



Meeting Agenda

**Special Cabinet
Town Hall, St Annes
Tuesday 31 August 2010, 7:00pm**

The main doors to the Town Hall will be open to the public at 6:45pm

This meeting will be filmed for publication on the Council web site



CABINET

MEMBERSHIP

LEADER – COUNCILLOR DAVID EAVES

Councillor	Portfolio
KAREN BUCKLEY	PARTNERSHIPS & COMMUNITY ENGAGEMENT
SUSAN FAZACKERLEY	LEISURE AND CULTURE
TREVOR FIDDLER	PLANNING
CHERYL LITTLE	SOCIAL WELLBEING
ALBERT POUNDER	ENVIRONMENTAL WELLBEING
ROGER SMALL	FINANCE AND RESOURCES

Contact: Lyndsey Lacey - Telephone: (01253) 658504 - Email: lyndseyl@fylde.gov.uk



Our Vision

Fylde Borough Council will work with partners to provide and maintain a welcoming, inclusive place with flourishing communities.

Our Corporate Objectives

- To Promote the Enhancement of the Natural & Built Environment
 - To Promote Cohesive Communities
 - To Promote a Thriving Economy
- To meet the Expectations of our Customers

The Principles we will adopt in delivering our objectives are:

- To ensure our services provide value for money
- To work in partnership and develop joint working

A G E N D A

PUBLIC PLATFORM	
<i>To hear representations from members of the public in accordance with Cabinet procedure rules</i>	
PROCEDURAL ITEMS	
1. DECLARATIONS OF INTEREST: <i>If a member requires advice on Declarations of Interest he/she is advised to contact the Monitoring Officer in advance of the meeting. (For the assistance of Members an extract from the Councils Code of Conduct is attached).</i>	4
2. CONFIRMATION OF MINUTES: <i>To confirm as a correct record the Minutes of the Cabinet meeting held on 21 July 2010 attached at the end of the agenda.</i>	4
URGENT ITEMS	
3. URGENT ITEMS (The Chairman will be requested to indicate whether or not he accepts that any additional item should be considered by the Cabinet as a matter of urgency, in accordance with section 100 of the Local Government Act 1972 (as amended)).	4
ITEMS FOR DECISION	
4. GOVERNANCE ARRANGEMENTS – NEW FYLDE HOUSING	7-20
5. REVIEW OF ACCOMMODATION	21-47

Personal interests

8.—(1) You have a personal interest in any business of your authority where either—

(a) it relates to or is likely to affect—

- (i) any body of which you are a member or in a position of general control or management and to which you are appointed or nominated by your authority;
- (ii) any body—
 - (aa) exercising functions of a public nature;
 - (bb) directed to charitable purposes; or
 - (cc) one of whose principal purposes includes the influence of public opinion or policy (including any political party or trade union),

of which you are a member or in a position of general control or management;

- (i) any employment or business carried on by you;
 - (ii) any person or body who employs or has appointed you;
 - (iii) any person or body, other than a relevant authority, who has made a payment to you in respect of your election or any expenses incurred by you in carrying out your duties;
 - (iv) any person or body who has a place of business or land in your authority's area, and in whom you have a beneficial interest in a class of securities of that person or body that exceeds the nominal value of £25,000 or one hundredth of the total issued share capital (whichever is the lower);
 - (v) any contract for goods, services or works made between your authority and you or a firm in which you are a partner, a company of which you are a remunerated director, or a person or body of the description specified in paragraph (vi);
 - (vi) the interests of any person from whom you have received a gift or hospitality with an estimated value of at least £25;
 - (vii) any land in your authority's area in which you have a beneficial interest;
 - (viii) any land where the landlord is your authority and you are, or a firm in which you are a partner, a company of which you are a remunerated director, or a person or body of the description specified in paragraph (vi) is, the tenant;
 - (xi) any land in the authority's area for which you have a licence (alone or jointly with others) to occupy for 28 days or longer; or
- (b) a decision in relation to that business might reasonably be regarded as affecting your well-being or financial position or the well-being or financial position of a relevant person to a greater extent than the majority of other council tax payers, ratepayers or inhabitants of the ward, as the case may be, affected by the decision;

(2) In sub-paragraph (1)(b), a relevant person is—

- (a) a member of your family or any person with whom you have a close association; or
- (b) any person or body who employs or has appointed such persons, any firm in which they are a partner, or any company of which they are directors;
- (c) any person or body in whom such persons have a beneficial interest in a class of securities exceeding the nominal value of £25,000; or
- (d) any body of a type described in sub-paragraph (1)(a)(i) or (ii).

Disclosure of personal interests

- 9.—(1)** Subject to sub-paragraphs (2) to (7), where you have a personal interest in any business of your authority and you attend a meeting of your authority at which the business is considered, you must disclose to that meeting the existence and nature of that interest at the commencement of that consideration, or when the interest becomes apparent.
- (2) Where you have a personal interest in any business of your authority which relates to or is likely to affect a person described in paragraph 8(1)(a)(i) or 8(1)(a)(ii)(aa), you need only disclose to the meeting the existence and nature of that interest when you address the meeting on that business.
 - (3) Where you have a personal interest in any business of the authority of the type mentioned in paragraph 8(1)(a)(viii), you need not disclose the nature or existence of that interest to the meeting if the interest was registered more than three years before the date of the meeting.
 - (4) Sub-paragraph (1) only applies where you are aware or ought reasonably to be aware of the existence of the personal interest.

- (5) Where you have a personal interest but, by virtue of paragraph 14, sensitive information relating to it is not registered in your authority's register of members' interests, you must indicate to the meeting that you have a personal interest, but need not disclose the sensitive information to the meeting.
- (6) Subject to paragraph 12(1)(b), where you have a personal interest in any business of your authority and you have made an executive decision in relation to that business, you must ensure that any written statement of that decision records the existence and nature of that interest.
- (7) In this paragraph, "executive decision" is to be construed in accordance with any regulations made by the Secretary of State under section 22 of the Local Government Act 2000(d).

Prejudicial interest generally

- 10.—**(1) Subject to sub-paragraph (2), where you have a personal interest in any business of your authority you also have a prejudicial interest in that business where the interest is one which a member of the public with knowledge of the relevant facts would reasonably regard as so significant that it is likely to prejudice your judgement of the public interest.
- (2) You do not have a prejudicial interest in any business of the authority where that business—
- (a) does not affect your financial position or the financial position of a person or body described in paragraph 8;
 - (b) does not relate to the determining of any approval, consent, licence, permission or registration in relation to you or any person or body described in paragraph 8; or
 - (c) relates to the functions of your authority in respect of—
 - (i) housing, where you are a tenant of your authority provided that those functions do not relate particularly to your tenancy or lease;
 - (ii) school meals or school transport and travelling expenses, where you are a parent or guardian of a child in full time education, or are a parent governor of a school, unless it relates particularly to the school which the child attends;
 - (iii) statutory sick pay under Part XI of the Social Security Contributions and Benefits Act 1992, where you are in receipt of, or are entitled to the receipt of, such pay;
 - (iv) an allowance, payment or indemnity given to members;
 - (v) any ceremonial honour given to members; and
 - (vi) setting council tax or a precept under the Local Government Finance Act 1992.

Prejudicial interests arising in relation to overview and scrutiny committees

- 11.—** You also have a prejudicial interest in any business before an overview and scrutiny committee of your authority (or of a sub-committee of such a committee) where—
- (a) that business relates to a decision made (whether implemented or not) or action taken by your authority's executive or another of your authority's committees, sub-committees, joint committees or joint sub-committees; and
 - (b) at the time the decision was made or action was taken, you were a member of the executive, committee, sub-committee, joint committee or joint sub-committee mentioned in paragraph (a) and you were present when that decision was made or action was taken.

Effect of prejudicial interests on participation

- 12.—**(1) Subject to sub-paragraph (2), where you have a prejudicial interest in any business of your authority—
- (a) you must withdraw from the room or chamber where a meeting considering the business is being held—
 - (i) in a case where sub-paragraph (2) applies, immediately after making representations, answering questions or giving evidence;
 - (ii) in any other case, whenever it becomes apparent that the business is being considered at that meeting;
 unless you have obtained a dispensation from your authority's standards committee;
 - (b) you must not exercise executive functions in relation to that business; and
 - (c) you must not seek improperly to influence a decision about that business.
- (2) Where you have a prejudicial interest in any business of your authority, you may attend a meeting (including a meeting of the overview and scrutiny committee of your authority or of a sub-committee of such a committee) but only for the purpose of making representations, answering questions or giving evidence relating to the business, provided that the public are also allowed to attend the meeting for the same purpose, whether under a statutory right or otherwise.

REPORT



REPORT OF	MEETING	DATE	ITEM
HEAD OF GOVERNANCE	CABINET	31 ST AUGUST 2010	4

GOVERNANCE ARRANGEMENTS – NEW FYLDE HOUSING

Public Item

This item is for consideration in the public part of the meeting.

Summary

The Cabinet received a report at its meeting in July in relation to proposed changes to the governance arrangements of the New Fylde Housing Board. The Cabinet requested further information from New Fylde Housing prior to making a decision on this matter.

This report presents that further information.

Recommendations

That the Cabinet agrees the proposed changes to the governance arrangements of New Fylde Housing as outlined in the attachments to this report.

Reasons for recommendation

To deal with a request received by the Council from New Fylde Housing.

Alternative options considered and rejected

The Council could resolve not to agree to the proposed governance changes. However, the legal document signed on behalf of the Council at the time of transfer of the housing stock to New Fylde Housing indicated that the Council would not unreasonably withhold its agreement to proposals for such changes.

Cabinet Portfolio

The item falls within the following Cabinet portfolio:- Social Wellbeing;
Councillor Cheryl Little

Report**Background**

1. The Cabinet received a report at its July meeting relating to proposals for changes to the governance and Board structure of New Fylde Housing. A copy of the report considered at that meeting is attached at Appendix A.
2. The Cabinet resolved at that meeting to *ask the Chief Executive to write to New Fylde Housing seeking further information on the rationale/ justification for reducing the number of the elected members on the board and that an updated report be presented to the next Cabinet meeting.*
3. The further information on the rationale / justification for reducing the number of elected councillors on the Board has been received as is attached at Appendix B of this report and is now presented for the Cabinet's further consideration. Representatives of New Fylde Housing have indicated that they would be available at the meeting to respond to any further questions the Cabinet may have.
4. The terms of the original stock transfer agreement stipulated that New Fylde Housing must seek the agreement of Fylde Borough Council to any changes to its constitution including any reductions in the actual or percentage ratios of council or tenant membership of its Board. The agreement also states that such agreement should not be withheld in relation to all reasonable advice issued by the Housing Corporation (now Tenant Services Authority TSA)
5. Therefore, if the Cabinet is not minded to agree to the request from New Fylde Housing, the reasons for withholding this agreement will need to be provided and justified.

