



**Committee:** CABINET

**Date:** TUESDAY, 14 JANUARY 2025

**Venue:** MORECAMBE TOWN HALL

**Time:** 6.00 P.M.

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## A G E N D A

1. **Apologies**

2. **Minutes**

To receive as a correct record the minutes of Cabinet held on Tuesday, 3 December 2024 (previously circulated).

3. **Items of Urgent Business Authorised by the Leader**

To consider any such items authorised by the Leader and to consider where in the agenda the item(s) are to be considered.

4. **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.

5. **Public Speaking**

To consider any such requests received in accordance with the approved procedure.

6. **Reports from Overview and Scrutiny**

None.

Reports

7. **Empty Homes Strategy** (Pages 4 - 43)  
**(Cabinet Member with Special Responsibility Councillor Caroline Jackson)**  
Report of Chief Officer Sustainable Growth
8. **Adoption of the Climate Emergency Review of the Lancaster District Local Plan**  
(Pages 44 - 51)  
**(Cabinet Member with Special Responsibility Councillor Dowding)**  
Report of Chief Officer – Planning and Climate Change
9. **Corporate Fees & Charges 2025/26** (Pages 52 - 83)  
**(Cabinet Member with Special Responsibility Councillor Hamilton-Cox)**  
Report of Chief Officer (Resources)
10. **Budget and Policy Framework Update 2025/26 to 2029/30** (Pages 84 - 99)  
**(Cabinet Member with Special Responsibility Councillor Hamilton-Cox)**  
Report of Chief Officer Resources (report published on 14.1.25)
11. **Housing Revenue Account and Capital Programme** (Pages 100 - 130)  
**(Cabinet Member with Special Responsibility Councillor Caroline Jackson)**  
Joint report of Chief Officer Housing & Property and Chief Officer Resources (report published on 14.1.25)
12. **Reporting in of Urgent Decision - WorkWell** (Pages 131 - 132)  
Report of Chief Officer Governance

## **ADMINISTRATIVE ARRANGEMENTS**

### **(i) Membership**

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

### **(ii) Queries regarding this Agenda**

Please contact Liz Bateson, Democratic Support - email ebateson@lancaster.gov.uk.

### **(iii) Changes to Membership, substitutions or apologies**

Please contact Democratic Support, telephone 582000, or alternatively email

[democracy@lancaster.gov.uk](mailto:democracy@lancaster.gov.uk).

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**CABINET**

**Empty Homes Strategy 2025-2030**

**14 January 2024**

**Report of Chief Officer Sustainable Growth**

<b>PURPOSE OF REPORT</b>				
To approve the submission of the Empty Homes Strategy for its consideration, approval, and adoption into the council’s Policy Framework.				
<b>Key Decision</b>	<b>X</b>	<b>Non-Key Decision</b>		<b>Referral from Cabinet Member</b>
<b>Date of notice of forthcoming key decision</b>		2 November 2024		
<b>This report is Public</b>				

**RECOMMENDATIONS OF Councillor Caroline Jackson**

**(1) The Empty Homes Strategy 2025 - 2030 is adopted into the council’s corporate Policy Framework.**

**1.0 Introduction**

- 1.1 The Empty Homes Strategy 2025-2030 aims to address the issue of long-term empty homes across Lancaster District, supporting the council’s priority for Healthy and Happy Communities. The document identifies key goals, objectives, and strategies to reduce empty homes, and contributing to the local housing market and improving community well-being.
- 1.2 The final version of the empty Homes Strategy is attached in **Appendix 1**.

**2.0 Background**

- 2.1 Nationally, the prevalence of empty homes has been a growing concern due to its impact on housing availability and community vitality. The government estimates over 255,000 long-term empty properties exist in the UK, creating a housing challenge amidst growing demand. Legislative measures, like differential council tax premiums and the New Homes Bonus scheme, have been introduced to incentivize the reoccupation of empty homes.
- 2.2 Locally, Lancaster District mirrors this issue, with a slightly higher rate of empty homes than the national average. The city council recognises long-term empty homes as a wasted resource amid a housing crisis and shortage of available homes in the district. As of January 2024, approximately 840 homes were classified as long-term empty (vacant for over six months), affecting housing availability and community aesthetics. The strategy,

therefore, sets an ambitious target to bring back 60 long-term empty homes annually into use through interventions by the Empty Homes Officer and other council services.

- 2.3 Empty homes are linked to various negative effects on communities, including deteriorating environment, increased risk of vandalism, and associated impact on well-being and property values. The strategy outlines an approach to combat these issues, taking proactive steps with homeowners, employing enforcement actions when necessary, and exploring financial and collaborative solutions to support this work.
- 2.4 Housing availability remains a challenge in Lancaster, and local policies, such as council tax premiums for empty properties exceeding one year, aim to discourage prolonged vacancies. The council has adjusted council tax charges to further encourage occupancy, introducing higher charges the longer properties remain empty, with up to a 400% premium for properties vacant over 10 years.

### **3.0 Proposal Details**

- 3.1 The strategy aligns with Lancaster City Council's broader housing and community plans, such as the Homes Strategy 2020-2025 and the Homelessness Strategy 2023-2028. The council's housing renewal efforts focus on key areas like Morecambe's West End, which suffers from high vacancy rates, substandard housing, and economic challenges. Targeted intervention in such areas is expected to improve community well-being, reduce criminal activity, and boost local pride.
- 3.2 The strategy is organised around five core objectives:
  - *Accurate Record Maintenance and Data Sharing:* Emphasising the need for up-to-date data on empty homes to target resources efficiently. Collaboration with other council services, data collection through council tax records, and regular updates on empty home statuses are central to this objective. Tracking housing trends allows the council to respond effectively to market shifts and changes in property status.
  - *Proactive Targeting of Problematic Properties:* The strategy focus is on homes that have been empty for over two years or those causing significant neighbourhood amenity impact. Properties of concern include those in poor condition or those contributing to local blight, which may lead to intervention or statutory enforcement to require owners to repair and improve. Mapping and analysing these properties enables the council pinpoint high-priority areas and plan its interventions.
  - *Raising Awareness and Engaging Homeowners:* Outreach is a vital component, involving education for homeowners on the implications of leaving properties empty and the benefits of reoccupying them. The council plans to engage local media, issue annual public updates, and communicate with neighbours affected by empty properties to mitigate any negative effects on the community. Homeowners are encouraged to take responsibility through information on council tax premiums, available support, and options for reoccupation or sale.
  - *Applying Statutory Enforcement Measures:* Where voluntary efforts fail, the council can use statutory measures to ensure properties are

improved or brought back into use. Enforcement tools include the Town and Country Planning Act for property maintenance, the Building Act to ensure safety, and the Housing Act for habitability. Serious cases may lead to enforced sales if homeowners remain unresponsive, with costs recouped by legal charges on the property or recovering expenses through other means.

- *Exploring Funding and Partnerships:* Given the limited funding landscape for specifically targeting empty homes, the council will seek alternative financial support through partnerships and government programs when available. Collaboration with other stakeholders, such as housing charities or social lettings agencies, is encouraged to maximize resource use and gain external support for funding applications.
- 3.3 To ensure its ongoing effectiveness, the Strategy includes regular reviews of council tax data, enforcement activities, and community feedback. The council will adjust its approach based on emerging challenges, such as changes in market conditions or legislation, and will scale its enforcement actions to meet community needs.
- 3.4 The Empty Homes Officer post is a fully funded, permanent role within the Regeneration Team and Sustainable Growth Service. The Empty Homes Officer will continue to implement actions under the range of available statutory instruments against the most problematic empty properties (refer to **Legal Implications**). The main notice used is under Section 215 of the Town and Country Planning Act 1990, which targets properties considered to be detrimental to the amenity of the surrounding area.
- 3.5 Works in Default or Prosecution can be used as a last resort. In the most problematic cases and where it is deemed more effective for the council to carry out the required works, funds used are recovered through a charge on the property. Currently, £26.5k of the Works in Default budget has been spent with £17.5k remaining. Due to the varying nature and timing of cases this could either be sufficient to sustain empty homes work for several years or spent entirely on one major works in default project. Additional resources may therefore be required in future to replenish these funds (refer to Financial Implications).
- 3.6 The Strategy underscores the importance of partnerships, especially where external funding is needed. Previous partnerships, such as the collaboration with Methodist Action North-West, allowed the council to offer financial assistance to property owners, bringing several homes back into use. Although this partnership ended due to the charity's liquidation, similar future collaborations are encouraged.
- 3.7 Additionally, the council's Housing Standards Team and Empty Homes Officer collaborate closely on issues related to housing condition standards, anti-social behaviour, and property management. The proposed Social Lettings Agency could offer a new avenue for supporting empty homeowners and providing affordable rental options.
- 3.8 The Strategy includes case studies that highlight the impact of the council's past interventions. Examples show how properties that had been empty for years, often due to owner inaction or financial issues, were brought back into use through council support or enforcement. Notably, enforced sales have successfully addressed problematic cases, such as the Hampton Road property in Morecambe, where vandalism and neglect persisted until the Empty Homes Officer's intervention.

**4.0 Details of Consultation**

4.1 The Strategy has been developed in partnership with the council's Housing Task Force.

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

4.1 A summary of the options and analysis is presented below:

	<b>Option 1:</b> The final version of the Empty Homes Strategy is approved for adoption into the council's Policy Framework.	<b>Option 2:</b> The final version of the Empty Homes Strategy is not adopted as corporate council policy.
<b>Advantages</b>	<p>Enables the council to progress its empty homes work to an agreed framework, objectives, and action plan.</p> <p>While having some flexibility the Strategy defines the council's objectives and approach and the future targeting of empty homes priorities.</p>	No advantages identified unless Members require substantive amendments to the document or seek further consultation on the final document.
<b>Disadvantages</b>	A delay in the adoption of the Strategy may create further uncertainty around the council's intentions for this area of policy and work.	Ongoing work of the Empty Homes Officer takes place outside of an agreed priority framework and Action Plan.
<b>Risks/ Mitigation</b>	<p>Risks are around reputational risk to the council of approving an approach which does not meet the objectives and/or does not find favour with the wider community.</p> <p>However, it is considered that the Strategy reflects the stakeholder and community aspirations (as expressed through consultation) and the council's overarching and current corporate policy framework.</p>	Work proceeds ad hoc and outside of an agreed policy framework.

**6.0 Officer Preferred Option (and comments)**

The preferred option is **Option 1**.

**7.0 Conclusion**

7.1 The Empty Homes Strategy 2025-2030 is a comprehensive plan to address long-term vacancies in Lancaster District's housing stock. It combines proactive and reactive measures, aiming to balance supportive interventions with necessary enforcement actions.

7.2 By bringing empty homes back into use, the council aims to reduce housing shortages, improve neighbourhood conditions, and contribute to Lancaster's broader goals of community sustainability and well-being. Regular monitoring, effective partnerships, and targeted resource use are essential to achieving the strategy's objectives and making a positive impact on Lancaster's housing landscape.

**RELATIONSHIP TO POLICY FRAMEWORK**

Access to Quality Housing plays a fundamental role in health and well-being by ensuring that communities have access to homes for people of all incomes which are comfortable, warm and allows them to maintain their independence. The collective actions of the council in making an active contribution to the provision of new homes, achieving its housing regeneration ambitions, and making the best use of Lancaster district's existing housing stock, including empty homes will positively contribute to meeting its corporate objectives.

**CONCLUSION OF IMPACT ASSESSMENT**

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

There are no Health & Safety, Equality and Diversity, Human Rights, Community Safety, HR implications arising from the adoption of this document as corporate policy. In terms of the impact on potential actions and outcomes officers are confident that issues have been intensively explored and tested during the preparation of the document itself, adhering to the principles of the council's corporate policy framework.

**LEGAL IMPLICATIONS**

The strategy employs a combination of direct interventions, incentives, and statutory enforcement. The Empty Homes Officer, along with council departments, uses legislative tools such as

- **Town and Country Planning Act (1990):** Section 215 allows the council to mandate maintenance on properties detracting from community appearance, with fines and property charges for non-compliance.
- **Building Act (1984):** Ensures buildings are safe for occupancy or allows the council to take action to secure unsafe properties.
- **Housing Act (2004):** Empowers the council with entry rights for inspections, enforcement for property improvement, and potential Empty Dwelling



Management Orders for reoccupation.

- **Enforced Sales and Compulsory Purchase Orders:** Used in severe cases where no other resolution is feasible, allowing the council to sell a property to recover costs or acquire it to repurpose for housing.

The decision on the strategy's adoption/approval into corporate policy can be taken by Cabinet.

There are no further legal implications in adopting the document as corporate policy.

#### **FINANCIAL IMPLICATIONS**

There are no immediate Financial Implications arising from the adoption of the Empty Home strategy as corporate policy.

The Empty Homes Strategy is intended to provide policy guidance and a foundation on which the council can make a case for intervention, using existing budgets and staffing resources to deliver proposals which meet its objectives. Depending on the identified issue the council will act in various ways. It may act as a direct delivery body where appropriate, or as an enabling partner.

However, it should be highlighted that should additional, unfunded, resources be required in the future as noted in the body of the report, this would be subject to further Cabinet approval.

The Empty Homes Officer has access to the Regeneration Works in Default Budget for emergency works for securing properties and works in default when legal notices have not been complied with. Over the last 6 financial years £26.5k has been spent of the budget. £11k was spend in 23/24 and so far, £67.27 has been spent in 24/25, which shows the varied demands on the budget each year. The current budget allocation stands at £17.5k, which could either be sufficient to sustain empty homes work for several years or spent on one major works in default project. Current constraints on the budget will play a significant role in decision making.

#### **OTHER RESOURCE IMPLICATIONS**

**Human Resources:** The main staffing resource on the council side to support progression of the Strategy is the Empty Homes Officer supported by Legal Services. In appropriate circumstances and cases requests for legal advice/assistance may be made to an external specialist solicitor.

**Information Services:** No direct Information Service implications based on the council approving corporate policy.

**Property:** No implications based on the council approving corporate policy,

**Open Spaces:** No Open Space implications based on the council approving.

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

Adoption of the Empty Homes Strategy provides the foundation for the application of council funds and staff resources to priority issues. However, as noted above additional council resources may be required in the future to replenish the Works in Default budget. Should additional resources be required application will need to in accordance with the council's Budget and Policy Framework and be balanced against other council priorities and investment outcomes.

**MONITORING OFFICER'S COMMENTS**

The Monitoring Officer has been consulted and has nothing to add to the legal comments above.

Once adopted the Empty Homes Strategy will form part of the council's Corporate Policy Framework.

**BACKGROUND PAPERS**

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**Ref:**



Lancaster City Council - Sustainable Growth Service

# Empty Homes Strategy 2025-2030



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## **Executive Summary**

The Empty Homes Strategy 2025-2030 (“the Strategy”) is intended to deliver against one of Lancaster City Council’s key priorities – Healthy and Happy Communities - by reducing the number of long-term empty homes across the district. As of 1 January 2024, there were 840 long term empty properties (empty in excess of 6 months, as outlined in para. 1.6) in the Lancaster District, approximately 1% of the housing supply.

Progressing the Strategy will ensure that the council continues to hold up-to-date intelligence about empty homes through collaborative working and data sharing across council services. Continuous monitoring of empty properties and analysis of the prevalence of empty homes due to changes in the housing market will allow effective targeting of staff and financial resources. The council will also use a range of methods, tools, and incentives to bring identified empty homes back into habitable use.

The Strategy sets out a series of pro-active measures to raise awareness of the negative impact of empty homes on communities and offer a range of incentives and support to empty homeowners to bring their property back into the housing market. The Strategy also provides the framework for taking statutory enforcement action against the owners of those empty homes considered to be harming community amenity by their appearance and neglect. This requires the continued support and input of other council services to be effective and to deal with long term empty properties in both a timely and efficient way. This, in turn, will benefit neighbouring homes and act as a deterrent to leaving residential property empty and in a state of disrepair. The Strategy also considers the role of discretionary tax measures within the city council’s competency, such as differential council tax charging, to discourage residential property from becoming or remaining empty.

The aim of the Strategy is to maximise the use of the existing housing stock in the Lancaster district, by bringing 60 long term empty properties back into use, following intervention from the Empty Homes Officer, each year. At a time when the city council has recognised a local housing crisis and an acute shortage of housing, the Empty Homes Strategy can play a significant role in meeting the district’s housing need.

## **Core Aims and Objectives**

Through efficient and effective partnership working, Lancaster City Council will seek to reduce the number of empty homes in its area and bring as many properties as possible back into beneficial use. This will be achieved by:

- Maintaining an accurate and up-to-date record of empty properties and sharing appropriate information with key partners.
- Proactively targeting empty properties that have a significant negative impact on the surrounding community, and those which have been empty for more than two years.
- Working with owners to raise awareness of the options available to bring their property back onto the residential market.
- Where necessary, using statutory powers to require property improvement works.
- Monitoring and reviewing the use of discretionary council tax framework and provisions to discourage properties from becoming or remaining empty.

## 1. Introduction

- 1.1 The purpose of the Strategy is to reduce the number of long-term empty homes within Lancaster district and maximise opportunities to bring empty properties back into use through a range of officer-led interventions supported by statutory powers.
- 1.2 Empty homes are a wasted resource that could be used to meet the increasing housing need across the area. They often have a negative impact on the community, as they are prone to deteriorate over time without regular upkeep and can be subject to antisocial behaviour or vandalism. According to Council Tax records, as of the 1 January 2024, there were over 3100 empty and underutilised dwellings across the Lancaster district, 840 of which are considered long term empty properties.
- 1.3 Since the appointment of an Empty Homes Officer in July 2013 and the adoption of the first Empty Homes Strategy in 2013, over 590 long term empty homes have been brought back into use with council officer involvement. Accurate records are now kept of empty properties and their status, and there is open dialogue with most long-term empty homeowners and a point of contact for concerned neighbours and other community stakeholders.
- 1.4 This strategy has been produced to build on the success of the previous Empty Homes Strategy and provide a framework within which empty homes will be brought back into use. This will help maintain sustainable neighbourhoods which will contribute towards regeneration and investment, reduce social problems, and help meet the housing needs of the district.

The main objectives of the strategy are to:

- Ensure the direction of work and application of staff and other resources continues to reflect the city council's priorities.
- Raise awareness of empty homes and the negative issues they cause for communities.
- Maintain accurate records and information about empty homes in the district.
- Explore and pursue the funding opportunities available to tackle empty homes.
- Continue to take a proactive approach to engage with empty homeowners and target problematic empty homes that generate complaints.
- Implement all measures available to the council to bring empty homes back into use.

## What is an Empty Home?

1.5 There will always be a number of empty homes in any area's housing stock. There are several reasons why homes become empty for an extended period, including (but not limited to):

- Property taking an excessive period to sell on the open market.
- Renovations taking longer than planned.
- Irresponsible or unexperienced landlord.
- Property left in probate.
- Health issues of owner.
- Family disputes or relationship breakdown.
- Abandonment, repossession, or bankruptcy.
- Property being kept as financial investment or for sentimental reasons.

1.6 In most cases, the empty property will be a short-term situation. The houses that are being targeted in this strategy are those that have been left empty for an excessive period and have become "long term empty homes." This is defined by the Government as any residential property that has remained empty for six months or more. However, the council's focus is on properties that have been empty for two years or longer, as it is felt that at this point a reasonable period of time has been given to allow the turnover of the property and contact should be made with the owner to determine whether intervention is required.

1.7 In 2020, the Covid-19 pandemic and lockdowns had a knock-on impact on all areas of life, including increasing the number of empty homes. House sales, renovations, and legal work came to an effective standstill, meaning there was a backlog of work once lockdowns were lifted, which in turn increased house prices, construction, and material costs. Many properties were left empty for longer than owners anticipated, with the pandemic being a common reason given for the delay. It is expected that the impact of the pandemic will continue to be felt in the market for many years to come.

1.8 There are many financial, social, and environmental benefits to bringing long term empty properties back into use. For the owners, it is estimated that leaving a property empty costs, on average, over £7000 per year in lost rental income, council tax and insurance<sup>1</sup>. This does not account for depreciation or the cost of maintenance and repairs.

1.9 Homes lying empty impacts negatively on turnover in the housing market which contributes to housing shortages. In recent years, the development industry has struggled to deliver sufficient homes to meet demand within a challenging national and local planning policy framework and economic climate. Bringing empty homes back into the market can help ease pressure in new housing supply.

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<sup>1</sup> No Use Empty - <https://www.no-use-empty.org.uk/advice-and-guidance/owning-an-empty-property/>

1.10 There are wider positive community benefits of bringing long term empty properties back into use, such as:

- Improving the visual amenity of the local area.
- Encouraging community pride and further investment in the housing stock.
- Removing the burden and negative effects empty properties can have on adjoining dwellings such as excessive cold and damp.
- Supporting local businesses and services by increasing the local population, boosting the local economy.
- Reducing the need for emergency and other enforcement action by local emergency services, city council and other public agencies.



## 2. The National Context

- 2.1 A certain level of empty properties is necessary to ensure the normal functioning of the housing market and modernisation of existing housing stock. It is expected that approximately 2% of the housing stock is empty at any one time. However, the number and proportion of empty properties continues to rise. According to Government figures, as of October 2022 there were over 255,000 long term empty properties in the UK as defined by the Government - an increase of over 20,000 since the previous year.
- 2.2 The profile of empty homes has been rising up the political agenda for the last 15 years, particularly as pressures have built up on the housing supply side and widely recognised failures to meet housing demand. In 2011, the then Coalition Government published “Laying the Foundations – A Housing Strategy for England”. This outlined a commitment to tackling empty homes by making £100 million available in capital funding to develop projects to improve long term empty properties to provide affordable housing to people in housing need.
- 2.3 In addition, other financial and policy instruments were brought in to encourage local authorities to tackle the empty homes issue - primarily through the Homes and Communities Agency’s Affordable Homes Programme 2011-2015. Lancaster City Council successfully bid for Cluster of Empty Homes Funding under this policy to help enable the award-winning Chatsworth Gardens housing regeneration initiative in Morecambe’s West End. In addition, the council supported a bid made by Methodist Action North West to secure funding under the Empty Homes Funding (Community Groups) to deliver a Social Lettings Agency, as outlined in paragraph 4.33.
- 2.4 However, since 2015, there have been no further Affordable Homes Programme funding specifically targeted at bringing empty homes back into use.

### Legislation

2.5 Legislation in relation to empty properties falls under several different Acts of Parliament. In pursuing action against individual properties and individuals care must be taken to apply the most appropriate tool depending on the situation. The legislation currently used by the Empty Homes Officer includes:

- Town and Country Planning Act 1990 – Section 215 – enables the Local Authority to serve notice on any property that is deemed to be negatively impacting on the amenity of the surrounding area, requiring works of improvement to be carried out. Failure to do so can lead to prosecution and a fine. In addition, the Local Authority may carry out the works in default and recoup the cost. A charge may be placed on the property by way of security.
- Law of Property Act 1925 – Section 103 – gives the Local Authority the rights of a mortgage lender following the failure to repay an outstanding debt, which can lead to the enforced sale of a property.
- Building Act 1984 – Section 76 to 83 – ensures that buildings are safe or give the Local Authority the power to take action to make them safe.
- Local Government (Miscellaneous Provisions) Act 1982 - Section 29 – gives the Local Authority the power to carry out works in relation to a building that is

temporarily unoccupied and either insecure, or likely to become a danger to public health.

- The Housing Act 2004 – various sections – contains several tools – such as the right: of entry, to conduct inspections, and to take enforcement action – designed to ensure properties are safe and suitable to be lived in.

2.6 The Empty Homes Officer has limited delegated power to apply this legislation and is reliant on working closely with other relevant services within the city council to take action when and where required.

2.7 Other legislation available in relation to empty homes matters not currently used includes:

- Housing Act 1985 – Section 17 – allows the Local Authority to compulsory purchase (CPO) houses to improve the quality of the housing stock. There are so few properties in the Lancaster district that would meet the criteria needed to implement a CPO that it has not been considered necessary to pursue action under this provision.
- Housing Act 2004 – Part 4, Chapter 2 – makes provision for a Local Authority to take over the management of an empty property by way of an Empty Dwelling Management Order (EDMO). Due to the up-front cost required, the management of the property and the safety concerns for the tenant, the used of EDMOs have not been considered a suitable provision to date.

### New Homes Bonus

2.8 In 2011 the Government initiated the New Homes Bonus (NHB) scheme - a grant paid to Local Authorities based on the annual increase in housing supply, including the return to use of empty properties. The intention of the grant was to incentivise local authorities to increase housing supply, although the scheme has been criticised for potential lack of additionality and “deadweight” effects<sup>2</sup>, meaning it is believed it had little impact on the outcome. The future of the NHB scheme beyond 2024 is unclear, although provisional allocations for 2024/25 have been published.

2.9 The NHB previously included a legacy payment (each annual in-year reward was paid for six financial years as well as the new reward for that year), however legacy payments have stopped, and the payment is now only one year. Lancaster’s NHB payment has therefore reduced from £546,837 (2022/23 allocation) to £188,043 (2023/24 allocation). However, bringing empty property back into use still has a direct positive impact on the council’s budget and in supporting its wider community services provision.

