



LANCASTER
CITY COUNCIL

Promoting City, Coast & Countryside

COUNCIL MEETING

**Wednesday, 27 January 2021 -
6.00 p.m.**

**THIS WILL BE A VIRTUAL
MEETING**

Please note – this will be a ‘remote meeting’. A link to see and hear the meeting is [here](#) Please note this link is not for Councillors or Participants; it will not allow you to speak or be seen. Councillors and Participants will be sent their own link. Access is through Microsoft ‘Teams’. Anyone wishing to speak at Council should apply to register by contacting democracy@lancaster.gov.uk with a copy of their speech no later than 12:00pm on Friday 22 January 2021.

Kieran Keane,
Chief Executive,
Town Hall,
Dalton Square,
LANCASTER,
LA1 1PJ



LANCASTER CITY COUNCIL

Promoting City, Coast & Countryside

Sir/Madam,

You are hereby summoned to attend a meeting of the Lancaster City Council to be held remotely using MS Teams on Wednesday, 27 January 2021 commencing at 6.00 p.m. for the following purposes:

1. **APOLOGIES FOR ABSENCE**

2. **MINUTES**

To receive as a correct record the Minutes of the Meeting of the City Council held on 16 December 2020 (previously circulated).

3. **DECLARATIONS OF INTEREST**

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

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

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

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

4. **ITEMS OF URGENT BUSINESS**

5. **ANNOUNCEMENTS**

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

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

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

7. **PETITIONS AND ADDRESSES**

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

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

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

REPORTS REFERRED FROM CABINET, COMMITTEES OR OVERVIEW AND SCRUTINY

9. **BUDGET AND POLICY FRAMEWORK UPDATE 2021/22-2024/25** (Pages 9 - 24)

Report of Cabinet *(this report was published on 25 January 2021. It also incorporates Council Tax 2021/22, which is shown as Item 10)*

10. **COUNCIL TAX 2021/22**

NB: Council Tax 2021/22 has been incorporated into the report for Item 9.

MOTIONS ON NOTICE

11. **MOTION - TO SUPPORT THE ICAN CITIES APPEAL, TO ENCOURAGE THE UK GOVERNMENT TO RATIFY THE TREATY ON THE PROHIBITION OF NUCLEAR WEAPONS** (Pages 25 - 26)

To consider the motion on notice received from Councillor Bannon and seconded by Councillors Dant, Frea, Parr and Wood.

The full motion, complete with an officer briefing note, is set out in the agenda papers.

OTHER BUSINESS

12. **EXECUTIVE ARRANGEMENTS** (Pages 27 - 28)

Report of the Director of Corporate Services

13. **APPOINTMENT OF MAYOR ELECT**

To appoint a Mayor Elect to be put forward for election by the City Council in May 2021, for the municipal year 2021/22.

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

To note that since the last meeting of Council, there have been two changes to the Budget and Performance Panel. Councillor Joan Jackson has replaced Councillor Whitworth for the Conservative Group and Councillor Bannon has been named as a substitute member for the Green Group.

Any further changes to Committee Membership will be reported at the meeting.

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

To receive questions in accordance with the provisions of Council Procedure Rules 12.2

and 12.4 which require a Member to give at least 3 working days' notice, in writing, of the question to the Chief Executive.

16. **MINUTES OF CABINET** (Pages 29 - 35)

To receive the minutes of the meeting of Cabinet held on 24 November 2020.



.....
Chief Executive

Town Hall,
Dalton Square,
LANCASTER,
LA1 1PJ

Published on Tuesday 19 January, 2021.



Leader's Report

27 January 2021

Report of the Leader of the Council

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

RECOMMENDATIONS

To receive the report of the Leader of Council.

REPORT

1.0 Cabinet

Information on Cabinet matters is provided in the minutes from the Cabinet meeting held on 8 December 2020. The minutes of the Cabinet meeting held on 19 January 2021 were not available at the time of publication of the agenda and will be tabled at the Council meeting on 24 February 2021.

2.0 Decisions required to be taken urgently

No urgent Cabinet decisions have been taken in this period.

3.0 Leader's Comments

COVID remains the central focus of the city council's work including public protection, resident support, business support and partnership working with the NHS and county to support public health. I remain deeply grateful for the vast commitment of officers and partners to meeting this challenge and for the kindness they bring to their work.

The vaccine roll out is happening at pace across the region, we are still waiting for the government to provide district level data, but we are told it will come, and when

it does, we will work closely with county and the NHS to ensure our residents have a good take up of the vaccine. On last report more than 95% of residents being invited to have a vaccination at the Health Innovation Campus were doing so.

We continue to work with a strong network of partner organisations to understand the needs of our residents and to support them. Since council last met there have been four community briefing calls. There is close co-operation between the Morecambe Foodbank, Eggcup, other food groups and the council as we all work to ensure no one goes hungry, including through the school holidays. We have worked with primary schools and county to provide tech for families struggling with home schooling through the Emergency Assistance Grant. The community hub and volunteer line continue, as they have done since the beginning of the pandemic, to be a central point for residents needing help and those with help to give to be connected. During lockdown we have been calling those newly added to the clinically extremely vulnerable list and those who through previous lockdowns have needed extra support. Our housing teams and partners continue to work to ensure that everyone in the district has a roof over their head. The public realm team and many friends' groups continue to make our green spaces welcoming and deal with the enormous amounts of rubbish being generated.

Work also continues to support local businesses and we have continued to hold well attended briefing calls. The business grants process is increasingly complex as the schemes differ depending on tier or lockdown and apply to different time periods. As the pandemic drags on, we are also dealing with businesses and business owners who are increasing distraught, the level of support being offered by the government is less at this point in the pandemic than it was at the beginning, but local businesses have already used their reserves.

A particular challenge of the business support grants is the Additional Restrictions Grant. This is the one scheme that allows significant design by local councils. In the Lancaster district, we have chosen to focus on those businesses and business owners who have been excluded from other support. In doing this design work we have worked with local business umbrella groups including the Chamber, the Business Improvement Districts, the Federation of Small Businesses and the Ethical Small Traders Association.

Although the vaccine is rolling out at pace, there are months of this pandemic still to endure. The old messages of: stay at home – protect the NHS – save lives; and hands – face – space if you have to go out, apply. Although the vaccine significantly reduces the risk of you getting seriously ill, no vaccine is 100% effective and data is still being assessed on whether you can still transmit the virus after being vaccinated. So, once you've had the vaccine all the current rules and restrictions continue to apply to you.

