



**Committee:** CABINET

**Date:** TUESDAY, 16 FEBRUARY 2016

**Venue:** LANCASTER TOWN HALL

**Time:** 6.00 P.M.

## A G E N D A

1. **Apologies**

2. **Minutes**

To receive as a correct record the minutes of Cabinet held on Tuesday, 19<sup>th</sup> January, 2016 (previously circulated).

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

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

4. **Declarations of Interest**

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

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

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

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

5. **Public Speaking**

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

Reports from Overview and Scrutiny

None

Reports

6. **Market Square Lancaster - Trees (Pages 1 - 12)**  
**(Cabinet Member with Special Responsibility Councillor Hanson)**  
Report of Chief Officer (Environment)
7. **Syrian Refugee Resettlement Programme (Pages 13 - 18)**  
**(Cabinet Member with Special Responsibility Councillor Leytham)**  
Report of Chief Officer (Health & Housing)
8. **Corporate Financial Monitoring 2015/16 - Quarter 3 (Pages 19 - 44)**  
**(Cabinet Member with Special Responsibility Councillor Blamire)**  
Report of Chief Officer (Resources)
9. **Corporate Fees & Charges Policy Review (Pages 45 - 70)**  
**(Cabinet Member with Special Responsibility Councillor Newman-Thompson)**  
Report of Chief Officer (Resources)
10. **Initial Assessment of known County budget proposals on City Council Services (Pages 71 - 75)**  
**(Cabinet Member with Special Responsibility Councillor Blamire)**  
Report of Chief Executive
11. **Budget & Policy Framework Update 2016/20**  
**(Cabinet Member with Special Responsibility Councillor Newman-Thompson)**  
Report of Chief Officer (Resources) - Report to Follow
12. **Treasury Management Strategy 2016/17**  
**(Cabinet Member with Special Responsibility Councillor Newman-Thompson)**  
Report of Chief Officer (Resources) - Report to Follow
13. **Collaboration with Preston City Council**  
**(Cabinet Member with Special Responsibility Councillor Blamire)**  
Report of the Chief Executive – Report to Follow
14. **Exclusion of the Press and Public**

This is to give further notice in accordance with Part 2, paragraph 5 (4) and 5 (5) of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 of the intention to take the following item in private.

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

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

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

15. **Emergency Call Centre - Community Alarms, Telecare, and Associated Services (Pages 76 - 83)**

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

Report of Chief Officer (Health & Housing)

**ADMINISTRATIVE ARRANGEMENTS**

**(i) Membership**

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

**(ii) Queries regarding this Agenda**

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

**(iii) Apologies**

Please contact Democratic Support, telephone 582170, or alternatively email [democraticsupport@lancaster.gov.uk](mailto:democraticsupport@lancaster.gov.uk).

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

Published on Thursday, 4<sup>th</sup> February 2016.

**CABINET**

**Market Square Lancaster - Trees  
16 February 2016**

**Report of Chief Officer (Environment)**

<b>PURPOSE OF REPORT</b>			
To agree the recommendations outlined by Cllr Hanson to Council on 3 <sup>rd</sup> February 2016.			
<b>Key Decision</b>	<input type="checkbox"/>	<b>Non-Key Decision</b>	<input type="checkbox"/>
		<b>Member Referral</b>	<b>X</b>
<b>Date of notice of forthcoming key decision</b>	N/A		
<b>This report is public</b>			

**RECOMMENDATIONS OF CLLR HANSON**

1. Cabinet recognises the value placed by our citizens on the lime trees in Market Square and therefore would like to retain them.
2. Cabinet however recognises that by their nature lime trees can cause particular management and maintenance problems, particularly in a busy place like Market Square
3. Cabinet also recognises that properly managing the trees, cleaning the square to an acceptable standard, and ensuring the safety of pedestrians is likely to require additional budget which due to the Council's precarious financial position will need equivalent savings to be found.
4. As such Cabinet requests that the Chief Officer (Environment)
  - Carries out more work over the course of a growing season to further identify the extent of the problem
  - Continues to trial the use of various algicidal and other cleaning products as an addition to pressure washing.
  - Investigates how other places deal with this problem
  - Explores how other stakeholders can help the City Council to achieve its aims.
  - Reports to Cabinet in autumn 2017 with realistic and affordable recommendations that will then be considered within the overall context of the councils financial position

**1.0 Introduction and background**

- 1.1 The report attached in Appendix A was deferred by Cabinet at its meeting in January pending a debate at Council following a public petition.
- 1.2 At the Council meeting (3<sup>rd</sup> Feb 2016) in response to three questions from members of the public on this subject Cllr Hanson outlined what her recommendations to the February Cabinet meeting would be.
- 1.3 This was accepted by the petitioners as an acceptable outcome and therefore the scheduled debate was not required.
- 1.4 As ward Councillor, Cllr Brookes specifically requested that Officers work with local businesses and the Friends of the Limes group, and the recommendation above specifically requests that Officers explore how other stakeholders can help the City to achieve its aims.

**2.0 Proposal Details**

- 2.1 That Cabinet agree the recommendations set out above.

**RELATIONSHIP TO POLICY FRAMEWORK**

The Council has in place an agreed tree policy which was last reviewed in 2010. The Policy makes clear that-

*'The policy has been designed to be as comprehensive as possible. However, we acknowledge it does not cover every situation. The Council reserves the right to exercise discretion in application of this policy when to do so would be in the best interests of the Council.'*

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

The recommendations outline how the potential impacts of retaining the trees will be dealt with.

**LEGAL IMPLICATIONS**

Legal Services have been consulted and have no observations.

**FINANCIAL IMPLICATIONS**

From the recommendations, there would be no additional quantifiable budgetary implications arising in 2016/17 at this stage, although this means that the exposure to financial and other associated risks remain. Ahead of taking robust remedial action in some form (be it extra street cleansing or tree removal, as examples), should there be any slips or other accidents as a result of the slipperiness attributed to the trees and as the Council is clearly aware of the issue, it will become increasingly difficult for Council to defend itself from any claims arising. The position will need to be monitored.

Once the work requested has taken place, a report would be brought to Cabinet to allow consideration of the financial implications of retaining the trees in 2017/18 and beyond.

**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**

See attached report, the s151 Officer has no further comments.

**MONITORING OFFICER'S COMMENTS**

The Monitoring Officer has been consulted and has no further comments

**BACKGROUND PAPERS**

none

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**Telephone:** 01524 582401

**E-mail:** mdavies

**Ref:** LSR

CABINET

## 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>		<b>Non-Key Decision</b>	
			<b>X</b>
<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.

#### 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.

### Proposal Details

- 2.0 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.
- 2.1 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.
- 2.2 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
- 2.3 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.
- 2.4 In this context it is only right to review the future of the trees. Section 4 details the options.
- 2.5 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.

### Details of Consultation

- 3.0 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.

- 3.1 The County Council as Highway Authority has confirmed that decisions on the trees are for the city council.
- 3.2 The Lancaster BID team has communicated concerns from some businesses at the size and growth of the trees and impacts on business trading.
- 3.3 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.
- 3.4 Ward Cllrs have been consulted and their comments are provided.
- 3.5 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.
- 3.6 The council's Tree Officer advises strongly against removing the trees and her comments have been built into the options analysis in the report.
- 3.7 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.

**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	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.	<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</p>

	<p>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 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>beneath the ground that would be risked by tree roots.</p> <p>7 new trees will be planted (in accord 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</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)</p>

	<p>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>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>

**Officer Preferred Option (and comments)**

- 4.0 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.
- 4.1 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.

- 4.2 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.
- 4.3 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.
- 4.4 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.
- 4.5 Following the rationale outlined above the officer preferred option is Option 2
- 4.6 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.
- 4.7 Reinstatement of surfaces would utilise appropriate materials fitting to the redesign achieved through Lancaster Square Routes.
- 4.8 7 new trees will be planted as replacements on an appropriate piece of Council land.

**Conclusion**

- 5.0 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

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### **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.

<b>CABINET</b>
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## Syrian Refugee Resettlement Programme 16 February 2016

### Report of Chief Officer (Health and Housing)

PURPOSE OF REPORT			
To advise Cabinet on the latest funding update in relation to resettlement of Syrian refugees and to seek a policy position on the council's participation in the resettlement programme.			
Key Decision	<b>X</b>	Non-Key Decision	Referral from Cabinet Member
Date of notice of forthcoming key decision	21 January 2016		
This report is public.			

#### RECOMMENDATIONS OF COUNCILLOR KAREN LEYTHAM

- (1) That the contents of the letter (Appendix 1) from the Minister, Richard Harrington MP, are noted.
- (2) That Cabinet decides whether it wishes to participate in the Syrian refugee resettlement programme on the basis of the Government's funding position.
- (3) That, subject to recommendation 2, Cabinet decides whether all accommodation options should be explored and potentially used to house refugees including the council's own housing stock, other social rented stock and private sector properties.
- (4) That, subject to recommendation 3, Cabinet decides whether it wishes to take refugees from year 1 or delay this to year 2 and beyond.
- (5) That, subject to recommendations 2 and 3 above, the implementation of the programme be delegated to the Chief Officer (Health and Housing) in accordance with financial regulations.

#### 1.0 Introduction

- 1.1 At its meeting on 23 September 2015, Council resolved to support the refugee resettlement programme in principle and called for further information from Government on how the programme would be funded and administered and how many refugees the district might be required to accommodate.



## 2.0 Proposal Details

- 2.1 Since September, the Government has been working closely with those local authorities that already participate in resettlement programmes and currently Lancashire authorities do not.
- 2.2 On 26 November 2015, we received a letter from the Minister detailing the funding that has been made available through the Spending Review process (Appendix 1). This confirms that full funding is available for the first year and additional funding available for years two to five on a tariff basis tapering from £5K per head to £1K per head over the four years. This amount is based on experience so far from those authorities already participating and Government expects that this amount will cover most costs. In addition, there will be some additional funding for the most vulnerable persons. We are aware that regular discussions are taking place between the Home Office and the Regional Strategic Migration Partnerships (SMP's) regarding the detail of the funding package.
- 2.3 Although most of the costs are expected to be covered, there is no cast iron guarantee that the full costs will be met. Whilst this exposes the council to some risk in terms of funding, officers are of the opinion that the majority of the costs required to support resettlement will fall to county council or health services such as education, English language support, support into employment, social care, medical care costs etc. The city council's costs are likely to be around housing and some liaison between other statutory and voluntary support although Lancashire County Council have now agreed to coordinate a Lancashire response across all districts so this reduces the burden on the city council. In terms of funding strain on the city council, it is difficult to be precise, but the bulk of housing related costs and benefits would generally be met through grant funding such as that provided to cover housing benefit awards, as an example, and our liaison costs be will met within existing officer resources within the housing team.
- 2.4 In terms of accommodation options, it has previously been suggested that placements in council housing stock would not be viable due to the limited stock we have and the already long waiting list for council accommodation. In addition Members will be aware that recent central Government housing policy means that our housing stock will continue to reduce over the next few years, leading to added strain in keeping up with demand for social housing.
- 2.5 Subject to each council agreeing to participate in the resettlement programme, Lancashire authorities are minded to collectively work up an offer to the Home Office which would mean Lancashire would take up to 500 refugees over 5 years which equates to approximately 150 properties which means 2 per authority per year on average.
- 2.6 To ensure the greatest opportunity to secure suitable accommodation, it would seem appropriate to have a range of housing options available from private sector stock, Registered Social Landlord stock and our own council housing stock. Acquiring suitable accommodation could present some challenges for us as we have information from Serco (who are administering the asylum seeker resettlement programme) that they are experiencing difficulty in acquiring private sector housing stock in suitable areas. We also

know that we have a limited availability of social rented properties in our district and we have a housing register of around 2000 applicants for our council housing stock. Giving priority to house refugees in council housing would therefore mean that a local citizen may have to wait longer to be rehoused.

- 2.7 Given this shortage of accommodation options and the fact that we have had several properties impacted by the floods in December, which is putting additional strain on the private rental market, Members may wish to participate in the resettlement scheme but delay accepting refugees until year 2 onwards, i.e., from April 2017.
- 2.8 The Home Office have clearly stated that they would like to work with authorities on a regional or sub regional basis rather than individual authorities. The North West Regional Strategic Migration Partnership is funded by the Home Office, and hosted by Manchester City Council. They work closely with the Home Office and DCLG and are tasked with leading on and coordinating any resettlement proposals within the North West.
- 2.9 The RSMP is arranging further discussions and meetings with local authorities over the next few weeks with a view to scoping a potential resettlement offer within Lancashire.
- 2.10 Members will already be aware that in addition to any refugee programme, the council is already participating in the asylum seeker dispersal programme and have received the first asylum seekers into the district. Whilst this programme is completely separate to the refugee resettlement programme, any support currently in place and being put in place for asylum seekers particularly from the voluntary sector, should be available to support any refugees as well.

### **3.0 Options and Options Analysis (including risk assessment)**

- 3.1 The options for Cabinet are to either:
  1. Agree to participate in the Syrian refugee resettlement programme from year 1 onwards.
  2. Agree to participate in the Syrian refugee resettlement programme, but not until year 2 at the earliest.
  3. Not to participate in the Syrian refugee resettlement programme at all.
- 3.2 The issues and risks for each option are covered in the body of the report.

### **4.0 Officer Preferred Option (and comments)**

- 4.1 Option 2 is the officer preferred option taking into account the comments in paragraphs 2.5 and 2.6

### **5.0 Conclusion**

- 5.1 The views of Cabinet are sought in order for officers to progress any further discussions with RSMP regarding resettlement of refugees in this district.

**RELATIONSHIP TO POLICY FRAMEWORK**

This links to the corporate priority of health & wellbeing, particularly to the council’s housing functions.

**CONCLUSION OF IMPACT ASSESSMENT**

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

Participation in the refugee resettlement programme could potentially have impacts on Human Rights, Community Safety and Equality and Diversity both for any refugees and citizens in our communities. The effective coordination of the programme and any support put in place will help mitigate any impacts.

**LEGAL IMPLICATIONS**

If the Council wishes to use its own housing stock to accommodate refugees, it will have to consider how (if at all) this can be achieved in accordance with its statutory obligations under the Housing Act 1996 and with reference to its own housing allocation policy.

**FINANCIAL IMPLICATIONS**

As set out in the body of the report, it is not possible to properly quantify at this stage whether there will be any additional call on the council’s resources. It is re-iterated however, that it is expected that the majority of costs will be covered and so any potential residual costs should be manageable from within the council’s overall budgets. The position will need to be kept under review, however, with any significant variances / issues being reported through to Members via existing corporate monitoring systems and the annual budget process, etc.

**OTHER RESOURCE IMPLICATIONS**

**Human Resources:**

Any officer capacity required is expected to be contained within existing staffing resources.

**Information Services:**

None

**Property:**

There could be implications for council housing stock but these can be managed.

**Open Spaces:**

None

**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**

none

**Contact Officer:** Suzanne Lodge

**Telephone:** 01524 582701

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

**Ref:** C130

Appendix 1



Department for  
Communities and  
Local Government



Home Office

To all local Council Leaders

26 November 2015

Dear Council Leaders,

### **Syrian Refugee Resettlement Programme – Funding Update**

Further to my letter of the 2<sup>nd</sup> October 2015, I am writing to update you on the Programme and confirm the funding that has now been secured through the Spending Review process to assist with local authority costs.

