



Committee: BUDGET AND PERFORMANCE PANEL

Date: THURSDAY, 18TH JANUARY 2024

Venue: MORECAMBE TOWN HALL

Time: 6.00 P.M.

Please note change to commencement time and venue.

A G E N D A

1. **Apologies for Absence**

2. **Minutes**

Minutes of the Meeting held on 7th December 2023 (previously circulated).

3. **Items of Urgent Business authorised by the Chair**

4. **Declaration of Interests**

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

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

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

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

5. **Corporate Fees & Charges 2024/25** (Pages 3 - 24)

Report of Chief Officer Resources (report published on 15 January 2024).

6. **Budget & Policy Framework General Fund Revenue Budget 2024/25** (Pages 25 - 38)

Report of Chief Officer Resources (report published on 15 January 2024).

7. **Work Programme** (Pages 39 - 41)

Attached.

ADMINISTRATIVE ARRANGEMENTS

(i) Membership

Councillors Ross Hunter (Chair), Paul Tynan (Vice-Chair), Martin Bottoms, Keith Budden, Chris Hanna, Sophie Maddocks, Hamish Mills, Sue Penney and James Sommerville

(ii) Substitute Membership

Councillors Suhir Abuhajar, Dave Brookes and Brett Cooper

(iii) Queries regarding this Agenda

Please contact Stephen Metcalfe, Democratic Support - email sjmetcalfe@lancaster.gov.uk.

(iv) Changes to Membership, substitutions or apologies

Please contact Democratic Support email democracy@lancaster.gov.uk.

MARK DAVIES,
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Published on 10th January 2024.

CABINET

**Corporate Fees & Charges 2024/25
16 January 2024**

Report of Chief Officer (Resources)

PURPOSE OF REPORT				
The report asks Members to endorse the Fees and Charges Policy for 2024/25 and also to consider a range of charging options as deemed appropriate to the service area.				
Key Decision	Y	Non-Key Decision		Referral from Cabinet Member
Date of notice of forthcoming key decision	8 December 2023			
This report is public				

RECOMMENDATIONS OF COUNCILLORS

- (1) That Cabinet endorses the Fees and Charges Policy as set out at Appendix A, and during 2024/25 as part of the mid-year budget strategy review determines whether any other areas of income generation be explored further for 2025/26 onwards.
- (2) That Cabinet endorses the increasing of selected car parking pay and display charges in line with those listed in Appendix C.
- (3) That Cabinet endorses the increase of garden waste collection charges by £4 to £45 per annum.
- (4) That Cabinet endorses the application of inflationary increases to fees and charges across all remaining areas as appropriate, as reported as part of the current 2024/25 budget setting process.
- (5) That Cabinet endorses the annual review of Mellishaw Park pitch fees in line with CPI, as prescribed by the Mobile Homes (Pitch Fees) Act 2023.
- (6) That Jubilee Court rents be set in accordance with the Policy Statement on Rents for Social Housing, as applied to HRA housing stock.

1.0 Introduction

- 1.1 Inflation means that the cost of delivering Council services has also increased. Charging for some local services, where appropriate, makes a significant contribution to council finances and the delivery of the Council Plan which in turn bring benefits to local communities. (Note that all fees and charges within this report are stated exclusive of VAT)The level of income generated by fees and charges and in particular projected increases which the council can influence, form a key part of the council's financial planning and is therefore reflected in the Medium Term Financial Plan.

2.0 Proposal Details

2.1 GENERAL POLICY

This report sets out the proposed fees and charges framework for 2024/25. The current policy was last considered by Cabinet at its meeting on 17 January 2023 and a copy is attached at **Appendix A**. No substantive updates of the policy are being proposed at this stage.

In terms of fee increases, all relevant fees and charges have been reviewed and increase as appropriate. The larger income generation areas and new areas of charging are discussed further within section 3 of this report.

- 2.2 In support, **Appendix B** provides a listing of the General Fund fees and charges for 2022/23 actuals, the 2023/24 original budget plus mid-year review position and the 2024/25 latest draft budget. This shows that the total estimated base income to be generated from fees and charges (including rents) is now projected to be £19.513M next year. Of this total, around £17.099M has been subject to increase as appropriate. The majority of the remaining income relates to statutory fees, commercial charges, general cost recovery and fixed contracts. As such these income areas allow for little or no discretion in setting fee increases (aside from any consideration of market share etc). Furthermore, certain fees such as various licensing fees cannot by law be set by Cabinet.
- 2.3 From Appendix B, it can be seen that between 2023/24 and 2024/25 gross income from comparative fees and charges is expected to increase from £18.032M to £19.513M, representing an increase of £1.481M before increased expenses are deducted.
- 2.4 Where fees and charges are to change in line with policy and/or the budget, these will be amended through existing Officer delegations and therefore no Cabinet decision is required – and so no detail is provided within this report. It should be noted that in exercising their delegated authority, Officers may well consider groupings of charges for similar or related activities and within those groupings, they may vary individual fees (or concessions) above or below inflation, for example – but as long as in totality, it is reasonable to assume that the relevant income budget will be met and the variances do not go against any

other aspect of policy, then no Cabinet decision is required.