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<sup>2</sup> New Homes Bonus (England), 2017

## Council Tax Changes

- 2.10 From April 2013, local authorities were given the discretion to decide on removing or reducing any discounts available to owners of empty properties to act as an incentive to bring empty homes back into use. There was also an option introduced to place a premium on the Council Tax of properties that have been empty more than two years.
- 2.11 Lancaster City Council decided to reduce the length of time that discounts are available to empty homeowners to just one month. Owners of properties that have been left empty for more than two years were charged 200% of the equivalent ordinary council tax charge for a similar property, increasing to 300% after more than 5 years and 400% after more than 10 years. However, from April 2024, the length of time a property is empty before the premium is applied was reduced to just one year. The aim is to discourage homeowners from leaving properties empty for an excessive period of time. Exceptions to the premium charge are available due to unforeseen circumstances or once the owner is actively marketing the property for rent or sale.
- 2.12 It is considered that these changes have been effective in acting as a deterrent to homes being left empty for an excessive period, as the number of properties that have been empty more than two years has stopped increasing and has stabilised at around 250 units.
- 2.13 However, there has been a trend for owners to engage in avoidance measures by leaving furniture within the property and classifying the property as a second home. Owners taking advantage of this loophole removes the premium charge and makes identifying empty properties more difficult. From April 2025, councils will have the discretion to place a 100% premium charge on all second homes. This measure is not specifically designed to target empty properties, but it will have the added benefit of closing this loophole and encouraging owners to bring their property back into use.
- 2.14 There has been some criticism of the Council Tax Premium from homeowners in relation to the financial impact when they are engaging positively on the property and that increased holding costs extend the length of time it takes them to complete the works. Owners are directed to the exceptions criteria to see if the Premium can be removed for a period of time to assist with any financial hardship, however it is considered that the increased Council Tax works as an incentive to complete the works as quickly as possible.
- 2.15 The city council will continue to monitor and review the impact of its application of the available discretionary measures during the life of this strategy to encourage properties to be brought into use and as new opportunities or statutory tools and legislation allows.

### 3. The Local Context

3.1 According to the Office of National Statistics, in 2021 the District of Lancaster had a total housing stock of approximately 66,000 dwellings, with a population of around 144,000 residents, both of which are thought to be increasing. Council Tax records are used to determine the number of empty homes and as of 1 January 2024 there were 840 long term empty properties (6 months or longer), making up 1.3% of the housing stock. This comprises:

- 257 long term empty premium properties that have been empty for more than two years, which is the main focus of the Empty Homes Officer's work.
- 513 long term empty properties, which have been empty for between 6 and 24 months, where owners will only be contacted if the property is causing community concern, or to be made aware of city council initiatives or incentives.
- 70 properties that are undergoing extensive structural works and defined as uninhabitable due to construction activity.

3.2 The table below shows a comparison of Lancaster with other Local Authorities within the Lancashire district, with the most recent figures available.

**Table 1: Long Term Empty Properties, 2023**

	Long Term Empty Properties (>6 months)	Total Dwelling Stock	Percentage Dwellings Long Term Empty
Blackburn with Darwen	1012	63,050	1.6%
Blackpool	1382	72,270	1.9%
Burnley	678	42,720	1.6%
Chorley	411	52,680	0.8%
Fylde	495	41,030	1.2%
Hyndburn	454	37,710	1.2%
Lancaster	828	66,370	1.2%
Pendle	632	41,230	1.5%
Preston	1190	67,550	1.8%
Ribble Valley	316	29,010	1.1%
Rosendale	506	32,540	1.6%
South Ribble	370	51,440	0.7%
West Lancashire	562	51,870	1.1%
Wyre	60	54,820	0.1%
Lancashire	8,896	704,290	1.3%
England	261,474	25,353,530	1.0%

*Ministry of Housing, Communities and Local Government*

3.3 At a national level, approximately 1% of all dwellings are considered to be long term empty, whilst Lancashire has a slightly higher rate of 1.3%. Lancaster, having a rate of 1.2% of its dwelling stock empty in 2023, is above the national average, but below the Lancashire average.

3.4 There are additional properties which are empty, but which do not fall within the Government definition of long-term empty homes. These include:

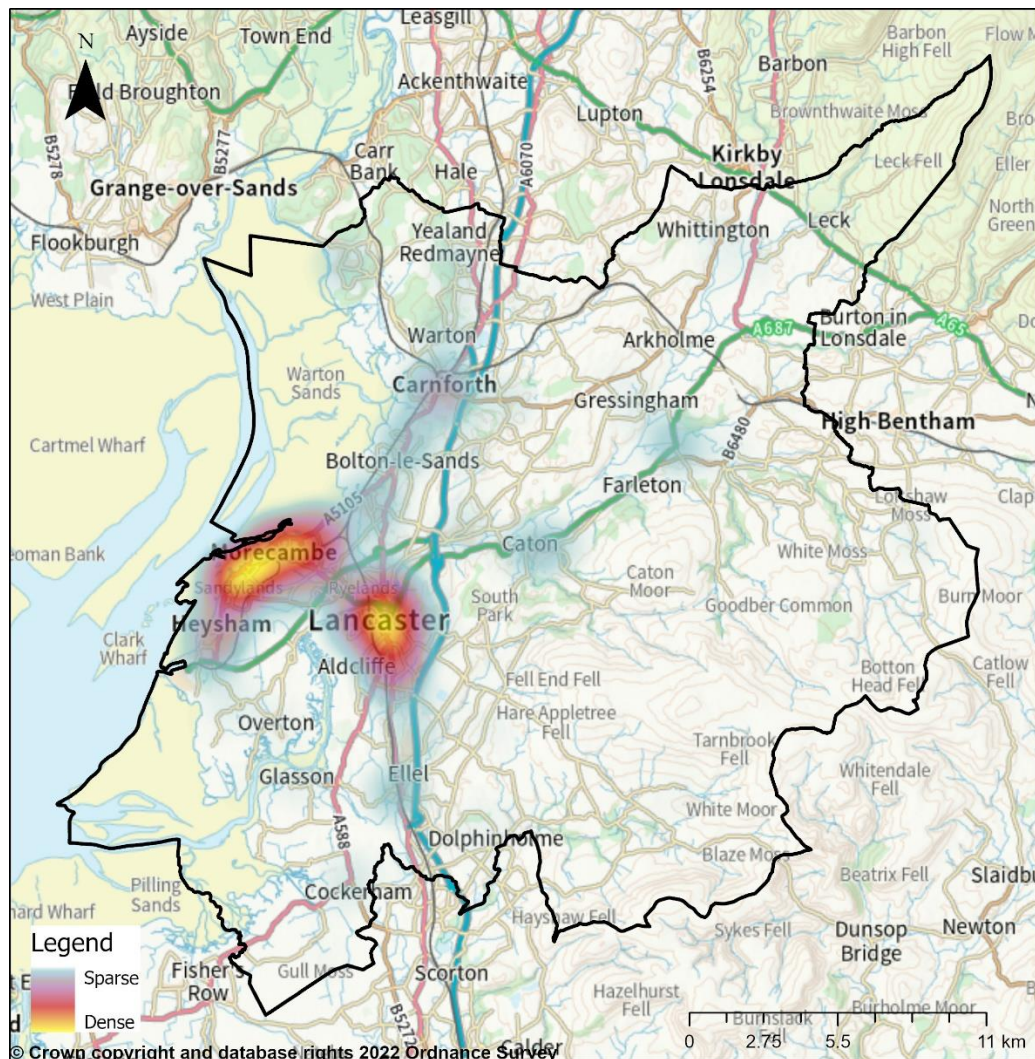
- Exempt properties – 513 properties where the owners is deceased or in a care home, or the property is prohibited from occupation due to its poor condition. Due to partnership working with Council Tax and Housing Standards, those properties that are causing concern or have been empty more than two years are now being targeted in order to see if they can be brought back into use.
- Second homes – 625 properties – which are classified by Council Tax as empty as they are not a current permanent residence. The majority are genuine holiday and second homes. However, due to owners' action to avoid incurring premium council tax charges placed on empty properties, it is estimated by council officers that at least 20% of properties classified as second homes are, in reality, long term empty.

3.5 These figures do not include any properties that have been removed from the Council Tax listings by the Valuation Office, which are either due to be returned to the list following extensive renovations, or abandoned in such poor condition that there is no reasonable prospect of being brought back into viable use. It also does not include properties that are not currently accurately classified within the Council Tax records, such as properties that have been vacated but where the owner has failed to notify the council. If Council Tax is still paid there would be no reason for the property to be flagged up as empty unless it is brought to the attention of the council by a concerned neighbour.

3.6 Obtaining an accurate number of genuine long term empty properties in the district at any particular time is therefore not a straightforward exercise. However, review of the available information along with the application of local knowledge can give a reasonable estimate that the figure is around 1500 empty units. However, it must be recognised that the situation is in constant flux and changing daily, as houses become occupied and further houses are vacated under the natural market churn.

## The Local Impact

3.7 Mapping has been used to show the location of long-term empty properties across the district. The maps below show the “hot spots” located within the urban areas and Lancaster and Morecambe town centres, with smaller concentrations along major routes in and out of the district. This is unsurprising as it would be anticipated more empty properties would be found in the more densely built-up areas.

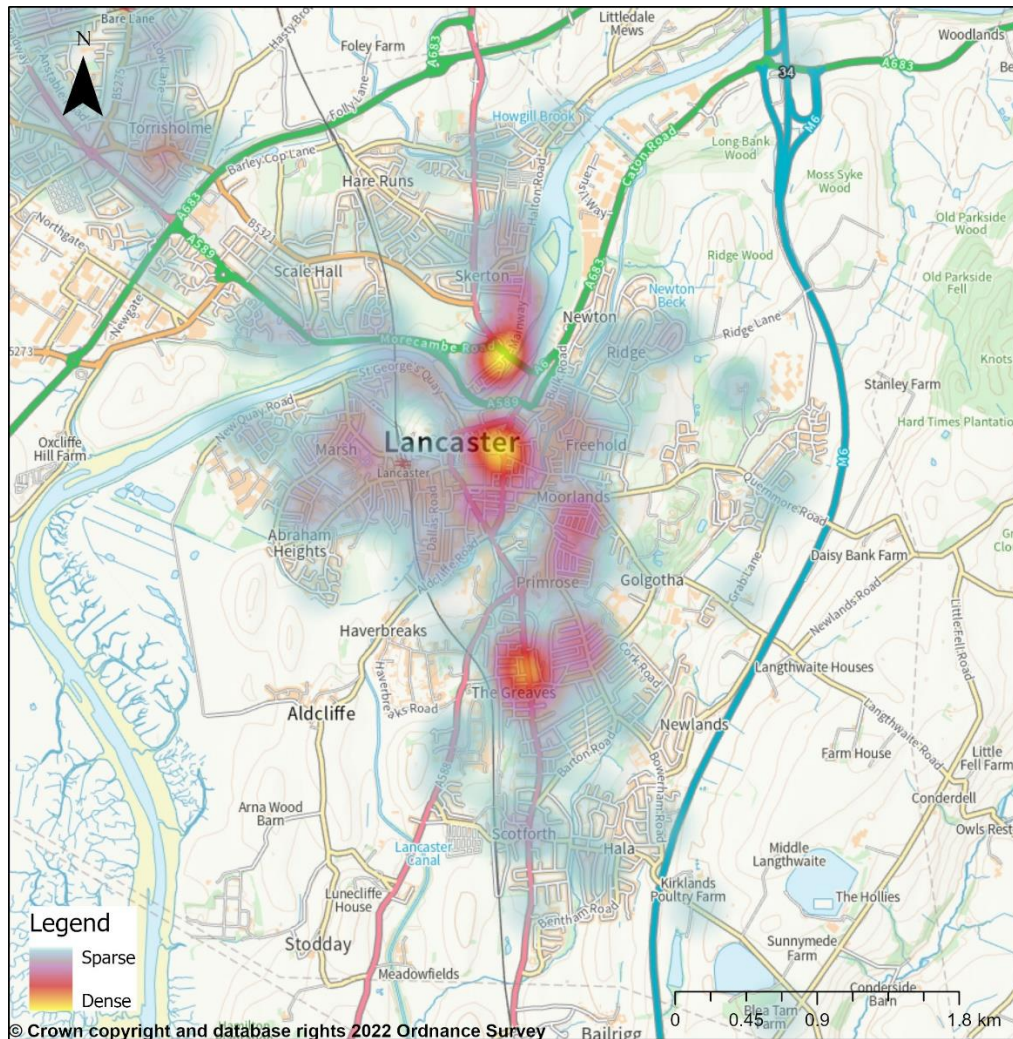


3.8 Looking closely at Lancaster reveals an even distribution of empty properties across the city centre, with concentrated pockets of empty homes located in the following areas:

- South Skerton – there are approximately 30 flats within the Mainway estate which are currently empty due to the need for refurbishment. These units are owned by Lancaster City Council and have so far been empty for less than one year. The Mainway estate is the subject of significant housing renewal and investment programme, led by the council’s Housing Team.
- City Centre – approximately 15 flats are in the process of being refurbished within the same building close to the city centre. They have been empty for three years and are close to completion.



- Greaves – this is a popular student area, and it is therefore likely that the high proportion of empty properties in this area is in relation to turnover of tenants and refurbishments.



3.9 Detail for Morecambe shows there is an even distribution of empty properties across the urban areas, with three main pockets of concentration in Bare, Poulton and the West End. Across all of Morecambe there will be multiple reasons for the high empty property concentrations although the following factors are considered most relevant to this area:

- Prevalence of low-quality flats, especially along the sea front and in the West End where there tends to be a higher turnover of occupants in flats as compared with houses, meaning there is more opportunity for them to be left empty.
- Higher numbers of low income and potentially transient residents. Social and economic conditions lend themselves to a high proportion of empty homes, such as modest rents, absent/poor performing landlords, and poor-quality housing stock.

#### **4. Local Policy and Actions**

##### The Council Plan / Medium Term Financial Strategy

4.1 Lancaster City Council's Council Plan 2024 – 2027, identifies four main priorities for Lancaster district:

- A Sustainable District
- An Inclusive and Prosperous Local Economy
- Happy and Healthy Communities
- A Co-operative, Kind and Responsible Council

4.2 The Healthy and Happy Communities priority seeks to increase wellbeing and reduce and tackle the causes of inequality, empowering and supporting healthy ways of living. Access to Quality Housing plays a fundamental role in health and well-being by ensuring that communities have access to homes for people of all incomes which are comfortable, warm and allows them to maintain their independence. The collective actions of the council in making an active contribution to the provision of new homes, achieving its housing regeneration ambitions, and making the best use of Lancaster district's existing housing stock, including empty homes will positively contribute to meeting this priority.

4.3 The council's Medium Term Financial Strategy must both support and inform the council's vision for the district and the strategic direction as set out in the Council Plan and the council-wide Policy Framework. This is required so that the council's resources are matched against its agreed priorities and other supporting needs while set against opportunities to make efficiencies, savings and manage expectations in a challenging financial environment.

4.4 The council faces a significant financial challenge. Central government have withdrawn in the region of 40% of the council's funding over the last decade with the burden passed on to the local council taxpayers and businesses in the district. The council has experienced a significant reduction in real terms spending power. Alongside the national context of spiking inflation, high energy costs and increases to the National Living Wage, local authorities are under financial strain like never before. Demand for services continues to rise, including the statutory services that our communities rely on.

4.5 The council has embarked on a programme called Outcomes-Based Resourcing (OBR) that will see it examine every area of its budget and match resources more closely with its priorities. The OBR programme includes looking at ways the council can do things differently and more efficiently, and the Empty Homes Strategy must also respond to this wider agenda.

4.6 It must be recognised that due to budget reductions significant capacity to support the Empty Homes Officer has been lost. The equivalent of one full time technical officer, helping to serve legal notices and undertake building/construction specification has been lost. This has reduced the capacity available to effectively use all avenues available to tackle empty homes. The service is still adjusting to these changes and seeing how it can "achieve more with less."

##### Homes Strategy and Action Plan 2020-25



- 4.7 The council's Homes Strategy was refreshed and adopted in February 2021. The Strategy sets out the strategic direction for housing activity in Lancaster district taking account of the identified housing needs and supply alongside the quality of new and existing housing stock and establishing a strategic framework which sets out the council's own housing priorities. As part of the full review of the council's Local Plan, the council will be refreshing its housing evidence and will be preparing an up-to-date Strategic Housing Market Assessment (SHMA) to understand the housing needs in Lancaster district. Data on empty homes will form part of this assessment in relation to existing housing supply.
- 4.8 Government funding, initially under the Green Homes Grant (Local Authority Delivery programmes), which is a government scheme supporting energy efficiency upgrades of low-energy efficiency, low-income households across England, has allowed some of the worst performing properties with the lowest Environmental Performance Certificate (EPC) ratings in Lancaster district to receive green energy measures to qualifying households. Funding is expected to continue under Government grant for retrofit measures of off-gas properties or homes without central heating and will primarily be targeted at properties with EPCs D, E, F and G.
- 4.9 Improving the existing housing stock remains a priority in Lancaster district but is challenging at a time when much of the external funding opportunities have ceased and there are council budget pressures. However, bringing back empty properties into use is an agreed council priority, and a specific action within the previous Housing Strategy (2012-2017) was to prepare and implement an Empty Homes Strategy. The current Homes Strategy acknowledges the role the existing housing stock in Lancaster district makes to supply and meeting needs, is a continuing theme/priority, and work on mitigating the impact of empty homes is integral to helping meet local housing needs.

#### Private Sector Housing and Enforcement

- 4.10 Lancaster district has a large private rented sector, with issues and significant differences in the rental market between the districts two major conurbations of Lancaster and Morecambe arising from historic social and economic factors.
- 4.11 In recent years, due in part to the presence of two universities, Lancaster city has seen increased volume of student housing, and particularly the increase in purpose-built provision in Lancaster city centre to shift some of the demand for student housing (in the form of small HMO's) away from the residential areas in south Lancaster. An Article 4 Direction was implemented to control the number of new proposals for HMO's in south Lancaster, which now require planning permission. One consideration, when assessing applications for permission, is the number of existing HMO's in the surrounding area. Notwithstanding this, a key focus of the Empty Homes Strategy will be to measure those impacts and changes, and where required, the Empty Homes Officer will support landlords to pro-actively manage their properties.
- 4.12 Lancaster University now run their own accreditation scheme for off-campus student accommodation, with the support of the Housing Standards Team who previously administered the scheme and helped shape the new service.

- 4.13 Morecambe has seen long term decline in demand for traditional seaside holidays, leading to the erosion of the resort's economy which it has struggled to overcome. The decline in tourism left a significant stock of low quality, shared, rented accommodation which attracted a transient population experiencing widespread social and economic deprivation. This was a particular issue for the West End of Morecambe.
- 4.14 Lack of investment by private landlords led to a degraded housing environment, poor conditions for local residents which had a 'knock-on' effect on the remaining holiday establishments, many of whom found themselves operating next door to poor quality hostels. High and persistent levels of unemployment, high incidence of alcohol and drug abuse, crime, and vandalism exacerbated these issues.
- 4.15 While successive and ongoing targeted housing initiatives have brought about dramatic improvements, the age, condition and management of housing stock in the West End is still a focus and priority to ensure that private sector rented accommodation is free from category one hazards and that minimum standards are achieved.
- 4.16 Where possible, the council will seek to achieve full voluntary compliance with legislative requirements and licence provisions but will not hesitate in using its enforcement powers where necessary and now has increased legislative powers to tackle Rogue Landlords as part of the Housing and Planning Act 2016.
- 4.17 The Housing Standards Team also promote and encourage good quality accommodation by administering Houses in Multiple Occupation licensing and the Council's Accredited Property Scheme and work very closely with the Home Improvement Agency and Housing Options. Technical Officers routinely inspect properties prior to a bond being issued and deal with complaints around anti-social behaviour, disrepair, and illegal eviction.
- 4.18 A more recent initiative has been to consider the appropriateness of selective licensing in Morecambe's West End, where the highest concentration of private sector rented accommodation exists. For the second time, in 2023, the council undertook a consultation on whether a defined area of the West End of Morecambe should be subject to selective licensing. A report was brought to Cabinet on the 16<sup>th</sup> April 2024 when it was decided not to proceed with selective licensing, and that the council would instead develop an action plan which would concentrate on a more intelligence led, targeted enforcement approach, would explore a Good Landlords Charter and that a full housing stock condition survey would be commissioned.
- 4.19 Recent funding made available to the Housing Standards Team means they are currently in the early stages of setting up a social lettings agency and have brought in a specialised Housing Solicitor into the Council's Legal Team. Once a social lettings agency has been established it could have the potential to provide another option for empty homeowners looking to bring their property into use. The potential for a grant or loan being made available for any required works to the property will be investigated once the social lettings agency has been established. Also, an in-house Housing Solicitor would provide massive potential to expand on the use of enforcement powers and the potential use of enforced sales to see properties brought back into the housing market.

4.20 The Housing Standards Team significantly contributes towards the improvement and investment in the private rented sector, and works towards increasing the number of private sector properties that meet the decent homes standard. They also make use of any suitable initiatives to improve the thermal efficiency of existing housing stock and reduce fuel poverty by making the appropriate referrals to other agencies or through direct interventions through the Home Improvement Agency.

4.21 There are direct links between the Housing Standards Team and the Empty Homes Officer. The Housing Standards Team will often take an initial complaint about an empty property and then work to resolve short term issues affecting neighbouring properties through negotiation and enforcement.

## Homelessness Strategy

4.22 At its Cabinet meeting on 24<sup>th</sup> October 2023, the refreshed Homelessness Strategy 2023-2028 was adopted. This had been prepared during a period of national economic uncertainty, taking account of the impact of the Covid-19 pandemic, cost of living crisis and the tightening housing market in Lancaster district which has impacted on homelessness, as well as global factors such as the invasion of Ukraine and withdrawal of troops from Afghanistan resulting in the UK taking more refugees. Despite these challenges, the city council seeks to build on what is working well in our area engaging positively with our local partners and other councils.

4.23 Prevention of homelessness remains a key priority as well as tackling repeat homelessness. The Homelessness Strategy sets out the progress made in the last three years as well as the council's ambitions over the next five years which can be broadly described as:

Priority Area 1 – Prevention of homelessness and rough sleeping.

Priority Area 2 – Intervention to relieve homelessness and rough sleeping.

Priority Area 3 – Recovery from homelessness and rough sleeping.

Priority Area 4 – Underlying improvements to reduce homelessness in Lancaster and improve services locally.

4.24 Action and intervention on empty homes increases the supply of housing locally and links directly to improving the choice and supply of housing in the district. The council continues to explore alternative options to bring empty homes back into use in the form of rented accommodation and make those homes available for people in need of housing, including those threatened with homelessness.

## Housing Regeneration

4.25 Historically the council's major private housing activities and actions have focussed on Morecambe's West End following its designation as a Housing Renewal Area in 1993, leading to a 10-year programme of action to improve housing conditions and the local environment, through to initiation of the West End Masterplan and its significant public investment in capital housing improvements.

4.26 In general action concentrated on the conversion and refurbishment of many of the largest and worst multi-occupied properties. Block repair and improvement, and environmental improvements, have been ongoing with objectives to:

- Increase the attractiveness of the West End as an area to live for existing residents and to attract new people to move into the area as long-term residents, having a knock-on impact to improve the overall image of the resort.
- Increase the proportion of owner occupiers and alleviate some of the major issues with the private rented housing stock, such as empty and derelict units, poor management, and upkeep of properties.
- Diversify the types of housing available.
- Increase the amount of useable quality open space.
- Improve the quality of the built environment.
- Assure the sustainability of local shops through consolidation and establishing a niche market identity.

4.27 In 2013, the Council was successful in bidding for £1.9 million from the Clusters of Empty Home Programme which targeted areas with high levels of empty properties in order to bring them back into use through refurbishment rather than demolition. This funding helped bridge the final financial funding gap, alongside other significant public investment, to enable developer PlaceFirst to renovate 48 terraced empty properties into use as a mix of single house and self-contained flats, and made available for private market rent.



*Photograph of Westminster Road before and after refurbishment*

4.28 The Empty Homes Officer has noticed an increase in interest from developers in other empty properties in the vicinity to Chatsworth Gardens, hoping to benefit from the knock-on effect the scheme will have on property prices. The renovation project has not only attracted external investment from property developers but has encouraged local residents and communities to take pride in their homes and improve the visual appearance of the neighbourhood.

4.29 The progression of Empty Homes Strategy work built on the experience of the team involved in progressing significant housing improvements in the West End of Morecambe. As

the resources available for major housing improvement became harder to find officers focussed on the district-wide but town centre focused programme of working, with owners of third-party residential and business properties to facilitate remedy of the external appearance where deficient, and to bring previously empty property including homes into use.

- 4.30 This work had significant crossover with Empty Homes Officer activity involving officers having recourse to action under the planning acts (Section 215) and as a last resort to forcing improvements by undertaking works in default while assuring costs recovery over the long term.
- 4.31 The Empty Homes Officer continues to undertake targeted action in the West End of Morecambe although the capacity of the regeneration team has been reduced in recent times through budget cuts.
- 4.32 The work of the Regeneration Service is currently predominantly focussed on the delivery of new homes under area regeneration strategies ongoing or emerging for the Canal Quarter in Lancaster and central area regeneration in Morecambe.

### Methodist Action North West

- 4.33 In 2012, a new partnership was formed between Lancaster City Council and Methodist Action North West (a Preston Based charity) to deliver a new Social Lettings Agency in the Lancaster District. A successful bid for Government funding allowed a loan to be offered to the owners of long-term empty properties for renovations to be carried out and for the properties to be brought back into use and managed by Methodist Action, with the loan being repaid through the rental income. As the scheme was so successful, Lancaster City Council invested £200k of its own money to further extend the scheme once the Government funding ended.
- 4.34 The partnership between Lancaster City Council and Methodist Action was successful in bringing 22 properties back into use, which are properties that would otherwise have potentially remained empty for a substantial length of time. Unfortunately, in the summer of 2019 Methodist Action went into liquidation, meaning that this partnership ended. All properties that had been brought back into use through the scheme were handed back to the owners and the offer of financial assistance to empty homeowners was suspended.
- 4.35 It is considered that this was an effective partnership that delivered on its aims, and it is unfortunate that it was cut short. The council can take what it has learned from this experience and hopefully move forward with a new partner to offer a new empty homes scheme if a new Registered Provider can be found.

## **5. Empty Homes Strategy Action Review and Future Objectives**

5.1 This is the council's third Empty Homes Strategy since the appointment of the Empty Homes Officer in 2013 who was tasked with:

- Specifically targeting empty homes.
- Using the available statutory powers to reduce their impact.
- Assisting in seeing as many empty homes brought back into use as possible.

