

CABINET

6.00 P.M.

11TH FEBRUARY 2020

PRESENT:- Councillors Erica Lewis (Chair), Kevin Frea (Vice-Chair), Dave Brookes (reconvened meeting only - minutes 69 to 72), Tim Hamilton-Cox, Janice Hanson, Caroline Jackson, Jean Parr, John Reynolds (minutes 59 to 68 and minutes 70 to 72), Alistair Sinclair and Anne Whitehead

Also present: Mr Ross Shine (Minutes 67 & 69)

Officers in attendance:-

Kieran Keane	Chief Executive
Daniel Bates	Director of Corporate Services
Mark Cassidy	Planning Manager (minute 65, 67 & 68)
Mark Davies	Director for Communities and the Environment
Jason Syers	Director for Economic Growth and Regeneration (11 th February – minutes 59 to 68 only)
Paul Thompson	Chief Financial Officer (Head of Finance & Section 151 Officer)
Luke Gorst	Acting Head of Legal Services and Monitoring Officer
Anne Marie Harrison	Economic Development Manager (minute 67 & 68)
Joanne Wilkinson	Head of Housing (minute 64)
Jayne Cordley-Williams	Head of Human Resources (minute 72)
Liz Bateson	Principal Democratic Support Officer, Democratic Services

59 MINUTES

The minutes of the meeting held on Tuesday 14 January 2020 were approved as a correct record.

60 ITEMS OF URGENT BUSINESS AUTHORISED BY THE LEADER

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

61 DECLARATIONS OF INTEREST

Councillor Hanson declared a personal interest with regard to the Housing Revenue Account and Capital Programme report in view of a close relative living in council supported housing and advised the meeting that she would not be participating in any discussion or voting on that item. (Minute 64 refers).

62 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 advised the meeting that Cabinet would reconvene on Tuesday 18 February to consider items 6 (Budget and Policy Framework Update) and item 12 (Job

Evaluation Project).

The Chair then requested that standing order 17 (Cabinet Procedure Rule 17) be suspended to allow for questions to be taken from all members as the reports were introduced. The proposal was moved by Councillor Parr, seconded by Councillor Jackson and unanimously agreed.

Resolved unanimously:

- (1) That Standing Order 17 (Cabinet Procedure Rule 17) be suspended.

63 CORPORATE FEES AND CHARGES REVIEW POLICY 2020-21

(Cabinet Member with Special Responsibility Councillor Whitehead)

Cabinet received a report from the Head of Financial Services and Director for Communities and the Environment that requested Members to endorse the Fees and Charges Policy for 2020/21 and consider the freezing of charges in the areas of Car Parking and Garden Waste Collection.

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

The policy attached to the report remains substantively unchanged and it is considered that it remains fit for purpose (at least in the short term) and it adequately covers Cabinet's budget proposals. As such, no options are presented and Cabinet is simply requested to endorse the policy, with a review being undertaken next year.

With regard to car parking charges and garden waste charges, Members have proposed to freeze charges for the forthcoming financial year. Should inflation be applied, further work to determine charging levels would need to take place and be fed into the budget setting process as appropriate.

Councillor Whitehead proposed, seconded by Councillor Reynolds:-

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

Councillors then voted:-

Resolved unanimously:

- (1) That Cabinet endorses the Fees and Charges Policy as set out at Appendix A to the report, and during 2020/21 as part of the mid-year budget strategy review determines whether any other areas of income generation be explored further for 2021/22 onwards.
- (2) That Cabinet endorses the freezing of car parking charges, as reported as part of the current 2020/21 budget setting process.

Officers responsible for effecting the decision:

Director of Communities and the Environment

Director of Corporate Services
Head of Financial Services

Reasons for making the decision:

Fees and charges form an integral part of the budget setting process, which in turn relates to the Council's priorities. Under the Medium Term Financial Strategy (MTFS) income generation is a specific initiative for helping to balance the budget. The proposed increases are considered to be fair and reasonable.

Having declared a personal interest in the following report Councillor Hanson left the room at this point.

64 HOUSING REVENUE ACCOUNT AND CAPITAL PROGRAMME

(Cabinet Member with Special Responsibility Councillor Caroline Jackson)

Cabinet received a report from the Director of Communities and the Environment, which provided an update on the council housing budgetary position and sought Cabinet's decisions on council housing rent levels for 2020/21 and targets for future years. It also sought approval of Cabinet's supporting revenue budget and capital programme proposals for referral on to Budget Council, in order to complete the HRA budget setting process for 2020/21.

