



Committee: CABINET

Date: TUESDAY, 17 JANUARY 2023

Venue: MORECAMBE TOWN HALL

Time: 6.00 P.M.

A G E N D A

1. **Apologies**

2. **Minutes**

To receive as a correct record the minutes of Cabinet held on Tuesday, 6 December 2022 (previously circulated).

3. **Items of Urgent Business Authorised by the Leader**

To consider any such items authorised by the Leader and to consider where in the agenda the item(s) are to be considered.

4. **Declarations of Interest**

To receive declarations by Councillors of interests in respect of items on this Agenda.

Councillors are reminded that, in accordance with the Localism Act 2011, they are required to declare any disclosable pecuniary interests which have not already been declared in the Council's Register of Interests. (It is a criminal offence not to declare a disclosable pecuniary interest either in the Register or at the meeting).

Whilst not a legal requirement, in accordance with Council Procedure Rule 9 and in the interests of clarity and transparency, Councillors should declare any disclosable pecuniary interests which they have already declared in the Register, at this point in the meeting.

In accordance with Part B Section 2 of the Code Of Conduct, Councillors are required to declare the existence and nature of any other interests as defined in paragraphs 8(1) or 9(2) of the Code of Conduct.

5. **Public Speaking**

To consider any such requests received in accordance with the approved procedure.

Reports from Overview and Scrutiny

None

Reports

6. **Fair Work Charter** (Pages 4 - 15)

(Cabinet Member with Special responsibility Councillor Wood)

Report of Chief Executive

7. **Corporate Fees & Charges Review 2023/24** (Pages 16 - 37)

(Cabinet Member with Special Responsibility Councillor Whitehead)

Report of Head of Financial Services (report published on 13.01.23)

8. **Budget & Policy Framework Update 2023/24 - 2027/28** (Pages 38 - 55)

(Cabinet Member with Special Responsibility Councillor Whitehead)

Report of Chief Finance Officer (report published on 17.1.23)

9. **Exclusion of the Press and Public**

This is to give further notice in accordance with Part 2, paragraph 5 (4) and 5 (5) of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 of the intention to take the following item(s) in private.

Cabinet is recommended to pass the following recommendation in relation to the following item(s):-

“That, in accordance with Section 100A(4) of the Local Government Act, 1972, the press and public be excluded from the meeting for the following item(s) of business, on the grounds that they could involve the possible disclosure of exempt information as defined in paragraph 3 of Schedule 12A of that Act.”

Members are reminded that, whilst the following item(s) have been marked as exempt, it is for Cabinet itself to decide whether or not to consider each of them in private or in public. In making the decision, Members should consider the relevant paragraph of Schedule 12A of the Local Government Act 1972, and also whether the public interest in maintaining the exemption outweighs the public interest in disclosing the information. In considering their discretion Members should also be mindful of the advice of Council Officers.

10. **Mainway Regeneration Next Steps** (Pages 56 - 117)

(Cabinet Member with Special responsibility Councillor Matthews)

Report of Head of Housing (report published on 13.1.23)

11. **Lancaster Canal Quarter: Progression of Early Phase Regeneration Proposals** (Pages 118 - 156)

(Cabinet Members with Special responsibility Councillors Hamilton-Cox & Matthews)

Report of Head of Housing, and Head of Property, Investment, and Regeneration (report published on 13.1.23)

ADMINISTRATIVE ARRANGEMENTS

(i) Membership

Councillors Caroline Jackson (Chair), Kevin Frea (Vice-Chair), Dave Brookes, Gina Dowding, Tim Hamilton-Cox, Tricia Heath, Cary Matthews, Sandra Thornberry, Anne Whitehead and Jason Wood

(ii) Queries regarding this Agenda

Please contact Liz Bateson, Democratic Services - email ebateson@lancaster.gov.uk.

(iii) Changes to Membership, substitutions or apologies

Please contact Democratic Support, telephone 582000, or alternatively email democracy@lancaster.gov.uk.

MARK DAVIES,
CHIEF EXECUTIVE,
TOWN HALL,
DALTON SQUARE,
LANCASTER, LA1 1PJ

Published on MONDAY 9 January, 2023.

CABINET

**Fair Work Charter
17th January 2023**

Report of the Chief Executive

PURPOSE OF REPORT				
To update cabinet on progress on the Fair Work Charter and seek approval for the draft charter to progress to external consultation and implementation via a partnership model.				
Key Decision		Non-Key Decision	X	Referral from Cabinet Member
Date of notice of forthcoming key decision		12 December 2022		
This report is public				

RECOMMENDATIONS OF COUNCILLOR JASON WOOD, CABINET MEMBER FOR CORPORATE SERVICES

- (1) Cabinet notes the progress made on the development of a Lancaster District Fair Work Charter to reduce social inequality and drive improvements to pay and working conditions of local residents.
- (2) Cabinet approves the current draft and authorises further external consultation with a focus on local businesses.
- (3) Cabinet approves the Fair Work Charter engagement and implementation plan.
- (4) Cabinet recommends that Personnel Committee agrees that the Council, as an employer, will commit to the Fair Work Charter journey.

1.0 Introduction

- 1.1 The concept of the introduction of a Fair Work Charter was agreed as part of the council’s commitment to Plan 2030 in December 2021. Fair Work sits as one of the pillars of Community Wealth Building and within the overall ambition to have an inclusive and prosperous economy within the district.
- 1.2 The rationale of the introduction of Fair Work Charters is built on the business case that to offer decent terms and conditions of employment is equally good for business, employees and local society. The proven benefits are that good terms of employment attract high calibre staff, enhance productivity and customer experience which, in turn, all support profitability or organisational

success as well as quality of life for employees. This creates increased wealth and demand for products and services within the local community.

- 1.3 The Fair Work Charter supports the council's priority to tackle the issues associated with low pay including health inequality, productivity, dignity and equality of opportunity. By focusing on these issues, the Charter is designed to reduce labour market inequalities in the Lancaster District helping to allow our local economy to prosper.
- 1.4 The proposed Lancaster Charter comprises the following five elements of Fair Work to be supported by local businesses in their employment practices to create a Fair Work District for all: Fair Pay and Job Security; Employee Voice and Good Employee Relations; Healthy, Safe Workplaces; Flexibility, Diversity and Equality; Development and Fulfilment.
- 1.5 Similar charters are operating in Manchester, Liverpool and West Yorkshire.

2.0 Proposal Details

- 2.1 It is proposed to finalise the current draft of the charter and to utilise this as the version for external consultation.
- 2.2 The council will use a partnership approach to develop and launch the draft charter with key local businesses (anchor institutes), trade union representatives and employment specialists.
- 2.3 Local businesses will be engaged with as part of ongoing events and communications. Business Support Staff will engage with the newly formed Responsible Business Network to consult on the draft charter and an external survey on the content of the draft charter via our 'keep connected' website survey platform will be made accessible to all residents (employees) businesses and key partners and anchor institutes.
- 2.4 The council will benchmark itself and its own employment practices and will follow its own journey to become a fair work employer which we will promote as best practice examples. The elements of the charter will be considered and integrated within the wider HR People plan by Human Resources and the work associated where applicable reported into personnel committee and JCC. This will enable us to showcase our commitment to fair employment to our staff, which, with the current economic climate, is important in maintaining employee morale.
- 2.5 A detailed communications plan will be developed to support the activities above for both the external engagement and development of the charter and the final delivery phase including the launch, application process and support offered to businesses.

3.0 Details of Consultation

- 3.1 Internal consultation and engagement has taken place as well as feedback sought from two community conversation sessions. These consultations and external research on the charter have informed the current draft. Project interdependencies with other workstreams in the council were assessed as part of this engagement and have been integrated where applicable.
- 3.2 Consultees included trade unions, senior directorate management teams, staff ambassadors, the climate change hub officer working group, human resources, employee staff networks and key officers, such as the Community Wealth Building officer, Executive Support Manager, Head of HR and OD and Head of Economic Development. A Member Development Group has also been established for the charter and members of this group have been consulted throughout its development on the drafts.
- 3.3 The process of consultation involved a presentation of the elements of the charter and interactive polls to assist in gauging feedback on their importance to staff. Generic feedback was also sought on the elements and what staff consider key initiatives to embody our approach as an authority to fair work - what we do well and what we need to improve on.
- 3.4 Responses from the consultation were used in finalising the draft charter. Further external consultation on its development is now proposed to take place.

4.0 Options and Options Analysis (including risk assessment)

	Option 1: Approve draft charter and proposals to implement and further engage with the business community.	Option 2: Reject the draft charter and proposals to implement and further engage with the business community
Advantages	<ul style="list-style-type: none"> • Further progress can be made on a key element of plan 2030. • The council can play a part in reducing labour market inequalities taking a leading role and modelling best practice. 	<ul style="list-style-type: none"> • Resources are stretched within our teams, this would free resource for other key projects • Avoidance of any potential cost of implementation.
Disadvantages	<ul style="list-style-type: none"> • Potential sign ups (members) could be low given our small business community is our largest sector. Internal resource required to implement would need to be considered against other key projects and initiatives. 	<ul style="list-style-type: none"> • Without the charter to progress the council wouldn't have a vessel by which to have a conversation with businesses regarding labour market inequality. • Given the cost of living crisis that we are also facing, our corporate ambitions to improve the prosperity of our local economy not progressing the charter would be a negative. Other initiatives would need to be considered to meet our ambitions.
Risks	<ul style="list-style-type: none"> • The implementation of the charter could have some potential costs around marketing which will need to be referred into this committee following the external engagement 	<ul style="list-style-type: none"> • Labour market inequalities continue without intervention and our district struggles to build back better from the pandemic and survive the current economic

	<p>process. It is hoped that by developing the charter with partners these costs will be minimised.</p>	<p>crisis.</p>
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5.0 Officer Preferred Option (and comments)

5.1 The officer preferred option is for the draft charter and implementation and engagement proposals to be approved.

RELATIONSHIP TO POLICY FRAMEWORK

This report is presented in support of the delivery of key priorities and outcomes as set out and agreed within Plan 2030.

CONCLUSION OF IMPACT ASSESSMENT

(including Health & Safety, Equality & Diversity, Human Rights, Community Safety, HR, Sustainability and Rural Proofing)

None directly arising from this report. The charter aims to reduce labour market inequality a key linked component of which is climate justice as an integral part of social justice and economic prosperity.

LEGAL IMPLICATIONS

The Council has a duty under s149 of the Equality Act 2010 in the exercise of its functions to have regard to the need to:

- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
- (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
- (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

In working with local businesses on the charter, the Council will want to have regard to its public sector duties under s149 of the Equality Act 2010.

FINANCIAL IMPLICATIONS

It is proposed that the charter will be developed and implemented within existing budgets utilising existing resource. Should any significant funding or costs arise when implementation details are clearer the decision relating to these will be referred again to cabinet.

OTHER RESOURCE IMPLICATIONS

Human Resources:

Internal staffing resource will be required from Economic development in progressing the charter, engaging partners and supporting businesses upon roll out.

Information Services:

None

Property:

None

Open Spaces:

None

SECTION 151 OFFICER'S COMMENTS

The Section 151 officer has been consulted and has no comments to add.

MONITORING OFFICER'S COMMENTS

The Monitoring Officer has been consulted and has no further comments to add.

BACKGROUND PAPERS

Draft Fair Work Charter

Contact Officer: Clare Brown

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E-mail: csbrown@lancaster.gov.uk

Lancaster District Fair Work Charter

Lancaster City Council's goals of long-term environmental, economic and community success and resilience in our district can only be achieved through a collaborative partnership approach; working alongside local employers, institutions and industries to deliver on our district's many opportunities and prosper in the face of continued economic challenges.

Our shared experience of partnership during the Covid-19 pandemic has provided a strong basis for pursuing further opportunities to work together throughout the journey of economic and social recovery and renewal.

A key part of the council's '[Plan 2030](#)' strategy for the district is to take a 'Community Wealth-Building' approach to delivering 'An Inclusive and Prosperous Local Economy'. Community Wealth Building seeks to redirect flows of wealth, so that workers, residents and consumers benefit from the economic activity happening in their communities. This means better paid, more secure jobs and more locally rooted, "generative" businesses that share the wealth they create.

We are currently pursuing several Community Wealth-Building initiatives, which focus on business and stakeholder support including taking a proactive approach to growing the social economy and developing grass roots initiatives with SME's and encouraging growth in the green sector business base. To continue developing our Community Wealth-Building approach we seek to establish a Fair Work Charter for the Lancaster district.

The **Fair Work Charter** seeks to remove labour market inequalities and in-work poverty and provide for welcoming and accessible workplaces where all workers are treated with dignity and respect and can flourish and contribute to the wider community.

The council also recognises that climate justice is an integral part of social justice and economic prosperity, and we aim to work with other employers across the district to encourage and support efforts to make the district a net zero carbon economy.

Lancaster City Council advocates the following five elements of a Fair Work should be supported by local businesses in their employment practices to create a Fair Work District for all.

- 1. Fair Pay and Job Security**
- 2. Employee Voice and Good Employee Relations**
- 3. Healthy, Safe Workplaces**
- 4. Flexibility, Diversity and Equality**
- 5. Development and Fulfilment**

Charter Membership

We ask initially that local businesses sign up to the charter as **supporters** by pledging that they will work towards each of these elements. We will support businesses in return in improving their employment practices in line with the charter by signposting to relevant resources and support within the district and beyond.

