



LANCASTER
CITY COUNCIL

Promoting City, Coast & Countryside

COUNCIL MEETING

**Wednesday, 18 July 2018 - 6.00
p.m.
Morecambe Town Hall**

Susan Parsonage,
Chief Executive,
Town Hall,
Dalton Square,
LANCASTER,
LA1 1PJ



LANCASTER CITY COUNCIL

Promoting City, Coast & Countryside

Sir/Madam,

You are hereby summoned to attend a meeting of the Lancaster City Council to be held in the Town Hall, Morecambe on Wednesday, 18 July 2018 commencing at 6.00 p.m. for the following purposes:

1. **APOLOGIES FOR ABSENCE**

2. **MINUTES**

To receive as a correct record the Minutes of the Meetings of the City Council held on 11th May and 14th May 2018 (previously circulated).

3. **DECLARATIONS OF INTEREST**

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

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

Whilst not a legal requirement, in accordance with Council Procedure Rule 9 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.

4. **ITEMS OF URGENT BUSINESS**

5. **ANNOUNCEMENTS**

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

6. **QUESTIONS FROM THE PUBLIC UNDER COUNCIL PROCEDURE RULE 11**

To receive questions in accordance with the provisions of Council Procedure Rules 11.1 and 11.3 which require members of the public to give at least 3 days' notice in writing of questions to a Member of Cabinet or Committee Chairman.

7. **PETITIONS AND ADDRESSES** (Pages 1 - 3)

To receive an Address from Ms Desna Mackenzie, notification of which has been received by the Chief Executive in accordance with the Council's Constitution. Copy of Ms Mackenzie's address is attached.

ITEMS DEFERRED FROM THE APRIL COUNCIL MEETING

8. **MOTION ON NOTICE - CLIMATE CHANGE** (Page 4)

To consider the following motion submitted by Councillors Frea and Clifford:-

"This Council acknowledges;

- the historic commitments made at the 2015 United Nations Climate Change Conference in Paris toward the future of renewable energy;*
- our responsibility to help secure an environmentally sustainable future for our residents and in relation to the global effects of anthropogenic climate change.*

This Council subsequently notes that;

- despite the Paris Agreement placing no binding commitments upon Local Government institutions, we as a Council can still play our part in the global movement towards a sustainable energy future;*
- additional benefits of the development of green industries include the potential for create well-paid, high-skilled employment locally, regionally and nationally;*
- the UK100 Agreement pledge outlines the ambition for the UK regions to exceed the Paris Climate targets through achieving 100% 'clean energy' usage by 2050.*

In light of this, this Council, therefore, resolves to;

- match the ambitions of the UK100 Agreement by pledging to achieve 100% clean energy across Lancaster City Council's Council's full range of functions by 2050.*
- work in partnership with our residents and business community to deliver against the commitments made nationally and internationally at the 2015 Paris Summit;*
- turn these commitments into reality through developing a 'route map' to a sustainable future, working together with the business, educational and residential communities of Lancaster and Morecambe as part of an integrated approach to a shared sustainable future".*

An officer briefing note is attached.

9. **EXECUTIVE ANNUAL REPORT** (Pages 5 - 11)

To receive the Executive Annual Report from the Portfolio Holder for Property Services, Car Parking, ICT, Digital Strategy, Customer Services in accordance with Article 7.06 (j). The report was deferred from the April meeting of Council.

10. **CABINET MINUTES** (Pages 12 - 20)

To receive the Minutes of the Meeting of Cabinet held on 20th March 2018.

11. **LEADER'S REPORT** (Pages 21 - 24)

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

REPORTS REFERRED FROM CABINET, COMMITTEES OR OVERVIEW AND SCRUTINY

12. **EXCLUSION OF THE PRESS AND PUBLIC**

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

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

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

13. **CANAL QUARTER PROGRESS UPDATE**

To consider the report of the Portfolio Holder for Regeneration and Planning.

Report to follow.

14. **EXCLUSION OF THE PRESS AND PUBLIC**

Council please note that while the following report is public some of the appendices are exempt under Paragraph 1 and 2 of Schedule 12A of the Local Government Act 1972. Should it be necessary to refer to those appendices it is recommended that Council resolves to exclude the press and public be excluded from the meeting.

It is for Council itself to decide whether or not to consider the matter 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. **EXECUTIVE TEAM STRUCTURE** (Pages 25 - 95)

Referral from Cabinet.

16. **AMBITIONS: OUR COUNCIL PLAN 2018-22** (Pages 96 - 116)

Referral from Cabinet.

17. **TREASURY MANAGEMENT OUTTURN 2017/18** (Pages 117 - 131)

Referral from Cabinet.

MOTIONS ON NOTICE

18. MOTION ON NOTICE - CHILDREN'S CENTRES (Pages 132 - 133)

To consider the following motion submitted by Councillors Kevin Frea, Robert Redfern, David Whitaker and Nathan Burns.

- "1) Lancaster City Council acknowledges the fantastic work carried out by children's centres in the Lancaster district by dedicated local people and the importance of this service. Examples include midwife sessions, parenting programmes, language development and safeguarding. A recent Oxford University study found that by supporting parents and families, children's centres help to mitigate the effects of disadvantage on life chances – and that by offering open-access, walk-in activities they encourage vulnerable families to take part because they do not feel there is a stigma attached to using the centres. The research, based upon interviews with parents and staff, found that preventative work with families could head off more serious problems that could otherwise lead to them needing support from social services, the NHS and other agencies.*
- 2) Lancaster City Council expresses its concern at the proposals by Lancashire County Council to close the Appletree Children's Centre in Lancaster and Halton Children's Centre in Halton as part of plans to save £1.2m as a result of Conservative Government cuts. The council believes there is a clear risk support for and therefore also outcomes for local families will suffer if these closures go ahead. Comments by a county council director in the local press suggest support will be delivered in other community locations and in the home. However, this council expresses scepticism that the same level of support can be provided, notes the lack of signposting to more detailed information about this as part of the online consultation and fears these proposals appear to be underpinned more by the need to save money than the best interests of families.*
- 3) Lancaster City Council asks our chief executive to write to Lancashire County Council as part of the ongoing consultation, which runs until Friday 3 August, to make clear this council's opposition to closure of children's centres in the Lancaster district for the reasons set out in 1) and 2) and to urge the county council to reconsider these proposals.*
- 4) Lancaster City Council acknowledges that damaging cuts like those proposed to children's centres are not only a result of local party political decisions, but also impossible choices being forced upon local councils of all political persuasions by the Conservative Government. The council notes concerns raised by the Local Government Association that council children's services departments will face a £2bn funding shortfall by 2020, putting more children and families at risk of reaching crisis point as early intervention services like children's centres are cut. Children's centres were set up by a Labour Government and in 2009, there were around 3,600 centres across the country. Since then, and coinciding with the arrival of a Conservative/Liberal Democrat coalition Government in 2010, an estimated 1,000 children's centres have closed. Accordingly, Lancaster City Council asks our chief executive to write the Secretary of State for Housing, Communities and Local Government, highlighting this council's concern about the proposed children's centre closures in the Lancaster district and urging him to urgently address the shortfall in children's services funding."*

An officer briefing note is attached.

OTHER BUSINESS

19. **PAY POLICY STATEMENT 2018 - 2019** (Pages 134 - 135)

To consider the report of the Chief Executive.

20. **ALLOCATION OF SEATS TO POLITICAL GROUPS** (Pages 136 - 141)

To consider the report of the Chief Executive.

21. **AMENDMENT TO THE CONSTITUTION - SCHEME OF DELEGATION FOR NON-EXECUTIVE FUNCTIONS** (Pages 142 - 146)

To consider the report of the Monitoring Officer.

22. **APPOINTMENTS TO OUTSIDE BODIES - MORECAMBE BUSINESS IMPROVEMENT DISTRICT (BID)** (Pages 147 - 148)

To consider the report of the Chief Executive.

23. **APPOINTMENTS AND CHANGES TO COMMITTEE MEMBERSHIP**

Group Administrators to report any changes to Committee Membership.

24. **QUESTIONS UNDER COUNCIL PROCEDURE RULE 12**

To receive questions in accordance with the provisions of Council Procedure Rules 12.2 and 12.4 which require a Member to give at least 3 working days' notice, in writing, of the question to the Chief Executive.

25. **MINUTES OF CABINET** (Pages 149 - 183)

To receive the Minutes of Meetings of Cabinet held on 24th April, 15th May, 26th June and the 3rd July 2018.



.....
Chief Executive

Town Hall,
Dalton Square,
LANCASTER,
LA1 1PJ

Published on Tuesday 10th July 2018.

Address to Lancaster City Council Meeting 18th July 2018 – Desna Mackenzie

Thank you for the opportunity to speak to you this evening. I'm here to talk about the proposed development of the 'Canal Quarter' in Lancaster.

I've been a resident of Bulk Ward for over ten years, living close to the canal and the Northern part of the site. Any development that takes place there will affect the quality of mine and my family's lives. If there's going to be increased noise, dust and traffic due to construction, I want it to be for something that is genuinely valuable to our community.

I attended the Council meeting on 11th April 2018 and was pleased by the decisions to end the agreement with British Land, to engage with the public and to talk to Winchester Council about their Central Winchester Regeneration project. However, I felt that there was reluctance on the part of some Councillors, and that there was some confusion as to what good quality consultation would look like.

Because of my interest in what happens in this area I joined the Canal Quarter Action Group – a community group set up to champion public engagement in the decision making about the site. Many members have backgrounds in community development or engagement work and are familiar with the benefits of these ways of working as well as the challenges.

Our initial meeting on 22nd April 2018 was attended by 27 people, aged between 13 and 60+. The group discussed what they like about Lancaster, and provided over 150 individual ideas for the development of the area.

We've also held three market stalls in the City Centre in order to talk about the development with local people, and engaged with approximately 120 people in total.

We're in the process of conducting an online and paper survey to assess the extent to which local people want to be involved in further consultation regarding the Canal Quarter, and what methods they'd prefer.

On 15th June 2018 we held an event exploring two different community engagement methodologies which focus on making community strengths visible and stepping outside the usual 'tick box survey' format which often afflicts consultations.

As a result of all this I can tell you: **people do want to talk about what happens in the Canal Quarter and want to be engaged with, and involved in, the process, and there are people who want to support the Council to conduct a quality public engagement process.**

We've achieved this with very little in the way of financial resources, so I wonder what could be achieved with the resources that the council has: paid staff, access to meeting spaces, a marketing budget, and more.

Well, I thought I would find that out when the Council recently conducted an online survey about 'nine principles' for the Canal Quarter development - I believe you're due to hear the results of the survey this evening. And do you know what? I was pretty excited! Actual public engagement!

But when I opened the survey up to respond, my heart fell. I know the text was written with good intentions, but there are two huge problems with this approach at the start of a consultation:

1. Who decided the nine principles? I had a chat to friends and none of us could remember the Council talking to us about this, and I checked the minutes of the Council and Cabinet meetings available online, and couldn't see the principles agreed there. Whoever decided them didn't talk to the public. A key plank of good quality community engagement in a case like this would be to develop such principles **in partnership** with the local community.
2. Each principle was accompanied by text explaining what it meant. But these interpretations were extremely narrow, focussing almost entirely on student accommodation, business, and the 'cultural offer'. There isn't time this evening to give a blow-by-blow deconstruction of each of the 'principles' – but each attempt to define 'what does it mean?' served to close down discussion rather than open it up.

The countdown is on for the May 2019 local elections. I can see that it would be helpful, from a political perspective, for a sitting Council to be seen to have built something on this site before then. But I would urge all Councillors to see that pressure as counter-productive.

Don't rush into something thinking it will be a vote winner before May 2019, because people will remember a mistake made for cheap political gain for a long time. **But, they will remember a positive involvement in the development of the area for even longer.**

You have a chance to do something creative with the Canal Quarter, that has lasting impact down generations, and I urge the following:

- Genuinely learn from the Central Winchester Regeneration project – their public engagement model is excellent. Those principles that they have? **They developed them in partnership with the community.**
- Include community organisations, such as the Canal Quarter Action Group, in your Cabinet Liaison Group, as promised by Janice Hanson at the meeting of 11th April 2018.

Do this, and you can achieve meaningful engagement with your constituents and end up with a redevelopment of the area that meets the needs of the community, and will be an inspiration to others.

Thank you.

NOTICE OF MOTION

Proposed by Cllr. Frea. Seconded by Cllr. Clifford.

This Council acknowledges;

- the historic commitments made at the 2015 United Nations Climate Change Conference in Paris toward the future of renewable energy;
- our responsibility to help secure an environmentally sustainable future for our residents and in relation to the global effects of anthropogenic climate change.

This Council subsequently notes that;

- despite the Paris Agreement placing no binding commitments upon Local Government institutions, we as a Council can still play our part in the global movement towards a sustainable energy future;
- additional benefits of the development of green industries include the potential for create well-paid, high-skilled employment locally, regionally and nationally;
- the UK100 Agreement pledge outlines the ambition for the UK regions to exceed the Paris Climate targets through achieving 100% 'clean energy' usage by 2050.

In light of this, this Council, therefore, resolves to;

- match the ambitions of the UK100 Agreement by pledging to achieve 100% clean energy across Lancaster City Council's Council's full range of functions by 2050.
- work in partnership with our residents and business community to deliver against the commitments made nationally and internationally at the 2015 Paris Summit;
- turn these commitments into reality through developing a 'route map' to a sustainable future, working together with the business, educational and residential communities of Lancaster and Morecambe as part of an integrated approach to a shared sustainable future.

OFFICER COMMENTS

Information on the UK100 Agreement is widely available. Many Councils have already 'signed' up to it. It reads that the intention is to articulate the Council's support rather than 'sign up'. If it is the latter then any cost of joining would obviously need to be considered. Either way, it is entirely appropriate for Lancaster City Council to consider this. Clearly a decision to do so will then require appropriate supporting policies, plans, budgets etc. The long term timeframe allows appropriate planning to take place.

MONITORING OFFICER COMMENT

There is no legal barrier to prevent Lancaster City Council, if it so wishes, to agree this proposal.

DEPUTY SECTION 151 OFFICER COMMENTS

It is unclear from the current proposal if there are any initial, or ongoing costs associated in entering any agreement with UK100, or if the Council making a general statement of intent in support of UK100's aims. Any longer term financial implications resulting from entering into any agreement would need to be considered as part of the normal Council budget framework, which would allow for due consideration by Members.

Executive Annual Report 2017/18**Councillor James Leyshon**

Cabinet Member and Portfolio Holder with responsibility for Property Services, Car Parking, ICT, Digital Strategy, Customer Services

**Executive Membership**

- Cabinet
- Corporate Property Review Cabinet Liaison Group (Chairman)

Overview of Portfolio Responsibilities

Cabinet Member and Portfolio Holder with responsibility for Property Services, Car Parking, ICT, Digital Strategy, Customer Services

Corporate Plan Key Outcomes/Success Measures

Outcomes	Success Measures
<ul style="list-style-type: none"> • Well run, value-for-money services that are valued by the public and demonstrate good governance, openness and transparency • Maintain a financially stable position and strong financial forecast for the delivery of council services • Establish and implement the council's wider plans for 'digital' to understand and meet the changing needs of our communities 	<ul style="list-style-type: none"> • Review and rationalise the council's future accommodation needs to support service delivery and save money • Develop and implement a range of further savings and income generation opportunities to sustain the council's budget • Review and refresh internal processes and systems to drive efficiency and cost savings • Implement programme of energy efficiency works in council buildings • Improve customer experience through the use of technology

Progress made during 2017/18

Car Parking

- Over last 12 months the overall usage of off street car parks has increased by 4.3% on short stay in Lancaster and 2.3% on long stay. There has been a slight decrease in Morecambe, but this is counteracted to result in an overall increase.

- Use of RingGo continues to prove popular, and currently usage is increasing around 5% each month. RingGo transactions now account for 6% of overall payments.

- Free Christmas parking dates have been agreed again for 2018, in order to support businesses during this key trading period.

- The administration of Residents Parking returned to Lancashire County Council on 1st April 2018, meaning Lancaster City Council are only now responsible for off street parking. We will continue to discuss the implementation and administration of the resident parking scheme with the County Council to minimise any disruption to residents during the transition.

- We have continued to invest and improve our car parks, for example St Georges Quay, Rylands and St Leonards Gate. We have also invested in rural car parks such as Bull Beck and will be looking for long term solutions to issues in management of non-formally adopted car parks.

- Looking forward, a number of key potential developments in our district highlight the strategic importance of our retained car park portfolio. Our management of these sites means we can develop an effective car parking strategy that supports our ambitions for the district whilst utilising new technologies, rationalising pricing structures, focuses on our customers' needs and also supporting with wider aims for the reductions of air pollution and traffic. We will also use the coming year to explore new methods of parking management including exploring the feasibility of pay on exit ticketing and transferable tickets.

- The coming year will allow the development of our car parking strategy for the district, and I intent to engage meaningfully with all of our stakeholders in the development of our vision.

Property

Corporate

- An extensive restructure of the Property Group was completed, which amongst other things has increased capacity for strategic asset management and introduced a new hospitality team to capitalize on our events spaces. It is hoped that the increased resource and commercial focus will allow greater income generation and better use of our assets.
- Printroom Cafe has entered its second year of trading at the Storey and business has continued to grow financially and develop in new directions. For instance, plans for a pop up café in the foyer of Lancaster Town Hall are being developed to improve economies of scale and ensure the Printroom quality offer is more accessible to staff.
- Work has continued to further develop and improve the Council's asset management database including compliance management.
- Work has commenced on reviews of our corporate property strategy, corporate office accommodation and commercial property portfolios.
- The establishment of my Corporate Property Review Cabinet Liaison Group is allowing full exploration of all challenges and opportunities within the portfolio. I thank all members who have engaged so enthusiastically thus far, and sincerely look forward to making progress in this area.

Building projects

- This year has seen the continuation of the 5 year building work and repairs program across our property and heritage assets as the work identified in the 2012 condition surveys moved into its fifth year.
- A new round of condition surveys has been commissioned to identify essential repairs and maintenance for the next 5 years and improve the accuracy of financial planning in the years to come.

Commercial Land and Buildings

- Throughout the 2017/18 financial year the occupation rate across the Council's operational commercial property portfolio has remained at around 97% representing a relatively stable position and a good level of occupancy overall.
- The disposal of St. Leonard's House to Robertson Construction was completed and work on redevelopment of the building has now commenced.

Energy Investment Grade Audit Programme

- Work has commenced on the installation of a new combined heat and power unit (CHP) and energy efficient lighting at Salt Ayre.

Heysham Gateway

- Progress has been made on the delivery of a major employment-focused development unlocking under-used and poorly-performing land off Imperial Road in Middleton and the conditional sale of a plot of land has been agreed.
- Work is continuing to ensure we make the most of our assets in this area, and we hope to make substantial progress over the coming year.

ICT & Digital Strategy

- The ICT Team have been working to make the best use of cloud and hosting opportunities, including commencing build of the customer experience platform on Microsoft Dynamics 365. The team have been utilising Microsoft tools in the cloud and creating the platform for more use in the future, for example; migration of the Planning system to a hosted solution and starting to use PowerBI for reporting, all on the assumption that most future developments will be cloud based.

- A baselining exercise of staff digital ability has been undertaken, allowing the ICT manager to start working on minimising knowledge and skills gaps and making use of previously hidden potential.

- We have started piloting the use of Office 365 for staff across the institution.

- Work has also started on a bid for local full fibre network, partnering with Lancaster University and involving Digital Lancaster, local businesses, the NHS and Lancashire County Council.

- The ICT Team have been working closely to support a number of other service areas with developments and improvements in systems, for example; procurement and deployment of a spa management system, design and procurement of systems to allow Salt Ayre to run independently of the main data centre while also acting as a disaster recovery datacentre and the development of the garden waste renewals system.

- The service also continues to proudly support apprenticeship initiatives, with two of our apprentices now securing permanent employment with the organisation. Another apprentice started with the team in September with the addition of a further apprentice shortly, 20% of ICT staff will be made up of apprentices or previous apprentices.

- ICT staff also continue to work hard in their own professional development and in sharing best practice. Staff contribute actively to work across the sector, for example the ICT Manager is now a vice president of Socitm (the society for IT management within Local Government), and is a core member of the local public services chief information officer council (LCIOC).

Customer Services

- In order to fully support residents we have worked closely with colleagues in the Revenues and Benefits Service to provide an increasing level of Personal Budgeting Support for Universal Credit claimants struggling with rent arrears, utility debts, lifestyle challenges etc.

- Working collaboratively, the Customer Service and ICT teams have established a preferred supplier on Stage 1 of our Customer Experience Platform to provide an improved digital offering for our customers and a process driven customer database capable of being rolled out to other Council Services.
- Customer Services have continued to support key council initiatives and changes, including successfully supporting Environmental Services to ensure customers were able to renew their Garden Waste subscriptions in good time for the start of the new subscription period, and with minimal effort.

CABINET

6.00 P.M.

20TH MARCH 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
Kieran Keane	Assistant Chief Executive
Mark Davies	Chief Officer (Environment)
Suzanne Lodge	Chief Officer (Health and Housing)
Paul Thompson	Accountancy Manager
Anne Marie Harrison	Economic Development Manager
David Brown	Interim Head of Legal and Democratic Services and Monitoring Officer
Dave Rigby	Interim HR and OD Manager
Liz Bateson	Principal Democratic Support Officer

80 MINUTES

The minutes of the meetings held on Wednesday 7th and Tuesday 13th February 2018 were approved as correct records.

81 ITEMS OF URGENT BUSINESS AUTHORISED BY THE LEADER

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

82 DECLARATIONS OF INTEREST

No declarations were made at this point.

83 PUBLIC SPEAKING

Members were advised that there had been a request to speak at the meeting from a member of the public in accordance with Cabinet's agreed procedure, as set out in Cabinet Procedure Rule 2.7, with regard to the report on the Implementation of Additional and Selective Licensing (Minute 84 refers). Mr Hemingway addressed Cabinet in support of the proposal to trial an alternative approach to additional and selective licensing.

The Chairman advised the meeting of a revision to the order of the agenda for the convenience of the public speaker.

84 REVIEW OF THE CONSULTATION ON THE IMPLEMENTATION OF ADDITIONAL AND SELECTIVE LICENSING IN A DEFINED AREA OF THE WEST END OF MORECAMBE

(Cabinet Member with Special Responsibility Councillor Warriner)

Cabinet received a report from the Chief Officer (Health & Housing) to review the outcome of the public consultation on the introduction of licensing in a defined area in the West End of Morecambe and make a decision on an enforcement approach.

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

	Option 1: Do Nothing	Option 2: Use TCA funds to introduce a trial scheme of intelligence led, targeted approach to enforcement in a defined area of the West End of Morecambe	Option 3: Introduce a licensing scheme in a defined area of the West End of Morecambe
Advantages	<p>The council operates a minimum service to meet its statutory obligation.</p> <p>No additional costs</p>	<p>Intelligence gathering will identify the majority of private rented properties.</p> <p>Not restricted by licensing legislation</p> <p>Targets the bad landlords not the good ones.</p> <p>Avoids risk of additional costs being passed onto tenants</p> <p>Avoids risk of stigmatising the area</p> <p>Consistent with enforcement outside the defined boundary where a landlord owns properties elsewhere in the district.</p> <p>Takes into account the feedback from the consultation</p> <p>Takes into account new enforcement powers including banning orders and</p>	<p>Intelligence gathering will identify all privately rented properties.</p> <p>The need for a licence holder will identify a responsible person for each property.</p> <p>All licence holders will have to meet a fit and proper person test</p> <p>A properly administered licensing scheme should be cost neutral to the council but deliver positive benefits to the housing stock and local area.</p> <p>Residents, potential residents and investors will be reassured of the council's commitment to making improvements to the private rented sector.</p>

		<p>rent repayments orders and civil penalties.</p> <p>Builds links and collaboration with responsible landlords</p> <p>Potential for increased goodwill from landlords</p> <p>Cost neutral as funded from TCA</p> <p>No risks of costs from challenge and judicial review</p> <p>It would complement existing regeneration schemes.</p> <p>If this approach doesn't work, it is a clear indication that licensing is needed.</p>	<p>A licensing scheme would complement existing regeneration programmes.</p>
Disadvantages	<p>The council is not taking advantage of all statutory tools available to it to improve conditions in the private rented sector.</p> <p>The council is not maximising the funding offered by the TCA grant.</p> <p>Investors interested in Morecambe may not be reassured of the council's commitment to improvement of the area as a whole.</p> <p>Problems continue to increase.</p>	<p>Requires alternative resourcing, as no license fees</p> <p>No mandatory requirement to identify a responsible person.</p> <p>No mandatory requirement to be a fit and proper person to be a landlord.</p> <p>No mandatory requirement to register.</p>	<p>The scheme is restricted to one area. The boundary is not flexible.</p> <p>Licensing is restricted to five years.</p> <p>Large bureaucratic burden of legal paperwork.</p> <p>Targets all landlords irrespective of their history of compliance, so time will be spent licensing good landlords.</p>
Risks	<p>Failure to meet the corporate priority of improvements to the private rental sector.</p>	<p>Relies on collaboration with good landlords.</p>	<p>Restrictions on the use of fee income: enforcement requirements are</p>

	<p>Failure to meet outcomes for TCA grant.</p> <p>Issues escalate and there is no additional resource to tackle them.</p>	<p>No register of landlords.</p> <p>Level of enforcement is difficult to predict and could result in an additional cost burden to the Council, although this could happen anyway.</p>	<p>difficult to predict and could result in additional cost burden to the Council.</p> <p>Landlord and other opposition could make it difficult to deliver the scheme and to therefore meet objectives.</p> <p>Problems identified in the proposal could displace elsewhere with no specific resource available to address this.</p> <p>Complaints from landlords about increased regulation.</p> <p>The possibility of rent rises with additional costs being passed on to tenants.</p> <p>Increase in homelessness as some tenants become 'too risky'.</p> <p>Stigmatisation of the area.</p> <p>Discouragement of investment in the defined area.</p> <p>Costs to defend a scheme if faced with judicial review</p>
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The Officer Preferred Option was Option 2: use TCA funds to introduce a trial scheme of intelligence led, targeted approach to enforcement in a defined area of the West End of Morecambe.

The conclusion from the public consultation on the introduction of licensing welcomed the fact that the council were looking to introduce an initiative to address some of the underlying issues with the private rented sector in the West End. It was not clear that there was support for the introduction of a licensing scheme, however, a number of significant risks were identified.

To take account of the outcome of the consultation and address some of these risks, it is recommended that a targeted enforcement approach be introduced in the West End of Morecambe for a defined period of time. This approach would aim to build a sustainable, collaborative approach with responsible landlords, while targeting those who don't co-operate. It would avoid the risk of additional costs from licensing being passed on to tenants and avoid the high volume paperwork required to administer a licensing scheme. It would offer a different approach to improving conditions in an area by targeting rogue landlords, so it is likely to be supported by good and well intentioned landlords and would complement the work of the newly established anti-social behaviour team and the approach being developed by work on the Transformation Challenge Award. Targets will be developed to assess the impact of this approach to be fed into an evaluation in 18 months. If this approach were to fail, it would be a clear indication and build a stronger case that the council should pursue licensing in the future.

Councillor Warriner proposed, seconded by Councillor Hanson:-

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

Councillors then voted:-

Resolved unanimously:

- (1) That the outcome of the public consultation on the possible introduction of licensing in a defined area in the West End of Morecambe be noted.
- (2) That, based on the feedback from the consultation, Cabinet agree to trial an alternative approach to additional and selective licensing as outlined in the report, which involves targeted enforcement of those landlords who are failing to meet and maintain standards.
- (3) That approval be given to the designation of the area referred to in the report, and defined in the map set out in Appendix 1 to the report, as being subject to the targeted enforcement programme.
- (4) That the trial referred to in (3) be implemented for a period of not more than 18 months (using existing Transformational Challenge Award grant) with a report back to Cabinet following this. This would include an evaluation of the alternative approach to enable Cabinet to consider its' effectiveness and whether there was still a case for considering the introduction of additional and selective licensing.