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

The options with regard to rent setting are set out under section 3 of the report, the maximum permitted increase being CPI+1%. By applying this increase, it allows for a budget that can deliver on the Council's ambitions on improving housing standards and addressing the climate change emergency, whilst adhering to the Rent Standard and legislative requirements.

In relation to garage rents, the previous decision was to increase using CPI from 2020/21. Occupancy levels suggest that this is not sustainable in the short term, therefore it is recommended to freeze rent levels for a 12-month period in order to protect the current income levels achieved, reverting to a CPI increase thereafter.

With regard to the revenue budget generally, Cabinet could consider other proposals that may influence spending in current and future years, as long as their financing is considered and addressed.

The options available in respect of the minimum level of HRA balances are to retain the level at £500,000 in line with the advice of the Section 151 Officer, or adopt a different level. Should Members choose not to accept the advice on the level of balances, then this should be recorded formally in the minutes of the meeting and it could have implications for the Council's financial standing, as assessed by its external auditor.

With regards to the savings and growth proposals as set out in section 7 of the report, Cabinet should consider the costs and benefits of the proposals and whether they are

affordable, in particular over the medium to longer term.

The options available in respect of the Capital Programme are:

- i) To approve the programme in full, with the financing as set out;
- ii) To incorporate other increases or reductions to the programme, with appropriate sources of funding being identified.

Any risks attached to the above would depend on measures Members proposed, and their impact on the council housing service and its tenants. As such, a full options analysis could only be undertaken once any alternative proposals are known, and Officers may require more time in order to do this.

Option 1: Set housing and garage rent levels as set out in this report and approve the provisions, reserves and balances position (and their use); the revenue budgets and capital programme; and all growth proposals as set out
Advantages: Increased rental income allows the Council to deliver towards its climate ambitions and provide an ambitious housing service which places people and place at the heart of its offer.
Disadvantages: Increased rent levels for tenants.
Risks: Proposed areas of growth, though sustainable in the long term, may increase the need for borrowing to deliver on new build ambitions
Option 2: Set housing and garage rent levels as detailed in this report and approve the provisions, reserves and balances position (and their use) as set out, and the revenue budgets and capital programme, but allowing for Cabinet's recommendations regarding specific savings and growth proposals.
Advantages: Increased rental income allows the council to deliver towards its ambitions. Non-approval of growth items would lead to greater HRA surpluses over the life of the 30-year business plan.
Disadvantages: Non-approval of growth items would cause a scaling back of ambitions.
Risks: Inability to maximise service provision and deliver on Council, and housing related ambitions.
Option 3: To propose alternatives to those outlined in Section 11 above.
Advantages: Unknown
Disadvantages: Would require further options analysis

Risks: Impact on housing service and council housing tenants unknown.
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The officer preferred option is Option 1: Set housing and garage rent levels as set out in this report and approve the provisions, reserves and balances position (and their use); the revenue budgets and capital programme; and all growth proposals as set out.

Councillor Jackson proposed, seconded by Councillor Parr:-

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

Councillors then voted:-

Resolved unanimously:

- (1) That the Housing Revenue Account Budget for 2020-21, as set out at Appendix A to the report, be referred on to Council for approval.
- (2) That the minimum level of HRA unallocated balances be retained at £500,000 from 01 April 2020, and that the full Statement on Reserves and Balances as set out at Appendix F to the report be endorsed and referred on to Budget Council for approval.
- (3) That council housing rents be set in accordance with statutory requirements as follows:
 - for general properties let as at 01 April 2020, average rent be set at £73.54 for 2020/21;
 - for sheltered and supported housing properties let as at 01 April 2020, average rent be set at £68.64 for 2020/21;
 - for any relevant property becoming vacant the following policy be reaffirmed: that they be re-let at the higher ‘formula rent’.
- (4) That garage rents be frozen for a 12-month period (rather than increased by CPI, as per the rent setting policy established by Cabinet in January 2017) in the context of falling occupancy levels, and in order to protect income levels currently achieved.
- (5) That the growth proposals as set out at Appendix E to the report, be included in Cabinet’s budget proposals for referral on to Council, noting that any approvals be met from unallocated balances.
- (6) That subject to the above, the resulting Housing Revenue Account budget for 2020/21 onwards, as set out at Appendix A to the report, together with the resulting Capital Programme as set out at Appendix C to the report, be referred on to Budget Council for approval.