We also need to remain aware that the pandemic has been devastating for many. People have lost loved ones, had COVID, have long-COVID, seen their physical and mental health challenged, lost jobs, businesses and homes, been worked to the point of exhaustion and some beyond. There are also the changes we will want to keep, there are new friendships, support networks, community organisations and businesses, and a renewed recognition of the beauty of our district.

The path our council agreed just on twelve months ago, has served us well through the pandemic and will continue to do that as our thoughts keep stretching out to recovery.

We still have the climate emergency to address – as I write this report, flood alerts have once again been issued for the district. We need to work through the recommendations of the people's jury and that work has begun. The climate emergency and environment advisory group will have its next meeting in early February and details will be circulated to all councillors. Work continues on the climate emergency review of the local plan and all the measures identified to ensure that we, as a council, reach net carbon zero by 2030.

Community wealth-building offers us a methodology for economic development that increasingly puts power in the hands of local people and businesses and recognises the importance of social and environmental justice within the economy. Work continues both to strengthen the council's own approach to community wealth-building and to build and support a network of organisations across the district who share this approach.

Our residents, local organisations, businesses and institutions have just been amazing throughout the pandemic. Early in the pandemic we knew we couldn't provide the care and support we wanted to deliver by ourselves. We recognised that working in partnership and drawing on the skills and knowledge of the district would be the only way to do this, and our district has been rewarded for that approach. It is important that we hang onto these new ways of working and we will do.

As we move into 2021, we will return to some of the plans that were disrupted from 2020. One of those is the development of a district wide plan for 2030. This idea started from our carbon target and the recognition that the council meeting our target is not enough. We need all sorts of organisations to meet that target and that there is value in sharing that work. However, while meeting the carbon target is vital to avoiding the climate catastrophe, there remains long and deep social and economic injustices that also need to be addressed. Otherwise, the climate emergency is just the last in the long-line of emergencies that some get to buy their way out of, while others are left to carry the burden. The global plan to meet this challenge is the United Nations Sustainable Development Goals (SDGs).

The SDGs are 17 targets agreed by nations, organisations and institutions across the world to transform our world. Although slowed by COVID, the council has been working to develop organisational outcomes measures based on the SDGs and building on the priorities agreed by full council last year. Still a work in progress, you should start to see these measures appearing as reference points in monitoring and reporting as the year goes forward. We will also work with residents, local organisations, businesses and institutions to identify where work to achieve the SDGs can be a shared project.

Our three themes of addressing the climate emergency, building community wealth and community engagement are also the central work of the joint committee we share with South Lakeland District and Barrow Borough Councils. We will continue to build a regional approach, as well as a district approach on this

important work, as we continue discussions with key organisations about the possible formation of a Bay unitary authority and await the government's decision as to which proposals will go forward for consultation.

4.0 Decisions

The following Decisions were taken by Cabinet on 19 January 2021:

1. Viability Protocol Supplementary Planning Document
2. Meeting Housing Need Supplementary Planning Document
3. Canal Quarter – Use of Reserves
4. Corporate Fees and Charges Policy Review
5. Budget and Policy Framework Update
6. Appointment to Outside Bodies
7. Disposal of South Lodge

There were no Officer Delegated Key Decisions taken since the last Leader's report.

Background Papers

Cabinet agenda 19 January 2021

COUNCIL

Budget & Policy Framework Update 2021/22 – 2024/25 27 January 2021

Report of Cabinet

PURPOSE OF REPORT

To update Council and gain its feedback on the latest position regarding the development of the budget and policy framework for 2020/21 to 2023/24 and in that context, to seek approval of the level of Council Tax increase for 2021/22 and for Cabinet's proposed revenue budget for 2021/22.

This report is Public

RECOMMENDATION OF COUNCILLOR WHITEHEAD

- (1) **That Council approves a City Council Tax increase of £5 to the Band D Council Tax (from £231.95 to £236.95) for 2021/22, together with a year on year target of the maximum allowable under the Governments local referendum thresholds for future years.**
- (2) **That Council considers the proposed revenue budget for 2021/22 as set out in this report.**

1 INTRODUCTION

- 1.1 Under the Constitution, Cabinet has responsibility for developing corporate planning proposals and a balanced budget for Council's consideration.
- 1.2 This report seeks a final decision on Council Tax increases and feedback on Cabinet's proposed balanced revenue budget for 2021/22.
- 1.3 The Cabinet meeting on 24 November considered updated estimates with respect to government funding and Council tax and the corresponding impact on the revenue budget gap. Since that report, the Government has released the Provisional Local Government Finance Settlement. Cabinet agreed a proposed balanced revenue budget for recommendation to Council at its 14 January 2021 meeting.
- 1.4 All services have been working with the Chief Executive and Finance Team to ensure we achieve a balanced budget aligned with our priorities. Throughout the Summer and Autumn sessions have been held with all services to identify opportunities to address the structural deficit and align expenditure with priority outcomes based on the Funding the Future Strategy.

- 1.5 Last year's budget, set before the pandemic, presented a highly ambitious programme of revenue and capital growth. The purpose of this was to support and stabilise services which had been reduced beyond their viable capacity levels in areas of Council Priority, to align service priorities with the Council's ambitions around Community Wealth, the Climate Emergency and Community Engagement, and to significantly increase the Council's engagement in Capital Projects in order to achieve these. Many of these changes were long term in their nature, and while significant planning progress has been made, the pandemic has also caused the deferral of many of the Capital Projects to the coming year.
- 1.6 As such, the Budget presented shows relatively low levels of revenue growth, and a Capital Programme position which reflects both the deferral of projects, and the need to realign those with Council priorities and a changing investment landscape. A small range of Outcomes Based Resourcing (OBR) based-savings have been identified, and additional resource requests have been limited to those which are vital to the successful operation of the Council in continuing to secure income and fees, support efficient and effective service delivery and reporting, offering statutory services at viable levels, and progressing the capital programme. A more detailed explanation of these is provided below.

