

CABINET

10.00 A.M.

28TH JULY 2009

PRESENT:- Councillors Stuart Langhorn (Chairman), Evelyn Archer, Jon Barry, Eileen Blamire, Abbott Bryning, Jane Fletcher, David Kerr, Roger Mace and Malcolm Thomas

Apologies for Absence:-

Councillor June Ashworth

Officers in attendance:-

Mark Cullinan	Chief Executive
Peter Loker	Corporate Director (Community Services)
Roger Muckle	Corporate Director (Finance and Performance)
Nadine Muschamp	Head of Financial Services and Section 151 Officer
Graham Cox	Head of Property Services
David Lawson	Forward Planning Manager
Debbie Chambers	Principal Democratic Services Officer

26 MINUTES

The minutes of the meeting held on Tuesday 23rd June, 2009 were approved as a correct record.

27 ITEMS OF URGENT BUSINESS AUTHORISED BY THE LEADER

The Chairman advised that there was one item of urgent business regarding the Private Sector Housing Capital Programme 2009/10 (Minute 30 refers).

28 DECLARATIONS OF INTEREST

No declarations were made at this point.

29 PUBLIC SPEAKING

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

30 ITEM OF URGENT BUSINESS - PRIVATE SECTOR HOUSING CAPITAL PROGRAMME 2009/10

(Cabinet Member with Special Responsibility Councillor Kerr)

In accordance with Section 100B(4) of the Local Government Act 1972, the Chairman agreed to consider the report as an item of urgent business to inform the 2009/10

Capital Programme at an early stage.

The Corporate Director (Regeneration) submitted a report seeking approval for the allocation of the Regional Housing Pot (RHP) funding between the West End Master Plan, Poulton Renewal Area and Disabled Facilities Grants.

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

The Private Sector Housing Capital Programme is a key delivery agent for the Council's Housing Strategy. This in turn reflects the Council's strategic priorities set out in the LDF and Sustainable Community Strategy, both of which are consistent with regional priorities. It is of increasing importance that implementation and funding reflects and is consistent with strategy. This in turn will increase the chances of attracting external funding and development partners in the future. Furthermore, high level risk considerations have already been reflected in the development of such strategy.

This essentially limits the options available to those shown below. In essence, these centre around whether remaining funds should be used to help fund West End priorities, or to provide a greater level of resources towards Disabled Facilities Grants (DFGs).

Members should note that DFGs are mandatory and are made available to all qualifying residents throughout the district. They provide facilities for access to dwellings, whilst making them safe, and also include the provision of suitable kitchen, bathroom and bedroom facilities. Demand always outstrips supply and the Council is called upon to manage the budget accordingly.

Assuming allocations in the next two years are similar to this year's, the following funding proposals are to be considered:

Option 1

	2009/10 £	2010/11 £	2011/12 £
Total for Allocation	1,294,000	1,294,000	1,294,000
West end public realm	130,000	----	----
Poulton public realm	40,000	---	----
Marlborough Road scheme	95,000	130,000	----
DFG (LCC contribution)	1,029,000	1,164,000	1,294,000
Resulting Total DFG Budget (with Government Office funding)	1,682,000	1,817,000	1,947,000

Option 2

	2009/10 £	2010/11 £	2011/12 £
Total for Allocation	1,294,000	1,294,000	1,294,000
West end public realm	130,000	----	----
Poulton public realm	40,000	----	----
Marlborough Road	95,000	130,000	----
100% remainder contribution to West End/Bold Street <ul style="list-style-type: none"> • Bold street acquisition, disposal and remodelling (even numbers) • Bold Street Masterplan 	593,000	728,000	858,000
DFG (LCC contribution at 40% statutory requirement match to government grant)	436,000	436,000	436,000
Resulting Total DFG Budget (with Government Office funding)	1,089,000	1,089,000	1,089,000

The Officer preferred option is Option 2. This is consistent with the Council's strategies and priorities and provides a rational way for determining priorities for investment. It also reflects the June Cabinet decision. It continues to support the West End Master Plan, Disabled Facilities Grants (DFGs) and the successful completion of the Poulton Renewal Area.

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

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

By way of amendment, Councillor Barry proposed and Councillor Fletcher seconded:-

"That a report on whether DFG expenditure is adequate for 2010/11 and 2011/12 be requested, and whether further money from the Private Sector Housing Capital Programme might be allocated for this purpose in future years."

3 Members (Councillors Barry, Bryning and Fletcher) voted in favour of the amendment and 6 Members (Councillors Archer, Blamire, Kerr, Langhorn, Mace and Thomas) voted against. The Chairman declared the amendment lost.

