



LANCASTER
CITY COUNCIL

Promoting City, Coast & Countryside

COUNCIL MEETING

**Wednesday, 22 January 2025 -
6.00 p.m.
Morecambe Town Hall**

Lancaster City Council welcomes members of the public to attend meetings. However, space in the public gallery is limited to 30 seats due to Fire Regulations. The seats are allocated on a first come, first served basis and no standing is permitted. Meetings are livestreamed please click [HERE](#) to watch using MS Teams. Please contact Democratic Support via email democracy@lancaster.gov.uk if you wish to register to speak or ask a question at this meeting. The deadline to register is 12pm on Friday 17 January.

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



LANCASTER CITY COUNCIL

Promoting City, Coast & Countryside

Sir/Madam,

You are hereby summoned to attend a meeting of the Lancaster City Council to be held in the Town Hall, Morecambe on Wednesday, 22 January 2025 commencing at 6.00 p.m. for the following purposes:

1. **APOLOGIES FOR ABSENCE**

2. **MINUTES**

To receive as a correct record the Minutes of the Meeting of the City Council held on 11 December 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 from members of the public which have been notified to the Chief Executive in accordance with the Council's Constitution.

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

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

REPORTS REFERRED FROM CABINET, COMMITTEES OR OVERVIEW AND SCRUTINY

9. **BUDGET & POLICY FRAMEWORK UPDATE 2025/26 – 2029/30** (Pages 9 - 24)

Report of Cabinet.

Published 16 January 2025.

10. **ADOPTION OF THE CLIMATE EMERGENCY REVIEW OF THE LANCASTER DISTRICT LOCAL PLAN** (Pages 25 - 32)

Report of Chief Officer – Planning and Climate Change.

Published 15 January 2025.

MOTIONS ON NOTICE

11. **MOTION ON LOCAL GOVERNMENT REORGANISATION** (Pages 33 - 76)

To consider a motion on notice submitted by Cllrs Gina Dowding, Sally Maddocks, Joyce Pritchard, Peter Jackson, Paul Stubbins, Tim Hamilton-Cox, and Caroline Jackson.

12. **MOTION TO SUPPORT THE DECISION TO LOCATE THE NEW ROYAL LANCASTER INFIRMARY IN SOUTH LANCASTER** (Pages 77 - 79)

To consider a motion on notice submitted by Councillor Jean Parr and seconded by Councillor Phillip Black.

Officer briefing published 16 January 2025.

13. **MOTION OF SUPPORT FOR THE EXTENSION OF POWER GENERATION AT HEYSHAM 1 & 2 POWER STATIONS** (Pages 80 - 81)

To consider a motion on notice submitted by Councillor Phillip Black and seconded by Councillors Louise Belcher, Colin Hartley, Jean Parr, Martin Gawith, Ruth Colbridge, Catherine Potter, Margaret Pattison, Jason Wood, Chris Hanna and Roger Cleet.

Office briefing note published 16 January 2025.

OTHER BUSINESS

14. **LOCAL GOVERNMENT REORGANISATION** (Pages 82 - 85)

Report of the Chief Executive.

15. **APPOINTMENT OF MAYOR-ELECT**

To appoint a Mayor-Elect to be put forward for election by the City Council in May 2025, for the municipal year 2025/26.

16. **APPOINTMENTS TO AN OUTSIDE BODY - LOCAL GOVERNMENT ASSOCIATION COASTAL SPECIAL INTEREST GROUP** (Pages 86 - 87)

Report of the Senior Manager, Democratic Support and Elections.

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

Group Administrators to report any changes to Committee Membership.

18. **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.

19. **MINUTES OF CABINET** (Pages 88 - 94)

To receive the Minutes of Meeting of Cabinet held 22 October, 2024.



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Chief Executive

Town Hall,
Dalton Square,
LANCASTER,
LA1 1PJ

Published on 14 January 2025.



Leader's Report

22 January 2025

Report of the Leader of the Council

PURPOSE OF REPORT

To present the Leader's report to Council.

This report is public.

RECOMMENDATIONS

To receive the report of the Leader of Council.

REPORT

1.0 Cabinet

1.1 Information on Cabinet matters is provided in the minutes from the meeting held 22 October 2024. The minutes of the meetings held 3 December and 14 January 2025 will be included in the agenda for the February meeting of Council.

2.0 Decisions required to be taken urgently.

2.1 No urgent Cabinet decisions have been taken since the last Leader's Report

3.0 Leader's Comments

3.1 Budget matters

Finalising the budget has been the main priority over the past six weeks. Since the end of November the cabinet have met with officers on six occasions to finalise the budget through consideration of the Local Government Finance Statement, final capital budget, the HRA budget, fees and charges and matters arising from officers' final figures on business rates and other points. AT the moment of writing we do not know the extent of government promised support on National Insurance: any shortfall may require further changes.

3.2 **Fit for the Future groups**

The overall strategy and co-ordination group has met to consider the remits of the working groups and their link to the Council Plan priorities; a new group on Williamson Park has been set up. The OBR assets group has received final reports on the condition of assets and the outcomes have been reflected in budget allocations this year and going forward into a planned ten-year programme of works.

3.3 **Local Energy Action Plan**

This was successfully launched at the beginning of December following its adoption at October cabinet. The action plan is now to be worked through with partners in order to progress towards the long-term vision of decarbonising the district by 2040 beyond our internal 2030 target. It sets out the changes and developments required to decarbonise homes, businesses, travel and other key areas, including addressing fuel poverty.

3.4 **Museums and Culture**

The second meeting to review the future of the museums considered the work ongoing to maintain and improve the funding including the successful City Museum shop. It is likely the museums could successfully attract substantial external funding to update and remodel the current offer if the city council can ensure the availability of match funding. There is further work to be done to establish this and to find a sustainable model beyond the end date for external funding.

There are on-going discussions regarding how we strengthen and unify the culture, arts and heritage work, within cabinet and possibly across the council, especially in view of future threats to the sector.

3.5 **Eggcup**

A further meeting has been held in Morecambe with partners. The new board under its new chair are working towards a refreshed, sustainable vision for the future of EggCup within the district system to support those in food poverty. In the meantime operations are continuing at the current premises and EggCup is able to occupy them and continue its work at least until March. The city council is supporting this on-going work.

3.6 **Peer Challenge Review**

Part of the Peer Challenge team that undertook the original work will be returning 23rd January to look at our progress against their suggested actions. Cabinet has been briefed on the report and action plan and the peer team have received extensive responses including our estimation of progress. Budget spend has been aligned with Council Plan priorities where possible. All the information is available to all members. Cabinet and the Leader will meet with the Peer team to discuss progress so comments to us from members on anything in the report are welcome: the Peer Challenge is an open discussion and the integrity of the council in recognising and responding to difficulties is essential.

3.7 Royal Visit

Lancaster welcomed HRH Duke of Gloucester on a visit just pre-Christmas to witness the re-dedication of the War Memorial. The Duke had an informal visit to the City Museum before the rededication in the Ashton Hall and Memorial Garden. The ceremony was well-attended and followed by a reception and lunch. Many thanks to all the officers involved in making the visit go well and to the Mayor for looking after the Duke.

3.8 Devolution and local government re-organisation

District councils have met and allocated district leaders to their observer roles within the committees that will run the new combined authority. The agreement made by Lancashire, Blackburn and Blackpool is proceeding as agreed. The upper tier authorities did not wish to be placed within the first tranche of areas developing Foundation Strategic Authorities and saw no reason to cancel county elections.

The government White Paper published just before Christmas confirmed previous ministerial statements that government intends that all second tier (district) councils will cease to exist within the next 3 years and will instead become absorbed into unitary authorities of five thousand residents or more. The plans have already absorbed a good deal of Leader and Chief Executive time in webinars and meetings at ministerial, MHCLG, Local Government Association and District Councils' Network level.

We have responded as a council through a meeting of all party leaders before Christmas and the Chief executive is bringing a report within the January Full council meeting that outlines a way ahead in coming to decisions about how we should respond to the situation.

3.9 Thanks and Christmas parties

The new cabinet has needed to pick up slightly altered responsibilities, budget finalisation, and the prospect of radical re-organisation. My thanks to them for the amount of time given to meeting weekly for informal discussion as well as their portfolio responsibilities and the intensive budget work.

In case we forget it was Christmas less than a month ago, two brief cheerful reflections. Tenant Voice is a tenant-led organisation that speaks for all our residents and considers often weighty matters like repairs, damp and mould, fire safety etc. Such is the renewed enthusiasm in our tenant body that their Christmas party this year was so well attended that Cllr Chris Harris and I had to stand outside with the officers who couldn't get inside.

Finally, the Mayor's Christmas Disco was really well attended this year, raised £600 and was witness to an amazing 'dance off'. Congratulations to everyone who was there and don't miss future events!

4.0 Decisions

The following decisions were scheduled to be considered by Cabinet on 14 January 2025:

Empty Homes Strategy
Adoption of the Climate Emergency Review of the Lancaster District Local Plan
Corporate Fees & Charges 2025/26
Budget and Policy Framework Update 2025/26 to 2029/30
Housing Revenue Account and Capital Programme

No Officer Delegated Key Decisions have been taken since the last Leaders report.

The following Individual Cabinet Member Decisions have been taken since the last Leader’s report.

ICMD 12	Asset and Compliance Team Secondment	Published on 17.10.24 Taken by: Cllr Tim Hamilton-Cox
ICMD 14	Eden Project Morecambe – Levelling Up Fund Next Steps	Published on 12.11.24 Taken by: Cllr Philip Black
ICMD 15	Overage Clauses (exempt)	Published on 11.12.24 Taken by: Cllr Tim Hamilton-Cox
ICMD 16	Council Housing Tenant Voice Strategy, and Resident Engagement Strategy: Building Safety	Published on 02.12.24 Taken by: Cllr Caroline Jackson
ICMD 17	Toilet Cleaning, Toilet Maintenance and Income Coin Collection	Published on: 20.12.24 Taken by: Cllr Paul Hart

Background Papers

Cabinet agenda of the meeting held on 14 January 2025

COUNCIL

Budget & Policy Framework Update

2025/26 – 2029/30

22 January 2025

Report of Cabinet

PURPOSE OF REPORT

To provide an update on the Council's budget strategy for 2025/26 and financial outlook up to 2029/30. Specifically, the report considers the budget and Council Tax proposals for 2025/26.

This report is public.

RECOMMENDATION OF CABINET

1. **That Council approves a City Council Tax increase of 2.99% to the Band D Council Tax (from £256.63 to £264.30), together with a year on year target of the maximum allowable under the Government's local referendum thresholds for future years.**
2. **That Council considers the proposed revenue budget for 2025/26 as set out in this report.**

1.0 INTRODUCTION

- 1.1 Under the Constitution, Cabinet has responsibility for developing corporate planning proposals and a balanced budget for Council's consideration.
- 1.2 At its meeting on 14 January 2025 Cabinet considered updated estimates in respect of the Government's Autumn Statement together with consideration of assumptions in respect of various sources of income and expenditure and the corresponding impact this would have on the 2025/26 revenue budget gap and beyond. Members will, therefore, be aware of the financial challenges faced by the Council.
- 1.3 Discussed within that report, the Government has released the Provisional Local Government Finance Settlement (18 December 2024). Several workshops have been held between Cabinet and Senior Leadership Team to explore initial proposals from the Outcomes Based Resourcing (OBR) task groups.
- 1.4 Since the report was published and considered by Cabinet on 14 January 2025, changes have been made following a review of the presented version of the capital programme. This has subsequently been updated and attached at Appendix C alongside the newly refreshed net programme position within the executive summary in section 1.5. For information the latest capital programme figure for 2025/26 has increased from £19.520M to £20.627M due to changes to vehicle renewals and Gateway Solar Array scheme.

1.5 This report sets out:

- An update to the estimates of Central Government funding including Revenue Support Grant, Funding Guarantee, Recovery Grants & New Homes Bonus following on from the release of the provisional local government finance settlement and the corresponding impact on the budget gap. **(Section 2)**
- Consideration of options for setting the Council's element of the Council Tax for 2025/26. **(Section 3)**
- An update to the retained Business Rates forecast following on from the release of the finance settlement and review of latest monitoring information & movements on the business rates projections. **(Section 4)**
- A summary of the proposals for achieving a balanced revenue budget for 2024/25. **(Section 5)**
- An update on the work undertaken in respect of the capital programme for the remainder of 2024/25 to 2029/30, and a longer-term Capital Strategy. **(Section 6)**
- An update on the development of a Medium-Term Financial Strategy which will secure the long term financial resilience of the authority and identify resources to meet the Council's priority outcomes for the next five years. **(Section 7)**

To provide an executive summary in relation to the above, the following analysis is provided which compares the projections considered by Council on 28 February 2024 against the latest projections provided for within this report :-

Table 1 – Executive Summary

	2025/26 Forecast £'M	2025/26 Latest £'M	Difference £'M	Report Section
Provisional Finance Settlement	(1.239)	(1.233)	0.006	2
Council Tax Income	(11.367)	(11.550)	(0.183)	3
Business Rates Income	(13.205)	(13.946)	(0.741)	4
General Fund Revenue	26.007	25.678	(0.329)	5
General Fund Capital (Net)	13.266	20.627	7.361	6
General Fund Revenue Budget Gap	1.435	0.000	(1.435)	7

As the table suggests, there is considerable movement within a few areas and these are discussed further within the relevant section of the report.

2.0 LOCAL GOVERNMENT FUNDING UPDATE

2.1 Details of the provisional Local Government Finance Settlement for 2025/26 were announced on 18 December 2024. The Provisional Settlement is subject to consultation, with the Final Settlement announced towards the end of January/early February. Values may, therefore, be subject to change. Any changes will be reflected in the final budget and policy framework reports presented to Cabinet, and ultimately Council 26 February.

- 2.2 A summary of the provisional settlement for Lancaster City Council is provided in table 2 below.

Table 2 – Provisional Settlement allocations for Lancaster City Council

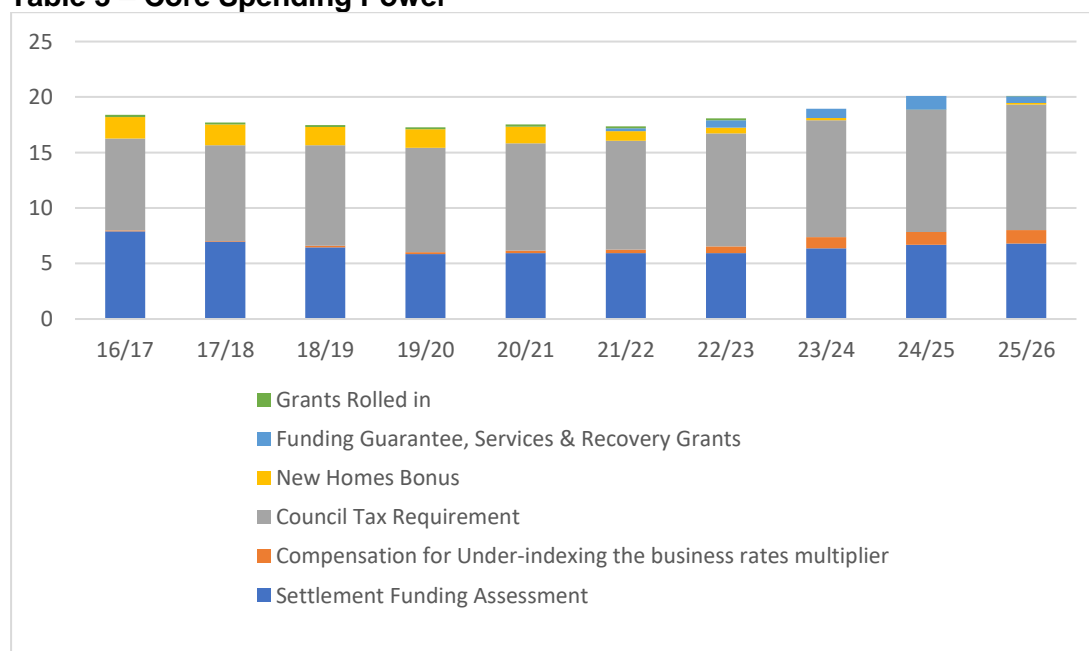
	Provisional Settlement £'M	LCC Forecast £'M	Difference £'M
Settlement Funding Assessment Revenue Support Grant	0.460	0.000	0.460
New Homes Bonus	0.137	0.010	0.127
Funding Guarantee/Services Grant	0.000	1.229	(1.229)
Domestic/Recovery Grants	0.637	0.000	0.637
Total Government Funding	1.234	1.239	(0.005)

- 2.3 As table 2 shows, the provisional settlement allocates £0.005M less resources from Central Government than anticipated and this slightly increases the gap for the 2025/26 revenue budget. The impact of the provisional settlement and its effect on retained business rates is examined separately in Section 4. In addition, a number of additional pressures have been identified, many mirroring the wider economic environment. These pressures are reflected in the current budgeted position. These are discussed further in section 5.

Core Spending Power

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

Table 3 – Core Spending Power



Further analysis of the provisional settlement when considered against 2024/25 is provided in the following table :-

Table 4 – Core Spending Power (Breakdown)

	2024/25 £'M	2025/26 £'M
Compensation for under-indexing the business rates multiplier	1.162	1.209
Council tax requirement excluding parish precepts	11.005	11.315
Domestic Abuse Safe Accommodation Grant	-	0.034
Funding Guarantee	1.189	-
New Homes Bonus	0.010	0.137
Recovery Grant	-	0.603
Services Grant	0.040	-
Settlement Funding Assessment	6.682	6.804
Grand Total	20.088	20.102

- 2.5 On the basis of the provisional Settlement, the Council's CSP for 2025/26 will increase from £20.09M to £20.10M, or 0.07%, when compared to CSP in 2024/25, and includes an assumption by Government that Councils will increase their Council Tax by the maximum allowable. This is in comparison to the average CSP for all Councils in England of 6.0% and in real terms is deemed to be a significant reduction on previously received amounts creating additional pressure to the net financial position of the general fund.

3.0 COUNCIL TAX

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

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

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

Table 5 – Impact of Council Tax Options: 2025/26 to 2029/30

Year	Taxbase (% Annual Increase)	Estimated Annual Movement %	Option 1 Annual increase of 2.99% in Council Tax		Option 2 Annual increase of £5 in Council Tax		Option 3 No annual increase in Council Tax		Previous MTFs Approved Feb-2024	Additional / (Reduced) Income from 2.99% Increase & 1% Annual Growth	Additional / (Reduced) Income from £5 Increase & 1% Annual Growth	Additional / (Reduced) Income from Increase in Tax Base Only 1%
			Band D	Income (£'M)	Band D	Income (£'M)	Band D	Income (£'M)				
2024/25	42,583		256.63	10.928	256.63	10.928	256.63	10.928				
2025/26	43,702		264.30	11.550	261.63	11.434	256.63	11.215	11.367	0.183	0.067	(0.152)
2026/27	44,139	1.00%	272.20	12.015	266.63	11.769	256.63	11.327	11.824	0.191	(0.055)	(0.497)
2027/28	44,580	1.00%	280.34	12.498	271.63	12.109	256.63	11.441	12.300	0.198	(0.191)	(0.859)
2028/29	45,026	1.00%	288.72	13.000	276.63	12.456	256.63	11.555	12.794	0.206	(0.338)	(1.239)
2029/30	45,476	1.00%	297.35	13.522	281.63	12.807	256.63	11.671	13.177	0.345	(0.370)	(1.506)
										1.123	(0.887)	(4.253)

- 3.2 When compared against the MTFs which was approved by Council in February 2024 the following information can be drawn from the table above:-

- Option 1 provides additional income of £0.183M in 2025/26 and £1.123M over the five year period;
- Option 2 provides additional income of £0.067M in 2025/26 but is cumulatively short by - (£0.887M) over the five year period
- Option 3 provides for a shortfall of income of £0.152M in 2025/26 and is cumulatively short by - (£4.253M) over the five year period

3.3 **The recommendation arising from this report is that the Council on 22 January 2025 agree a 2.99% increase (option one) to the level of the 2025/26 Band D Council Tax for the Lancaster City Council element.** It is also recommended that option one is selected for the purposes of completing estimates in the Medium-Term Financial Strategy.

3.4 The Council is expected to benefit from prior year surpluses to the collection fund account in respect of council tax. This amount is currently valued at £280K and is included within the general fund net financial position.

4.0 BUSINESS RATES

4.1 Since the Medium Term Financial Strategy Update reported on 3 December 2024, work has been undertaken on business rates modelling as further information has become available, particularly in respect of the changes to the small and the standard business rates multipliers and the consequent impact on Section 31 grant adjustments. Details of the calculation of the adjustment required was release in guidance which accompanied the National Non Domestic Rates (NNDR1) form issued after the provisional finance settlement. This has been used to determine the amount of the adjustment based on data in respect of the rateable value of heraditaments on the small and standard business rates multiplier from initial information supplied by the revenues team.

4.2 The provisional local government finance settlement released on 18 December 2024 set out the tariff, baseline and safety net levels which drive the retained rates calculation. The modelling has been refreshed to reflect these and the impact of ongoing business rates monitoring. Forecasts in respect of business rates have been based on reports received from the Revenues Team generated to complete the NNDR1 form. Whilst the forecasts are based on the latest projections available, they continue to remain subject to change until the submission deadline of 31 January 2025. Any changes will be reported to Cabinet as part of the 11 February 2025 update report.

4.3 With the recent news of the extension of Heysham 1 power station to 31 March 2027, this has improved the financial position for 2026/27 but Members are asked to note that this is not without its own complexity leaving some inevitable uncertainty which will remain subject to ongoing review as the date for the closure of Heysham 1 approaches.

4.4 The Council receives rating income from renewable energy schemes within the district, largely in relation to Walney Sub-Station. The value of this income is included as £4.004M in 2025/26 (£3.970M for 2024/25). A majority of the income currently falls outside of the main rate retention scheme, and so the Council retains the full benefit from it.