- 2.5 Separate to the annual budgeting exercise, if there are any significant matters arising during the course of a year, such as in cost, market forces or service levels, which materially affect current service costs and revenues, then relevant fees and charges should be reviewed. If it is reasonable for them to be adjusted in year, to keep within the budget framework, then the Chief Officer has delegated authority to do so, as long as any fee or charge under question was not explicitly approved by Members during the last budget process. Any such changes must be reported to Cabinet retrospectively as part of usual quarterly monitoring arrangements.
- 2.6 Cabinet is requested to indicate whether there are any other specific areas for income generation that it wishes to consider as part of its budget development, primarily for 2024/25 onwards, on top of those already included.

3.0 OTHER SPECIFIC CHARGING CONSIDERATIONS

3.1 Communities & Leisure: Salt Ayre Leisure Centre

Salt Ayre Leisure Centre generates a significant amount of income to support the net cost of its operation. The latest projected income figures available suggest that fees and charges income of £3.394M is expected in 2023/24. Targeted increases throughout the centre have been proposed which include the following areas :-

- Alignment of pricing for memberships, bringing prices in line for existing and new customers
- Introduction of 'premium' Spa and fitness membership – which will help to increase the average direct debit yield
- A full review of café pricing is undertaken to maintain gross profit margins whilst being realistic in customer expectations
- A full review of spa treatment pricing has been undertaken to bring pricing in line with competitors and maintain profit margins.
- Increasing in pricing of swimming lessons

It should be noted that nationally public leisure faces significant challenges due to the energy crisis and constraints surrounding employee costs. Therefore, Members should be aware that increasing fees does come with risk and these can be described as follows :-

- Price increase may result in a reduction in existing membership levels, resulting in a potential loss of income
- The centre is fundamentally dependant on a membership base of c.3,700 members. A risk in a decrease of new uptake of memberships – footfall may reduce considerably if residents do not have the disposable income to pay for the membership
- A drop-off in the volume of membership renewals resulting in lower income levels

- Secondary spend levels reduced which will affect income in all areas of the leisure due to reduction in footfall and disposable income

Any approved increases will be closely monitored during the usual corporate monitoring arrangements during 2024/25 and reported as appropriate.

3.2 Sustainable Growth: Car Parking

Off-street car parking is a key Council service which helps to support the council's statutory and discretionary services.

As part of the review which formed the fee structure for 2022/23, it was recommended that prices were frozen for a two-year period. The decision to continue to support the freezing of prices into the second year was approved by Council as part of the 2023/24 budget setting process.

Now this timeframe has elapsed, various modelling has taken place by Members and Officers to increase the charges and the proposed new tariff structure can be found at **Appendix C**. The majority of tariffs have been set so that they fall below the level of the cumulative rate of inflation experienced over the past two years.

3.3 Environment & Place: Garden Waste

The current price of a subscription is £41 per annum and within the calendar year of 2023 there were just over 24,200 subscribers resulting in income of £0.995M towards the general fund's net financial position. Retention levels had a marginal increase following the previous £1 price increase.

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

- The government recently provided details of the waste strategy which includes proposals to introduce weekly food waste collection from April 2026. It also allows local authorities to carry on charging for garden waste collection.
- Increase in price can lead to a reduced number of subscriptions, which could possibly lead to the income target not being achieved
- The charge is a contribution towards the cost of providing the service: it does not represent full cost recovery. The costs of delivering the service eg staffing, fuel, vehicle maintenance have of course increased significantly.

On this basis it is proposed to increase the charge by an amount of £4 to £45. Assumptions with regards to overall impact of this in terms of subscription numbers have been included within the draft budget for 2024/25 and will be monitored closely throughout the financial year.

3.4 **Housing & Property: Mellishaw Park**

The Mobile Homes (Pitch Fees) Act 2023 came into force on 2 July 2023. The Act changes the inflationary index for annual pitch fee reviews from RPI to CPI, allowing the site owner to propose new pitch fees which may increase (or decrease) by no more than the change in CPI since the last review date. Therefore, it is proposed that all future annual reviews are calculated in line with CPI, using September as the annual base month which is consistent with rent setting within the HRA. CPI as at September 2023 was 6.7%. Rents will be collected for 49 weeks in 2024/25, rather than the usual 48 weeks. This is due to the number of Mondays falling within the rent year. Guidance is currently being sought on assessing the pitch fee on the site linked to the ongoing redevelopment but will continue to be calculated at social rent levels.

3.5 **Housing & Property: Jubilee Court**

Jubilee Court welcomed its first residents in April 2023, with apartments being let at social rents, as calculated using the formula set by government. This is a requirement of the funding received through the Rough Sleeper Accommodation Programme. As such, this is consistent with rent setting within the HRA, and it is proposed that annual rent increases follow the Policy Statement on Rents for Social Housing, last updated in December 2022. For 2024/25, the maximum increase under the Rent Standard is 7.7% (being CPI as at September 2023 of 6.7% plus 1.0%), meaning the average weekly rent will increase by £6.22 from £80.82 (52 week basis) to £87.04 (53 week basis). Rents will be collected over 49 weeks in 2024/25, rather than the usual 48 weeks. This is due to the number of Mondays falling within the rent year.

