

CABINET

10.00 A.M.

17TH MARCH 2009

PRESENT:- Councillors Abbott Bryning (Chairman), Evelyn Archer, Jon Barry (part), Eileen Blamire, Shirley Burns, Susie Charles, Jane Fletcher, John Gilbert, David Kerr and Roger Mace

Officers in attendance:-

Mark Cullinan	Chief Executive
Heather McManus	Corporate Director (Regeneration)
Roger Muckle	Corporate Director (Finance and Performance)
Debbie Chambers	Principal Democratic Support Officer

159 MINUTES

The minutes of the meetings held on Tuesday 17th February 2009 and Tuesday 3rd March 2009 were approved as correct records.

160 ITEMS OF URGENT BUSINESS AUTHORISED BY THE LEADER

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

161 DECLARATIONS OF INTEREST

No declarations were made at this point.

162 PUBLIC SPEAKING

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

163 RESPONDING TO WORKLESSNESS

(Cabinet Members with Special Responsibility Councillors Archer and Mace)

The Corporate Director (Regeneration) submitted a report to outline, and seek approval for, the City Council's role in supporting employment and skills activities identified in the LDLSP Education, Skills and Opportunities Thematic Group Action Plan as a response to worklessness within the District. Specific approval is sought for a funding bid to the LDLSP for a Worklessness Pilot Project focused on outreach and engagement with hard to reach individuals and groups in the District's most deprived areas.

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

Lancaster & Morecambe Worklessness Pilot Project

Option	Advantages	Disadvantages	Risks
1. Withdraw the pilot project proposal/funding bids	None	<p>Opportunity to secure 100% external funding for the project would be lost.</p> <p>Loss of existing staff would lead to inability to draw down complementary Supporting People Programme funding.</p> <p>Redundancy costs incurred for existing staff.</p>	Lancashire LAA 2006/2009 reward targets and funding would be unaffected but there would be increased likelihood that the local contribution towards LAA 2008/2011 targets would not be achieved with possible impact on reward funding
2. Endorse the project funding bid to the LDLSP (and the Supporting People funding bid) and proceed with the pilot project proposal leading to full implementation if funding is secured.	<p>Provides continuity of employment for existing staff in the Integrated Support Team.</p> <p>This would allow the project to work within the priority super output areas, the most deprived wards, to help disadvantaged households gain sustainable long term employment.</p> <p>No requirement for City Council match funding.</p> <p>Contribution to LAA target to reduce worklessness.</p> <p>Sharing of housing-led approach with other authorities.</p>	Sustainability of the project beyond the 2-year pilot phase likely to be dependent on other sources of funding (eg European Social Fund).	Risks associated with project implementation including appointment of staff, achievement of outputs

City Council approach towards worklessness

Option	Advantages	Disadvantages	Risks
1. Do nothing ie do not take lead in appropriate actions identified in the ESO Thematic Group Action Plan	No impact on staff time and other priorities	ESO Thematic Group Action Plan not fully implemented Failure to achieve draft 2009/10 Corporate Plan priority	Lancashire LAA 2006/2009 reward targets and funding not affected but local contribution towards achieving LAA 2008/2011 reward targets related to worklessness minimised
2. Take active lead in appropriate actions identified in the ESO Thematic Group Action Plan, including establishing Work Group	Draft 2009/10 Corporate Plan priority addressed Firm base established for development of initiatives to address worklessness through joint working	Significant staff time potentially required – possibly up to half a full time equivalent post in the short/medium term.	There is a risk that insufficient staff time would be available to support the full range of actions and the Work Group. In this event administrative support could be required but it may be possible to seek appropriate resources through the LDLSP.

Officer Preferred Option (and comments):

Option 2 is the preferred option for the Worklessness Pilot Project as this will enable the City Council to undertake an active role in supporting some of the hardest-to-reach groups and individuals to secure employment and training opportunities, contributing towards efforts to achieve the LAA target to reduce the number of working age people claiming out of work benefits in target areas (although this target may be subject to revision in response to the economic downturn). It would also enable the City Council to maintain its work with vulnerable households with the additional Supporting People funding potentially available from Lancashire County Council.

