



**LANCASTER**  
**CITY COUNCIL**

*Promoting City, Coast & Countryside*

# COUNCIL MEETING

**Wednesday, 11 December 2024 -  
6.00 p.m.  
Morecambe Town Hall**

*Lancaster City Council welcomes members of the public to attend meetings. However, space in the public gallery is limited to 30 seats due to Fire Regulations. The seats are allocated on a first come, first served basis and no standing is permitted. Meetings are livestreamed please click [HERE](#) to watch using MS Teams. Please contact Democratic Support via email [democracy@lancaster.gov.uk](mailto:democracy@lancaster.gov.uk) if you wish to register to speak or ask a question at this meeting. The deadline to register is 12pm on Friday 6 December.*

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



# LANCASTER CITY COUNCIL

*Promoting City, Coast & Countryside*

Sir/Madam,

You are hereby summoned to attend a meeting of the Lancaster City Council to be held in the Town Hall, Morecambe on Wednesday, 11 December 2024 commencing at 6.00 p.m. for the following purposes:

1. **APOLOGIES FOR ABSENCE**

2. **MINUTES**

To receive as a correct record the Minutes of the Ordinary Meeting of the City Council held on 13 November 2024 and the Extraordinary Meeting held on 25 November 2024 (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 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. MEDIUM TERM FINANCIAL STRATEGY 2025/26 - 2029/30 (Pages 9 - 19)**

Report of Chief Financial Officer

Published 5 December 2024.

**10. LOCALISED COUNCIL TAX SUPPORT SCHEME 2025/26 (Pages 20 - 41)**

Report of Cabinet.

Published 5 December 2024.

**OTHER BUSINESS**

**11. EXECUTIVE ARRANGEMENTS (Pages 42 - 45)**

Report of the Senior Manager – Democratic Support and Elections.

**12. COUNCILLORS ALLOWANCE SCHEME: REVIEW (Pages 46 - 55)**

Report of the Independent Remuneration Panel.

**13. APPOINTMENT OF CHAIRS**

To receive nominations and appoint Chairs to the Licensing Committee and any other Committee(s) where the position of Chair is vacant.

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

Group Administrators to report any changes to Committee Membership.

**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.

A handwritten signature in black ink, appearing to read 'Mark', with a long horizontal flourish extending to the right.

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Chief Executive

Town Hall,  
Dalton Square,  
LANCASTER,  
LA1 1PJ

Published on, 3 December 2024.



## Leader's Report

11 December 2024

### Report of the Leader of the Council

#### PURPOSE OF REPORT

To present the Leader's report to Council.

This report is public.

#### RECOMMENDATIONS

To receive the report of the Leader of Council.

#### REPORT

##### 1.0 Cabinet

1.1 The minutes of the Cabinet meeting held 22 October 2024 and 3 December 2024 will be tabled at January's meeting of Council.

##### 2.0 Decisions required to be taken urgently.

2.1 The following decision has been taken during this period by the Chief Executive, in consultation with the Chair of the Overview and Scrutiny Committee.

<b>UB137</b>	WorkWell	Published 25.11.24 Call-In Waived.
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##### 3.0 Leader's Comments

3.1 This report covers the week previous to 13th November but not the 10 days following due to the Leader's resignation and the dismissal or resignation of cabinet. It reports on any significant events since 25th November.

- 3.2 The week previous to 13th November included a number of important meetings and events.
- Cabinet received the first report and workshop regarding the future of the museums and indicated support for developing the role and function of both City and Maritime museums.
  - The Safe and Secure partnership for Lancaster held a breakfast meeting to look at the proactive ways businesses, agencies and council can together improve security in the run up to Christmas and beyond.
  - The Pan Lancashire Police Hate Crime event took inputs from both city councillors and local charity, Global Link which were seen as good practice across the county.
  - The follow up to the Morecambe summit took place with Morecambe Town Council Leader and Chief Executive
  - Budget preparations continued with consideration of capital projects put forward by departments and a presentation to cabinet of how the budget stands and will stand over following years if there are no changes.
- 3.3 The same busy week included the preparations and 3 days of Light Up displays as interesting and beautiful as ever. Lancaster felt busy and safe, and people were not even mentioning the lack of fireworks. In an amazing swift turnaround, everything was cleared and martialled for Remembrance Sunday. Remembrance Parades took place in Morecambe and Lancaster as usual and large crowds attended despite heavy rain. Huge thanks to members who attended, and all the officers involved in making those events across Morecambe and Lancaster happen, but especially to Will and his team who can't have had much sleep for a week.
- 3.4 Just previous to Full Council the Mainway Board met for an illustrated walkabout looking at new possible plans and layouts for Mainway itself based on residents' ideas, creating a mix of low-rise, including terraced accommodation with a new "village centre". The next steps will be developed with the board in January 2025,
- 3.5 I would like to record here thanks from those previously on cabinet and I am sure, all councillors, to Phil Black for his service as Leader of the council since May 2023. He has led council with aplomb and style during a period of significant activity for the district.
- 3.6 During the interregnum period city officers were fully involved in supporting a meeting run by CVS, Yak Patel, Lancashire County Council and Lancaster city. The meeting, Living Well Together was well attended by numerous communities and created a sensitive and challenging response to the civil unrest seen in Lancaster, Morecambe and across the country. There is a strong intention to follow up with both meetings and research in order to fund major work in our communities.
- 3.7 A supportive EggCup meeting took place at Morecambe Town Hall and progress appears to have been made over premises and emergency funding

from city and elsewhere. More is being done to strengthen governance and develop the business plan.

- 3.8 There are no new developments regarding Eden or Frontierland, well covered in the last Leader's Report however both expect to present news in the new year. Similarly, the previous leader gave extended coverage to the Finance Settlement which was confirmed on Thursday 28th. It is clear that the Extended Producer Responsibility funding (pEPR) is intended to boost our budgets rather than be simply spent on recycling. Please note the earliest we will actually receive it is Nov 2025.
- 3.9 There has been a great deal of activity within Lancashire in advance of the White Paper on Devolution expected to be published next week. The "leaked" proposal from Oliver Ryan Labour MP for Burnley and later supported by other Labour MPs puts back on the table unitarisation plans (or variations of) from nearly a decade ago. There are some very basic decisions to be made once the full consequences of government plans are known and I suggest we will need to work with support and as a full set of councillors after Christmas. District councils within Lancashire have taken very different approaches to this news but continue to meet and work together. I will keep group leaders up to date whenever I get any important news.
- 3.10 I should like to record my thanks to all those who voted for me as Leader on 25th Nov. I am honoured to take up the position. During this week I have assembled a team of Green, Lib Dem and MBI councillors. Their names and portfolios are detailed elsewhere in this report. I am confident they will form an excellent team to lead the district council.

Caroline Jackson  
30th November 2024

#### 4.0 Decisions

The following decisions were scheduled to be considered by Cabinet on 3 December 2024:

Localised Council Tax Support
Delivering Our Priorities – Quarter 2 – 2024-25
Projects and Performance
Strategic Risk Register
Medium Term Financial Strategy 2025/26 – 2029/30

The following Officer Delegated Key Decisions have been taken since the last Leaders report.

<b>ODD1</b>	Gas Contract Renewal	Published on 18.11.24
<b>ODD2</b>	Adult Social Care Transformation Funding: Accountable Body	Published on 25.11.24

No Individual Cabinet Member Decisions have been taken since the last Leader's report.

**Background Papers**

Cabinet agenda of the meeting held on 3 December 2024



<b>COUNCIL</b>
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## Medium Term Financial Strategy Update

**2025/26 – 2029/30**

**11 December 2024**

### Report of Chief Finance Officer

<p align="center"><b>PURPOSE OF REPORT</b></p> <p>To provide an update on the Council's Medium Term Financial Strategy forecasts for 2025/26 to 2029/30 and outline the approach to balancing the budget.</p>
<p><b>This report is public.</b></p>

#### RECOMMENDATIONS

That Council:

- (1) Considers and notes the draft future years estimates as set out in the report as the latest information available, accepting that this is an interim position.
- (2) Notes the Council Tax Base for 2025/26 as set out in paragraph 3.10.

#### 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 This report sets out:
  - An updated budget gap analysis taking account of the latest funding outlook and other information on expenditure and income pressures.
  - A summary of the budget framework strategy
- 1.3 It is critically important that all Members understand that the position reported is an interim update of the baseline position and primarily for information. It contains a series of estimates and assumptions that are based on the latest information available. These are highly likely to change over the coming months as we work through the budget process. It does not include any interventions through the Council's agreed Outcomes Based Resourcing process, or any impact the Local Government Finance Settlement due mid-December may have.

#### 2.0 UPDATED BUDGET GAP ANALYSIS

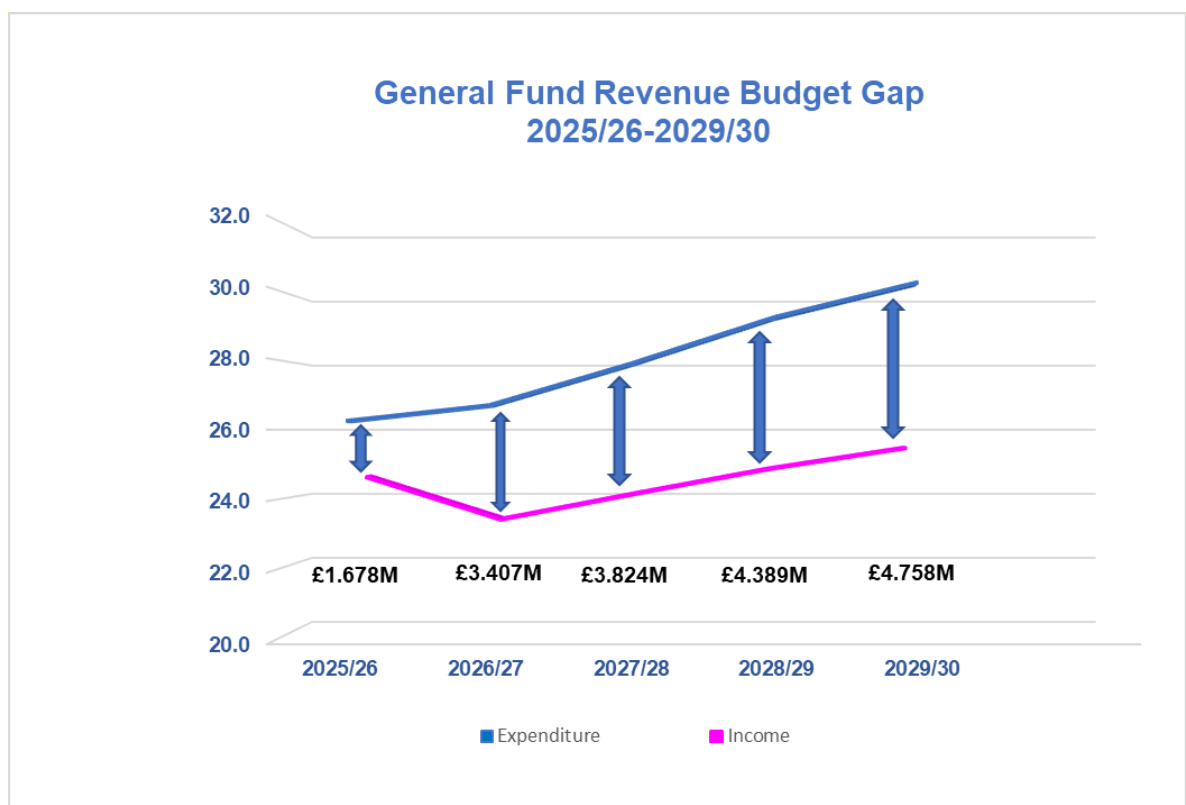
- 2.1 Officers have been working with budget holders and Senior Leadership Team to update the Council's Medium Term Financial position. The review considered latest available information around government funding, other income streams as well as forecast expenditure levels incorporating known budget pressures. It aims to provide a baseline position.
- 2.2 As noted above, this baseline forecast is subject to change when more up to date information

becomes available and does not reflect the ongoing work being done by Cabinet and Senior Leadership Team in regard to any Outcomes Based Resourcing (OBR)/Fit for the Future (FftF) proposals, nor does it reflect the revenue impact of any proposed further revisions to the capital programme made after the after Capital Programme Mid Year Review report was approved by Council on 13 November 2024. It sets a baseline position without any further interventions in the Budget setting process. The interventions and actions being undertaken include:

- A range of income and efficiency proposals aiming to significantly reduce the 2025/26 budget gap, to be brought forward in the upcoming Budget and Policy Framework.
- An ongoing OBR/FftF process which includes the examination of every area of its budget and matching resources more closely with its priorities. The OBR/FftF programme includes looking at ways the Council can do things differently by utilising technology and being more efficient, as well as considering areas in which it can generate more income.