3.6 **Venue Hire**

The operating model of The Platform, Storey Institute and Ashton Hall is currently being reviewed. Officers will need to be able to negotiate with a degree of flexibility when setting charges for the future and percentage uplifts could exceed the current recommended levels. This approach is intended to assist in reducing the net operating cost and again will be monitored closely throughout the financial year.

3.7 **Outcomes Based Resourcing**

As part of the Outcomes Based Resourcing process (OBR) all service areas have been reviewed to consider both costs and income. areas . Charges for the following areas have been fundamentally reviewed and in some cases reset at a rate higher than inflationary expectation.

- Salt Ayre Leisure Centre (Soft Play)
- Happy Mount Park (Splash Park)

- Planning
- S106 Monitoring

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

4.0 Details of Consultation

4.1 This report forms part of the Council’s budget proposals which will be consulted on as part of that exercise. Specific elements of this report will also be shared with organisations that have a particular interest .

5.0 Options and Options Analysis (including risk assessment)

	Option 1: To support the inflationary increases/freezes as outlined in the report.	Option 2: To not support the inflationary increases as outlined in the report.
Advantages	<p>Fees and charges contribute further to the general fund net position.</p> <p>Costs of delivering Council services have increased as has demand in some areas. Not increasing costs means that further pressure is created on the Council’s ability to deliver its core services.</p>	<p>Maintains the cost of services at 23/24 levels or at less than proposed in this report.</p>
Disadvantages	<p>The draft revenue budget has been prepared with the inclusion of the items raised in this report. Any further proposals would require further consideration prior to being fed into the budget process.</p>	<p>Costs of delivering Council services have increased as has demand in some areas. Not increasing costs means that further pressure is created on the Council’s ability to deliver its core services.</p>
Risks	<p>Increasing fees to higher than suggested levels would most likely result in further resistance and potentially not achieve the targets originally set.</p>	<p>Cost of living increases and the return from the pandemic have reshaped people’s habits. The income targets already set may not achieve projected levels in 23/24, resulting in a shortfall within the accounts.</p>

6.0 Officer Preferred Option (and comments)

6.1 The Officers preferred option is Option 1.

7.0 Conclusion

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

RELATIONSHIP TO POLICY FRAMEWORK

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

CONCLUSION OF IMPACT ASSESSMENT

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

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

LEGAL IMPLICATIONS

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

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

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

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

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

FINANCIAL IMPLICATIONS

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

OTHER RESOURCE IMPLICATIONS

Human Resources: No specific resource implications.

Information Services: No specific resource implications.

Property: No specific resource implications.

Open Spaces: No specific resource implications.

SECTION 151 OFFICER'S COMMENTS

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

MONITORING OFFICER'S COMMENTS

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

BACKGROUND PAPERS

None

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LANCASTER CITY COUNCIL
Promoting City, Coast & Countryside

APPENDIX A

FEES AND CHARGES POLICY

January 2024

1 INTRODUCTION

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

2 GENERAL POLICY

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

Council policies, strategies and priorities

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

Basis of Charging Decisions

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

Subsidies and/or Concessions

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

Surplus Income

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

Efficient Administration

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

Regular Review

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

Policy Implementation

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

3 DETERMINING SPECIFIC CHARGING POLICY (CASE BY CASE)

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

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

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

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

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

4 **SUBSIDIES AND CONCESSIONS**

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

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

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

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

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

5 **NEW FEES AND CHARGES**

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

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

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

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

6 REVIEWING FEES AND CHARGES

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

7 COLLECTION OF FEES AND CHARGES

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

8 PUBLICATION OF FEES AND CHARGES

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

GUIDANCE FOR NEW FEES AND CHARGES

Charging Policy

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

Comparative Information

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

Financial

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

Impact Assessment

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

Impact on Other Areas

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

Method of Collection

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

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

Alternatives

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

Consultation

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

Summary of General Fund Fees and Charges (including rents)