Officer responsible for effecting the decision:

Chief Officer (Health & Housing)

Reasons for making the decision:

Improvements in the private rented sector and housing renewal in the West End of Morecambe were identified as priorities in the 2016 -2020 Corporate Plan to support positive improvements in the health and wellbeing of residents in the district. An alternative approach to licensing by using an intelligence led targeted approach to enforcement will address some of the concerns and risks identified by the consultation

while delivering the same objectives.

85 CHANGES TO COUNCIL HOUSING TENANCY AGREEMENT

(Cabinet Member with Special Responsibility Councillor Warriner)

Cabinet received a report from the Chief Officer (Health & Housing) which sought Cabinet approval to make changes to the Council Housing Tenancy Agreement relating to secure and introductory tenants

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

	Option 1: Do nothing – continue with the existing tenancy agreement	Option 2: Cabinet approves the proposal to revise the tenancy agreement
Advantages	Simplicity of continuation. Marginal cost savings	The tenancy agreement is updated to ensure that it meets current standards and requirements, and it fit for purpose. The tenancy agreement remains an effective management tool.
Disadvantages	The existing tenancy agreement does not reflect current standards and requirements.	Marginal costs of implementation.
Risks	The tenancy agreement will not be wholly fit for purpose as an effective management tool.	The Office of Fair Trading publication on unfair terms in tenancy agreements has been referred to throughout this process. This approach will help minimise risk relating to the robustness of the content of the new agreement.

The Officer preferred option is Option 2 for the reasons set out above. The need has been identified for the Council to review its tenancy agreement to ensure that the agreement remains fit for purpose and can be used as an effective management tool. The agreement has also been updated to ensure that it meets tenant expectations in terms of clarity and understanding.

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 proposed changes to the Tenancy Agreement be approved.
- (2) That the Principal Housing Manager be authorised to consult with tenants regarding the proposed changes to the Tenancy Agreement, and to serve the necessary preliminary notice of variation.
- (3) That a further report be brought to Members following the completion of the consultation process.

Officer responsible for effecting the decision:

Chief Officer (Health & Housing)

Reasons for making the decision:

The decision is consistent with the City Council's Corporate Plan, supporting the Council's objectives to deliver value for money, customer focussed services and support sustainable communities.

86 REVIEW OF HOUSING ALLOCATION POLICY

(Cabinet Member with Special Responsibility Councillor Warriner)

Cabinet received a report from the Chief Officer (Health & Housing) to request approval of the revised Housing Allocation Policy.

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

	Option 1: Do not approve the revised Housing Allocation Policy.	Option 2: Approve the revised Housing Allocation Policy.
Advantages	No notable advantages.	Compliant with current legislation and good practice. Reduce homelessness and will give young people and people fleeing domestic abuse from outside the District the opportunity to apply to the housing register.
Disadvantages	Not able to carry out our statutory duties to prevent homelessness and assist those who fall outside the current local connection criteria, for example, Lancashire Care leavers and those fleeing violence from other areas not being able to apply to the housing register. Increased statutory homeless applications.	Increase in applications from other Districts or Counties which will increase the administration of applications and potentially reduce the number of available properties.

Risks	Increased complaints and legal challenge.	The revised allocation policy has been reviewed in line with current up to date guidance to avoid risks associated with legal challenge.
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As described in the report, the officer preferred option is Option 2 to approve the revised Housing Allocation Policy see (Appendix 1).

Adoption of the revised Housing Allocation Policy will ensure the policy is “fit for purpose” for those in the greatest housing need. Ensuring we are compliant with current law and guidance relating to the impending Homeless Reduction Act new duties from April 2018. The revised Policy will also ensure that residents who apply to the council for housing will continue to be treated fairly and in accordance with the law. The proposals provide clarity that applicants falling within the statutory reasonable preference groups will have access to the housing register whilst continuing to recognise good practice.

Councillor Hanson proposed a revision to the local connection criteria and officer advice was sought to ensure that the amendment would be lawful.

Following on from clarification from the Chief Officer (Health & Housing) and the Interim Head of Legal and Democratic Services that the amendment if suitably worded was lawful and unlikely to have a major impact on housing allocations, Councillor Hanson proposed, seconded by Councillor Pattison:

“That the Changes to the Local Connection Criteria (exceptions) be revised to include individuals who were born and lived in the area continuously for a minimum of fifteen years.”

The amendment was agreed unanimously. Councillors then voted on the original recommendation, as revised:-

Resolved unanimously:

- (1) That the Changes to the Local Connection Criteria (exceptions) be revised to include individuals who were born and lived in the area continuously for a minimum of fifteen years.
- (2) That the revised Housing Allocation Policy, as amended to include (1) above, be approved.

Officer responsible for effecting the decision:

Chief Officer (Health & Housing)

Reasons for making the decision:

The allocation of social housing directly contributes to the Health & Wellbeing corporate priority by improving access to good quality affordable housing. Officers will be able to monitor the impact of the revision to the Local Connection Criteria (exceptions) and if necessary re-visit the decision if it proves to have too profound an effect on housing allocations.

87 2017-18 PERFORMANCE MONITORING QUARTER 3**(Cabinet Member with Special Responsibility Councillor Blamire)**

Cabinet received a report from the Chief Executive to report on the overall performance of key indicators for October - December 2017 (Quarter 3).

As the report was primarily for noting and comments, no options were provided.

Councillor Blamire proposed, seconded by Councillor Clifford:-

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

Councillors then voted:-

Resolved unanimously:

(1) That the performance of key indicators at the end of Quarter 3, 2017-18, be noted.

Officer responsible for effecting the decision:

Chief Executive

Reasons for making the decision:

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

Chairman

(The meeting ended at 6.30 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 TUESDAY 27TH MARCH, 2018.

**EFFECTIVE DATE FOR IMPLEMENTING THE DECISIONS CONTAINED IN THESE MINUTES:
FRIDAY 6TH APRIL, 2018.**



Leader's Report

18 July 2018

Report of the Leader of the Council

PURPOSE OF REPORT

To present the Leader's report to Council which includes an amendment to the Executive Scheme of Delegation regarding the Control of Pollution (Amendment) Act 1989.

This report is public.

RECOMMENDATIONS

- (1) To receive the report of the Leader of Council; and**
- (2) Note an amendment to the Executive Scheme of Delegation detailed in paragraph 4.0.**

REPORT

1.0 Cabinet

Information on Cabinet matters is provided in the minutes from the Cabinet meetings held on 24 April 2018, 15 May 2018 and 26 June 2018 later in this agenda.

2.0 Decisions required to be taken urgently

There are no decisions to report since the last Leader's Report on 11 April 2018.

3.0 Amendment to the Executive Scheme of Delegation – Control of Pollution (Amendment) Act 1989

The Control of Pollution (Amendment) Act 1989 makes it a criminal offence for a person who is not a registered carrier to transport controlled waste to or from any place in Great Britain. The Act also provides for the seizure and disposal of vehicles used for illegal waste disposal.

Amendments to the Scheme of Delegation relating to executive functions may be made by the Leader in accordance with Paragraph 1.4(b) of Section 4 of Part 4 of the Constitution. Any amendments that are made by the Leader are reported to Council.

This amendment to the Scheme of Delegation relating to executive functions has been made so that the Chief Officer (Health and Housing) may designate, in writing, officers to act on behalf of the Council under the Control of Pollution (Amendment) Act 1989 to help control the problem of fly tipping.

4.0 Leader's Comments

On 9 April the new Catholic Bishop, formerly Cannon Paul Swarbrick, was installed at the Cathedral. It was very well attended event with a full church and an amazing number of clergy present. The Papal nuncio was present as was the Cardinal Archbishop of Westminster Cathedral, Vincent Nicholls. I have now attended this ceremony twice and the new Bishop is to serve for 15 years. The service was long but magnificent, especially the music. The reception was in the Town Hall and again was well attended and well managed.

After the event, Pam Barber came to see me on behalf of the Lord Lieutenant who had been at the reception with his equivalent from Cumbria. Pam is the Constable of The Castle. She talked about the changes that are taking place at the Castle and their wish to improve the visitor experience. She asked about the Canal Quarter. In particular, she was interested in any new proposals and she wants to see our district thrive. By next summer, there should be a café/restaurant in the Castle and some classroom space.

Lancaster Leaders Meeting on 22 March agreed to try to find a way forward for Lancashire Councils to work together. It was agreed that the County Leader should chair for one year. It was also agreed that the LEP should stay in attendance, with the County Council as the accountable body.

On 20 April, myself, Councillor Hanson and the Chief Executive attended a presentation at the Midland Hotel by Rolls Royce. They were presenting a Small Modular Reactor. They are made in centralised manufacturing facilities then transported anywhere in the UK or overseas. They claim that their programme could create thousands of UK jobs and open up a significantly valuable export market. The presentation was impressive but the decision will be for the government, on the reactor.

Later that day Cat Smith MP came in to see us for an update on our district. Each officer gave a report on their area of responsibility and answered questions. There was a great amount of detail and it reinforces what a lot is going on in our area.

A meeting of District Leaders took place on 21 May at which we appointed a Chair and Vice Chair for the year. Although our position on Recycling Credits is to keep a watching brief, the County position was questioned by one of the Lancashire Leaders.

At the meeting of the Lancashire Leaders on 21 May, Simon Blackburn of Blackpool was chosen for Vice Chair. A team is to go to Government including the Chair, Vice Chair, the Unitary Chair from Blackburn and one District Leader. Our Lancashire Plan originally identified five themes to take forward; Connected, Better Homes, Prosperous Lancashire, Skills, and Public Service Reforms. This plan will be updated using the most recent evidence e.g. the evidence base developed by the LEP. On the 21st May an update from

the LEP took place on the Lancashire Strategic Economic Plans and Local Industrial Strategy. Government says Place is important and that we need Local Industrial Strategies. If we are to obtain funding, e.g., Growth Deals, grants or loans we need to show our growth drivers and be ready to compete. There will be a workshop between June and August on Lancashire's economy and our priorities.

Transport for the North is out to consultation and there was a paper on this. The LEP has sent a comprehensive response. (There is some irony here in the light of our present Northern Rail services.)

The Museums Joint Steering Group met on 5 June. The transfer of Service arrangements was the main item. A smooth transition is taking place but there will be some issues to resolve. Transfer of staff, legal aspects and ICT are some of those. The County Council are working closely with us but there is a lot to sort out by 1 October.

We received a thorough update on County Council Museums arrangements. Transfers and changes have proved difficult but it is good to know that most of the five major buildings that were to close are now remaining open with County still in charge, apart from the Fleetwood Maritime Museum which is now being run by Fleetwood Town Council.

It has been a pleasure working with the County Council and our officers on the Museums Service over the years. This will not be our last meeting but we are now coming towards the finale. A smooth transition sounds like Brexit. I just wish to thank all those who are working together with us in a time of uncertainty for their own jobs.

We met with our partners, South Lakes and Barrow Councils on 29th June (Lancaster and South Cumbria Economic Region). An action plan and progress report were produced. The aim is 'Driving Growth Together' to build a nationally significant, sustainable economy. Building on our strengths such as Energy, Advanced Manufacturing, Higher Education and Health Innovation. Our priorities include an inclusive economy, business growth, delivering quality housing that supports affordable housing, productivity and skills and the promotion of an outstanding place offer and quality of life. A brochure has been produced for the three Councils to promote our areas and to send out to MP's, businesses and to ministers etc. These should show case our stand out selling points.

Other Matters

Cabinet minutes for 24 April 2018, 15 May 2018 and 26 June 2018 are attached at the end of this agenda.

5.0 Key Decisions

The following Key Decisions were taken by Cabinet on 24 April 2018:

- (1) White Lund CCTV System
- (2) Morecambe and Heysham Public Spaces Protection Order 2018
- (3) Executive Team: Roles and Structure

The following Key Decision was taken by Cabinet on 15 May 2018:

- (1) Executive Team: Roles and Structure – following Overview & Scrutiny Call-In meeting

The following Key Decisions were taken by Cabinet on 26 June 2018:

- (1) Update on Planning Activity for the Transformation Challenge Award Project
- (2) Budget Support Reserve – Proposed Allocations

There following Officer Delegated Key Decisions were taken during this period:

- (1) Kitchen and Bathroom Contract 2018-2019 Electrical Materials
- (2) Kitchen and Bathroom Contract 2018-2019 Kitchen Materials
- (3) Kitchen and Bathroom Contract 2018-2019 Flooring Contract
- (4) Electrical Inspections – Vale, Marsh and Hestham
- (5) Ryelands House Phase 2 – Improvements to Communal Areas
- (6) Re-Roofing The Vale Estate Lancaster Phase 1 2018-2019
- (7) Ryelands Roofline Renewal Works 2018-2019
- (8) Kitchen and Bathroom Contract 2018-2019 Plastering Contract
- (9) Appointment of Legal, Finance and Leisure Specialists to Advise on The Local Authority Trading Company for Salt Ayre Leisure Centre
- (10) Bridge House Re-Roofing Works 2018-2019

Background Papers

Cabinet agenda and minutes of the meetings held on 24 April 2018, 15 May 2018 and 26 June 2018.

COUNCIL

Executive Team Structure

18 July 2018

Report of Cabinet

PURPOSE OF REPORT

For Council to consider the proposals developed by the Chief Executive in relation to changes to the structure of the Executive Team, and agree the way forward.

This report is public. The attached Cabinet report, and Appendices A and I are also public. All other appendices are exempt from publication by virtue of paragraphs 1 and 2 of Schedule 12a of the Local Government Act 1972

RECOMMENDATIONS

That Council agrees

- The future operating model for the senior management team.
- The funding of the future operating model for the senior management team,
- To authorise the Deputy s 151 Officer to update the General Fund Revenue Budget accordingly, with upfront costs being met from the Restructuring Reserve and any continued engagement of the interim Human Resources Manager beyond 31st July 2018 and up to 31st March 2019 being met from a combination of turnover savings and the Budget Support Reserve

1.0 Introduction

1.1 In April 2018, a proposal was made by the Chief Executive to introduce a change to the Executive Team structure.

1.2 The key aims of this proposal were to:

- Introduce a new structure with clearly defined senior roles which enable a strengthening of strategic and corporate focus on service provision and delivery, growth and sustainability.
- Ensure the right skills are in place for each permanent role at Executive Team level to help shape and successfully drive forward the challenging agenda for the Council.
- Bring together a cohesive and supportive team to deliver change.

1.3 The restructure is intended to ensure the Council organisationally is in a position to meet the ambitions in its Council plan, to meet strategic objectives and the financial challenges that it faces in the future. This is a proactive business change in order to improve the Council's position and continue to improve services to residents.

2.0 Proposals

2.1 The detailed proposals for the structure of the Executive Team are contained in the attached Appendix K. This was the original report considered by Cabinet in April. Following consultation, a further report was considered by Cabinet (attached) on 3rd July, where it was agreed that the decision to implement the structure should be referred to full Council as the proposal falls outside of the current Budget and Policy

Framework.

2.2 If full council approve the alterations to the senior management team operating model it is inevitable that when engaging in a competitive recruitment process that as a consequence that some current chief officers may not remain. In approving the senior management structure Council is accepting the outcomes in compliance with the Local Authorities (Standing Orders) (England)(Amendment) Regulations 2015. The resolution of the impact on any Chief Officer post is a non-executive function that, full Council has through the Constitution, been delegated for oversight to the Personnel Committee.

3.0 Conclusion

3.1 Council is asked to agree to implementation of the new structure, and in turn agree to the recommendations relating to finances for implementation.

<p>CONCLUSION OF IMPACT ASSESSMENT (including Diversity, Human Rights, Community Safety, Sustainability and Rural Proofing) None directly arising from this report.</p>

<p>LEGAL IMPLICATIONS</p>

<p>A consultation has been carried out. If the proposed structure is adopted the implementation will require careful compliance with primary and secondary legislation, and the local authority policy and procedures to avoid any potential liability. There is no legal impediment to the adopting of a structure as set out.</p>

<p>FINANCIAL IMPLICATIONS</p>

<p>The overall financial implications for the proposed Executive Team restructure are summarised in the table below and associated detail is set out at Appendix H with all implications based on an effective implementation date of 1st December 2018.</p>

	Implementation Costs from 1st December 2018				
	2018/19	2019/20	2020/21	2021/22	Cumulative Total (Over 40 months)
	£	£	£	£	£
Current Structure	142,252	436,485	452,684	461,846	1,493,267
Proposed Structure (excl One-Off / Interim Agency Costs)	190,094	436,615	429,916	439,663	1,496,288
Cost / (-) Saving (excl One-Off / Interim Agency Costs)	47,842	130	-22,768	-22,183	3,021

One-Off Costs					
Redundancy Costs (from Restructure Reserve)	33,500	33,500			67,000
Consultancy Costs (from Turnover)	2,975				2,975
Recruitment Costs (from Turnover)	26,420				26,420
	62,895	33,500	0	0	96,395
Interim Appointments					
Interim HR Manager (Agency)	104,560				104,560
	104,560	0	0	0	104,560
Total One-Off and Interim Agency Costs	167,455	33,500	0	0	200,955

Cost / (-) Saving (including One-Off / Interim Agency Costs)	215,297	33,630	-22,768	-22,183	203,976
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Funding Sources					
Interim HR Manager - Turnover (26 June Cabinet)	-17,000				-17,000
Interim HR Manager - BSR (26 June Cabinet)	-22,400				-22,400
Interim HR Manager - Turnover (3 July Cabinet)	-33,800				-33,800
Interim HR Manager - BSR (3 July Cabinet)	-31,360				-31,360
Redundancy - Restructuring Reserve (3 July Cabinet)	-33,500	-33,500			-67,000
Total Funding (Reserves / Corporate Turnover)	-138,060	-33,500	0	0	-171,560

Total Net Cost / (-) Saving	77,237	130	-22,768	-22,183	32,416
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Average Annual Savings Requirement: £9,725

The total projected costs of £32.4K up to the end of 2021/22 have been averaged out over the relevant 40 month period (i.e. from 1 December 2018) to provide an equivalent average annual savings requirement of £9.7K and this equates to less than 1% of the Council's overall staffing budgets at circa £21m (excluding the Housing Revenue Account), after allowing for budgeted turnover.

It is assumed that the above will be achieved through natural turnover (excluding the Housing Revenue Account) / effective positive management once the new Directors are in post with associated one-off costs being managed in year through a combination of corporate turnover and use of the Budget Support and Restructuring Reserves. Any deviation from a 1st December implementation date could have an impact on the projected figures provided and so could go up or down. It is not possible to quantify by how much, however, due to the potential variables arising, but is expected to be manageable at this stage.

The figures provided also includes for a new Grade 8 Legal Services Manager post to be established to replace the former Legal Services Manager post, which was deleted in 2015 and who will also undertake the Monitoring Officer role. It is proposed to predominantly fund this through the deletion of a vacant Grade 7 post within Legal Services, noting that assumptions have been based on current operations, with any future proposals, such as the pending wider Legal and Democratic Services restructure, being considered on their own merits.

It is envisaged that costs relating to recruitment will amount to around £26.4K. This includes adverts with the Municipal Journal and other external online adverts (circa £6.7K), assessment

centre costs (up to £12K), travel and subsistence costs for those delivering the service, contributing to the recruitment process and for internal applicants' travel to the assessment centre (Circa £1.7K) and internal applicant' Development Support costs (circa £6K).

This is not too dissimilar to those costs which would be incurred if the proposals for the restructure not been made, i.e. it is anticipated that recruitment for the Chief Officer (Legal and Governance) and the Chief Officer (Regeneration and Planning) would have been taken forward separately at different times, with costs for both adding up to around £20.6K, based on costs incurred for the recruitment of the previous Chief Officer (Legal and Governance).

Cost and funding assumptions for the interim HR Manager assume that the current engagement will continue up to 31st March 2019 and work predominantly on proposed implementation of restructure, changes below that level and key projects like performance management, noting that if the contract were to end before this, there would be no impact for the specific savings requirement above, albeit there would be a reduced one-off call on the Budget Support Reserve during 2018/19. There is a specific recommendation needed for the continued engagement of the Interim HR Manager beyond 31st July 2018, however, and to continue to fund this through turnover (£33.8K) and the Budget Support Reserve (£31.4K).

For additional information, the following table shows the estimated cost of the current Management Team structure compared with the proposal for 2018/19 to show the overall impact of one-off recruitment and use of interim support costs for both structures. This demonstrates that there is still a projected cost expected by the end of the current year for the current Management Team structure due to the two vacant Chief Officer posts being covered through external provision.

	Current	Proposed
	2018/19	2018/19
	£	£
Current Structure	426,756	426,756
Proposed Structure (<i>excl One-Off / Interim Agency Costs</i>)	363,780	395,810
Cost / (-) Saving (<i>excl One-Off / Interim Agency Costs</i>)	-62,976	-30,946
One-Off Costs		
Redundancy Costs (<i>To be funded from Restructure Reserve</i>)	0	33,500
Consultancy Costs (<i>To be funded from Turnover</i>)	0	2,975
Recruitment Costs (<i>To be funded from Turnover</i>)	20,592	26,420
	20,592	62,895
Interim Appointments		
Interim Legal (<i>Agency</i>)	86,000	75,000
Interim HR Manager (<i>Agency</i>)	39,400	104,560
	125,400	179,560
Total One-Off and Interim Agency Costs	145,992	242,455
Cost / (-) Saving (<i>incl One-Off / Interim Agency Costs</i>)	83,016	211,509
Funding Sources		
Interim HR Manager - Turnover (<i>26 June Cabinet</i>)	-17,000	-17,000
Interim HR Manager - BSR (<i>26 June Cabinet</i>)	-22,400	-22,400
Interim Legal Manager - BSR (<i>26 June Cabinet</i>)	-32,000	-32,000
Interim HR Manager - Turnover (<i>3 July Cabinet</i>)	0	-33,800
Interim HR Manager - BSR (<i>3 July Cabinet</i>)	0	-31,360
Redundancy - Restructuring Reserve (<i>3 July Cabinet</i>)	0	-33,500
Total Funding (<i>Reserves / Corporate Turnover</i>)	-71,400	-170,060
Total Net Cost / (-) Saving	11,616	41,449
<p>As this proposal falls outside of the current Budget and Policy Framework, then referral onto Full Council is required, prior to updating the General Fund Revenue Budget.</p> <p>If the proposal is implemented, then any in-year variances will need to be reported through the Council's normal corporate monitoring process or directly to Cabinet in the usual way.</p> <p>Similarly, any future savings from further restructuring / efficiencies arising once the New Directors are in post will need to be fed into the annual budget process for subsequent approval.</p>		
OTHER RESOURCE IMPLICATIONS Open Spaces, ICT, Property: None There are no other resource implications.		

DEPUTY SECTION 151 OFFICER'S COMMENTS

In considering the proposal, Members are advised to consider whether it is capable of meeting the Council's future needs and provides the capacity required to deliver its ambitious corporate objectives. In this regard, Members should satisfy themselves that the proposal represent value for money, recognising the initial costs, balanced against the need to make financial savings in future years and generate additional income.

In terms of the Section 151 Officer's professional position and statutory responsibilities within the Council, the proposal is contrary to recommended practice as presented by the Chartered Institute of Public Finance and Accountancy (CIPFA). However, the proposal is not uncommon at other Councils, and can work provided the s151 Officer has access to / is invited to Executive Team meetings, where they would expect to contribute, and that they have access to all agendas and reports, and finally direct access to the Chief Executive. Members will also need to be content that the proposed Legal Services restructure retains sufficient capacity within the Service to maintain operational delivery, and support the Monitoring Officer role.

As the proposed restructure would increase the net spend over the amounts approved by Council at 2018/19 Budget and Medium Term Financial Strategy (MTFS) 2018 – 2022 approved by Council 28th February 2018, it falls outside of the Council's existing Budget & Policy Framework. On this basis the referral to Council for consideration is in accordance with the Council's Constitution.

MONITORING OFFICER'S COMMENTS

It is important to note this report provides for a major structural change in this authority. The roles and duties of the statutory officers are unchanged it is only the position within the organisation that changes. Members should satisfy themselves that adequate thought has been given to carrying out the roles in the proposed structure and the process and capacity exists to achieve this.

The leadership style adopted by Lancaster City Council allows cabinet to carry out all the executive functions of the local authority, which are not specifically reserved to another part of the authority (usually non-executive).

The key limitation on the exercise of the execution function is Cabinet must act within the Budget and Policy Framework set by full Council, the rules of procedure and the financial regulations. (Constitution article 7.06a).

The rules of procedure are clearly set out in the constitution part 4 and the financial regulations in Part 5.

It should also be noted Cabinet is responsible for the preparation of Policy Framework proposals (Constitution article 7.06b)

In this case the budget decision for the new operating model falls to Council on the recommendation of Cabinet as it falls outside of the Budgetary Framework Article 7.06 (f). In these circumstances Cabinet may also wish to recommend the decision on the operating model, which sits within the framework is also taken at full council as the two decisions are linked.

Additionally, Chief Officers and in particular statutory officers, enjoy enhanced protection due to their obligations to independently advise the executive. The role of the Chief Officers will be changed by this proposal and the agreement of full council to the changes and any potential redundancies will evidence compliance with the Local Authorities (Standing Orders) (England)(Amendment) Regulations 2015.

BACKGROUND PAPERS

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CABINET

Executive Team: Roles and Structure
3 July 2018

Report of the Chief Executive

PURPOSE OF REPORT			
For Cabinet to consider the proposals for restructure of the Executive Team, along with consultation responses, and agree the way forward			
Key Decision	X	Non-Key Decision	Referral from Cabinet Member
Date of notice of forthcoming key decision		30 May 2018	
<p>This report, Appendices A and I are public. All other appendices are exempt from publication by virtue of paragraphs 1 and 2 of Schedule 12a of the Local Government Act 1972</p>			

OFFICER RECOMMENDATION**RECOMMENDATIONS:**

That Cabinet agrees to refer to the Full Council for determination:

- The future operating model for the senior management team.
- The funding of the future operating model for the senior management team,
- To authorise the Deputy s151 Officer to update the General Fund Revenue Budget accordingly, with upfront costs being met from the Restructuring Reserve.

1.0 Background

The Council has highly ambitious plans in the Council Plan for enhancing the economy, environment and neighbourhoods and communities' wellbeing. A plan which is underpinned by collaboration, facilitation and place-shaping. The Council has set out its ambitions and its vision for the district to thrive as a vibrant regional centre in the north west of England in its draft plan. This plan is for approval at full Council on the 18th July 2018.

There are a number of initiatives currently underway which will contribute heavily to the future ambitions of the Council, such as the development of a commercial agenda, the delivery of major regeneration initiatives, proposals for local authority trading companies and the pursuit of a much enhanced digital agenda. In addition, the Council needs to consider, at the same time, more radical plans which enable:

- A focus on the district as a place for investment
- The delivery of excellent services in the most efficient way
- High levels of customer satisfaction

To enable the Council to deliver effectively on all aspects of these plans, the Chief

Executive has made a proposal for changes to the structure of the Council's Executive Team.

The key aims of this proposed restructure are to:

- Introduce a new structure with clearly defined senior roles which enable a strengthening of strategic and corporate focus on service provision and delivery, growth and sustainability.
- Ensure the right skills are in place for each permanent role at Executive Team level to help shape and successfully drive forward the challenging agenda for the Council.
- Bring together a cohesive and supportive team to deliver change.

The restructure proposal is based on what is considered to be appropriate for the Council both now, and for the coming years. Where previous restructures have been in response to an identified need to reduce spend on staffing, this proposal is about the structure the Council needs to put in place to progress an ambitious agenda moving forward. Additionally, this proposal will bring savings to the Council in the longer term should it be implemented.

The restructure is intended to ensure the Council organisationally is in a position to meet the council's real ambitions in its Council plan, to meet strategic objectives and the financial challenges that it faces in the future. This is a proactive business change in order to improve the Council's position and continue to improve services to residents.

Moreover, the restructure and the change process have not prevented innovative and creative proposals to financial challenges from moving forward. The restructure is a proactive change intended to step up the momentum on innovation, and enable creativity to achieve the results and embed new ways of working.