The broad strategic objectives and achievements of the previous strategies can be used as a benchmark to assess effectiveness of the work undertaken and to ensure the direction of future work meets the current policy priorities and objectives of the council.

## **Objective 1: To Raise Awareness of Empty Homes Issues**

5.2 Benefits of raising awareness using information and publicity:

- Members of the community affected by empty properties are more informed and have a contact within the city council with whom to raise any concerns.
- The public are made aware of enforcement actions available to the Local Authority that can be used when dealing with problematic empty properties.
- Owners of empty properties are educated in the problems associated with leaving a house empty and the missed opportunities this presents.
- Owners become more aware of the assistance available through promotion of the council's role.

5.3 Raising awareness of empty homes issues has taken the form of the following actions:

- Letters to empty homes owners – Contact is made with all empty homeowners whose property has been empty more than 2 years, making them aware of the Council Tax premium, highlighting any specific issues regarding their property, and emphasising their potential lost revenue and risks involved in leaving a property empty.
- Media coverage – There have been regular articles in local newspapers highlighting the issues surrounding empty homes across the district, including The Lancaster Guardian and The Visitor. A section was included on the Council's social media pages highlighting the work of the Empty Homes Officer and the benefits it creates. These have had a varying range of responses, mostly positive, with people being pleased that the council is performing this role.
- Visiting neighbouring properties – The people that are most affected by empty properties are those who live directly adjacent to them; either through the physical problems caused, such as excessive cold or damp, or the worry and stress of potential antisocial or criminal activity taking place at the property. Visiting the neighbouring properties and making them aware that the property is being monitored, and the owner encouraged to act, can remove stress and anxiety giving a point of contact within the council should they need to report anything.

5.4 Pointers to Future Actions:

- Continue to ensure all empty homeowners whose property has been empty for more than 2 years are contacted.
- Expand contact to properties that have been empty for more than 18 months to give owners advance warning of the premium charge.
- Ensure that there is at least one press release within the media on a yearly basis to keep the issue of empty properties relevant in people's minds and provide contact details for people who are affected by them.
- Carry on visiting neighbouring properties of long-term empty homes to provide them with a point of contact within the council.
- Continue to raise awareness of the issues surrounding empty properties and find additional methods of connecting with local residents such as community meetings or leaflet drops in areas with high levels of empty properties.

## **Objective 2: To Maintain Accurate Records and Information on Empty Homes**

- 5.5 Most of the statistics relating to empty homes in the district are obtained from the Council Tax register. This shows details regarding the status of the property, how long it has been empty and provides contact details for the owner of the property. An up-to-date spreadsheet of all empty homes is provided by the Revenues & Benefits Shared Service for Lancaster & Preston City Councils on a quarterly basis to keep up to date with any changes. This is then used to create an active case log for the Empty Homes Officer. Other ways of information gathering are via complaints from the public, internal referrals from other services within the authority and other statutory bodies, such as the Fire Service and Police.
- 5.6 On receipt of information pertaining to an empty home, background checks are carried out, as well as a site visit to the property to assess its condition. An electronic file is then created to contain a copy of all letters and photos, and any other documents relevant to the property. The active case log is then used to store relevant information to each property and is used to keep track of required actions going forward.
- 5.7 All of the Empty Homes Officers active cases are now mapped using Geographic Information System (GIS) software. This was an objective previously set out in the strategy with the aim to better focus attention towards areas of high vacancy and to aid with communicating information. The use of GIS has also helped to make site visits more efficient, reducing duplication of visits to an area, which is a better use of officer time and better for the environment.
- 5.8 By keeping records and information on empty properties in the area, it allows the council to monitor the progress being made towards bringing an empty property back into use, store important contact information for the owner which can be easily accessed in an emergency and allow easy recall of properties if a new complaint is made. It also assists in deciding what future action needs to be taken.

### 5.9 Pointers to Future Actions:

- Continue to maintain records and information on empty homes to ensure the information is accurate and up to date.
- Continue to develop the close working relationship with the shared Revenues & Benefits service to maintain and gather relevant information on empty homes, and target problem properties.
- Encourage additional information to be provided by other council departments and third parties, including the public, statutory partners, and community stakeholders.

### **Objective 3: To Explore and Pursue Funding Opportunities to Tackle Empty Homes**

5.10 The council is open to funding opportunities to help assist in bringing empty homes back into use. However, since 2015 there has been no specific funding programmes targeted at empty homes. While Homes England's Affordable Homes Programme 2021-26 is the main route to funding new affordable homes, this grant stream lends itself more to new build schemes rather than purchase and repair schemes where the costs can often be more challenging.

5.11 The council's staff resource base has also been denuded in recent years. Even if funding opportunities do become available there would need to be significant consideration of the ability and capacity of the council to bid for, administer, and implement actions under external funds depending on the nature of any opportunity. Partnership with other public facing stakeholders interested in the empty homes agenda would be required.

#### 5.12 Pointers to Future Actions:

- Keep up to date with all Government legislation and funding opportunities.
- Should opportunities arise, review capacity and ability of the council to bid for, administer, and implement actions under external funding opportunities in association with public facing stakeholders as appropriate.

### **Objective 4: Continue to Take a Proactive Approach to Engage with Empty Homeowners and Target Problematic Empty Homes that Generate Complaints**

5.13 As previously noted, contact has already been made with all empty homeowners whose property has been empty more than 2 years. The council needs to be proactive in tackling empty properties; to make owners aware of the negative impact their property is having and highlight the various options available to bring them back into use.

5.14 The council is also actively encouraging members of the public to report any empty homes in the local area that have either been left empty for an excessive period or are causing any kind of concern. Even if the property is already known, it provides another contact to obtain any information about the background of the property and gives the resident the peace of mind that the owner of the property is being pursued.



## 5.15 Pointers to Future Actions

- Continue to engage with empty homeowners and local residents to best assist with encouraging action to be taken to bring long term empty properties back into use.
- Actively target student housing landlords of properties that have been empty more than 6 months to encourage them to take action with their properties.

### **Objective 5: To Implement All Measures Available to the Council in Order to Bring Empty Homes Back into Use**

5.16 There are several measures available to the Council to encourage empty homeowners to take action with their property with the aim to see that they are brought back into use. These measures range from liaising with them and offering advice and reassurance, to enforcement action that can lead to the enforced sale of their property. These measures are outlined below:

- Advice and Guidance – making empty homeowners aware of their various options, to sell or rent their properties and the financial and maintenance benefits that this has in comparison with leaving the house empty. Other incentives are also offered, such as reduced VAT rates on renovations to long term empty properties and guidance on planning where appropriate.
- External Assistance – The Empty Homes Officer is often contacted by property developers looking for empty homes to renovate. A database has therefore been established of interested parties should a homeowner show an interest in selling a property in need of modernisation. This can save the owner time and money, and see the property brought back into use.
- Threat of Enforcement – If there is no success with an owner towards bringing an empty property back into use, the threat of enforcement action is used to focus their mind as to the alternative if they do not take positive action independently.
- Enforcement – There are several statutory notices under a range of legislation that are available to the council to use against problematic empty properties. The main notice used is under Section 215 of the Town and Country Planning Act 1990, which targets properties that are considered to be detrimental to the amenity of the surrounding area, and a notice can be served requesting that various works be completed to rectify this. Teamwork with other departments also means that vermin problems, fly tipping, unsecured properties, fire risks and failure to pay Council Tax can also be enforced against.
- Works in Default or Prosecution – This is a measure that can be used as a last resort, and so will only impact on very few empty homeowners across the district. The direct non-compliance with an enforcement notice is a criminal offence and so can lead to prosecution, or in some cases the council deems it more effective to carry out the required works themselves and charge the owner. This would then see that the negative impact felt by the property would be remedied, and the owner billed accordingly.
- Enforced Sale – If the council hold a charge against a property for works in default, and the owner is either untraceable, unwilling, or unable to pay, there is the option to enforce the sale of the property in order to recover their costs by placing it up for

auction. To date, this power has only been used once by the council on a property in extremely poor condition which had been disclaimed and had no chance of being brought back into use by other means. This is a tool that should be explored further and utilised in the appropriate circumstances; however, the council needs to identify the appropriate resources within the legal department to make this a practicable option.

5.17 Due to limited staffing and funding resources, it is necessary to target staff time towards the worst cases that need urgent attention, as well as limit the use of Section 215 Notices to cases where a successful enforced sale is predicted. This is due to the loss of assistance with the service of notices, and to ensure all available funds are used to obtain the best outcome.

#### 5.18 Pointers to Future Actions

- Continue to work through all the measures available, to an increasing degree of severity, in order to achieve the desired outcome.
- Aim to see that approximately 60 properties are brought back into use following intervention from the Empty Homes Officer each year.
- Where appropriate, increase the use of Section 215 Notices to lessen the negative impact of long-term empty properties with the view to seeing them brought back into use.
- Pursue the use of enforced sales in the most severe cases, where all other measures have failed, as a final means to see the property brought back into use. The possible consequences of leaving a property to deteriorate can also be advertised as a deterrent to other owners of empty homes.
- Review resources and ensure targeting at priority properties in terms of severity of impact on community amenity.

## 6. Conclusion and Statement on Continuing Objectives and Action Plan

- 6.1 Empty homes are a necessary consequence of housing turn over – a house must become empty in order for new owners to move in. In most cases, this will only be a few days, however, this period can become extended for several reasons, such as, when renovation works are required, or the property is part of the estate of a deceased owner. The length of time that a property is empty, and the condition that it is left in whilst empty, can start to have a negative impact on the surrounding neighbours and the wider community if left unchecked. The role of the Empty Homes Officer is to monitor empty properties to mitigate the potential negative impacts that empty properties can have and facilitate suitable enforcement action when required.
- 6.2 There is a recognised housing shortage across the Lancaster District, therefore all empty properties brought back into use will help to ease this pressure and provide much needed housing. Central Government incentives, as well as discretionary powers Local Authorities can impose, aim to work as a deterrent to leaving properties empty for an excessive period.
- 6.3 The Empty Homes Strategy aims to set out a plan of action to raise awareness of empty homes and their impact on the wider community, effectively record and monitor all empty properties, take a proactive approach to working with empty home owners, seek any funding available to be used on empty homes schemes, and use available legislation to mitigate the negative effects of empty homes.

## 1. Case Studies

### Beaufort Road, Morecambe

- 1.1 This property had been empty for 7 years and the owner seemed unwilling to engage with the Council with regards to assistance that we might be able to provide. The Empty Homes Officer was approached by a local property developer who was interested in the potential purchase of the property and so their contact details were passed to the owner of the property.
- 1.2 Within 4 months the sale had been completed and a full renovation of the property commenced. The new owner was able to complete the works and have the property on the open market for sale within 6 months.



### Combermere Road, Heysham

1.3 This property was left empty in 2012 due to the owner being out of their depth with the level of renovations required to bring it back up to a habitable standard. After contact from the Empty Homes Officer, in 2018 the owner was willing to sell the property to a local property developer who purchased the house specifically to bring it back into use using the Methodist Action Scheme with the Council.

1.4 Council funding was made available to the new owner due to the length of time the property had been left empty. The works were carried out to the Council's specifications and met all the housing standards criteria for decent rented housing. The property was subsequently rented out to a local person who presented to the Council with housing need and was managed by Methodist Action until such time that they went into liquidation, at which time it was handed back to the owner who took over the management of the property.



1.5 This property was owned by a development company in the South of England who had invested in Morecambe with little understanding of the property values. It sat empty for over 10 years before the threat of enforcement action finally encouraged the owner to sell the property, at which time the full renovation works were carried out and the property brought back into use.



East Lodge, Aldcliffe Road, Lancaster



1.6 This listed building was purchased as a retirement project, where the owner quickly realised, they were out of their depth with the amount of works required. Rather than sell the property, it was left empty for close to 20 years, was subject to multiple break-ins and acts of vandalism and fell into a state of disrepair.

1.7 Following years of false promises and little action, the council took the decision to serve a Section 215 Notice on the owner, requiring extensive works of improvement to the property, with the threat of an enforced sale if they were not carried out. This gave the owner the motivation needed to finally agree to sell the property to a local property developer.

1.8 The works were completed within 6 months of the sale and the property has now been returned to its former glory.



1.9 This property was purchased by a company in 2012 as an investment fraud. Six investors were tricked into handing over their own money towards the renovation costs, well in excess of the value of the property, with the promise of returns once the works had been completed. No works were ever carried out and the company went into liquidation and disclaimed the property in 2014.

1.10 A fire in the property in 2015 and regular vandalism meant that the property quickly fell into a state of disrepair. The Council were called regularly by concerned neighbours and carried out various works to attempt to minimise the negative impact of the property.

1.11 Due to the debt building up against the property and the knowledge that there was no owner to take responsibility for the property, the enforced sales procedure was followed. In 2019 the property was sold to a local property developer via auction, and following extensive renovations the property was brought back into use in 2021.

1.12 Without this intervention by the council, it is likely that the property would not have been brought back into use, and would have continued to be a target for vandalism and a constant source of worry for the neighbours.



## 2. Empty Homes Work Progression





### 3. EMPTY HOMES ACTION PLAN 2025-2030

<b>Action – Raise Awareness</b>	<b>Outcomes</b>	<b>Lead</b>	<b>Timescale for completion</b>	<b>Measure</b>	<b>Resource Implications</b>
Regularly review council tax data and contact empty homes owners at the earliest possible stage	Reduction in the time homes are empty	Empty Homes Officer	Ongoing	Carried out weekly	Within existing resources
Use a wide range of publicity at regular intervals and encourage reporting of empty homes	Raises public awareness	Empty Homes Officer	Ongoing	Aim to publicly report on empty homes twice per year	Within existing resources
Provide early intervention through a wide range of advice and support to bring empty homes back into use as quickly as possible	Reduction in the time homes are empty	Empty Homes Officer	Ongoing	Carried out weekly	Within existing resources
Regularly liaise with neighbours of empty properties	Providing support to local residents	Empty Homes Officer	Ongoing	Carried out weekly	Within existing resources
<b>Action – Maintain accurate records</b>					
Obtain information from council tax on a quarterly basis to monitor the total number of empty properties on a district wide basis	More effective monitoring	Empty Homes Officer	Quarterly	Obtained quarterly	Within existing resources
Maintain internal records of empty properties being targeted and log all actions taken	More effective monitoring	Empty Homes Officer	Ongoing	Carried out daily	Within existing resources
Provide statistical information to check progress on reducing the number of empty homes and consider the impact of the current council tax charging policy	More effective monitoring	Empty Homes Officer	Quarterly	60 empty properties brought back into use with Council intervention per year	Within existing resources

<b>Action –Seek funding</b>					
Investigate any funding opportunities to draw down funding for empty homes	Increase resources to reduce empty homes	Empty Homes Officer/Housing Strategy Officer	As and when required	Currently no available funding	Within existing resources
Maintain links with other district councils, regional and national bodies to identify potential funding opportunities and recognised good practice around empty homes	Better chance of securing funding	Empty Homes Officer/Housing Strategy Officer	As and when required	Current links with Empty Homes Network and Empty Homes North LA Group	Within existing resources
<b>Action – Enforcement</b>					
Where appropriate, serve notices upon empty homes owners and take appropriate legal action	Will reduce number of empty homes	Empty Homes Officer/Legal Services	As and when required	0 notices were served in 2024 – negotiations have been successful	Within existing resources
If necessary, prosecute empty homes owners and undertake works in default	Will reduce number of empty homes	Empty Homes Officer/Legal Services	As and when required	Works in default were carried out to 1 property in 2024	Within existing resources
Pursue an enforced sale as a last resort	Will reduce number of empty homes	Empty Homes Officer/Legal Services	As and when required	1 enforced sale has been carried out by Lancaster City Council in the previous 10 years	Identify appropriate resources within Legal Services
Review the level of legal support to support empty homes enforcement and options to increase resources	Will reduce number of empty homes	Legal Services Manager	As and when required	Housing Solicitor in role in 2024 providing additional support	Identify appropriate resources within Legal Services

**CABINET**

**Adoption of the Climate Emergency Review of the Lancaster District Local Plan**

**14 January 2025**

**Report of Chief Officer – Planning and Climate Change Service**

PURPOSE OF REPORT				
To advise Cabinet Members of the receipt and publication of the Inspector’s Report of the Examination of the Climate Emergency Review of the Lancaster District Local Plan and seek an endorsement of the intention that a report is presented to Council, provisionally on 22 January 2025, recommending that the Council adopts the updated Local Plan Development Plan Documents as elements of its statutory development plan.				
Key Decision		Non-Key Decision	X	Referral from Cabinet Member

**RECOMMENDATIONS OF COUNCILLOR GINA DOWDING, CABINET MEMBER WITH RESPONSIBILITY FOR CLIMATE ACTION**

- (1) Cabinet Members acknowledge the receipt and publication of the Inspector’s report of the Examination of the Climate Emergency Review of the Lancaster District Local Plan, which concludes that the reviewed planning documents provide an appropriate basis for the planning of the district, subject to compliance with her binding recommendations.
- (2) Cabinet Members endorse 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.

**1.0 Introduction**

1.1 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. The City Council is legally obligated to maintain a Policy Framework. The Council's Constitution describes which documents are components of that 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.

- 1.2 The purpose of this report to Cabinet is to advise Members of the receipt and publication of the Inspector's Report and seek endorsement for the intention that a report is presented to Council, provisionally on 22 January 2025, recommending the City Council adopts the updated Local Plan DPDs as elements of its statutory development plan.
- 1.3 Should Full Council resolve to adopt the revised DPDs these revised documents will supersede the versions that Council adopted on 29th July 2020. The policies in the revised versions will immediately become the updated policies against which planning proposals must be assessed<sup>1</sup>.

## **2.0 Proposal Details**

- 2.1 On 29 July 2020 Full Council adopted the current Local Plan and at the same time resolved to immediately commence a Climate Emergency review of the that Local Plan in the context of its 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.
- 2.2 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.
- 2.3 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.
- 2.4 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.
- 2.5 On 26 January 2022 Full Council resolved to formally publish the Climate Emergency Review of the Local Plan: comprising a revised Strategic Policies & Land Allocations DPD and Development Management Policies DPD and supporting information. Council also resolved to submit the documents and

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<sup>1</sup> 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).

representations to the Government in order that they would be the subject of an independent Examination by a Government appointed Inspector.

- 2.6 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.
- 2.7 One of the key policies in the plan – DM30(a) proposes that new build homes are built to be “Net Zero” (or have a 100% reduction in carbon emissions associated with regulated energy use) following a fabric first approach. This means homes would be built with better building fabric than is required by national current building regulations, making them warm and comfortable while using less energy.
- 2.8 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 2021 (paragraph 35) (NPPF) makes it clear that to be “sound”, a Local Plan should be positively prepared, justified, effective and consistent with national policy.
- 2.9 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.
- 2.10 The documents were formally submitted to Government, via the Planning Inspectorate, on 31 March 2022.
- 2.11 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 necessary independent Examination. The Inspector appraised herself of the submitted documents and formal representations received then identified issues to be explored.
- 2.12 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?

- 2.13 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.
- 2.14 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 adopted<sup>2</sup>.

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

- 2.15 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*”.
- 2.16 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.
- 2.17 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

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<sup>2</sup> 1.1 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.

Cross case was known.

- 2.18 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 superseded 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.
- 2.19 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.
- 2.20 Finally, on 2nd 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 these modifications the documents can now be adopted. A decision on adoption will be made by Council at a date and time to be confirmed. The Inspector's Report was published on the Council's website on 5 December 2024.
- 2.21 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. This includes:
- 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 adds 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.

2.22 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.

#### Onward Reporting to Full Council

2.23 Now that the Inspector has concluded the Examination process the Council can adopt its submitted DPDs with the necessary modifications. Cabinet is asked to endorse the forthcoming Council recommendation on adoption.

### **3.0 Details of Consultation**

3.1 Extensive consultation during the preparation of the Climate Emergency Local Plan Review has been undertaken in accordance with the relevant legislation, national guidance and the Council's own Statement of Community Involvement (SCI). The proposed Main Modifications have been subject to consultation. With the receipt of the final Inspector's Report the Examination is complete. No further consultation is required. The final part of the plan preparation is the formal adoption.

### **4.0 Options and Options Analysis**

4.1 Members are advised that there is only one realistic course of action in response to the recommendations of this report; that is to acknowledge the receipt and publication of the Inspector's report and endorse 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.

### **5.0 Officer Preferred Option and Conclusion**

5.1 To support the recommendations and have the adoption process proceed to Full Council. Given the resource that the Council has deployed between 2020 and 2024 to update its Local Plan to better respond to the Climate Emergency and the very public commitment it made to the community to be pro-active in addressing Climate Change including though the formal submission of the revised documents to the Government, to then subsequently decide not to proceed to the conclusion of that process by supporting an adoption recommendation to full Council would likely have immediate consequences for the reputation of the Council and potentially cause the Secretary of State to intervene in the adoption process.

5.2 The Climate Emergency Review of the Local Plan has been lauded by the wider planning sector as a shining example for other local authorities to

emulate. It is recommended that Cabinet endorses the intention to submit a report to Council for adoption of 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.

## **RELATIONSHIP TO POLICY FRAMEWORK**

The City Council is legally obligated to maintain a Policy Framework. The Council's constitution describes which documents are components of that 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. This report enables the expectations of the processes described in the constitution and facilitates decision making.

The Council Plan for 2024-2027 sets out the council's priorities and ambitions and a strategic vision for its services. The Plan is underpinned by four principles:

- A Sustainable District
- An Inclusive and Prosperous Local Economy
- Healthy and Happy Communities
- A Co-operative, Kind and Responsible Council,

and four themes:

- The Climate Emergency
- Community Wealth Building
- Increasing Wellbeing. Reducing Inequality
- Deliver Effective Services, Take Responsibility.

Work to update the Local Plan through the preparation of a Climate Emergency Review addresses all these principles and themes as development outcomes that better address the Climate Emergency will bring benefits to the community, the environment and the economy.

## **CONCLUSION OF IMPACT ASSESSMENT**

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

There are no adverse health and safety, human rights or community safety implications arising from the recommendations of this report. The CELPR is a partial Local Plan review which relates specifically to strengthening the Local Plan in the context of the City Council's Climate Emergency declared in January 2019. The DPDs contain revised / new policies which specifically relate to how the Council's ambitions to better address the Climate Emergency can be supported by updated planning policies and subsequently regulatory processes that can achieve outcomes from approved development that better address climate objectives. It will seek to ensure that in both urban and rural locations that opportunities are maximised to achieve development proposals which both mitigate the impacts of Climate Change.

The review of the Local Plan is accompanied by an Equalities Impact Assessment (EIA).

**LEGAL IMPLICATIONS**

There are no legal implications arising directly from this report

**FINANCIAL IMPLICATIONS**

There are no direct future financial implications arising from this report. The process of preparing the Climate Emergency Local Plan Review was fully resourced from reserves and now the work has been completed and invoiced for, a saving of c.£62.5K has been identified. This amount will be returned to balances and included in the Q3 monitoring information which is reported to Cabinet for consideration.

**OTHER RESOURCE IMPLICATIONS**

**Human Resources:**

None directly arising from this report.

**Information Services:**

None directly arising from this report.

**Property:**

The Council does own land and assets where the updated development plan policies will be applicable should development proposals be submitted, just as this is the case for land and assets owned by any party, however, there are no direct implications arising from this report.

**Open Spaces:**

None directly arising from this report.

**SECTION 151 OFFICER'S COMMENTS**

The s151 Officer has been consulted and has no further comments.

**MONITORING OFFICER'S COMMENTS**

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

**BACKGROUND PAPERS**

The Submitted Climate Emergency DPDs and the Inspector's final Report and Main Modifications Appendix are published on the Council's Local Plan Examination webpages:

<https://www.lancaster.gov.uk/planning/planning-policy/local-plan-examination>

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**CABINET**

**Corporate Fees & Charges 2025/26  
14 January 2025**

**Report of Chief Officer (Resources)**

PURPOSE OF REPORT				
The report asks Members to endorse the Fees and Charges Policy for 2025/26 and also to consider a range of charging options as deemed appropriate to the service area.				
Key Decision	Y	Non-Key Decision		Referral from Cabinet Member
Date of notice of forthcoming key decision		16 December 2024		
This report is public				

**RECOMMENDATIONS OF COUNCILLOR Hamilton - Cox**

- (1) That Cabinet endorses the Fees and Charges Policy as set out at Appendix A, and during 2025/26 as part of the mid-year budget strategy review determines whether any other areas of income generation be explored further for 2025/26 onwards.
- (2) That for 2025/26, Cabinet endorses the freezing of selected fees and charges as detailed within section 3 with particular reference to Car Parking charges, Salt Ayre Sports Centre, Markets and Rodent Control.
- (3) That Cabinet endorses the application of inflationary increases to fees and charges across all remaining areas as appropriate, as reported as part of the current 2025/26 budget setting process.
- (4) That Cabinet endorses a £1 per bin increase (2.2%) in contribution towards households using the opt-in garden waste collection service, thus making the annual cost of the service £46 per bin.
- (5) That Cabinet endorses the introduction of new fees and charges within Planning & Climate Change as detailed in section 3.7.

## 1.0 Introduction

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

## 2.0 Proposal Details

### 2.1 GENERAL POLICY

This report sets out the proposed fees and charges framework for 2025/26. The current policy was last considered by Cabinet at its meeting on 16 January 2024 and a copy is attached at **Appendix A**. No substantive updates of the policy are being proposed at this stage.