APPENDIX B

For Consideration by Cabinet 16 January 2024

Directorate	Service	Service Area	Detail Code	2022/23 Actual £	2023/24 Original £	2023/24 Projected £	2024/25 Estimate £		
Communities & Leisure	Food Safety	Food & Safety	General Fees & Charges	-3,244	-10,100	-10,000	-11,000		
			Fines	0	-100	-100	-100		
			Training Course Fees	-672	-4,300	-2,300	-4,300		
	Pest Control	Lancaster Port Health Authority Pest Control	General Fees & Charges	-5,793	-4,900	-4,900	-5,300		
			Unbugged	-121,821	-149,200	-149,200	-162,000		
			Domestic Rodents	-45,511	-49,300	-49,300	-53,500		
			Domestic Insects	-26,072	-43,300	-43,300	-36,100		
	Salt Ayre Leisure Centre	Salt Ayre Mgt & Admin	Feed In Tariff Credits	-15,239	-18,300	-18,300	-18,300		
			Fees and Charges	-2,891,791	-3,487,100	-3,393,600	-3,707,200		
	Environment & Place	AONB & Nature Reserves	Arnsdale and Silverdale AONB Middleton Nature Reser & Pumping Station	Feed In Tariff Credits	-468	-500	-500	-500	
Rents - General				-875	-900	-900	-900		
Environmental Protection		Environmental Protection	Rents - Wayleaves & Titles	-500	-500	-500	-500		
			Water Sampling Fees	-5,045	-3,700	-3,700	-4,000		
			EPA Authorisation Fees	-14,818	-17,000	-17,000	-17,000		
			Fines	-1,210	-2,000	-2,000	-2,000		
			Income - Works In Default	-1,691	-2,400	-2,400	-2,600		
Fleet Management		Vehicle Maintenance - External Recharges	MOT Income	-1,778	-2,900	-2,900	-2,900		
			General Fees & Charges	-956	-1,500	-1,500	-1,500		
Hospitality & Events Management		The Storey	Sales - General	-232,299	-214,100	-214,100	-232,400		
			Sales - Refreshments	0	0	0	-43,400		
			Rents - General	-99,752	-95,400	-93,100	-95,800		
			Hire Of Premises	-82,888	-110,700	-110,700	-120,200		
			Service Charges Recovered	-85,254	-81,400	-76,700	-85,100		
Parks & Open Spaces		LTH Bar & Catering	Sales - General	-7,101	0	-40,000	-43,400		
			Hire Of Premises	0	0	-45,000	-45,000		
			Rents - General	-13,264	-6,900	-6,900	-7,500		
			Rents - Concessions	-23,200	-12,000	-21,500	-23,400		
			Service Charges Recovered	-46,817	-66,800	-50,000	-51,400		
		Resort Parks	Non-Resort Parks	Administration Charges	-236	-1,600	-500	-600	
				Bowling	-420	-1,200	-1,200	-1,300	
				Receipts Non-Vatable	-7,112	-9,300	-9,300	-10,100	
				Rents - General	-3,660	-3,800	-3,800	-4,100	
				Rents - Concessions	-5,150	-4,700	-4,700	-5,100	
Happy Mount Park			Service Charges Recovered	-1,637	-100	-100	-100		
			Rents - General	-39,653	-42,300	-39,500	-45,900		
			Rents - Concessions	-3,500	-3,700	-3,700	-4,000		
			General Fees & Charges	-34,219	-49,700	-41,800	-54,000		
			Service Charges Recovered	0	-500	-500	-500		
Promenade Management		Promenade Management	Bowling	-301	-400	-400	-400		
			Tennis	-138	-400	-400	-400		
			Sales - Promenade Passes	-502	-500	-500	-600		
			Rents - General	-27,174	-21,400	-21,400	-23,200		
			Rents - Concessions	-69,573	-21,300	-65,100	-70,700		
		Grounds Maintenance	Service Charges Recovered	-9,167	-4,300	-4,300	-4,400		
			General Fees & Charges	-45,692	-38,400	-38,400	-41,700		
			Small Parks & Open Spaces GM	General Fees & Charges	0	-400	-400	-400	
			Cemeteries - General	Rents - General	-513	-500	-500	-500	
				Rents - Grazing Rights	-330	-300	-300	-300	
Sale Of Grave Spaces		-93,646		-89,200	-95,000	-103,100			
Interment Fees		-160,988		-171,400	-171,400	-186,000			
Memorial Fees		-31,290		-28,800	-28,800	-31,300			
Service Support		White Lund Depot	Hire Of Chapels	-3,042	-5,200	-5,200	-5,600		
			Sale Of Memorial Plaques	-23,284	-27,500	-32,500	-35,300		
			Sale Of Memorial Benches	-334	-600	-600	-700		
			Sales - Goods Resold	-3,201	-2,100	-2,100	-2,300		
			Feed In Tariff Credits	-19,603	-18,500	-18,500	-18,500		
		Street Cleaning	General Fees & Charges	-17,564	-35,800	-35,800	-38,900		
			Public Conveniences	General Fees & Charges	-20,996	-43,100	-33,100	-33,100	
			Trade Refuse Waste Collection	Trade Refuse	Trade Refuse Collections	-1,649,371	-1,827,000	-1,827,000	-1,983,400
				Bulky Waste Collection	Sales - Goods Resold	-3,946	-5,500	-5,500	-6,000
					Sales - Scrap	-1,886	-1,300	-1,300	-1,400
Household Waste		Domestic Collections		-98,764	-103,800	-103,800	-112,700		
		Fees - United Utilities		-4,321	-1,600	-1,600	-1,600		
		Domestic Collections	-43	-1,600	-1,600	-1,800			
		Clinical Waste	-4,159	-5,000	-5,000	-5,000			
		General Fees & Charges	-18,888	-29,800	-39,900	-43,300			
Recycling		Fees - United Utilities	-3,990	-1,400	-1,400	-1,400			
		General Fees & Charges	-14,804	-13,200	-14,700	-16,000			
		Garden Waste	Fees - United Utilities	-3,375	-1,200	-1,200	-1,200		
			Garden Waste Collection	-963,633	-986,100	-986,100	-1,070,500		
			General Fees & Charges	-22,355	-9,900	-13,300	-14,400		
Williamson Park		Williamson Park Cafe	Sales - General	-411,774	-406,200	-406,200	-441,000		
			Williamson Park Reception & Retail	Sales - Publications & Data	-73	-200	-200	-200	
		Williamson Park Butterfly House	Sales - General	-58,748	-63,200	-63,200	-68,600		
			Sale of Recycling Material	-5	-1,100	-1,100	-1,200		
			Family Tickets	-45,461	-49,500	-49,500	-52,700		
		Williamson Park Events	Admission Fees	-109,140	-122,300	-122,300	-130,200		
			Educational Usage	-6,765	-6,400	-6,400	-6,900		
			Venue Hire	-32,092	-58,700	-58,700	-55,600		
		Williamson Park Mngmt & Admin	Special Events	-51,065	-99,100	-79,100	-102,100		
			Sales - General	-350	-400	-400	-400		
Car Parking Fees			-21,081	-28,200	-22,200	-24,100			
Williamson Park Ice Cream Concession		Car Parking Fees - Card payments	-38,376	-22,400	-38,400	-41,700			
		Sales - General	-30,882	-32,800	-32,800	-35,600			