4.5 Work is continuing to determine the forecast surplus or deficit for the year. Members will recall that the Business Rates Retention Reserve (BRRR) is used to manage the impact of surpluses and deficits and also to manage fluctuations in income levels in order to provide budgetary stability and smooth out year on year peaks and troughs. As part of the 2024/25 budget setting process, a contribution of £130K to the BRRR and a contribution of £820K to the unallocated reserve were included within 2025/26. These contributions remains in place and are included within the general fund net financial postion.

4.6 The Council is expected to benefit from prior year surpluses to the collection fund account in

respect of business rates. This amount is currently valued at £878K and is included within the general fund net financial position.

- 4.7 The table below provides Business Rates forecasts for the next five years in comparison to previously reported figures and the resultant net impact on the General Fund budget gap.

Table 6 – Business Rates Forecast

	2025/26	2026/27	2027/28	2028/29	2029/30
	£'M	£'M	£'M	£'M	£'M
Retained Business Rates	13.946	13.641	11.577	11.884	12.146
Previously Reported	13.205	11.464	11.769	12.029	12.270
Net impact on General Fund Budget Gap	0.741	2.177	(0.192)	(0.145)	(0.124)

- 4.8 The following table provides further analysis of the key differences between the previously reported projected position for 2025/26 and the latest information available.

Table 7 – Business Rates Movements (changes since previously approved position)

	Forecast 2025/26	Forecast 2026/27	Forecast 2027/28	Forecast 2028/29
	£'M	£'M	£'M	£'M
Non Domestic Ratings Income (incl. s31 grants)	+0.362	+4.118	+0.202	+0.206
Tariff ¹	+0.159	+0.162	+0.165	+0.169
Retained Rates	+0.521	+4.280	+0.367	+0.375
Funding Baseline ¹	(0.046)	(0.047)	(0.048)	(0.049)
Growth before Levy	+0.567	+4.327	+0.415	+0.424
Levy (50%)	(0.283)	(2.164)	(0.208)	(0.212)
Growth Retained	+0.283	+2.164	+0.208	+0.212
<u>Business Rates Income per analysis</u>				
Funding Baseline ¹	(0.046)	+6.454	+0.000	+0.000
Safety Net ²	+0.000	(6.134)	(0.045)	(0.046)
Retained Growth	+0.283	+1.903	+0.000	+0.000
Net Cap Compensation ¹	+0.550	+0.000	(0.100)	(0.050)
Green Energy Disregard	(0.046)	(0.046)	(0.047)	(0.048)
Movement in Forecast Business Rates Income	+0.741	+2.177	(0.192)	(0.144)

Notes to the above

¹ uncertain until final finance settlement for year has been confirmed

² previous forecast assumed Heysham 1 decommissioning date as March 2026 - now extended to March 2027

It should be noted that the Government have recently announced changes to come into effect from 1 April 2026 with regard to increasing the number of multipliers and introduction of new thresholds. As full details aren't yet available, the above information has been prepared on the existing rateable values and currently known multipliers. Further work will be undertaken when the systems offer the capability to output updated projections and will be included within the 2026/27 budget process.

The Government have also proposed to reset the baseline but haven't announced a timeline for this. The above analysis doesn't factor in any potential impact this may have on future projections and further information will be reported as appropriate when it becomes available.

5.0 BUDGET PROPOSALS

5.1 The 03 December 2024 Cabinet report set out the significant challenges facing the Council in balancing its revenue budget for 2025/26 and beyond. Since that report, working groups with Members and Officers have taken place to identify savings, efficiency, and income generation proposals. These proposals together with in-year changes and ongoing changes to accounting, forecasting and grant activity have also led to a change in the budgetary position from that previously reported.

Table 8 Cabinet's Draft Revenue Budget Proposals – 2025/26

	2025/26 £'M
Revenue Budget Forecast as at 28 February 2024	26.007
Base Budget Changes	
Operational Base Budget Changes	0.385
Commercial & Corporate Property Review	1.541
Food Waste Collection(pEPR)	(0.764)
	27.169
Outcomes Based Resourcing Proposals	
Savings & Income Proposals	(0.051)
Growth Proposals	0.026
Impact of Review of the Capital Programme (MRP & Interest)	(0.019)
Impact of Review of the Capital Programme (Ongoing Revenue)	(0.076)
	27.049
National Insurance Contributions Rebate	(0.400)
Impact of Provisional Local Government Finance Settlement	0.465
General Fund Revenue Budget	27.114
Core Funding	
Revenue Support Grant	(0.460)
Prior Year Council Tax (Surplus)/Deficit	(0.280)
Prior Year Business Rates (Surplus)/Deficit	(0.878)
Net Business Rates Income	(13.946)
Council Tax Requirement	11.550
Estimated Council Tax Income	
(Increase Based on 2.99% for 2024/25 then maximum allowable	(11.550)
Resulting Base Budget (Surplus)/ Deficit	0.000

5.2 The proposals set out in the table 7 above produce a balanced revenue budget for 2025/26, which forms part of the recommendations of this report. Further details including the latest projections for future years to 2029/30 can be found at **Appendix A**. Subject to Cabinet agreement, this proposal will then be considered for scrutiny on 15 January prior to public consultation/stakeholder meeting on 29 January (both by Budget and Performance Panel) and to Council on 22 January 2025.

- 5.3 As noted previously, the OBR groups have identified a number of budget savings and an area where revenue growth is required. The details at **Appendix B** for 2025/26 relate to several areas where actions are being undertaken by the Council. Given the sensitivities around some of the proposals, they have been presented at summary Service level at this stage of the budget process. Further information will be provided in due course to enable effective internal and external discussion.
- 5.5 Table 9 below reconciles the position reported to Cabinet on 3 December 2024 to the current balanced position.

Table 9 Reconciliation from Cabinet 3 December 2024 to Current Position

	2025/26 £'M	
Resulting Base Budget (Surplus)/ Deficit as of 3 December 2024 (Cabinet)		1.678
Further Operational Changes	(0.042)	
Building Control Contract	0.118	
Fees & Charges Inflation	(0.182)	
National Insurance Contributions Rebate	(0.400)	
Commercial & Corporate Property Review	1.541	
Waste Collection (pEPR payment)	(0.989)	
Food Waste Collection	0.225	
Impact of Provisional Local Government Settlement	0.005	0.276
Revenue Impact of Capital Programme Review (MRP & Interest)		0.229
Revenue Impact of Capital Programme Review (Ongoing Revenue)		(0.076)
Savings Proposals		(0.051)
Growth Proposals		0.026
Updated Council Tax Income Projection		(0.183)
Prior Year Council Tax (Surplus)/Deficit		(0.280)
Prior Year Business Rates (Surplus)/Deficit		(0.878)
Updated Net Business Rates Income		(0.741)
Resulting Base Budget (Surplus)/ Deficit as at 14 January 2025 (Cabinet)		0.000

Budget Principles and Assumptions

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

- 5.7 Table 10 below, lists the major assumptions that have been made for the 2025/26 budget.

Table 10 Major Assumptions within Draft Revenue Budget 2025/26

	(2024/25)	2025/26
Council Tax Increase	2.99%	2.99%
Council Tax Collection Rate	98.67%	98.67%
Business Rates Multiplier: Small Business Rates	Frozen	Frozen
Business Rates Multiplier: Standard	6.70%	1.60%
Fees & Charges	Various	2.60%
Inflation – Pay	5.95%	2.50%
Employer Pensions Contribution	16.30%	16.30%
Electricity	28p/kWh	25p/kWh
Gas	5p/kWh	5p/kWh
Inflation – Insurance	10.00%	10.00%
Other inflation	2.80%	2.60%
Interest Rate – investments	4.68%	3.50%
Interest Rate – new borrowing	4.50%	3.90%

It should be noted that the above assumptions have been prepared using the latest information available. Should any of the above deviate significantly from the expected factor then it could have considerable consequences for the revenue position. For example, with regard to the pay award, every 1% equates to a c.£300K cost to the net financial position for the general fund.

6.0 CAPITAL PROGRAMME

- 6.1 To enable the Council to take a greater strategic view of its capital investments it has extended its capital planning horizon to cover the 10-year period 2025/26 to 2034/35. This should enable the Council to more effectively plan and ensure that the Capital Programme is focused and deliverable.
- 6.2 The proposed Capital Programme has been developed following presentation of business cases for new schemes to Capital Assurance Group and subsequent discussion with Cabinet and Senior Leadership Team. Some further revisions to the proposed Programme particularly in respect of Information, Communications & Technology requirements are currently being finalised.
- 6.3 Details of the current proposed Capital Programme are provided at **Appendix C**. The final Capital Programme for 2025/26 to 2034/35 and supporting Capital Strategy to cover this period and beyond will be considered for scrutiny on 15 January prior to public consultation/stakeholder meeting on 29 January (both by Budget and Performance Panel) and to Council on 22 January 2025 ahead of the Budget Council on 26 February 2025.

7.0 MEDIUM TERM FINANCIAL STRATEGY

- 7.1 An update to the Council's Medium Term Financial Strategy (MTFS) was presented to Council on 11 December 2024. The MTFS presented at that meeting was a baselined position, in that it did not include any of the interventions now considered within this report.
- 7.2 Members will appreciate that there are a significant number of factors to be considered as

part of the medium-term financial planning exercise. The revision of the MTFs is progressing well and will be considered at Budget Setting Council on 26 February 2025. The revision of the MTFs will be key in providing sound financial planning processes to underpin the Council's ambitions. Key considerations of the MTFs include taking account of the impact of decisions made to balance the 2025/26 budget alongside forecasts for future funding.

- 7.3 Table 11 below provides the most recent forecasts with providing more detail across the 5 year period.

Table 11 Net Revenue Budget & Budget Gaps 2025/26 – 2029/30

	2025/26	2026/27	2027/28	2028/29	2029/30
	£'M	£'M	£'M	£'M	£'M
Net Revenue Budget	27.114	28.190	29.178	29.799	31.183
Budget Gap (Incremental)	0.000	2.074	4.643	4.455	5.055
% of Net Revenue Budget (Incremental)	0%	7%	16%	15%	16%
Budget Gap (Cumulative)	0.000	2.074	6.717	11.172	16.227
% of Net Revenue Budget (Cumulative)	0%	7%	23%	37%	52%

- 7.4 The forecast budget gaps continue to be structural in nature, meaning that the Council's forecast spending exceeds the income it expects to receive. Overall, the current estimated shortfall is £5.055M which continues to represent a significant challenge over the short and medium term.

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

- continuation of OBR task groups
- exploration of closer working and collaboration with other Councils, Public Sector Bodies and Partner Institutions
- application of alternative funding to deliver key Council outcomes
- detailed review and sensitivity analysis on all key and significant income streams
- further rationalisation work on the Council's asset base
- the potential use of capital receipts to finance existing projects
- capitalisation of transformation costs where appropriate

- 7.6 It is expected that a formulated MTFs Action Plan covering the points raised above will be presented to Cabinet and Council in February 2025 with progress against its milestones monitored by Cabinet and Budget and Performance Panel.

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

8.0 DETAILS OF CONSULTATION

- 8.1 Given the size of the challenges faced by the Council, enhanced consultation with relevant internal and external stakeholders on the budget has been undertaken as part of the development of this budget with several briefings taking place. Further engagement will be undertaken prior to Budget Council in February. More specific consultation will continue as work continues to address the issues identified in the next few years.

9.0 OPTIONS AND OPTIONS ANALYSIS (INCLUDING RISK ASSESSMENT)

- 9.1 It is essential that the Council Tax rate is set in line with the Council Tax billing timetable. Any delay would put the Council at risk of not being able to collect the tax which would have serious cash flow implications.
- 9.2 Regarding the budget strategy, Cabinet may approve the proposals as set out, or ask for changes to be made to the suggested approach. The overriding aim of any budget setting process is to approve a balanced budget by statutory deadlines, allocating resources to help ensure delivery of the Council’s corporate priorities and service outcomes. The proposed approach is in line with that broad aim and any changes that Cabinet puts forward should also be framed in that context.
- 9.3 In terms of the actual budget position, this report puts forward a balanced budget. If Cabinet agrees the budget, then it will form their proposal to be presented for scrutiny on 15 January prior to public consultation/stakeholder meeting on 29 January (both by Budget and Performance Panel). The feedback from these meetings will be considered by Cabinet and incorporated into a final budget proposal which will be presented at the Cabinet meeting on 11 February 2025 and recommended to Council on 26 February 2025.

10.0 CONCLUSION

- 10.1 The current budget proposal produces a balanced budget for 2025/26 without the need to call on reserves.
- 10.2 Whilst the longer-term financial forecasts contain numerous estimates and assumptions, which will change over time, the forecasts clearly highlight potential annual and cumulative budget deficits over the next 5 years and the position the Council faces. Although this position is not unique to this Council, it is reflected nationally across many public sector bodies. The gaps identified for 2026/27 and beyond are of a level that both Members and Officers need to recognise the size of the challenge ahead and manage the transitional change to the way that the Council delivers both its statutory and non-statutory services across the district.

RELATIONSHIP TO POLICY FRAMEWORK

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

CONCLUSION OF IMPACT ASSESSMENT

(including Diversity, Human Rights, Community Safety, Sustainability etc)
 The proposed budget incorporates measures to address the climate emergency and digital improvements as well as activities to address wellbeing, health and community safety.

FINANCIAL IMPLICATIONS

As set out in the report.

SECTION 151 OFFICER’S COMMENTS

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

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

deficits over the next 5 years and the position the Council faces. Although this position is not unique to this Council, it is reflected nationally across many public sector bodies. The gaps identified for 2026/27 and beyond are of a level that both Members and Officers need to recognise the size of the challenge ahead and manage the transitional change to the way that the Council delivers both its statutory and non-statutory services across the district.

LEGAL IMPLICATIONS

No legal implications directly arising from this report.

MONITORING OFFICER'S COMMENTS

The Monitoring Officer has been consulted and has no comments

BACKGROUND PAPERS

None

Contact Officer: Paul Thompson

Telephone: 01524 582603

E-mail: pthompson@lancaster.gov.uk

Ref: N/A

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

For Consideration by Cabinet 14 January 2025

	2025/26	2026/27	2027/28	2028/29	2029/30
	£'000	£'000	£'000	£'000	£'000
GF Revenue Budget/Forecast as at 28 February 2024	26,007	27,235	27,899	29,390	30,272
GF Revenue Budget/Forecast as at 3 December 2024	26,250	26,695	27,893	29,212	30,205
Base Budget Changes					
Further Operational Changes	(42)	(61)	(55)	(101)	(92)
Building Control Contract	118	132	134	180	185
Fees & Charges Inflation	(182)	(182)	(182)	(182)	(182)
National Insurance Contributions Rebate	(400)	(410)	(420)	(431)	(442)
Commercial & Corporate Property Review	1,541	1,053	856	299	888
Waste Collection (pEPR payment)	(989)	(1,009)	(1,029)	(1,050)	(1,071)
Food Waste Collection	225	1,009	1,029	1,050	1,071
Impact of Provisional Local Government Settlement	465	592	592	592	592
Latest Budgetary Position	26,986	27,819	28,818	29,569	31,154
Outcomes Based Resourcing Proposals:					
<u>Growth/(Savings) Proposals</u>					
Environment & Place	(5)	(30)	(30)	(30)	(30)
Housing & Property	(13)	(49)	(124)	(124)	(124)
People & Policy	26	27	27	28	28
Planning & Climate Change	(45)	(45)	(45)	(45)	(45)
Sustainable Growth	12	(14)	(17)	(16)	(17)
Revenue Impact of Capital Programme Review (MRP & Interest)	229	608	775	643	443
Revenue Impact of Capital Programme Review (Ongoing Revenue)	(76)	(126)	(226)	(226)	(226)
General Fund Revenue Budget	27,114	28,190	29,178	29,799	31,183
Core Funding:					
Revenue Support Grant	(460)	(460)	(460)	(460)	(460)
Prior Year Council Tax (Surplus)/Deficit	(280)				
Prior Year Business Rates (Surplus)/Deficit	(878)				
Net Business Rates Income	(13,946)	(13,641)	(11,577)	(11,884)	(12,146)
Council Tax Requirement	11,550	14,089	17,141	17,455	18,577
Estimated Council Tax Income - (Increases based on 2.99% for 2025/26 then max allowable)	11,550	12,015	12,498	13,000	13,522
Resulting Base Budget (Surplus)/Deficit	0	2,074	4,643	4,455	5,055
Incremental Deficit as Percentage of Net Revenue Budget	0%	7%	16%	15%	16%

Revenue Budget (Surplus)/Deficit as at 28 February 2024	1,435	3,947	3,830	4,567	(0)
Increase/(Decrease)	(1,435)	(1,873)	813	(112)	5,055

General Fund Unallocated Balance						
	£M	£M	£M	£M	£M	
BALANCES	Balance as at 1 April 2025-29	(8.420)	(8.924)	(6.753)	(2.110)	+2.345
	In Year allocations	(0.504)	+0.097	+0.000	+0.000	+0.000
	Forecast (Under)/Overspend	+0.000	+2.074	+4.643	+4.455	+5.055
	Other Adjustments	+0.000	+0.000	+0.000	+0.000	+0.000
	Projected Balance as at 31 March 2026-30	(8.924)	(6.753)	(2.110)	+2.345	+7.400
	Reserves	(8.924)	(6.753)	(2.110)	+2.345	+7.400
	Less Recommended Minimum Level of Balances	5.000	5.000	5.000	5.000	5.000
	Available Balances	(3.924)	(1.753)	+2.890	+7.345	+12.400

Savings and Budget Proposals 2025/26 to 2029/30

SAVINGS PROPOSALS	2025/26	2026/27	2027/28	2028/29	2029/30	
	£'000	£'000	£'000	£'000	£'000	
<i>Environment & Place</i>	(5)	(30)	(30)	(30)	(30)	
<i>Housing & Property</i>	(13)	(49)	(124)	(124)	(124)	
<i>Planning & Climate Change</i>	(45)	(45)	(45)	(45)	(45)	
<i>Sustainable Growth</i>	12	(14)	(17)	(16)	(17)	
Total Savings	(51)	(138)	(216)	(215)	(216)	
GROWTH						
	<i>People & Policy</i>	26	27	27	28	28
Total Growth	26	27	27	28	28	
Net (Savings)/Growth		(25)	(111)	(189)	(187)	(188)

General Fund Capital Programme

Service / Scheme	2024/25			2025/26			2026/27			2027/28			2028/29			2029/30		
	Gross Budget	External Funding	Net Programme	Gross Budget	External Funding	Net Programme	Gross Budget	External Funding	Net Programme	Gross Budget	External Funding	Net Programme	Gross Budget	External Funding	Net Programme	Gross Budget	External Funding	Net Programme
Environment & Place		£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£
Vehicle Renewals (Latest)	545,000		545,000	5,285,000		5,285,000	2,061,000		2,061,000	203,000		203,000	2,183,000		2,183,000	560,000		560,000
Electric Taxis Scheme	341,000	(341,000)	0			0			0			0			0			0
UK Shared Prosperity Fund - The Streets Are Ours Public Realm	205,000	(205,000)	0			0			0			0			0			0
UK Shared Prosperity Fund - Heysham Village Toilets	99,000	(99,000)	0			0			0			0			0			0
Salt Ayre Asset Management Plan			0	1,267,000		1,267,000			0			0			0			0
AONB Capital Access Works	76,000	(76,000)	0			0			0			0			0			0
LTA Tennis Court Refurbishment	80,000	(80,000)	0			0			0			0			0			0
Playground The Roods - Warton	60,000	(60,000)	0			0			0			0			0			0
Winchester Field and Nature Area			0	109,000	(47,000)	62,000			0			0			0			0
Food Waste Strategy			0	1,462,000	(1,462,000)	0			0			0			0			0
Public Bins			0	500,000		500,000			0			0			0			0
Parks & Open Spaces Improvement			0	871,000		871,000			0			0			0			0
Commercial Venue Improvements			0	150,000		150,000			0			0			0			0
Housing & Property																		
Mellishaw Park	73,000		73,000			0			0			0			0			0
Disabled Facilities Grants	3,458,000	(3,458,000)	0	2,331,000	(2,331,000)	0	2,331,000	(2,331,000)	0	2,331,000	(2,331,000)	0	2,331,000	(2,331,000)	0	2,331,000	(2,331,000)	0
Home Improvement Agency Vehicles			0	40,000	(40,000)	0			0			0			0			0
1 Lodge Street Urgent Structural Repairs	250,000		250,000	172,000		172,000			0			0			0			0
Gateway Solar Array	10,000		10,000	974,000		974,000			0			0			0			0
UK Shared Prosperity Fund Lancs CVS Community Warm Hubs	37,000	(37,000)	0			0			0			0			0			0
Commercial & Corporate Property	347,000		347,000	1,389,000	0	1,389,000	462,000		462,000	351,000		351,000	494,000		494,000	52,000		52,000
White Lund Depot - Offices	1,834,000		1,834,000			0			0			0			0			0
Coopers Fiels - BLRF	117,000	(117,000)	0	180,000	(180,000)	0			0			0			0			0
King Street			0	600,000	(200,000)	400,000			0			0			0			0
People & Policy																		
UK Shared Prosperity Fund External Projects	506,000	(506,000)	0			0			0			0			0			0
Rural England Prosperity Fund External Projects	398,000	(398,000)	0			0			0			0			0			0
UK Shared Prosperity Fund Digital Tourism Transformation	42,000	(42,000)	0			0			0			0			0			0
Planning & Climate Change																		
Burrow Beck Solar	600,000		600,000	3,600,000		3,600,000			0			0			0			0
Property De-carbonisation Works	500,000		500,000	3,825,000	(1,892,000)	1,933,000			0			0			0			0
SALC -optimised solar farm, air source heating pumps & glazing	10,000	(10,000)	0			0			0			0			0			0
Resources																		
ICT Systems, Infrastructure & Equipment	303,000		303,000			0			0			0			0			0
ICT Renewals			0	151,000		151,000	138,000		138,000	198,000		198,000	161,000		161,000	121,000		121,000
ICT Strategy			0	130,000		130,000	173,000		173,000	103,000		103,000	15,000		15,000	50,000		50,000
ICT Telephony			0	5,000		5,000	40,000		40,000	25,000		25,000	5,000		5,000	5,000		5,000
ICT Laptop Replacement & e-campus screens	116,000		116,000			0			0			0			0			0
ICT Nimble	300,000		300,000			0			0			0			0			0
Local Full Fibre Network	1,378,000		1,378,000			0			0			0			0			0
Sustainable Growth																		
Lancaster Heritage Action Zone	197,000	(24,000)	173,000	200,000		200,000			0			0			0			0
Lancaster Heritage Action Zone - St John's Church			0	500,000		500,000			0			0			0			0
Caton Road Flood Relief Scheme	1,664,000	(1,664,000)	0			0			0			0			0			0
Centenary House Grant Funded Works	749,000	(749,000)	0			0			0			0			0			0
Lawsons Bridge S106 Scheme	63,000		63,000			0			0			0			0			0
Lancaster Square Routes	21,000	(16,000)	5,000			0			0			0			0			0
Coastal Revival Fund - Morecambe Co-Op Building	11,000	(11,000)	0			0			0			0			0			0
City Museum Shop	30,000		30,000			0			0			0			0			0
Morecambe Sea Front Parapet Repair	30,000		30,000	30,000		30,000	30,000		30,000	30,000		30,000			0			0
Bare Outfall Flooding	50,000		50,000			0			0			0			0			0
Our Future Coast	345,000	(345,000)	0	63,000	(63,000)	0	85,000	(85,000)	0			0			0			0
UK Shared Prosperity Fund Maritime Museum Access Improvements	0		0			0			0			0			0			0
UK Shared Prosperity Fund Lodge St Environs Enabling Works	69,000	(69,000)	0			0			0			0			0			0
UK Shared Prosperity Fund Museums Accessible Engagement	34,000	(34,000)	0			0			0			0			0			0
Schemes Under Development																		
Canal Quarter - Nelson St/St Leonardsgate	2,389,000	(2,389,000)	0			0			0			0			0			0
Electrical Vehicle Charging Hubs			0	400,000		400,000			0			0			0			0
SALC 3G Football Pitch			0			0	800,000	(560,000)	240,000			0			0			0
Wheellie Bins			0	2,208,000		2,208,000			0			0			0			0
Local Full Fibre Network (supplement)			0	400,000		400,000			0			0			0			0
GENERAL FUND CAPITAL PROGRAMME	17,337,000	(10,730,000)	6,607,000	26,842,000	(6,215,000)	20,627,000	6,120,000	(2,976,000)	3,144,000	3,241,000	(2,331,000)	910,000	5,189,000	(2,331,000)	2,858,000	3,119,000	(2,331,000)	788,000