- 2.2 In terms of fee increases, as part of the 2024/25 budget setting process, Council agreed increases largely to make good the value of fee income eroded by previously rates of inflation. The impact of these increases have now been reviewed.
- 2.3 For certain charging areas, a 'freezing' of fees and charges for a period of one year (2025/26) is considered appropriate. Income budgets have been reviewed and adjusted as appropriate, allowing for a more accurate, achievable position. Income generation areas which fall within this convention and new areas of charging are discussed further within section 3 of this report.
- 2.4 Following review with Officers, where it is feasible that an inflationary increase can be achieved, inflation has been included in line with the percentage reported as part of the 2025/26 budget setting process.
- 2.5 In support, **Appendix B** provides a listing of the General Fund fees and charges for 2023/24 actuals, the 2024/25 original budget plus mid-year review position and the 2025/26 latest draft budget. This shows that the total estimated base income to be generated from fees and charges (including rents) is now projected to be £19.598M next year. Of this total, around £17.071M has been subject to increase or freeze as appropriate. The majority of the remaining income relates to statutory fees, commercial charges, general cost recovery and fixed contracts. As such these income areas allow for little or no discretion in setting fee increases (aside from any consideration of market share etc). Furthermore, certain fees such as various licensing fees cannot by law be set by Cabinet.
- 2.6 From Appendix B, it can be seen that between 2024/25 and 2025/26 gross income from comparative fees and charges is expected to reduce from £19.642M to £19.598M, representing a reduction of £0.044M before any expenses are deducted. However, it should be noted that the projected gross income for

2025/26 is higher than the anticipated outturn for 2024/25 by £0.469M when comparing against the figures reported to Cabinet as part of the Q2 quarterly monitoring report.

- 2.7 Where fees and charges are to change in line with policy and/or the budget, these will be amended through existing Officer delegations and therefore no Cabinet decision is required – and so no detail is provided within this report. It should be noted that in exercising their delegated authority, Officers may well consider groupings of charges for similar or related activities and within those groupings, they may vary individual fees (or concessions) above or below inflation, for example – but as long as in totality, it is reasonable to assume that the relevant income budget will be met and the variances do not go against any other aspect of policy, then no Cabinet decision is required.
- 2.8 Separate to the annual budgeting exercise, if there are any significant matters arising during the course of a year, such as in cost, market forces or service levels, which materially affect current service costs and revenues, then relevant fees and charges should be reviewed. If it is reasonable for them to be adjusted in year, to keep within the budget framework, then the Chief Officer has delegated authority to do so, as long as any fee or charge under question was not explicitly approved by Members during the last budget process. Any such changes must be reported to Cabinet retrospectively as part of usual quarterly monitoring arrangements.
- 2.9 Cabinet is requested to indicate whether there are any other specific areas for income generation that it wishes to consider as part of its budget development, primarily for 2025/26 onwards, on top of those already included.

### **3.0 OTHER SPECIFIC CHARGING CONSIDERATIONS**

#### **3.1 Environment & Place: Garden Waste**

The current price of a subscription is £45 per annum and within the calendar year of 2024 there were just under 24,000 subscribers resulting in income of £1.079M towards the general fund's net financial position. Retention levels had a marginal decrease following the previous £4 price increase.

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

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

On this basis it is proposed to increase the charge by an amount of £1 to £46 which represents a 2.2% annual increase. Assumptions with regards to overall impact of this in terms of subscription numbers have been included within the draft budget for 2025/26 and will be monitored closely throughout the financial year.

### 3.2 Environment & Place: Rodent Control

The treatment of rodent infestations from domestic and business premises is a service that the Council offers and is delivered by the pest control team. National data suggests that there has been a significant rise over the last few years and to avoid a situation where the customer would choose not to use the service due to pricing, it is proposed to freeze the price of rodent control for the following financial year.

### 3.3 Environment & Place: Salt Ayre Leisure Centre

As included within this report to Cabinet last year in relation to fees and charges at SALC:-

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

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

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

Salt Ayre Leisure Centre (SALC) generates a significant amount of income to support the net cost of its operation. As detailed in section 2.2 and as part of the 2024/25 budget setting process, higher than usual inflationary increases were recommended. Subsequently, within 2024/25 targeted price increases were implemented throughout the centre and membership plus overall visitor numbers have reduced. For information the membership numbers have significantly reduced to c.3,200. When considered against projected income target of £3.744M, the projected shortfall reported to Cabinet as part of Q2 corporate financial monitoring exercise amounted to an adverse variance of £0.261M.

As part of the work undertaken between Officers of SALC and Accountancy which feeds into the budget process for 2025/26, a full review of base budgets took place and more reasonable, achievable budgets have been proposed as part of the draft budget amounting to £3.642M which represents a reduction of £0.102M against 2024/25 originally approved levels. It is requested that this figure is not inflated and all fees and charges are frozen for a period of one year in order to protect and grow the client base.

Again, this is an area which will be scrutinized closely during the usual corporate monitoring arrangements within 2025/26 and reported as appropriate.

### **3.4 Governance: Parish Council Elections**

Parish Councils currently pay £120 for an uncontested election which is to offset the cost of producing nomination packs, processing nominations and producing and advertising statutory notices. No increase to this charge has been made since 2017.

If an election is contested at the scheduled elections, a parish will be charged only for the full cost of ballot papers and postal packs as the city council elections take place on the same day. For any contested parish or parish ward by-elections that take place outside the 4 yearly cycle, the full cost of the election is charged to the parish.

It is proposed to increase this charge to £130 representing an increase of 8.33%.

### **3.5 Governance: Licensing**

The annual review and setting of licence fees are delegated to the Licensing Committee. For the purposes of this report and the draft budget, fees have been inflated in-line with the reported position to Cabinet as part of the 2025/26 budget process.

The next meeting of the committee is scheduled for 6<sup>th</sup> February 2025 and should any recommended changes with a financial impact be approved then these will need to be monitored as part of the usual corporate monitoring arrangements prior to inclusion in the draft budget as part of the 2026/27 budget process.

### **3.6 Housing & Property: HMO Licensing**

HMO Licensing was introduced in 2006 and the latest fees charged were last reviewed in 2022. As part of the digitalisation project the fees have been reviewed and changes proposed to how they're collected in accordance with recognised practice on a cost recovery basis.

The draft budgets have been updated to take account of the annual fluctuations



that a five-year cyclical charge creates.

A copy of the new proposed fee scales are attached at Appendix C.

### 3.7 **Planning & Climate Change: Application Fees**

As part of the 2024/25 budget process, the Government enabled planning fees to be increased and subsequently the Council agreed to an income generation proposal which were expected to generate a further £0.100M within 2024/25 and onwards. The latest monitoring information (Q2) reported to Cabinet 3 December 2024 highlighted a shortfall in this area in relation to reduced levels of planning fee/pre application income due to downward projection in major planning applications. For further information, the base budget for 2025/26 has been adjusted according and therefore reduced by £0.160M.

To mitigate this, Officers of the Planning & Climate Change Service have proposed the introduction of two new charges:-

#### Fast Tracked Planning Applications

Offering an enhanced planning service aimed at minor applications (including changes of use), householder planning applications and lawful use/discharge of condition applications. This would be a 'fast track' service for the customer from receipt of the planning application through to a decision. It is proposed that certificate of lawful use applications and discharge of planning applications also fall within the offering.

#### Invalid Application Administration Charge

Around 60% of all planning applications received by the service are invalid. This has a significant impact on time and resources and puts pressure on the technical team and causes delays for our clients.

The new charge aims to improve the quality of applications submitted to the planning service and increase the number of valid applications at first submission. This will help to focus resources on the processing of valid applications rather than managing invalid submissions.

The proposed charges will be on a fair charging basis and full details can be found at **Appendix D**.

### 3.8 **Sustainable Growth: Car Parking**

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

As part of the review of the fee structure for 2024/25, tariffs were increased on average by 10% following a period of sustained cost inflation. Monitoring suggests that whilst marginally down, the predicted outturn is within an acceptable tolerance of the total income budget. Based on this information and

consideration of the wider context it is recommended that car parking charges are not inflated and are frozen at current levels for 2025/26.

### 3.9 Markets

The Council operates three markets within the district:-

- Morecambe Market
- Charter Market
- Assembly Rooms

Since the pandemic, Morecambe Market and the Charter Market have both struggled with footfall issues and subsequently the traders have left. The ability to attract traders has become very difficult and whilst marketing drives are ongoing, invariably income levels have reduced significantly and the base budgets have been reduced to achievable levels as part of the draft budget process.

Therefore, in order to protect the business, it is requested that fees and charges within this area are not inflated and frozen for 2025/2026.

### 3.10 Outcomes Based Resourcing

As part of the ongoing Outcomes Based Resourcing/Fit for the Future process (OBR/FftF), Cabinet and subsequently Council, reserve the right to alter any fees and charges whilst staying within the boundaries of the policy. Should any service areas be reviewed further under this process then they will be identified separately as appropriate and built into future year projections within the usual 2025/26 budget process arrangements.

### 4.0 Details of Consultation

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

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

	<b>Option 1:</b> To support the inflationary increases/freezes as outlined in the report.	<b>Option 2:</b> To not support the inflationary increases/freezes as outlined in the report.
Advantages	Fees and charges contribute further to the general fund net position.	Maintains the cost of services at 24/25 levels or at less than proposed in this report.

	Costs of delivering Council services have increased as has demand in some areas. Not increasing costs means that further pressure is created on the Council's ability to deliver its core services.	
Disadvantages	The draft revenue budget has been prepared with the inclusion of the items raised in this report. Any further proposals would require further consideration prior to being fed into the budget process.	Costs of delivering Council services have increased as has demand in some areas. Not increasing costs means that further pressure is created on the Council's ability to deliver its core services.
Risks	Increasing fees to higher than suggested levels would most likely result in further resistance and potentially not achieve the targets originally set.	Cost of living increases and the return from the pandemic have reshaped people's habits. The income targets already set may not achieve projected levels in 24/25, resulting in a shortfall within the accounts.

**6.0 Officer Preferred Option (and comments)**

6.1 The Officers preferred option is Option 1.

**7.0 Conclusion**

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

**RELATIONSHIP TO POLICY FRAMEWORK**

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

**CONCLUSION OF IMPACT ASSESSMENT**

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

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

**LEGAL IMPLICATIONS**

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

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

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

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

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

**FINANCIAL IMPLICATIONS**

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

**OTHER RESOURCE IMPLICATIONS**

**Human Resources:** No specific resource implications.

**Information Services:** No specific resource implications.

**Property:** No specific resource implications.

**Open Spaces:** No specific resource implications.

**SECTION 151 OFFICER'S COMMENTS**

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

**MONITORING OFFICER'S COMMENTS**

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

**BACKGROUND PAPERS**

None

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**LANCASTER CITY COUNCIL**  
*Promoting City, Coast & Countryside*

## **APPENDIX A**

# **FEES AND CHARGES POLICY**

**January 2025**

## 1 INTRODUCTION

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

## 2 GENERAL POLICY

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

### Council policies, strategies and priorities

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

Basis of Charging Decisions

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

Subsidies and/or Concessions

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

Surplus Income

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

Efficient Administration

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

Regular Review

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

Policy Implementation

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

**3 DETERMINING SPECIFIC CHARGING POLICY (CASE BY CASE)**

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

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



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

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

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

## 4 **SUBSIDIES AND CONCESSIONS**

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

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

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

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

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

## 5 **NEW FEES AND CHARGES**

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

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

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

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

## **6 REVIEWING FEES AND CHARGES**

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

## **7 COLLECTION OF FEES AND CHARGES**

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

**8 PUBLICATION OF FEES AND CHARGES**

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

## GUIDANCE FOR NEW FEES AND CHARGES

### Charging Policy

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

### Comparative Information

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

### Financial

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

### Impact Assessment

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

### Impact on Other Areas

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

**Method of Collection**

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

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

**Alternatives**

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

**Consultation**

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

Summary of General Fund Fees and Charges (including rents)  
For Consideration by Cabinet 16 January 2025

## APPENDIX B

Directorate	Service	Service Area	Detail Code	2023/24 Actual £	2024/25 Original £	2024/25 Projected £	2025/26 Estimate £		
Environment & Place	AONB & Nature Reserves	Arnside and Silverdale AONB	Feed In Tariff Credits	-630	-500	-500	-500		
		Middleton Nature Reser & Pumping Station	Rents - General	-875	-900	-900	-900		
	Environmental Protection	Environmental Protection	Rents - Wayleaves & Titles	-500	-500	-500	-500		
			Water Sampling Fees	-2,079	-4,000	-4,000	-4,100		
			EPA Authorisation Fees	-19,670	-17,000	-17,000	-17,000		
			Fines	750	-2,000	-2,000	-2,000		
			Income - Works In Default	-6,841	-2,600	-2,600	-2,700		
	Fleet Management	Vehicle Maintenance - External Recharges	MOT Income	-3,776	-2,900	-2,900	-2,900		
			General Fees & Charges	-2,490	-1,500	-1,500	-1,500		
	Food Safety	Food & Safety	General Fees & Charges	-8,226	-11,000	-11,000	-11,300		
			Fines	0	-100	-100	-100		
			Training Course Fees	-1,643	-4,300	-4,300	0		
	Hospitality & Events Management	Lancaster Port Health Authority	General Fees & Charges	-9,264	-5,300	-9,300	-9,500		
			The Storey	Sales - General	-195,537	-232,400	-232,400	-238,400	
		LTH Bar & Catering	LTH Bar & Catering	Sales - Refreshments	-37,942	-43,400	-43,400	-44,500	
				Rents - General	-90,759	-95,800	-95,800	-95,800	
				Hire Of Premises	-88,420	-120,200	-120,200	-102,800	
				Service Charges Recovered	-82,778	-85,100	-85,100	-85,100	
		The Platform	The Platform	Sales - General	-36,824	-43,400	-43,400	-54,800	
				Hire Of Premises	-53,866	-45,000	-45,000	-55,000	
		Parks & Open Spaces	Non-Resort Parks	Venue Hire	-45,103	-65,000	-65,000	-75,500	
				Private Hire	-85,515	-39,400	-39,400	-64,700	
	Resort Parks		Resort Parks	Admission Fees	-245,297	-81,900	-81,900	-128,500	
				Bar	-102,862	-60,000	-60,000	-99,100	
				Rents - General	-3,242	-7,500	-7,542	-7,700	
				Rents - Concessions	-12,741	-23,400	-20,000	-24,000	
	Happy Mount Park		Happy Mount Park	Service Charges Recovered	-70,963	-51,400	-51,400	-51,400	
				Administration Charges	-300	-600	-600	-600	
	Pest Control		Bowling	Bowling	Bowling	-607	-1,300	0	0
					Receipts Non-Vatable	-9,543	-10,100	-11,000	-9,300
		Promenade Management	Promenade Management	Rents - General	-4,545	-4,100	-4,101	-4,200	
				Rents - Concessions	-6,852	-5,100	-5,100	-5,200	
		Grounds Maintenance	Grounds Maintenance	Service Charges Recovered	-1,191	-100	-100	-100	
				General Fees & Charges	-39,538	-45,900	-40,229	-41,000	
		Small Parks & Open Spaces GM	Small Parks & Open Spaces GM	Rents - Concessions	-3,500	-4,000	-4,000	-4,100	
				General Fees & Charges	-42,670	-76,600	-47,226	-61,600	
		Cemeteries - General	Cemeteries - General	Service Charges Recovered	-774	-500	-500	-500	
				Bowling	0	-400	-8	-400	
	Tennis	Tennis	Tennis	-127	-400	-85	-400		
			Sales - Promenade Passes	-721	-600	-600	-600		
	Salt Ayre Leisure Centre	Salt Ayre Leisure Centre	Rents - General	-26,922	-23,200	-36,175	-25,900		
			Rents - Concessions	-65,057	-70,700	-57,538	-27,600		
	Service Support	Service Support	Service Charges Recovered	-9,633	-4,400	-4,400	-4,400		
			General Fees & Charges	-34,870	-41,700	-41,700	-42,800		
	Street Cleaning	Street Cleaning	General Fees & Charges	0	-400	-400	-400		
			Rents - General	-513	-500	-500	-500		
	Trade Refuse Waste Collection	Trade Refuse Waste Collection	Rents - Grazing Rights	-330	-300	-300	-300		
			Sale Of Grave Spaces	-126,705	-103,100	-103,100	-105,800		
	Williamson Park	Williamson Park	Interment Fees	-181,764	-186,000	-186,000	-190,800		
			Memorial Fees	-25,556	-31,300	-31,300	-32,100		
	Pest Control	Pest Control	Hire Of Chapels	-4,458	-5,600	-5,600	-5,700		
			Sale Of Memorial Plaques	-37,512	-35,300	-39,300	-36,200		
	Salt Ayre Leisure Centre	Salt Ayre Leisure Centre	Sale Of Memorial Benches	0	-700	-700	-700		
			Unbugged	-138,372	-162,000	-162,000	-166,200		
	Service Support	Service Support	Domestic Rodents	-49,591	-53,500	-51,600	-53,500		
			Domestic Insects	-24,638	-36,100	-18,000	-37,000		
	Street Cleaning	Street Cleaning	Feed In Tariff Credits	-16,406	-18,300	-18,300	-18,300		
			Fees and Charges	-3,365,616	-3,725,400	-3,452,300	-3,623,900		
	Trade Refuse Waste Collection	Trade Refuse Waste Collection	Sales - Goods Resold	-4,609	-2,300	-2,300	-2,400		
			Feed In Tariff Credits	-22,181	-18,500	-18,500	-18,500		
	Williamson Park	Williamson Park	General Fees & Charges	-24,415	-38,900	-26,000	-26,700		
			Public Conveniences	-26,856	-33,100	-27,000	-27,000		
	Williamson Park	Williamson Park	Trade Refuse Collections	-1,899,742	-1,998,400	-1,998,400	-2,050,400		
			Bulky Waste Collection	-3,946	-6,000	-6,000	-6,200		
	Williamson Park	Williamson Park	Sales - Scrap	-1,886	-1,400	-1,400	-1,400		
			Domestic Collections	-97,597	-112,700	-112,700	-115,600		
	Williamson Park	Williamson Park	Household Waste	Fees - United Utilities	-1,695	-1,600	-1,600	-1,600	
			Domestic Collections	-412	-1,800	-1,800	-1,800		
	Williamson Park	Williamson Park	Clinical Waste	-7,737	-5,000	-5,000	-5,000		
			General Fees & Charges	-80,398	-43,300	-72,676	-44,400		
	Williamson Park	Williamson Park	Recycling	Fees - United Utilities	-1,565	-1,400	-1,400	-1,400	
			General Fees & Charges	-35,612	-16,000	-26,855	-16,400		
	Williamson Park	Williamson Park	Garden Waste	Fees - United Utilities	-1,324	-1,200	-1,200	-1,200	
			Garden Waste Collection	-994,909	-1,070,500	-1,070,500	-1,094,300		
	Williamson Park	Williamson Park	General Fees & Charges	-26,709	-14,400	-24,169	-14,800		
			Sales - General	-423,509	-441,000	-452,764	-452,500		
	Williamson Park	Williamson Park	Sales - Publications & Data	-558	-200	-1,000	-200		
			Sales - General	-79,469	-68,600	-71,800	-70,400		
	Williamson Park	Williamson Park	Sale of Recycling Material	0	-1,200	-1,200	-1,200		
			Family Tickets	-53,911	-52,700	-52,700	-54,100		
	Williamson Park	Williamson Park	Admission Fees	-121,621	-130,200	-130,200	-133,600		
			Educational Usage	-7,184	-6,900	-6,900	-7,100		
	Williamson Park	Williamson Park	Venue Hire	-35,694	-55,600	-55,600	-57,000		
			Special Events	-64,266	-102,100	-65,000	-63,700		
	Williamson Park	Williamson Park	Sales - General	0	-400	-400	-400		
			Car Parking Fees	-18,694	-24,100	-20,000	-28,900		
	Williamson Park	Williamson Park	Car Parking Fees - Card payments	-44,679	-41,700	-45,800	-38,600		
			Sales - General	-21,721	-35,600	-17,106	-36,500		

Directorate	Service	Service Area	Detail Code	2023/24 Actual £	2024/25 Original £	2024/25 Projected £	2025/26 Estimate £					
<b>Governance</b>	<b>Democratic &amp; Elections Legal Services</b>	Electoral Registration	Sales - Publications & Data	-4,655	-2,600	-2,600	-2,600					
		Legal Services Mgt & Admin	General Fees & Charges	-55,389	-94,700	-94,700	-97,200					
		Searches Administration	Other Grants	0	-40,800	-40,800	-21,800					
	<b>Licensing</b>	Hackney Carriage & Private Hire Licences	H.C. Vehicle Licence	Search Fees	-147,863	-214,900	-190,000	-205,200				
			H.C. Driver Licence	H.C. Vehicle Licence	-28,671	-32,900	-31,300	-32,100				
			H.C. Inspection Fees	H.C. Driver Licence	-5,861	-3,500	-4,000	-3,600				
			H.C. Transfer Of Ownership	H.C. Inspection Fees	-15,465	-14,900	-16,500	-15,300				
			H.C. Taxi Plates	H.C. Transfer Of Ownership	-628	-300	-600	-300				
			P.H. Operators Licence	H.C. Taxi Plates	-328	-1,100	-500	-1,100				
			P.H. Drivers Licence	P.H. Operators Licence	-6,861	-8,900	-7,500	-9,100				
			P.H. Vehicle Licence	P.H. Drivers Licence	-6,191	-5,600	-5,600	-5,700				
			P.H. Inspection Fees	P.H. Vehicle Licence	-36,921	-41,300	-41,300	-42,400				
			P.H. Transfer of Ownership	P.H. Inspection Fees	-30,041	-31,200	-34,000	-32,000				
			P.H. Taxi Plates	P.H. Transfer of Ownership	-109	-100	-100	-100				
			Dual Drivers Badge	P.H. Taxi Plates	-711	-1,100	-1,100	-1,100				
			Miscellaneous Licences	Licences-Skin Piercing(Tattoos)	Dual Drivers Badge	-42,225	-41,900	-41,900	-43,000			
				Licences - Sex Shops	Licences-Skin Piercing(Tattoos)	-3,310	-4,700	-4,700	-4,800			
				Licences - Second Hand Dealers	Licences - Sex Shops	-210	-200	-200	-200			
		Licences - Motor Salvage Operators		Licences - Second Hand Dealers	-427	-300	-500	-300				
		Licences - Street Cafes		Licences - Motor Salvage Operators	-365	-300	-400	-3,100				
		Licences - Street Cafes		Licences - Street Cafes	-3,886	-4,700	-10,000	-10,300				
		Licensing Act 2003	Temporary Event Notices	Licensing Act 2003	-6,394	-7,200	-7,200	-7,200				
			Street Trading Consent	Temporary Event Notices	0	-20,000	0	-20,000				
			Licensing Act 2003 - Personal	Street Trading Consent	-5,443	-8,200	-6,000	-6,000				
			Licensing Act 2003 - Premises	Licensing Act 2003 - Personal	-106,195	-119,400	-110,000	-110,000				
		Gambling Act 2005	Licences - Lotteries	Licensing Act 2003 - Premises	-3,540	-3,700	-3,700	-3,800				
			Licences - Betting Shops	Licences - Lotteries	-4,950	-8,400	-5,000	-5,100				
			Licences-Gaming Machines	Licences - Betting Shops	-2,750	-4,100	-3,000	-3,100				
			Licences - Bingo Establishments	Licences-Gaming Machines	0	-5,000	-1,800	-1,800				
			Amusement Machines	Licences - Bingo Establishments	-2,150	-3,300	-3,300	-3,400				
	<b>Housing &amp; Property</b>	<b>Commercial Land &amp; Properties</b>	Commercial Land & Buildings	Rents - Grazing Rights	-3,780	-4,000	-4,000	-4,000				
			Rents - General	Rents - General	-1,520,418	-1,466,600	-1,685,800	-1,465,800				
Service Charges Recovered			Service Charges Recovered	-233,112	-245,400	-245,400	-263,000					
Municipal Land & Buildings		Hire Of Premises	Hire Of Premises	-1,156	-5,700	-5,700	-5,800					
		Rents - General	Rents - General	-164,362	-167,600	-120,200	-129,100					
		Sales - Refreshments	Sales - Refreshments	0	-100	-100	-100					
<b>GF Housing Schemes</b>		Centenary House Regent Road (Co-op)	Service Charges Recovered	-133,041	-120,600	-78,300	-130,900					
		Mellishaw Park	Rents - Commercial Properties	-16,120	-16,000	-16,000	-16,000					
		Rent - Houses	Rent - Houses	-3,829	-73,300	-51,600	-68,400					
<b>Private Sector Housing</b>		Jubilee Court	Service Charges Recovered	-524	0	-16,500	-23,200					
		Home Improvement Team	Rent - Houses	-48,767	-30,200	-25,700	-51,500					
		Home Improvements	Service Charges Recovered	-9,726	-10,300	-10,100	-10,300					
<b>Property Group Public Health Services</b>		Private Rented Sector Activity	General Fees & Charges	-33,580	-35,000	-35,000	-35,000					
		Admin-Works In Default	Administration Charges	-264,227	-300,000	-332,600	-352,400					
		Immigration Inspection Fees	Admin-Works In Default	-2,738	-1,200	-10,000	-1,200					
		APS Fees	Immigration Inspection Fees	-501	-300	-300	-300					
		HMO License Fees	APS Fees	0	-100	-100	-100					
		Fines	HMO License Fees	-73,898	-41,300	-53,200	-52,500					
		General Fees & Charges	Fines	-3,303	-2,800	-9,400	-2,800					
		Burial Of The Dead	General Fees & Charges	-575	-2,500	-2,500	-2,600					
		Vets Fees Recovered	Burial Of The Dead	-41,074	-35,800	-35,800	-36,700					
		Exhibiting Animal Licences	Vets Fees Recovered	-1,543	-1,200	-1,200	-1,200					
<b>Planning &amp; Climate Change</b>		<b>Corporate Climate Change DM - Building Control DM - Planning</b>	Project Development	Feed In Tariff Credits	-41,531	-45,000	-45,000	-45,000				
			Building Regulations	Bldg Regs - Application Fees	-164,840	-152,000	-152,000	-182,000				
			Development Control	Planning Pre Application Advice Fees	-45,227	-89,000	-72,000	-89,000				
		Property Services Mgmt & Admin	Planning Application Fees	Planning Application Fees	-796,562	-1,050,000	-850,000	-900,000				
			Planning Fees s106 Income	Planning Fees s106 Income	0	-10,000	-10,000	-10,000				
			Administration Charges	Administration Charges	-784	-1,200	-1,200	-1,200				
			Legal Costs Recovered	Legal Costs Recovered	-367,020	-367,900	-367,900	-377,400				
			<b>Resources</b>	<b>Finance Revenues &amp; Benefits</b>	Financial Services Management & Admin	Council Tax & NNDR						
					<b>Sustainable Growth</b>	<b>Markets</b>	City Centre Markets & Traders	Rents - Market Stalls	-30,829	-34,300	-35,413	-34,300
							Market Tolls	Market Tolls	-47,635	-48,900	-48,900	-48,900
General Fees & Charges	General Fees & Charges	-3,515	-3,800	-3,875	-3,800							
<b>Museums</b>	Morecambe Market	Service Charges Recovered	Service Charges Recovered	-2,513	-4,700	-700	-700					
		Administration Charges	Administration Charges	-210	-500	0	0					
		Rents - Market Stalls	Rents - Market Stalls	-272,816	-335,000	-235,040	-285,000					
	City Museum	Advertising - Hoardings Etc	Advertising - Hoardings Etc	-1,300	-300	-300	-300					
		Service Charges Recovered	Service Charges Recovered	-25,616	-13,600	-13,600	-20,200					
		Storage	Storage	-14,406	-6,600	-6,600	-14,000					
	Maritime Museum	Sales - General	Sales - General	-11,955	-8,200	-15,200	-19,700					
		Admission Fees	Admission Fees	-41	-2,300	-136	-2,400					
		Sales - General	Sales - General	-10,646	-3,500	-5,000	-5,200					
	<b>Parking</b>	Cottage Museum	Sales - Refreshments	Sales - Refreshments	-5,882	-3,500	-4,000	-3,600				
Admission Fees			Admission Fees	-12,095	-4,400	-5,000	-4,500					
General Fees & Charges			General Fees & Charges	-2,424	-200	-200	-200					
Off Street Car Parks		Admission Fees	Admission Fees	-1,442	-100	-100	-100					
		Rents - General	Rents - General	-22,060	-25,000	-25,000	-25,000					
<b>TOTAL INCOME</b>	<b>TOTAL INCOME</b>	Car Parking Fees	Car Parking Fees	-1,150,300	-1,454,800	-1,454,800	-1,454,800					
		Car Parking Fees - RingGo	Car Parking Fees - RingGo	-1,325,547	-1,233,300	-1,233,300	-1,233,300					
		Car Parking Permits	Car Parking Permits	-224,076	-255,500	-255,500	-255,500					
		Car Parking Fees - Card payments	Car Parking Fees - Card payments	-1,004,881	-982,500	-982,500	-982,500					
		General Fees & Charges	General Fees & Charges	-24,909	-26,600	-26,600	-27,300					
Fines	Fines	-180,976	-155,000	-155,000	-155,000							
<b>TOTAL INCOME</b>				<b>-18,411,820</b>	<b>-19,641,700</b>	<b>-19,137,738</b>	<b>-19,598,300</b>					



**Lancaster City Council**  
**HMO Licensing Fees – from April 2025**

**The licence fee is payable in two parts.**

**Part 1 - The Application Fee**

Required at the time of application. The application will only be accepted with this payment.