As businesses become confident that they are meeting the requirements of each of the Charter elements we will open applications and evidence submission through our online portal to allow us to award you full Fair Work Charter **Member** Status, showcasing your business as a **Fair Work Employer**.

Those businesses exceeding the charter Member status by going above and beyond in relation to those elements listed will be given Charter **Ambassador** status and will be expected to also support other local businesses on their charter journey.

Why should Businesses commit to their own charter journey?

The charter allows businesses to have a positive impact on their locality, specific to the economic regeneration of the Lancaster district post pandemic. Employers with a commitment to corporate social responsibility will reap the benefits of attracting (often fluid), skilled talent to remain in the area rather than them commuting out for employment.

The pandemic has also led to a tightening of the labour market, by progressing through the charter businesses can become employers of choice. Being able to recruit and retain high value staff can lead to a competitive advantage through increases in innovation and productivity.

Those employers who already have good employment practices under each of the elements can get the recognition they deserve for these practices, and the relevant publicity for their actions to be a good employer. Those who want to improve their employment practices and address inequalities can do so through a framework supported by fellow businesses and anchor institutions.

Being committed to the charter allows businesses to access networks, support and signposting to enable charter implementation and achievement of member status.

Businesses are recognised as contributing to social value through paying a real living wage and applying the other elements of the charter. They will therefore be better able to provide social value related evidence when tendering for business from the Council and other organisations who have this approach to procurement of local goods and services.

Fair Pay and Job Security

Fair Pay

To ensure financial resilience of our district's working population and payment of a wage commensurate with the cost of living, employers should achieve or have a plan in place to pay their staff a Real Living Wage. Consideration should also be given to planning to ensure that third party contracted staff are also paid the Real Living Wage.

The real living wage is voluntarily paid by employers and is the only wage rate which is based on what people need to live. It is applicable to those 18 years or older and is based on a calculation made according to the cost of living, based on a 'basket' of household goods and services.

Payment of the real living wage to all employees regardless of contractual status is a huge step forwards to eradicating in-work poverty in our district.

Job Security

Provision of stable clear contracts of employment reflective of the hours worked, rather than utilising insecure contracts such as zero hours, where they are not wanted.

A reduced reliance on overtime and provision of set hours which accurately reflect hours regularly worked.

All employers are encouraged to offer staff who work for them for a prolonged period the opportunity to become direct employees.

Employers should also seek to develop staff skills internally, minimising the need for external contracted expertise which are often at a higher cost.

Help to achieve this is available from the following resources:

CIPD Knowledge Hub – [Tackling in Work Poverty](#)

CIPD knowledge hub – [Employer/Employee views of zero hours contracts](#)

Accreditations that support this charter element:

Living Wage Foundation - [The Real Living Wage](#)

Living Wage Foundation - [Living Hours](#)

Employee Voice and Good Employee Relations

Good employee relations fostered with recognised trade unions

Collective bargaining and regular constructive dialogue between employers and trade unions is important to ensure good employment relations and safe workplaces. It helps facilitate mutually beneficial adjustments to employment practices, and to ensure high-quality service delivery.

Employers are encouraged to recognise and work with trade unions. Creating a regular dialogue with recognised unions and informing staff when they commence employment of their ability to join the union. Union recognition can help businesses to hear the collective voice of their employees and be aware of wider national impacts that may affect the workforce.

Employee Voice

A culture of engagement and consultation should be fostered with employee voice at all levels being heard.

Employers should focus on facilitating engagement opportunities and maintaining workforce buy in to working practices by listening to employees regarding what works well and what doesn't. Staff networks, suggestion schemes, regular briefings and communications between management and staff are key tools to facilitate this.

Employee Recognition is encouraged, as is ensuring an understanding of how an individual role contributes to wider organisational success.

Help to achieve this is available from the following resources:

ACAS Advice Booklet – [Trade Union Recognition in the Workplace](#)

CIPD knowledge hub – [Employee Engagement Factsheet](#)

Other standards and schemes available to assist you with your journey:

CBI/TUC [Good Business Charter](#)

Healthy, Safe Workplaces

Health and Wellbeing

Development of a workplace wellbeing approach covering all aspects of wellbeing with business wellbeing action plans as a key tool. Planning should include thinking of how to promote and embed the five ways to wellbeing within the culture of the business (connect, take notice, give, be active, keep learning).

A clear focus on mental health as well as physical health. Leadership buy in to tackling workplace mental health, creating safe spaces for people to talk about and resolve issues which may be affecting their mental health. Use of staff support mechanisms such as mental health first aiders and staff support networks and continued awareness raising amongst the workforce regarding mental health.

Safety at work

Meet legislative requirements relating to health and safety at work, prioritise staff and customer health and safety, have procedures in place to learn from and prevent any issues which might arise.

All employers are responsible for health and safety in their business. It is a basic employment right that people should feel safe within their work.

Help to achieve this is available from the following resources:

[Mind Business Resources](#), [Thriving at Work Report](#)

[Mental Health First Aid England](#)

HSE – [Health and Safety Basics for Business](#)

CIPD knowledge hub – health and safety at work [factsheet](#)

ACAS – [Health and Wellbeing](#) advice

Gallup - [Five Essential Elements of Wellbeing](#)

New Economics Foundation [Five Ways to Wellbeing](#)

Other standards and schemes available to assist you with your journey:

[Investors in People Wellbeing Award](#)

Lancaster City Council Workplace Wellbeing Award

Health@work – [Workplace Wellbeing Charter](#)

Flexibility, Diversity and Equality

Flexibility

Embrace flexible working helping more people access the labour market and stay in work, supporting enhanced employee engagement and wellbeing.

Encourage applications for flexible working requests in line with legislation and where possible accommodate these requests in line with business needs. Advertise roles noting a willingness to accept requests of this nature also during the initial recruitment process.

Provide flexibility for those who require it where possible, on the premise that motivated employees with a good work life balance will be more productive and committed to the organisation.

Diversity and Equality

Remove barriers to equal access to quality work through inclusive recruitment practices and making reasonable adjustments where required. Have a clear advertised commitment to a diverse workplace reflective of our local community, free from harassment and discrimination, and have policies or procedures in place to deal with any such issues that arise.

Development of inclusive leaders at the top of organisations and EDI training for staff to ensure a positive customer as well as employee experience, free from bias.

Creation of an inclusive business culture where diversity issues are discussed via an appropriate forum, such as employee networks, and where required, resulting actions are taken to increase inclusivity.

Help to achieve this is available from the following resources:

CIPD Knowledge Hub – [Flexible Working](#)

CIPD Knowledge Hub – [Inclusion and Diversity in the Workplace](#)

ACAS – [Improving Equality Diversity and Inclusion in your Workplace](#)

Other standards and schemes available to assist you with your journey:

[The disability confident employer scheme](#) , [Hidden Disabilities Sunflower](#)

[Stonewall Diversity Champions Award](#)

The TUC [Dying to Work Charter](#) for terminally ill employees

Development and Fulfilment

Development

Equal opportunities for learning to aid career progression, development of skills through support of recognised qualifications, apprenticeships and graduateships as well as other relevant initiatives.

A focus on assisting employees in entering professions and developing and retaining their skills for the future. Utilisation of local educational establishments to increase levels of skills within workforces to NVQ level 4 (degree level) and above to address low skills levels and retain and grow local talent.

Clear performance management processes in place to assist with skills development and business succession planning.

Fulfilment

Drawing on the power of community generated during the pandemic, positive wider societal contribution to aid fulfilment at work should be advocated, such as volunteering and sharing of resources where appropriate for the greater good of the district.

Businesses should consider the benefits of wider corporate social responsibility in attracting staff and consider impacts of business activity on climate change. A focus on what part can be played in carbon reduction within daily working activities and sustainable working practices is encouraged.

Help to achieve this is available from the following resources:

The [National Apprenticeships Service](#)

[Lancaster and Morecambe College](#)

University of Cumbria - [Higher Level Apprenticeships](#)

Lancaster University – [Employer Engagement Team](#)

[Bay volunteers](#) Lancaster district CVS – [Volunteer Centre](#)

Carbon Trust – [Business Carbon Footprint Calculator](#)

Other standards and schemes available to assist you with your journey:

[Lancashire Skills Pledge](#)

[Carbon Literacy Project](#)

CABINET

**Corporate Fees & Charges 2023/24
17 January 2023**

Report of Head of Financial Services

PURPOSE OF REPORT				
The report asks Members to endorse the Fees and Charges Policy for 2023/24 and also to consider a range of charging options as deemed appropriate to the service area.				
Key Decision	Y	Non-Key Decision		Referral from Cabinet Member
Date of notice of forthcoming key decision		12 December 2022		
This report is public				

RECOMMENDATIONS OF COUNCILLORS

- (1) That Cabinet endorses the Fees and Charges Policy as set out at Appendix A, and during 2023/24 as part of the mid-year budget strategy review determines whether any other areas of income generation be explored further for 2024/25 onwards.
- (2) That Cabinet endorses the freezing of car parking pay and display charges, for a further twelve month period.
- (3) That Cabinet endorses the increase of garden waste collection charges by £1 to £41 per annum.
- (4) That Cabinet endorses the return to applying inflationary increases to fees and charges across all remaining areas as appropriate, as reported as part of the current 2023/24 budget setting process.
- (5) That Cabinet endorses the implementation of the new charge in respect of electrical vehicle recharging on off-street car parks, as reported as part of the current 2023/24 budget setting process.

1.0 Introduction

- 1.1 Charging for local services makes a significant contribution to council finances and can be used to influence individuals' choices and to bring benefits to local communities. Charges can be set to encourage and discourage people to use services and through concessions to pursue local objectives. Note that all fees and charges within this report are stated exclusive of VAT.
- 1.2 The level of income generated by fees and charges and in particular projected increases which the council can influence, form a key part of the council's financial planning and is therefore reflected in the Medium Term Financial Plan.

2.0 Proposal Details

2.1 GENERAL POLICY

This report sets out the proposed fees and charges framework for 2023/24. The current policy was last considered by Cabinet at its meeting on 18 January 2022 and a copy is attached at **Appendix A**. No substantive updates of the policy are being proposed at this stage.

In terms of fee increases, traditionally as part of the annual budget process all relevant fees and charges are increased by inflation for the following year, in line with the annual inflationary review. It is now proposed to continue to apply inflation with the exception of car parking pay and display fees for which more details are included within section 3 of this report.

- 2.2 In support, **Appendix B** provides a listing of the General Fund fees and charges for 2021/22 actuals, the 2022/23 original budget plus mid-year review position and the 2023/24 latest draft budget. This shows that the total estimated base income to be generated from fees and charges (including rents) is now projected to be £18.58M next year. Of this total, around £10.29M is generally inflation-linked. The majority of the remaining income relates to statutory fees, commercial charges, general cost recovery and fixed contracts, e.g. trade refuse. As such these income areas allow for little or no discretion in setting fee increases (aside from any consideration of market share etc). Furthermore, certain fees such as various licensing fees cannot by law be set by Cabinet.
- 2.3 From Appendix B, it can be seen that between 2022/23 and 2023/24 gross income from comparative fees and charges is expected to increase from £18.27M to £18.58M, representing a moderate increase of £0.31M or 1.7%. It should be noted that a number of income budgets were significantly reduced in 2021/22 due to the pandemic and where appropriate were returned to pre-pandemic levels when formulating the 2022/23 revenue budgets. However, during the current financial year it has become clearly substantiated by monitoring processes in place that income levels are still suffering. The cost of living crisis has added a further burden to this area and the 2023/24 budgets have been projected with this in mind.

- 2.4 Where fees and charges are to change in line with policy and/or the budget, these will be amended through existing Officer delegations and therefore no Cabinet decision is required – and so no detail is provided within this report. It should be noted that in exercising their delegated authority, Officers may well consider groupings of charges for similar or related activities and within those groupings, they may vary individual fees (or concessions) above or below inflation, for example – but as long as in totality, it is reasonable to assume that the relevant income budget will be met and the variances do not go against any other aspect of policy, then no Cabinet decision is required.
- 2.5 Separate to the annual budgeting exercise, if there are any significant matters arising during the course of a year, such as in cost, market forces or service levels, which materially affect current service costs and revenues, then relevant fees and charges should be reviewed. If it is reasonable for them to be adjusted in year, to keep within the budget framework, then the Director or Chief Officer has delegated authority to do so, as long as any fee or charge under question was not explicitly approved by Members during the last budget process. Any such changes must be reported to Cabinet retrospectively as part of usual quarterly monitoring arrangements.
- 2.6 Cabinet is requested to indicate whether there are any other specific areas for income generation that it wishes to consider as part of its budget development, primarily for 2023/24 onwards, on top of those already included.

3.0 OTHER SPECIFIC CHARGING CONSIDERATIONS

3.1 Communities and Environmental: Car Parking

Off-street car parking is a key Council area which is estimated to contribute a net amount of £2.04M towards the draft revenue budget for 2023/24.

Whilst being our largest source of income, it has been widely documented within the 2022/23 financial year that car parking is a critical area of concern in relation to fee charging.