More details on OBR/FftF are given in section 6.0 of this report.

2.3 The current budget gap for the next five years to 2029/30 is summarised in the graph below. The graph below assumes no intervention, but it does highlight the scale of the challenge facing the Council, the reasons for which are outlined in the report.



### 3.0 GOVERNMENT FUNDING PROSPECTS

3.1 Members will be aware that Local Government funding has changed significantly over recent years. Significant reductions in central funding have taken place and as a result the Council is now almost entirely reliant on Council Tax and Business Rates with a small amount of income from some assets and services to fund net expenditure. It is, therefore, important to provide regular estimates of these key funding streams.

#### Autumn Statement

3.2 Government announced its Autumn Statement on 30 October and a number of announcements will have a significant impact on the net financial position of the Council. The

key issues are as follows :-

- the government is increasing the rate of employer National Insurance contributions (NICs) from 13.8% to 15% and reducing the per-employee threshold at which employers become liable to pay National Insurance (the Secondary Threshold) from 6 April 2025 to £5,000 – this could possibly be offset by a government contribution however this amount hasn't been confirmed at the time of writing this report
- the national living wage (NLW) will increase by 6.7% to £12.21 per hour from April 2025. This represents an increase of £1,400 to the annual earnings of a full-time worker on the NLW and is expected to benefit over 3 million low paid workers across the UK
- at the Budget, the government has fixed the envelope for Phase 2 of the Spending Review, which will conclude in the late spring. It will deliver a new settlement for public services, marking a fundamental change in how the government approaches public spending, supports growth, and delivers public services
- the government is also committed to pursuing a comprehensive set of reforms to return the sector to a sustainable position. This will include reform of the approach to allocating funding through the LGFS, starting with a targeted approach to allocating additional funding in 2025-26, ahead of a broader redistribution of funding through a multi-year settlement from 2026-27. The government will set out further details through an upcoming local government finance policy statement
- a significant reform to the Right to Buy scheme which will impact the Housing Revenue Account

3.3 With regard to the first two points above, these have been included into the latest projections presented where possible, although the potential NIC contribution has not and could lead to a reduced budget gap when known. For information, the NIC increase has created a strain of c.£0.5M on the general fund.

3.4 The Autumn Statement itself only provides useful headline messages regarding Local Government's funding prospects over the next few years but it does not provide information at individual Authority level. The level of detail required for Councils to finalise their budgets will not be available until the announcement of the Local Government Finance Settlement. It is understood that this is likely to be published in the week before Christmas.

3.5 A further update will be produced for all Members once the Settlement has been announced and its impact assessed. This will be reported into January's Cabinet and Council meetings.

#### Local Government Finance Settlement

3.6 Given that the Settlement announcement is imminent, and the current level of uncertainty, there is little benefit to be gained from spending significant time on modelling different funding scenarios; real information is needed at this stage in the process.

3.7 Nonetheless, some preliminary high-level work has been done to update the budget scenarios, in order that we do not lose sight of the potential risks and the challenge created by the underlying position.

3.8 This has taken the updated budget position and reflected several assumptions such as general inflation, the Local Government Pay Award and prospects for retained Business Rates, Council Tax yield and New Homes Bonus.

#### Council Tax

3.9 Council Tax is the Council's primary source of funding and is calculated by multiplying the tax base, the number of eligible residential properties (expressed in band D equivalents), by the level of the district council precept which is determined each year.

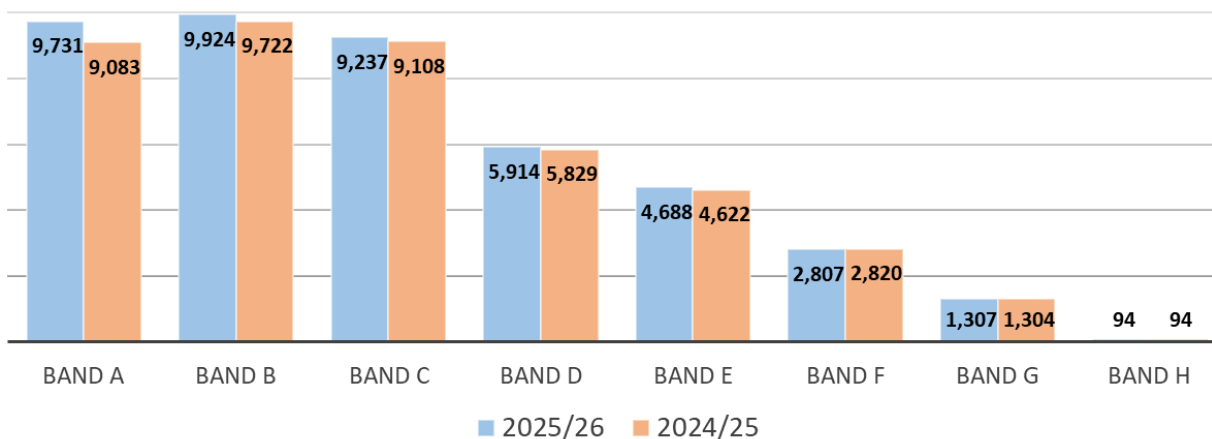
3.10 The tax base for 2025/26 has been calculated as 43,702 Band D equivalent properties after allowing for a collection rate of 98.68%, the same as in previous years. This equates to a negligible increase in the tax base from 42,583 in 2024/25. This increased number of Band

D equivalents when compared to the forecast in 2024/25 is largely due to :-

- new properties built in the area;
- holiday lets which have been brought back into council tax when they should meet the business rates criteria;
- a reduction in exempt accounts due to a review of student exemptions;
- an increase in eligibility for the Council Tax Reduction Scheme.

From 2026/27 1% growth in the Tax base has been used for forecasting purposes.

### Council Tax Base Comparison



3.11 The Government's referendum criteria which limits increases in the Council's element of Council Tax currently remains unchanged at 3% or £5, whichever is greater. For the purposes of forecasting, it has been assumed that the Council will increase council tax by 2.99%, the maximum allowed before triggering a referendum, in each of the next three years.

3.12 The table below sets out Council Tax forecasts for the next four years including a sensitivity analysis showing the potential impact on council tax yield of different scenarios:

	Actual 2024/25	Forecast 2025/26	Forecast 2026/27	Forecast 2027/28	Forecast 2028/29	Forecast 2029/30
Council Tax Band D 2.99% increase	£256.63	£264.30	£272.20	£280.34	£288.72	£297.35
Council Tax Band D (£5 increase)	£256.63	£261.63	£266.63	£271.63	£276.63	£281.63
Tax base (1% growth from 2025/26)	42,583	43,702	44,139	44,580	45,026	45,476
<b>Council Tax Income (based on 2.99%)</b>	<b>£10,610,019</b>	<b>£11,550,439</b>	<b>£12,014,641</b>	<b>£12,497,672</b>	<b>£12,999,967</b>	<b>£13,522,428</b>
Previous MTFS		£11,367,000	£11,824,000	£12,300,000	£12,794,000	£13,177,000
<b>Difference Increase or (Decrease)</b>		<b>£183,439</b>	<b>£190,641</b>	<b>£197,672</b>	<b>£205,967</b>	<b>£345,428</b>
<b>Scenario 1</b> – No increase in Council tax over period of MTFS		<b>£-151,756</b>	<b>£-496,603</b>	<b>£-859,329</b>	<b>£-1,238,924</b>	<b>£-1,506,374</b>
<b>Scenario 2</b> – Council Tax Band D (£5 increase)		£66,754	<b>£-55,213</b>	<b>£-190,623</b>	<b>£-338,400</b>	<b>£-369,462</b>
<b>Scenario 3</b> – 1.5% increase in tax base growth & 2.99% increase from 2025/26)		<b>£-108,715</b>	£250,248	£321,748	£399,927	£614,985

### Business Rates

3.13 Business Rates is now a fundamental part of the local government finance settlement and, along with Council Tax, accounts for the majority of local government financing. There are

currently several significant uncertainties which make forecasting and planning extremely difficult, these are set out below.

3.14 The Chancellor’s autumn statement set out a number of changes in which business rates were chargeable. To summarise :-

- for 2025/26, eligible retail, hospitality and leisure (RHL) properties in England will receive 40% relief (previously 75%) on their business rates liability. RHL properties will be eligible to receive support up to a cash cap of £110,000 per business;
- for 2025/26, the small business multiplier in England will be frozen at 49.9p. The government will lay secondary legislation to freeze the small business multiplier. The standard multiplier will be updated by the September 2024 CPI rate to 55.5p;
- the government intends to introduce permanently lower multipliers for Retail, Hospitality and Leisure (RHL) properties from 2026/27, paid for by a higher multiplier for properties with Rateable Values above £500,000;
- removing Charitable Rate Relief from Private Schools – The existing mandatory business rates relief of 80% for private schools with charitable status will end from 1<sup>st</sup> April 2025
- English local authorities will be fully compensated for the loss of income and administration costs resulting from these business rates measures.

3.15 Officers are currently working through the implications of the above and the figures presented in this report do not include any updated projections in respect of business rates. It is recognised and appreciated that this is an extremely important component of the net financial position of the Council and Members are asked to note that the changes could be significant.

3.16 Further information which will inform the estimates will become available during December and January and updates will be provided as a clearer picture emerges. Further monitoring for 2024/25 will also be undertaken to inform the forecast surplus or deficit for the year.

#### 4.0 MEDIUM TERM FINANCIAL STRATEGY – CURRENT PROSPECTS TO 2029/30

4.1 Total operational changes included in the base budget for 2025/26 currently amount to an increase in expenditure of £0.243M and are provided in the General Fund Revenue Budget Projections 2025/26 - 2029/30 table at paragraph 4.3.

