



LANCASTER
CITY COUNCIL

Promoting City, Coast & Countryside

COUNCIL MEETING

**Wednesday, 24 January 2024 -
6.00 p.m.
Morecambe Town Hall**

Lancaster City Council welcomes members of the public to attend meetings. However, space in the public gallery is limited to 30 seats due to Fire Regulations. The seats are allocated on a first come, first served basis and no standing is permitted. Meetings are livestreamed please click [HERE](#) to watch using MS Teams. Please contact Democratic Support via email democracy@lancaster.gov.uk if you wish to register to speak or ask a question at this meeting. The deadline to register is 12pm on Friday 19 January.

Mark Davies,
Chief Executive,
Town Hall,
Dalton Square,
LANCASTER,
LA1 1PJ



LANCASTER CITY COUNCIL

Promoting City, Coast & Countryside

Sir/Madam,

You are hereby summoned to attend a meeting of the Lancaster City Council to be held in the Town Hall, Morecambe on Wednesday, 24 January 2024 commencing at 6.00 p.m. for the following purposes:

1. **APOLOGIES FOR ABSENCE**

2. **MINUTES**

To receive as a correct record the Minutes of the Meeting of the City Council held on 13 December 2023 (previously circulated).

3. **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.

4. **ITEMS OF URGENT BUSINESS**

5. **ANNOUNCEMENTS**

To receive any announcements which may be submitted by the Mayor or Chief Executive.

6. **QUESTIONS FROM THE PUBLIC UNDER COUNCIL PROCEDURE RULE 11**

To receive questions in accordance with the provisions of Council Procedure Rules 11.1 and 11.3 which require members of the public to give at least 3 days' notice in writing of questions to a Member of Cabinet or Committee Chairman.

7. **PETITIONS AND ADDRESSES**

To receive any petitions and/or addresses from members of the public which have been notified to the Chief Executive in accordance with the Council's Constitution.

8. **LEADER'S REPORT** (Pages 5 - 7)

To receive the Cabinet Leader's report on proceedings since the last meeting of Council.

REPORTS REFERRED FROM CABINET, COMMITTEES OR OVERVIEW AND SCRUTINY

9. **BUDGET AND POLICY FRAMEWORK UPDATE 2024/25 - 2028/29** (Pages 8 - 23)

Report of Cabinet.

Published 19 January 2024

OTHER BUSINESS

10. **INDEPENDENT REMUNERATION PANEL** (Pages 24 - 33)

Report of the Independent Remuneration Panel.

11. **APPOINTMENTS TO OUTSIDE BODIES** (Pages 34 - 35)

Report of the Senior Manager, Democratic Support and Elections.

12. **APPOINTMENTS AND CHANGES TO COMMITTEE MEMBERSHIP**

Group Administrators to report any changes to Committee Membership.

13. **QUESTIONS UNDER COUNCIL PROCEDURE RULE 12**

To receive questions in accordance with the provisions of Council Procedure Rules 12.2 and 12.4 which require a Member to give at least 3 working days' notice, in writing, of the question to the Chief Executive.

14. **MINUTES OF CABINET** (Pages 36 - 55)

To receive the Minutes of Meetings of Cabinet held 24 October and 5 December 2023.



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Chief Executive

Town Hall,
Dalton Square,
LANCASTER,
LA1 1PJ

Published on 16 January 2024.



Leader’s Report

24 January 2024

Report of the Leader of the Council

PURPOSE OF REPORT
To present the Leader’s report to Council.
This report is public.

RECOMMENDATIONS

To receive the report of the Leader of Council.

REPORT

1.0 Cabinet

1.1 Information on Cabinet matters is provided in the minutes from the Cabinet meetings held 24 October and 5 December, later in this agenda.

2.0 Decisions required to be taken urgently.

2.1 The following decisions have been taken during this period by the Chief Executive, in consultation with the relevant Cabinet Members and the Chair of the Overview and Scrutiny Committee.

UB135	Procurement of Demolition Contractor	Published 06.12.23 Call-in Waived
UB136	Continued Financing of Demolition Contractor for Major Incident	Published 15.12.23 Call-in Waived

3.0 Leader’s Comments

3.1 Welcome members to 2024! I hope everyone has returned from the Christmas break feeling refreshed and ready for the year ahead. Sadly, one of our number has not joined us in this new year, with the passing of Councillor Paul Gardner.

Paul was no stranger to civic life, having served on this council in a previous term 20 years ago. He was also a former member of Carnforth Town Council and had served as the Mayor of Carnforth. His working life reflected his socialist values, variously being a mental health Nurse and an employment law paralegal – actively involved in work with his union throughout. He was a fixture of the local Labour movement, and his passion and activism will be greatly missed by many. May he rest in peace.

- 3.2 In December I joined Cat Smith MP and our CEO in a meeting with Simon Hoare MP, Parliamentary Under Secretary of State for the Department for Levelling Up, Housing and Communities (DLUHC), to discuss the A1 Supaskips emergency. The Minister undertook to explore the emergency response, interdepartmental and interagency responsibilities, and mechanisms with which Lancaster City Council might recoup costs expended in dealing with the emergency. A follow-up meeting and outcomes will hopefully take place before my next Leader's report.
- 3.3 Lancaster University hosted an event at the Midland Hotel on 6th December themed around 'Transforming Coastal Communities', seeking to examine the challenges faced by Morecambe, Blackpool and the surrounding communities and how these can be addressed by universities, enterprise, and both local and national political leaders, working in partnership. Cllr C Jackson attended the panel session during the day, and I attended the civic leaders round-table discussions in the evening.
- 3.4 At the last meeting of Council I undertook to write to the Prime Minister and Foreign Secretary, urging them to use their international leadership to call for an immediate ceasefire in Gaza, the West Bank and in Israel. This letter was co-signed by the leaders of each political group within our administration and sent on 18th December 2023. It is worth reflecting on that despite the demands of the international community made of Israel, civilians are continuing to be killed, nearly 2 million people have been displaced and blocks on supplies of aid are causing a humanitarian catastrophe; meanwhile Hamas continues to hold hostages, hide among civilians, and fire rockets into Israel. The hurt and horror being felt by our own communities in Lancaster as the violence in that region is perpetuated seems set to continue. The international community can and must make political progress towards what we all want: an end to conflict and a sustainable ceasefire. We hope that our own leaders will heed our calls to contribute to finding a route to lasting peace in the Middle East.
- 3.5 In January I wrote to Cat Smith MP and David Morris MP asking them to support calls for increased funding for Council's following the announcement of the local government finance settlement. As highlighted by the District Council's Network (DCN), alongside increasing financial pressures in local government, district council's such as ours are seeing only an average 4.9% increase in core funding compared to 6.5% in local government as a whole. I have also once again highlighted the increasing cost pressures associated in dealing with homelessness. The detail of the local government finance settlement and its impact on the budget setting process are likely to form a significant portion of this month's full council meeting. Cabinet reports from 16th January will also contain much of the detail, alongside information about the actions identified in the Outcomes Based Resourcing (OBR) budget setting process. Therefore, I won't

comment further here, and defer to the Finance portfolio holder to present to council.

- 3.6 The Deputy Leader Caroline Jackson attended the NW Regional Leaders meeting in St Helens which met with the new LGA Chair Shaun Davies and discussed a range of regional concerns including the need to create regional leadership for Climate Change and Net Zero. She also attended the Lancashire Leaders' Health summit in Blackpool to receive evaluation of the Changing Futures project which has recently been given extended funding and the Lancaster University Coastal Communities event at the Platform which showcased successful innovation and change.

4.0 Decisions

The following decisions were scheduled to be considered by Cabinet on 16 January 2024:

Corporate Fees and Charges
Budget & Policy Framework Update 2024/25 to 2028/29 including Capital Programme, Capital Strategy & Treasury Management Strategy

The following Officer Delegated Key Decision has been taken since the last Leaders report.

ODD 2	White Lund Improvement	Published on 8.12.23
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The following Individual Cabinet Member Decision has been taken since the last Leader's report.

ICMD 17	Application for Grant Funding from the Community Housing Fund for Lapwing Housing Co-Operative	Published: 29.11.23 Taken by: Cllr Gina Dowding
ICMD 18	Further Procurement of Litter Bin Sensors with Current Provider	Published: 18.12.23 Taken by: Cllr Joanne Ainscough Call-in Waved

Background Papers

Cabinet agenda of the meeting held on 16 January 2024.

COUNCIL**Budget & Policy Framework Update****2024/25 – 2028/29****24 January 2024****Report of Cabinet****PURPOSE OF REPORT**

To provide an update on the Council's budget strategy for 2024/25 and financial outlook up to 2028/29. Specifically, the report considers the budget and Council Tax proposals for 2024/25

This report is public.

RECOMMENDATION OF CABINET

- 1. That Council approves a City Council Tax increase of 2.99% to the Band D Council Tax (from £249.18 to £256.63), together with a year on year target of the maximum allowable under the Government's local referendum thresholds for future years.**
- 2. That Council considers the proposed revenue budget for 2024/25 as set out in this report.**

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 16 January 2024 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 2024/25 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 (18 December 2023). Several workshops have been held between Cabinet and Senior Leadership Team to explore initial proposals from the OBR task groups.

1.4 This report sets out:

- An update to the estimates of Central Government funding including Revenue Support Grant, Funding Guarantee & 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 2024/25. **(Section 3)**
- An update to the retained Business Rates forecast following on from the release of the finance settlement, adoption of the 2023 Non-domestic rating bill and review of latest monitoring information & movements on the business rates reserve. **(Section 4)**
- A summary of the proposals for achieving a balanced revenue budget for 2024/25. **(Section 5)**
- An update on the work undertaken in respect of the capital programme for the remainder of 2023/24 to 2028/29, 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 Details of the provisional Local Government Finance Settlement for 2024/25 were announced on 18th December 2023. 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 28 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