2 STRATEGIC CONTEXT

- 2.1 The 2021/22 Budget has been set at a time of unprecedented change, which puts significant pressure on the ability to forecast. We are seeing:
- an accelerated pace of change in the funding regimes, formula and budget and accounting requirements of central government, even pre-pandemic, and this change is continuing.
 - fewer system-wide reviews, and a much greater number of issue specific consultations, reviews and changes some of which are resulting in in-year changes, and even retrospective changes to previously agreed budgetary forecasting and funding distribution formula;
 - A wide range of single initiative funding opportunities emerging both as a result of the pandemic and more generally, which need to be established within in capacity, dispersal and income accounting, governance and delivery practices; and
 - External factors such as the pandemic and EU Exit which fundamentally alter both the priorities for and use of council resources and the context of our income from taxation, rates, fees and charges.

3 OPERATIONAL CONTEXT

- 3.1 Despite the disruption caused by COVID, and the need to redeploy and reprioritise finance and many other staff workloads to deal with it, in matters such as the dispersal of business grants and community support, OBR principles have already started to be incorporated, and the impact of this can be seen in the overview of savings and identified growth areas, as we realign activities with outcomes.
- 3.2 This year, activities around reporting and some committee activities have been scaled back to enable officers to focus on the pandemic. Similarly, the accounting and reporting practices associated with pandemic work have needed to be quickly put in place, and this has required significant capacity. This means that a more basic approach to reporting is being taken this year, which, nevertheless, due to its OBR

basis and lessons learned from the more comprehensive, but aspirational activity undertaken last year, should provide greater certainty of deliverability within the context of accelerated change.

4. PRINCIPLES AND ASSUMPTIONS

4.1 The Council is, despite significant challenges due to COVID-19, aiming to deliver a balanced budget plan for 2021/22.

- There remain opportunities to address the underlying structural deficit, by:
 - o Increasing and diversifying income
 - o Improving productivity and securing efficiencies via new ways of working
 - o Developing alternative ways to achieve priority outcomes (e.g. partnership)
- While LGR presents an opportunity to think longer term about the design of services and the budget, work should continue to identify and implement transformation opportunities which place Lancaster in a position of strength irrespective of future scenarios and plans (no 'wait and see' culture).

5 FUNDING UPDATE

5.1 Government released the provisional local government finance settlement on 17 December 2020. This a one-year settlement following on from its Spending Review, 25 November 2020 abandoning its long-term review reflecting the economic uncertainty caused by the COVID-19 pandemic.

5.2 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	204	0	204
Retained Rates	5,737	5,737	0
New Homes Bonus	867	1,333	(466)
Total SFA	6,808	7,070	(262)
Lower Tier Services Grant	244	0	244
COVID - 19 Expenditure Pressures	852	0	852
Total Government Funding	7,904	7,070	834

5.3 As table one shows, the provisional settlement allocates £834K more resources than anticipated and this effectively slightly reduces the gap for the 2021/22 revenue budget.

6 COUNCIL TAX

6.1 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 2% or £5, whichever is higher, without reference to a referendum. Table two below considers the following two options for council tax:

- Option one – an annual 2% or £5 increase in Council Tax (whichever is higher) – for Lancaster City Council, this will be £5 in each of the next four years
- Option two – no increase in Council Tax

Table Two – Impact of Council Tax options: 2021/22 to 2024/25

Year	Taxbase (% Annual Increase)	Estimated Annual Movement	Option One Annual increase of £5 in Council Tax		Option Two No annual increase in Council Tax		Additional Income from £5 increase
		%	Band D	Income	Band D	Income	
2020/21	41,700	0.72%	231.95	9,672,315	231.95	9,672,315	0
2021/22	41,500	-0.48%	236.95	9,833,387	231.95	9,625,888	207,499
2022/23	41,707	0.50%	241.95	10,091,091	231.95	9,674,017	417,073
2023/24	42,124	1.00%	246.95	10,402,624	231.95	9,770,758	631,866
2024/25	42,546	1.00%	251.95	10,719,378	231.95	9,868,465	850,913

- 6.2 The budget proposals have assumed an increase of £5 in Council Tax. This would raise an additional £161K from 2020/21 values. If there was no increase in Council Tax, income would decrease by £45k due to the reduction in properties. Overall a £5 increase would result in a further £207k in income (shown in the final column above). The table above also shows the difference, in terms of income, between a £5 tax increase and no increase which, over four years, amounts to an additional £851k in income if option one, an annual £5 increase, is adopted.
- 6.3 The reduction in the taxbase of 0.48% is lower than the 1% growth which was originally forecast for 2021/22 in the MTFS. This has resulted in Council Tax income being lower than forecast in the MTFS.
- 6.4 **The recommendation arising from this report is that the Council on 27 January 2021 agree a £5 increase (option one) to the level of the 2021/22 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.

7 BUDGET PROPOSALS

- 7.1 The 24 November Cabinet report set the approach for considering proposals for a balanced revenue budget for 2021/22. Since the report in-year changes and ongoing changes to accounting, forecasting and funding formula for support and grant activity have caused a change in the budgetary position for this budget from that stated in November 2020. The key changes are:
- New Homes Bonus changes have caused a decrease in the forecasted funds available to spend.
 - Business Rates due from the Walney Substation Extension still require significant work to identify, secure and incorporate in restated budgets. However, they provide a very important current and future diversification to the Council's income and have substantially strengthened the Council's position.
 - The ongoing changes being introduced in reaction to the pandemic, and the extension of many schemes into next financial year have also needed to be accounted for. It is important to note that this may also increase uncertainty and the requirement for in-year adjustments due to these unprecedented times;

- Changes to PWLB require a different approach to capital investment, and while, given the social motives of the Council, the majority of the planned schemes appear eligible, further work will be needed to ensure the alignment of the programme with the new criteria, and to reflect the changes in our accounting and Treasury practices;
- A structural deficit remains for future years, and work to align strategic priorities with available resources via our OBR and related work in the coming year based on the four pillars identified in the Funding the Future strategy will be vital in securing a stable financial position for the Council. However, across the majority of benchmarks, and unusually for a lower-tier Authority of our size, we are in a relatively robust position, in terms of our performance in maintaining essential services, our dispersal of grants and other community support and our relative financial security. This does not mean that we are in a position of being able to expand capacity and resources, but it does mean that the requirements for significant, immediate reductions and / or urgent risks of financial instability are less acute than for some other Authorities.

7.2 Proposals for closing the budget gap are shown in table three below and are provided in more detail in appendices A, B & C.