1.1. Examples of action to date (in the last 18 months), leading up to the restructure to improve organisational approach and delivery

Steps have already been made to meet those future financial challenges and improve the efficiency of the organisation. Namely, the most recent budget approved by Council earlier this year included proposals to enable innovation, e.g. the proposals for trading companies and investment in the district's assets such as Williamson Park and solar farms. The Council has also agreed to invest in economic growth.

Further examples of recent organisational change, creativity and efficiency to deliver results for residents include:

- Developing a long term partnering approach with Vodafone, ensuring CCTV monitoring continues to be utilised along with the introduction of mobile CCTV cameras to be used in the public realm.
 - Bringing enforcement officers together and changing approach to tackling ASB and fly-tipping which is resulting in increases in enforcement actions.
 - Licensing becoming part of environmental health to increase resilience in this regulatory function and align ways of working between the teams .
 - Initiating efficiency reviews, starting with a major lean review of the voids process, with the number of empty properties now just under half of the levels of 16/17.
-

- Working with partners e.g. police, introducing an integrated early action hub in the district, working earlier and more effectively with the most vulnerable.
- Establishing further partnerships with Lancaster University to tackle operational issues e.g. plastics in the environment.
- Improving the environment for residents reviewing different ways of weed control; investing in graffiti and gum removal machinery and removal.
- Developing strategic approaches to Heysham Gateway and Canal Quarter.

In addition to the actions above, a new set of values and behaviours for staff has been adopted which puts residents and communities at heart of the Council and its work, with managers from throughout the organisation embedding the values and helping to enable a cultural shift.

Rather than cutting services the ambition is to deliver excellent services for residents, services which residents and communities need. Additionally, by engaging with stakeholders in the district on the new Council plan and the strategic direction of the council it increases the 'buy in' and means more opportunities to identify delivery of the objectives in partnership.

The re-organisational proposals sit alongside the review of the Council's Constitution which is currently being undertaken. Any immediate issues will be addressed over the summer e.g. delegations.

1.2. Current Restructure Proposals

More change is needed for the Council to meet the ambitions in its draft Council plan, to thrive as a vibrant regional centre and meet future financial challenges. Some of the actions above at 1.1 include examples of structural changes and work on cultural change to date, however, far more is required to help meet the savings targets whilst seeking service preservation, these include: developing a comprehensive commercial strategy e.g. make the most of council assets; ensuring we have a modern and efficient organisation (cutting out unnecessary bureaucracy) and that services are available in the right form to meet community needs.

The proposed restructure introduces clearly defined senior roles to help drive forward the Council's challenging agenda and brings a cohesive and corporate team together. The change brings together services that complement each other, and are interlinked in their service delivery. This will further provide opportunities for improving collaboration and co-operation and help break down barriers that exist between some teams. By bringing the teams together this will also enable a focus on improvements in efficiency and effectiveness.

1.3. Process to date since 24th April 2018

Cabinet considered the proposals for a new structure on 24th April 2018, and it was agreed that the Chief Executive could move into the formal consultation stage with staff directly affected (i.e. the Council's 3 current Chief Officers) and also with the trade unions.

Following call-in, formal consultation with directly affected staff and unions commenced, with a formal end date of 12th June 2018. At the recommendation of the Overview and Scrutiny Committee, and following agreement by Cabinet, it was also agreed that feedback on the high level proposals would be sought from those senior

managers who report into Chief Officer posts. Alongside these consultation fora, the Chief Executive has also organised briefing sessions for members.

Since the original proposals were made, decisions have also been made by Personnel Committee in relation to reward for the new roles, and also the selection processes to be put in place, subject to overall agreement to implement the proposed structure. Organisational charts showing the current and proposed structures are included at **Appendix A**.

2.0 Consultation Responses

2.1 Summary of Consultation and Engagement

Engagement has taken place with a wide group of stakeholders, which includes affected staff (Chief Officers), senior managers reporting into Chief Officer level roles, Members, the external auditor, SOLACE and the LGA.

During consultation on an exercise such as this, it is anticipated that feedback will include a number of suggestions to change the proposals, as well as issues raised in terms of the structure and potential outcomes.

There have been 5 main themes coming from the consultation process, and these are:

- Questions about the financial implications of the proposals
- Issues in relation to the proposed level of the S151 role in the proposed new structure
- Issues raised about capacity within the proposed new senior team
- Questions about process, in terms of how these proposals move through the decision making process, and where decisions in relation to implementation should be made.
- The impact of the proposals on those senior managers who currently report into Chief Officer level roles.

Aside from the placement of the S151 Officer, no alternative suggestions have been made to change the high level proposals.

2.2 Chief Officer Consultation

Statutory consultation processes have been carried out, with both the existing Chief Officers, and the Council's Trade Unions. This has been in accordance with the Council's Human Resources policies, and the Chief Officer terms and conditions of employment. Upon request, the end of the formal consultation period was extended to noon on 19th June 2018, in view of the planned absence of one Chief Officer.

Individual consultation meetings were arranged on a weekly basis for Chief Officers,

who could bring their trade union representative, should they wish. These were initially classed as 'informal consultation' meetings until such a time as formal consultation could start, following call-in. At the commencement of formal consultation, Chief Officers were provided with a consultation pack which included:

- The formal 'at risk of redundancy' letter
- The detailed proposals (previously the Appendix to the Cabinet report for 24th April)
- A set of FAQs in relation to the proposals, and the individual impact
- Proposed role profiles
- High level financial details relating to implementation
- A proposed timetable for implementation

All Chief Officers have had the opportunity to meet with the Chief Executive and HR during the consultation period, and during those meetings they were each given the opportunity to:

- Respond to the proposals
- Ask questions about the proposals
- Make suggestions in relation to anything they would want to change
- Discuss personal implications for themselves

In addition, all Chief Officers were afforded the opportunity to make representations at Personnel Committee in line with their rights as Chief Officers. Two of the Chief Officers took advantage of this opportunity.

Appendix B provides a summary of the consultation meetings with the Chief Officers, with a note of the responses to individual issues raised, as well as any formal written responses to consultation provided by Chief Officers.

Appendix C contains the text used by two Chief Officers for the presentations to Personnel Committee on 4th June 2018.

It should be noted that if the proposals are accepted and implemented, there could be 2 possible redundancies of Chief Officers, one during the year of implementation, and one during the following year.

2.3 Union Consultation

Meetings with the local unions were arranged for formal consultation. The proposals for restructure were originally presented to the Unions on 18th April, and during the formal consultation period, meetings took place on 10th May 2018 and 31st May 2018. Additionally, union colleagues were given the opportunity to make any representations by email following agreement that further meetings would not be necessary at this stage.

There were no issues raised by union colleagues during consultation with them, aside from the impact of the proposals on the senior managers who report to Chief Officers, which is dealt with in Section 2.5 below. This came from an approach to the union concerned from one officer.

2.4 Consultation with Members

A number of meetings were offered for Members to attend, where the proposals for restructure were discussed. Meetings were held with Labour Group Members, Green Party members, Independent Members and a cross-party meeting was held on 24th May 2018. In addition, discussion about the proposals has taken place at Personnel Committee meetings, Cabinet briefings and Overview and Scrutiny meetings.

A summary of the issues raised by Members, and the responses provided, is at **Appendix D**.

2.5 Consultation with senior managers who report into Chief Officer level roles.

Following the Overview and Scrutiny Committee meeting where the proposals were discussed, it was agreed that senior managers who report into Chief Officers should have the opportunity to provide feedback on the high level proposal for 3 newly formed directorates.

Meetings were arranged with those managers, and the feedback, together with responses, is included in **Appendix E**. This includes some written representations from some of the senior managers concerned.

2.6 Consultation with SOLACE

An approach was made to SOLACE to seek a further independent external view on the proposals for restructure. SOLACE recommended a consultant to provide this service for the Council. The consultant has previously worked in Chief Executive roles, and has substantial experience working at senior levels in Local Authorities.

The report provided is attached at **Appendix F**.

2.7 Consultation with the External Auditor.

The views of the external auditor from Deloitte have been sought directly via conversations between the Chief Executive and the auditor. A summary of those discussions is attached at **Appendix G**.

3.0 Overall Responses to Consultation

Whilst responses to issues raised through consultation have been provided in the relevant appendices, set out below are the summary responses for each of the main issues raised.

3.1 Summary of Potential Costs

The detailed financial implications are included at **Appendix H**

The proposals for restructure were not made on the basis of reducing spend on senior team

salaries, but were made to ensure the Council is in a position to meet the challenging agenda set for the future.

Since the original decision to consult was made, further more detailed work on the financial implications of implementing the proposals has been carried out, in conjunction with an accountant from the Council's finance team, and with input from the Council's Deputy S151 Officer. The financial implications at Appendix H take account of:

- Initial one-off implementation costs, e.g. the costs of the selection process, the possibility of redundancies.
- Costs which would have been incurred had the restructure not been proposed, or gone ahead.
- The proposed salaries for the new Director roles.
- Ongoing annual costs, year by year.

Overall, the financial implications for this report show an additional cost to the Council, over a 40 month period, of circa £32.4K.

The comparative costs of senior team structures (i.e. posts at Chief Officer level and associated allowances) show a year on year saving of around £22K from 20/21 onwards (i.e. the current year budgeted for 5 Chief Officers compared to the cost of 3 new Directors and one Deputy Director in the longer term).

An additional cost has arisen relating to the restructure, and that is related to the re-introduction of a Legal Services Manager post, which was deleted in February 2015. To reintroduce this post, at Grade 8 level, the existing (vacant) Grade 7 legal post will be deleted. This therefore brings an additional cost by way of the additional salary costs between grade 7 and 8. It is this role which would take on responsibility for Monitoring Officer duties and has been factored into the above.

It should also be noted that should the move to an LATC go ahead during the year 19/20, it is anticipated that there would be no redundancy during that year, which would then reduce costs by a further c£33k (and would reduce the requirement for funding from the Restructuring Reserve).

3.2 Issues Relating to the S151 Role

The original proposals for a new structure outlined that this statutory role would report into the newly proposed Director of Corporate Services. The new Director will have a financial qualification, and clear oversight and strategic understanding of the issues faced by the Council.

The rationale for this element of the proposal, i.e. the S151 role sitting at Head of Service level, has been provided to the political groups where this has been raised as a concern.

The professional independent advice via SOLACE (Appendix F) has confirmed that moving the S151 role to a level below the top tier is becoming more commonplace.

The external auditor indicated others are now doing so, as part of making them more agile at the top level. He reinforced the need for the working protocol, to safeguard the statutory roles and ensure they are effective.

The proposed senior roles will enable a strengthening of corporate and strategic focus on service provision and delivery, growth and sustainability.

The roles of statutory officers are often thought of as regulatory roles. They have an extremely important function in advising and guiding decision making, assessment of risk, and ultimately, if the minimum standard of lawfulness and financial probity are not met, to halt, publicise and prevent a decision.

These roles are designed to support and enhance internal controls and help create a culture of risk management and compliance. This regulatory function is by necessity focused on a decision or a series of decisions.

In light of the importance of the S151& Monitoring Officer duties, they will be safeguarded in the future by a working protocol, which ensures attendance at relevant meetings, direct access to the Chief Executive, access to all reports and documents, and sufficient opportunity to influence decisions in line with the requirements of the regulatory function. It is expected that the post holders would attend Cabinet, Council and Management Team meetings as the norm.

If such protocols were adopted then the post holders should be free to carry out their statutory functions, and to follow the principles of regulation.

Research has been carried out across 3 other Local Authorities to assess how different models work in different organisations, as follows:

Preston City Council: The S151 sits two tiers down from the CEO and reports into the Corporate Services director. The S151 Officer, also known as City Treasurer, attends as a full member of the Management Team, attends Cabinet, sits at the top table at full Council and attends all other decision making meetings, as well as managing the work of the finance and audit teams. The S151 is treated as a peer within the management team.

Burnley: The S151 Officer (and Head of Finance / Property) reports into the Chief Operating Officer who reports to the Chief Executive. Only the two latter roles are classed as being in the 'top team' although the S151 is part of the Management Team.

Whilst this is the official reporting line, the S151 has access to the CEO should it be needed. The S151 attends all decision making meetings.

This Council has two tiers of Head of Service, and the S151 role is within the higher tier, meaning a higher salary than other Heads of Service, but below 'top team' level.

Wyre Council: The S151 Officer at Wyre reports directly to the Chief Executive at the Council, and oversees the management of the Council's finances, whilst the MO reports directly to a Service Director. The S151 Officer is a member of the Corporate Management Board, and attends all relevant council meetings, including Cabinet and Cabinet briefings (the Executive), full Council and other decision making forums.

Whilst the S151 Officer sits at a level below Director and is salaried at Head of Service level within the Council, the post holder currently receives an allowance of £5,610 for the additional responsibility the S151 role brings.

3.3 Capacity at Director Level

The concern that has been raised with this new structure is that the capacity at senior team level will reduce, which could therefore impact on the ability deliver against the Council's plans. This was mentioned in the context of the future financial challenges the Council faces.

In response, the Assistant Chief Executive role is being retained until March 2020 to help provide strategic capacity in key project areas and to drive commercialisation strategy.

Secondly, the Council's senior staff have recently been working to review the overall current programme of projects and work, with a view to ensuring that the focus is on projects which deliver against our strategic priorities, support the move to delivering services more efficiently, and enable the Council to close the future funding gap. This exercise will give the Council a clear picture of the resource needs for the short term to deliver on key projects, and the necessary resource requirements from the Business Support Reserve.

Current Chief Officer level roles have a significant operational element to the day to day duties being carried out. This will not be the approach with the new strategic Director roles. However, there is a need to review operational capacity below current Chief Officer level once the Directors are in place in the new roles, and this element of work will commence following the appointment of the Directors.

3.4 Decision making processes and Timetable

A number of questions in relation to decision making and timescales were raised and the responses to these are contained at **Appendix I**. This appendix covers all future decision making processes should the proposals be implemented, as well as the more detailed plan moving towards implementation.

3.5 The Impact of the Proposals on other Senior Managers

Concerns have been raised during the consultation process about the impact of the proposals on senior managers who report into Chief Officer level roles, and the potential for further impact at more junior levels.

Responses given during this consultation process have been to reassure staff at this level that in the short term, there will be no impact on their roles. Once new Directors are in place, it is anticipated they will work together as a team with the Chief Executive to consider how their new directorates will operate effectively. In the event of further change, more detailed consultation will take place with their staff to help shape the teams delivering both internal and external services.

Attached at **Appendix E** is the feedback from senior managers, both from the meetings held with them and also some written responses.

4. Other Progress Made

Since the original decision to consult was considered by Cabinet, Personnel Committee have considered and agreed the following:

- That the new Director roles will attract a salary of £80,000.
 - A further reward strategy will be developed which will consider how performance at this level could be managed.
 - Annual objectives for the Directors will be taken to Personnel Committee
 - That the Deputy Director roles will be remunerated at the same level as current Chief Officers
 - That the recruitment processes proposed are agreed, and that Personnel Committee will ensure sufficient Committee Members will be available for the relevant interview dates
-

- That the role profiles are acceptable, subject to the outcome of the more recent consultation

5. Conclusions following Consultation

As is to be expected during any consultation exercise, concerns will be raised. The primary concerns raised in terms of the restructure have been in relation to the finances supporting the proposal, as well as the level of the S151 role.

All views and responses in respect of the positioning of S151 Officer have been carefully considered. The proposed level of the role, i.e. at Head of Service level, is the reason the concerns are being raised. There is a perception that views of the post holder may not be taken sufficiently seriously where the S151 duties sit at a level below the proposed Director roles.

In this regard, views have been sought from the external auditor and SOLACE, who confirm that there are other local authorities who are taking a similar route with the regulatory at Head of Service level.

Given the reassurance that the statutory officers have access to decision making and information at the correct level, the removal of the strategic role from the statutory officers will strengthen the amount of time they can devote to ensuring good governance. This can be seen as a positive benefit as it remove the potential for conflict between trying to balance the forward progress of the organisation with the legal and budgetary framework which gives them an independence and avoidance of conflict that they do not currently enjoy, making the statutory officer a true critical friend role

The development and introduction of the working protocol will ensure the S151 Officer is able to fulfil all regulatory functions, and is seen very much as a part of the Council's decision making team. Whilst the proposal in this regard has not been changed, the need to ensure the working protocol is in place and is successful has highlighted the requirement to develop this, for consultation, as soon as a decision is made in relation to implementation of the proposed new structure.

To ensure that concerns can be raised after implementation of this change, a thorough review of the effectiveness of the proposal relating to the S151 role will take place 6 months after implementation, when changes can then be proposed and made to resolve issues raised by that review.

The finances related to the restructure are outlined at Section 3 of this report.

As outlined in Section 6 below, this restructure is the first step in ensuring the Council is 'match fit' for the future. The finances relating to the restructure at this stage show additional expense, but our new Directors will be tasked with reducing the cost of service provision to bridge the known funding gap in the future.

6. Future Savings

Whilst the finances in terms of implementation of the proposed new structure are outlined in the financial implications section and detailed in Appendix H, there are a number of additional benefits to the Council should implementation go ahead.

In moving teams together within new larger directorates, a number of opportunities for efficiencies will be created from closer working and bringing teams who provide similar services.

Furthermore, the Council has a challenge to face in terms of funding into the future, and needs to generate savings and additional income by 20/21 to bridge the funding gap.

To enable the Council to meet this aim (and in addition to other proposals to generate income), it is proposed that upon appointment, the Council's new Directors will jointly be given specific targets to reduce the costs of service provision in their directorate so that the Council's expenditure and income is aligned by March 2020, therefore bridging the funding gap.

It is expected that these savings will be met through delivering services more efficiently across the Council, reviewing process and practice to streamline work, and implementing more commercial approaches, whilst also making better use of digital tools. They will also be met through initiatives such as merging teams and sharing of services.

To support this aim, initiatives will be put in place to make best use of ongoing staff turnover. It is proposed that the Council will introduce a process when employees leave which enables either:

- The redeployment of other staff into vacancies, or
- the service to be remodelled

Additionally, bringing related services together in one directorate may generate significant efficiencies by eliminating duplication and sharing of best practice. The increased efficiency will support the commercialisation agenda.

Implementation of this initiative to achieve savings will be the responsibility of the Directors within the new structure. The detail in terms of the next stage will be available once those Directors are in post.

RELATIONSHIP TO POLICY FRAMEWORK

The strategic rationale is set out in the body of this report.

CONCLUSION OF IMPACT ASSESSMENT

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

Proposals for restructure which affect staff are managed in line with Human Resources Policies and Terms and Conditions of employment, to ensure all actions and proposals are compliant with employment related legislation, including equalities legislation.

LEGAL IMPLICATIONS

A consultation has been carried out. If the proposed structure is adopted the implementation will require careful compliance with primary and secondary legislation, and the local authority policy and procedures to avoid any potential liability. There is no legal impediment to the adopting of a structure as set out.

FINANCIAL IMPLICATIONS

The overall financial implications for the proposed Executive Team restructure are summarised in the table below and associated detail is set out at Appendix H with all

implications based on an effective implementation date of 1st December 2018.

Implementation Costs from 1st December 2018					
	2018/19	2019/20	2020/21	2021/22	Cumulative Total (Over 40 months)
	£	£	£	£	£
Current Structure	142,252	436,485	452,684	461,846	1,493,267
Proposed Structure (excl One-Off / Interim Agency Costs)	190,094	436,615	429,916	439,663	1,496,288
Cost / (-) Saving (excl One-Off / Interim Agency Costs)	47,842	130	-22,768	-22,183	3,021
One-Off Costs					
Redundancy Costs (from Restructure Reserve)	33,500	33,500			67,000
Consultancy Costs (from Turnover)	2,975				2,975
Recruitment Costs (from Turnover)	26,420				26,420
	62,895	33,500	0	0	96,395
Interim Appointments					
Interim HR Manager (Agency)	104,560				104,560
	104,560	0	0	0	104,560
Total One-Off and Interim Agency Costs	167,455	33,500	0	0	200,955
Cost / (-) Saving (including One-Off / Interim Agency Costs)	215,297	33,630	-22,768	-22,183	203,976
Funding Sources					
Interim HR Manager - Turnover (26 June Cabinet)	-17,000				-17,000
Interim HR Manager - BSR (26 June Cabinet)	-22,400				-22,400
Interim HR Manager - Turnover (3 July Cabinet)	-33,800				-33,800
Interim HR Manager - BSR (3 July Cabinet)	-31,360				-31,360
Redundancy - Restructuring Reserve (3 July Cabinet)	-33,500	-33,500			-67,000
Total Funding (Reserves / Corporate Turnover)	-138,060	-33,500	0	0	-171,560
Total Net Cost / (-) Saving	77,237	130	-22,768	-22,183	32,416

Average Annual Savings Requirement: £9,725

The total projected costs of £32.4K up to the end of 2021/22 have been averaged out over the relevant 40 month period (i.e. from 1 December 2018) to provide an equivalent average annual savings requirement of £9.7K and this equates to less than 1% of the Council's overall staffing budgets at circa £21m (excluding the Housing Revenue Account), after allowing for budgeted turnover.

It is assumed that the above will be achieved through natural turnover (excluding the Housing Revenue Account) / effective positive management once the new Directors are in post with associated one-off costs being managed in year through a combination of corporate turnover and use of the Budget Support and Restructuring Reserves. Any deviation from a 1st December implementation date could have an impact on the projected figures provided and so could go up or down. It is not possible to quantify by how much, however, due to the potential variables arising, but is expected to be manageable at this stage.

The figures provided also includes for a new Grade 8 Legal Services Manager post to be established to replace the former Legal Services Manager post, which was deleted in 2015 and who will also undertake the Monitoring Officer role. It is proposed to predominantly fund this through the deletion of a vacant Grade 7 post within Legal

Services, noting that assumptions have been based on current operations, with any future proposals, such as the pending wider Legal and Democratic Services restructure, being considered on their own merits.

It is envisaged that costs relating to recruitment will amount to around £26.4K. This includes adverts with the Municipal Journal and other external online adverts (circa £6.7K), assessment centre costs (up to £12K), travel and subsistence costs for those delivering the service, contributing to the recruitment process and for internal applicants' travel to the assessment centre (Circa £1.7K) and internal applicant' Development Support costs (circa £6K).

This is not too dissimilar to those costs which would be incurred if the proposals for the restructure not been made, i.e. it is anticipated that recruitment for the Chief Officer (Legal and Governance) and the Chief Officer (Regeneration and Planning) would have been taken forward separately at different times, with costs for both adding up to around £20.6K, based on costs incurred for the recruitment of the previous Chief Officer (Legal and Governance).

Cost and funding assumptions for the interim HR Manager assume that the current engagement will continue up to 31st March 2019 and work predominantly on proposed implementation of restructure, changes below that level and key projects like performance management, noting that if the contract were to end before this, there would be no impact for the specific savings requirement above, albeit there would be a reduced one-off call on the Budget Support Reserve during 2018/19. There is a specific recommendation needed for the continued engagement of the Interim HR Manager beyond 31st July 2018, however, and to continue to fund this through turnover (£33.8K) and the Budget Support Reserve (£31.4K).

For additional information, the following table shows the estimated cost of the current Management Team structure compared with the proposal for 2018/19 to show the overall impact of one-off recruitment and use of interim support costs for both structures. This demonstrates that there is still a projected cost expected by the end of the current year for the current Management Team structure due to the two vacant Chief Officer posts being covered through external provision.

	Current	Proposed
	2018/19	2018/19
	£	£
Current Structure	426,756	426,756
Proposed Structure (<i>excl One-Off / Interim Agency Costs</i>)	363,780	395,810
Cost / (-) Saving (<i>excl One-Off / Interim Agency Costs</i>)	-62,976	-30,946
One-Off Costs		
Redundancy Costs (<i>To be funded from Restructure Reserve</i>)	0	33,500
Consultancy Costs (<i>To be funded from Turnover</i>)	0	2,975
Recruitment Costs (<i>To be funded from Turnover</i>)	20,592	26,420
	20,592	62,895
Interim Appointments		
Interim Legal (<i>Agency</i>)	86,000	75,000
Interim HR Manager (<i>Agency</i>)	39,400	104,560
	125,400	179,560
Total One-Off and Interim Agency Costs	145,992	242,455
Cost / (-) Saving (<i>incl One-Off / Interim Agency Costs</i>)	83,016	211,509
Funding Sources		
Interim HR Manager - Turnover (<i>26 June Cabinet</i>)	-17,000	-17,000
Interim HR Manager - BSR (<i>26 June Cabinet</i>)	-22,400	-22,400
Interim Legal Manager - BSR (<i>26 June Cabinet</i>)	-32,000	-32,000
Interim HR Manager - Turnover (<i>3 July Cabinet</i>)	0	-33,800
Interim HR Manager - BSR (<i>3 July Cabinet</i>)	0	-31,360
Redundancy - Restructuring Reserve (<i>3 July Cabinet</i>)	0	-33,500
Total Funding (<i>Reserves / Corporate Turnover</i>)	-71,400	-170,060
Total Net Cost / (-) Saving	11,616	41,449

As this proposal falls outside of the current Budget and Policy Framework, then referral onto Full Council is required, prior to updating the General Fund Revenue Budget.

If the proposal is implemented, then any in-year variances will need to be reported through the Council's normal corporate monitoring process or directly to Cabinet in the usual way.

Similarly, any future savings from further restructuring / efficiencies arising once the New Directors are in post will need to be fed into the annual budget process for subsequent approval.

OTHER RESOURCE IMPLICATIONS

Human Resources: This report has been prepared with HR advice and includes information about HR implications.

Information Services:

Not applicable

Property:

It may be necessary to review accommodation as a result of the proposed staffing changes.

Open Spaces:

Not applicable

DEPUTY SECTION 151 OFFICER'S COMMENTS

In considering the proposal, Members are advised to consider whether it is capable of meeting the Council's future needs and provides the capacity required to deliver its ambitious corporate objectives. In this regard, Members should satisfy themselves that the proposal represent value for money, recognising the initial costs, balanced against the need to make financial savings in future years and generate additional income.

In terms of the Section 151 Officer's professional position and statutory responsibilities within the Council, the proposal is contrary to recommended practice as presented by the Chartered Institute of Public Finance and Accountancy (CIPFA). However, the proposal is not uncommon at other Councils, and can work provided the s151 Officer has access to / is invited to Executive Team meetings, where they would expect to contribute, and that they have access to all agendas and reports, and finally direct access to the Chief Executive. Members will also need to be content that the proposed Legal Services restructure retains sufficient capacity within the Service to maintain operational delivery, and support the Monitoring Officer role.

As the proposed restructure would increase the net spend over the amounts approved by Council at 2018/19 Budget and Medium Term Financial Strategy (MTFS) 2018 – 2022 approved by Council 28th February 2018, it falls outside of the Council's existing Budget & Policy Framework. On this basis the referral to Council for consideration is in accordance with the Council's Constitution.

MONITORING OFFICER'S COMMENTS

It is important to note this report provides for a major structural change in this authority. The roles and duties of the statutory officers are unchanged it is only the position within the organisation that changes. Members should satisfy themselves that adequate thought has been given to carrying out the roles in the proposed structure and the process and capacity exists to achieve this.

The leadership style adopted by Lancaster City Council allows cabinet to carry out all the executive functions of the local authority, which are not specifically reserved to another part of the authority (usually non-executive).

The key limitation on the exercise of the execution function is Cabinet must act within the Budget and Policy Framework set by full Council, the rules of procedure and the financial regulations. (Constitution article 7.06a).

The rules of procedure are clearly set out in the constitution part 4 and the financial regulations in Part 5.

It should also be noted Cabinet is responsible for the preparation of Policy Framework proposals (Constitution article 7.06b)

In this case the budget decision for the new operating model falls to Council on the recommendation of Cabinet as it falls outside of the Budgetary Framework. In these circumstances Cabinet may also wish to recommend the decision on the operating model, which sits within the framework is also taken at full council as the two decisions are linked.

Additionally Chief Officers and in particular statutory officers, enjoy enhanced protection due to their obligations to independently advise the executive. The role of the Chief Officers will be changed by this proposal and the agreement of full council to the changes and any potential redundancies will evidence compliance with the Local Authorities (Standing Orders) (England)(Amendment) Regulations 2015.