Option 2 is also the preferred option for the City Council's approach towards worklessness as this will be in accordance with the draft 2009/10 Corporate Plan Key Action 1.3 to deliver the Council's actions in the LDLSP's Education, Skills and Opportunities Thematic Group Action Plan. It will also support local action planning to respond to LAA targets related to worklessness and skills. The development of the Employment and Skills Plan could also provide valuable input to the economic assessment process proposed under the Sub National Review of Economic Development and Regeneration, especially in the context of emerging Government proposals to introduce Work and Skills Plans setting out how local partners can achieve their LAA targets.

The Corporate Director (Regeneration) clarified with Cabinet Members that, should Recommendation 1 in the report be accepted, Cabinet would be effectively authorising vacancies for the pilot project, since to prepare and submit vacancy forms to Cabinet following acceptance of the recommendation would create a delay with the project.

It was moved by Councillor Archer and seconded by Councillor Mace:-

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

Members then voted:-

Resolved unanimously:

(Note: Councillor Barry was not present when the vote was taken.)

- (1) That Members endorse the funding bid to the Lancaster District Local Strategic Partnership (LDLSP) for the Lancaster & Morecambe Worklessness Pilot Project, approve its implementation and the updating of the revenue budget if the bid is successful and authorise the Corporate Director (Regeneration) to agree appropriate line management arrangements.
- (2) That Members endorse the Supporting People funding bid already made to Lancashire County Council and, if formally offered, approve the on-going implementation of the vulnerable households activity to complement the Worklessness Pilot Project, and the updating of the revenue budget.
- (3) That Members acknowledge the role of the City Council in employment and skills activities which complement its draft 2009/10 Corporate Plan priority to deliver the Council's actions in the LDLSP's Education, Skills and Opportunities Thematic Group Action Plan.
- (4) That appropriate officer time be committed, within existing staff resources, to support actions included within the LDLSP Education, Skills and Opportunities Thematic Group Action Plan.

Officers responsible for effecting the decision:

Corporate Director (Regeneration)
Head of Economic Development and Tourism

Reasons for making the decision:

The decision is in line with the preferred options in the report. The Worklessness Pilot Project will enable the City Council to undertake an active role in supporting some of the hardest-to-reach groups and individuals to secure employment and training opportunities, contribute towards efforts to achieve the LAA target to reduce the number of working age people claiming out of work benefits in target areas. It will also enable the City Council to maintain its work with vulnerable households with the additional Supporting People funding potentially available from Lancashire County Council.

The preferred option for the City Council's approach towards worklessness is in accordance with the draft 2009/10 Corporate Plan Key Action 1.3 to deliver the Council's

actions in the LDLSP's Education, Skills and Opportunities Thematic Group Action Plan. It will also support local action planning to respond to LAA targets related to worklessness and skills. The development of the Employment and Skills Plan could also provide valuable input to the economic assessment process proposed under the Sub National Review of Economic Development and Regeneration, especially in the context of emerging Government proposals to introduce Work and Skills Plans setting out how local partners can achieve their LAA targets.

164 COMMUNITY COHESION

(Cabinet Member with Special Responsibility Councillor Gilbert)

The Chief Executive submitted a report asking Members to consider how to take forward community cohesion within Lancaster District in the context of the Area Based Grant (ABG).

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

Option 1

That Cabinet agrees to support the cohesion action plan developed by the Valuing People group and allocates £23K to the group for this purpose

Option 2

To defer making any allocations from the ABG for community cohesion at this time

Option 3

That Cabinet allocate Area Based Grant for some other purpose.

The preferred option is Option 1 - to support the cohesion action plan developed by the Valuing People group and allocate £23K to the group for this purpose. This is in accordance with the earlier decisions of Cabinet to take forward development of a Community Cohesion Strategy through working with the LDLSP and the voluntary sector and ring fence the 2008/9 Area Based Grant awarded for community cohesion for supporting specific actions within Corporate Plan Priority 6.1.