Members then voted on the original proposition:-

Resolved:

(7 Members (Councillors Archer, Blamire, Fletcher, Kerr, Langhorn, Mace and Thomas) voted in favour, 1 Member (Councillor Barry) voted against and 1 Member (Councillor Bryning) abstained)

- (1) That Cabinet approve Option 2 regarding the allocation of Private Sector Housing Capital Programme
- (2) The Capital Programme to be updated to include:
 - £436,000 to finance Disabled Facilities Grants (DFGs)
 - £130,000 to be set aside for West End Public Realm
 - £40,000 to be allocated to complete Poulton Public Realm
 - £95,000 to be allocated to Marlborough Road
 - £593,000 for remodelling, acquisition, disposal and masterplan for Bold Street, West End

Officers responsible for effecting the decision:

Corporate Director (Regeneration)
Head of Planning Services
Head of Financial Services

Reasons for making the decision:

The allocation of capital funding from the Regional Housing Pot will support the Council's statutory responsibility for Disabled Facilities Grants and its corporate priorities to support the West End Masterplan and complete its work in the Poulton Renewal Area.

31 SALE OF MORECAMBE TOWN HALL COTTAGE, MARINE ROAD EAST, MORECAMBE**(Cabinet Member with Special Responsibility Councillor Thomas)**

The Corporate Director (Regeneration) submitted a report informing Members about the implications of selling Morecambe Town Hall Cottage by auction and to obtain approval to sell the property as detailed in the report.

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

Option 1 - To declare Morecambe Town Hall Cottage surplus to requirements and sell the property by auction. In addition to authorise the Head of Property Services to set the auction reserve in conjunction with the Auctioneer, to agree to the payment of his fees and to obtain the necessary authority required under the Constitution to enable the relevant officers to proceed with this sale by way of auction. This would be in accordance with the Council's approval to dispose of surplus properties.

Option 2 - Sell the property by alternative methods e.g. private treaty. As similar sales have fallen through in the past, this could not guarantee a disposal.

Option 3 - Not to sell the property. This would not be in accordance with the Council's approval to dispose of premises which are no longer required for operational purposes and the City Council would be left with recurring management and repair liabilities and costs, including remedial works to eliminate the dry rot from the property.

Option 1 is the Officer preferred option for the reasons outlined above and that the property is declared surplus and approval is given for the disposal of the property by auction and to authorise the relevant officers to complete the sale.

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

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

By way of amendment, which was accepted as a friendly amendment by Councillor Thomas, Councillor Archer proposed and Councillor Kerr seconded:

"That a covenant be added, stating that the property must only be used for the purposes of a single private dwelling or office."

Members then voted:-

Resolved:

(8 Members (Councillors Archer, Barry, Blamire, Bryning, Fletcher, Kerr, Langhorn and Thomas) voted in favour and 1 Member (Councillor Mace) abstained)

- (1) That the Council's interest in Morecambe Town Hall Cottage be declared surplus to requirements.
- (2) That Morecambe Town Hall Cottage be sold at auction.
- (3) That a covenant be added, stating that the property must be used only for the purposes of a single private dwelling or office.
- (4) That the Head of Property Services be authorised to fix the auction reserve in conjunction with the Auctioneer, to agree to the payment of the auctioneer's fees and to authorise the relevant officers to complete the sale.

Officers responsible for effecting the decision:

Corporate Director (Regeneration)
Head of Property Services

Reasons for making the decision:

The decision is in accordance with the Council's Disposal Strategy, approved by Cabinet on 17th March 2009.

32 PROVISIONAL REVENUE AND CAPITAL OUTTURN 2008/09**(Cabinet Member with Special Responsibility Councillor Thomas)**

The Head of Financial Services submitted a report providing Members with summary information regarding the provisional outturn for 2008/09 and the timetable for completion of the closure of accounts process. The report also set out information regarding the carry forward of underspent/overspent revenue budgets and capital slippage for Members' consideration, and sought approval of various Prudential Indicators for last year for referral on to Council.

The options, options analysis, including risk assessment, 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 a Statement of 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 Head of Financial Services, however. 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 budget carry forward matters and capital slippage. The framework for considering these is set out in the report but basically Cabinet may:

- Approve any number of the items / requests, in full or part.
- Refuse any number of the 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. Cabinet is asked to bear in mind any work required against the value of the individual bids.

The Officer preferred Options were set out in the recommendations of the report.