Directorate	Service	Service Area	Detail Code	2022/23 Actual £	2023/24 Original £	2023/24 Projected £	2024/25 Estimate £				
Governance	Democratic & Elections Legal Services	Electoral Registration	Sales - Publications & Data	-2,360	-2,400	-2,400	-2,600				
			Legal Services Mgt & Admin	General Fees & Charges	-115,081	-103,100	-103,100	-111,900			
			Searches Administration	Other Grants	0	0	0	-40,800			
		Licensing	Hackney Carriage & Private Hire Licences	Miscellaneous Licences	Search Fees	-152,945	-198,000	-170,000	-214,900		
					H.C. Vehicle Licence	-28,293	-30,300	-30,300	-32,900		
					H.C. Driver Licence	-2,332	-3,200	-3,500	-3,500		
				Licences - Sex Shops	H.C. Inspection Fees	-13,983	-13,700	-15,000	-14,900		
					H.C. Transfer Of Ownership	-918	-300	-400	-300		
					H.C. Taxi Plates	-767	-1,000	-900	-1,100		
					P.H. Operators Licence	-5,572	-8,200	-9,000	-8,900		
					P.H. Drivers Licence	-2,545	-5,200	-5,200	-5,600		
					P.H. Vehicle Licence	-30,482	-42,600	-38,000	-41,300		
					P.H. Inspection Fees	-23,161	-28,700	-28,700	-31,200		
					P.H. Transfer of Ownership	-442	-100	-100	-100		
					P.H. Taxi Plates	-848	-1,000	-1,000	-1,100		
					Dual Drivers Badge	-36,791	-38,600	-39,000	-41,900		
					Licences-Skin Piercing/Tattoos	-5,764	-4,400	-5,000	-4,700		
					Licences - Second Hand Dealers	Licences - Sex Shops	-175	-200	-200	-200	
				Licences - Motor Salvage Operators		-365	-300	-400	-300		
				Licences - Street Cafes		-1,794	-3,100	-3,500	-300		
				Licences - Street Cafes		-2,564	-4,400	-5,000	-4,700		
				Licensing Act 2003		Temporary Event Notices	-6,137	-6,600	-6,600	-7,200	
				Street Trading Consent		0	-20,000	0	-20,000		
				Licensing Act 2003 - Personal		-5,174	-7,500	-6,500	-8,200		
				Licensing Act 2003 - Premises		-99,333	-124,300	-110,000	-119,400		
				Gambling Act 2005		Licences - Lotteries	-2,650	-3,400	-3,400	-3,700	
						Licences - Betting Shops	-5,950	-7,700	-7,700	-8,400	
						Licences-Gaming Machines	-2,391	-3,800	-3,800	-4,100	
						Licences - Bingo Establishments	-3,050	-4,600	-4,600	-5,000	
					Amusement Machines	-1,600	-3,000	-3,000	-3,300		
				Housing & Property	Commercial Land & Properties	Commercial Land & Buildings	Rents - Grazing Rights	-3,780	-4,000	-4,000	-4,000
							Rents - General	-1,596,093	-1,735,000	-1,570,500	-1,696,500
							Service Charges Recovered	-278,269	-233,300	-214,200	-228,300
						Municipal Land & Buildings	Hire Of Premises	-1,547	-5,300	-5,300	-5,700
							Rents - General	-160,834	-156,200	-147,400	-167,600
Sales - Refreshments	0						-100	-100	-100		
Centenary House Regent Road (Co-op)	Service Charges Recovered					-177,480	-166,000	-154,500	-170,700		
	Rents - Commercial Properties					-16,120	-16,000	-16,000	-16,000		
	Rent - Houses	-71,911	-27,700			-10,000	-73,300				
Mellishaw Park	Rent - Houses	0	-28,000			-29,000	-30,200				
	Service Charges Recovered	0	-6,700			-10,000	-10,300				
	General Fees & Charges	-45,998	-17,000			-23,000	-35,000				
Jubilee Court	Administration Charges	-328,068	-320,000			-300,000	-300,000				
	Admin-Works In Default	-4,473	-1,100			-2,700	-1,200				
	Immigration Inspection Fees	-134	-300			-300	-300				
Home Improvement Team	APS Fees	-62	-100			-100	-100				
	HMO License Fees	-68,600	-86,100			-86,100	-41,300				
	Fines	-9,035	-2,800			-2,800	-2,800				
Home Improvements	General Fees & Charges	-1,325	-2,300			-2,300	-2,500				
	Burial Of The Dead	-46,547	-33,000			-33,000	-35,800				
	Vets Fees Recovered	-1,923	-1,100			-1,100	-1,200				
Private Rented Sector Activity	Licences-Riding Estabs	0	-1,000			-1,000	-700				
	Licences - Dog Breeding	-1,641	-1,400			-2,900	-1,800				
	Licences - Pet Shops	-1,101	0			-300	-1,200				
Licences-Animal Boarding	Licences-Animal Boarding	-4,656	-6,000			-4,500	-6,700				
	Licences-Zoo	0	0			0	-800				
	Collections and Kennelling	-3,408	-5,500			-4,500	-6,000				
Property Services Mgmt & Admin	Feed In Tariff Credits	-77,427	-61,800			-45,000	-45,000				
	Bldg Regs - Application Fees	-121,077	-131,000			-150,000	-152,000				
	Planning Pre Application Advice Fees	-32,039	-39,000			-47,000	-89,000				
Public Health Services	Planning Application Fees	-747,149	-900,000			-800,000	-950,000				
	Administration Charges	-807	-1,100			-1,100	-1,200				
	Legal Costs Recovered	-236,764	-338,900			-338,900	-367,900				
Dog Warden Service	City Centre Markets & Traders	Rents - Market Stalls	-28,265			-31,600	-31,600	-34,300			
	Market Tolls	-42,775	-45,000			-45,000	-48,900				
	General Fees & Charges	-3,270	-3,500			-3,500	-3,800				
Morecambe Market	Service Charges Recovered	-705	-4,600	-1,600	-4,700						
	Administration Charges	-270	-500	-500	-500						
	Rents - Market Stalls	-283,339	-308,600	-278,600	-335,000						
Advertising - Hoardings Etc	Advertising - Hoardings Etc	-123	-300	-300	-300						
	Service Charges Recovered	-17,850	-13,200	-22,300	-13,600						
	Storage	-9,956	-6,600	-6,600	-6,600						
City Museum	Sales - General	-11,452	-7,500	-7,500	-8,200						
	Admission Fees	-412	-14,000	-100	-29,400						
	Sales - General	-9,663	-3,200	-8,000	-3,500						
Maritime Museum	Sales - Refreshments	-6,607	-3,200	-4,500	-3,500						
	Admission Fees	-11,459	-5,300	-9,000	-5,700						
	General Fees & Charges	-22	-200	-200	-200						
Cottage Museum	Admission Fees	-1,827	-1,600	-1,500	-100						
	Rents - General	-23,279	-25,000	-25,000	-25,000						
	Car Parking Fees	-1,243,077	-1,308,100	-1,340,100	-1,504,800						
Off Street Car Parks	Car Parking Fees - RingGo	-1,134,968	-1,190,400	-1,090,000	-1,183,300						
	Car Parking Permits	-240,225	-212,400	-212,400	-230,500						
	Car Parking Fees - Card payments	-874,760	-805,100	-905,000	-982,500						
General Fees & Charges	General Fees & Charges	0	-24,500	-24,500	-26,600						
	Fines	-158,686	-130,000	-155,000	-155,000						
	TOTAL INCOME	-16,641,053	-18,032,100	-17,729,800	-19,513,100						