BACKGROUND PAPERS

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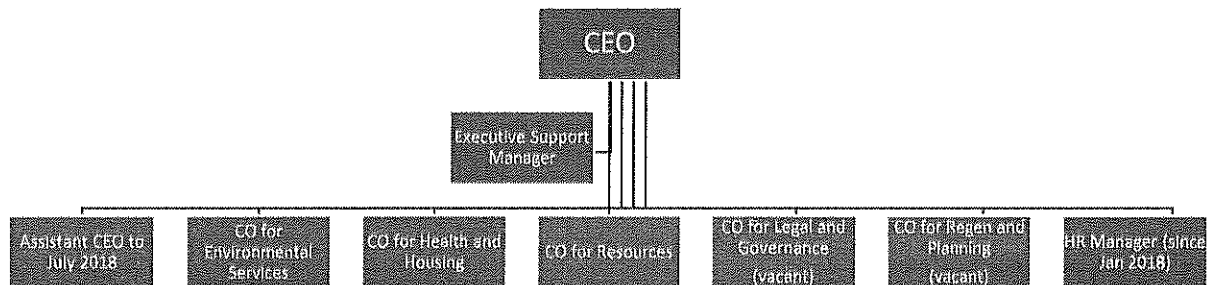
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List of Appendices

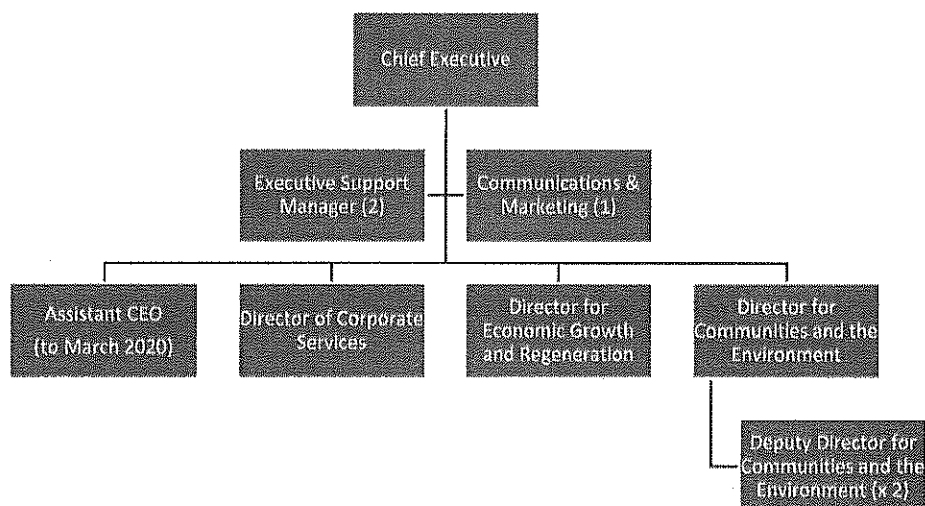
- A. Summary of Proposals for changes to the Executive Team Structure
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Summary of Proposals for changes to the Executive Team Structure

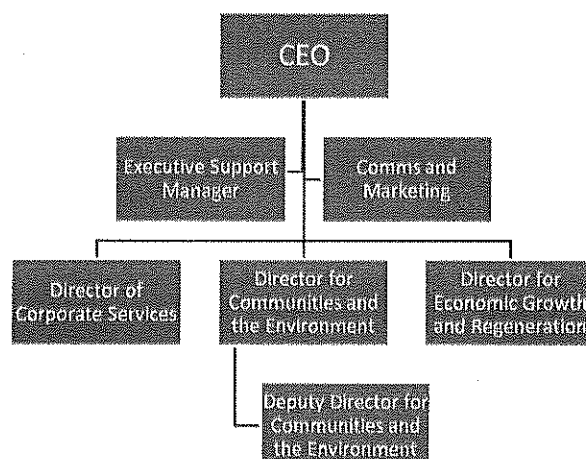
(1) Current Structure as at June 2018



(2) Proposed Interim Structure to be implemented in Autumn 2018



(3) Proposed Structure from April 2020



- (1) Comms and Marketing will be a dotted line into the Chief Executive
- (2) "This is an existing role, no changes are proposed"

By virtue of paragraph(s) 1, 2 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

By virtue of paragraph(s) 1, 2 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

Appendix I

Proposed Timetable for Implementation

The anticipated timescales relating to the implementation of the restructure proposal are as follows:

Task / Milestone	Date / Deadline
Decision made by Cabinet	3 July 2018
Decision communicated to staff	4 July 2018
Allow for call-in or full Council decision	18 July 2018
Outcome of call-in or Council decision - communicate to staff	19 July 2018
Advertise 3 New Director Roles	19 July 2018
Additional 121 support for Chief Officers (recruitment)	20 July to 10 August
Adverts Close	10 August 2018
Shortlist Applications (with Personnel Ctte)	14 August 2018
Shortlisting Interviews with external candidates	20 to 31 August 2018
Assessment Centre (Newcastle)	10 September 2018
Full Interviews (one role per day)	12 - 14 September 2018
Communicate Results to Chief Officers	17 September 2018
Commence selection process for Deputy Directors	18 September 2018
Expected appointment dates for new Directors	December 2018

By virtue of paragraph(s) 1, 2 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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CABINET

Executive Team: Roles and Structure 24 April 2018

Report of the Chief Executive

PURPOSE OF REPORT				
To enable Cabinet to consider a revised structure for the Executive Team, and give approval for the Chief Executive to commence formal consultation.				
Key Decision	X	Non-Key Decision		Referral from Cabinet Member
Date of notice of forthcoming key decision	25 March 2018			
This report is public. Appendix 1 to this report exempt from publication by virtue of paragraphs 1 and 2 of Schedule 12a of the Local Government Act 1972				

OFFICER RECOMMENDATION

- (1) That Cabinet agree to proceed with a consultation with Chief Officers and other parties for changes to the senior management structure.
- (2) That Cabinet invite Personnel Committee to consider the approaches in relation to recruitment and appointments to the proposed new structure.
- (3) To note that a report will be presented to Cabinet following conclusion of consultation

1.0 Background

The Council has developed highly ambitious plans in its draft Council Plan for enhancing the economy, environment and neighbourhoods and communities' wellbeing. This is underpinned by collaboration, facilitation and place-shaping. It has set out its priorities and vision for the district to thrive as a vibrant regional centre in the north west of England in its draft plan. One of the Council's four Ambitions for 2018-22, is to be a Smart and Forward-Thinking Council. The Council has also identified four principles which describe the approach it aims to take through its work; of particular relevance here is the stated principle of taking a "business-like approach".

There are a number of initiatives currently underway which will contribute heavily to the future ambitions of the Council, such as the development of a commercial agenda, the delivery of major regeneration initiatives, the investigation of local authority trading companies and the pursuit of a much enhanced digital agenda. In addition the Council needs to consider, at the same time, more radical plans which enable:

- A focus on the district as a place for investment
- The delivery of excellent services in the most efficient way

- The highest level of customer satisfaction, and
- Strengthening leadership at a senior level

- 1.1 The starting point for this work is to consider the future structure of the senior team.
- 1.2 Prior to finalising this report, consultation has taken place on its content with the LGA, North West Employers and SOLACE.

2.0 Senior Team Restructure

A need to restructure the senior team was identified in August 2015 by the previous Chief Executive. The proposal was rejected at the time as Cabinet felt the new Chief Executive (due to take up the post in July 2016) should consider and agree any structural changes.

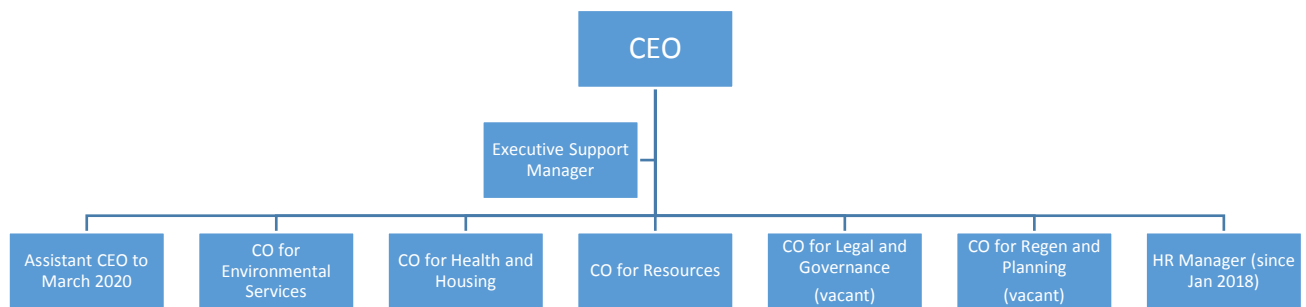
Since the current Chief Executive took up the role, the Council has reviewed its priorities and is now ready to start to work towards agreeing a new structure to effectively deliver on those priorities. The key aims of this proposed plan to restructure are to:

- Introduce a new structure with clearly defined senior roles which enable a strengthening of strategic focus on service provision and delivery, growth and sustainability
- Ensure the right skills are in place for each permanent role at Executive Team level to help shape and successfully drive forward the challenging agenda for the Council
- Bring together a cohesive and supportive team to deliver change

Additional to the potential benefits of a redefined structure is the opportunity this project gives the Council in relation to terms and conditions for senior staff, to create a remuneration structure for the senior team which enables the Council to retain and attract the highest possible standards of talent at this level. A separate exercise has been carried out to benchmark remuneration structures, and this will be reported to Personnel Committee for consideration.

The initial proposal for a new Executive Team Structure is based on what is considered to be appropriate for the Council both now, and for the coming years. Where previous restructures have been in response to an identified need to reduce spend on staffing, this proposal is about the structure the Council needs to put in place to progress an ambitious agenda moving forward. Additionally, this proposal will bring savings to the Council in the longer term should it be implemented.

The Council's existing Structure, at a senior level, is as follows:



Outlined in Appendix 1 is the proposed new structure, together with the rationale and the proposed plan for consultation and implementation.

Appendix 1 is classed as exempt from publication by virtue of paragraphs 1 and 2 of Schedule 12a of the Local Government Act 1972

3. Costs

Council approved in February 2018 a medium term financial strategy which outlines a saving requirement of £2.403M by 2021/22. The implementation of the Council's senior management reorganisation is to ensure capacity at a strategic level to enable the delivery of the savings required, and to maintain a balanced budget whilst delivering effective or improved services.

Specific costs relating to this proposal are outlined in the Appendix.

RELATIONSHIP TO POLICY FRAMEWORK The strategic rationale is set out in the body of this report.
CONCLUSION OF IMPACT ASSESSMENT (including Health & Safety, Equality & Diversity, Human Rights, Community Safety, HR, Sustainability and Rural Proofing) No direct impact at this stage.
LEGAL IMPLICATIONS Consultation is a requirement for the proposed restructure, which must be meaningful and proportionate as set out in the Appendix.
FINANCIAL IMPLICATIONS The financial implication are set out in the appendix to this report.
OTHER RESOURCE IMPLICATIONS Human Resources: This report has been prepared with HR advice and includes information about HR implications. Information Services: Not applicable Property:

It may be necessary to review accommodation as a result of the proposed staffing changes.

Open Spaces:

Not applicable

SECTION 151 OFFICER'S COMMENTS

Section 151 Officer approval has not been provided due to conflict of interest, and as this is a fiduciary duty, it is not possible for external sign-off as Section 151 Officer. However, technical financial advice has been sought and provided externally by the Local Government Association, to provide challenge and comment on the development and content of the final report.

MONITORING OFFICER'S COMMENTS

The Monitoring Officer has been consulted on this report and has no further comment.

Due to the potential conflict of interest for the Council's Section 151 Officer, I am satisfied that the use of specialist financial advice from the LGA is a reasonable and proportionate safeguard.

BACKGROUND PAPERS

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By virtue of paragraph(s) 1, 2 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted



Ambitions: Our Council Plan 2018-22 18 July 2018

Report of Cabinet

PURPOSE OF REPORT

To present the draft Council Plan 2018-22 as recommended by Cabinet for approval.

This report is public.

RECOMMENDATION OF CABINET

- (1) That Council approves the Council Plan 2018-22 as part of the Policy Framework.

1.0 Introduction

- 1.1 In early 2017, Cabinet members identified the need for the Council to refresh its strategic priorities in order to support future decision-making and planning, maintain operational and financial sustainability, and build resilience in a rapidly changing world.
- 1.2 A series of discussions based on a broad evidence base identified four strategic priority areas, known as 'Ambitions' as they represent the Council's aspirational aims for the District.
- 1.3 The Ambitions are underpinned by four key Principles, which will apply across the whole of the Council's work.
- 1.4 Cabinet members then worked with officers to develop a more detailed strategic direction in support of each of the Ambitions.
- 1.5 Alongside the Ambitions and Principles, the draft Council Plan also contains information on recent achievements, a summary of the scale and breadth of the Council's operations, and detailed information in support of each of the Ambitions.
- 1.6 Following consultation with members, stakeholders and the public, Cabinet on 26 June 2018 agreed that the finalised Plan be referred to Council for approval.

2.0 Proposal Details

- 2.1 Stating the Council's Principles and Ambitions for the period 2018-22 in an overarching strategic plan will provide a framework for decision-making and service delivery within the Council, and a reference point for anyone engaging with the Council as a customer or partner.
- 2.2 It is therefore proposed that Council approves the draft Council Plan 2018-22, in line with the requirements of the Policy Framework.
- 2.3 If Council approves the draft Plan, the content will be developed into a graphic-designed booklet for publication.

3.0 Details of Consultation

- 3.1 The Council Plan 2018-22 has been developed using information from a wide range of sources across the Council as well as an externally commissioned evidence base.
- 3.2 A draft version of the Plan was presented to Budget & Performance Panel members on 14 November 2017.
- 3.3 A draft version of the Plan was discussed at a workshop on Friday 2 March 2018 involving a large number of external partners and stakeholders along with Cabinet members and senior officers.
- 3.4 All members were invited to discuss the Plan with Cabinet members and senior officers on 24 May 2018.
- 3.5 A series of public drop-in sessions have been held in Lancaster, Morecambe and Carnforth, where members of the public have discussed the Plan with Cabinet members and senior officers.
- 3.6 The Plan will be reviewed each year to take account of any significant changes in strategy or context, based on ongoing engagement with our communities and partners.

4.0 Conclusion

- 4.1 Cabinet has given significant consideration to developing its strategic priorities, to guide the organisation in aligning its strategy and resources in implementing a number of key projects and initiatives.
- 4.2 Setting out a new Council Plan at this stage creates an opportunity to clearly state the Council's vision for the Lancaster district, and as such must be approved by Council.

RELATIONSHIP TO POLICY FRAMEWORK

The Principles and Ambitions contained within the Council Plan will form a central part of the Council's policy framework, providing a key reference point for decision-making over the period of the Plan.

CONCLUSION OF IMPACT ASSESSMENT

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

The Plan does not itself impact directly on service delivery, but provides a framework for decision-making over the period of the Plan. The broad scope of the Plan means that it would not in itself have a direct beneficial or detrimental effect on any particular group.

LEGAL IMPLICATIONS

None directly arising from this report.

FINANCIAL IMPLICATIONS

None directly arising from this report.

OTHER RESOURCE IMPLICATIONS, such as Human Resources, Information Services, Property, Open Spaces:

None directly arising from this report.

SECTION 151 OFFICER'S COMMENTS

In order to establish ambitious yet deliverable plans and protect the Council's financial sustainability, ideally the Council's strategic, operational and financial plans should be broadly in line, recognising that some scope for flexibility will inevitably be required. It is currently forecast that by 2021/22 the Council will have an annual budget deficit in the region of £2.4M. This means that based on its current operations and expectations (i.e. if nothing changed), the Council would not be sustainable; significant net budget savings, through efficiencies, income generation and/or service reductions, are expected to be needed by then to ensure its ongoing viability. The draft Council Plan recognises that need, and it is essential for the Council to translate its new Council Plan into a sound, deliverable and prioritised programme of change for implementation as soon as practicable. Work is currently underway on establishing this for Cabinet's consideration. The Council has reserves in place to help facilitate and implement such a programme, but clearly these are one-off resources that in themselves, do not present an ongoing financial solution. In support, an external financial health-check will be undertaken in the coming months, the results of which will be reported to Members, and it is envisaged that any action plan arising will also help the Council in tackling the challenges ahead.

MONITORING OFFICER'S COMMENTS

On approval by full Council the Council Plan will become the policy framework document under Article 4.01 (a) Corporate Plan

BACKGROUND PAPERS

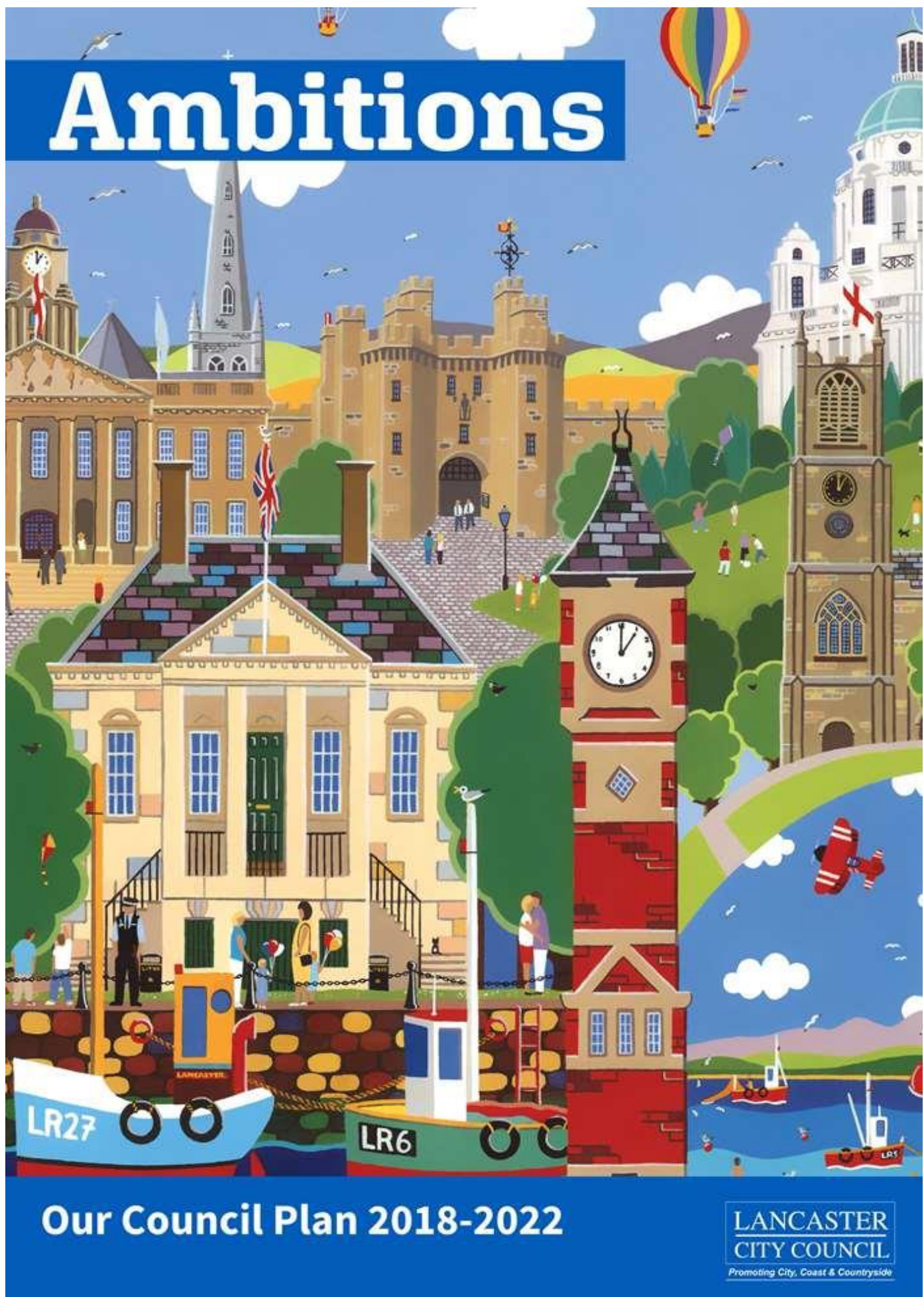
Draft Council Plan 2018-22

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Ref: N/A



Foreword

Our Council Plan sets out our priorities and vision for the Lancaster district to thrive as a vibrant regional centre in the north west of England.

Lancaster City Council is committed to making the most of our district's many attributes as a great place to live, work and visit. Our objective is to care for and improve the lives of all our residents - in Lancaster, Morecambe, Heysham, Carnforth, and the coastal and rural villages. We seek to achieve this in a way that is fair to the diverse range of people who live in our district, and in particular to protect those who are most vulnerable.

We recognise that in order to pursue the great opportunities ahead of us, we will need to work closely with residents, other public institutions, businesses and voluntary organisations. This is in the context of our need to achieve financial sustainability in what is a challenging, uncertain financial climate.

We believe in continuing to provide important services to our residents at a high level, and that the best way to protect our funding so we can do this is to generate income through commercial activity.

Our priority is to minimise the impact on communities by avoiding, or lessening as far as we can, any reductions in valued services, as we move to becoming financially self-sustaining.

We know that in order to thrive and continue improving in a demanding environment, we will need to be innovative and creative in designing the way we deliver excellent, accessible services and address the district's needs.

Our Council Plan sets out our four Ambitions for 2018-22:

- A Thriving and Prosperous Economy
- Clean, Green and Safe Neighbourhoods
- Healthy and Happy Communities
- A Smart and Forward-Thinking Council

We have also identified four Principles which describe the approach we will aim to take in all our work. These are:

- Community Leadership
- Shaping the Place
- A Professional Approach
- Valuing Distinctiveness

The Plan summarises how we can contribute to achieving our Ambitions by setting out:

- The available information which has influenced our thinking;
- How our work currently contributes to our Ambitions;
- Areas of work we will be focusing on during the period covered by this Plan;
- How others can work with us in successfully delivering our priorities; and
- Outcomes we will be measuring our success against.

(continues on next page)

We are committed to celebrating our joint successes and learning from any mistakes. To ensure that our Plan continues to reflect the needs of the district, we will be reviewing the Plan each year.

Achievements

We have achieved a number of successes over the last few years, and we are ambitious to build on these achievements in the delivery of our Council Plan:

Achieved Heritage City status

Developed Salt Ayre Leisure Centre

Submitted Local Plan

Supported Award-Winning Arts and Culture Events

Invested in Our Buildings: The Storey, Museums

Successfully Bid to Deliver Bailrigg Garden Village

Secured Funding for a Coastal Communities Team

Won the Home Adaptations Service of the Year award

Achieved Green Flag status in Williamson Park and Happy Mount Park

Won Seaside Awards for Morecambe's North and South Beaches

Built Morecambe Wave Reflection Wall

Our Principles

Our overall aim is to care for and improve the lives of all our residents across our district. We seek to achieve this in a way that is fair to the diverse range of people who live in our district, and in particular to protect those who are most vulnerable.

We carry out a huge variety of services and activities to achieve this, but we believe that throughout all of these we should serve our residents in line with four key Principles.

Community Leadership

We will engage with residents, businesses and other partners to understand their needs and views, and work with them to develop plans for positive change.

We believe that Community Leadership means

- Actively involving and seeking the views of our residents and partners;
- Being accessible and transparent;
- Being there on the ground when we are needed;
- Making socially, environmentally and fiscally responsible decisions
- Representing the interests of our district at a regional and national level

Shaping the Place

We want to champion the development of the district as a prime destination for businesses and for visitors, as well as improving the lives of those who live and work here. This means always considering the biggest possible picture and recognising how our work can contribute to further improvement of the district.

A Professional Approach

We are ambitious to see the district fulfil its potential, but recognise that we need to provide our services in an affordable way. Good financial management and stability are essential for our success. We aim to make the best use of our resources in all we do, and deliver services that provide excellent value for money.

As well as saving money where we can through efficiencies and innovation, we will also use our resources to

- Invest in regeneration activities that have a long-term positive impact on the district
- Invest to generate income for the Council, which can then be used to fund our services
- Invest in initiatives that save money without having a detrimental impact
- Develop appropriate commercial opportunities

Valuing Distinctiveness

We recognise that our district is unique in containing distinctive City, Coast and Countryside locations, including Lancaster, Morecambe, Heysham, Carnforth and the coastal and rural villages. We will deliver our services to each of our neighbourhoods in a way that is flexible and appropriate to local needs. We will also use our resources across different locations in a fair way which benefits the whole district.

Our Ambitions

A Thriving and Prosperous Economy

Our Priorities | We want to...

- Create strong conditions for growth so that businesses thrive and jobs are created
- With our partners, deliver major regeneration and infrastructure projects
- Support development of new skills and improved prospects for our residents
- Ensure that growth is good for all, and increased wealth benefits our local communities
- Work with partners to drive growth and achieve major investment across the Lancaster and South Cumbria Economic Region

Clean, Green and Safe Neighbourhoods

Our Priorities | We want to...

- Deliver, work in partnership and influence to make our district's neighbourhoods, parks and open space clean, well-maintained and safe
- Work towards parks and public spaces becoming financially self-sustaining
- Use innovation, technology and partnership with others to help improve the efficiency of services, improve customer satisfaction and reduce our impact on the environment

Healthy and Happy Communities

Our Priorities | We want to...

- Work with others to address health inequality, food and fuel poverty, mental health, loneliness
- Enhance community cohesion
- Improve access to arts and leisure, meaningful work, public open space, quality housing
- Protect and improve health focussing on early intervention and involving our communities in service design and delivery

A Smart and Forward-Thinking Council

Our Priorities | We want to...

- Be customer-focused and customer-friendly
- Ensure our future financial resilience and be financially sustainable
- Use business intelligence to design our organisation to respond to needs
- Use digital and other technology to provide quality services
- Use our land and other property to benefit our communities
- Invest in our staff to ensure we have the internal expertise to deliver our plans
- Be recognised for providing value for money

Snapshot of Our Services in 2017-18

- £269,800 funding for voluntary and community services
- Improved 2143 homes, including 207 private tenant and 1936 owner-occupied properties
- 192 homes benefitted from our warm homes initiative
- Rehoused 442 applicants into our council houses
- Prevented 662 households becoming homeless
- Rehoused 622 people into permanent accommodation from the housing register
- Over 3,800,000 bins and boxes of household waste collected in a year
- 100% Gas Safety Inspections completed on our 3165 homes
- Recycled 19,387 tons of household waste: 39% of all waste collected
- Delivered a waste and recycling service to 64,000 properties
- Administered over 1400 planning applications
- Answered over 1900 phone calls per week from our customers
- Almost 17,000 claims for Housing Benefit and Council Tax Support
- 100% of high risk food inspections completed
- 751 food inspections and visits completed
- 112 high risk health and safety inspections completed (100%)
- Enabled 134 new affordable homes
- Named and numbered 541 properties
- Worked with over 30 voluntary organisations to support 663 areas of public open space
- Dealt with 2030 pest treatment and pest-proofing service requests
- Welcomed 747,301 visitors to Salt Ayre Leisure Centre
- Attracted an audience of over 80,000 to the Council's 2 major festivals
- Secured £200,900 funding for the arts
- Received over 110,000 enquiries at our Visitor Information Centres

A Thriving and Prosperous Economy

Our Priorities | We want to...

