

CABINET

5.00 P.M.

24TH NOVEMBER 2020

PRESENT:- Councillors Erica Lewis (Chair), Dave Brookes, Tim Hamilton-Cox, Janice Hanson, Caroline Jackson, Jean Parr and Anne Whitehead

Officers in attendance:-

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

The Chair notified the meeting of a revision to the membership of Cabinet following the resignations of Councillors Frea and Sinclair and expressed her gratitude for their service.

80 MINUTES

The minutes of the meetings held on Tuesday 27 October 2020 and Thursday 5 November 2020 were approved as a correct record.

81 ITEMS OF URGENT BUSINESS AUTHORISED BY THE LEADER

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

82 DECLARATIONS OF INTEREST

No declarations were made at this point.

83 PUBLIC SPEAKING

Members were advised that there had been no requests to speak at the meeting in accordance with Cabinet's agreed procedure. At this point the Chair requested that standing order 17 (Cabinet Procedure Rule 17) be suspended to allow for questions to be taken from all members as the reports were introduced. The proposal was moved by Councillor Brookes, seconded by Councillor Hamilton-Cox and there was no dissent to the proposal.

Resolved unanimously:

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

84 DELIVERING OUR AMBITIONS QUARTER 2

(Cabinet Member with Special Responsibility Councillor Whitehead)

Cabinet received a report from the Director of Corporate Services which provided members with an update on performance, projects, and resources during the second quarter of 2020/21 (July – September 2020).

No options were provided as the report was primarily for noting and comments.

As Cabinet and the Council's priorities continue to develop, success measures would be updated accordingly to align with the priorities. Members would be aware that work to create a revised suite of measures was currently progressing. However, given the current circumstances and until this work was complete reporting had been suspended. It was noted that as a result of COVID 19 many of the Council's projects had been placed on hold and reporting had been suspended.

It was noted that a revised Section 7 and Appendix G had been published following publication of the main agenda.

Councillor Whitehead proposed, seconded by Councillor Brookes:-

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

Councillors then voted:-

Due to technical issues Councillor Jackson was unable to participate in the vote.

Resolved:

(6 Members (Councillors Brookes, Hamilton-Cox, Hanson, Lewis, Parr & Whitehead) voted in favour).

- (1) That the update on performance, projects, and resources for Quarter 2 2020/21 be endorsed.
- (2) That the City Council continue to lobby central government for the funding necessary to cope with the demands and new burdens presenting because of COVID-19.

Officer responsible for effecting the decision:

Director for Corporate Services

Reasons for making the decision:

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

85 BUDGET AND POLICY FRAMEWORK UPDATE - REVISION TO 2020/21 BUDGET

(Cabinet Member with Special Responsibility Councillor Whitehead)

Cabinet received a report from the Chief Finance Officer that provided an update on the Council's financial position to help inform development of Cabinet's corporate planning

and budget proposals.

Given that at the time of writing, neither the Government's Spending Review nor the Local Government Settlement had been announced, and other budgetary work was not yet scheduled for completion, the report was an interim update only primarily for information. As the report was for consideration no alternative options were put forward although Cabinet could make supplementary recommendations regarding any matters.

At Budget Council on 26 February 2020 Members had approved the current year's budget at £17.903M, excluding parish precepts, giving rise to a council tax requirement of £9.672M. Various changes had become apparent through monitoring and more significantly through the impact of COVID-19. To draw the changes together, an in-depth update of the current year budget has been completed, the results of which were included at Appendices A and B. Currently an overall year end surplus against budget of £2.078M was projected. However, Members needed to be aware that this was a result of a formal statutory adjustment within the Collection Fund to recognise the Green Energy Disregard monies with the Council's General Fund. Member's would be advised to note that this classification was subject to confirmation and so was currently at risk. Further explanation was provided in paragraphs 3.3 – 3.7 of the report.

It was noted that an amended Table 3 of the General Fund Revenue Budget Projections has been circulated prior to the meeting.

There remained significant uncertainties in terms of Local Government funding over the next couple of years and these uncertainties had been exacerbated by the current COVID-19 situation. Once more clarity was available following the CSR and Local Government Settlement more detail would be shared with Cabinet and presented to Council at the earliest opportunity.

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

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

Councillors then voted:-

Resolved unanimously:

- (1) That the revised budgetary position 2020/21 which is fixed for future monitoring purposes be endorsed.
- (2) That the draft future years estimates as set out in the report, be accepted as an interim position.
- (3) That the update be referred on to December Council for information.

Officer responsible for effecting the decision:

Chief Finance Officer

Reasons for making the decision:

Performance, project, and resource monitoring provides a link between the Council Plan

and operational achievement, by providing regular updates on the impact of operational initiatives against strategic aims. The update would be considered by full Council on 16 December 2020.

86 TREASURY MANAGEMENT MID YEAR REVIEW

(Cabinet Member with Special Responsibility Councillor Whitehead)

Cabinet received a report from the Chief Finance Officer which sought Cabinet's consideration of various matters in connection with the Treasury Management Mid-Year Review 2020/21.