LANCASTER CITY COUNCIL OFF-STREET PAY & DISPLAY CHARGES

	Existing 23/24	Proposed 24/25
<u>Lancaster Central</u>		
Auction Mart, Dallas Road, Edward St, Lodge St, St Nicholas Arcades, Moor Mills 1, 2 and 3, Lower St Leonardgate, Upper St Leonardgate, Spring Garden Street, Cable Street, Nelson Street, Wood Street, Charterhouse, Lucy Street and Castle.		
0.5hr	£1.00	£1.20
1 hr	£2.00	£2.20
2 hrs	£3.00	£3.30
3 hrs	£4.00	£4.40
9 hrs	£9.00	£9.50
24 hrs	£12.00	£14.00
Overnight	£2.00	£3.00
Rovers - RingGo	£9.50	£14.00
Coaches	£3.50	£8.00
<u>Lower St Leonardgate, Upper St Leonardgate and Moor Mills 1 only</u>		
5 hrs	£5.00	£5.50
<u>Lancaster St Georges Quay</u>		
Up to 1 hour	£1.20	£1.20
Up to 2 hours	£2.00	£2.20
Up to 3 hours	£2.50	£2.70
Up to 4 hours	£3.00	£3.20
Up to 10 hours	£6.00	£6.00
Evening charge (6pm – 8am)	£2.00	£2.50
<u>Lancaster Williamson Park</u>		
Up to 1 hour £1.20	£1.20	£1.20
Full day – Over 1 Hour (10am – 5.30pm)	£3.50	£4.00
Evening after 5.30pm	£1.00	£1.00
<u>Morecambe</u>		
Bay Arena, Battery Breakwater, Billy Hill, Bus Station, Coastal Rd, Goods Yard, Marine Rd No 3, (Opposite Clarence St), Marine Rd No 4 (Opposite Green Street) Marine Rd No 5 and Marine Rd 6, Old Station, Railway Station, Telephone Exchange, Town Hall, West View Rd.		
0.5 hr	£1.00	£1.20
2 hrs	£2.00	£2.50
4 hrs	£4.00	£4.50
24 hrs	£8.00	£9.00
Railway	£3.40	£3.50
Evenings	£2.00	£2.50