It was moved by Councillor Gilbert and seconded by Councillor Blamire:-

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

(Councillor Barry joined the meeting.)

Members then voted:-

Resolved unanimously:

- (1) That the remaining £16,000 balance of the Community Cohesion Reserve, together with £7,000 from the Project Implementation Reserve, be allocated to support the

Lancaster District Local Strategic Partnership's (LDLSP) Valuing People Thematic Group to develop and implement a district wide Community Cohesion Strategy.

- (2) That the 2009/10 Revenue Budget be updated accordingly.
- (3) That the Head of Corporate Strategy become the Responsible Spending Officer for this £26,000 budget.

Officers responsible for effecting the decision:

Chief Executive
Head of Corporate Strategy

Reasons for making the decision:

The decision taken is in accordance with the earlier decisions of Cabinet to take forward development of a Community Cohesion Strategy through working with the LDLSP and ring fence the 2008/9 Area Based Grant awarded for community cohesion for supporting specific actions within the Corporate Plan.

165 LUNESIDE EAST REGENERATION PROJECT

(Cabinet Member with Special Responsibility Councillor Mace)

The Corporate Director (Regeneration) submitted a report updating Cabinet on progress on this key regeneration project, explaining why this development is currently stalled and to present proposals for how the Council might facilitate a satisfactory and timely project delivery.

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

Options:

Market conditions severely constrain what can reasonably be done. To make progress the only option available is

Option 1 is for the NWDA to grant the Council funding for it to clear and remediate the site and undertake essential infrastructure works and thereby ready the site for development when the market starts to recover. (The Developer costs such works at some £5.2 million).

The alternative, Option 2, is to do nothing.

Analysis:

Officers consider that option 1 is the only one available. Doing nothing is not realistic, not least because obligations on the Council under the JFA and its contract for ERDF funding put it at substantial financial risk until it delivers or at least can assure full development delivery. In total, funding for some £5 million of expenditures already made is at stake and, in the worst-case scenario, the Council would be left with expenditure to this amount unfunded.

In addition, doing nothing would have serious implications for regeneration and planning. The full potentials of this development in terms of the environmental improvements, homes and jobs that it should deliver will not be realised. There will be no significant inward investment into the wider Luneside area for years to come. Failure to develop out this site and, because of this, prospectively other sites, will also mean the Council's total housing delivery is lowered and developers will be in a stronger position to force the Council to release Greenfield sites instead.

A related point is that terminating the involvement of the Developer is neither sensible nor reasonable at this stage. The developer has undoubted capacity, knowledge, commitment and readiness to deliver and the Council can mitigate its risks significantly by keeping the Developer with it so it can draw on its knowledge and experience. Further, the reasons the Developer cannot proceed as planned are no fault of its own.

Option 1 is also deliverable (subject to a positive funding decision). The NWDA (and also the HCA) has the discretion to grant the Council sufficient funding to undertake the works described and a variation to the JFA would be the mechanism. The Corporate Director (Regeneration) has the delegated authority to apply for such external funding. The Council owns the whole site and therefore would have full site control. It is practised as an accountable body. Planning Services' Engineering Team has the capacity and expertise to act as client for the works. This team is well versed in mechanisms for managing and mitigating risk (including cost risk) in contract management. To maximise efficiencies and minimise costs the Council should secure services from the Developer's expert consultancy team to assist with the client role, most particularly from Entec UK Ltd as consultant advisors for the remediation works and RW Gregory for servicing and utility works. The Developer has consented to this. The necessary procurements could be made under the Council's procurement rules.

Critically, the Council would need to procure an expert remediation contractor. The Council could draw from the applicable NWDA Panel of pre-validated contractors and, after clarifying capabilities, tender. The Council should also take advice from Entec's given it tendered the remediation contract on behalf of the Developer. The Council's Engineering Team consider that the procurement process will take some 6-9 months to complete with a 2-3 month mobilisation period after this before the contractor could commence. Entec, for the Developer, has planned on a nine-month period for site works.

