

CABINET

5.00 P.M.

14TH SEPTEMBER 2021

PRESENT:- Councillors Caroline Jackson (Chair), Kevin Frea (Vice-Chair), Gina Dowding, Tim Hamilton-Cox, Tricia Heath, Erica Lewis, Cary Matthews, Sandra Thornberry and Anne Whitehead

Apologies for Absence:-

Councillor Dave Brookes

Officers in attendance:-

Mark Davies	Director for Communities and the Environment
Sarah Davies	Director of Corporate Services
Jason Syers	Director for Economic Growth and Regeneration
Luke Gorst	Head of Legal Services and Monitoring Officer
Paul Thompson	Chief Financial Officer (Head of Finance & Section 151 Officer)
Mark Cassidy	Head of Planning and Place
Liz Bateson	Principal Democratic Support Officer, Democratic Services

24 MINUTES

The minutes of the meeting held on Tuesday 13 July 2021 were approved as a correct record.

25 ITEMS OF URGENT BUSINESS AUTHORISED BY THE LEADER

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

26 DECLARATIONS OF INTEREST

No declarations were made at this point.

27 PUBLIC SPEAKING

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

28 ECONOMIC RE-OPENING RECOVERY AND RENEWAL FRAMEWORK

(Cabinet Member with Special Responsibility Councillor Heath)

Cabinet received a report from the Director for Economic Growth & Regeneration and were asked to consider a draft Economic Reopening, Recovery and Renewal Framework. The framework provided a broad approach that was intended to form the basis of the council's support for the economy following the COVID pandemic, covering the short, medium and longer term.

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

Option 1: Approve the Economic Reopening, Recovery and Renewal Framework

Advantages:

- Provides clarity and momentum to help drive the council's approach economic recovery.
- Provides an opportunity to maintain a strategic overview of economic recovery activities and impact in the district.
- Offers an informed approach to help determine priorities over time.
- Facilitates delivery of clear economic, social and environmental benefits.
- The overall impact of all activities within the framework can be monitored.
- Offers flexibility and adaptability to allow the council to take account of emerging circumstances and new opportunities.
- Supports access to external funding resources.
- Provides an engaged approach that takes account of business needs.
 - Strengthens partnership working across the district and the subregion.
- Helps to combine resources across partnership organisations in the district, creating increased value for money and adding value overall.

Disadvantages:

None

Risks:

No direct risks as a result of the framework but risks for individual activities and projects will be considered as part of normal decision making.

Option 2: Do not approve the Economic Reopening, Recovery and Renewal Framework

Advantages:

None

Disadvantages:

- A strong focus on economic recovery and delivery of associated economic benefits will be undermined.
- The council's approach to economic recovery will be unclear both within the council and externally.
- It will be significantly more difficult to monitor the overall impact of the council's economic recovery activities.
- Potential to combine resources effectively with economic partners could be reduced. • Opportunity to build on the current very high levels of business engagement will be undermined.

Risks:

- Potential loss of external funding particularly for key recovery and renewal projects and initiatives, due to the council not having an agreed approach in place.

As a result of questions, the following suggestions were made:

- The bullet point in relation to ‘Green transport improvements’ within the *Building a big, green and sustainable future* priority be re-written;
- The role of community wealth building be expanded within the framework.
- That the COVID impact study be circulated to Cabinet when available.

Councillor Heath proposed, seconded by Councillor Hamilton-Cox:-

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

Councillors then voted:-

Resolved unanimously:

- (1) That the Economic Reopening, Recovery and Renewal Framework be approved as the basis of the council’s support for the economy following the COVID pandemic.
- (2) That Cabinet notes that specific projects and actions within the framework are subject to the council’s normal decision making and governance processes.

Officer responsible for effecting the decision:

Director for Economic Growth & Regeneration

Reasons for making the decision:

The proposed framework is consistent with the council’s policy framework and agreed Principles, Ambitions and Outcomes. The framework is pragmatic and flexible and will allow for both proactive and responsive support bearing in mind local needs and opportunities. Decisions relating to any specific actions or projects will be managed within the council’s normal governance arrangements, taking into account resource implications in the usual way. An important principle behind the Framework is partnership working at the local and subregional level, which enables an informed and holistic approach, brings together joint resources around shared priorities and supports strong engagement at all levels.

29 PSDS DECARBONISATION OF SHELTERED SCHEMES

(Cabinet Member with Special Responsibility Councillor Matthews)

Cabinet received a report from the Director for Communities and the Environment which sought Cabinet support to apply for further schemes and approve the Public Sector Decarbonisation Scheme funding. Should an offer be forthcoming it was noted that any final acceptance by a Director was subject to S151 officer consent following due diligence.