- Create strong conditions for growth so that businesses thrive and jobs are created
- With our partners, deliver major regeneration and infrastructure projects
- Support development of new skills and improved prospects for our residents
- Ensure that growth is good for all, and increased wealth benefits our local communities
- Work with partners to drive growth and achieve major investment across the Lancaster and South Cumbria Economic Region

What we know

Some of the key issues facing our local communities:

- Our centres of Lancaster and Morecambe need new shopping and leisure facilities
- Unemployment is at 4.7%, slightly above the national average (4.6%);
- Lower rate of employment in the manufacturing sector than both regionally and nationally;
- High number of jobs in the education sector, benefiting from two universities
- The average annual pre-tax personal income is £22,300, £5,100 below the national average;
- The number of people with NVQ2 Qualifications and above is below the national average;
- 77% of residents who are employed work within the district
- High numbers of graduates leave the district for employment

Our Services

- | | |
|--------------------------------|--|
| • Planning | • Engineering |
| • Building Control | • Economic Development and Growth |
| • Tourist Information | • Public Realm maintenance |
| • Regeneration | • Visitor and Public attractions |
| • Marketing and Communications | • Areas of Outstanding Natural Beauty (AONB) |
| • Conservation | • Property |
| • Tourism Development | • Museums |
| • Arts and Culture support | |
| • Festivals and Events | |

What we will do

Regeneration

- ✓ Transform our centres and encourage more investment and jobs through major regeneration projects, including the Canal Quarter
- ✓ Facilitate and deliver employment growth at Heysham Gateway

- ✓ Work with partners to deliver an innovative Bailrigg Garden Village settlement as a great place for people to live and work
- ✓ Attract investment and regenerate Morecambe by completing the Morecambe Area Action Plan
- ✓ Undertake a programme of public realm improvements to town centres, streets and car parks
- ✓ Enable the delivery of quality infrastructure in partnership with developers and other partners

Employment and Business

- ✓ Develop the role of our key service centres, including Lancaster, Morecambe, Heysham and Carnforth, to serve the needs of the wider area both within and beyond the district
- ✓ Encourage local business growth and start-ups by facilitating access to business support services
- ✓ Increase investment and jobs by supporting the development of key employment sectors, including energy and environment, digital, health innovation, and tourism)
- ✓ Support development of new trade and investment opportunities for our businesses
- ✓ Position the district and the Lancaster and South Cumbria Economic Region as an outstanding place to do business and invest, as well as live, work and visit
- ✓ Develop and promote our exceptional arts and cultural offer at the national and international level, as a distinctive part of our offer to residents and visitors
- ✓ Provide employment opportunities through apprenticeships, work experience, volunteering and mentoring programmes
- ✓ Develop skills and improve prospects for local people in partnership with others
- ✓ Engage with the local business community throughout our urban and rural areas to understand needs and provide support and networking opportunities
- ✓ Find innovative ways to boost tourism and spending in partnership with the Business Improvement Districts (BIDs), Chamber of Commerce and other partners
- ✓ Support the delivery of an improved retail experience
- ✓ Attract growth funding and create new jobs through working with the Lancashire Local Enterprise Partnership (LEP)
- ✓ Support the provision of flexible small and micro-business spaces to meet the needs of our businesses, social enterprises and cooperatives

Social Value

- ✓ Promote and provide 'social value' by updating our procurement policies and practices in support of increasing local spend and delivering value for money, as well as tackling modern slavery and encouraging fair tax practices
- ✓ Encourage local procurement and increase spend in the local area through a local wealth-building scheme
- ✓ Secure local benefits from economic growth by developing new ways of connecting businesses and communities
- ✓ Protect the district from the effects of flooding by continuing to deliver sea and river defences and resilience schemes
- ✓ Retain resources and skills locally by working with local businesses and contractors

How others can help

- ✓ Spending locally and helping to retain wealth in the local area
- ✓ Investing in our economy and employing local people
- ✓ Actively supporting Morecambe and Lancaster Business Improvement Districts;
- ✓ Being ambassadors and champions for the district, locally, regionally, nationally and overseas;
- ✓ Continuing to support our thriving arts culture and tourism offer;
- ✓ Providing mutual support, networking and learning;
- ✓ Businesses can invest in employees' skills and development to attract investment
- ✓ Supporting local organisations to bid for funding and grant opportunities from the private sector

What success will look like by 2022

Regeneration

- Regenerated Lancaster city and Morecambe town centre;

Employment and Business

- Growing local economy
- More local jobs and people in employment;
- More new businesses and investment in our district;
- Improved level of skills in the district
- More successful businesses;
- Improved retail offer;
- More visitors and greater spend;
- Increased perception of the district as a place to visit

Social Value

- More of the Council's supplies and services being sourced locally
- Increased level of public sector spend retained in the district

Clean, Green and Safe Neighbourhoods

Our Priorities | We want to...

- Deliver, work in partnership and influence to make our district's neighbourhoods, parks and open space clean, well-maintained and safe
- Work towards parks and public spaces becoming financially self-sustaining
- Use innovation, technology and partnership with others to help improve the efficiency of services, improve customer satisfaction and reduce our impact on the environment

What we know

This is a snapshot of some of the key issues facing our local communities:

- The continued input of 'Friends of' groups and others means our parks and open spaces are maintained to a much higher standard, and have better facilities, than the Council could provide on its own
- Visitor numbers continue to increase to our Green Flag-awarded Happy Mount Park and Williamson Park
- Anti-social behaviour remains a key issue for our residents
- The Lancaster District remains a top performer for the low amount of household waste produced; in common with the rest of Lancashire there has been a reduction in the amount of household waste recycled: down from 45% in 2015-16 to 39% in 2016-17
- Fly tipping remains a problem, with on average over 1900 incidents dealt with per year
- Residents and businesses value public CCTV as a tool to provide reassurance on public safety, deter crime and improve our chances of successful enforcement and prosecution

Our Services

We deliver a range of services which we adapt and review to meet local needs and opportunities and to take account of our funding situation. Current services we deliver that help to create clean and safe neighbourhoods include:

- | | |
|---|---|
| • Street Cleansing | • Building Cleaning |
| • Graffiti Removal | • Public toilets |
| • Grounds Maintenance | • CCTV |
| • Arboriculture | • Civil Contingencies |
| • Parks, Play Areas and Open Spaces | • Community Safety |
| • Street Naming | • Safeguarding |
| • Amenity Lighting | • Anti-Social Behaviour Team |
| • Waste Collection and Recycling | • Dog Warden Service |
| • Bulky Household Waste Collections | • Council Housing Repairs and Maintenance |
| • Trade Waste Collection | • Off-Street Car Parking |
| • Environmental Enforcement (Litter / Waste / Abandoned Vehicles) | • Markets |

What we will do

Great Places

- ✓ Become nationally recognised as a district that values the importance of all its open space
- ✓ Ensure we provide the services the district needs by fundamentally challenging the way we do our work, and providing value for money
- ✓ Encourage and support our staff to be ambitious for the district and recognise the important part every individual has to play
- ✓ Improve the effectiveness and efficiency of our services, deliver savings, and improve customer satisfaction, by making innovative use of technology across services like litter bin emptying, car parking and trade waste collection
- ✓ Develop and invest in our most-visited parks, Williamson Park and Happy Mount Park, to become recognised regional and national visitor attractions

Clean and Green

- ✓ Ensure all our open space is clean, attractive and serving a useful purpose by gaining an understanding of the different needs of our communities and working with them
- ✓ Create a positive image for the district by improving and maintaining the cleanliness of our streets, focusing on litter, fly tipping and graffiti
- ✓ Contribute to the reduction of waste by providing high levels of service, setting an example as a Council and working with Lancashire County Council and other partners to promote this
- ✓ Reduce the amount of single-use plastics through practical projects, partnership working and raising public awareness of the problem
- ✓ Contribute to tackling climate change by joining the UK100 network of local government leaders committed to transitioning towards 100% clean energy by 2050 **(subject to Council agreement)*

Safe

- ✓ Tackle key issues like anti-social behaviour, fly-tipping, littering through addressing root causes, working in partnership and using technology
- ✓ Ensure our employees are on the ground when and where they are needed, working with communities to identify and resolve issues
- ✓ Safeguard vulnerable groups at risk of being victims of crime by working with others and sharing information
- ✓ Improve community resilience by supporting community groups and parish councils with emergency planning
- ✓ Play our part in reducing crime and anti-social behaviour through innovative ways of working in partnership with the police and others
- ✓ Reduce the fear of crime by promoting community safety initiatives and providing safe, welcoming places

How others can help

- ✓ Residents and businesses can reduce waste
- ✓ Keep our local environment clean and tidy through work with Parish / Town Councils, 'Friends of' Groups, volunteer clean-ups etc
- ✓ Look out for the safety of neighbours, especially the elderly and vulnerable residents;
- ✓ Be responsible for personal safety and property
- ✓ Accept that we all have a part to play in improving the appearance and safety of the district

What success will look like by 2022

Great Places

- Williamson Park and Happy Mount Park will be financially self-sustaining
- Subsidy of our public realm work is decreased but the overall offer is increased through investment, innovative working, use of technology and generation of income
- Williamson Park recognised as a national visitor attraction for leisure, conferences and weddings
- Increased visitor numbers to our major parks with national recognition via Green Flag, In Bloom and other awards
- Increased amount of time contributed by volunteers in our parks and open spaces
- National recognition for our approach to managing the public realm

Clean and Green

- Reduced amount of waste collected from each household
- Improved efficiency and service delivery in waste collection and recycling through use of technology
- Improved energy efficiency, delivering increased use of green energy across our buildings and fleet, including electric vehicles
- Reduced fly-tipping

Safe

- Reduced Anti-Social Behaviour
- Vulnerable residents will be supported and protected when they most need it

Healthy and Happy Communities

Our Priorities | We want to...

- Work with others to address health inequality, food and fuel poverty, mental health, loneliness
- Enhance community cohesion
- Improve access to arts and leisure, meaningful work, public open space, quality housing
- Protect and improve health focussing on early intervention and involving our communities in service design and delivery

What we know

Healthy and Happy

- On average, residents rated their happiness at 7.48 out of 10, making them happier than the England average of 7.37
- Our population is estimated to increase by 4.41% to 147,505, by 2024;
- 19% of our residents are over 65, 8% are over 75, and 2% are over 85, with the number of residents aged over 75 set to increase by 42% by 2024;
- Visits to Salt Ayre Leisure Centre increased from 382,220 in 2016/17 to 747,301 in 2017/18 following our investment in improving the centre;
- Carbon Dioxide emissions in the district are below the national average in terms of tonnes per person, but emissions from transport are particularly high;
- The number of people admitted to hospital for alcohol consumption is higher than the national average;
- 16.6% of adults consider themselves as obese, whilst 41.7% consider themselves as overweight;
- 23% of the residents say they did not partake in any physical activity;
- Around 11% of households are socially isolated;
- 18% of residents over the age of 60 live below the poverty line;
- We completed 232 Disabled Facilities Grants in 2017/18, an increase of 22%
- Over 10,978 households seek housing advice every year and around 1,800 households are registered with social housing register;
- The roll-out of Universal Credit continues, with over 6,000 claimants in receipt alongside existing Housing Benefit claimants
- 10,687 claimants continue to receive financial support for their Council Tax bills through the Council's local scheme

Homes and Communities

- We need to deliver more than 600 new homes every year, including 370 affordable homes, to meet the needs of a growing population and expanding economy which has the potential for thousands of new jobs
- 3,300 households in the district are in need of housing now but are unable to afford housing on the open market by buying or renting

- In 2016/17 a record 628 new homes were built in the district, including 168 affordable homes and with 73% built on brownfield land
- Many more students are now living on campus and in off-campus accommodation; in the last year planning permission was granted for more than 1,500 new student bedrooms

Our Services

- Food Safety and Inspections
- Health and Safety Inspections
- Workplace Safety
- Community Protection
- Pest Control
- Licensing
- Housing Standards
- Homelessness Prevention
- Housing Options
- Home Improvements and Adaptations
- Choice based lettings
- Cemeteries
- Parks, play areas and open spaces
- Salt Ayre Leisure Centre
- Leisure Services
- Festivals and Events
- Public health and wellbeing
- Pollution Control
- Control of infected diseases
- Port Health
- Business Support and Advice
- Council Housing
- Housing Benefit

What we will do

Healthy and Happy

- ✓ Enable more and better quality leisure, physical activity and cultural opportunities, including promotion of our Go Card access to leisure scheme
- ✓ Play our part in addressing the district's health needs in collaboration with other health and social care organisations
- ✓ Support more disabled and older people in staying healthy and active
- ✓ Continue to help more people remain at home through Disabled Facilities Grants
- ✓ Prevent homelessness by providing help and advice
- ✓ Adopt a preventative early intervention approach to Public Protection services alongside partners
- ✓ Support communities and help businesses to grow through balanced regulatory services which take robust action against those who put our citizens or the environment at risk
- ✓ Help reduce fuel poverty through a warm homes service and supporting the Fairerpower energy scheme
- ✓ Promote benefits of activities that improve mental and social health and wellbeing
- ✓ Encourage residents to enjoy the outdoors through excellent maintenance and development of our parks and open spaces
- ✓ Work with Lancashire County Council and Highways England on proposals for new transport infrastructure, including new roads, a rapid bus route and improved cycling and walking routes
- ✓ Pursue opportunities to transfer some open spaces to local organisations who can look after them for the enjoyment of all

- ✓ Target Council Tax Support to those who most need it, by working with partners to develop a simpler, more efficient yet fair Council Tax Support system
- ✓ Attract new investment to bring people together, build on shared values and improve relationships with our communities no matter what their age, gender, race or religion
- ✓ Actively involve young people to design facilities, activities and services which meet their needs
- ✓ Improve air quality by reducing vehicle emissions in the district
- ✓ Engage with the Department for Work and Pensions (DWP) to help ensure the further roll-out of Universal Credit supports residents in securing their homes as well as employment

Homes and Communities

- ✓ Provide affordable housing by working with developers and social landlords to secure investment
- ✓ Allocate the sites needed to deliver thousands of new homes and create opportunities for thousands of new jobs by submitting a new Local Plan to the government
- ✓ Progress the Bailrigg Garden Village proposal by preparing an area action plan
- ✓ Continue the delivery of more new affordable homes by continuing to work positively with active local Housing Associations
- ✓ Meet the housing needs of a growing and diverse population by exploring and developing options to build new council homes
- ✓ Support community groups in bringing forward community-led housing developments that will meet a local identified need

How others can help

- ✓ Pursue a healthy lifestyle and take responsibility for personal and family health;
- ✓ Volunteer to help good causes and vulnerable people;
- ✓ Create healthy workspaces and improve people's wellbeing;
- ✓ Look out for the physical and mental wellbeing of neighbours, especially elderly and vulnerable residents;
- ✓ Support development of money management skills to assist families with personal and household budgeting
- ✓ Work with funders such as Homes England, developers and social landlords to encourage investment in affordable housing;
- ✓ Coordinated approach to health and social care and investment in preventative physical, mental and social health activities;
- ✓ Consider using alternate means of transport to help reduce vehicle emissions

What success will look like by 2022

Healthy and Happy

- More people will be active and healthy;
- More people will be involved in volunteering and community activity;
- Fewer people and families will be homeless;
- More people will be living independently at home;

- More people will be satisfied with the district as a place to live and visit;
- Improved housing conditions in the West End of Morecambe
- Reduced vehicle emissions
- Fuel Poverty will be reduced across the district

Homes and Communities

- More homes to buy and rent including more affordable homes;
- Better quality housing;
- Increased variety of housing options for those in need;

DRAFT

A Smart and Forward-Thinking Council

Our Priorities | We want to...

- Be customer-focused and customer-friendly
- Ensure our future financial resilience and be financially sustainable
- Use business intelligence to design our organisation to respond to needs
- Use digital and other technology to provide quality services
- Use our land and other property to benefit our communities
- Invest in our staff to ensure we have the internal expertise to deliver our plans
- Be recognised for providing value for money

What we know

- By 2020/21 our revenue is forecast to decrease by £2.4million
- Technology is fast-moving, and is having an enormous impact on how many of our residents, businesses and visitors want to interact with us - but this doesn't include everybody
- We have many opportunities to improve our services and our financial outlook, through transforming our approach and arrangements for service delivery, and how we deploy our resources - and we need to prioritise to secure the best results

What we will do

Customer-Focused

- ✓ Provide the best possible customer experience and outcomes by adopting digital and other technology, whilst ensuring that no one is excluded
- ✓ Continually review our approach and performance to ensure that we are delivering high-quality, value-for-money services
- ✓ Serve residents, businesses and visitors by working in a way that reflects Our Principles
- ✓ Be open, transparent and accountable about how we are performing

Smart and Forward-Thinking

- ✓ Invest in our staff to build a highly skilled workforce that is resilient and effective in identifying and meeting local needs
- ✓ Take every opportunity to improve by learning from our own experiences and others' best practice
- ✓ Enable our staff to focus on what matters most by developing innovative ways of working and reducing bureaucracy
- ✓ Maintain our financial stability and sustainability by developing innovative approaches to using our resources, making savings and generating income
- ✓ Improve the financial and operational performance of our property portfolio (through review, investment and rationalisation) to achieve greater benefits for the district and its communities
- ✓ Focus our resource on prevention, early intervention and protecting the most vulnerable

- ✓ Design our services around current and future needs by using a wide range of information sources to inform our decisions
- ✓ Continue to invest in initiatives that will deliver long-term benefit and save money for both the Council and across our communities
- ✓ Build on the financial, social and health benefits created by the transformation of Salt Ayre Leisure Centre, creating further efficiencies for the Council
- ✓ Draw on expert knowledge from our partners in the community, other public institutions and businesses

How others can help

- ✓ Accept that we cannot solve all local issues alone;
- ✓ Work with us to deliver initiatives in partnership or independently;
- ✓ Understand that our resources are reducing and that we need to adapt our service delivery;
- ✓ Use web and phone apps to contact and do business with us

What success will look like by 2022

Customer-Focused

- More customers are satisfied with our services;
- More people will interact with us through our website and other digital channels at a time that suits them;

Smart and Forward-Thinking

- We will be financially sustainable and money will be spent effectively and efficiently;
- We will have clear corporate values and be committed to openness and transparency;
- We will be more innovative in how we deliver services and make a difference locally;
- We will have a high-performing property portfolio, fit for purpose and fit for the future
- Our workforce will be highly engaged and satisfied with the council as an employer of choice

COUNCIL

Treasury Management Outturn 2017/18 18 July 2018

Report of Cabinet

PURPOSE OF REPORT
This report presents the treasury management outturn for 2017/18, for Council's information.
This report is public.

RECOMMENDATIONS

1. That the Annual Treasury Management report and Prudential Indicators as set out at Appendix A be noted.

1 Introduction

- 1.1 At the Cabinet meeting held on 26 June, Members noted the annual treasury management report for 2017/18, as attached at **Appendix A**, and referred it on to Council for information.
- 1.2 The report sets out the performance of treasury operations for 2017/18 in terms of long and short term borrowing, investment activities and relevant borrowing limits and prudential indicators. Under the Code of Practice on Treasury Management in Local Authorities, it is a requirement that an information report on these matters be presented to full Council as well as Cabinet.

CONCLUSION OF IMPACT ASSESSMENT
(including Diversity, Human Rights, Community Safety, Sustainability and Rural Proofing)
None directly arising.
LEGAL IMPLICATIONS
There are no legal implications arising from this report.
FINANCIAL IMPLICATIONS
As set out in the attached report.
OTHER RESOURCE IMPLICATIONS, such as Human Resources, Information Services, Property, Open Spaces:
None directly arising.

SECTION 151 OFFICER'S COMMENTS

The s151 Officer has no further comments to add.

MONITORING OFFICER'S COMMENTS

The Monitoring Officer has no further comments to add.

BACKGROUND PAPERS

None.

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Ref:

Appendix A

Annual Treasury Management Report 2017/18

For Council Information 18 July 2018
and as noted by Cabinet 26 June 2018

Annual Treasury Management Review 2017/18

Purpose

The Council is required by regulations issued under the Local Government Act 2003 to produce an annual treasury management review of activities and the actual prudential and treasury indicators for 2017/18. This report meets the requirements of both the CIPFA Code of Practice on Treasury Management (the Code) and the CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code).

During 2017/18 the minimum reporting requirements were that the full Council should receive the following reports:

- an annual treasury strategy in advance of the year (Council 01 March 2017)
- a mid-year (minimum) treasury update report (Council 28 February 2018)
- an annual review following the end of the year describing the activity compared to the strategy (this report).

In addition, Members have received quarterly treasury management update reports on which were presented to Cabinet and Budget and Performance Panel.

The regulatory environment places responsibility on members for the review and scrutiny of treasury management policy and activities. This report is, therefore, important in that respect, as it provides details of the outturn position for treasury activities and highlights compliance with the Council's policies previously approved by members.

The Council confirms that it has complied with the requirement under the Code to give prior scrutiny (by Budget and Performance Panel) to all of the above treasury management reports before they were reported to the full Council. Member training on treasury management issues was undertaken during the year on 6 February 2018 in order to support members' scrutiny role.

Introduction and Background

This report summarises the following:-

- Capital activity during the year;
 - Impact of this activity on the Council's underlying indebtedness (the Capital Financing Requirement);
 - The actual prudential and treasury indicators;
 - Overall treasury position identifying how the Council has borrowed in relation to this indebtedness, and the impact on investment balances;
 - Summary of interest rate movements in the year;
 - Detailed debt activity; and
 - Detailed investment activity.
-

1. The Council's Capital Expenditure and Financing 2016/17

The Council undertakes capital expenditure on long-term assets. These activities may either be:

- financed immediately through the application of capital or revenue resources (capital receipts, capital grants, revenue contributions etc.), which has no resultant impact on the Council's borrowing need; or
- if insufficient financing is available from the above sources, or a decision is taken not to apply such resources, the capital expenditure will give rise to a borrowing need (also referred to as "unfinanced", within the tables and sections below).

The actual capital expenditure forms one of the required prudential indicators. The table below shows the actual capital expenditure and how this was financed.

General Fund (GF) £M	2016/17 Actual	2017/18 Estimate	2017/18 Actual
Capital expenditure	12.63	12.15	11.64
Financed in year	6.18	7.79	7.23
Unfinanced capital expenditure (i.e. reliant on an increase in underlying borrowing need)	6.45	4.36	4.41

HRA £M	2016/17 Actual	2017/18 Estimate	2017/18 Actual
Capital expenditure	4.08	4.20	4.03
Financed in year	4.08	4.20	4.03
Unfinanced capital expenditure (i.e. reliant on an increase in underlying borrowing need)	0.00	0.00	0.00

2. The Council's Capital Financing Requirement 2016/17

The Council's underlying need to borrow for capital expenditure is termed the Capital Financing Requirement (CFR). This figure is a gauge of the Council's indebtedness. The CFR results from the capital activity of the Council and resources used to pay for the capital spend. It represents the 2017/18 unfinanced capital expenditure (see above table), and prior years' net or unfinanced capital expenditure which has not yet been paid for by revenue or other resources.

Part of the Council's treasury activities is to address the funding requirements for this borrowing need. Depending on the capital expenditure programme, the treasury function organises the Council's cash position to ensure that sufficient cash is available to meet the capital plans and cash flow requirements. This may be sourced through borrowing from external bodies (such as the Government, through the Public Works Loan Board [PWLb] or the money markets), or utilising temporary cash resources within the Council.

Reducing the CFR – the Council's (non HRA) underlying borrowing need (CFR) is not allowed to rise indefinitely. Statutory controls are in place to ensure that capital assets are broadly charged to revenue over the life of the asset. The Council is required to

make an annual revenue charge, called the Minimum Revenue Provision – MRP, to reduce the CFR. This is effectively a repayment of the non-Housing Revenue Account (HRA) borrowing need (there is no statutory requirement to reduce the HRA CFR). This differs in purpose from other treasury management arrangements, which ensure that cash is available to meet capital commitments. External debt can also be borrowed or repaid at any time, but this does not change the CFR.

The total CFR can also be reduced by:

- the application of additional capital financing resources (such as unapplied capital receipts); or
- charging more than the statutory revenue charge (MRP) each year through a Voluntary Revenue Provision (VRP).

The Council's 2016/17 MRP Policy (as required by CLG Guidance) was approved as part of the Treasury Management Strategy Report for 2017/18 on 01 March 2017.

The Council's CFR for the year is shown below, and represents a key prudential indicator. It includes leasing schemes on the balance sheet, which effectively increase the Council's borrowing need. No borrowing is actually required against these schemes, however, as a borrowing facility is included in the contract (if applicable).

CFR (£M): General Fund	31 March 2017 Actual	31 March 2018 Estimate	31 March 2018 Actual
Opening balance	35.37	40.62	40.62
Add unfinanced capital expenditure (as above)	6.45	4.36	4.41
Less MRP	(1.12)	(1.38)	(1.38)
Less finance lease repayments	(0.08)	(0.04)	(0.04)
Closing balance	40.62	43.56	43.61

CFR (£M): HRA	31 March 2017 Actual	31 March 2018 Estimate	31 March 2018 Actual
Opening balance	42.52	41.45	41.45
Add unfinanced capital expenditure (as above)	0.00	0.00	0.00
Less Debt Repayment	(1.07)	(1.04)	(1.06)
Closing balance	41.45	40.41	40.39

CFR (£M): Combined	31 March 2017 Actual	31 March 2018 Estimate	31 March 2018 Actual
Opening balance	77.89	82.07	82.07
Add unfinanced capital expenditure (as above)	6.45	4.36	4.41
Less Debt Repayment, Finance Leases and MRP	(2.26)	(2.46)	(2.47)
Closing balance	82.07	83.97	84.01

Borrowing activity is constrained by prudential indicators for net borrowing and the CFR, and by the authorised limit.

Gross borrowing and the CFR - in order to ensure that borrowing levels are prudent over the medium term and only for a capital purpose, the Council should ensure that its gross external borrowing does not, except in the short term, exceed the total of the capital financing requirement in the preceding year (2016/17) plus the estimates of any additional capital financing requirement for the current (2017/18) and next two financial years. This essentially means that the Council is not borrowing to support revenue expenditure. This indicator allowed the Council some flexibility to borrow in advance of its immediate capital needs in 2017/18. The table below highlights the Council's gross borrowing position against the CFR. The Council has complied with this prudential indicator.

	31 March 2017 Actual	31 March 2018 Estimate	31 March 2018 Actual
Gross borrowing position	£65.29M	£64.21M	£64.21M
CFR	£82.07M	£83.97M	£84.01M

The authorised limit - the authorised limit is the “affordable borrowing limit” required by s3 of the Local Government Act 2003. Once this has been set, the Council does not have the power to borrow above this level. The table below demonstrates that during 2017/18 the Council has maintained gross borrowing within its authorised limit.

The operational boundary – the operational boundary is the expected borrowing position of the Council during the year. Periods where the actual position is either below or over the boundary are acceptable subject to the authorised limit not being breached.

Actual financing costs as a proportion of net revenue stream - this indicator identifies the trend in the cost of capital (borrowing and other long term obligation costs net of investment income) against the net revenue stream.

	2017/18 Actual
Authorised limit	100.00
Maximum gross borrowing position	65.25
Operational boundary	83.98
Average gross borrowing position	64.90
Financing costs as a proportion of net revenue stream - GF	15.50%
Financing costs as a proportion of net revenue stream - HRA	21.7%

3. Treasury Position as at 31 March 2017

The Council's debt and investment position is administered to ensure adequate liquidity for revenue and capital activities, security for investments and to manage risks within all treasury management activities. Procedures and controls to achieve these objectives are well established both through member reporting detailed in the summary, and through officer activity detailed in the Council's Treasury Management Practices. At the end of 2017/18 the Council's treasury (excluding borrowing relating to finance leases) position was as follows:

	31 March 2017 Principal	Average Rate	Average Life yrs	31 March 2018 Principal	Average Rate	Average Life yrs
Fixed rate funding:						
PWLB	£65.25M	4.61%	36	£64.21M	4.64%	35
Total debt	£65.25M			£64.21M		
CFR	£82.07M			£84.01M		
Over / (under) borrowing	(£16.82M)			(£19.80M)		
Total investments	£30.25M	0.37%		£25.10M	0.33%	

All investments were placed for under one year.

The loan repayment schedule is as follows:

	31 March 2017 actual	31 March 2018 actual
Under 12 months	£1.04M	£1.04M
12 months and within 24 months	£1.04M	£1.04M
24 months and within 5 years	£3.12M	£3.12M
5 years and within 10 years	£5.21M	£5.21M
10 years and within 20 years	£10.41M	£10.41M
20 years and within 30 years	£10.41M	£10.41M
More than 30 years	£34.02M	£32.98M

The average rate of interest payable on PWLB debt in 2017/18 was 4.64%. A total of £3.08M interest was incurred during the year, of which £1.92M was recharged to the HRA.