LANCASTER CITY COUNCIL OFF-STREET PAY & DISPLAY CHARGES

	Existing 23/24	Proposed 24/25
<u>Telephone Exchange only</u> 5hrs	£5.00	£5.50
<hr/>		
<u>Morecambe Short Stay</u> Pedder, Library & Marine Rd No 1 Maximum Stay of 3 Hours		
Up to 1 hour	£2.00	£2.20
Up to 2 hours	£3.00	£3.30
Up to 3 hours	£4.00	£4.40
Evening charge (6pm – 8am)	£2.00	£2.50
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<u>Morecambe Central Drive Car Park</u>		
Up to 30 Minutes	Free	Free
Up to 2 hours	£2.00	£2.20
Up to 4 hours	£4.00	£4.00
Up to 24 hours	£8.00	£8.60
Evening charge (6pm – 8am)	£2.00	£2.50
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<u>Battery/Breakwater</u>		
Up to 30 Minutes	£1.00	£1.20
Up to 2 hours	£2.00	£2.20
Up to 4 hours	£4.00	£4.40
Up to 24 hours	£8.00	£9.00
Coaches – Up to 24 hours	£3.00	£8.00
Evening charge (6pm – 8am)	£2.00	£2.50
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<u>Heysham Village Car Park</u>		
Up to 2 hours	£2.00	£2.20
Up to 24 hours	£3.00	£3.50
Evening Charge (6pm – 8am)	£2.00	£2.50
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<u>Heysham Half Moon Bay Car Park</u>		
Up to 1 hour	£1.00	£1.20
Up to 24 hours	£2.00	£2.20
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<u>Back Brighton Terrace Car Park</u>		
Up to 24 hours	£2.00	£2.20
Coaches – Up to 24 hours	£3.00	£8.00
Evening charge (6pm – 8am)	£2.00	Free

CABINET

Budget & Policy Framework Update

2024/25 – 2028/29

16 January 2024

Report of Chief Finance Officer

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
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This report is public.

RECOMMENDATION OF COUNCILLOR HAMILTON-COX

- 1. That Cabinet make recommendations to Council regarding the Lancaster City Council element of the Council Tax as set out in paragraph 3.3 (option one) of this report which is a 2.99% increase to the Band D Council Tax (from £249.18 to £256.63).**
- 2. That Cabinet makes recommendations regarding its initial budget proposals as set out in section 5 and Appendix A of this report.**
- 3. That the recommendations and proposals in this report be referred to Council on 24 January for initial consideration as well as being presented for scrutiny by Budget and Performance Panel on 18 January, in order that any feedback can be provided to Cabinet at its 06 February meeting.**

1.0 INTRODUCTION

- 1.1 Under the Constitution, Cabinet has responsibility for developing corporate planning proposals and a balanced budget for Council's consideration.**
- 1.2 At its meeting on 05 December 2023 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

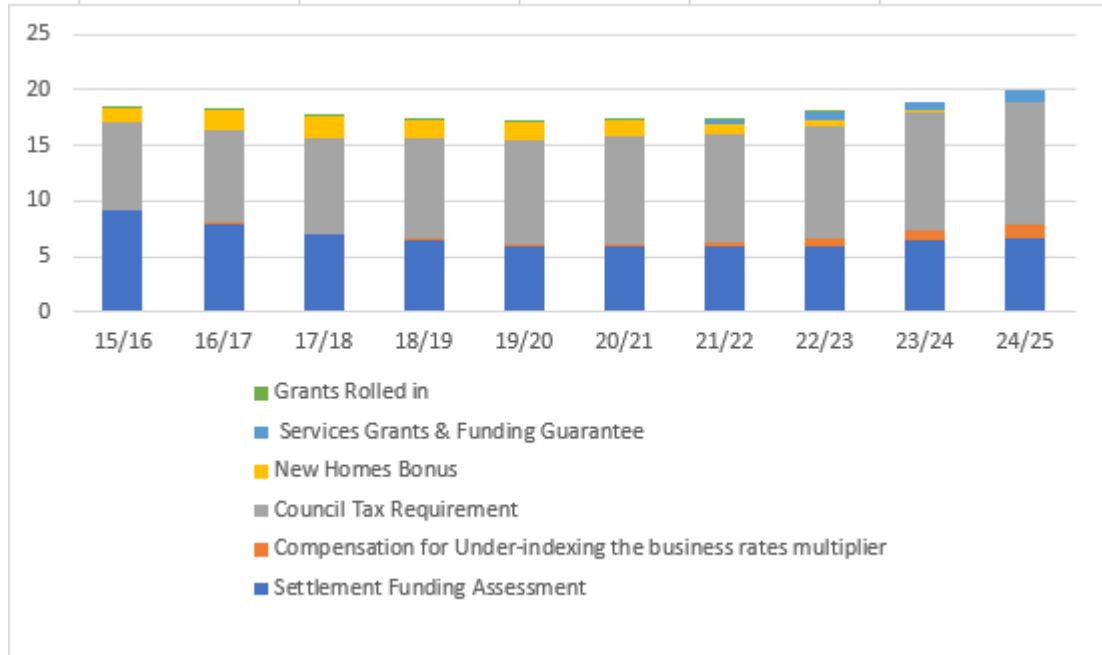
	Provisional Settlement £000	LCC Forecast £000	Difference £000
Settlement Funding Assessment			
Revenue Support Grant	433	406	27
New Homes Bonus	10	0	10
Funding Guarantee	1,002	605	397
Services Grant	37	232	(195)
Total Government Funding	1,482	1,243	239

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**. Subject to Cabinet agreement, this proposal will then go forward to the Budget and Performance Panel on 18 January 2024 and to Council on 24 January 2024.
- 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 size of 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.