**Part 2 – The Licence Fee**

Will be invoiced once the application has been checked and is ready to issue. The fee at Part 2 will reflect the size of the HMO and will take account of any of circumstances listed below that are applicable.

The HMO Licence will be issued on receipt of the total licence fee (Part 1 & Part 2) usually for a 5 year period.

These are the fees for a **FIVE** year licence.

The maximum licence fee is currently £1,000 and it is proposed to increase this to £1,100.

	<b>Part 1 Application Fee</b>	<b>Part 2 Licence Fee</b>	<b>Total fee for a five person HMO. (Part 1 + Part 2)</b>	<b>Add for each extra person</b>
New Licence	£150	£580	£730	£55
Renewal of existing licence	£150	£480	£630	£55

For example: A new five year licence for a 6 bedroom HMO will be  
 $£150 + £580 + £55 = \text{Total licence fee of } £785$

**See overleaf for discounts and additional charges.**

**NOTES:**

- Discounts do not apply where an additional charge (as listed) has been made.
- A Licence cannot be transferred to another person.
- Licences are not refundable.

**Discounted Fees apply in the following circumstances**

Member of recognised accredited property scheme: Schemes currently included are: <ul style="list-style-type: none"> <li>• Member of the Lancaster City Council accredited property scheme</li> <li>• Member of the Lancaster University Approved Homes Scheme.</li> </ul>	£110 per licence
Multiple property owner (Where more than 10 HMO licences are held by the same licence holder).	£110 per licence

**Additional Charges apply in the following circumstances**

These are to cover the additional administrative costs and are not to be confused with the penalty for failure to licence as defined in legislation, which can carry an unlimited fine.

Late application/late renewal of licence  <i>This applies where a complete application is not received by the renewal date. An incomplete application is one where there are documents missing or the application form is completed incorrectly.</i>	Add £110 per licence
Application received after property is found to be operating as an HMO that should be licenced, but without a valid licence.	Add £110 per licence

**Administration Charges:**

Administration Fee: For example for change of ownership details, change of address, change of management details etc.	£50 per licence
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**For example:**

**A new five year licence for a 6 bedroom HMO belonging to a recognised accreditation scheme: £150 + £580 + £55 discounted by £100 = £685**

**OR**

**A new five year licence for a 6 bedroom HMO submitted late: £150 + £580 + £55 + £110 = Total licence fee of £885**

**NOTES:**

- Discounts do not apply where an additional charge (as listed) has been made.
- A Licence cannot be transferred to another person.
- Licences are not refundable.

## APPENDIX D

### Service / New Charge

Enhanced planning service aimed at minor applications (including changes of use), householder planning applications and lawful use/discharge of condition applications. This would be a 'fast track' service for the customer from receipt of the planning application through to a decision. It is proposed that certificate of lawful use applications and discharge of planning applications also fall within the offering.

The idea came about during the Covid Pandemic when householders in particular wanted to gain their consent quickly to enable them to develop their homes. The Local Authority grant 88% of its applications which is in-line with the England average of 86%.

The service would be split into two services.

#### First Class (Castle Class)

Householder/Minor applications – from receipt of application to determination within 4 weeks

Certificate of Lawfulness/Discharge of condition - from receipt of application to determination within 4 weeks

#### Business Class (Ashton Class)

Householder/Minor applications – from receipt of application to determination within 5 weeks

Certificate of Lawfulness/Discharge of condition - from receipt of application to determination within 5 weeks

The enhanced services would need to be paid at the time of the submission of the application, and the applicant or agent will need to inform the Council upon submission and payment of the application. Each request will be assessed individually by either the Planning Applications Manager or a Principal Planning Officer before the application can be considered to utilise the fast-track route. It is assumed that only valid applications on submission could qualify for this route.

### Charging Policy

The proposed charging will be on a fair charging basis, we would be seeking to maximise income within an appropriate fee structure as highlighted above. The Council is a monopoly supplier of the service as only the Local Authority can determine a planning application but the above rates we consider

### Comparative Information

Few councils offer such a service and there is no up-to-date comparison data available. However, several local authorities who manage to retain a stable staffing base are beginning to offer fast-track or 'premium' services for those applicants who require a faster-than-usual decision.

### Financial

Information Required	Description
Level of charge	<p>We would propose to charge the following</p> <p><b>First Class (Castle Class) - £500</b></p> <p><u>Householder/Minor applications</u> – from receipt of application to determination within 30 days.</p> <p><u>Certificate of Lawfulness/Discharge of condition</u> - from receipt of application to determination within 30 days.</p> <p><b>Business Class (Ashton Class) - £400</b></p> <p><u>Householder/Minor applications</u> – from receipt of application to determination within 37 days</p> <p><u>Certificate of Lawfulness/Discharge of condition</u> - from receipt of application to determination within 37 days.</p>
Start date	April 2025
Budgeted income	It is unknown at this stage as it depends on marketing the proposal together with ensuring the developer community are aware. We envisage it could bring in <b>£15,000 per year</b> .
Surplus/deficit as a percentage of cost	N/A
Surplus/deficit per usage	N/A

### **Impact Assessment**

The only impact will be competing priorities of workload for the case officers and ensuring applications are validated and assigned to the nominated case officer on the same day to enable the process to work. None of this is particularly challenging as long as the appropriate communication is put in place.

The fast-track service is dependent upon the DM Planning Applications staffing resources remaining stable, to enable delivery against the timescales.

### **Impact on Other Areas**

The concept of offering fast-tracked services is one that it is beginning to become more prevalent in those authorities where staffing resources are stable.

A fast-tracked decision does not guarantee that permission would be granted. Each planning proposal would continue to be considered on its own merits and consequently any misrepresentation that a faster service would 'buy' a permission is not accepted.

If the proposal is accepted the Service will ensure that the appropriate checks and balances are carried out. This will include a check by the Planning Applications Manager or a Principal Planning Officer to review the application at receipt, to see whether it is suitable for this route.

The DM Service will also monitor the enhanced service's effectiveness for the first 12 months, including the speed of decision; the outcome of the decision; and whether the data for 'outcome of decision' is consistent with the outcome of non-enhanced planning applications. The current benchmark for decision-making is that approximately 88% of all applications are approved or accepted (often following amendments).

### **Method of Collection**

The payment would be collected at the time of submission of the application, and the applicant would need to call or email the planning service with details of the planning portal reference. The payment would be in addition to the statutory planning application fee. For a householder planning application for example the fee would be £500 plus the fee of £258 returning £758.

### **Alternatives**

The alternative is to do nothing and not offer the service. We appreciate that for the majority of applicants they will not use the service. For some, such as home movers or those that wish to have a decision within a short space of time it would appeal.

**Consultation**

National fees are prescribed by Government. Local authorities have powers to levy fees for additional or fast-tracked services.

The local planning authority would ensure that there is sufficient notification during the lead-in to the introduction of the service. This would include coverage on the council's website and direct notification to local agents and architects.

The introduction of the enhanced services would not affect service users who choose not to use the service.

## APPENDIX D

### Service / New Charge

We are proposing a new administrative charge for invalid planning applications will come into effect in April 2025.

Around 60% of all planning applications received by the service are invalid. This has a significant impact on time and resources and puts pressure on the technical team and causes delays for our clients.

The new charge aims to improve the quality of applications submitted to the planning service and increase the number of valid applications at first submission. This will help to focus resources on the processing of valid applications rather than managing invalid submissions.

The following charges will be applied if an application is made invalid and a satisfactory response to an invalid letter is not received within a 28-day period, and the application is returned to the applicant, or an invalid application is withdrawn after notification that it is invalid.

- Major applications – £225
- Minor applications – £80
- Householder and other application types – £55

This new charge is part of an improved service offer regarding planning application validation. To coincide with the introduction of the above processing fees, the Service will imminently update its Planning Application Validation Guide to help applicants and agents submit a valid application. There are several resources to support applicants through the submission process, including validation guides and checklists.

The proposed administrative fees are designed to act as a deterrent and encourage applicants to ensure their applications are submitted 'right first time' and will reduce wasted time and expense.

### Charging Policy

The proposed charging will be on a fair charging basis.

The charges are reasonably-priced when compared to other Councils who have introduced similar fees.

One Lancashire-based authority is Blackburn with Darwen Council, who charge a £270 administrative fee for Major applications; £91 on Minor applications; and £56 on others.

Comparison with a district council (Hyndburn) is not straightforward. Hyndburn typically receive fewer planning applications compared to Lancaster, but have still introduced fees at £120 for a Major application, £60 on a Minor application and £36 on all other applications.

Whilst the proposal may deliver a very modest income, the main rationale for the new charge is to encourage 'right first time' submissions. This will reduce waste including officer time, and will help support applicants and agents to make high-quality planning applications.

### Comparative Information

The above examples of two other Lancashire authorities demonstrate that the proposed administrative fee structure is reasonable.

It is important to note that this charge will not be automatically levied if a planning application is invalid. There are safeguards in place (see Financial Information and Impact Assessment sections).

### Financial

Information Required	Description
Level of charge	<p>The level of charge would be dependent on the type of planning application:</p> <ul style="list-style-type: none"> <li>• Major applications – £225</li> <li>• Minor applications – £80</li> <li>• Householder and other application types – £55</li> </ul> <p>The administrative charges can be applied for the following reasons:</p> <ol style="list-style-type: none"> <li>1. If an application is made invalid;</li> <li>2. If a satisfactory response to an invalid letter is not received within the 28-day expiry period (the expiry date will be stated on the invalid letter);</li> <li>3. If an invalid application is withdrawn after notification that it is invalid (this charge will be deducted from any refund)</li> </ol>
Start date	April 2025
Budgeted income	Circa £10,000 to £15,000 per annum (current 2024-2025 rates would be in the region of £75,000 but it is anticipated that the introduction of the charges would act as a deterrent for many invalid submissions).
Surplus/deficit as a percentage of cost	N/A



Surplus/deficit per usage	N/A
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### **Impact Assessment**

The criteria for levying the charge (see Financial Information, above) will ensure that those who accidentally submit an invalid application will not be penalised, providing that they act promptly to remedy matters.

The proposal should, over time, act as a deterrent thus reducing wasteful planning submissions. The discretionary fee will help the Service cover costs that it incurs to ensure we have the right resources in place to provide support for all our service users.

### **Impact on Other Areas**

There will be time and resources required namely in terms of the invoicing for the additional costs. However, these invoices can be templated to reduce impacts upon this area of the Service. Comparatively, the costs of time and resources for invoicing will be less than those associated with the current situation (i.e. chasing applicants and agents for valid applications, and the usual drip-feed of documents that accompanies this chain of correspondence).

### **Method of Collection**

It would be collected via the current Civica payment system, much the same way as the existing planning pre-application proposals are collected.

### **Alternatives**

The only alternative is to do nothing. We consider the approach advocated will maximise the efficiency of the service and provide a better experience for service users.

### **Consultation**

We would look to consult with applicants/agents at the same time as we consult on the revised Planning Application Validation Guide in early 2025.

We would propose that in early 2025, an informative note is published on the Council's webpage advising applicants and agent about the Council's intentions from April 2025.

# Equality Impact Assessment

This **online** equality impact assessment should:

An equality impact assessment should take place when considering doing something in a new way. Please submit your completed EIA as an appendix to your committee report. Please remember that this will be a public document – do not use jargon or abbreviations.

**Service**

**Title of policy, service, function, project or strategy**

**Type of policy, service, function, project or strategy:** Existing  New/Proposed

**Lead Officer**

**People involved with completing the EIA**

## Step 1.1: Make sure you have clear aims and objectives

Q1. What is the aim of your policy, service, function, project or strategy?

Q2. Who is intended to benefit? Who will it have a detrimental effect on and how?

## Step 1.2: Collecting your information

Q3. Using existing data (if available) and thinking about each group below, does, or could, the policy, service, function, project or strategy have a negative impact on the groups below?

Group	Negative	Positive/No Impact	Unclear
Age	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Disability	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Faith, religion or belief	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Gender including marriage, pregnancy and maternity	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Gender reassignment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Race	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Sexual orientation including civic partnerships	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Other socially excluded groups such as carers, areas of deprivation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Rural communities	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

## Step 1.3 – Is there a need to consult!

Q4. Who have you consulted with? If you haven't consulted yet please list who you are going to consult with? Please give examples of how you have or are going to consult with specific groups of communities

# Equality Impact Assessment

Cabinet Working Groups and SLT

## Step 1.4 – Assessing the impact

Q5. Using the existing data and the assessment in questions 3 what does it tell you, is there an impact on some groups in the community?

Age: Neutral
Disability: Neutral
Faith, Religion or Belief: Neutral
Gender including Marriage, Pregnancy and Maternity: Neutral
Gender Reassignment: Neutral
Race: Neutral
Sexual Orientation including Civic Partnership: Neutral
Rural Communities: Neutral

## Step 1.5 – What are the differences?

Q6. If you are either directly or indirectly discriminating, how are you going to change this or mitigate the negative impact?

No perceived direct or indirect discrimination arising.

Q7. Do you need any more information/evidence eg statistic, consultation. If so how do you plan to address this?

Nothing specific identified, however monitoring of existing data usage data (where available) would be further evaluated and taken into consideration during the annual review.

## Step 1.6 – Make a recommendation based on steps 1.1 to 1.5

Q8. If you are in a position to make a recommendation to change or introduce the policy, service, function, project or strategy, clearly show how it was decided on.

Through Member decision making or officer delegations, as appropriate.

Q9. If you are not in a position to go ahead, what actions are you going to take?

Report back to Cabinet, primarily as part of normal monitoring, budgeting and outturn reporting arrangements, as appropriate.

Q10. Where necessary, how do you plan to monitor the impact and effectiveness of this change or decision?

Through corporate monitoring / service specific monitoring, as appropriate.

**CABINET**

**Budget & Policy Framework Update  
2025/26 – 2029/30  
14 January 2025**

**Report of Chief Finance Officer**

**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 COUNCILLOR HAMILTON-COX**

1. That Cabinet make recommendations to Council regarding the Lancaster City Council element of the Council Tax as set out in paragraph 3.3 (option one) of this report which is a 2.99% increase to the Band D Council Tax (from £256.63 to £264.30).
2. That Cabinet makes recommendations regarding its initial budget proposals as set out in section 5 and Appendix A of this report.
3. That the recommendations and proposals in this report be referred to Council on 22 January for initial consideration as well as being presented for scrutiny on 15 January prior to public consultation/stakeholder meeting on 29 January (both by Budget and Performance Panel), in order that any feedback can be provided to Cabinet at its 11 February meeting.

**1.0 INTRODUCTION**

- 1.1 Under the Constitution, Cabinet has responsibility for developing corporate planning proposals and a balanced budget for Council’s consideration.
- 1.2 At its meeting on 03 December 2024 Cabinet considered updated estimates in respect of the Government’s Autumn Statement together with consideration of assumptions in respect of various sources of income and expenditure and the corresponding impact this would have on the 2025/26 revenue budget gap and beyond. Members will, therefore, be aware of the financial challenges faced by the Council.
- 1.3 Since that report, the Government has released the Provisional Local Government Finance Settlement (18 December 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 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	19.520	6.254	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**

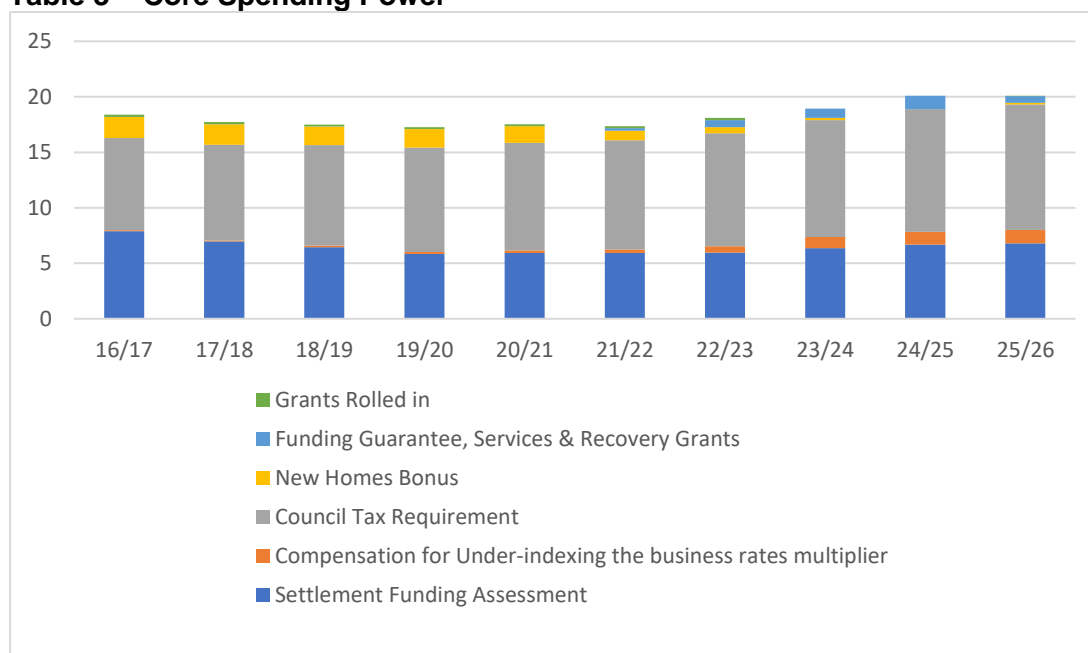
	Provisional Settlement £'M	LCC Forecast £'M	Difference £'M
Settlement Funding Assessment			
Revenue Support Grant	0.460	0.000	0.460
New Homes Bonus	0.137	0.010	0.127
Funding Guarantee/Services Grant	0.000	1.229	(1.229)
Domestic/Recovery Grants	0.637	0.000	0.637
<b>Total Government Funding</b>	<b>1.234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

- 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
<b>Grand Total</b>	<b>20.088</b>	<b>20.102</b>

- 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
<b>Net impact on General Fund Budget Gap</b>	<b>0.741</b>	<b>2.177</b>	<b>(0.192)</b>	<b>(0.145)</b>	<b>(0.124)</b>

- 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 <sup>1</sup>	+0.159	+0.162	+0.165	+0.169
Retained Rates	+0.521	+4.280	+0.367	+0.375
Funding Baseline <sup>1</sup>	(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 <sup>1</sup>	(0.046)	+6.454	+0.000	+0.000
Safety Net <sup>2</sup>	+0.000	(6.134)	(0.045)	(0.046)
Retained Growth	+0.283	+1.903	+0.000	+0.000
Net Cap Compensation <sup>1</sup>	+0.550	+0.000	(0.100)	(0.050)
Green Energy Disregard	(0.046)	(0.046)	(0.047)	(0.048)
<b>Movement in Forecast Business Rates Income</b>	<b>+0.741</b>	<b>+2.177</b>	<b>(0.192)</b>	<b>(0.144)</b>

Notes to the above

<sup>1</sup> uncertain until final finance settlement for year has been confirmed

<sup>2</sup> 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**

	<b>2025/26</b>
	<b>£'M</b>
<b>Revenue Budget Forecast as at 28 February 2024</b>	<b>26.007</b>
<b>Base Budget Changes</b>	
Operational Base Budget Changes	0.385
Commercial & Corporate Property Review	1.541
Food Waste Collection(pEPR)	(0.764)
	<b>27.169</b>
<b>Outcomes Based Resourcing Proposals</b>	
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)
	<b>27.049</b>
National Insurance Contributions Rebate	(0.400)
Impact of Provisional Local Government Finance Settlement	0.465
<b>General Fund Revenue Budget</b>	<b>27.114</b>
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)
<b>Council Tax Requirement</b>	<b>11.550</b>
<b>Estimated Council Tax Income</b>	
<b>(Increase Based on 2.99% for 2024/25 then maximum allowable</b>	<b>(11.550)</b>
<b>Resulting Base Budget (Surplus)/ Deficit</b>	<b>0.000</b>

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**

	<b>2025/26</b>	
	<b>£'M</b>	
<b>Resulting Base Budget (Surplus)/ Deficit as of 3 December 2024 (Cabinet)</b>		<b>1.678</b>
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)
<b>Resulting Base Budget (Surplus)/ Deficit as at 14 January 2025 (Cabinet)</b>		<b>0.000</b>

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**

	<b>(2024/25)</b>	<b>2025/26</b>
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

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**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
<b>Base Budget Changes</b>					
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	<b>26,986</b>	<b>27,819</b>	<b>28,818</b>	<b>29,569</b>	<b>31,154</b>
<b>Outcomes Based Resourcing Proposals:</b>					
<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)
<b>General Fund Revenue Budget</b>	<b>27,114</b>	<b>28,190</b>	<b>29,178</b>	<b>29,799</b>	<b>31,183</b>
<b>Core Funding:</b>					
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)
<b>Council Tax Requirement</b>	<b>11,550</b>	<b>14,089</b>	<b>17,141</b>	<b>17,455</b>	<b>18,577</b>
<b>Estimated Council Tax Income -</b> (Increases based on 2.99% for 2025/26 then max allowable)	<b>11,550</b>	<b>12,015</b>	<b>12,498</b>	<b>13,000</b>	<b>13,522</b>
<b>Resulting Base Budget (Surplus)/Deficit</b>	<b>0</b>	<b>2,074</b>	<b>4,643</b>	<b>4,455</b>	<b>5,055</b>
<b>Incremental Deficit as Percentage of Net Revenue Budget</b>	<b>0%</b>	<b>7%</b>	<b>16%</b>	<b>15%</b>	<b>16%</b>

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
	<b>Projected Balance as at 31 March 2026-30</b>	<b>(8.924)</b>	<b>(6.753)</b>	<b>(2.110)</b>	<b>+2.345</b>	<b>+7.400</b>
	<b>Reserves</b>	<b>(8.924)</b>	<b>(6.753)</b>	<b>(2.110)</b>	<b>+2.345</b>	<b>+7.400</b>
	<b>Less Recommended Minimum Level of Balances</b>	<b>5.000</b>	<b>5.000</b>	<b>5.000</b>	<b>5.000</b>	<b>5.000</b>
	<b>Available Balances</b>	<b>(3.924)</b>	<b>(1.753)</b>	<b>+2.890</b>	<b>+7.345</b>	<b>+12.400</b>