If it is assumed that tenders for a remediation contract are advertised in late Spring 2009 then prospectively, the site works should commence in early 2010 and be completed by autumn 2010. Given that most commentators predict economic recovery to commence in 2010 this should time well with any market recovery and the need then to present the site as a compelling development opportunity.

Risk assessment:

Option 1 relies on the Council securing external funding to cover the costs of it undertaking site works and any grant secured would be capped. This would place the onus on the Council to manage costs and cost risks within the budget made available. Given the recession, the Council should be very well placed to secure very competitive tenders and to further mitigate out cost risk by drawing on the experience gained by Entec in its procurement for the Developer.

There are other risks including regulatory, technical and environmental risks but proper project management approaches and effective contract management should mitigate these to a satisfactory level. Again, the experience of Entec and also RW Gregory will assist. In addition, the continued involvement of the Developer itself in an advisory capacity would assist with risk management during site clearance and remediation works and enable the Council to tailor remediation standards and infrastructure provision very precisely to the first phase construction by the Developer. The Council could accommodate for this in its project management approach.

Officer preferred Option:

Option 1 is strongly preferred. A specific short-term gain is that undertaking site works bring local benefits in terms of jobs and economic activity. Resolving the problems of land contamination will remove the main constraint on development of the site. This will transform the development opportunity in the perceptions of potential investors and house builders and should significantly advance final project delivery. There are no other practicable options.

It was moved by Councillor Mace and seconded by Councillor Charles:-

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

Members then voted:-

Resolved unanimously:

That Cabinet:

- (1) Approve that, if the NorthWest Development Agency provide the Council with full grant funding for the purpose, the Council undertake all works necessary to clear and remediate (clean up) the site and put in place essential infrastructure in order to facilitate the subsequent development of the site by the private sector, subject to the Corporate Director (Regeneration) and the statutory officers being satisfied as to any conditions imposed by the NWDA.
- (2) Subject to Recommendation 1 being approved and the outcome of the funding bid, that the General Fund Capital programme and the General Fund Revenue Programme are updated accordingly.

Officers responsible for effecting the decision:

Corporate Director (Regeneration)
Head of Planning Services.

Reasons for making the decision:

A specific short-term gain is that undertaking site works bring local benefits in terms of jobs and economic activity. Resolving the problems of land contamination will remove the main constraint on development of the site. This will transform the development opportunity in the perceptions of potential investors and house builders and should significantly advance final project delivery. There are no other practicable options.

166 DISPOSAL STRATEGY

(Cabinet Member with Special Responsibility Councillor Archer)

The Corporate Director (Regeneration) submitted a report asking Members to consider adopting a Disposal Strategy for the Council as part of a Medium Term Corporate Property Strategy.

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

Option 1 – That the Disposal Strategy be adopted. This would build on the Corporate Property Strategy provide an improved framework for managing the Council's asset disposal process.

Option 2 - That the Disposal Strategy is not adopted. The existing guidance of the Corporate Property Strategy would be maintained although this is now out of date and does not meet the Council's current priorities.

Option 1 is the officer preferred option. The adoption of the Disposal Strategy provides an improved framework for managing the Council's asset disposal process.

It was moved by Councillor Archer and seconded by Councillor Kerr:-

“(1) That the Disposal Strategy as amended, (an amended version of the Disposal Strategy, with the amendments highlighted, was distributed by Councillor Archer at the meeting and is appended to these minutes) be approved, subject to the inclusion of a clause giving a commitment that the portfolio holder will be consulted on the disposal method to be adopted for any property disposal.”

Members then voted:-

Resolved:

(9 Members (Councillors Archer, Barry, Blamire, Bryning, Burns, Charles, Gilbert, Kerr and Mace) voted in favour and 1 Member (Councillor Fletcher) abstained)

(1) That the Disposal Strategy as amended, be approved, subject to the inclusion of a clause giving a commitment that the portfolio holder will be consulted on the disposal method to be adopted for any property disposal.

Officers responsible for effecting the decision:

Corporate Director (Regeneration)
Head of Property Services

Reason for making the decision:

Adoption of the Disposal Strategy provides an improved framework for managing the Council's asset disposal process.