##### MTFS Planning Assumptions

4.2 Within the current base budget there are several principles and key assumptions underpinning the proposed revenue strategy. The table below lists the major assumptions that have been made within the MTFS. Members should note these assumptions are highly likely to change as we move through the budget cycle

	2025/26	2026/27	2027/28	2028/29	2029/30
Council Tax Base Growth	1.00%	1.00%	1.00%	1.00%	1.00%
Council Tax Increase	2.99%	2.99%	2.99%	2.99%	2.99%
Council Tax Collection Rate	98.67%	98.67%	98.67%	98.67%	98.67%
Fees & Charges	0.00%	2.30%	2.10%	2.10%	2.00%
Pay Award	2.50%	2.50%	2.50%	2.50%	2.50%
Employer Pensions Contribution	16.30%	16.30%	16.30%	16.30%	16.30%
Utilities (based on 24/25 projected outturn)	0.00%	0.00%	0.00%	0.00%	0.00%
Other inflation	2.60%	2.30%	2.10%	2.10%	2.00%
Interest Rate – investments	3.50%	3.13%	3.00%	3.00%	3.00%
Interest Rate – new borrowing	3.90%	3.80%	3.80%	3.80%	3.80%

4.3 General Fund Revenue Projections 2025/26 – 2029/30

## General Fund Revenue Budget Projections 2025/26 to 2029/30

For Consideration by Cabinet 03 December 2024

	2025/26	2026/27	2027/28	2028/29	2029/30
	£'000	£'000	£'000	£'000	£'000
<b>Revenue Budget/Forecast as at 28 February 2024</b>	<b>26,007</b>	<b>27,235</b>	<b>27,899</b>	<b>29,390</b>	<b>30,272</b>
<b>Budget Changes (Operational)</b>					
Pay Award Savings	(718)	(843)	(968)	(1,093)	(1,218)
National Insurance Contributions Rebate	489	475	465	464	463
Restructuring Savings	(190)	(195)	(200)	(205)	(210)
Building Control	52	53	54	55	56
Housing & Property R&M	113	113	113	113	113
Business Rates	68	69	69	69	69
Water Charges	52	52	52	52	52
Bridge Maintenance	48	0	0	0	0
Vehicle R&M	83	83	83	83	83
Trade Refuse Waste Disposal	135	135	135	135	135
Revenues & Benefits Administration	85	85	85	85	85
SALC Income	102	102	102	102	102
Planning Income	160	0	0	0	0
Fees & Charges Inflation	404	404	404	404	404
Festival Market Income	50	35	35	35	35
Commercial Property Rent	238	45	55	(28)	(28)
Interest Payable	(613)	78	78	78	87
Interest Receivable	(198)	(161)	(73)	(73)	(73)
Minimum Revenue Provision (MRP)	(248)	(1,202)	(692)	(616)	(454)
Minor Variances	131	132	197	162	232
<b>Latest Budgetary Position</b>	<b>26,250</b>	<b>26,695</b>	<b>27,893</b>	<b>29,212</b>	<b>30,205</b>
<b>Predicted Budget Changes:</b>					
National Insurance Contributions Rebate	??	??	??	??	??
Commercial & Corporate Property Review	??	??	??	??	??
Local Government Settlement	??	??	??	??	??
<b>Outcomes Based Resourcing Proposals:</b>					
<b>Fit For The Future</b>					
Catering Review	??	??	??	??	??
Digitalisation	??	??	??	??	??
Fleet Review	??	??	??	??	??
OBR Assets	??	??	??	??	??
Re-Imagining The Museums	??	??	??	??	??
Salt Ayre Leisure Centre	??	??	??	??	??
Support Services Review	??	??	??	??	??
Waste Management	??	??	??	??	??
<b>Growth/(Savings) Proposals</b>					
Environment & Place	??	??	??	??	??
Governance	??	??	??	??	??
Housing & Property	??	??	??	??	??
People & Policy	??	??	??	??	??
Planning & Climate Change	??	??	??	??	??
Resources	??	??	??	??	??
Sustainable Growth	??	??	??	??	??
Corporate Accounts	??	??	??	??	??
Other Items	??	??	??	??	??
Revenue Impact of Capital Programme Review (MRP & Interest)	??	??	??	??	??
Revenue Impact of Capital Programme Review (Ongoing Revenue)	??	??	??	??	??
<b>General Fund Revenue Budget</b>	<b>26,250</b>	<b>26,695</b>	<b>27,893</b>	<b>29,212</b>	<b>30,205</b>
<b>Core Funding:</b>					
Revenue Support Grant					
Prior Year Council Tax (Surplus)/Deficit					
Prior Year Business Rates (Surplus)/Deficit					
Net Business Rates Income	(13,205)	(11,464)	(11,769)	(12,029)	(12,270)
<b>Council Tax Requirement</b>	<b>13,045</b>	<b>15,231</b>	<b>16,124</b>	<b>17,183</b>	<b>17,935</b>
<b>Estimated Council Tax Income -</b> (Increases based on 2.99% for 2025/26 then max allowable)	<b>11,367</b>	<b>11,824</b>	<b>12,300</b>	<b>12,794</b>	<b>13,177</b>
<b>Resulting Base Budget (Surplus)/Deficit</b>	<b>1,678</b>	<b>3,407</b>	<b>3,824</b>	<b>4,389</b>	<b>4,758</b>
<b>Incremental Deficit as Percentage of Net Revenue Budget</b>	<b>6%</b>	<b>13%</b>	<b>14%</b>	<b>15%</b>	<b>16%</b>

4.4 To reaffirm, the baseline forecast deficit positions above are subject to change when more up to date information becomes available and does not reflect the ongoing work being done

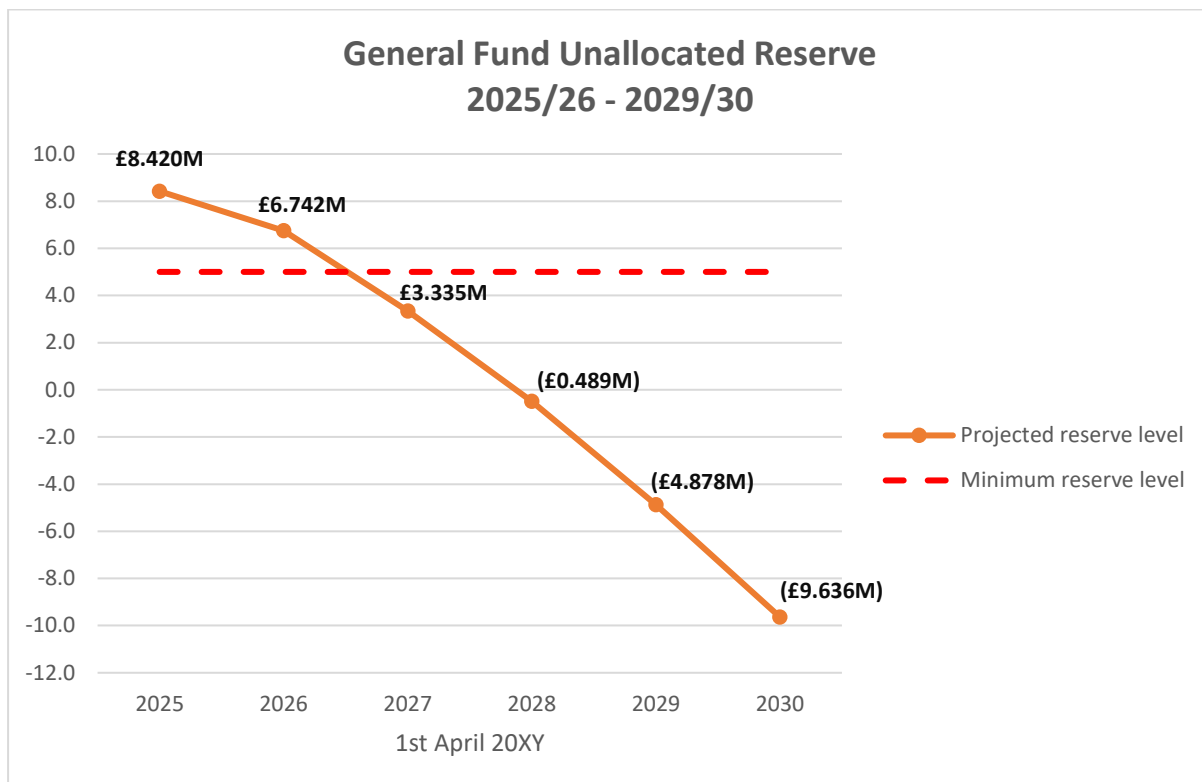
by Cabinet and Senior Leadership Team in regard to any OBR/FtF proposals, nor does it reflect the revenue impact of any future revisions to the capital programme.

## 5.0 PROVISIONS, RESERVES AND BALANCES

- 5.1 A Council's reserves are an essential part of good financial management. They help the Council to cope with unpredictable financial pressures and plan for future spending commitments. Councils generally hold two types of reserves, "Unallocated" to meet short term unexpected cost pressures or income reductions and "Earmarked". These can be held to provide for some future anticipated expenditure for identified projects (particularly in respect of corporate priorities), address specific risks such as business rates, provide up-front costs which specifically result in future efficiencies, cost savings or increased income, or to hold funding from other bodies, mainly Government, for specified purposes.
- 5.2 As noted above, reserve levels and their usage are an important part of the budget framework. It is important that the Council maintains a healthy level of reserves in order to maintain financial resilience. The Council's minimum level of General Fund balance currently stands at £5M, at the advice of the s151 Officer.
- 5.3 The Council's Outturn Report 2023/24 showed the Council's Unallocated General Fund Balance as £10.327M. As reported to Cabinet elsewhere on this agenda (Delivering Our Priorities: Q2 2024/25 report), the projected level of the unallocated reserve is expected to reduce to £8.420M by 31 March 2025.

Without significant intervention by the Council the General Fund budget gaps will remain and unallocated balances will be required to fund them. Whilst the required level of reserves is assessed annually the forecast deficits are of such a size that available unallocated reserves will be expended within 2 years, as illustrated in the tables below.

		2025/26	2026/27	2027/28	2028/29	2029/30
		£'000	£'000	£'000	£'000	£'000
<b>General Fund Unallocated Balance</b>						
<b>BALANCES</b>		<i>£M</i>	<i>£M</i>	<i>£M</i>	<i>£M</i>	<i>£M</i>
	Balance as at 1 April 2025-29	(8.420)	(6.742)	(3.335)	+0.489	+4.878
	In Year allocations	+0.292	+0.097	+0.000	+0.000	+0.000
	Forecast (Under)/Overspend	+1.386	+3.310	+3.824	+4.389	+4.758
	Other Adjustments	+0.000	+0.000	+0.000	+0.000	+0.000
	<b>Projected Balance as at 31 March 2025-29</b>	<b>(6.742)</b>	<b>(3.335)</b>	<b>+0.489</b>	<b>+4.878</b>	<b>+9.636</b>
	Reserves	(6.742)	(3.335)	+0.489	+4.878	+9.636
Less Recommended Minimum Level of Balances	5.000	5.000	5.000	5.000	5.000	
<b>Available Balances</b>	<b>(1.742)</b>	<b>+1.665</b>	<b>+5.489</b>	<b>+9.878</b>	<b>+14.636</b>	



- 5.4 In addition to the General Fund Unallocated Reserve the Council holds some further non-ringfenced reserves. These include the Business Rates Retention (BRR), and the renewals reserve. The table below shows the position were these also to be utilised to support the budget deficit.
- 5.5 However, Members should be aware that whilst the BRR can be utilised to support the general fund its main function is to manage fluctuations within with Business Rates Retention regime. It contains several technical entries such as provision for appeals against business rating values. The appeals are independently managed by the Valuation Office Agency (VOA) and so the outcome is out of the Council's control. As a result the movement in the BRR can be significant depending on the volume and value of any appeals. The reserve is also there to manage routine surpluses and deficits encountered during the normal administration of the business rates system. It is therefore recommended that the use of this reserve is treated with extreme caution.

	31-Mar-26 £M	31-Mar-27 £M	31-Mar-28 £M	31-Mar-29 £M	31-Mar-30 £M
Unallocated Reserve (includes budget deficit)	-6.742	-3.335	0.489	4.878	9.636
Business Rates Retention Reserve	-12.176	-11.576	-11.076	-11.076	-11.076
Renewals Reserve	-1.880	-2.372	-2.864	-3.356	-3.848
Other Non-Ring Fenced Reserves	-1.437	-1.442	-1.447	-1.452	-1.457
<b>Balance carried forward</b>	<b>-22.235</b>	<b>-18.725</b>	<b>-14.898</b>	<b>-11.006</b>	<b>-6.745</b>

- 5.5 Whilst reserves can be used to manage the current financial crisis, as the tables clearly show, funding of the forecast deficits from reserves is **NOT** a viable option. Addressing the underlying structural issues within the Council's budget requires significant interventions from Cabinet, Senior Leadership Team, and Council to address the forecast deficit levels.



## **6.0 OUTCOMES BASED RESOURCING (OBR) / FIT FOR THE FUTURE (FftF)**

6.1 The Council has embarked on a programme called Outcomes-Based Resourcing (OBR)/Fit for the Future (FftF) that will see it examine every area of its budget and match resources more closely with its priorities. The OBR/FftF programme includes looking at ways the council can do things differently by utilising technology and being more efficient, as well as considering areas in which it can generate more income.