Interest Payable

	2017/18
Estimate	£3.01M
Actual	£3.02M

Prudential Indicators also provide exposure limits that identify the maximum limit for variable / fixed interest rate exposure, based upon the debt position. The table below shows that the outturn position was within the limits set by Members at the beginning of the year. The Council currently only has fixed interest rate debt, although again this could change in future if market conditions warrant or facilitate it.

Fixed/Variable rate limits

	Prudential Indicator (%)	Actual (%)
Fixed Rate	100	100
Variable Rate	30	0

4. The Strategy for 2017/18

The expectation for interest rates within the treasury management strategy for 2017/18 anticipated that the Bank Rate would not start rising from 0.25% until 31 March 2020. Continued uncertainty in the aftermath of the 2008 financial crisis promoted a cautious approach, whereby investments would continue to be dominated by low counterparty risk considerations, resulting in relatively low returns compared to borrowing rates.

5. The Economy and Interest Rates (supplied by Link Asset Services)

During the calendar year of 2017, there was a major shift in expectations in financial markets in terms of how soon the Bank Rate would start on a rising trend. After the UK economy surprised on the upside with strong growth in the second half of 2016, growth in 2017 was disappointingly weak in the first half of the year which meant that growth was the slowest for the first half of any year since 2012. The main reason for this was the sharp increase in inflation caused by the devaluation of sterling after the EU referendum, feeding increases into the cost of imports into the economy. This caused a reduction in consumer disposable income and spending power as inflation exceeded average wage increases. Consequently, the services sector of the economy, accounting for around 75% of GDP, saw weak growth as consumers responded by cutting back on their expenditure. However, growth did pick up modestly in the second half of 2017. Consequently, market expectations during the autumn, rose significantly that the MPC would be heading in the direction of imminently raising the Bank Rate. The minutes of the MPC meeting of 14 September indicated that the MPC was likely to raise the Bank Rate very soon. The 2 November MPC quarterly Inflation Report meeting duly delivered by raising the Bank Rate from 0.25% to 0.50%.

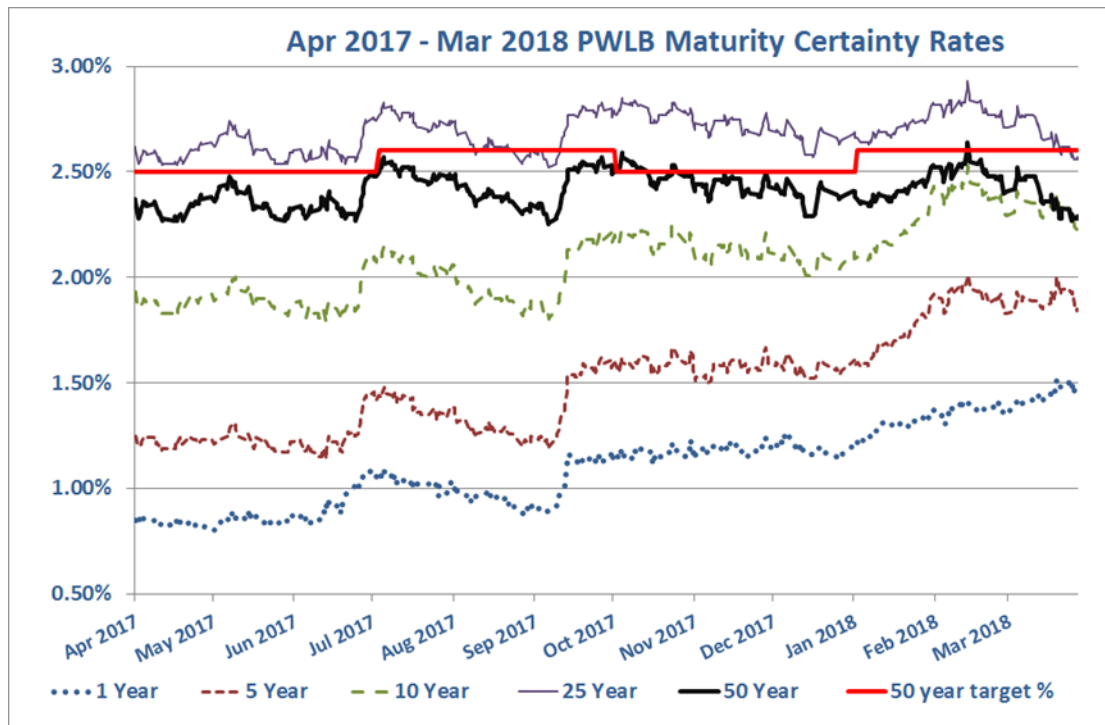
The 8 February MPC meeting minutes then revealed another sharp hardening in MPC warnings on a more imminent and faster pace of increases in the Bank Rate than had previously been expected. Market expectations for increases in Bank Rate, therefore, shifted considerably during the second half of 2017-18 and resulted in investment rates from 3 – 12 months increasing sharply during the spring quarter.

PWLB borrowing rates increased correspondingly to the above developments with the shorter term rates increasing more sharply than longer term rates

The major UK landmark event of the year was the inconclusive result of the general election on 8 June. However, this had relatively little impact on financial markets.

6. Borrowing Rates in 2017/18

PWLB certainty maturity borrowing rates - the graphs and table for PWLB rates below show, for a selection of maturity periods, the average borrowing rates, the high and low points in rates, spreads and individual rates at the start and the end of the financial year.



7. Borrowing Outturn for 2017/18

Borrowing

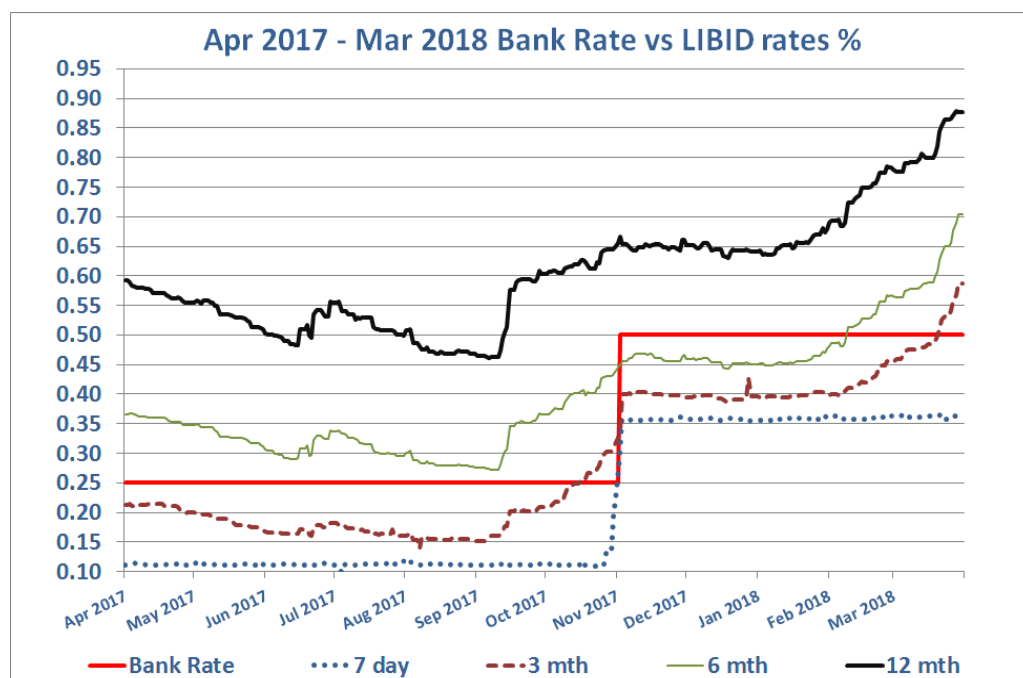
No actual borrowing was undertaken during the year.

Rescheduling

No rescheduling was done during the year as the average 1% differential between PWLB new borrowing rates and premature repayment rates made rescheduling unviable.

8. Investment Rates in 2017/18

Investment rates for 3 months and longer have been on a rising trend during the second half of the year in the expectation of the Bank Rate increasing from its floor of 0.25% and reached a peak at the end of March. The Bank Rate was duly raised to 0.50% on 02 November 2017 and remained at that level for the rest of the year.



9. Investment Outturn for 2017/18

Investment Policy – the Council's investment policy is governed by MHCLG investment guidance, which has been implemented in the annual investment strategy approved by the Council on 01 March 2017. This policy sets out the approach for choosing investment counterparties, and is based on credit ratings provided by the three main credit rating agencies, supplemented by additional market data (such as rating outlooks, credit default swaps, bank share prices etc.).

The investment activity during the year conformed to the approved strategy, and the Council had no liquidity difficulties.

Resources – the Council's cash balances comprise revenue and capital resources and cash flow monies. The Council's core cash resources comprised as follows:

Balance Sheet Resources (£M)	General Fund		HRA		TOTAL	
	31/03/17	31/03/18	31/03/17	31/03/18	31/03/17	31/03/18
Balances	4.73	5.07	1.94	2.02	6.67	7.09
Earmarked reserves	6.61	11.87	10.71	10.56	17.32	22.43
Provisions	0.50	0.58	0.00	0.00	0.56	0.58
Working Capital	20.13	12.20	2.56	2.62	22.69	14.81
Total	31.97	29.72	15.21	15.20	47.18	44.91
Amount Over/(Under) Borrowed					(16.82)	(19.80)
Baseline Investment Balances					30.36	25.11
Actual Investment Balances					30.25	25.10

Investments held by the Council - the Council maintained an average investment balance of £34.6M of internally managed funds. The average rate of interest earned for the year as a whole was 0.33% is compared to the base rate and average 3-month LIBID rate as set out below. It should be noted, however, that the Base Rate and 3 Month LIBID increased substantially in the latter part of the current financial year was. To set the comparators in a more appropriate context the weighted average interest rate being earned on the investment portfolio as at 31 March 2018 was 0.45%

	2016/17	2017/18
Lancaster CC Investments	0.37%	0.33%
Base Rate	0.25%	0.50%
3 Month LIBID	0.32%	0.45%

In terms of performance against budget the actual interest earned in 2017/18 was £109K compared to a budget of £113K.

10. Other Risk Management Issues

Many of the risks in relation to treasury management are managed through the setting and monitoring of performance against the relevant Prudential and Treasury Indicators and the approved Investment Strategy, as discussed above.

The Authority's Investment Strategy is designed to engineer risk management into investment activity by reference to credit ratings and the length of deposit to generate a pool of counterparties, together with consideration of other creditworthiness information to refine investment decisions. The Council is required to have a strategy is required under the CIPFA Treasury Management Code, the adoption of which is another Prudential Indicator. The strategy for 2017/18 complied with the latest Code of Practice (November 2011) and relevant Government investment guidance.

In December 2017, CIPFA issued a revised Treasury Management Code and a revised Prudential Code. A particular focus of these revised codes was how to deal with local authority investments which are not treasury type investments (e.g. by investing in purchasing property in order to generate income for the Authority at a much higher level than can be attained by treasury investments. A particular recommendation was that local authorities should produce a new report to members to give a high level summary of the overall capital strategy, setting out a long-term context in which capital expenditure and investment decisions are made.

11. Conclusion

The Council's treasury activities were in line with its approved policies and strategies. With respect to investments, some longer fixed term investments were placed with other Local Authorities which helped to increase the average yield for the year. Investment balances have reduced during the year in line with the unwinding of transactions related to business rate appeals as anticipated. Given the Bank Rate, investment returns inevitably remain low and there is little that can be done to improve prospects in the current economic situation.

LANCASTER CITY COUNCIL
TREASURY MANAGEMENT POLICY STATEMENT

Last reported to Council on 01 March 2017

This reflects the revised CIPFA Treasury Management Code of Practice (Code updated in 2011).

1. This organisation defines its treasury management activities as:

“The management of the authority’s investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks”.

 2. This organisation regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the organisation and any financial instruments entered into to manage these risks.

 3. This organisation acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving value for money in treasury management, and to employing suitable comprehensive performance measurement techniques, within the context of effective risk management.
-

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 currently analyse credit worthiness under four headings (but see changes referred to in the strategy):
 - **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.
- **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** – 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*.

Motion to Full Council, 18/7/18

Proposed: Cllr Kevin Frea

Seconded by: Cllrs Robert Redfearn, David Whitaker and Nathan Burns

- 1) Lancaster City Council acknowledges the fantastic work carried out by children's centres in the Lancaster district by dedicated local people and the importance of this service. Examples include midwife sessions, parenting programmes, language development and safeguarding. A recent Oxford University study found that by supporting parents and families, children's centres help to mitigate the effects of disadvantage on life chances – and that by offering open-access, walk-in activities they encourage vulnerable families to take part because they do not feel there is a stigma attached to using the centres. The research, based upon interviews with parents and staff, found that preventative work with families could head off more serious problems that could otherwise lead to them needing support from social services, the NHS and other agencies.
- 2) Lancaster City Council expresses its concern at the proposals by Lancashire County Council to close the Appletree Children's Centre in Lancaster and Halton Children's Centre in Halton as part of plans to save £1.2m as a result of Conservative Government cuts. The council believes there is a clear risk support for and therefore also outcomes for local families will suffer if these closures go ahead. Comments by a county council director in the local press suggest support will be delivered in other community locations and in the home. However, this council expresses scepticism that the same level of support can be provided, notes the lack of signposting to more detailed information about this as part of the online consultation and fears these proposals appear to be underpinned more by the need to save money than the best interests of families.
- 3) Lancaster City Council asks our chief executive to write to Lancashire County Council as part of the ongoing consultation, which runs until Friday 3 August, to make clear this council's opposition to closure of children's centres in the Lancaster district for the reasons set out in 1) and 2) and to urge the county council to reconsider these proposals.
- 4) Lancaster City Council acknowledges that damaging cuts like those proposed to children's centres are not only a result of local party political decisions, but also impossible choices being forced upon local councils of all political persuasions by the Conservative Government. The council notes concerns raised by the Local Government Association that council children's services departments will face a £2bn funding shortfall by 2020, putting more children and families at risk of reaching crisis point as early intervention services like children's centres are cut. Children's centres were set up by a Labour Government and in 2009, there were around 3,600 centres across the country. Since then, and coinciding with the arrival of a Conservative/Liberal Democrat coalition Government in 2010, an estimated 1,000 children's centres have closed. Accordingly, Lancaster City Council asks our chief executive to write the Secretary of State for Housing, Communities and Local Government, highlighting this council's concern about the proposed children's centre closures in the Lancaster district and urging him to urgently address the shortfall in children's services funding.

OFFICER COMMENTS

This motion relates to services which are provided by Lancashire County Council within the district not the City Council. There would be no direct financial impact on the city council should the motion be carried.

MONITORING OFFICER COMMENTS

This legal obligations relating to this service provision rests with the County Council. The views of the City Council may be considered as a relevant consideration for the County Council in making any decision.

DEPUTY SECTION 151 OFFICER COMMENTS

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

COUNCIL**Pay Policy Statement 2018 - 2019****18 July 2018****Report of the Chief Executive****PURPOSE OF REPORT**

For the Council to note the current position with regard the Pay Policy Statement, and agree that it can be brought to a later Council meeting

This report is public

RECOMMENDATIONS

- (1) **That Council notes the progress on revising the Pay Policy Statement for 2018 – 2019 and the revised Pay Policy Statement for 2018 – 2019 is considered, after Union consultation, by full Council on 26 September 2018.**

1.0 Introduction

- 1.1 Section 38 of the Localism Act 2011 places a requirement on local authorities to publish a Pay Policy Statement by the 31st March in each year. The current Pay Policy Statement was agreed by Council in February 2018.
- 1.2 At the February meeting, it was agreed that an amendment to the statement be considered by Personnel Committee. It was also agreed that, following that amendment, the statement be brought to the July meeting for approval.

2.0 Proposal Details

- 2.1 The proposed amendment to the Pay Policy Statement discussed by full Council in February was in relation to former Chief Officers returning to work at the Council where they had previously been given an enhanced payment in relation to the termination of their employment, e.g. voluntary enhanced redundancy. The proposal made was to ensure that a period of 12 months had elapsed before former Chief Officers could return to work at the Council, which falls in line with the provision for all other staff.
- 2.2 This proposed amendment was discussed at Personnel Committee on 3rd April 2018, where it was agreed such a provision should be included in the 'Early Termination of Employment Policy' and then added to the Pay Policy statement, subject to consideration at JCC. Whilst JCC was due to meet on 2nd July 2018, that meeting was delayed due to the availability of union officials, and it is now expected to be held later in July, with a date to be confirmed shortly. The amendment cannot be incorporated into the Pay Policy Statement until such a time as it has been agreed formally by JCC.
- 2.3 Members will also be aware of the proposal made in relation to the restructure of the Council's senior team. Should the proposals for restructure be accepted, then the Pay Policy statement will require amendment to reflect the salary structure agreed by Personnel Committee for the newly proposed Director and Deputy Director roles. Therefore, a single revised policy may be presented on the 26 September 2018.

3.0 Conclusion

3.1 Council is asked to adopt the recommendation.

CONCLUSION OF IMPACT ASSESSMENT (including Diversity, Human Rights, Community Safety, Sustainability and Rural Proofing) None directly arising from this report.	
LEGAL IMPLICATIONS There are no legal implications.	
FINANCIAL IMPLICATIONS There are no financial implications.	
OTHER RESOURCE IMPLICATIONS Open Spaces, ICT, Property: None There are no resource implications.	
DEPUTY SECTION 151 OFFICER'S COMMENTS The Deputy s151 Officer has been consulted and has no comments	
MONITORING OFFICER'S COMMENTS The Monitoring Officer has been consulted and has no further comments.	
BACKGROUND PAPERS None	Contact Officer: Dave Rigby Telephone: 01524 582180 E-mail: darigby@lancaster.gov.uk Ref:

COUNCIL

Allocation of Seats to Political Groups 18 July 2018

Report of Chief Executive

PURPOSE OF REPORT

To advise Council of the calculations relating to the allocation of seats in accordance with the Local Government and Housing Act 1989 and the Council's agreed protocol, following recent by-elections.

This report is public

RECOMMENDATIONS

- (1) That in accordance with Section 15 of the Local Government and Housing Act, 1989 and Part 4 of the Local Government (Committees and Political Groups) Regulations, 1990, the City Council approves the calculations and allocation of seats set out in Appendices B and C of the report.

1.0 Introduction

- 1.1 On 17 May 2018, by-elections were held for two Members in the University and Scotforth West ward and one Member in the Skerton West ward of the City Council. As a result of these by-elections, the political composition of the Council has changed and this requires a new proportional representation (PR) calculation to be made and approved.
- 1.2 Members are requested to approve the calculations set out in this report and make the necessary adjustments to committees, to reflect the revised make-up of the Council.

2.0 Political Composition of the Council

- 2.1 The Council's political composition is set out below.

Labour	31
Conservatives	18
Green	7
Independent	2
Councillor Scott	1
Councillor Thynne	1
	<u>60</u>

- 2.2 Various appendices give full details of the calculations: **Appendix A** shows the methodology of Council's agreed calculation of PR; the calculations in relation to numbers from 1 to 15 are attached at **Appendix B** and **Appendix C** gives the grouping calculations used in this report.

3.0 Adjustments

- 3.1 No adjustments are required at this meeting. The re-calculation has not affected the grouping of committees; it remains as set out in the report put before Council at the Annual meeting on 14 May 2018. The adjustments which were made at that meeting still stand.

4.0 Conclusion

- 4.1 Members are requested to approve the re-calculation after the recent by-elections.

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

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

FINANCIAL IMPLICATIONS

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

LEGAL IMPLICATIONS

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

SECTION 151 OFFICER'S COMMENTS

The Section 151 Officer has been consulted and has further comments.

MONITORING OFFICER'S COMMENTS

The Monitoring Officer has been consulted and has further comments.

BACKGROUND PAPERS

Contact Officer: Debbie Chambers
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METHOD OF CALCULATION

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

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

PR CALCULATION

		Labour	Conservative	Green	Independent Group	Cllr Scott	Cllr Thynne
1	=	1	-	-	-	-	-
2	=	1	1	-	-	-	-
3	=	2	1	-	-	-	-
4	=	2	1	1	-	-	-
5	=	2	2	1	-	-	-
6	=	3	2	1	-	-	-
7	=	4	2	1	-	-	-
8	=	4	3	1	-	-	-
9	=	5	3	1	-	-	-
10	=	5	3	1	1	-	-
11	=	6	3	1	1	-	-
12	=	6	4	1	1	-	-
13	=	6	4	2	1	-	-
14	=	7	4	2	1	-	-
15	=	7	5	2	1	-	-

Labour	31
Conservative	18
Green	7
Independent Group	2
Councillor Scott	1
Councillor Thynne	1

TOTAL
60

As at 18 May 2018

COMMITTEE GROUPING CALCULATIONS

1 OVERVIEW AND SCRUTINY GROUPING

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

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

L	31	x 0.3	=	9.3	=	9
C	18	x 0.3	=	5.4	=	6
G	7	x 0.3	=	2.1	=	2
I	2	x 0.3	=	0.6	=	1
Cllr Scott	1	x 0.3	=	0.3	=	0
Cllr Thynne	1	x 0.3	=	0.3	=	0

There is no change to this grouping since Annual Council on 14 May 2018, when, using the PR calculation for two single 9 Member Committees, the Labour Group would have had 10 seats overall and the Independent group would not have had a seat. The grouping gave the Labour Group 9 seats overall and the Independent Group 1 seat, so the Labour Group passed a seat on the Overview and Scrutiny Committee to Cllr Ashworth of the Independent Group as a result of the grouping. No further adjustments are required.

2 REGULATORY AND STANDING COMMITTEES OF COUNCIL GROUPING

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

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

L	31	x 0.8833	=	27.3823	=	27
C	18	x 0.8833	=	15.8994	=	16
G	7	x 0.8833	=	6.1831	=	6
I	2	x 0.8833	=	1.7666	=	2
Cllr Scott	1	x 0.8833	=	0.8833	=	1
Cllr Thynne	1	x 0.8833	=	0.8833	=	<u>1</u>
						53

There is no change to this grouping since Annual Council on 14 May 2018, when, on the basis of single committees, the PR calculation would have given the Labour Group 27 Members, the Conservative Group 17 Members. The Green Group 7 Members, the Independent Group 2 Members and the non-aligned independent Members (Councillors Scott and Thynne) would not receive a seat on any committee. However, when grouped, both the Labour Group and the Green Group were required to pass a seat in this grouping to one of the non-aligned independent Members. The Labour group passed a seat on the Audit Committee to Councillor Oscar Thynne and the Green Group passed a seat on the Licensing Act Committee to Councillor Liz Scott. No further adjustments are required.

3 OTHER COMMITTEES/PANELS

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

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

COUNCIL

**Amendment to the Constitution –Scheme of Delegation for
Non-Executive Functions
18 July 2018**

Report of the Monitoring Officer

PURPOSE OF REPORT

To seek approval for an amendment to the scheme of delegation for non-executive functions recommended by the Licensing Act Committee.

This report is public

RECOMMENDATIONS

- (1) That power to revoke a personal licence under Section 132A of the Licensing Act 2003 be delegated to the Licensing Manager where no representations have been made by the licence holder within the 28-day statutory period.**
- (2) That the Monitoring Officer be asked to amend the Constitution by adding this to the scheme of delegations from the Licensing Act Committee, as set out on Appendix 1 of this report.**

1.0 Introduction

- 1.1 The Licensing Act Committee met on 14 June 2018. One of the items was to consider revocation of a personal alcohol licence under Section 132A of the Licensing Act 2003. The individual concerned had made no representations and the Committee agreed that, under those circumstances, it would be more efficient for the power to revoke to be delegated to the Licensing Manager for any future cases, rather than take the matter to the full committee.

2.0 Section 132A of the Licensing Act 2003

- 2.1 Under Section 132A of the Licensing Act 2003, the licensing authority has the power to suspend or revoke a personal alcohol licence it has granted if it becomes aware that the holder of the licence has been, at any time before or after grant of the licence, convicted of a relevant offence.

3.0 Amendment to the Constitution

- 3.1 The amendment to the Constitution will be to revise the delegations relating to the Licensing Act Committee as shown on Appendix 1 (the revision is shown highlighted in italics).

4.0 Conclusion

- 4.1 Members are requested to approve the amendment to the scheme of delegation for non-executive functions set out in the Council's constitution, as recommended by the Licensing Act Committee.

CONCLUSION OF IMPACT ASSESSMENT

(including Diversity, Human Rights, Community Safety, Sustainability and Rural Proofing)

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

FINANCIAL IMPLICATIONS

There are no significant financial implications as a direct result of this report although it may make some small saving. If a Committee meeting had to be called for one item only, to consider revoking a personal licence under Section 132A of the Licensing Act 2003, it would be costly. An officer delegated decision would not have the costs of clerking, meeting room accommodation, travel/parking reimbursement for Members, etc.

LEGAL IMPLICATIONS

The non-executive scheme of delegation in the Council's constitution sets out delegations for non-executive functions made via committees and approved by Council. If approved, this would be an addition to the delegations from the Licensing Act Committee.

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 approved this report, drafted on his behalf.

BACKGROUND PAPERS

Contact Officer: Debbie Chambers
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LICENSING ACT COMMITTEE

TO THE CHIEF OFFICER (HEALTH AND HOUSING)

In consultation with the Chairman of the Licensing Act Committee to determine film classification restrictions where there has been no classification by the British Board of Film Classification; save that, where the Chief Officer (Environment) considers it appropriate in view of the nature of the particular film, the matter shall be referred to the Committee.

To act on behalf of the Licensing Authority as Responsible Authority when required under the Licensing Act 2003.

To suspend licences and club premises certificates for non-payment of annual fees in accordance with the Licensing Act 2003

TO THE DEMOCRATIC SERVICES MANAGER

To empanel ad hoc Sub-Committees from the pool of fifteen Licensing Act Committee Members

TO THE LICENSING MANAGER

To revoke a personal licence under Section 132A of the Licensing Act 2003 where no representations have been made by the licence holder within the 28-day statutory period.

TO THE CHIEF EXECUTIVE

To make appropriate arrangements for the institution or defence of any legal proceedings relating to matters within the terms of reference of the Licensing Act Committee

TO THE CHIEF OFFICER (HEALTH AND HOUSING) AND LICENSING MANAGER

To designate authorised persons as defined in Section 13(2)(a) of the Licensing Act 2003.

To designate authorised persons as defined in Section 304(2) of the Gambling Act 2005

TO THE CHIEF OFFICER (HEALTH AND HOUSING) AND LICENSING MANAGER AND ANY OTHER OFFICER DESIGNATED BY ANY OF THEM IN WRITING

Licensing Act 2003

To determine applications for Personal Licences, including with relevant Unspent Convictions provided no Police representation has been made.

To determine applications for Premises Licences/Club Premises Certificates provided no representation has been made.

To determine applications for Provisional Statements provided no representation has been made.

To determine applications to vary Premises Licences/Club Premises Certificates provided no representation has been made.

To determine applications to vary Designated Premises Supervisors provided no police objection has been received.

To determine any request to be removed as a Designated Premises Supervisor.

To determine applications for transfer of Premises Licences provided no police objection has been received.

To determine applications for interim authorities provided no police objection has been received.

To determine whether any representation is irrelevant frivolous vexatious etc.

To agree the appropriate scale of plans required to be submitted by an applicant.

To dispense with a hearing in accordance with Regulation 9 of the Licensing Act 2003 (Hearings) Regulations 2005.

To extend time limits in accordance with Regulation 11 of the Licensing Act 2003 (Hearings) Regulations 2005.

To identify points on which clarification may be required at a hearing, in accordance with Regulation 7 (1) (d) of the Licensing Act 2003 (Hearings) Regulations 2005.

To acknowledge receipt of a Temporary Event Notice under Section 102 of the Licensing Act 2003 and, where appropriate, to serve counter-notice under Section 107 of the Act.