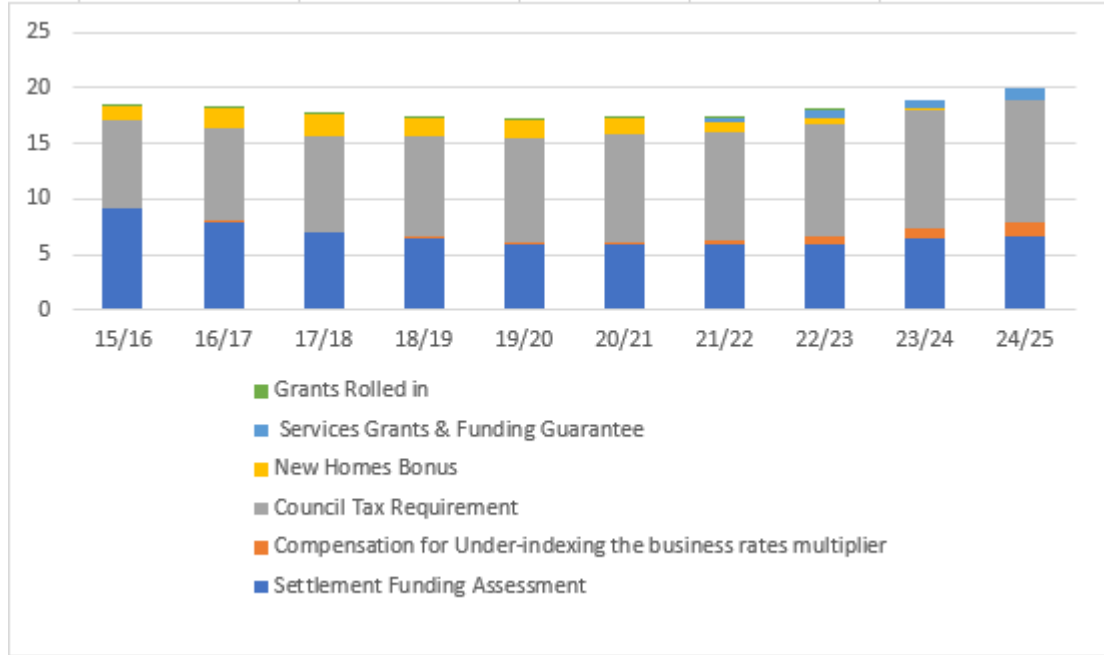
	Provisional Settlement £000	LCC Forecast £000	Difference £000
Settlement Funding Assessment			
Revenue Support Grant	433	406	27
New Homes Bonus	10	0	10
Funding Guarantee	1,002	605	397
Services Grant	37	232	(195)
Total Government Funding	1,482	1,243	239

2.4 As table one shows, the provisional settlement allocates £0.239M more resources from Central Government than anticipated and this slightly reduces the gap for the 2024/25 revenue budget. The impact of the provisional settlement and its effect on retained business rates together with the technical adjustments arising for the 2023 non-domestic rating bill is examined separately in Section 4. In addition, 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 2024/25 will increase from £18.93M to £19.90M or 5.1% when compared to CSP in 2023/24 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 6.5%

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: 2024/25 to 2028/29

Year	Taxbase (% Annual Increase)	Estimated Annual Movement %	Option 1 Annual increase of 2.99% in Council Tax		Option 2 Annual increase of £5 in Council Tax		Option 3 No annual increase in Council Tax		Additional Income from 2.99% Increase & 1% Annual Growth	Additional Income from £5 Increase & 1% Annual Growth	Income from Increase in Tax Base Only 1%
			Band D	Income	Band D	Income	Band D	Income			
2023/24	42,579		249.18	10,609,835	249.18	10,609,835	249.18	10,609,835			
2024/25	42,583		256.63	10,928,096	254.18	10,823,747	249.18	10,610,832	317,264	212,915	997
2025/26	43,009	1.00%	264.30	11,367,394	259.18	11,147,029	249.18	10,716,940	650,454	430,088	107,105
2026/27	43,439	1.00%	272.21	11,824,352	264.18	11,475,693	249.18	10,824,110	1,000,243	651,584	214,274
2027/28	43,873	1.00%	280.35	12,299,679	269.18	11,809,817	249.18	10,932,351	1,367,329	877,466	322,516
2028/29	44,312	1.00%	288.73	12,794,114	274.18	12,149,475	249.18	11,041,674	1,752,440	1,107,801	431,839
									5,087,729	3,279,854	1,076,731

3.2 The budget proposals have assumed the maximum allowable increase in Council Tax and a growth in tax base of 1%. In 2024/25 this will raise an additional £0.317M. If there was no increase in Council Tax, income would increase by £0.0001M due to 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 £5.088M in income if option one is adopted compared to £1.077M if no increase was agreed a difference of £4.011M

3.3 **The recommendation arising from this report is that the Council on 24 January 2024 agree a 2.99% increase (option one) to the level of the 2024/25 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 Since the Medium Term Financial Strategy Update reported on 5 December 2023 additional work has been undertaken on business rates modelling as further information has become available, particularly in respect of the impact of de-coupling the small and standard business rates multipliers and the consequent impact on Section 31 grant adjustments. Details of the calculation of the adjustment required was release in guidance which accompanied the National Non Domestic Rates (NNDR1) form issued after the provisional finance settlement. This has been used to determine the amount of the adjustment based on data in respect of the rateable value of heraditaments on the small and standard business rates multiplier from initial information supplied by the revenues team.

4.2 The provisional local government finance settlement released on 18 December set out the tariff, baseline and safety net levels which drive the retained rates calculation and confirmed the final amount of the technical adjustment to the tariff relating to the 2023 revaluation. The modelling has been refreshed to reflect these and the impact of ongoing business rates monitoring. Forecasts in respect of business rates will not be fully finalised until the revenues reports generated to complete the NNDR1 form are available in mid-January meaning that figures continue to remain subject to change.

4.3 Further work has been undertaken in respect of the forecast Section 31 grant compensation for future business rates under-indexation in future years, and in particular, that related to the years where it is anticipated that a safety net payment will be triggered. This has improved the position for future years but Members are asked to note that this is not without its own complexity leaving some inevitable uncertainty which will remain subject to ongoing review as the date for the closure of Heysham 1 approaches.

- 4.4 Work is continuing to determine the forecast surplus or deficit for the year. Members will recall that the Business Rates Retention Reserve is used to manage the impact of surpluses and deficits and also to manage fluctuations in income levels in order to provide budgetary stability and smooth out year on year peaks and troughs. As explained in the Medium Term Financial Strategy update report in December, the use of the reserve has been reviewed and updated in light of latest estimates in order to achieve this aim and in particular to mitigate the impact of the loss in retained rating income arising from the future closure of Heysham 1 power station. In addition, following on from the Cabinet and Chief Executive decisions in December to allocate £0.728M and 0.912M respectively from unallocated reserves to support development of the local plan and demolition and clearance works at the A1 Supa skips site a transfer of £1.64M is also planned to top up the unallocated reserve to compensate for these expenditures.
- 4.5 The table below provides Business Rates forecasts for the next five years and shows the impact of the revised transfers to and from the business rates retention and unallocated reserves and the resultant net impact on the General Fund budget gap.

Table 5

	2024/25 £	2025/26 £	2026/27 £	2027/28 £	2028/29 £
Retained Business Rates	13,038,600	13,135,600	11,097,500	11,395,500	11,647,400
Previously Reported	11,135,520	11,358,230	9,605,718	9,797,833	9,993,789
Difference increase/(decrease)	1,903,080	1,777,370	1,491,782	1,596,667	1,653,611
Transfer (to)/from Business Rates Retention Reserve	(646,000)	(446,000)	600,000	500,000	-
Transfer (to) Unallocated Reserve	(820,000)	(820,000)	-	-	-
Net impact on General Fund Budget Gap	(437,080)	(511,370)	(2,091,782)	(2,096,667)	(1,653,611)

5.0 BUDGET PROPOSALS

- 5.1 The 05 December 2023 Cabinet report set out the significant challenges facing the Council in balancing its revenue budget for 2024/25 and beyond. Since that report, the OBR 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.

Table 6 Cabinet's Draft Revenue Budget Proposals – 2024/25

	2024/25 £'000
Revenue Budget Forecast as 23 February 2022	23,407
Base Budget Changes	
Operational Base Budget Changes	878
Local Plan	423
	24,708
Outcomes Based Resourcing Proposals	
Savings & Income Proposals	(1,233)
Growth Proposals	125
Impact of Review of the Capital Programme (MRP & Interest)	(105)
	23,495
Impact of Provisional Local Government Finance Settlement	(211)
Contribution to/(from) Reserves	982
General Fund Revenue Budget	24,266
Core Funding	
Revenue Support Grant	(433)
Prior Year Council Tax (Surplus)/Deficit	134
Net Business Rates Income (Note 1)	(13,039)
Council Tax Requirement	10,928
Estimated Council Tax Income	
(Increase Based on 2.99% for 2024/25 then maximum allowable	(10,928)
Resulting Base Budget (Surplus)/ Deficit	0

- 5.2 The proposals set out in the table 6 above produce a balanced revenue budget for 2024/25, which forms part of the recommendations of this report. Further details including the latest projections for future years to 2028/29 can be found at **Appendix A**.
- 5.3 As noted previously, the OBR groups have identified a number of budget savings. The details at **Appendix B** for 2024/25 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 Service level at this stage of the budget process. Further information will be provided in due course to enable effective internal and external discussion.
- 5.4 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 2025/26 and beyond.
- 5.5 Table 7 below reconciles the position reported to Cabinet 5 December 2023 to the current balanced position.

Table 7 Reconciliation Cabinet 05 December 2023 to Current Position

	2024/25 £'000	
Resulting Base Budget (Surplus)/ Deficit as of 5th December 2023 (Cabinet)		1,608
Further Operational Changes	207	
Impact of Provisional Local Government Finance Settlement	(211)	
Local Plan	423	
Revenue Impact of Capital Programme Review (MRP & Interest)	(105)	
Updated Revenue Support Grant	(27)	
Prior Year Council Tax Deficit	134	
Updated Net Business Rates Income	(1,903)	(1,482)
Savings Proposals		(1,233)
Growth Proposals		125
Contribution to/(from) Reserves		982
Resulting Base Budget (Surplus)/ Deficit as at 16th January 2024 (Cabinet)		0

Budget Principles and Assumptions

- 5.6 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.
- 5.7 Table 8 below, lists the major assumptions that have been made for the 2024/25 budget.

Table 8 Major Assumptions within Draft Revenue Budget 2024/25

	2024/25
Council Tax Increase	2.99%
Council Tax Collection Rate	98.67%
Business Rates Multiplier: Small Business Rates	Frozen
Business Rates Multiplier: Standard	6.70%
Fees & Charges	Various
Inflation – Pay	5.95%
Employer Pensions Contribution	16.30%
Electricity	28p/kWh
Gas	5p/kWh
Inflation – Insurance	10.00%
Other inflation	2.80%
Interest Rate – investments	4.68%
Interest Rate – new borrowing	4.50%

6.0 CAPITAL PROGRAMME

- 6.1 To enable the Council to take a greater strategic view of its of capital investments it has extended its capital planning horizon to cover the 10-year period 2024/25 to 2033/34. This should enable the Council to more effectively plan and ensure that the Capital Programme is focused and deliverable.

- 6.2 The proposed Capital Programme has been developed following presentation of business cases for new schemes to Capital Assurance Group and subsequent discussion with Cabinet and Senior Leadership Team. Some further revisions to the proposed Programme particularly in respect of Information, Communications & Technology requirements are currently being finalised.
- 6.3 Details of the current proposed Capital Programme are provided at **Appendix C**. The final Capital Programme for 2024/25 to 2033/34 and supporting Capital Strategy to cover this period and beyond will be considered by Cabinet and Budget & Performance Panel at their February meetings ahead of the Budget Council on 28 February 2024.

7.0 MEDIUM TERM FINANCIAL STRATEGY

- 7.1 An update to the Council's Medium Term Financial Strategy (MTFS) was presented to Council on 13 December 2023. 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 28 February 2024. The revision of the MTFS will be key in providing sound financial planning processes to underpin the Council's ambitions. Key considerations of the MTFS include taking account of the impact of decisions made to balance the 2024/25 budget alongside forecasts for future funding.
- 7.3 Table 9 below provides the most recent forecasts with providing more detail across the 5 year period.