The Mid-Year Review as set out in Appendix A to the report set out the performance of treasury operations for the first six months of the 2020/21 financial year in terms of long- and short-term borrowing, investment activities and relevant borrowing limits and prudential indicators.

Under CIPFA's Code of Practice on Treasury Management (the Code) and the CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code) it was a requirement that an information report on these matters be presented to Cabinet and full Council. As the report was for consideration and progressing to Council no alternative options were put forward.

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

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

Councillors then voted:-

Resolved unanimously:

- (1) That the various matters in connection with the Treasury Management Mid-Year Review 2020/21 be considered and endorsed.
- (2) That the Mid-Year Review 2020/21 be forwarded on to Budget & Performance Panel and Full Council for consideration in accordance with CIPFA Code of Practice on Treasury Management (the Code) and the CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code.)

Officer responsible for effecting the decision:

Chief Finance Officer

Reasons for making the decision:

Treasury Management forms part of the Council's Budget Framework and effective Treasury Management and use of the Councils' resources is fundamental to the delivery of its priorities and outcomes. Consideration of the Treasury Management Mid-Year Review and presentation to Full Council will ensure that the Council complies with CIPFA's Code of Practice on Treasury Management (the Code) and the CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code).

87 LOCALISED COUNCIL TAX SUPPORT SCHEME 2020/21**(Cabinet Member with Special Responsibility Councillor Whitehead)**

Cabinet received a report from the Head of Shared Service to enable Cabinet to consider the existing Localised Council Tax Support (LCTS) and the options available, ahead of formal consideration and approval by Council for application in 2021/22.

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

The challenge for the Council is to adopt a scheme that fits with its ambitions and priorities and is considered fair, deliverable and affordable, given statutory obligations and competing pressures for resources. Council is presented with two basic options:

Option 1: Retain the existing Localised Council Tax Support (LCTS) scheme, subject to minor consequential amendments to match changes in Housing Benefit rules.

- The existing scheme is considered soundly structured and works well, and offers maximum support for low income families, who may otherwise find themselves in mounting debt.
- The current forecast assumes the continuation of the existing LCTS system and as such, maintaining current levels of support would normally have no impact on the Council's financial forecast. However, caseload is on the increase due to Covid-19, and it's expected that take-up will remain higher than usual through the early part of next year.
- Retaining existing policy principles of keeping various positive entitlement provisions for LCTS in line with other key welfare benefits promotes equality.

Option 2: Make changes to the existing Localised Council Tax Support (LCTS) Scheme to reduce benefit entitlement for working age claimants.

- Whilst caseload numbers are on the increase month by month due to the impact of Covid-19 with a current level of 11,249 residents claiming Council Tax Support in the Lancaster district, they have gradually reduced over the years from a high of 12,202 in April 2014. As pensioners make up 36% (3,995) of claimants, it means any cut in the level of support provided falls on the remaining 64% (7,253) of working age people on low incomes, indicating an increase in number from (6,601) in the previous year.
- A reduction in the levels of support provided could arguably provide claimants with further incentives to work, reducing their reliance on benefits, although the jobs market is particularly deflated at this difficult time.
- This option will have greater adverse financial impact on working age households, but would help protect other Council services by requiring less savings to be made by them.
- If levels of support are reduced, the Council would be tasked with the difficulty of collecting this debt from the more vulnerable members of our society, increasing workloads and costs associated with council tax recovery.
- Additional costs associated with developing new scheme options, consultation exercise, legal changes to scheme etc.

The Council's existing LCTS scheme works well in terms of providing support, but at a cost, particularly for the County Council. To date the Council has attached a high priority to maintaining council tax support levels available to working age claimants (pensioners being unaffected by Council's decision). Adoption of a particular option should be informed by Council's views regarding the relative priority of LCTS, compared with other services and activities in support of future corporate priorities.

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

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

Councillors then voted:-

Resolved unanimously:

- (1) That Cabinet supports Option (1), the retention of the existing Localised Council Tax Support (LCTS) scheme, subject to minor consequential amendments to match changes in Housing Benefit rules and that the associated options included at Appendix A to the report, be presented to Full Council for their deliberation and approval.

Officer responsible for effecting the decision:

Head of Shared Services (Revenues & Benefits)

Reasons for making the decision:

The Localised Council Tax Support scheme is developed in support of ambitions within the Council Plan regarding "Healthy and Happy Communities" to optimise access for those that need it most, together with welfare benefits and related support. The ambition is to continue with a LCTS scheme for the Council, which supports the objective of simplicity, but protects the most vulnerable residents in the district. The Council must continue to ensure that it has due regard to equality in making its local scheme, including how it will minimise disadvantage.

Chair

(The meeting ended at 5.42 p.m.)

**Any queries regarding these Minutes, please contact
Liz Bateson, Democratic Services - email ebateson@lancaster.gov.uk**

MINUTES PUBLISHED ON FRIDAY 27 NOVEMBER 2020.

**EFFECTIVE DATE FOR IMPLEMENTING THE DECISIONS CONTAINED IN THESE MINUTES:
MONDAY 7 DECEMBER 2020.**