

## CABINET

6.05 P.M.

7TH AUGUST 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
David Brown	Interim Head of Legal and Democratic Services and Monitoring Officer
Mark Davies	Chief Officer (Environment)
Andrew Clarke	Financial Services Manager
Paul Rogers	Senior Regeneration Officer (part)
Liz Bateson	Principal Democratic Support Officer

### 21 MINUTES

The minutes of the meetings held on Tuesday 26 June and Tuesday 3 July 2018 were approved as a correct record.

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

The Chairman advised that there was one item of urgent business regarding Heysham Gateway (Minute 30 refers). As it was an exempt report it would be considered in the private part of the meeting.

### 23 DECLARATIONS OF INTEREST

No declarations were made at this point.

### 24 PUBLIC SPEAKING

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

### 25 ST GEORGE'S QUAY CAR PARK

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

Cabinet received a report from the Chief Officer (Environment) to consider an objection to the Council's plan to introduce formalised car parking management and charges on St George's Quay car park.

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

	<b>Option 1:</b> Not uphold the objection	<b>Option 2:</b> Uphold the objection
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Advantages	<p>This option allows the original decision of introducing formal management of the car park to be implemented.</p> <p>This option will give priority to residents and businesses for the limited parking that is available.</p> <p>This option will prevent commuter and long term parking of vehicles.</p>	None
Disadvantages	<p>Car parking charges will be introduced to offset the cost of enforcement and other operational costs.</p>	<p>This option will not prevent the commuter and long term parking.</p> <p>Alternative management proposals would potentially have to be developed.</p> <p>This option has specific budgetary implications and affects other car parking proposals that have further budgetary implications.</p>
Risks	<p>Criticism for not introducing long standing proposals for formalised management of the car park</p>	<p>Unmanaged, commuter and long term parking would continue on the car park.</p>

The officer preferred option is to not uphold the objection.

Councillor Clifford proposed, seconded by Councillor Pattison:-

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

Councillors then voted:-

***Resolved unanimously:***

- (1) That the objection to the concept and imposition of parking charges on St George's Quay Car park be noted.

- (2) Not to uphold the objection and to continue the process of implementing the decisions already made by Cabinet.

**Officer responsible for effecting the decision:**

Chief Officer (Environment)

**Reasons for making the decision:**

The proposed increases and car parking management arrangements approved by Cabinet in February (and subsequently included in the budget approved by Council) were considered to be fair and reasonable and in line with the Fees and Charges Policy. Blue badge holders will be able to park free of charge without time limit on the car park in line with the Council's discretionary arrangements for all its managed car parks. In terms of the specific proposals for the St. George's Quay car park, introducing formalised management of the car park is consistent with managing car parking assets to raise revenue and to give priority where appropriate to residents and businesses and to remove long term and commuter parking.

**26 LANCASTER CATON ROAD (PHASE 3) FLOOD RISK MANAGEMENT SCHEME**

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

Cabinet received a report from the Assistant Chief Executive to update Members on the River Lune flood defence scheme progress and funding matters, and agree the draw down and commitment of an additional portion of Environment Agency funding in order to undertake further critical work on design development and cost planning.

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

	<b>Option 1: Do nothing</b>	<b>Option 2: Accept a further £2.3M EA FDGiA and use £532K to undertake further design development work in support of funding, planning and delivery of the Phase 3 Flood Defence Scheme.</b>
Advantages	Officers do not have to undertake further development work on a major capital scheme.	<p>Gives the best chance of a scheme to be ready that secures all statutory, contractual and funding requirements and which meets current deadlines.</p> <p>Continues the process of applying more certainty to scheme costs and deliverability in conjunction with the partner contractor.</p>

		Allows work on costs and deliverability to support the planning application.
Disadvantages	<p>Without additional resources it is unlikely that officers will be able to develop the package of works in sufficient detail with the partner contractor to allow:</p> <ul style="list-style-type: none"> <li>• a formal contract for the works to be agreed by the end of March 2019.</li> <li>• further investigations and deliverability work to support the planning application and statutory requirements.</li> </ul>	Engages the council and its staff resources in the continuing development of a major capital project.
Risks	<p>Reputational risks of being unable to deliver a contract within the deadlines imposed by ERDF and MCHLG.</p> <p>Reputational risks of missing / delaying delivery and the planning application being refused for lack of information.</p>	Engaging in a more detailed development phase without certainty of the funding package or contractual delivery may raise expectations (although the council is not committed to any construction contract).

The officer preferred option is Option 2 to accept a further £2.3M EA FDGiA and use £532K to undertake further design development work in support of funding, planning and delivery of the Phase 3 Flood Defence Scheme.