6.2 The Council embarked on its OBR/FftF process in 2022/23, as set out in the Council Plan, with its intention to ensure that funds are allocated according to a set of predefined outcomes, or priorities to ensure that funds are directed toward the Council's key ambitions and statutory functions and away from areas which contribute less or not at all against the predetermined objectives.

6.3 The proposed actions through the OBR/FftF process currently include:

- 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
- Exploration of closer working and collaboration with other Councils, Public Sector Bodies and Partner Institutions
- Challenging existing cost base through the application of zero-based budgeting principles

6.4 Given the size of the ongoing financial issues the Council faces this fundamental reshaping of the Council's services and realigning against its priorities through the OBR/FftF process will be key to shrinking the estimated budget gap and securing the financial sustainability of the Council going forward. It is imperative that the work, or similar principles, continues. The application of OBR/FftF across the Council will be a significant piece of work and to fully achieve its stated aims will take an estimated further 12 to 24 months.

6.5 Cabinet and Senior Leadership Team have agreed on principles and common goals as they continue to work through the OBR/FftF process.

- We need to continue to tackle the structural deficit over the short, medium and long term
- We need to use reserves carefully to transition
- We want to continue to deliver services that residents/ businesses need and rely on
- We want to achieve positive outcomes for our district

6.6 However, if these are not successful and the deficit is not closed, then balances will be required to make up the difference.

## **7.0 BALANCING THE BUDGET TO 2029/30**

7.1 A number of workshops have already been held between Cabinet and Senior Leadership Team to explore proposals from the OBR task groups and these will be ongoing throughout the budget process.

7.2 Savings were identified during the 2023/24 and 2024/25 budget processes which have contributed towards addressing the structural deficit. However, the continuation of the application of OBR across the Council is an ongoing and significant piece of work and will

continue to have a particularly important part to play in driving down budget gaps from 2025/26 to achieve a position of financial sustainability.

- 7.3 Capital proposals have been reviewed by Capital Assurance Group and passed on to Cabinet who have given an initial steer on which proposals they would like to see worked up further. This work is ongoing and the revenue impact of MRP and interest charges will be included in future update reports to Members.

**8.0 DETAILS OF CONSULTATION**

- 8.1 Given the size of the challenges faced by the Council and the need for fundamental change in service delivery, enhanced consultation with relevant internal and external stakeholders on the budget will be undertaken prior to Budget Council in February. Consultation on council housing matters will be undertaken through the District Wide Tenants’ Forum.

**9.0 OPTIONS AND OPTIONS ANALYSIS**

- 9.1 As the report is for consideration and alternative options are put forward, the Cabinet could make supplementary recommendations regarding any matters.

**10.0 CONCLUSION**

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

<p><b>RELATIONSHIP TO POLICY FRAMEWORK</b> 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.</p>
<p><b>CONCLUSION OF IMPACT ASSESSMENT</b> (including Diversity, Human Rights, Community Safety, Sustainability etc)</p> <p>None identified at this stage</p>
<p><b>FINANCIAL IMPLICATIONS</b> As set out in the report</p>
<p><b>SECTION 151 OFFICER’S COMMENTS</b> 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.</p> <p>It must be reiterated that the current forecasts <b>do not</b> include any interventions by Cabinet, Senior Leadership Team, or the outcomes of the Local Government Settlement. However, the forecasts clearly highlight potential annual and cumulative budget deficits over the next 5 years and the perilous position the Council now faces, a position shared nationally across the public sector. In light of this, balancing the budget both in the short and the medium term will be a tough task and <b>all Members must work together and recognise that they will face a number of difficult but key decisions as part of the forthcoming budget and over the coming financial years which will affect the manner in which it delivers its services.</b></p>

<b>LEGAL IMPLICATIONS</b> No specific legal implications arising from this report.	
<b>MONITORING OFFICER'S COMMENTS</b> The Monitoring Officer has been consulted and has no comments.	
<b>BACKGROUND PAPERS</b> None.	<b>Contact Officer:</b> Paul Thompson <b>Telephone:</b> 01524 582603 <b>E-mail:</b> pthompson@lancaster.gov.uk <b>Ref:</b> N/A

**CABINET**

**Local Council Tax Support Scheme (2025/26)  
4<sup>th</sup> December 2024**

**Report of Assistant Director (Head of Revenues and Benefits)**

<b>PURPOSE OF REPORT</b>				
To enable Cabinet to consider the existing Localised Council Tax Support (“LCTS”) Scheme and the options available, ahead of formal consideration and approval by Council for application in 2025/26.				
<b>Key Decision</b>	<b>N</b>	<b>Non-Key Decision</b>	<b>Y</b>	<b>Referral from Cabinet Member</b>
<b>Date of notice of forthcoming key decision</b>	4 <sup>th</sup> December 2024			
<b>This report is public</b>				

**RECOMMENDATIONS OF COUNCILOR HAMILTON-COX**

(1) Retain the existing Localised Council Tax Support Scheme for 2025/26 (Option 1)

**1.0 Introduction**

1.1 Cabinet’s views are sought as to whether to retain the existing Localised Council Tax Support Scheme for 2025/26 (Option 1) subject to future consequential minor amendments following changes in housing benefit rules; or whether to amend it to reduce entitlement (Option 2).

1.2 Following the abolition of the national Council Tax Benefit (CTB) system back in 2013, each billing authority now has a legal duty to adopt a Localised Council Tax Support (LCTS) scheme.

1.3 Each authority is also under a legal obligation to consider, for each year, whether to revise its scheme or to replace it with another scheme. The history of the Council’s arrangements is summarised below:

1.4 The first local scheme was adopted in January 2013 for implementation in 2013/14. The Council chose not to reduce support levels at that time, unlike most other local authorities.

- 1.5 In reviewing its scheme since then, Council has decided to retain basic council tax support levels, meaning that working age claimants on low incomes may still be awarded support to cover up to 100% of their council tax bills.
- 1.6 The Council has applied other comparatively minor changes over the years, on the basis that entitlement criteria for LCTS should generally remain in line with other key benefits, most notably Housing Benefit (HB) and Universal Credit (UC).
- 1.7 If a Council does wish to alter its scheme, it must approve any changes by 11 March, otherwise the existing scheme will continue to apply. There is currently no provision for changing a scheme in-year.
- 1.8 The Local Government Finance Act 1992 as amended, sets out measures requiring all billing authorities to introduce and maintain a LCTS scheme for each financial year. The main aims of the LCTS scheme are to ensure fairness and consistency, and to help reduce confusion for claimants.
- 1.9 Under any scheme, support for pensioners must remain at existing levels, and the scheme must be delivered through a national framework of criteria and allowances. For working age claimants, Councils can choose, through the design of their scheme, whether to alter support entitlements in some way.
- 1.10 Policies and procedures are structured to ensure that all customers receive the correct amount of support and that every claim is considered on its own merits and in accordance with legislation and Government guidance.

## **2.0 Overview of the Council's current scheme**

- 2.1 As laid down by Government, there are three general principles that all Local Council Tax Support (LCTS) schemes must follow:
  - pensioners should be fully protected;
  - vulnerable groups should be protected as far as possible, as determined locally; and
  - local schemes should support the positive work incentives being introduced through Universal Credit for working age people.
- 2.2 The Council's existing scheme meets these principles, giving protection for certain groups and helping to support work incentives. It provides additional protection for vulnerable people through other income disregards, premiums and allowances. It also provides for annual uplifts associated with inflation, etc.
- 2.3 Under current legislation, pensioners are protected from any locally driven scheme changes, and so any Council decisions impact only on working age claimants.
- 2.4 As Council has so far maintained general support levels, this means that if entitled, a claimant would receive 100% support to cover their council tax bill. Of the 333 schemes in operation nationally, currently the Council is one of a few Councils that still provides full levels of Council Tax Support for working age claimants, depending on their circumstances.
- 2.5 A hardship fund of £30k is built into the LCTS scheme to protect those suffering exceptional hardship. This initiative is financially supported by a contribution from

the major precepting authorities, although given that general support levels are maintained, demand against this continues to be minimal.

- 2.6 The Department for Work and Pensions (DWP) operates a “full” Universal Credit (UC) service in this district, and the Council’s existing LCTS scheme accommodates this development. The Council’s current LCTS scheme principles are set out in **Appendix A** to this report.
- 2.7 This report sets out a recommendation that the LCTS scheme for 2025/26 be ‘retained’ in its present form, subject to minor consequential amendments to accommodate the annual uprating of similar applicable amounts in the Housing Benefit Scheme.

### **3.0 Details of Consultation**

- 3.1 Members have previously indicated a preference to retain the existing LCTS scheme in its present format, subject to the scheme principles listed in **Appendix A**. As such, legally there is no need to consult on changes to the scheme at this stage. However, should “Option 2” be the preferred option of the Council, alternative scheme options will need to be developed for consideration by Council early next year, following a swift consultation exercise.
- 3.2 Under Option 1, the Council will write to major precepting authorities setting out the principles of the scheme for 2025/26, acknowledging the fact that they will share the financial cost and risk of any changes made. Their preference has always been for a cost neutral scheme that limits the financial pressure on their budgets as an alternative to cutting essential services.

### **4.0 Options and Options Analysis (including risk assessment)**

- 4.1 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:

#### **4.2 Option 1:**

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

- The existing scheme is considered soundly structured and works well, and offers maximum support for low-income families, who may otherwise find themselves in mounting debt.
- Current forecast assumes the continuation of the existing LCTS system and as such, maintaining current levels of support would normally have no impact on the Council’s financial forecast. However, costs have increased in recent years with increased take-up due to Covid-19, the cost-of living crisis and annual Council tax increases. 2024/25 has seen a small reduction in residents receiving LCTS from 9,574 in 2023/24 to 9,310 in 2024/25. Should this trend continue, this could reduce costs of the scheme in the long term.

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

4.3 **Option 2:**

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

- Currently 9,310 residents claim LCTS in the Lancaster district. As pensioners make up 38% (3,565) of claimants, it means any cut in the level of support provided falls on the remaining 62% (5,745) of working age people on low incomes.
- A reduction in the levels of support provided could arguably provide claimants with further incentives to work, reducing their reliance on benefits, although the jobs market is particularly uncertain at this difficult time.
- This option will have greater adverse financial impact on working age households but would help protect other Council services by requiring less savings to be made by them.
- If levels of support are reduced, the Council would be tasked with the difficulty of collecting this debt from the more vulnerable members of our society, increasing workloads and costs associated with council tax recovery.
- Additional costs associated with developing new scheme options, consultation exercise, legal changes to scheme etc.

5.0 **Options and Options Analysis (including risk assessment)**

	<b>Option 1:</b> Retain the existing LCTS scheme	<b>Option 2:</b> Amend the LCTS scheme to reduce entitlement	<b>Option 3:</b>
Advantages	The current scheme provides support up to a level of 100% and assists those on low incomes	Financial savings to Lancaster City Council and the other precepting authorities.	N/A
Disadvantages	The Government does not fully fund the cost of a 100% LCTS scheme. The additional cost falls on Lancaster City Council and the other precepting authorities.	A reduction in support would result in Council Tax increases for those on low incomes. The Council Tax team would need to recover more money, often from those least able to make payments.	N/A
Risks	The cost of the scheme may increase due to an increase in new claims as the	Reduced collection rates and increased debt. Potential reputational damage.	N/A

	cost-of-living crisis progresses.		
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**6.0 Officer Preferred Option (and comments)**

6.1 Retain the existing Localised Council Tax Support Scheme for 2025/26 (Option 1). This will assist financially vulnerable Council Tax customers in the Lancaster City Council District.

**7.0 Conclusion**

7.1 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 the Council's decision).

