

## CABINET

5.00 P.M.

23RD MARCH 2021

**PRESENT:-** Councillors Erica Lewis (Chair), Dave Brookes, Gina Dowding, Merv Evans, Kevin Frea, Tim Hamilton-Cox, Janice Hanson, Colin Hartley, Caroline Jackson and Anne Whitehead

Officers in attendance:-

Kieran Keane	Chief Executive
Mark Davies	Director for Communities and the Environment
Sarah Davies	Director of Corporate Services
Jason Syers	Director for Economic Growth and Regeneration
Luke Gorst	Head of Legal Services and Monitoring Officer
Paul Thompson	Chief Financial Officer (Head of Finance & Section 151 Officer)
Debbie Chambers	Head of Democratic Services and Deputy Monitoring Officer
Iain Robertson	Head of Property, Investment and Regeneration
Joanne Wilkinson	Head of Housing
Liz Bateson	Principal Democratic Support Officer

### 123 MINUTES

The minutes of the meeting held on Tuesday 2 March 2021 were approved as a correct record.

### 124 ITEMS OF URGENT BUSINESS AUTHORISED BY THE LEADER

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

### 125 DECLARATIONS OF INTEREST

No declarations were made at this point.

### 126 PUBLIC SPEAKING

Members were advised that there had been two requests to speak at the meeting from members of the public in accordance with Cabinet's agreed procedure, as set out in Cabinet Procedure Rule 18, with regard to the STEP Site Nomination Expression of Interest report (Minute 127 refers). Mr Rich Grant and Professor Malcolm Joyce addressed Cabinet in support of the report.

Following Mr Grant's address to Cabinet the Chair requested that standing order 17 (Cabinet Procedure Rule 17) be suspended to allow for questions to be taken from all members. The proposal was moved by Councillor Brookes, seconded by Councillor Hamilton-Cox and there was no dissent to the proposal.

***Resolved unanimously:***

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

Mr Grant responded to questions and Professor Joyce was then invited to address Cabinet and respond to questions. The Chair thanked the public speakers for their contribution to the meeting.

## 127 STEP SITE NOMINATION - EXPRESSION OF INTEREST

### (Cabinet Member with Special Responsibility Councillor Hamilton-Cox)

Cabinet received a report from the Director for Economic Growth and Regeneration which sought approval to submit an Expression of Interest nominating a site for the Spherical Tokamak for Energy Production (STEP) project to the United Kingdom Atomic Energy Authority (UKAEA).

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

<b>Options Analysis</b>
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<p><b>Advantages:</b> The benefits to the community and economic advantages are outlined in the report. Lancaster City Council is collaborating with EDF at Heysham, Lancashire County Council, Lancaster University and other local stakeholders, institutions, industry supply chain and service providers to gather all relevant information for the EOI. It is understood that at some point in the near future, the decommissioning of Heysham Power Station may be implemented. This would have a significant negative impact on the local economy including revenue loss for the city council. The council has to investigate suitable alternatives to such an event and the STEP programme would provide an enduring benefit for the local economy.</p>
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<p><b>Disadvantages:</b> Not known at this stage</p>
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<p><b>Risks:</b> None at this stage, this is an Expression of Interest.</p>
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The officer preferred option was to submit the Expression of Interest.

In accordance with the Constitution Part 3, Section 3 of Overview and Scrutiny Procedure Rule 17 the Chief Executive had consulted with the Chair of Overview and Scrutiny prior to the Cabinet meeting in relation to Urgency and Call-in if the recommendation was approved. The reason for the urgency was that the Expression of Interest needed to be provided before the 31 March and if the report was called in the deadline would pass for the submission of the expression.

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

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

Councillors then voted:-

**Resolved:**

**(6 Members (Councillors Hamilton-Cox, Evans, Hanson, Hartley, Lewis & Whitehead) voted in favour, 4 Members (Councillors Brookes, Dowding, Frea and**

*Jackson) voted against.)*

- (1) That an Expression of Interest nominating a site for the Spherical Tokamak for Energy Production (STEP) project be submitted to the United Kingdom Atomic Energy Authority (UKAEA) prior to the deadline of 31 March 2021.

**Officer responsible for effecting the decision:**

Director for Economic Growth & Regeneration

**Reasons for making the decision:**

STEP (Spherical Tokamak for Energy Production) is an ambitious programme to design and build a prototype fusion power plant. In Autumn 2020, there was an open call to communities across the UK to host the prototype. UKAEA will make a recommendation to the Secretary of State for BEIS on the most suitable locations for STEP following a rigorous process of assessment using a defined set of key criteria. The decision enables an Expression of Interest to be submitted prior to the deadline on 31 March 2021.

**128 DECISION TO AWARD CONTRACT - SOLAR SCHEME SALC**

**(Cabinet Member with Special Responsibility Councillor Frea)**

Cabinet received a report from the Director for Communities and the Environment which sought approval to provide the Chief Executive with delegated authority to award the contract for the solar scheme, air source heat pumps and building upgrades at Salt Ayre Leisure centre following the completion of a number of compliant procurement exercises.