Table Three Cabinet's Draft Revenue Budget Proposals – 2021/22

	Sub-total	Total
	£'000	£'000
Budget Gap for 2021/22 reported to Cabinet 24 November		793
Lower than estimated Council Taxbase	48	
Business Rates & Collection Fund Adjustments	2,258	
Accounting Adjustments	141	
Increased Government Funding inc RSG	(834)	
Effect of Public Sector Pay Freeze	(336)	
	<hr/>	<hr/>
		1,277
Savings/ Income identified by the budget process	(444)	
Additional Resource Requirements	547	
	<hr/>	<hr/>
		103
Budget Gap before Application of Reserves		2,173
Funding from Reserves		(2,173)
Current Budget Gap		0

7.3 The proposals set out in the table above produce a balanced revenue budget for 2021/22, which forms part of the recommendations of this report.

7.4 The Council's Reserves Strategy requires all proposals for reserves funding to be subject to further scrutiny prior to the release of funds. This scrutiny ensures that specific effective plans are in place for the use of reserves and that clarity exists in respect of outcomes which will be achieved in respect of the proposals.

8 CAPITAL PROGRAMME

- 8.1 The capital programme has also been impacted by COVID, with the timescales for key milestones on many projects now reaching into 2021/22. An overview of the Capital programme will be presented in future by the Director of Economic Growth and Regeneration working in Partnership with the Executive Team as part of the Forward Plan.
- 8.2 Several projects are being brought forward that support the Council's Carbon Zero+ strategy; most notably works on Salt Ayre Leisure Centre which would include solar farm, air sourced heat pump and various retrofit improvements. The Council submitted a bid for £6.8M to cover the full costs of these works with an announcement shortly.
- 8.3 There are currently two main types of capital project – those which relate to investment in operational assets to directly enhance council services, and those which relate to assets to achieve external socioeconomic and environmental outcomes and / or generate income. While the Investment Strategy primarily focused on the latter, we can expect to see future capital programmes taking a more integrated approach to delivering the Council's priorities while building community wealth.
- 8.4 Changes to PWLB borrowing will also have significant implications for the Capital Programme, and investment for yield may be constrained. A small task and finish team comprising representatives from Property, Investment and Finance, and led by the Director of Economic Growth and Regeneration and Corporate Services is reviewing the implications of this change on services, and will bring forward a diversified funding proposal alongside clarifying the technical implications of the PWLB change.
- 8.5 Recognising the changing investment landscape and the shift to a more integrated approach to identifying return on investment based on broader sustainable development goals, we will seek to bring forward a more comprehensive pipeline approach to projects at concept, development, delivery and impact stages, engaging members at each stage to ensure alignment with council priorities, including the appropriate governance milestones and applying an integrated appraisal to each stage. This will be reflected in our work to put in place an updated Investment Strategy and in our implementation of the Funding the Future Strategy. As part of this we aim to develop working arrangements which enable the council to cover the development costs of programme activity via capitalisation and the operating costs via management fees and other relevant charges.

9 MEDIUM TERM FINANCIAL STRATEGY

- 9.1 A revised Medium Term Financial Strategy will be considered at the Budget Setting Council. The revision of the MTFS will be important and timely in order to provide sound financial planning processes to underpin the new Council's ambitions. Key considerations of the MTFS include:
- Consideration of the medium term outlook, taking account of the impact of decisions made to balance the 2021/22 budget alongside forecasts for future funding. Table four shows current estimates of the budget gap following on from the proposals to balance the 2020/21 budget.

Table Four – Medium Term Budget Gaps – 2021/22 to 2024/25

	2021/22	2022/23	2023/24	2024/25
Estimated Budget Gap (£'000s)	0	1,696	3,347	3,808

The gap is structural in nature and reflects anticipated changes in Government funding and the uncertainties presented by the current pandemic.

- Taking account of the above, the MTFS will seek to balance supporting Council ambitions with the requirement to secure long term financial resilience of the organisation. Continued focus on the Funding the Future Strategy and associated plans will ensure that the Council can seek returns from capital investment and new ways of working whilst managing risk and promoting good governance.
- The Funding the Future Strategy incorporates a commitment to OBR and this has been used in this budget process and will be further considered by the Financial Resilience Group alongside ongoing work to embed the Council's new priorities and outcomes during 2021/22.
- Incorporation of recent CIPFA guidance in respect of Capital Strategies and Prudential Borrowing so that the Council is able to pursue ambitious projects which deliver economic prosperity, housing growth and address the Climate Emergency which also contribute to the Council's financial resilience and carbon reduction targets.
- A thorough review of the Reserves Strategy to ensure adequate level of reserves are maintained which balance longer financial sustainability with the deployment of surplus reserves towards Council ambitions.

9.2 A full update on the Housing Revenue Account budget and financial outlook will be considered alongside the 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. This update will be reported to the 09 February 2021 Cabinet.

10 DETAILS OF CONSULTATION

10.1 As in previous years, the usual high-level consultation with relevant stakeholders on the budget will be undertaken prior to Budget Council in February. More specific consultation may be required depending on the budget savings options being considered. Consultation on council housing matters will be undertaken through the District Wide Tenants' Forum.

11 OPTIONS AND OPTIONS ANALYSIS (INCLUDING RISK ASSESSMENT)

- 11.1 Options are very much dependent on Council's views regarding spending priorities balanced against Council Tax levels.
- In respect of the proposed 2021/22 revenue budget (set out in section 7 of the report and Appendix A), the recommendation reflects the culmination of work completed to date, and so no alternative options are put forward.
 - In respect of Council Tax, the main options are set out at section 6 of the report.
 - In respect of the Capital Programme (section 8 of this report) and MTFS (section 9 of this report), Council is requested to give feedback and no final decisions are sought at this stage.
- 11.2 In terms of the actual budget position, Cabinets recommendations produce a balanced revenue budget for 2020/21. The Cabinet proposal was considered by Budget and Performance Panel on 26 January 2021 and any feedback from this event considered prior to the agreement of a final budget proposal for Budget Council on 26 February 2020.

