY GROUPING

The PR Calculation for a single 9 Member Committee is 5:3:1:0:0 and the grouping of Overview & Scrutiny Committee and Budget & Performance Panel is as follows:-

$9 + 9 = 18$  (-:- 60) = 0.3 seats per Member.

L	30 x 0.3	=	9.0	=	9
C	19 x 0.3	=	5.7	=	6
G	8 x 0.3	=	2.4	=	2
I	2 x 0.3	=	0.6	=	1
FI	1 x 0.3	=	0.3	=	<u>0</u>
					18

### 2 REGULATORY AND STANDING COMMITTEES OF COUNCIL GROUPING

The PR calculation for 15 Member Committees (Planning and Highways Regulatory and Licensing Act) is 7:5:2:1:0. The 9 Member Licensing Regulatory Committee is 5:3:1:0:0 and the 7 Member Committee calculation (for Personnel and Audit) is 4:2:1:0:0. The total seats to be allocated for the grouping comprising Planning and Highways Regulatory, Licensing Act, Licensing Regulatory, Personnel and Audit Committees is:-

$15 + 15 + 9 + 7 + 7 = 53$  (-:- 60) = 0.8833 seats per Member.

L	30	x 0.8833	=	26.4990	=	26
C	19	x 0.8833	=	16.7827	=	17
G	8	x 0.8833	=	7.0664	=	7
I	2	x 0.8833	=	1.7666	=	2
FI	1	x 0.8833	=	0.8833	=	1
						<b><u>53</u></b>

### 3 OTHER COMMITTEES/PANELS

Remaining Standing Committees currently constituted with a PR of 7 are the Appeals, Council Business and Standards Committees. The PR calculation for these is unchanged at 4:2:1:0:0.

The Appraisal Panel is a member panel of seven members appointed on a PR basis, although not a formal Committee of Council. The PR calculation for the Panel is unchanged at 4:2:1:0:0.

Council has established an ad hoc Committee to deal with the recruitment of a new Chief Executive. This is a PR Committee of 20 Members. The PR calculation for the Committee is unchanged at 10:6:3:1:0.

**Overview and Scrutiny****APPENDIX D****Overview and Scrutiny Committee (9)**

<b>Labour (4)</b>	<b>Conservative (3)</b>	<b>Green (1)</b>	<b>Independent (1)</b>	<b>Free Independents (0)</b>
Atkinson, Lucy	Cooper, Brett	Jackson, Caroline	Ashworth, June (VC)	
Biddulph, Alan	Goodrich, Nigel (C)			
Devey, Rob	Williamson, Phillippa			
Whitaker, David				
<b>Substitutes:</b>				
Brown, Tracy	Gardiner, Andrew	Mills, Abi	Knight, Geoff	
Metcalf, Terrie	Mace, Roger	Wilkinson, Nick		

**Budget and Performance Panel (9)**

<b>Labour (4)</b>	<b>Conservative (3)</b>	<b>Green (2)</b>	<b>Independent (0)</b>	<b>Free Independents (0)</b>
Cozler, Claire	Gardiner, Andrew	Brookes, Dave (C)		
Hall, Janet	Williamson, Phillippa (vc)	Hamilton-Cox, Tim		
Hartley, Colin	Sykes, Susan			
Whitehead, Anne				
<b>Substitutes:</b>				
Biddulph, Alan	Wild, John	Armstrong, Sam		
Brown, Tracy	Williamson, Peter	Wilkinson, Nick		

**Grouped Regulatory and Standing Committees of Council****Licensing Regulatory Committee (9)**

<b>Labour (4)</b>	<b>Conservative (3)</b>	<b>Green (2)</b>	<b>Independent (0)</b>	<b>Free Independents (0)</b>
Hartley, Colin	Edwards, Charlie	Hamilton-Cox, Tim		
Metcalfe, Terrie (VC)	Gardiner, Andrew	Novell, Rebecca		
Pattison, Margaret (C)	Guilding, Mel			
Redfern, Robert				
<b>Substitutes:</b>				
Cozler, Claire	Mace, Roger	Armstrong, Sam		
Denwood, Sheila	Wild, John	Kay, Andrew		

**Licensing Act Committee (15) – *no substitutes permitted***

<b>Labour (6)</b>	<b>Conservative (5)</b>	<b>Green (2)</b>	<b>Independent (1)</b>	<b>Free Independents (1)</b>
Biddulph, Alan (VC)	Bateson, Stuart	Mills, Abi	Ashworth, June	Woodruff, Paul
Brayshaw, Carla	Edwards, Charlie	Wilkinson, Nick		
Denwood, Sheila	Guilding, Mel			
Hartley, Colin	Rogerson, Sylvia			
Metcalfe, Terrie (C)	Sykes, Susan			
Sherlock, Roger				

**Planning and Highways Regulatory Committee (15)**

<b>Labour (7)</b>	<b>Conservative (5)</b>	<b>Green (2)</b>	<b>Independent (1)</b>	<b>Free Independents (0)</b>
Blamire, Eileen	Bateson, Stuart	Brookes, Dave	Ashworth, June	
Brayshaw, Carla	Helme, Helen (VC)	Kay, Andrew		
Denwood, Sheila	Rogerson, Sylvia			
Leyshon, James	Thomas, Malcolm			
Pattison, Margaret	Yates, Peter			
Redfern, Robert				
Sherlock, Roger (C)				
<b>Substitutes:</b>				
Newman-Thompson, R	Charles, Susie	Hamilton-Cox, Tim	Knight, Geoff	
Smith, David	Guilding, Mel	Wilkinson, Nick		