The Government has committed to resettling 20,000 Syrian refugees in the lifetime of this Parliament. There has been a fantastic response from local authorities and we can all be proud that since the start of the Syrian conflict, the UK has been at the forefront of the humanitarian response. It is absolutely right that Britain continues to play its part by providing sanctuary to those most in need.

Fifty-five local authorities will be welcoming Syrian refugees into their communities before Christmas and many more have expressed an interest in taking refugees in the coming months and years. They have done so on the basis that the first twelve months of a refugee's resettlement costs are funded on a tariff basis by Government using the overseas aid budget and a guarantee that funding would be available for years two to five. The Chancellor has now confirmed that the Government will provide additional funding to assist with costs we believe will be incurred by local authorities in years two to five.

Year two to five funding will be allocated on a tariff basis over four years, tapering from £5,000 per person in year two to £1,000 per person in year five. Based upon the majority of responses provided by local authorities we estimate this additional funding could assist with most of the expected costs in years two to five. This funding includes support for integration such as additional English language training as well as social care. We also intend to provide a special

Appendix 1

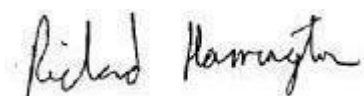
cases fund to provide additional support for the most vulnerable persons and will work with local government on how the fund will be administered. We intend to keep the general level of funding under review.

Our experience of welcoming Syrian refugees so far has been that the majority have arrived in family units, which include people who are of working age. We expect local authorities will work closely with the Department for Work and Pension to focus on getting people into work. We also hope that you will be able to take advantage of the community sponsorship schemes we are developing to allow individuals, charities, faith groups, churches and businesses to support refugees directly, especially those schemes which focus on helping refugees find employment in the UK.

We will continue to provide local authorities with support and guidance including sharing resettlement best practice and case studies, detailed information on the cohort from UNHCR and advice about the cultural, ethnic and religious groupings from Syria.

Local authorities are central to the success of the programme and I am extremely grateful for all expressions of interest received so far. I am keen that we continue to build on this momentum. We all want to bring refugees from the Syrian conflict to the UK as quickly as possible. This is a priority for the Government and for the Prime Minister. I welcome your ongoing support and commitment. It is critical that we work together to ensure we resettle 20,000 of the most vulnerable Syrian refugees.

If you have not yet discussed resettling Syrian refugees with us I would be grateful if your authority could provide contact details either to your local Strategic Migration Partnership or to my team by emailing [ResettlementGoldCommand@homeoffice.gsi.gov.uk](mailto:ResettlementGoldCommand@homeoffice.gsi.gov.uk).

A handwritten signature in black ink that reads "Richard Harrington". The signature is written in a cursive style with a large initial 'R'.

**Richard Harrington MP**

<b>CABINET</b>
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**Corporate Financial Monitoring 2015/16 – Quarter 3**  
**16 February 2016**  
**Report of the Chief Officer (Resources)**

PURPOSE OF REPORT			
To present the corporate financial monitoring report and supporting information for Quarter 3 of the 2015/16 monitoring cycle.			
Key Decision	<input type="checkbox"/>	Non-Key Decision	<input checked="" type="checkbox"/> Referral from Cabinet Member
Date of notice of forthcoming key decision	N/A		
This report is public			

**OFFICER RECOMMENDATIONS**

- (1) That Cabinet considers the corporate financial monitoring report and appendices and makes any recommendations as appropriate.

**1. Corporate Financial Monitoring**

- 1.1. The corporate financial monitoring report for Quarter 3 is attached at **Appendix A**, and the headline variances and projections are as following:
- Current General Fund projected underspend of £9K for the year.
  - Housing Revenue Account projected underspend of £108K for the year.
  - Council Tax surplus of £405K, of which the Council's share would be £53K.
- 1.2. In support, the latest update on Property matters is included at **Appendix B**, and the position with regards to treasury management activities is included at **Appendix C**.
- 1.3. This report is primarily for information and no specific actions are recommended. There are therefore no options presented.

**RELATIONSHIP TO POLICY FRAMEWORK**

This report is a requirement of the council's Performance Management Framework in support of the delivery of key priorities and outcomes as set out in the overall policy framework and specifically in the Corporate Plan 2015-18

**CONCLUSION OF IMPACT ASSESSMENT**

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

None directly arising from this report.

**LEGAL IMPLICATIONS**

None directly arising from this report.

**FINANCIAL IMPLICATIONS**

None directly arising from this report.

**OTHER RESOURCE IMPLICATIONS**

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

References and any related implications are contained within the report and related appendices.

**SECTION 151 OFFICER'S COMMENTS**

This report is in the name of the s151 Officer, in her capacity as Chief Officer (Resources).

**MONITORING OFFICER'S COMMENTS**

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

**BACKGROUND PAPERS**

None.

**Contact Officers:** Corporate Financial Monitoring - Andrew Clarke, Financial Services Manager **Telephone: 01524 582138; E-mail: [acclarke@lancaster.gov.uk](mailto:acclarke@lancaster.gov.uk)**

**Ref:**

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# Corporate Financial Monitoring

## Quarter 3: October - December 2015

### HEADLINE INFORMATION:

- General Fund revenue budget has a projected underspend of £9K against the revised budget by the year end.
- Housing Revenue Account has a projected underspend of £108K against the revised budget by the year end.
- Estimated Council Tax surplus of £405K to date.



## 1. INTRODUCTION

This report provides a snapshot on the corporate financial position for the Council at the end of December. It looks at the latest spend and income collected against profiled revised budgets, and where appropriate it provides a forecast projection for the full year. In addition, there are sections covering income collection and procurement.

The report is split into the following areas:

- Revenue Monitoring – General Fund and Housing Revenue Account
- Capital Monitoring – General Fund and Housing Revenue Account
- Local Taxation – Council Tax and Business Rates
- Income Collection – General Fund Sundry Debts and Council Housing Rents
- Procurement

It should be noted that the Council has to operate two specific service related funds – General Fund and Housing Revenue Account (HRA). The latter covers all aspect relating to Council Housing, whilst the General Fund covers all other Council services.

In addition, there is also a Collection Fund where the Council acts as billing authority for all Council Tax and Business Rates income in the district. This is then shared between itself, the Government, Lancashire County Council, the Police and Crime Commissioner and the Fire Authority.

## 2. REVENUE MONITORING

This section covers both General Fund and the Housing Revenue Account (HRA), and reports on variances relating to the day to day income and expenditure of the Council. There are also two specific sections for salaries and the Repair and Maintenance Section (RMS).

### 2.1. Summary Position

The monitoring for Qtr 3 is compared to the revised budget and shows that for the General Fund there are no variances to report at the end of the quarter. However, there is a projected underspend of £9K by the year end. A summary of the projected variance is shown below:

<i>Employees</i>	<i>(£22K)</i>
<i>Revenues &amp; Benefits Shared Services Mgt Fee</i>	<i>(£13K)</i>
<i>Fees and Charges</i>	<i>+£26K</i>

For the HRA, again there are no variances to report for Qtr 3, but there is an estimated underspend of £108K being projected for the year end. A summary of the projected variance is shown below:

<i>Employees</i>	<i>(£12K)</i>
<i>Council Tax on Void Properties</i>	<i>+£6K</i>
<i>Saving on Cable Street Lease</i>	<i>(£28K)</i>
<i>Increased Court Costs</i>	<i>+£6K</i>
<i>Reduced revenue financing of capital programme</i>	<i>(£80K)</i>

A detailed analysis of all the variances at the end of Qtr 3, and projections for the year, is included at **Annex A**.

### 2.2. Salary Monitoring

At the end of December there are no current savings against the revised budget, however there are projected to be savings of £22K for General Fund and £12K for Council Housing by the year end.

### 2.3. Repair and Maintenance Section – Trading Position

The work of this section is predominantly on the Council Housing stock, with a small element on municipal buildings. The total budget for the section is around £9.5M, and covers both in-house and contracted out provision for all repair and maintenance and capital works.

The table to the right sets out the financial position at the end of December. This shows there is currently an underspend of £3K against the profiled revised budget, which is therefore within acceptable tolerances.

	TOTAL £
<b>INCOME</b>	<b>(1,968,800)</b>
EXPENDITURE	
Direct Labour	845,694
Direct Materials	360,327
Overheads	1,016,117
Recharged Revenue Work	1,318,910
<b>TOTAL EXPENDITURE</b>	<b>3,541,048</b>
<b>NET EXPENDITURE</b>	<b>1,572,248</b>
Profiled Budget	1,574,925
<b>Variance from Budget - Adverse/(Favourable)</b>	<b>(2,677)</b>

## 3. CAPITAL MONITORING

This section covers both General Fund and the HRA, again reporting on any changes to the programmes or key variances. This section includes both expenditure and financing.

### 3.1. General Fund Capital Programme

The latest gross capital programme stands at £8.543M for the current year. At the end of December there were spend and commitments of £4.839M leaving £3.704M still to spend. Details of spend against each scheme is shown in **Annex B**.

In terms of capital financing, £630K of the budgeted £641K has already been received with the balance due in February.

Also included in this report is a Property Group update which is attached at **Appendix B**.

### 3.2. HRA Capital Programme

The gross HRA Capital Programme currently stands at £4.831M. Against this there are spend and commitments of £3.803M leaving £1.028M still to spend. Details of spend against each scheme are again shown in **Annex B**.

In terms of financing, additional receipts of £80K from right to buy sales means a corresponding reduction in the amount of revenue financing required.

## 4. LOCAL TAXATION

### 4.1. Collection Fund Monitoring

#### 4.1.1. Council Tax Yield (Total Collectable)

This section provides a summary analysis of the current surplus or deficit on the Fund, shown in the following table. Such a surplus or deficit arises because of the great many changes in liability that occur throughout the year. Furthermore, any difference between estimated and actual collection performance will ultimately have a bearing.

		£000's
<b>Collection Fund Surplus (December 2015)</b>		<b>(405)</b>
<i>Represented by In-Year Movements to Date:</i>		
Lower Council Tax Support than estimated	(497)	
Net of Higher Second Homes/Lower Empty Homes income	+58	
Other Movements in the Tax Base	+34	<b>(405)</b>
<i>Of which the City Council would retain 13%</i>		<i>(53)</i>

As at 31 December, there is an estimated surplus of £405K of which the City Council would retain £53K.

This year's position is made up of:

- £497K lower than estimated council tax support. This will continue to fluctuate as claimants' circumstances change, but since establishing the scheme proposals back in 2013, the trend is still that the total support being claimed is lower than expected;
- overall £58K lower than estimated income from second/empty homes (specifically identifiable);
- a balance of £34K relating to other movements in the tax base.

Should the tax base increase each year by more than originally estimated, this too helps towards balancing the General Fund revenue budget for future years.

#### 4.1.2. Business Rates Retention

The position relating to retained business rates at the end of December is shown in the following table.

	Original £000's	June £000's	Sept £000's	Dec £000's
Net Collectable Amount of Business Rates	(64.309)	(65.251)	(64.991)	(64.991)
Less: Provision for Appeals	3.109	7.771	5.302	5.267
<b>Net retained business rates</b>	<b>(61.200)</b>	<b>(57.480)</b>	<b>(59.689)</b>	<b>(59.691)</b>
Less: Central Government Share – 50%	30.600	28.740	29.845	29.846
Less: County Council & Fire Authority Share – 10%	6.120	5.748	5.969	5.969
<b>Lancaster's Retained Business Rates Share – 40%</b>	<b>(24.480)</b>	<b>(22.992)</b>	<b>(23.875)</b>	<b>(23.876)</b>
Less: Tariff payable to Central Government	19.763	19.763	19.763	19.763
Add: Small Business Rates Relief Grant	(1.408)	(1.390)	(1.408)	(1.439)
<b>Total Amount of Retained Business Rates</b>	<b>(6.125)</b>	<b>(4.619)</b>	<b>(5.520)</b>	<b>(5.552)</b>
Less: Lancaster's Baseline Funding Level	5.207	5.207	5.207	5.207
<b>Provisional Additional Income</b>	<b>(0.918)</b>	<b>-</b>	<b>(0.313)</b>	<b>(0.345)</b>
<b>Provisional Loss of Income</b>	<b>-</b>	<b>0.588</b>	<b>-</b>	<b>-</b>
Split as follows:				
<b>50% Levy Payable to Central Government</b>	<b>(0.459)</b>	<b>-</b>	<b>(0.157)</b>	<b>(0.173)</b>
<b>50% Retained by Lancaster</b>	<b>(0.459)</b>	<b>-</b>	<b>(0.156)</b>	<b>(0.172)</b>

*N.B. The Safety Net Threshold for 2015/16 is £4.816M*

The table shows that originally it was anticipated that there would be additional income of £918K, of which 50% (£459K) is payable to Central Government and 50% retained by the Council. At the end of December this is projected to be £345K, which is a reduction of £573K. The main reason for such fluctuations is a result of changes in the valuation of appeals, which can change for a variety of reasons – new appeals being lodged, appeals being settled, withdrawn, rejected or revalued. As the table above shows, the value of appeals can go up as well as down.

Such fluctuations highlight how uncertain forecasting business rates income can be and also the significant impact changes in appeals can have.

#### 4.2. Council Tax and Business Rates Collection

The percentages collected in year for both council tax and business rates are behind target at the end of December, although only Business Rates is of significance. Conversely, the cumulative collection for all years is behind for Council Tax but ahead for Business Rates. This cumulative Council Tax position to date reflects the relatively recent introduction of 12 monthly instalments, for which take-up is increasing.