Officers responsible for effecting the decision:

Director of Corporate Services
 Director of Communities and the Environment

Reasons for making the decision:

The Council is required under statutory provisions to maintain a separate ring-fenced account for all transactions relating to the provision of local authority housing, known as the Housing Revenue Account (HRA). This covers the maintenance and management of the Council's housing stock. The decision ensures there are sufficient resources to maintain and manage the Council's Housing Revenue Account (HRA) assets.

Councillor Hanson returned to the meeting at this point.

65 DIRECTION UNDER ARTICLE 4 OF THE TOWN AND COUNTRY PLANNING (GENERAL PERMITTED DEVELOPMENT) ORDER 2015 AND A REGULATION 7 DIRECTION UNDER THE TOWN AND COUNTRY PLANNING (CONTROL OF ADVERTISEMENTS) (ENGLAND) REGULATIONS 2007

(Cabinet Member with Special Responsibility Councillor Reynolds)

Cabinet received a report from the Director for Economic Growth and Regeneration to consider the designation of a Direction under Article 4 of the Town and Country Planning (General Permitted Development) Order 2015 and a Regulation 7 Direction under the Town and Country Planning (Control of Advertisements) (England) Regulations 2007. An Article 4 Direction would remove the permitted development, which allows the conversion of dwellings to Houses in Multiple Occupation (HMO). A Regulation 7 Direction would restrict the display of To Let boards. The report also sought approval for progression of the Directions through an informal consultation process and then the statutory processes necessary for the Directions to be made.

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

<p>Option 1: Designate an Article 4 under the Town and Country Planning (General Permitted Development) Order 2015.</p>
<p>Advantages: The Article 4 Direction will allow the concentration of HMOs in Lancaster to be managed to better protect the amenity of residents and of the areas and to enable policy DM13 of the emerging Development Management DPD to be effective in managing all sizes of HMO.</p>
<p>Disadvantages: An Article 4 Direction will increase the number of change of use applications to be processed and the enforcement necessary to</p>

ensure that it is effectively implemented.
<p>Risks: If an Article 4 Direction is not implemented in accordance with the statutory procedures and adequate time provided between the Direction being 'made' and it coming into force, there is a risk of legal challenge and compensation claims.</p>
<p>Option 2: Do not designate an Article 4 under the Town and Country Planning (General Permitted Development) Order 2015.</p>
<p>Advantages: None</p>
<p>Disadvantages: Not introducing an Article 4 Direction will allow the concentration of small HMOs in Lancaster to increase and undermine the effectiveness of policy DM13 of the emerging Development Management Development Plan Document.</p>
<p>Risks: The number and concentration of HMOs will increase adversely affecting the amenity or residents and of area.</p>
<p>Option 3: Designate a Regulation 7 Direction under the Town and Country Planning (Control of Advertisements) (England) Regulations 2007.</p>
<p>Advantages: A Regulation 7 Direction will allow management of the number of To Let boards displayed. This will reduce the proliferation and clutter arising from the excessive display of boards within terraced streets and improve the visual amenity of the areas designated.</p>
<p>Disadvantages: A Regulation 7 Direction may increase the enforcement necessary to ensure that it is effectively implemented.</p>
<p>Risks: If a Regulation 7 Direction is not implemented in accordance with the statutory procedures, there is a risk of legal challenge and compensation claims.</p>
<p>Option 4: Do not introduce a Regulation 7 Direction under the Town and Country Planning (Control of Advertisements) (England) Regulations 2007.</p>

<p>Advantages: None</p>
<p>Disadvantages: The proliferation and clutter of To Let signs will continue to adversely affect the visual amenity of the areas.</p>
<p>Risks: None</p>

The officer preferred option was Option 1, in regard to the designation of an Article 4 under the Town and Country Planning (General Permitted Development) Order 2015 and Option 3 with regard to introducing a Regulation 7 Direction under the Town and Country Planning (Control of Advertisements) (England) Regulations 2007. These actions would ensure that the concentration of HMOs and associated To Let boards could be managed to better protect the amenity of residents and the character and appearance of the areas proposed to the designated.

