

## CABINET

6.00 P.M.

16TH JANUARY 2018

**PRESENT:-** Councillors Eileen Blamire (Chairman), Janice Hanson (Vice-Chairman), Darren Clifford, Brendan Hughes, James Leyshon, Margaret Pattison, Andrew Warriner and Anne Whitehead

Officers in attendance:-

Susan Parsonage	Chief Executive
Nadine Muschamp	Chief Officer (Resources) and Section 151 Officer
Mark Davies	Chief Officer (Environment)
Suzanne Lodge	Chief Officer (Health and Housing)
Estelle Culligan	Chief Officer (Legal and Governance) and Monitoring Officer
Liz Bateson	Principal Democratic Support Officer

### 59 MINUTES

The minutes of the meeting held on Tuesday 5<sup>th</sup> December 2017 were approved as a correct record.

### 60 ITEMS OF URGENT BUSINESS AUTHORISED BY THE LEADER

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

### 61 DECLARATIONS OF INTEREST

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

### 62 PUBLIC SPEAKING

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

### 63 REPORTS FROM THE OVERVIEW AND SCRUTINY COMMITTEE

#### **(Cabinet Member with Special Responsibility Councillor Pattison)**

Cabinet received a report from the Overview & Scrutiny Committee following the Committee's consideration of an informal task group report on 10<sup>th</sup> January 2018 with regard to Voluntary, Community and Faith Sector Commissioning funding. Councillor Caroline Jackson presented the report in her capacity as a member of the Overview & Scrutiny Committee.

Cabinet agreed that having only just received the referral report prior to the meeting they had not had sufficient time to consider it in detail and requested that the draft task group report be made available to them, and that consideration of the item be deferred to February's Cabinet meeting.

**Resolved unanimously:**

- (1) That consideration of the Voluntary, Community and Faith Sector Commissioning Funding recommendation be deferred to February’s Cabinet meeting and that Cabinet request that the draft task group report be made available to them prior to that meeting.

**Officers responsible for effecting the decision:**

Chief Officer (Legal & Governance)

**Reasons for making the decision:**

Cabinet did not feel it was appropriate to consider the item at the meeting when they had not had the opportunity to fully consider draft report of the task group.

**64 AUDIO RECORDING OF COUNCIL MEETINGS**

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

Cabinet received a report from the Chief Officer (Legal & Governance) to consider recommending to Council that an audio-minutes function be added to the current Committee Management software, to enable live audio streaming at Council meetings and audio files to be created and made publicly accessible on the Council’s website.

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

	<b>Option 1:</b> To add an audio-minutes function to the current committee management software system, to enable live audio streaming of meetings, and an audio archive of meetings to be created and made publicly available on the Council’s website.	<b>Option 2:</b> To keep to the current arrangements.	<b>Option 3:</b> To cease audio recording altogether
Advantages	Increased openness and transparency; would allow the	No further spend required, unlike option 1. Allows Members and	No further spend required, unlike option 1.

	<p>public to listen to meetings they may not be able to attend because of other commitments. Easy to use system, which would 'tag' each agenda item, making it easy to search.</p> <p>Portability; system could be used at both town halls and for all meetings.</p>	<p>staff to access sound files of full council meetings (except for exempt items).</p>	
Disadvantages	<p>Costs of purchasing the add-on equipment (see paragraph 3.3)</p>	<p>Would not allow members of the public to access the recordings. Missed opportunity to increase openness and transparency by restricting the recordings to internal listeners. It would be too time-consuming to split the audio into agenda items; current system does not automatically 'tag' them unlike option 1. Not portable; can only be used in the Council Chamber at Morecambe Town Hall.</p>	<p>Loss of the facility to review spoken minutes would be a disadvantage when there is any dispute over words said, for example when a complaint has been raised or an allegation made.</p> <p>Retrograde step in terms of openness and transparency.</p>
Risks	<p>Uncertain demand - there is a three-month free trial period for the system and this may help with vfm assessment.</p>	<p>Reputational risk; councils are under increasing pressure to make their meetings more open and accessible to all.</p>	<p>Risk that disputes/complaints could escalate if there is no recording to refer to and resolve an issue.</p>

The Officer preferred option is option 1, for the reasons set out above.

Councillor Clifford proposed, seconded by Councillor Leyshon:-

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

Councillors then voted:-

***Resolved unanimously:***

- (1) That Cabinet recommends to Council that an audio-minutes function be added to the current committee management software system, to enable
- live audio streaming of meetings, and:
  - an audio archive of meetings to be created and made publicly available on the Council's website
  - that it initially be on a trial basis, with any longer term arrangement being subject to the budget.
  - that subject to the budget being approved, the Democratic Services Manager be authorised to continue with the service after the trial period.