**Personnel Committee (7)**

<b>Labour (4)</b>	<b>Conservative (2)</b>	<b>Green (1)</b>	<b>Independent (0)</b>	<b>Free Independents (0)</b>
Atkinson, Lucy (VC)	Parkinson, Jane	Jackson, Caroline		
Kershaw, Ronnie	Rogerson, Sylvia			
Scott, Liz (C)				
Smith, David				
<b>Substitutes:</b>				
Biddulph, Alan	Gardiner, Andrew	Hamilton-Cox, Tim		
Newman-Thompson, R	Williamson, Phillippa	Mills, Abi		

**Audit Committee (7)**

<b>Labour (4)</b>	<b>Conservative (2)</b>	<b>Green (1)</b>	<b>Independent (0)</b>	<b>Free Independents (0)</b>
Mann, Matt (C)	Thomas, Malcolm	Wilkinson, Nick		
Hughes, Brendan	Askew, George			
Whitaker, David				
Whitehead, Anne				
Hartley, Colin	Bateson, Stuart	Barry, Jon		
Sherlock, Roger	Williamson, Peter	Hamilton-Cox, Tim		

**Other Standing Committees****Appeals Committee (7)**

<b>Labour (4)</b>	<b>Conservative (2)</b>	<b>Green (1)</b>	<b>Independent (0)</b>	<b>Free Independents (0)</b>
Cozler, Claire (C)	Helme, Helen	Barry, Jon		
Hanson, Janice	Jackson, Joan			
Leytham, Karen				
Sherlock, Roger				
<b>Substitutes:</b>				
Metcalfe, Terrie	Charles, Susie	Hamilton-Cox, Tim		
Pattison, Margaret	Cooper, Brett			

**Standards Committee (7)**

<b>Labour (4)</b>	<b>Conservative (2)</b>	<b>Green (1)</b>	<b>Independent (0)</b>	<b>Free Independents (0)</b>
Hartley, Colin (C)	Mace, Roger (VC)	Barry, Jon		
Scott, Liz	Yates, Peter			
Sherlock, Roger				
Whitaker, David				
<b>Substitutes:</b>				
Brown, Tracy	Edwards, Charlie	Hamilton-Cox, Tim		
Newman-Thompson, R	Goodrich, Nigel			

**Council Business Committee (7)**

<b>Labour (4)</b>	<b>Conservative (2)</b>	<b>Green (1)</b>	<b>Independent (0)</b>	<b>Free Independents (0)</b>
Blamire, Eileen	Jackson, Joan	Armstrong, Sam		
Brown, Tracy	Mace, Roger			
Hall, Janet (C)				
Warriner, Andrew (VC)				
<b>Substitutes:</b>				
Metcalfe, Terrie	Charles, Susie	Mills, Abi		
Whitaker, David	Sykes, Susan			

**PR Ad Hoc Committee****Chief Executive Recruitment Committee (20)**

<b>Labour (10)</b>	<b>Conservative (6)</b>	<b>Green (3)</b>	<b>Independent (1)</b>	<b>Free Independents (0)</b>
Blamire, Eileen (C)	Charles, Susie	Hamilton-Cox, Tim	Ashworth, June	
Atkinson, Lucy	Gardiner, Andrew	Jackson, Caroline		
Bryning, Abbott	Parkinson, Jane	Wilkinson, Nick		
Clifford, Darren	Rogerson, Sylvia			
Hanson, Janice	Sykes, Susan			
Metcalfe, Terrie	Williamson, Phillippa			
Pattison, Margaret				
Scott, Elizabeth				
Smith, David				
Whitehead, Anne				

**PR Member Panel****Appraisal Panel (7)**

<b>Labour (4)</b>	<b>Conservative (2)</b>	<b>Green (1)</b>	<b>Independent (0)</b>	<b>Free Independents (0)</b>
Blamire, Eileen	Charles, Susie (C)	Hamilton-Cox, Tim		
Pattison, Margaret	Mace, Roger			
Sherlock, Roger				
Smith, David				
<b>Substitutes:</b>				
Clifford, Darren	Jackson, Joan	Jackson, Caroline		
Sands, Ron	Parkinson, Jane	Wilkinson, Nick		

**COUNCIL****Request for Change of Cabinet Meeting Date and  
Proposal for Additional Council Meeting  
3<sup>rd</sup> February 2016****Report of Chief Officer (Governance)****PURPOSE OF REPORT**

To consider a request for the Cabinet meeting currently scheduled for Tuesday 22<sup>nd</sup> March 2016 to be moved to Tuesday 29<sup>th</sup> March 2016, and for an additional Council meeting at 6.00 pm on Wednesday 23<sup>rd</sup> March 2016.

**This report is public**

**RECOMMENDATIONS**

- (1) **That the date of the Cabinet meeting currently scheduled for Tuesday 22<sup>nd</sup> March 2016 be changed to Tuesday 29<sup>th</sup> March 2016, and that an additional Council meeting be scheduled for Wednesday 23<sup>rd</sup> March 2016.**

**1.0 Introduction**

- 1.1 The Cabinet Procedure Rules provide for Cabinet to meet on a monthly basis and at times to be agreed by the Leader, to be confirmed by full Council on an annual basis. Council confirmed the timetable of meetings for 2015/16 at its meeting on the 17<sup>th</sup> December 2014. The meetings of Council are also included in the timetable.