Report Author	Tel	Date	Doc ID
I Curtis / P Woodward	(01253) 658506	June 2010	

List of Background Papers		
Name of document	Date	Where available for inspection
Cabinet report and Attachments	July 2010	Town Hall or www.fylde.gov.uk

Attached documents

1. Appendix A - Report to Cabinet, 21st July 2010
2. Appendix B - Additional information received from New Fylde Housing

IMPLICATIONS	
Finance	None arising from this report.
Legal	The changes to the composition of the Board of New Fylde Housing need the consent of the Council, which is not to be unreasonably withheld.
Community Safety	None arising from this report.
Human Rights and Equalities	None arising from this report.
Sustainability and Environmental Impact	None arising from this report.
Health & Safety and Risk Management	None arising from this report.

REPORT



REPORT OF	MEETING	DATE	ITEM
GOVERNANCE & PARTNERSHIPS	CABINET	21 ST JULY 2010	-

GOVERNANCE ARRANGEMENTS – NEW FYLDE HOUSING

Public Item

This item is for consideration in the public part of the meeting.

Summary

In 2000 New Fylde Housing was established as a Registered Social Landlord, responsible for the management, maintenance and future development of housing stock that had previously been owned by Fylde Borough Council.

New Fylde Housing has now become a subsidiary of the Progress Housing Group, a change which was agreed by the Council in 2008.

New Fylde Housing is proposing to make further changes to its governance arrangements which also need the agreement of the Council. This report describes the rationale for proposing the changes.

Recommendations

That the Cabinet agrees the proposed changes to the governance arrangements of New Fylde Housing as outlined in the report.

Reasons for recommendation

To deal with a request received by the Council from New Fylde Housing.

Alternative options considered and rejected

The Council could resolve not to agree to the proposed governance changes. However, the legal document signed on behalf of the Council at the time of transfer of the housing stock to New Fylde Housing indicated that the Council would not unreasonably withhold its agreement to proposals for such changes.

Cabinet Portfolio

The item falls within the following Cabinet portfolio:- Social Wellbeing;
Councillor Cheryl Little

Report**Background**

1. The housing stock previously owned and managed by the Council was transferred to New Fylde Housing in October 2000. The primary reasons for the transfer were:
 - A new independent organisation (New Fylde Housing) would have access to sources of long-term private finance to facilitate the essential refurbishment and development works to the stock which the Council could not guarantee;
 - The new organisation would have reduced bureaucratic overheads and, because of this, would be able to invest a greater amount of its resources into improving the stock on behalf of tenants;
 - The new organisation would have greater flexibility in pursuing finance-generating developments outside of Fylde Borough which would diversify its financial position for the longer-term benefit of tenants;
 - The Council would retain a degree of influence on the new organisation by retaining a presence on its Board of Directors.
2. At the time of the transfer the advice published by the Housing Corporation (the body which regulated housing associations at the time) suggested that the Boards of new stock-transfer organisations should consist of 15 individuals; five independent people, five tenant representatives and five Council nominees.
3. This guidance was revised in 2005 and the New Fylde Housing Board was reduced to 12, with the split of seats between the independent, tenant and council representatives remained in the same proportions, i.e. one third each.

4. In 2008 the Council agreed to a request from New Fylde Housing for it to become part of the Progress Housing Group. This Group, which was originally formed by the stock transfer of South Ribble Borough Council housing during the 1990's, now has three subsidiaries, one of which is New Fylde Housing.
5. Becoming part of this Group structure has provided a much greater degree of opportunity for New Fylde Housing to further consolidate its financial position, improve conditions in its existing housing stock and undertake new developments on a scale which would not otherwise have been possible. An example of the latter is the new development and comprehensive refurbishment project underway at Pilling Avenue in St Annes.
6. When New Fylde Housing Joined Progress Housing Group the Tenants Services Authority allowed an increase in the size of the group Board however the group had to give an undertaking to review this at the earliest opportunity. The group regularly reviews (at least every three years) its governance arrangements with the last full review taking place in 2007. In January the Group started a governance review as part of its regular review process and by way of honouring the undertaking given to the Tenants Services Authority. The proposal resulting from this review is outlined below.

Proposals

7. Presently the Board of New Fylde Housing Ltd is composed of 12 members, which includes 4 tenant representatives and 4 nominees of Fylde Borough Council. The board of the parent company, Progress Housing Group Ltd, is composed of 7 nominations from subsidiaries (3 from New Fylde Housing, 2 from New Progress Housing Association, 2 from Progress Care Housing Association) and 8 independent members.
8. The regulating body for housing associations has recently changed from the Housing Corporation to the Tenant Services Authority (TSA) who have issued updated guidance on governance structures in light of changes which have taken place during the last 10 years in the development and management of social housing. The group has had confirmation from the TSA that the proposal is "completely in keeping with the new regulatory framework" and the changes are "prudent and sensible".
9. In response to this advice The Progress Housing Group (corporately) and New Fylde Housing specifically have carried out internal consultation processes and have established specific working groups of Board members to determine their response to the TSA guidance.
10. The options considered as part of this process have included:-
 - Option 1 –reducing numbers on the Group Board
 - Option 2 – reducing membership overall

Option 3 – reduce representative board nominations

Option 4 – reduce council representation

Option 5 – implement unitary boards

Option 6 – collapse the group structure

11. As a result of this consideration a preferred option (option 2 above) has been developed and is now proposed for broader stakeholder consultation, including Fylde Borough Council.
12. Option 2 would result in the composition of New Fylde Housing's Board changing to 5 independent members, 3 tenant members and 1 council member.

Comment & Analysis

13. Within the terms of the 2000 stock transfer agreement New Fylde Housing must seek the agreement of Fylde Borough Council to any changes to its constitution including *any reductions in the actual or percentage ratios of council or tenant membership of its Board*. The agreement also goes on to say that such agreement *should not be withheld in relation to all reasonable advice issued by the Housing Corporation* (now read TSA).
14. Since New Fylde Housing became part of the Progress Group it has seen tenant satisfaction rates increase and has demonstrated that it is able to provide new investment both in stock refurbishment and in new developments for the benefit of existing & potential new tenants. It has also demonstrated its ongoing commitment to community cohesion in Fylde Borough through its involvement with the Local Strategic Partnership, the Community Safety Partnership and its support of other local community initiatives.
15. All public (and quasi public) bodies are under pressure to streamline their overheads & make their organisations more efficient whilst maintaining the interests of customers. The proposals now put forward by New Fylde Housing are a considered effort to balance an appropriate level of customer and community involvement in the governance of their business activities, to retain the business acumen and diversity provided by independent board members whilst ensuring that the overheads of the business are as efficient as possible.
16. It is felt that the proportion of Board seats contained in the proposal will ensure that the interests of the most significant stakeholders - the tenants - are maintained and that the interests of the broader community can be effectively represented through the seat on the Board which is to be retained by Fylde Borough Council.
17. The new regulatory framework introduced by the TSA has put a great deal of emphasis on the role that tenants can have in influencing registered providers. In addition the TSA have generally wished to see a majority of independent members on boards and this was one of the reasons that additional independent member were recruited to serve on the group board to

maintain this majority following New Fylde joining the group. In reaching its recommendation the group's working party and group board have been particularly minded of these factors when considering the structure of the boards going forward.

Report Author	Tel	Date	Doc ID
P Woodward & I Curtis	(01253) 658506	June 2010	

List of Background Papers		
Name of document	Date	Where available for inspection
Letter from New Fylde Housing	2010	Town Hall, St Annes

IMPLICATIONS	
Finance	There are no financial implications
Legal	The changes to the composition of the board of New Fylde Housing need the consent of the council, which is not to be unreasonably withheld.
Community Safety	No implications
Human Rights and Equalities	No specific implications
Sustainability and Environmental Impact	No implications
Health & Safety and Risk Management	No implications

FAO: Phillip Woodward
Chief Executive
Fylde Borough Council
Town Hall
Lytham St Annes
Lancs
FY8 1LW

02 August 2010

Dear Phillip,

FBC CABINET MEETING 21 JULY 2010

Thank you for your letter dated 22 July 2010 requesting further information in relation to the New Fylde Housing governance item discussed at Cabinet on 21 July 2010.

I have now had time to consider the content of your letter and also to view the Webcast and would respond as follows.

Firstly I have included some additional background and supporting evidence to the governance proposals and I will attempt to highlight and not duplicate the key areas I feel are important for your members within this accompanying letter.

It appears that the key issue is the reduction of council nominees to the New Fylde Housing Board from 4 to 1. In this regard I must stress that the governance proposal forms part of a larger governance review across Progress Housing Group and is not limited to New Fylde Housing alone.

The proposals include a restructuring of constituent groups on the boards of New Fylde Housing and New Progress Housing Association such that independents members would have a majority of places on a board of 9 members. This is in keeping with our regulators expectations and best practice guidance.

With independent members holding a majority of 5 places on the board clearly only 4 places would remain for tenants and local authority members. It is a primary strategic aim of New Fylde Housing to place customers at the heart of the business and therefore there is a strong feeling that tenants should at least hold the same proportion of places (33%) of total board membership as they do at present.

The role that councillors have on the New Fylde Board is valued by other members and the company which is why we have sought to maintain this link even though the proposals do represent a reduction on the current numbers. Their contributions borne from local knowledge and connections added to their drive and commitment is evident and highly valued by all involved at New Fylde Housing. Indeed, I would stress the importance of an open and constructive relationship with the Borough and all its elected members and would confirm that we wish to explore and extend methods of engaging with councillors and officers of the Borough. Examples could include formalised and regular briefings or presentations cabinet or full council. I would be delighted to discuss this further and put together a programme with you in this respect.

If you require a large print version of this document or require a translation service,
please ask a member of staff or call 01253 642000

Secondly, I would wish to address the issue of the timing of this governance review. To provide some background, the Progress Housing Group Board increased in size from 12 to 15 when New Fylde Housing joined the Group in April 2009. The reason was to include 3 New Fylde Housing board members onto the parent board. The business case to the Tenant Services Authority highlighted this and acknowledged that this was a movement against a trend to reduced board sizes in the sector. Accordingly an undertaking was given to the Tenant Services Authority to reduce the size of the Group Board as soon as was practicable. This matter has subsequently been discussed in regulatory engagement meetings at which this commitment was reiterated.

Indeed I'm sure you would agree that a review of governance arrangements in any organisation is a healthy exercise and should be carried out on a regular basis to ensure that these arrangements best suit the future strategy of the organisation. Progress Housing Group has historically reviewed its governance arrangements every 3 years. The next review was due this year in 2010 and at a meeting of the Remuneration Committee toward the end of 2009 it was resolved that it would make sense to co-ordinate the review of the size of the group board with this wider review of governance arrangements. A particular driver was that the number of board members sitting across the group is currently in excess of 40 non-executive directors. This number far exceeds the numbers on governing bodies of similar or larger sized housing organisations.

Consultation commenced with and the proposal to reduce board sizes at both parent and subsidiary levels. This has been widely embraced by board members with 93% of respondents in favour of the proposals.

The second stage of consultation has included external stakeholders, including the financial institutions lending to the group, and tenants with whom the consultation has been carried out in parallel with a proposal to create a Scrutiny Panel of 9 tenants or tenant advocates (3 from each of New Fylde Housing, New Progress Housing Association and Progress Care Housing Association). The Scrutiny Panel would form a constituted committee within the governance structure of the group and provide a greater opportunity for tenants to formulate and oversee the delivery of National Standards and Local offers to tenants of the group.