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

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

Councillors then voted:-

Resolved unanimously:

- (1) That a Direction under Article 4 of the Town and Country Planning (General Permitted Development) Order 2015, to control the conversion of dwelling houses to HMOs (Use Class C4) in the City of Lancaster and Galgate, is progressed through informal consultation and the statutory processes necessary for the Article 4 Direction to be made.
- (2) That a Regulation 7 Direction under the Town and Country Planning (Control of Advertisements) (England) Regulations 2007, to control the display of To Let boards in the wards of Bulk, Castle, John O’Gaunt and Scotforth West, is progressed through informal consultation and the statutory processes necessary for the Regulation 7 Direction to be made.

Officer responsible for effecting the decision:

Director for Economic Growth and Regeneration

Reasons for making the decision:

The Council Plan includes ambitions to enhance community cohesion. The emerging Lancaster District Local Plan includes policies that seek to improve the amenity of residents in Lancaster and to protect the character and appearance.

The proposals will address the twin detrimental impacts of concentration of HMOs and associated letting boards in accordance with the ambitions of the Council Plan and the Local Plan.

66 EXCLUSION OF THE PRESS AND PUBLIC

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

“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 1, 2 or 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 paragraphs 1, 2 or 3 of Schedule 12A of that Act.

67 EDEN PROJECT NORTH

(Cabinet Member with Special Responsibility Councillor Lewis)

Cabinet received a report from the Chief Executive to consider the City Council's proposed agreement with Eden Project International Ltd. 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 the exempt report:

Members asked a number of questions and it was agreed to defer further consideration of the item until the meeting reconvened on 18 February 2020 in order that officers could provide clarification on various issues.

Resolved unanimously:

- (1) That further consideration of the item be deferred to the adjourned meeting on 18 February 2020.

68 FUTURE HIGH STREETS (Pages 15 - 16)

(Cabinet Member with Special Responsibility Councillor Hamilton-Cox)

Cabinet received a report from the Director for Economic Growth and Regeneration to support the development of the Morecambe High Streets bid. 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 the report as follows:

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

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's priorities. Exactly how the decision fits with those priorities is set out in the exempt minute.

Cabinet adjourned at 8.40pm on 11 February 2020. Cabinet reconvened at 5pm on 18 February 2020 to consider the three deferred items: Budget and Policy Framework, Job Evaluation Project and Eden Project North.

On reconvening the Chair reminded Cabinet that it was still in private session and confirmed that Eden Project North would be considered first.

69 EDEN PROJECT NORTH - RECONVENED ITEM (Pages 17 - 19)

Following clarification on a number of issues it was proposed by Councillor Lewis, seconded by Councillor Hanson and resolved unanimously by those taking part in the vote:

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:

Chief Executive

Reason for making the decision:

The decision is consistent with the Council's priorities. Exactly how the decision fits with those priorities is set out in the exempt minute.

The press and public were re-admitted to the meeting at this point. Councillor Reynolds joined the meeting whilst the following item was being introduced.

70 BUDGET & POLICY FRAMEWORK UPDATE 2020/21 TO 2024 (INCLUDING TREASURY MANAGEMENT AND CAPITAL STRATEGY) (To Follow)**(Cabinet Member with Special Responsibility Councillor Whitehead)**

Cabinet received a report from the Chief Finance Officer which set out the latest position in respect of the Budget and Policy Framework including Cabinet's proposed revenue budget for 2020/21 and Capital Programme for 2020/21 to 2023/24. The report also set out the Treasury Management Framework for Cabinet adoption and provided an update on the revision of the Medium Term Financial Strategy.

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

Revenue Budget

Cabinet may adjust its revenue budget proposals, as long as the overall budget for 2019/20 balances and fits with the proposed council tax level.

Capital Programme

Cabinet may adjust its capital investment and financing proposals to reflect spending commitments and priorities but in deciding its final proposals should have regard to the prudential code requirements that all capital expenditure should be prudent, affordable and sustainable.

Treasury Management Framework

Cabinet may put forward alternative proposals or amendments to the proposed Strategy in Appendix H to the report, but these would have to be considered in light of legislative, professional and economic factors, and importantly, any alternative views regarding the Council's risk appetite. As such no further options analysis is available at this time.