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

Appendices

- **Appendix A General Fund Revenue Budget Projections 2021/22 to 2024/25**
- **Appendix B Budget Proposals 2021/22 to 2024/25**
- **Appendix C Budget Proposals 2021/22 to 2024/25 (Explanatory Note)**

RELATIONSHIP TO POLICY FRAMEWORK The budget should represent, in financial terms, what the Council is seeking to achieve through its Policy Framework.	
CONCLUSION OF IMPACT ASSESSMENT (including Diversity, Human Rights, Community Safety, Sustainability etc.) None directly arising in terms of the corporate nature of this report – any implications would be as a result of specific decisions on budget proposals affecting service delivery, etc.	
LEGAL IMPLICATIONS Legal Services have been consulted, but at this stage there are no legal implications arising.	
FINANCIAL IMPLICATIONS As set out in the report.	
SECTION 151 OFFICER'S COMMENTS The Section 151 Officer has co-authored this report.	
MONITORING OFFICER'S COMMENTS The Monitoring Officer has been consulted and has no comments to add.	
BACKGROUND PAPERS Cabinet reports on budget proposals 24 November 2020 and 19 January 2021	Contact Officer: Paul Thompson Telephone: 01524 582603 E-mail: pthompson@lancaster.gov.uk

General Fund Revenue Budget Projections 2020/21 to 2024/25

For Consideration by Cabinet 19 January 2021

BUDGET PROJECTIONS		2020/21	2021/22	2022/23	2023/24	2024/25
		£'000	£'000	£'000	£'000	£'000
	Revenue Budget/Forecast as at 26 February 2020	17,903	18,131	18,322	18,883	19,261
	Base Budget Changes					
	Operational Changes @ Cabinet 24/11/20	1,494	2,538	1,205	1,891	2,289
	Operational Changes					
	Effect of Public Sector Pay Freeze		(336)	(340)	(333)	(342)
	Removal of Commercial Income from Future Budgets		0	3	425	425
	Removal of Savings Target re: Building Regulations		126	128	131	131
	Other Operational Changes		66	78	115	144
BUDGET PROJECTIONS	Income Compensation Scheme extended to June 2021	(454)	0	0	0	0
	Loan interest to support Capital Programme	403	637	767	823	823
	Reduction in New Homes Bonus	466	700	701	701	701
	Lower Tier Services Grant	(244)	0	0	0	0
	Covid 19 Expenditure Pressures Grant	(852)	0	0	0	0
	Latest Budgetary Position	19,397	19,844	20,733	22,580	23,432
	Outcomes Based Resourcing Proposals:					
	Savings Proposals	0	(444)	(730)	(546)	(556)
	Redirection Proposals	0	0	0	0	0
	Additional Resource Requirements	0	547	620	639	664
BUDGET PROJECTIONS	Revenue Implication of New Capital Schemes	-	0	0	0	0
	Contribution to/(from) GF Reserves	3,751	(2,173)	0	0	0
	General Fund Revenue Budget	23,148	17,774	20,623	22,674	23,540
	Core Funding:					
	Revenue Support Grant	(203)	(204)	-	-	-
	Net Business Rates Income	(13,273)	(7,737)	(8,836)	(8,924)	(9,013)
	Council Tax Requirement	9,672	9,833	11,787	13,750	14,527
	Estimated Council Tax Income - (Increases based on £5 for 2021/22 then max allowable)	9,672	9,833	10,091	10,403	10,719
	Resulting Base Budget (Surplus)/Deficit	0	0	1,696	3,347	3,808
	<i>Original MTFS Savings Requirement</i>	<i>0</i>	<i>1,558</i>	<i>1,234</i>	<i>1,270</i>	<i>N/A</i>
BUDGET PROJECTIONS	<i>Change</i>	<i>+0</i>	<i>(1,558)</i>	<i>+462</i>	<i>+2,077</i>	<i>N/A</i>

Budget Proposals 2020/21 to 2024/25

SAVINGS PROPOSALS		Reserves Funding	2020/21	2021/22	2022/23	2023/24	2024/25
			£'000	£'000	£'000	£'000	£'000
	Non-Reserve Savings						
	<i>Communities & the Environment</i>						
	<u>Public Protection</u>						
	Savings from combined post and reduction in hours		-	(16)	(32)	(38)	(38)
	Selective Licensing part Savings part Growth but will net nil over 5 years		-	(35)	(85)	34	34
	<u>Public Realm & Business Support</u>						
	Service restructure Phase 2		-	(10)	(10)	(10)	(9)
	Deletion of vacant posts		-	(29)	(29)	(33)	(33)
	Increase trade waste capacity, via route optimisation		-	(50)	(100)	(100)	(100)
	Drainage / pressure jetting service		-	(4)	(28)	(28)	(28)
	<u>Customer Involvement & Leisure</u>						
	Salt Ayre Vacant Post		-	(44)	(46)	(47)	(48)
	Customer Services Restructure		80	(40)	(38)	(35)	(30)
	Customer Services Restructure (funded by restructuring reserve)		(80)	-	-	-	-
	Customer Services Vacant Post		-	-	(31)	(32)	(33)
	<i>Economic Growth & Regeneration</i>						
	<u>Planning & Place</u>						
	DM- Planning pre-application fee review		-	(10)	(15)	(20)	(25)
	Building Control - Fee Review		-	(10)	(20)	(30)	(40)
	<u>Property, Investment & Regen</u>						
	Reduced staff activity and increased community use (LTH/MTH)		-	(111)	(82)	-	-
	R&M Future savings (2021/22 from Corporate Property Reserve)	(25)	-	25	(56)	(56)	(56)
	Changes to Morecambe VIC Lease		-	-	(3)	0	0
	Relocate ICT		-	21	(28)	-	-
	Printing & Postage		-	(30)	(30)	(30)	(30)
	Centralisation of budgets		-	(5)	(5)	(5)	(5)
			-	-	-	-	-
	<i>Corporate Services</i>						
	<u>Legal Services</u>						
	Legal Fee Increases		-	(40)	(40)	(40)	(40)
	<u>ICT</u>						
	ICT Mobile Telephone / Fixed Lines Review		-	(11)	(11)	(11)	(11)
	ICT Review Length of Software Licences		-	-	(10)	(10)	(10)
	ICT Structural Change / Shared Resource		-	-	(10)	(10)	(10)
	ICT Review and Consolidation of Printers		-	(5)	(5)	(5)	(5)
	ICT Recharging for Street Naming/Numbering		-	(15)	(15)	(15)	(15)
	Sub Total	(25)	0	(419)	(730)	(521)	(531)
	Funding From Reserves		0	(25)	0	0	0
	Net Savings		0	(444)	(730)	(521)	(531)