General Fund Capital Programme

Service / Scheme	2030/31			2031/32			2032/33			2033/34			2034/35			10 YEAR TOTAL (FROM 2025/26)		
	Gross Budget	External Funding	Net Programme	Gross Budget	External Funding	Net Programme	Gross Budget	External Funding	Net Programme	Gross Budget	External Funding	Net Programme	Gross Budget	External Funding	Net Programme	Total Gross Programme	Total External Funding	Total Net Programme
	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£
Environment & Place																		
Vehicle Renewals (Latest)	2,469,000		2,469,000	5,679,000		5,679,000	3,512,000		3,512,000	1,565,000		1,565,000	2,215,000		2,215,000	25,732,000	0	25,732,000
Electric Taxis Scheme			0			0			0			0			0	0	0	0
UK Shared Prosperity Fund - The Streets Are Ours Public Realm			0			0			0			0			0	0	0	0
UK Shared Prosperity Fund - Heysham Village Toilets			0			0			0			0			0	0	0	0
Salt Ayre Asset Management Plan			0			0			0			0			0	1,267,000	0	1,267,000
AONB Capital Access Works			0			0			0			0			0	0	0	0
LTA Tennis Court Refurbishment			0			0			0			0			0	0	0	0
Playground The Roods - Warton			0			0			0			0			0	0	0	0
Winchester Field and Nature Area			0			0			0			0			0	0	0	0
Food Waste Strategy			0			0			0			0			109,000	(47,000)	62,000	
Public Bins			0			0			0			0			1,462,000	(1,462,000)	0	
Parks & Open Spaces Improvement			0			0			0			0			500,000	0	500,000	
Commercial Venue Improvements			0			0			0			0			871,000	0	871,000	
Housing & Property																		
Mellishaw Park			0			0			0			0			0	0	0	0
Disabled Facilities Grants	2,331,000	(2,331,000)	0	2,331,000	(2,331,000)	0	2,331,000	(2,331,000)	0			0			18,648,000	(18,648,000)	0	
Home Improvement Agency Vehicles			0			0			0			0			40,000	(40,000)	0	
1 Lodge Street Urgent Structural Repairs			0			0			0			0			172,000	0	172,000	
Gateway Solar Array			0			0			0			0			974,000	0	974,000	
UK Shared Prosperity Fund Lancs CVS Community Warm Hubs			0			0			0			0			0	0	0	0
Commercial & Corporate Property			0	152,000		152,000			0	208,000		208,000	379,000		3,487,000	0	3,487,000	
White Lund Depot - Offices			0			0			0			0			0	0	0	
Coopers Fiels - BLRF			0			0			0			0			180,000	(180,000)	0	
King Street			0			0			0			0			600,000	(200,000)	400,000	
People & Policy																		
UK Shared Prosperity Fund External Projects			0			0			0			0			0	0	0	0
Rural England Prosperity Fund External Projects			0			0			0			0			0	0	0	0
UK Shared Prosperity Fund Digital Tourism Transformation			0			0			0			0			0	0	0	0
Planning & Climate Change																		
Burrow Beck Solar			0			0			0			0			3,600,000	0	3,600,000	
Property De-carbonisation Works			0			0			0			0			3,825,000	(1,892,000)	1,933,000	
SALC -optimised solar farm, air source heating pumps & glazing			0			0			0			0			0	0	0	
Resources																		
ICT Systems, Infrastructure & Equipment			0			0			0			0			0	0	0	0
ICT Renewals	162,000		162,000	208,000		208,000	135,000		135,000	156,000		156,000	151,000		1,581,000	0	1,581,000	
ICT Strategy	100,000		100,000	115,000		115,000	50,000		50,000	138,000		138,000	103,000		977,000	0	977,000	
ICT Telephony	205,000		205,000	5,000		5,000	5,000		5,000	40,000		40,000	25,000		360,000	0	360,000	
ICT Laptop Replacement & e-campus screens			0			0			0			0			0	0	0	
ICT Nimble			0			0			0			0			0	0	0	
Local Full Fibre Network			0			0			0			0			0	0	0	
Sustainable Growth																		
Lancaster Heritage Action Zone			0			0			0			0			200,000	0	200,000	
Lancaster Heritage Action Zone - St John's Church			0			0			0			0			500,000	0	500,000	
Caton Road Flood Relief Scheme			0			0			0			0			0	0	0	
Centenary House Grant Funded Works			0			0			0			0			0	0	0	
Lawsons Bridge S106 Scheme			0			0			0			0			0	0	0	
Lancaster Square Routes			0			0			0			0			0	0	0	
Coastal Revival Fund - Morecambe Co-Op Building			0			0			0			0			0	0	0	
City Museum Shop			0			0			0			0			0	0	0	
Morecambe Sea Front Parapet Repair			0			0			0			0			90,000	0	90,000	
Bare Outfall Flooding			0			0			0			0			0	0	0	
Our Future Coast			0			0			0			0			148,000	(148,000)	0	
UK Shared Prosperity Fund Maritime Museum Access Improvements			0			0			0			0			0	0	0	
UK Shared Prosperity Fund Lodge St Environs Enabling Works			0			0			0			0			0	0	0	
UK Shared Prosperity Fund Museums Accessible Engagement			0			0			0			0			0	0	0	
Schemes Under Development																		
Canal Quarter - Nelson St/St Leonardsgate			0			0			0			0			0	0	0	0
Electrical Vehicle Charging Hubs			0			0			0			0			400,000	0	400,000	
SALC 3G Football Pitch			0			0			0			0			800,000	(560,000)	240,000	
Wheelie Bins			0			0			0			0			2,208,000	0	2,208,000	
Local Full Fibre Network (supplement)			0			0			0			0			400,000	0	400,000	
GENERAL FUND CAPITAL PROGRAMME	5,267,000	(2,331,000)	2,936,000	8,490,000	(2,331,000)	6,159,000	6,033,000	(2,331,000)	3,702,000	2,107,000	0	2,107,000	2,873,000	0	2,873,000	69,281,000	(23,177,000)	46,104,000

COUNCIL**Adoption of the Climate Emergency Review of the
Lancaster District Local Plan****22 January 2025****Report of Chief Officer – Planning and Climate Change****PURPOSE OF REPORT**

To seek a Council resolution to formally adopt the Climate Emergency Review of the Lancaster District Local Plan. This report describes the processes that have led to the preparation of these documents, including independent Examination, and the final processes for formal adoption of the DPDs.

This report is public.

RECOMMENDATIONS OF PORTFOLIO HOLDER FOR CLIMATE ACTION

- (1) That Council resolves to adopt the Climate Emergency Review of the Lancaster District Local Plan, comprised of the partially reviewed Part One: Strategic Policies & Land Allocations Development Plan Document [DPD] and the partially reviewed Part Two: Development Management DPD, as formal components of the statutory Development Plan for Lancaster District.**
- (2) Should the Council resolve to adopt both partially reviewed DPDs, then the necessary measures are undertaken to publicise their adoption in accordance with national legislation recommendation.**

1.0 Introduction

- 1.1 On 29 July 2020 Council adopted the Lancaster District Local Plan 2011-2031 and at the same time resolved to immediately commence a Climate Emergency review of the that Local Plan in the context of the Council's decision on 19 January 2019 to declare a climate emergency. The objective of the review was to re-visit the newly adopted Local Plan's policies to explore the opportunity for achieving better outcomes from built development for climate change mitigation, adaptation and resilience.
- 1.2 On 15 September 2020 Cabinet formally endorsed the commencement of the Climate Emergency Review of the Local Plan for Lancaster District in accordance with the commitment made by Full Council and to the plan preparation timetable described in Local Development Scheme (LDS) that was also approved by Council on 29 July 2020.
- 1.3 Cabinet also endorsed the launch of the first stage of the review process, a scoping consultation, held during autumn 2020. Work to identify which policies might offer opportunities for better development outcomes, procure evidence and investigate policy options continued at pace during 2021.

- 1.4 On 18 January 2022 Cabinet endorsed the content of the Climate Emergency Local Plan Review and the process of onward reporting to Council to seek a formal decision on a recommendation to publish and submit the revised DPDs (“Local Plan”) to Government.
- 1.5 The submitted Local Plan had broad objectives on how new development can better address the challenges arising from climate change and pressures on the natural environment while also enabling planning decisions that would make homes and residents better protected from flooding, have lower water bills, lower fuel bills, and better access to sustainable travel.
- 1.6 On 26 January 2022 Council resolved to formally publish the Climate Emergency Review of the Local Plan: comprising a revised Part One: Strategic Policies & Land Allocations DPD and Part Two: Development Management Policies DPD along wide evidence and supporting information. Council also resolved to submit the documents and representations to the Government in order that they would be the subject of an independent Examination by a Government-appointed Inspector.
- 1.7 The documents were formally submitted to Government, via the Planning Inspectorate, on 31 March 2022. On 26 April 2022 the Council was notified that Joanna Gilbert MA (Hons) MTP MRTPI had been appointed by the Secretary of State to hold the independent Examination. The Examination process is described in some detail in Section 2 below.
- 1.8 On 2 December 2024, the City Council received the report on the Examination from Inspector Gilbert. The Inspector concluded that the reviewed planning documents provide an appropriate basis for the planning of the district, subject to compliance with her binding recommendations. With the incorporation of these recommendations the documents can now be adopted.
- 1.9 The Council’s constitution describes which documents are components of its Policy Framework. The Local Development Plan and Development Plan Documents are components of that Framework. The constitution states that decisions made about documents on the Policy Framework must be made by Full Council, usually on the recommendation of Cabinet.
- 1.10 Should Full Council resolve to adopt the revised DPDs these revised documents will supersede the versions that Council adopted on 29 July 2020. The policies in the revised versions will immediately become the updated policies against which planning proposals must be assessed¹.

2.0 Proposal Details

- 2.1 The purpose of the Examination is to determine if the documents were properly prepared in accordance with procedural requirements. An Inspector must consider first whether the Plans’ preparation has complied with the duty to cooperate. An Inspector then considers whether the Plans are compliant with the legal requirements and whether they are “sound”. The National Planning Policy Framework (NPPF) makes it clear that to be “sound”, a Local Plan should be positively prepared, justified, effective and consistent with national policy.

¹ To the extent that development plan policies are material to an application for planning permission the decision must be taken in accordance with the development plan unless there are material considerations that indicate otherwise (see section 70(2) of the Town and Country Planning Act 1990 and section 38(6) of the Planning and Compulsory Purchase Act 2004 – these provisions also apply to appeals).

- 2.2 Through the Examination process an Inspector also has due regard to the equality impacts of the plans in accordance with the Public Sector Equality Duty (PSED) expressed in S149(1) of the Equality Act 2010.
- 2.3 The Inspector appraised herself of the submitted documents and formal representations received then identified issues to be explored. The Inspector identified seven issues to explore in determining whether the plan was soundly prepared:
- Issue 1 – Are the proposed policies on climate change and economic prosperity positively prepared, justified, effective and consistent with national policy?
 - Issue 2 – Are the policies relating to sustainable design, energy efficiency and renewable energy positively prepared, justified, effective and consistent with national policy?
 - Issue 3 – Are the policies relating to transport positively prepared, justified, effective and consistent with national policy?
 - Issue 4 – Are the heritage policies positively prepared, justified, effective and consistent with national policy?
 - Issue 5 – Are the policies on water management positively prepared, justified, effective and consistent with national policy?
 - Issue 6 – Are the policies on green and blue infrastructure positively prepared, justified, effective and consistent with national policy?
 - Issue 7 – Do the Plans have a clear and effective framework for monitoring the implementation of the policies?
- 2.4 The Inspector held a series of Local Hearing Sessions, in a virtual format, between 4 and 7 October 2022. At the hearing sessions the Inspector invited both the Council and other parties who had made representations on the submitted documents to assist her with her exploration of the issues that she previously identified in a series of themed questions, supported by answers that parties had been given the opportunity to answer in advance.
- 2.5 In accordance with Section 20(7C) of the 2004 Act, the Council requested that she should recommend any “Main Modifications” that she considered necessary to rectify matters that would make the Plans unsound and/or not legally compliant and thus incapable of being adopted².

Delay to process due to revisions to national policy advice on energy efficiency in new build housing

- 2.6 Following the Examination Hearing Sessions there was a protracted exchange of letters between the Inspector and the Council concerning respective positions on the whether the Council’s three-step approach to improving the energy efficiency of new build housing as described in Policy DM30(a) was consistent with national policy. The Inspector had taken the view that it was inconsistent with national policy; the Council conversely believed that its approach was consistent with national policy. The opposing positions taken reflected alternative assessments of the continued relevance or weight of the still extant 25 March 2015 Written Ministerial Statement “Planning Update”, specifically the material at “Housing standards: streamlining the system”.

² To not request main modifications would mean the Inspector would not be enabled to make any recommendations necessary to permit the DPDs to be made capable of being considered sound.

- 2.7 Given the Inspector's assessment of the continued weight of the 2015 statement she invited the Council to prepare and consult on "Proposed Main Modifications" to the Local Plan; these are potential changes that would enable the Inspector to prepare a report finding that the submitted document was sound, if modified. These included a significant Proposed Main Modification in respect of Policy DM30a Sustainable Design and Construction.
- 2.8 Just after the Main Modification consultation closed the Council became aware of the potential relevance of a current legal challenge in respect of similar issues that were being explored in the Salt Cross Garden Village Area Action Plan in West Oxfordshire. The Inspector advised that her report on the Local Plan was likely to be delayed until after the outcome of the Salt Cross case was known.
- 2.9 Prior to the Salt Cross challenge reaching an outcome the Government issued, on 13 December 2023, a Planning – Local Energy Efficiency Standards Update (Statement UIN HCWS123). This Written Ministerial Statement supersedes the section of the 25 March 2015 Written Ministerial Statement entitled 'Housing standards: streamlining the system', sub-paragraph 'Plan making' in respect of energy efficiency requirements and standards only. As a result, the Inspector wrote to the Council again seeking its response on the implications of the new Government Statement. On 10 January 2024 the Council responded to the effect that it was confident that the new Government statement had clarified that local approaches to setting energy efficient standards through local plan policy was enabled in principle, and further, the Council was of the view that its approach satisfied the conditions regarding evidence and viability also described within the statement.
- 2.10 On 30 January 2024 the Inspector invited the Council to prepare a further consultation on a Main Modification that would in effect fully restore the objective of the submitted text of Policy DM30(a), but amended in a way that would make it compliant with the Government's December 2023 update statement. That second consultation took place between Friday 22 March 2024 and Friday 3 May 2024. All responses received were sent to the planning inspector.
- 2.11 On 2nd December 2024, the City Council received the report on the Examination of the Climate Emergency Review of the Local Plan conducted by government-appointed planning Inspector Joanna Gilbert MA (Hons) MTP MRTPI. The Inspector has concluded that the reviewed planning documents provide an appropriate basis for the planning of the district, subject to compliance with her binding recommendations. The Council can now adopt its submitted documents providing they are modified in accordance with the binding recommendations.
- 2.12 Full details of the matters above and the Inspector's other findings can be read in her appended report.
- 2.13 Adoption of the updated DPDs will ensure that the Council's development plan contains policies that have been refreshed and updated with the objective of achieving better climate outcomes across a range of objectives. These include:
- A strategic consideration of climate change mitigation, adaptation, and resilience across all development proposals.
 - All new housing consented in the district will be net zero carbon by 2028 following a fabric first approach decoupling decarbonisation of homes from decarbonisation of the grid which is the Government's proposed approach.
 - A greater consideration of flood risk and water management in new developments

to respond more strongly to issues of surface water run-off and add emphasis on nature-based solutions to water management. Policies additionally require greater water efficiency for new development.

- A strategic focus on habitat and ecosystem connectivity and function, which will ensure greater protection and improvement of the district's Green (land) and Blue (water) Infrastructure.
- Policies focused on retrofitting and siting of renewables for heritage buildings.
- Increased emphasis on the key role that renewable energy generation, distribution and storage plays in climate mitigation within new development and as part of the local and national energy ecosystem.
- A greater focus on active and sustainable travel networks and connectivity.

2.14 On 14 January 2025 the City Council's Cabinet, on the recommendations of Councillor Gina Dowding, Cabinet Member with Responsibility for Climate Action, endorsed the intention that a report is presented to Council, provisionally on 22 January 2025, with the recommendation that Council adopts the Climate Emergency Review of the Strategic Policies & Land Allocations Development Plan Document (DPD) and the Climate Emergency Review of the Development Management Policies DPD.

2.15 Officers have prepared illustrative January 2025 "Adoption Draft Versions" of both the DPDs. The "Adoption Draft Versions" place the text of the Inspector's binding recommendations within the submitted documents. Minor modifications to correct factual errors and improve clarity and consistency have also been made. The "Adoption Draft Versions" are provided in good faith to show the effect of incorporating the Inspector's recommendations, however a final check for accuracy, consistency, clarity, and factual updates will be completed before final versions are formatted and formally published.

3.0 Details of Consultation

3.1 Extensive consultation and engagement occurred during the preparation of the revised DPDs. Consultation Reports have been prepared and published at the appropriate stages during the plan's preparation.

3.2 Should the Council resolve to adopt the DPDs for planning purposes, no further consultation is required. Following the implementation of a Council resolution to adopt the DPDs they will become formal parts of the Local Development Plan for Lancaster District and can be used for planning purposes and to support the realisation of development needs, regeneration and economic growth.

3.3 Should the Council resolve to adopt the DPDs the Council must publicise its decision. For a period of six weeks the Council's decision to adopt the development plan documents can be sought by requesting a statutory review which is similar to a Judicial Review. If such a case were brought the plan would continue in force unless and until the High Court made any order.

3.4 Members are also advised that work is currently proceeding on a full review of the Local Plan. That Local Plan review will be usefully informed by the experience the Council has gained in exploring approaches to addressing the increasingly more evident challenges to the well-being of the community, environment and economy from climate change impacts. The Council has already engaged with the community on the early stages of the full Local Plan Review.

4.0 Options and Options Analysis

- 4.1 Members are reminded that it was the Council itself which resolved to submit the Climate Emergency Review Local Plan documents to the Government. It is the Council itself which decided on the content of the documents. The purpose of submission to Government is to provide the opportunity for the government to independently determine if the Council's Local Plan has been properly prepared. The Inspector has concluded that the plan has been properly prepared, and now providing that the plan incorporates her recommendations, which are in effect modifications that the Council has already consulted upon, the Council can formally adopt its own updated Local Plan. Paragraph 058 Reference ID: 61-058-20190315 of [Planning Practice Guidance](#) describes what a local planning authority is anticipated to do after the Inspector's Report is received. The guidance states:

'While the local planning authority is not legally required to adopt its local plan following examination, it will have been through a significant process locally to engage communities and other interests in discussions about the future of the area, and it is to be expected that the authority will proceed quickly with adopting a plan that has been found sound'.

- 4.2 The decision before members is a binary one; the Council can either choose to adopt the partially reviewed plan which it submitted or to not adopt the partially reviewed plan which it submitted. A decision to adopt the plan is the rational expectation at the end of a process that has involved expending substantial time, effort, and resources to ensure that the Council can deliver its already established development needs in the context of its own stated intention to act promptly to better address the challenges raised by climate change.
- 4.3 Should the Council decide not to adopt the updated Local Plan documents then the planning policies in the currently adopted document of 29 July 2020 would continue to provide the policy framework for the determination of planning proposals. Clearly to do so would mean that the intended benefits for addressing climate change concerns, including those listed in paragraph 2.13 above, would not be realised.