Furthermore, the Strategy must fit with other aspects of Cabinet's budget proposals, such as commercial investments together with traditional deposit interest estimates and underlying prudential borrowing assumptions, feeding into Prudential and Treasury Management Indicators. There are no options available regarding other components of the overall framework,

Officer Preferred Option (and comments)**Revenue Budget, Capital Programme and Reserves Position**

Proposals to be put forward by Cabinet should fit with any external constraints and the budgetary framework already approved. The recommendations as set out meet these requirements; the detailed supporting budget proposals are then a matter for Members.

Treasury Management Strategy

To approve the framework as attached to the report, allowing for any amendments being made under delegated authority prior to referral to Council. This is based on the

Council continuing to have a comparatively low risk appetite regarding the security and liquidity of investments particularly, but recognising that some flexibility should help improve returns, whilst still effectively mitigating risk. It is stressed that in terms of treasury activity, there is no risk free approach. It is felt, however, that the measures set out above provide a fit for purpose framework within which to work, pending any update during the course of next year.

If Cabinet or Budget Council changes its Capital Programme from that which is proposed in this report then this would require a change in the prudential indicators which are part of the Treasury Management Strategy. Delegation to the Finance Portfolio Holder is therefore requested in order to ensure that Cabinet's final capital programme proposals are reflected in the Treasury Management Strategy

In view of questions regarding differentiating between approved and pre-approved Reserves Councillor Whitehead proposed, seconded by Councillor Sinclair-

"That the recommendations, as set out in the report, be approved with the following insertion at the end of recommendation (1) "subject to the refinement of any technical and material errors that may be identified."

Councillors then voted:-

Resolved unanimously:

- (1) That Cabinet recommend the following for approval to Budget Council, subject to the refinement of any technical and material errors that may be identified:
 - The 2020/21 General Fund Net Revenue Budget and resulting Council Tax Requirement excluding parish precepts (Appendix A to the report) and supporting budget proposals (Appendix B to the report).
 - The Section 151 Officer's statement on the adequacy of reserves and advice that the minimum level of balances be increased to £2.5m, subject to annual review.
 - the resulting position on provisions and reserves (Appendix C to the report).
 - the updated Reserves Strategy (Appendix D to the report).
 - the updated four year Capital Programme covering financial years 2020/21 to 2023/24 (Appendix E to the report).
- 2) That the Finance Portfolio Holder be given delegated authority to agree the Treasury Management Framework, as updated for Cabinet's final budget proposals, for referral on to Council.
- 3) That the Finance Portfolio Holder be given delegated authority to agree the revision of the Medium Term Financial Strategy, as updated for Cabinet's final budget proposals, for referral on to Council.

Officers responsible for effecting the decision:

Director of Corporate Services
Chief Officer Finance

Reasons for making the decision:

The decision enables Cabinet to make recommendations back to Full Council in order to complete the budget setting process for 2020/21.

71 EXCLUSION OF THE PRESS AND PUBLIC

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

“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 1 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 1 of Schedule 12A of that Act.

72 JOB EVALUATION PROJECT - BRIEFING & IMPLEMENTATION OF OUTCOME

(Pages 20 - 21)

(Cabinet Member with Special Responsibility Councillor Hanson)

Cabinet received a report from the Director of Corporate Services to enable consideration of the financial implications of a new pay and grading structure following an evaluation of all job roles and recommend Council to approve the new structure. The report was exempt from publication by virtue of paragraph 1 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 proposed by Councillor Hanson, seconded by Councillor Brookes and resolved unanimously:-

Resolved unanimously:

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

Officer responsible for effecting the decision:

Director of Corporate Services

Reasons for making the decision:

The Council is committed to high standards of employment practice and to the principles of equality. The decision enables Cabinet to make recommendations to Full Council to complete the budget setting process for 2020/21.

Chair

(The reconvened meeting ended at 6.07pm on Tuesday 18 February 2020)

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

MINUTES PUBLISHED ON MONDAY 24 FEBRUARY 2020.

**EFFECTIVE DATE FOR IMPLEMENTING THE DECISIONS CONTAINED IN THESE MINUTES:
TUESDAY 3 MARCH 2020.**