Table 9 Net Revenue Budget & Budget Gaps 2024/25 – 2028/29

	2024/25	2025/26	2026/27	2027/28	2028/29
	£'000	£'000	£'000	£'000	£'000
Net Revenue Budget	24,266	26,197	27,425	28,089	29,580
Budget Gap (Incremental)	0	1,694	4,504	4,394	5,139
% of Net Revenue Budget (Incremental)	0%	6%	16%	16%	17%
Budget Gap (Cumulative)	0	1,694	6,198	10,592	15,731
% of Net Revenue Budget (Cumulative)	0%	6%	23%	38%	53%

- 7.4 The forecast budget gaps continue to be structural in nature, meaning that the Council's forecast spending exceeds the income it expects to receive. Overall, the current estimated shortfall is £5.139M which continues to represent a significant challenge over the short and medium term.

7.5 Officers are working with Cabinet to address this issue and will continue to do so following on from the conclusion of the current budget process. This will ensure that the problem is addressed in a timely manner so that it remains manageable. Proposed actions currently include

- Exploration of 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

7.6 It is expected that a formulated MTFs Action Plan covering the points raised above will be presented to Cabinet and Council in February 2024 with progress against its milestones monitored by Cabinet and Budget and Performance Panel.

7.6 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 challenges faced by the Council enhanced consultation with relevant internal and external stakeholders on the budget has been undertaken as part of the development of this budget with several 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.

8.2 Budget & Performance Panel considered this report at their meeting 18 January 2024 and made the following comments.

- Green waste subsidy – Cabinet to re-consider the subsidy being provided for the service. This will encourage households to compost their garden waste.
- Salt Ayre Leisure Centre – Cabinet to consider benchmarking with other similar facilities to see what is achievable and ways to achieve excellence at reasonable cost.
- Council Tax information – Cabinet to consider ensuring that, for the meeting with the public, details of the Council Tax % increase and share for each organisation is provided. To show the excellent value provided by the City Council.
- Savings already identified – Ask Cabinet to consider bringing forward savings already identified, in line with the rules Cabinet has set itself, forward if possible.

8.3 These comments together any received from the public consultation meeting 31st January 2024 will be formally considered by Cabinet at its next meeting 6th February 2024

9.0 OPTIONS AND OPTIONS ANALYSIS (INCLUDING RISK ASSESSMENT)

9.1 Options are very much dependent on Council's views regarding spending priorities balanced against Council Tax levels.

- In respect of Council Tax, the main options are set out at section 3 of the report.
- In respect of the proposed 2024/25 revenue budget (set out in section 5 of the report and Appendix A), the recommendation reflects the culmination of work completed to date, and so no alternative options are put forward.
- In respect of the Capital Programme (section 6 of this report) and MTFS (section 7 of this report), Council is requested to give feedback and no final decisions are sought at this stage.

9.2 However, 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.

9.3 In terms of the actual budget position, Cabinet's recommendations produce a balanced revenue budget for 2024/25. The Cabinet proposals will be subject to public consultation at Budget and Performance Panel's meeting on 31 January 2024 and any feedback from this event considered prior to the agreement of a final budget proposal for Budget Council on 28 February 2024.

9.4 Depending on the nature of any alternative proposals put forward by Council, Officers may need additional time to assess them fully prior to detailed consideration by Members. This is to ensure that relevant considerations are taken into account, to support informed and lawful decision-making.

10.0 CONCLUSION

10.1 The current budget proposal produces a balanced budget through utilisation of £0.061M of Council reserves. Cabinet and Officers must continue to work ahead of Cabinet's 06 February 2024 meeting to identify further opportunities for savings, efficiencies, and income generation to further reduce the ongoing deficits.

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 position the Council faces. Although this position is not unique to this Council, and is reflected nationally across many public sector bodies, the gaps identified for 2025/26 and beyond are of a level that both Members and Officers need to recognise the size of the challenge ahead and manage the transitional change to 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 position the Council faces. Although this position is not unique to this Council, and is reflected nationally across many public sector bodies, the gaps identified for 2025/26 and beyond are of a level that both Members and Officers need to recognise the size of the challenge ahead and manage the transitional change to the way that the Council delivers both its statutory and non-statutory services across the district will be required.

LEGAL IMPLICATIONS

None arising from this report

MONITORING OFFICER'S COMMENTS

The Council Procedure Rules state as follows:-

19.7 Recorded Votes for Budget Meetings

Where votes are taken at a budget meeting of Full Council on any decision relating to the making of a Council Tax calculation, estimates or the issuing of a precept, including any amendment motion, there must be recorded in the minutes of the proceedings of that meeting the names of the persons who cast a vote for the decision, against the decision, and who abstained from voting. The Proper Officer shall take the vote by calling the names of Councillors and recording how or whether they voted.

BACKGROUND PAPERS

Council

[Agenda for Council on Wednesday, 13th December 2023, 6.00 p.m. - Lancaster City Council](#)

Cabinet

[Agenda for Cabinet on Tuesday, 5th December 2023, 6.00 p.m. - Lancaster City Council](#)

↳

Budget & Performance Panel

Contact Officer: Paul Thompson

Telephone: 01524 582603

E-mail: pthompson@lancaster.gov.uk

Ref: N/A

[Agenda for Budget and Performance Panel on
Thursday, 18th January 2024, 6.00 p.m. - Lancaster
City Council](#)

General Fund Revenue Budget Projections 2024/25 to 2028/29

For Consideration by Council 24 January 2024

	2024/25	2025/26	2026/27	2027/28	2028/29
	£'000	£'000	£'000	£'000	£'000
GF Revenue Budget/Forecast as at 22 February 2023	23,407	25,253	27,342	27,690	0
GF Revenue Budget/Forecast as at 5 December 2023	24,078	26,469	29,284	29,872	31,020
Base Budget Changes					
Further Operational Changes	191	3	9	13	18
Provisional Finance Settlement	(211)	(121)	(121)	(121)	(121)
Revised Energy Estimates (electric 29p -> 28p, gas 8p -> 5p)	(134)	(134)	(134)	(134)	(134)
Burrow Beck Income	0	500	0	0	0
City Museum Shop Income	0	(11)	(14)	(16)	(19)
Commercial Property Income Reduction	150	150	150	150	150
Local Plan	423	98	0	0	0
Contributions to/(from) Reserves	982	1,168	(600)	(500)	??
Latest Budgetary Position	25,479	28,122	28,574	29,264	30,914
Outcomes Based Resourcing Proposals:					
Savings/ Income Generation Proposals					
Council Wide (Fees & Charges)	(838)	(855)	(872)	(889)	(907)
Communities & Leisure	(113)	(160)	(163)	(166)	(169)
Environment & Place	(77)	(78)	(79)	(80)	(81)
Housing & Property	(15)	(115)	(117)	(119)	(121)
Planning & Climate Change	(110)	(112)	(114)	(116)	(118)
Resources	(30)	(31)	(32)	(33)	(34)
Sustainable Growth	(50)	(51)	(52)	(53)	(54)
Growth Proposals					
People & Policy	12	12	12	12	12
Planning & Climate Change	38	39	40	41	42
Sustainable Growth	75	0	0	0	0
Total OBR Proposals	(1,108)	(1,351)	(1,377)	(1,403)	(1,430)
Revenue Impact of Capital Programme Review (MRP & Interest)	(105)	(574)	228	228	96
General Fund Revenue Budget	24,266	26,197	27,425	28,089	29,580
Core Funding:					
Revenue Support Grant	(433)				
Prior Year Council Tax (Surplus)/Deficit	134				
Net Business Rates Income	(13,039)	(13,136)	(11,097)	(11,395)	(11,647)
Council Tax Requirement	10,928	13,061	16,328	16,694	17,933
Estimated Council Tax Income - (Increases based on 2.99% for 2024/25 then max allowable)	10,928	11,367	11,824	12,300	12,794
Resulting Base Budget (Surplus)/Deficit	0	1,694	4,504	4,394	5,139
Incremental Deficit as Percentage of Net Revenue Budget	0%	6%	16%	16%	17%

General Fund Unallocated Balance						
	£M	£M	£M	£M	£M	
BALANCES	Balance as at 1 April 2024-28	(8.851)	(8.393)	(7.421)	(2.917)	+1.477
	In Year allocations	+0.000	+0.000	+0.000	+0.000	+0.000
	Forecast (Under)/Overspend	+0.000	+1.694	+4.504	+4.394	+5.139
	Other Adjustments	+0.458	(0.722)	+0.000	+0.000	+0.000
	Projected Balance as at 31 March 2025-29	(8.393)	(7.421)	(2.917)	+1.477	+6.616
	Reserves	(8.393)	(7.421)	(2.917)	+1.477	+6.616
	Less Recommended Minimum Level of Balances	5.000	5.000	5.000	5.000	5.000
Available Balances	(3.393)	(2.421)	+2.083	+6.477	+11.616	

Savings and Budget Proposals 2023/24 to 2028/29

		2024/25	2025/26	2026/27	2027/28	2028/29
		£'000	£'000	£'000	£'000	£'000
SAVINGS PROPOSALS	<i>Council Wide (Fees & Charges)</i>	(838)	(855)	(872)	(889)	(907)
	<i>Communities & Leisure</i>	(113)	(160)	(163)	(166)	(169)
	<i>Environment & Place</i>	(77)	(78)	(79)	(80)	(81)
	<i>Housing & Property</i>	(15)	(115)	(117)	(119)	(121)
	<i>Planning & Climate Change</i>	(110)	(112)	(114)	(116)	(118)
	<i>Resources</i>	(30)	(31)	(32)	(33)	(34)
	<i>Sustainable Growth</i>	(50)	(51)	(52)	(53)	(54)
Total Savings		(1,233)	(1,402)	(1,429)	(1,456)	(1,484)
GROWTH ITEMS	<i>People & Policy</i>	12	12	12	12	12
	<i>Planning & Climate Change</i>	38	39	40	41	42
	<i>Sustainable Growth</i>	75	0	0	0	0
	Total Growth		125	51	52	53
Net Savings		(1,108)	(1,351)	(1,377)	(1,403)	(1,430)