As part of the review which formed the fee structure for 2022/23, it was recommended that prices were frozen for a two-year period, subject to a positive monitoring position.

However, since the implementation of the new fee structure in April 2022 the following has occurred :-

- Significant changes were made in-year to the tariff structure
- The return from pandemic measures has resulted in more people working from home
- Cost of living crisis has impacted on peoples habits and personal choices

Consequently, the latest projected shortfall against the approved budget is c.£500K and the original expectation of 2022/23 being able to be viewed as a

'baseline' year has not been realised.

On this basis it is suggested to freeze the current pay and display charges for a further twelve months with the expectation that 2023/24 becomes the 'baseline' year, which future decisions can be benchmarked against.

3.2 **Communities and Environmental: Garden Waste**

Council 27th October 2020 (minute 71 refers) approved the freezing of inflation for the next two financial years on the subscription of £40 per annum. Following that decision, and the exit from pandemic measures being in place, retention levels have been consistent. The price freeze has now elapsed, and whilst this area should have been reviewed in 2022/23, a number of issues surrounding staffing and systems have resulted in the full review not taking place.

There are a number of issues surrounding waste collection at the moment, these include :-

- The anticipated release of Defra's response to the governments waste consultation from 2021 which includes proposals surrounding weekly food waste and free garden waste collection
- With regard to the cost of living crisis, this area of charging is considered extremely sensitive and any increase in price is likely to result in a reduced number of subscriptions, which would probably lead to the income target not being achieved
- Benchmarking data suggests that the current charge is the highest within all Lancashire Districts

On this basis it is suggested to increase the charge by a nominal amount of £1 to £41 for a period of twelve months and that a full review take place within the 2023/24 financial year.

3.3 **Outcomes Based Resourcing**

As part of the Outcomes Based Resourcing process (OBR), a number of areas are being considered with raising income levels over and above the inflationary expectations. These include :-

- Public Protection
- Pest Control
- Happy Mount Park (Splash Park)
- Public Conveniences
- Car Parking Permits
- Trade Waste
- Waste Collection
- Building Control
- Planning Pre-Applications

It should be noted that all the budgetary areas listed above already include inflation within their future year projections and the OBR amounts to be considered by Cabinet and subsequently Council, will be over and above these inflationary amounts.

3.4 As part of the OBR process, Cabinet have discussed the introduction of charging for the use of the electrical vehicle recharging devices located on our car parks. The proposed charging will be on a fair charging basis and full details can be found at **Appendix C**.

4.0 Details of Consultation

4.1 Lancaster BID, Morecambe BID, Chamber of Commerce. A summary of the proposals shall be sent to each of the above.

5.0 Options and Options Analysis (including risk assessment)

	Option 1: To support the inflationary increases/freezes as outlined in the report.	Option 2: To not support the inflationary increases/freezes as outlined in the report.
Advantages	This protects the client base in two of the Council's largest fee earning areas (parking and garden waste), especially in the current cost of living crisis whilst providing a fair percentage uplift in other areas.	There could be an opportunity to use fees and charges to contribute further to the general fund net position.
Disadvantages	The chance to increase fees and charges at above inflationary levels would be foregone.	The draft revenue budget has been prepared with the inclusion of the items raised in this report. Any further proposals would require further consideration prior to being fed into the budget process.
Risks	Cost of living and the return from the pandemic have reshaped people's habits. The income targets already set could in advance of projected spend 23/24, resulting in a shortfall within the accounts..	Increasing fees to higher than suggested levels would most likely result in resistance and potentially not achieve the targets originally set.

6.0 Officer Preferred Option (and comments)

6.1 The Officers preferred option is Option 1.

7.0 Conclusion

7.1 Fees and Charges are reviewed on an annual basis and as outlined within the report, significant factors have become apparent as to why differing treatment is required within a couple of areas. It is felt that the recommendations made are of a fair nature and in-line with the attached policy.

RELATIONSHIP TO POLICY FRAMEWORK

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

CONCLUSION OF IMPACT ASSESSMENT

(including Health & Safety, Equality & Diversity, Human Rights, Community Safety, HR, Sustainability and Rural Proofing)

The proposed increases are considered to be fair and reasonable; generally, equality considerations are provided for within the attached policy.

LEGAL IMPLICATIONS

Local authorities have a variety of powers to charge for specific statutory services.

The Local Government Act 2003 also provides a power to charge for discretionary services. Authorities are under a duty to secure that, taking one year with another the income from charges for these services do not exceed the cost of provision.

The power to charge for discretionary services is therefore on a cost recovery basis only and is not available if there is a statutory duty to provide the service or if there is a specific power to charge for it or if there is a prohibition on charging.

Additionally, the Localism Act 2011 provides local authorities with the general power of competence that confers on them the power to charge for services but again subject to conditions/limitations similar to those noted above.

Where authorities have a duty to provide a statutory service free of charge to a certain standard, no charge can be made for delivery to that standard, however delivery beyond that point may constitute a discretionary service for which a charge could be made.

FINANCIAL IMPLICATIONS

As set out in the report and further detailed financial implications are included in the relevant appendices. With regard to the fees and charges being considered as part of the Outcomes Based Resourcing process, these are subject elsewhere to agreement by Cabinet and Council. Any further proposals to increase fees would require further consideration and would need to be fed into the budget process as appropriate.

OTHER RESOURCE IMPLICATIONS

Human Resources: No specific resource implications.

Information Services: No specific resource implications.

Property: No specific resource implications.

Open Spaces: No specific resource implications.

SECTION 151 OFFICER'S COMMENTS

The Section 151 Officer has been consulted and has no further comments.

MONITORING OFFICER'S COMMENTS

The Monitoring Officer has been consulted and has no further comments.

BACKGROUND PAPERS

None

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LANCASTER CITY COUNCIL
Promoting City, Coast & Countryside

APPENDIX A

FEES AND CHARGES POLICY

January 2023

1 INTRODUCTION

- 1.1 The decisions made by councils about charging for local public services affect everyone. Where councils charge for services, users pay directly for some or all of the costs of the services they use. Where no charges are made, or where charges do not recover the full cost of providing a service, council taxpayers subsidise users.
- 1.2 Fees and charges represent an important source of income, providing finance to help achieve the corporate objectives of the City Council. The purpose of this policy is to set out a clear framework within which fees and charges levied by the Council are agreed and regularly reviewed.
- 1.3 The decisions on whether to make a charge (and the amount to charge) are not always within the control of the Council. Where they are controlled locally, however, it is important that the implications of the charging decisions being taken are fully understood and that the appropriate information is available to make informed decisions.
- 1.4 This policy therefore provides clear guidance to service managers on:
- the setting of new fees and the policy context within which existing charges should be reviewed;
 - how fees and charges can assist in the achievement of corporate priorities;
 - the Council's approach to cost recovery and income generation from fees and charges; and
 - eligibility for concessions.
- 1.5 The policy supports the Council in having a properly considered, consistent and informed approach to all charges it makes for its services. This will, in turn, support the delivery of corporate objectives.

2 GENERAL POLICY

- 2.1 This policy relates to fees and charges currently being levied by the Council and those which are permissible under relevant legislation, including the wider general powers to provide and charge for discretionary services included within the Local Government Act 2003.
- 2.2 Statutory charges also fall within the scope of the policy, even though their level may not be determined by the Council. This ensures clarity and consistency and allows subsequent reviews of the policy to be comprehensive. It also enables changes to the national legislative charging framework, and any other situations that may arise in the future, to be addressed.

Council policies, strategies and priorities

- 2.3 Specific decisions and charging policies should support delivery of the council's Corporate Plan and other local strategies and service objectives. Charging decisions will take account of the council's corporate priorities and have regard for the potential impact on other service areas.

Basis of Charging Decisions

- 2.4 The council will charge for all services where it is appropriate and cost-effective to do so, unless there are contrary policies, legal or contractual reasons that state otherwise.
- 2.5 When discretionary charges are set, the general aim will be to cover the cost of the service or, where legally possible, the council may charge on a commercial basis. Charges will reflect the full cost of provision, unless covered by subsidies/concessions designed to meet corporate priorities or there are contrary policies or legal reasons.

Subsidies and/or Concessions

- 2.6 Subsidies and concessions may be used to help achieve specific targets or objectives. Concessions should be awarded and reviewed in relation to each service. Where subsidies and concessions are applied, there should be a proportionate evaluation process in place to measure levels of success in meeting these objectives. Definitions and qualifying criteria for concessionary target groups should be consistent across the Council.
- 2.7 Any reference to the setting or review of fees and charges within this policy should be taken to include/cover any relevant subsidies or concessions also.

Surplus Income

- 2.8 Income derived from charging will be used to offset the costs of providing the service being charged for, including support service costs. Where a surplus, over budget, is generated in-year, its use shall be determined in accordance with the Council's Financial Regulations (in particular, the virement scheme as set out in the Medium Term Financial Strategy (MTFS)). This is on the provision that this is not prohibited by other statutory requirements or government guidance.
- 2.9 It is acknowledged that the ability to use charges to deliver the corporate priorities of the Council requires a degree of freedom; corporate controls should avoid imposing unnecessary restrictions, but also the Council's future budgetary challenges need to be addressed.
- 2.10 Any proposals for generating any additional income (over and above normal budgetary provisions) to be raised from charging in the expansion and development of a particular service will be considered as part of the budget and planning process, and in line with the approved Medium Term Financial Strategy. Each proposal will therefore be considered on its own merits and in light of financial planning processes and other pressures.

Efficient Administration

- 2.11 Arrangements for charging and collecting fees should be efficient, practical and simple to understand by users, and meet any other requirements of the Council's Financial Regulations and supporting processes. The reasons behind any significant changes to charges should be communicated to residents and service users. The impact of charging decisions on service users and local residents will need to be taken into account.

Regular Review

- 2.12 Charges, and decisions not to charge, will be reviewed annually in sufficient time for the impact of any revisions to be included in the budget setting process. This ensures that they fit within the approved budget framework, as determined by full Council.

Policy Implementation

- 2.13 This policy encompasses decisions made as part of the annual fees and charges review process, where new charges are introduced or where existing charges are removed or amended.
- 2.14 It supports the Council’s Financial Regulations, which are part of the Constitution. Under the Regulations, Directors, Chief Officers and others designated by them are responsible for collecting budgeted income, and maximising such income in accordance with this policy and any other relevant supporting policies.
- 2.15 Furthermore, under the Scheme of Delegation to Officers, which is also included in the Constitution, such Officers have authority to set fees and charges in accordance with relevant legislation and any charging policy set by Cabinet (as long as they fit with the approved budget framework).

3 DETERMINING SPECIFIC CHARGING POLICY (CASE BY CASE)

- 3.1 Each fee or charge (or group of similar charges) should be linked to one of the categories in the following table and the appropriate charging policy adopted in establishing and reviewing charging rates for that particular service or activity. Where new charges are being introduced or changes in charging policy are proposed, the charging policy should be made clear as part of the decision-making process.
- 3.2 In all cases, in determining an appropriate charging policy proper consideration should be given to the wider equality implications that could affect accessibility of council services to any groups.

CHARGING POLICY	POLICY OBJECTIVE
Full commercial	The council seeks to maximise revenue within an overall objective of generating as large a surplus (or a minimum loss) from this service.
Full commercial with discounts	As above, but with discounted concessions being given to enable disadvantaged groups to access the service.
Fair charging	The council seeks to maximise income but subject to a defined policy constraint. This could include a commitment made to potential customers on an appropriate fee structure. Alternatively, a full commercial rate may not be determinable or the council may be a monopoly supplier of services.

Cost recovery	The council wishes to make the service generally available, but does not wish to allocate its own resources to the service.
Cost recovery with discounts	As above, but the council is prepared to subsidise the service to ensure disadvantaged groups have access to the service.
Subsidised	Council policy is to make the service widely accessible, but believe users of the service should make some contribution from their own resources. Could also be due to the adverse impact a cost recovery or commercial charging policy would have on other council services.
Nominal	The council wishes the service to be fully available, but sets a charge to discourage frivolous usage.
Free	Council policy is to make the service fully available.
Statutory	Charges are set in line with legal obligations.

3.3 In applying the appropriate charging policy, as well as equality considerations typically the issues that may need to be considered in setting the level of fee and charge for any particular service include those set out below:

CHARGING POLICY	POLICY OBJECTIVE
Full commercial	<ul style="list-style-type: none"> • Are the charges high enough for the service to be profitable? If not, consider whether the service should be provided. • Are competitors charging similar prices? • Does the council offer any premium in terms of service levels that customers would be prepared to pay more for? • How would changes in pricing structures affect demand for the service and potentially its profitability? • How does the proposed fee structure fit in with the long-term business plan for the service?
Fair charging	<ul style="list-style-type: none"> • How do the charges compare to other providers of similar services? • Has the loss of income from not charging on a commercial basis been evaluated? • Is the policy constraint justifying this charging policy still valid?
Cost recovery	<ul style="list-style-type: none"> • Do charges recover the full costs, including overheads, capital charges and recharges? • Is it possible to charge on a full commercial basis and if so has the loss of income from not charging on a full commercial basis been evaluated? • Are Members aware of the effect on demand for this service from this charging policy? • What would be the effect of changing the policy to a different one e.g. subsidised?
Subsidised	<ul style="list-style-type: none"> • Has the cost of the subsidy been evaluated?
Nominal	<ul style="list-style-type: none"> • What has been the impact on demand and on service levels from adopting this approach?
Free	<ul style="list-style-type: none"> • Does this approach fit in with the requirements of other funding streams i.e. grants? • Is this approach legally required? • Is there a potential problem from frivolous use of the service?
Statutory	<ul style="list-style-type: none"> • Are charges in line with statutory requirements? • Are they set at the maximum permitted levels?