**2.0 Proposal Details**

- 2.1 Cabinet is scheduled to meet at 6.00 pm on the 22<sup>nd</sup> March 2016. However, in setting the timetable for the recruitment of the new Chief Executive, it has been necessary to set aside that day for interviews, in order to ensure the availability of the external advisers to the Recruitment Committee. The Leader and other Cabinet members will be involved in the interview process, and it is likely that the interviews and the deliberations of the Committee will extend into the late afternoon or early evening. Accordingly, it would be preferable for the Cabinet meeting to be rescheduled to the following Tuesday, the 29<sup>th</sup> March.
- 2.2 Further, following the interviews on the 22<sup>nd</sup> March, the Chief Executive Recruitment Committee will be making a recommendation to full Council on the appointment of the new Chief Executive. Waiting until the next scheduled meeting on the 13<sup>th</sup> April 2016 would unduly delay the appointment, and it is

therefore recommended that an additional meeting of Council be held at 6.00 pm on the 23<sup>rd</sup> March to enable Council to consider the Committee's recommendation.

**3.0 Conclusion**

3.1 Council's approval is therefore sought for these changes.

<p><b>CONCLUSION OF IMPACT ASSESSMENT</b> (including Health &amp; Safety, Equality &amp; Diversity, Human Rights, Community Safety, Sustainability and Rural Proofing)</p> <p>None</p>	
<p><b>LEGAL IMPLICATIONS</b></p> <p>None</p>	
<p><b>FINANCIAL IMPLICATIONS</b></p> <p>None</p>	
<p><b>OTHER RESOURCE IMPLICATIONS</b></p> <p><b>Human Resources:</b> None</p> <p><b>Information Services:</b> None</p> <p><b>Property:</b> None</p> <p><b>Open Spaces:</b> None]</p>	
<p><b>SECTION 151 OFFICER'S COMMENTS</b></p> <p>The Deputy Section 151 Officer has been consulted and has no comments to add.</p>	
<p><b>MONITORING OFFICER'S COMMENTS</b></p> <p>The report has been prepared by the Monitoring Officer.</p>	
<p><b>BACKGROUND PAPERS</b></p> <p>None</p>	<p><b>Contact Officer:</b> Mrs S Taylor  <b>Telephone:</b> 01524 582025  <b>E-mail:</b> STaylor@lancaster.gov.uk  <b>Ref:</b></p>



**COUNCIL**

**Review of Part 3 Section 2 of the Constitution  
3<sup>rd</sup> February 2016**

**Report of the Monitoring Officer**

**PURPOSE OF REPORT**

To enable Council to approve amendments to Part 3 Section 2 of the Constitution.

**This report is public**

**RECOMMENDATIONS**

- (1) That Part 3 Section 2 of the Constitution be replaced with the revised version appended to this report.**
- 1.0 Introduction**
- 1.1 The Constitution is constantly kept under review to ensure that it is up to date and compliant with the law and with best practice.
- 1.2 Part 3 of the Constitution deals with the responsibility for functions, and sets out the terms of reference of the Council, Cabinet and its Committees.
- 1.3 Section 2 of Part 3, which relates to Cabinet, has not been updated for a number of years, and on a recent review it has come to light that the section would benefit from substantial amendment.
- 1.4 The Section, as currently drafted, attempts to summarise the functions for which the Cabinet is responsible. However, as a matter of law, all the Council’s functions are deemed to be executive functions unless otherwise specified in the relevant legislation. Accordingly, it is impossible to set out a definitive list of Cabinet functions.
- 1.5 It is better therefore not to seek to summarise the Cabinet’s areas of responsibility in this Section, but rather to confirm that under the Local Government Act 2000, all functions are, by default, executive functions, unless there is express provision to the contrary in the Local Authorities (Functions and Responsibilities) Regulations 2000, as amended, or in other legislation.
- 1.6 The 2000 Regulations do, however, make provision for certain specified functions, sometimes known as “local choice functions”, to be either executive or non-executive functions. Whilst the current Section 2 does broadly include

some of these as Cabinet responsibilities, there is no clear statement as to which of the local choice functions are to be exercised by Cabinet.

**2.0 Proposal Details**

2.1 In order to deal with the issues set out above, a revised version of Section 2 has been drafted, and is appended to this report. It does not make any practical changes as to how functions are exercised, but rather reflects the “executive by default” provisions of the Local Government Act 2000, and provides clarity in respect of those specified local choice provisions where the Council can choose whether a function is exercised by the Cabinet or by Council or one of its committees.

**3.0 Details of Consultation**

3.1 There has been no consultation, but the Monitoring Officer has reviewed the relevant sections of the constitutions of other councils in order to establish best practice.

**4.0 Options and Options Analysis (including risk assessment)**

4.1 Council is advised that Section 2 of Part 3 is in need of updating, and is recommended to approve the revised version appended to this report, as this covers the legal requirements. It would be open to Council to make other amendments, provided that these were in accordance with the relevant legislation.

**5.0 Conclusion**

5.1 Council is recommended to replace Section 2 of Part 3 with the revised version appended to this report.

<p><b>CONCLUSION OF IMPACT ASSESSMENT</b> <b>(including Health &amp; Safety, Equality &amp; Diversity, Human Rights, Community Safety, Sustainability and Rural Proofing)</b></p> <p>None directly arising from this report.</p>
<p><b>LEGAL IMPLICATIONS</b></p> <p>The revised version meets the requirements of the relevant legislation.</p>
<p><b>FINANCIAL IMPLICATIONS</b></p> <p>There are no financial implications arising from this report.</p>
<p><b>OTHER RESOURCE IMPLICATIONS</b></p> <p><b>Human Resources:</b> None</p> <p><b>Information Services:</b> None</p>

**Property:**

None

**Open Spaces:**

None

**SECTION 151 OFFICER'S COMMENTS**

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

**MONITORING OFFICER'S COMMENTS**

The report has been prepared by the Monitoring Officer as the officer responsible for the Constitution. An amendment to Part 3 of the Constitution may only be approved by full Council.