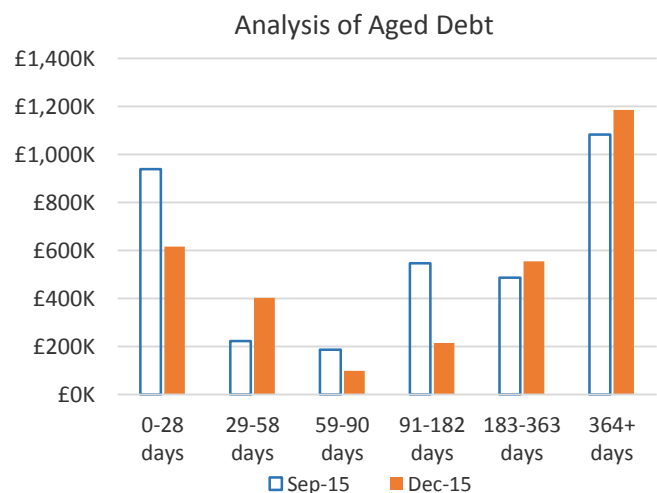
Percentage Collected	2014/15	2015/16	2015/16 Target	2015/16 Actual	Status
	All Years		In Year		
Council Tax	86.3%	84.5%	85.0%	84.9%	Slightly behind Target
Business Rates	81.6%	83.2%	82.0%	80.2%	Behind Target

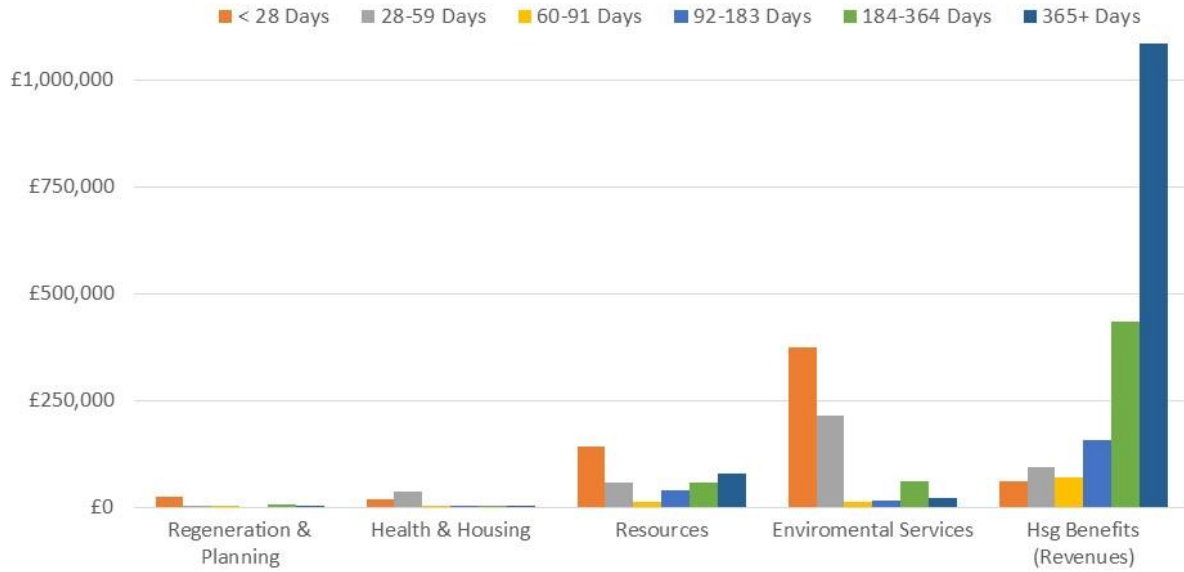
### 5. INCOME COLLECTION

#### 5.1. Sundry Debts

This section sets out the latest position on the level of outstanding sundry debts (excluding Council Housing). At the end of December the total debt outstanding was just under £3.5M, which is £88K higher than the previous quarter. The majority (£1.9M) still relates to housing benefit overpayments. The bad debt provision currently stands at £1.388M which is under provided by £33K. A further review of the provision will be carried out at year end, with any additional contributions being made as part of that process.

	Sept 15	Dec 15
	£000's	£000's
0-28 days	939	616
29-58 days	222	403
59-90 days	186	99
91-182 days	547	215
183-363 days	487	555
364+ days	1,083	1,186
	<b>3,464</b>	<b>3,074</b>
Previous Year	3,295	3,061



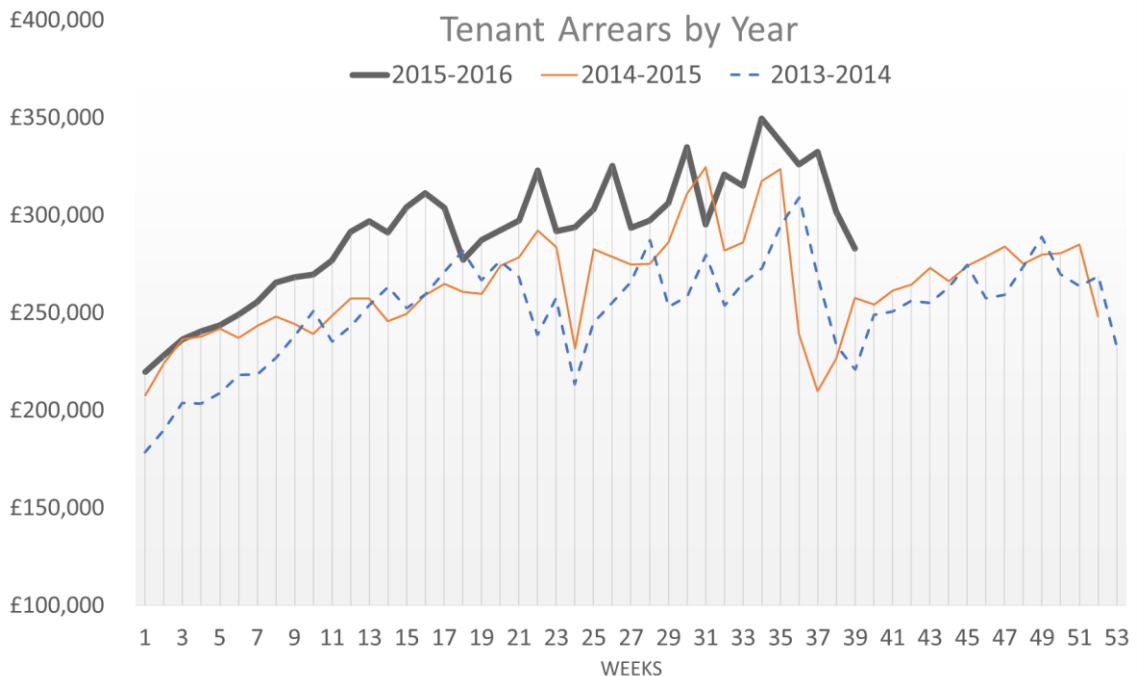


SERVICE	< 28 Days	28-59 Days	60-91 Days	92-183 Days	184-364 Days	365+ Days	TOTAL
	£	£	£	£	£	£	£
Enviromental Services	373,158	213,537	13,132	16,009	59,629	21,964	697,429
Regeneration & Planning	23,180	1,673	2,683	-	4,680	342	32,557
Resources	140,806	58,868	10,724	39,094	55,960	79,504	384,956
Health & Housing	18,239	35,423	2,228	2,918	106	300	59,214
Hsg Benefits (Revenues)	60,243	93,596	69,817	157,182	434,175	1,084,006	1,899,019
	615,625	403,097	98,585	215,203	554,549	1,186,117	3,073,176

### 5.2. Council Housing Rent Arrears

This section monitors the level of tenant arrears, to indicate any impact from welfare reforms and/or the wider economy on rent collection and in turn, to inform whether any specific actions are necessary. It will also feed into future reviews of the bad debt provision.

The following chart shows the current level of arrears compared to the previous 2 years. At the end of December, the level of arrears for 2015/16 is £283K (2014/15 Qtr 3 £257K) which is £42K lower than the previous quarter this year. At this early stage, no specific actions are yet proposed (other than continuing to review and analysis).



## 6. CONTRACT PROCEDURE RULES AND OTHER EXCEPTIONS TO TENDER

### 6.1. Exceptions to Tender

In accordance with the approved contract procedure rules all exceptions to tender and other significant contract variations will be reported as part of the quarterly corporate monitoring process.

- There were no exceptions to tender during the period.

## CORPORATE FINANCIAL MONITORING: General Fund Revenue Budget

Subjective Area	Service	Reason for Variance	Current Variances		Projection for Year	
			Adverse / (Favourable)		Adverse / (Favourable)	
			£	£	£	£
Employees	Governance Services	Delays in formulating the Corporate Training plan will result in savings in the current year.	-	-	(10,000)	
	Resources	Delay in recruiting to the Information Manager post, plus other minor saving.	-	-	(11,800)	<b>(21,800)</b>
Supplies & Services	Resources	Projected underspend on Revenues & Benefits Shared Services	-	-	(12,900)	<b>(12,900)</b>
Fees & Charges	Environmental Services	Off street car parking income down in December due to floods.	7,500		7,500	
		Bins and boxes charging plus domestic collections exceeding budget projections.	(7,100)		(9,000)	
		Trade waste income slightly down.	9,700		10,000	
	Health & Housing	Charter Market income down due to new layout of stalls impacting on numbers, and temporary loss of stalls due to museum works.	7,200		7,000	
		Cemetery fees down. Potentially due to a mild winter, however the wet weather has also prevented funerals from taking place. Fully year impact is unknown.	7,100		?	
		Pest control income down due to less call outs.	5,000		10,000	
Regeneration & Planning	Development control - Section 106 income higher than anticipated however planning applications are below budget, but overall expected to be on budget by year end.	7,300		-		
	Resources	Additional investment interest due to delays in the capital programme resulting in higher cash balances than anticipated.	(37,000)	<b>(300)</b>	?	<b>25,500</b>
<b>TOTAL</b>				<b>(300)</b>		<b>(9,200)</b>

## CORPORATE FINANCIAL MONITORING: Housing Revenue Account

Subjective Area	Service	Reason for Variance	Current Variances		Projection for Year	
			Adverse / (Favourable)		Adverse / (Favourable)	
			£	£	£	£
Employees	Health & Housing	Projected Central Control staff savings	-	-	(11,600)	<b>(11,600)</b>
Premises	Health & Housing	Increased cost of council tax on void properties	-	-	5,500	
		Potential saving on lease of Cable Street due to flood	-	-	(28,200)	<b>(22,700)</b>
Supplies and Services	Health & Housing	Increase in court costs relating to rent arrear cases	-	-	6,000	<b>6,000</b>
Capital Financing	Health & Housing	Reduced revenue funding of capital programme due to increased capital receipts	-	-	(80,000)	<b>(80,000)</b>
<b>TOTAL</b>				-		<b>(108,300)</b>

## GENERAL FUND CAPITAL PROGRAMME MONITORING REPORT

SERVICE / SCHEME	2015/16	Actual to Date	Commitments (Outstanding Orders)	Total	Variance +Overspend / (Underspend)
	Gross Budget				
	£	£	£	£	£
<b>Environmental Services</b>					
Allotments	5,000	5,028	0	5,028	28
Bins & Boxes Scheduled Buy-out	21,000	0	0	0	(21,000)
Car Park Improvements Programme	92,000	11,448	3,542	14,990	(77,010)
District Playground Improvements	107,000	65,106	39,921	105,027	(1,973)
Middleton Solar Farm Study	0	0	23,855	23,855	23,855
Vehicle Renewals	721,000	575,911	55,062	630,973	(90,027)
<b>Health &amp; Housing Services</b>					
Disabled Facilities Grants	600,000	452,638	0	452,638	(147,362)
Warm Homes Scheme	6,000	1,911	0	1,911	(4,089)
<b>Regeneration &amp; Planning</b>					
Toucan Crossing - King Street	3,000	0	0	0	(3,000)
Dalton Square Christmas Lights (Renewal)	29,000	28,000	0	28,000	(1,000)
Sea & River Defence Works	1,396,000	431,524	53,917	485,441	(910,559)
Amenity Improvements (Morecambe Promenade)	22,000	6,870	0	6,870	(15,130)
Luneside East	50,000	18,925	0	18,925	(31,075)
Lancaster Square Routes	106,000	85,063	1,650	86,713	(19,287)
Morecambe THI2: A View for Eric	429,000	102,326	0	102,326	(326,674)
MAAP Improving Morecambe's Main Streets	132,000	14,751	13,404	28,155	(103,845)
MAAP - Connecting Eric	158,000	3,249	0	3,249	(154,751)
Albion Mills Affordable Housing s106 Scheme	40,000	39,750	0	39,750	(250)
King St/Wellington Terrace Affordable Housing s106 Scheme	90,000	0	0	0	(90,000)
Middleton Nature Reserve	17,000	0	0	0	(17,000)
Pedestrian/cycle links Sainsbury's Morecambe s106 Scheme	59,000	3,769	0	3,769	(55,231)
Bold Street Housing Regeneration Site Works	24,000	26,312	0	26,312	2,312
Chatsworth Gardens	1,878,000	1,665,520	0	1,665,520	(212,480)
Lancaster District Empty Homes	100,000	0	0	0	(100,000)
AONB Vehicle Replacement	25,000	0	25,189	25,189	189
<b>Resources</b>					
Corporate Property Works	2,057,000	745,506	103,219	848,724	(1,208,276)
IT Systems, Infrastructure & Equipment	376,000	167,249	68,477	235,726	(140,274)
<b>Total Gross Programme</b>	<b>8,543,000</b>	<b>4,450,854</b>	<b>388,237</b>	<b>4,839,091</b>	<b>(3,703,909)</b>
<b>Grants &amp; Contributions</b>					
Capital Contributions Income	0	(108,887)	0	(108,887)	(108,887)
Capital Grants Income	(2,460,000)	(1,197,126)	0	(1,197,126)	1,262,874
<b>Total External Income</b>	<b>(2,460,000)</b>	<b>(1,306,013)</b>	<b>0</b>	<b>(1,306,013)</b>	<b>1,153,987</b>
<b>Total Net Programme</b>	<b>6,083,000</b>	<b>3,144,842</b>	<b>388,237</b>	<b>3,533,078</b>	<b>(2,549,922)</b>

## HRA CAPITAL PROGRAMME MONITORING REPORT

Health & Housing Services	2015/16	Actual to Date	Commitments (Outstanding Orders)	Total	Variance +Overspend / (Underspend)
	Gross Budget				
	£	£	£	£	£
Adaptations	250,000	33,178	291	33,469	(216,531)
Energy Efficiency Boiler Replacement	655,000	283,107	14,128	297,235	(357,765)
Environmental Improvements	839,000	689,876	125,871	815,747	(23,253)
External Refurbishments	903,000	843,567	0	843,567	(59,433)
Fire Precaution Works	178,000	88,150	3,600	91,750	(86,250)
Kitchen Bathroom Replacement	1,018,000	631,531	163,632	795,163	(222,837)
Lift Replacements	96,000	36,648	0	36,648	(59,352)
Re-roofing & Window Renewals	797,000	801,100	0	801,100	4,100
Rewiring	83,000	63,409	12,801	76,210	(6,790)
Communication Equipment - High Rise Flats	12,000	12,173	0	12,173	173
<b>Total Gross Programme</b>	<b>4,831,000</b>	<b>3,482,739</b>	<b>320,323</b>	<b>3,803,062</b>	<b>(1,027,938)</b>



# Property Group Update

2015/16 Quarter 3:  
October – December

**Report from: Senior Property Officer**

## 1.0 Introduction and Background

This Quarter 3 report is intended to provide an update on previously reported projects and initiatives and to highlight any significant emerging property related issues. This report is not intended to provide in depth updates on all ongoing individual property cases.

## 2.0 Corporate Non-Housing Property Portfolio Delivery Programme

As explained in previous reports, individual projects within the delivery programme fall into three procurement groups based on their value i.e. Minor Works (MW), Intermediate Works (IW) and Projects (P).

It has been reported on a number of occasions and is worthy of note again here that budget flexibility between individual projects is essential. This is because the costs taken from the 2012 condition survey data to build up the original five-year budget were purely indicative, having been estimated based upon non-invasive surveys. As such, the levels of work required at each property have increased or decreased as detailed specification work for the procurement process has progressed.