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

<p><b>RELATIONSHIP TO POLICY FRAMEWORK</b></p> <p>The LCTS scheme is developed in support of ambitions within the Council Plan regarding "Healthy and Happy Communities" to optimise access for those that need it most, together with welfare benefits and related support.</p>
<p><b>CONCLUSION OF IMPACT ASSESSMENT (including Health &amp; Safety, Equality &amp; Diversity, Human Rights, Community Safety, HR, Sustainability and Rural Proofing)</b></p> <p>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.</p> <p>The Equality and Human Rights Impact Assessment has been reviewed and can be found as part of <b>Appendix B</b>.</p>
<p><b>LEGAL IMPLICATIONS</b></p> <p>The Local Government Finance Act 1992 (as amended) provides that the Council, as the billing authority, must consider whether to revise its LCTS scheme, or replace it with another scheme by 11<sup>th</sup> March every year. However, it is beneficial for the Council to determine the principles of its LCTS scheme early, in order to build estimates into its Tax Base calculations.</p> <p>Before a Council can determine to revise or replace its LCTS scheme it must consult any major precepting authority which has the power to issue a precept to it and such other persons as it considers are likely to have an interest in the operation of the scheme. However, these consultation rules do not apply if the Council approves the recommendation to "retain" its existing LCTS scheme.</p> <p>Likewise, if Council is not proposing to change the existing LCTS scheme then technically there is no requirement to seek approval from full Council. However, it is</p>



considered good practice for Council to ratify the existing scheme, given the annual uprating in April each year to adjust benefits and personal allowances, and any other consequential amendments.

#### **FINANCIAL IMPLICATIONS**

Currently the LCTS system is estimated to cost £11.34m in total each year with the Council's element amounting to 13.4% (£1.52m) in 2024/25; the cost being affected by council tax rates and claimant caseload, as well as the decisions of Council. The overall cost is broken down between working age claimants (£6.9m) and elderly claimants (£4.4m) with any decision disproportionately only affecting working age claimants. Of this cost for working age claimants (£6.9m), approximately £929k falls to the City Council, with the remainder being covered predominantly by the other major precepting authorities (County, Fire, Police) and a small element being met by Parish and Town Councils. Since the introduction of the LCTS scheme, the Government has rolled the Council Tax Support Grant into mainstream Government funding thereby making it impossible to separately identify. Should Council approve Option 2 and reduce support levels there would be related savings to the Council and major preceptors (County, Fire, Police), subject to the level of reduction. Any impact on parishes would be negligible. A cut of 10% in the level of support for working age claimants would equate to savings of £93k, whereas a 20% cut in support levels would equate to £186k in savings for the City Council.

#### **OTHER RESOURCE IMPLICATIONS**

##### **Human Resources:**

None

##### **Information Services:**

None

##### **Property:**

None

##### **Open Spaces:**

None

#### **SECTION 151 OFFICER'S COMMENTS**

As Members will be aware the Council is currently facing a significant budget deficit in 2025/26 and beyond, and as a result there is pressure to reduce costs where possible. As noted within the report Lancaster City Council is one of only a few Councils which provides 100% support for working age claimants at an annual cost exceeding £0.900M per annum, and so is an area where changes to the scheme could provide a level of savings to reduce the deficit.

Revisions the scheme were reviewed as part of the 2024/25 budget process and based on Band D equivalent savings to the Council could be c£100K however this does not include the impact of any additional collection costs associated with non-payment. Should Members wish to revise the scheme to achieve a degree of savings it should be balanced against the points raised at para 4.2 as well as the Council's stated Priorities.

#### **MONITORING OFFICER'S COMMENTS**

The monitoring Officer has been consulted and has no further comments.	
<b>BACKGROUND PAPERS</b> None	<b>Contact Officer:</b> Andrew Taylor, Assistant Director (Head of Revenues and Benefits) <b>Telephone: 01772 906013</b> <b>E-mail: a.taylor@preston.gov.uk</b>

**APPENDIX A**

**Lancaster City Council**  
**Summary Principles of the Council Tax Support Scheme**

The Council Tax Support Scheme is based upon the following principles and will:

1. be calculated as a means tested discount, defined primarily by the terms of the former Council Tax Benefit (CTB) Scheme;
2. match/reflect as appropriate specific wider welfare reforms introduced by the Government, such as those that impact upon housing benefits and/or universal credit;
3. protect pensioners (a Government requirement);
4. help protect the most vulnerable members of society as far as possible, as determined locally;
5. retain a local arrangement for war pensions to be disregarded in full;
6. support positive work incentives that are built in to benefit those who find work;
7. include a hardship fund to help claimants who suffer exceptional hardship as a result of council tax support changes; and
8. not include a second adult rebate reduction for working age claimants.

**Class of persons:**

The scheme sets out rules for working age claimants. Regulations prescribe a scheme for claimants of state pension credit age and prescribe certain classes of persons who are not eligible to claim council tax support.

Eligibility for council tax support is determined by reference to means testing i.e. the income and capital of the claimant and any partner; and by the income and number of non-dependants in the household.

Eligibility for council tax support is defined by the terms of this scheme. The scheme sets out how council tax support is claimed, calculated and paid, except where amendments are required by statute under the Local Government Finance Act 2012 and/or accompanying legislation.

**Class of reductions:**

The scheme aligns with the basic principle of the need to create work incentives.

The scheme is based on the system of making deductions from the eligible council tax for each non-dependant person in the household. The categories of non-dependency are set out in the scheme. Income brackets may be altered in line with the general up-rating arrangements in the scheme, usually adjusted annually to include personal allowances.

Changes will be reflected in the scheme, as considered appropriate, to reflect the Government's ongoing welfare benefits reforms, such as those affecting housing benefit and universal credit as examples.

### **Applications:**

An application will be required for all new claims. An appropriate means of application will be decided by the authority and may be revised as required. A review process may be implemented by the local authority for new and existing awards. Awards may be reviewed in a time period to be determined by the authority and failure of the claimant to fulfil any request during a review of their award may result in the termination of that award.

### **General administration of the scheme:**

Apart from where statutorily required, advice of any award granted, removed or revised will be by an adjustment to the council tax bill and the bill itself will be the formal notification. The authority reserves the right to include additional notifications.

### **Changes in Circumstances:**

Matters relating to the duty for a claimant to notify the Local Authority of a change in circumstances shall generally replicate those that applied to the former CTB Scheme.

### **Appeals process:**

Claimants will submit any appeals to the Council in the first instance for a reconsideration of a relevant decision. Once notified of the outcome of this review, the claimant will have a period of two months from the date of the notification to submit an appeal to the Valuation Tribunal.

### **Backdating:**

Council Tax Support can be backdated, providing continuous good cause is shown for the delay in claiming.

### **Up-rating:**

Following commencement of the scheme, with effect from 1st April each year any figures set out in the scheme may be up-rated by the consumer price index, retail price index or other rate of inflation set out in the preceding September, or by another rate determined with reference to provisions made for Housing Benefit and Universal Credit, or as decided by the authority.

### **Other Matters:**

The scheme may be amended to take into account any circumstances subsequently identified, whether through government statute, or other means.

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## APPENDIX B



**Lancaster City Council's Equality Impact Assessment  
Localised Council Tax Support Scheme 2025/26**

**Section 1: Details:**

<b>Service</b>	Revenues & Benefits Shared Service Resources
<b>Title and brief description (if required)</b>	Localised Council Tax Support Scheme (2025/26)
<b>New or existing</b>	Existing
<b>Author/officer lead</b>	Lead – Head of Shared Service / Benefits Manager
<b>Date</b>	7 <sup>th</sup> November 2024

**Does this affect staff, customers or other members of the public?**

Yes

**Section 2: Summary:****What is the purpose, aims and objectives?**

The Local Government Finance Act 1992 as amended, sets out measures requiring all billing authorities to introduce and maintain a LCTS scheme for each financial year.

The main aims of the LCTS scheme are to ensure fairness and consistency, and to help reduce confusion for claimants.

**Who is intended to benefit and how?**

Under any scheme, support for pensioners must remain at existing levels, and the scheme must be delivered through a national framework of criteria and allowances.

For working age claimants, Councils can choose, through the design of their scheme, whether to alter support entitlements in some way.

Policies and procedures are structured to ensure that all customers receive the correct amount of support and that every claim is considered on its own merits and in accordance with legislation and Government guidance.

**Section 3: Assessing impact**

<b>Is there any potential or evidence that this will or could:</b>		
• Affect people from any protected group differently to others?	Yes	
• Discriminate unlawfully against any protected group?		No
• Affect the relations between protected groups and others?		No

<ul style="list-style-type: none"> <li>Encourage protected groups to participate in activities if participation is disproportionately low (won't always be applicable)?</li> </ul>		No
<ul style="list-style-type: none"> <li>Prevent the Council from achieving the aims of its' Equality and Diversity Policy?</li> </ul>		No

We hold household and income details of current Localised Council Tax Support recipients and we have access to wider population statistics and can assess equality monitoring data available as part of the survey.	
Age including older and younger people and children	Positive re: pensioners - as they are protected from any changes, as directed by Government.  The scheme impacts upon working age claimants only.
Disability	Disabled customers are not adversely affected by the LCTS scheme and are not disadvantaged in comparison to other groups.
Faith, religion or belief	Neutral.
Gender including marriage, pregnancy and maternity	No specific evidence. We do not anticipate this scheme will have a particular equality impact on this protected group.
Gender reassignment	We do not anticipate this scheme will have a particular equality impact on this protected group.
Race	Potentially but if so, very marginally – BME populations seem to be over- represented in unemployment figures and so this may feed through into LCTS claims and entitlement.
Sexual orientation (Including Civic Partnerships)	No specific evidence. We do not anticipate this scheme will have a particular equality impact on this protected group.
Rural communities	No specific evidence. We do not anticipate this scheme will have a particular equality impact on this protected group.
People on low incomes	The scheme relates predominantly to this group, but numbers affected by the specific proposals are expected to be very low.

**Section 4: Next steps:**

**Do you need any more information/evidence eg statistics, consultation? If so, how do you plan to address this?**

No further evidence required.

The proposal is to retain the existing scheme, which works well and offers 100% support.

**How have you taken/will you take the potential impact and evidence into account?**

This Equality Impact Assessment forms part of the Council report to be presented to Members December 2024.

**How do you plan to monitor the impact and effectiveness of this change or decision?**

Applications to the Discretionary Hardship fund will be analysed to establish if any group is suffering extreme detriment under the retained LCTS scheme to enable action to be taken.

The Council has a Hardship Fund, available to assist vulnerable customers, experiencing difficulty in meeting their Council Tax liability.

**CABINET**

**Local Council Tax Support Scheme (2025/26)  
4<sup>th</sup> December 2024**

**Report of Assistant Director (Head of Revenues and Benefits)**

<b>PURPOSE OF REPORT</b>				
To enable Cabinet to consider the existing Localised Council Tax Support (“LCTS”) Scheme and the options available, ahead of formal consideration and approval by Council for application in 2025/26.				
<b>Key Decision</b>	<b>N</b>	<b>Non-Key Decision</b>	<b>Y</b>	<b>Referral from Cabinet Member</b>
<b>Date of notice of forthcoming key decision</b>	4 <sup>th</sup> December 2024			
<b>This report is public</b>				

**RECOMMENDATIONS OF COUNCILOR HAMILTON-COX**

(1) Retain the existing Localised Council Tax Support Scheme for 2025/26 (Option 1)

**1.0 Introduction**

1.1 Cabinet’s views are sought as to whether to retain the existing Localised Council Tax Support Scheme for 2025/26 (Option 1) subject to future consequential minor amendments following changes in housing benefit rules; or whether to amend it to reduce entitlement (Option 2).

1.2 Following the abolition of the national Council Tax Benefit (CTB) system back in 2013, each billing authority now has a legal duty to adopt a Localised Council Tax Support (LCTS) scheme.

1.3 Each authority is also under a legal obligation to consider, for each year, whether to revise its scheme or to replace it with another scheme. The history of the Council’s arrangements is summarised below:

1.4 The first local scheme was adopted in January 2013 for implementation in 2013/14. The Council chose not to reduce support levels at that time, unlike most other local authorities.