The Head of Financial Services informed Cabinet of an amendment to the Capital Slippage figures, the amount requested for Lancaster Hub Tourist Information Centre (TIC) refurbishment being £10,000, not £4,000, as shown in Appendix J to the report.

It was moved by Councillor Bryning and seconded by Councillor Langhorn:-

“(1) That the provisional outturn, funding and variance analysis for 2008/09 be noted.”

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

“(2) That Cabinet notes the transfers to provisions and reserves actioned by the Head of Financial Services as set out in section 2 of the report.”

It was moved by Councillor Langhorn and seconded by Councillor Thomas:-

- “(3) That Cabinet notes the carry forward of overspends on controllable budgets, as set out in Appendix F of the report, and asks Portfolio Holders to investigate the reasons and feed back into the budget process.”

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

- “(4) That Cabinet approves the requests for carry forward of underspent revenue budgets as set out in Appendix G of the report.”

It was moved by Councillor Thomas and seconded by Councillor Langhorn:-

- “(5) That Cabinet approves the requests for capital slippage, as amended, as set out at Appendix J to the report, as amended under TIC refurbishment.”

It was moved by Councillor Thomas and seconded by Councillor Langhorn:-

- “(6) That the timetable for completion and reporting of the closure of accounts be noted, as set out in section 7 of the report.”

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

- “(7) That the Prudential Indicators as at 31 March 2009, as set out at Appendix K of the report, be approved for referral on to Council, as part of the Annual Treasury Management Report for 2008/09.”

It was moved by Councillor Langhorn and seconded by Councillor Thomas:-

- “(8) That subsequent reporting of performance against delivery should include specific information on the Council's property portfolio.”

Members then voted:-

Resolved unanimously:

- (1) That the provisional outturn, funding and variance analysis for 2008/09 be noted.
- (2) That Cabinet notes the transfers to provisions and reserves actioned by the Head of Financial Services as set out in section 2 of the report.
- (3) That Cabinet notes the carry forward of overspends on controllable budgets as set out in Appendix F of the report and asks Portfolio Holders to investigate the reasons and feed back into the budget process.
- (4) That Cabinet approves the requests for carry forward of underspent revenue budgets as set out in Appendix G of the report.
- (5) That Cabinet approves the requests for capital slippage, as amended, as set out at Appendix J to the report, as amended under TIC refurbishment.
- (6) That the timetable for completion and reporting of the closure of accounts be noted, as set out in section 7 of the report.

- (7) That the Prudential Indicators as at 31 March 2009, as set out at Appendix K of the report, be approved for referral on to Council, as part of the Annual Treasury Management Report for 2008/09.
- (8) That subsequent reporting of performance against delivery should include specific information on the Council's property portfolio.

Note: Councillor Barry was not present when the vote was taken on resolution (8).

Officers responsible for effecting the decision:

Corporate Director (Finance and Performance)
Head of Financial Services

Reasons for making the decision:

The City Council has a legal requirement to ensure that its expenditure is fully funded and to produce a Statement of Accounts in accordance with proper accounting practice. In addition, the Prudential Indicators are a statutory requirement linked to the budgetary framework.

33 BUDGET AND POLICY FRAMEWORK PROCESS 2010/11

(Cabinet Members with Special Responsibility Councillors Langhorn and Thomas)

(Councillor Archer declared a personal interest regarding Sea Change funding, in view of her involvement with the Friends of the Winter Gardens, and the Chief Executive declared an interest regarding the restructure of senior management. Both matters were referred to during the following item.)

The Corporate Director (Finance and Performance) and the Head of Financial Services submitted a joint report to agree a process for reviewing the Council's Budget and Policy Framework.

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

- i. approve the proposals and timetable set out in the report for reviewing and revising the Council's Budget and Policy Framework and for bringing forward options for savings/efficiencies.
- ii. approve an amended version of the proposals

The Officer preferred option is option i. as it sets out a structured approach for Cabinet to review the existing Budget and Policy Framework, identify savings/efficiency options, and for it to bring forward its budget and policy framework proposals for 2010/11 and beyond within the statutory timescales.

The report referred to an Appendix B, being an update on checklists identifying options for savings and efficiencies, from Cabinet Members. In fact, Members provided this information verbally at the meeting with each Cabinet Member present talking about

their own portfolio area.

The Chairman noted the work done so far by portfolio holders, the budget allocations relative to priorities and the savings opportunities for the future.