**Officer responsible for effecting the decision:**

Chief Officer (Legal & Governance)

**Reasons for making the decision:**

The decision is consistent with the aim of the Corporate Plan priority of Community Leadership of demonstrating good governance, openness and transparency. Consideration of any longer-term arrangement as part of the budget will enable Members to consider the proposal in context of other competing pressures and value for money.

**65 BUDGET AND POLICY FRAMEWORK UPDATE 2018-22 - GENERAL FUND  
REVENUE BUDGET AND CAPITAL PROGRAMME**

**(Cabinet Member with Special Responsibility Councillor Whitehead**

Cabinet received a report from the Chief Officer (Resources) to provide information on the latest budget position for current and future years, to inform Cabinet's budget and policy framework proposals and to allow it to make final recommendations to Council regarding council tax levels for 2018/19.

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

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

- Regarding council tax, the basic options are set out at section 6 of the report. Other alternative options can be modelled at Cabinet's request.

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

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

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

In view of the level of savings still needed in future years, the ongoing impact that council tax decisions have, the Council's current financial strategy, its ambition for the district and the fact that the Council is not yet clear about how and when it will achieve a financially sustainable budget, the Officer preferred option for council tax is to increase year on year increases up to the referendum thresholds (i.e. 2.99% for next year), subject to confirmation of those limits. Ultimately, however, the setting of council tax is a matter for Members.

The Council's financial challenges continue and in order to protect its future sustainability, as well as balancing next year's budget, the Council must put in place transformational plans and building blocks to address its forecast medium to longer term deficit, building in flexibility to respond to any major changes in its outlook – there are still some fundamental uncertainties around this, linked to the timing and outcome of Government's planned finance reforms.

Councillor Whitehead proposed, seconded by Councillor Clifford:-

"That recommendations 1, 4, as set out in the report, be approved with recommendation (3) revised to 'that Cabinet agrees its' initial budget proposals for the period from 2018/19 onwards for publication prior to the Budget & Performance Panel meeting on Tuesday 23<sup>rd</sup> January 2018."

Councillors then voted and agreed unanimously to the above recommendations.

***Councillor Clifford, having disclosed that Section 106 of the Local Government Finance Act 1992 applied to him, left the meeting at this point and did not vote on recommendation (2).***

Councillor Whitehead proposed, seconded by Councillor Warriner:

"That Council be recommended to approve a City Council tax increase of 2.99% for 2018/19, together with a year on year target of 2.99% for future years, subject to Government confirming local referendum thresholds."

Councillors then voted and agreed unanimously to recommendation (2).

***Councillor Clifford returned to the meeting.***

**Resolved:****(Councillor Clifford did not vote on recommendation (2)).**

- (1) That the 2017/18 Revised Budget be referred on to Council for approval, with the net overspending of £222K being met from Balances.
- (2) That Council be recommended to approve a City Council tax increase of 2.99% for 2018/19, together with a year on year target of 2.99% for future years, subject to Government confirming local referendum thresholds.
- (3) That Cabinet agrees its' initial budget proposals for the period from 2018/19 onwards for publication prior to the Budget & Performance Panel meeting on Tuesday 23<sup>rd</sup> January 2018.
- (4) That the resulting budget position for 2018/19 onwards, together with Cabinet's detailed proposals, be referred on to Council for initial consideration as well as being presented for scrutiny by Budget and Performance Panel, in order that any feedback can be provided to Cabinet at its February meeting.

**Officer responsible for effecting the decision:**

Chief Officer (Resources)

**Reasons for making the decision:**

The decision enables Cabinet to make recommendations back to Council in order to complete the budget setting process for 2018/19.

**66****BUDGET & POLICY FRAMEWORK UPDATE 2018-22 - HOUSING REVENUE ACCOUNT AND CAPITAL PROGRAMME****(Cabinet Member with Special Responsibility Councillor Warriner)**

Cabinet received a joint report from the Chief Officer (Health & Housing) and Chief Officer (Resources) which provided an update on the council housing budgetary position and sought Cabinet's decisions on council housing rent levels for 2018/19 and targets for future years. It also sought approval of Cabinet's supporting revenue budget and capital programme proposals for referral on to Budget Council, in order to complete the HRA budget setting process for 2018/19.

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

There is currently no other alternative available in respect of 2018/19 housing rent setting, given legislative requirements.

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

considered and addressed.

The options available in respect of the minimum level of HRA balances are to retain the level at £500,000 in line with the advice of the Section 151 Officer, or adopt a different level. Should Members choose not to accept the advice on the level of balances, then this should be recorded formally in the minutes of the meeting and it could have implications for the Council's financial standing, as assessed by its external auditor.