4 **SUBSIDIES AND CONCESSIONS**

4.1 It may be appropriate to consider subsidising some services, particularly if this helps to achieve corporate priorities and supports local strategies and policies. The main reasons for charging less than full cost are set out below:

- There is a sound financial and policy justification for the council tax payers subsidising this service.
- The desire to encourage particular sections of the community to use specific services and they could not afford, or might otherwise be deterred by, full cost charges.
- Charging full cost discourages or prevents uptake, which may have a detrimental impact on the council's finances in the long run.
- Use of the service is sensitive to a change in price – an increase in charges reduces demand and income.
- The council incurs higher costs than other providers because the service is provided in a way that is appropriate and accessible for all sectors of the community.

4.2 When considering using a subsidy, the following points should be taken into account:

- It must clearly and directly support a corporate priority, objective, or policy.
- There is evidence to suggest that the impact of the policy can be measured.
- The cost of the subsidy can be estimated and can be accommodated within the council's budget, making it affordable.
- The proposal is the most effective approach available to deliver the policy objective, and so can be judged to give value for money.

4.3 It is recognised that in some circumstances discounts may not be appropriate and that, in all cases, it will be necessary to carefully consider the impact on income before introducing discounts or concessions to service areas which do not currently offer them.

5 **NEW FEES AND CHARGES**

5.1 Proposals for new discretionary fees and charges must be considered within the annual budget process or alternatively, if appropriate, submitted to Cabinet initially for approval as an in-year change. Should any proposed change fall outside of the budget and policy framework, it would also require referral to Council.

5.2 Proposals for new fees and charges should be analysed using the guidance in the appendix to this policy. This effectively provides a brief rationale and business case for the proposed charge.

5.3 The effects of any new charge on service usage and income generated will be monitored regularly over the first 12 months and formally reviewed as part of the following budget process.

- 5.4 Where new statutory fees and charges are to be introduced, or when changes have been notified, ideally Cabinet and/or Council should be advised of any significant budgetary or policy implications prior to their implementation by Officers, should timescales allow; this may be done through the budget process. Alternatively, any implications should be reported retrospectively through usual quarterly monitoring arrangements.

6 REVIEWING FEES AND CHARGES

- 6.1 Directors, Chief Officers and designated staff must consider charging policies and current levels of charge each year as part of the budget and service planning process.
- 6.2 The general assumption (where the Council has control) is that the value of fees and charges will be maintained in real terms over time and increased annually in line with estimated inflation, as determined through the budget. Clearly this assumption changes, if the adopted charging policy for a particular activity determines otherwise.
- 6.3 Additionally, Cabinet may decide to set income targets for specific service areas as part of an effort to identify efficiencies and/or generate additional income.
- 6.4 Separate to the annual budgeting exercise, if there are any significant matters arising during the course of a year, such as in cost, market forces or service levels, which materially affect current service costs and revenues, then relevant fees and charges should be reviewed. If it is reasonable for them to be adjusted in year, to keep within the budget framework, then the Director or Chief Officer has delegated authority to do so, as long as any fee or charge under question was not explicitly approved by Members during the last budget process. Any such changes must be reported to Cabinet retrospectively as part of usual quarterly monitoring arrangements.
- 6.5 In all other cases (except for statutory fee change notifications covered in 5.4), any proposals to change fees, and/or any expected income budget shortfalls, must be reported initially for Cabinet's consideration. Referral to Council may also follow, depending on circumstances. Any proposal to amend significantly an existing fee or charge will require a full explanation and justification to be provided.

7 COLLECTION OF FEES AND CHARGES

- 7.1 Fees and charges income should be collected and accounted for in accordance with the Council's Financial Regulations and any supporting instructions, procedures and guidance. Wherever it is reasonable to do so, charges should be collected either in advance or at the point of service delivery. Where charges are to be collected after service delivery has commenced, invoices will be issued promptly, and appropriate collection and recovery procedures followed.

8 PUBLICATION OF FEES AND CHARGES

- 8.1 Each service should maintain a schedule of fees and charges levied. This schedule should include, but identify separately, those charges where there are national / external procedures or other specific procedures for determining and reviewing rates of charge.
- 8.2 Generally the Council's fees and charges should be set prior to the start of each financial year. They should be widely published, including through the council's website.
- 8.3 Reasonable notice should be given to service users before any decisions to amend or introduce new fees and charges are implemented, together with clear advice on VAT, and information on any discounts or concessions available. In the absence of any specific requirements, reasonable notice is defined broadly as one calendar month.

GUIDANCE FOR NEW FEES AND CHARGES

Charging Policy

The charging policy objectives must be stated here, together with why this policy (Full Commercial or Fair Charging etc.) has been adopted. The intended aims of the charges should also be clearly thought out and explained. Any legal issues should be identified.

Comparative Information

Include here details of comparative information collected from other authorities or competitors etc.

Financial

Information Required	Description
Level of charge	Recommended or proposed new level of charge.
Start date	Proposed implementation date for new level of charge, although it could be related to a future event.
Budgeted income	Level of income to be generated from the new charge.
Surplus / deficit as a percentage of cost	The total cost of supplying the service (including recharges and other overheads) should be calculated and deducted from the income generated. This surplus or deficit should then be compared to the total cost as a percentage. Calculating total cost may require the use of judgement and reasonable assumptions. This is acceptable, so long as a clear audit trail of those assumptions is maintained.
Surplus / deficit per usage	The difference between income generated and the total cost of providing that service, divided by the expected number of users of that service.

Impact Assessment

Any proposals must identify likely impact on the service's users including; who currently benefits from the service, the effects on them of any changes and who will benefit from new exemptions and discounts together with how demand and usage is expected to change. Equality issues must specifically be considered and reported.

Impact on Other Areas

The likely consequences in terms of reduced or increased demand for other council services must be identified here as well as any extra costs to other services. Equality issues must specifically be considered and reported.

Method of Collection

Proposals for new charges must identify what collection methods will be used. If this is a change in current arrangements it will need to identify the following:

- What the likely impact is on the rate and costs of collection;
- What account has been taken of how low income users can pay; and
- How cost effective will the new methods be?

Alternatives

Explain here the other measures that have been considered instead of, or as well as, the proposed charge (cost cutting, reducing charges, sponsorship etc.).

Consultation

Include here the extent of consultation conducted, which will be dependent upon the impact of fee and/or charge, and the results of that consultation.

Summary of General Fund Fees and Charges (including rents)

APPENDIX B

For Consideration by Cabinet 17 January 2023

Directorate	Service	Service Area	Detail Code	2021/22 Actual £	2022/23 Original £	2022/23 Mid-Year £	2023/24 Estimate £	
Communities and Environment	Business Support	Vehicle Maintenance	General Fees & Charges	-1,159	-1,000	-1,800	-1,500	
			MOT Income	-2,080	-6,000	-2,900	-2,900	
		White Lund Depot	Feed In Tariff Credits	-17,167	-17,400	-17,400	-18,500	
			Rents - General	-13,835	-13,800	-6,900	0	
			Sales - Goods Resold	-3,932	0	-2,000	-2,100	
	Customer Involvement & Leisure	Customer Services Mgmt & Admin	Sales - Goods Resold	-151	-700	0	0	
		Salt Ayre	Feed In Tariff Credits	-11,795	-17,200	-17,200	-18,300	
			Fees and Charges	-1,918,944	-2,995,700	-2,901,300	-3,495,500	
	Housing Services	Home Improvements	Administration Charges	-295,207	-340,900	-380,000	-320,000	
		Home Improvement Team	General (CR) - Miscellaneous	-43,655	-35,000	-55,000	-17,000	
		Jubilee Court	Rents - Houses	0	0	-6,300	-28,000	
			Service Charges Recovered	0	0	-900	-6,700	
		Mellishaw Park	Rent - Houses	-68,555	-68,700	-68,700	-27,700	
			Service Charges Recovered	-5,374	-6,700	-6,700	-7,100	
	Project Development	Project Development	Feed In Tariff Credits	0	-15,500	-67,500	-61,800	
		Dog Warden Service	Collections and Kennelling	-4,858	-5,200	-5,200	-5,500	
	Public Protection			Fines	-490	-1,500	-200	-1,500
				Vets Fees Recovered	-640	-1,000	-500	-1,100
			Environmental Protection	EPA Authorisation Fees	-22,145	-17,000	-17,000	-17,000
				Fines	1,700	-2,000	-1,700	-2,000
				Income - Works In Default	-10,054	-2,300	-2,300	-2,400
				Water Sampling Fees	-3,268	-3,500	-5,000	-3,700
			Food & Safety	Fines	0	-100	0	-100
				General Fees & Charges	-1,377	-8,300	-4,000	-8,800
				Recovery of Staff Costs	-16,868	0	-16,900	0
				Training Course Fees	163	-2,000	-1,000	-2,000
		Gambling Act 2005	Amusement Machines	-2,280	-2,800	-2,500	-3,000	
			Licences - Betting Shops	-4,000	-7,200	-6,000	-7,700	
			Licences - Bingo Establishments	-1,220	-4,300	-3,000	-4,600	
			Licences - Gaming Machines	-2,460	-3,200	-3,000	-3,400	
			Licences - Lotteries	-3,448	-3,600	-3,000	-3,800	
		Hackney Carriage & Private Hire Licences	Dual Drivers Badge	-24,744	-36,200	-32,000	-38,600	
			H.C. Driver Licence	-1,153	-3,600	-3,000	-3,200	
			H.C. Inspection Fees	-10,601	-12,900	-13,000	-13,700	
			H.C. Taxi Plates	-609	-900	-900	-1,000	
			H.C. Transfer Of Ownership	-408	-300	-800	-300	
			H.C. Vehicle Licence	-29,498	-28,400	-28,400	-30,300	
			P.H. Drivers Licence	-1,872	-4,900	-4,000	-5,200	
			P.H. Inspection Fees	-19,398	-26,900	-26,900	-28,700	
			P.H. Operators Licence	-9,120	-7,700	-7,700	-8,200	
			P.H. Taxi Plates	-656	-900	-700	-1,000	
			P.H. Transfer of Ownership	-102	-100	-500	-100	
			P.H. Vehicle Licence	-32,968	-43,400	-35,000	-42,600	
		Lancaster Port Health Authority	General Fees & Charges	-5,483	-4,600	-5,500	-4,900	
		Licensing Act 2003	Licensing Act 2003 - Personal	-4,265	-7,000	-6,000	-7,500	
			Licensing Act 2003 - Premises	-125,836	-116,700	-112,500	-124,300	
			Temporary Event Notices	-4,380	-6,200	-5,800	-6,600	
		Miscellaneous Licences	Licences - Motor Salvage Operators	0	-2,800	-2,800	-3,100	
			Licences - Second Hand Dealers	-98	-300	-100	-300	
			Licences - Sex Shops	-175	-200	-300	-200	
			Licences - Skin Piercing/Tattoos	-3,731	-4,100	-4,100	-4,400	
			Licences - Street Cafes	-3,896	-4,100	-3,500	-4,400	
		Pest Control	Domestic Insects	-54,479	-36,200	-28,000	-38,600	
			Domestic Rodents	-44,095	-41,300	-41,300	-44,000	
			Unbugged	-115,370	-131,800	-120,000	-133,200	
		Private Rented Sector Activity	Admin - Works In Default	-2,420	-1,000	-5,000	-1,100	
			APS Fees	0	-100	-100	-100	
			Fines	-1,257	-2,800	-2,800	-2,800	
			HMO License Fees	-68,707	-71,400	-44,800	-86,100	
			Immigration Inspection Fees	-272	-300	-300	-300	
		Public Health Services	Burial Of The Dead	-48,272	-31,000	-35,000	-33,000	
			Exhibiting Animal Licences	0	-300	-1,100	0	
			Licences - Animal Boarding	-4,455	-2,800	-3,300	-6,000	
			Licences - Dog Breeding	-3,721	-1,700	-1,500	-1,400	
			Licences - Pet Shops	-638	-700	-700	0	
			Licences - Riding Establs	-493	-1,000	-500	-1,000	
	Public Realm	Bulky Waste Collection	Domestic Collections	-98,456	-97,400	-97,400	-103,800	
			Sales - Goods Resold	-4,115	-15,200	-5,200	-5,500	
			Sales - Scrap	-1,499	-1,200	-1,200	-1,300	
			Cemeteries - General	Hire Of Chapels	-1,888	-5,400	-4,900	-5,200
				Interment Fees	-156,208	-160,900	-160,900	-171,400
				Memorial Fees	-24,157	-27,000	-27,000	-28,800
				Rents - General	-513	-500	-500	-500
				Rents - Grazing Rights	-330	-300	-300	-300
				Sale Of Grave Spaces	-112,200	-83,700	-83,700	-89,200
				Sale Of Memorial Benches	-2,275	-600	-600	-600
			Sale Of Memorial Plaques	-38,898	-25,800	-25,800	-27,500	
		City Centre Markets & Traders	Administration Charges	-330	-500	-500	-500	
			General Fees & Charges	-3,325	-9,900	-3,300	-3,500	
			Market Tolls	-40,849	-69,200	-42,200	-45,000	
			Rents - Market Stalls	-18,647	-20,400	-29,700	-31,600	
			Service Charges Recovered	-399	-4,300	-4,300	-4,600	