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

**Option 1: Provide Delegated Authority to CEX**

**Advantages:**

- Enables officers to continue working at pace and deliver the project within the required timeframes in line with the PSDS funding set out by the department for Business, Energy and Industrial Strategy (BEIS)

**Disadvantages:** None

**Risks:** None – Procurement in line with the council's procurement strategy.

**Option 2: Reject Delegated Authority Request**

**Advantages:** • None.

**Disadvantages:** • Decision to award contract will require a cabinet decision. Cabinet has meetings scheduled on 13th April and 8th June 2021. The meetings do not align

with the programme of work needed to achieve a delivery deadline of September 2021. This puts the overall scheme at some risk.

The officer preferred option is Option 1: Award of Contract – Delegated Decision to Chief Executive - That Cabinet support the request to provide delegated authority to the Chief Executive to award the associated contracts when a decision is ready to be made in order to support and enable officers to meet the required delivery deadline.

Councillor Frea proposed, seconded by Councillor Brookes:-

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

Councillors then voted:-

***Resolved unanimously:***

- (1) That Cabinet support the request to provide delegated authority to the Chief Executive to award the associated contracts when a decision is ready to be made.
- (2) That Cabinet notes the latest financial information surrounding the proposal and endorses its position to delegate acceptance of the grant to Director of Communities & Environment and Section 151 Officer.

**Officers responsible for effecting the decision:**

Chief Executive  
Director for Communities and the Environment  
Section 151 Officer

**Reasons for making the decision:**

The decision provides the Chief Executive with delegated authority to award the contracts and meet the tight timescales and conditions attached to grant funding and is consistent with the following Council priorities and cross-cutting themes:

- An inclusive and prosperous local economy. A proportion of the overall evaluation will include an element of social value, in line with the procurement strategy and contract procedure rules.
- Climate Emergency – Net zero 2030 ambition. SALC is the council's single largest CO2 emitter within its property portfolio. This project is expected to reduce CO2 from SALC by up to 58% and generate a net reduction of 12% for the council.

**129 LOCAL GOVERNMENT REFORM CONSULTATION RESPONSES**

**(Cabinet Member with Special Responsibility Councillor Lewis)**

Cabinet received a report from the Chief Executive which sought Cabinet's endorsement of the proposed approach to the government's consultation on Local Government Reorganisation and for Cabinet to recommend that approach to Council.

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

There is an option not to submit a response. The Council's full proposal indicates the benefits and opportunities which could be realised for residents and businesses by a Bay Unitary. By not submitting a response to consultation on the proposals submitted, the Council would significantly reduce its influence in the reorganisation of local government. This option is not recommended.

The officer preferred option is to submit responses to the government's consultation, taking the opportunity to influence decisions on local government arrangements for the area. Responding to the consultation does not create any specific risks for the council and would reinforce the strength of the proposal for the Bay unitary. Not responding to the consultation creates the risk that the Council is not able to influence the outcome of proposals.

Councillor Lewis proposed, seconded by Councillor Hanson:-

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

Councillors then voted:-

***Resolved unanimously:***

- (1) That the Council report and appendices attached to the report be noted and Cabinet endorses and recommends to Council the proposed approach to the government's consultation on Local Government Reorganisation.

**Officer responsible for effecting the decision:**

Chief Executive

**Reasons for making the decision:**

Following the submission of the proposal for a unitary council for the Bay, the government has now opened up consultation on all four proposals for Cumbria, including the Bay proposal which includes Lancaster. This is an important opportunity for the Council to influence the future of local government in this area. At its meeting on 24 March Council will be asked to agree the key principles included in Appendices 1 and 2 to the report so that a response can be made by the deadline of the 19 April.

**130 MAINWAY FUTURE VISION**

**(Cabinet Member with Special Responsibility Councillor Jackson)**

Cabinet received a report from the Director for Communities and the Environment which provided an update on the Mainway estate project and sought authorisation to proceed to the next stages.

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

From the work undertaken so far it is clear this project provides an opportunity to work with the community to develop a vision for the Mainway area that contributes significantly towards the priorities agreed by the Council and outlined at the outset of this report. Work has been undertaken to start to develop the vision with further work required to set out clearly what the possibilities are. In order to deliver this vision a view on the different options for the buildings in the area is required.

There are essentially 4 options: -

A) Refurbish the existing buildings to extend their life by approximately 25-30 years. The cost of this option is estimated to be £23.5M. This option would still require tenants to be relocated whilst works were undertaken. The end product would still not meet the Council's standards for housing energy efficiency, health, safety and security. It would essentially be a short-term repair, with little prospect of recovering the investment from rent returns before a further development or repair project would be required.

B) Demolish and rebuild the estate. The cost of this option is estimated to be £37M (keeping a similar number of properties within the Council's portfolio). It is envisaged that the estate will mainly be built for social housing however further detailed analysis in terms of a mixed tenure scheme including opportunities for market and affordable rent, as well as other options and delivery through More Homes for the Bay (yet to be incorporated) will need to be considered. Additional properties could be considered however, to keep the integrity of the proposed new estate and ensure planning approval, this will be difficult.