Our stakeholders have been supportive of the proposals however most reassuring is the overwhelming support from tenants to the proposals. Of New Fylde Housing tenants who have responded to date 85.6% have been in favour of the proposed scrutiny arrangements and changes in the size and makeup of the board.

I understand that this item will be re-presented to the next Cabinet meeting which is due to meet on 15th September 2010. Unfortunately this is the day after the Annual General Meeting of Progress Housing Group and its subsidiaries. At present the Board of New Progress Housing Association, Progress Care Housing Association and the group will be in a position to approve changes on this day whereas New Fylde Housing will not.

It may be of interest to you to know that South Ribble Borough Council has already provided consent to a reduction in the council representation on the New Progress Board.

I would request that if it were possible to provide a definitive response on your position prior to the 15th September, preferably sometime in August, that this would be helpful and enable the changes to be implemented as planned. This would serve to provide clarity to the Group, its subsidiaries, tenants and stakeholders on how the organisation is to be governed going forward.

I would like to conclude by saying that the first year of partnership has been extremely successful for New Fylde Housing. Both our operational and financial capacity is now greatly increased and our plans under the partnership to create over 320 new homes and invest in excess of £2.5million into community and environmental projects over the next 5 years is well underway. These proposals will support the group in general and New Fylde Housing in particular to have efficient and effective governance arrangements that will support the business going forward.

Please do not hesitate to contact me if you require any additional information or if I can be of any further assistance in this matter. I would be delighted to help in any way I can.

Yours Sincerely



Eric Tamanis
Managing Director
New Fylde Housing

Progress Housing Group

Response to Fylde Borough Council Cabinet Meeting

The council has asked New Fylde Housing to provide:

"further information on the company's justification for reducing the number of Councillor representatives on the Board from 4 to 1."

Executive Summary

The Process

- The group undertakes a regular Governance Review (every 3years) 2010 was the next scheduled review.
- The group has had to address the issue in relation to the size of group board because of the undertaking given to the TSA
- The review has been organisational wide and included representatives from each company in the group

Legal and Regulatory Requirements

- All Non Executive Directors carry the same legal responsibilities regardless of any constituency they are drawn from
- The TSA regulatory regime puts and emphasis on the group board having overall control of the group
- That each Registered Provider must adopt and adhere to an appropriate code of governance
- That tenants should be at the centre of the decision making and scrutiny of the association
- Regulatory best practice focuses on a majority of independent members on boards

Consultation

- 93% of board members are in favour of the proposals
- Overall 85.6% of NFH tenants are in favour of the proposal to reduce the size of the board
- Other main stakeholders are also in favour

Further Narrative

External Regulatory and Legal Requirements

As independent companies the group and its subsidiaries operate as Industrial and Provident Societies subject to legal and regulatory requirements of such companies. In addition as Registered Providers the group is subject to the regulatory requirements of our lead regulator the Tenants Services Authority.

The Non Executive Directors (Board Members) are subject to these legal requirements and in particular must act in the best interest of the company and its members, in a way that promotes the success of the company (Companies Act 2006). Much has been written in recent years in regulatory guidance to build on this legal framework and much of the regulatory guidance focuses on the requirement for Directors to act independently and only in the company's best interests. This has led to a trend across all sectors to ensure that boards have a majority of independent members.

The TSA's new regulatory regime requires Registered Providers to adopt a suitable code of governance with which they must comply. The group has since 2004 adopted the National Housing Federation Code of Governance and this was substantially revised and re issued in 2009. The codes provisions ensure that those who adopt it are supported in meeting their legal obligations and comply with industry best practice and the expectations of the TSA. The NHF Excellence in Governance Code for Members states:

B2 All members of the board, executive and non executive, share the same legal status and have equal responsibility for the decisions taken that affect the success of the organisation. Each should act in the interests of the organisation and not on behalf of any constituency group. Board members must ensure that the interests of the organisation are placed before any personal interests. This includes those board members that are nominated or elected from specific groups, eg, local authority nominees and residents.

This is in keeping with the TSA's regulatory code that states:

Registered providers shall ensure effective governance arrangements that deliver their aims, objectives and intended outcomes for tenants and potential tenants in an effective, transparent and accountable manner. Governance arrangements shall ensure they:

- adhere to all relevant legislation
- comply with their governing documents and all regulatory requirements
- are accountable to tenants, the TSA and relevant stakeholders
- safeguard taxpayers' interests and the reputation of the sector
- have an effective risk management framework

and their good practice guidance

Stock transfer associations (LSVTs) joining a group structure can meet our requirements for parental control in a number of ways and we recognise that arrangements vary depending on the outcome of associations' consultation with tenants and the relevant local authority. Our minimum requirement is that the parent board should have the power to remove all or any, and appoint at least the majority, of board members. They may be able to do this by having powers to:

- appoint and remove any board member;
- appoint all board members who are nominated by the board, tenants and the local authority (LA) as well as to remove all the board;
- remove any board member and to appoint all except tenant board members;
- remove all board members and replace all but the LA members who must be appointed by the Council.

Taken from GPN 11

The TSAs new regulatory standard further goes on to state the role that tenants should play in shaping the services that are delivered to them and that they should be at the heart of the provider's decision making. This is demonstrated by the TSA's recommendations that:

- The TSA standards place a strong emphasis on providers involving their tenants to shape local delivery to local priorities and scrutinise performance.
- Tenants should have the ability to monitor and scrutinise their provider's performance against all the standards. Providers will also provide support tenants to build their capacity to make co-regulation effective
- We expect providers to engage meaningfully with tenants and offer them opportunities to agree how service delivery against the TSA standards can be tailored to reflect local priorities.

The direction of travel from the TSA is therefore to place tenants at the centre of the decision making and scrutiny process and to ensure that boards act in the best interest of the customers whom they serve.

This is the legal and regulatory context that the governance working party and the group board have considered in reaching their recommendation to reduce boards across the group to no more than nine.

Consultation and Final Decision

The consultation exercise with key stakeholders was initiated on 24th March with a letter from the Group Chair informing all of the group's non executive directors, to outline the outcome of the governance working party and their recommendation to the group board. The outcome of the consultations with all of the key stakeholders is outlined below:

Non Executive Directors: The NEDs have received the letter outlined above, had the opportunity to attend a briefing session on the process used by the governance working party and the thinking behind their recommendation to the group board. The final part of the consultation exercise with NEDs was a questionnaire to record their preference. This questionnaire recorded that 93% of the NEDS are in favour of the proposed changes.

Tenants: Consultation with tenants has included an information letter and articles in the tenants newsletter. Information on the companies websites, road-show sessions, items on tenants forum agendas and a questionnaire sent to every NFH and NPHA tenant. The response to these questionnaires is for NFH 85.6% in favour of the reduction in the size of the board and for NPHA 84.2% in favour.

Tenants Service Authority: The TSA have been kept informed of the proposals following the group boards decision and throughout the process. The TSA has formally confirmed that the approach being taken is in line with their regulatory expectations and guidance.

Financial Institutions: As part of the exercise the group has contacted the bankers and financial institutions that provide capital for the groups activities. All of the five institutions have accepted the proposals and are supportive of the rational for proposing this course of action.

Local Authorities: Formal consultation have been undertake with South Ribble Borough Council and Fylde Borough Council as the original transfer authorities for New Fylde Housing and New Progress Housing. SRBC have already approved the changes and have made their nomination for the position on the New Progress Board going forward. Fylde BC cabinet have asked for additional information.

Overall the overwhelming outcome of the consultation exercise is in favour of the changes and this will be presented to the group board at its meeting on 9th August.

REPORT

REPORT OF	MEETING	DATE	ITEM NO
DIRECTOR OF STRATEGIC DEVELOPMENT SERVICES	CABINET	31 ST AUGUST 2010	5

REVIEW OF ACCOMMODATION

Public Item

This item is for consideration in the public part of the meeting.

Summary

The report presents details of the outcome of the work commissioned to examine the feasibility of providing all purpose accommodation on the site of the Public Offices (Plan B). In the light of the conclusions the report also looks at the alternative options for delivering improved accommodation and makes recommendations.

Recommendations

That the Cabinet:

- 1) notes the “plan B” scheme produced for the Public Offices site and the costs involved,
- 2) acknowledges the projected shortfall in available resources and recommends that the construction of new all purpose accommodation and full refurbishment of existing accommodation is unaffordable at this time,
- 3) confirms its commitment to securing satisfactory office and civic accommodation at the earliest opportunity,
- 4) agrees to the marketing of the remaining sites identified for disposal (St David’s Road depot, Public Offices and Derby Road Wesham),
- 5) agrees a cost limited approach to provide improved accommodation on the Town Hall site within the funding realised from the sale of the currently identified disposal sites described in recommendation 4, such works to incorporate reintroduction of the Council Chamber and relocation of the One Stop Shop facility,

- 6) agrees use of the remaining £25,000 capital budget provision agreed for the Public Offices feasibility work last year by Council to enable the production of an initial costed plan with outline design solutions to improve the Town Hall accommodation and to cover the cost of submitting 7 below,
- 7) agrees that the planning application previously produced for the Public Offices site be submitted to help establish an alternative use to assist in the marketing of the site.
- 8) notes the withdrawal of the planning application at North Beach car park.

Alternative options considered and rejected

Construction of new all purpose accommodation or full refurbishment of existing facilities is unaffordable at the present time.

Cabinet Portfolio

The item falls within the following Cabinet portfolio:

Planning - Councillor Trevor Fiddler

Report

1) Previous decisions by Council

- a) Council on the 26th October 2009 considered a report on the accommodation work undertaken to date and included proposals to investigate the feasibility of an alternative plan "B" on the site of the Public Offices on Clifton Drive South. After some debate and discussion Members resolved:
 1. That the Council supports the "plan B" option outlined in the report in principle.
 2. That officers be asked to report the potential (short-term) finance options and implications to the accommodation working group.
 3. That the Council conclude the planning application decision for the development of the currently agreed disposal sites.
 4. That officers consult with architectural practices for fee and design bids and for sketch design proposals, if possible on an 'at risk' basis.
 5. To agree a budget provision of no more than £25,000 in order to progress recommendation 4. The detail of this work to be agreed by the Accommodation Working Group, in order to achieve the above objectives as soon as possible - the existing approved capital programme to be re-profiled to include this option.
 6. To keep staff advised regarding the substance of this report.
- b) A full chronological summary of the key stages/decisions taken in the past few years is set out in appendix 1.

2) Why the need for improved accommodation?

- a) The Council adopted a vision in 2002 to modernise the way it conducts its business and to achieve efficiency improvements in the way its services are

organised and managed. This vision proposed the procurement of a purposeful and efficient 'back-office' to house all non-customer facing council staff.