REDIRECTION PROPOSALS		Reserves Funding	2020/21	2021/22	2022/23	2023/24	2024/25
			£'000	£'000	£'000	£'000	£'000
	Redirection						
	Salt Ayre Restructure		-	(112)	(115)	(118)	(121)
	Property Services Restructure		-	87	90	92	95
	Chief Exec Support		-	25	25	26	26
			-	-	-	-	-
	Redirection requested to be funded from Reserves		-	-	-	-	-
	Total Redirection (expected to be minimal)	£0K	0	0	0	0	0
	Less Funding from Reserves		0	0	0	0	0
	Add Payback to Reserves						
	Net Cost of Redirection		0	0	0	0	0

ADDITIONAL RESOURCE REQUIREMENTS

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	Funding	£'000	£'000	£'000	£'000	£'000	
Non-Reserve Growth							
Communities & the Environment							
Public Realm							
HMP Splash Park Renewal Programme	(60)	-	70	10	10	10	
Housing Services							
Stock condition survey module for PRS (Corporate Priorities Reserve)	(60)	-	60	-	-	-	
Economic Growth & Regeneration							
Planning & Place							
DM Planning Enforcement - Team Restructure		-	4	3	2	4	
DM Planning applications - Service continuity and restructure		-	230	327	336	348	
Planning and Housing Strategy - Conservation Graduate		-	26	26	27	28	
Economic Development							
Business Support & Skills expand Local wealth Building Officer post		-	5	1	1	1	
Business Engagement (COVID Recovery) - 3 temporary officers	(90)	-	90	94	0	0	
Property, Investment & Regen							
Strategic Project Management		-	55	56	58	59	
Capital Programme Development	(80)	-	80	-	-	-	
Corporate Services							
Financial Services							
HR/Payroll Software move to Cloud			23	10	10	10	
Financial Services Staffing		-	60	61	65	69	
Human Resources							
HR & OD Project Teams		-	40	41	42	43	
Democratic Services							
Democratic Services (re-establishment)		-	26	26	27	28	
		-	-	-	-	-	
Office of the Chief Executive							
Head of Policy		-	68	69	71	74	
Local Government Reorganisation	(200)	-	200				
Approved Growth funded from Reserves							
		-	-	-	-	-	
		-	-	-	-	-	
Growth funded from Reserves (Subject to Business Case Approval)							
		-	-	-	-	-	
		-	-	-	-	-	
		-	-	-	-	-	
Total Growth		(490)	0	1,037	724	649	674
Less Funding from Reserves			0	(490)	(104)	(10)	(10)
Add Payback to Reserves							
Net Cost of Growth			0	547	620	639	664

Budget Proposals 2020/21 to 2024/25 (Explanatory Note)

- 1) As proposed at Informal Cabinet on 11th January, this explanatory note aims to provide further information and rationale for:
- The growth items presented in the proposed budget
 - Those matters of interest or priority for Cabinet Members which they would like to see greater priority for, but which may not be transparently evident in the Budget.

Additional Resource Requirements

The summary in this table reflects 2021/22 budget asks to enable services to address the key areas and workloads faced as the Council works towards delivering its outcomes.

Service or Action	Summary	Impact on Priorities
Planning & Place (please see additional information on this item below)	<p>The most significant budget increase (£260K, rising slightly in future years as capacity is established) is associated with the outcomes of a review into the Planning and Place service.</p> <p>This review has identified that service capacity falls far below the benchmark levels required to ensure the effective provision of planning services to the community and to meet the volume of Planning work, both statutory, in terms of ensuring we can deliver fee paid work and in support of integrated Place-Making. The most significant budgetary aspects of this essentially enable a 60-65% increase in staff capacity for the Planning Application Team, associated with the implementation of a range of service improvements to align the service with existing demand.</p> <p>Increasing capacity is essential to maintain and secure fee income and carry out tasks to progress statutory planning applications and will, over time, provide direct returns in fee income, and substantial indirect returns on investment.</p> <p>Lean processing and an innovative approach to both recruitment and commissioning will ensure that the service is fit for purpose in all aspects of development master-planning, development management and enforcement and that they are aligned with the Council's values,</p>	<p>Social: Planning application services are an important component of ensuring that activities taking place are aligned with our social objectives and provide an important mechanism for communities to make proposals to change their places. Increasing capacity will allow residents to experience a more efficient, effective service and help to ensure that applications are aligned with the Local Plan</p> <p>Economic: Development is an important part of a functioning local economy, and a core engine of community wealth. However unfettered development risks significant socioeconomic and environmental harm.</p> <p>The significant energy network asset present in Lancaster means we receive and can expect a significant volume of specialist infrastructure applications in addition to our usual work as we move rapidly to a low carbon energy system and this can be a key generator of jobs, growth and affordable utilities.</p> <p>Environmental / Climate change: An effective planning application service will enable the council to</p>

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	<p>meet our social, environmental and economic objectives including the climate emergency and are fleet of foot in supporting community wealth generation.</p>	<p>ensure that applications meet their statutory and local policy objectives, and that matters around zero carbon and climate resilience impacts / direct and indirect are adequately addressed by the applicant.</p> <p>Governance: The proposed funding is necessary to secure the ongoing provision of a statutory responsibility.</p>
Economic Development	<p>90K is proposed to be used from reserves to provide business support and recovery support. Economic Development's work has been substantially affected by priorities around the pandemic, particularly business grants, and by work to react to timescales for Local Government Reorganisation. Minor adjustments are proposed in Economic Development which will be implemented incrementally as the pandemic landscape changes. Growth proposals in Regeneration and Chief Executives budgets will release capacity within Economic Development enabling a greater focus on Arts Culture and Heritage. In the short term, additional support for pandemic business support and pandemic recovery will be drawn from reserves.</p>	<p>Social: Growth in budgets for policy and regeneration work elsewhere release capacity with ED to be able to increase and expand work on Arts Culture and Heritage, and an inclusive, low carbon economy.</p> <p>Economic: The Business Support roles will play a key role in ensuring that we can understand the impacts of covid and other pressures on our economy, and plan and support a successful recovery aligned with our community wealth and climate goals. The role of the Arts and Culture sector in providing community wealth and the implications of sector recovery for jobs, inward investment and culture across our geography is significant.</p> <p>Environmental / Climate Change: there are significant opportunities around both discretionary funding and our core provision to align our business support and advice with ensuring businesses are both able to access green jobs and markets, and to align with a zero carbon economy. Increasing capacity in this area will help support this work, and it will be closely linked with work planned with the Economy</p>