This decision allows the council to progress the detailed design and bring more certainty to deliverability and costs in order to inform planning and statutory requirements and ensure the challenging contracting deadlines have the best prospect of being achieved.

As the council has progressed a phased tender under the WEM framework officers are confident all spend will be ERDF compliant and available to be used as match funding to ERDF grant should this be approved and accepted in future.

While progressing further work does not commit the council to accepting ERDF funds, or progressing a full scheme, more detailed work has to be undertaken for there to be the chance of meeting ERDF contracting and delivery deadlines. Option 2 also allows officers to continue to explore and confirm the appetite of the major businesses to assist with significant financial contributions and continue to investigate other potential public

funding sources.

Councillor Hanson proposed, seconded by Councillor Burns:-

“That the recommendations as set out in the report be approved, with a revision to recommendation 4 by way of the deletion of the second bullet point, and an additional recommendation as set italicized below:

*Members encourage those major businesses who have not yet committed an “in-principle” financial contribution to consider the major benefits of investing in the scheme, as otherwise there may be insufficient funding to enable the project to proceed.”*

Councillors then voted on the recommendations, as amended:-

***Resolved unanimously:***

- (1) That, on approval of the Phase 3 business case / financial appraisal, Members agree to accept an offer of approximately £2.3M Flood Defence Grant in Aid (FDGiA) and use up to £532K to undertake further design development work in support of funding, planning and delivery of the Phase 3 Flood Defence Scheme.
- (2) That delegated authority be given to the Financial Services Manager to update the General Fund Revenue Budget to reflect the design development expenditure and associated FDGiA funding as appropriate.
- (3) That officers continue to work with the major Caton Road business to negotiate / secure private funding contributions and also investigate any further public funding avenues to meet the full scheme construction costs.
- (4) That agreement of the above continues to be on the basis that the scheme is wholly externally funded and that there is no commitment to allocate City Council capital or revenue funding;
- (5) That Members encourage those major businesses who have not yet committed an “in-principle” financial contribution to consider the major benefits of investing in the scheme, as otherwise there may be insufficient funding to enable the project to proceed.
- (6) That a further report is made to Cabinet to ensure financial, procurement, legal and operational implications are resolved prior to acceptance of any ERDF funding and private sector contributions; and before contractually committing to implementing the construction phase (Stage 2).

**Officer responsible for effecting the decision:**

Assistant Chief Executive  
Financial Services Manager

**Reasons for making the decision:**

Economic Growth is a high level Corporate Priority for the City Council, the flooding risk to this important industrial area undermines business and investment confidence, and there is an acute need to promote this scheme to help secure its delivery. The proposed course of action represents the most appropriate route towards achieving a positive outcome, both meeting the City Council's regeneration objectives and having wider social, economic and environmental impacts.

**27 CORPORATE FINANCIAL MONITORING 2018/19 - QUARTER 1****(Cabinet Member with Special Responsibility Councillor Whitehead)**

Cabinet received a report from the Chief Officer (Resources) to provide an overview of the Council's financial position for Quarter 1 of the 2018/19 monitoring cycle and the supporting actions underway.

As the report was primarily for noting, no options were provided. It was noted that a revised Annex B, an update on Salt Ayre had been included in the supplementary report.

It was proposed by Councillor Whitehead, seconded by Councillor Clifford and resolved unanimously that the report and supporting actions be noted.

***Resolved unanimously:***

- (1) That the report and supporting actions, as set out in the report, be noted.

**28 PROPOSED ALLOCATIONS FROM THE BUDGET SUPPORT RESERVE - PROGRAMME UPDATE****(Cabinet Member with Special Responsibility Councillor Whitehead)**

Cabinet received a report from the Chief Officer (Resources) which sought consideration of 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 allocations as proposed:**

Essentially the proposals are to help ensure that the Council has adequate capacity to develop and take forward its plans, in a timely and structured manner to help ensure successful outcomes. There is risk in terms of abortive costs for example, should the business case for any proposal prove unviable. There is also risk that the allocations will be insufficient, or that suitable and timely expertise cannot be secured, as further examples. These are typical project risks and would be mitigated through the governance arrangements proposed. Relevant Officers would be held to account, in support of good governance.

**Amend/defer 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, then the Council could not reasonably expect to deliver its key projects in any timely fashion, and this would impact on the achievement of outcomes at set out in the Council Plan, and on the achievement of financial targets as set out in the Medium Term Financial Strategy (MTFS). If no additional capacity was to be facilitated at any point, this would require fundamental reconsideration of the Council's direction and its budget, together with supporting strategies and plans.

The relevant Officers' preferred option is to approve the allocations as proposed, for the reasons stated.