General Fund Capital Programme

Service / Scheme	2023/24			2024/25			2025/26			2026/27			2027/28			2028/29		
	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
Communities & Leisure	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£
Salt Ayre Asset Management Plan	259,000		259,000	976,000		976,000	291,000		291,000			0		0				0
Environment & Place																		
Vehicle Renewals (including electrification of fleet)	1,284,000		1,284,000	1,301,000		1,301,000	5,067,000		5,067,000	630,000		630,000	1,073,000		1,073,000	1,761,000		1,761,000
Electric Taxis Scheme	0		0	341,000	(341,000)	0			0			0			0			0
Happy Mount Park Pathway Replacements	8,000		8,000			0			0			0			0			0
UK Shared Prosperity Fund - The Streets Are Ours Public Realm	100,000	(100,000)	0			0			0			0			0			0
UK Shared Prosperity Fund - Heysham Village Toilets	0		0	99,000	(99,000)	0			0			0			0			0
Housing & Property																		
Mellishaw Park	1,900,000	(960,000)	940,000			0			0			0			0			0
Disabled Facilities Grants	2,099,000	(2,099,000)	0	3,382,000	(3,382,000)	0	2,331,000	(2,331,000)	0	2,331,000	(2,331,000)	0	2,331,000	(2,331,000)	0	2,331,000	(2,331,000)	0
Next Steps Accommodation Programme	23,000		23,000			0			0			0			0			0
Home Improvement Agency Vehicles	0		0	127,000		127,000			0			0			0			0
1 Lodge Street Urgent Structural Repairs	422,000		422,000			0			0			0			0			0
Gateway Low Voltage Switchgear	102,000		102,000			0			0			0			0			0
Gateway Solar Array	0		0	984,000		984,000			0			0			0			0
Lancaster City Museum Boiler	10,000		10,000			0			0			0			0			0
UK Shared Prosperity Fund Lancs CVS Community Warm Hubs	26,000	(26,000)	0	37,000	(37,000)	0			0			0			0			0
Property - Capital Works	0		0	355,000		355,000	419,000		419,000	814,000		814,000	287,000		287,000	539,000		539,000
Commercial Property - Capital Works	0		0	62,000		62,000	480,000		480,000	126,000		126,000	41,000		41,000			0
White Lund Depot - Offices	838,000		838,000	996,000		996,000			0			0			0			0
People & Policy																		
UK Shared Prosperity Fund External Projects	269,000	(269,000)	0	598,000	(598,000)	0			0			0			0			0
Rural England Prosperity Fund External Projects	125,000	(125,000)	0	375,000	(375,000)	0			0			0			0			0
UK Shared Prosperity Fund Digital Tourism Transformation	50,000	(50,000)	0	22,000	(22,000)	0			0			0			0			0
Planning & Climate Change																		
Property De-carbonisation Works	0		0	500,000	(260,000)	240,000	4,625,000	(2,432,000)	2,193,000			0			0			0
SALC - optimised solar farm, air source heating pumps & glazing	17,000	(17,000)	0			0			0			0			0			0
Resources																		
ICT Systems, Infrastructure & Equipment	221,000		221,000	115,000		115,000	130,000		130,000			0			0			0
ICT Laptop Replacement & e-campus screens	124,000		124,000			0			0			0			0			0
ICT Nimble	0		0	300,000		300,000			0			0			0			0
Local Full Fibre Network	1,041,000		1,041,000	755,000		755,000			0			0			0			0
Sustainable Growth																		
Lancaster Heritage Action Zone	1,148,000	(289,000)	859,000			0			0			0			0			0
Lancaster Heritage Action Zone - St John's Church	0		0			0	500,000		500,000			0			0			0
Caton Road Flood Relief Scheme	100,000	(100,000)	0	1,569,000	(1,569,000)	0			0			0			0			0
Morecambe Co-Op Building Renovation	0		0			0			0			0			0			0
Centenary House Grant Funded Works	0		0	749,000	(749,000)	0			0			0			0			0
Lawsone Bridge S106 Scheme	63,000		63,000			0			0			0			0			0
Lancaster Square Routes	0		0	21,000	(16,000)	5,000			0			0			0			0
Engineers Electric Vehicle	15,000		15,000			0			0			0			0			0
Coastal Revival Fund - Morecambe Co-Op Building	11,000	(11,000)	0			0			0			0			0			0
City Museum Shop	0		0	45,000		45,000			0			0			0			0
Morecambe Sea Front Parapet Repair	0		0	30,000		30,000	30,000		30,000	30,000		30,000	30,000		30,000			0
Bare Outfall Flooding	0		0	50,000		50,000			0			0			0			0
UK Shared Prosperity Fund Maritime Museum Access Improvements	13,000	(13,000)	0			0			0			0			0			0
UK Shared Prosperity Fund Lodge St Environs Enabling Works	72,000	(72,000)	0			0			0			0			0			0
UK Shared Prosperity Fund Museums Accessible Engagement	0	0	0	34,000	(34,000)	0			0			0			0			0
Schemes Under Development																		
Burrow Beck Solar	0		0	200,000		200,000	4,000,000		4,000,000			0			0			0
Canal Quarter	0		0	800,000		800,000			0			0			0			0
Canal Quarter - Nelson St/St Leonardsgate	0		0	2,769,000	(2,769,000)	0			0			0			0			0
Our Future Coast	283,000	(283,000)	0	62,000	(62,000)	0	63,000	(63,000)	0	85,000	(85,000)	0			0			0
GENERAL FUND CAPITAL PROGRAMME	10,623,000	(4,414,000)	6,209,000	17,654,000	(10,313,000)	7,341,000	17,936,000	(4,826,000)	13,110,000	4,016,000	(2,416,000)	1,600,000	3,762,000	(2,331,000)	1,431,000	4,631,000	(2,331,000)	2,300,000
Financing :																		
Capital Receipts			0			(127,000)			0			0			0			0
Direct Revenue Financing			0			0			0			0			0			0
Earmarked Reserves			(187,000)			(38,000)			0			0			0			0
Increase / (Reduction) in Capital Financing Requirement (CFR)			6,022,000			7,176,000			13,110,000			1,600,000			1,431,000			2,300,000

General Fund Capital Programme

Service / Scheme	2029/30			2030/31		2031/32			2032/33			10 YEAR TOTAL		
	Gross Budget	External Funding	Net Programme	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 & Leisure														
Salt Ayre Asset Management Plan			0		0			0			0	1,526,000	0	1,526,000
Environment & Place														
Vehicle Renewals (including electrification of fleet)	6,140,000		6,140,000		0			0			0	17,256,000	0	17,256,000
Electric Taxis Scheme			0		0			0			0	341,000	(341,000)	0
Happy Mount Park Pathway Replacements			0		0			0			0	8,000	0	8,000
UK Shared Prosperity Fund - The Streets Are Ours Public Realm			0		0			0			0	100,000	(100,000)	0
UK Shared Prosperity Fund - Heysham Village Toilets			0		0			0			0	99,000	(99,000)	0
Housing & Property														
Melishaw Park			0		0			0			0	0	0	0
Disabled Facilities Grants	2,331,000	(2,331,000)	0	(2,331,000)	0	2,331,000	(2,331,000)	0	2,331,000	(2,331,000)	0	1,900,000	(960,000)	940,000
Next Steps Accommodation Programme			0		0			0			0	23,000	0	23,000
Home Improvement Agency Vehicles			0		0			0			0	127,000	0	127,000
1 Lodge Street Urgent Structural Repairs			0		0			0			0	422,000	0	422,000
Gateway Low Voltage Switchgear			0		0			0			0	102,000	0	102,000
Gateway Solar Array			0		0			0			0	984,000	0	984,000
Lancaster City Museum Boiler			0		0			0			0	10,000	0	10,000
UK Shared Prosperity Fund Lancs CVS Community Warm Hubs			0		0			0			0	63,000	(63,000)	0
Property - Capital Works	147,000		147,000		0			0	17,000		17,000	2,578,000	0	2,578,000
Commercial Property - Capital Works			0		14,000	1,000		1,000			0	724,000	0	724,000
White Lund Depot - Offices			0		0			0			0	1,834,000	0	1,834,000
People & Policy														
UK Shared Prosperity Fund External Projects			0		0			0			0	867,000	(867,000)	0
Rural England Prosperity Fund External Projects			0		0			0			0	500,000	(500,000)	0
UK Shared Prosperity Fund Digital Tourism Transformation			0		0			0			0	72,000	(72,000)	0
Planning & Climate Change														
Property De-carbonisation Works			0		0			0			0	5,125,000	(2,692,000)	2,433,000
SALC -optimised solar farm, air source heating pumps & glazing			0		0			0			0	17,000	(17,000)	0
Resources														
ICT Systems, Infrastructure & Equipment			0		0			0			0	466,000	0	466,000
ICT Laptop Replacement & e-campus screens			0		0			0			0	124,000	0	124,000
ICT Nimble			0		0			0			0	300,000	0	300,000
Local Full Fibre Network			0		0			0			0	1,796,000	0	1,796,000
Sustainable Growth														
Lancaster Heritage Action Zone			0		0			0			0	1,148,000	(289,000)	859,000
Lancaster Heritage Action Zone - St John's Church			0		0			0			0	500,000	0	500,000
Caton Road Flood Relief Scheme			0		0			0			0	1,669,000	(1,669,000)	0
Morecambe Co-Op Building Renovation			0		0			0			0	0	0	0
Centenary House Grant Funded Works			0		0			0			0	749,000	(749,000)	0
Lawsons Bridge S106 Scheme			0		0			0			0	63,000	0	63,000
Lancaster Square Routes			0		0			0			0	21,000	(16,000)	5,000
Engineers Electric Vehicle			0		0			0			0	15,000	0	15,000
Coastal Revival Fund - Morecambe Co-Op Building			0		0			0			0	11,000	(11,000)	0
City Museum Shop			0		0			0			0	45,000	0	45,000
Morecambe Sea Front Parapet Repair			0		0			0			0	120,000	0	120,000
Bare Outfall Flooding			0		0			0			0	50,000	0	50,000
UK Shared Prosperity Fund Maritime Museum Access Improvements			0		0			0			0	13,000	(13,000)	0
UK Shared Prosperity Fund Lodge St Environs Enabling Works			0		0			0			0	72,000	(72,000)	0
UK Shared Prosperity Fund Museums Accessible Engagement			0		0			0			0	34,000	(34,000)	0
Schemes Under Development														
Burrow Beck Solar			0		0			0			0	4,200,000	0	4,200,000
Canal Quarter			0		0			0			0	800,000	0	800,000
Canal Quarter - Nelson St/St Leonardsgate			0		0			0			0	2,769,000	(2,769,000)	0
Our Future Coast			0		0			0			0	493,000	(493,000)	0
GENERAL FUND CAPITAL PROGRAMME	8,618,000	(2,331,000)	6,287,000	(2,331,000)	14,000	2,332,000	(2,331,000)	1,000	2,348,000	(2,331,000)	17,000	74,265,000	(35,955,000)	38,310,000
Financing :														
Capital Receipts			0		0			0			0			(127,000)
Direct Revenue Financing			0		0			0			0			0
Earmarked Reserves			0		0			0			0			(225,000)
Increase / (Reduction) in Capital Financing Requirement (CFR)			6,287,000		14,000			1,000			17,000			37,958,000

COUNCIL

**Councillors' Allowances Scheme: Review
24 January 2024**

Senior Manager, Democratic Support and Elections

PURPOSE OF REPORT
To present the report and recommendations of the Independent Remuneration Panel, which Council must give due regard to in setting its Councillors' Allowances Scheme.
This report is public.

RECOMMENDATIONS

- (1) That Council reviews its Councillors' Allowances Scheme and, in doing so, considers the attached report and recommendations of the Independent Remuneration Panel (IRP).