5.0 Officer Preferred Option

- 5.1 Members are advised that the Council should formally adopt the updated Development Plan documents and so conclude the process of the Climate Emergency Review of the Lancaster District Local Plan. The updated documents will immediately provide the framework for the determination of planning proposals. Planning proposals will then be determined in consideration of policies that have been purposefully and thoughtfully revised to help deliver better outcomes from approved development for climate change mitigation, adaptation and resilience.
- 5.2 Given the time, effort and publicity that has gone into this partial update of the adopted Local Plan it is not at all apparent that there are any advantages in the Council choosing not to adopt its own updated documents. It can be anticipated that a decision not to adopt its own updated documents would likely negatively impact the Council's reputation for following-through on its own declared climate change commitments with residents, partners, stakeholders, development investors, potential infrastructure funders and national agencies.

6.0 Conclusion

- 6.1 In conclusion, the Council is advised that it should resolve to approve the recommendation to adopt the Climate Emergency Review of its Strategic Policies & Land Allocations DPD and Development Management DPD as updated parts of the formal Local Development Plan for Lancaster District.

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

The partially reviewed Strategic Policies & Land Allocations DPD and the partially reviewed Development Management DPD provide a planning policy framework to guide and manage development across the district.

Equality, diversity and sustainability implications have been considered through the preparation of the draft DPD documents. The documents have been subject to the statutory requirements for Strategic Environmental Assessment. Equality, diversity, human rights, community safety, sustainability and rural issues are all considered as part of this process. Officers are confident that this work provides an appropriate impact assessment of the DPDs and this has been confirmed by the Planning Inspector.

LEGAL IMPLICATIONS

The preparation of Local Plan documents is subject to legislation and regulations. Failure to meet these requirements could result in the Partially Reviewed DPDs being subject to legal challenge. The Planning Inspector has considered the preparation of both Partially Reviewed DPDs in terms of relevant legal requirements and concluded that both documents have been prepared in accordance with legislation and are considered sound.

The Council consulted on the emerging proposed modifications. The Inspector's recommendations based on the proposed modifications are binding, thus the adopted versions of the adopted Partially Reviewed DPDs must fully incorporate her recommendations.

FINANCIAL IMPLICATIONS

It is not expected that there will be any additional financial implications arising from this report as costs connected with the preparation of both Partially Reviewed DPDs and associated public consultation, publication and submission, public examination and DPD adoption have already been accounted for within the revenue budget. Should a legal challenge be made following an adoption decision, usually because of actions from affected parties, then additional costs would be incurred in defending the Council's decision to adopt.

if challenges are made then the associated costs and implications will be reported and dealt with as appropriate through the normal monitoring processes which the Council has in place.

OTHER RESOURCE IMPLICATIONS, such as Human Resources, Information Services, Property, Open Spaces

None

SECTION 151 OFFICER'S COMMENTS

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

MONITORING OFFICER'S COMMENTS

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

BACKGROUND PAPERS

Appendix 1: [Part One: Strategic Policies & Land Allocations Development Plan Document \(climate emergency review\), "Adoption Draft Version" dated, 22 January 2025](#)

Appendix 2: [Part Two: Development Management Development Plan Document, climate emergency review\), "Adoption Draft Version" dated, 22 January 2025](#)

Appendix 3: [Report to Lancaster City Council by Joanna Gilbert MA \(Hons\) MTP MRTPI an Inspector appointed by the Secretary of State on the Examination of the Climate Emergency Review of the Lancaster District Strategic Policies & Land Allocation Development Plan Document 2020 – 2031 and Development Management Development Plan Document 2020 – 2031](#)

Appendix 4: [Schedule of the Inspector's Main Modifications](#)

Appendix 5: [Equality Impact Assessment dated 22 December 2024.](#)

Contact Officer: Maurice Brophy
Telephone: 01524 582330
E-mail: mbrophy@lancaster.gov.uk

BRIEFING NOTE**MOTION: Local Government Re-organisation**

Proposers- Cllrs Gina Dowding, Tim Hamilton-Cox, Cllr Joyce Pritchard, Sally Maddocks, Caroline Jackson, Peter Jackson, Joyce Pritchard, and Paul Stubbins.

Local Government Re-organisation**Lancaster City Council notes**

1. The Government's White Paper published on 16 December sets out its intention to abolish county and district councils, including Lancaster City Council, and create unitary councils with populations of around half a million people.
2. The proposal drawn up by one of Lancashire's MPs which was supported by a number of Lancashire MPs, is to create 3 or 4 unitary councils in Lancashire. In this proposal Lancaster City Council area would be merged with the existing Blackpool unitary and Wyre district councils, (and possibly with Fylde district council). A conflicting proposal, from the Labour leader of Preston council, would merge Lancaster district and Ribble Valley within a 3-council unitary.
3. That with regard to the above different proposals circulated by Labour MPs and councillors from elsewhere in Lancashire, Lancaster City Council leadership has not been involved in discussions or asked for its views before publication.
4. That the UK already stands out in Europe as having a very high local authority population size.
5. Lancaster City Council previously supported the creation of a Bay Unitary Authority, backed by councillors from all 5 political groups on Lancaster City Council, which would have served a smaller population of 300,000 that better reflected community identity. This was rejected by Government in July 2021.
6. That previously in November 2023, the Government announced it had negotiated a Level 2 devolution deal with Lancashire County, Blackpool, and Blackburn with Darwen Councils. This deal is set to transfer new powers and funding to the Lancashire Combined County Authority (CCA), in a deal that includes £20 million of capital funding to invest in local priorities and the devolution of the Adult Education Budget.
7. That this Level 2 Devolution deal is currently being progressed through Parliament.

Lancaster City Council believes

1. That devolution of powers and resources from Whitehall to Lancashire is welcome in principle, but accountability to residents, working arrangements with existing councils and the protection and enhancement of existing local services and decision making all require consideration and agreement involving elected representatives in the county at all levels;

2. The new White Paper's insistence of another level of re-organising local councils will not give time for the agreed proposals for a CCA across Lancashire to bed in;
3. That whilst the Labour manifesto pledged to create Strategic Authorities, the plans to reorganise district and borough level councils into large unitaries was not an election pledge. There is little evidence that such reorganisation will deliver better services or enhance local decision making.
4. That reorganisation ensuing from the December 2024 White Paper will have significant short- and medium-term financial costs, not savings, contrary to what government claims; and that it will be highly disruptive for the staff who deliver services;
5. That local services and facilities are best provided by truly local councils sensitive to the needs of local residents. The proposals will create a massive democratic deficit, with power being centralised further away from residents and do not reflect the identity and interests of local communities and would bring less responsiveness and less accountability;
6. That attention which would otherwise be focused on solving problems affecting our local residents will be diverted into Local Government Reorganisation discussions.

Council, therefore, resolves

1. To oppose the current basis of local government reorganisation in Lancashire, and its insistence on creating unitary councils required to service huge populations of around 500,000 people.
2. To push for and plan for a 'referendum' or meaningful far-reaching consultation on the matter to ascertain the views of local people before any specific realignment of district councils takes place which affect Lancaster City Council's residents. The wording and details of any such referendum or consultation shall be agreed by this council at a later date.
3. To mandate the Leader of the Council and the executive to build on existing arrangements with Lancashire authorities where shared services deliver better value for money, and to develop a shared vision for the future.
4. To send a letter requesting that our two MPs work alongside the City Council to achieve the best possible outcome for local people with respect to the future structure of local governance.

OFFICER BRIEFING NOTE

BACKGROUND

Government's English Devolution White Paper was published on 16th Dec 2024.

[English Devolution White Paper - GOV.UK](#)

A factual summary of the main points of the white paper (produced by the Local Government Association) is included at **Appendix A**.

As can be seen the white paper covers a wide range of issues of which Local Government Reorganisation is a part.

Minister McMahon also wrote to Councils on the 16th Dec 2024. With regards to LGR he wrote-

My intention is to formally invite unitary proposals in January 2025 from all councils in two-tier areas, and small neighbouring unitary councils. In this invitation, I will set out further detail on the criteria I will consider when taking decisions on the proposals that are submitted to Government. I intend to ask for interim plans by March 2025. As set out in the White Paper, new unitary councils must be the right size to achieve efficiencies, improve capacity and withstand financial shocks. For most areas, this will mean creating councils with a population of 500,000 or more. However, there may be exceptions to ensure new structures make sense for an area, including on devolution. Final decisions will be made on a case-by-case basis. We will ask you to work with other councils in your area to develop unitary proposals that are in the best interests of the whole area, rather than developing competing proposals.

It is expected this invitation and further criteria will be received by the end of January.

Elsewhere on this agenda is a report from the Chief Executive recommending the Council decides to set up a cross-party working group to specifically consider the matter of Local Government Reorganisation. It is intended that this cross party group, supported by the Chief Executive and Monitoring Officer would be able to give diligent consideration to this most important of subjects and regularly update Full Council on progress.

THE SPECIFICS OF THE PROPOSALS IN THE MOTION

1. *To oppose the current basis of local government reorganisation in Lancashire, and its insistence on creating unitary councils required to service huge populations of around 500,000 people.*

Very few existing unitary councils have a population over 500k. The average population of county-area unitaries created between 1990 and 2023 is 288k.

Government's stated figure of 500,000 for the population of new Authorities has been consistently questioned.

MHCLG formal responses to questions on this are below.

What is the evidence base for around 500,000?

- *We want to see all of England benefit from devolution, with full devolution coverage across England, at least to the level of Foundation Strategic Authorities, with an ambition to move to the mayoral model. Our principle for scale of geography for strategic authorities will be for a combined population of 1.5 million or above.*
- *While we have not given an upper limit for the size of new unitary councils, areas should consider this principle, along with the others for strategic authorities, when developing proposals for reorganisation.*
- *The government will work with areas to find an optimal devolution outcome, and decisions on new unitary councils will be on a case by case basis. We will prioritise the delivery of high quality and sustainable public services to citizens and communities above all other issues.*

Where is the evidence that unitaries "can lead to better outcomes, save significant money and improve accountability"?

- *The White Paper states the case for local government reorganisation is that there are significant opportunities available to areas from the creation of suitably sized unitary councils responsible for local government services for that area. Unitarisation can cut wasteful duplication of bodies, reduce the number of politicians and reduce fragmentation of public services.*
- *In 2020 a PwC report set out that there is the opportunity for areas undertaking reorganisation to achieve such efficiencies, when moving to a single unitary structure. The report, "Evaluating the importance of scale in proposals for local government reorganisation", produced for the County Councils Network, estimated that reorganisation of the then 25 two-tier areas to a single unitary would have a one-off cost of £400m, with the potential to realise £2.9bn over five years, with an annual post-implementation net recurring saving of £700m.*
- *We will expect all two-tier areas, and smaller or failing unitaries to develop proposals for reorganisation, creating new unitary councils that are the right size to achieve efficiencies, improve capacity and withstand financial shocks. For most areas, this will mean creating councils with a population of 500,000 or more, but there may be exceptions to ensure new structures make sense for an area, including for devolution, and decisions will be on a case-by case basis.*

The District Council Network commentary of this 2020 report is-

The Government is relying on the 2020 County Councils' Network/ PwC report. This claimed that LGR could – in a best case - deliver £3bn net savings over 5 years and

a recurring saving of £700m per year. But this report is very old and significantly overstates the likely savings, in particular:

- It predates the surge in demand for adult social care, children's services, SEND and temporary accommodation, which is expensive for councils to meet and reduces the scope for efficiency savings.
- Many councils in two-tier areas have already delivered significant efficiency savings since 2020, for example by creating shared services or shared management teams.
- The analysis does not factor in further efficiency savings that could be made by existing councils without the need for reorganisation.
- The analysis does not sufficiently factor in optimism bias nor does it cover the real cost of recent unitarisation.

Recent experience of creating larger unitary councils shows it is not a panacea for dealing with deep financial problems in the sector, let alone delivering net savings. For example, one new unitary council is receiving almost £80m in Exceptional Financial Support from the Government in 2024-25 compared to the almost £20m per year savings forecast when it was created in 2023.

2. *To push for and plan for a 'referendum' or meaningful far-reaching consultation on the matter to ascertain the views of local people before any specific realignment of district councils takes place which affect Lancaster City Council's residents. The wording and details of any such referendum or consultation shall be agreed by this council at a later date.*

There have been questions as to Government's intention for meaningful consultation. MHCLG response to the question-

How much consultation will there be on this?

While there is clearly an appetite for reorganisation in parts of England, previous governments have in the past often not been brave enough to follow through – we will get on with delivering what areas need.

- *We intend to formally invite proposals, setting out information on our criteria for sustainable unitary structures, in January. We will expect all councils in an area to work together to develop unitary proposals that are in the best interest of the whole area, rather than developing competing proposals.*
- *We will expect new councils to take a proactive and innovative approach to neighbourhood involvement and community government so that citizens are empowered.*
- *We will deliver this process as quickly as possible, including through legislation where it becomes necessary to ensure progress.*

3. To mandate the Leader of the Council and the executive to build on existing arrangements with Lancashire authorities where shared services deliver better value for money, and to develop a shared vision for the future.

Lancaster City Council already has a good track record of innovation in service delivery and providing value for money, as do many Councils. This has been demonstrated by the delivery of key priorities and outcomes that have positive impacts for our area.

The Government is clear on its intention to structurally reorganise Local Government in two-tier areas irrespective of the extent to which positive local, regional and indeed nationally important outcomes are being delivered through existing systems

The Government's states four aims of reorganisation-

Efficiency savings: it is certain that reorganisation will bring substantial upfront costs and it already has taken considerable capacity. It is much less certain and, in many cases, unlikely that savings will materialise in the real world at the quantum and in the timeframe the Government hopes for. Lancaster City Council has a track record of delivering cashable efficiency savings.

Service transformation: most of the council services on which residents and businesses rely are frontline, place-based services that are most effectively delivered by organisations close to local communities. This has been evidenced in our area time and again. Creating large unitary councils would leave no localised bodies to concentrate on service delivery. The prolonged period of organisational upheaval will certainly distract the Council from the important job of delivering new homes and jobs, improving health and tackling inequality.

Workforce resilience: there is no evidence that the challenges in recruiting and retaining high-calibre staff are confined to smaller councils or would be reduced by creating larger councils. In the short to medium term it is very likely that the prospect of reorganisation will make recruitment even harder, especially in roles and professions that are important for delivering housing and growth.

Simplicity and accountability: do our residents find two-tier government so confusing? District councils have higher levels of resident satisfaction and trust than other parts of government. The international evidence is much clearer that larger councils tend to have a negative impact on democratic accountability, especially trust in councillors, public engagement and voter turnout

4. To send a letter requesting that our two MPs work alongside the City Council to achieve the best possible outcome for local people with respect to the future structure of local governance.

The position of MPs is very important in this process. Formal engagement with our MPs is essential. The District Council Network (DCN) have produced a briefing for

MPs which set out a range of points that are relevant to this debate. This is included as **Appendix B**. It may well be this can be used as the basis of engagement with MPs.

CONCLUSION

This subject is one that deserves the full attention of the Council. It is also a very complex one that needs to be looked at firstly from the perspective of what will deliver the very best outcomes for the people we serve.

This detail provided in this briefing highlights the complexity of the matter.

The information we have makes clear that the Government will ensure Local Government Reorganisation happens.

The position Councils take at this early stage need to be taken with full appreciation of all the implications as we move through what is a very quick process.

Elsewhere on the agenda is a report that recommends a cross party working group, reporting to Full Council, is formed to ensure the Council is able to articulate its position following due consideration of the all the facts as they emerge.

In debating this motion Council should consider carefully what early public position would be to the best advantage of the Council and those we serve.

Mark Davies
Chief Executive
Lancaster City Council

14th Jan 2025

SECTION 151 OFFICER'S COMMENTS

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

MONITORING OFFICER'S COMMENTS

With respect to point 2. any 'referendum' in this context would not be one regulated by law but would be a consultation exercise to test public opinion. Other than this the Monitoring Officer has no other comments to add to those already in the officer briefing note.

APPENDIX A

Devolution framework- factual summary

The White Paper announced that:

- The Government is setting out an enhanced Devolution Framework – available by default rather than by deal. (Page 47-8).
- The Government wants to see all of England benefit from devolution. By completing the map, the Government will oversee the rebalancing of power from central government so that local leaders can take back control and increase prosperity for local people. It is the government's strong preference that in filling the map, places do so with a Mayor over a strategic geography. (Page 24).
- Areas that agree to take on a Mayor will see major benefits: (Page 25)
 - Prioritisation by the Government to agree and establish devolution in their area.
 - Powers drawn down from the strengthened Devolution Framework, with a significant devolution offer that will continue to grow over time.
 - A clear pathway to unlocking higher levels of devolution reserved for the most mature institutions, including access to the Integrated Settlement which will grow in scope over time.
 - Flexible allocated funding, with a long-term investment fund and, once the area has qualified, funding granted through a flexible Integrated Settlement.
 - A representative sitting round the table of the Council of Nations and Regions with the Prime Minister, First Ministers from all the Devolved Governments and the Deputy First Minister of Northern Ireland.
 - A representative on the Mayoral Council to work with the Deputy Prime Minister on developing devolution and local growth policy.
 - A mandate to develop a Local Growth Plan, with local growth priorities agreed with the Government providing focus for central government and regional collaboration.
 - Membership of the Mayoral Data Council to join up senior data leaders with central government decision-making on data issues that affect them.
- Strategic Authorities – the Government will create in law the concept of a Strategic Authority. All Strategic Authorities will belong to one of the following levels: (Page 28)
 - Foundation Strategic Authorities: these include non-mayoral Combined Authorities and Combined County Authorities automatically, and any Local Authority designated as a Strategic Authority without a Mayor.
 - Mayoral Strategic Authorities: the Greater London Authority, all Mayoral Combined Authorities and all Mayoral Combined County Authorities will automatically begin as Mayoral Strategic Authorities. Those who meet

specified eligibility criteria may be designated as Established Mayoral Strategic Authorities. This unlocks further devolution, most notably an Integrated Settlement.

- The Government's strong preference is for partnerships that bring more than one Local Authority together over a large geography. In exceptional circumstances the Secretary of State will have the power to designate an individual Local Authority as a Foundation Strategic Authority only. (Page 28).
- The Government will legislate to ensure that Strategic Authorities can change structure should local government reorganisation take place, for example, changing from a Combined County Authority to a Combined Authority when a two-tier area becomes single-tier. (Page 28).
- To enable effective working with the public, private and voluntary sectors, the Government will explore a wide-ranging legal power for Strategic Authorities to deliver in their areas of competence. The Government will also explore enabling Mayors to promote economic, social, and environmental aims and convene stakeholders with a corresponding duty on public authorities to respond. It would go hand in hand with a duty to collaborate with constituent Local Authorities and neighbouring Strategic Authorities in delivering these areas of competence.
 - Competences:
 - Transport and local infrastructure
 - Skills and employment support
 - Housing and strategic planning
 - Economic development and regeneration
 - Environment and climate change
 - Health, wellbeing and public service reform
 - Public safety (Page 29)
- Established Mayoral Strategic Authorities will be able to propose, individually or with others, additional functions to be added to the statutory Devolution Framework, or piloted locally, in order to deliver their areas of competence. The mechanism of requesting further powers is intended to drive innovation and testing to ensure areas continue to trailblaze. This will be an annual process ahead of fiscal events. Proposals will be discussed at the Mayoral Council and then Established Mayoral Strategic Authorities will be invited to submit a written proposal formally, to which the Government will have a duty to respond. Successful pilots will be considered for addition to the framework. (Page 30).
- When agreeing geographies the Government will consider the following principles. It will not be possible to meet all the principles in all situations and the Government will work with areas to find an optimal outcome:
 - Scale: Strategic Authorities should be of comparable size to existing institutions. The default assumption is for them to have a combined population of 1.5 million or above, but it is accepted that in some places, smaller authorities may be necessary.

- Economies: Strategic Authorities must cover sensible economic geographies with a particular focus on functional economic areas, reflecting current and potential travel-to-work patterns and local labour markets. It is likely that where travel to work areas are small and fragmented, Strategic Authorities will cover multiple travel to work areas.
 - Contiguity: Any proposed geography must be contiguous across its constituent councils (either now or with a clear plan to ensure continuity in the future through agreed local government reorganisation).
 - No 'devolution islands': Geographies must not create devolution 'islands' by leaving areas which are too small to go it alone or which do not have natural partners.
 - Delivery: Geographies should ensure the effective delivery of key functions including Spatial Development Strategies, Local Transport Plans and Get Britain Working Plans.
 - Alignment: The Government will seek to promote alignment between devolution boundaries and other public sector boundaries.
 - Identity: A vital element of successful devolution is the ability for local residents to engage with and hold their devolved institutions to account – and local identity plays a key role in this. (Page 31).
- The Government will legislate for a ministerial directive, which will enable it to create Strategic Authorities in any remaining places where local leaders in that region have not been able to agree how to access devolved powers. (Page 35).

London/GLA

- The Government will also explore whether changes are needed to the system governing the disposal of Transport for London operational land and the way in which transport funding is agreed for London.
- The Government will work with the Mayor of London to compare the powers and policy approaches of other global city authorities. This will be led by a new working group sponsored jointly by Ministry of Housing, Communities and Local Government and the Greater London Authority. (Page 36-37).

Local Government Reorganisation (LGR)

The White Paper announced that:

- The Government will facilitate a programme of local government reorganisation for two tier areas and for those unitary councils where there is evidence of failure or where their size or boundaries may be hindering their ability to deliver sustainable and high-quality services for their residents. The Government will deliver this process as quickly as possible, including through legislation where it becomes necessary to ensure progress. (Page 100).
- The Government will therefore want to see stronger community arrangements when reorganisation happens in the way councils engage at a neighbourhood

or area level. The Government will also rewire the relationship between town and parish councils and principal Local Authorities, strengthening expectations on engagement and community voice. (Page 100).