### 2.1 Delivery Programme

The delivery programme is now in its third year and the following tables provide a summary of progress to date for information purposes:

#### 2.1.1 Year 1 Delivery Programme

Property	Estimate / Agreed Maximum Price	Proposed / Actual Start Date	Percentage Complete	Notes
<b>Minor Projects</b>				
Projects within 14 Buildings	£103K	Various	100%	Contained within the R&M revenue budget (i.e. not capital spend).
<b>Intermediate Projects</b>				
White Lund Depot	£113K	27/01/14	100%	
Lancaster Cemetery Chapels	£175K	27/01/14	100%	
Lancaster Town Hall Railings	£47K	02/10/13	100%	
Lancaster Town Hall Paving	£28K	07/10/13	100%	
Morecambe Town Hall	-	-	-	Included in Morecambe Intermediate General Projects (below)
The Dukes Playhouse	-	-	-	On hold pending a decision on Dukes

Property	Estimate / Agreed Maximum Price	Proposed / Actual Start Date	Percentage Complete	Notes
				development funding.
Williamson Park Phase 1	£122K	02/12/13	100%	
Assembly Rooms Phase 1	£100K	09/12/13	100%	
Storey Phase 1	£323K	03/02/14	100%	
Maritime Museum Phase 1	£390K	27/03/14	100%	Additional works identified including replacement boiler
Morecambe Intermediate General Projects; Morecambe Town Hall & Garages (60 Euston Road, Regent Road PC) Salt Ayre Sports Centre	£100K	Various	100%	Additional works identified including re-plastering MTH stairwell, Euston Road reroofing and Stone Jetty external works.
Lancaster Intermediate General Projects; Bridge End Depot, Ryelands Changing Rooms, Old Man's Rest, Cottage Museum, King George Playing Fields	£98K	Various	100%	
<b>Major Projects</b>				
The Platform Phase 1	£413K	03/03/14	99%	Additional works identified including new roof edge protection, maintenance staircase to flat roof and fire compartmentalisation works.
Salt Ayre Sports Centre	-	-	-	Included in Morecambe Intermediate General Projects (above)
Mitre House Car Park	£115K	30/09/13	100%	Additional replacement sub-base was required.

## 2.1.2 Year 2 Delivery Programme

Property	Estimate / Agreed Maximum Price	Proposed / Actual Start Date	Percentage Complete	Notes
Ashton Memorial – Internal & External Works	£585K	16/02/15	90%	This project has been delayed due to a supplier shortage of matching stone paving flags.
Lancaster Town Hall – Replacement Lift	£180K	02/02/15	98%	
Salt Ayre Sports Centre – urgent works	£36K	7/09/15	40%	
Scotforth Cemetery	£33K	27/01/15	95%	Retention stage
City Lab	£48K	06/01/15	99%	
White Lund Depot greenhouse electrical works	£26K	03/02/15	99%	

## 2.1.3 Year 3 Delivery Programme

Property	Estimate / Agreed Maximum Price	Proposed / Actual Start Date	Percentage Complete	Notes
Maritime Museum & 26 St. Georges Quay Phase 2	£151K	26/10/15	60%	On Site
The Storey - Phase 2	£126K	29/07/15	95%	Retention stage
The Storey - Phase 3 (gallery roof)	£482K	18/01/16	0%	Additional works identified, AMP at approval stage.
Lancaster Williamson Park - Phase 2	£134K	27/04/15	95%	
Ashton Memorial - Dome Ceiling	£100K	TBA	0%	Awaiting specialist conservation reports.

Restoration				To be programmed 2016/17
Lancaster Town Hall – Lift Associated Works	£408K	16/06/15	80%	On site
Lancaster Town Hall – Banqueting Ceilings	£270K	28/09/15	25%	Extra Works - not included in original condition survey. Phase 1 complete September 2015 Phase 2 to start December 2015
Williamson Park Butterfly House Phase 1 Essential Works	£134K	21/08/15	45%	
King Street Covered Yard	£65K	06/07/15	100%	Brought forward for H&S Reasons – extra works identified.
Old Fire Station Boiler	£100K	02/10/15	99%	Brought forward the replacement of the boiler as existing boiler had reached the end of its serviceable life.
Ryelands House Boiler	£150K	20/1/16	0%	Existing boiler at end of serviceable life but not included in original budget. Programmed to start January 2016.
Assembly Rooms Phase 2	£135K	12/03/16	0%	
The Platform Phase 2	£100K	20/02/16	0%	
Intermediate Demolition Projects (Ryelands Park Pavilion)	£48K	23/11/15	99%	
City Museum – Essential Works	£140K	14/01/16	10%	Total budget being considered as match funding for potential HLF bid – £140K covers essential repairs only. Project to start January 2016

## 2.2 Methodology

The focus of year 1 was to deal with category D urgent works across the property portfolio. The works now completed in years 1 & 2 has allowed the focus to shift towards working on individual buildings rather than spreading our available resources

too thinly over numerous sites. The rationale behind the development of the year two and three delivery programmes was to select buildings with a secure future and complete all category A – C works.

Once capital works have been completed on a particular building that building will then be allocated a planned maintenance schedule and added to the growing planned maintenance programme. The goal for the remainder of this delivery programme is to complete the required work across the property portfolio, facilitating the move from the current emphasis on an expensive reactive approach, to a more financially sustainable planned maintenance ethos.

Finally, it should be understood that the estimated budget costs have been taken from the 2012 non-invasive condition survey and as such the possibility exists that unit costs will increase due to inflationary pressures and further deterioration of components within identified works.

### 3.0 Capital Receipts

No capital receipts in this quarter.

### 4.0 Performance of Commercial Buildings (Occupancy)

As can be seen from the table below there have been some significant changes since the closing position of the commercial property portfolio over the last 12 months.

	2015/16 Quarter 3	2015/16 Quarter 2	2015/16 Quarter 1	2014/15 Quarter 3	2014/15 Quarter 2	2014/15 Quarter 1
<b>Number of Properties</b>	<b>60</b>	60	60	60	60	60
<b>Occupation by Floor Area</b>						
Total Let (m2)	<b>17,339</b>	17,130	17,265	17,287	17,161	17,403
Total Vacant (m2)	<b>1,193</b>	1,402	1,267	1,395	1,521	1,639
Total Area (m2)	<b>18,532</b>	18,532	18,532	18,682	18,682	18,682

There have been some minor changes in current occupation across the City Council's total commercial property portfolio and as a result the percentage let figure has increased from 92% to 94%. The remaining 6% of vacant space now amounts to the equivalent of 1,193m2, the majority of which is attributable to the following 2 buildings:

1. **The Storey:** The total commercial occupation within this building is currently running at 85%. Of the remaining 15%, we have now let the first 3 units in the newly developed artists' studios, which with further interest in the remaining units. This has and will continue to substantially reduce the vacant space, as

well as interest in other accommodation within the building.

2. **Citylab:** The total commercial occupation within this building is currently running at 81%. The remaining 19% equates to a vacant floor area of 229m<sup>2</sup>.

Other buildings currently contributing to the total vacant space include:

- Edward Street Dance Studio (159m<sup>2</sup>) – This building has remained vacant for some time due to its inclusion in the Canal Corridor Development Agreement. The building is now in a very poor state of repair and it is difficult to maintain adequate security. As a result we are currently looking at options for demolition of the building along with its associated outbuildings.
- Regent Park Café – This building became vacant in November although new interest in the building has been received from a number of parties.
- 8 Ridge Square, Lancaster – This is a Council Housing property that has remained vacant for some time.
- 5A King Street – This was formerly let with 5 King Street (GF Shop), but has been split up and is due to be developed into separate office accommodation.
- 5 Cheapside – Improvement work to the internal layout and staircase are being considered to make this property a more practical proposition.

Property Group continues to work towards reducing the vacancy rates in the commercial property portfolio although considering that supply is currently outstripping demand in the commercial office rental market, an overall 6% vacancy rate across the whole portfolio represents a relatively healthy position.

There will undoubtedly be further updates during the remainder of the year; changes are expected to have bearing on both occupancy and future rental income. The latter will be reflected in updating the budget.

## 2015/16 Treasury Management Progress Report October to December 2015 (Quarter 3)

### Report of Chief Officer (Resources)

#### 1. Introduction

The CIPFA Code of Practice on Treasury Management requires that regular monitoring reports be presented to Members on treasury activities. These reports will normally be presented after the end of June, September, December and March as part of the Council's performance management framework.

Council approved the 2015/16 Treasury Strategy, which incorporates the Investment Strategy, at its meeting on 4 March 2015. This report outlines activities undertaken in pursuance of those strategies during the financial year up to the end of Qtr 3.

Treasury management is a technical area. To assist with the understanding of this report, a glossary of terms commonly used in Treasury Management is attached at **Annex A**. In addition, the Councillor's Guide to Local Government Finance also has a section on treasury and cash management and an updated Guide is now available through the Member Information section on the Intranet.

#### 2. Economic update (provided by Capital Asset Services)

*During quarter 1 of 2015 the growth rate was weak at +0.4% though there was a slight increase in quarter 2 to +0.5% before falling back to +0.4% in quarter 3. Growth is expected to improve to about +0.6% in quarter 4 but the economy faces headwinds for exporters from the appreciation of Sterling against the Euro and weak growth in the EU, China and emerging markets, plus the dampening effect of the Government's continuing austerity programme, although the pace of reductions was eased in the November autumn statement.*

*Despite these headwinds, the Bank of England November Inflation Report included a forecast for growth over the three years of 2015, 2016 and 2017 to be around 2.7%, 2.5% and 2.6% respectively, although statistics since then would indicate that an actual outturn for 2015 is more likely to be around 2.2%. Nevertheless, this is still moderately strong growth which is being driven mainly by strong consumer demand as the squeeze on the disposable incomes of consumers has been reversed by a recovery in wage inflation at the same time that CPI inflation has fallen to, or near to, zero over the last quarter. Investment expenditure is also expected to support growth.*

*The November Bank of England Inflation Report forecast was notably subdued with inflation barely getting back up to the 2% target within the 2-3 year time horizon. However, with the price of oil taking a fresh downward direction and Iran expected to soon rejoin the world oil market after the impending lifting of sanctions, there could*



*be several more months of low inflation still to come, especially as world commodity prices have generally been depressed by the Chinese economic downturn.*

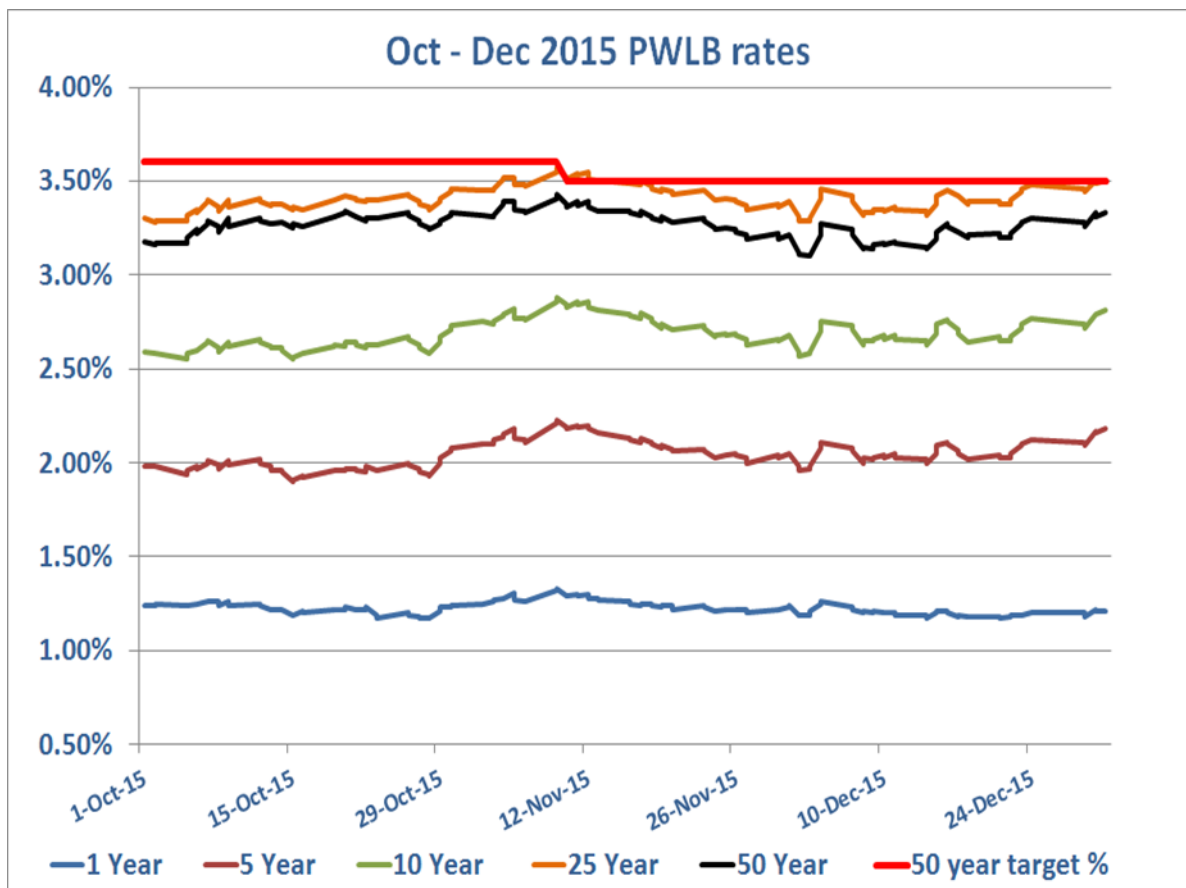
*There are, therefore, considerable risks around whether inflation will rise in the near future as strongly as previously expected; this will make it more difficult for the Bank of England to make a start on raising Bank Rate as soon as had been expected in early 2015, especially given the subsequent major concerns around the slowdown in Chinese growth, the knock on impact on the earnings of emerging countries from falling oil and commodity prices, and the volatility we have seen in equity and bond markets during 2015, which could potentially spill over to impact the real economies rather than just financial markets.*

*The American economy made a strong comeback after a weak first quarter's growth at +0.6% (annualised), to grow by no less than 3.9% in quarter 2 of 2015 before easing back to +2.0% in quarter 3. While there had been confident expectations during the summer that the Federal Bank could start increasing rates at its meeting on 17 September, downbeat news during the summer about Chinese and Japanese growth and the knock on impact on emerging countries that are major suppliers of commodities, was cited as the main reason for the Bank's decision to pull back from making that start. The nonfarm payrolls figures for September and revised August, issued on 2 October, were also disappointingly weak. However, since then concerns on both the domestic and international scene have abated and so the Bank made its long anticipated start in raising rates at its December meeting.*

*In the Eurozone (EZ), the European Central Bank (ECB) declared a massive €1.1 trillion programme of quantitative easing (QE) to buy up high credit quality government and other debt of selected EZ countries. This programme of €60bn of monthly purchases started in March 2015 and it was intended to run initially to September 2016. At the ECB's December meeting, this programme was extended to March 2017 but was not increased in terms of the amount of monthly purchases. The ECB also cut its deposit facility rate by 10bps from -0.2% to -0.3%. This programme of monetary easing has had a limited positive effect in helping a recovery in consumer and business confidence and a start to some improvement in economic growth. GDP growth rose to 0.5% in quarter 1 2015 but has then eased back to +0.4% in quarter 2 and to +0.3% in quarter 3. Financial markets were disappointed by the ECB's lack of more decisive action in December and it is likely that it will need to boost its QE programme if it is to succeed in significantly improving growth in the EZ and getting inflation up from the current level of around zero to its target of 2%.*

### **3. Borrowing Activities**

No new borrowing was undertaken during Qtr3. The loan balance with the Public Works Loans Board (PWLB) at the end of September was £66.811M, and the annual cost of borrowing is £3.071M. The following graph shows the PWLB rates for the third quarter of this year.



#### Early Repayment of Debt

Officers continue to monitor potential saving opportunities associated with the early repayment of existing debt. This takes into account the premiums or discounts associated with early repayment and the projected cost of refinancing or loss in investment interest. At present, it would not be financially prudent to repay any debt based on the current rates being offered.