The IRPs recommendations for amendments to the scheme are as follows:

With regard to the Basic Allowance:

- (1) *That the basic allowance be increased by 3% from £4,200pa to £4,326pa with effect from 5 April 2024.*
- (2) *That, for future years, the IRP will review the level of basic allowance and make a recommendation to Council for consideration at its January meeting.*

With regard to Special Responsibility Allowances (including the Mayor/Deputy Mayor allowances):

- (3) *That Special Responsibility Allowances (SRAs) be increased by 3% with effect from 6 April 2024.*
- (4) *That, for future years, the IRP will review the level of SRAs and make recommendations to Council for consideration at its January meeting.*

With regard to the Dependents Carers Allowance:

- (5) *To reconfirm that the Dependents Carers Allowance should allow for reimbursement of up to a maximum of the Real Living Wage as determined by the Living Wage Foundation (currently £12.00 per hour).*

1.0 Introduction

1.1 Local authorities are required to establish and maintain an Independent Remuneration Panel to provide them with recommendations on a scheme of allowances to be paid to members and others. The authority must have regard to the recommendations of its IRP before it makes or amends its members' allowance scheme.

2.0 The Review

2.1 A full review is carried out every four years prior to elections. In the years between elections the IRP carries out 'light touch' reviews, taking into account any matters raised by Councillors and reviewing the rates of remuneration. Full details are in the IRP's report attached.

3.0 Conclusion

3.1 Members are requested to have regard to the report of the IRP when setting a scheme for Members' Allowances.

**CONCLUSION OF IMPACT ASSESSMENT
(including Diversity, Human Rights, Community Safety, Sustainability and Rural Proofing)**

There are no direct implications as a result of this report.

FINANCIAL IMPLICATIONS

The cost implications of the IRP's recommendations are set out in the Panel's report.

LEGAL IMPLICATIONS

The relevant regulation is set out in the IRP's report.

SECTION 151 OFFICER'S COMMENTS

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

MONITORING OFFICER'S COMMENTS

The Monitoring Officer has been consulted and has no comments.

BACKGROUND PAPERS

Contact Officer: Debbie Chambers
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E-mail: dchambers@lancaster.gov.uk



Report To: Lancaster City Council

From: The Independent Remuneration Panel



**Recommendations for Councillors' Remuneration
for the Municipal Year 2024/25**

Report to Council on Wednesday 24 January 2024



PANEL REMIT

- 1.1 Lancaster City Council's Independent Remuneration Panel (IRP) was established in accordance with the Local Authorities (Members' Allowances) (England) Regulations 2003.
- 1.2 A local authority is required to establish and maintain an Independent Remuneration Panel to provide it with recommendations on a scheme of allowances to be paid to members and others. The authority must have regard to the recommendations of its IRP before it makes or amends its members' allowance scheme.
- 1.3 The allowances payable under a local authority scheme of allowances are as follows:
 - **Basic Allowance** (*Each local authority **must** make provision in its scheme of allowances for a basic, flat rate allowance payable to all members of the authority which must be the same for each member*).
 - **Special Responsibility Allowance** (*Each authority **may** also make provision for payment of special responsibility allowances for those members who have significant responsibilities e.g. leader of the council, member of the executive/cabinet, presiding at meetings of committees, acting as spokesperson for a political group*).
 - **Dependents' Carers' Allowance** (*Each authority **may** also provide for the payment of a dependents' carers' allowance to those members who incur expenditure for the care of children or other dependents whilst undertaking particular duties*).
 - **Travelling and Subsistence Allowance** (*Each authority **may** also provide for the payment of a travelling and subsistence allowance to its members, including co-opted members*).
 - **Co-optees' Allowance** (*Each authority **may** also provide an allowance to any co-opted and appointed members of a council's committees or sub committees*).
- 1.4 The Regulations require an authority before the beginning of each municipal year to 'make' the Scheme for the payment of allowances in that year.
- 1.5 The Regulations require an authority to publish the scheme if it changes and to publish the amounts of allowances paid to individual Members every year.

2.0 PANEL MEMBERSHIP

- 2.1 There are currently three members on the panel:

Mr Ameer H Hakim (Chair) was appointed to the Panel on 29 July 2020 and is employed as a Digital Transformation Consultant in the Telecoms and Technology sector.

Mrs Harsha Shukla was appointed to the Panel on 15th July 2015. Mrs Shukla the President of Lancaster and Morecambe Hindu Society, and a member of Communities Together.

Mr Ryan Hyde was appointed to the Panel on 30th September 2020. Mr Hyde has a law degree and works as a Governance professional.

3.0 BACKGROUND TO LANCASTER CITY COUNCIL'S SCHEME OF ALLOWANCES

- 3.1 The Councillors' Allowances Scheme is reviewed on a regular basis with a full review every four years, before the Council elections. The last full review took place during late 2022 and



the current Scheme was approved by Council on 25 January 2023 to take effect from May 2023 (with an increase in the basic allowance backdated to 1 April 2022).

3.2 In accepting the IRP's recommendations at that meeting, Council made the following resolutions regarding the levels of allowances:

- (1) *That the basic allowance be increased to £4,200 backdated to 1 April 2022 to reflect the Employee Pay Award for 2022/23. That, for future years, the basic allowance be increased, year on year, in line with Employee Pay Awards, unless the IRP recommends otherwise. Should the IRP recommend otherwise, its recommendation will be put to Council at the appropriate time.*
- (2) *That Special Responsibility Allowances (SRAs) do not increase for 2022/23.*
- (3) *That, for future years, SRAs be increased by the same percentage increase as the basic allowance.*

4.0 SUMMARY OF RECOMMENDATIONS

A summary of the recommendations is set out below. The rest of the report gives the methodology and rationale for each recommendation as well as the cost impact.

With regard to the Basic Allowance:

- (1) *That the basic allowance be increased by 3% from £4,200pa to £4,326pa with effect from 5 April 2024.***
- (2) *That, for future years, the IRP will review the level of basic allowance and make a recommendation to Council for consideration at its January meeting.***

With regard to Special Responsibility Allowances (including the Mayor/Deputy Mayor allowances):

- (3) *That Special Responsibility Allowances (SRAs) be increased by 3% with effect from 6 April 2024.***
- (4) *That, for future years, the IRP will review the level of SRAs and make recommendations to Council for consideration at its January meeting.***

With regard to the Dependents Carers Allowance:

- (5) *To reconfirm that the Dependents Carers Allowance should allow for reimbursement of up to a maximum of the Real Living Wage as determined by the Living Wage Foundation (currently £12.00 per hour).***

5.0 METHODOLOGY

5.1 For this light touch review in-between elections, the Panel wanted to be sure that any issues that Councillors feel concerned about were fully considered. With this in mind, the Senior Manager, Democratic Support and Elections emailed all Councillors on 24 October asking if there were any issues that they wished to bring to the attention of the Panel. A copy of the current Councillors' Allowances Scheme was attached to the email, which also explained the



review process for the benefit of newly elected Councillors. No issues were raised by Councillors.

- 5.2 The Panel met on 3 January 2024 to discuss the issue of basic and Special Responsibility Allowances (SRAs). For the last two years, the employees pay award has not been a simple percentage increase that could be applied to Councillors allowances and the Council is facing financial difficulties. Therefore the Panel had to balance several factors to come to a recommendation for any potential increase in allowances.
- 5.3 One factor taken into consideration was information from other Lancashire authorities who had been approached for benchmarking purposes. The only district Council who had already determined their scheme was Chorley, and they had applied a generous 5.62% increase to the basic allowance, calculating this to be the middle percentage increase using their salary scales, from the lowest to the highest grade. In contrast, Hyndburn reported that they had not increased their Councillors allowances for several years and had no plans to do so this year. Consequently their allowances were worth less year on year in real terms.
- 5.4 Another factor was the most recent increase in the basic allowance to Councillors that was implemented with effect from 1 April 2022. This had been quite a sizeable increase to make up for years where no increase had been applied. Panel Members also kept in mind the fact that SRAs had not been increased at the last review and that they were due to be increased in this review. A percentage increase in SRAs to match any increase in the basic allowance was something the IRP wished to recommend during this review, in an attempt to stop SRAs falling further behind.
- 5.5 Finally, the IRP were also aware that the Council has a funding gap to address, that services and staffing have been cut and that further efficiencies are being sought to balance the budget.

6.0 CONCLUSIONS AND RECOMMENDATIONS

6.1 Basic Allowance

- 6.2 The Panel wanted to recommend an increase that was roughly comparable to the staff pay award for senior staff for 2023/24. Like 2022/23, the pay award for 2023/24 was a flat figure of £1,925 for all full time staff (pro rata for part time staff), rather than a percentage increase (although there was a percentage increase for Chief Officers of 3.5% for 2023/24).
- 6.3 The flat figure of £1,925 for Lancaster City Council employees equated to a 9.25% pay increase for the lowest paid (Grade 5) going down to 2.75% for those at the top of the pay spine (top of Grade 14). The Panel felt that the basic allowance of £4,200pa should be raised to a level within the lower percentage of these increases and recommend 3% for the reasons given above. A 3% increase would raise the basic allowance to £4,326pa. The Panel recommends that this should not be backdated and should take effect from the beginning of the new tax year, 6 April 2024. In addition, the Panel felt that it would wish to make recommendations regarding the basic allowance year on year in future in light of the Council's financial position.

Recommendations regarding the basic allowance :

- (1) That the basic allowance be increased by 3% from £4,200pa to £4,326pa with effect from 5 April 2024.***



(2) That, for future years, the IRP will review the level of basic allowance and make recommendations to Council for consideration at its January meeting.

6.4 Special Responsibility Allowances (SRAs)

6.5 In January 2023, Council agreed with the recommendations of the Panel not to increase SRAs for 2022/23, making the following resolutions:

- (1) *That Special Responsibility Allowances (SRAs) do not increase for 2022/23.*
- (2) *That, for future years, SRAs be increased by the same percentage increase as the basic allowance.*

6.6 The current levels of SRAs are shown below:

Allowance	Amount (pa)
Leader of the Council and Chair of Cabinet	£11, 281.20
Deputy Leader of the Council	£6,660.60
Cabinet Members	£5,640.60
Overview and Scrutiny Committee Chair	£4,227.90
Budget and Performance Panel Chair	£3,381.30
Planning Committee Chair; and Licensing Committee Chair	£4,370.70
Licensing Act Hearings Sub Committee Chair	£443.70
Personnel Committee Chair	£3,335.40
Audit Committee Chair	£2,325.60
Appeals Committee Chair	£295.80
Council Business Committee Chair	£1,428.00
Standards Committee Chair	£1,234.20
Leader of Opposition Groups (allocated on a pro rata basis)	£5,640.60
Champions - £1000 (maximum) allowance to be divided equally between serving 'Champions' to a cap of £250 each Champion per annum. There are currently two Champions (Armed Forces Champion and Champion for Disabilities), so the total spend currently is £500 per annum.	£250 each (subject to a max of £1,000)

The Mayor currently receives an allowance of £6,720 and the Deputy Mayor receives £1,335.