- The Government will expect all two-tier areas and smaller or failing unitaries to develop proposals for reorganisation. The Government will take a phased approach to delivery, taking into account where reorganisation can unlock devolution, where areas are keen to proceed at pace or where it can help address wider failings. However, the Government are clear that reorganisation should not delay devolution and plans for both should be complementary. (Page 100).
- New unitary councils must be the right size to achieve efficiencies, improve capacity and withstand financial shocks. For most areas this will mean creating councils with a population of 500,000 or more, but there may be exceptions to ensure new structures make sense for an area, including for devolution, and decisions will be on a case-by-case basis. (Page 100).
- The Government will sequence these reforms alongside devolution ambitions for each area. The Government will expect new councils to take a proactive and innovative approach to neighbourhood involvement and community governance so that citizens are empowered. (Page 101).
- The Government expects all councils in an area to work together to develop unitary proposals that are in the best interests of the whole area, rather than developing competing proposals. The Government will also expect all councils in an area to work with them to bring about these changes as swiftly as possible. The Government will also consider which governance models available to local authorities across the sector will best support their decision making. (Page 101).
- The Government will work closely with local leaders to explore what support they might need to develop robust proposals and implement new structures, including taking decisions to postpone local elections where this will help to smooth the transition process. The Government will learn from the experience and successes of others who have been through the process. (Page 101).
- The Government will write to council leaders as soon as possible to formally invite proposals, setting out information on criteria for sustainable unitary structures, how and when to submit proposals and how the Government intends to respond to proposals. Reorganisation should not delay devolution so the Government will work closely with areas on complementary plans and will deliver an ambitious first wave of reorganisation in this Parliament. (Page 101).

Funding

The White Paper announced that:

- Established Mayoral Strategic Authorities will become eligible for the Integrated Settlement, which will commence at the following Spending Review provided a sufficient preparation period has passed. The scope of Integrated Settlements will be confirmed at each Spending Review on the basis of functional responsibilities, and their value by a formulaic process. Integrated Settlements will have a single systematised approach to spending controls and a single, streamlined, overarching assurance and accountability framework coordinated by the Ministry for Housing, Communities and Local Government. More information is available at GOV.UK: [Integrated settlements for Mayoral Combined Authorities - GOV.UK](#). (Page 48).
- The Devolution Framework also commits to a simplified funding landscape for Mayoral and Foundation Strategic Authorities. This will include: (Page 49)
 - For Mayoral Strategic Authorities, consolidated funding pots covering: local growth, place, housing, and regeneration; non-apprenticeship adult skills; and transport. These will commence in the following Spending Review.
 - For Foundation Strategic Authorities, MHCLG will provide dedicated local growth allocations, decided by formulae, and with lighter-touch investment sign-off.
 - The Government will reform the local growth funding landscape at the following Spending Review, rationalising the number of funds and moving away from competitions. Future local growth funding will recognise the centrality of Strategic Authorities for economic growth. The Government will continue providing funding to Mayoral Combined Authorities with Investment Zones to create additional jobs and economic growth in areas that have economically underperformed in the past.
- The 30-year investment funds will remain a core part of the Devolution Framework, with existing arrangements honoured, new areas receiving this funding on their creation, and funding for new institutions standardised to increase fairness. The Government will also remove gateway reviews for Established Mayoral Strategic Authorities which have passed Gateway One or equivalent. (Page 49).
- Mayoral Combined and Combined County Authorities have been able to raise a mayoral precept should they choose since legislation made in 2016 and 2023 respectively. However, they cannot use this on their full range of functions, often including vital growth levers like bus services and adult skills. The Government will legislate to correct this, raising the value for money of this existing power. (Page 49).
- In the 2024 Autumn Budget, the Government announced £1.3 billion of new grant funding in 2025/26 for local government to deliver core services. As part

of this the Government will introduce a new 'Recovery Grant', worth £600 million, which will increase the efficiency of funding by targeting money towards areas with greater need and demand for services (the Government has used deprivation as a proxy for this), and less ability to raise income locally. (Page 96).

- In future, the Government will provide multi-year funding settlements (page 96).
- The Government will reform the Local Government Finance System to put councils on the road to recovery – building on the proposals set out in the previous government's Fair Funding Review. (Page 96).
- The Government will consider how a new model of business rate retention could better and more consistently support Strategic Authorities to drive growth. (Page 97).
- The Government will reform the use of funding pots...the Government will reduce the number of restrictive grants to Local Authorities – wherever possible, resource funding for service delivery will be consolidated into the Local Government Finance Settlement. The Government will also rationalise the number of capital-focused growth funds... including consolidating this funding into Integrated Settlements for Established Mayoral Strategic Authorities where relevant. (Page 98).

Audit and standards

The White Paper announced that:

- The Government will fundamentally reform the local audit system, rebuilding the vital early warning system to recover a key part of assurance mechanisms, restore local government standards, and ensure transparency, and avoid returning to a bloated Audit Commission or allow mission creep to expand the remit of government bodies in the sector. As a first step, the Government will close the Office for Local Government. (Page 103).
- In line with Sir Tony Redmond's recommendations, the Government will legislate to radically simplify the system, bringing as many audit functions as possible into one body which will also offer insights drawn from audits. The Government will shortly engage with the sector, including with key audit stakeholders on how best to move functions into the organisation on audit, subject to legislation. (Page 103).
- The Government will be embedding lessons learnt from the development of the parliamentary Independent Complaints and Grievance Scheme. The Government will consult on proposals including: (Page 103-104).
 - A mandatory code of conduct – to establish a higher minimum standard of expected behaviours and ensure consistency, reflecting the

Government's commitment to public service and to updating the 30-year code to cover discrimination, bullying, use of social media, and other issues not featuring in the current minimum requirements.

- A requirement for principal Local Authorities to convene formal Standards Committees – to ensure all Local Authorities have formal, transparent processes to uphold and promote standards.
- A role for a national body to deal with the most serious cases and appeals, as was the case under the former system with the Standards Board for England, subject to discussions with the sector.
- Powers to suspend, including imposing premises and facilities bans – to allow Local Authorities to enforce their own standards. The government believes that councils need the ability to address serious misconduct with powers to suspend councillors for a maximum of six months, with the option to withhold allowances where deemed appropriate.
- Disqualification if subject to suspension more than once – to curb the risk of “repeat offending” and empower councils to signal that poor behaviour will not be tolerated.
- Subject to discussions with the sector the Government will explore immediate disqualification in certain instances of serious misconduct.
- Interim suspension whilst under investigation – to reassure the public that action is being taken. This could be used in serious cases that may involve protracted investigations or the police, for example alleged fraud or assault.
- Publication of all code breach investigation outcomes – to enhance transparency, giving the public the opportunity to check their council's record on maintaining good conduct.

Members and workforce

The White Paper announced that:

- The Government will continue to work with the sector on support and development for elected members, including addressing barriers to attracting and retaining them. To support this work, the Government proposes the following improvements: (104-105)
 - Workforce development: the Government will establish a local government workforce development group – this will be run in partnership with the sector and will identify practical solutions to help resolve and improve workforce issues and promote the sector as a great place to work, while ensuring the workforce is set-up for the future.
 - Remote attendance: this government is formally seeking views on proposals to enable elected members to remotely attend formal council meetings, the intent being that an elected member who needs to attend a meeting virtually will have the option and flexibility to do so. This reform will also enable sitting councillors who are not able to physically attend meetings on an on-going or temporary basis to represent the communities they serve.
 - Proxy voting: The Government is seeking views on enabling elected members to use proxy voting – so that a member of a decision-making

body may delegate their voting power to another representative to enable a vote in their absence, such as in cases when they are temporarily unable to participate in meetings due to personal circumstances for a limited period.

- Address publication requirements: The Government proposes to remove the requirements for a local government member's home address to be published.
- The Government will introduce proposals limiting individuals from holding the office of Member of Parliament and Mayor simultaneously, as is already the case for Mayors who are the Police and Crime Commissioner for their area. (Page 111).

Public service reform and prevention

The White Paper announced that:

- Pursue an ambition to realign public authority boundaries, so that over time, public services are delivered over the same areas as Strategic Authority boundaries. The Government's long-term aim is for public service boundaries – including those of police, probation, fire and health services – and those of Strategic Authorities, to align. Any changes to public service boundaries will be made in consultation with stakeholders and considering the impact on service delivery. The Government will look for practical solutions to allow Mayors to deliver where service boundaries are non-coterminous, considering the benefits on a case-by-case basis. (Page 43)
- Ensure that Strategic Authorities, in partnership with local authorities and other local institutions where relevant, are considered as the default delivery institution for new programmes or activity where these are appropriate for local delivery and in their areas of competence... There will be a presumption that funding flows through Integrated Settlements for Enhanced Mayoral Strategic Authorities. (Page 43).
- Ensure key Non-Departmental Public Bodies and Arm's Length Bodies, such as Homes England, Network Rail and National Highways, have appropriate regard to relevant Strategic Authority strategies and the shared growth priorities from the Local Growth Plan for the area in their work. (Page 43).
- Establish the National Wealth Fund with a strong regional objective to unleash the full potential of cities and regions. It will work in close partnership with Mayors to support investable propositions in their Local Growth Plans, as well as with Devolved Governments, and with other local leaders to support their investment plans, being led by local needs. The National Wealth Fund will have increased resources in both its Local Authority and Banking and Investments teams. It will conduct more outreach to identify expanded project pipelines and structure innovative transactions with project sponsors, industry, Local Authorities and government departments. It will work collaboratively, focusing on additionality and never crowding out private investment. (Page 44)

- With the support of the Government, Strategic Authorities will collaborate with councils to deliver reform and innovation, as they have the geographical footprint to coordinate strategic priorities and bring together disparate parts of the public sector. Strategic Authorities can also enable and support Local Authorities in their role as convenors of place, bringing together public service providers and other stakeholders to drive people centred services (Page 81).
- To complement the convening role that Mayors will be granted via the new Devolution Framework, the Government will continue to work with the sector to identify where else they can add value, including considering the devolution of any funding relating to public service reform and prevention. (Page 81).
- The Government has allocated £100 million to deliver innovative projects to support the development of new approaches to improving public services, partnering with local leaders and Mayors. As part of this new approach, the Government will focus on empowering Local Authorities as the convenors of place to bring together public service providers and other stakeholders to improve outcomes for individuals and communities. (Page 97).
- The Government will explore opportunities to work with Local and Strategic Authorities to develop locally-led approaches to public service reform, drawing together service providers in their areas to improve outcomes for residents. The Government will work with the sector to design and implement this agenda. (Page 98).

Governance

The White Paper announced that:

- The Government will put into legislation the statutory functions and governance arrangements for each level of Strategic Authority. Members of that level will receive the corresponding functions automatically (Page 29-30).
- The Government wants to introduce a more consistent, transparent and effective set of voting arrangements (Page 29-30).
- When the framework becomes law, it will override any existing governance arrangements (Page 29-30).
- In Mayoral Strategic Authorities, a majority vote which includes the Mayor will be required to approve decisions on the use of most functions. Specific functions set out in the Devolution Framework will be exercisable only by the Mayor. In Foundation Strategic Authorities, most decisions will require a majority but key strategic decisions will require unanimity. The governance arrangements for the setting of Combined Authority and Combined County Authority budgets and transport levies will also be standardised. These changes will not apply to the Greater London Authority or any single Local Authority designated as a Foundation Strategic Authority, given their different legal constitution. (Page 30).

Mayoral devolution

- To provide consistency across the country, the Government will remove the ability of Strategic Authorities to call Mayors by another name, in common with local government councillors and UK MPs, regardless of the ward or constituency they represent. (Page 32).

Non-Mayoral devolution

- The Government will also consider proposals for Local Authorities to work in partnership through the establishment of a Combined Authority or Combined County Authority, as a platform to consider mayoral devolution in the future. (Page 32).

District councils

- In areas with two tiers of local government, before moving to a single tier, the Government will establish Combined County Authorities but not Combined Authorities. In those cases, while districts will not be constituent members, the Government expects effective levels of collaboration to be demonstrated between constituent members and district councils, especially where the district council covers the primary city or economy in that county. (Page 32).

Capacity building

The White Paper announced that:

- Established Mayoral Strategic Authorities will become eligible for the Integrated Settlement, which will commence at the following Spending Review provided a sufficient preparation period has passed. The scope of Integrated Settlements will be confirmed at each Spending Review on the basis of functional responsibilities, and their value by a formulaic process. Integrated Settlements will have a single systematised approach to spending controls and a single, streamlined, overarching assurance and accountability framework coordinated by the Ministry for Housing, Communities and Local Government. More information is available at GOV.UK: [Integrated settlements for Mayoral Combined Authorities - GOV.UK](#). (Page 48).
- The Government will work with Local Authorities and Strategic Authorities to consider the best way to provide resource funding to Strategic Authorities such as via the Local Government Finance Settlement. This will be guided by the principle that there is a consistent approach to the powers and responsibilities of Strategic Authorities, in line with the Devolution Framework. (Page 109).
- Where a Strategic Authority takes on powers which are currently funded outside the Local Government Finance Settlement or the integrated settlements, such as Mayoral Capacity Funding, MHCLG will work with the relevant department or organisation to explore funding this through these routes. (Page 109).

- Subject to Spending Review decisions, new Strategic Authorities will continue to receive Mayoral Capacity Funding to kickstart their organisations and the Government will also review how Mayoral Capacity Funding is calculated and ensure any changes are consistent with the Devolution Framework. (Page 109).
- The Government will introduce a secondment scheme between central government and Strategic Authorities, which will include facilitating the placement of civil servants in Strategic Authority officer roles, including senior positions. (Page 109).
- The Government will work alongside Bloomberg Philanthropies and others to build a capacity support offer that will help local leaders deliver results. (Page 109)
- The Government intends to support Mayors in collaborating at pan-regional level and creating convening bodies whose purpose, priorities and membership are decided at a regional level, and working with existing regional organisations such as Sub-National Transport bodies. (Page 109)
- Strategic Authorities will need a leadership team who can drive policy forward across the responsibilities of the Authority and represent it externally. The Government will explore how to better recognise their contribution and leadership. (Page 110)
- Government will legislate so that Mayors are able to appoint and remunerate 'Commissioners' who would be able to support the delivery of key functions. They would not be members of the Strategic Authority, and the roles would be expected to reflect the areas of competence, such as a Transport Commissioner. (Page 110)

Accountability and scrutiny

The White Paper announced that:

- The Government will explore, working across departments:
- A public devolution evaluation on the outcomes of devolution to date, including the Integrated Settlements, working with areas to understand the right balance of responsibilities between central and local government.
- A feasibility study for how the impact of different devolution commitments, including the Integrated Settlement, can be assessed.
- Delivering ongoing process and impact evaluation to capture evidence on devolution as it becomes available, looking at delivery and implementation, future trends, and impact in place. (Page 46).

- The Government will set out and measure progress on the key services and outcomes Strategic Authorities are expected to deliver, to be clearer on priorities and reduce micromanagement. (Page 106).
- The Integrated Settlements that Established Strategic Authorities are set to receive will be supported by a single streamlined accountability framework, rather than multiple frameworks administered by different departments. This single accountability framework will clarify the roles between the Ministry of Housing, Communities and Local Government 'system Accounting Officer', the Accounting Officer of contributing departments, and the Chief Executive of the Mayoral Combined Authority, including interaction with scrutiny and Managing Public Money guidance. It will be incorporated into the English Devolution Accountability Framework. (Page 107).
- Established Mayoral Strategic Authorities will be held to account for the outcomes associated with their Integrated Settlement via an outcomes framework aligned to national missions, other national priorities and local economic concerns. The outcomes framework will provide a structured approach to defining, measuring and reporting on performance on Integrated Settlement delivery during the Spending Review period. The outcomes framework will identify the desired outcomes for assessing performance across the policy responsibilities devolved through the Integrated Settlement, as well as the indicators, outputs and targets that will be used to track progress in the Spending Review period. (Page 107).
- The outcomes framework will:
 - Provide a single, streamlined approach to accountability and reporting to central government.
 - Align local priorities and national priorities with Local Growth Plans as the guiding star for investment.
 - Become a scalable feature of the accountability landscape as devolution is deepened and widened.
 - Monitor activity which can be genuinely influenced within the Integrated Settlements' themes whilst moving away from existing programme and project-specific monitoring of inputs and outputs that central government track.
 - Provide sufficient evidence to inform delivery performance within the Spending Review period (Page 107).
- The Government will work with the sector to explore:
 - A review of the Scrutiny Protocol.
 - How to improve external scrutiny of value for money on local public spending, including exploring a Local Public Accounts Committee model alongside reforms to local audit.
 - How to ensure the oversight and transparency of decision making and activity conducted by the bodies that Strategic Authorities establish.
 - How to clarify lines of accountability, including through creating a local single point of accountability for value for money, exploring models such as Local Accounting Officers.

- Ensuring the system of stewardship, as it applies to Strategic Authorities, is operating as effectively as it can, including the case for setting up an annual conversation with each area. (Page 107-08).
- The Secretary of State for Culture, Media and Sport will shortly develop a local media strategy. As part of that strategy, the Government will explore whether there is more that Local Authorities can do to support the vital role that local media plays, for example through increased openness in providing local journalists with access to information. (Page 108).

Inclusive economic growth and Local growth plans

The White Paper announced that:

- The Government will create a statutory requirement for all Mayoral Strategic Authorities to produce a Local Growth Plan. (Page 41).
- Local Growth Plans will play a key role in implementing and rolling out Integrated Settlements, being reflected in the outcomes framework. (Page 41).
- The Government will work with Mayoral Strategic Authorities to agree a limited number of shared strategic priorities, to act as a focal point for collaboration. (Page 41).
- Local Growth Plans will galvanise action and investment, including through setting out a pipeline of investment opportunities... The English Devolution Bill will also introduce a reciprocal requirement on Strategic Authorities to work with Local Government Pension Scheme Administering Authorities and their asset pools to develop investment opportunities that are appropriate for pensions investment. (Page 41).
- Foundation Strategic Authorities... will set out a vision for growth in their area, building on existing local economic strategies where these exist. As they become Mayoral Strategic Authorities... they will be required to update these to produce full Local Growth Plans. (Page 41).
- The Department for Business and Trade will:
 - Establish bilateral strategic partnership forums with every Mayoral Strategic Authority, building on successful models in Greater Manchester and the West Midlands to strengthen existing partnership working, align national and local policymaking, and drive delivery of local growth priorities as identified by areas through their Local Growth Plans.
 - Publish a Small Business Strategy, next year via a command paper, setting out the Government's vision for a new approach to business support, including more devolution in England (through Integrated Settlements where relevant) and a strengthened role for Mayors. The

Department for Business and Trade will engage Mayoral Strategic Authorities to shape the Small Business Strategy's development and implementation. This will include consideration of how national, local, and devolved business support schemes – spanning domestic growth, exports, and investment – can best align to increase business growth and productivity. Following wide consultation, the Strategy will also set out further detail of a new Business Growth Service, bringing a range of existing core services under the Business Growth Service banner, working hand in glove with local government, Strategic Authorities, devolved governments, and the Growth Hubs network.

- Work with Mayoral Strategic Authorities and local partners across the North of England in the first instance and then the Midlands and South of England to roll out a tailored export growth programme to high growth businesses in other Mayoral Strategic Authorities.
 - Continue to integrate Growth Hubs into Mayoral Strategic Authorities, with funding forming part of the Integrated Settlement in Established Mayoral Strategic Authorities. This will see Mayoral Strategic Authorities taking the lead in managing and focusing local business support, and delivering a core suite of business growth products, as part of an England-wide Growth Hubs network. (Page 66).
- The Office for Investment will work with Established Mayoral Strategic Authorities to develop and jointly market investible propositions for significant, commercially viable opportunities, in order to land key strategic investments. This offer will be prioritised for Established Mayoral Strategic Authorities initially and extended out to other Mayoral Strategic Authorities where possible. The Office for Investment will also explore establishing a senior official-level forum with Mayoral Strategic Authorities on a pan-regional basis. (Page 67).
 - The Government will continue to work with Strategic Authorities to ensure that the business voice continues to play an important role. (Page 111).

Employment and skills

The White Paper announced that:

- Central to the Government's approach is to provide Strategic Authorities the devolution of non-apprenticeship adults skills funding. For Mayoral Strategic Authorities, this will combine and un-ringfence funding for the Adult Skills Fund, Free Courses for Jobs, and Skills Bootcamps from 2026/27 onwards. For Established Mayoral Strategic Authorities, this will form part of their Integrated Settlements from 2025/26 onwards. Foundation Authorities will continue to receive devolved Adult Skills Fund alongside ringfenced funding for Free Courses for Jobs and Skills Bootcamp. (Page 54).
- The Government will establish joint ownership of the Local Skills Improvement Plans model involving Strategic Authorities and the designated Employer Representative Bodies. Under this model, and subject to any necessary legislation and statutory guidance needed to implement these changes: (Page

54-55).