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

Option 1: Approve proposal in full

Advantages:

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| <ul style="list-style-type: none"> • Enables officers to continue working at pace and deliver the project within the required |
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timeframes in line with the PSDS funding set out by the department for Business, Energy and Industrial Strategy (BEIS). A demonstration of how well this has worked is reflected in the SALC scheme.

- Project has the potential to deliver a CO2 saving from natural gas of a further 15% bringing the council's total natural gas emissions down by as much as 50% by the end of 21/22.

Disadvantages:

None

Risks:

- Procurement will be in line with the council's procurement strategy.
- Further due diligence on capital costs and revenue implications will come from the next phase of detailed design.
- Officers intend to review the Salix/BEIS T&Cs to ensure risks of not delivering by March 2022 are known, included in due diligence and mitigated where possible.

Option 2: Reject Proposal in full

Advantages:

None.

Disadvantages:

- Reject Transfer of funding between GF and HRA
 - o Project cannot be delivered. Surplus funding returned to Salix/BEIS once SALC project is completed.
- Reject delegated authority to CEX for the associated contracts
 - o Decision to award contract will require a cabinet decision, which would present and put the project at risk of not achieving the delivery deadline of March 2022.

Risks:

As above

The Officer Preferred Option is Option 1: Approve the Proposal. That Cabinet support the proposal and enable officers to progress with the schemes in line with the required delivery deadline. The proposal effectively mirrors the previous arrangements and approvals provided for the original scheme at SALC.

Councillor Matthews proposed, seconded by Councillor Caroline Jackson:-

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

Councillors then voted:-

Resolved unanimously:

- (1) That Cabinet supports the application for further schemes and approve the

PSDS funding should an offer be forthcoming noting that any final acceptance by a Director is subject to S151 officer consent following due diligence checks, in accordance with the Council's own financial procedure rules.

- (2) That, subject to the acceptance of an offer for external funding, Cabinet approves the reallocation of £2M unspent funding in respect of further decarbonisation projects across the HRA and approve the necessary adjustments between the General Fund and HRA capital programmes.
- (3) That Cabinet supports the request to provide delegated authority to the Chief Executive to award the associated contracts when a decision is ready to be made.

Officers responsible for effecting the decision:

Chief Executive
 Director for Communities and the Environment
 Chief Finance Officer

Reasons for making the decision:

The decision is consistent with the following priorities and cross-cutting themes:

- An inclusive and prosperous local economy. A proportion of the overall evaluation will include an element of social value, in line with the procurement strategy and contract procedure rules.
- Climate Emergency – Net zero 2030 ambition. Collectively, the sheltered schemes listed within the report produce 15% of the council's natural gas emissions.

30 PROVISIONAL REVENUE, CAPITAL AND TREASURY MANAGEMENT OUTTURN 2020/21

(Cabinet Member with Special Responsibility Councillor Whitehead)

Cabinet received a report from the Chief Finance Officer which provided summary information regarding the provisional outturn for 2020/21, including treasury management. It also set out information regarding the carry forward of capital slippage and other matters for Members' consideration.

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

The 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 Finance Officer, 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 Council's financial position appears relatively healthy with a surplus against the revised budget and an overall increase in the level of reserves held, the Council's Medium Term Financial Strategy suggests a structural budget gap in 2022/23 onwards of approximately £2.183M raising to £4.668M.

Work has commenced to support opportunities to address the underlying structural deficit, by:

- Increasing and diversifying income
- Improving productivity and securing efficiencies via new ways of working (e.g., Outcomes Based Resourcing)
- Developing alternative ways to achieve priority outcomes (e.g., partnership).

However, if these are not successful and the deficit is not closed, then balances will be required to make up the difference.

The Chief Finance Officer confirmed that he would provide further details with regard to possible time limits on ring-fenced grants to Cabinet members.

Councillor Whitehead proposed, seconded by Councillor Lewis: -

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

Councillors then voted:-

Resolved unanimously:

- (1) That the provisional outturn for 2020/21 be endorsed, including the transfers to and from Reserves and Balances actioned by the Chief Finance Officer as set out in 6.1 and Appendix 5 of the report.
- (2) That Cabinet approves the treatment of year end overspends and endorse the do-nothing approach in-light of the current pandemic situation.
- (3) That the requests for capital slippage and the adjustments to reflect accelerated capital spending on projects as set out at Appendices 6 and 7 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 2 to the report be noted and referred on to Council for information.