**BACKGROUND PAPERS**

None

**Contact Officer:** Mrs S Taylor

**Telephone:** 01524 582025

**E-mail:** STaylor@lancaster.gov.uk

**Ref:**

## SECTION 2 - THE CABINET

**Composition:** Leader and Cabinet of up to 9 Members of the Council.

**Terms of Reference:**

The Cabinet is the Council's Executive, and, as such, has responsibility for all executive functions.

Under the Local Government Act 2000, all functions are, by default, executive functions, unless there is express provision to the contrary in the Local Authorities (Functions and Responsibilities) Regulations 2000, as amended, or in other legislation. Non-executive functions are either reserved to Full Council or fall within the terms of reference of the Committees of Council as set out in this Constitution.

### Local Choice Functions

Schedule 2 of the Local Authorities (Functions and Responsibilities) Regulations 2000 makes provision for certain functions, sometimes known as "local choice functions" to be either executive or non-executive functions. The following local choice functions are exercisable by Cabinet:

- Any function related to contaminated land
- The discharge of any function relating to the control of pollution or the management of air quality
- The service of an abatement notice in respect of a statutory nuisance
- The passing of a resolution that Schedule 2 to the Noise and Statutory Nuisance Act 1993 should apply in the Council's area
- The inspection of the Council's area to detect any statutory nuisance
- The investigation of any complaint as to the existence of a statutory nuisance
- The obtaining of particulars of persons interested in land under Section 16 of the Local Government (Miscellaneous Provisions) Act 1976
- The appointment of any individual to any outside body where the appointment is made by virtue of the individual's membership of Cabinet
- The making of agreements with other local authorities for the placing of staff at the disposal of those authorities

For the avoidance of doubt, the following local choice functions are exercisable by Council or its Committees:

- The determination of an appeal against any decision made by or on behalf of the Council
- The obtaining of information under section 330 of the Town and Country Planning Act 1990 as to interests in land
- The appointment of any individual to any office other than an office in which he is employed by the Council, or to any outside body other than where the appointment is made by virtue of the individual's membership of Cabinet

## CABINET

6.00 P.M.

19TH JANUARY 2016

**PRESENT:-** Councillors Eileen Blamire (Chairman), Janice Hanson (Vice-Chairman), Abbott Bryning, Darren Clifford, Karen Leytham, Richard Newman-Thompson, Margaret Pattison and David Smith

Officers in attendance:-

Mark Cullinan	Chief Executive
Sarah Taylor	Chief Officer (Governance) and Monitoring Officer
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

**58 MINUTES**

The minutes of the meeting held on Tuesday 1<sup>st</sup> December 2015 were approved as a correct record.

**59 ITEMS OF URGENT BUSINESS AUTHORISED BY THE LEADER**

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

**60 DECLARATIONS OF INTEREST AND DECLARATIONS UNDER SECTION 106 OF THE LOCAL GOVERNMENT ACT 1992**

Councillor Hanson declared an interest with regard to the Morecambe Business Improvement District (BID) report in view of her being a member of the Steering Group of the Morecambe Bid. (Minute 63 refers).

Councillor Clifford declared that Section 106 of the Local Government Finance Act 1992 applied to him, and would not therefore vote on any recommendation, resolution or other decision which might affect budgetary and council tax calculations.

**61 PUBLIC SPEAKING**

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

**62 MARKET SQUARE LANCASTER - TREES**

**(Cabinet Member with Special Responsibility Councillor Hanson)**

The Chairman advised the meeting that a petition had been presented at Lancaster Town Hall objecting to the proposals to fell the lime trees in Market Square, and that in view of the number of signatures, the petition would be debated at full Council, in accordance with the Petition Scheme.

Councillor Hanson proposed, seconded by Councillor Smith:-

“That in view of the petition received in objection to the proposals to fell the trees, consideration of the Market Square Trees report be deferred to enable the issue to be debated at full Council on 3<sup>rd</sup> February 2016.”

Councillors then voted:-

**Resolved:**

**(7 Members (Councillors Blamire, Clifford, Hanson, Leytham, Newman-Thompson, Pattison and Smith) voted in favour. Councillor Bryning did not vote on this item.)**

That in view of the petition received in objection to the proposals to fell the trees, consideration of the Market Square Trees report be deferred to enable the issue to be debated at full Council on 3<sup>rd</sup> February 2016.

**Officers responsible for effecting the decision:**

Chief Officer (Environment)

Chief Officer (Governance)

**Reasons for making the decision:**

In accordance with the City Council's Constitution any petition containing 1500 signatures or more (or 200 where it relates to a local matter which affects no more than two wards) will be scheduled for a Council debate. Deferring consideration of this item enables Council to make recommendations to inform the Cabinet's decision.

**63 MORECAMBE BUSINESS IMPROVEMENT DISTRICT (BID) - DRAFT PROPOSAL DOCUMENT**

**(Cabinet Member with Special Responsibility Councillor Hanson)**

Cabinet received a report from the Chief Officer (Regeneration & Planning) which provided context and information for the endorsement of proposals for a Morecambe BID ballot in May 2016 as required by statute. The report updated Members on potential pre and post ballot issues and resource implications in relation to the City Council's role in the potential Morecambe BID.