- Employer Representative Body designation: When designating a new Employer Representative Body, Strategic Authorities will be involved in the process, with their comments informing the Secretary of State's decision to designate. Going further the Secretary of State for Education would not designate (without good reason) an Employer Representative Body unless the Strategic Authority was satisfied in the choice.
 - Local Skills Improvement Plan development: In Strategic Authority areas, Local Skills Improvement Plan development will commence with the Strategic Authority establishing the sector skills priorities and sharing relevant data with the designated Employer Representative Body. These will inform the development of the plan and provide the framework within which it exists, alongside Local Growth Plans, the Industrial Strategy, Skills England's assessment of skills needs, and employer input. The Government will ensure Strategic Authorities and Employer Representative Bodies work together on all stages of the Local Skills Improvement Plan and its governance, with local discretion on the arrangements to deliver this.
 - Local Skills Improvement Plan approval: Strategic Authorities and Employer Representative Bodies will be required to confirm they are both content with the plan before it is sent to the Secretary of State for Education (through Skills England) for approval. In the rare instances where the Employer Representative Body and Strategic Authority cannot agree a Local Skills Improvement Plan, and recognising the vital importance of all parts of the country having up-to-date Local Skills Improvement Plans, it may be escalated to the Secretary of State for Education. However, even in these cases, the new requirement to include the Strategic Authority's sector skills priorities within the Local Skills Improvement Plans would remain. A Local Skills Improvement Plan could not be approved if this was not the case.
 - The Government expects expect Local Skills Improvement Plans to be clearly linked to Local Growth Plans, relevant parts of the Industrial Strategy and Skills England's assessment of skills needs.
 - To ensure the policy is implemented effectively, the Government will align Local Skills Improvement Plan geographies with Strategic Authority geographies wherever possible. Strategic Authorities and Employer Representative Bodies will work with Skills England to ensure insights from Local Skills Improvement Plans are fed into the national picture.
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- The Government will continue to ensure that there is a national and consistent approach to education and training for 16–19-year-olds. However, Mayoral Strategic Authorities have a crucial role in ensuring there are clear pathways of progression from education into both further and higher education and local employment opportunities and the Government will work with Mayoral Strategic Authorities to develop the tools needed to support them in delivering this. Initial steps include: (Page 55-56).

- Ensuring Mayoral Strategic Authorities have regular, structured opportunities to feed their priorities into the Department for Education's annual strategic conversations with colleges to inform and help the further education sector in shaping provision that includes clear pathways of progression from education into further/higher education or local employment opportunities.
 - Working with Mayoral Strategic Authorities to use their convening powers and influence to secure work and industry placements with local employers that relate to 16-19 education, training and career paths
 - Providing joint ownership of the Local Skills Improvement Plan model will also give Strategic Authorities a clear mechanism to help inform the skills offer locally. As part of these new joint ownership arrangements for the Local Skills Improvement Plans model, Strategic Authorities and Employer Representative Bodies can ensure the Local Skills Improvement Plan facilitates opportunities for 16–19-year-olds to undertake apprenticeships, education and training that lead to good quality employment opportunities.
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- As announced in the Get Britain Working White Paper, Strategic Authorities will be responsible for producing a local Get Britain Working Plan, focused on reducing economic inactivity. To support these plans, the Government will devolve funding for supported employment provision to tackle inactivity to Strategic Authorities via grant funding, so they can design and deliver an offer that is shaped around local priorities and provision. For Established Mayoral Strategic Authorities, this funding will form part of their Integrated Settlement. (Page 58).
 - All Mayoral Strategic Authorities will have a role in co-designing any future non-Jobcentre Plus employment support. Their subsequent role in commissioning or delivery will be determined as part of agreeing the policy objectives, design and funding parameters of any future programme. The Government remains committed to ensuring that support remains evidence-based, represents value for money, and is aligned with Department for Work and Pensions delivered support. (Page 58).
 - Established Mayoral Strategic Authorities will play an integral role in the design and delivery of this support, subject to evaluation and readiness conditions being met, with a clear outcomes and accountability framework. The Government will also explore ahead of the next Spending Review whether there is scope for devolution of relevant funding as part of Integrated Settlements, subject to a transition period enabling authorities to demonstrate readiness and build capacity locally. (Page 58).
 - To create a holistic, joined-up employment, skills, and health offer, the Government will work in close partnership with Strategic Authorities to design, develop, and test the National Jobs and Careers Service. These tests will be designed to help discover how to locally shape services, whilst the Government maintains overall accountability for them. As a first step towards developing a

more locally responsive and engaged organisation, the Government will more closely align Jobcentre Plus geographies with existing Mayoral Strategic Authorities. (Page 59).

- The framework also gives Mayoral Strategic Authorities a central role in convening local youth careers provision within the national context. (Page 59).

Housing

The White Paper announced that:

- The Government will strengthen Local Authorities' ability to take over the management of vacant residential premises and introduce large selective licensing schemes to improve conditions in the private rental sector, without requiring the Secretary of State's approval. (Page 94).
- All Mayoral Strategic Authorities will be given control of grant funding to support regeneration and housing delivery. This will be delivered as part of the Integrated Settlement in Established Mayoral Strategic Authorities from 2026/27 onwards. Further details on this will be agreed as part of the Spending Review process. (Page 62).
- All Mayoral Strategic Authorities will now have access to Strategic Place Partnerships with Homes England partnerships, subject to a period of joint working on pipeline development and delivery planning. (Page 62).
- In the short term, the Government will increase Homes England's accountability to Established Mayoral Strategic Authorities. This will include giving Established Mayoral Strategic Authorities the ability to steer and monitor Homes England's progress in delivering on objectives agreed through their Strategic Place Partnerships, and set out in their wider plans, and to escalate any issues to ministers. (Page 62).
- Homes England will move to a more regional and place-based operating model to align its structures and ways of working to the Government's devolution agenda. Homes England will also work with Foundation Strategic Authorities on a targeted basis to develop a shared development pipeline and joint action plan, using a continuous market engagement approach to identify the authorities with capacity for accelerating development. (Page 62).
- Over time, the Government is seeking to move towards full devolution of funds and delivery for affordable housing. As an interim step, Established Mayoral Strategic Authorities will be given the ability – through their Strategic Place Partnerships with Homes England – to set the strategic direction of any future affordable housing programme in their area, including shaping the tenure mix and identifying priority sites for housing development to be supported by grant. As part of this, there will be a clear approach to ensuring responsibility of Homes England to the Mayors (recognising constraints such as market demand) and a clear framework on the specific decisions Mayors will be able to take, agreed

with the Ministry of Housing, Communities and Local Government and to be implemented by Homes England. To support planning, this will include upfront indicative spend per Established Mayoral Strategic Authority, subject to suitable projects being identified. (Page 62-3).

- While it is the Government's ambition for every area of England to be covered by a Strategic Authority, this will be a gradual process... Where no Strategic Authority is in place or is planned to be in place, the Government will take a power through the forthcoming Planning and Infrastructure Bill to direct defined groupings of upper-tier county councils, unitary councils, and in some cases Foundation Strategic Authorities to deliver a Spatial Development Strategy (SDS). Given the intention to have all SDSs produced by Strategic Authorities in due course, the Government believes it makes sense in the first instance for these groupings of Local Authorities to be guided by the sensible geography criteria that have been set out for agreeing new devolution deals... The arrangements for agreeing SDS in areas without a Strategic Authority will follow the same principles as Foundation Strategic Authorities. (Page 64).
- SDSs will guide development for the Local Planning Authorities in the area, and their Local Plans will need to be in general conformity with the Spatial Development Strategy. However, Local Planning Authorities should not delay development of Local Plans while they await the adoption of SDS. Relevant Local Plans should continue to be updated or developed alongside the SDS process. (Page 64).
- Areas will be able to set SDS to enable their area to grow, identify the infrastructure that is needed and strategic locations for development. This will include an obligation to apportion an assessment of the housing need of the Strategic Authority across its constituent members. The Government intends for that assessment to be the cumulative total of the local housing need of each constituent member, as determined by the Standard Method set out in national planning policy. The apportioned figure set for each constituent member in the SDS will then be the minimum housing requirement for the purposes of each member authority's next Local Plan. Agreement on the precise distribution of housing need will be agreed through the SDS development process. The Government expects that the authorities producing SDSs will be able to encourage the pooling of resources and prioritising of efforts across their constituent authorities to meet housing need. (Page 64).
- The content of SDSs will be kept deliberately high level with the dual purpose of preserving detailed policy and site allocations for Local Planning Authorities through their Local Plans, and for enabling strategic plans to be produced quickly, with the intention of achieving national coverage by the end of this Parliament... There will be a formal duty for responsible authorities to consult district councils on the development of the SDS and a route for district councils to raise concerns with the planning inspectorate. (Page 65).
- To ensure universal coverage of strategic plans, the Government will legislate for intervention powers, which will enable the Government to intervene where plans are not forthcoming to the timeframe. These will include directing on

timetables or particular policy content such as the distribution of housing need, through to taking over the preparation of an SDS and adopting it on behalf of strategic planning authorities. (Page 65).

- The Government will also act to give councils stronger tools to improve their housing markets, including removing the requirement to seek approval from the Secretary of State for Housing, Communities, and Local Government for larger selective licensing schemes, so Local Authorities can take more action to tackle specific and persistent issues in private rented sector properties. (Page 100).

Strategic planning

The White Paper announced that:

- All areas, both areas with a Strategic Authority and those without, will be required to develop Spatial Development Strategies over a strategic geography, and within a defined timeframe:
 - In Mayoral Strategic Authorities, Mayors will be empowered to develop and propose the Spatial Development Strategy for their areas, working closely with Strategic Authority members. Spatial Development Strategies will be approved with the support of a majority of constituent members, including the Mayor. In cases of deadlock, the Mayor will have a casting vote, and where the threshold for agreement cannot be reached, Mayors will be able to refer the proposal to the Secretary of State for decision.
 - In Foundation Strategic Authorities, there will be the same requirement and priority to produce a Spatial Development Strategy, although in some cases this may need to be agreed with neighbouring authorities over a larger geography. Where the Strategic Authority covers multiple Local Authorities, members will need to work together to deliver these plans, with the support of a majority of constituent members required to adopt the proposal. Where the Strategic Authority is unable to reach an agreement to a suitable time frame, there will be powers of intervention available to the Secretary of State to ensure the Spatial Development Strategy can be progressed. (Page 61).
- Once a Spatial Development Strategy is in place, Mayors will therefore also have access to development management powers allowing them to intervene in planning applications of potential strategic importance. To support the delivery of strategic infrastructure projects, Mayors will have powers to raise a Mayoral Community Infrastructure Levy. (Page 61).
- Mayors will continue to have powers to apply compulsory purchase orders and to establish Mayoral Development Corporations. The Government will also extend to them the power to make Mayoral Development Orders. Mayors are currently required to secure the consent of the relevant Local Planning Authority to exercise these powers, however, the Government will review these arrangements to ensure they remain fit for purpose in the context of the

strengthened role that Mayors are expected to play in strategic planning and development. (Page 61-2).

- The Government will also provide support for Established Mayoral Strategic Authorities to establish their own public sector land commissions, for example by providing relevant contacts with partners, departments, and stakeholders, and engagement with the Government on specific barriers, opportunities, and sites. (Page 62).

Transport

The White Paper announced that:

- For Established Mayoral Strategic Authorities, the Integrated Settlement will include local transport funding streams, including City Region Sustainable Transport Settlement funding for eligible authorities from the start of City Region Sustainable Transport Settlements 2 in 2027/28. (Page 49).
- Foundation and Mayoral Strategic Authorities will also have funding consolidation, with greater consolidation, autonomy, and flexibility for places with a Mayor. Places will be held accountable through a transport-specific accountability framework with a proportionate outcomes framework and metrics. (Page 49).
- The Government is committed to ensuring long-term financial sustainability for Transport for London and will work with them to develop a plan for achieving this from 2026/27 onwards as part of the Spending Review in the Spring. (Page 49).

Roads

- Mayoral Strategic Authorities will set up and coordinate a Key Route Network on behalf of the Mayor, allowing the most important local roads to be strategically managed. Mayors will hold a Power of Direction over this network to support delivery of their agreed Local Transport Plan. The Government will review the effectiveness of the Power of Direction two years after implementation. (Page 50).
- Responsibility for local roads will remain with constituent authorities, unless otherwise agreed locally. The Government will encourage Strategic Authorities to work to streamline arrangements across their area, for example, through a single set of highway design standards. (Page 50).
- Some Strategic Authorities have taken on some highways functions concurrently with their constituent authorities and the Government will continue to explore if standardised powers would add value. (Page 50).
- Local Transport Authorities will be empowered to regulate on-street micromobility schemes (like hire bikes), so local areas can shape these

schemes around their needs, connect people to public transport, and tackle the scourge of badly parked cycles and e-cycles. (Page 50).

- Subject to consultation, it is proposed that the Government will devolve approval of local Lane Rental schemes to Mayoral Strategic Authorities. Lane Rental schemes enable Local Highway Authorities to charge for works on busy roads at busy times with the aim of minimising disruption. Outside of Mayoral Strategic Authority areas, it is proposed that approval will remain with the Secretary of State. (Page 50).
- To help speed up development, the Government also plans to devolve approvals for stopping up orders nationally, in line with London. These powers allow Local Highway Authorities to permanently close roads, subject to planning consent. Other minor road consents will be devolved to Mayors and Local Highway Authorities and changes to tolls on certain tolled undertakings will be devolved to Mayors. (Page 50).
- National Highways is committed to formalising and strengthening its relationship with Mayoral Strategic Authorities, ensuring a more cohesive approach to the management and development of England's strategic road network alongside local roads. One example is action to address pavement parking at a national level: the Government will publish a formal response to the 2020 pavement parking consultation. The Government will expect Strategic Authorities to play a leading role in developing a consistent approach to enforcement across their area, using available powers as appropriate. (Page 51).

Rail

- The Government will consult on a statutory role for Mayors in governing, managing, planning, and developing the rail network ahead of the legislation required to establish the functions of Great British Railways. Subject to royal assent, the Government will publish guidance outlining the core components that each tier of Strategic Authority can expect, reflecting the need for this to be flexible, place-based, and bespoke. (Page 51).
- Greater reciprocal data-sharing, including through the Rail Data Marketplace, aligning this with the DfT 'open by default' position and the MHCLG-led data partnership principles. (Page 51).
- If they meet transparent criteria, Mayors will also be given the option for greater control over appropriate local stations. The Government will also work with Strategic Authorities to explore how the considerable land value potential in rail-owned land could drive regeneration, commercial and housing opportunities. (Page 51).
- Established Mayoral Strategic Authorities will have a right to request further rail devolution, up to full devolution of defined local services. The Government will publish guidance to establish a clear and transparent process for this. (Page 51).

- Great British Railways will reform the rail ticketing system to make it simpler for passengers and drive innovation. The Government will work in close collaboration with Mayoral Strategic Authorities to deliver these shared ambitions, building on existing pay-as-you-go rail pilots. Priority will be given to Established Mayoral Strategic Authorities in city regions with existing ticketing schemes across other transport modes. (Page 51-2).

Bus and Active Travel

- The Buses Bill will empower all Local Transport Authorities to decide whether to pursue bus franchising, a strengthened Enhanced Partnership, or publicly owned bus companies. The Department for Transport will publish updated franchising guidance and build its capacity to provide tangible support to Local Transport Authorities.
- The Government expects Strategic Authorities to develop plans to decarbonise and reduce air pollution from their local bus fleet, including how and when emissions reductions will be delivered.
- Active Travel England will support Strategic Authorities to increase capability and address skill gaps to ensure a consistent approach to safety and accessibility for all users, with a right to request capability assessments for their constituent authorities. (Page 52).

Measures applicable to all local transport authorities

- The Government intends to:
 - Remove outdated requirements for Secretary of State consent to applications for Special Event Orders, dropped kerbs, conversions of footpaths to cycle tracks, and the construction of cattle grids, as well as exploring further the devolution of traffic enforcement powers. Removing Secretary of State consent requirements will empower local leaders and speed up decision making.
 - Further simplify local transport funding matched to the key transport modes and functions.
 - Set an expectation to develop an electric vehicle chargepoint strategy. This could be done within the Local Transport Plan.
 - The Government will consult on whether to make all Local Transport Authorities (including Strategic Authorities) responsible for taxi and private hire vehicle licensing. (Page 53).

Local Transport Plans

- To make sure Local Transport Plans are as effective as possible, the Government will:
 - Require that Local Transport Plans have regard to all other Strategic Authority plans and strategies, like the Spatial Development Strategy.

- Require that constituent authorities carry out their functions with regard to the Local Transport Plan – for example, where they are using their powers over local roads
- Update the framework for Local Transport Plans, including publishing new guidance to support integrated local transport networks across the country. (Page 54).

High streets and town centres

The White Paper announced that:

- The Government has retained the Long Term Plan for Towns and will reform it into a new regeneration programme. The programme will work in partnership with 75 towns across the UK. The programme will build capacity by developing and strengthening the skills, resources, structures and capabilities of individuals and organisations to drive and sustain improvements for local residents. The Government will ensure that it is shaped and delivered for the long-term by the communities it is intended to benefit. (Page 93).
- The Government will replace the community ‘Right to Bid’ with a strengthened ‘Right to Buy’ Assets of Community Value, creating a more robust pathway to community asset ownership. The Government will support community ownership by funding projects through the Community Ownership Fund in 2024/25, allowing communities across the country to purchase cherished assets that are at risk of being lost. (Page 94).
- The Government will seek to support high streets by strengthening Business Improvement Districts, while ensuring they operate to high standards and are accountable to their communities. (Page 94).
- The Government is also committed to giving Local Authorities greater control over the location of local establishments to support healthier lifestyles, improved socioeconomic outcomes, and high street vitality. The Government will explore giving Local Authorities support and new discretionary tools to manage their proliferation and limit their access by vulnerable communities (Page 95-96).
- The Government will look to complement Local Authorities’ existing powers in relation to gambling outlets to refuse or place conditions on premises licences in line with measures outlined in the gambling white paper published in April 2023. (Page 96).

Culture, heritage, sport and the visitor economy

The White Paper announced that:

- The Department for Culture, Media and Sport is reviewing how funding is currently allocated and delivered, alongside a review of Arts Council England

to ensure every part of the UK has the chance to access the arts and see themselves reflected in the national story. (Page 71).

- The Government will work with Mayors and Local Authorities to devolve the levers of growth in these sectors. The Government will work with Mayors and Local Authorities to ensure decisions about funding are made with them and, where possible, align with Local Growth Plans. The Government will also coproduce an ambitious, transformative National Youth Strategy that will have a particular focus on empowering young people to have a strong voice in local government and the issues that matter in their communities. This new Strategy will be published next year. (Page 71).
- Public appointments to major cultural institutions have not been representative enough. Working with Mayors and Local Authorities, the Department for Culture, Media and Sport will set out further plans on this shortly. (Page 71).
- The Department for Culture, Media and Sport will also review the data that it collects and publishes to ensure it provides a better picture of regional and local impact and investment. (Page 72).
- The Department and its Arm's Length Bodies will also explore the potential for deeper, collaborative partnerships with Strategic Authorities to share expertise across culture, heritage, sport, communities, and the visitor economy, opening up opportunities for joint working and alignment between organisations. (Page 72).

Health

The White Paper announced that:

- The Government is introducing a new bespoke duty in relation to health improvement and health inequalities... The Government will engage Strategic Authorities, Local Authorities and the NHS as they take this forward. (Page 79).
- The Government will therefore work with stakeholders to identify areas where alignment and closer working can be facilitated where there is a clear rationale for doing so, and where the benefits in aligning geographical boundaries significantly exceed any costs and risks incurred. (Page 79).
- To support better join-up between Strategic Authorities and Integrated Care Systems, the government expects that Mayors (or a delegate) will be appointed to one or more relevant Integrated Care Partnerships in their local area. The Government will also establish an expectation that the Mayor or a delegate is considered for the position of Chair or co-Chair of the Integrated Care Partnership, alongside Local Authority, Integrated Care Board and independent chair options. (Page 79).
- The Government will further set an expectation that Integrated Care Boards will engage with Mayors during the Integrated Care Board Chair appointment

process and will involve them in setting their priorities and developing their plans. (Page 79).

- The Government will keep under consideration the powers and levers that should be made available to Strategic Authorities to support delivery of improvements in health outcomes and maximise impact on the health and growth missions. (Page 79).

Public safety

The White Paper announced that:

Police and fire

- Where mayoral geographies align with police force and fire and rescue geographies, Mayors will be, by default, responsible for exercising Police and Crime Commissioner and Fire and Rescue Authority functions. The government is committed to increasing the number of Mayors who take on Police and Crime Commissioner and Fire and Rescue Authority responsibilities. Alignment with police and fire services boundaries will therefore be a key consideration in the negotiation of new Strategic Authorities. (Page 83).
- Where Strategic Authorities do not currently align with these boundaries, or where alignment is not appropriate for new devolution areas, the Government will take steps to ensure alignment over the longer term. (Page 83).
- The Government will also explore whether a single Mayor can take responsibility for Police and Crime Commissioner and Fire and Rescue Authority functions across two or more police forces or two or more Fire and Rescue Authorities, where this would result in coterminous boundaries, and bring forward any legislative changes as part of the English Devolution Bill. (Page 83).
- Where there is a clear case in the interests of public safety, the Government will also enable police and fire boundaries to be altered incidentally upon the transfer of Police and Crime Commissioner and Fire and Rescue Authority functions to Strategic Authority Mayors, something that will be considered on a case-by-case basis to ensure the continued efficiency and effectiveness of policing and fire functions. (Page 83).

Offender rehabilitation

- The Government will work closely with Mayors to explore how their skills, employment support, health, and housing levers can be better brought together at local level to support rehabilitation and reintegration of offenders into society. (Page 85).
- In the long term, the Government will explore greater alignment of probation boundaries in England with Mayoral Strategic Authorities, particularly in cases

where Mayors have taken on Police and Crime Commissioner functions. (Page 85).

Local Resilience

- The Government will support Strategic Authorities to adopt a clear role in building resilience across their areas and in working with local resilience structures. (Page 85).
- The Government will encourage close working and partnership between Strategic Authorities and the Local Resilience Forums within their areas. In July 2024, the Government announced a review of national resilience in response to the publication of the Covid Inquiry Module 1 Report, and this review will also consider recommendations from the Grenfell Tower Inquiry Report. The review is ongoing and will inform the development of resilience responsibilities adopted by Strategic Authorities. (Page 85).
- Depending on the outcomes of this review, the Government may amend the Civil Contingencies Act 2004 to recognise Strategic Authorities as a categorised responder, meaning that they would adopt the duties and responsibilities of a member of the Local Resilience Forum. Further guidance would also be required to help Strategic Authorities undertake these duties. (Page 85).