C) Demolish the estate, sell the land and seek to rebuild elsewhere. This is the least worked up option. On the basis that a) there will be considerable demolition costs that will offset the value of the land b) the Council does not have alternative land to build equivalent properties and c) uprooting an established community and moving people elsewhere creates considerable conflicts with the Council's intended outcomes for the District and its residents.

D) Demolish the estate, sell the land and don't rebuild lost properties elsewhere. Along with option C this option has not been worked up in any detail. Properties would all need to be vacated within 5yrs- this would create a local housing crisis and creates a significant conflict with the Council's intended outcome for the District and its residents. There would be considerable risk to the future of the HRA through lost rental income.

Based on the work undertaken to date options A and B are the only options that are able to contribute to the Council's priorities. Option B is the one that provides the outcomes that best support the Council's priorities. The point has now been reached where in order to seek an investment decision from the Council, detailed proposals need to be brought forward that can be financially assessed and considered within the overall context of the Council's budget and priorities. To progress the project it is proposed that reserves from the Housing Revenue Account are used to undertake several key activities to progress the Mainway project. They are:

- Work with Elected Members, residents and partners and develop the overall vision for the project so that it is delivered in a way that best contributes to the Council's priorities.
- Commissioning the next phase of Master-planning and design works for option B. Producing a detailed Business Plan which enables the Council to proceed in resolving

the challenges at the site in a way which presents best value for the Council in achieving its priorities.

- Developing and delivering a Tenant Management Plan to support the detailed engagement and planning work that will be required to support our residents through a period where they will need to be rehoused on an interim basis.
- Establishment of a project management team, including external experts.

This work will result in a series of regular updates to Cabinet and stakeholders on progress and will seek to agree and bring forward the Business Plan and relevant financing details for the Project to September Cabinet.

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

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

Councillors then voted:-

**Resolved:**

***(9 Cabinet Members voted in support of the recommendations. Due to technical difficulties Councillor Hamilton-Cox who had seconded the recommendations, was unable to participate in the vote.)***

- (1) That Cabinet recognises the importance of this project and its’ contribution to Council priorities.
- (2) That Cabinet recognises that without significant investment within the next 2-5 years residents will be required to leave their homes on the Mainway site.
- (3) That Cabinet agrees to the use of up to £300,000 from the HRA Business Support Reserve as set out in Section 11 of the report, in order to allow the next phase of the Mainway Project to proceed:
  - in developing a strategic vision for the site involving all key stakeholders,
  - commissioning site design works and concept designs,
  - developing the detailed Project and Business Plans through employing dedicated Project Manager resource, and
  - to develop and deliver the Tenant Management Plan.Details of which will be presented to Cabinet in September 2021 which will detail the further calls on reserves and any borrowing requirements.
- (4) Cabinet provides authority for officers to engage with tenants, residents and other stakeholders in order to undertake a comprehensive data collection exercise to inform the design approach and dwelling mix of a proposed scheme as well as the Tenant Management Plan.
- (5) Cabinet authorises officers to cease the re-letting of void council properties in the first proposed phase (Bridge House, Captains Row, Derby House, Lune House and Park House).

**Officer responsible for effecting the decision:**

Director for Communities & the Environment

**Reasons for making the decision:**

The Mainway project represents a once in a generation opportunity to shape the development of our District in way that fully involves our community. The significance of this project is the contribution that it potentially makes to the delivery of the Council's priorities:

- A Sustainable District –Climate Emergency: The design and master planning will seek to ensure that the properties are resilient to a changing climate and are fit for a zero-carbon future.
- An Inclusive and Prosperous Local Economy – through the creation of jobs and training and opportunities for local companies. The reduction of blight at a key location, and provision of affordable, suitable housing which enables access to employment and reduces poverty. Ensuring money is spent locally.
- Happy and Healthy Communities – proposals contribute to the well-being of tenants, tackle health inequalities and provide quality housing and green space.
- A Co-operative, Kind and Responsible Council – working in partnership and truly listening to tenant voices through consultation has supported the future designs of the estate.

The decision is also consistent with the Local Plan and contributes towards the provision of housing to meet a locally identified need and opportunities to increase the choice and supply of social housing and will link directly to the Homes Strategy for Lancaster district 2020-2025.

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Chair

(The meeting ended at 6.15 p.m.)

**Any queries regarding these Minutes, please contact  
Liz Bateson, Democratic Services - email [ebateson@lancaster.gov.uk](mailto:ebateson@lancaster.gov.uk)**

**MINUTES PUBLISHED ON FRIDAY 26 MARCH 2021,**

**EFFECTIVE DATE FOR IMPLEMENTING THE DECISIONS CONTAINED IN THESE MINUTES:  
WEDNESDAY 7 APRIL 2021 WITH THE EXCEPTION OF THE FOLLOWING:**

**MINUTE 127 CALL-IN HAS BEEN WAIVED ON THE STEP SITE NOMINATION EXPRESSION  
OF INTEREST REPORT.**

**MINUTE 129 WAS NOT SUBJECT TO CALL-IN AS IT WAS REFERRED TO THE COUNCIL  
MEETING ON 24 MARCH 2021.**