Officer responsible for effecting the decision:

Chief Finance Officer

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.

31 DELIVERING OUR PRIORITIES

(Cabinet Member with Special Responsibility Councillor Caroline Jackson)

Cabinet received a report from the Director of Corporate Services which provided an update on the progress of key corporate projects and performance measures for the period April - June 2021 (Quarter 1). A revised version of the Corporate programmes, projects and performance update was circulated at the meeting.

As the report was for noting and comments no options were provided. The report provided information with regard to financial monitoring, COVID19, General Fund Summary Position, Housing Revenue Account Summary Position, Capital Projects (General Fund & HRA), Reserves, and Collection Fund with detailed financial appendices appended to the report.

Clarification was requested with regard to the financial responsibility for the Community Pump referred to in the Lune Flood Protection project at Caton Road along with a further update on Morecambe Co-op; and Cabinet agreed to consider the revised project report in more detail at a subsequent Cabinet briefing.

It was proposed by Councillor Jackson, seconded by Councillor Hamilton-Cox and resolved unanimously:-

Resolved unanimously:

- (1) That the updates on projects, performance and finance measures from April-June 2021 (Q1) be noted.

Reasons for making the decision:

Robust, meaningful, and timely information on the council's key projects and success measures provides an important perspective on the direction of the organisation in delivering its strategic priorities under its Policy Framework.

32 HIGH SPEED RAIL 2 - LOBBYING STRATEGY

(Cabinet Member with Special Responsibility Councillor Dowding)

Cabinet received a report from the Director for Economic Growth & Regeneration to endorse the City Council's 2021-22 strategy in respect of the High Speed Rail 2 Project. Whilst the report was public it contained exempt appendices and the Chair advised the meeting to be mindful of the information within the exempt appendices during the course

of the discussion in order to avoid having to go into private session.

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

Option 1: Agree the strategy appended to the report

Advantages: The strategy is considered the most effective way in which to state the case for a Lancaster call for London-bound HS2 services.

Disadvantages: None – highlighting Lancaster’s case is considered an appropriate and responsible course of action.

Risks: There are no identifiable risks in terms of arguing Lancaster’s position.

Option 2: Not agree the strategy appended to the report

Advantages: None that are apparent – it is possible that the future Train Service Specification may deliver Lancaster stopping services without direct input from the City Council, but this is a risk.

Disadvantages: Without a cohesive strategy, there is a risk that Lancaster’s case for direct London services is ineffective or is not heard at all.

Risks: Not agreeing the strategy would potentially allow a draft Train Service Specification to be published without City Council input.

The officer preferred option is Option 1. There are compelling economic, environmental and social reasons why Lancaster should continue to be served by direct London trains. By agreeing and implementing the strategy, the City Council is continuing to be proactive in terms of influencing the debate regarding future HS2 service provision.

Councillor Dowding proposed, seconded by Councillor Hamilton-Cox:-

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

Councillors then voted:-

Resolved unanimously:

- (1) That Cabinet agrees the exempt Strategy appended to the report.

That Cabinet agrees that Officers may pursue any legitimate, additional opportunities for lobbying or other similar activities that will enable the Council to advance Lancaster’s case, in accordance with the existing project budget.

That in the event that any future additional work (beyond the current budget) is considered necessary, such as further engagement of consultants to assist with advancing Lancaster’s case, a further report shall be brought to Cabinet to

determine whether to agree to resource the additional work.

Officer responsible for effecting the decision:

Director for Economic Growth & Regeneration

Reasons for making the decision:

By agreeing to the Lobbying Strategy, the Council will be achieving several of its' Corporate Priorities identified in the 2020 Update. In particular, it will be taking action to meet the challenges of the climate emergency by helping to continue the transition to an accessible, inclusive and low-carbon transport systems. It will also be supporting Lancaster's status as a major city on the West Coast Mainline network, which help to secure investment and regeneration across the Lancaster District. The retention of direct London-bound services will help serve the needs of our local residents, organisations and businesses. The Lancaster District Local Plan includes policies which seek to maximise the opportunities provided by Lancaster's location on the main strategic rail network and improve transport connectivity.

Chair

(The meeting ended at 6.08 p.m.)

**Any queries regarding these Minutes, please contact
Liz Bateson, Democratic Services - email ebateson@lancaster.gov.uk**

MINUTES PUBLISHED ON MONDAY 20 SEPTEMBER 2021

**EFFECTIVE DATE FOR IMPLEMENTING THE DECISIONS CONTAINED IN THESE MINUTES:
TUESDAY 28 SEPTEMBER 2021**