9.0 OPTIONS AND OPTIONS ANALYSIS (INCLUDING RISK ASSESSMENT)

9.1 It is essential that the Council Tax rate is set in line with the Council Tax billing timetable. Any delay would put the Council at risk of not being able to collect the tax which would have serious cash flow implications.

9.2 Regarding the budget strategy, Cabinet may approve the proposals as set out, or ask for changes to be made to the suggested approach. The overriding aim of any budget setting process is to approve a balanced budget by statutory deadlines, allocating resources to help ensure delivery of the Council's corporate priorities and service outcomes. The proposed approach is in line with that broad aim and any changes that Cabinet puts forward should also be framed in that context.

9.3 In terms of the actual budget position, this report puts forward a balanced budget. If Cabinet agrees the budget, then it will form their proposal to Budget and Performance Panel on 18 January 2024 and subject to public consultation 31st January. The feedback from these meetings will be considered by Cabinet and incorporated into a final budget proposal which will be presented at the Cabinet meeting on 06 February 2024 and recommended to Council on 28 February 2024.

10.0 CONCLUSION

10.1 The current budget proposal produces a balanced budget through utilisation of the Councils 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 use of reserves.

10.2 Whilst the longer-term financial forecasts contain numerous estimates and assumptions, which will change over time, the forecasts clearly highlight potential annual and cumulative budget deficits over the next 5 years and the 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

No legal implications directly arising from this report.

MONITORING OFFICER'S COMMENTS

The Monitoring Officer has been consulted and has no comments

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](#)

Contact Officer: Paul Thompson

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E-mail: pthompson@lancaster.gov.uk

Ref: N/A

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

For Consideration by Cabinet 16 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

Meeting Date	Training			Report	Agenda Items
	Training	Provider	Time/ Location		
19th September 2023	Delivering our Priorities Q1 2023/24 Spreadsheet Operatons & Navigation	Chief Finance Officer	17.00 Teams		
20th September 2023					Provisional Revenue & Capital Outturn 2022/23 Annual Treasury Management Outturn 2022/23 Delivering Our Priorities: Q1 2023/24
6th December 2023					Delivering Our Priorities 2023/24 Q2 Treasury Management Mid Year Review 2023/24
18th January 2024			6.00pm Morecambe Town Hall		Corporate Fees & Charges 2024/25 & Budget & Policy Framework General Fund Revenue Budget 2024/25
31st January 2024			6.00pm Morecambe Town Hall		Budget & Policy Framework General Fund Revenue Budget 2024/25 Public Consultation
14th February 2024			6.10pm Lancaster Town Hall		Capital Strategy (Investing in the Future) Treasury Management Strategy 2024/25 Delivering Our Priorities 2023/24 Q3

APPENDIX B

Budget and Performance Panel

Composition: **Nine Councillors in political balance.**

Members of the Committee shall not be members of the Cabinet.

The Chair of Budget and Performance Panel will be appointed by Council annually. Only non-cabinet members are entitled to vote for the Chair.

The Chair and Vice Chair shall not be members of the largest political group on the Council.

Terms of Reference

10.1 To scrutinise the Council's arrangements and performance in relation to financial planning, including budget / target setting, e.g. items within the Budget Framework including reviewing the effectiveness of the:

- (a) budget setting process;
- (b) contents of the Medium Term Financial Strategy (MTFS);
- (c) Capital Investment Strategy; and
- (d) financial targets in the Council Plan.

10.2 To review the management of resources by scrutinising the Council's financial performance

in year against agreed budgets or other targets. e.g.:

- (a) capital and revenue spending against approved budgets;
- (b) specific activities including treasury management, generation of revenue and capital income targets; and
- (c) monitoring of financial savings/efficiency targets (including within the MTFS).
- (d) monitor the delivery and effectiveness of Service Level Agreement targets;
- (e) assess performance against key performance indicators and benchmarks; and
- (f) assess whether services are delivering their expected outcomes.

10.3 To review the effectiveness of the Council's overall performance management arrangements in relation to partnership working and to scrutinise the performance of the Council's major partnerships.

10.4 To scrutinise the Council's policies and procedures and other supporting arrangements for securing value for money (i.e. economy, efficiency, effectiveness) e.g.:

- (a) value for money strategy;

- (b) procurement practices;
- (c) income management and collection arrangements;
- (d) asset management practices; and
- (e) insurance arrangements.

10.5 To consider risk management issues in reviewing and scrutinising performance.

10.6 To make recommendations, as appropriate, in respect of the above.

Extract from LCC constitution Part 2 – Responsibility for Function Section 5 (Pages 41 – 42)