Directorate	Service	Service Area	Detail Code	2021/22 Actual £	2022/23 Original £	2022/23 Mid-Year £	2023/24 Estimate £
		Garden Waste	Fees - United Utilities	0	-1,200	-1,200	-1,200
			Garden Waste Collection	-980,400	-978,800	-963,000	-986,100
			General Fees & Charges	-11,449	-9,300	-9,300	-9,900
		Grounds Maintenance	General Fees & Charges	-171,711	-37,500	-37,500	-38,400
		Happy Mount Park	Bowling	-8	-400	-400	-400
			General Fees & Charges	-14,420	-31,600	-36,700	-33,700
			Rents - Concessions	-3,500	-3,800	-3,500	-3,700
			Rents - General	-21,000	-33,700	-39,700	-42,300
			Service Charges Recovered	0	-500	-500	-500
			Tennis	-131	-400	-400	-400
		Household Waste	Clinical Waste	-5,484	-5,000	-5,000	-5,000
			Domestic Collections	0	-1,500	-1,500	-1,600
			Fees - United Utilities	0	-1,600	-1,600	-1,600
			General Fees & Charges	-15,880	-28,000	-28,000	-29,800
		Morecambe Market	Advertising - Hoardings Etc	-75	-300	-300	-300
			Rents - Market Stalls	-271,308	-314,700	-289,700	-308,600
			Service Charges Recovered	-13,709	-12,400	-12,400	-13,200
			Storage	-5,589	-6,600	-6,600	-6,600
		Non-Resort Parks	Administration Charges	0	-1,500	-1,500	-1,600
			Bowling	0	-1,100	-1,100	-1,200
			Receipts Non-Vatable	-11,460	-11,700	-8,700	-9,300
			Rents - Concessions	-24,665	-10,200	-11,300	-12,000
			Rents - General	-2,066	-5,200	-6,500	-6,900
			Service Charges Recovered	-2,499	-1,800	-32,300	-55,700
		Off Street Car Parks	Car Parking Fees	-1,372,618	-2,127,400	-1,277,400	-1,308,100
			Car Parking Fees - Card Payments	-318,932	-436,200	-786,200	-805,100
			Car Parking Fees - RingGo	-876,435	-1,162,500	-1,162,500	-1,190,400
			Car Parking Permits	-286,904	-186,400	-186,400	-198,600
			Fines	-132,866	-159,000	-130,000	-130,000
			Rents - General	-23,504	-25,000	-25,000	-25,000
		Promenade Management	Rents - Concessions	-55,552	-32,300	-70,300	-21,300
			Rents - General	-32,213	-20,100	-20,100	-21,400
			Sales - Promenade Passes	-730	-500	-500	-500
			Service Charges Recovered	-4,870	-1,500	-4,000	-4,300
		Public Conveniences	General Fees & Charges	-29,022	-23,100	-23,100	-23,100
		Recycling	Fees - United Utilities	0	-1,400	-1,400	-1,400
			General Fees & Charges	-15,652	-12,400	-12,400	-13,200
		Resort Parks	Rents - Concessions	-4,400	-4,400	-4,400	-4,700
			Rents - General	-3,662	-3,600	-3,600	-3,800
			Service Charges Recovered	-1,501	-100	-100	-100
		Small Parks & Open Spaces	General Fees & Charges	0	-400	-400	-400
		Street Cleaning	General Fees & Charges	-50,513	-33,600	-33,600	-35,800
		Trade Refuse	Trade Refuse Collections	-1,538,088	-1,724,700	-1,584,700	-1,720,500
		Williamson Park Butterfly House	Admission Fees	-86,613	-110,800	-117,800	-122,300
			Educational Usage	-312	-13,000	-6,000	-6,400
			Family Tickets	-37,282	-34,500	-47,500	-49,500
		Williamson Park Cafe	Sales - General	-363,382	-363,300	-400,300	-406,200
		Williamson Park Events	Special Events	-33,937	-88,000	-40,000	-99,100
			Venue Hire	-28,873	-48,100	-48,100	-51,200
		Williamson Park Ice Cream Concession	Sales - General	-20,303	-25,800	-30,800	-32,800
		Williamson Park Mgmt & Admin	Car Parking Fees	-27,749	-42,500	-26,500	-28,200
			Car Parking Fees - Card Payments	-6,773	0	-21,000	-22,400
			Sales - General	-350	-400	-400	-400
		Williamson Park Reception & Retail	Sale of Recycling Material	-14	-1,000	-1,000	-1,100
			Sales - General	-42,632	-59,300	-59,300	-63,200
			Sales - Publications & Data	-73	-200	-200	-200
Corporate Services	Democratic Finance Legal	Electoral Registration	Sales - Publications & Data	-3,237	-2,300	-2,300	-2,400
		Financial Services Management & Admin	Administration Charges	-862	-1,000	-1,000	-1,100
		Legal Services Mgmt & Admin	General Fees & Charges	-75,717	-75,800	-96,800	-103,100
			Legal Fees-County Court	1,917	-17,800	0	0
			Legal Fees-Magistrates Courts	0	-3,200	0	0
		Searches Administration	Search Fees	-190,078	-185,900	-185,900	-198,000
	Revenues & Benefits	Council Tax & NNDR	Legal Costs Recovered	-184,620	-318,200	-318,200	-338,900
Economic Growth and Regeneration	Economic Development	Arnsdale and Silverdale AONB	Feed In Tariff Credits	-479	-500	-500	-500
		City Museum	Admission Fees	-46	-100	-100	-100
			Sales - General	-8,783	-15,300	-15,300	-16,300
		Cottage Museum	Admission Fees	-749	-1,500	-1,500	-1,600
			Sales - General	-68	-100	-100	-100
		Lancaster V.I.C.	Commission - Concerts/Discount Ticket	-1,535	-3,200	-3,200	-3,400
			Commission - National Express	-54	-200	-200	-200
			Sales - Publications & Data	-5,251	-8,700	-8,700	-9,300
			Sales - Souvenirs	-10,691	-18,600	-18,600	-19,800
		Maritime Museum	Admission Fees	-6,748	-10,900	-8,900	-11,600
			General Fees & Charges	-84	-700	-700	-700
			Sales - General	-7,412	-5,200	-6,200	-5,500
			Sales - Refreshments	-4,524	-6,700	-5,200	-7,100
		Morecambe V.I.C.	Commission - Accom Bookings	-3	-100	-100	-100
			Commission - Coach Travel Tickets	-87	-400	-400	-400
			Commission - Concerts/Discount Ticket	-275	-300	-300	-300
			Commission - National Express	-3	-200	-200	-200
			Sales - Publications & Data	-4,070	-7,600	-7,600	-8,100

Directorate	Service	Service Area	Detail Code	2021/22 Actual £	2022/23 Original £	2022/23 Mid-Year £	2023/24 Estimate £
			Sales - Souvenirs	-9,342	-14,700	-14,700	-15,700
			Travel Tickets	0	0	0	-1,400
		The Platform	Admission Fees	-89,598	-252,300	-212,300	-264,600
			Bar	-34,271	-90,800	-70,800	-96,700
			Cafe	-587	-3,500	-100	0
			Private Hire	-4,879	-56,900	-21,900	-60,600
			Venue Hire	-16,652	-30,900	-25,900	-32,900
		Winning Back West End Property Account	Rents - Commercial Properties	-16,120	-16,000	-16,000	-16,000
		Building Regulations	Bldg Regs - Application Fees	-94,364	-100,000	-100,000	-121,000
		Development Control	Planning Application Fees	-1,008,630	-855,300	-855,300	-900,000
			Planning Pre Application Advice Fees	-13,288	-75,000	-25,000	-80,000
		Middleton Nature Reser & Pumping Station	Rents - General	-875	-900	-900	-900
			Rents - Grazing Rights	-3,275	-900	-900	-900
			Rents - Wayleaves & Titles	-500	-500	-500	-500
		Commercial Land & Buildings	Rents - General	-1,742,945	-2,108,800	-1,838,700	-1,877,500
			Rents - Grazing Rights	-3,930	-4,000	-4,000	-4,000
			Service Charges Recovered	-227,697	-195,700	-223,900	-238,200
		Municipal Land & Buildings	Hire Of Premises	-119,665	-73,600	-32,000	-85,100
			Rents - General	-147,638	-140,400	-140,400	-150,900
			Sales - Refreshments	-40	-3,300	-1,100	-3,500
			Service Charges Recovered	-127,260	-105,200	-151,200	-166,000
		Property Services Mgmt & Admin	General Fees & Charges	-875	-2,200	-2,200	-2,300
		Storey Institute	Hire Of Premises	-51,425	-95,700	-85,000	-110,700
			Rents - General	-94,936	-92,600	-92,600	-95,400
			Sales - General	-142,220	-209,100	-230,000	-214,100
			Service Charges Recovered	-78,578	-76,400	-76,400	-81,400
			TOTAL INCOME	-15,064,517	-18,269,000	-17,198,800	-18,579,000

APPENDIX C

Service / New Charge

Off-Street car parking propose to implement a charging system for the use of the electrical vehicle recharging devices located on our car parks.

Charging Policy

The proposed charging will be on a fair charging basis (estimated).

Comparative Information

The proposed charges align with other on-street charging points within the district which are managed by Lancashire County Council.

Financial

Information Required	Description
Level of charge	44 pence per kilowatt hour.
Start date	1 April 2023
Budgeted income	£23,000 per annum – this has been included in the outcomes based resourcing (OBR) project and will be added to the general fund net budget in due course.
Surplus/deficit as a percentage of cost	Difficult to substantiate due to fluctuating price of electricity but the service is hopeful for break-even.
Surplus/deficit per usage	As above.

Impact Assessment

Customers can choose if they want to charge their vehicles using our equipment. There are other providers (both public and private sector) plus also customers may have the opportunity to charge their vehicles at home. The fees being proposed

therefore are not mandatory for residents of the district and are only applicable should they choose to use the service.

Impact on Other Areas

Environmental – it is expected that our devices will be used less as the service becomes chargeable.

Method of Collection

Users must have a dedicated app to use the system. The app providers will pay over monies collected monthly to the council.

Alternatives

There are other providers (both public and private sector) plus also customers may have the opportunity to charge their vehicles at home

Consultation

Already been discussed by Cabinet and identified as an area to recover costs as part of the outcomes based resourcing (OBR) project.

CABINET**Budget & Policy Framework Update
2023/24 – 2027/28
17 January 2023****Report of Chief Finance Officer****PURPOSE OF REPORT**

To provide an update on the Council's budget strategy for 2023/24 and financial outlook up to 2027/28. Specifically, the report considers the budget and Council Tax proposals for 2023/24

This report is public.

RECOMMENDATION OF COUNCILLOR WHITEHEAD

- 1. That Cabinet make recommendations to Council regarding the Lancaster City Council element of the Council Tax as set out in paragraph 3.3 (option one) of this report which is a 2.99% increase to the Band D Council Tax (from £241.95 to £249.18).**
- 2. That Cabinet makes recommendations regarding its initial budget proposals as set out in section 5 and Appendix A of this report.**
- 3. That the recommendations and proposals in this report be referred to Council on 25 January for initial consideration as well as being presented for scrutiny by Budget and Performance Panel on 01 February, in order that any feedback can be provided to Cabinet at its 07 February meeting.**

1.0 INTRODUCTION

- 1.1 Under the Constitution, Cabinet has responsibility for developing corporate planning proposals and a balanced budget for Council's consideration.**
- 1.2 At its meeting on 06 December 2022 Cabinet considered updated estimates in respect of the Government's Autumn Statement together with consideration of assumptions in respect of various sources of income and expenditure and the corresponding impact this would have on the 2023/24 revenue budget gap and beyond. Members will, therefore, be aware of the financial challenges faced by the Council.**
- 1.3 Since that report, the Government has released the Provisional Local Government Finance Settlement. A number of workshops have been held between Cabinet and Senior Leadership Team to explore initial proposals from the OBR task groups. A series of immediate actions to reduce spending in the current year have also been undertaken.**

1.4 This report sets out:

- An update to the estimates of Council funding including Revenue Support Grant, Retained Business Rates & New Homes Bonus following on from the release of the provisional local government finance settlement and the corresponding impact on the budget gap. **(Section 2)**
- Consideration of options for setting the Council's element of the Council Tax for 2023/24. **(Section 3)**
- A summary of the Business Rates Revaluation (section 4) and the uncertainties that this creates in forecasting. **(Section 4)**
- A summary of the proposals for achieving a balanced revenue budget for 2023/24. **(Section 5)**
- An update on the work undertaken in respect of the capital programme for the remainder of 2022/23 to 2027/28, and a longer-term Capital Strategy. **(Section 6)**
- An update on the development of a Medium-Term Financial Strategy which will secure the long term financial resilience of the authority and identify resources to meet the Council's priority outcomes for the next five years. **(Section 7)**

2.0 LOCAL GOVERNMENT FUNDING UPDATE

2.1 The Secretary of State for the Department of Levelling Up, Housing and Communities outlined his intention of providing Local Government with at least a 2-year timeframe as part of the of the funding settlement for 2023/24.