- b) The benefits of relocating to a fit for purpose centralised 'back office' would be;
- Organisational economies as all 'back office' staff will be in one central building.
 - A more energy efficient building
 - Saving the cost of property repairs and adaptations estimated as being necessary for the current sub standard premises
 - New building will make efficient use of space (i.e. work space layout, storage, service interaction, support services, etc)
 - The opportunity for cultural change becomes realised as new working practices will be adopted as part of the move into the new building.
 - 'Back office' facilities will be built to the latest accessibility standards thereby addressing equality issues.
 - Managed interface between 'back office' staff and members
 - Improved employee satisfaction
- c) The current standard of accommodation for back office staff within the Town Hall and Public Offices buildings is particularly poor. The Town Hall was originally constructed as a hotel and as a result the internal configuration does not suit the particular requirements of Council Offices. As a result rooms and departmental locations are not sited to achieve the most suitable relationships.
- d) The cellular load bearing walls forming the structure of the building have made adaptation particularly difficult over the years. This has had an impact upon the workforce and the way their work is carried out. Most obviously this is reflected in a physical split between the various teams with a negative effect on communication. The cellular nature of the building means that space is used inefficiently.
- e) Civic facilities in the current Town Hall are poor with Council and other large meetings having to be hosted off-site. Lowther pavilion has been used on many occasions although such use is forbidden in the terms of the Lowther Trust. The incoming Lowther Trustees will need to consider continued use of the facility by the Council.
- f) Previous staff surveys have indicated poor morale with the users of the current accommodation which cited the quality of accommodation and the existing work practices as the main causes of issue.
- g) The buildings are not fully DDA compliant for instance some internal corridors are cramped and have steps up and down at a number of locations which would prevent wheelchair movement. Both platform lifts in the Town Hall are no longer working and a ramp was installed at the front of the building in an attempt at allowing better access to those unable to use the steps. Additional measures such as power assisted doors for example would be required to make the ramp compliant.

- h) The age of the buildings and their proximity to the sea front presents significant maintenance and adaption issues. These are compounded by the need to undertake significant works to comply with legislation, most particularly the requirements enshrined within the Disability Discrimination Act (DDA) and Fire Reform Order. Access audits undertaken in 2006 revealed that around £1,500,000 could be required for full compliance with DDA on buildings used for office accommodation. This was in addition to the significant back-log of general property maintenance works needed, which was estimated to amount to almost £600,000.

3) Plan 'B' scheme for Public Offices

- a) Lancashire County Council Property Services were appointed at the start of 2010 to prepare a feasibility report to provide the council's full accommodation needs on the Public Offices site. Consultations took place with relevant officers over the technical issues to be considered. Previous surveys undertaken in assessing the occupational requirements of the Council were useful and were fed into the process.
- b) Site parameters include; planning issues such as conservation area status, listed building status for the Public Offices, the redundant former T/L building (288-290), edge of town centre location, trees, adjacent building relationships, etc; ground conditions such as underlying peat, high groundwater table which would require piling.
- c) Attached at appendix 4 is a scheme which involves demolition of the former Tourism & Leisure building and the rear leg of the listed Public Offices. The new 2 storey building fronts Clifton Drive on the line of the former building and wraps around the rear of the site connecting with the rear of the Public Offices. The main block of the Public Offices building is retained as part of the scheme and is restored for use for civic purposes.
- d) The new construction/refurbished Public Offices provides and delivers the following accommodation:
 - i) A main single entrance and entrance foyer serving the whole facility through which customers, staff and members enter.
 - ii) Open plan back office accommodation providing for 162 staff at 10m²/person, 4 staff meeting rooms, IT server room, training room and toilets.
 - iii) A new One Stop Shop providing 8-10 seater call centre, 4 private counter desks, 4 private interview rooms, waiting area for up to 20 people, large welcoming reception area, associated other facilities and toilets.
 - iv) A Civic Suite containing 150sqm Council Chamber, 93sqm public gallery/additional meeting space, 57sqm Committee room, Mayor's Parlour, Member's Room/Library, Leader's Office, kitchen facilities for simple refreshments and toilets.
 - v) The facilities would be fully DDA compliant, be heated using high efficiency condensing gas boilers, be naturally ventilated as far as possible although some parts will require mechanical ventilation and comfort cooling, maximisation of natural light, fire safety using automatic dampers to any

ductwork penetrations between compartments, intruder and fire alarms, building security involving controlled access doors, alarmed fire exits, CCTV system (external and in One Stop Shop), welfare/shower facilities, limited visitor and disabled parking (main parking at North Promenade car park).

- e) The benefits of the scheme are that it provides a complete solution: back office, civic/member suite as well as a new One Stop Shop in one well planned facility. The scheme has limited on-site parking and storage is reduced (loss of Town Hall basement).
- f) The cost of scheme at the Public Offices is made up of the following:

Disconnection of services/demolitions/ infill basement/site clearance	72,515
Remodel/refurbishment and fit out of the Public Offices building	684,600
New build	3,390,749
Entrance canopy/fit out council chamber/meeting rooms	88,470
External works, drainage, car parking/cycle facilities	176,705
Sub-total	4,413,039
Asbestos surveys and removal	30,000
Preliminaries	799,747
Contingencies	131,069
Sub-total	5,373,855
Inflation uplift to q4 2010	80,608
Disbursements	50,000
Fees	504,538
Sub-total	£6,009,001
Items excluded from above: Basement refit, tanking, upgrade fire doors, raised access floor throughout new building, comfort cooling to OSS, CCTV, external lighting, incl fees, prelims, contingencies	404,445

Total cost	£6,413,446
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4) Resources to fund construction

- a) It has previously been the Council's intention that any new accommodation should be funded through the sale of specific assets to generate the capital to commission construction and in any event be at no additional cost to the council tax payer.
- b) Previously the following assets were identified to be disposed of to fund the construction of new accommodation:
- Former CVMU, Heeley Road

- North Beach Car Park
 - Town Hall site
 - Wesham Offices site
 - Public Offices, Clifton Drive South
 - St David's Road North Depot
- i) During 2009 members agreed to the sale of the former CVMU depot at Heeley Road St Annes and after a number of delays the sale went through. The receipt was used in line with statutory capitalisation rules, to finance capital costs in the first instance. This rule was reported, as part of the Medium Term Financial Strategy report to Budget Council on 1st March 2010.
 - ii) The remaining sites were the subject of schemes involving planning applications which if determined would give potential developers some confidence when the sites were tendered. However by late 2009 members became concerned that the sale of North Beach car park should be reviewed in light of the proposed granting of a licence to use the beach for wind powered activities. The planning application was withdrawn, although this change of approach has never been formally resolved by Cabinet or Council.
 - iii) An application at the Town Hall site was approved in 2009 for the change of use of the first and second floor to eight residential apartments.
 - iv) In early 2010 an outline planning application was approved for development of a 50 bed residential care home on the Derby Road Offices site in Wesham.
 - v) The scheme prepared for the Public Offices site was mixed use (residential and office) and due to its location involving a listed building and being in a conservation area required a full application. An application came to fruition just at the point in late 2009 when Council agreed work on the plan B accommodation scheme at the Public Offices site. As a result the scheme was not submitted for planning permission although is ready for validation and consideration within short notice.
 - vi) The scheme for the depot site at St David's Road has been delayed through consideration of highway issues and is likely to be determined at the DC meeting in September.
- c) Previous valuations had indicated that it would be possible to fund the cost of new accommodation through the sale of those assets identified as surplus. However, two of those assets are no longer available for disposal (the former CVMU depot at Heeley Road and North Beach car park). Furthermore, those valuations were obtained at the height of the property boom in 2007.
 - d) The Council's Principal Estates Surveyor has recently received interest from several developers in relation to the Public Offices site, St David's Road depot & Derby Road Wesham. However it is estimated that the sale of all three at this time would not generate sufficient funds to pay for the cost of constructing new accommodation. Even capitalising the modest revenue savings of having a single office building would not fund the shortfall required.
 - e) Given the above it would not be possible to fund the construction of new all purpose accommodation from a combination of capital receipts and revenue

savings without further significant financial support. Therefore it has to be concluded at this moment in time that the project is unaffordable.

5) Consideration of an alternative strategy

- a) From the two schemes worked up to date it is clear that new all purpose office/civic accommodation built on a site owned by the Council would cost around £6.4M (plus VAT). As such a scheme is unaffordable in the present climate there are two broad options for consideration:
 - i) Delay progression of new accommodation until such a time as property values increase sufficiently to fund at least a substantial part of the cost required with a strategy to fund the remainder. Given the present economy it could be several years until this point is reached whereby the condition of the current accommodation and compliance with legislation will have deteriorated further.
 - ii) Reconsider refurbishment of existing accommodation on either two sites (Town Hall/Public Offices) or consolidate operations on the Town Hall site. This would include compliance with legislation, improving energy consumption and possibly the re-creation of a Council Chamber. When a similar scheme to fully refurbish the Town Hall was looked at 2006 this was estimated to cost in the region of £7.4M phased over several years. Clearly such a scheme is also unaffordable.
- b) All schemes looked at to date for new build or refurbishment have been on the basis of working up the costs from scratch to define what is necessary and required to achieve the ideal preferred outcomes. In all cases the final schemes have been rejected because costs have been unaffordable. However doing nothing is not an option. There are a number of legislative issues which need urgent attention along with continued deterioration of internal and external decorative finishes. Minimal planned maintenance has been carried out in recent years due to an impending decision on the accommodation project. An alternative would be to set a cash limited budget, based on the capital receipts received on the sale of the assets as stated, to refurbish the existing accommodation at a level that can be afforded and then produce a prioritised scheme that works to the budget. There are two options discussed for achieving this:
- c) Option 1:- As an absolute minimum it is estimated that at least £1,000,000 needs to be spent on the Town Hall and Public Offices in the near future to ensure compliance with legislation and undertake essential refurbishment to some parts. This would not fully deal with DDA issues. However it may be possible through some limited physical adaptations and changes to working practices to produce a compliant access statement without the need for the installation of a lift to all parts of the Town Hall/Chaseley.
- d) Option 2:- If the Council disposed of the three remaining assets (Public Offices, St David's Road, Derby Road Wesham) it could probably generate a capital receipt of around £3,000,000 which in turn could be used to fund a scheme possible to carry out works at the Town Hall to provide improved accommodation, reintroduce the council chamber, accommodate all staff and

relocate the One Stop Shop facility. This would require reconciling occupancy ratios to make more effective use of space along with increased home working.

- e) The first option above could be funded through the sale of one of the available two sites (St David's Road or Derby Road Wesham). In the second option the Public Offices site would be redundant and could be disposed of alongside St David's Road and Derby Road to generate a receipt to be spent on a cash limited scheme at the Town Hall.
- f) The first option does not address all the reasons for new accommodation as outlined in section 2 of this report. The second option goes some way towards it and achieves a result which would hopefully serve the council's needs for the foreseeable future. It would however require the disposal of the remaining assets and as a result removes the possibility of funding the construction of new accommodation for some years to come.

