

CABINET

6.00 P.M.

3RD SEPTEMBER 2019

PRESENT:- Councillors Erica Lewis (Chair), Kevin Frea (Vice-Chair), Dave Brookes, Tim Hamilton-Cox, Janice Hanson, Caroline Jackson, Jean Parr, John Reynolds, Alistair Sinclair and Anne Whitehead

Also present: Councillors Stephie Barber and Tricia Heath

Officers in attendance:

Kieran Keane	Chief Executive
Daniel Bates	Director of Corporate Services
Mark Davies	Director for Communities and the Environment
Jason Syers	Director for Economic Growth and Regeneration
Debbie Chambers	Democratic Services Manager and Deputy Monitoring Officer
Luke Gorst	Solicitor and Deputy Monitoring Officer
Liz Bateson	Principal Democratic Support Officer

14 MINUTES

The minutes of the meeting held on Tuesday 6 August 2019 were approved as a correct record. The Chair advised the meeting of an update concerning Minute (7), and that the process of appointments to the Lancashire Police and Crime Panel had been referred to the Secretary of State.

15 ITEMS OF URGENT BUSINESS AUTHORISED BY THE LEADER

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

16 DECLARATIONS OF INTEREST

Councillor Frea declared a personal interest with regard to the Applications for Grant Funding from Lune Valley Community Land Trust and Halton Senior Co-Housing report, in view of him being a member of Lune Valley Community Land Trust. Councillor Frea informed Cabinet that he did not consider his interest to be prejudicial.

17 PUBLIC SPEAKING

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

At this point the Chair moved that the standing orders be suspended to allow for questions to be taken from all members as the reports were introduced. The proposal was seconded by Councillor Reynolds and unanimously agreed.

Resolved unanimously:

(1) That standing orders be suspended.

18 DELIVERING OUR AMBITIONS Q1

(Cabinet Member with Special Responsibility Councillor Whitehead)

Cabinet received a report from the Director of Corporate Services, which provided an update on performance, projects and resources during the first quarter of 2019-20 (April – June 2019.)

It was noted that the report and appendices represented the initial step in aligning performance, project and resource information into an integrated format, to provide members with a comprehensive view of progress against the Council's agreed priorities. Officers responded to a number of questions that were asked on each section of the report.

Councillor Whitehead proposed, seconded by Councillor Brookes:-

"That the updates be approved and the report commended to the Budget & Performance Panel."

Councillors then voted:-

Resolved unanimously:

- (1) That the updates be approved and the report commended to the Budget & Performance Panel.

Officer responsible for effecting the decision:

Director of Corporate Services

Reasons for making the decision:

Performance, project and resource monitoring provides a link between the Council Plan and operational achievement by providing regular updates on the impact of operational initiatives against strategic aims.

19 EXCLUSION OF THE PRESS AND PUBLIC

It was moved by Councillor Hamilton-Cox and seconded by Councillor Reynolds:-

"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.

20 LANCASTER CATON ROAD (PHASE 3) FLOOD RISK MANAGEMENT SCHEME

(Cabinet Member with Special Responsibility Councillor Hamilton-Cox)

Cabinet received a report from the Director for Economic Growth and Regeneration to update members on the progression of the River Lune flood defence scheme. The report reviewed the scheme as it entered the preliminary site preparation and construction phase and provided commentary on the current estimated forecast outturn construction cost and project risks. Options and recommendations on the need for additional council funding to offset specific scheme scope and specification risks were also considered.

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

	Option 1: Continue to progress the current affordable scheme.	Option 2: Council agrees an additional contribution to ensure delivery of all the High/Medium/Low priority implementation and scope risks.	Option 3: Council agrees a contribution to cover only the High and Medium priority implementation and scope risks. (Preferred Option)
Advantages	<p>No further immediate funding required.</p> <p>Scheme proceeds with the potential to provide majority of benefits provided by the “preferred scheme” scope.</p> <p>High incentive for “in scheme” cost mitigation and the securing of additional public/private funding.</p>	<p>Allows all priorities to be addressed to a sound risk profile which should allow all identified implementation and scope matters to be addressed.</p> <p>Low risk of unplanned expenditure at a future date.</p>	<p>Potential to deliver against most critical implementation risks.</p> <p>Retains a high incentive for “in scheme” cost mitigation and the securing of additional public/private funding to secure all scheme benefits.</p> <p>Lower risk of unplanned expenditure.</p>
Disadvantages	<p>High likelihood the current risk allowance is too low to cover all identified implementation risks.</p> <p>Discrete areas remain at the current level of</p>	<p>Additional cost to the General Fund revenue budget.</p> <p>Low incentive for “in scheme” cost mitigation and the securing of additional public/private</p>	<p>Additional cost to the General Fund depending on priorities chosen (though lower than Option 2).</p> <p>Residual</p>