Councillor Whitehead proposed, seconded by Councillor Pattison:-

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

Councillors then voted:-

***Resolved unanimously:***

- (1) That Cabinet approves a total allocation of £300K from the Budget Support Reserve to cover Programme Management Capacity and Project Support Capacity, with the allocations managed under the governance arrangements as set out in the report.

**Officer responsible for effecting the decision:**

Financial Services Manager

**Reasons for making the decision:**

The purpose of the Budget Support Reserve 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. Work was currently ongoing to review the City Council's existing projects to ensure the projects and project governance is robust and supports successful delivery. Many of the projects are linked to the Council's transformation, digital and commercial agendas and short-term specialist support is required to progress the projects, which will assist the Council in modernising and provide for income generation in the future.

**29 EXCLUSION OF THE PRESS AND PUBLIC**

It was moved by Councillor Hanson and seconded by Councillor Clifford:-

"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 then voted as follows:-

***Resolved unanimously:***

- (1) 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.

**30 ITEM OF URGENT BUSINESS - HEYSHAM GATEWAY****(Cabinet Member with Special Responsibility Councillor Blamire)**

In accordance with Part 4, Section 7, Urgent Business Procedure Rules and S100 (B) of the Local Government Act 1972, Cabinet received a report from the Financial Services Manager. The report sought approval to delegate to the Financial Services Manager in consultation with the Cabinet Member to vary the terms of the condition exchange of contracts from those set out in Appendix A of Annex 3 of the exempt report of the 8<sup>th</sup> August 2017. The report was exempt from publication by virtue of Paragraph 3 of Schedule 12a of the Local Government Act 1972.

The Chairman had agreed to consider the report as an item of urgent business in order to enable the conditional exchange of contracts to progress, avoid unnecessary delay and allow the transaction to conclude as soon as practical. The Chairman of the Overview and Scrutiny Committee had been consulted and agreed to the item being treated as a matter of urgency in accordance with Overview and Scrutiny Procedure Rule 17(a) and therefore not subject to call-in.

The options, options analysis, including risk assessment and officer preferred option, were set out in the exempt report.

Councillor Blamire proposed, seconded by Councillor Hanson:-

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

Councillors then voted:-

***Resolved unanimously:***

- (1) That Cabinet authorises the Financial Services Manager to approve any subsequent revisions needed to the sale terms in respect of this land sale, after consultation with the Leader, up to an assessed liability as set out in the exempt report.
- (2) That it be noted that the Chairman of the Overview and Scrutiny Committee had agreed to waive the call-in period regarding implementation of the decision.

**Officers responsible for effecting the decision:**

Assistant Chief Executive  
Financial Services Manager  
Interim Head of Legal & Democratic Services



**Reasons for making the decision:**

Sustainable economic growth is a high level Corporate priority for the City Council with Heysham Gateway identified as a regeneration priority in the Core Strategy and Local Plan. Cabinet approved entering into a conditional sale contract in August 2017 (Minute 23 – 8.8.2017 refers) and permitting the further delegation enables positive and quick progress to be made. Cabinet will receive a further report at the conclusion of the process.

**31 LAND FORMING PART OF LANCASTER LEISURE PARK, LANCASTER (Pages 11 - 12)****(Cabinet Member with Special Responsibility Councillor Blamire)**

Cabinet received a report from the Chief Officer (Resources) regarding the land forming part of Lancaster Leisure Park, which was exempt from publication by virtue of paragraph 3, of Schedule 12A of the Local Government Act 1972. The options, options analysis, including risk assessment and officer preferred option, were set out in the exempt report.

Councillor Blamire proposed, seconded by Councillor Hanson:-

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

Councillors then voted:-

***Resolved unanimously:***

- (1) The resolutions are set out in a minute exempt from publication under Paragraph 3 of Schedule 12A of the Local Government Act 1972.

**Officer responsible for effecting the decision:**

Assistant Chief Executive

**Reasons for making the decision:**

The reasons for making the decision are set out in a minute exempt from publication under Paragraph 3 of Schedule 12A of the Local Government Act 1972.

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Chairman

(The meeting ended at 6.50 p.m.)

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

**MINUTES PUBLISHED ON FRIDAY 10 AUGUST, 2018.**

**EFFECTIVE DATE FOR IMPLEMENTING THE DECISIONS CONTAINED IN THESE MINUTES:  
MONDAY 20 AUGUST 2018, WITH THE EXCEPTION OF MINUTE 30 – HEYSHAM GATEWAY  
WHICH CAN BE IMPLEMENTED WITH IMMEDIATE EFFECT AS CALL-IN HAS BEEN WAIVED  
ON THIS ITEM.**

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

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