To determine applications for minor variations to Premises Licences/Club Premises Certificates.

In consultation with the Chairman of the Licensing Act Committee or in his/her absence the Vice-Chairman, authority to authorise applications for hypnotism subject to the standard conditions approved by the Committee.

Gambling Act 2005

To determine applications for permits for 3 or 4 gaming machines in premises licensed under the Licensing Act 2003.

To determine applications for premises licences under the Gambling Act 2005 where no representations have been received or representations have been withdrawn.

To determine applications for a variation to a licence under the Gambling Act 2005 where no representations have been received or representations have been withdrawn.

To determine applications for a transfer of a licence under the Gambling Act 2005 where no representations have been received from the Gambling Commission.

To determine applications for a provisional statement under the Gambling Act 2005 where no representations have been received or representations have been withdrawn.

To determine applications for club gaming/club machine permits under the Gambling Act 2005 where no objections have been made or objections have been withdrawn.

To determine applications for other permits under the Gambling Act 2005 where no representations have been made.

To cancel licensed premises gaming machine permits.

To grant a temporary use notice under the Gambling Act 2005 where no representations have been made.

COUNCIL**Appointments to Outside Bodies – Morecambe
Business Improvement District (BID)**

**18 July 2018
Report of the Chief Executive**

PURPOSE OF REPORT

To consider the appointment of the Portfolio Holder for Planning and Regeneration to the Morecambe Business Improvement District (BID)

This report is public

RECOMMENDATION

- (1) That Members note that the Portfolio Holder for Planning and Regeneration has been unofficially appointed the Morecambe BID since the time it was established.**
- (2) That Council ratifies Councillor Hanson's appointment to the Board of the Morecambe BID, as the appropriate Cabinet Portfolio Holder, until the date of the next elections in May 2019.**

1.0 Introduction

- 1.1 It has come to light that the appointment of the portfolio holder for Planning and Regeneration has served on the Board of the Morecambe BID since the BID was first set up.
- 1.2 The appointment was not brought to the attention of Democratic Services and therefore did not appear in the list of outside bodies which Council is asked to appoint to.

2.0 Proposal

- 2.1 The Morecambe BID is a business led and business funded body formed to improve the Morecambe area. As such, it would seem most appropriate for the appropriate Cabinet Member to be appointed to sit on the Board of the BID (as is also the case with the Lancaster BID). Council is therefore asked to ratify the appointment of Councillor Hanson, the Cabinet Member for Planning and Regeneration, to the Board of the Morecambe BID.

3.0 Conclusion

- 3.1 Council is asked to consider ratifying the appointment of Councillor Hanson to the Morecambe BID, for the reasons set out in this report.

CONCLUSION OF IMPACT ASSESSMENT

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

None directly arising from this report.

LEGAL IMPLICATIONS

None directly arising from this report.

FINANCIAL IMPLICATIONS

Members of outside bodies are entitled to travel expenses. Costs resulting from any appointment should be minimal and would be met from existing democratic representation budgets.

OTHER RESOURCE IMPLICATIONS**Human Resources:**

None

Information Services:

None

Property:

None

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

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Ref:

CABINET**6.00 P.M.****24TH APRIL 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
Kieran Keane	Assistant Chief Executive
Nadine Muschamp	Chief Officer (Resources) and Section 151 Officer
Mark Davies	Chief Officer (Environment)
Suzanne Lodge	Chief Officer (Health and Housing)
David Brown	Interim Head of Legal and Democratic Services and Monitoring Officer
Dave Rigby	Interim HR Manager
Liz Bateson	Principal Democratic Support Officer

88 MINUTES

The minutes of the meeting held on Tuesday 20th March 2018 were approved as a correct record.

89 ITEMS OF URGENT BUSINESS AUTHORISED BY THE LEADER

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

90 DECLARATIONS OF INTEREST

No declarations were made at this point.

91 PUBLIC SPEAKING

Members were advised that there had been a request to speak at the meeting from a member of the public in accordance with Cabinet's agreed procedure, as set out in Cabinet Procedure Rule 2.7, with regard to Agenda item 11. Ms Muschamp addressed Cabinet with regard to the Executive Team: Roles and Structure report (Minute 96 refers).

92 DEPOT SECURITY - WHITE LUND CCTV**(Cabinet Member with Special Responsibility Councillor Hughes)**

Cabinet received a report from the Chief Officer (Environment) which sought approval to introduce a new CCTV and access control system to White Lund Depot.

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

	Option 1: To approve the new CCTV and Access Control system	Option 2: To take no action
Advantages	The introduction of a new CCTV and access control system will improve management arrangements at White Lund Depot and provide ongoing revenue savings.	None
Disadvantages	None	Continuing to operate the same model of security for the Depot will not offer any revenue savings for the Authority. The current system is aging.
Risks	Minimal to the Council's partner (Vodafone) will deliver the solution and project manage the installation. If an alternative provider is required in the future, there may be a need to reconfigure the system in order for it to operate.	Staying with the existing system reduces the efficiency and effectiveness of depot management and is more expensive.

The officer preferred option was to approve and deliver the new CCTV and access control system. Improving and modernising the security arrangements at White Lund Depot will help futureproof arrangements, increase coverage and offer significant annual revenue savings.

Councillor Hughes proposed, seconded by Councillor Warriner:-

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

Councillors then voted:-

Resolved unanimously:

- (1) That approval be given to the use of the Invest to Save reserve to fund the one-off installation costs of a new CCTV and access control system at White Lund Depot.
- (2) That the Chief Officer (Resources) be authorised to update the General Fund Capital Programme and Revenue Budget to include the associated costs/savings arising from this proposal.

Officers responsible for effecting the decision:

Chief Officer (Environment)
Chief Officer (Resources)

Reasons for making the decision:

The decision is consistent with the City Council's aim of being a Smart District and the implementation of this new technologically advanced public CCTV system will improve the management of the depot and provide ongoing revenue savings.

93 MORECAMBE & HEYSHAM PUBLIC SPACES PROTECTION ORDER 2018 (Pages 13 - 15)

(Cabinet Member with Special Responsibility Councillor Hughes)

Cabinet received a report from the Chief Officer (Health & Housing) which sought approval to make a Public Spaces Protection Order covering areas of Morecambe & Heysham.

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

	Option 1: To approve the introduction of a Public Spaces Protection Order covering areas of Morecambe & Heysham	Option 2: To take no action
Advantages	The introduction of a PSPO will provide a clear message about the type of behaviour that is not acceptable within the proposed areas, and will provide additional powers to tackle any anti-social behaviour as described in the Order. The introduction of an Order responds to public concerns about behaviour within the City centre. It also reinforces the council's commitment to partnership working.	None
Disadvantages	Raises public expectation. The PSPO is a tool that can be used by authorised officers. However there is no additional staff resource being allocated to this.	<p>The current no outside drinking rules will no longer be able to be enforced as the DPPO expires in 2017.</p> <p>The Police has requested that as partners in the CSP we take out a PSPO. To take no action would demonstrate a lack of support.</p> <p>Does not demonstrate the council's commitment to community safety and addressing residents' legitimate concerns.</p>

Risks	None.	Reputational damage.
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Option 1 is the preferred officer option, and has the support of the Community Safety Partnership and the local community.

The making of a Public Spaces Protection Order covering the designated area of Morecambe & Heysham, as set out at Appendix A to the report should enable the better policing of this public space and bring relief to local residents.

Councillor Hughes proposed, seconded by Councillor Clifford:-

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

Councillors then voted:-

Resolved unanimously:

- (1) That the making of a Public Spaces Protection Order covering the designated area of Morecambe & Heysham, as set out at Appendix A appended to the minutes, be approved.

Officer responsible for effecting the decision:

Chief Officer (Health & Housing)

Reasons for making the decision:

The introduction of a Public Spaces Protection Order supports two of the priorities of the Community Safety Partnership, Violence against the Person and Anti-Social Behaviour and is consistent with the City Council's priorities of Clean, Green and Safe Places and Community Leadership. The performance of the Public Spaces Protection Order will be reported to both the Community Safety Partnership and to the Overview & Scrutiny Committee.

94 FIXED PENALTY NOTICE ENFORCEMENT CHARGES FOR FLY TIPPING & WASTE RELATED OFFENCES

(Cabinet Members with Special Responsibility Councillors Warriner & Hughes)

Cabinet received a report from the Chief Officer (Health & Housing) to establish Fixed Penalty Notice (FPN) enforcement for fly tipping and specific other waste related offences and set the levels for fixed penalty charges.

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

	Option 1: Set FPN charges at the maximum permitted to be paid within 21 days (with no early payment reduction).	Option 2: Set FPN charges at the maximum permitted (with early payment if paid within 10 days at the amount proposed at paragraph 4.2)	Option 3: Set FPN charges at lower levels (to be decided by the Cabinet meeting)	Option 4: Decide not to implement FPN enforcement for these offences at this time.
Advantages	<ul style="list-style-type: none"> • Full charge levels aligned with those of the other Lancashire councils noted in this report. • The maximum level of fixed penalty charge would provide the maximum deterrent effect. • Demonstrates that the council is maximising impact of FPNs. 	<ul style="list-style-type: none"> • Full charge levels aligned with those of the other Lancashire councils noted in this report. • The maximum level of fixed penalty charge would provide the maximum deterrent effect. • Consistent with Lancaster PSPO & Dog-related FPNs in terms of early payment discount and timescales. • Policy of offering early payment reduction would be aligned largely with other Lancashire councils. • Demonstrates a strong enforcement sanction 	<ul style="list-style-type: none"> • More people might opt to pay a lower level of penalty rather than risk being prosecuted. This would benefit staffing capacity in the council's Legal team. 	<ul style="list-style-type: none"> • There is no obligation to issue FPNs for offences, as regulations state that an authorised officer 'may' issue a FPN. • No FPN administrative requirements

		<p>maximising impact of FPNs whilst offering a less costly option to avoid further action. This can be seen as a balanced approach, speeding up resolution and reducing the need and staffing implications of avoidable prosecutions.</p> <ul style="list-style-type: none"> • The receipts from early payment charges would still help to cover the council's clean-up and disposal costs. 		
Disadvantages	<ul style="list-style-type: none"> • Inconsistent with ASB, PSPO & Dog-related FPN enforcement which offers early payment discounted charges. • Likely to result in higher levels of non-payment, substantially increasing the quantity and burden of prosecution work. 		<ul style="list-style-type: none"> • Lower deterrent effect than would be provided by a higher level of charge. • Inconsistent with both existing PSPO and levels set by other councils in Lancashire. 	<ul style="list-style-type: none"> • The benefits of FPM enforcement would be missed.
	<ul style="list-style-type: none"> • Could be perceived as 	<ul style="list-style-type: none"> • Council could be criticised 	<ul style="list-style-type: none"> • Council could be criticised 	<ul style="list-style-type: none"> • Undermines the reach,

Risks	'harsh' compared to those councils having set lower charge levels of for early payment <ul style="list-style-type: none"> • More resources tied up in prosecutions due to non-payment. 	for offering a 'cheap' way out of formal action.	to some degree as insufficiently strong on enforcement sanctions.	impact and efficiency of the proposed enforcement. <ul style="list-style-type: none"> • Would not in relation to enforceable offences recover the Council's average costs of removing fly tipped waste.
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The officer preferred recommendation is Option 2 - that the level of charge for Fixed Penalty Notices is set at the maximum permitted level payable within 21 days, and that the amount payable is reduced as set out in paragraph 4.2 where payment is received within 10 calendar days of the date of issue.

The levels of charge in Option 2 provide the greatest deterrent available which complementing the approach the council is taking to tackle fly tipping, and providing an incentive to pay FPNs early (minimising the requirement for court proceedings).

Approving FPN enforcement and setting the level of penalty charge for offences at the highest level available sends a clear message about how seriously the council is taking the issue of fly tipping. It provides the biggest available FPN penalty charge deterrent to perpetrators of fly tipping.

Alternative levels of penalty charge below the maximum £400 would be equally enforceable.

Councillor Hughes proposed, seconded by Councillor Warriner:-

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

Councillors then voted:-

Resolved unanimously:

- (1) That enforcement by way of fixed penalty notices be established for fly tipping and waste disposal related offences as described in the report, in order to deter and deal efficiently with offending and ultimately to help improve the cleanliness of neighbourhoods and open spaces.

- (2) That the levels of fixed penalty charges be set at the maximum permitted with early payment reductions if paid within 10 days, as set out in the report.

Officer responsible for effecting the decision:

Chief Officer (Health & Housing)

Reasons for making the decision:

The decision is consistent with the Clean & Green Corporate Priority and contributes to the Lancaster District Community Safety Strategy. Use of Fixed Penalty Notices should help prevent, deter and disrupt fly tipping offenders allowing the Council to deal with lower-level offences in the most efficient and effective way.

95 RE-PURPOSING MORECAMBE BUS STATION AS A YOUNG PEOPLE HANG-OUT AREA TO HELP COMBAT ANTI-SOCIAL BEHAVIOUR

(Cabinet Member with Special Responsibility Councillor Warriner)

Cabinet received a report from the Chief Officer (Health & Housing) which sought approval to re-purpose Morecambe Bus Station as a youth hang-out area, helping to meet young people's needs to congregate socially and at the same time positively addressing anti-social behaviour in an area of need.

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

	Option 1: Approve the re-purposing of Morecambe bus station as proposed.	Option 2: Do not approve the proposal.
Advantages	<p>Establishing a dedicated youth hang-out area meets clear and established community needs: (a) helping protect resident and business communities to be protected from anti-social behaviour, (b) meeting the needs of young people to congregate socially in a suitably safe, well managed space.</p> <p>Doing so without major costs of new-build would give new life to an existing public facility at lower cost than demolishing it.</p>	<p>Any logistical issues and complexities arising from an established youth hang-out area would be avoided, noting that young people related ASB would continue to be responded to in existing ways.</p>
Disadvantages	<p>Essential repair and maintenance costs, Wi-Fi connectivity and additional cleansing costs (met within</p>	<p>This possibly rare opportunity and attendant benefits listed under Option 1 would be missed.</p>

	<p>existing Public Realm budgets).</p> <p>Health & safety incidents or safeguarding issues may arise from time to time (managed by further considerations putting appropriate risk assessments and safety controls in place).</p> <p>The opportunity to relieve the council of the financial liability for this building would be lost.</p> <p>It would be necessary to identify further financial provision to demolish the building if the initiative is unsuccessful or, given its location within the Morecambe Area Action Plan, in the event that a significant development/regeneration proposal is brought forward.</p>	
Risks	<p>The bus station serving as a hang-out area could potentially become a location of ASB incidents, however the assessment of the police and council ASB team is that on balance a positive impact would be made on ASB levels overall in the locality and the behaviour of young people using the hang-out area would be monitored.</p> <p>In the normal way of public facilities, and due to the intended attraction of young people to the building, personal injury insurance claims might occasionally arise. The council's Insurance Officer has been notified of this proposal.</p>	<p>Avoidable levels of young people related ASB would continue to manifest in Morecambe town centre facilities, residential areas and public open spaces that a hang-out area could have prevented.</p>

The officer recommendation is Option 1, subject to residual risk being deemed as acceptable (i.e. medium risk) and the financial implications being in line with those identified within this report. It is expected that the potential risks as highlighted can be successfully managed through careful monitoring and intervention by the Council's ASB team in conjunction with other partner agencies such as the Poulton neighbourhood PCSO team. A review would be undertaken in due course, to evaluate the initiative's success.

Morecambe bus station presents a possibly rare opportunity to positively address young people's needs and create a youth hang-out area making use of existing premises having no identified alternative uses, which is readily available at low cost, and in doing so to meet a clear community need for action to address an anti-social behaviour priority. Any incidents of ASB arising from the use of Morecambe bus station would need to be responded to, managed and kept under review, however such incidents are likely to be fewer than existing at present.

Councillor Warriner proposed, seconded by Councillor Hughes:-

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

Councillors then voted:-

Resolved unanimously:

- (1) That in principle, approval be given for Morecambe bus station to be re-purposed for the use detailed in this report, subject to the proposal being deemed as having an acceptable level of residual risk (i.e. medium) following full assessment, and sufficient budgetary provision being identified as follows:
 - the refurbishment costs of up to £7K being funded from the Corporate Property Reserve; and
 - all other one-off and ongoing costs, including future repair and maintenance, Wi-Fi connectivity and any additional cleansing costs, being funded from existing Public Realm budgets.
- (2) That subject to (1) above, the Chief Officer (Environment), in consultation with the relevant Portfolio Holder and the s151 and Monitoring Officers, be given delegated authority to implement the decision.
- (3) That the effectiveness of the initiative be monitored and evaluated and reported to the Cabinet Member for Health and Housing by September 2019.

Officers responsible for effecting the decision:

Chief Officer (Health & Housing)
Chief Officer (Environment)
Chief Officer (Resources)
Interim Head of Legal & Democratic Services

Reasons for making the decision:

A strong community demand has been identified, evidenced strongly in the Morecambe

area, for diversionary activities and the establishment of safe hang-out areas for young people. Making use of a suitable pre-existing facility may present the quickest, simplest and least expensive short-term way of meeting this need. The decision presents an opportunity to test the positive impact the City Council can make on anti-social behaviour by creating a young people's hang-out area in Morecambe and this will support future determination of wider provision of hang-out areas.

The Assistant Chief Executive, Chief Officer (Resources), Chief Officer (Environment) & Chief Officer (Health & Housing) left the meeting at this point.

96 EXECUTIVE TEAM: ROLES AND STRUCTURE

(Cabinet Member with Special Responsibility Councillor Blamire)

Cabinet received a report from the Chief Executive to consider a revised structure for the Executive Team and give approval for the Chief Executive to commence formal consultation. The Chief Executive explained the rationale for the proposed restructure was to ensure that the right senior management and corporate structure was in place to progress the City Council's ambitious plans.

Details of the proposed restructure were set out in an appendix, which was exempt from publication by virtue of paragraphs 1 and 2 of Schedule 12a of the Local Government Act 1972. At this point it became necessary to refer to the exempt Appendix and it was moved by Councillor Clifford, seconded by Councillor Pattison and resolved unanimously:

Resolved unanimously:

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 it could involve the possible disclosure of exempt information as defined in paragraphs 1 and 2 of Schedule 12A of that Act.

The press and public were excluded from the meeting at this point.

Cabinet asked a number of questions to which the Chief Executive responded.

Councillor Clifford proposed, seconded by Councillor Warriner:-

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

Councillors then voted:-

Resolved unanimously:

- (1) That Cabinet agree to proceed with a consultation with Chief Officers and other parties for changes to the senior management structure.
- (2) That Personnel Committee be invited to consider the approaches in relation to recruitment and appointments to the proposed new structure.

- (3) That it be noted that a report will be presented to Cabinet following conclusion of the consultation.

Officers responsible for effecting the decision:

Chief Executive

Reasons for making the decision:

A need to restructure the senior team was identified in August 2015 by the previous Chief Executive but rejected at the time as Cabinet felt the new Chief Executive should consider and agree any structural changes. The Council has developed highly ambitious plans in its draft Council Plan for enhancing the economy, environment, neighbourhoods and communities' wellbeing. The decision will enable a consultation to be undertaken to allow for a structure to be put in place to progress the City Council's ambitious agenda moving forward.

Chairman

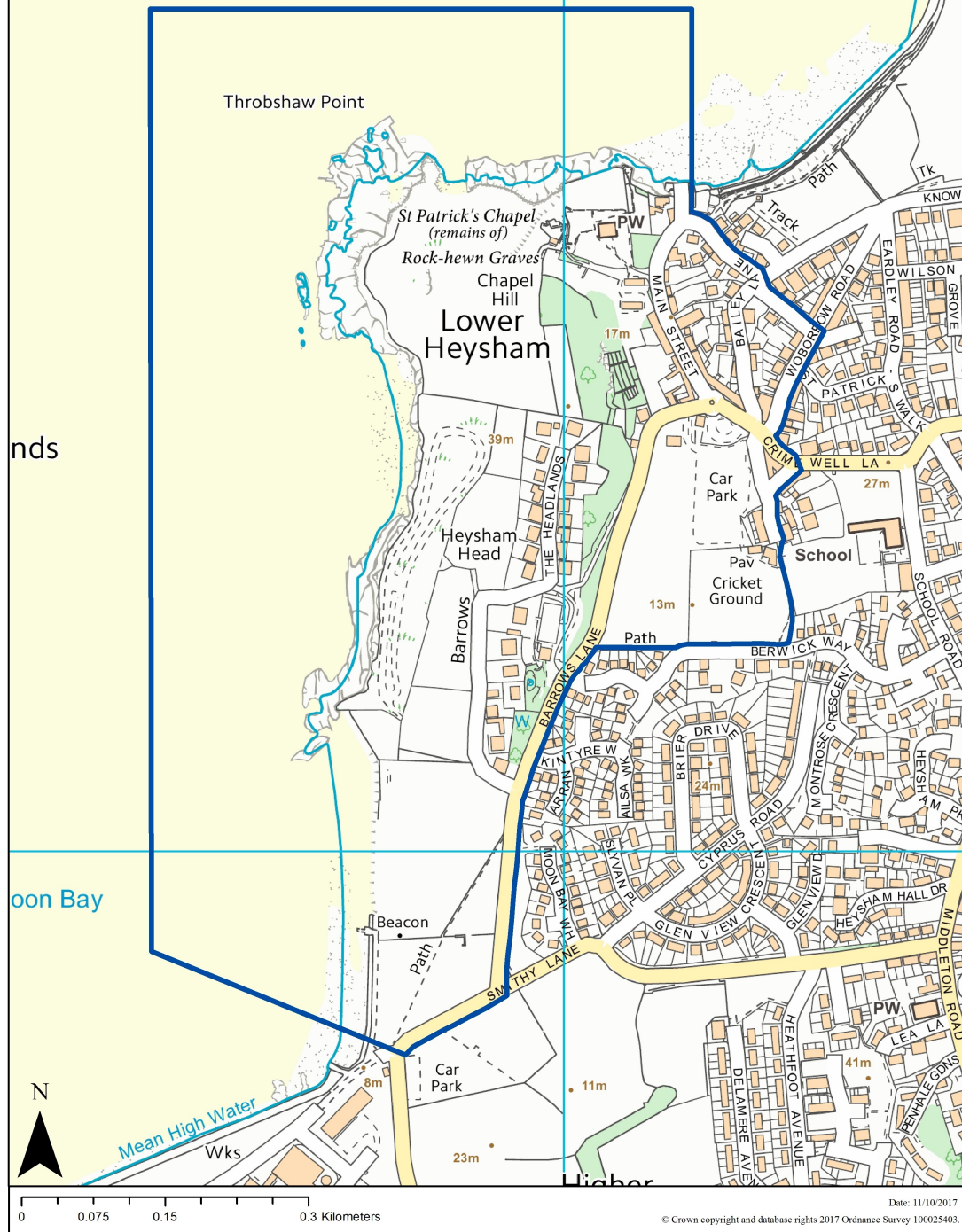
(The meeting ended at 6.40 p.m.)

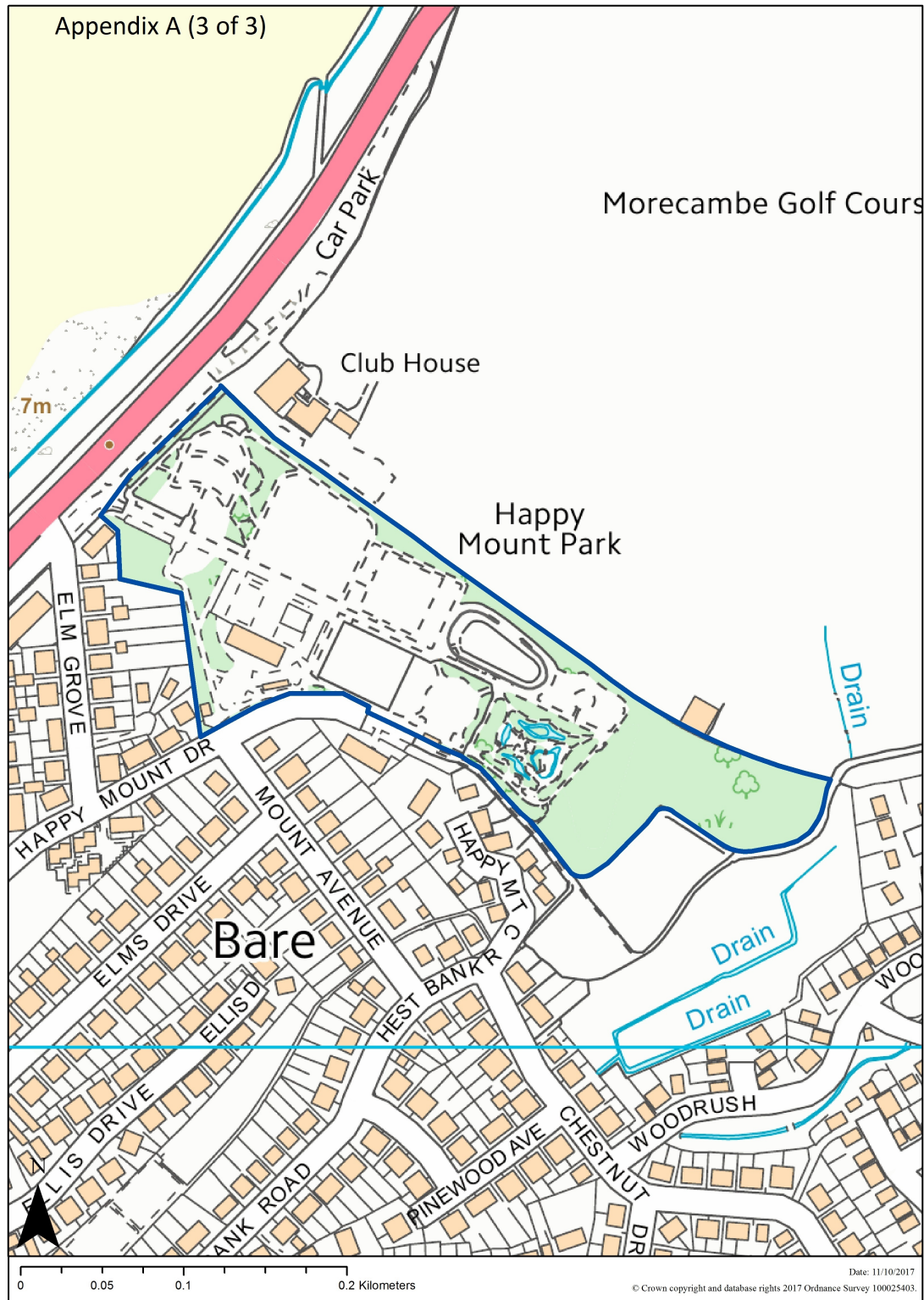
**Any queries regarding these Minutes, please contact
Liz Bateson, Democratic Services - telephone (01524) 582047 or email
ebateson@lancaster.gov.uk**

MINUTES PUBLISHED ON THURSDAY 26TH APRIL, 2018.

**EFFECTIVE DATE FOR IMPLEMENTING THE DECISIONS CONTAINED IN THESE MINUTES:
FRIDAY 4TH MAY, 2018.**







CABINET

8.18 P.M.

15TH MAY 2018

PRESENT:- Councillors Eileen Blamire (Chairman), Janice Hanson (Vice-Chairman), Nathan Burns, Darren Clifford, Brendan Hughes, Margaret Pattison and Anne Whitehead

Apologies for Absence:-

Councillor Andrew Warriner

Officers in attendance:-

Susan Parsonage	Chief Executive
David Brown	Interim Head of Legal and Democratic Services and Monitoring Officer
Dave Rigby	Interim HR Manager
Paul Thompson	Accountancy Manager
Stephen Metcalfe	Principal Democratic Support Officer

1 DECLARATIONS OF INTEREST

No declarations were made at this point.

2 EXCLUSION OF THE PRESS AND PUBLIC

Details of the proposed restructure were set out in an appendix, which was exempt from publication by virtue of paragraphs 1 and 2 of Schedule 12a of the Local Government Act 1972.