#### 4. Investing Activities

As laid down in the approved Investment Strategy, the aim is to prioritise security and liquidity of the Council's investments. This is to ensure that the Council has sufficient cash to support its business, but also to minimise any further chance of a counterparty failing and the Council not being able to remove any cash deposited.

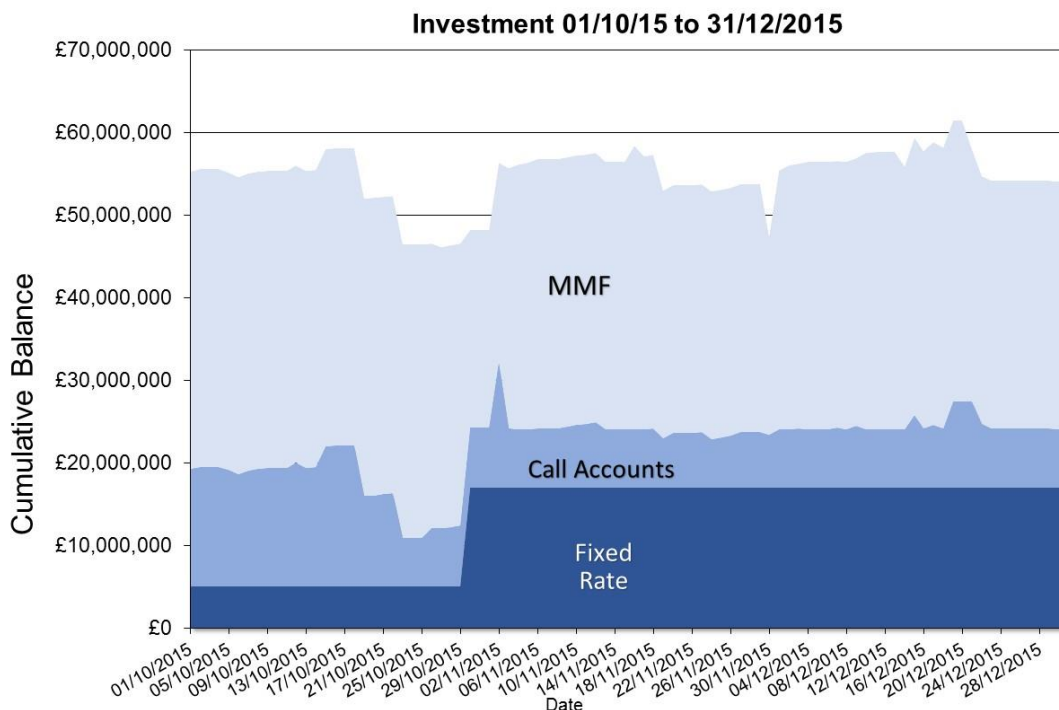
All investment activity has been in line with the approved Treasury Strategy for 2015/16. A summary of the investments at the end of Qtr 3 is shown in the following table (Table 6.1):

Table 6.1 Counterparty balances

Other Investments	Term	Maturity Date	Opening £	Min £	Max £	Closing £	Indicative Rate (YTD)	Current Fixed Rate	Interest for Q3 £	Cumulative Interest (YTD) £	
<b>Call Accounts</b>											
Natwest (Cash Manager Plus)			7,307,200	10,470	9,991,833	633,428		0.25%	1,139	7,893	
Lancashire County Council			0	0	5,000,000	0		0.25%	212	5,004	
Santander			2,000,000	500,000	2,000,000	2,000,000		0.40%	1,840	5,500	
Lloyds			0	0	0	0		0.40%	0	2,060	
<b>Notice Accounts</b>											
Svenska Handelsbanken (35 day)			3,000,000	3,000,000	3,000,000	3,000,000	0.40%	0.45%	3,403	8,954	
<b>Money Market Funds</b>											
Blackrock Government Liquidity			6,000,000	0	6,000,000	480,000	0.35%		2,636	13,081	
Insight			6,000,000	0	6,000,000	6,000,000	0.40%		6,115	18,116	
Blackrock Liquidity First			6,000,000	0	6,000,000	6,000,000	0.44%		6,674	19,929	
Goldman Sachs			6,000,000	6,000,000	6,000,000	6,000,000	0.44%		6,659	10,336	
LGIM			6,000,000	6,000,000	6,000,000	6,000,000	0.47%		7,099	7,876	
Ignis			6,000,000	6,000,000	6,000,000	6,000,000	0.48%		7,484	21,885	
<b>Fixed Term Deposits</b>											
Barclays	6 months	15/04/2016	2,000,000	2,000,000	2,000,000	2,000,000		0.64%	3,226	9,153	
Lloyds	6 months	20/01/2016	2,000,000	2,000,000	2,000,000	2,000,000		0.70%	3,529	18,353	
Birmingham City Council	6 months	29/04/2016	0	0	12,000,000	12,000,000		0.47%	9,735	9,735	
<b>Sub-total</b>			<b>52,307,200</b>			<b>52,113,428</b>			<b>59,751</b>	<b>157,876</b>	
									Budgeted income	42,459	120,513
										<b>37,363</b>	

During the period, officers have placed an investment of £12M with Birmingham City Council (BCC) for 6 months at a rate of 0.47%. Investing with BCC offers a highly secure investment as it carries the same credit rating as the Government, and provided a return above those offered by MMFs and call accounts.

The Council continues to hold very high cash balances, caused primarily by the provision being held for repaying Business Rates transitional protection monies due back to the Government. The timing and mechanism for repayment is yet to be confirmed however, and so to manage this uncertainty the majority of the Council's balances are held in highly liquid MMFs and call accounts. The distribution of the Council's balances are displayed in the following graph:



Graph 6.1 Investment balances

**Summary of Budget Position and Performance**

In terms of performance against external benchmarks, the return on investments compared to the 7 day LIBID and bank rates over the year to date is as follows:

Base Rate	0.500%
7 day LIBID	0.360%
Lancaster City Council investments	0.405%

In terms of performance against budget, the details are as follows:

	<b>Budget to Date £000's</b>	<b>Actuals to Date £000's</b>	<b>Variance £000's</b>
<b>Cash Interest</b>	121	158	37
<b>Total</b>	<b>121</b>	<b>158</b>	<b>37</b>

Investment returns exceed the budgeted level by £37K. This is due to cash balances being larger than expected as a result of delays within the capital programme.

**5. Risk management**

The investment matrix, as approved by Council on 04 March, has increased the pool of counterparties that can be used and the term over which an investment can be placed, whilst still keeping risk appetite low. Given the very high cash balances being held currently, officers are keeping capacity under review, and have set up new MMFs and inter-authority investments as a result.

There is financial risk attached to the longer term debt portfolio (associated with interest rate exposure) as all of the debt is on fixed interest but there has been no change to this over the quarter. Low investment returns mean that using cash invested to repay debt can appear more attractive, however this is not a financially viable option at present due to the penalties associated with early repayment.

## Treasury Management Glossary of Terms

- **Annuity** – method of repaying a loan where the payment amount remains uniform throughout the life of the loan, therefore the split varies such that the proportion of the payment relating to the principal increases as the amount of interest decreases.
- **CIPFA** – the Chartered Institute of Public Finance and Accountancy, is the professional body for accountants working in Local Government and other public sector organisations, also the standard setting organisation for Local Government Finance.
- **Call account** – instant access deposit account.
- **Counterparty** – an institution (e.g. a bank) with whom a borrowing or investment transaction is made.
- **Credit Rating** – is an opinion on the credit-worthiness of an institution, based on judgements about the future status of that institution. It is based on any information available regarding the institution: published results, Shareholders' reports, reports from trading partners, and also an analysis of the environment in which the institution operates (e.g. its home economy, and its market sector). The main rating agencies are Fitch, Standard and Poor's, and Moody's. They analyse credit worthiness under four headings:
  - **Short Term Rating** – the perceived ability of the organisation to meet its obligations in the short term, this will be based on measures of liquidity.
  - **Long Term Rating** – the ability of the organisation to repay its debts in the long term, based on opinions regarding future stability, e.g. its exposure to 'risky' markets.
  - **Individual/Financial Strength Rating** – a measure of an institution's soundness on a stand-alone basis based on its structure, past performance and credit profile.
  - **Legal Support Rating** – a view of the likelihood, in the case of a financial institution failing, that its obligations would be met, in whole or part, by its shareholders, central bank, or national government.

The rating agencies constantly monitor information received regarding financial institutions, and will amend the credit ratings assigned as necessary.

- **DMADF and the DMO** – The DMADF is the 'Debt Management Account Deposit Facility'; this is highly secure fixed term deposit account with the Debt Management Office (DMO), part of Her Majesty's Treasury.
- **EIP** – Equal Instalments of Principal, a type of loan where each payment includes an equal amount in respect of loan principal, therefore the interest due with each payment reduces as the principal is eroded, and so the total amount reduces with each instalment.
- **Gilts** – the name given to bonds issued by the U K Government. Gilts are issued bearing interest at a specified rate, however they are then traded on the markets like shares and their value rises or falls accordingly. The Yield on a gilt is the interest paid divided by the Market Value of that gilt.  
E.g. a 30 year gilt is issued in 1994 at £1, bearing interest of 8%. In 1999 the market value of the gilt is £1.45. The yield on that gilt is calculated as  $8\%/1.45 = 5.5\%$ .  
See also PWLB.

- **LIBID** – The London Inter-Bank Bid Rate, the rate which banks would have to bid to borrow funds from other banks for a given period. The official rate is published by the Bank of England at 11am each day based on trades up to that time.
- **LIBOR** – The London Inter-Bank Offer Rate, the rate at which banks with surplus funds are offering to lend them to other banks, again published at 11am each day.
- **Liquidity** – Relates to the amount of readily available or short term investment money which can be used for either day to day or unforeseen expenses. For example Call Accounts allow instant daily access to invested funds.
- **Maturity** – Type of loan where only payments of interest are made during the life of the loan, with the total amount of principal falling due at the end of the loan period.
- **Money Market Fund (MMF)** – Type of investment where the Council purchases a share of a cash fund that makes short term deposits with a broad range of high quality counterparties. These are highly regulated in terms of average length of deposit and counterparty quality, to ensure AAA rated status.
- **Nonfarm Payroll Employment** - is a compiled name for goods, construction and manufacturing companies in the US. It does not include farm workers, private household employees, or non-profit organization employees.
- **Policy and Strategy Documents** – documents required by the CIPFA Code of Practice on Treasury Management in Local Authorities. These set out the framework for treasury management operations during the year.
- **Public Works Loans Board (PWLB)** – a central government agency providing long and short term loans to Local Authorities. Rates are set daily at a margin over the Gilt yield (see Gilts above). Loans may be taken at fixed or variable rates and as Annuity, Maturity, or EIP loans (see separate definitions) over periods of up to fifty years. Financing is also available from the money markets, however because of its nature the PWLB is generally able to offer better terms.
- **Capita Asset Services** – are the City Council's Treasury Management advisors. They provide advice on borrowing strategy, investment strategy, and vetting of investment counterparties, in addition to ad hoc guidance throughout the year.
- **Yield** – see Gilts

Members may also wish to make reference to *The Councillor's Guide to Local Government Finance*.



<b>CABINET</b>
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**Fees and Charges Review – 2016/17  
16 February 2016**

**Report of Chief Officer (Resources)**

<b>PURPOSE OF REPORT</b>			
To consider the annual review of fees and charges for 2016/17.			
<b>Key Decision</b>	<b>X</b>	<b>Non-Key Decision</b>	<b>Referral from Cabinet Member</b>
<b>Date of notice of forthcoming key decision</b>	18 December 2015		
<b>This report is public.</b>			

**RECOMMENDATIONS OF CHIEF OFFICER (RESOURCES)**

- (1) That Cabinet endorses the Fees and Charges Policy as set out at Appendix A, subject to indicating whether it requires any other areas of income generation to be explored for future years, other than those already reviewed and proposed.

**RECOMMENDATIONS OF CHIEF OFFICER (ENVIRONMENT)**

- (1) That Cabinet approves Option 1A to increase the Up to 1 hour charge by 10p across all car parks in Lancaster and Morecambe and the Up to 1 hour and Full Day charges by 10p at Williamson Park, Lancaster as set out in the report at Appendix C, subject to Budget Council.
- (2) That Cabinet approves extending the facility for resident permit holders to use off street car parks as indicated in Appendix C from 2016/17.

**1 GENERAL POLICY**

- 1.1 This report sets out the proposed fees and charges framework for 2016/17. The current policy was last considered by Cabinet at its meeting on 20 January 2015 and a copy is attached at **Appendix A**. No substantive updates of the policy are being proposed, although some minor wording changes have been made to reflect current financial strategy and last year's update of the Financial Regulations.
- 1.2 In support, **Appendix B** provides a listing of the General Fund fees and charges for 2014/15 actuals, the 2015/16 revised budget and the 2016/17 current base budget. This shows that the total estimated base income to be generated from fees and charges (including rents) is now projected to be £10.9M next year. Of this total, around



£4.6M is generally inflation-linked. The majority of the remaining income relates to statutory fees, commercial charges, general cost recovery and fixed contracts, e.g. trade refuse. As such these income areas allow for little or no discretion in setting fee increases. Furthermore, certain fees such as various licensing fees cannot by law be set by Cabinet.

- 1.3 In general terms, as part of the budget process all relevant fees and charges will increase by 1.5% for next year, in line with the annual inflationary review.
- 1.4 Where fees and charges are to change in line with policy and/or the budget, these will be amended through existing Officer delegations and therefore no Cabinet decision is required – and so no detail is provided within this report. It should be noted that in exercising their delegated authority, Officers may well consider groupings of charges for similar or related activities and within those groupings, they may vary individual fees (or concessions) above or below inflation, for example – but as long as in totality, it is reasonable to assume that the relevant income budget will be met and the variances do not go against any other aspect of policy, then no Cabinet decision is required.
- 1.5 On top of such general increases, Cabinet has already identified a number of new charges or other charging changes as part of its budget proposals, included elsewhere on the agenda. Those proposals now incorporate more outline information, in line with the fees and charges policy.
- 1.6 Cabinet is requested to indicate whether there are any other specific areas for income generation that it wishes to consider as part of its budget proposals, on top of those already included.
- 1.7 The nature and work involved in developing any such ideas would determine the timescales for potential implementation (i.e. if complex proposals were to be developed, implementation for April 2016 would not be possible, but simple proposals may well be deliverable for then).
- 1.8 From an Officer perspective, there is only one charging matter that requires Cabinet's consideration ahead of Budget Council, and this is set out below.

## 2 OTHER SPECIFIC CHARGING CONSIDERATIONS

### 2.1 Environmental Services: Car Parking

This is the only area in which a number of options are presented and therefore for clarity and to seek Cabinet's direction, full information is included in **Appendix C** to this report. It should be noted that all options will (at least) meet the draft budget income provisions for 2016/17.

**3 OTHER POINTS TO NOTE**

**3.1 Health and Wellbeing: Salt Ayre Charging**

At its last meeting Cabinet supported the redevelopment of Salt Ayre Leisure Centre with Alliance Leisure Services Limited, subject to budget approval. Future fees and charges will be determined under delegated authority in line with the programme of redevelopments with the aim of achieving budgeted income targets, taking into account advice from the developer partner.