6.7 Having regard to the recommendation of Council in January 2023, that the levels of SRA should be increased in line with the basic allowance, the IRP recommends that a 3% increase be applied to the SRAs from 6 April 2024, the same date recommended for the 3% increase in the basic allowance to take effect from. In addition, the Panel felt that it would wish to make recommendations year on year in future in light of the Council's financial position.

Recommendation regarding SRAs (including the Mayor/Deputy Mayor allowances):

(1) That Special Responsibility Allowances (SRAs) be increased by 3% with effect from 6 April 2024.



(2) That, for future years, the IRP will review the level of SRAs and make recommendations to Council for consideration at its January meeting.

(A table showing the SRA amounts with a 3%pa increase applied is appended to this report for information.)

- 6.8 The Panel had one more recommendation which was to reconfirm that the real living wage should continue to be made available for claims for Dependents Carers Allowance.

Recommendation regarding Dependents Carers Allowance:

(1) To reconfirm that the Dependents Carers Allowance should allow for reimbursement of up to a maximum of the Real Living Wage as determined by the Living Wage Foundation (currently £12.00 per hour).

7.00 COST OF THE RECOMMENDED CHANGES TO THE SCHEME

- 7.1 The Scheme of Councillors' Allowances currently in place cost £330,649.71 in 2022/23, the last year where final figures are available. This was made up of £240,130.25 basic allowances, £89,989.76 SRAs and £529.50 Travel/Subsistence.
- 7.2 Based on 61 Councillors, the Councillors' Allowances Scheme now recommended by the IRP would increase basic allowances by £7,686.00 and the SRAs by £3,106.81 in 2024/25.
- 7.3 The figures quoted above are if all allowances were claimed, based on current arrangements which are a Cabinet of 10 Members, 3 Licensing Hearing Sub Committee Chairs and 2 Champions. There is always the potential for the cost of the Councillors' Allowances Scheme to be slightly lower or higher than estimated each year. Costs are affected by seats left vacant whilst by-elections are held, for example, or if more than one Special Responsibility post is held by the same Councillor.

Allowance (with 3% increase shown)	Amount (pa)
Leader of the Council and Chair of Cabinet	£11, 281.20 <u>+£338.44</u> £11,619.64
Deputy Leader of the Council	£6,660.60 <u>+£199.82</u> £6,860.42
Cabinet Members	£5,640.60 <u>+£169.22</u> £5,809.82
Overview and Scrutiny Committee Chair	£4,227.90 <u>+£126.84</u> £4,354.74
Budget and Performance Panel Chair	£3,381.30 <u>+£101.44</u> £3,482.74
Planning Committee Chair; and Licensing Committee Chair	£4,370.70 <u>+£131.12</u> £4,501.82
Licensing Act Hearings Sub Committee Chair	£443.70 <u>+£13.31</u> £457.01
Personnel Committee Chair	£3,335.40 <u>+£100.06</u> £3,435.46
Audit Committee Chair	£2,325.60 <u>+£69.67</u> £2,395.27
Appeals Committee Chair	£295.80 <u>+£8.87</u> £304.67
Council Business Committee Chair	£1,428.00 <u>+£42.84</u> £1,470.84
Standards Committee Chair	£1,234.20 <u>+£37.03</u> £1,271.23
Leader(s) of Opposition Group(s) (allocated on a pro rata basis)	£5,640.60 <u>+£169.22</u> £5,809.82
Mayor	£6,720.00 <u>+£201.60</u> £6,921.60
Deputy Mayor	£1,335.00 <u>+£40.05</u> £1,375.05



Champions - £1000 (maximum) allowance to be divided equally between serving 'Champions' to a cap of £250 each Champion per annum. There are currently two Champions (Armed Forces Champion and Champion for Disabilities).	£250.00 +£7.50 £257.50 (subject to a max of £1,000)
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COUNCIL**Appointment to an Outside Body – Lancaster and Skipton Rail User Group****24 January 2024****Report of the Senior Manager, Democratic Support and Elections****PURPOSE OF REPORT**

To consider nominating a Councillor to be appointed to the Lancaster and Skipton Rail User group.

This report is public

RECOMMENDATION

- (1) **That Council notes the vacancy on the Lancaster and Skipton Rail User Group and that the position has previously been filled by nomination and voting at full Council. (see paragraph 3.2 of the report).**
- (2) **That nominations be made and voted upon at this meeting and an appointment made until the next City Council elections in 2027.**

1.0 Introduction

- 1.1 At the Annual Council meeting on 22 May 2023 following the elections, Councillor Paul Gardner was appointed by full Council to serve on the Lancaster and Skipton Rail User Group (LASRUG). Following Councillor Gardner's sad passing in December 2023, there is now a vacancy on the User Group.

2.0 LASRUG

- 2.1 The extract below from LASRUG's newsletter explains the Group's purpose:

LASRUG exists to represent present and potential users of the Leeds to Morecambe Line, which links the towns and cities of West Yorkshire, via the picturesque Aire, Ribble, Wenning and Lune Valleys, with the city of Lancaster and the seaside resort of Morecambe. Marketed as the Bentham Line, this important trans-pennine line gives access for tourists, walkers and cyclists to the southern Yorkshire Dales and the Forest of Bowland, and is a vital link for the rural communities it serves with connections at Leeds and Lancaster to all parts of the country.

Democratic Support understands that LASRUG holds its committee meetings at Bentham station, at 7pm on the third Thursday of January, March, May, July and

November and the second Thursday in September. The AGM is normally on the third Friday in September at 7pm at Bentham Town Hall. These meetings can be attended in person or online. Nominees should be available at these dates and times, please.

3.0 Proposal Details

- 3.1 Members are asked to appoint a Councillor and a substitute to LASRUG at this meeting, noting paragraph 3.2, below. The term of office will extend to May 2027.
- 3.2 The basis of appointment to this vacancy has always been by nomination and voting at Council and this was re-confirmed on 22 May 2023. Should Members now feel that it should be some other basis, such as by virtue of position (Cabinet Member or Ward Member, for example) then such a proposition will need to be made at the meeting and voted upon before nominations are sought.

4.0 Conclusion

- 4.1 Council is asked to consider appointing a Councillor to LASRUG at this meeting for the reasons set out in this report.

<p>CONCLUSION OF IMPACT ASSESSMENT (including Health & Safety, Equality & Diversity, Human Rights, Community Safety, Sustainability and Rural Proofing) None directly arising from this report.</p>	
<p>LEGAL IMPLICATIONS None directly arising from this report.</p>	
<p>FINANCIAL IMPLICATIONS Members of outside bodies are entitled to travel expenses. Costs resulting from this appointment should be minimal and would be met from existing democratic representation budgets.</p>	
<p>OTHER RESOURCE IMPLICATIONS None</p>	
<p>SECTION 151 OFFICER'S COMMENTS The Section 151 Officer has been consulted and has no comments.</p>	
<p>MONITORING OFFICER'S COMMENTS The Monitoring Officer has been consulted and has no comments.</p>	
<p>BACKGROUND PAPERS None</p>	<p>Contact Officer: Debbie Chambers Telephone: 01524 582057 E-mail: dchambers@lancaster.gov.uk Ref:</p>

CABINET

6.00 P.M.

24TH OCTOBER 2023

PRESENT:- Councillors Phillip Black (Chair), Caroline Jackson, Joanne Ainscough, Gina Dowding, Tim Hamilton-Cox, Peter Jackson, Jean Parr, Catherine Potter and Jason Wood

Apologies for Absence:-

Councillor Nick Wilkinson

Officers in attendance:-

Mark Davies	Chief Executive
Luke Gorst	Chief Officer - Governance and Monitoring Officer
Paul Thompson	Chief Officer - Resources and Section 151 Officer
Mark Cassidy	Chief Officer - Planning and Climate Change
Joanne Wilkinson	Chief Officer - Housing and Property
Daniel Wood	Partnerships Officer
Liz Bateson	Principal Democratic Support Officer

It was noted that the Leader had been delayed and Councillor Caroline Jackson (Deputy Leader) took the Chair to enable the meeting to start at the appointed time.

30 MINUTES

The minutes of the meeting held on Tuesday 11 September 2023 were approved as a correct record.

31 ITEMS OF URGENT BUSINESS AUTHORISED BY THE LEADER

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

32 DECLARATIONS OF INTEREST

No declarations were made at this point.

33 PUBLIC SPEAKING

Members were advised that there had been no requests to speak at the meeting in accordance with Cabinet's agreed procedure.

The Leader arrived during consideration of the following item and took the Chair at the conclusion of the item.

34 HOMELESS AND ROUGH SLEEPER STRATEGY**Cabinet Member with Special Responsibility Councillor Caroline Jackson)**

Cabinet received a report from the Chief Officer Housing & Property to request Cabinet's approval of the Homeless and Rough Sleeping Strategy 2023-2028.

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

	Option 1: Do not approve the revised Homeless and Rough Sleeper Strategy.	Option 2: Approve the revised Homeless and Rough Sleeper Strategy.
Advantages	<ul style="list-style-type: none"> No notable advantages 	<ul style="list-style-type: none"> Independently reviewed strategy which is compliant with current legislation and good practice. Reduction in homelessness. Reduction in use of bed and breakfast, for families and single people. Provides a clear framework and action plan for the council and partners to reduce homelessness. Improved community cohesion
Disadvantages	<ul style="list-style-type: none"> Unable to carry out statutory duties to prevent homelessness. Increased statutory homeless applications. Increased health inequalities. Increase in temporary accommodation costs. 	<ul style="list-style-type: none"> No notable disadvantages
Risks	<ul style="list-style-type: none"> Legal challenge – the council would be in breach of its legal requirements and face censure, and the loss of funding support, from the Government. Increased costs to the council through increasing levels of homelessness and rough sleeping. Reduced community cohesion and increase in ASB. 	<ul style="list-style-type: none"> Targets are not achieved.

The officer preferred option is 2.

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

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

Councillors then voted:-

Resolved unanimously:

- (1) That the Homeless and Rough Sleeper Strategy and the three-year action plan (Appendix One) to the report, be approved and adopted.
- (2) That annual updates on progress be presented to Cabinet.

Officer responsible for effecting the decision:

Chief Officer Housing & Property

Reasons for making the decision:

Whilst the national and local housing context is undeniably challenging setting out a clear plan for action and working in partnership with others provides the best opportunity to support some of the district’s most vulnerable residents.

The decision directly contributes to the Council’s approved priorities including focussing on early intervention approaches and involving our communities.

It is also consistent with the Homes Strategy through supporting independent living, creating sustainable communities, and improving health through housing.

Councillor Phillip Black took the chair at this point.

35 LIVESTREAMING OF CABINET MEETINGS

(Cabinet Member with Special Responsibility Councillor Wood)

Cabinet received a report from the Chief Officer Governance to enable Cabinet to consider livestreaming meetings during the municipal year 2024/25.

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

	Option 1: To livestream meetings of Cabinet from May 2024.	Option 2: Not to livestream meetings of Cabinet.	Option 3: To livestream meetings of Cabinet held at Morecambe Town Hall only.
Advantages	Fits with the modernising local government agenda, allowing people to watch meetings as they	Continuation of alternating venues would allow people to attend in person at venues in and Lancaster	Would allow the public to continue to attend Cabinet meetings in Lancaster Town Hall in person.