2.2 Details of the provisional Local Government Finance Settlement for 2023/24 were announced on 19th December 2022. The Provisional Settlement is subject to consultation, with the Final Settlement announced towards the end of January/early February. Values may, therefore, be subject to change. Any changes will be reflected in the final budget and policy framework reports presented to Cabinet, and ultimately Council 22nd February.

2.3 A summary of the provisional settlement for Lancaster City Council is provided in table one below.

Table One – Provisional Settlement allocations for Lancaster City Council

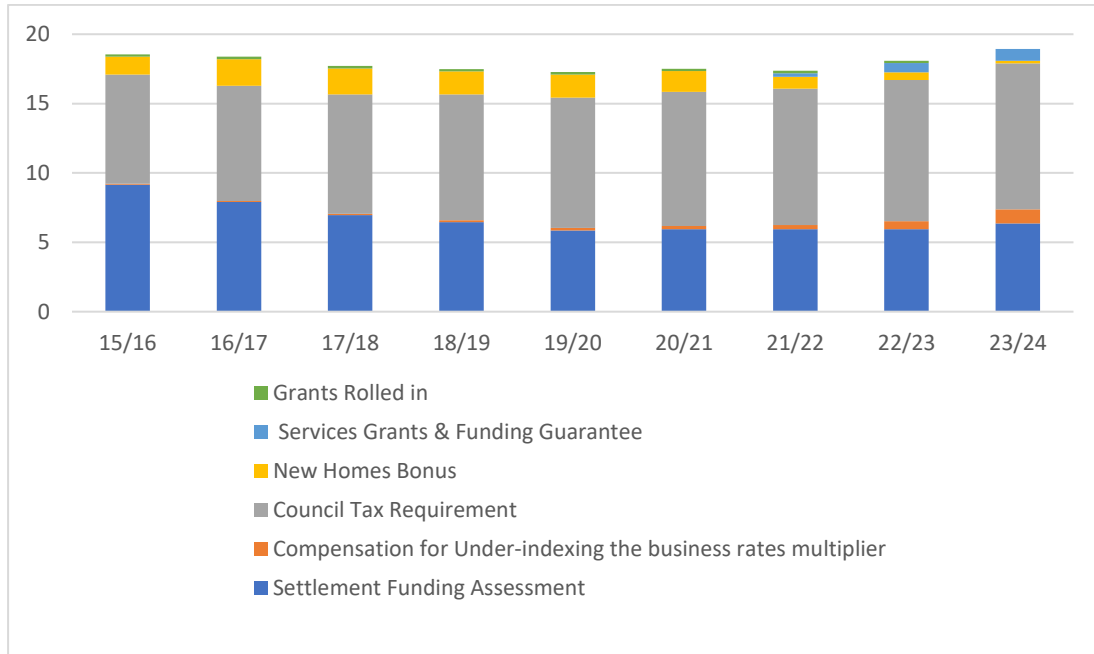
	Provisional Settlement £000	LCC Forecast £000	Difference £000
Settlement Funding Assessment			
Revenue Support Grant	232	0	232
Retained Business Rates	9,407	9,567	(160)
New Homes Bonus	188	180	8
Funding Guarantee	615	0	615
Lower Tier Services Grant	0	257	(257)
Services Grant	223	396	(173)
Total Government Funding	10,665	10,400	265

2.4 As table one shows, the provisional settlement allocates £0.265M more resources than anticipated and this slightly reduces the gap for the 2023/24 revenue budget. However, a number of additional pressures have been identified, many mirroring the wider economic environment. These pressures are reflected in the current budgeted position. These are discussed further in section 5.

Core Spending Power

2.5 Core Spending Power (CSP) is a measure used by the Government to set out the resources available to a Council to fund service delivery. It combines certain grants payable to Council together with estimates of Business Rates and Council Tax, these estimates are based on Government assumptions. CSP is used by the Government to make comparisons of the resources available to different Councils. As such, it is not necessarily the actual funding a Council will receive to fund service delivery.

TABLE TWO – CORE SPENDING POWER



2.6 On the basis of the provisional Settlement, the Council's CSP for 2023/24 will increase from £18.08M to £18.93M or 4.7% when compared to CSP in 2022/23 and includes an assumption by Government that Councils will increase their Council Tax by the maximum allowable. This is in comparison to the average CSP for all Councils in England of 9.2%

3.0 COUNCIL TAX

3.1 As part of the provisional finance settlement, the Government published its referendum criteria for Council Tax. District councils will be permitted to raise their Council Tax by a maximum of 3% or £5, whichever is higher, without reference to a referendum. Table two below considers the following options for Council Tax:

- Option 1: An annual increase of 2.99%
- Option 2: £5 increase in Council Tax
- Option 3: No increase in Council Tax

For Lancaster City Council, option 1 is the highest of the options

Table Three – Impact of Council Tax Options: 2023/24 to 2027/28

Year	Taxbase (% Annual Increase)	Estimated Annual Movement %	Option 1		Option 2		Option 3		Additional Income from 2.99% increase & 1% Annual Growth	Additional Income from £5 increase & 1% Annual Growth	Income from Increase in Tax Base Only
			Annual increase of 2.99% in Council Tax		Annual increase of £5 in Council Tax		No annual increase in Council Tax				
			Band D	Income	Band D	Income	Band D	Income			
2022/23	42,060		241.95	10,176,417	241.95	10,176,417	241.95	10,176,417			
2023/24	42,579	1.00%	249.18	10,610,019	246.95	10,514,884	241.95	10,301,989	308,029	212,895	125,572
2024/25	43,005	1.00%	256.63	11,036,531	251.95	10,835,057	241.95	10,405,009	631,522	430,048	228,592
2025/26	43,435	1.00%	264.31	11,480,188	256.95	11,160,582	241.95	10,509,059	971,129	651,523	332,642
2026/27	43,869	1.00%	272.21	11,941,680	261.95	11,491,533	241.95	10,614,150	1,327,531	877,384	437,733
2027/28	44,308	1.00%	280.35	12,421,724	266.95	11,827,988	241.95	10,720,291	1,701,433	1,107,697	543,874
									4,939,644	3,279,546	1,668,413

3.2 The budget proposals have assumed the maximum allowable increase in Council Tax and a growth in tax base of 1%. In 2023/24 this will raise an additional £0.308M. If there was no increase in Council Tax, income would increase by £0.126M due to forecast increases in the tax base. The table above shows the difference, in terms of income, between the maximum allowable tax increase (2.99% or £5 whichever is the greater), and no increase. Over five years, this amounts to £4.940M in income if option one is adopted compared to £1.668M if no increase was agreed a difference of £3.271M

3.3 **The recommendation arising from this report is that the Council on 25 January 2023 agree a 2.99% increase (option one) to the level of the 2023/24 Band D Council Tax for the Lancaster City Council element.** It is also recommended that option one is selected for the purposes of completing estimates in the Medium-Term Financial Strategy.

4.0 BUSINESS RATES

- 4.1 All rateable values in England and Wales have been revalued by the Valuation Office Agency (VOA) as part of the 2023 Revaluation. This revaluation has been based on open market rental levels as at 1st April 2021 and will be the basis of the business rates liability for each eligible business property in the District from 1st April 2023.
- 4.2 The VOA published the draft rating list in November 2022. As shown in Table 4 below, the draft rating list for Lancaster City Council provides gross rateable value (RV) for 2023 of £169.117M. Table 4 also provides the equivalent RV figures from the 2017 rating list.

Table 4 Lancaster City Council Classifications

Category	2017	2023	Movement	
	Rateable Value	Rateable Value	£	%
Commercial	64,204,715	63,509,776	(694,939)	(1.08%)
Industrial	9,952,150	12,253,525	2,301,375	23.12%
Leisure	3,437,325	4,041,320	603,995	17.57%
Miscellaneous	6,392,137	6,894,217	502,080	7.85%
Educational	11,173,475	13,021,150	1,847,675	16.54%
Non Formula Assessed Utilities	1,515,813	2,428,436	912,623	60.21%
Formula Assessed Utilities	63,655,600	66,775,940	3,120,340	4.90%
Treasury (Crown)	148,725	192,375	43,650	29.35%
Total	160,479,940	169,116,739	8,636,799	5.38%

- 4.3 Members should note that the gross RV for the Council has increased by £8.637M, an increase of 5.38%. This increase compares less than favourably with, both the national picture for England which, overall, has seen an increase in RV of 7.3%, and the North West where the rateable value on average has increased by 7.4% as shown in table 5 below

Table 5 National & District Comparisons

	Retail	Industry	Office	Other	All Sectors
ENGLAND	(10.0)	27.8	10.3	4.4	7.3
North East	(13.9)	19.1	8.6	1.9	2.2
North West	(9.9)	23.2	17.2	5.4	7.4
Yorks/ Humber	(14.6)	19.4	7.9	6.1	4.7
East Midlands	(10.6)	23.2	5.5	6.2	8.6
West Midlands	(11.9)	26.7	15.3	4.5	9
East Midlands	(10.2)	35.1	26.3	9.9	14.4
London	(8.9)	33.1	6.1	(1.1)	3.3
South East	(10.1)	33.5	20.0	6.6	10.9
South West	(4.7)	27.0	14.0	5.9	9.5

- 4.4 At this stage, it is extremely difficult to accurately predict the impact of the revaluation on the Council's share of income from business rates. Ordinarily an increase in rateable values would provide an increase in the Council's share of business rates income. However, this does not take account of factors such as:-

- any reliefs or exemptions which may be applicable;
- the impact of appeals against the new rateable values, and the adequacy of provisions held in the Business Rates Retention Reserve to meet any appeals;
- the impact of any transitional arrangements the Government will introduce to phase in the effect of changes in rateable values

- 4.5 In addition to the points above, the Council's Revenues and Benefits team are working with the Business Rate software supplier, Academy, to input the relevant system parameters for 2023/24. These will also need to be tested ahead of producing the reports required to support further forecasting and the submission of the mandatory government NNDR 1 return before the end of January 2023. This delay has significantly impacted our ability to undertake forecasting for 2023/24 and beyond. Once the relevant information is available it will be included within the final budget considered by Cabinet at its February meeting.

5.0 BUDGET PROPOSALS

- 5.1 The 6 December 2022 Cabinet report set out the significant challenges facing the Council in balancing its revenue budget for 2023/24 and beyond. Since that report, the OBR Project Groups have been working with Members and Officers to identify savings, efficiency, and income generation proposals. These proposals together with in-year changes and ongoing changes to accounting, forecasting and grant activity have also led to a change in the budgetary position from that previously reported. Proposals for closing the budget gap are shown in table 6 below and are provided in summary detail in **Appendix A** for the period to 2027/28

Table 6 Cabinet's Draft Revenue Budget Proposals – 2023/24

	2023/24
	£000
Revenue Budget Forecast as 23 February 2022	21,943
Base Budget Changes	
Operational Base Budget Changes	2,443
	24,386
Outcomes Based Resourcing Proposals	
Costs of Asset Repurposing	277
Changes to Assumptions (Pay)	542
Additional Income Generation Proposals	(420)
Savings Proposals	(2,439)
Minor Adjustments	62
Impact of Review of the Capital Programme (MRP & Interest)	(1,491)
	20,917
Impact of Provisional Local Government Finance Settlement	(20)
Contribution to/ (from) Unallocated Reserves	(474)
General Fund Revenue Budget	20,423
Core Funding	
Revenue Support Grant	(406)
Net Business Rates Income (Note 1)	(9,407)
Council Tax Requirement	10,610
Estimated Council Tax Income	
(Increase Based on 2.99% for 2023/24 then maximum allowable	(10,610)
Resulting Base Budget (Surplus)/ Deficit	0

- 5.2 The proposals set out in the table 6 above produce a balanced revenue budget for 2023/24, which forms part of the recommendations of this report. Subject to Cabinet agreement, this proposal will then go forward to the Budget and Performance Panel on 01 February 2023 and to Council on 25 January 2023.
- 5.3 Table 7 below reconciles the position reported to Cabinet 6 December 2022 to the current balanced position.

Table 7 Reconciliation Cabinet 06 December 2022 to Current Position

	2023/24
	£000
Resulting Base Budget (Surplus)/ Deficit as at 6th December 2022 (Cabinet)	4,209
Impact of Provisional Local Government Finance Settlement	(425)
Changes to Business Rates Income Forecasts	160 (265)
Savings from Review of Minimum Revenue Provision	(1,500)
Revenue Impact of Capital Programme	9 (1,491)
Savings Proposals	(2,439)
Additional Income Proposals	(420)
Costs of Asset Repurposing	277
Changes to Assumptions	604
Contribution from Reserves	(474)
Resulting Base Budget (Surplus)/ Deficit as at 17th January 2023 (Cabinet)	0

Budget Principles and Assumptions

- 5.4 Within the revenue budget there are several principles and key assumptions underpinning the proposed revenue strategy. These are:
- i. Annually, a balanced revenue budget will be set with expenditure limited to the amount of available resources;
 - ii. No long-term use of balances to meet recurring baseline expenditure.
 - iii. Resources will be targeted to deliver Corporate outcomes and value for money. Any additional investment and spending decisions will be made to reflect Council priorities and strategic commitments.
- 5.5 Table 8 below, lists the major assumptions that have been made for the 2023/23 budget.