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

	<b>Option 1:</b> : Do nothing (Put off decision until the production of Final Proposals)	<b>Option 2:</b> Endorse the draft BID Proposals with endorsement of final BID Proposals delegated to the Chief Executive.	<b>Option 3:</b> Request / wait for material amendments to the draft Proposal for consideration/ endorsement at a future Cabinet meeting.
Advantages	No advantages.	Early notice that the proposals are technically sound and final document	Appropriate if Members consider (based on the draft), a Final Proposal

		<p>is likely to be compatible with BID Regulations and council policy.</p> <p>Allows for minor and/or non-material technical amendments via officer scrutiny of final document.</p> <p>Allows Morecambe BID to develop its pre-election canvassing strategy and marketing/publishing activities around the BID Proposals with confidence.</p>	<p>would be vetoed and that material changes are required.</p> <p>Allows for revised proposals to come forward which are compatible with council policy and regulatory requirements</p>
Disadvantages	<p>Creates uncertainty for Morecambe BID.</p> <p>Creates difficulties for Morecambe BID in developing its pre-ballot canvassing strategy and marketing/ publishing activities around the BID Proposals.</p>	No disadvantages identified.	<p>Reputational implications for council if proposals are not endorsed without good reason. Potentially delays Morecambe BID's commitment to pre-ballot canvassing strategy and marketing/publishing activities around the BID Proposals.</p>
Risks	<p>If there are issues with Final Proposal compliance at a future date a ballot could be delayed with knock on implications for Morecambe BID in terms of canvassing and for the council in terms of dealing with operational matters in the next Financial Year arising from a delayed 'Yes' vote.</p>	No guarantee that the BID ballot will be successful.	<p>The onus would be on Morecambe BID to address any issues and prepare a technically/policy compatible Final Proposal for consideration at a future cabinet meeting.</p> <p>Other risks are as Option 1</p>

On submission of a Final Proposal the local authority is obliged to endorse a BID proposal and approve a ballot if it meets the regulatory and policy tests mentioned in

paragraph 2.3 of the report. The draft proposals provide a good indication of whether it is likely the Council will need to use its veto powers. The draft proposals do not conflict materially with published council policies and a successful BID should support the council's corporate objectives. The work of Morecambe BID in canvassing opinion and consultation among local business shows a good level of support for the way the BID proposals have been shaped.

The amount of prior discussion between the BID proposer and the local authority before submitting the BID draft proposals to the authority has been sufficient and it is expected consultation will continue up to the submission of final proposals. The costs incurred and due in developing BID proposals, canvassing and balloting have been covered through the Council's approved feasibility funding award to the Lancaster Chamber. The decision for Morecambe BID to incorporate and take on formal accountable body status is a common route undertaken at the start of the majority of national BIDs. Incorporation should allow Morecambe BID to achieve significant admin savings, better value for money and greater local control.

There are no advantages in holding over on endorsement pending Final Proposals (Option 1). While officers are aware that BID budget changes may be introduced in the Final Proposal as a result of ongoing levy payer cap negotiations this will not have any material impact on the council's view on policy fit or the ability to introduce a programme of initiatives (Option 3).

The preferred Option is therefore Option 2, to endorse the draft Proposals. It follows that an appropriate level of delegated authority is required to ensure outstanding matters are addressed and final proposals can be approved to move forward to ballot. As these issues are mainly technical and operational it is recommended this be undertaken through a report and decision by the Chief Executive.

The Council's administrative costs can be recovered through the BID levy and estimates are currently based on 40% of one full time equivalent post at the lowest grade plus accommodation and technical support recharges, drawing on officers' existing basis for charging. Using this, the charge would be similar to the fee charged to Lancaster BID as the number of hereditaments involved is not materially different and from an officer perspective this is appropriate, commensurate with the task and clear to those who will vote.

Implementation of BIDs is usually underpinned by formal legal agreements between the billing authority and BID delivery body. An Operating Agreement (OA), the formal contract between the BID body and the local authority, will be entered into setting out the various procedures for the collection, payment, monitoring and enforcement of the BID levy. The current OA between the Council and the existing Lancaster BID is regarded as having provided a sound basis for that operational relationship and will be redrafted to reflect a relationship with the proposed stand-alone Morecambe BID incorporated entity.

A feature of the OA is the 'baseline' - a statement/measure of the existing services provided by the city council to the BID area. Production of a baseline and its formal incorporation under the OA (as a "Baseline Agreement") is useful to assist potential levy payers identify added value of services proposed. For example, if the council is involved



in delivering services solely for the improvement or benefit of the BID area (funded using the BID levy or other contributions to the BID body) it provides a benchmark to ensure true additionality for BID resources. These operational matters will be agreed in principle prior to a ballot (mainly for clarity and as an additional 'selling point' over the BID ballot period) - the agreements being formally signed off post-ballot.

Members should note the City Council will be liable for the levy on rateable property it occupies/holds in the BID area should a ballot be successful. As a potential levy payer the council is eligible to vote in a ballot. There are no statutory rules on how individual local authorities treat this part of the process. Members have previously escalated BID voting decisions to Full Council (who will consider a report prior to the voting period) and officers expect this arrangement will continue.

The draft Proposal for Morecambe BID complies with statutory regulations. Members are asked to endorse the proposals to enable the Final Proposal and approval process to be undertaken by the Chief Executive. Progression to a ballot with the aim of enacting a BID will follow in May 2016. The report has also updated Members on potential pre- and post- ballot issues and resource implications in relation to the role of the City Council in the BID should a ballot be successful.

Councillor Newman-Thomson proposed, seconded by Councillor Clifford:-

"That the recommendations as set out in the report, be approved, with Option 2 being the preferred option but with regard to administration, the amount to be charged should be based on the same percentage of levy as applies to Lancaster."