	<p>happen without having to attend in person.</p> <p>Reduces the need for the public to travel to meetings.</p> <p>Increased transparency, accountability, and openness.</p>	Town Hall as well as Morecambe.	
Disadvantages	All meetings would have to be held at Morecambe Town Hall.	<p>Would not take advantage of the livestreaming equipment.</p> <p>The public would have to attend in person to be able to watch/listen to the meeting as it happens.</p>	Would not take full advantage of the livestreaming equipment.
Risks	None identified. Livestreaming of meetings is now used by many local authorities and has been for some time.	May attract criticism if the equipment is in place but not used for Cabinet meetings where the Council's key decisions are taken.	Could confuse the public – they are likely to expect all meetings to be livestreamed and it may attract criticism if only half the formal meetings are livestreamed.

The officer preferred option is Option 1, to allow the public to access a livestream of Cabinet meetings and make full use of the equipment in the Council Chamber. The public will still be able to attend at Morecambe Town Hall if they do not have access to the software to watch the livestream.

Councillor Wood proposed, seconded by Councillor Ainscough:-

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

Councillors then voted:-

Resolved unanimously:

(1) That Cabinet meetings be livestreamed during the municipal year 2024/25.

Officer responsible for effecting the decision:

Chief Officer Governance

Reasons for making the decision:

Extending the Council's livestreaming offer to include formal Cabinet meetings is consistent with the Council's priorities. The use of technology will facilitate public viewing by improving accessibility and transparency of decision making in line with the focus on serving residents. This fits with the modernising local government agenda, allowing people to watch meetings as they happen without having to attend in person.

36 TREASURY MANAGEMENT STRATEGY MID YEAR REVIEW

Cabinet Member with Special Responsibility Councillor Hamilton-Cox)

Cabinet received a report from the Chief Officer Resources which sought Cabinet's consideration of various matters in connection with the amendments to the Treasury Management Strategy for 2023/24 and the Treasury Management Mid-Year Review 2023/24.

As the report was for consideration and progressing to Budget and Performance Panel and Full Council, no alternative options were put forward. Councillor Hamilton-Cox, the Chief Executive and Chief Officer Resources responded to several questions with regard to the possible postponement of certain capital projects.

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

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

Councillors then voted:-

Resolved unanimously:

- (1) That the various matters in connection with the amendments to the Treasury Management Strategy for 2023/24 and the Treasury Management Mid-Year Review 2023/24 be noted.
- (2) That the amendments to the Treasury Management Strategy for 2023/24 as set out in Appendix B to the report be forwarded to the Budget & Performance Panel for consideration and comment and then forwarded to Full Council for approval in accordance with CIPFA Code of Practice on Treasury Management (the Code) and the CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code).
- (3) That the Mid-Year Review 2023/24 as set out in Appendix C to the report be forwarded on to the Budget & Performance Panel and Full Council for consideration in accordance with CIPFA Code of Practice on Treasury Management (the Code) and the CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code).

Officer responsible for effecting the decision:

Chief Officer Resources

Reasons for making the decision:

Effective Treasury Management and use of the Councils' resources is fundamental to the delivery of its priorities and outcomes.

Consideration of Treasury Management Mid-Year Review and presentation to Full Council will ensure the Council complies with CIPFA's Code of Practice on Treasury Management (the Code) and the CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code).

37 EXCLUSION OF THE PRESS AND PUBLIC

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

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

Members then voted as follows:-

Resolved unanimously:

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

38 WHITE LUND DEPOT IMPROVEMENTS (Pages 8 - 11)**Cabinet Member with Special Responsibility Councillor Phillip Black)**

Cabinet received a report from the Chief Officer Housing & Property. The report was exempt from publication by virtue of paragraph 3, Schedule 12A of the Local Government Act, 1972.

The options, options analysis, including risk assessment and officer preferred option, were set out in the exempt report.

Councillor Phillip Black proposed, seconded by Councillor Parr:-

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

Councillors then voted.

Resolved unanimously:

The resolution is set out in a minute exempt from publication by virtue of Paragraph 3 of Schedule 12A of the Local Government Act, 1972.

Officer responsible for effecting the decision:

Chief Officer Housing & Property

Reasons for making the decision:

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

Chair

(The meeting ended at 7.28 p.m.)

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

MINUTES PUBLISHED ON MONDAY 30 OCTOBER, 2023.

**EFFECTIVE DATE FOR IMPLEMENTING THE DECISIONS CONTAINED IN THESE MINUTES:
TUESDAY 7 NOVEMBER ,2023.**

Document is Restricted

CABINET**6.00 P.M.****5TH DECEMBER 2023**

PRESENT:- Councillors Phillip Black (Chair), Caroline Jackson, Joanne Ainscough, Gina Dowding, Tim Hamilton-Cox, Peter Jackson, Jean Parr, Catherine Potter, Nick Wilkinson and Jason Wood

Officers in attendance:-

Mark Davies	Chief Executive
Luke Gorst	Chief Officer - Governance and Monitoring Officer
Paul Thompson	Chief Officer - Resources and Section 151 Officer
Mark Cassidy	Chief Officer - Planning and Climate Change
Thomas Brown	Regeneration & Development Project Manager
Liz Bateson	Principal Democratic Support Officer

39 MINUTES

The minutes of the meeting held on Tuesday 24 October 2023 were approved as a correct record.

40 ITEMS OF URGENT BUSINESS AUTHORISED BY THE LEADER

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

41 DECLARATIONS OF INTEREST

No declarations were made at this point.

42 PUBLIC SPEAKING

Members were advised that there had been no requests to speak at the meeting in accordance with Cabinet's agreed procedure.

43 COUNCIL PLAN 2024-2027**(Cabinet Member with Special Responsibility Councillor Phillip Black)**

Cabinet received a report from the Chief Executive which presented a Council Plan for 2024-27 following the formation of a new Cabinet earlier this year.

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

	Option 1: Refer the Council Plan 2024-2027 to Council for adoption	Option 2: Take no action
Advantages	An up-to-date articulation of the Council's priorities will have been considered by the Council, with opportunity for valuable comment and	No specific advantages are identified for this option; if no action is taken, the Policy Framework would continue to be represented by the Priorities

	feedback. If adopted, subsequent strategic and financial decisions will be based on the most up-to-date ideas of Cabinet.	agreed in December 2021.
Disadvantages	No specific disadvantages are identified for this option.	The Council must have a Council Plan in place.
Risks	None identified.	The development and delivery of strategic priorities may be compromised by this option.

The recommended option is to proceed with referring the Council Plan 2024- 2027 to Council (Option 1). The report provided details of the reasons for creating the Council Plan 2024- 2027 and outlined the content of the document.

At this point in accordance with Cabinet Procedure Rule 17 (Chair's discretion regarding questions on reports) Councillor Gawith was invited to ask questions on the report.

Councillor Phillip Black proposed, seconded by Councillor Wood:-

"That the recommendation, as set out in the report, be approved with the following addition to 2.4 Investment and Regeneration : *Encouraging tourism and promoting our district as an attractive destination for leisure and culture.*"

Councillors then voted:-

Resolved unanimously:

- (1) That Cabinet recommend that Council adopt the Council Plan 2024-2027 with the revision to 2.4 Investment and Regeneration : *Encouraging tourism and promoting our district as an attractive destination for leisure and culture.*

Officer responsible for effecting the decision:

Chief Executive

Reasons for making the decision:

The Council Plan 2024-2027 will form the heart of the Council's Policy Framework, informing its strategic and financial decision-making. Adoption will enable the Council to move forward and provide direction for its Principles and Ambitions.

With the agreement of the meeting the Chair advised that he had reordered the agenda in order that the Delivering our Priorities item would be considered next.

44 DELIVERING OUR PRIORITIES: Q2 2023/24

(Cabinet Member with Special Responsibility Councillor Hamilton-Cox)

Cabinet received a report from the Chief Executive and 151 Officer that provided members with an update on performance, projects, and resources during the first two quarters of 2023/24 (April – September 2023). No options were provided as the report

was for commenting and noting.

Resolved unanimously:

- (1) That the report be noted.

Reasons for making the decision:

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

45 MEDIUM TERM FINANCIAL STRATEGY 2024/25 - 2028/29

(Cabinet Member with Special Responsibility Councillor Hamilton-Cox)

Cabinet received a report from the Chief Finance Officer to provide an update on the Council's Medium Term Financial Strategy forecasts for 2023/24 to 2028/29 and outline the approach to balancing the budget.

As the report is for consideration no alternative options are put forward, the Cabinet could make supplementary recommendations regarding any matters.

It must be reiterated that the current forecasts do not include any interventions by Cabinet, Senior Leadership Team or the outcomes of the Local Government Settlement. Whilst some savings have been delivered, the forecasts show that potential annual and cumulative budget deficits remain over the next 5 years and continue to need to be addressed. In light of this, balancing the budget both in the short and the medium term remains a tough task and all Members must work together and recognise that they will face a number of difficult but key decisions as part of the forthcoming budget and over the coming financial years which will affect the manner in which it delivers its services.

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

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

Councillors then voted:-

Resolved unanimously:

- (1) That the draft future years estimates as set out in the report as the latest information available be noted, accepting that this is an interim position.
- (2) That the update be referred on to December Council for information.
- (3) That the Council Tax Base for 2024/25 as set out in paragraph 3.12. of the report be noted.

Officer responsible for effecting the decision:

Chief Officer Resources

Reasons for making the decision:

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

46 RESOURCING THE REVIEW OF THE LANCASTER DISTRICT LOCAL PLAN**(Cabinet Member with Special Responsibility Councillor Parr)**

Cabinet received a report from the Chief Officer - Planning and Climate Change to secure resourcing to support the Review of the Lancaster District Local Plan.

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

	Option 1: Resolve to resource the preparation of the revised Local Plan in accordance with the recent previous Cabinet and Council resolutions	Option 2: Resolve not to resource the preparation of the revised Local Plan in accordance with the recent previous Cabinet and Council resolutions.
Advantages	The Council will enable its officers to prepare a reviewed local plan. Having an up to date development plan is a responsibility of the authority; the need to review the plan was agreed by Cabinet in September this year and is in effect unavoidable given that it is evident the delivery of development requirements cannot now be achieved in accordance with the policies of the adopted plan. If the Council does not resource the decision to review the plan now it will have to do so in the not too distant future in any case as the Council would need to commence the review of its adopted Local Plan by July 2025	By delaying a decision to enable the review of Local Plan and maintaining reserves until such time as it does resolve to resource the necessary review of the Local Plan, the Council would retain its reserves for a longer period of time.
Disadvantages	None are apparent; except for a delay in a decision to release resources to review the Local Plan until a later date.	The Council would not enable its officers to prepare a review the local plan. The Council would therefore be a position of having acknowledged the need to review its local plan and resolved to do so; but would not have enabled that resolution to

		be achieved by resourcing it
Risks	Members have been made aware at both Cabinet and Council meetings in September of this year that the government has announced proposed changes to the national plan-making system. If the review of the Local Plan enabled by this decision is not completed by the end of 2026, or alternatively the Council later resolves to prepare a plan in accordance with the new national plan-making system, then prospectively some of the evidence that is procured to inform a review of the Local Plan under the current system may need to be refreshed and incur further cost	There would be a clear reputational risk to the Council arising from the evident inconsistency of having resolved that its Local Plan should be reviewed in September but then conversely not enabling that review to be undertaken by virtue of a decision in December. Meanwhile with the passing of time before the Local Plan would have to be reviewed in any case it would become increasingly difficult for the Council to maintain confidence in the relevance of the strategic policies of its Local Plan and continue to convincingly advocate the relevance of these policies in the determination of planning application proposals.