Table 8 Major Assumptions within Draft Revenue Budget 2023/24

	2023/24
Council Tax Base Growth	1.00%
Council Tax Increase	2.99%
Council Tax Collection Rate (Band D Equivalent)	98.67%
Business Rates Multiplier	Frozen
Fees & Charges	Various
Inflation – Pay	4.00%
Employer Pensions Contribution	16.30%
Inflation – General (Minor Cost Centres)	2.40%
Inflation – Insurance	10.00%
Inflation Utilities	Gas: 3.0% (current price) Electric: 5.0% (anticipated price)
Interest Rate – investments	3.50%
Interest Rate – new borrowing	4.00%

Base Budget and Operational Changes

- 5.6 Operational and Base Budget changes for 2023/24 currently amount to an increase in expenditure of £1.393M (Base Budget £2.443M Other (£1.050M)). A summary of operational changes is given in the table 9 below:

Table 9 Base Budget & Operational Changes

Base Budget Changes	£M
Employees	0.868
Premises Related	2.895
Transport Related	0.294
Supplies and Services	0.907
Support Services	-0.084
Capital Financing Costs	0.480
Appropriations	0.139
Income	-1.671
Reserve Adjustments	-1.385
Sub Total	2.443
Operational Changes	
Costs of Asset Repurposing	0.277
Change in Pay Assumption	0.542
Revenue Impact of Capital Programme Review	0.009
Minimum Revenue Provision Adjustment	-1.500
Fees & Charges	-0.420
Other Minor Changes	-0.042
Sub Total	-1.050
Total	1.393

Base Budget ChangesEmployees Assumptions £0.868M

- 5.7 As part of the 2022/23 budget setting process, in line with the majority of Councils, an inflationary uplift of 2% was included to salaries across all service areas for all projected years. During the current financial year a pay award of an increase of £1,925 on all NJC pay points was accepted. When consolidated the composite rate was considerably higher than 2% budgeted. The impact on 2023/24 was initially estimated as an additional £0.868M when considered against the 2% originally included.

Premises Related £2.895M

- 5.8 This base budget increase largely represents inflation surrounding energy costs. As has been well documented, the cost of living crisis has massively impacted on the cost of energy. The estimates have been prepared on information available during quarter 3 of 2022/23 and will be closely monitored during the 2023/24 financial year.

Transport Related £0.294M

- 5.9 This base budget increase largely represents the inflation surrounding fuel costs. Again, the cost of living crisis has massively impacted on the cost of fuel. The estimates have been prepared on information available during quarter 3 of 2022/23 and will be closely monitored during the 2023/24 financial year.

Supplies and Services £0.907M

- 5.10 The council support a number of housing schemes (resettlement programmes, Changing Futures etc.) where funding for 2023/24 was confirmed during 2022/23. Related expenditure has now been included in the draft revenue budget. These are mainly government funded

initiatives and a corresponding adjustment is included within the income section.

Support Services (£0.084M)

- 5.11 The original budgets within general fund housing accounts included a recharge to other accounts within service. This is no longer required as the costs are now being directly coded to the originating cost centre. There is a corresponding adjustment within the income section.

Capital Financing Costs £0.480M

- 5.12 This represents the interest cost of new loans required during 2023/24 to support the capital programme.

Appropriations £0.139M

- 5.13 This represents a net increase in amounts being utilised principally from the revenue grants unapplied reserve which is the repository for grants received without conditions in previous years such as Community Housing and Brownfield/Self Build.

Income (£1.671M)

- 5.14 As detailed above, a significant proportion of this base budget change relates to the government funding on an array of initiatives where a corresponding amount of expenditure has been included within the supplies and services section.

- 5.15 As part of the 2022/23 budget setting process, a savings item of c.£0.5M was included to reflect the impact of a car parking tariff review. Due to subsequent tariff changes and other factors, this additional income has not been realised. The 2023/24 projection has, therefore, been reduced by that amount as a realistic measure of what income level the council can expect to achieve. New investment property income of c.£0.250M was also included in the original budget. Changes to borrowing requirements have, however prevented the acquisition of properties purely for commercial gain and the income target has subsequently been removed.

Reserve Adjustments £1.385M

- 5.16 This amount includes £1.1m for roof and cladding works at Gateway, White Lund together with £0.180M and £0.105M for Burrow Beck solar farm feasibility and urgent property maintenance works respectively.

Operational Changes

Costs of Asset Repurposing £0.277M

- 5.17 As part of their review of the Council's estate, the Asset Group highlighted a number of properties requiring essential maintenance as well as several potential properties for disposal. These costs reflect both the level of required maintenance and loss of income associated with disposal.

5.18 Change in Pay Assumptions £0.542M

As noted above, the initial pay planning assumption was for an increase of 2%. Following discussions with Members, and consideration of information received from other North West Council's, it was felt that 2% was insufficient. The budget was, therefore increased to a rate of 4%. This equated to a further £0.542M for 2023/24 and has also created a further burden on future years.

Revenue Impact of Capital Programme Review £0.009M

- 5.19 Cabinet and Senior Leadership Team have reviewed in detail the Council's existing capital programme and have added, deleted and reprofiled a number of capital schemes in line with its Capital Investment Strategy. This has resulted in a small net cost in 2023/24 for Minimum Revenue Provision (MRP) and interest charges.

Minimum Revenue Provision Adjustment (£1.500M)

- 5.20 As part of the OBR process officers commissioned an external review of the Council's MRP policy and historic provision. The review highlighted a number of historic adjustments, which given the length of time could generate a significant retrospective windfall to the Council. Members need to note that to realise this value, a significant amount of work will be required from officers. It is anticipated that this work will commence in the second quarter of the 2023/24 financial year

Fees & Charges (£0.420M)

- 5.19 As reported elsewhere on this agenda, fees and charges are subject to annual inflationary rises. Since the previously reported budgetary position, a change has been made to the percentage increase in fees which has a positive impact on the net position of the general fund.

Other Minor Changes £0.042M

- 5.20 This largely relates to the financial impact of Museums staff completing the job evaluation process and the net impact of the Local Government Finance Settlement.

Savings Proposals £2.439M

- 5.21 As noted previously, the OBR groups have identified a number of budget savings. The details at **Appendix B** for 2023/24 relate to several areas where actions are being undertaken by the Council. Given the sensitivities around some of the proposals, they have been presented at summary Directorate level at this stage of the budget process. Further information will be provided in due course to enable effective internal and external discussion.
- 5.22 Failure to deliver these savings, efficiency and income proposals would represent a significant risk to the Council as any shortfall would result in further financial pressures in 2024/25 and beyond.

6.0 CAPITAL PROGRAMME

- 6.1 Cabinet and Senior Leadership Team are currently finalising the proposed Capital Programme for 2023/24 and beyond in accordance with its Capital Strategy (Investing in the Future).

- 6.2 Details of the current proposed Capital Programme are provided at **Appendix C**. The final Capital Programme for 2023/24 to 2027/28 and supporting Capital Strategy to cover this period and beyond will be considered by Cabinet at its February meeting ahead of the Budget Council on 22 February 2023.

- 6.3 It is expected that a number of significant capital proposals will be put forward in line with the Capital Investment Strategy during the forthcoming year covering major upcoming corporate priority projects. These ambitious schemes, which cover economic development, regeneration, housing development and meeting the climate emergency, will contribute to achieving the Council's ambitions and deliver its stated outcomes.

7.0 MEDIUM TERM FINANCIAL STRATEGY

- 7.1 An update to the Council's Medium Term Financial Strategy (MTFS) was presented to Council on 14 December 2022. The MTFS presented to that meeting was a baselined position, in that it did not include any of the interventions now considered within this report.

- 7.2 Members will appreciate that there are a significant number of factors to be considered as part of the medium-term financial planning exercise. The revision of the MTFS is progressing well and will be considered at Budget Setting Council on 22 February 2023. The revision of the MTFS will be key in providing sound financial planning processes to underpin the Council's ambitions following the May 2023 election. Key considerations of the MTFS include

taking account of the impact of decisions made to balance the 2023/24 budget alongside forecasts for future funding.

- 7.3 Table 10 below provides the most recent forecasts with providing more detail across the 5 year period

Table 10 Net Revenue Budget & Budget Gaps 2023/24 – 2027/28

	2023/24	2024/25	2025/26	2026/27	2027/28
	£'000	£'000	£'000	£'000	£'000
Net Revenue Budget (Estimate 17/01/23)	20,423	24,137	25,989	28,082	28,437
Budget Gap (Incremental)	0	3,410	5,562	7,014	6,706
% of Net Revenue Budget (Incremental)	0%	14%	21%	25%	24%
Budget Gap (Cumulative)	0	3,410	8,972	15,987	22,692
% of Net Revenue Budget (Cumulative)	0%	14%	35%	57%	80%

- 7.4 The forecast budget gaps are structural in nature, meaning that the Council's forecast spending exceeds the income it expects to receive. Despite the £2.439M savings proposals identified so far as part of the current budget process, a further £3.410M savings, efficiencies or income generation will be required in order to balance the 2024/25 budget. Overall, the current estimated shortfall is £7.014M. This represents a significant challenge over the short and medium term.

- 7.5 Officers are currently working with Cabinet and will seek early engagement following the election to agree a series of actions to address this issue as a matter of urgency. The proposed actions currently include

- Seeking a mandate from Cabinet for Officers to continue to develop proposals in the run up to the election
- Exploration of alternative service delivery models including closer working and collaboration with other Councils, Public Sector Bodies and Partner Institutions
- Application of alternative funding to deliver key Council outcomes
- Detailed review and sensitivity analysis on all key and significant income streams
- Further rationalisation work on the Council's asset base
- Expansion of the investment to reduce cost principle
- The potential use of capital receipts to finance existing projects
- Capitalisation of transformation costs where appropriate
- Development of a series of efficiency targets for Chief Officers to deliver

- 7.6 These proposals will form part of a wider consolidated strategy to be presented to Cabinet and Council in the new financial year

- 7.7 Many of the financial pressures identified within the Councils General Fund are also present within the Housing Revenue Account (HRA). A full update on the HRA budget and financial outlook will be considered alongside the General Fund revenue budget including options to ensure that the service's 30-year business plan is viable and that its ongoing budget is balanced, whilst delivering value for money to tenants.

8.0 DETAILS OF CONSULTATION

- 8.1 Given the size of the challenges faced by the Council and the need for fundamental change in service delivery for both 2023/24 and beyond, enhanced consultation with relevant internal and external stakeholders on the budget has been undertaken as part of the development of this budget with a number of briefings taking place. Further

engagement will be undertaken prior to Budget Council in February. More specific consultation will continue as work continues to address the issues identified in the next few years.

9.0 OPTIONS AND OPTIONS ANALYSIS (INCLUDING RISK ASSESSMENT)

- 9.1 It is essential that the Council Tax rate is set in line with the Council Tax billing timetable. Any delay would put the Council at risk of not being able to collect the tax which would have serious cash flow implications.
- 9.2 Regarding the budget strategy, Cabinet may approve the proposals as set out, or ask for changes to be made to the suggested approach. The overriding aim of any budget setting process is to approve a balanced budget by statutory deadlines, allocating resources to help ensure delivery of the Council's corporate priorities and service outcomes. The proposed approach is in line with that broad aim and any changes that Cabinet puts forward should also be framed in that context.
- 9.3 In terms of the actual budget position, this report puts forward a balanced budget. If Cabinet agrees the budget, then it will form their proposal to Budget and Performance Panel on 01 February 2023. The feedback from this meeting will be considered by Cabinet and incorporated into a final budget proposal which will be considered at the Cabinet meeting on 07 February 2023 and recommended to Council on 22 February 2023.

10.0 CONCLUSION

- 10.1 The current budget proposal produces a balanced budget through utilisation of the Councils reserves. Cabinet and Officers will continue to work ahead of Cabinet's 07 February 2023 meeting to identify further opportunities for savings, efficiencies, and income generation in order to further reduce the use of reserves.
- 10.2 Whilst the longer term financial forecasts contain numerous estimates and assumptions, which will change over time, the forecasts clearly highlight potential annual and cumulative budget deficits over the next 5 years and the perilous position the Council now faces. Although this position is not unique to this Council, and is reflected nationally across many public sector bodies, the gaps identified for 2024/25 and beyond are of such a level that both Members and Officers need to be under no illusion of the size of the challenge ahead. Significant transformational change in the way that the Council delivers both its statutory and non-statutory services across the district will be required.

RELATIONSHIP TO POLICY FRAMEWORK

The budget framework in general sets out a financial plan for achieving the Council's corporate priorities and outcomes which incorporate the above cross cutting themes. Equalities impact assessments are undertaken for the relevant activities which are reflected in the budget.

CONCLUSION OF IMPACT ASSESSMENT

(including Diversity, Human Rights, Community Safety, Sustainability etc)

The proposed budget incorporates measures to address the climate emergency and digital improvements as well as activities to address wellbeing, health and community safety.