6) Issues and options at sites declared surplus to requirements

- a) In considering an alternative strategy for dealing with the council's accommodation it is essential to identify the current issues and costs relating to other sites. Attached are options appraisals for both St David's Road depot and Derby Road Wesham. These set out how the sites are used, the current costs of occupation and options for future development.
- b) At St David's Road there is a significant problem with vandalism to redundant buildings and the risk of further break-in and fires. In addition the council is currently paying business rates for the buildings on site. Options are:
 - i) Option A – Immediate sale
The site is disposed of (freehold or leasehold) as soon as possible to remove the hazards/costs, or
 - ii) Option B - Short to medium term retention of the depot with a view to sale once market conditions have improved. The hazards would be removed; redundant buildings demolished and costs of occupation are reduced. Also could utilise part or the entire site for the council's own depot/storage requirements in the short to medium term.
 - iii) Option C - Long term retention of the site
As option B above but could also provide a longer term solution.
- c) At Derby Road the offices were formerly let to the Primary Care Trust (PCT) whilst they undertook work to their local centres in St Annes and Lytham. This also included a small number of staff from the County Council. The PCT have now vacated leaving only Lancashire County Council using part of the offices that are on a rolling agreement which can be determined at 6 months notice. The garages/depot on the site are used by Parks and Cleansing as small scale local depot facilities serving the Kirkham/Wesham area. Parks also operates its Grounds Maintenance contracts from there serving sites outside the borough. In addition the site is used to store polling booths for elections, staging/bunting for fetes and carnivals and for the storage of older planning/building control files. Options are:
 - i) Option A - Sale of the site at the earliest opportunity

- ii) Option B - Short to medium term retention of the site with a view to sale once market conditions have improved
- iii) Option C - Long term retention of the site
- d) The Public Offices are used on the ground floor for Fylde Direct One Stop Shop and by Planning Services on the first floor. Also on the site there is a small scale depot used by Parks and Cleansing to serve St Annes. There is also a small poison store used by the Pest Control Officer.
- e) In disposing of the previously identified sites it was always going to be necessary to relocate some existing small scale uses. In addition following the decision by Cabinet in January to relocate the Central Vehicle Maintenance Unit from Poulton to Snowdon Road it is necessary to secure a location for the Parks and Grounds Maintenance team. Options appraisals are being prepared to ascertain how and where these miscellaneous depot/storage facilities could be accommodated elsewhere.

7) Conclusions/Recommendations

- a) The construction of a new all purpose 'Town Hall' facility is unaffordable at this time given the values that could be realised from the sale of surplus assets and the costs involved in a new build scheme. Similarly a full refurbishment of the existing accommodation is also unaffordable, unless significant new capital receipt funding is generated.
- b) There are a number of issues with the existing accommodation that require urgent attention and therefore doing nothing is not an option. Due to the impending construction of a new facility a good deal of planned work has been deferred over recent years. Current maintenance budgets are limited to essential planned and urgent reactive work.
- c) The only affordable option would be to dispose of surplus sites and invest those funds in one site to achieve more compliant and suitable accommodation to meet the needs of the council. It is recommended therefore that St David's Road depot, Derby Road offices/depot and the Public Offices site are marketed for disposal and that a scheme be prepared based on the anticipated total receipts from such sales.
- d) There are uses at Derby Road Wesham and the Public Offices site that require relocation. The options appraisals for the depot/storage requirements mentioned above will need to be considered and solutions sought as part of an overall project plan which will need to be developed. A project brief has been prepared based on the business needs and requirements as set out in this report. If Members agree to proceed the next stage would be to work up a project plan setting out the key project outcomes, resource requirements and timescales. There are several strands to this work:
 - Options appraisal for depot and storage requirements
 - Seeking planning permissions at St David's Road depot and Public Offices
 - Marketing sites for disposal

- Preparing and costing a scheme of refurbishment for the Town Hall
 - Tendering for refurbishment works
 - Preparing a decanting schedule to accommodate office/meeting needs during refurbishment works
- e) Delivery of the plan requires external assistance to survey, design and cost a scheme for consideration and to assist in marketing. There is £18,000 remaining from the £25,000 capital budget allocation set aside by Council last year to commission the feasibility of the Public Offices scheme. It is recommended that this be made available to pay for such work. This would contribute towards the production of costed project plan with specific design solutions to improve the Town Hall accommodation within budget expectations. A report to Members would then follow setting out these costs along with details of interest from the marketing of the three sites for disposal.

8) Financial Implications

- a) The report sets out the costs involved in both constructing a new all purpose Town Hall facility and in undertaking a full refurbishment of the existing accommodation and concludes that neither are affordable at this time.
- b) The report proposes a pragmatic solution to make progress involving identifying and committing to the disposal of surplus assets and undertaking marketing to establish the level of interest and capital receipt likely. As this is being progressed it is proposed that a specification of works be developed and agreed to the value of these estimates and that this is tendered.
- c) The Council will need to be assured that there are firm bids/options (i.e. relevant capital receipts 100% confirmed) available which will generate sufficient capital resources necessary to fund the improvement works before a commitment is made.
- d) The Council is facing significant and uncertain financial pressures from 2011/12. Central government have made it very clear that there will be public expenditure cuts of at least an average of 25% which potentially could be up to 40% over the next 4 years and members will be faced with some difficult budget decisions to make during this period. With the above in mind it is strongly recommended by the Section 151 Officer and Director of Strategic Development that new build is financially not viable. The only solution that remains is a cost limited and fully financed refurbishment of the existing accommodation. The report seeks agreement to pursue this as the only viable option.

Risk

There are significant risks involved if the council does not make progress in dealing with its accommodation problems. There may also be immediate accommodation, DDA, Health and safety etc issues which must be addressed in the short term. The production of a costed plan with outline design solutions will confirm the extent of this. This risk also extends to some of the issues at St David's Road depot which are outlined in the appendices. It is vital that a proper plan is developed and agreed to deal with these issues. In the first instance a solution needs to be agreed in principle and a project plan developed and adopted.

IMPLICATIONS	
Finance	As set out in the report and in particular in section 8
Legal	There will be significant legal implications which will be identified in the project plan.
Community Safety	There are no implications
Human Rights and Equalities	There are no implications
Sustainability	There are no implications
Health & Safety and Risk Management	There are no implications

Report Author	Tel	Date	Doc ID
Paul Walker	(01253) 658431	19 th July 2010	

List of Background Papers		
Name of document	Date	Location
Report to Council	26 th October 2010	http://www.fylde.gov.uk/meetings/details/804/

Attached documents

Appendix 1 – Chronology of accommodation project

Appendix 2 - Options appraisal for St David's Road depot

Appendix 3 –Options appraisal for Derby Road Wesham

Appendix 4 –Plan 'B' scheme on the Public Offices site

APPENDIX 1

Chronology of accommodation project

Key dates/Options
<u>2002</u> Modernisation Vision adopted by Council. Provision of Back Office in rented space at Whitehills Customer facing service in a number of One Stop Shops Civic Suite to be provided at Lowther
<u>July 2004</u> Back Office accommodation to be provided at Derby Road Wesham and funded by way of mortgage Customer facing service in 2 One Stop Shops (St Annes/Kirkham) The Town Hall, former Tourism & Leisure building, St David's road and Heeley road be developed for housing.
<u>April 2005</u> New One Stop Shops open in St Annes (Public Offices) and Kirkham (Moor Street)
<u>June 2005</u> Receipt of Counsel's advice on Lowther and agreement not to use Lowther pavilion for Civic Suite. Inclusion of North Beach car park in the list of assets to be disposed to fund accommodation
<u>September 2005</u> After a search for possible sites, agreement that a new full commercial civic suite be built on the Public Offices site
<u>May 2006</u> Resolution to overturn the previous decision and to now retain the Town Hall as the council's primary office accommodation, including facilities for council meetings.
<u>May/June 2006</u> Survey undertaken and scheme prepared to refurbish existing Town Hall and provide a Council Chamber in the back of the foyer and provide improved DDA facilities.
<u>June/July 2006</u> Feasibility work commenced on demolishing Chaseley and constructing a new four storey office block connected to the ground floor of the Town Hall which would be refurbished to provide improved Civic facilities including enlarged Council Chamber in the location of the former one. Upper floors of Town Hall to be disposed off for apartments.
<u>November 2006</u> Draft scheme for the Town Hall (new four storey office block and refurbished ground floor of Town Hall as Civic space, upper floors apartments) subjected to consultation with members and officers.

<p><u>Spring 2007</u></p> <p>Consideration of proposals to use Birkenhead House (Land Registry) in Lytham for council accommodation needs instead of Town Hall.</p>
<p><u>July 2007</u></p> <p>Report to Cabinet which discounts Land Registry option, reaffirms Town Hall as the selected scheme and to proceed with the preparation of more detailed designs and stakeholder consultation up to RIBA stage E (final proposals). Also agrees sale of St David's Road depot for affordable housing.</p>
<p><u>September/October 2008</u></p> <p>Development Control Committee resolves to grant planning permission for apartments on the first/second floor of the Town Hall and for construction of four storey office building on site of Chaseley, subject to a unilateral undertaking.</p>
<p><u>Late 2008/Early 2009</u></p> <p>Start of recession and significant reductions in property market valuations. Deferment of scheme.</p>
<p><u>July 2009</u></p> <p>Council re-affirmed its commitment to securing "fit for purpose" office and civic accommodation at the earliest opportunity and explores the possibility of meeting its office and civic accommodation needs by lease or rental arrangements as well as by ownership.</p> <p>Council also re-affirmed its commitment to retaining its primary administrative base in Lytham St Annes if possible.</p>
<p><u>October 2009</u></p> <p>Council support for plan 'B' to investigate the feasibility of providing the council's accommodation needs entirely on the site of the Public Offices.</p>

APPENDIX 2

OPTIONS APPRAISAL

ST. DAVID'S ROAD DEPOT, ST DAVID'S ROAD,

ST ANNES ON SEA, FY8 2JS



PURPOSE OF REPORT

This vacant property has previously been declared surplus and been designated for sale as a residential development site in order to fund construction of a proposed new Town Hall. The Council is now reviewing that agreed strategy and the purpose of this report is to consider and make recommendations for the site. The principal options considered are:

- a) sale of the depot at the earliest opportunity;
- b) short to medium term retention of the depot, with a view to sale once market conditions have improved;
- c) long term retention of the site

DESCRIPTION

Location

The property comprises a closed waste disposal yard through which there is access to a telecommunications mast at the rear of the site. Adjacent properties comprise housing and basic industrial units mainly used as car repair garages. Immediately to the west is a main railway line.

Description

The property has been vacant for several years. The site comprises a roughly rectangular area of around 0.6 hectares (1.5 acres), and comprises surfaced yard areas and a number of single storey industrial buildings of brick and slate construction, most of which are nearing the end of their useful life and have been subject to some vandalism. A former training centre of similar construction is more modern and in better condition. A chain link fenced area accommodates the telecommunications mast and associated equipment. The site itself has brick walls to most boundaries.

Accommodation (Gross internal floor area)

Training Depot	60 sq m
Main Workshop 1	690 sq m
Workshop 2 adjoining main building	115 sq m
Stores adjoining workshop 2	55 sq m
Workshop 3 adjoining stores	100 sq m
Detached workshop 4	235 sq m
Detached garage block	90 sq m
Total	1,945 sq m

Tenure

The land is held on a long lease, for a term of 999 years from 1874, subject to the payment of an annual ground rent of £15.85. The telecom mast area is subject to a wayleave agreement for ten years from 10th August 2000 at £3,500 per year.