The officer recommendation is Option 1; to resolve to approve the recommendation of this report and thereby resource the preparation of the revised Local Plan in accordance with the recent previous Cabinet and Council resolutions. As previously advised the timetabling risks associated with the preferred option are very challenging, but it is considered to be the most appropriate response to recent developments and the likely emerging patterns of development within the district.

Councillor Parr proposed, seconded by Councillor Potter:-

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

Councillors then voted:-

Resolved unanimously:

- (1) That Cabinet approves the release from reserves for the reasons as described within this report and presented in the Financial Implications section to enable the review of the adopted Local Plan for Lancaster District during the remainder of financial year 2023/24 and continuing in 2024/25 and 2025/26.

Officers responsible for effecting the decision:

Chief Officer – Planning and Climate Change
Chief Officer - Resources

Reasons for making the decision:

The preparation of Local Plan Documents which are part of the Council’s Development

Plan are part of the Council's Policy Framework (See Section 2.3 (c) of the Council's Constitution). The Council is obliged to prepare and maintain the Development Plan for Lancaster District as described by Section 19 of the Planning and Compulsory Purchase Act 2004. Although the Local Plan was adopted as recently as July 2020, in light of significant changes in circumstances, most particularly relating to the funding of strategic infrastructure in south Lancaster, the City Council has recently acknowledged (at Cabinet and Full Council) the need to review the Local Plan and has resolved to do so. The report sought the release of resources to enable the review to be undertaken. Maintaining an up-to-date development plan is a responsibility of the Council, thus the need to resource a review of the local plan would need to be taken at a later date in any case. By progressing the review now the Council can demonstrate that it is taking the appropriate and reasonable measures to ensure that it revisits its current development requirements and develops policies to enable delivery of them.

47 LOCALISED COUNCIL TAX SUPPORT

(Cabinet Member with Special Responsibility Councillor Hamilton-Cox)

Cabinet received a report from the Assistant Director (Head of Revenues and Benefits) to enable Cabinet to consider the existing Localised Council Tax Support ("LCTS") Scheme and the options available, ahead of formal consideration and approval by Council for application in 2024/25.

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

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

Option 1:

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

- The existing scheme is considered soundly structured and works well, and offers maximum support for low-income families, who may otherwise find themselves in mounting debt.

- current forecast assumes the continuation of the existing LCTS system and as such, maintaining current levels of support would normally have no impact on the Council's financial forecast. However, costs have increased in recent years with increased take-up due to Covid-19, although 2023/24 has seen a slow decline in the number of residents receiving LCTS, which would reduce costs if the trend continues in the longer term. However, the cost-of-living crisis may result in an increased number of claims.

- Retaining existing policy principles of keeping various positive entitlement provisions for LCTS in line with other key welfare benefits promotes equality.

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

- Currently 9,574 residents claim LCTS in the Lancaster district. As pensioners make up

38% (3,625) of claimants, it means any cut in the level of support provided falls on the remaining 62% (5,949) of working age people on low incomes.

- A reduction in the levels of support provided could arguably provide claimants with further incentives to work, reducing their reliance on benefits, although the jobs market is particularly uncertain at this difficult time.

- This option will have greater adverse financial impact on working age households but would help protect other Council services by requiring less savings to be made by them.

- If levels of support are reduced, the Council would be tasked with the difficulty of collecting this debt from the more vulnerable members of our society, increasing workloads and costs associated with council tax recovery.

- Additional costs associated with developing new scheme options, consultation exercise, legal changes to scheme etc.

	Option 1: Retain the existing LCTS scheme	Option 2: Amend the LCTS scheme to reduce entitlement
Advantages	The current scheme provides support up to a level of 100% and assists those on low incomes	Financial savings to Lancaster City Council and the other precepting authorities.
Disadvantages	The Government does not fully fund the cost of a 100% LCTS scheme. The additional cost falls on Lancaster City Council and the other precepting authorities	A reduction in support would result in Council Tax increases for those on low incomes. The Council Tax team would need to recover more money, often from those least able to make payments.
Risks	The cost of the scheme may increase due to an increase in new claims as the cost-of-living crisis progresses.	Reduced collection rates and increased debt. Potential reputational damage.

The officer preferred option is to retain the existing Localised Council Tax Support Scheme for 2024/25 (Option 1). This will assist financially vulnerable Council Tax customers in the Lancaster City Council District.

The Council's existing LCTS scheme works well in terms of providing support, but at a cost, particularly for the County Council. To date the Council has attached a high priority to maintaining council tax support levels available to working age claimants (pensioners being unaffected by Council's decision).

Adoption of a particular option should be informed by Council's views regarding the relative priority of LCTS, compared with other services and activities in support of future corporate priorities.

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

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

Councillors then voted:-

Resolved unanimously:

- (1) That the existing Localised Council Tax Support Scheme for 2024/25 (Option 1) be retained.

Officers responsible for effecting the decision:

Assistant Director (Head of Revenues and Benefits)
Chief Officer Resources

Reasons for making the decision:

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

48 STRATEGIC RISK REGISTER

(Cabinet Member with Special Responsibility Councillor Phillip Black)

Cabinet received a report from the Chief Executive to provide Cabinet with an update on the authority’s progress in updating the Strategic Risk Register. The Leader had agreed for this to be considered by Cabinet following a request from the Chair of Audit Committee in accordance with Part 3, Section 2, Cabinet Procedure Rule 16 of the Constitution.

It was reported that appendix A and appendix B to the report had been considered by the Audit Committee on 22 November 2023. The Audit Committee had requested that the Council’s Strategic Risk Register, which is updated quarterly, be seen by Cabinet to be noted. No options were provided as the report was for noting.

Resolved unanimously:

- (1) That the report be noted.

Reasons for making the decision:

The Council have a Risk Management Policy, which is written to provide guidance on the management of risk. Risk Management is identified in the proposed Council Plan 2024-27.

49 RISK APPETITE

(Cabinet Member with Special Responsibility Councillor Phillip Black)

Cabinet received a report from the Chief Executive to enable Cabinet to note and

endorse the appropriate risk appetite levels for the Council. The Leader had agreed for this to be considered by Cabinet following a request from the Chair of Audit Committee in accordance with Part 3, Section 2, Cabinet Procedure Rule 16 of the Constitution.

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

	Option 1: Endorse the recommended risk appetite levels as proposed in appendix A.	Option 2: Set different risk appetite levels, using the definitions in appendix A.	Option 3: Write and adopt new risk appetite definitions, specific to LCC
Advantages	Best practice on risk categories and risk appetite levels will be adopted.	Decision makers are satisfied with the adopted risk levels.	The risk appetite definitions will be very specific to LCC
Disadvantages	Resource time is necessary to deliver this work.	Resource time is necessary to deliver this work.	Resource time and effort required to create appropriate risk appetite levels for each risk category. The risk appetite levels will not follow any kind of best practice.
Risks	Adopting best practice would strengthen the councils risk management and make it fit for the future.	Adopting best practice would strengthen the councils risk management and make it fit for the future.	Not following best practice or any defined model will not allow the council to compare its risks to that of other local authorities.

The recommended option is to proceed with endorsing the recommended the risk appetite levels as shown in appendix A (Option 1). Members considered the risk categories and definitions and after some discussion it was agreed to vote on whether 'operations' and 'legal' should be moved.

It was proposed by Councillor Wilkinson and seconded by Councillor Ainscough and agreed unanimously when put to the vote 'that Operations be amended from cautious to open.'

Resolved unanimously.

- (1) That Operations be amended from cautious to open.

It was then proposed by Councillor Hamilton-Cox and seconded by Councillor Caroline Jackson: 'that Legal be revised from minimal to cautious.' Upon being put to the vote **(8 Members (Councillors Ainscough, Phillip Black, Dowding, Hamilton-Cox, Caroline Jackson, Parr, Potter & Wilkinson) voted in favour, 1 Member (Councillor Wood) voted against and 1 Member (Councillor Peter Jackson) abstained.)**

Resolved:

- (2) That Legal be revised from minimal to cautious.

Councillor Phillip Jackson then proposed, seconded by Councillor Peter Jackson:-

“That Appendix A be amended to reflect the revisions to ‘Operations’ and ‘Legal’ and that the revised risk appetite levels for risks across the Council be adopted with the inclusion of *‘whilst recognising that it may be necessary to deviate from the adopted risk appetite for individual decisions when there is a good reason to do so.’*”

Councillors then voted:-

Resolved unanimously:

- (3) That Appendix A be amended to reflect the revisions to ‘Operations’ and ‘Legal’ and that the revised risk appetite levels for risks across the Council be adopted with the inclusion of *‘whilst recognising that it may be necessary to deviate from the adopted risk appetite for individual decisions when there is a good reason to do so.’*”

Officer responsible for effecting the decision:

Chief Executive

Reasons for making the decision:

The Council have a Risk Management Policy, which is written to provide guidance on the management of risk. Risk Management is identified in the proposed Council Plan 2024-27. Endorsing the recommended risk appetite levels will strengthen the council’s approach to risk management.

50 EXCLUSION OF THE PRESS AND PUBLIC

It was moved by Councillor Wood and seconded by Councillor Ainscough:-

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

Members then voted as follows:-

Resolved unanimously:

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

51 CENTENARY HOUSE (FORMER CO-OP DEPARTMENT STORE), REGENT ROAD, MORECAMBE: BRLF2 GRANT FUNDED ABNORMAL WORKS (Pages 13 - 15)

(Cabinet Member with Special Responsibility Councillor Wilkinson)

Cabinet received a report from the Chief Officer Sustainable Growth. The report was exempt from publication by virtue of paragraph 3, Schedule 12A of the Local Government Act, 1972.

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

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

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

Councillors then voted:-

Resolved unanimously:

The resolution is set out in a minute exempt from publication by virtue of Paragraph 3 of Schedule 12A of the Local Government Act, 1972.

Officer responsible for effecting the decision:

Chief Officer Sustainable Growth

Reasons for making the decision:

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

Chair

(The meeting ended at 7.50 p.m.)

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

MINUTES PUBLISHED ON FRIDAY 8 DECEMBER, 2023.

**EFFECTIVE DATE FOR IMPLEMENTING THE DECISIONS CONTAINED IN THESE MINUTES:
MONDAY 18 DECEMBER, 2023.**

Document is Restricted