With regards to the savings and growth proposals as set out in section 7 of the report, Cabinet should consider the costs and benefits of the proposals and whether they are affordable, in particular over the medium to longer term.

The options available in respect of the Capital Programme are:

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

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

The relevant Officer preferred options are to:

- Set housing rent levels in line with Government legislation.
- Approve / refer on the provisions, reserves and balances position (and their use) as set out.
- Approve / refer on the revenue budgets and capital programme, allowing for Cabinet's recommendations regarding specific savings and growth proposals.

Councillor Warriner proposed, seconded by Councillor Pattison:-

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

Councillors then voted:-

***Resolved unanimously:***

- (1) That the Housing Revenue Account Revised Budget for 2017/18, as set out at Appendix A to the report, be referred on to Council for approval, with the net overspending of £387K being met from Balances.
- (2) That the minimum level of HRA unallocated balances be retained at £500,000 from 01 April 2018, and that the full Statement on Reserves and Balances as set out at Appendix E to the report, be endorsed and referred on to Budget Council for approval.
- (3) That council housing rents be set in accordance with statutory requirements as follows:
  - for general properties let as at 01 April 2018, average rent be set at £71.27 for 2018/19, representing a reduction of 1% from the previous

year;

- for sheltered and supported housing properties let as at 01 April 2018, average rent be set at £66.31 for 2018/19, representing a reduction of 1% from the previous year;
  - for 2019/20 for the above categories of properties, further average rent reductions be set at 1%; and
  - for any relevant property becoming vacant the following policy be re-affirmed, in that they be re-let at the higher 'formula rent' less the relevant cumulative % reduction applicable (i.e. generally 3% for 2018/19 rising to 4% in 2019/20).
- (4) That beyond 2019/20, it be noted that the HRA Business Plan forecasts assume that council housing rents will be increased by the Consumer Price Index (CPI) plus 1% year on year, in line with the announcement made by Government in October 2017, but that this is still subject to annual review and any future determinations that may be issued by Government from time to time.
- (5) That the Repairs and Maintenance Service (RMS) Development Plan (c£117K) as set out at Appendix B to the report, be funded from the HRA ICT Replacement Reserve during 2017/18 and 2018/19, subject to:
- any ongoing annual software/mobile technology costs being funded from revenue efficiency savings, noting that the position is assumed to be (at least) cost neutral at this stage; and
  - a separate report being presented back to Cabinet in Autumn 2018 on the expected outcomes (including net efficiency savings) from the Plan, to inform the 2019/20 budget.
- (6) That the costs associated with the interim RMS Manager post (c£96K) be funded from the Business Support Reserve, and that delegated authority be granted to the Chief Officer (Environment), in consultation with the Chief Officer (Resources), to allocate up to a further £25,000 should there be a need for extension into 2018/19, prior to permanent recruitment.
- (7) That the savings and growth proposals as set out at Appendix C to the report, be included in Cabinet's budget proposals for referral on to Council, subject to the following:
- any future support to the Marsh Community Centre (beyond 2018/19) being determined as part of the ongoing Voluntary, Community and Faith Sector (VCFS) Commissioning of Service review alongside the Ridge Community Centre;
  - the capital investment for the conversion of redundant shops and former manager dwellings, together with the construction of new garages, being met from the Business Support Reserve; and
  - any other net costs associated with the savings and growth proposals



being met from unallocated Balances during the period to 2020/21, ahead of the HRA moving into projected surplus in 2021/22.

- (8) That subject to the above, the resulting Housing Revenue Account budget for 2018/19 onwards, as set out at Appendix A to the report, together with the resulting Capital Programme as set out at Appendix F to the report, be referred on to Budget Council for approval.
- (9) That the above recommendations for the Housing Revenue Account be reflected within the Council's draft Medium Term Financial Strategy (MTFS) as appropriate.

**Officers responsible for effecting the decision:**

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

**Reasons for making the decision:**

The Council is required under statutory provisions to maintain a separate ring-fenced account for all transactions relating to the provision of local authority housing, known as the Housing Revenue Account (HRA). This covers the maintenance and management of the Council's housing stock. The decision ensures there are sufficient resources to maintain and manage the Council's Housing Revenue Account (HRA) assets.

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Chairman

(The meeting ended at 6.45 p.m.)

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

**MINUTES PUBLISHED ON MONDAY 22<sup>ND</sup> JANUARY, 2018.**

**EFFECTIVE DATE FOR IMPLEMENTING THE DECISIONS CONTAINED IN THESE MINUTES:  
TUESDAY 30<sup>TH</sup> JANUARY, 2018.**