## 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 &amp; Place</i>	(5)	(30)	(30)	(30)	(30)	
<i>Housing &amp; Property</i>	(13)	(49)	(124)	(124)	(124)	
<i>Planning &amp; Climate Change</i>	(45)	(45)	(45)	(45)	(45)	
<i>Sustainable Growth</i>	12	(14)	(17)	(16)	(17)	
<b>Total Savings</b>	<b>(51)</b>	<b>(138)</b>	<b>(216)</b>	<b>(215)</b>	<b>(216)</b>	
GROWTH						
	<i>People &amp; Policy</i>	26	27	27	28	28
<b>Total Growth</b>	<b>26</b>	<b>27</b>	<b>27</b>	<b>28</b>	<b>28</b>	
<b>Net (Savings)/Growth</b>		<b>(25)</b>	<b>(111)</b>	<b>(189)</b>	<b>(187)</b>	<b>(188)</b>

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
	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£
<b>Environment &amp; Place</b>																		
Vehicle Renewals (Latest)	545,000		545,000	5,152,000	0	5,152,000	1,965,000	0	1,965,000	190,000	0	190,000	2,001,000	0	2,001,000	504,000	0	504,000
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	80,000	(80,000)	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	0	0	0	0	0	0	0	0
Public Bins			0	500,000	0	500,000	0	0	0	0	0	0	0	0	0	0	0	0
Parks & Open Spaces Improvement			0	871,000	0	871,000	0	0	0	0	0	0	0	0	0	0	0	0
Commercial Venue Improvements			0	150,000	0	150,000	0	0	0	0	0	0	0	0	0	0	0	0
<b>Housing &amp; Property</b>																		
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	0		0			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	0	462,000	351,000	0	351,000	494,000	0	494,000	52,000	0	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	0	0	0	0	0	0	0	0
<b>People &amp; Policy</b>																		
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
<b>Planning &amp; Climate Change</b>																		
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
<b>Resources</b>																		
ICT Systems, Infrastructure & Equipment	303,000		303,000			0			0			0			0			0
ICT Renewals			0	151,000	0	151,000	138,000	0	138,000	198,000	0	198,000	161,000	0	161,000	121,000	0	121,000
ICT Strategy			0	130,000	0	130,000	173,000	0	173,000	103,000	0	103,000	15,000	0	15,000	50,000	0	50,000
ICT Telephony			0	5,000	0	5,000	40,000	0	40,000	25,000	0	25,000	5,000	0	5,000	5,000	0	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
<b>Sustainable Growth</b>																		
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			30,000			30,000
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
<b>Schemes Under Development</b>																		
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	0	400,000	0	0	0	0	0	0	0	0	0	0	0	0
SALC 3G Football Pitch			0	0	0	0	800,000	(560,000)	240,000	0	0	0	0	0	0	0	0	0
Wheelee Bins			0	2,208,000	0	2,208,000	0	0	0	0	0	0	0	0	0	0	0	0
Local Full Fibre Network (supplement)			0	400,000	0	400,000	0	0	0	0	0	0	0	0	0	0	0	0
<b>GENERAL FUND CAPITAL PROGRAMME</b>	<b>17,357,000</b>	<b>(10,750,000)</b>	<b>6,607,000</b>	<b>25,735,000</b>	<b>(6,215,000)</b>	<b>19,520,000</b>	<b>6,024,000</b>	<b>(2,976,000)</b>	<b>3,048,000</b>	<b>3,228,000</b>	<b>(2,331,000)</b>	<b>897,000</b>	<b>5,007,000</b>	<b>(2,331,000)</b>	<b>2,676,000</b>	<b>3,063,000</b>	<b>(2,331,000)</b>	<b>732,000</b>

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
	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£
<b>Environment &amp; Place</b>																		
Vehicle Renewals (Latest)	2,183,000	0	2,183,000	4,934,000	0	4,934,000	2,999,000	0	2,999,000	1,314,000	0	1,314,000	1,829,000	0	1,829,000	23,071,000	0	23,071,000
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	0	0	0	0	0	0	0	0	0	0	0	109,000	(47,000)	62,000
Public Bins	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,462,000	(1,462,000)	0
Parks & Open Spaces Improvement	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	500,000	0	500,000
Commercial Venue Improvements	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	871,000	0	871,000
																150,000	0	150,000
<b>Housing &amp; Property</b>																		
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			0	18,648,000	(18,648,000)	0
Home Improvement Agency Vehicles			0			0			0			0			0	40,000	(40,000)	0
1 Lodge Street Urgent Structural Repairs			0			0			0			0			0	172,000	0	172,000
Gateway Solar Array			0			0			0			0			0	0	0	0
UK Shared Prosperity Fund Lancs CVS Community Warm Hubs			0			0			0			0			0	0	0	0
Commercial & Corporate Property	0	0	0	152,000	0	152,000	0	0	0	208,000	0	208,000	379,000	0	379,000	3,487,000	0	3,487,000
White Lund Depot - Offices			0			0			0			0			0	0	0	0
Coopers Fiels - BLRF			0			0			0			0			0	180,000	(180,000)	0
King Street	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	600,000	(200,000)	400,000
<b>People &amp; Policy</b>																		
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
<b>Planning &amp; Climate Change</b>																		
Burrow Beck Solar			0			0			0			0			0	3,600,000	0	3,600,000
Property De-carbonisation Works			0			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	0
<b>Resources</b>																		
ICT Systems, Infrastructure & Equipment			0			0			0			0			0	0	0	0
ICT Renewals	162,000	0	162,000	208,000	0	208,000	135,000	0	135,000	156,000	0	156,000	151,000	0	151,000	1,581,000	0	1,581,000
ICT Strategy	100,000	0	100,000	115,000	0	115,000	50,000	0	50,000	138,000	0	138,000	103,000	0	103,000	977,000	0	977,000
ICT Telephony	205,000	0	205,000	5,000	0	5,000	5,000	0	5,000	40,000	0	40,000	25,000	0	25,000	360,000	0	360,000
ICT Laptop Replacement & e-campus screens			0			0			0			0			0	0	0	0
ICT Nimble			0			0			0			0			0	0	0	0
Local Full Fibre Network			0			0			0			0			0	0	0	0
<b>Sustainable Growth</b>																		
Lancaster Heritage Action Zone			0			0			0			0			0	200,000	0	200,000
Lancaster Heritage Action Zone - St John's Church			0			0			0			0			0	500,000	0	500,000
Caton Road Flood Relief Scheme			0			0			0			0			0	0	0	0
Centenary House Grant Funded Works			0			0			0			0			0	0	0	0
Lawsons Bridge S106 Scheme			0			0			0			0			0	0	0	0
Lancaster Square Routes			0			0			0			0			0	0	0	0
Coastal Revival Fund - Morecambe Co-Op Building			0			0			0			0			0	0	0	0
City Museum Shop			0			0			0			0			0	0	0	0
Morecambe Sea Front Parapet Repair			0			0			0			0			0	90,000	0	90,000
Bare Outfall Flooding			0			0			0			0			0	0	0	0
Our Future Coast			0			0			0			0			0	148,000	(148,000)	0
UK Shared Prosperity Fund Maritime Museum Access Improvements			0			0			0			0			0	0	0	0
UK Shared Prosperity Fund Lodge St Environs Enabling Works			0			0			0			0			0	0	0	0
UK Shared Prosperity Fund Museums Accessible Engagement			0			0			0			0			0	0	0	0
<b>Schemes Under Development</b>																		
Canal Quarter - Nelson St/St Leonardsgate			0			0			0			0			0	0	0	0
Electrical Vehicle Charging Hubs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	400,000	0	400,000
SALC 3G Football Pitch	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	800,000	(560,000)	240,000
Wheelie Bins	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2,208,000	0	2,208,000
Local Full Fibre Network (supplement)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	400,000	0	400,000
<b>GENERAL FUND CAPITAL PROGRAMME</b>	<b>4,981,000</b>	<b>(2,331,000)</b>	<b>2,650,000</b>	<b>7,745,000</b>	<b>(2,331,000)</b>	<b>5,414,000</b>	<b>5,520,000</b>	<b>(2,331,000)</b>	<b>3,189,000</b>	<b>1,856,000</b>	<b>0</b>	<b>1,856,000</b>	<b>2,487,000</b>	<b>0</b>	<b>2,487,000</b>	<b>65,646,000</b>	<b>(23,177,000)</b>	<b>42,469,000</b>

**CABINET**

**Housing Revenue Account and Capital Programme  
14th January 2024**

**Report of Chief Officer for Housing & Property and the  
Chief Officer Resources (Section 151 Officer)**

PURPOSE OF REPORT				
To seek Cabinet decisions on Council Housing rent setting proposals and to consider HRA revenue and capital budget proposals.				
Key Decision	X	Non-Key Decision		Referral from Cabinet Member
Date of notice of forthcoming key decision	16 <sup>th</sup> December 2024			
This report is public				

**RECOMMENDATIONS OF Councillor Jackson**

- (1) That council housing rents be set in accordance with statutory requirements as follows (subject to tenant consultation and ratification at February 11th 2025 Cabinet):
  - for existing tenancies, rents will increase by 2.7% from 7th April 2025
  - for new tenancies within 2025/26, rents will be set at ‘formula rent’<sup>1</sup>
- (2) That garage rents be increased at CPI +1% in line with dwelling rents
- (3) That subject to the above, the resulting Housing Revenue Account budget for 2025/26 onwards, as set out at Appendix A, together with the resulting Capital Programme as set out at Appendix C, be considered by Cabinet, ahead of final presentation on 11th February 2025 and pending tenant consultation.

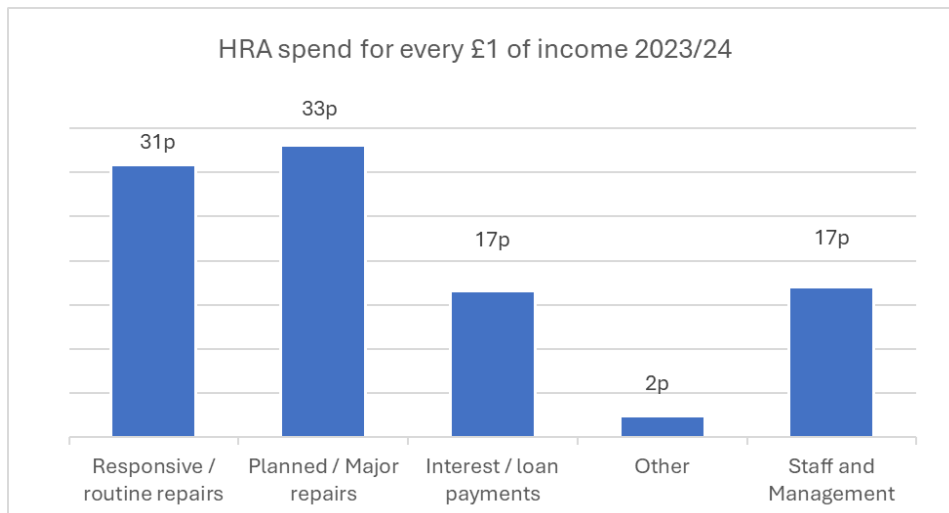
**1. Introduction**

1.1 The Council is required under statutory provisions to maintain a separate ring-fenced account for the provision of local authority housing, known as the Housing Revenue Account (HRA). This covers the maintenance and management of the Council’s housing stock.

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<sup>1</sup> The principle of reletting properties within year at ‘formula rent’ is in line with previous years. This applies to properties whose rent has not already achieved the government’s ‘formula rent’ – a calculation to produce a social rent based on local conditions and circumstances. The fact that the average rent increase between 2024/25 and 2025/26 is not *exactly* 2.7% is explained by the fact that some properties within year increase to ‘formula rent’ and therefore increase the figures used for comparison.

- 1.2 This report sets out the rent setting policy and the latest position with regards to the HRA 30-year Business Plan, covering both revenue and capital budgets, and the associated level of reserves and balances. It seeks approval for rent levels and various other budget matters, with referral on to Budget Council as appropriate.
- 1.3 It can be noted that within the context of ring-fencing the HRA has a role to play in support of wider Council priorities, contributing to and facilitating projects across the district to support the wider ambitions of the council. The HRA does pay into the Council's General Fund through contribution to support services and corporate commitments use and receives payment back to reflect Public Realm services delivered on Council Housing estates to non-Council residents, as well as relevant management contributions.
- 1.4 Council housing provides decent, secure homes that are affordable to households on low to modest incomes. Across the country, though, many HRA Councils find themselves in a precarious financial position, struggling to maintain existing homes, alongside meeting the huge new demands to improve homes and the services provided to residents under new government, regulator and ombudsman requirements with no additional funding available. As such Lancaster City Council has joined over 100 other Councils in signing the 'Securing the Future of Council Housing' report commissioned by Southwark Council, setting out a practical, long-term plan for government to support the needed improvements and growth of Council Housing.
- 1.5 Over the past few years Lancaster City Council has sought to meet these increasing demands including, for example, through fire remediation and other compliance improvements; increased support for tenants; an increased focus on housing health and safety; specialist community safety services; and through provision of a face-to-face community presence in preparation for a new regulatory regime. This is while continuing to address both the Council's and governments ambitions of increasing social housing. Following significant interest rate rises and rent caps over recent years, this budget report outlines some short-term (1-2 year) financial challenges. These are projected to improve over the next 2-5 years.
- 1.6 It should be noted that within a number of financial years since the HRA self-financing settlement of 2012 the ability of the Council to raise rents in line with inflation has been restricted. For four years between 2016/17 and 2019/20 a government mandated rent reduction of 1% year on year was imposed. In addition, for the financial year 2023/24 the maximum rent increase was capped at 7% for existing tenants by the government, falling short of inflation which was running at 10.1% in Sept 2022 – the figure which would normally be used for the purpose of rent setting for the following April. These restrictions have removed tens of millions of pounds from the life of the HRA 30-year business plan.
- 1.7 The chart below, using year-end figures from 2023/24, gives an indication of how income received by the Housing Service is spent. For every pound of income around a third contributes to planned and major repairs; just under a third is spent on responsive repairs; and the remaining third funds staff and management, interest and loan payments, and other costs.



## 2. Achievements 2024/25

### 2.1. Key achievements:

- The Housing Support Team continued to support council tenants to sustain successful tenancies by, for example:
  - Securing an additional £363,000 in income through the first half of the year through benefit and other income maximisation work
  - Carrying out 151 Tenancy Health Checks, including all new tenancies, during the first half of the year
  - Carrying out drop-in sessions at independent living schemes to ensure support is available for those who most need it
  - Picking up a total of 136 new support cases during the first half of the year
- Continued delivery of a stock condition survey to all council homes, to support effective delivery of planned and capital programmes of maintenance work, in line with the regulator's requirements to 'know your stock'. 86% completion reached by the end of quarter 3.
- Continued embedding of the specialist community safety team and delivery of harm focussed services in response to anti-social behaviour, including:
  - Specialist training and BTEC qualification for team members
  - Development of cross service hoarding process to help support and tackle challenging cases
  - Advanced level tenancy fraud training carried out, in preparation for further work in this area by housing teams
  - Successful use of injunctions and granting of housing possession by the courts in support of the wellbeing of wider communities
- Further progress of the Mainway development has included planning permission being approved for the development of the former Skerton High School for a Council Housing scheme of 135 social and affordable new homes, and proposals for the wider Mainway Masterplan being presented to members of the Mainway Board.
- Plans to redevelop a number of existing garage sites for small scale Council Housing development has taken another step forward with the

submission of a planning application for four new Council Homes at Hastings Road in December 2024. A planning decision is anticipated by April 2025. Brownfield Land Release Funding has been secured to support this.

- Completion of exemplar A-rated four-unit development on Alder Grove (anticipated February 2025) using modern methods of construction (MMC).
- The Council Housing Income Management Team has continued to deliver sector leading performance, supporting tenants to successfully manage their rent accounts and sustain tenancies. Key achievements include:
  - Providing support and advice to tenants in receipt of benefits in navigating the 53-week rent year
  - Maintaining excellent performance around current tenant rent arrears
  - Securing £31,000 in additional benefits or support for tenants during the first half of the year
  - Retaining Maximising Income and Sustaining Tenancies accreditation through the Housing Quality Network (HQN)
- Mandatory Tenant Satisfaction Measures (TSM) survey carried out, showing improvements in satisfaction across all 12 survey questions compared to the previous 12 months. Overall satisfaction rose 5% to 77%, with indication suggesting this places Lancaster in the top 25% of local authorities nationally.
- Full in-house planned and responsive repairs service delivered, projecting an estimated 12,750 repairs completed across the year, a total of 97 kitchens replaced on a planned programme, and delivery of wider planned and capital programmes of works contracted out.
- High levels of compliance and reassurance against all key areas (gas, electrical, water, asbestos, fire, lifts, smoke and CO detection)
- Reviews and updates of a range of service policies and strategies, to be found on the Council Housing web pages, including development of new Tenant Voice Strategy and Building Safety Strategy
- Merge of council housing and wider council customer services to deliver a more resilient, face to face service to all residents: 8% more calls answered year on year, with reduced waiting times overall.
- Customer services recognised in the 'digital impact' category at the 2024 LGC awards
- Continued development and delivery of programmes of works which deliver in line with the Council's climate emergency ambitions (see section 3 below). Application submitted to secure £1.3M match funding from government's Warm Homes programme – improving the energy efficiency of c150 council homes raising to EPC C over the next three years
- Tenant-led scrutiny panel established, with first project including report and recommendations on Repairs and Maintenance completed.
- Wide range of community engagement activities supported including residents' groups; summer community fun day; litter picks; garden competition; skip days; kids pumpkin carving; Christmas gatherings; and consultation events.

2.2. The strategic direction of the housing service continues to be delivered in response to:

- Wider Council priorities,
- The Regulator for Social Housing
- The Housing Ombudsman’s requirements
- Changing legislation and anticipated changing legislation such as the forthcoming Awaab’s Law
- The Building Safety Act (2023) and Fire Safety Act (2021)

2.3. Of particular note linked to regulation is:

- The introduction of Tenant Satisfaction Measures during 2023/24. This year is the second year of data collection of which we have seen improved satisfaction across the board, whilst recognising there is more work to do – these results are formally reported to the Regulator during 2024. (Results can be found here: [Tenant Satisfaction Measures - Lancaster City Council](#))
- The mandatory registration of high-rise buildings was completed in 2023 with safety case files compiled at the end of March 2024 – call-in of these files is awaited,
- The ongoing Government-led professionalisation of the housing sector review – currently awaiting further details,
- The ongoing Government-led implementation of Awaab’s Law (linked with property condition against Housing Health and Safety Rating System hazards) – currently awaiting further details, as well as awaiting further details of an anticipated new Decent Homes Standard,
- Ofsted-style inspections from the Regulator being introduced from April 2024, on a four-yearly cycle, now coming to the end of the first year,
- Housing Ombudsman Spotlight reports into poor sector performance and accompanying self-assessments, and
- A renewed focus on the customer complaints process through the introduction of a joint complaints code with the Local Government and Social Care Ombudsman, and mandatory submission of self-assessments and annual reports. (Self-assessment and performance information can be found here: [Complaints - Lancaster City Council](#))

The service will continue to keep abreast of forth-coming changes and plan accordingly.

2.4. In line with the above expected key strategic priorities for 2025/26 are:

Priority	
A sustainable district	<ul style="list-style-type: none"> <li>• Continued investment across the council’s housing stock - see section 3 below.</li> <li>• Continued work towards improved energy efficiency within all homes by 2030 (all properties to meet minimum of EPC C standard), supported through funding bids where available.</li> </ul>



	<ul style="list-style-type: none"> <li>• Delivery of new energy efficient units of accommodation on Hastings Road.</li> </ul>
An inclusive and prosperous local economy	<ul style="list-style-type: none"> <li>• Local procurement of repairs (and other housing related) contracts.</li> <li>• Provision of apprenticeship opportunities for local residents and seek opportunities to promote housing career pathways to local young residents, both through us and our contractors.</li> <li>• Use of local suppliers within procurement rules (and where appropriate): for lower value contracts, use of local suppliers is guaranteed; for higher value contracts, on occasions where local supplier does not offer the required expertise and value for money, successful contractors must explicitly evidence social value in contract submissions.</li> <li>• Seeking funds through government to invest in our stock.</li> <li>• Creation of service agreement between Council Housing and Public Realm to ensure delivery of grounds maintenance and other public realm services in line with tenant priorities – including improved transparency for tenants around this service delivery.</li> </ul>
Happy and healthy communities	<ul style="list-style-type: none"> <li>• Supporting the work and continued development of resident scrutiny groups and Tenant Voice, co-creating opportunities for residents to contribute meaningfully to service development and the decision-making process.</li> <li>• TPAS accreditation – to ensure delivery of resident engagement adheres to best practice and is responsive to regulatory requirements around customer focus and the ‘Tenant Voice’.</li> <li>• Continued development and delivery of services in line with regulatory requirements and the specific outcomes of the new Consumer Standards.</li> <li>• Continued focus on reporting, recording, and remedial actions in line with Awaab’s Law (when published), ensuring adherence to Government requirements around timescales and other requirements to address problems.</li> <li>• Continued support and development of the tenant Building Safety Group and Building Safety Strategies to ensure the safety of residents in communal apartment blocks.</li> <li>• Development of asset management programmes across housing stock following stock condition survey’s – ensuring data is kept up to date.</li> <li>• Facilitating (and funding) community specific, community led projects.</li> <li>• Continue to develop and improve the way the service manages ASB and nuisance, and community safety more generally, across all housing stock.</li> <li>• Continue to develop and improve the way the Council delivers and reports on its block cleaning approach.</li> </ul>

	<ul style="list-style-type: none"> <li>• Developing a smaller, stronger neighbourhood approach to housing management.</li> </ul>
A co-operative, kind and responsible council	<ul style="list-style-type: none"> <li>• Investing and developing in our staff</li> <li>• 'Place-based' working helping tenants to create sustainable groups and an ability to deliver initiatives supported by – not led by – the housing service. Recognising that local people are best placed to understand the issues in their neighbourhood, including through the extension and further roll out of neighbourhood community plans.</li> <li>• Implementation of early-stage delivery of comprehensive new housing management IT systems.</li> <li>• Working with and listening to resident groups about what's important to them, whilst supporting and encouraging others to be established.</li> <li>• Embedding the Tenant Voice Strategy across the service, to ensure commitment to service wide service delivery in line with tenant needs and expectations.</li> <li>• Ensuring Housing Ombudsman self-assessments are kept up to date.</li> <li>• Ensuring residents have opportunity to raise complaints and that the service listens, takes action, learns and shares information.</li> <li>• Review opportunities to undertake tenant census.</li> <li>• Implement RMS restructure – ensuring service delivers a tenant centred approach.</li> <li>• Develop robust standalone Assurance Framework for Council Housing.</li> </ul>

### 3. The Council Housing Response to the Climate Emergency Council

3.1. Housing has continued its programme of carbon reduction, energy efficiency measures and upgrades during 2024/25.

#### **Energy Performance Certificate (EPC) Band C Housing Stock**

Lancaster City Council is in year 4 of an 8-year programme of 'fabric first' led energy improvement works across our Council stock. The goal of this project is to raise the energy performance rating of all Council Housing properties to a minimum 'C' rating by 2030 in line with Government requirements.

Lancaster City Council has submitted an application for Warms Homes match funding to improve circa 150 properties. This follows recent improvements to circa 130 properties following applications to Social Housing Decarb Fund and LAD funding.

Ongoing and further additional improvements will be sought through the range of measures listed below, as well as ongoing support for those who live in properties which fall below the 'C' rating.

### **Void property, energy retrofit improvements**

We will continue our major void programme which includes a significant energy performance retrofit component, following a fabric first rationale installing insulation and efficiency measures. We will build on the successful strategy this year and aim to return all Void properties for re-letting at a minimum 'C' rating and take all opportunity to exceed this standard.

### **Government decarbonisation scheme**

Through 2024/25, Lancaster City Council has continued delivery of energy improvement measures using external funding through the Social Housing Decarb Fund Wave 2.1 programme. This has added matched co-funding of approximately £700k throughout the total duration of the project to our existing capital programme for energy efficiency works.

From our initial funding application, we are expecting 105 homes to receive a combined total of 245 installed measures which include insulation (external, internal and loft) as well solar PV installations. Whilst the funding will draw to a close in March 25, the council has also joined a consortium being led by Liverpool City Region Combined Authority (LCRCA) to bid for funding from the Warm Homes: Social Housing Fund. If successful, this will provide additional match co-funding for the continued delivery of energy efficient works for the period 2025-28

### **Whole House Improvement programme**

2024/25 will see delivery of at least 12 whole house improvements delivering significant improvement in energy performance to a current 'C' EPC rating, which equates to a potential 25% reduction in annual carbon emissions and lower bills for tenants.

This project will continue at a similar level through 2025/26, addressing low performing properties picked up through the void property process.

### **Loft Insulation**

The minimum standard for loft insulation is to achieve at least 300mm. 2024/25 will see 86 new roofs insulated as part of phase 2 of the Ryelands roofing programme and in addition, through void maintenance, we will ensure that all properties for new tenancies achieve the 300mm standard.

Learning from energy improvements, insulation work will include sloping soffits and lagging exposed pipework and water storage, future proofing against pipe bursts we have experienced during the recent episodes of very cold weather.

BRE heat loss modelling calculates that 25% of heat energy is lost through roofs, which demonstrates the contribution of this low cost but effective energy saving insulation measure to our carbon reduction strategy.

### **Solar Panel Installations**

Installations to 64 properties have been identified and are underway through the Social Housing Decarb Fund Wave 2.1 programme referred to above. The Energy Support Officer continues to ensure there is strong tenant engagement with the project. Connection to the ORSIS system enables

remote monitoring and information to help tenants adapt to the new technology and achieve the maximum benefit from the installation.

### **Gas Partnership, boiler replacement programme**

We will continue with the boiler renewal programme to replace aged and inefficient gas boilers with state of art energy efficient modern gas appliances providing cost effective instantaneous hot water. This provides more efficient heating with improved control, and affords a higher-level thermal comfort for tenants, with reduced carbon emissions.