**3.2 Governance: Taxi and Other Miscellaneous Licensing Fees**

3.3 The outcome of the latest review of taxi and other miscellaneous licensing fees is scheduled for consideration by the Licensing Regulatory Committee on 11 February, prior to Budget Council. These fees are, as a matter of law, not to be determined by Cabinet, although as far as possible the budgeting implications of the Committee's decision will be reflected within the draft budget for 2016 onwards. Fees for licences within the remit of the Licensing Act Committee are set by central government.

**4 OPTIONS AND OPTIONS ANALYSIS**

4.1 The attached policy remains substantively unchanged and it is considered that it remains fit for purpose and it adequately covers Cabinet's budget proposals. As such, no options are presented and Cabinet is simply requested to endorse the policy.

4.2 Options regarding car parking charges are covered in Appendix C.

**RELATIONSHIP TO POLICY FRAMEWORK**

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

**CONCLUSION OF IMPACT ASSESSMENT**

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

The proposed increases are considered to be fair and reasonable; generally, equality considerations are provided for within the attached policy.

**LEGAL IMPLICATIONS**

The Fees and Charges Policy and the recommendations set out in this report take account of any statutory or other legal restraints, thus minimising the risk of any legal challenge.

**FINANCIAL IMPLICATIONS**

Detailed financial implications are set out in the relevant appendices, noting that the officer preferred options will meet the required inflationary increases already built into the 2016/17 draft budget. Any deviation from meeting the proposed inflationary increases would, in effect, constitute budget growth.

**OTHER RESOURCE IMPLICATIONS**

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

None specifically.

**SECTION 151 OFFICER'S COMMENTS**

The s151 Officer has contributed to this report, which is in her name (in her capacity as Chief Officer (Resources)).

**MONITORING OFFICER'S COMMENTS**

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

**BACKGROUND PAPERS**

None

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**Ref:**



**LANCASTER CITY COUNCIL**  
*Promoting City, Coast & Countryside*

# **FEES AND CHARGES POLICY**

**February 2016**

## 1 INTRODUCTION

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

## 2 GENERAL POLICY

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

### Council policies, strategies and priorities

- 2.3 Specific decisions and charging policies should support delivery of the council's Corporate Plan and other local strategies and service objectives. Charging decisions will take account of the council's corporate priorities and have regard for the potential impact on other service areas.

## Basis of Charging Decisions

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

## Subsidies and/or Concessions

- 2.6 Subsidies and concessions may be used to help achieve specific targets or objectives. Concessions should be awarded and reviewed in relation to each service. Where subsidies and concessions are applied, there should be a proportionate evaluation process in place to measure levels of success in meeting these objectives. Definitions and qualifying criteria for concessionary target groups should be consistent across the Council.
- 2.7 Any reference to the setting or review of fees and charges within this policy should be taken to include/cover any relevant subsidies or concessions also.

## Surplus Income

- 2.8 Income derived from charging will be used to offset the costs of providing the service being charged for, including support service costs. Where a surplus, over budget, is generated in-year, its use shall be determined in accordance with the Council's Financial Regulations (in particular, the virement scheme as set out in the Medium Term Financial Strategy (MTFS)). This is on the provision that this is not prohibited by other statutory requirements or government guidance.
- 2.9 It is acknowledged, however, that the ability to use charges to deliver the corporate priorities of the Council requires a degree of freedom; corporate controls should avoid imposing unnecessary restrictions.
- 2.10 Any proposals for generating any additional income (over and above normal budgetary provisions) to be raised from charging in the expansion and development of a particular service will need to be considered as part of the annual budget process, and in line with the approved Medium Term Financial Strategy. Each proposal will therefore be considered on its own merits and in light of financial planning processes and other pressures.

## Efficient Administration

- 2.11 Arrangements for charging and collecting fees should be efficient, practical and simple to understand by users, and meet any other requirements of the Council's Financial Regulations and supporting processes. The reasons behind any significant changes to charges should be communicated to residents and service users. The impact of charging decisions on service users and local residents will need to be taken into account.

Regular Review

- 2.12 Charges, and decisions not to charge, will be reviewed annually in sufficient time for the impact of any revisions to be included in the budget setting process. This ensures that they fit within the approved budget framework, as determined by full Council.

Policy Implementation

- 2.13 This policy encompasses decisions made as part of the annual fees and charges review process, where new charges are introduced or where existing charges are removed or amended.
- 2.14 It supports the Council’s Financial Regulations, which are part of the Constitution. Under the Regulations, Chief Officers and others designated by them are responsible for collecting budgeted income, and maximising such income in accordance with this policy and any other relevant supporting policies.
- 2.15 Furthermore, under the Scheme of Delegation to Officers, which is also included in the Constitution, such Officers have authority to set fees and charges in accordance relevant legislation and any charging policy set by Cabinet (as long as they fit with the approved budget framework).

**3 DETERMINING SPECIFIC CHARGING POLICY (CASE BY CASE)**

- 3.1 Each fee or charge (or group of similar charges) should be linked to one of the categories in the following table and the appropriate charging policy adopted in establishing and reviewing charging rates for that particular service or activity. Where new charges are being introduced or changes in charging policy are proposed, the charging policy should be made clear as part of the decision-making process.
- 3.2 In all cases, in determining an appropriate charging policy proper consideration should be given to the wider equality implications that could affect accessibility of council services to any groups.

CHARGING POLICY	POLICY OBJECTIVE
Full commercial	The council seeks to maximise revenue within an overall objective of generating as large a surplus (or a minimum loss) from this service.
Full commercial with discounts	As above, but with discounted concessions being given to enable disadvantaged groups to access the service.
Fair charging	The council seeks to maximise income but subject to a defined policy constraint. This could include a commitment made to potential customers on an appropriate fee structure. Alternatively, a full commercial rate may not be determinable or the council may be a monopoly supplier of services.
Cost recovery	The council wishes to make the service generally available, but does not wish to allocate its own resources to the service.

Cost recovery with discounts	As above, but the council is prepared to subsidise the service to ensure disadvantaged groups have access to the service.
Subsidised	Council policy is to make the service widely accessible, but believe users of the service should make some contribution from their own resources. Could also be due to the adverse impact a cost recovery or commercial charging policy would have on other council services.
Nominal	The council wishes the service to be fully available, but sets a charges to discourage frivolous usage.
Free	Council policy is to make the service fully available.
Statutory	Charges are set in line with legal obligations.

3.3 In applying the appropriate charging policy, as well as equality considerations typically the issues that may need to be considered in setting the level of fee and charge for any particular service include those set out below:

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



## 4 SUBSIDIES AND CONCESSIONS

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

- There is a sound financial and policy justification for the council tax payers subsidising this service.
- The desire to encourage particular sections of the community to use specific services and they could not afford, or might otherwise be deterred by, full cost charges.
- Charging full cost discourages or prevents uptake, which may have a detrimental impact on the council's finances in the long run.
- Use of the service is sensitive to a change in price – an increase in charges reduces demand and income.
- The council incurs higher costs than other providers because the service is provided in a way that is appropriate and accessible for all sectors of the community.

4.2 When considering using a subsidy, the following points should be taken into account:

- It must clearly and directly support a corporate priority, objective, or policy.
- There is evidence to suggest that the impact of the policy can be measured.
- The cost of the subsidy can be estimated and can be accommodated within the council's budget, making it affordable.
- The proposal is the most effective approach available to deliver the policy objective, and so can be judged to give value for money.

4.3 It is recognised that in some circumstances discounts may not be appropriate and that, in all cases, it will be necessary to carefully consider the impact on income before introducing discounts or concessions to service areas which do not currently offer them.

## 5 NEW FEES AND CHARGES

5.1 Proposals for new discretionary fees and charges must be considered within the annual budget process or, where necessary, submitted to Cabinet initially for approval as an in-year change. Should any proposed change fall outside of the budget and policy framework, it would also require referral to Council.

5.2 Proposals for new fees and charges should be analysed using the guidance in the appendix to this policy. This effectively provides a brief rationale and business case for the proposed charge.

5.3 The effects of any new charge on service usage and income generated will be monitored regularly over the first 12 months and formally reviewed as part of the following budget process.

5.4 Where new statutory fees and charges are to be introduced, or when changes have been notified, ideally Cabinet and/or Council should be advised of any

significant budgetary or policy implications prior to their implementation by Officers, should timescales allow; this may be done through the budget process. Alternatively, any implications should be reported retrospectively through usual quarterly monitoring arrangements.

### **6 REVIEWING FEES AND CHARGES**

- 6.1 Chief Officers and designated staff must consider charging policies and current levels of charge each year as part of the budget and service planning process.
- 6.2 The general assumption (where the Council has control) is that the value of fees and charges will be maintained in real terms over time and increased annually in line with estimated inflation, as determined through the budget. Clearly this assumption changes, if the adopted charging policy for a particular activity determines otherwise.
- 6.3 Additionally, Cabinet may decide to set income targets for specific service areas as part of an effort to identify efficiencies and/or generate additional income.
- 6.4 Separate to the annual budgeting exercise, if there are any significant matters arising during the course of a year, such as in cost, market forces or service levels, which materially affect current charges and revenues, then relevant fees and charges should be reviewed. If it is reasonable for them to be adjusted in year, to keep within the budget framework, then the Chief Officer has delegated authority to do so, as long as any fee or charge under question was not explicitly approved by Members during the last budget process. Any such changes must be reported to Cabinet retrospectively as part of usual quarterly monitoring arrangements.
- 6.5 In all other cases (except for statutory fee change notifications covered in 5.4), any proposals to change fees, and/or any expected income budget shortfalls, must be reported initially for Cabinet's consideration. Referral to Council may also follow, depending on circumstances. Any proposal to amend significantly an existing fee or charge will require a full explanation and justification to be provided.

### **7 COLLECTION OF FEES AND CHARGES**

- 7.1 Fees and charges income should be collected and accounted for in accordance with the Council's Financial Regulations and any supporting instructions, procedures and guidance. Wherever it is reasonable to do so, charges should be collected either in advance or at the point of service delivery. Where charges are to be collected after service delivery has commenced, invoices will be issued promptly, and appropriate collection and recovery procedures followed.

## 8 PUBLICATION OF FEES AND CHARGES

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

## GUIDANCE FOR NEW FEES AND CHARGES

### Charging Policy

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

### Comparative Information

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

### Financial

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

### Impact Assessment

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

### Impact on Other Areas

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

**Method of Collection**

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

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

**Alternatives**

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

**Consultation**

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

## Summary of General Fund Fees and Charges (including rents)

APPENDIX B

For Consideration by Cabinet 16 February 2016

Service	Service Area	Cost Centre Area	Detail Code	2014/15 Actual £	2015/16 Revised £	2016/17 Estimate £		
<b>Environmental Services</b>	Public Realm	City Centre Markets & Traders	General Fees & Charges	-11,440	-9,800	-9,900		
			Market Tolls	-60,549	-78,200	-79,400		
		Grounds Maintenance Happy Mount Park	Rents - Market Stalls	-17,094	-20,700	-21,000		
			Service Charges Recovered	-45	-2,000	-2,000		
			General Fees & Charges	-204,708	-190,000	-190,000		
			Bowling	-593	-600	-600		
			Rents - Concessions	-3,500	-3,500	-3,600		
			Rents - General	-23,910	-29,400	-29,800		
			Service Charges Recovered	-447	-500	-500		
			Tennis	-226	-400	-400		
			Morecambe Market	Advertising - Hoardings Etc	-816	-300	-300	
				Rents - Market Stalls	-274,545	-282,800	-287,000	
		Service Charges Recovered		-14,148	-14,000	-14,000		
		Storage		-7,700	-7,700	-7,700		
		Non-Resort Parks	Bowling	-2,676	-2,700	-2,700		
			Receipts Non-Vatable	-12,026	-13,400	-13,600		
			Rents - Concessions	0	-9,000	-9,100		
			Rents - General	-19,780	-9,800	-9,900		
			Service Charges Recovered	-1,354	-1,700	-1,700		
			General Fees & Charges	-79,426	-75,200	-76,300		
		Nurseries Off Street Car Parks	Car Parking Fees	-2,156,427	-2,201,700	-2,253,000		
			Car Parking Fees - Evening Charges	-99,352	-100,000	-101,500		
			Car Parking Permits	-143,845	-146,400	-148,600		
			Fines	-142,944	-130,000	-139,600		
		On-Street Parking Services Promenade Management	Rents - General	-33,271	-33,500	-33,500		
			On-Street Parking Dispensations	-3,295	-2,200	-2,200		
			Rents - Concessions	-11,948	-28,300	-28,700		
		Public Conveniences Residents On-Street Parking	Rents - General	-24,285	-15,000	-15,200		
			Sales - Promenade Passes	-1,539	-1,500	-1,500		
			Service Charges Recovered	21	-1,500	-1,500		
			General Fees & Charges	-38,313	-23,900	-24,300		
		Resort Parks	Car Parking Contracts	-80,335	-80,300	-80,300		
			Rents - Concessions	1,843	-1,300	-3,900		
		Small Parks & Open Spaces Street Cleaning	Rents - General	-1,992	-3,100	-3,100		
			Service Charges Recovered	-70	-100	-100		
			General Fees & Charges	-440	-400	-400		
		Williamson Park Butterfly House	Fines	-703	-2,000	-2,000		
			General Fees & Charges	-47,111	-29,300	-29,700		
			Admission Fees	-77,171	-77,000	-78,200		
			Educational Usage	-11,499	-11,300	-11,500		
			Family Tickets	-20,829	-23,000	-23,300		
			Williamson Park Cafe	Sales - General	-226,879	-232,000	-235,500	
				Special Events	-15,428	-15,300	-15,500	
			Williamson Park Events	Venue Hire	-47,195	-37,200	-41,800	
				Sales - General	-8,557	-5,800	-17,100	
			Williamson Park Lodges	Rents - General	-5,712	-5,700	-5,800	
		Car Parking Fees		-29,583	-30,000	-30,500		
		Williamson Park Mgmt & Admin	Sales - General	-350	-400	-400		
			Sale of Recycling Material	-1,001	-1,000	-1,000		
			Sales - General	-46,812	-38,300	-38,900		
		Williamson Park Retail	Sales - Publications & Data	-258	-500	-500		
			General (CR) - Miscellaneous	-5,623	-5,000	-5,000		
		Safety Service Support	Vehicle Maintenance White Lund Depot	Feed In Tariff Credits	-17,815	-17,800	-18,600	
				Rents - General	-13,835	-13,800	-13,800	
				Sales - Goods Resold	-4,214	-4,700	-4,800	
		Waste/Recycling	Bulky Waste Collection	Domestic Collections	-47,602	-45,200	-45,900	
				Sales - Goods Resold	-12,289	-15,300	-15,500	
				Sales - Scrap	-1,244	-1,200	-1,200	
			Three Stream Waste Collection	Domestic Collections	-6,966	-7,500	-7,600	
				General Fees & Charges	-22,774	-20,200	-20,500	
		Trade Refuse	Trade Refuse Collections	-1,224,538	-1,223,300	-1,265,100		
		<b>Governance Services</b>	Democratic Services Legal	Electoral Registration Legal Services Mgt & Admin	Sales - Publications & Data	-2,539	-2,100	-2,100
					General Fees & Charges	-49,374	-36,100	-30,600
Legal Fees-County Court	-7,011				-10,000	-15,800		
Legal Fees-Magistrates Courts	-678				-16,700	-2,700		
Licensing	Searches Administration Gambling Act 2005		Search Fees	-243,351	-229,900	-207,400		
			Amusement Machines	-3,300	-3,400	-3,500		
			Licences - Betting Shops	-6,000	-8,100	-8,200		
			Licences - Bingo Establishments	-3,000	-3,000	-3,000		
			Licences - Lotteries	-2,940	-2,800	-2,800		
			Licences-Gaming Machines	-2,430	-2,600	-2,600		