It was moved by Councillor Thomas and seconded by Councillor Langhorn:-

- “(1) That the process outlined in the report and timetabled in Appendix A of the report for reviewing the Corporate Plan, Budget/Medium Term Financial Strategy and preparing the 2010/11 Budget, be approved.
- (2) That Cabinet notes the procedures as set out in Section 3 already in place for reviewing and updating the other Policy Framework documents.
- (3) That Cabinet notes the progress reports from individual Cabinet members as presented and continue to determine service activities and other initiatives that should be developed to bring forward to Cabinet savings and efficiencies options.”

It was moved by Councillor Langhorn and seconded by Councillor Thomas:-

- “(4) That Cabinet notes that officers will be undertaking an exercise to analyse the current year’s budget against service activity and corporate priorities over the summer for each Cabinet Member to further assist them in bringing forward options for savings/efficiencies.”

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

- “(5) That a public engagement exercise be undertaken, in respect of the Council’s budget proposals to deliver its corporate priorities, and that officers be instructed to work on a format for the consultation.”

Members then voted:-

Resolved unanimously:

- (1) That the process outlined in the report and timetabled in Appendix A of the report for reviewing the Corporate Plan, Budget/Medium Term Financial Strategy and preparing the 2010/11 Budget, be approved.
- (2) That Cabinet notes the procedures as set out in Section 3 already in place for reviewing and updating the other Policy Framework documents.
- (3) That Cabinet notes the progress reports from individual Cabinet members as presented and continue to determine service activities and other initiatives that should be developed to bring forward to Cabinet savings and efficiencies options.
- (4) That Cabinet notes that officers will be undertaking an exercise to analyse the current year’s budget against service activity and corporate priorities over the summer for each Cabinet Member to further assist them in bringing forward options for savings/efficiencies.

Note: Councillor Barry was not present for the votes on resolutions (1) and (2).

Resolved:

(8 Members (Councillors Archer, Barry, Blamire, Bryning, Fletcher, Kerr, Langhorn and Thomas) voted in favour and 1 Member (Councillor Mace) abstained)

- (5) That a public engagement exercise be undertaken, in respect of the Council's budget proposals to deliver its corporate priorities, and that officers be instructed to work on a format for the consultation.

Officers responsible for effecting the decision:

Corporate Director (Finance and Performance)
Head of Financial Services

Reasons for making the decision:

The decision provides a structured approach for Cabinet to review the existing Budget and Policy Framework, identify savings/efficiency options, and for it to bring forward its budget and policy framework proposals for 2010/11 and beyond within the statutory timescales.

34 ANNUAL TREASURY MANAGEMENT REPORT 2008/09

(Cabinet Member with Special Responsibility Councillor Thomas)

The Head of Financial Services submitted a report setting out the performance of the Council in respect of Treasury Management for 2008/9 and giving details of the activities undertaken during the year.

There were no options set out in the report, which was for noting and referring on to Council for information.

It was moved by Councillor Thomas and seconded by Councillor Langhorn:-

"That the report be noted and referred on to Council for information."

Members then voted:-

Resolved unanimously:

- (1) That the report be noted and referred on to Council for information.

Note: Councillors Archer and Blamire were not present when the vote was taken.

Officers responsible for effecting the decision:

Corporate Director (Finance and Performance)
Head of Financial Services

Reasons for making the decision:

Reporting of treasury management activities to both Cabinet and Council is required under the Treasury Management Code of Practice and reflected in the Council's Strategy.

(The meeting adjourned at 12.20pm and re-convened at 12.30pm.)

35 AUCTION MART CAR PARK, THURNHAM STREET, LANCASTER**(Cabinet Member with Special Responsibility Councillor Thomas)**

The Corporate Director (Regeneration) submitted a report updating Members on the current position with the Auction Mart car park and seeking direction on how to proceed with the site.

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

Option 1 – Remarket the Auction Mart car park on the same basis as the previous brief, i.e. as a development opportunity and new car park. The previous marketing of the site included using public consultation to determine the schemes submitted. Should Cabinet resolve that option 1 be implemented then Members are asked to consider whether public consultation will be required as part of the assessment of scheme or whether an assessment such as scoring the feasibility of the schemes is carried out by officers. Remarketing the site may bring forward new proposals and new options for the site.

Option 2 – Reconsider the previous bids and schemes and reopen negotiations with the parties involved to ascertain whether the site and the development opportunity is still of interest to them and try to secure a scheme which would produce a development and maximise the number of car parking spaces on site. Previous interested parties have put a lot of work into their proposals including schematics and have shown interest in the site since. However this option may limit the Council's ability to achieve best value for the site, by excluding new developers who may be interested in the site at the current time.