There may be scope for an increase assuming the licence is renewed in August 2010. However, the adverse impact of the mast on residential development value is likely to far exceed the value of the rental income and it may, therefore, be sensible not to renew the licence.

Environmental Issues

Contamination – the property is situated in a former gas works and adjacent to a main railway line. There is, therefore, a high risk of contamination problems.

Planning

The property is situated in an area designated in the Local Plan as within the development boundary of St Annes. A planning application for residential development of the site has been submitted and is to be considered by Development Control Committee shortly.

PREVIOUS VALUATIONS AND MARKETING

The property has been vacant for some years and has been the subject of a number of valuations.

In late 2009 an offer of £800,000 was received for the site from a developer, conditional upon planning consent for a small supermarket. While this was not against planning policy, there were concerns that it was not an appropriate use of the site given its potential to compete with St. Annes town centre and the fragility of the local economy. It was, however, decided to openly market the site for residential development at an asking price of £1,500,000. As a result there has been interest from two housing developers and a commercial organisation, but none have so far made an offer.

There is also interest in leasing some of the buildings on the site, particularly the training centre which is in by far the best condition. One company have expressed a strong interest in using the training centre and other buildings on site for training and purposes. They would prefer a lease with an option to purchase. Another private company would like to lease the training centre in connection with the retailing and training in the use of watercraft.

Even in the current market, assuming no abnormal environmental costs and having regard to the poor condition of most of the existing buildings it is considered that the redevelopment value of the site significantly exceeds its value for the existing use.

COSTS OF RETENTION

Retaining the property in its present vacant condition is not a cost-free option. Some costs, such as empty property rates and services charges are fairly certain, while others such as repairs and security can vary significantly. Estimated annual costs for 2010/11 comprise:

Business rates	£18,320
Services	£1,420
Repairs and maintenance	£1,500
Insurance	£950
Total	£22,190

OPTION A – IMMEDIATE SALE

As the property is being put to no operational use by the Council, and plans to build a New Town Hall are being reviewed, a sale of the site should be the first option to be considered. In favour of this option is:

- a) The site is not only a financial liability, but consumes considerable officer time in respect of matters such as security, maintenance and dealing with enquiries.
- b) There is a high risk of vandalism and anti-social behaviour whilst the buildings remain and the site is unoccupied.
- c) Sale proceeds would assist in funding whatever solution is agreed to deal with the Council's accommodation with reduced borrowing.
- d) There is no guarantee of a recovery in the market, and even if there is a recovery it may be many years away.

However, there are a number of drawbacks to this proposal, including:

- a) The market for residential development sites is currently very depressed. Signs of a slight recovery in 2009 have faded with recent announcements surrounding the financial status of the Country in general and the public sector in particular. As a result the sale price is very uncertain, is likely to require an extended marketing period, and is almost certain to generate a sale price far below that anticipated three or four years ago.
- b) If the property is sold quickly it would not be available to meet the operational needs referred to in more detail below.

OPTION B - SHORT TO MEDIUM TERM RETENTION OF THE DEPOT WITH A VIEW TO SALE ONCE MARKET CONDITIONS HAVE IMPROVED

The one certainty about markets is that prices rise and fall and that in the future prices will be higher than they are at present. There is, however, the possibility that values may fall further first, and the likelihood that it will be many years before prices rise to the levels of 2006/7.

Advantages of this option include:

- a) The Council will be able to choose when the market conditions are right for a sale, rather than selling at what may be the bottom of the cycle.
- b) During the holding period, the site could be of temporary operational use, particularly to the Parks team who need to vacate their accommodation at Snowdon Road shortly, and for storage with whatever accommodation option is selected. Suitable accommodation is likely to be difficult to find anywhere else in the Borough. Further details of the Parks team's requirements are set out at the end of this appendix.
- c) It may be possible to generate investment income by letting out some of the buildings. As set out above, there are already expressions of interest from two parties in the training centre, which is the best of the buildings on the site.
- d) Part occupancy of the site is likely to reduce vandalism and security costs, and business rates costs could be reduced by passing part of the liability to tenants, and by demolishing the worst of the buildings.

Disadvantages include:

- a) It is uncertain how long the property would need to be held. This will make it harder to find tenants and difficult to assess the viability of any expenditure necessary to upgrade and adapt buildings for operational use or letting.
- b) When the property is eventually sold in a stronger market it is likely to be even more difficult and expensive to find alternative operational premises.

OPTION C - LONG TERM RETENTION OF THE SITE

While considering retention of the site on a short term basis, it is appropriate to have regard to the advantages of retaining it permanently:

- a) Any investment in the buildings to make them more suitable for operational use or letting would be more cost effective.
- b) It may also be cost-effective to utilise vacant parts of the site, possibly for development, including those created by demolishing the poorest buildings
- c) The property could provide a permanent solution to the need for operational space.

There is however one important principle to consider:

Even in the current depressed development market, the value of this site for residential development far exceeds its value for its current use. If the current use is retained or even expanded then as development values recover, the gap between its operational value and its potential development value will increase. In a free market, land will almost inevitably end up in its most valuable use, particularly as it should be possible to sell the site, replace the operations on a more appropriate site, and still retain a substantial profit.

USE BY PARKS AND LEISURE

As stated above, the Parks team need to relocate services which are currently housed at Snowdon Road Depot, in order to allow consolidation of waste services currently provided in Poulton, to Snowdon Road. A store used by Technical Services will also need to be relocated. The former training centre building at St David's Road could provide a temporary or permanent replacement for this accommodation, and is large enough to accommodate other aspects of the Parks and Leisure service, including office space in the Town Hall. This, in turn, would relieve pressure when seeking to improve and consolidate Town Hall accommodation.

Parks and leisure would also require some external space for storage of materials. It is envisaged that if this option is pursued they would occupy around 25% of the site comprising the training building and land to the rear. A further area of around 25% would provide shared access, circulation and parking space, leaving around half the site, together with the poorer quality buildings the site available for letting or development.

The costs to redevelop the former training building for use by Parks and Leisure are estimated at £55,000, excluding VAT. There will be additional costs such as I.T. links to the Town Hall and upgrading of external areas. The opportunity cost of occupying these buildings also needs to be considered, particularly as there is interest from the private sector and internal use will mean foregoing the opportunity to achieve a rental income. In this respect the Principal Estates Surveyor estimates the open market rental value of the training building and associated land to be in the order of £25,000.

APPENDIX 3

OPTIONS APPRAISAL

WESHAM OFFICES, DEPOT AND GLENGARIFF BUNGALOW,

DERBY ROAD, WESHAM PR4 3AJ

PURPOSE OF REPORT

This property has previously been declared surplus and been designated for possible sale as a care home or residential development site in order to fund construction of a proposed new Town Hall. The Council is now reviewing that agreed strategy and the purpose of this report is to consider and make recommendations for the site. The principal options considered are:

- a) sale of the site at the earliest opportunity;
- b) short to medium term retention of the site, with a view to sale once market conditions have improved;
- c) long term retention of the site

Location

The property is situated around 700 metres north of Kirkham town centre, just to the north of the railway lane which separates Kirkham from Wesham. There is a large hospital on the opposite side of the road, but otherwise surrounding land uses are predominantly residential. Kirkham railway station is around 200 metres to the west.

Description

The property includes an office building which is mostly vacant, though around 21% is let to Lancashire County Council. There is a small Council Depot at the rear of the site occupied partly as a waste collection depot and partly as a parks maintenance depot. To one side of the office building is a vacant bungalow, while to the other there is a single storey building used by the Council as a file store.

Offices - The offices comprise a two storey detached building which appears to be around 50 years old. It has parking areas to front side and rear, together with areas of grassed amenity land. The total site area extends to around 0.24 hectares. The building is of conventional brick construction under a pitched roof clad in concrete tiles.



Internally there is a large former Council chamber on the first floor, but the building is otherwise partitioned into small offices, together with ancillary areas including reception, WCs and kitchenettes.

The total net internal floor area is around 610 square metres. Of this, around 130 square metres of the ground floor is let to Lancashire County Council and the remainder is vacant.

Bungalow – The Glengariff bungalow is a detached house fronting Derby Road to the east of the office building.



The property is vacant and boarded up, but the interior has been converted to provide office space with a net internal floor area of around 73 square metres.

Accommodation comprises:

Hall

3 offices

Kitchen area

Male and female WCs

Depot

Situated at the rear of the site is a complex of industrial buildings, together with a mess room. The main block is of brick construction under a flat roof which appears to be clad in steel. It provides the following accommodation from east to west:



General Store (59 sq m) - used by Parks as plant store in spring

Double unit store (59 sq m) – used by Parks/Tech Services as store for club day staging

Double unit store (59 sq m) – used by Parks as store

Triple unit store (90 sq m) – used by parks as store

Store (119 sq m) - including raised loading bay and used by Parks as office/store

Store (59 sq m) – used by Waste Management as store.

Mess room – Detached building of brick and felt construction comprising mess room and office (24 sq m) and WC.

File Store



A single storey brick and felt building which is boarded up and used by Planning and Technical Services as a file store.

Tenure

The land is held freehold. Part of the ground floor of the office building is subject to a lease, the principal terms of which can be summarised as follows. Although the term is for only 6 months, the tenant will continue in occupation on expiry; holding over under the original terms subject to 6 months' notice.

Landlord	Fylde MBC
Tenant	Lancashire County Council
Demised Premises	Part of the Ground Floor of Wesham Offices
Term	6 months
Commencement Date	1/9/09
Initial Rent	£11,650
Services	The tenant pays for all electricity, and 21.2% of expenditure on external repairs, gas, water and rates and insurance.
External repairs	Landlord
Internal repairs	Tenant
Insurance	Landlord
Alienation	No assignment or sub-letting is permitted
User	Offices

Environmental Issues

Contamination – the property is situated in an area of mixed uses and is close to a main railway line. There does not appear to be a high risk of contamination problems to the site itself, but there may be contamination to the adjacent depot.

Rating

Offices - rateable value £52,500 (2010 rating list).

The above assessment relates to the office building and represents a substantial increase over the previous assessment of £31,500 in the 2005 rating list.

Glengariff bungalow and depot - rateable value £24,000 (2010 rating list).

The above assessment is believed to relate the depot and the bungalow offices and represents a substantial increase over the previous assessment of £14,250 in the 2005 rating list.

It is proposed to lodge appeals against both new assessments.

Planning

The site is the subject of a planning application, submitted in September 2009, for a 50 bed care home. A draft outline approval has been issued, subject to a s.106 agreement relating to highway issues.

Residential development of the site has also been considered, and is understood to be acceptable in principle, but no formal application has been submitted.

Previous Valuations and Marketing

Until July 2009 the office building was occupied by Lancashire Primary Care Trust with the intention that at the end of their lease the site would be sold for development as a care home. The lease expired in April 2009, the intention being to sell the site for development at that time. However, in view of the depressed market Lancashire County Council, which was in occupation as sub-tenants of the PCT, has been granted a lease, which can be terminated on six months notice, of part of the building.