Service	Service Area	Cost Centre Area	Detail Code	2014/15 Actual £	2015/16 Revised £	2016/17 Estimate £					
<b>Governance Services (cont)</b>	Licensing	Hackney Carriage & Private Hire Licences	Dual Drivers Badge	-14,361	-10,600	-9,100					
			H.C. Driver Licence	-8,480	-4,000	-5,200					
			H.C. Inspection Fees	-12,259	-12,500	-12,700					
			H.C. Taxi Plates	-2,031	-2,200	-2,200					
			H.C. Vehicle Licence	-22,794	-23,000	-23,300					
			P.H. Drivers Licence	-13,567	-7,400	-9,000					
			P.H. Inspection Fees	-24,433	-25,000	-25,400					
			P.H. Operators Licence	-5,687	-6,700	-21,400					
			P.H. Taxi Plates	-5,274	-5,000	-5,100					
			P.H. Vehicle Licence	-42,895	-45,100	-45,800					
			Licensing Act 2003	Licensing Act 2003 - Personal	-7,256	-7,200	-7,300				
				Licensing Act 2003 - Premises	-116,128	-116,800	-118,600				
				Temporary Event Notices	-6,531	-6,500	-6,600				
			Miscellaneous Licences	Licences - Motor Salvage Operators	-914	0	-5,500				
				Licences - Second Hand Dealers	-355	-500	-500				
				Licences - Sex Shops	-500	-500	-500				
				Licences - Street Cafes	-5,491	-6,400	-6,500				
Licences - Skin Piercing\Tattoos	-2,013	-1,500		-1,500							
<b>Health &amp; Housing Services</b>	Environmental Health	Cemeteries - General	Hire Of Chapels	-2,938	-3,700	-3,800					
			Interment Fees	-129,282	-129,800	-131,700					
			Memorial Fees	-21,982	-23,000	-23,300					
			Rents - General	-470	-500	-500					
			Rents - Grazing Rights	-330	-300	-300					
			Sale Of Grave Spaces	-71,911	-77,300	-78,500					
			Sale Of Memorial Plaques	-25,340	-24,300	-24,700					
			Dog Warden Service	Collections and Kennelling	-5,199	-5,300	-5,500				
				Fines	-2,800	-1,500	-1,500				
				Sales - General	-578	-700	-600				
			Environmental Protection	EPA Authorisation Fees	-18,996	-14,800	-14,800				
				Income - Works In Default	-344	-7,500	-3,700				
				Water Sampling Fees	-3,279	-3,200	-7,200				
			Food & Safety	Fines	0	-100	-100				
				Training Course Fees	-550	-800	-800				
			Lancaster Port Health Authority Pest Control	General Fees & Charges	-6,074	-5,100	-5,200				
				Insect Control Charges	-34,205	-22,800	-29,600				
				Pest Control Contracts	-54,258	-56,300	-57,100				
			Public Health Services	Rodent Control Charges	-37,251	-32,000	-32,500				
				Burial Of The Dead	-5,653	-6,000	-6,100				
				Licences - Dog Breeding	-559	-600	-600				
			GF Housing	Mellishaw Park	Licences - Pet Shops	-1,603	-1,700	-1,700			
					Licences - Animal Boarding	-4,141	-4,100	-4,200			
					Licences - Riding Estabs	-1,047	-1,100	-1,100			
					Vets Fees Recovered	-690	-1,000	-1,000			
					Rent - Houses	-55,844	-57,100	-56,500			
					Service Charges Recovered	-8,486	-4,300	-4,400			
					Fees and Charges	-1,617	-1,500	-600			
			Sport and Leisure	Aquarius Health & Beauty	Carnforth Swimming Pool	Fees and Charges	-119,589	-120,000	-121,800		
					Heysham Swimming Pool	Fees and Charges	-167,237	-168,900	-171,400		
					Hornby Swimming Pool	Fees and Charges	-73,889	-70,100	-71,200		
					Community Leisure Projects	Admission Fees	-4,470	-4,300	-4,400		
					Health & Fitness	Fees and Charges	-362,776	-334,500	-316,100		
					Heatwaves	Fees and Charges	-5,955	-5,700	-5,800		
					Holiday Activities Programme	Admission Fees	-11,389	-17,000	-17,300		
					Main Hall	Fees and Charges	-165,266	-174,500	-171,500		
					Outdoor Synthetic Pitch	Fees and Charges	-6,751	-3,200	-3,200		
					Projectile Hall	Fees and Charges	-17,030	-15,100	-15,300		
					Salt Ayre Mgt & Admin	Feed In Tariff Credits	-14,892	-15,300	-16,000		
						Fees and Charges	-3,293	-3,000	-3,000		
					SASC Cafe	Fees and Charges	-125,605	-146,300	-160,700		
					SASC Outdoor Tracks	Fees and Charges	-18,756	-18,200	-18,500		
					Shop	Fees and Charges	-10,196	-9,600	-9,700		
					Sports & Physical Activity	Admission Fees	-7,981	-8,800	-8,900		
					Studio	Fees and Charges	-52,302	-53,300	-54,100		
					Swimming	Fees and Charges	-287,839	-313,300	-318,000		
					Strategic Housing	Home Improvement Team	Home Improvements	General (CR) - Miscellaneous	-40,200	-26,000	-34,200
							Admin - Works In Default	Administration Charges	-86,573	-72,000	-79,700
			APS Fees	Admin - Works In Default			-5,605	-2,000	-1,000		
			Fines				-1,640	-300	-300		
			HMO License Fees				-2,150	-900	-3,000		
			Private Rented Sector Activity	Immigration Inspection Fees	-20,572	-24,600	-19,700				
							-437	-100	-300		

Service	Service Area	Cost Centre Area	Detail Code	2014/15 Actual £	2015/16 Revised £	2016/17 Estimate £				
<b>Regeneration &amp; Planning</b>	Development Management	Building Regulations	Bldg Regs - Application Fees	-69,102	-110,000	-110,000				
			Development Control	Planning Application Fees	-734,754	-700,000	-700,000			
				Planning Pre Application Advice Fees	-6,290	-38,000	-40,000			
	Economic Development	Lancaster V.I.C.	Morecambe V.I.C.	Commission - Concerts/Discount Ticket	-1,310	-700	-700			
				Commission - National Express	-130	-200	-200			
				Sales - Publications & Data	-7,728	-7,500	-7,600			
				Sales - Souvenirs	-15,674	-16,300	-16,500			
				Commission - Accom Bookings	-81	-100	-100			
				Commission - Coach Travel Tickets	-388	-300	-300			
				Commission - Concerts/Discount Ticket	-354	-300	-300			
				Commission - National Express	-610	-600	-600			
				Commission - Sea Cat	-113	-100	-100			
				Sales - Publications & Data	-6,659	-6,700	-6,800			
				Sales - Souvenirs	-12,952	-12,800	-13,000			
				Travel Tickets	-5,883	-6,000	-6,100			
				Platform	Admission Fees	-81,394	-102,300	-103,800		
					Bar	-39,858	-42,500	-43,300		
					Cafe	-595	-1,500	-2,500		
					Private Hire	-19,825	-31,800	-32,300		
					Venue Hire	-26,185	-32,400	-26,800		
					Regeneration	Middleton Nature Reserve & Pumping Station	Rents - General	-875	-1,500	-1,000
							Rents - Grazing Rights	0	-1,600	-900
	Rents - Wayleaves & Titles	-3,662	-500	-500						
		West End Property Account	Rents - Commercial Properties	-16,000	-16,000	-16,000				
	<b>Resources</b>	Financial Services Property Group	Financial Services Mgmt & Admin	Administration Charges	-2,561	-2,600	-2,600			
				Commercial Land & Buildings	Hire Of Premises	-6,822	-4,000	-4,100		
Rents - General					-795,767	-758,600	-738,800			
Rents - Grazing Rights					-3,865	-4,500	-3,500			
Sales - Refreshments					-168	-100	-100			
Service Charges Recovered					-256,732	-267,700	-266,900			
Municipal Land & Buildings					Hire Of Premises	-64,279	-65,600	-77,400		
					Rents - General	-57,095	-69,100	-75,400		
					Sales - Refreshments	-5,256	-2,000	-5,200		
					Service Charges Recovered	-63,528	-77,100	-82,000		
Revenues & Benefits		Customer Services Mgmt & Admin	Sales - Goods Resold	-1,011	-700	-700				
			Council Tax & NNDR	Court Costs Recovered	-414,194	-293,900	-298,400			
<b>TOTAL INCOME</b>				<b>-10,808,267</b>	<b>-10,748,300</b>	<b>-10,918,700</b>				



## FEES AND CHARGES POLICY REVIEW

## APPENDIX C

For consideration by Cabinet 16 February 2016

**1 Background****Off-Street Car Parking Charges**

The Council recognises the contribution effective management of off street car parking makes to the overall management of the public realm, including wider traffic management issues. Effective management is underpinned by a parking strategy which recognises the importance of an effective pricing policy. This in turn supports the wider delivery of the Council's aims and objectives as outlined in the Corporate Plan.

Last year Cabinet Members approved the following arrangements:

*Cabinet approves that off street pay and display and permit charges be frozen for 2015/16, subject to consideration by Council as part of the budget process which was confirmed*

*That officers bring back a further report, following consultation, setting out how visitor parking in residents parking zones should be best managed in the future – an option for improvements has recently been the subject of public consultation; the feedback provided by residents is currently being considered and a report will be presented to Cabinet in the near future.*

**Usage Position**Pay and Display Usage

Parking usage is monitored as part of the monthly corporate monitoring of parking and the following table shows the latest full year comparison:-

	Lancaster		Morecambe		TOTALS
	Short Stay	Long Stay	Short Stay	Long Stay	
<b><u>Last Full Year Comparison</u></b>					
2013/14	685,992	151,836	321,923	153,324	1,313,075
2014/15	666,891	154,134	286,505	150,600	1,258,130
<b>Variance</b>	<b>-2.9%</b>	<b>1.5%</b>	<b>-11%</b>	<b>-1.8%</b>	<b>-4.2%</b>

The above information shows a similar trend to recent years with overall usage reducing despite the slight increase for Lancaster Long Stay shown in the above table. Morecambe's short stay usage is the largest variance with an 11% reduction.

Parking charges are a useful mechanism for assisting in the control of demand for parking space and contributing to wider traffic management objectives. Similarly it is also important that parking charges reasonably reflect the shopper and visitor experiences in the various centres and achieve a greater visitor dwell time. The current parking strategy therefore supports the principle of differential car park

charging between Lancaster and Morecambe and options for differential charging arrangements are included in this report.

Permit Sales

All car park permits were increased by 5% during the 2014/15 review and this led to a 5% reduction in sales. Permit charges were frozen for 2015/16 and the previous year's sales have been maintained. In order to try and maintain this position there are no proposals to increase permit charges for 2016/17.

**Introduction of Park and Ride**

The Heysham to M6 Link Road is scheduled for completion in mid-2016. The scheme includes the provision of a 650 space Park and Ride site which will be managed by the County Council. The Parking Strategy includes a number of aims to assist the development of the use of the new facility including monitoring the use of long stay car parks in Lancaster and considering reducing the number of long stay parking spaces. However, until the details of how the service will operate are known, it is difficult to be more specific. An update on the implications for parking management will be included in the review of charges for 2017/18.

**On-Street Parking**

Pay and Display Charges

Maintaining synchronised parking charges for on and off-street parking is an important part of managing the demand and usage of parking and also contributes to wider traffic management objectives.

Lancashire County Council last increased its on-street pay and display charges in June 2014. The current on-street and short stay car parking charges are as follows:-

<b>Parking Charge</b>	<b>On-Street</b>	<b>Car Parks</b>
Up to 1 hour	£1.40	£1.30
Up to 2 hours	£2.30	£2.40

The 1 hour differential charge is currently in place to encourage greater use of car parks and to discourage customers from driving around the limited number of on-street parking spaces and adding to traffic congestion and increasing pedestrian safety problems. Although the 2 hour differential has not been maintained there are very few 2 hour on-street parking spaces.

The County Council is reviewing its on street charges as part of its 2016/17 budget proposals and is considering the following increases:-

<b>Parking Charge</b>	<b>Current</b>	<b>Proposed</b>
Up to 1 hour	£1.40	£1.50
Up to 2 hours	£2.30	£2.60

The above increases are subject to County Council's Cabinet Member approval on 3rd February 2016. An update on this decision will be provided at the meeting. For the purposes of this report Officers have assumed that the proposals for increased on-street car parking charges for 2016/17 will be approved.

Residents Parking

Arrangements are already in place for residents who have a resident permit to be able to use off street car parks in Lancaster at various times when the car parks are less busy. This facility supplements the limited number of on street parking spaces.

Two requests have been received during 2015 to extend this facility to the following parking zones:-

- 1) To allow resident permit holders in Castle Zone B in Lancaster to use Dallas Road Car Park
- 2) To allow resident permit holders in Central Drive Zone N in Morecambe to use Billy Hill Car Park

These changes can be made via a Notice of Variation of Charges and can be implemented in April 2016.

**2 Financial Position**

The 2016/17 draft revenue budget outlined in the table below assumes that income from evening charges and permits will be similar to the projected 2015/16 revised estimate level. With regard to daytime fee income the 2016/17 base budget has been increased by £18,000 in line with a successful year to date prior to December. The 2015/16 revised budget was not adjusted as this amount was used to offer free parking in the district for two Saturdays within December following the recent floods. Inflationary increases of 1.5% have then been added to the base budgets in line with the Council's existing policy on fees and charges.

	<b>2015/16 Estimate</b>	<b>2015/16 Revised</b>	<b>2016/17 Estimate</b>	<b>Inflation Included</b>
Fees	£2,201,700	£2,201,700	£2,253,000	£33,300
Evenings	£100,000	£100,000	£101,500	£1,500
Permits	£146,400	£146,400	£148,600	£2,200
<b>TOTAL</b>	<b>£2,448,100</b>	<b>£2,448,100</b>	<b>£2,503,100</b>	<b>£37,000</b>

**The annual review needs to consider options for covering additional inflationary increases of £37,000 across the above headings.**

**3 Proposal Details**

**3.1 Off Street Parking Charges (Generally)**

Pay and Display

**Option 1A**

To increase all **Up to 1 hour** parking charges across all car parks in Lancaster and Morecambe from £1.30 to £1.40 and from £1.10 to £1.20 on the Festival Car Park in Morecambe.

Williamson Park, Lancaster

To increase the **Up to 1 hour** charge from 0.90p to £1.00

To increase the **Full Day** charge from £1.50 to £1.60

Option 1A is expected to achieve additional income in the region of £41,000.

**Option 1B**

To implement the following tariff increases in Lancaster:-

To increase the **Up to 1 hour** charge from £1.30 to £1.40

To increase the **evening parking** charge from £1.40 to £1.50

To increase the **Up to 3 hours** long stay charge from £2.40 to £2.60

Williamson Park

To increase the **Up to 1 hour** charge from 0.90p to £1.00

To increase the **Full Day** charge from £1.50 to £1.60

Option 1B is expected to achieve additional income in the region of £40,000.