- 1.5 In reviewing its scheme since then, Council has decided to retain basic council tax support levels, meaning that working age claimants on low incomes may still be awarded support to cover up to 100% of their council tax bills.
- 1.6 The Council has applied other comparatively minor changes over the years, on the basis that entitlement criteria for LCTS should generally remain in line with other key benefits, most notably Housing Benefit (HB) and Universal Credit (UC).
- 1.7 If a Council does wish to alter its scheme, it must approve any changes by 11 March, otherwise the existing scheme will continue to apply. There is currently no provision for changing a scheme in-year.
- 1.8 The Local Government Finance Act 1992 as amended, sets out measures requiring all billing authorities to introduce and maintain a LCTS scheme for each financial year. The main aims of the LCTS scheme are to ensure fairness and consistency, and to help reduce confusion for claimants.
- 1.9 Under any scheme, support for pensioners must remain at existing levels, and the scheme must be delivered through a national framework of criteria and allowances. For working age claimants, Councils can choose, through the design of their scheme, whether to alter support entitlements in some way.
- 1.10 Policies and procedures are structured to ensure that all customers receive the correct amount of support and that every claim is considered on its own merits and in accordance with legislation and Government guidance.

## **2.0 Overview of the Council's current scheme**

- 2.1 As laid down by Government, there are three general principles that all Local Council Tax Support (LCTS) schemes must follow:
  - pensioners should be fully protected;
  - vulnerable groups should be protected as far as possible, as determined locally; and
  - local schemes should support the positive work incentives being introduced through Universal Credit for working age people.
- 2.2 The Council's existing scheme meets these principles, giving protection for certain groups and helping to support work incentives. It provides additional protection for vulnerable people through other income disregards, premiums and allowances. It also provides for annual uplifts associated with inflation, etc.
- 2.3 Under current legislation, pensioners are protected from any locally driven scheme changes, and so any Council decisions impact only on working age claimants.
- 2.4 As Council has so far maintained general support levels, this means that if entitled, a claimant would receive 100% support to cover their council tax bill. Of the 333 schemes in operation nationally, currently the Council is one of a few Councils that still provides full levels of Council Tax Support for working age claimants, depending on their circumstances.
- 2.5 A hardship fund of £30k is built into the LCTS scheme to protect those suffering exceptional hardship. This initiative is financially supported by a contribution from



the major precepting authorities, although given that general support levels are maintained, demand against this continues to be minimal.

- 2.6 The Department for Work and Pensions (DWP) operates a “full” Universal Credit (UC) service in this district, and the Council’s existing LCTS scheme accommodates this development. The Council’s current LCTS scheme principles are set out in **Appendix A** to this report.
- 2.7 This report sets out a recommendation that the LCTS scheme for 2025/26 be ‘retained’ in its present form, subject to minor consequential amendments to accommodate the annual uprating of similar applicable amounts in the Housing Benefit Scheme.

### **3.0 Details of Consultation**

- 3.1 Members have previously indicated a preference to retain the existing LCTS scheme in its present format, subject to the scheme principles listed in **Appendix A**. As such, legally there is no need to consult on changes to the scheme at this stage. However, should “Option 2” be the preferred option of the Council, alternative scheme options will need to be developed for consideration by Council early next year, following a swift consultation exercise.
- 3.2 Under Option 1, the Council will write to major precepting authorities setting out the principles of the scheme for 2025/26, acknowledging the fact that they will share the financial cost and risk of any changes made. Their preference has always been for a cost neutral scheme that limits the financial pressure on their budgets as an alternative to cutting essential services.

### **4.0 Options and Options Analysis (including risk assessment)**

- 4.1 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:

#### **4.2 Option 1:**

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

- The existing scheme is considered soundly structured and works well, and offers maximum support for low-income families, who may otherwise find themselves in mounting debt.
- Current forecast assumes the continuation of the existing LCTS system and as such, maintaining current levels of support would normally have no impact on the Council’s financial forecast. However, costs have increased in recent years with increased take-up due to Covid-19, the cost-of living crisis and annual Council tax increases. 2024/25 has seen a small reduction in residents receiving LCTS from 9,574 in 2023/24 to 9,310 in 2024/25. Should this trend continue, this could reduce costs of the scheme in the long term.

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

4.3 **Option 2:**

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

- Currently 9,310 residents claim LCTS in the Lancaster district. As pensioners make up 38% (3,565) of claimants, it means any cut in the level of support provided falls on the remaining 62% (5,745) of working age people on low incomes.
- A reduction in the levels of support provided could arguably provide claimants with further incentives to work, reducing their reliance on benefits, although the jobs market is particularly uncertain at this difficult time.
- This option will have greater adverse financial impact on working age households but would help protect other Council services by requiring less savings to be made by them.
- If levels of support are reduced, the Council would be tasked with the difficulty of collecting this debt from the more vulnerable members of our society, increasing workloads and costs associated with council tax recovery.
- Additional costs associated with developing new scheme options, consultation exercise, legal changes to scheme etc.

5.0 **Options and Options Analysis (including risk assessment)**

	<b>Option 1:</b> Retain the existing LCTS scheme	<b>Option 2:</b> Amend the LCTS scheme to reduce entitlement	<b>Option 3:</b>
Advantages	The current scheme provides support up to a level of 100% and assists those on low incomes	Financial savings to Lancaster City Council and the other precepting authorities.	N/A
Disadvantages	The Government does not fully fund the cost of a 100% LCTS scheme. The additional cost falls on Lancaster City Council and the other precepting authorities.	A reduction in support would result in Council Tax increases for those on low incomes. The Council Tax team would need to recover more money, often from those least able to make payments.	N/A
Risks	The cost of the scheme may increase due to an increase in new claims as the	Reduced collection rates and increased debt. Potential reputational damage.	N/A

	cost-of-living crisis progresses.		
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**6.0 Officer Preferred Option (and comments)**

6.1 Retain the existing Localised Council Tax Support Scheme for 2025/26 (Option 1). This will assist financially vulnerable Council Tax customers in the Lancaster City Council District.

**7.0 Conclusion**

7.1 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 the Council's decision).

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

<p><b>RELATIONSHIP TO POLICY FRAMEWORK</b></p> <p>The LCTS scheme is developed in support of ambitions within the Council Plan regarding "Healthy and Happy Communities" to optimise access for those that need it most, together with welfare benefits and related support.</p>
<p><b>CONCLUSION OF IMPACT ASSESSMENT (including Health &amp; Safety, Equality &amp; Diversity, Human Rights, Community Safety, HR, Sustainability and Rural Proofing)</b></p> <p>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.</p> <p>The Equality and Human Rights Impact Assessment has been reviewed and can be found as part of <b>Appendix B</b>.</p>
<p><b>LEGAL IMPLICATIONS</b></p> <p>The Local Government Finance Act 1992 (as amended) provides that the Council, as the billing authority, must consider whether to revise its LCTS scheme, or replace it with another scheme by 11<sup>th</sup> March every year. However, it is beneficial for the Council to determine the principles of its LCTS scheme early, in order to build estimates into its Tax Base calculations.</p> <p>Before a Council can determine to revise or replace its LCTS scheme it must consult any major precepting authority which has the power to issue a precept to it and such other persons as it considers are likely to have an interest in the operation of the scheme. However, these consultation rules do not apply if the Council approves the recommendation to "retain" its existing LCTS scheme.</p> <p>Likewise, if Council is not proposing to change the existing LCTS scheme then technically there is no requirement to seek approval from full Council. However, it is</p>

considered good practice for Council to ratify the existing scheme, given the annual uprating in April each year to adjust benefits and personal allowances, and any other consequential amendments.

#### **FINANCIAL IMPLICATIONS**

Currently the LCTS system is estimated to cost £11.34m in total each year with the Council's element amounting to 13.4% (£1.52m) in 2024/25; the cost being affected by council tax rates and claimant caseload, as well as the decisions of Council. The overall cost is broken down between working age claimants (£6.9m) and elderly claimants (£4.4m) with any decision disproportionately only affecting working age claimants. Of this cost for working age claimants (£6.9m), approximately £929k falls to the City Council, with the remainder being covered predominantly by the other major precepting authorities (County, Fire, Police) and a small element being met by Parish and Town Councils. Since the introduction of the LCTS scheme, the Government has rolled the Council Tax Support Grant into mainstream Government funding thereby making it impossible to separately identify. Should Council approve Option 2 and reduce support levels there would be related savings to the Council and major preceptors (County, Fire, Police), subject to the level of reduction. Any impact on parishes would be negligible. A cut of 10% in the level of support for working age claimants would equate to savings of £93k, whereas a 20% cut in support levels would equate to £186k in savings for the City Council.

#### **OTHER RESOURCE IMPLICATIONS**

##### **Human Resources:**

None

##### **Information Services:**

None

##### **Property:**

None

##### **Open Spaces:**

None

#### **SECTION 151 OFFICER'S COMMENTS**

As Members will be aware the Council is currently facing a significant budget deficit in 2025/26 and beyond, and as a result there is pressure to reduce costs where possible. As noted within the report Lancaster City Council is one of only a few Councils which provides 100% support for working age claimants at an annual cost exceeding £0.900M per annum, and so is an area where changes to the scheme could provide a level of savings to reduce the deficit.

Revisions the scheme were reviewed as part of the 2024/25 budget process and based on Band D equivalent savings to the Council could be c£100K however this does not include the impact of any additional collection costs associated with non-payment. Should Members wish to revise the scheme to achieve a degree of savings it should be balanced against the points raised at para 4.2 as well as the Council's stated Priorities.

#### **MONITORING OFFICER'S COMMENTS**

The monitoring Officer has been consulted and has no further comments.	
<b>BACKGROUND PAPERS</b> None	<b>Contact Officer:</b> Andrew Taylor, Assistant Director (Head of Revenues and Benefits) <b>Telephone: 01772 906013</b> <b>E-mail:</b> a.taylor@preston.gov.uk

**APPENDIX A**

**Lancaster City Council  
Summary Principles of the Council Tax Support Scheme**

The Council Tax Support Scheme is based upon the following principles and will:

1. be calculated as a means tested discount, defined primarily by the terms of the former Council Tax Benefit (CTB) Scheme;
2. match/reflect as appropriate specific wider welfare reforms introduced by the Government, such as those that impact upon housing benefits and/or universal credit;
3. protect pensioners (a Government requirement);
4. help protect the most vulnerable members of society as far as possible, as determined locally;
5. retain a local arrangement for war pensions to be disregarded in full;
6. support positive work incentives that are built in to benefit those who find work;
7. include a hardship fund to help claimants who suffer exceptional hardship as a result of council tax support changes; and
8. not include a second adult rebate reduction for working age claimants.

**Class of persons:**

The scheme sets out rules for working age claimants. Regulations prescribe a scheme for claimants of state pension credit age and prescribe certain classes of persons who are not eligible to claim council tax support.

Eligibility for council tax support is determined by reference to means testing i.e. the income and capital of the claimant and any partner; and by the income and number of non-dependants in the household.

Eligibility for council tax support is defined by the terms of this scheme. The scheme sets out how council tax support is claimed, calculated and paid, except where amendments are required by statute under the Local Government Finance Act 2012 and/or accompanying legislation.

**Class of reductions:**

The scheme aligns with the basic principle of the need to create work incentives.

The scheme is based on the system of making deductions from the eligible council tax for each non-dependant person in the household. The categories of non-dependency are set out in the scheme. Income brackets may be altered in line with the general up-rating arrangements in the scheme, usually adjusted annually to include personal allowances.

Changes will be reflected in the scheme, as considered appropriate, to reflect the Government's ongoing welfare benefits reforms, such as those affecting housing benefit and universal credit as examples.

### **Applications:**

An application will be required for all new claims. An appropriate means of application will be decided by the authority and may be revised as required. A review process may be implemented by the local authority for new and existing awards. Awards may be reviewed in a time period to be determined by the authority and failure of the claimant to fulfil any request during a review of their award may result in the termination of that award.

### **General administration of the scheme:**

Apart from where statutorily required, advice of any award granted, removed or revised will be by an adjustment to the council tax bill and the bill itself will be the formal notification. The authority reserves the right to include additional notifications.

### **Changes in Circumstances:**

Matters relating to the duty for a claimant to notify the Local Authority of a change in circumstances shall generally replicate those that applied to the former CTB Scheme.