In view of the prospect of a sale to fund the accommodation project, there have been a number of valuations of the site in recent years.

There was consideration at the time as to whether the council's application should be for pure residential or on the basis as a care home. Given the fairly strong market for care home use and the amount of recent residential permissions granted in Wesham it was felt the care home option would be preferable.

The property has not been formally offered for sale on the open market, and there had been no approaches until May when an offer of £1,006,000, subject to obtaining planning permission for residential development. The developer has been informed that a decision on their offer will be made once a preferred option has been identified. They inform us that their offer still stands. With

broader marketing and negotiations it may be possible to achieve a sale price in the order of £1,100,000 to £1,200,000.

COSTS OF RETENTION

The offices are currently part let, but with only 21% of the building occupied the annual rental income is £11,650. The tenant also pays a fair proportion of rates and service costs. However, with the remainder of the building vacant, this income is insufficient to cover the costs of ownership. There is little prospect of this situation improving as it will be difficult to find additional occupier's to the building, particularly on a short term basis. There is also the real possibility that LCC will decide to vacate due to budgetary pressures and lack of security of their occupation. This would increase the costs of holding the property, though there would be some savings in utility costs.

Estimated annual costs for 2010/11 relating to the office building, bungalow and depot include:

Business rates (Offices)	£21,735
Business rates (Bungalow and Depot)	£9,936
Services	£14,360
Repairs and maintenance	£2,100
Security	£0
Insurance	£2,490
Total	£50,621

OPTION A - SALE OF THE SITE AT THE EARLIEST OPPORTUNITY

It was intended to offer the property for sale for redevelopment, either as a care home or for housing, at the end of the PCT lease in Spring 2009. This option was not pursued because of the depressed state of the market at that time, and uncertainty over the accommodation project. As substantial parts of the site are vacant, an immediate sale should be the first option to be considered. In favour of this option is:

- a) The site is not only a financial liability, but consumes considerable officer time in respect of matters such as security, maintenance and dealing with enquiries.
- b) Sale proceeds would assist in funding whatever solution is agreed to deal with the Council's accommodation by reducing borrowing.
- c) There is current interest in purchasing the site. If this is rejected there is no guarantee of a recovery in the market, and even if there is a recovery it may be many years away.

However, there are a number of drawbacks to this proposal, including:

- a) The market for residential development sites is currently very depressed. Signs of a slight recovery in 2009 have faded with recent announcements surrounding the financial status of the Country in general and the public sector in particular. The offer is conditional, and therefore uncertain. Council policy requires a full and open marketing process. A sale in the open market may require an extended marketing period, and is almost certain to generate a sale price far below that anticipated three or four years ago.

- b) If the property is sold, it will be necessary to relocate the operational and storage uses within the depot buildings and file store. The depot amounts to around 500 square metres of operational space, a proportion of which needs to be in the Kirkham area. An initial search has identified only one industrial estate in Kirkham which has units available of the right size. If this proves to be unsuitable there are likely to be no alternatives. If space can be found, the annual rent to replace all the operational space at Wesham is likely to be in the order of £20,000 to £25,000, though in practice it may be possible to have less space as some existing units appear under-utilised. It would also be necessary to find an alternative file store.

OPTION B - SHORT TO MEDIUM TERM RETENTION OF THE SITE WITH A VIEW TO SALE ONCE MARKET CONDITIONS HAVE IMPROVED

The one certainty about markets is that prices rise and fall and that in the future prices will be higher than they are at present. There is, however, the possibility that values may fall further first, and the likelihood that it will be many years before prices rise to the levels of 2006/7.

Advantages of this option include:

- a) The Council will be able to choose when the market conditions are right for a sale, rather than selling at what may be the bottom of the cycle.
- b) During the holding period, the site could continue in operational use, particularly by the Parks and Cleansing. The office building would be available for temporary use during any Town Hall conversion and improvement work.
- c) It may be possible to generate investment income by letting out some of the office building. In practice this is unlikely because demand for office space is poor in Kirkham, and the space is not self-contained.
- d) Part occupancy of the site is likely to reduce vandalism and security costs.

Disadvantages include:

- a) It is uncertain how long the property would need to be held. This will make it harder to find tenants and difficult to assess the viability of any expenditure necessary to upgrade and adapt buildings for operational use or letting.
- b) When the property is eventually sold in a stronger market it is likely to be even more difficult and expensive to find alternative operational premises.

OPTION C - LONG TERM RETENTION OF THE SITE

While considering retention of the site on a short term basis, it is appropriate to have regard to the advantages of retaining it permanently.

- a) Investment in the buildings to make them more suitable for operational use or letting would be more cost effective.
- b) The office building could provide a permanent solution to some of the need for operational space. This would release pressure to retain part of the public offices site, which is much more saleable for development as a whole, although this would split the Council's office accommodation over two sites 10 miles apart.

There is however one important principle to consider:

Even in the current depressed development market, the value of this site for residential development exceeds its value for its current use. If the current use is retained but not extended onto the open parts of the site, then as development values recover the gap between its operational value and its potential development value will increase. In a free market, land will almost inevitably end up in its most valuable use, particularly as it should be possible to sell the site, replace the operations on a more appropriate site, and still retain a substantial profit.

Cabinet



Date	Wednesday, 21 July 2010
Venue	Town Hall, St Annes
Committee members	David Eaves (Leader of the Council) Councillors Karen Buckley, Cheryl Little and Albert Pounder
Other Councillors	Councillors Frank Andrews, Maxine Chew, Fabian Craig-Wilson, Ken Hopwood, Keith Hyde, Janine Owen, Paul Rigby
Officers	Phillip Woodward, Clare Platt, Paul Walker, Joanna Scott, Andy Cain, Lyndsey Lacey
Members of the public	5 members of the public were in attendance

1. Declarations of interest

Members were reminded that any personal/prejudicial interests should be declared as required by the Council's Code of Conduct adopted in accordance with the Local Government Act 2000.

Councillor Albert Pounder declared a personal and prejudicial interest in item 7 relating to Governance Arrangements - New Fylde Housing and withdrew from the meeting.

Councillor Paul Rigby also declared a personal and prejudicial interest in item 7 relating to Governance Arrangements-New Fylde Housing and withdrew from the meeting immediately after putting his question (detailed in item 7).

2. Confirmation of minutes

RESOLVED: To approve the minutes of the Cabinet meeting held on 28 June 2010 as a correct record for signature by the chairman.

3. Urgent items

The Chairman agreed to the consideration of two late items relating to Policy Development Scrutiny Committee recommendations and a report on the adoption of an interim position on residential developments which are set out in items 5 and 6 below.

4. Community Focus Scrutiny Committee - Recommendations

Councillor Keith Hyde (Chairman of the Community Focus Scrutiny Committee) presented the recommendations made by the Committee at its meeting held on 8 July 2010 (previously circulated).

In reaching its decision, Cabinet considered the details set out in the report before it and at the meeting and RESOLVED to note and approve the recommendations made by the Community Focus Scrutiny Committee.

5. Policy Development Scrutiny Committee - Recommendations

The Chairman reported that the above mentioned item had been received after the publication of the agenda. He accepted that it should be considered by the Committee as a matter of urgency, in accordance with Section 100 of the Local Government Act 1972 (as amended) on the grounds that there were a number of important issues that required action before the next meeting of Cabinet which did not meet until September.

Councillor Fabian Craig-Wilson (Chairman of the Policy Development Scrutiny Committee) presented the recommendations made by the Committee at its meeting held on 15 July 2010 (previously circulated).

Councillor Buckley made reference to the recommendation relating to 'Shaping the Place' project and suggested that the scrutiny committee should be mindful of the fact that the delivery of any future projects within the borough would be dependent on the outcome of the performance delivery grant.

In reaching its decision, Cabinet considered the details set out in the report before it and at the meeting and RESOLVED to note and approve the recommendations made by the Policy Development Scrutiny Committee subject to the minutes being amended to include Councillor Buckley being in attendance at the meeting.

6. Adoption of Interim position on Residential Developments

The Chairman reported that the above mentioned item had been received after the publication of the agenda. He accepted that it should be considered by the Committee as a matter of urgency, in accordance with Section 100 of the Local Government Act 1972 (as amended) on the grounds that an urgent agreement was sought to the adoption of an interim position on proposed residential developments following the recent revocation of the Regional Spatial Strategies.

Paul Walker (Director of Strategic Development) presented a report seeking Cabinet's approval of the adoption of an interim position on residential developments.

In his report, he made reference to a letter dated 6th July 2010 from the Secretary of State for Communities and Local Government announcing the revocation of Regional Spatial Strategies. He stated that the letter contained some advice on how local authorities could proceed until more detailed national policy was produced.

It was reported that the issue (in particular housing development) was the main focus of discussion at the Local Development Framework Steering Group meeting held on 14th July. Mr Walker stated that until further guidance was issued, it would be necessary for the Council to adopt an Interim Position Statement that would enable it to continue to both determine planning applications and progress work on the Local Development Framework (LDF). A range of possible options for the progression of the Local Development Framework and the determination of planning applications including potential advantages and disadvantages associated with each option were set out in the report to the LDF Steering Group

The minutes of the LDF Steering Group were circulated with the report for members' consideration. It was reported that the Steering Group discussed and debated various options put forward and agreed to recommend the following:

- To approve Option C for the determination of future planning applications. Applications that depart from the Interim Housing Policy (IHP) should be determined having regard to other material considerations. The IHP should be subject to an addendum stating that references to the RSS are no longer valid.

Option C: Option B (which is 'small previously developed sites within the settlement boundary as defined in the IHP') plus small Greenfield sites within established settlement boundaries. i.e. allow appropriate development within gardens, playing fields, allotments and similar sites

- That the Authority works to establish a housing supply based on Option 6 above and that until this work is established, work should continue with the production of a Core Strategy on the basis of establishing a broad framework to direct future housing growth within the borough (options 4 and 6)

Option 4: Continue to develop a core strategy looking at broad distributions of development without reference to specific numbers.

Option 6: Develop a housing need based solely on Fylde's needs

Mr Walker added that reference to the Regional Spatial Strategy in the LDF Steering group minute included the need to amend criteria 3 of the IHP (Rural and Urban options). This currently refers to a 5 year supply which, in the absence of RSS guidance, could not be determined until a local housing need was established.

Councillor Buckley enquired whether much of the work on developing Fylde's needs could be undertaken in-house. Mr Walker confirmed that this was his intention.

In reaching its decision, Cabinet considered the details set out in the report before it and at the meeting and RESOLVED to agree and endorse the approach recommended by the LDF Steering group until further more detailed guidance/policy is issued.

7. Member Development Steering Group - Minutes

Councillor Keith Hyde (Chairman of the Member Development Steering Group) presented the recommendations made by the Steering Group on 25 June (previously circulated).

Councillor Buckley asked whether the Council still continued with the officer/member buddying arrangements. Councillor Hyde confirmed that this was still on-going and a number of examples were given at the meeting.