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		Group and Cabinet on the principles and shape of our recovery.
Property Investment and Regeneration	<p>A new role (£55K) is being established to reflect a transfer of capacity from Economic Development, while ensuring that Economic Development capacity remains viable.</p> <p>This role will support the Capital Programme, and in particular, do key work around investment and market viability. Work will be undertaken as a priority to identify the capacity required to bring forward the capital programme, and, wherever practicable, to ensure that costs are capitalised, and embedded in operating and management fees and charges. A reserves provision has been made to further support this work and develop the revised Investment Strategy.</p>	<p>Social: The Capital Programme is a key way to introduce property, infrastructure and investment to address market failure in a way that provides stable local jobs. The programme is being realigned to strengthen priorities around community wealth (realign employment sites with local demand, address blight) and climate change (both carbon reduction and climate resilience) to create stable, secure, resilient communities.</p> <p>Economic: the role of the Council in addressing market failure, securing and promoting range, and introducing vital infrastructure is key to a successful economy. Doing this in a way which provides direct and indirect returns on investment will enable a recycling of capital funds for community benefit.</p> <p>Environmental / Climate Change: £16 million per annum has been identified as borrowing to finance the capital programme, and an increasing number of the proposals coming forward in the pipeline are in place to directly address zero carbon or other environmental goals. In addition to this, all future proposals will be screened for their alignment with the council's SDG and climate goals.</p>
Financial Services	As outlined above, the changes to local government funding and accounting and the increased	Social: The Diversification of Council Funding, increased ambition around

	ambition around capital programmes has direct implications for financial services capacity, and further funding is needed to ensure the viability and resilience of the service. Work to move HR and Payroll services to a hosted service will improve the reliability and efficiency of this service, benefiting employees and reducing business continuity risks.	bidding and capital investments all have direct implications for finance capacity. In order to continue to provide essential services to our community there is an increasing need to account for, bid into, and secure funds from a wide range of sources
Human resources	A small increase (40K) is proposed in Human Resources (which includes HR services, Organisational development and Projects teams) to reflect the work they will be doing in supporting Future Workforce design, project and process excellence, and support enhanced policy, governance and productivity.	<p>Social: A well functioning HR service is critical to ensuring staff wellbeing, and ensuring that the council development the potential of its workforce and remains an employer of choice. HR capacity is also required to ensure the council's EDI, wellbeing and related ambitions (e.g. IIP) are fulfilled.</p> <p>Economic: An effective HR function will ensure that we receive the best return on investment by aligning roles, responsibilities and performance frameworks with the council's goals. A robust Project and Programme framework will allow for investment opportunities to be more readily identified.</p> <p>Environmental: The Projects team is material to developing carbon reduction projects, embedding climate change factors in decision making and project development. This team will also be progressing the systems work around incorporating SDGS and the capital programme. The OD team will be working to ensure we have a climate literate workforce, able to embed principles in their daily activities and that the specific skills needed in key roles are developed. Our HR team will be ensuring that</p>

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		our climate commitments are embedded in our role descriptions,
Democratic Services	As with Human Resources, work on governance, and ensuring we align our support with member's ambition results in a small increase in its budget. This redresses a previous capacity reduction due to reorganisation.	<p>Social: Team resources are essential to delivering well run elections, and ensuring that we have a robust forward plan, as well as ensuring that committees, groups and decision bodies have the support they need to run effectively. Ambitions around more inclusive democracy, community engagement (e.g. People's Jury) need to be developed and implemented as part of the wider Democratic Services Framework.</p> <p>Economic / Environmental: Greater engagement on these matters will follow as a result of ensuring our engagement and democratic processes are effectively supported.</p>
Chief Executive's Office	<p>A funded post is proposed to support the development of strategic policies, plans and projects, working in a cross-cutting way across the Council, and with external stakeholders. This will also reduce pressures on services like Economic Development, reducing reliance on their capacity for cross cutting, strategic projects.</p> <p>A reserves provision to support commissioning and work around Local Government Reorganisation is proposed to ensure that we can play our part in shaping Lancaster City Council's place in the future of Local Government.</p>	<p>The core purpose of this role is to translate the Council's Priorities into its' policy, planning, delivery and reporting across all three priorities, and to ensure that they are progressed in an integrated way.</p> <p>The Local Government reorganisation presents a wide range of social, economic and environmental opportunities.</p>

Motion - to support the ICAN Cities Appeal, to encourage the UK government to ratify the Treaty on the Prohibition of Nuclear Weapons.

Motion proposed by Cllr Mandy Bannon, seconded by Councillors: Jason Wood, Jean Parr, Tim Dant and Kevin Frea.

Background

The ICAN Cities Appeal is for local governments in nations that have not yet ratified the United Nation's **Treaty on the Prohibition of Nuclear Weapons**.¹

In 2017, the **International Campaign for the Abolition of Nuclear Weapons** (ICAN) was awarded the **Nobel Peace Prize**², following successful campaigning which resulted in an overwhelming majority of the world's nations adopting the text of a global agreement to ban nuclear weapons – the Treaty on the Prohibition of Nuclear Weapons.

Fifty-one countries have now fully ratified the UN Treaty which enables it to come into force on 22nd January 2021.³ But, unfortunately, successive UK Governments have refused to even attend discussions on the Treaty.

In this context, ICAN and its 570 partner organisations throughout the world have appealed to all local authorities worldwide to show support for the **Treaty and to call on their governments to join it**. Many local authorities have already done so. In the UK this includes Manchester, Oxford, Norwich, Shaw and Crompton, Newham, Tower Hamlets, Hebden Royd, Edinburgh, Renfrewshire and East Ayrshire. Further afield, local authorities in Paris, Berlin, Washington DC, Los Angeles, Toronto, Sydney, Hiroshima and Nagasaki have supported this appeal.