167 EXCLUSION OF THE PRESS AND PUBLIC

The Chairman asked for any further declarations of interest from Cabinet Members regarding the exempt reports.

It was moved by Councillor Kerr and seconded by Councillor Archer:-

“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 items of business, on the grounds that they could involve the possible disclosure of exempt information as defined in paragraphs 1,2 and 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 items of business, on the grounds that they could involve the possible disclosure of exempt information as defined in paragraphs 1,2 and 3 of Schedule 12A of that Act.

168 LANCASTER MARKET**(Cabinet Member with Special Responsibility Councillor Archer)**

The Corporate Director (Regeneration) submitted an exempt report updating Cabinet on the information requested in line with the resolutions made at the December 2008 Cabinet meeting.

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

It was moved by Councillor Archer and seconded by Councillor Kerr:-

“(1) That options 1 and 2, as set out in the exempt report, be approved.”

Members then voted:-

Resolved:

(6 Members (Councillors Archer, Blamire, Bryning, Burns, Gilbert and Kerr) voted in favour and 4 Members (Councillors Barry, Charles, Fletcher and Mace) abstained)

- (1) That options 1 and 2, as set out in the exempt report, be approved.

Officers responsible for effecting the decision:

Corporate Director (Regeneration)
Head of Property Services

Reasons for making the decision:

The decision provides the greatest opportunity to remove some or all of the Council's deficit in the long term.

169 EMPLOYEE ESTABLISHMENT - VACANCY AUTHORISATION**(Cabinet Member with Special Responsibility Councillor Bryning)**

The Chief Executive submitted a report seeking Cabinet's approval to the filling of established vacancies where recommended and to note a decision taken under the Council's urgent business procedure.

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

The information contained within each form provides details related to the risks of not filling the related vacancy. Cabinet has the option of releasing funding on either a time limited or permanent basis or withholding funding. If funding is not released, there will be an impact on Service provision. If funding is time limited, it will be more difficult and possibly more expensive to fill a post.

Officer Preferred Option (and comments):

To fill those posts as recommended by Service Heads unless Cabinet identifies the work as being of a low priority.

It was moved by Councillor Kerr and seconded by Councillor Fletcher:-

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

Members then voted:-

Resolved:

(8 Members (Councillors Archer, Barry, Blamire, Bryning, Burns, Fletcher, Gilbert and Kerr) voted in favour and 2 Members (Councillors Charles and Mace) voted against)

- (1) That Cabinet Members agree that the vacancies recommended for filling by Service Heads are filled as soon as possible.
- (2) That the action taken by the Chief Executive, in consultation with the relevant Cabinet Member and the Chairman of the Overview and Scrutiny Committee in accordance with the Scheme of Delegation, in respect of the following vacancy, be noted:-
 - (a) That the Conditions of Employment of the temporary holder of post PL0096 in Planning Services be amended to extend the fixed term contract on a reduction in hours to 18.5 on a temporary basis to accommodate a request

from the substantive post holder to work half time for a period of 12 months following maternity leave, under the Family Leave Scheme policy.

- (b) That the call in be waived in accordance with Overview and Scrutiny Procedure Rule 17 to allow immediate implementation.
- (3) That the Revenue Budget be updated accordingly, for any deleted or deferred posts.

Officers responsible for effecting the decision:

Chief Executive.

Reasons for making the decision:

The decisions enable the decision made at Cabinet on 11th November 2008, removing the delegated decision making to fill employee vacancies away from Service Heads to Cabinet, to be implemented. It was noted that, unless Cabinet decide otherwise, there will be no further reporting of employee vacancies after the April Cabinet meeting.

Chairman

(The meeting ended at 11.20 a.m.)

**Any queries regarding these Minutes, please contact
Debbie Chambers, Democratic Services, telephone 01524 582057 or email
dchambers@lancaster.gov.uk**

MINUTES PUBLISHED ON THURSDAY, 19TH MARCH 2009.

**EFFECTIVE DATE FOR IMPLEMENTING THE DECISIONS CONTAINED IN THESE MINUTES:
FRIDAY 27TH MARCH 2009.**