Councillors then voted:-

**Resolved:**

***(7 Members (Councillors Blamire, Bryning, Clifford, Leytham, Newman-Thompson, Pattison and Smith) voted in favour. Councillor Hanson, having previously declared an interest in this item, did not vote.)***

- (1) That the draft Renewal Proposals for Morecambe Business Improvement District (BID) be agreed as being in compliance with statutory requirements.
- (2) That the Morecambe BID Final Proposals be approved and the issue of an instruction to proceed to ballot being delegated to the Chief Executive (Option 2 to the report) with the administrative charges being based on the same percentage of levy as applies to Lancaster.
- (3) That an Operating Agreement and Baseline Agreement be drafted to reflect the formal relationship between the BID Body and Council as Billing Authority and the current council service provision respectively, with approval and post-ballot sign-off of the final documents delegated to the Chief Executive.
- (4) That, subject to a successful BID outcome, the General Fund Revenue Budget be updated accordingly from 2016/17 onwards.

**Officers responsible for effecting the decision:**

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

**Reasons for making the decision:**

The decision is consistent with the following City Council's Corporate Priorities: Supporting Sustainable Economic Growth, Clean Green & Safe Places and Community Leadership outcomes, success, measures and actions. Support for a BID in Morecambe is a priority action in the Lancaster Cultural Heritage Strategy.

**64 SALT AYRE SPORTS CENTRE DEVELOPMENT PROJECT**

**(Cabinet Member with Special Responsibility Councillor Clifford)**

Cabinet received a report from the Chief Officer (Health & Housing) which sought Cabinet's support for the redevelopment of Salt Ayre Sports Centre (SASC) in partnership with a development partner and inclusion in the budget proposals.

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

**Option 1 - Do not appoint a development partner but continue to invest in line with current budgets with replacement and repair as necessary but with no major improvements.**

This would be continuing as we are now, replacing and repairing where necessary to maintain minimum health and safety legislative requirements and to provide the facilities to a level to meet the minimum customer expectation. However, just to maintain current health and safety standards is likely to require additional expenditure in the region of £400K which has been identified as necessary in a recently updated building condition survey. It should be noted that no provision for this cost has been included in the table under section 3.3 of the report as investment needs for the project will be different to that of continuing with the current operation.

Only investing in essential planned capital improvements or repairs as opposed to any wider refurbishment would lead to a general decline in the quality of the facilities on offer and it is likely that gym memberships will decline further over the next few years and there would be a continued reduction in sports hall occupancy and sauna use. To compete with other providers in the district, the City Council need to be able to offer high quality, "private sector feel" facilities. There would be a further knock on detrimental effect on performance in remaining areas such as the swimming pool and café.

This option would require increased subsidy over the next few years and there will become a point where a decision about whether to continue to keep SASC open will need to be made. In terms of the revised budget position, the estimated cost of operating Salt Ayre in 2015/16 is £1.625M (£938K excluding notional capital charges). This assumes customer numbers remain static, therefore any drop in numbers would increase this cost further.

**Option 2 – Appoint Alliance Leisure as the development partner and confirm Cabinet's commitment to including the necessary funding to deliver the project in**

**its draft budget proposals for 2016/17 and beyond.**

The appointment of Alliance Leisure as the Council's development partner to deliver the planned improvements is supported by a robust business case which shows a reduction in subsidy whilst greatly improving the sport, leisure and visitor attraction offer. The financial appraisal has been extremely thorough and officers have scrutinised Alliance Leisure's finance projections and undertaken our own financial projections.

Although projects as significant as this cannot be risk free, officers have been conservative in projecting costs and income so as to minimise the risk to the Council. Officers have visited several councils and trusts where similar developments have taken place and made extensive enquiries about the robustness of income targets and costs. Alliance Leisure have an excellent track record of working with clients, project managing capital works, delivering high specification facilities and keeping within budget and delivering on time.

	<b>Option 1:</b> Continue to invest in line with current budgets with replacement and repair as necessary but with no major improvements.	<b>Option 2:</b> Appoint Alliance Leisure as the development partner and confirm Cabinet's commitment to including the necessary funding to deliver the project in its draft budget proposals for 2016/17 and beyond
Advantages	None	<p>Provide a more secure future for the continuation of Salt Ayre by reducing the ongoing net operating cost.</p> <p>Provides a planned programme of works over a period of years as summarised in 2.6 of the report.</p> <p>Provides facilities which meet current customer expectations as well as all H&amp;S standards.</p> <p>Would position SASC 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 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</p>

		<p>delivered services such as leisure, housing and environmental health.</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>
Disadvantages	<p>Opportunity to reduce operating subsidy as well as refurbishing an outdated facility are missed.</p> <p>Ultimately the financial viability of the centre would need to be reconsidered.</p>	<p>Upfront investment is required to facilitate these improvements.</p> <p>Officer capacity to oversee the programme is required.</p>
Risks	<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>Increasingly poor equipment and buildings could lead to unsafe conditions and risk of injury to staff and public.</p>	<p>Failure to secure a suitable development partner and establish a successful working relationship – 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. In addition, the procurement process has determined the most suitable partner.</p> <p>Income projections do not materialise and savings targets are not achieved. This is mitigated by the fact that a robust procurement exercise has been carried out to select a development partner who has suitable experience and expertise. In addition, income projections have been robustly assessed by officers.</p> <p>The investment required is substantial and a return on this isn't generated until year 2 onwards.</p> <p>Officer capacity to oversee the programme may be insufficient – this risk is mitigated by the</p>

		fact that the sport and leisure restructure built in some capacity to progress projects such as this as well as day to 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. Costs for additional capacity required have been included in the project costs.
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Option 2 is the officer preferred option. Subject to Budget Council approving the financial proposals, the appointment of a development partner, and delivery of the improvements will give the Council the opportunity to significantly reduce operating costs. In addition, it will provide a Building Asset Management Plan for the future and generate considerably more use of the facility thus increasing people's participation in leading healthy lifestyles. 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. The Council will retain responsibility for programming of the facilities and setting the associated pricing policy. The existing 'Go Card' scheme offering reduced rates to local residents in receipt of various benefits will continue.