In November 2020, Church of England leaders added their weight to this campaign, when Justin Welby, the archbishop of Canterbury, and Stephen Cottrell, the archbishop of York along with 29 other bishops signed a letter urging the UK government to sign the Treaty.⁴

Nuclear weapons pose an unacceptable threat to people everywhere. This is why, on 7 July 2017, 122 nations voted to adopt the Treaty on the Prohibition of Nuclear Weapons. All national governments are now invited to sign and ratify this crucial global agreement, which prohibits the use, production and stockpiling of nuclear weapons and lays the foundations for their total elimination.

Local authorities can help build support for the treaty by endorsing the ICAN Cities Appeal.

Motion

Lancaster City Council is deeply concerned about the grave threat that nuclear weapons pose to communities throughout the world. We firmly believe that our residents have the right to live in a world free from this threat. Any use of nuclear weapons, whether deliberate or accidental,

¹ <https://www.un.org/disarmament/wmd/nuclear/tpnw/>

² <https://www.theguardian.com/world/2017/oct/06/anti-nuclear-campaign-group-ican-wins-nobel-peace-prize>

³ <https://www.theguardian.com/world/2020/oct/25/treaty-banning-nuclear-weapons-made-official-with-50th-un-signatory>

⁴ <https://www.theguardian.com/world/2020/nov/15/church-leaders-urge-uk-government-to-sign-un-anti-nuclear-treaty>

would have catastrophic, far-reaching and long-lasting consequences for people and the environment.

Lancaster City Council therefore resolves to:

- **Warmly welcome the adoption of the Treaty on the Prohibition of Nuclear Weapons by the United Nations in 2017**
- **Call on our national government to ratify the treaty**

Action

That the Chief Executive:

- Writes to the UK government – Secretaries of State for 1) Defence and 2) Business, Energy and Industrial Strategy - to inform them that Lancaster City Council has endorsed the ICAN Cities Appeal to call for our Government to sign the UN Treaty on the Prohibition of Nuclear Weapons.
- Informs our residents and media about our support of the ICAN Cities Appeal, and informs ICAN by emailing them at info@icanw.org
- Takes steps to ensure that funds administered by Lancaster City Council are not invested in companies that produce nuclear weapons. See www.dontbankonthebomb.com.

Officer briefing note:

The motion proposes 3 actions.

Actions 1 and 2 are entirely for Council to debate and, if agreed, officers will carry out those actions on Council's behalf.

Regarding action 3, officers would need to undertake further work to research and establish exactly what is meant by 'funds administered' and 'companies that produce nuclear weapons'. Is this intended to include the whole supply chain? What is covered by investment? Without this information officers are not in a position to advise on the implications of this action to Council. There is a capacity issue. At this point in the year, the capacity of officers who would be undertaking this work is fully taken up with the work needed to administer grants to our businesses, report to Government on use of funds, prepare the 2021/22 budget and support the financial management of front line services.

(The S151 Officer has been consulted and has no further comments.)

COUNCIL**Executive Arrangements****27 January 2021****Report of the Director of Corporate Services****PURPOSE OF REPORT**

To inform Council of a change made to the membership of the Lancaster and South Cumbria Joint Committee.

This report is public

RECOMMENDATIONS

(1) That the report be noted.

1.0 Background

1.1 Amendments to the Scheme of delegation relating to Executive functions may be made by the Leader in accordance with Paragraph 4(b) of section 2 of Part 3 of the Constitution. Any amendments that are made by the Leader are reported to the Director of Corporate Services, and any other officers concerned. The Director of Corporate Services then presents a report to the next ordinary meeting of Council setting out the changes made by the Leader.

2.0 Lancaster and South Cumbria Joint Committee

2.1 Joint Committee membership comprises the Leader of each authority plus one Cabinet Member for each authority. The Leader has chosen to appoint her Deputy Leader to this position. Since Councillor Hanson is now the Deputy Leader, she has replaced the former Deputy Leader, Councillor Frea, on the Joint Committee.

3.0 Conclusion

3.1 This report is required in accordance with the Constitution and is simply for noting.

CONCLUSION OF IMPACT ASSESSMENT (including Health & Safety, Equality & Diversity, Human Rights, Community Safety, Sustainability and Rural Proofing)	
None directly arising from this report.	
LEGAL IMPLICATIONS As set out in the report.	
FINANCIAL IMPLICATIONS None arising from this report.	
OTHER RESOURCE IMPLICATIONS Human Resources, Information Services, Property and Open Spaces: None	
SECTION 151 OFFICER'S COMMENTS The Section 151 Officer has been consulted and has no comments.	
MONITORING OFFICER'S COMMENTS The Monitoring Officer has been consulted and has no comments.	
BACKGROUND PAPERS None	Contact Officer: Debbie Chambers Telephone: 01524 582057 E-mail: dchambers@lancaster.gov.uk Ref:

CABINET**5.00 P.M.****24TH NOVEMBER 2020**

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

Officers in attendance:-

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

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

80 MINUTES

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

81 ITEMS OF URGENT BUSINESS AUTHORISED BY THE LEADER

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

82 DECLARATIONS OF INTEREST

No declarations were made at this point.

83 PUBLIC SPEAKING

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

Resolved unanimously:

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

84 DELIVERING OUR AMBITIONS QUARTER 2

(Cabinet Member with Special Responsibility Councillor Whitehead)

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

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

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

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

Councillor Whitehead proposed, seconded by Councillor Brookes:-

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

Councillors then voted:-

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

Resolved:

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

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

Officer responsible for effecting the decision:

Director for Corporate Services

Reasons for making the decision:

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

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

(Cabinet Member with Special Responsibility Councillor Whitehead)

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

and budget proposals.

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

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

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

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

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

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

Councillors then voted:-

Resolved unanimously:

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

Officer responsible for effecting the decision:

Chief Finance Officer

Reasons for making the decision:

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

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

86 TREASURY MANAGEMENT MID YEAR REVIEW

(Cabinet Member with Special Responsibility Councillor Whitehead)

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

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

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

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

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

Councillors then voted:-

Resolved unanimously:

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

Officer responsible for effecting the decision:

Chief Finance Officer

Reasons for making the decision:

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

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

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

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

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

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

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

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

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

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

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

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

Councillors then voted:-

Resolved unanimously:

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

Officer responsible for effecting the decision:

Head of Shared Services (Revenues & Benefits)

Reasons for making the decision:

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

Chair

(The meeting ended at 5.42 p.m.)

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

MINUTES PUBLISHED ON FRIDAY 27 NOVEMBER 2020.

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