During 2024/25 a total of at least 350 'A' rated gas boilers will be installed by our gas partner EMCOR.

### **Energy Support Officer**

The energy crisis affects all households but is adversely impacting our low income and vulnerable tenants.

The energy support service seeks to support all new tenancies providing energy advice and managing a busy referral service for any existing tenants who would like support and advice. We are on course to exceed over 200 home visits during 2024/25 to provide invaluable energy related advice to council tenants.

To meet the anticipated increased demand, we continue to roll out energy advice through our media platforms and energy surgeries and have started working collaboratively with Green Rose and Citizens Advice to ensure tenants can benefit from tailored energy visits and resources.

### **Property Conversions / new properties**

We have adopted an EPC 'A' rating as the benchmark for all new properties and ground up conversions and will take all affordable opportunities to exceed this standard and to incorporate low carbon and renewable technologies.

As a tangible demonstration of our commitment to new low carbon housing, this is the standard for any future development of the Mainway Estate or similar projects. Nearing completion are four new units of Independent Living Accommodation at Alder Grove which will utilise highly energy efficient modular construction. These homes are expected to achieve 'A' rating and will include PV panels.

### **Electrification of Repairs and Maintenance Service (RMS) fleet vehicles**

Currently 56% of the RMS fleet are now electric, with charging points provision having been created at White Lund Deport and Heaton House, Lancaster and an increased number of charging points across the district are now provided through the work of the Council's Business Improvement and Project Delivery team.

## **4. Rent Setting**

- 4.1. As a registered provider of social housing the Council adheres to the Regulator of Social Housing's 'Rent Standard.' Housing rents are set in line with the Government's Rent Policy Statement.

- 4.2. For the financial year 2025/26, the Regulator of Social Housing has confirmed that the Council has the freedom to increase formula rent by a maximum of CPI+1% (CPI is the Consumer Price Index). Subject to the outcome of the Government's consultation process, assumptions also include the additional 1% through to 2029/30, although an outcome may be a longer-term (10 year) settlement. For rent setting purposes for 2025/26, the September 2024 CPI figure of 1.7% is used, with forecast CPI of 2.0% used thereafter (being the target set by Government for the Bank of England's Monetary Policy Committee).
- 4.3. It remains the case that where properties become vacant, and their rents are below 'formula rent', the rents to be charged for new tenancies can increase up to the formula rent level<sup>2</sup>.
- 4.4. All Council rents are 'social rent' and sit well below the Local Housing Allowance (LHA) rate; this rate defines the maximum amount that can be paid in Housing Benefit (HB) or through the housing element of Universal Credit (UC)<sup>3</sup>. We estimate that around 80% of tenants are in receipt of some form of HB or UC, in addition to this, those tenants who receive any proportion of help with their housing costs through HB or UC should also have some entitlement to the Council's council tax support scheme.
- 4.5. Rental income is the main funding source for the HRA and there are factors that will influence the outturn position:
- Void levels and re-let times (equating to void rent loss/uncollectable rent)<sup>4</sup>  
In addition, changes to Council Tax rules on empty homes came into effect from 1st April 2024 meaning a 200% rate on homes empty for more than 12 months. This impacts the HRA in relation to long term voids empty as a result of regeneration projects.
  - Right to Buy (decrease in housing stock); as at Q3 a total of 7 Right-To-Buy completions have taken place in 2024/25. These sales have generated gross proceeds of £571K, of which a proportion is due to HM Treasury with the balance being reinvested in housing stock through the capital programme. Further to the recent changes to the RTB scheme, estimates assume 3 completions per year in future years.<sup>5</sup>

For further details about risk factors see Appendix F.

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<sup>2</sup> Formula rent for a property is calculated based on relative property values, relative local earnings, and property size (no. of bedrooms), in line with annual guidance produced by the Regulator of Social Housing.

<sup>3</sup> It is estimated that around 80% of tenants are in receipt of full or partial HB or UC – due to the housing element of UC being paid directly to tenants it is not fully clear the exact number.

<sup>4</sup> Empty homes are currently relet within target times, which minimises void rent loss, however major voids (those which require significant works, including renewal or replacement of major elements) and properties subject to planned capital projects (such as the Mainway project) have a negative impact on void rent loss.

<sup>5</sup> Recent changes to legislation have seen RTB discounts reduce for applicants. Prior to this change we experienced a large number of applications which may impact the number of completions within 2025/26, with 49 currently working through the system (although it is anticipated some of these will not progress). NB: no applications – have been received since the legislative changes came into force.

4.6. Therefore, in line with government policy Cabinet is now advised to set average council rents as follows<sup>6</sup>:-

Property Type	2024/25	2025/26
General	<b>£90.93</b>	<b>£93.91</b>
Independent Living and Supported	<b>£86.07</b>	<b>£89.01</b>

## 5. Other Charges

- 5.1. For certain dwellings service charges are applied in addition to the rent charge to cover the cost of specific services. These include (but are not limited to) elements such as maintenance costs, cleaning, energy use within communal areas, communal boiler replacements, staffing costs within Independent Living Schemes, and CCTV.
- 5.2. Service charges are set to ensure they are sufficient to cover the cost of service provision, and that they are reasonable and transparent. Service charge elements are affected each year by variance in actual costs (such as energy provision, changes to service contracts, salary costs and cost of materials) and also a range of inflationary factors (General Inflationary Index, Building Cost Information Service (BCIS)). Costs of service provision have been reviewed for 2024/25.
- 5.3. As per the Social Housing Regulations the Council should endeavour to keep increases for service charges within the limit on rent changes, of CPI (as at September in the previous year) + 1 percentage point (or 2.7% in 2025/26), to help keep charges affordable.<sup>7</sup> However, it is recognised that service charges fluctuate significantly from year to year and that the requirement to contain increases within CPI+1% should be interpreted on a medium- or long-term basis<sup>8</sup>.
- 5.4. For 2025/26 across all housing stock average service charges will remain the same (0% increase).<sup>9</sup> Within this average is a variation between charges applied to Independent Living (2.7% increase) and General Needs (12.3% decrease). Average service charge costs can be seen in the table below.

<sup>6</sup> Note that the above figures are presented on a 52-week (2025/26) or 53-week (2024/25) basis. Note: Specific rents vary depending on property type / area / size: for general needs between £66.80 (for a bedsit at Mainway) and £143.48 (for a 3-bedroom adapted bungalow in Lancaster), and for Independent Living between £69.32 for a bedsit at Beck View and £111.24 for a two-bed flat at Artlebeck Close.

<sup>7</sup> Source: Policy statement on rents for social housing – Dec 2022

<sup>8</sup> Source: National Housing Federation Briefing on Rent Standard 2020 - Jan 2020

<sup>9</sup> Subject to further fluctuations in cost of service delivery

	2024/25	2025/26 <sup>10</sup>
Avg weekly service charge per dwelling (General Needs)	£12.69	£11.12
Avg weekly service charge per dwelling (Independent Living)	£48.78	£50.11

- 5.5. The decrease in General Needs service charge is largely explained by changes in the costs of communal electricity charges. The increase in Independent Living service charges largely relates to staffing costs and the Council's pay award: IL staff are support related and are therefore service chargeable.
- 5.6. It is estimated that around 80% of council tenants are in receipt of either HB or UC. Most service chargeable elements are HB/UC eligible; the exceptions being individual heating costs, and the monitoring of alarms within sheltered housing or community alarmed properties.
- 5.7. With regard to garage rents, following rent freezes since 2020/21 it is recommended that garage rents be increased by CPI +1% in line with dwelling rents. Benchmarking indicates that rent freezes have brought rents more in line with other providers as intended, that occupancy rates are stable, and rent increases are now appropriate to ensure required maintenance of garages.

## 6. Revenue Expenditure

6.1. The future years' estimates for 2025/26 alongside the following four financial years have been prepared as part of this budget setting process. The differences between the budget approved last year and the draft revenue budget as prepared are illustrated in the variance analysis supplied at Appendix B.

6.2. The key areas are listed as follows: -

- Salary costs are now forecast to be around £54K higher than previously estimated, due to the impact of National Insurance and other structure changes.
- Repairs and Maintenance net decrease of around £240K due to reallocation of in-house team to capital works, partly off-set by additional works funded from Planned Maintenance reserves, and the impact of National Insurance changes.
- Energy costs decrease of around £47K, largely rechargeable<sup>11</sup>.
- Premises insurance increase relating to the premium for council house properties.
- Depreciation charge increase of around £449K, following 2023/24 property revaluations.

6.3. The table below lists the major assumptions that have been made for the 2025/26 budget.

<sup>10</sup> For the purposes of rent and service charge setting 2024/25 is a 53-week year (with service charges collected over 49 weeks), while 2025/26 is a 52-week year (with service charges collected over 48 weeks).

<sup>11</sup> Energy costs are subject to regular fluctuation, and are monitored monthly. Where significant fluctuations occur service charge adjustments will be made 'in year' to more accurately charge for actual usage, and allow residents more control over their costs. The Income Management team actively supports tenants to ensure government support around energy costs is received and understood.

	2025/26
Fees & Charges	Various
Inflation – Pay	2.50%
Employer Pensions Contribution	16.30%
Inflation – General (Minor Cost Centres)	2.60%
Inflation – Insurance	10.00%
Inflation – Utilities	Re-based at current prices
Interest Rate - Investments	3.50%

6.4. In summation, the 2025/26 revenue budget projected surplus is £85K, which is a reversal of the previously projected funding requirement of £78K. The revised projection is largely due to the additional 1% increase to dwelling rents, as permitted by the Regulator of Social Housing's guidance, in combination with the points described above (6.2), notably a reduction in revenue Repairs & Maintenance through reallocation of the in-house team to capital works, off-set by works to be funded from Planned Maintenance reserves and an increase in depreciation charges.

## 7. Capital Expenditure

- 7.1. The ten-year capital programme is included at Appendix C.
- 7.2. The key changes to the programme from last year's reported position are included at Appendix D.
- 7.3. Future years' capital expenditure is informed by the completion of a full stock condition survey. Expenditure within 2025/26 reflects the priority areas coming from that survey while further refinement of capital expenditure is underway and will be reflected in subsequent years' capital programmes in due course.
- 7.4. The capital programme includes some provision for cyclical programmes of work on Mainway. Work is underway to define the scale and nature of this in the context of the ongoing Mainway regeneration project.

## 8. Future Developments

- 8.1. The City Council continues to have ambitions for the development of its own new affordable / social rented homes which it is seeking to progress. The focus for the next twelve months will see:
  - 8.2. Mainway Masterplan:
    - In 2024/25 we secured planning permission for the former Skerton High School development. This coming year will focus on the development of a full business case and procurement strategy.
    - During the last 12 months changes within Homes England have resulted in funding applications for larger schemes currently being paused. We will await further announcements in the Spring budget which is expected to provide further information on future funding opportunities.



- The progression of the wider Mainway Masterplan is expected to continue into the start of 2025/26.
- While the design phase of the wider scheme continues, the decommissioning of properties on Mainway is factored into the estimates presented, over the coming years, with no rental income being recognised for any existing units from April 2030 currently.

#### 8.3 Canal Quarter:

- Work is currently paused whilst the progress of a car parking strategy continues to be refined.

#### 8.4 Garages:

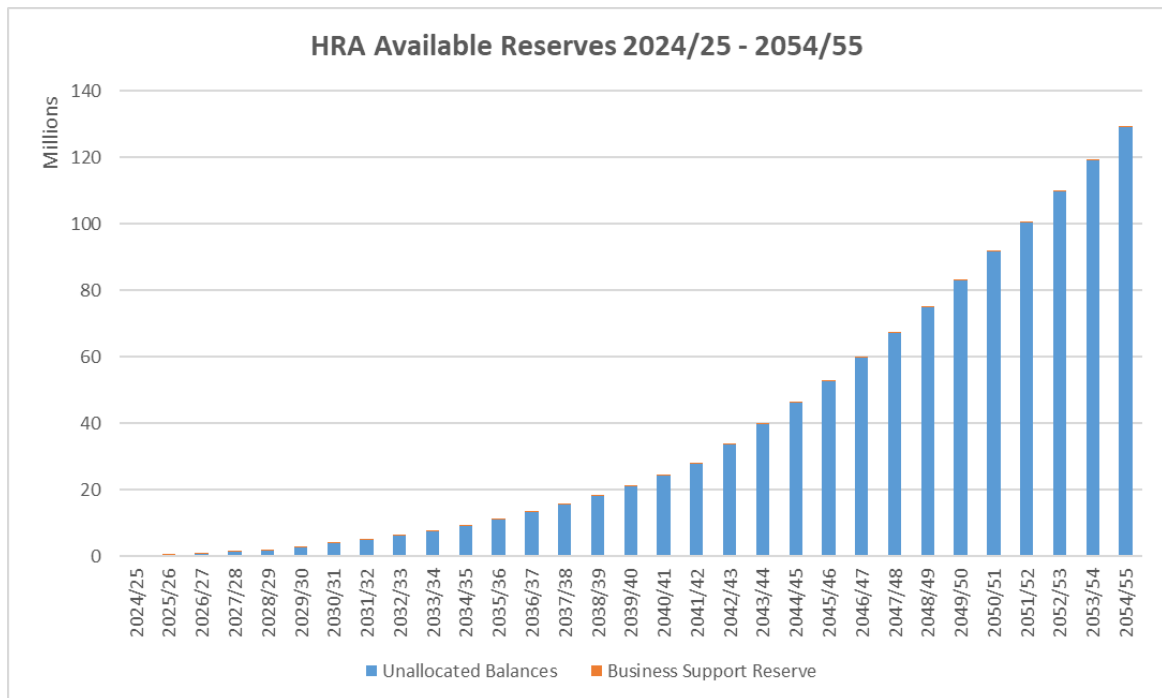
- Work to advance Council Housing schemes on existing garage sites continues. In 2024, the Council secured Brownfield Land Release Funding to support the development on Hastings Road for four properties. The outcome of a planning application on this site is currently awaited and it is hoped that once confirmed work to progress to a start of site within the financial year will be realised. This would be the first of the Council's garage sites from a programme to follow this approach, with further opportunities to progress in future years.

### 9. Business Planning & Future Risks

- 9.1. Taking account of the work that has been done to date, the following table sets out the latest position for the business plan, represented by the level of unallocated balances and the Business Support Reserve (BSR). It compares the position back in February 2024 to projections as at January this year.

#### 30 Year Business Plan: Business Support Reserve and Unallocated Balances

	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	2029/30 £'000	30 Year Cumulative Total £'000
Business Support	35	35	35	35	35	13	13
Unallocated Balances	846	768	973	874	785	750	43,817
<b>Projections as at February 2024</b>	<b>881</b>	<b>803</b>	<b>1,008</b>	<b>909</b>	<b>820</b>	<b>763</b>	<b>43,830</b>
Business Support	253	253	253	253	253	253	253
Unallocated Balances	130	215	562	1,248	1,723	2,567	129,209
<b>Projections as at January 2025</b>	<b>383</b>	<b>468</b>	<b>815</b>	<b>1,501</b>	<b>1,976</b>	<b>2,820</b>	<b>129,462</b>
<b>Overall Movement (Adverse) / Favourable</b>	<b>(498)</b>	<b>(335)</b>	<b>(193)</b>	<b>592</b>	<b>1,156</b>	<b>2,057</b>	<b>85,632</b>



- 9.2. The unallocated balance is currently £750K, the recommended minimum level. As stated in the Delivering Our Priorities report presented to Cabinet on 3rd December, the projected net overspend for 2024/25 will cause HRA unallocated balances to fall below the recommended minimum level, largely due to the anticipated increase in depreciation charges. The balances shown above are based on 2024/25's Quarter 2 projected outturns and will be updated for Quarter 3 for final presentation of the Housing Revenue Account budget in February. Based on current assumptions, reserves will be depleted to the recommended minimum level by the close of 2027/28, and at no subsequent point within the 30-year business plan do they breach the £750K lower limit again.
- 9.3. The Business Support Reserve has a current unallocated balance of £253K. This will be relied upon to support the revenue overspend in 2024/25.
- 9.4. Additional earmarked reserves exist (see Appendix E(i) for more details). These reserves are earmarked for specific purposes, but not formally ring fenced.
- 9.5. The increase in the projected balance at the end of the 30-year business plan is largely due to the year-on-year impact of the higher than previously assumed rent increase for 2025/26, with an additional 1% increase being included in assumptions through to 2029/30.
- 9.6. As previously discussed, in line with the Regulator of Social Housing's guidance, rents have been set at CPI+1%. Largely due to fluctuations in CPI, 2025/26's rental income from dwellings is now forecast to be approximately £100K higher than estimated in the previous budget report. It has been assumed that increases will revert to CPI only from 2030/31 (forecast at 2.0%, being the target set by Government for the Bank of England's Monetary Policy Committee), but the risks surrounding these assumptions must be appreciated and the magnitude of impact of a small change within this area understood.
- 9.7. Due to the increase in depreciation charge to reflect 2023/24 actuals, the

currently proposed capital programme does not fully utilise anticipated capital receipts or the funding available within the Major Repairs Reserve.

Therefore, balances are forecast to increase over the five-year period, and it is estimated that £801K of useable capital receipts and £1,655K within the Major Repairs Reserve will have accumulated by 31 March 2030. This will be reviewed when the profile of future capital spend is prepared, following further refinement of subsequent years' capital programmes.

- 9.8. It is also worth noting that as at 1<sup>st</sup> April 2024, £1,082K of Retained Right to Buy (“1-4-1”) receipts were held, to be used for increasing housing stock. The Capital Programme Mid-Year Review 2024/25 approved by Council on 13<sup>th</sup> November included the utilisation of £700K to acquire properties within 2024/25, with a further £250K earmarked for this purpose in 2025/26 (see Appendix C). Following changes made by the new Government, our “1-4-1” balance will continue to grow, dependent on future RTB sales.
- 9.9. The Section 151 Officer is required to undertake a formal review of general reserve levels. In assessing the adequacy of such balances, the Chief Officer – Resources takes account of the strategic, operational and financial risks facing the authority. The effectiveness of internal financial and other controls are also taken into account; assurance on these can be taken from the respective formal Statements and external assessments. Consideration has also been given to the specific risks and assumptions underlying the HRA as set out in Appendix F.

#### 10. Options and Options Analysis (including risk assessment)

- 10.1. The options with regards to rent setting are set out under section 4, the maximum permitted increase being CPI+1%. By applying this increase, it allows for a budget that can deliver on the Council's ambitions on improving housing standards and addressing the climate change emergency, whilst adhering to the Rent Standard and wider legislative requirements.
- 10.2. In relation to garage rents, it is recommended that following recent rent freezes an increase in line with dwelling rent increases is appropriate and will support maintenance requirements without adversely impacting occupancy levels.
- 10.3. The provision, reserves and balances position (and their use); Revenue budgets; Capital Programme; and other wider budget considerations referred to in this report will be presented fully to Cabinet on 11<sup>th</sup> February 2025.

	<b>Option 1:</b> Set housing and garage rent levels as set out in this report	<b>Option 2:</b> To propose alternatives to those outlined in Section 11 above.
Advantages	Increased rental income supports the Council to deliver against its Regulatory requirements and ensuring homes are safe and decent.	Unknown
Disadvantages	Increased rent levels for tenants.	Would require further options analysis
Risks / Mitigation	The HRA budget outlined in this report and to be presented to Cabinet in February 2025 is sustainable in the long term. The risks associated with Option 1 are outlined in Appendix F – Risks and Assumptions.	Impact on housing service and council housing tenants unknown. Potential for housing service to fall foul of legislative and regulatory requirements, leading to unlimited fines and being ‘named and shamed’

	<p>In addition, the contents of this report have not yet been presented to tenants for consultation. This consultation will take place later in January 2025 and details will be included in February 2025 report.</p>	<p>by government.</p>
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**11. Officer Preferred Option (and comments)**

11.1. **Option 1:** Set housing and garage rent levels as set out in this report in advance of consideration of wider HRA budget at February 11<sup>th</sup> 2025 Cabinet.

**12. Conclusion**

- 12.1. The report highlights challenges faced within the current economic climate, particularly in the context of the increased regulatory and legislative requirements being placed on the social housing sector.
- 12.2. The longer-term financial forecasts contain numerous estimates and assumptions, and the service remains attuned to the risks contained within Appendix F, and in particular the impacts of further legislative and regulatory change which could affect business planning within the HRA.
- 12.3. Lancaster City Council’s Housing Service remains ambitious, while continuing to operate a sensible but forward-looking approach, seeking to meet Regulatory requirements and deliver safe and decent homes.

<p><b>RELATIONSHIP TO POLICY FRAMEWORK</b></p> <p>The budget represents, in financial terms, what the Council is seeking to achieve through its approved Housing Strategy in relation to council housing.</p>
<p><b>CONCLUSION OF IMPACT ASSESSMENT (including Health &amp; Safety, Equality &amp; Diversity, Human Rights, Community Safety, HR, Sustainability and Rural Proofing)</b></p> <p>The proposals set out in the report will have positive impacts residents within Council Housing dwellings specifically climate change, wellbeing / social value, health and safety and community safety as outlined below. There is no significant detrimental impact on equality on specific groups. See Appendix G – Equality Impact Assessment.</p> <p><b>Climate:</b> as per section 3, the report outlines a number of positive climate related impacts resulting from the HRA budgeting process. Also, see Appendix G for additional positive impacts</p> <p><b>Wellbeing &amp; Social Value:</b> positive impacts identified via additional budget proposals. See appendix G for details.</p> <p><b>Health and Safety:</b> the Council Housing dedicated Compliance Team focusses on monitoring and maintaining compliance against core areas of legislation within council dwellings specifically gas, electrical, legionella, lifts, asbestos, fire, smoke and CO2 detection and fire door testing. The dedicated budget around this work supports compliance.</p> <p><b>Community Safety:</b> The approach to a dedicated ASB provision for Council Housing tenants and continued engagement and review of ASB provision with Resolve will see a positive impact for local residents.</p>

**LEGAL IMPLICATIONS**

Legal Services have been consulted and have no comments to add

**FINANCIAL IMPLICATIONS**

As set out in the report

**OTHER RESOURCE IMPLICATIONS****Human Resources:**

None identified

**Information Services:**

None identified

**Property:**

None identified

**Open Spaces:**

None identified

**S151 OFFICER'S COMMENTS**

Like all Councils, Lancaster City faces increased financial pressures and uncertainty because of the impact of the ongoing cost of living crisis and the effect it has on significant areas of expenditure. These challenges are particularly prevalent in the HRA which has seen increased expenditure coupled with high demand and a reduction in income through effective capping of rent increases.

The Local Government Act 2003 places explicit requirements on the s151 Officer to report annually on the robustness of the estimates included in the budget and on the adequacy of the Council's reserves. The recommendation of a minimum level of unallocated reserves acts as an early warning that Council is facing financial pressure, and that action need to be taken to address the decline. For 2024/25 the s151 Officer set the minimum level of HRA unallocated balances at £0.750M.

The reports highlights that based on current projections the level of reserves will drop to £0.130M in 2024/25 and remain below the minimum level until 2027/28. The report articulates a number of reasons for this, most notably an increase in the depreciation charge. However, this is not the sole reason, as there has been significant expenditure funded from reserves in recent years. It should be noted that this is an interim position and Officers and Members are working on a variety of options that should see reserves maintained above the £0.750M minimum over a shorter time frame.

**MONITORING OFFICER'S COMMENTS**

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

**BACKGROUND PAPERS**

See Appendices A-G

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**Ref:** HRA Budget Report



## HOUSING REVENUE ACCOUNT BUDGET

### For Consideration by Cabinet 14 January 2025

	2025/26 Budget	2026/27 Forecast	2027/28 Forecast	2028/29 Forecast	2029/30 Forecast
	£	£	£	£	£
<b>INCOME</b>					
Rental Income - Council Housing	(16,920,000)	(17,477,300)	(18,041,200)	(17,998,400)	(18,557,100)
Rental Income - Other (Shops and Garages etc.)	(281,600)	(287,800)	(294,100)	(300,700)	(307,400)
Charges for Services & Facilities	(2,577,700)	(2,627,500)	(2,673,100)	(2,718,900)	(2,762,100)
Grant Income	(128,500)	(129,100)	(129,500)	(129,900)	(130,200)
Contributions from General Fund	(107,800)	(110,300)	(112,500)	(114,800)	(116,900)
<b>Total Income</b>	<b>(20,015,600)</b>	<b>(20,632,000)</b>	<b>(21,250,400)</b>	<b>(21,262,700)</b>	<b>(21,873,700)</b>
<b>EXPENDITURE</b>					
Repairs & Maintenance	6,595,800	6,694,300	6,833,800	6,934,000	7,062,300
Supervision & Management	5,915,200	5,349,300	5,414,300	5,518,500	5,642,000
Rents, Rates & Insurance	557,800	598,500	639,000	679,600	720,300
Contribution to Provision for Bad and Doubtful Debts	153,600	154,800	156,100	157,500	159,100
Depreciation & Impairment of Fixed Assets	4,774,700	4,774,700	4,774,700	4,774,700	4,774,700
Debt Management Costs	0	0	0	0	0
<b>Total Expenditure</b>	<b>17,997,100</b>	<b>17,571,600</b>	<b>17,817,900</b>	<b>18,064,300</b>	<b>18,358,400</b>
<b>NET COST OF HRA SERVICES</b>	<b>(2,018,500)</b>	<b>(3,060,400)</b>	<b>(3,432,500)</b>	<b>(3,198,400)</b>	<b>(3,515,300)</b>
(Gain)/Loss on disposal of non-current assets	0	0	0	0	0
Interest Payable & Similar Charges	1,607,900	1,568,200	1,528,200	1,487,800	1,447,200
Interest & Investment Income	(55,300)	(50,100)	(33,300)	(33,300)	(33,300)
Pensions Interest Costs & Expected Return on Pensions Assets	0	0	0	0	0
Capital Grants and Contributions Receivable	0	0	0	0	0
Premiums & Discounts from Earlier Debt Rescheduling	0	0	0	0	0
<b>(SURPLUS) / DEFICIT FOR THE YEAR</b>	<b>(465,900)</b>	<b>(1,542,300)</b>	<b>(1,937,600)</b>	<b>(1,743,900)</b>	<b>(2,101,400)</b>
Self Financing Debt Repayment	1,041,400	1,041,400	1,041,400	1,041,400	1,041,400
Net Charges made for Retirement Benefits	0	0	0	0	0
Adjustments to reverse out Notional Charges included above	0	0	0	0	0
Transfer to/(from) Earmarked Reserves - for Revenue Purposes	(660,800)	154,500	209,800	227,900	215,800
Capital Expenditure funded from Major Repairs Reserve	0	0	0	0	0
Transfer from Earmarked Reserves - for Capital Purposes	0	0	0	0	0
Financing of Capital Expenditure from Earmarked Reserves	0	0	0	0	0
<b>TOTAL (SURPLUS) / DEFICIT FOR THE YEAR</b>	<b>(85,300)</b>	<b>(346,400)</b>	<b>(686,400)</b>	<b>(474,600)</b>	<b>(844,200)</b>
Housing Revenue Account Balance brought forward	(130,100)	(215,400)	(561,800)	(1,248,200)	(1,722,800)
<b>HRA BALANCE CARRIED FORWARD</b>	<b>(215,400)</b>	<b>(561,800)</b>	<b>(1,248,200)</b>	<b>(1,722,800)</b>	<b>(2,567,000)</b>

Note: The shaded items relate directly to financing the capital programme, and comprise depreciation on Council Dwellings, grants and contributions, use of the Major Repairs Reserve and specific Earmarked Reserves.