Councillor Blamire proposed, seconded by Councillor Smith:-

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

Councillors then voted:-

**Resolved:**

***(7 Members (Councillors Blamire, Bryning, Hanson, Leytham, Newman-Thompson, Pattison & Smith) voted in favour. Councillor Clifford, having disclosed that Section 106 of the Local Government Finance Act 1992 applied to him, did not vote.)***

That Cabinet supports the redevelopment of Salt Ayre with the development partner Alliance Leisure Services Limited, and includes it in its budget proposals for referral onto Budget Council.

- (1) That, subject to approval being granted at Budget Council, it be noted that officers will use existing delegated authority to award the contract to Alliance Leisure Services Limited and implement the development plan accordingly. In addition, any subsequent contractual decisions, not covered by delegated authority, will be brought back to Cabinet for approval.
- (2) That it be noted that progress on the development be covered through normal quarterly performance and financial monitoring arrangements and regular updates will be provided to the Cabinet Portfolio holder.

**Officers responsible for effecting the decision:**

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

**Reasons for making the decision:**

The decision supports the Council's ensuring Council ethos, particularly relating to municipal entrepreneurialism and is consistent with the health and wellbeing corporate plan priority. There is a clear requirement to address the medium and long term future of Salt Ayre Sports Centre. The financial return to the Council that this project provides at a time when identifying savings and protecting services is of paramount importance would seem a prudent and sensible way forward. Alliance Leisure submitted the most economically advantageous tender. Taking this route does not preclude any future option of considering transferring to a Not for Profit Distributing Organisation (NPDO) or Trust.

**65 BUDGET & POLICY FRAMEWORK UPDATE 2016/20 - GENERAL FUND REVENUE BUDGET AND CAPITAL PROGRAMME**

**(Cabinet Member with Special Responsibility Councillor Newman-Thompson)**

Cabinet received a report from the Chief Officer (Resources) which provided information on the latest budget proposals for current and future years, informed budget and policy framework proposals and enabled Cabinet to make recommendations to Council regarding council tax levels for 2016/17.

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.

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 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.

Councillor Newman-Thompson proposed, seconded by Councillor Hanson:-

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

Councillors then voted:-

**Resolved:**

***(7 Members (Councillors Blamire, Bryning, Hanson, Leytham, Newman-Thompson, Pattison & Smith) voted in favour. Councillor Clifford, having disclosed that Section 106 of the Local Government Finance Act 1992 applied to him, did not vote.)***

- (1) That the 2015/16 Revised Budget be referred on to Budget Council for approval, with the net underspending of £503K reducing the in-year call on Balances from £1M to £497K.
- (2) That Council be recommended to approve a City Council tax increase of 1.99% for 2016/17, together with a year on year target of 1.99% for future years, subject to local referendum thresholds.
- (3) That Cabinet approves its initial budget proposals as set out in the following Appendices to the supplementary report:
  - Appendix A:** Savings approved for inclusion into the base budget for implementation immediately, using delegated powers.
  - Appendix B:** Savings and limited growth for implementation following approval at Budget Council.
  - Appendix C:** Savings options to be explored further, with detailed reports being considered during 2016/17.
- (4) That the above proposals and the resulting Revenue Budget position and Capital Programme for 2016/17 onwards, as set out at Appendices D and E to the supplementary report respectively, be referred on to Council for initial consideration as well as being presented for scrutiny at the open meeting of Budget and Performance Panel, in order that feedback can be provided to Cabinet at its February meeting.
- (5) That as a result of the above, it be noted that:
  - once fully implemented, the proposals at Appendix B to the supplementary report would generate annual net estimated savings of £2.784M;

- currently the revenue budget proposals for 2016/17 and 2017/18 are more or less balanced, allowing for a relatively small contribution to Balances in 2017/18, but some significant figures (such as the provisional Settlement) are still subject to change;
  - there is still a need to make cumulative estimated savings of £5.183M over the period 2018 to 2020 (with £2.846M of this ongoing thereafter) from the outline savings options included at Appendix C to the supplementary report and any other options to be identified in future budget reviews.
- (6) That the draft Corporate Plan 2016 to 2020 be updated to reflect the above proposals for initial consideration by Cabinet, prior to being referred on to Budget Council, on the basis that the Council's existing priorities of
- Clean, Green and Safe Place
  - Health and Wellbeing
  - Community Leadership
  - Sustainable Economic Growth

be retained but clearly the scope and nature of the activities in support of those priorities is changing and/or reducing, and this will continue in future as the Council strives to balance its budget to 2020.

- (7) That Cabinet supports in principle Government's offer of a four year finance settlement and this principle be reflected within financial strategy, but it be subject to review once the details of the offer are known.
- (8) That at its February meeting Cabinet considers the use of available Reserves and Balances in support of finalising its Budget and Medium Term Financial Strategy (MTFS) proposals to 2020, having regard to the advice of the section 151 Officer and the need to make further substantial savings from 2017/18 onwards, on top of the significant programme of budget savings measures already proposed.

**Officer responsible for effecting the decision:**

Chief Officer (Resources)

**Reasons for making the decision:**

In accordance with 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. The decision will ensure that Cabinet's policy and budget proposals are fed into the Council meeting on 3<sup>rd</sup> February 2016, prior to the Budget Council on 2<sup>nd</sup> March 2016. The Council's financial challenges continue to escalate and in order to protect its future viability, it has no real choice other than to focus on balancing its budget for the medium term.