**Option 1C**

To implement the following tariff increases in Lancaster:-

To increase the **Up to 1 hour** charge from £1.30 to £1.40

To increase the **Up to 3 hours** long stay charge from £2.40 to £2.60

To increase the **Up to 5 hours** long stay charge from £3.90 to £4.30

To increase the **Up to 10 hours** long stay charge from £6.50 to £7.00

Williamson Park

To increase the **Up to 1 hour** charge from 0.90p to £1.00

To increase the **Full Day** charge from £1.50 to £1.60

Option 1C is expected to achieve additional income in the region of £41,500.

**3.2 On Street Resident Permit Holders Using Car Parks**

To extend the current facility for resident permit holders to use the following car parks at certain times for consistency across all zones and car parks:-

Castle Zone B – Dallas Road Car Park, **before 8.00am and after 4.00pm, Monday to Friday, before 10.00am and after 4.00pm Saturday and all day Sunday**

Central Drive Zone N – Billy Hill Car Park, **before 10.00am and after 4.00pm, Monday to Saturday and all day Sunday.**

As previously mentioned these changes can be introduced via a Notice of Variation of Charges and can be implemented for April 2016. They are not expected to have any significant budgetary impact.

**4 Details of Consultation**

The local Chambers of Commerce and of Trade, the Federation of Small Businesses, Lancaster BID and Morecambe Town Council have been consulted over the off-street pay and display options included in the report and their comments are attached at **Annex A (i)**. Any further comments, if received, will also be made available at the meeting.

As previously mentioned the County Council is proposing to increase its on street pay and display charges and a further update will be available before the meeting. Ward Members have been consulted about resident permit holders being able to use designated car parks at certain times.

**5 Options and Options Appraisal**

**5.1 Off Street Pay and Display Charges (as set out in Section 3.1)**

Advantages	Disadvantages	Risks
<p><b>Option 1A</b>                      This option limits the increases to one tariff across all car parks in Lancaster and Morecambe thereby maintaining all the other tariffs at the existing charging levels</p> <p>Not increasing all the other parking tariffs would maintain the freeze that was approved for 2015/16</p> <p>The increases would maintain consistency with on street charges (if approved by the County Council) and retain the agreed differential charging</p> <p>Increased charges at Williamson Park are broadly in line with the main proposals</p>	<p>This option affects the most popular tariff in Lancaster and Morecambe and therefore a large proportion of customers would be affected</p>	<p>It has been assumed that the County Council will approve increases to its on street pay and display charges and if this does not happen and Cabinet approves this option the agreed differential in charging would not be maintained</p> <p>Increasing charges at Williamson Park could reduce the number of visitors</p>

<p><b><u>Option 1B</u></b>                  This option limits the increases to Lancaster’s car parks and would maintain the freeze that was approved for 2015/16 for Morecambe’s Car Parks</p> <p>The increases would maintain consistency with Lancaster’s on street charges (if approved by County) and retain the agreed differential charging</p> <p>This option acknowledges the ongoing reductions in usage in Morecambe</p>	<p>This option would introduce differential charging on car parks in Lancaster and Morecambe</p> <p>Increasing evening charges in Lancaster could affect the night-time economy</p>	<p>Differential charges in Lancaster and Morecambe would lead to confusion on charges and this would result in operational and enforcement problems</p> <p>It has been assumed that the County Council will approve increases to its on street pay and display charges and if this does not happen and Cabinet approves this option the agreed differential in charging would not be maintained</p>
<p><b><u>Option 1C</u></b>                  As per Option 1B plus:-</p> <p>Usage on long stay tariffs in Lancaster has increased in recent years and these increases would discourage customers who are commuting</p> <p>Unlike Option 1B this option would not affect evening charges and the night-time economy</p>	<p>This option would introduce differential charging on car parks in Lancaster and Morecambe</p>	<p>As per Option 1B</p>

**5.2 To extend the facility allowing resident permit holders in residents parking zones to use off street car parks at certain times**

Advantages	Disadvantages	Risks
<p>This is consistent with the other residents parking zones where off street car parks are available nearby</p> <p>This provides residents with the opportunity to park elsewhere where on street parking spaces are limited or are full</p>	<p>Dallas Road Car Park is extremely busy and spaces could only be used subject to availability</p>	<p>Castle Zone B resident permit holders may still find it difficult to park</p>

**6 Officer Preferred Option**

The Officer Preferred Options are:-

To implement **Option 1A** in respect of Off Street Pay and Display Charges:-

- Increase all **Up to 1 hour** parking charges across all car parks in Lancaster and Morecambe from £1.30 to £1.40 and from £1.10 to £1.20 on the Festival Car Park in Morecambe
- Increase the **Up to 1 hour** charge from 0.90p to £1.00 and the **Full Day** charge from £1.50 to £1.60 at Williamson Park in Lancaster.

This maintains consistent charging across all the main car parks in Lancaster and Morecambe and avoids any confusion over charging arrangements that would lead to operational and enforcement problems.

To extend the facility allowing resident permit holders in residents parking zones to use off street car parks at certain times

**Consultation Responses to the Review of Parking Fees and Charges 2016/17**

The following responses have been received as at 2nd February, 2016.

Lancaster District Chamber of Commerce

Having carefully considered the proposals contained in the Annual Review of Parking Charges we would thank Council for not simply approaching this as a revenue raising exercise and taking a sensible approach to parking fees. It is important though that the one hour rate be more attractive off than on street and we see this goes some way to addressing that. The Directors are pleased that the longer stay options have not been affected and fully support option 1A.

Thank you for consulting with the Chamber and we look forward to hearing the outcome.

Lancaster Business Improvement District (BID)

Comments received from Lancaster BID are attached.

Friends of Williamson Park

Thank you for consulting the Friends of Williamson Park about the car parking charges. We would raise no objections to the proposed changes in Williamson Park as we feel that the new charges are still reasonable.

Castle Ward Members

The Ward Members are in agreement with the proposal to allow Castle Zone B Resident Permit holders to use Dallas Road Car Park at the times specified in the report.



**Citylab, 46 Dalton Square.  
Lancaster LA11PP  
Telephone 01524 590650  
Email info@lancasterbid.org**

Dear Mr Hopwood,

Thank you for giving the Lancaster Business Improvement District (BID) the opportunity to respond to Lancaster City Council's Car Parking Strategy for 2016/2017. I would like to respond to each of the items raised in turn:

Item 2.1 Off Street Parking Charges (Generally)

Option 1A: This maintains consistent charging across all the main car parks in Lancaster and Morecambe and avoids any confusion over charging arrangements that could lead to operational and enforcement problems.

The BID supports the officer recommended proposal 1A as we are keen to encourage visitors to stay in Lancaster for longer periods of time once parked in, or close to, the city centre. The strategy of keeping parking rates for longer visits unaffected by price increases will go some way to encouraging customers to spend longer in town.

Item 2.2 Mobile Phone Parking

To extend mobile phone cashless parking on a permanent basis and to include the necessary growth item in the draft 2016/17 budget and subsequent years.

BID would also support this recommendation as it allows customers the flexibility of extending the duration of a parking ticket, thereby increasing their dwell time in the city centres.

Yours sincerely,

e

Liz Hickingham  
Lancaster Business Improvement District Manager

**CABINET****Initial Assessment of known County budget proposals  
on City Council Services****16 February 2016****Report of Chief Executive**

<b>PURPOSE OF REPORT</b>				
To provide Cabinet with an initial assessment of the direct impact of County Council's budget proposals on City Council functions				
<b>Key Decision</b>	<input type="checkbox"/>	<b>Non-Key Decision</b>	<input type="checkbox"/>	<b>Referral from Officer</b>
				<b>X</b>
<b>Date of notice of forthcoming key decision</b>		n/a		
<b>This report is public</b>				

**OFFICER RECOMMENDATIONS**

- (1) That Cabinet consider the likely impact of the County Council's budget proposals on City Council Services.

**1.0 Introduction**

- 1.1 Lancashire County Council are currently consulting on policy decisions and budget proposals for service areas in view of the unprecedented financial challenge they are facing and the savings they are required to make. In view of this Chief Officers have been requested to provide an initial assessment of known County Council budget proposals on City Council functions.

**2.0 Proposal Details**

- 2.1 Chief Officers have identified the likely impact on Environmental Services, Health & Housing and Regeneration & Planning Services and these are detailed in Appendix A.

**3.0 Details of Consultation**

- 3.1 The County Council are consulting on their budget proposals.
- 3.2 Cabinet Members are requested to consider the impact as outlined in Appendix 1 and make any recommendations.

**RELATIONSHIP TO POLICY FRAMEWORK**

The County Council budget proposals will impact on City Council functions associated with the Council's priorities of Clean, Green, Health & Wellbeing and Sustainable Economic Growth.

**CONCLUSION OF IMPACT ASSESSMENT**

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

These assessments are for the County Council to undertake.

**LEGAL IMPLICATIONS**

Appendix 1 to the report highlights the TUPE implications. In addition to this it will be important to establish what the termination provisions are of any contractual relationships that the City Council have with the County Council so relevant notice periods are adhered to.

**FINANCIAL IMPLICATIONS**

The financial impact of the County Council's proposals are set out at Appendix A where they are currently known and have already or will be considered as part of the current and future annual budget setting processes.

**OTHER RESOURCE IMPLICATIONS**

Contained within the appendix as far as possible, and subject to Lancashire County Council's budgetary decisions.

**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**

County Council Budget Proposals

**Contact Officer:** Chief Executive

**Telephone:** 01524 582501

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

**Appendix 1**

## Initial Assessment of known County budget proposals on City Council services

SERVICE AREA	DESCRIPTION
Environmental Services- Highways	City Council currently act as contractor to the County Council to deliver a range of highways services. County Council are from April 1 <sup>st</sup> providing this service directly. Affected staff will be TUPE'd to the County Council. Non- County works will be undertaken directly by the City Council by a team of 4 retained staff.
Environmental Services - Public Realm	The public realm budget provided by the County Council to the City Council to undertake work on their trees, verges, hedges, weedspraying etc is being reduced from £195,000 to £138,000. This means that from 2016/17 no weedspraying will take place at all, leaf sweeping will continue but within scheduled cleansing (so therefore it'll take longer), cuts on rural verges will reduce from 14 to 9. (Although prior to the City Council undertaking this work County's frequency of cut was less than this). The rationale for this being that were we to reduce frequency on urban verges we would need new equipment and it would create problems for the litter picking operation.
Environmental Services- Waste Collection	<ul style="list-style-type: none"> <li>From 18/19 the County Council are no longer making the £1.4 million per year cost sharing contribution to waste collection/ recycling. Although this has been built into budget plans it has significantly added to the City Council's financial pressures.</li> <li>From April 2016 the County Council will no longer allow Districts to collect food waste for recycling. For those households that use the service this will be a reduction in service.</li> </ul>
Environmental Services- On street parking	The City Council currently have an agreement with the County Council to administer and undertake some aspects of on street parking e.g. residents parking schemes. From 16/17 the County Council are considering whether to undertake this work directly. No further details on how this will work are available.
Health and Housing – sheltered housing	All supporting people (SP) funding to cease by 31 March 2017. Tenants will not receive any SP grant towards the charges we make for scheme manager support. Support is not eligible for housing benefit therefore tenants will have a shortfall to make up when the SP funding goes. We are trying to redesign the service to reduce the impact on tenants.
Health and Housing – community alarms	All SP funding for community alarms to cease by 31 March 2017. Council tenants will have to pay the charge and this is not eligible for housing benefit. Non council tenants were previously subsidised and this will cease.
Health and Housing - Telecare	County Council have also commissioned a new Lancashire Telecare Service which provides a "free" service (subject to assessment) now being delivered through Tunstall Telecom and New Progress Housing Group. The combination of our loss of contract for telecare and the SP reduction in alarm funding presents a risk of viability for our control centre. A report is to be presented to February Cabinet.

SERVICE AREA	DESCRIPTION
Health and Housing – SP floating support	All funding to cease by April 2017. Has provided targeted support and a range of interventions that prevent homelessness and help people maintain a tenancy. Has upskilled some vulnerable people to become independent and more likely to access employment. The loss of this service is likely to result in a rise homeless presentations and a possibly rise in ASB.
Health and Housing – SP reduction in funding for short term accommodation	<p>The loss/reduction of supported housing will have a significant impact to Lancaster City Council. At the present time, there is a record low spend on Bed and Breakfast costs which in the current financial year are around £20K. Last year, the council spent £48K on B&amp;B costs and if these figures are compared to costs incurred 10 years or so ago, the costs stood at around £250K per year. The council has also achieved a significant reduction in statutory homeless applications largely because where individuals are threatened with homelessness, as part of our prevention role the council is facilitating supported housing placements for a number of vulnerable groups. Without supported housing provision we expect that there will be a sharp increase in crisis presentations from people with complex needs.</p> <p>It is very difficult to define the entire cost implications of the removal of the Supporting People Programme but it will be significant and will impact on all public sector organisations. It is too early to say how providers will manage the loss of Supporting People funding, although some organisations are planning to close services. Some may try to reconfigure services. It is worth bearing in mind that if the proposed changes to roll out the Local Housing Allowance rates across the social housing sector are implemented (including supported housing schemes) - any providers that are able to sustain the cuts to the SP programme in the short term, will not be able to sustain services once the LHA rates apply.</p>
Regeneration and Planning  Museums	The County Councils proposals to withdraw funding for museums will have an impact on the overall museums officer within the district and will inevitably give rise to concerns about how both councils should continue with the current arrangements to operate the City Councils museums through the current financial arrangements. The City Council is in the process of reviewing future museum operations and this work has inevitably come under pressure from expectations that it should consider taking on additional burdens influenced by the County Councils proposals.
Regeneration and Planning  Funding for the Arts	The City Council already makes financial contributions to key arts organisations in the district because of the significant contribution they make to the local economy. That investment has the potential to be prejudiced with the proposals to withdraw funding by the County Council after 2017/18. Representations have been made to try and persuade the County council that the arts to this district are a key economic driver whereas they might not be in other parts of Lancashire. The aim is to focus remaining funding towards key delivery centres rather than spread it around the county.
Regeneration and Planning	The County Council provide funding for posts engaged in the operation of the Morecambe VIC. The review of Vic provision currently being asked for by Cabinet might well give rise to options for the County Council to withdraw this support.

<p>Visitor Information centre staffing</p>	
<p>Regeneration and Planning  Historic Environment services.</p>	<p>Proposals to withdraw from the provision of historic environment services could have serious consequences for district councils who rely on them as a key consultee in planning decisions, plan making and managing the historic environment. Ill informed decisions could open districts to challenge, and ultimately lead to the degradation of the historic environment. Insufficient time has been allowed to enable districts to secure the provision of alternative professional advice for use in decision making.</p>
<p>Regeneration and Planning  Countryside Service</p>	<p>The County Council intends to disband its Countryside Service and this would mean that a number of picnic and recreation sites owned by the county would be disposed of, and the valuable educational and stewardship work done by the County's Countryside Rangers, often in support of our own Arnside/Silverdale AONB Unit and the County's own Forest of Bowland Unit would be lost. A number of the recreation sites to be disposed of are within or adjacent to the AONB's.</p>

**Document is Restricted**