Environment and climate change

The White Paper announced that:

- Great British Energy will be tasked to work with local government through the Local Power Plan to support the roll out of small-medium renewable energy projects at the local level. This is expected to provide support for Strategic and Local Authorities (as well as community energy groups) to deploy up to 8GW of additional power from small-medium sized generation projects by 2030, and to help Strategic and Local Authorities to build their own pipelines of successful projects. The Government will engage closely with the North East, South Yorkshire, West Yorkshire, and Liverpool City Region Mayoral Combined Authorities, during the current rounds of the national schemes, to prepare and transition delivery by, at the latest, 2028. (Page 74).
- The Department for Energy Security and Net Zero is moving towards a simplified, allocative approach for funding schemes, for example via Strategic Partnerships in the social housing scheme, which will pave the way for further devolution of the delivery model for the Warm Homes Plan. (Page 74).
- To give Strategic Authorities a meaningful role in planning the future energy system, the National Energy System Operator will engage with them as it develops Regional Energy Strategic Plans and provide a transparent route for local insights to inform energy system planning. (Page 75).

- The Government is committed to establishing heat network zoning in England. Zoning coordinators within Strategic Authorities will be able to designate areas as heat network zones, enabling the most appropriate level of local government to assume the role of heat network zoning coordinator and play a key role in the delivery of heat decarbonisation. (Page 75).
- The Government will begin the transition by enhancing the roles and functions of the responsible authorities for Local Nature Recovery Strategies. The Government will empower these authorities, which are already operating at county or combined authority scales, with a clear mandate to take a leadership role on Local Nature Recovery Strategies and wider environmental delivery...Over time, the Government envisages Strategic Authorities will be appointed the Local Nature Recovery Strategies responsible authority where they are not already. (Page 76).

Innovation

The White Paper announced that:

- The Government will build on existing commitments to support effective innovation partnerships by empowering regional innovation decision-making through stronger direct connections with UK Research and Innovation. This will include:
 - Building on the lessons learned from the successful innovation accelerator pilots, the Government will work with Established Mayoral Strategic Authorities to develop a future regional innovation funding programme as part of the second phase of the Spending Review. This will allow local leaders to develop bespoke innovation support offers for their regions and deliver these in partnership with UK Research and Innovation, based on their capability and the maturity of their local innovation ecosystems.
 - UK Research and Innovation extending its regional partnerships and network of embedded points of contact with Mayoral Strategic Authorities that are committed to work collaboratively on innovation, ensuring they are strategically involved in the development and delivery of future strategies and investments.
 - Innovate UK collaborating with all Mayoral Strategic Authorities to produce joint plans that shape long-term innovation strategies and investments in places.
 - Publishing UK Research and Innovation data on the location of investments to help Strategic Authorities to understand publicly supported innovation activity in their region and how to best take advantage of it.
 - Establishing annual engagement between the Mayors of Established Mayoral Strategic Authorities and the Science Minister, plus more regular senior engagement with UK Research and Innovation senior leaders.

- Consulting with Established Mayoral Strategic Authorities on the development of relevant Department of Science, Industry and Technology and UK Research and Innovation strategies. (Page 69).

Data

The White Paper announced that:

- The Government will establish a new Mayoral Data Council to integrate senior data leaders from Mayoral Strategic Authorities into central decision-making on data issues that affect them. It will champion better data and better use of data, as well as improved data sharing. The Data Council will input into the Mayoral Council and the central government digital and data function. The Council will also look to collaborate with Devolved Governments where appropriate. (Page 44).
- Together with relevant government departments, the Mayoral Data Council will refine and implement the data partnership principles, which were co-developed with Greater Manchester and West Midlands Combined Authorities through the trailblazer deals. These set out how central government and Strategic Authorities will work together for the legal, safe and secure sharing of data, to make accessing data easier and more streamlined. The principles will support and streamline negotiations with individual government departments over access to priority datasets. (Page 44).
- The Government will support Office for National Statistics (ONS) to lead a refresh of the government's subnational data strategy, in which they seek to drive the delivery of better local statistics in collaboration with the Devolved Governments and draw on findings from the recent Lievesley Review. The Government will also continue to engage with the ONS in meeting the ambitions of that strategy through their local data and insight programme. (Page 45).
- To boost the data and analytical capacity of Strategic Authorities the Government will provide continued support for ONS Local to gather user needs and understand data gaps, provide data access, analytical support, and capability to local data leaders. (Page 45).
- Strategic Authorities will be consulted on the development and operation of cross-government services that enable easier data discovery and access, as stakeholders alongside central government departments. Examples of current data discovery and access initiatives include the Data Marketplace, National Data Library and the Integrated Data Service. (Page 45).
- The Government will legislate to broaden the scope of the Digital Economy Act 2017 public service delivery powers via a provision in the Data (Use and Access) Bill – to allow for information sharing to improve public service delivery to businesses. The Government will also work with Strategic Authorities to consider establishing data sharing initiatives under the Digital Economy Act. The Government will assess existing data governance practices (including information sharing agreements) and aim to streamline these processes in

compliance with the relevant Codes of Practice and data protection legislation. (Page 45).

- The Government are committed to improving the efficiency of data collection while improving data consistency and completeness through the adoption of data standards. (Page 45).
- Any and all potential options to increase access to data will, where applicable, respect the provisions in the Data Protection Act 2018, UK General Data Protection Regulation in order to achieve compliance in design, the common law duty of confidentiality and the requirement for Local Authority consent to any future data sharing arrangements. (Page 45).

Next steps

The White Paper announced that:

- The Government intends to group areas at similar stages of progress, prioritising those minded to work towards mayoral models of devolution. (Page 112).
- The Government will invite a number of places to join the Devolution Priority Programme. This will be for certain places that are able to come together under sensible geographies which meet the criteria, and where they are ready to achieve mayoral devolution at pace. This programme will aim to deliver institutions and have Mayors elected in the May 2026 elections, and provide certain places with the full backing of government to deliver to these ambitious timescales. Places will be able to further strengthen their voices and agency in deciding what is right for their areas, including accessing the new powers in the revised Devolution Framework and ultimately taking their seat at the Council of the Nations and Regions. The Government will announce the areas included in the Devolution Priority Programme in due course. (Page 112-3).
- The Government has already announced at the 2024 Autumn Budget that Mayors in West Yorkshire, the North East, Liverpool City Region, and South Yorkshire will join those in Greater Manchester and the West Midlands in being granted a full Integrated Settlement from next year. The Government will work with these areas to ensure they can access the non-statutory elements of the new Devolution Framework as soon as possible, and to support them to be ready for the passage of the additional statutory powers into law. (Page 113).
- The Government will also engage with other Mayoral Strategic Authorities looking to demonstrate they qualify for 'Established Mayoral' status to help them demonstrate they are ready. The Government has committed to update the Devolution Framework over time. The Government will also consider proposals raised with them at the Mayoral Council from existing and new Mayoral Strategic Authorities ahead of the Devolution Bill getting Royal Assent. (Page 113).

- The Government will encourage and facilitate Strategic Authorities working together with Arm's Length Bodies, third party providers and government departments where necessary in the use of their Devolution Framework functions. (Page 113).
- The Government will work with Mayors to: (Page 114).
 - Identify a set of jointly agreed shared priorities, which will guide action and collaboration in delivering their statutory requirement to develop Local Growth Plans.
 - Establish the Mayoral Data Council, bringing together data leads from across central and local government, to review and implement the data partnership principles.
 - Set up a new working group with the Greater London Authority to compare the powers and policy approaches of other global city authorities.
- The Government will target engagement with Mayors and Strategic Authorities to shape how to deliver reforms on: (Page 115).
 - New freedoms for Local and Strategic Authorities, on removing the requirements for Secretary of State consent they are required to seek on use of their powers and byelaws.
 - The areas of competence for Strategic Authorities and how these are supported by the powers to deliver against them.
 - How best to reflect devolution into policymaking, where these are appropriate for local delivery and in their areas of competency. This includes feeding back proposals, developing the ambition for public sector boundary realignment, and how to ensure Non-Departmental Public Bodies and Arm's Length Bodies build in Local Growth Plans and Spatial Development Strategies to their work.
 - The future of the Scrutiny Protocol to continue to improve the standards of scrutiny locally.
 - How to deliver external scrutiny of value for money of local public spending, particularly where freedoms and flexibilities of the Integrated Settlement are being utilised. The wider reform of audit will include consideration of how to support and provide external assurance on this.
 - Considering a single point of accountability for value for money, exploring Local Accounting Officers and Local Public Accounts Committees models to enhance the accountability of Strategic Authorities.
Considering how to ensure transparency and oversight of decision-making and activity conducted by the bodies that Strategic Authorities establish.
 - Boosting capacity support for institutions, looking at what would best support them.
 - Delivering data reform, developing a comprehensive vision for local government data.
 - Effective voting arrangements for strategic planning. (Page 114-15).

- Work with Local Authorities and the wider local government sector to:
 - Identify where more freedoms can be provided for Local Authorities to use powers without central approval.
 - Develop proposals to improve support and development for councillors, as well as addressing barriers to attracting and retaining elected members.
 - Consult on local government standards.
 - Set out a vision for radically simplifying the local audit system, including an intention to establish a new body for local audit. The Government will engage with key stakeholders on a separate document, which will set out the vision in more detail.
 - Establish a local government workforce development group, run in partnership with the sector, to identify practical solutions to workforce recruitment and retention.
 - Work with individual areas on local government reorganisation, inviting proposals from all remaining two-tier areas and those unitary councils where there is evidence of failure or their size or boundaries may be hindering their ability to deliver sustainable and high-quality services to their residents. The Government will facilitate delivery of an ambitious first wave of reorganisation in this Parliament.
 - Develop further proposals for public service reform and prevention, alongside place-based leadership models. The areas of competence for Strategic Authorities and how these are supported by the powers to deliver against them.
 - Confirm effective strategic planning voting arrangements outside of Strategic Authorities.

English Devolution White Paper



Briefing for MPs

Date: 9th January 2025

Contact: DCN@local.gov.uk

Summary of DCN Position

- DCN supports devolution and wants more power to be transferred to our local places. We broadly welcome the proposals in the English Devolution White Paper to create Strategic Authorities across England.
- However, DCN has real concerns about the way the Government intends to reorganise local government.
- DCN thinks there is a case for considering whether reorganisation of councils beneath the Strategic Authority level could help deliver devolution or other benefits. DCN is not opposed to Local Government Reorganisation on principle. However, DCN's strong view is that any reorganisation must:
 - genuinely enhance local services and local democracy;
 - be broadly supported by local residents; and
 - be designed in close collaboration with and have the agreement of the whole local government sector, including district councils.
- DCN is concerned that the White Paper will not deliver the right type of reorganisation. In particular, the emphasis on creating unprecedentedly large unitary councils with an arbitrary minimum threshold of 500k population and no reference to the size of the geographic area or other local circumstances is highly problematic.
- Very few existing unitary councils have a population over 500k. The average population of county-area unitaries created between 1990 and 2023 is 288k. There is no clear basis for the Government to propose a minimum threshold almost twice as large.
- DCN's view is that large councils of 500k plus population are unlikely to work because they would be remote organisations with a weak link to local places and little capability to deliver the place-based services that are essential for creating jobs, growth, better health and more prosperous communities:
 - This is especially true in the countryside where bigger councils in large, sparsely populated areas will further undermine rural communities' access to services and democracy.
 - It would also risk diluting the growth prospects and strategic position of cathedral cities and other high-growth places in district areas.
- DCN disagrees with the Government's suggestion that there are too many councillors in England and that cutting their number will increase democratic accountability. We are concerned that large councils would make it difficult to retain current levels of democratic representation and would risk eroding local democracy:
 - District councils have a much lower number of residents per councillor than unitary councils: 2,874 vs. 4,630. They also have smaller ward sizes. This makes it easier for residents to access their local elected representatives and for councillors to know and represent their residents and their often-complex needs.
 - Creating single county unitary councils and preserving the current resident/councillor ratio for unitary councils would require more than 150 councillors for a new unitary council in most county areas and more than 200 councillors in the biggest counties.

- In DCN's view there is no good evidence to support the Government's stated reasons for pursuing reorganisation on a large footprint:
 - **Efficiency savings:** it is certain that reorganisation will bring substantial upfront costs. It is much less certain and, in many cases, unlikely that savings will materialise in the real world at the quantum and in the timeframe the Government hopes for. Recent experience of creating larger unitary councils shows it is not a panacea for dealing with deep financial problems in the sector, let alone delivering net savings.
 - **Service transformation:** most of the council services on which residents and businesses rely are frontline, place-based services that are most effectively delivered by organisations close to local communities. Creating large unitary councils would leave no localised bodies to concentrate on service delivery. A prolonged period of organisational upheaval would distract councils from the important job of delivering new homes and jobs, improving health and tackling inequality.
 - **Workforce resilience:** there is no evidence that the challenges in recruiting and retaining high-calibre staff are confined to smaller councils or would be reduced by creating larger councils. In the short to medium term it is very likely that the prospect of reorganisation will make recruitment even harder, especially in roles and professions that are important for delivering housing and growth.
 - **Simplicity and accountability:** there is no evidence that citizens find two-tier government confusing. District councils have higher levels of resident satisfaction and trust than other parts of government. The international evidence is much clearer that larger councils tend to have a negative impact on democratic accountability, especially trust in councillors, public engagement and voter turnout.
- Finally, DCN is concerned that the White Paper proposals include no role for local public consultation on reorganisation proposals. They do not contain any binding provisions that reorganisation proposals must have wide collective buy-in from all local councils in the area.

The changes we are seeking

- DCN believes there could be merit in reorganisation if it is done in the right way and meets key tests. These are that any proposals must:
 - have real local buy-in from residents and from a wide range of councils and other public service organisations in the area. Local areas should be free to decide what is best for them and should not have arbitrary criteria or rigid solutions imposed by central government.
 - keep local government genuinely local and connected to local places.
 - preserve real local democratic accountability and ensure residents continue to have a demonstrably close link to the councillors who represent them.
- DCN wants to support all two-tier areas to secure a devolution deal and a reorganisation approach that works for them. We believe that in most places that would mean any new unitary council should be smaller than 500k population.
- DCN asking for your support to:
 - give local places the space, time and flexibility to come up with proposals that reflect local circumstances and have genuine buy-in from all local councils in the areas.
 - remove arbitrary, centrally directed criteria such as fixed minimum population sizes that would create large, remote, less accountable councils.
- In short, DCN wants to make a positive case for the right type of structural reform that preserves and deepens the value currently delivered by district (and other smaller) councils. This value stems from district councils' influence over place and our detailed knowledge of our residents and communities.

How you can support district councils in your area

- If your local district or unitary councils are concerned about the Local Government Reorganisation proposals in the White Paper, we encourage you to work closely with them to understand what their concerns are and to push ministers to accept a better proposal that works for your area.
- This briefing note includes some of the points you may want to make in your engagement with ministers and in parliamentary interventions.
- **DCN is available to support you with more detailed briefing to support you with written and oral parliamentary questions or with other parliamentary debates. Please contact dcn@local.gov.uk**
- We have included additional supporting material in the section below.

Supporting information

Efficiency savings

- The argument that Local Government Reorganisation (LGR) will inevitably bring substantial cost savings is weak:
 - It is certain that reorganisation will bring substantial upfront costs e.g. redundancy, consultancy, set-up costs. It is probable that the upfront cost will be £20m or more in most county areas.
 - It is much less certain and, in many cases, unlikely that savings will materialise in the real world at the quantum and in the timeframe projected.
 - The Government is relying on the 2020 County Councils' Network/ PwC report. This claimed that LGR could – in a best case - deliver £3bn net savings over 5 years and a recurring saving of £700m per year. But this report is very old and significantly overstates the likely savings, in particular:
 - It predates the surge in demand for adult social care, children's services, SEND and temporary accommodation, which is expensive for councils to meet and reduces the scope for efficiency savings.
 - Many councils in two-tier areas have already delivered significant efficiency savings since 2020, for example by creating shared services or shared management teams.
 - The analysis does not factor in further efficiency savings that could be made by existing councils without the need for reorganisation.
 - The analysis does not sufficiently factor in optimism bias nor does it cover the real cost of recent unitarisation.
 - Recent experience of creating larger unitary councils shows it is not a panacea for dealing with deep financial problems in the sector, let alone delivering net savings. For example, one new unitary council is receiving almost £80m in Exceptional Financial Support from the Government in 2024-25 compared to the almost £20m per year savings forecast when it was created in 2023.
- International evidence consistently shows councils of all sizes can be efficient, effective, perform well and reduce costs.
- DCN disagrees that the two-tier system comes with a substantial cost premium:
 - Total aggregate net revenue budget for the 164 district councils in England is only £3.6bn. This is only £182 per resident. It is only 2.5% of total local authority net expenditure in England.
 - Less than 20% of district council funding comes from the Exchequer.
 - Less than 10% of the total council tax precept in two-tier areas goes to district councils. In many places the district precept is lower than the Police and Crime Commissioner (PCCs) precept. In some cases it is lower than the town/parish council precept. Town/parish councils and PCCs both have greater flexibility than districts to increase council tax.
 - Districts deliver a wide range of value-adding, frontline services and are good value for money.

Democratic accountability

- International evidence consistently shows that local democracy and citizen engagement is more likely to be damaged the larger local government becomes.
- Local government in England operates in a highly centralised system and is poorly placed in the international Local Autonomy Index when compared to other nations.

- More detail is available in two reports: [Bigger Is Not Better \(2021\)](#) and [Bigger Is Still Not Better \(2022\)](#)
- Local Government Reorganisation is almost certain to dilute the resident/councillor ratio in England. One of the strengths of district councils and the two-tier system is the close link between councillors and the residents they represent.
- Councillors are more often than not community champions first and foremost before they are politicians. The loss of hundreds, if not thousands, of community champions is likely to have a serious negative impact on community cohesion.
- Creating large unitary councils is likely to mean that councillors represent much larger wards. This will bring a larger volume of casework, which will be more complicated because it will cover the wide range of services currently provided by districts as well as social care, children's services and other 'upper tier' services.
- District councils have a significantly lower ratio of residents per councillor than existing unitary councils, London boroughs or metropolitan districts: 2,874 vs 4,630 (average for all types of unitary council).
 - If single county unitary councils were created, they would need to have significantly more than 100 councillors per council to preserve the current resident/councillor ratio for unitary councils.
 - In most county areas, councils would need to have more than 150 councillors to preserve the ratio. In the biggest county areas there would need to be more than 200 councillors.

Electoral Quotient Data

Council Type	Population (Mid-2023)	No. of councillors	Residents per councillor
Shire District Council (two-tier)	19,699,661	6,855	2,874
Shire County Council (two-tier)	19,699,661	1,402	14,051
Unitary Council: County Unitary*	4,250,158	797	5,333
Unitary Council: District Unitary **	12,303,484	2,817	4,368
Metropolitan District: Unitary	12,348,576	2,396	5,154
London Borough: Unitary	8,931,847	1,818	4,913

Source: Local Government Boundary Commission for England

* Includes larger unitary councils typically formed from amalgamation of former district councils and a single former county council e.g. North Yorkshire Council, Cornwall Council.

** Includes smaller unitary councils typically formed from amalgamation of former district councils and part of a former county council e.g. North Northamptonshire, West Berkshire and also smaller city/town unitaries e.g. Peterborough, Portsmouth, Plymouth, Brighton & Hove

To maintain the same ratio of representation as existing unitary district, metropolitan districts and London boroughs (4,630 residents per councillor), a single county unitary would require the following number of councillors:

Two Tier Area	# councillors needed to preserve level of representation	Two Tier Area	# councillors needed to preserve level of representation
Kent	348	Derbyshire	175
Essex	332	Lincolnshire	169
Hampshire	309	Suffolk	168

Lancashire	274	Leicestershire	167
Surrey	265	Oxfordshire	162
Hertfordshire	263	Cambridgeshire	151
Norfolk	201	Gloucestershire	142
West Sussex	195	Warwickshire	133
Staffordshire	194	Worcestershire	133
Nottinghamshire	182	East Sussex	120
Devon	180		

Resident satisfaction

- [Polling conducted for DCN by BritainThinks](#) in 2023 revealed greater name-recognition for district councils than for the far larger county councils: 59% of residents were able to identify their district, compared to 32% their county council.
- 54% of people expressed satisfaction with their district council, compared to 46% for county councils. 63% of people described their district council as high-quality.
- Districts were more trusted to boost local pride, bring local people's views into decision making, tackle social issues and respond to local emergencies than county councils or national government.

Metric	District Council	County Council	National Government
Helping people to feel proud of their local area	66%	28%	6%
Bringing the views of local people into decision making about my local area	62%	32%	6%
Tackling social issues in our neighbourhoods	62%	31%	8%
Responding and dealing with emergencies in the community	51%	39%	10%

BRIEFING NOTE**MOTION: TO SUPPORT THE DECISION TO LOCATE THE NEW ROYAL LANCASTER INFIRMARY IN SOUTH LANCASTER**

This Council applauds the New Hospitals Programme's decision to buy land in Bailrigg East in readiness for building a replacement Royal Lancaster Infirmary. This site is located to the south of the City Centre, in close proximity to Lancaster University. It is immediately adjacent to the Health Innovation Campus, offering obvious benefits for training, research and close partnership working between the NHS and the University.

The development of a new hospital in South Lancaster brings opportunities to improve key infrastructure (such as J33 of the M6), enhance the existing well established and frequent public transport links, and bring forward residential developments that better enable active transport to work options for NHS staff.

The current Royal Lancaster Infirmary building is crumbling and past its sell by date. The staff do a brilliant job, creating fantastic care and support for the patients, but are hampered by a lack of good facilities. The new hospital will be designed and built to the national 'Hospital 2.0' guidelines and will be state-of-the-art, net-zero-carbon facilities. This development will not only enhance the environment for both patients and staff but will also ensure we are well-prepared for the future of healthcare delivery, giving the opportunity to design a hospital that is fit for the needs of our future population, based on local data and clinical expertise.