**(Cabinet Member with Special Responsibility Councillor Leytham)**

Cabinet received a joint report from the Chief Officer (Health & Housing) and Chief Officer (Resources) which provided an update on the council housing budgetary position and sought Cabinet's decisions on council housing rent levels for 2016/17 and targets for future years. In addition, the report sought approval of Cabinet's supporting revenue budget and capital programme proposals for referral on to Budget Council, in order to complete the HRA budget setting process for 2016/17.

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

With regard to the revenue budget generally, Cabinet could consider other proposals that may influence spending in current and future years, as long their financing is considered and addressed.

The options available in respect of the minimum level of HRA balances are to set the level at £350,000 in line with the advice of the Section 151 Officer, or to adopt a different level. Should Members choose not to accept the advice on the level of balances, then this should be recorded formally in the minutes of the meeting and it could have implications for the Council's financial standing, as assessed by its external auditors.

There is currently no other alternative available in respect of the 2016/17 housing rent setting other than implementing Government draft legislation and this is set out in section 6 of the report. If the draft legislation appears not to be progressing through Parliament in a timely fashion, this will be addressed at Cabinet's February meeting.

In terms of garage rents, an option is presented to gain consistency and Cabinet may either choose to support his, or retain existing rents but this would not address the inconsistencies.

The options available in respect of the Capital Programme are:

- i) To approve the programme in full, with the financing as set out;
- ii) To incorporate other increases or reductions to the programme, with appropriate sources of funding being identified.

Any risks attached to the above would depend very much on what measures Members proposed, and their impact on the council housing service and its tenants. As such, a full options analysis could only be undertaken once any alternative proposals are known, and Officers may require more time in order to do this.

The Officer preferred options are to:

- Approve / refer on the provisions, reserves and balances position as set out.
- Set housing rent levels in line with Government's draft proposals, noting that this statutorily removes any freedom to set rent levels locally and that further savings may still be required to ensure that current stock levels continue to be maintained to required standards and that any detrimental impact associated with any future accounting / regulatory / welfare reform changes / actions associated with the high level review of RMS will need to be

addressed at that time.

- Approve the changes to garage rents to gain consistency.
- Note that if future investment opportunities are to be considered, then as referred to in sections 3.3 and 5.5.2 of the report, these can only really be properly assessed once there is a better understanding of Government's plans post implementation and in particular their impact on the viability of the 30-year Business Plan.
- Approve / refer on the revenue and capital budget proposals as set out.

Councillor Leytham proposed, seconded by Councillor Newman-Thompson:-

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

Councillors then voted:-

**Resolved:**

***(7 Members (Councillors Blamire, Bryning, Hanson, Leytham, Newman-Thompson, Pattison & Smith) voted in favour. Councillor Clifford, having disclosed that Section 106 of the Local Government Finance Act 1992 applied to him, did not vote.)***

- (1) That the Housing Revenue Account Revised Budget for 2015/16, as set out at Appendix A to the report, be referred on to Council for approval.
- (2) That the minimum level of HRA unallocated balances be retained at £350,000 from 01 April 2016, and that the full Statement on Reserves and Balances be endorsed and referred on to Budget Council for approval.
- (3) That, subject to the enactment of the Welfare Reform and Work Bill currently passing through Parliament, council housing rents be set in accordance with draft statutory requirements as follows:
  - For properties let as at 01 April 2016, average rent be set at £70.60 for 2016/17, representing a reduction of 1% from the previous year, and
  - for 2017/18 to 2019/20 further average rent reductions be set at 1% year on year.
  - That, following any property becoming void, it be re-let at 'formula rent' less the relevant cumulative year on year % reduction applicable (i.e. 1% for 2016/17 rising to 4% in 2019/20).
- (4) That beyond 2019/20, it be noted that the HRA Business Plan forecasts assume that council housing rents revert to increasing by 2% year on year, but this is subject to annual review and any future determinations that may be issued by Government from time to time.
- (5) That Cabinet approves charging a flat rate of £7.95 for all garages for 2016/17,

with this being increased to cover estimated Consumer Price Index (CPI) inflation each year thereafter.

- (6) That the resulting Housing Revenue Account budget for 2016/17 onwards, as set out in Appendix A to the report, be referred on to Budget Council for approval.
- (7) That the Capital Programme, as set out at Appendix D to the report, be referred on to Budget Council for approval.
- (8) That the above recommendations for the Housing Revenue Account be reflected within the Council's draft Medium Term Financial Strategy as appropriate.
- (9) That Cabinet notes that actions arising from the ongoing review of how council houses are to be repaired and maintained in the future are likely to have resource implications and once quantified, they will be reported on for consideration as necessary and fed into the Business Plan.

**Officers responsible for effecting the decision:**

Chief Officer (Health & Housing)

Chief Officer (Resources)

**Reasons for making the decision:**

The Council is required under statutory provisions to maintain a separate ring-fenced account for all transactions relating to the provision of local authority housing, known as the Housing Revenue Account (HRA). This covers the maintenance and management of the Council's housing stock. It is necessary to prepare separate revenue and capital budgets for the HRA each year. The decision enables sufficient time for the statutory notice of rent variations to be issued to tenants by 1<sup>st</sup> March 2016.

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Chairman

(The meeting ended at 6.20 p.m.)

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

**MINUTES PUBLISHED ON FRIDAY 22 JANUARY, 2016.**

**EFFECTIVE DATE FOR IMPLEMENTING THE DECISIONS CONTAINED IN THESE MINUTES:  
MONDAY 1 FEBRUARY, 2016.**

By virtue of paragraph(s) 5 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

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