## HOUSING REVENUE ACCOUNT VARIANCE ANALYSIS

	2025/26	
	£	£
<b>ORIGINAL BUDGET</b>		<b>0</b>
<b>EXPENDITURE</b>		
<b>Employees</b>		
Impact of National Insurance and other structure changes	<u>(53,500)</u>	<b>(53,500)</b>
<b>Premises</b>		
Repairs & Maintenance - net decrease in revenue repair costs due to reallocation of in-house team to capital works, additional works funded from Planned Maintenance reserves, and impact of National Insurance and other minor changes	240,200	
Energy - decrease in energy cost assumptions for general needs areas, largely rechargeable	47,200	
Council Tax - increased liability for long term void properties due to major voids and capital projects	(40,500)	
Premises Insurance recharges - revised estimate of premium relating to council house properties	<u>(27,300)</u>	
		<b>219,600</b>
<b>Supplies &amp; Services</b>		
ICT - reprofiling of housing management software purchase and implementation, funded from ICT & Systems Improvement reserve	<u>(438,900)</u>	<b>(438,900)</b>
<b>INCOME</b>		
Rents (Dwellings) - future years uplift now CPI + 1.0% (CPI at September 2024 1.7%)	100,700	
Service Charges Flats - net additional service charge income	<u>118,700</u>	
		<b>219,400</b>
<b>FINANCING</b>		
Increase in Depreciation Charge	<u>(449,000)</u>	<b>(449,000)</b>
<b>APPROPRIATIONS</b>		
Earmarked Reserves appropriations - reprofiling of contributions from ICT and Systems Improvement reserve for purchase and implementation of new housing management software, plus works to be funded from Planned Maintenance reserves	628,900	<b>628,900</b>
<b>Other Net Service Variances</b>		<b>36,300</b>
<b>IN YEAR VARIANCES</b>		<b>162,800</b>
<b>Previously Agreed Contribution (From) / To Unallocated Reserve</b>		<b>(77,500)</b>
<b>REVISED CONTRIBUTION (FROM) / TO UNALLOCATED RESERVE</b>		<b>85,300</b>

\*Variances shown as (adverse) / favourable



**Council Housing 10 Year Capital Programme  
For Consideration by Cabinet 14 January 2025**

	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	TOTAL
	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>EXPENDITURE</b>											
Adaptations	300	300	300	300	300	300	300	300	300	300	3,000
Energy Efficiency/Boiler Replacement	1,501	1,265	1,265	1,093	979	790	790	790	790	790	10,053
Internal Refurbishment	1,078	1,078	1,097	1,135	1,135	936	946	936	945	945	10,231
External Refurbishment	637	270	-	-	-	192	759	288	-	-	2,146
Environmental Improvements	500	260	260	110	110	140	140	140	140	140	1,940
Re-roofing/Window Renewals	595	527	1,024	1,423	744	686	-	1,256	1,288	1,288	8,831
Rewiring	88	88	90	90	90	88	90	88	90	90	892
Lift Replacements	-	-	-	-	-	-	-	-	-	-	-
Fire Precaution Works	210	150	150	180	180	180	180	180	180	180	1,770
Housing Renewal and Renovation	957	507	507	207	657	657	657	207	207	207	4,770
Acquisitions	250	-	-	-	-	-	-	-	-	-	250
<b>TOTAL EXPENDITURE</b>	<b>6,116</b>	<b>4,445</b>	<b>4,693</b>	<b>4,538</b>	<b>4,195</b>	<b>3,969</b>	<b>3,862</b>	<b>4,185</b>	<b>3,940</b>	<b>3,940</b>	<b>43,883</b>
<b>FINANCING</b>											
Capital Receipts	1,347	-	-	-	-	-	-	-	-	-	1,347
Contributions	-	-	-	-	-	-	-	-	-	-	-
Earmarked Reserves	-	-	-	-	-	30	30	30	30	30	150
Major Repairs Reserve	4,769	4,445	4,693	4,538	4,195	3,939	3,832	4,155	3,910	3,910	42,386
<b>TOTAL FINANCING</b>	<b>6,116</b>	<b>4,445</b>	<b>4,693</b>	<b>4,538</b>	<b>4,195</b>	<b>3,969</b>	<b>3,862</b>	<b>4,185</b>	<b>3,940</b>	<b>3,940</b>	<b>43,883</b>
<b>SHORTFALL/(SURPLUS)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**HOUSING REVENUE ACCOUNT CAPITAL PROGRAMME - KEY CHANGES**

	2025/26	2026/27	2027/28	2028/29	2029/30
	Estimate	Estimate	Estimate	Estimate	Estimate
<b>PREVIOUSLY APPROVED CAPITAL PROGRAMME</b>	<b>3,931</b>	<b>3,899</b>	<b>4,187</b>	<b>4,348</b>	<b>4,005</b>
<u>Adaptions</u>					
No change to programme					
<u>Energy Efficiency/Boiler Replacement</u>					
Boiler Renewal programme changes	+104				
Storage Heater programme introduction	+132				
Works funded by Social Housing Decarbonisation Fund grant	+246	+246	+246		
<u>Internal Refurbishment</u>					
Adjustments to kitchen programme	+190	+190	+150	+190	+190
<u>External Refurbishment</u>					
External Door and Window Replacement programme changes	+403				
<u>Environmental Improvements</u>					
Environmental Improvement programme changes	+350	+110	+110		
<u>Re-Roofing/Window Renewals</u>					
No change to programme					
<u>Rewiring</u>					
No change to programme					
<u>Lift Replacements</u>					
No change to programme					
<u>Fire Precaution Works</u>					
Smoke / Heat Detector programme changes	+60				
<u>Housing Renewal and Renovation</u>					
Renewals and Renovations	+300				
Property Conversions	+150				
<u>Acquisitions</u>					
Ad-hoc Acquisitions	+250				
Minor Variances	+0	+0	+0	+0	+0
<b>REVISED CAPITAL PROGRAMME</b>	<b>6,116</b>	<b>4,445</b>	<b>4,693</b>	<b>4,538</b>	<b>4,195</b>

**HOUSING REVENUE ACCOUNT - RESERVES AND PROVISIONS STATEMENT**  
**For Consideration by Cabinet 14 January 2025**

	Balance as at 31/03/24	Contributions			Balance as at 31/03/25	Contributions			Balance as at 31/03/26	Contributions			Balance as at 31/03/27	Contributions			Balance as at 31/03/28	Contributions			Balance as at 31/03/29	Contributions			Balance as at 31/03/30
		To the Reserve from Revenue	From the Reserve			To the Reserve from Revenue	From the Reserve			To the Reserve from Revenue	From the Reserve			To the Reserve from Revenue	From the Reserve			To the Reserve from Revenue	From the Reserve			To the Reserve from Revenue	From the Reserve		
		£	£	£		£	£	£		£	£	£		£	£	£		£	£	£		£	£	£	
HRA General Balances	750,000			(619,900)	130,100	85,300			215,400	346,400			561,800	686,400			1,248,200	474,600			1,722,800	844,200			2,567,000
<b>Earmarked Reserves:</b>																									
Business Support Reserve	581,923			(328,600)	253,323				253,323				253,323				253,323				253,323				253,323
Major Repairs Reserve	779,475	4,774,700	(5,103,900)		450,275	4,774,700	(4,774,700)		450,275	4,774,700	(4,450,700)		774,275	4,774,700	(4,698,700)		850,275	4,774,700	(4,543,700)		1,081,275	4,774,700	(4,200,700)		1,655,275
Flats - Planned Maintenance	404,527	33,000		(67,100)	370,427	33,000	(147,900)		255,527	33,000	(22,900)		265,627	33,000	(22,900)		275,727	33,000	(22,900)		285,827	33,000	(22,900)		295,927
ICT and Systems Improvement	974,205			(261,000)	713,205		(640,700)		72,505		(72,500)		5				5				5				5
Sheltered - Equipment	299,271	61,100		(98,800)	261,571	62,600	(75,100)		249,071	62,300	(16,800)		294,571	59,600	(23,400)		330,771	58,700	(1,600)		387,871	57,100	(7,400)		437,571
Sheltered - Planned Maintenance	284,087	122,100		(40,300)	365,887	125,000	(80,300)		410,587	124,400	(15,300)		519,687	119,200	(15,300)		623,587	117,300	(15,300)		725,587	114,200	(15,300)		824,487
Sheltered Support Grant Maintenance	279,467	61,100			340,567	62,600			403,167	62,300			465,467	59,600			525,067	58,700			583,767	57,100			640,867
<b>Total Earmarked Reserves</b>	<b>3,602,956</b>	<b>5,052,000</b>	<b>(5,103,900)</b>	<b>(795,800)</b>	<b>2,755,256</b>	<b>5,057,900</b>	<b>(4,774,700)</b>	<b>(944,000)</b>	<b>2,094,456</b>	<b>5,056,700</b>	<b>(4,450,700)</b>	<b>(127,500)</b>	<b>2,572,956</b>	<b>5,046,100</b>	<b>(4,698,700)</b>	<b>(61,600)</b>	<b>2,858,756</b>	<b>5,042,400</b>	<b>(4,543,700)</b>	<b>(39,800)</b>	<b>3,317,656</b>	<b>5,036,100</b>	<b>(4,200,700)</b>	<b>(45,600)</b>	<b>4,107,456</b>

**2025/26 BUDGET  
HOUSING REVENUE ACCOUNT – RISKS & ASSUMPTIONS  
FOR CONSIDERATION BY CABINET 14<sup>th</sup> January 2025**

Risk area	Details
Self-financing	<p>Under Part VI of the Local Government and Housing Act 1989 a local authority has a duty to keep a HRA as a ring-fenced account and has a duty to ensure that it does not go into deficit.</p> <p>To deliver this, robust business and financial planning arrangements are maintained, including the production of a 30-year business plan. Assumptions around factors such as rent setting and inflation factors are built into this.</p>
Cost of service delivery in current climate	<p>Ongoing risks exist in relation to external impacts on the cost of service delivery. The impact of inflation, for example, resulting in increased costs to the service through cost of materials, contracts, and other building costs; the volatility of energy costs, to both tenants and to the council; and pay increases and unknowns such as the recent changes to employers national insurance contributions.</p>
Rent Policy	<p>As a Registered Provider of Social Housing the Council adheres to the Regulator of Social Housing's 'Rent Standard'. Rents are set in line with the Government's 'Rent Statement'.</p> <p>2025/26 has seen the Government set out a continuation of the previous five years policy whereby CPI+1% is the maximum rent increase permissible. This policy is currently out for consultation, but within the Council's 30-year business plan it is currently assumed that CPI + 1% will be in place for 5 years, with 2% in subsequent years in line with corporate assumptions around inflation.</p> <p>It should be recognised that future government policy in this area can have a significant impact on rent and therefore income levels.</p> <p>Government guidance will be kept under review to ensure any future assumptions around rental income are accurately informing business planning.</p> <p>An internal audit is scheduled for the end of 2024/25 into 2025/26 to confirm rent setting process robustness.</p>
Income Recovery	<p>Rental income is the main income source for the housing service. The impact of tenant debt and reduced income (through rent and other housing-related charges) on business planning is recognized as a key risk to the delivery of housing services and the sustainability of financial planning.</p> <p>Wider cost-of-living issues such as increased energy costs create financial pressures for tenants and present a risk to assumed income. Income Management within the housing service is externally accredited by the Housing Quality Network (HQN) and delivers best practice across many areas of tenant debt.</p>

	<p>Void (empty home) levels create additional rent loss. Fast, efficient turnaround of void properties, to reduce void rent loss, remains a priority.</p> <p>Supportive, proactive, and data driven service delivery in this area continues to protect income streams and promote successful tenancies. This service area is monitored weekly to ensure the risk is managed, and is reported on as a corporate KPI.</p> <p>Recharges such as rechargeable repairs is being reviewed as a priority area of work through 2025/26 as well as effective schedule of rate setting for RMS to ensure appropriate cost recovery.</p>
Reduced demand	<p>Reduced demand for council housing within the district would pose a threat to rental income. Overall demand for all types of council housing stock is currently high, during 2024/25 a new system went live with c2,000 residents now registered for re-housing.</p> <p>The potential for 'difficult to let' schemes, areas, or property types to undermine demand is monitored, with strategic planning in place to mitigate any specific issues.</p>
Stock reduction	<p>The rate of Right to Buy (RTB) sales remains relatively low compared to historic levels of sales; the budget planning process had assumed 19 Right to Buy Sales per year, however recent government changes as outlined in the budget report are anticipated to reduce this figure to around 3 per year.</p> <p>Any sales lead to future projected rental income levels being reduced. As many costs are fixed, this results in an adverse impact on the revenue position. Recent government changes mean that the previously returned HM treasure share of RTB receipts can be retained for five-years to help support replenishment of our social housing with the balance being re-invested in housing stock through the capital programme.</p> <p>To offset the loss of homes through RTB the Council continue to explore avenues for development, delivering recent conversions of former scheme manager accommodation into one-bed units, delivery of a specialist adapted and older persons housing units, and scoping other sites and opportunities to realise a 'pipeline' of potential development.</p>
Additional capital requirements	<p>Legislation, changes in health and safety standards, or the discovery of previously unknown defects create the potential for additional capital expenditure requirements.</p> <p>In response to the Building Safety Act (2022) and Fire Safety Act (2021) a thorough review of all compliance (gas, electric, asbestos, legionella, lifts, fire, smoke and carbon monoxide detection) activities began during 2021/22. Increased capital and revenue investment continues to be committed to this area. The City Council is keeping abreast of anticipated forthcoming changes from Awaabs Law and a new Decent Homes standard.</p> <p>Commitment to a ten-year programme of energy efficiency improvements and upgrades across all housing stock remains in place, in response to the Council's declared climate emergency, where possible match funding requests with government have been successful / submitted.</p> <p>Asset management planning remains vital to identify the investment needs across all housing stock and inform the programmes. Much of the City Council's stock is ageing which poses further risk. All requirements to maintain stock decency are reflected in the 30-year HRA Business Plan.</p>

	<p>Completion of a full stock condition survey informs asset management planning moving forward – currently at 86% completion.</p> <p>For future development works to provide new affordable homes, including Mainway and Canal Quarter, project work remains ongoing to define the options available. To deliver these projects will likely require borrowing against the HRA and will be subject to the council decision-making process.</p>
Service Resilience	<p>A number of external factors (pandemic, weather events, etc) remain as financial and practical risks to delivery of the housing service. The service participates actively in the Council’s resilience activities and planning and has developed robust processes to mitigate such risk.</p> <p>Provision and maintenance of IT represents an additional risk to service resilience. Support and maintenance of current IT infrastructure to deliver current systems remains a risk. Recent upgrades, along with in-house training around infrastructure, currently mitigate this risk.</p> <p>Delivery of a reserve-funded multi-year full IT replacement project is underway with completion of phase 1 planned for Spring 2026.</p>
Effect of legislation/ regulation	<p>Implications of new (or changes to existing) legislation / regulation can present challenges and are monitored and reflected in service review and improvement planning.</p> <p>The Social Housing Regulation Act 2023, the refresh of associated regulatory standards, and the increased scope of the Housing Ombudsman Service represent the most significant overhaul of the social housing sector for over a decade.</p> <p>New powers granted to the Regulator of Social Housing demand a greater tenant focus within service delivery, with particular focus on the security, safety and condition of social homes and the ability of residents to meaningfully influence service delivery and decision making.</p> <p>From April 2024 the regulator has embarked on a programme of ‘Ofsted-style’ inspections for social housing providers.</p> <p>The new regulation raises the required standards within social housing and create the conditions for significant practical and reputational risk. Since 2021/22 the HRA budget has incorporated costs in response to this, investment in compliance work being chief among them, and continues to be responsive to the requirements of the Social Housing Regulation Act and associated guidance through operational service delivery and strategic action planning.</p>

Future Developments	The City Council continues to have ambitions for the development of its own new affordable / social rented homes, which it is seeking to progress. Developments will be subject to the council's decision-making process and are referenced in the 'Additional Capital Requirements' section above.
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# Equality Impact Assessment

This **online** equality impact assessment should:

An equality impact assessment should take place when considering doing something in a new way. Please submit your completed EIA as an appendix to your committee report. Please remember that this will be a public document – do not use jargon or abbreviations.

**Service**

**Title of policy, service, function, project or strategy**

**Type of policy, service, function, project or strategy:** Existing  New/Proposed

**Lead Officer**

**People involved with completing the EIA**

## Step 1.1: Make sure you have clear aims and objectives

Q1. What is the aim of your policy, service, function, project or strategy?

To set council housing rents in line with current regulation, and in order to complete the HRA budgeting process which sets out ambitions for the housing service over the short and medium term. The proposed rent increase for 2025/26 is 2.7% (CPI + 1% - in line with Government rent setting policy)

Q2.

Who is intended to benefit? Who will it have a detrimental effect on and how?

The setting of council housing rents, and the budgeting process which derives from it, affects council tenants and other residents within the district. The aims of the housing service involve tenancy, estate, and asset management, but also an investment in communities and neighbourhoods and the delivery of social value. Prudent rent setting underpins this. The potential for a detrimental impact exists as an increase in rent will put pressure on those individuals in, or at risk of, financial hardship, particularly in the context of current widely understood cost-of-living pressures. It should be noted that rent levels (set at 'social rent') will remain well below both market rent and 'affordable rent' (80% of market) and well below the Local Housing Allowance (LHA) level for the district: the LHA is the maximum amount payable through Housing Benefit or the housing element of Universal Credit. Where tenants are at risk of detriment the Council's in-house Income Management Team takes a pro active, supportive approach to preventing rent arrears and promoting financial inclusion through money advice, referrals for support, and assistance in maximising income (through benefit claims, or advice on management of other debts, for example). The Income Management Team is Housing Quality Network (HQN) accredited and delivers a best practice approach in this area. The team also works closely with internal colleagues and external partner organisations to support tenants and tenancy success generally: internally the Housing Support Team, the Energy Support Officer and the Independent Living Team provide dedicated support to those who need it.

## Step 1.2: Collecting your information

Q3. Using existing data (if available) and thinking about each group below, does, or could, the policy, service, function, project or strategy have a negative impact on the groups below?



# Equality Impact Assessment

Group	Negative	Positive/No Impact	Unclear
Age	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Disability	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Faith, religion or belief	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Gender including marriage, pregnancy and maternity	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Gender reassignment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Race	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Sexual orientation including civic partnerships	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Other socially excluded groups such as carers, areas of deprivation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Rural communities	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

## Step 1.3 – Is there a need to consult!

Q4. Who have you consulted with? If you haven't consulted yet please list who you are going to consult with? Please give examples of how you have or are going to consult with specific groups of communities

Consultation to follow with Tenant Voice, and Council Housing Advisory Group - details and outcomes to be confirmed

## Step 1.4 – Assessing the impact

Q5. Using the existing data and the assessment in questions 3 what does it tell you, is there an impact on some groups in the community?

**Age:** No significant impact directly related to this group

**Disability:** No significant impact directly related to this group

**Faith, Religion or Belief:** No significant impact directly related to this group

**Gender including Marriage, Pregnancy and Maternity:** No significant impact directly related to this group

**Gender Reassignment:** No significant impact directly related to this group

**Race:** No significant impact directly related to this group

**Sexual Orientation including Civic Partnership:** No significant impact directly related to this group

**Rural Communities:** No significant impact directly related to this group

## Step 1.5 – What are the differences?

Q6. If you are either directly or indirectly discriminating, how are you going to change this or mitigate the negative impact?

No areas of discrimination based on protected characteristics have been identified. Individuals in challenging financial circumstances are at risk of indirect discrimination as outlined in Q2 above, but this is not linked to any specific characteristics outlined in Q5 above. Mitigation of this risk is outlined in Q2: tenancy health checks, and monitoring of rent accounts and related financial circumstances of tenants will allow a support and assistance to be provided as required.

Q7.  
Do  
you

need any more information/evidence eg statistic, consultation. If so how do you plan to address this?

2

# Equality Impact Assessment

No

## Step 1.6 – Make a recommendation based on steps 1.1 to 1.5

Q8. If you are in a position to make a recommendation to change or introduce the policy, service, function, project or strategy, clearly show how it was decided on.

The Equality Impact Assessment concludes no adverse impact on individuals on the basis of a protected characteristic as above. However, it is noted that all individuals and groups, regardless of protected characteristics, may be adversely impacted by a rent increase. As per Q2, above, where individuals are adversely affected there is mitigation in place.

Q9.  
If

you are not in a position to go ahead, what actions are you going to take?

N/a

Q10. Where necessary, how do you plan to monitor the impact and effectiveness of this change or decision?

Continuous weekly monitoring of rent accounts takes place to highlight areas of negative impact. A programme of pre-tenancy assessment, tenancy health checks, tenancy audits, advice, and support is in place to identify those at risk of detriment prior to tenancy commencement.

<b>CABINET</b>
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## Reporting in of Urgent Officer Decision 14 January 2024

### Report of Chief Officer Governance

PURPOSE OF REPORT			
To advise Members of actions taken by the Chief Executive, in consultation with the Chair of the Overview and Scrutiny Committee.			
<b>Key Decision</b>	<input type="checkbox"/>	<b>Non-Key Decision</b>	<b>Referral from Officers</b> <span style="float: right; font-weight: normal;">X</span>
<b>Date of notice of forthcoming key decision</b>	n/a		
<b>This report is public</b>			

#### RECOMMENDATION

- (1) That the action taken by the Chief Executive, in consultation with the Chair of the Overview and Scrutiny Committee in accordance with the Scheme of Delegation, in respect of the following, be noted:

**To approve the Workwell Vanguard and accept the allocation of funding as a matter of urgency.**

#### 1.0 Introduction

- 1.1 On 25 November 2024 an Urgent Business Decision taken by the Chief Executive was published with regard to Workwell. The decision was taken after the publication of the Cabinet agenda and was therefore not reported into December Cabinet and in accordance with the constitution is now being reported into January's Cabinet.

#### 2.0 Proposal Details

- 2.1 The decision was for the authority to accept £589,894 allocated from the Lancashire and South Cumbria Integrated Care Board (LSCICB) as a result of a successful bid to the Department for Work and Pensions (DWP) and the Department for Health and Social Care (DHSC) to be a WorkWell Partnership Programme (WWPP) Vanguard. This would enable the creation of a multi-disciplinary team (MDTs) to support residents who were in employment and have health conditions to remain in the workplace and support residents with health conditions who were looking to move into employment.

- 2.2 The decision was taken in accordance with Matters of Urgency – Delegations to the Chief Executive and the Chief Executive (in consultation with the Chair of the Overview and Scrutiny Committee) agreed to waive call-in in accordance with the Overview and Scrutiny Committee Procedure Rule 17(a).

The reason for the urgency was that the Vanguard had started on 1<sup>st</sup> October 2024 and there had been delays in the mobilisation of the project. There was concern that any further delays might put the project at risk. Further details are provided in the Urgent Business report which can be accessed [here](#)

**3.0 Conclusion**

The decision taken by the Chief Executive is being reported to this meeting in accordance with the City Council’s Constitution, Delegation to the Chief Executive – Matters of Urgency.

<b>RELATIONSHIP TO POLICY FRAMEWORK</b>	
As set out in the Urgent Decision Notice UB137	
<b>CONCLUSION OF IMPACT ASSESSMENT (including Health &amp; Safety, Equality &amp; Diversity, Human Rights, Community Safety, HR, Sustainability and Rural Proofing)</b>	
As set out in the Urgent Decision Notice UB137	
<b>LEGAL IMPLICATIONS</b>	
As set out in the Urgent Decision Notice UB137	
<b>FINANCIAL IMPLICATIONS</b>	
As set out in the Urgent Decision Notice UB137	
<b>OTHER RESOURCE IMPLICATIONS</b>	
As set out in the Urgent Decision Notice UB137	
<b>SECTION 151 OFFICER’S COMMENTS</b>	
The 151 Officer has been consulted and has no further comments	
<b>MONITORING OFFICER’S COMMENTS</b>	
The report is in the name of the Monitoring Officer.	
<b>BACKGROUND PAPERS</b>	<b>Contact Officer:</b> Liz Bateson Telephone 01524 582047 Email <a href="mailto:ebateson@lancaster.gov.uk">ebateson@lancaster.gov.uk</a>