After the previous Conservative Government infamously failed to deliver its manifesto pledge of building 40 new hospitals, the new Labour Government is to be congratulated for finally moving forward with plans for a much-needed new hospital for Lancaster.

Council resolves that:

The Chief Executive writes to the Secretary of State for Health and Social Care, Cat Smith MP and Lizzi Collinge MP, to express Lancaster City Council's support for the action taken to secure the site and its suitability as a location for the replacement Royal Lancaster Infirmary.

A full response to the public consultation is prepared on behalf of the Council by Business Committee at the appropriate time.

PROPOSERS:

The motion is proposed by Councillor Jean Parr.

The motion is seconded by Councillor Phillip Black.

OFFICER BRIEFING NOTE

Background

The New Hospital Programme is a programme of national investment in healthcare infrastructure. The Programme is currently subject to Government review, which aims to “consider the options for putting the New Hospital Programme onto a realistic, deliverable and affordable footing”. A new build Royal Lancaster Infirmary (RLI), to replace the existing Infirmary, forms part of the New Hospitals Programme and is one of a number of sites within the scope of the national review.

Notwithstanding this, on 2 December 2024 the University Hospitals of Morecambe Bay (NHS Foundation) Trust (UHMBT) announced that they have secured their preferred site for the proposed new hospital. The preferred site is at Bailrigg East, located north of Lancaster University, off the A6.

In announcing this preference, the UHMBT have undertaken a comprehensive review of sites (including plot size for anticipated design requirements), location (including proximity to existing site), motorway access, existing highways infrastructure, public transport, planning and environmental conditions has been undertaken to assess sites for their suitability.

A new RLI will allow UHMBT to address the significant problems caused by the current, ageing buildings at the RLI. In making the announcement, the UHMBT said:

“We have the opportunity to create a legacy, with a hospital specifically designed for the needs of our population, improving their experience and giving them the best clinical care. We additionally have significant ambitions to create facilities that are digitally innovative, much more cost effective, and with a reduced carbon footprint.”

The announcement of a preferred site at Bailrigg East does not preclude the submission of alternative sites. The criteria for consideration of an alternative site has been published by UHMBT and is available at <https://newhospitals.info/news/guide-submitting-potential-site-replacement-royal-preston-hospital-or-royal-lancaster-infirmary-consideration>

UHMBT have made it clear that no final decisions have been made, and any such decision would be subject to full public consultation by the NHS at a later date.

A helpful ‘frequently asked questions’ webpage has been created regarding the New Hospitals Programme, and this can be viewed at <https://newhospitals.info/information-hub/faqs>

The Proposed Council Resolution

The proposed resolution asks that the Chief Executive to write to the Secretary of State for Health and Social Care, and to both MPs, expressing the Council’s support for the action to secure the site and its suitability as a location. The Resolution also states that a response to the public consultation (via the Council’s Business Committee) should be drafted at the appropriate time.

In drafting any such letter, the Council has to ensure that it does not fetter its potential future decision-making (i.e. local planning authority) functions. Therefore, it would be more appropriate to offer congratulations more generally, i.e. for advancing the Programme to the current stage. Council could also choose to offer its support to help inform and enable the NHS to make a final site decision, following full public consultation.

With regard to the submission of a response to any future public consultation, the appropriate

route would be via Council Business Committee.

SECTION 151 OFFICER'S COMMENTS

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

MONITORING OFFICER'S COMMENTS

The Monitoring Officer has been consulted and has no more comments to add to those already in the Officer Briefing Note

BRIEFING NOTE**MOTION: OF SUPPORT FOR THE EXTENSION OF POWER GENERATION AT HEYSHAM 1 AND 2 POWER STATIONS**

This Council welcomes last month's announcement that following a detailed technical review of the power stations, EDF's licensee board has decided to extend generation dates for Heysham 1 by one year to 2027 and Heysham 2 by two years to 2030.

This decision is great news for Heysham and the wider local community. The power stations are a provider of high skill, high wage jobs, and the extension of the generating life of the power stations secures employment for more than 1,500 staff and contractors. The power stations are anchor institutions, with supply chains and spending power boosting the local economy. They are also a major source of business rate revenue for the Council, whose significant contributions help secure a higher standard of local services and protect more Council jobs than would otherwise be possible.

This decision is also excellent news nationally. Extending the generating lives of the Heysham stations will bolster the UK's security of supply and support plans for the rapid expansion of renewables by helping to maintain grid stability. Nuclear power is a low carbon source of energy, and a key element of the Government's strategy to provide clean power by 2030. Ensuring the baseload with nuclear power also helps limit the UK's dependence on imported gas, a regrettable situation which has caused an energy crisis and led to inflated household bills.

Council has confidence in the safety considerations underpinning this decision. We note that ongoing generation from the stations will ultimately depend not on decisions by EDF, but on the outcome of future inspections, the results of which are reviewed by the independent regulator, the Office for Nuclear Regulation.

Looking to the future, Council notes that Heysham is a location earmarked by the Government for the potential siting of one or more Small Modular Reactors (SMR), that EDF is an approved development partner for these new technologies, and that the first reactors of this type are intended to be delivered by 2029. Council supports bringing 'New Nuclear' to Heysham and welcomes the continuation of the benefits this would bring to both our residents and the rest of the UK.

Council resolves that:

The Chief Executive will write to the Secretary of State for Energy and Climate Change, Cat Smith MP and Lizzi Collinge MP, welcoming the generating life extensions to Heysham 1 & 2, and conveying our support for bringing New Nuclear to Heysham.

That we publicise these views via our various communications channels.

That a full response to any consultation on New Nuclear is prepared on behalf of the Council by Business Committee at the appropriate time.

PROPOSERS:

The motion is proposed by Councillor Phillip Black

The motion is seconded by Councillors Louise Belcher, Colin Hartley, Jean Parr, Martin Gawith, Ruth Colbridge, Catherine Potter, Margaret Pattison, Jason Wood, Chris Hanna and Roger Cleet.

OFFICER BRIEFING NOTE

Background

EDF acquired Heysham 1 and 2 power stations in 2009. At that time they were due to end power generation by 2023. Since then, following a programme of considerable investment, both power stations have benefitted from several lifetime extensions.

The benefits arising from the lifetime extensions, including the most recent announcement on 3 December 2024, are described in the Motion and officers have nothing further to add.

In respect of the future of the site and the potential for the siting of Small Modular Reactors or other similar technologies, the Council’s adopted Local Plan (July 2020) includes a policy which seeks to support the construction of any nuclear new build at the site. It also seeks to ensure that the existing nuclear facilities are protected from inappropriate development.

The Council has commenced a review of the Local Plan, which will be able to reflect changing circumstances regarding the site. EDF will be a major stakeholder as the plan-making process evolves. The Local Plan will also be subject to statutory periods of public consultation.

The Proposed Council Resolution

Officers have no further comments to add to the proposed resolution, other than to confirm that any future public consultation response regarding New Nuclear proposals would be considered by Council Business Committee.

SECTION 151 OFFICER’S COMMENTS

All Members will be aware of the significance of both nuclear reactors to the Council’s finances through its business rates contributions.

Whilst the extensions to both reactors are welcome, the effect of the revised decommissioning dates will still have a significant impact of the Council, the impact of H1 in 2026/27 is highlighted in the Medium-Term Financial Strategy reported elsewhere on this agenda.

The Council maintains a Business Rates Retention Reserve to mitigate the fluctuations in Business Rates income, however given the size of the income reduction it is inevitable that the Council will collect less Business Rates Income than Central Governments assessed Baseline. As a result, it is likely the Council will be captured by the Governments “safety net” scheme which compensates Councils to 92.5% of the Baseline, this results in a funding short fall which will require a significant draw on reserves to maintain forecast levels of expenditure.

A further complication is the proposed baseline reset, which will consolidate business rates growth into a reset baseline. Under the current scheme Councils are allowed to retain 50% of growth over their baseline. The timing of the decommissioning of the nuclear power stations together with its impact on the revised baseline pose significant financial risks to the Council.

MONITORING OFFICER’S COMMENTS

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



Local Government Reorganisation

22 January 2025

Report of Chief Executive

PURPOSE OF REPORT

For Council to consider establishing a new Local Government Reorganisation Working Group to respond to the re-organisation issues raised in the Government's English Devolution White Paper, published on 16 December 2024.

This report is public

RECOMMENDATIONS

- (1) That a new Local Government Reorganisation (LGR) Working Group be established, the size to be decided upon this meeting, having regard to the issues raised in paragraph (2) of this report; and
- (2) That members be appointed by political groups to effect political proportionality.
- (3) That Council elects the Chair of the Working Group.

1.0 Introduction

- 1.1 On 16 December 2024 the Government published its English Devolution White Paper: *Power and Partnership; Foundations for Growth*. Much of the White Paper focusses on the new framework for devolution and the government's ambition for all areas of England to be, ultimately, covered by Mayoral Strategic Authorities.
- 1.2 The proposal in the White Paper for two tier areas such as Lancaster, is that County and District Councils will be replaced by Unitary Councils. It is anticipated, by Government, that the new Unitaries will cover a population size of around 500,000 to make them financially viable. Reorganisation is also likely to affect Unitary councils outside two-tier areas where a lower population size is covered, especially if they are struggling to remain financially viable.
- 1.3 Whilst the White Paper sets out its proposals and direction of travel on a number of other issues, such as new powers for Strategic Authorities, Code of Conduct and Standards, Local Audit and the consultation about remote meetings and proxy voting, this report is specifically concerned with the reorganisation of two

tier local government and whether a body should be formed by the City Council to take this work forward.

2.0 Proposal Details

2.1 The White Paper's stated reasons for pursuing reorganisation are:

- Delivering efficiency savings
- Service transformation
- Reducing workforce pressures
- Increasing local accountability

Two tier authorities are being asked to develop Unitary proposals to put forward to Government by Autumn 2025. Those proposals should be in the best interest of the whole area, ideally with no competing proposals being submitted. The Government would like to see these new Unitary Councils in place within the life of this Parliament and a first wave in April 2027.

2.2 As a starting point to develop proposals talking with neighbouring authorities and other stakeholders, Council is asked to consider creating a new Local Government Reorganisation Working Group. It is for Council to decide the size of such a Working Group. Other factors to consider are the political balance required, chairing and substitution matters for the Working Group.

2.3 Establishing a Working Group to reach out to neighbouring authorities, in the hope that a proposal can be developed, is the recommended way forward. Not to take things forward at an early stage runs the risk of the Council having fewer options and little say in any new arrangements which are brought forward or imposed.

2.4 **Size of the Working Group:** The ideal size, based on current Council bodies, would appear to be seven, or nine members. Most of the Council's Committees, for example, are seven Member committees; Overview and Scrutiny bodies have nine members.

2.5 **Political Balance:** For Councillors' information, political balance for a seven-member group is 3 Green, 2 Labour, 1 Liberal Democrat and 1 Conservative. For a nine-member group the political balance is 4 Green, 3 Labour, 1 Liberal Democrat and 1 Conservative.

2.6 **Chairing the Working Group:** Council is recommended to determine a chair for the group at this meeting

2.7 **Substitution:** Council is asked to consider whether substitution will be allowed and, if so, whether there should be named, or casual substitution, or both. For working groups of this type, it can sometimes be difficult for a casual substitute to keep up to speed with evidence gathering and conversations with neighbouring authorities, with the result that some of their lines of questioning may already have been covered in earlier meetings. This can sometimes slow down progress.

2.8 **Terms of Reference:** These can be fully determined at the first meeting, should a Working Group be formed. Minister McMahon's letter of Dec 16th 2024, to

Councils, provides the reference point for the recommendation to set up this working group-

My intention is to formally invite unitary proposals in January 2025 from all councils in two-tier areas, and small neighbouring unitary councils. In this invitation, I will set out further detail on the criteria I will consider when taking decisions on the proposals that are submitted to Government. I intend to ask for interim plans by March 2025. As set out in the White Paper, new unitary councils must be the right size to achieve efficiencies, improve capacity and withstand financial shocks. For most areas, this will mean creating councils with a population of 500,000 or more. However, there may be exceptions to ensure new structures make sense for an area, including on devolution. Final decisions will be made on a case-by-case basis. We will ask you to work with other councils in your area to develop unitary proposals that are in the best interests of the whole area, rather than developing competing proposals.

As such the specific terms of reference to be agreed by the group need to ensure that Lancaster City Council is in a position to provide comprehensive, timely, reasoned and appropriate responses to the invitation we expect to receive at the end of January. It is expected this will include engaging with neighbouring Councils in our two tier area and also ensuring the interests both our area and the whole area are considered.

Should discussions progress, it is anticipated that a Joint Committee may need to be established with the partner authorities concerned, to ensure that any submission is developed, agreed and approved by each Council by the deadline.

3.0 Conclusion

- 3.1 Council is asked to consider establishing a new LGR Working Group, for the reasons set out in this report.

CONCLUSION OF IMPACT ASSESSMENT (including Climate Change, Health & Safety, Equality & Diversity, Human Rights, Community Safety, Sustainability and Rural Proofing)

None.

LEGAL IMPLICATIONS

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

FINANCIAL IMPLICATIONS

There are no financial implications as a result of this report. Any costs associated with the Working Group will be met from the existing Democratic Representation budget held by Democratic Services.

OTHER RESOURCE IMPLICATIONS

None.

SECTION 151 OFFICER'S COMMENTS

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

MONITORING OFFICER'S COMMENTS

The Monitoring Officer has been consulted and has no comments.

BACKGROUND PAPERS

Government's English Devolution White Paper: *Power and Partnership; Foundations for Growth* available on the gov.uk website.

Contact Officer: Mark Davies

Telephone:

E-mail: mdavies@lancaster.gov.uk

Ref:

COUNCIL

Appointments to an Outside Body – Local Government Association Coastal Special Interest Group

22 January 2025

Report of the Senior Manager, Democratic Support and Elections

PURPOSE OF REPORT

To note that a vacancy has occurred on the Local Government Association’s Coastal Special Interest Group (LGA Coastal Issues SIG) and consider making an appointment.

This report is public

RECOMMENDATION

- (1) **That Council notes that a vacancy exists for a City Councillor on the LGA Coastal SIG.**
- (2) **To determine the basis of appointment to the position, as set out in paragraph 2 of this report and, should the basis is determined to be nomination and voting at full council, to receive nominations and make an appointment at this meeting.**

1.0 Introduction

- 1.1 The City Council appointed Councillor Tyldesley to the LGA Coastal SIG on 13 May 2024.
- 1.2 Councillor Tyldesley recently resigned from the role to concentrate on her role as a Cabinet Member, leaving a vacancy.

2.0 Proposal Details

- 2.1 Council is firstly asked to consider the basis of appointment to this group. In May 2024, this was determined as nomination and voting at Council, rather than relevant Cabinet Member or by virtue of some other role.
- 2.2 If the basis of appointment is reconfirmed as nomination and voting at Council, Members are asked to make an appointment at the meeting tonight.

3.0 LGA Coastal SIG

- 3.1 The LGA Coastal SIG has a membership of 57 local authorities from around

the coast of England. Further details, including the terms of reference for the Group, are available on the Coastal SIG website [HERE](#). The Group meets quarterly with the majority of meetings being held remotely (or hybrid).

4.0 Conclusion

4.1 Council is asked to consider appointing to the vacant place on the LGA Coastal SIG.

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

CABINET

6.00 P.M.

3RD DECEMBER 2024

PRESENT:- Councillors Caroline Jackson (Chair), Martin Bottoms, Gina Dowding, Tim Hamilton-Cox, Paul Hart, Peter Jackson, Sally Maddocks and Sue Tyldesley

Officers in attendance:-

Mark Davies	Chief Executive
Luke Gorst	Chief Officer - Governance and Monitoring Officer
Liz Bateson	Principal Democratic Support Officer

43 MINUTES

The minutes of the meeting held on Tuesday 22 October 2024 were approved as a correct record.

44 ITEMS OF URGENT BUSINESS AUTHORISED BY THE LEADER

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

45 DECLARATIONS OF INTEREST

No declarations were made at this point.

46 PUBLIC SPEAKING

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

The Leader welcomed new members of Cabinet to the meeting and confirmed that any non-Cabinet members in attendance would be permitted to ask questions on the various reports as they were presented (Cabinet Procedure Rule 17 refers).

47 APPOINTMENTS TO OUTSIDE BODIES

Cabinet received a report from the Chief Executive to enable Cabinet to make appointments to a number of Outside Bodies and Partnerships following the revisions to the composition of Cabinet.

Councillors were reminded that Members nominated to outside bodies, partnerships and boards by Cabinet were representing the views of Cabinet in such positions, rather than any views they might hold as individuals. It was recommended that appointments be aligned as closely as possible to individual Cabinet Members' portfolios.

It was proposed by Councillor Caroline Jackson and seconded by Councillor Dowding:

"That the appointments to the Outside Bodies be agreed and appended to the minutes."

Resolved unanimously:

That the appointments to the Outside Bodies be agreed and appended to the minutes.

Officer responsible for effecting the decision:

Chief Officer Governance

Reasons for making the decision:

Representation on Outside Bodies is part of the City Council's Leadership role.

48 LOCALISED COUNCIL TAX SUPPORT**(Cabinet Member with Special Responsibility Councillor Hamilton-Cox)**

Cabinet received a report from the Assistant Director (Head of Revenues and Benefits) to enable Cabinet to consider the existing Localised Council Tax Support ("LCTS") Scheme and the options available, ahead of formal consideration and approval by Council for application in 2025/26.

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

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

Option 1:

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

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

- Current forecast assumes the continuation of the existing LCTS system and as such, maintaining current levels of support would normally have no impact on the Council's financial forecast. However, costs have increased in recent years with increased take-up due to Covid-19, 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.

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.

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

The officer preferred option is to retain the existing Localised Council Tax Support Scheme for 2025/26 (Option 1). This will assist financially vulnerable Council Tax customers in the Lancaster City Council District.

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

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.

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

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

Councillors then voted:-

Resolved unanimously:

That the existing Localised Council Tax Support Scheme for 2025/26 (Option 1 to the report) be retained.

Officer responsible for effecting the decision:

Chief Officer Resources

Reasons for making the decision:

The decision is consistent with the Council Plan:

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

49 DELIVERING OUR PRIORITIES - QUARTER 2- 2024-25**(Cabinet Member with Special Responsibility Councillor Hamilton-Cox)**

Cabinet received a report from the Chief Executive and 151 Officer to provide members with an update on financial performance during the first two quarters of 2024/25 (April – September 2024).

As the report was for commenting and noting no options were provided. The Cabinet Member with Special Responsibility talked to the report and responded to questions.

Resolved:

That the report be noted.

Reasons for making the decision:

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

50 PROJECTS AND PERFORMANCE**(Cabinet Member with Special Responsibility Councillor Hamilton-Cox)**

Cabinet received a report from the Chief Executive to provide members with an update on performance and projects during quarter two of 2024 - 25 (July - September 2024).

As the report was for commenting and noting no options were provided. The Cabinet Member with Special Responsibility talked to the report and made particular reference to the reduction in both statutory homeless figures and sickness absence.

Resolved:

That the report be noted.

Reasons for making the decision:

Monitoring of strategic projects and key performance indicators provides a link between the Council Plan 24-27 by providing progress updates.

51 STRATEGIC RISK REGISTER**(Cabinet Member with Special Responsibility Councillor Hamilton-Cox)**

Cabinet received a report from the Chief Executive that provided an update on the authority's progress in updating the Strategic Risk Register.

As the report was for noting no options were provided. Councillor Philip Black suggested that there might be several projects masked under a broader heading that might deserve an independent line e.g. Mainway and Skerton High. These were currently within SR08 and the Leader confirmed that this would be considered further.

Resolved:

That the report be noted.

Reasons for making the decision:

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

52 MEDIUM TERM FINANCIAL STRATEGY UPDATE 2025/26 - 2029/30**(Cabinet Member with Special Responsibility Councillor Hamilton-Cox)**

Cabinet received a report from the Chief Finance Officer to provide an update on the Council's Medium Term Financial Strategy forecasts for 2025/26 to 2029/30 and outline the approach to balancing the budget.

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

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

It must be reiterated that the current forecasts do not include any interventions by Cabinet, Senior Leadership Team or the outcomes of the Local Government Settlement. Whilst some savings have been delivered, the forecasts show that potential annual and cumulative budget deficits 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.

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

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

Councillors then voted:-

Resolved unanimously:

- (1) That the draft future years estimates as set out in the report as the latest information available, accepting that this is an interim position be noted.
- (2) That the update be referred on to December Council for information.
- (3) That the Council Tax Base for 2025/26 as set out in paragraph 3.12 to the report be noted.

Officers responsible for effecting the decision:

Chief Finance Officer

Reasons for making the decision:

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

Chair

(The meeting ended at 7.03 p.m.)

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

MINUTES PUBLISHED ON THURSDAY 5 DECEMBER, 2024.

**EFFECTIVE DATE FOR IMPLEMENTING THE DECISIONS CONTAINED IN THESE MINUTES:
FRIDAY 13 DECEMBER, 2024.**

CABINET APPOINTMENTS TO OUTSIDE BODIES – DECEMBER 2024

BID Company Ltd (Morecambe) *Cllr Bottoms*

Community Safety Partnership (Cabinet Member and reserve) *Cllr P Jackson (Cllr C Jackson reserve)*

Growth Lancashire Limited (Cabinet Member and reserve) *Cllr Wilkinson (no reserve appointed)*

Health and Wellbeing Partnership (Cabinet Member and reserve) *Cllr P Jackson (Cllr C Jackson reserve)*

Lancashire Leaders Meeting (Leader of the Council) *Cllr C Jackson*

Lancashire Waste Partnership *Cllr Hart*

Lancaster Community Fund Grants Panel (1 place; the other place is by nomination and voting at Council) *Cllr P Jackson*

Lancaster Business Improvement District (BID) Management Group *Cllr Wilkinson*

LGA General Assembly (Leader of the Council) *Cllr C Jackson*

Yorkshire Dales National Park Board *Cllr P Jackson*