In reaching its decision, Cabinet considered the details set out in the report before it and at the meeting and RESOLVED to note and approve the recommendations of the Member Development Steering Group.

8. Community Parks Improvement Programme - Waddington Playing Field

A comprehensive report was presented by Clare Platt (Director of Community Services) and Councillor Keith Hyde which outlined proposals to develop and improve the Waddington Road Playing Fields via the community parks improvement programme.

The background to the community project scheme was set out in the report.

Members were advised that Waddington Road playing field is generally run down and offered little provision to the local community other than for dog walking and a poorly equipped play area. It was underused and had been subject to some misuse.

Ms Platt explained that the 'Make Waddy Wonderful' was established as a constituted 'friends' group in 2008 and it was keen to improve both the playing fields' appearance and

the facilities on offer to all sectors of the local community. The initial aims of the group had been to seek external funding and promote the park to increase its popularity.

It was further reported that for the past two years, the group had been working in partnership with officers of FBC and Lancashire County Council to produce a landscape Master Plan which had been made available in the Members' Room. This had been prepared in full consultation with residents and the community, including young people.

Ms Platt stated that a pre tender cost plan had been prepared on the basis of the Master Plan and funding from various sources (as detailed in table 1 of the report) had been secured.

The report also set out the context of the project and the associated funding strategy, specification of works required including a cost breakdown of the scheme and details of the quotations received and the result of the evaluation of the quotations received.

Members of Cabinet expressed their support for the project and acknowledged the hard work undertaken by all those involved.

Councillor Buckley asked about the implications of the project on the revenue budget. Mrs Scott confirmed that it was within the existing budget and that essentially Fylde's contribution would be through work in kind undertaken by existing staff.

In reaching its decision, Cabinet considered the details set out in the report before it and at the meeting and RESOLVED:

1. To approve an addition to the 2010/11 capital programme of £179,012, as set out in table 2 of the report, fully funded through the Lancashire Environment Fund, Community Spaces (Lottery), Lancashire County Council, Fylde Local Strategic Partnership, Fylde Community Grants and Fylde Borough Council works in kind, as set out in Table 1 of the report.
2. To approve the letting of the play area contract to SMP Ltd in the sum of £73,990.
3. To approve the letting of the landscape project to Landscape Engineering Ltd. in the sum of £48,272
4. To approve the letting of the installation of the "i Play" unit to Playdale Ltd in the sum of £23,347.
5. To approve the partnership arrangement between Fylde Borough Council, Lancashire Wildlife Trust and 'Make Waddy Wonderful' community group to develop a nature conservation area as part of the master plan for Waddington Playing Field with the contribution of £33,403 of external funding grant.
6. To acknowledge the significant time and dedication of 'Make Waddy Wonderful' community group in bringing this project together, with the assistance and support of Lancashire County Council and Fylde Borough Council officers in particular, Darren Bell and Mark Wilde and special thanks to Rosie Pritchard and Councillor Keith Hyde.

9. Governance Arrangements - New Fylde Housing

The Chief Executive (Phillip Woodward) presented a report on proposals for a revision of the Governance arrangements of New Fylde Housing.

In brief, the report set out the background to New Fylde Housing being established as a Registered Social Landlord and the subsequent move to becoming a subsidiary of the Progress Housing Group.

Mr Woodward explained that within the terms of the 2000 stock transfer agreement, New Fylde Housing must seek the agreement of Fylde Borough Council to any changes to its constitution including any reductions in the actual or percentage ratios of council or tenant membership of its Board. The agreement also states that such agreement should not be withheld in relation to all reasonable advice issued by the Housing Corporation (now Tenant Services Authority TSA).

The report outlined the current composition of the board of New Fylde Housing Ltd, the regulatory requirements set by the TSA relating to governance structures together with details of the internal consultation undertaken as part of the process which included:

- Option 1 -reducing numbers on the Group Board
- Option 2 - reducing membership overall
- Option 3 - reduce representative board nominations
- Option 4 - reduce council representation
- Option 5 - implement unitary boards
- Option 6 - collapse the group structure

It was further reported that as a result of this consultation, a preferred option (option 2) had been developed and was proposed for broader stakeholder consultation, including Fylde Borough Council.

Members were advised that Option 2 would result in the composition of New Fylde Housing's Board changing to 5 independent members, 3 tenant members and 1 council member.

Mr Woodward explained that the proportion of Board seats contained in the proposal would ensure that the interests of the most significant stakeholders (the tenants) were maintained and that the interests of the broader community could be effectively represented through the seat on the Board which is to be retained by Fylde Borough Council.

Mr Woodward further stated that any changes to the composition of the board of New Fylde Housing would need the consent of the Council which could not be unreasonably withheld.

Prior to consideration of this matter, Councillor Paul Rigby submitted a question seeking clarification on what had materially changed for Progress Housing Group to be seeking to reduce the number of council representatives on New Fylde Housing from 4 to 1. He stated that just over twelve months ago, Progress had written to the Council stating that there would be no changes to the composition of the board.

On submitting his question and addressing various points raised by members of Cabinet, Councillor Rigby withdrew from the meeting.

Councillor Eaves stated that he was mindful of the value for money consideration. He suggested that Cabinet would need to consider what the added value would be of retaining 4 members on the board.

Councillor Buckley stated that as elected members are representatives of the local community their role was fundamental in the arrangement and that it was essential that this element formed part of the deliberation.

In reaching its decision, Cabinet considered the details set out in the report before it and at the meeting and RESOLVED to ask the Chief Executive to write to New Fylde Housing seeking further information on the rationale/ justification for reducing the number of the elected members on the board and that an updated report be presented to the next Cabinet meeting.

10. Corporate Plan 2009/10 Performance out-turn

The Chief Executive (Phillip Woodward) presented the 2009/10 performance out-turn report.

The report presented a summary review of the implementation of the actions that were proposed within the 2009/10 Corporate Plan. Circulated with the agenda was an extract from the 2009/10 Corporate Action Plan detailing the 24 actions that were identified as key activities for implementing the Council's corporate objectives.

The report also provided a commentary on the current position in relation to the implementation of the actions. Of the 24 individual actions, 18 had been fully implemented, 5 required a degree of additional work during 2010 to fully complete and only one could be regarded as not delivered (the provision of additional supported housing accommodation for homeless people) and this was as a result of a policy shift on asset disposal during the course of the year.

Mr Woodward highlighted that the degree of implementation of the annual Corporate Action Plan needed to be considered alongside the original budgetary provision and the final out-turn position for 2009/10 as the ability to fully implement all actions was closely linked with the level of resources that were available to the Council.

Councillor Buckley stated that the Council should be mindful of the economic climate and the fact that it would be counter productive to have strategies in place if there was no money to deliver.

In reaching its decision, Cabinet considered the details set out in the report before it and at the meeting and RESOLVED to note the level of implementation of the Corporate Plan Actions from 2009/10 and agree to the carrying forward of those actions outlined in the report that had not been fully implemented.

11. Destination Plan and Scenario Planning - Progress Report

By way of introduction, the Chief Executive (Philip Woodward) made reference to a question raised by Councillor Elizabeth Oades. In essence, the question related to the IDeA proposal relating to elected member support which, Mr Woodward explained had been addressed in the body of the report.

Members of Cabinet were provided with an updated progress report on the improvement programme based on the recommendations of the *Destination Plan* which had previously been considered by Cabinet and Scrutiny Committee and approved in January 2010.

The report outlined progress since January on developing the recommendations of the Plan through the Finance & Capacity Panel. The panel had been established to co-ordinate and oversee the implementation of the Council's continuous improvement programme ahead of forthcoming reductions in public sector funding.

Mr Woodward explained that one of the roles of the panel is to 'help identify and secure resources designed to achieve improvements in the efficiency and capacity of the Council'. He added that the Panel had been successful in attracting additional resources through the Regional Improvement and Efficiency Partnership. It had secured the services of a Local Government Improvement Advisor and a local government finance specialist to assist with the implementation of the three main recommendations of the *'Destination Plan'*, which were set out in the report.

He further stated that the work associated with implementing these recommendations would involve a number of different work streams to be undertaken with relevant staff to analyse and evaluate the detailed financial and operational impacts (and opportunities) on the Council of pursuing these options. In addition to a series of one-to-one interviews with key staff, a draft communication and decision-making programme had been prepared which identified other key internal groupings that need to be collectively involved in the process. A copy of the draft programme was circulated at appendix A of the report for members' consideration.

Members were also advised of the work of Team Lancashire (TL) which had been set up as the local vehicle for delivering the government's improvement and efficiency programme for local government. He stated that TL had also secured significant funding from the Regional Improvement and Efficiency Partnership (RIEP) for this purpose. He added that part of its work towards the end of the 2009/10 financial year was to encourage councils to work on 'cluster based projects'. Four projects have been delivered with adjoining councils under this arrangement and a contribution of £116,000 had been received by the four cluster councils from TL in recognition of this work. He added that the proportion received by Fylde for the efficiency work was in the region of 36K and it was recommended that funding received for this work be reinvested in future organisational improvement and development

Mr Woodard further reported that in view of the significant changes and external pressures facing the Council, the IDeA had recently been requested to develop a programme of support aimed primarily at senior management support but also incorporating a degree of elected member development and support. A copy of the proposal was attached at Appendix B of the report.

Mr Woodward explained that although the proposal would be particularly useful for senior staff who would carry the responsibility of managing the Council's services through what was expected to be a significant period of change, the elements of the proposal relating to elected member support, which were more limited, had recently been considered by the Member Development Steering Group who did not feel that the elected member elements would be of significant benefit at this time in the Council's political time line.

Mr Woodward outlined two other factors that would be of relevance to the above-mentioned matters. Firstly, the Locality Working agenda which was being proposed by Lancashire County Council as a substitute arrangement for the abandoned Lancashire Locals Committee and, secondly, the County Council was evaluating a short-list of tenders for the development of a strategic partnership for the delivery of a range of 'back-office' functions which might be made available to other councils in the County. The output from this tender evaluation would be known in the autumn and Cabinet would be kept informed of relevant opportunities and developments.

Councillor Eaves enquired whether the Council could be challenged on how the money from the TL project was used. Mr Woodward stated that the Council would need to provide a business case and justification to TL at the end of the year in order to demonstrate a relevant accountability trail.

Councillor Buckley suggested that as part of the scenario planning, it would be timelier if Fylde Matters was delivered in September rather than October as identified in the Timetable.

In reaching its decision, Cabinet considered the details set out in the report before it and at the meeting and RESOLVED:

1. To approve the communication and decision-making programme as attached at appendix A to the report (subject to the above-mentioned comments of Councillor Buckley).
2. To note the successful cluster working referred to in the report and procured through Team Lancashire and approve a revenue budget increase of £36,000 fully funded from Team Lancashire to be re-invested in future organisational improvement.
3. To keep cabinet members informed of future organisational improvement proposals.
4. To endorse the elements of the IDeA proposal (dated June 2010 and attached at Appendix B of the report) relating to staffing support and development and that the cost (£10,900) be funded from the additional income referred to in recommendation 2 above.

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