Option 3 – Revisit an option put forward in the previous report which is for the Council to enter into discussions with North Lancashire Teaching Primary Care Trust (PCT) to identify a developer who could provide a health care facility which would meet the needs of both the PCT and the City Council. This would promote the use of partnership working to provide facilities for the community as well as maximising the number of car parking spaces for the City council in the future and possibly producing best value for both parties. The PCT have expressed concerns that whilst they are interested in a development in this location, an open bidding process by the Council allows developers to propose healthcare solutions that may not provide value for money for the PCT. The PCT have queried whether the Council can therefore work with them to overcome this situation.

Option 4 – The City Council to look at building a multi storey car park to provide a southern interceptor car park for the City. There are many disadvantages of this option

including the large capital input required. An estimated build cost of £15,000 per car parking space has been obtained which would require capital input of around £11,250,000 on a 750 space car park, if no external funding was forthcoming then the City Council would have to borrow money to finance such a scheme. In addition it is uncertain whether planning permission could be obtained for a sizeable building which would be required to accommodate the 750 spaces. There would be increased revenue income with this scheme, however this would be greatly reduced due to the cost of borrowing to fund the project.

Option 5 – Not market the site for development and leave the car park as it is, but re-surface it to provide much needed improvements for customers. It should be noted however, that formal demarcation of the car park may cause a reduction in income as it is probable that there would be fewer spaces on the car park than are currently available with the informal parking layout that takes place.

Option 1 is the Officer preferred option for the reasons outlined above. Remarketing the site with an updated brief, this may bring forward new proposals and new options for the site including, maximising the number of car parking spaces on site, but will still allow previously interested parties to submit revised development proposals for the land. In addition Members are asked to consider whether public consultation will be required as part of the assessment of scheme.

The Financial Implications within the report provided more detail on the consequence of Option 4.

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

- “(1) That the report, as it currently stands, be withdrawn.
- (2) That Officers ask the County Council what its position is.”

By way of addenda, all of which were accepted as friendly addenda by the mover and seconder of the original motion, Councillor Mace proposed adding to (2) “and consult with the Economy Thematic Group of the Lancaster District Local Strategic Partnership”; Councillor Bryning proposed a further addition to (2) “and the North Lancashire Teaching Primary Care Trust” and Councillor Langhorn proposed adding “(3) That a report be brought back to Cabinet in late Autumn.”

Members then voted:-

Resolved:

(6 Members (Councillors Archer, Bryning, Kerr, Langhorn, Mace and Thomas) voted in favour and 3 Members (Councillors Barry, Blamire and Fletcher) abstained)

- (1) That the report, as it currently stands, be withdrawn.
- (2) That Officers ask the County Council what its position is and consult with the Economy Thematic Group of the Lancaster District Local Strategic Partnership and the North Lancashire Teaching Primary Care Trust.

- (3) That a report be brought back to Cabinet in late Autumn.

Officers responsible for effecting the decision:

Corporate Director (Regeneration)
Head of Property Services

Reasons for making the decision:

The decision reflects Cabinet members' wish to obtain views before considering the matter further later in the year.

36 EXCLUSION OF THE PRESS AND PUBLIC

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

The Chief Executive declared an interest as a local resident.

It was moved by Councillor Langhorn 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 item of business, on the grounds that it could involve the possible disclosure of exempt information as defined in paragraphs 3 and 5 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 paragraphs 3 and 5 of Schedule 12A of that Act.

37 LUNESIDE EAST REGENERATION PROJECT

(Cabinet Member with Special Responsibility Councillor Archer)

The Head of Planning Services submitted a report, which was exempt from publication by virtue of paragraphs 3 and 5 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.

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

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

Members then voted:-

Resolved unanimously:

- (1) The resolution is set out in a minute exempt from publication by virtue of paragraphs 3 and 5 of Schedule 12A of the Local Government Act 1972.

Officers responsible for effecting the decision:

Corporate Director (Regeneration)
Head of Planning Services
Head of Financial Services

Reasons for making the decision:

The reasons for making the decision are set out in a minute exempt from publication by virtue of paragraphs 3 and 5 of Schedule 12A of the Local Government Act 1972.

Chairman

(The meeting ended at 1.30 p.m.)

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

MINUTES PUBLISHED ON FRIDAY, 31ST JULY 2009.

**EFFECTIVE DATE FOR IMPLEMENTING THE DECISIONS CONTAINED IN THESE MINUTES:
MONDAY, 10TH AUGUST 2009.**