FINANCIAL IMPLICATIONS

As set out in the report

SECTION 151 OFFICER'S COMMENTS

The s151 Officer has authored this report and his comments are reflected within its contents however he would draw Members attention to the following commentary within the report.

Whilst the longer term financial forecasts contain numerous estimates and assumptions, which will change over time, the forecasts clearly highlight potential annual and cumulative budget deficits over the next 5 years and the perilous position the Council now faces. Although this position is not unique to this Council, and is reflected nationally across many public sector bodies, the gaps identified for 2024/25 and beyond are of such a level that both Members and Officers need to be under no illusion of the size of the challenge ahead. Significant transformational change in the way that the Council delivers both its statutory and non-statutory services across the district will be required.

LEGAL IMPLICATIONS**MONITORING OFFICER'S COMMENTS**

The Monitoring Officer has been consulted and has no comments

BACKGROUND PAPERS

Council

[Agenda for Council on Wednesday, 27th February 2019, 6.00 p.m.](#)

[Agenda for Council on Wednesday, 26th February 2020, 6.00 p.m.](#)

[Agenda for Council on Wednesday, 24th February 2021, 6.00 p.m.](#)

[Agenda for Council on Wednesday, 23rd February 2022, 6.00 p.m.](#)

Cabinet

[Agenda for Cabinet on Tuesday, 6th December 2022, 6.00 p.m. - Lancaster City Council](#)

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Ref: N/A

General Fund Revenue Budget Projections 2022/23 to 2027/28

For Consideration by Cabinet 17 January 2023

	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	£'000	£'000	£'000	£'000	£'000	£'000
Revenue Budget/Forecast as at 23 February 2022	21,254	21,943	23,479	24,766	0	0
Base Budget Changes						
		Base Budget Adjustments				
Employees	+1,597	868	818	689	28,034	28,742
Premises Related Exp	+1,987	2,895	3,002	3,128	8,263	8,491
Transport Related Exp	+650	294	300	302	1,676	1,704
Supplies and Services	+2,021	907	558	394	11,639	12,035
Support Services	(36)	(84)	(33)	(20)	71	71
Capital Financing Costs	(291)	480	579	672	311	311
Appropriations	(1,091)	139	(250)	(483)	6,096	5,747
Income	(2,566)	(1,671)	(1,176)	(675)	(25,801)	(26,111)
Reserve Adjustments	0	(1,385)	(101)	(47)		
Latest Budgetary Position	23,525	24,386	27,176	28,726	30,289	30,990
Outcomes Based Resourcing Proposals						
Asset Repurposing		277	295	450	1,075	790
Changes to Pay Assumption		542	809	812	819	823
Additional Income Generation Proposals		(420)	(434)	(444)	(452)	(464)
Savings Proposals		(2,439)	(3,349)	(3,463)	(3,560)	(3,652)
Income Generation Proposals			(675)	(675)	(675)	(675)
Revenue Impact of Capital Programme Review (MRP & Interest)		(1,491)	269	537	537	570
Minor Adjustments		62	66	66	69	75
Budgetary Position	23,525	20,917	24,157	26,009	28,102	28,457
Impact of Settlement (Non Core Funding)		(20)	(20)	(20)	(20)	(20)
Contribution to/ (from) Unallocated Reserves		(474)				
General Fund Revenue Budget	23,525	20,423	24,137	25,989	28,082	28,437
Core Funding:						
Revenue Support Grant	(212)	(406)	(406)			
Prior Year Council Tax Surplus	(66)					
Net Business Rates Income	(10,106)	(9,407)	(9,284)	(8,947)	(9,126)	(9,309)
Council Tax Requirement	13,141	10,610	14,447	17,042	18,956	19,128
Estimated Council Tax Income - (Increases based on 2.99% for 2023/24 then max allowable)	10,176	10,610	11,037	11,480	11,942	12,422
Resulting Base Budget (Surplus)/Deficit	2,965	(0)	3,410	5,562	7,014	6,706
Estimated Revised Incremental Deficit (Sept 2022)	2,965	(0)	3,410	5,562	7,014	6,706
Incremental Deficit as Percentage of Net Revenue Budget	13%	0%	14%	21%	25%	24%

General Fund Unallocated Balance							
	£M	£M	£M	£M	£M	£M	
BALANCES	Balance as at 1 April 2022-25	(6.032)	(7.645)	(7.645)	(4.235)	+1.327	+8.342
	In Year allocations	+0.000	+0.000	+0.000	+0.000	+0.000	+0.000
	Forecast (Under)/Overspend	+2.965	(0.000)	+3.410	+5.562	+7.014	+6.706
	Other Adjustments	+1.335	+0.000	+0.000	+0.000	+0.000	+0.000
	Contributions (to)/ from Allocated Reserves Review September 2022	(5.913)	+0.000	+0.000	+0.000	+0.000	+0.000
	Projected Balance as at 31 March 2023-26	(7.645)	(7.645)	(4.235)	+1.327	+8.342	+15.047
	Less Recommended Minimum Level of Balances	5.000	5.000	5.000	5.000	5.000	5.000
	Available Balances	(2.645)	(2.645)	+0.765	+6.327	+13.342	+20.047

Saving and Budget Proposals 2023/24 to 2027/28

	Upfront Investment	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000
<i>Central Services</i>		76	143	145	147	149
<i>Communities & the Environment</i>		445	507	519	527	539
<i>Corporate Services</i>		338	352	362	372	382
<i>Economic Growth & Regeneration</i>		1,132	1,889	1,974	2,045	2,095
<i>Senior Leadership Restructure</i>		448	458	463	469	487
Net Savings		2,439	3,349	3,463	3,560	3,652

General Fund Capital Programme

Service / Scheme	2022/23			2023/24			2024/25			2025/26			2026/27			2027/28			6 YEAR TOTAL		
	Gross Budget	External Funding	Net Programme	Gross Budget	External Funding	Net Programme	Gross Budget	External Funding	Net Programme	Gross Budget	External Funding	Net Programme	Gross Budget	External Funding	Net Programme	Gross Budget	External Funding	Net Programme	Total Gross Programme	Total External Funding	Total Net Programme
	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£
Communities and Environment																					
Vehicle Renewals (including electrification of fleet)	4,449,000		4,449,000	1,239,000		1,239,000	2,478,000		2,478,000	1,636,000		1,636,000	36,000		36,000	833,000		833,000	10,671,000	0	10,671,000
Burrow Beck Solar	0		0	4,000,000		4,000,000	1,000,000		1,000,000			0			0			0	5,000,000	0	5,000,000
Property De-carbonisation Works	0		0	1,025,000	(538,000)	487,000	4,100,000	(2,154,000)	1,946,000			0			0			0	5,125,000	(2,692,000)	2,433,000
Disabled Facilities Grants	2,336,000	(2,336,000)	0	3,271,000	(3,271,000)	0	2,144,000	(2,144,000)	0	2,144,000	(2,144,000)	0	2,144,000	(2,144,000)	0	2,144,000	(2,144,000)	0	14,183,000	(14,183,000)	0
Salt Ayre Asset Management Plan	662,000		662,000	161,000		161,000	976,000		976,000	291,000		291,000			0			0	2,090,000	0	2,090,000
Next Steps Accommodation Programme	1,326,000	(576,000)	750,000			0			0			0			0			0	1,326,000	(576,000)	750,000
Mellishaw Park	0		0	1,540,000	(768,000)	772,000	360,000	(192,000)	168,000			0			0			0	1,900,000	(960,000)	940,000
Home Improvement Agency Vehicles	0		0	105,000		105,000			0			0			0			0	105,000	0	105,000
SALC - optimised solar farm, air source heating pumps & glazing efficiency	318,000	(318,000)	0			0			0			0			0			0	318,000	(318,000)	0
Torrisholme Park Play Area	70,000	(70,000)	0			0			0			0			0			0	70,000	(70,000)	0
Half Moon Bay Car Park Extension	60,000		60,000			0			0			0			0			0	60,000	0	60,000
Far Moor Playing Fields s106 Scheme	37,000		37,000			0			0			0			0			0	37,000	0	37,000
Roof Mounted Solar Array - City Labs	33,000		33,000			0			0			0			0			0	33,000	0	33,000
One Million Trees	0		0	0		0			0			0			0			0	0	0	0
Happy Mount Park Pathway Replacements	8,000		8,000			0			0			0			0			0	8,000	0	8,000
Economic Growth and Regeneration																					
Lancaster Heritage Action Zone	1,104,000	(676,000)	428,000	754,000	(126,000)	628,000			0			0			0			0	1,858,000	(802,000)	1,056,000
Lancaster Heritage Action Zone - St John's Church	0		0	0		0	0		0	500,000		500,000			0			0	500,000	0	500,000
Gateway Solar Array	0		0	984,000		984,000			0			0			0			0	984,000	0	984,000
Sea & River Defence Works	340,000	(340,000)	0	554,000	(554,000)	0			0			0			0			0	894,000	(894,000)	0
Bailrigg Garden Village Contribution	0		0	0		0	306,000		306,000	306,000		306,000			0			0	612,000	0	612,000
1 Lodge Street Urgent Structural Repairs	57,000		57,000	422,000		422,000			0			0			0			0	479,000	0	479,000
Morecambe Co-Op Building Renovation	0		0	425,000		425,000			0			0			0			0	425,000	0	425,000
Gateway Low Voltage Switchgear	170,000		170,000			0			0			0			0			0	170,000	0	170,000
Palatine Recreation Ground Pavillion	138,000		138,000			0			0			0			0			0	138,000	0	138,000
Lancaster City Museum Boiler	131,000	(78,000)	53,000			0			0			0			0			0	131,000	(78,000)	53,000
Edward Street Coach House Area Improvement	0		0			0			0			0			0			0	0	0	0
Lancaster District Empty Homes Partnership	0		0	0		0			0			0			0			0	0	0	0
Lawsons Bridge S106 Scheme	0		0	63,000		63,000			0			0			0			0	63,000	0	63,000
Lancaster Square Routes	0		0	21,000	(16,000)	5,000			0			0			0			0	21,000	(16,000)	5,000
Engineers Electric Vehicle	15,000		15,000			0			0			0			0			0	15,000	0	15,000
Coastal Revival Fund - Morecambe Co-Op Building	11,000	(11,000)	0			0			0			0			0			0	11,000	(11,000)	0
S106 Highways Works	0		0			0			0			0			0			0	0	0	0
S106 Highways Works	25,000	(25,000)	0			0			0			0			0			0	25,000	(25,000)	0
Property - Capital Works	0		0	0		0	47,000		47,000	638,000		638,000	177,000		177,000	965,000		965,000	1,827,000	0	1,827,000
Commercial Property - Capital Works	0		0	0		0	233,000		233,000	19,000		19,000	336,000		336,000	115,000		115,000	703,000	0	703,000

General Fund Capital Programme

Service / Scheme	2022/23			2023/24			2024/25			2025/26			2026/27			2027/28			6 YEAR TOTAL		
	Gross Budget	External Funding	Net Programme	Gross Budget	External Funding	Net Programme	Gross Budget	External Funding	Net Programme	Gross Budget	External Funding	Net Programme	Gross Budget	External Funding	Net Programme	Gross Budget	External Funding	Net Programme	Total Gross Programme	Total External Funding	Total Net Programme
Corporate Services																			0	0	0
ICT Systems, Infrastructure & Equipment	418,000		418,000	135,000		135,000	115,000		115,000	130,000		130,000			0			0	798,000	0	798,000
ICT Laptop Replacement & e-campus screens	120,000		120,000	30,000		30,000			0			0			0			0	150,000	0	150,000
ICT Nimble	0		0			0	300,000		300,000			0			0			0	300,000	0	300,000
Local Full Fibre Network	0		0	800,000		800,000	1,000,000		1,000,000			0			0			0	1,800,000	0	1,800,000
Schemes Under Development																			0	0	0
Canal Quarter	0		0	800,000		800,000			0			0			0			0	800,000	0	800,000
Canal Quarter - Nelson St/St Leonardsgate	0		0	2,769,000	(2,769,000)	0			0			0			0			0	2,769,000	(2,769,000)	0
White Lund Depot - Offices	0		0	300,000		300,000			0			0			0			0	300,000	0	300,000
Our Future Coast	75,000	(75,000)	0	208,000	(208,000)	0	62,000	(62,000)	0	63,000	(63,000)	0	85,000	(85,000)	0			0	493,000	(493,000)	0
GENERAL FUND CAPITAL PROGRAMME	11,903,000	(4,505,000)	7,398,000	19,606,000	(8,250,000)	11,356,000	13,121,000	(4,552,000)	8,569,000	5,727,000	(2,207,000)	3,520,000	2,778,000	(2,229,000)	549,000	4,057,000	(2,144,000)	1,913,000	57,192,000	(23,887,000)	33,305,000
Financing :																					
Capital Receipts			(130,800)			(105,000)			0			0			0			0			(235,800)
Direct Revenue Financing			0			0			0			0			0			0			0
Earmarked Reserves			(490,000)			(187,000)			(38,000)			0			0			0			(715,000)
Increase / (Reduction) in Capital Financing Requirement (CFR) (Underlying Change in Borrowing Need)			6,777,200			11,064,000			8,531,000			3,520,000			549,000			1,913,000			32,354,200

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