	<p>flood protection.</p> <p>No guarantee further cost mitigation or funding sources will materialise “in scheme”.</p>	<p>funding.</p>	<p>implementation / scope risks, and potentially reputational risks.</p> <p>No guarantee further cost mitigation or funding sources will materialise “in scheme”.</p>
Risks	<p>Reputational risks of being unable to cover scope risks.</p> <p>Construction cost increases due to identified risks materialising leading to unplanned expenditure.</p>	<p>Implementation and scope risks are minimised.</p>	<p>Potential for certain implementation/reputational risks to remain depending on outturn of scheme.</p> <p>Construction risks minimised through fully supported (in term of funding) risk register</p>

As officers have identified a risk of future unplanned expenditure Option 1 is not preferred. If Members wish to proceed the critical question is the affordability and scale of the council's contribution. The preferred option is Option 3: Members agree a contribution to cover High/Medium priority implementation and scope risks. Option 3 will result in an additional cost of £17K per annum to the council's budget profile but allows officers to bring more certainty in deliverability and ensures further cost mitigation and saving measures can be explored with confidence.

As previously reported, a financial “return” against the council's total project investment and other benefit are indirect and difficult to assess with certainty. Towards the eastern end of the industrial estates there are significant areas of vacant land. Towards the west of the Caton Road estates are old, low value and redundant property that have received no investment for many years. It is reasonable to assume that, following flood defence implementation, there will be increased confidence to invest in new commercial property and, over time, the Rateable Value (RV) of the area should increase. Available industrial land in the district is constrained and there are few options for new commercial industrial development close to Lancaster.

Officers have estimated that within a decade commercial RV in the area will increase by £1.6M with an additional rate take of around £800K per annum attributable to new development. Under the current business rates retention scheme 40% of the increase would accrue to the council's budget.

There remains an acute need to promote this scheme to help secure its delivery and the proposed course of action represents the most appropriate route towards achieving a

positive outcome, both meeting the council's regeneration objectives and having wider social, economic and environmental impacts.

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

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

Councillors then voted:-

Resolved unanimously:

- (1) That Cabinet agrees a further contribution of £489K towards the critical priority implementation and scope risks identified in the report (with growth of £10K per annum revenue costs).
- (2) That Officers continue to explore and secure all potential additional public and private sector funding contributions to reduce the call on council funding.
- (3) That the Section 151 Officer be requested to update the General Fund Revenue Budget and Capital Programme to reflect the decisions taken.

Officers responsible for effecting the decision:

Director for Economic Development & Regeneration
Head of Financial Services/151 Officer

Reasons for making the decision:

The decision is consistent with the Council's Corporate Priorities:

A Thriving & Prosperous Economy: Economic Growth is a high level Corporate Priority for the City Council. The flooding risk for this important industrial area undermines business and investment confidence. The emerging Local Plan cannot identify extensive new areas for employment development to replace this area therefore the priority approach should be to increase the level of protection to restore business confidence.

Clean Green & Safe Neighbourhoods: Walking and cycle paths, will be improved, and the riverbanks will be planted and managed to encourage greater habitat and biodiversity, increasing its amenity value for locals and visitors. The scheme will also deliver water quality including bathing water improvements as there will be reduced likelihood of potentially polluted flood waters from the location running off the industrial areas and into the River Lune and Morecambe Bay.

Healthy & Happy Communities: A range of leisure and recreational benefits should accrue from the implementation.

A Smart & Forward Thinking Council: In terms of climate change, the scheme works will be climate change resilient, applying the agreed national climate change allowances to the raised defences to ensure that the scheme is 'future proofed'. There is potential to use the infrastructure to secure an early benefit under the council's approach to implementing a project under the Government's Local Full Fibre Network funding stream.

21 APPLICATIONS FOR GRANT FUNDING FROM LUNE VALLEY COMMUNITY LAND TRUST AND HALTON SENIOR CO-HOUSING GROUP LTD (Pages 8 - 9)

(Cabinet Member with Special Responsibility Councillor Caroline Jackson)

Cabinet received a report from the Director for Economic Growth and Regeneration that provided an update on the position in respect of the Halton Mills housing project and proposed a way forward, which would allow pre-development to proceed as well as ensure implications in respect of extant sums, state aid and procurement were addressed. The report 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 a exempt report exempt from publication by virtue of paragraph 3 of Schedule 12A of the Local Government Act 1972.

Resolved unanimously:

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

Officer responsible for effecting the decision:

Director for Economic Growth and Regeneration

Reasons for making the decision:

The decision is consistent with the Council Plan and improving the quality and availability of housing including the provision of affordable housing. Approval of this report will have a positive impact as considerable efforts are being made to ensure the housing provided will meet an identified need and the design and quality of the housing proposed offers the potential to meet the needs of vulnerable groups and those in need of affordable housing.

Chair

(The meeting ended at 7.40 p.m.)

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

MINUTES PUBLISHED ON FRIDAY 6 SEPTEMBER 2019.

**EFFECTIVE DATE FOR IMPLEMENTING THE DECISIONS CONTAINED IN THESE MINUTES:
MONDAY 16 SEPTEMBER, 2019.**