### **Appeals process:**

Claimants will submit any appeals to the Council in the first instance for a reconsideration of a relevant decision. Once notified of the outcome of this review, the claimant will have a period of two months from the date of the notification to submit an appeal to the Valuation Tribunal.

### **Backdating:**

Council Tax Support can be backdated, providing continuous good cause is shown for the delay in claiming.

### **Up-rating:**

Following commencement of the scheme, with effect from 1st April each year any figures set out in the scheme may be up-rated by the consumer price index, retail price index or other rate of inflation set out in the preceding September, or by another rate determined with reference to provisions made for Housing Benefit and Universal Credit, or as decided by the authority.

### **Other Matters:**

The scheme may be amended to take into account any circumstances subsequently identified, whether through government statute, or other means.

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## APPENDIX B



**Lancaster City Council's Equality Impact Assessment  
Localised Council Tax Support Scheme 2025/26**

**Section 1: Details:**

<b>Service</b>	Revenues & Benefits Shared Service Resources
<b>Title and brief description (if required)</b>	Localised Council Tax Support Scheme (2025/26)
<b>New or existing</b>	Existing
<b>Author/officer lead</b>	Lead – Head of Shared Service / Benefits Manager
<b>Date</b>	7 <sup>th</sup> November 2024

**Does this affect staff, customers or other members of the public?**

Yes

**Section 2: Summary:****What is the purpose, aims and objectives?**

The Local Government Finance Act 1992 as amended, sets out measures requiring all billing authorities to introduce and maintain a LCTS scheme for each financial year.

The main aims of the LCTS scheme are to ensure fairness and consistency, and to help reduce confusion for claimants.

**Who is intended to benefit and how?**

Under any scheme, support for pensioners must remain at existing levels, and the scheme must be delivered through a national framework of criteria and allowances.

For working age claimants, Councils can choose, through the design of their scheme, whether to alter support entitlements in some way.

Policies and procedures are structured to ensure that all customers receive the correct amount of support and that every claim is considered on its own merits and in accordance with legislation and Government guidance.

**Section 3: Assessing impact**

<b>Is there any potential or evidence that this will or could:</b>		
• Affect people from any protected group differently to others?	Yes	
• Discriminate unlawfully against any protected group?		No
• Affect the relations between protected groups and others?		No

<ul style="list-style-type: none"> <li>Encourage protected groups to participate in activities if participation is disproportionately low (won't always be applicable)?</li> </ul>		No
<ul style="list-style-type: none"> <li>Prevent the Council from achieving the aims of its' Equality and Diversity Policy?</li> </ul>		No

We hold household and income details of current Localised Council Tax Support recipients and we have access to wider population statistics and can assess equality monitoring data available as part of the survey.	
Age including older and younger people and children	Positive re: pensioners - as they are protected from any changes, as directed by Government.  The scheme impacts upon working age claimants only.
Disability	Disabled customers are not adversely affected by the LCTS scheme and are not disadvantaged in comparison to other groups.
Faith, religion or belief	Neutral.
Gender including marriage, pregnancy and maternity	No specific evidence. We do not anticipate this scheme will have a particular equality impact on this protected group.
Gender reassignment	We do not anticipate this scheme will have a particular equality impact on this protected group.
Race	Potentially but if so, very marginally – BME populations seem to be over- represented in unemployment figures and so this may feed through into LCTS claims and entitlement.
Sexual orientation (Including Civic Partnerships)	No specific evidence. We do not anticipate this scheme will have a particular equality impact on this protected group.
Rural communities	No specific evidence. We do not anticipate this scheme will have a particular equality impact on this protected group.
People on low incomes	The scheme relates predominantly to this group, but numbers affected by the specific proposals are expected to be very low.

**Section 4: Next steps:**

**Do you need any more information/evidence eg statistics, consultation? If so, how do you plan to address this?**

No further evidence required.

The proposal is to retain the existing scheme, which works well and offers 100% support.

**How have you taken/will you take the potential impact and evidence into account?**



This Equality Impact Assessment forms part of the Council report to be presented to Members December 2024.

**How do you plan to monitor the impact and effectiveness of this change or decision?**

Applications to the Discretionary Hardship fund will be analysed to establish if any group is suffering extreme detriment under the retained LCTS scheme to enable action to be taken.

The Council has a Hardship Fund, available to assist vulnerable customers, experiencing difficulty in meeting their Council Tax liability.

**COUNCIL**

**Executive Arrangements  
11 December 2024  
Report of the Senior Manager – Democratic Support  
and Elections**

**PURPOSE OF REPORT**

To report to Council on the Cabinet Members and their portfolio areas. The report is for noting.

**This report is public**

**RECOMMENDATIONS**

(1) **That Council notes the Cabinet Portfolio Holders and their portfolio areas as set out in this report.**

**1.0 Introduction**

1.1 Rule 2 of the Cabinet Procedure Rules provides for the Leader to present the names of the people appointed to Cabinet and the detailed remits of their portfolios to Council.

1.2 At the meeting on 25 November 2024, Councillor Caroline Jackson was appointed Leader of Cabinet/Leader of the Council until the annual council meeting in May 2025. She has since appointed her Cabinet and this report sets out the names of the Cabinet Members and their portfolios.

**2.0 Cabinet Members**

2.1 Cabinet members and their portfolio titles are set out below. **Appendix A** shows the detailed areas that are contained within each portfolio area. The two members who will serve on the Shared Service for Revenues and Benefits Joint Committee with Preston are the Leader and the Finance Portfolio holder, which is now confirmed as Councillor Hamilton-Cox.

**Councillor Caroline Jackson** – Leader of the Council and Housing

**Councillor Peter Jackson** – Deputy Leader of the Council and Communities, Well-Being and Partnerships

**Councillor Bottoms** – Morecambe Regeneration and Local Economy

**Councillor Dowding** - Climate Change

**Councillor Hamilton-Cox** – Finance and Property

**Councillor Hart** – Environmental Services

**Councillor Maddocks** – Corporate Services

**Councillor Tyldesley** – Planning

**Councillor Wilkinson** - Lancaster Regeneration and Local Economy

**3.0 Conclusion**

3.1 The portfolio information in this report and Appendix is for noting.

<p><b>CONCLUSION OF IMPACT ASSESSMENT</b>                  (including Health &amp; Safety, Equality &amp; Diversity, Human Rights, Community Safety, Sustainability and Rural Proofing): No direct impact</p>	
<p><b>LEGAL IMPLICATIONS</b>                  This Cabinet portfolios and other executive arrangements are reported to Council in accordance with the requirements in the Constitution (Rule 2, Cabinet Procedure Rules).</p>	
<p><b>FINANCIAL IMPLICATIONS:</b> None identified.</p>	
<p><b>OTHER RESOURCE IMPLICATIONS, such as Human Resources, Information Services, Property, Open Spaces:</b> None identified</p>	
<p><b>SECTION 151 OFFICER'S COMMENTS</b>                  The Section 151 Officer has been consulted and has no comments to add.</p>	
<p><b>MONITORING OFFICER'S COMMENTS</b>                  The Monitoring Officer has been consulted and has no comments to add.</p>	
<p><b>BACKGROUND PAPERS</b>                  The Council's Constitution, published on the website <a href="http://www.lancaster.gov.uk">www.lancaster.gov.uk</a></p>	<p><b>Contact Officer:</b> Debbie Chambers  <b>Telephone:</b> 01524 582057  <b>Email:</b> <a href="mailto:dchambers@lancaster.gov.uk">dchambers@lancaster.gov.uk</a></p>

**Leader – Councillor Caroline Jackson**

Principal Spokesperson  
Emergency Response  
Council Priorities & Principles  
Comms  
Eden

**Housing and Homelessness**

Council Housing  
Homelessness  
Private Sector Housing  
Social Housing  
Caravan Sites  
Traveller Sites  
Refugee / Asylum Seeker Housing  
Home Improvement Agency

**Deputy Leader – Councillor Peter Jackson**

**Communities, Well-Being and Partnerships**

Deputise for the leader as required  
Rural Communities and AONB  
Partnerships – Police, NHS, Morecambe Summit, Community Events  
Public order and antisocial behaviour  
Voluntary, faith and community groups  
Health & Well-Being  
Sport and Leisure /Salt Ayre Leisure Centre  
Community Safety Partnership  
Community Connectors /UKSPF  
Community resilience and recovery  
Household Support Fund

**Councillor Martin Bottoms**

**Morecambe Regeneration and Local Economy**

Morecambe BID  
Sustainable Business Innovation  
Economic development and growth  
Community Wealth Building/ Local Supply Chains  
Tourism and Marketing  
Arts, culture and festivals  
Frontierland  
Engineers

**Councillor Gina Dowding**

**Climate Action**

Flood Prevention  
Low Carbon Energy Generation and Energy Conservation  
Climate Emergency Response (cross portfolio)  
Climate Change Resilience  
District Net Zero Partnership  
Retrofit and Electrification  
EV charging  
Active Travel and Modal Shift (Strategic development Implementation and Monitoring)  
Low Carbon Sector

**Councillor Tim Hamilton-Cox**

Finance and Property

**Councillor Paul Hart**

**Environmental Services**

Waste and Recycling  
Parks and Green Spaces  
Café and recreational facilities  
Commons, Reserves, Open Spaces  
Water including Rivers and Coast  
Nature Conservation  
Biodiversity  
Street Cleansing  
Environmental Health and Enforcement  
Allotments, Food Production and Food Waste

**Councillor Sally Maddocks**

**Corporate Services**

Human Resources; Fair Work Charter, Equalities  
Corporate Performance Management  
Legal Services:  
Enforcement – Fly tipping, littering, dog fouling, PSPS  
Procurement and Fair Trade  
Democratic Services (Democratic Support, Induction Civic, Mayoral & Elections)  
Governance  
Customer and Advice Services  
Licensing  
Civic Facilities Management (Operational)  
Hospitality management

**Councillor Sue Tyldesley**

**Planning**

Planning including Local Plan  
Conservation and Urban Design  
Transport Policy– Air quality  
Development and Building Control  
Compulsory Purchase  
Neighbourhood Plans

**Councillor Nick Wilkinson**

**Lancaster Regeneration and Local Economy**

Lancaster BID  
High Streets  
Markets  
Regeneration  
Community Wealth Building/ Local Supply Chains  
Jobs and Skills – Including Green Skills  
Digital Strategy and Implementation  
Canal Quarter  
Business Recovery (Response to economic shocks)  
Business Support & Information  
Theatres, Museums and Visitor Information  
Parking

**COUNCIL**

**Councillors’ Allowances Scheme: Review  
11 December 2024**

**Senior Manager, Democratic Support and Elections**

**PURPOSE OF REPORT**

To present the report and recommendations of the Independent Remuneration Panel, which Council must give due regard to in setting its Councillors’ Allowances Scheme.

This report is public.

**RECOMMENDATIONS**

That Council reviews its Councillors’ Allowances Scheme and, in doing so, considers the attached report and recommendations of the Independent Remuneration Panel (IRP). The IRPs recommendations for amendments to the scheme are as follows:

With regard to allowances:

- (1) *That the Basic and Special Responsibility Allowances (including the Mayor/Deputy Mayor allowances) be increased by 2.5% with effect from 6 April 2025.***

With regard to Travel and Subsistence Allowances:

- (2) *No change is recommended to the Travel Allowances. The current levels of mileage allowance are in line with HMRC guidelines.***
- (3) *That subsistence allowances will be considered during the next full review of the Scheme, due to be carried out prior to the 2027 elections.***

Regarding Dependents Carers Allowance:

- (4) *To reconfirm that the Dependents Carers Allowance should allow for reimbursement of up to a maximum of the Real Living Wage as determined by the Living Wage Foundation (currently £12.60 per hour).***

**1.0 Introduction**

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

**2.0 The Review**

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

**3.0 Conclusion**

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

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

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

**FINANCIAL IMPLICATIONS**

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

**LEGAL IMPLICATIONS**

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

**SECTION 151 OFFICER'S COMMENTS**

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

**MONITORING OFFICER'S COMMENTS**

The Monitoring Officer has been consulted and has no comments.