It was proposed by Councillor Brendan Hughes, seconded by Councillor Anne Whitehead and resolved unanimously:

Resolved unanimously:

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 it could involve the possible disclosure of exempt information as defined in paragraphs 1 and 2 of Schedule 12A of that Act.

3 EXECUTIVE TEAM: ROLES AND STRUCTURE

A referral from the Overview and Scrutiny Committee was considered following the Overview and Scrutiny call-in meeting held prior to Cabinet in relation to the Executive Team: Roles and Structure (Cabinet Minute 96 refers).

The Overview and Scrutiny Committee recommendations were: -

“(1) That consultation on restructuring should be wider than the statutory consultation with those people directly affected.

- (2) That all informal consultations with Council Members should be minuted and reported in to Cabinet.”

It was proposed by Councillor Darren Clifford, seconded by Councillor Brendan Hughes, and resolved as follows.

Resolved unanimously:

- (1) That Cabinet re-affirms its previous decisions, (1) to (3), of 24th April 2018, (Minute 96 refers).
- (2) That Cabinet notes the Overview and Scrutiny Committee’s recommendation regarding consultation on restructuring, notes that there is an obligation for statutory consultation to be undertaken with those people directly affected (i.e. Chief Officers) and requests that depersonalised feedback be obtained from other Managers who report to Chief Officers.
- (3) That all informal feedback with Council Members should be minuted and reported in to Cabinet.

Officer responsible for effecting the decision:

Chief Executive.

Reasons for making the decision:

A need to restructure the senior team was identified in August 2015 by the previous Chief Executive but rejected at the time as Cabinet felt the new Chief Executive should consider and agree any structural changes. The Council has developed highly ambitious plans in its draft Council Plan for enhancing the economy, environment, neighbourhoods and communities’ wellbeing. The decision will enable a consultation to be undertaken to allow for a structure to be put in place to progress the City Council’s ambitious agenda moving forward. Cabinet has also considered the recommendations of the Overview and Scrutiny Committee in making its decision.

Chairman

(The meeting ended at 8.32 p.m.)

**Any queries regarding these Minutes, please contact
Stephen Metcalfe, Democratic Services - telephone (01524) 582073 or email
sjmetcalfe@lancaster.gov.uk**

MINUTES PUBLISHED ON WEDNESDAY, 23rd MAY, 2018.

**EFFECTIVE DATE FOR IMPLEMENTING THE DECISIONS CONTAINED IN THESE MINUTES:
IMMEDIATE.**

CABINET**6.00 P.M.****26TH JUNE 2018**

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

Officers in attendance:-

Susan Parsonage	Chief Executive
Kieran Keane	Assistant Chief Executive
Nadine Muschamp	Chief Officer (Resources) and Section 151 Officer
Mark Davies	Chief Officer (Environment)
Suzanne Lodge	Chief Officer (Health and Housing)
David Brown	Interim Head of Legal and Democratic Services and Monitoring Officer
Paul Thompson	Accountancy Manager (part)
Liz Bateson	Principal Democratic Support Officer

4 MINUTES

The minutes of the meetings held on Tuesday 24th April and Tuesday 15 May 2018 were approved as a correct record.

5 ITEMS OF URGENT BUSINESS AUTHORISED BY THE LEADER

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

6 DECLARATIONS OF INTEREST

No declarations were made at this point.

7 PUBLIC SPEAKING

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

8 AMBITIONS: OUR COUNCIL PLAN 2018-22**(Cabinet Member with Special Responsibility Councillor Blamire)**

Cabinet received a report from the Chief Executive which presented the draft Council Plan 2018-22 ahead of recommending the finalised Council Plan to Council for approval.

As the report was primarily for noting, no options were provided.

Councillor Whitehead proposed, seconded by Councillor Clifford:-

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

Councillors then voted:-

Resolved unanimously:

- (1) That the draft Council Plan 2018-22 be endorsed by Cabinet and referred to Full Council for approval.

Officer responsible for effecting the decision:

Chief Executive

Reasons for making the decision:

Cabinet has given significant consideration to developing its' strategic priorities to guide the organisation in aligning its strategy and resources in implementing a number of key projects and initiatives. Setting out a new Council Plan at this stage creates an opportunity to clearly state the Council's vision for the Lancaster district and, as such must be approved by Council.

9 PROVISIONAL REVENUE, CAPITAL AND TREASURY MANAGEMENT OUTTURN 2017/18

(Cabinet Member with Special Responsibility Councillor Whitehead)

Cabinet received a report from the Chief Officer (Resources) which provided summary information regarding the provisional outturn for 2017/18, including treasury management. It also set out information regarding the carry forward of capital slippage.

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

The City Council has a legal requirement to ensure that its expenditure is fully funded and to produce accounts in accordance with proper accounting practice. In addition, the Prudential Indicators are a statutory requirement linked to the budgetary framework. For these aspects, therefore, there are no alternative options for Cabinet to consider. Members are being asked to endorse certain actions taken by the Chief Officer (Resources), and Cabinet should consider whether it has sufficient information to do so or whether it requires any further justification.

The report requests Cabinet to consider a number of revenue overspending, capital slippage and other budget adjustment matters. The framework for considering these is set out in the report but basically Cabinet may:

- Endorse any number of the items / requests, in full or part.
- Refuse various requests and if commitments have already been incurred, require alternative funding options to be identified. Cabinet should note, however, that this may impact on other areas of service delivery.
- Request further information regarding them, if appropriate.

The Officer preferred options are as set out in the recommendations, on the assumption that Members continue to support their previously approved spending plans.

Although the General Fund budget and associated Government funding reduced again in 2017/18, the Council continued to manage the financial pressures well and it has again improved the Fund's overall financial standing as at 31 March 2018. Similarly, the HRA's standing is currently sound. Although various actions have been outlined in the report, there are no wholly new matters arising that have not previously been reported or highlighted in some form, and this should give some comfort with regard to the adequacy of the Council's financial planning and monitoring arrangements.

Councillor Whitehead proposed, seconded by Councillor Pattison:-

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

Councillors then voted:-

Resolved unanimously:

- (1) That the provisional outturn for 2017/18 be endorsed, including the transfers and amendments to Provisions, Reserves and Balances actioned by the Chief Officer (Resources), and the position regarding overspendings.
- (2) That Cabinet approves the requests to carry forward underspent revenue budgets as set out in section 5.2 of the report.
- (3) That the requests for capital slippage and the adjustments to reflect accelerated capital spending on projects as set out at Appendix H to the report be endorsed, with the Capital Programme being updated accordingly.
- (4) That the Annual Treasury Management report and Prudential Indicators as set out at Appendix J to the report be noted and referred on to Council for information.

Officer responsible for effecting the decision:

Chief Officer (Resources)

Reasons for making the decision:

The Outturn and Statement of Accounts report on all the financial resources generated and/or used by the Council in providing services or undertaking other activities under the Policy Framework.

10 UPDATE ON PLANNED ACTIVITY FOR THE TRANSFORMATION CHALLENGE AWARD PROJECT

(Cabinet Member with Special Responsibility Councillor Warriner)

Cabinet received a report from the Chief Officer (Health & Housing) to update Cabinet members on the project activity for the Transformation Challenge Award (TCA) and seek endorsement for the revised project activity as agreed by the Partnership (i.e. Lancaster City Council and Lancashire County Council).

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

	Option 1: Continue with originally agreed budget	Option 2: Introduce new project activity and revised budget
Advantages	Broad remit for project work streams	<p>Broad approval for agreed project activity from Health and Wellbeing Partnership</p> <p>Coherent list of projects that complement and support each other</p> <p>Project addresses issues that are most relevant to community</p> <p>Ensures greater participation from Partners</p> <p>Greater emphasis on empowering community</p> <p>Greater emphasis on innovative approaches to transforming the way services are delivered</p> <p>Greater sustainability</p> <p>Outcomes are consistent with original bid</p>
Disadvantages	<p>Considerable amount of time has passed since project activity was agreed with a large amount of staff turn-over meaning interpretation of aims of project activity and associated delivery of outputs made more difficult</p> <p>Extra budget required for targeted enforcement approach following decision not to pursue licensing</p> <p>Some proposed activity would duplicate work undertaken by other Partners in district Reliance on creation of posts, rather than utilising existing</p>	Greater number of projects to coordinate and evaluate

	expertise within community	
Risks	As a large amount of time has passed since the project started, there will have to be some re-appraisal of the original project workstreams, which would likely lead to re-interpretation of their aims with any unspent grant returned to the MHCLG (formerly DCLG) if can't be agreed / delivered.	Greater number of projects, requiring more participation and coordination Potential to duplicate activity if projects are implemented in isolation. Potential for grant clawback by the MHCLG (formerly DCLG), reduced by achieving same outputs as original bid, albeit through slightly revised delivery mechanism.

The officer preferred option was option 2. Considerable effort has gone into building a consensus with partners. There is broad agreement on the main priorities for improving health and wellbeing in the district and the best approach for this. The agreed project activity addresses a number of the underlying problems with innovative, sustainable approaches that are asset based and designed to build resilience in the community. The outcomes will be the same as the original bid - reduction in repeat demand for services, smarter ways of working with focussed populations, improving community safety and wellbeing and empowering the community to build on its own strengths.

Councillor Warriner proposed, seconded by Councillor Hanson:-

"That the recommendations, as set out in the report, be approved and that updates on the Transformation Challenge Award Project be reported to the Housing Regeneration Cabinet Liaison Group."

Councillors then voted:-

Resolved unanimously:

- (1) That Cabinet notes the proposed changes to the Transformational Challenge Award project delivery approach.
- (2) That the General Fund Revenue Budget be updated to reflect the proposed project budget delivery changes, split across relevant financial years as appropriate, subject to there being no additional cost implications for the City Council.
- (3) That updates on the Transformation Challenge Award Project be reported to the Housing Regeneration Cabinet Liaison Group.

Officers responsible for effecting the decision:

Chief Officer (Health & Housing)

Chief Officer (Resources)

Reasons for making the decision:

The proposed project activity will still meet the outcomes as expected in the original bid

but now has the benefit of addressing some of the specific issues that have arisen from community feedback and from the involvement of the Health and Wellbeing partnership. Clarity around the project activity should now enable delivery at a pace within the next 12 months to ensure tangible improvements to the lives of some of the most vulnerable in our district. Healthy and Happy Communities is one of the ambitions in the proposed new Council Plan. The revised project activity will directly contribute to some of the outcomes under this ambition.

11 UPDATE ON INFORMATION GOVERNANCE

(Cabinet Member with Special Responsibility Councillor Blamire)

Cabinet received a report from the Interim Head of Legal & Governance that provided an update on progress made with the GDPR compliance action plan now that the critical date (25th May 2018) had passed and a summary of the relevant policies to note. The report also advised Councillors of their responsibilities in relation to information that they were party to as a Councillor.

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

	Option 1: To continue to implement the GDPR compliance action plan and accept the updated policies	Option 2: To take no action
Advantages	Greater protection for the council from enforcement action from the ICO should a breach occur. Better knowledge of the Council's information and more coherent processes for the creation, storage, use, disposal and destruction of data across the council. Staff are trained and aware of their obligations and how to use and share information more efficiently which in turn should promote improved inter-departmental working.	None
Disadvantages	The extensive work required to ensure compliance is time consuming and onerous for all departments at the Council but the Council's legal obligation will not diminish if we simply ignore the new regulations.	The Council will be at risk of partial compliance which would not protect itself from action from the ICO if an error occurred.

Risks	Moderate. Council is not compliant and although there is a forward plan in place there is still comprehensive work to be done to bring the Council in line with the new regulations.	High. Failing to execute the plan or have a plan in place puts the Council at risk of a fine if there is a data breach which could total up to £17million.
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Option 1, to note the information provided and for Cabinet to continue to champion the roll out of the plan for compliance from the highest level was the officer preferred action.

Councillor Blamire proposed, seconded by Councillor Clifford:-

“That the recommendations, as set out in the report, be approved, and that officers be requested to give consideration as to how to make e-learning more councillor focused.”

Councillors then voted:-

Resolved unanimously:

- (1) That the progress to date be noted.
- (2) That the new policies be noted, and Cabinet continue to support the Council's work to ensure compliance with the new Data Protection Regulations.
- (3) That Cabinet recognise that Councillors have personal liability for the information that they hold, and how it is used, stored, distributed and destroyed.
- (4) That officers be requested to give consideration as to how to make data protection and other e-learning available to Councillors.

Officer responsible for effecting the decision:

Interim Head of Legal & Governance

Reasons for making the decision:

The decision is consistent with the Corporate Plan priority of Community Leadership - commitment to good governance, openness and transparency. Improving the compliance and data security measures within the Council will help to evidence to the ICO that we are committed to the safety, security and appropriate sharing of information and will demonstrate to the residents of Lancaster that we are working to ensure that their rights in relation to information and data protection are upheld.

12 CABINET LIAISON GROUPS AND APPOINTMENTS TO OUTSIDE BODIES, PARTNERSHIPS AND BOARDS

(Cabinet Member with Special Responsibility Councillor Blamire)

Cabinet received a report from the Chief Executive to consider Cabinet Liaison Groups

and appointments to Outside Bodies, Partnerships and Boards.

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

The options regarding Cabinet Liaison Groups were:

- To note existing arrangements and make no amendments.
- To consider and approve, where appropriate, any proposals from Cabinet members.

With regard to Outside Bodies, Partnerships and Boards, Cabinet was requested to make appointments as set out in Appendix C to the report.

Councillor Warriner proposed, seconded by Councillor Clifford:-

“That the recommendations, as set out in the report, be approved with the establishment of a Flooding Cabinet Liaison Group being agreed in principle, the terms of reference of which would be tabled at a later Cabinet meeting.”

Councillors then voted:-

Resolved unanimously:

- (1) That the Cabinet Liaison Groups as set out in Appendix B to the report be re-constituted with the following revisions approved:
 - Revised terms of reference of the Housing Regeneration CLG as set in Appendix B to the report.
 - Canal Corridor CLG to be stood down and replaced by the Canal Quarter CLG.
- (2) That a Flooding Cabinet Liaison Group be established in principle, the terms of reference of which will be agreed by Cabinet at a future meeting.
- (3) That appointments to Outside Bodies, Partnerships and Boards as set out in Appendix C to the report be noted with the following revision:
 - Councillor Pattison appointed to Health & Wellbeing Partnership with Councillor Warriner the substitute.

Officer responsible for effecting the decision:

Chief Executive

Reasons for making the decision:

The establishment of Cabinet Committees and Cabinet Liaison Groups assists the Cabinet in the discharge of executive functions. Representation on Outside Bodies is part of the City Council's Community Leadership role.

(Cabinet Member with Special Responsibility Councillor Councillor Blamire)

Cabinet received a report from the Chief Executive to report on the key indicators for January - March 2018 (Quarter 4) and the full year April 2017-March 2018.

As the report was primarily for noting and comments, no options were provided.

Resolved unanimously:

- (1) That the report be noted.

Officer responsible for effecting the decision:

Chief Executive

Reasons for making the decision:

The City Council's Performance Management Framework requires regular reporting of operational, as well as financial performance. Performance Monitoring provides a link between operational achievement and the policy framework, by providing regular updates on the impact of operational initiatives against strategic aims and objectives.

14 EXCLUSION OF PRESS AND PUBLIC

As it became necessary to refer to the exempt Appendix it was moved by Councillor Pattison, seconded by Councillor Hanson and resolved unanimously:

Resolved unanimously:

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 it could involve the possible disclosure of exempt information as defined in paragraphs 1 and 2 of Schedule 12A of that Act.

The press and public were excluded from the meeting at this point.

The Interim Head of Legal & Democratic Services left the meeting at this point.

15 BUDGET SUPPORT RESERVE - PROPOSED ALLOCATIONS**(Cabinet Member with Special Responsibility Councillor Whitehead)**

Cabinet received a report from the Chief Officer (Resources) to consider proposed allocations from the Budget Support Reserve to enable the progress of related matters.

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

Approve the allocation as proposed:

Senior Management - Essentially the proposal is to help ensure that the Council has adequate senior management capacity for the relevant periods, to progress various

initiatives and to protect its interests. Should the allocation be supported, it is advised that some flexibility be built in, to manage the corporate turnover savings position.

Environmental Services restructuring - The proposal provides the one off funding required to produce the ongoing savings agreed by the Council in 2016. It will not impact negatively on service delivery.

Amend the proposed allocations

Should Cabinet consider this option, the rationale and implications of any proposed amendment would need to be considered and addressed.

Do not approve the allocation

Should this option be chosen, regarding the HR proposal, as there are no other obvious sources of financing available at this point, then as a consequence the Council would need to readjust its work priorities, and put in place other arrangements to ensure that meets its legal obligations. There is no guarantee that these could be met from within existing budgets, and so alternative reserve allocations may arise in due course.

Regarding the Environmental Services proposal, the restructuring could not go forward and the budgetary savings and operational efficiencies would not be realised. Alternative ways of achieving savings would need to be identified, but any such options are likely to involve other up-front costs in any event.

The relevant Officer preferred options are as set out in the attachments. In respect of the interim capacity proposal, some flexibility regarding the corporate turnover position is advised; this is reflected in the Member recommendations of this report.

Councillor Whitehead proposed, seconded by Councillor Burns:-

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

Councillors then voted:-

Resolved unanimously:

- (1) That Cabinet approves a total allocation estimated at £145,000 from the Budget Support Reserve to cover:
 - the continued engagement of the interim Head of Legal and Democratic Services to 31 October 2018, and the interim Human Resources Manager to 31 July 2018, with any further extension being subject to decisions regarding the management restructure; and
 - the one off costs arising from a minor structural reorganisation resulting from Council’s decision to reorganise the management and administration of Environmental Services.
- (2) That the allocation regarding interim capacity be subject to the use of turnover savings to help finance the engagement and should any adjustment be required to the allocation, it be addressed through quarterly financial monitoring reporting (through which the corporate turnover position will be monitored).

Officer responsible for effecting the decision:

Chief Officer (Resources)

Reasons for making the decision:

As reflected within its Medium Term Financial Strategy and related Provisions and Reserves Policy, the Council holds a Budget Support Reserve. Its purpose is to provide resources to help finance capacity, feasibility/review and other development work in support of the Council's corporate planning and budgeting arrangements. Allocations from the reserve above the key decision threshold are a matter for Cabinet.

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 TUESDAY, 10TH JULY, 2018.

**EFFECTIVE DATE FOR IMPLEMENTING THE DECISIONS CONTAINED IN THESE MINUTES:
WEDNESDAY, 18TH JULY, 2018.**

CABINET**6.00 P.M.****3RD JULY 2018**

PRESENT:- Councillors Eileen Blamire (Chairman), Janice Hanson (Vice-Chairman), Nathan Burns, Darren Clifford, Brendan Hughes, Margaret Pattison and Andrew Warriner

Apologies for Absence:-

Councillor Anne Whitehead

Officers in attendance:-

Susan Parsonage	Chief Executive
David Brown	Interim Head of Legal and Democratic Services and Monitoring Officer
Anne Marie Harrison	Economic Development Manager (Minute 19 only)
Dave Rigby	Interim HR Manager
Stephen Metcalfe	Principal Democratic Support Officer

16 ITEMS OF URGENT BUSINESS AUTHORISED BY THE LEADER

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

17 DECLARATIONS OF INTEREST

No declarations were made at this point.

18 PUBLIC SPEAKING

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

19 COASTAL REVIVAL FUND - NEW CALL FOR PROJECTS AND ACCOUNTABLE BODY ARRANGEMENTS

(Cabinet Member with Special Responsibility Councillor Hanson)

Cabinet received a report from the Economic Development Manager, which provided information on the recent launch of a new round for the Government's Coastal Revival Fund (CRF). Approval was requested to bid to the CRF to support local community led business interest in redevelopment of the Co-Op Building for community use and approve an application for a council partnership capital project to match fund the bid. Cabinet was also requested to agree a protocol for considering any request from third party organisations for the council to act as the Accountable Body for their applications.

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

The following options can be considered for bid to CRF for the Co-Op partnership

project proposal:

	Option 1: Do Nothing - continue to manage/maintain the Co-op building.	Option 2: Bid to CRF and use current capital resources to develop a community led refurbishment proposal for the Co-Op which could attract major funding in the future and to undertake property stabilisation works to prevent further deterioration, alongside further market testing.
Advantages	<p>No immediate impact on the council's budget.</p> <p>Basic holding costs currently covered by income lease (due for renewal) with Late Shop.</p>	<p>Builds on community interest and energy in one of the district's more deprived areas.</p> <p>Positive community led business project has much greater chance of funding opportunity and success.</p> <p>Could lead to positive economic use of the Co-Op and the opportunity to successfully exit from ownership of building secure in the knowledge it has a sustainable future.</p> <p>A successful bid would help mitigate current adverse impact on street scene. This would aid the attractiveness of Chatsworth Gardens to prospective tenants and the overall viability of that project.</p>
Disadvantages	<p>Potential for future unplanned maintenance and capital spend given the age and structure of the building.</p> <p>Misses out on potential to test community based solutions and interest to transfer development and building risk away from the city council.</p> <p>Currently no prospect of securing grant aid from external sources for any major project.</p> <p>Continuing adverse impact on West End street scene.</p>	<p>Officers have to project manage a basic refurbishment/feasibility project.</p> <p>Budget provision of circa £36K capital to be sourced from existing Winning Back the West End grant funds.</p>

Risks	<p>The council would continue to hold a property which has the potential to become a serious liability without significant intervention in future.</p> <p>Likelihood of incurring cost without deriving a benefit.</p> <p>Negative impact on adjacent Chatsworth Gardens scheme</p>	<p>There is no guarantee that any funding bid will be successful.</p> <p>In the long-term stabilizing works are unlikely to be sufficient to mitigate the risks of holding a property which has the potential to become a serious liability without significant intervention in future.</p> <p>The goal of the initial investment would be to secure a long-term future in association with community stakeholder interests.</p>
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With regard to the idea for the council to make a CRF application for the Co-Op building **Option 1: Do Nothing** is a continuing risky proposition as the council will be faced with unplanned capital expenditure in the medium and long term to meet repair obligations and secure the building for the benefit of the current Late Shop lease.

The Preferred Option is **Option 2: Bid to CRF and use current capital resources to develop a community led refurbishment proposal for the Co-Op which could attract major funding in the future and to undertake property stabilisation works to prevent further deterioration.**

It is intended to use the CRF proposal and initial funds as a first phase “jumping off” point for the development of a future major project, which could bring significant resources to refurbish the building. If successful, the project could provide an end to the council’s ongoing building liabilities and risks. A natural progression would be to follow up with a bid to a future round of the Coastal Communities Fund (CCF) main grants programme. CCF guidance will only accept capital projects at an advanced stage of development and capital projects need to be worked up to the RIBA Plan of Work Stage 4 technical design stage with detailed cost information.

There is no guarantee any bid will be successful as the MHCLG’s will undertake an assessment/scoring procedure and other national bids may be seen as simply a better ‘fit’ under the scheme. The market testing is to be undertaken alongside the main proposal may help identify other potential options for the building, but the outcome of this is very uncertain also.

Alongside the main proposal members should consider the positive benefits of additional external funding for the CCT area as ample justification for the council to agree to being the Accountable Body for third Party CRF applications subject to due diligence of the bidding organisations.

A CRF bid to develop the necessary plans and proposals for a community led refurbishment represents a good use of funds compared to other reasonable alternatives/ideas in the current market and the potential liabilities of ‘doing nothing’ given the building condition. There is no current or future prospect of external grant

assistance to help deliver a way forward for the Co-op building outside of a community based solution. Working with the Exchange Creative CIC and other key local stakeholders offers the best chance of bringing an important and prominent West End building back into productive use.

The report has also appraised Members on the issues and duties required in consideration of any future request for the council undertake an Accountable role for any application for funding under the current CRF.

Councillor Hanson proposed, seconded by Councillor Clifford:-

“That Option 2, as set out in the recommendations of the report, be approved.”

Councillors then voted:-

Resolved unanimously:

- (1) That a bid for £40K CRF funds is made to help develop a community business led refurbishment proposal for the Co-Op building which could attract major funding in the future and to undertake some property stabilisation works to prevent further deterioration.
- (2) That the CRF bid be matched with £36,565 current capital resources still held under the former Winning Back the West End scheme.
- (3) That the Council agrees to consider being the Accountable Body for third Party Coastal Revival Fund (CRF) applications subject to the review protocol and proportionate due diligence on any applicant/sponsor organisation as outlined in the report.
- (4) That the Revenue Budget / Capital Programme be updated accordingly to reflect the outcome of the above.

Officers responsible for effecting the decision:

Chief Officer (Resources).
Economic Development Manager.

Reasons for making the decision:

In supporting this CRF proposal, the council will be making progress against a number of its corporate objectives/outcomes as defined in the Corporate Plan 2018 - 22. Should the project be successful in generating a major refurbishment scheme and follow through to implementation it should actively support a Thriving and Prosperous Economy Sustainable Economic Growth outcomes, success, measures and actions.

20 EXECUTIVE TEAM: ROLES AND STRUCTURE

(Cabinet Member with Special Responsibility Councillor Blamire)

Cabinet received a report from the Chief Executive to consider proposals for the

restructure of the Executive Team along with consultation responses and agree the way forward.

It was noted that the report, Appendices A and I were public, however all of the other appendices for this item were exempt from publication by virtue of paragraphs 1 and 2 of Schedule 12a of the Local Government Act 1972. If Cabinet wished to refer to the exempt documentation it was recommended that it would be necessary to exclude the press and public in accordance with Section 100A(4) of the Local Government Act 1972.

Councillor Clifford proposed, seconded by Councillor Warriner:-

“That the recommendations, as set out in the report, be approved, subject to the following addition to the final bullet point:-

and any continued engagement of the interim Human Resources Manager beyond 31st July 2018 and up to 31st March 2019 being met from a combination of turnover savings and the Budget Support Reserve.”

Councillors then voted:-

Resolved unanimously:

That Cabinet refers to Full Council for determination:

- The future operating model for the senior management team,
- The funding of the future operating model for the senior management team,
- To authorise the Deputy s 151 Officer to update the General Fund Revenue Budget accordingly, with upfront costs being met from the Restructuring Reserve and any continued engagement of the interim Human Resources Manager beyond 31st July 2018 and up to 31st March 2019 being met from a combination of turnover savings and the Budget Support Reserve.

Officer responsible for effecting the decision:

Chief Executive.

Reasons for making the decision:

The decision to refer determination to Full Council is in accordance with the City Council's rules of procedure and financial regulations, as set out in article 7.06(f) of the Constitution.

The restructure proposal is based on what is considered to be appropriate for the Council both now, and for the coming years. Where previous restructures have been in response to an identified need to reduce spend on staffing, this proposal is about the structure the Council needs to put in place to progress an ambitious agenda moving forward. Additionally, this proposal will bring savings to the Council in the longer term should it be implemented.

The restructure is intended to ensure the Council organisationally is in a position to meet

the Council's real ambitions in its Council Plan, to meet strategic objectives and the financial challenges that it faces in the future. This is a proactive business change in order to improve the Council's position and continue to improve services to residents.

Moreover, the restructure and the change process have not prevented innovative and creative proposals to financial challenges from moving forward. The restructure is a proactive change intended to step up the momentum on innovation, and enable creativity to achieve the results and embed new ways of working.

Chairman

(The meeting ended at 6.14 p.m.)

**Any queries regarding these Minutes, please contact Stephen Metcalfe, Democratic Services
- telephone (01524) 582073 or email sjmetcalfe@lancaster.gov.uk**

MINUTES PUBLISHED ON TUESDAY, 10th JULY 2018.

**EFFECTIVE DATE FOR IMPLEMENTING THE DECISIONS CONTAINED IN THESE MINUTES:
MINUTE 19. WEDNESDAY, 18th JULY 2018.**

MINUTE 20. IMMEDIATE IMPLEMENTATION. THE DECISION HAS BEEN REFERRED TO COUNCIL FOR DETERMINATION IN ACCORDANCE WITH THE CITY COUNCIL'S RULES OF PROCEDURE AND FINANCIAL REGULATIONS, AS SET OUT IN ARTICLE 7.06(f) OF THE CONSTITUTION.