**BACKGROUND PAPERS**

**Contact Officer:** Debbie Chambers  
**Telephone:** 01524 582057  
**E-mail:** dchambers@lancaster.gov.uk



**Report To: Lancaster City Council**

**From: The Independent Remuneration Panel**



**Recommendations for Members' Remuneration  
for the Municipal Year 2025/26**

**Report to Council on Wednesday 11 December 2024**





## REMIT OF THE PANEL

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

## 2. PANEL MEMBERSHIP

- 2.1 There are currently five Panel members:

**Mr Ryan Hyde (Chair)** was appointed to the Panel on 30<sup>th</sup> September 2020. Mr Hyde has a law degree and works as a Governance professional. He is currently also a member of Wyre Borough Council's Independent Remuneration Panel.

**Mr Ameer Hakim** was appointed to the Panel on 29 July 2020 and is employed as an ICT/Finance professional in the finance sector..

**Mrs Harsha Shukla** was appointed to the Panel on 15<sup>th</sup> July 2015. Mrs Shukla the President of Lancaster and Morecambe Hindu Society, and a member of the Faith in Lancaster Group and Communities Together.



**Miss Monica Law** was appointed to the Panel on 24<sup>th</sup> July 2024. Miss Law retired in 2022 from a long career in Local Government with Liverpool City Council. She currently serves on the IRP for both unitary authorities in Cumbria as the Chair of the Panel in Cumberland and a member of the panel in Westmorland and Furness and is a member of the IRP for Liverpool City Council.

**Mr Jerzy (George) Krawiec** was appointed to the Panel on 24<sup>th</sup> July 2024. Mr Krawiec is a retired local authority Chief Executive and solicitor with over 20 years' experience as a Chief Executive at three different authorities. He is now a Governor at 2 schools in Lancaster and Morecambe.

### **3.0 BACKGROUND TO LANCASTER CITY COUNCIL'S SCHEME OF ALLOWANCES**

- 3.1 The Councillors' Allowances Scheme is reviewed every year, with a comprehensive review every four years, before the Council elections.
- 3.2 The last review was reported to Council on 24 January 2024 and the Panel's recommendations to increase the Basic Allowance, the Special Responsibility Allowances (SRAs) including the Mayor/Deputy Mayor allowances, were approved. The recommendation to reconfirm that the Dependents Carers Allowance should allow for reimbursement of up to a maximum of the Real Living Wage as determined by the Living Wage Foundation was also approved by Council.
- 3.3 The Regulations require an authority before the beginning of each year to 'make' the Scheme for the payment of allowances in that year.
- 3.4 The Regulations require an authority to publish the scheme if it changes and to publish the amounts of allowances paid to individual Members every year.

### **4.0 SUMMARY OF RECOMMENDATIONS**

A summary of the recommendations is set out below. The rest of the report sets out the methodology, findings and rationale behind each recommendation.

With regard to allowances:

- (1) ***That the Basic and Special Responsibility Allowances (including the Mayor/Deputy Mayor allowances) be increased by 2.5%, as detailed in the report, with effect from 6 April 2025.***

Regarding Dependents Carers Allowance:

- (2) ***To reconfirm that the Dependents Carers Allowance should allow for reimbursement of up to a maximum of the Real Living Wage as determined by the Living Wage Foundation (currently £12.60 per hour).***

With regard to Travel and Subsistence Allowances:



- (3) *No change is recommended to the Travel Allowances. The current levels of mileage allowance are in line with HMRC guidelines.***
- (4) *That subsistence allowances will be considered during the next full review of the Scheme, due to be carried out prior to the 2027 elections.***



## 5.0 INTRODUCTION

- 5.1 The Panel began its review in October 2024, requesting information regarding the current cost of the allowances scheme at Lancaster City Council and the levels of allowances in other Councils in Lancashire for comparative purposes. At that point the Pay Award for Local Government employees had not been agreed. The Pay Award is a relevant factor which informs the Panel's consideration of any increase in levels of the Councillors' allowances.
- 5.2 The Panel is always keen to hear from Councillors. For this review, two Panel Members heard from Councillor Potter regarding Cabinet Members' travel expenses in 17 April 2024 and from Councillor Sally Maddocks regarding her experiences as a Councillor with disabilities on 19 November 2024. The Panel gave consideration to the representations made by both Councillors and wish to thank them for taking the time to put their views.

## 6.0 BASIC ALLOWANCE

### 6.1 Current Arrangements

- 6.2 Each Lancaster City Councillor is entitled to receive a Basic Allowance of £4,326 per annum. In accordance with the Regulations, this allowance is intended to recognise the time commitment of Members including the inevitable calls on their time such as meetings with officers and constituents. It is also intended to cover relevant incidental costs. ***It is important to recognise that this is an allowance, not a salary or wage. It is not appropriate to compare an allowance to a salary or hourly wage.***

### 6.3 Review findings and Recommendations

#### Basic and Special Responsibility Allowances

- 6.4 The Panel last reviewed the scheme at the end of 2023 and reported to Council on 24 January 2024. In their report, Panel Members recommended that the Basic Allowance be increased in line with the employee pay award. This is a common approach taken by Lancaster City Council's IRP and many others.
- 6.5 Following a benchmarking exercise this year, the Panel note that it is clear from the rates paid by other authorities that Lancaster City Council do not pay the highest allowances, nor the lowest.
- 6.6 The Panel wish to recommend an increase that is in some way comparable to the staff pay award for 2024/25. The pay award was agreed in November 2024 as a flat figure, rather than a percentage increase, with the agreed figure of £1,290 equating to 5.77% for the lowest paid. Staff earning higher wages (salaries at Spinal Column Point 44 or above) received a percentage increase of 2.5% rather than the flat figure of £1,290.
- 6.7 The Panel feel that recommending a rise in the basic allowance of £108.15 per annum from £4,326 per annum to £4,434.15 per annum (which equates to a 2.5% increase) is fair, given that the Council is facing financial difficulties.



- 6.6 The Panel is also keen to make sure that SRAs, including the allowances related to the Mayoralty, do not fall behind and therefore recommends that these also rise by 2.5% on 6 April 2025. The recommended amounts are shown below:

Role	Current Allowance (pa)	Recommended Allowance (pa)
Leader of the Council and Chair of Cabinet	£11,619.64	£11,910.13
Deputy Leader of the Council	£6,860.42	£7,031.93
Cabinet Members	£5,809.82	£5,955.07
Overview and Scrutiny Committee Chair	£4,354.74	£4,463.61
Budget and Performance Panel Chair	£3,842.74	£3,938.81
Planning Committee Chair	£4,501.82	£4,614.37
Licensing Committee Chair	£4,501.82	£4,614.37
Licensing Act Hearings Sub Committee Chair	£457.01	£468.44
People and Organisational Development Committee Chair	£3,435.46	£3,521.35
Audit Committee Chair	£2,395.27	£2,455.15
Appeals Committee Chair	£304.67	£312.29
Council Business Committee Chair	£1,470.84	£1,507.61
Standards Committee Chair	£1,234.20	£1,265.06
Leader of Opposition Groups (allocated on a pro rata basis)	£5,809.82	£5,955.06
Champions - £1000 (maximum) allowance to be divided equally between serving 'Champions' to a cap of £263.94 each Champion per annum. There are currently two Champions (Armed Forces Champion and Champion for Disabilities)	£1000.00 MAX	
Mayor	£6,921.60	£7,094.64
Deputy Mayor	£1,375.05	£1,409.43

#### Recommendation:

- (1) *That the Basic and Special Responsibility Allowances (including the Mayor/Deputy Mayor allowances) be increased by 2.5% effect from 6 April 2025.*

## 7.0 DEPENDENTS CARERS' ALLOWANCES

### Current Arrangements

- 7.1 The Council provides for the payment of a dependents carers' allowance to Councillors in respect of care for 'dependent relatives' living with the Councillor whilst they are undertaking approved duties. The definition of 'dependent relatives' is set out in the Constitution, as is the list of approved duties for which the allowance can be claimed.



7.2 The current scheme provides that the actual cost of care will be reimbursed up to the maximum hourly rate of the Real Living Wage, as determined by the Living Wage Foundation, irrespective of the number of dependents. When the scheme was last reviewed the hourly rate was £12.00 per hour. It is now £12.60 per hour.

### 7.3 Review

7.4 The Panel note that the carers allowance is used very infrequently at Lancaster City Council. However, Panel Members feel it is important to keep it at an appropriate level, should Councillors need to make use of it.

### Recommendation:

***(2) To reconfirm that the Dependents Carers Allowance should allow for reimbursement up to the maximum of the Real Living Wage as determined by the Living Wage Foundation (currently £12.60 per hour).***

## 8.0 TRAVEL AND SUBSISTENCE ALLOWANCES

### 8.1 Current Arrangements

8.2 Arrangements are in place to enable members to claim the costs of travel and subsistence associated with undertaking approved duties within the district. Any travel outside the district is arranged via Democratic Support, using public transport wherever feasible and where it will be the most economical option.

### 8.3 Review

8.4 The Panel considers that the mileage rates payable for the use of cars/vans, motorcycles and cycles should remain aligned to the HMRC rates, shown in the table below. The rates are the same for staff. Earlier in the year representations were made to the Panel regarding the need for Cabinet Members to travel more frequently, either to meet with officers informally or with partner organisations; these meetings were not included in the 'approved duties' list. The Panel accepts that some Cabinet Members may incur extra expenditure if they attend face to face meetings which are not covered by 'approved duties'. However, Panel Members feel that any such costs should be adequately covered by the Special Responsibility Allowance payable by Cabinet Members.

<b><i>Type of Vehicle</i></b>	<b><i>First 10,000 miles</i></b>	<b><i>Above 10,000 miles</i></b>
<b><i>Cars and vans</i></b>	<b><i>45p per mile</i></b>	<b><i>25p per mile</i></b>
<b><i>Motorcycles</i></b>	<b><i>24p per mile</i></b>	<b><i>24p per mile</i></b>
<b><i>Cycles</i></b>	<b><i>20p per mile</i></b>	<b><i>20p per mile</i></b>



- 8.5 The Panel does feel that the rates of subsistence in the current scheme are quite low, however on checking with staff rates and also a spot check of other authorities, they all seem similarly low. However, this is definitely something the Panel will pick up in their full review of the scheme, due to take place before the 2027 elections.

### **Recommendation**

- (3) *No change is recommended to the Travel Allowances. The current levels of mileage allowance are in line with HMRC guidelines.*
- (4) *That subsistence allowances will be considered during the next full review of the Scheme, due to be carried out prior to the 2027 elections.*

## **9.0 CO-OPTEE'S ALLOWANCE**

- 9.1 Each authority **may** also provide an allowance to any co-opted and appointed members of a council's committees or sub committees. No appointments requiring an allowance are made at Lancaster City Council, therefore the Panel have no recommendations to make regarding allowances for Co-optees.

## **10.0 COSTS OF RECOMMENDATIONS**

- 10.1 The Scheme of Councillors' Allowances currently in place cost £355,748.61 in 2023/24, the last year where final figures are available. This was made up of £253,580.64 basic allowances, £91,670.59 SRAs, £8,297.20 Mayoral Allowances and £2,200.18 Travel/Subsistence.
- 10.2 Based on 61 Councillors, the Scheme of Members' Allowances now recommended by the IRP would increase basic and SRAs by approximately £8,631.28 in 2024/25. Mayor/Deputy Allowances would increase by £207.43. There would be no effect on travel/subsistence costs which vary from year to year.
- 10.3 There is always the potential for the cost of the Councillors' Allowances Scheme to be slightly lower or higher than estimated each year. Costs are affected by seats left vacant whilst by-elections are held, for example, or if more than one Special Responsibility post is held by the same Member.

## **ACKNOWLEDGEMENTS**

The IRP wishes to thank the Councillors who took the time to meet with them on Teams, Councillor Potter and Councillor Maddocks.